aberdeen

Growing in Wealth, Repositioning Investments

abrdn plc Annual report and accounts 2024

Our purpose

To enable our clients to be better investors.

Our ambition

To be the UK's leading Wealth & Investments group:

- Fast growing direct and advised wealth platforms.
- A specialist asset manager with strength in areas of market growth.
- Driven by excellent client service, technology and talent.

This Annual report and accounts 2024 for abrdn plc, and the Strategic report and financial highlights 2024 are published on our website at **www.abrdn.com/annualreport**

APM Certain measures such as adjusted operating profit, adjusted profit before tax, adjusted capital generation and net capital generation, are not defined under International Financial Reporting Standards (IFRS) and are therefore termed alternative performance measures (APMs). APMs should be read together with the Group's consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows, which are presented in the Group financial statements section of this report. Further details on APMs are included in Supplementary information.

See Supplementary information for details on assets under management and administration (AUMA), net flows and the investment performance calculation. Net flows on the highlights page excludes liquidity flows as these are volatile and lower margin.

Highlights

Adjusted operating profit APM

£255m

2023: £249m

IFRS profit/(loss) before tax

£251m

2023: £(6)m

Full year dividend per share

14.6p

2023: 14.6p

Investment performance[1]
(% of AUM performing)

1 year	3 years
77%	**60%**
2023: 55%	2023: 51%

Net flows (excluding liquidity)

£6.1bn outflow

2023: £13.9bn outflow

MSCI ESG rating

AA

2023: AA

Contents

This symbol indicates further information is available within this document or on our corporate website.

Download this report from: www.abrdn.com/annualreport

1. The scope of the investment performance calculation has been extended to cover all funds that aim to track or outperform a benchmark, with certain assets excluded where this measure of performance is not appropriate or expected. 2023 comparatives have been restated. Further details about the calculation of investment performance and the change in scope are included in the Supplementary information section.

We are a Wealth & Investments group

UK savings and wealth platforms

Specialist asset management

interactive investor (ii)

As the UK's second-largest direct-to-consumer investment platform by AUA and number one by net flows[1], ii offers a self-directed investing and trading platform that enables individuals in the UK to plan, save and invest in the way that works for them.

Our clients:

Individuals that are:
- Lower confidence investors
- Self-directed investors
- Active/expert investors

Adjusted operating profit
£116m (2023: £114m)

AUMA
£77.5bn (2023: £66.0bn)

Cost/income ratio
58% (2023: 60%)

Adviser

Our Adviser business, the UK's second-largest advised platform by AUA[2], provides financial planning solutions and technology for UK financial advisers which enables them to create value for their businesses and their clients.

Our clients:

- Financial advisers

Adjusted operating profit
£126m (2023: £118m)

AUMA
£75.2bn (2023: £73.5bn)

Cost/income ratio
47% (2023: 47%)

Investments

Our capabilities in our investments business are built on the strength of our insight – generated from wide-ranging research, worldwide investment expertise and local market knowledge.

Our clients:

- Insurance companies
- Sovereign wealth funds
- Independent wealth managers
- Individuals
- Pension funds
- Platforms
- Banks
- Family offices

Adjusted operating profit
£61m (2023: £50m)

AUM
£369.7bn (2023: £366.7bn)

Cost/income ratio
92% (2023: 94%)

Read more about our three businesses on pages 24 to 41.
Overall performance summary is included on page 76.

1. Source: Fundscape, Direct Matters Q4 2024 report.
2. Source: Fundscape, The Platform Report Q3 2024. Excludes Curtis Banks AUA.

Well-positioned for market growth opportunities

We connect investors to the expertise, tools, and solutions they need to grow and manage their wealth with confidence.

Across our businesses, we focus on providing leading platforms, specialist investments, and long-term value — unlocking opportunities and outcomes that matter.

Market opportunities	Business	Size of opportunity	Where we can win
Intergenerational wealth transfer	interactive investor (ii), Adviser	UK: Transfer of c. £5.5tn expected over the next 25 years[1]	Dynamic retirement solutions
Increasing personal responsibility for savings	interactive investor (ii), Adviser	UK: 35% of adults (19.1m) hold investments, up 6 ppts from 2018[2]	Direct and advised investing
Growing savings & advice gap	interactive investor (ii), Adviser, Investments	UK: 'Savings and advice gap' of over 20 million people[3]	Affordable, tailored guidance and execution. Increasing advisers' capacity. Managed solutions
More complex client needs & outcomes	interactive investor (ii), Adviser, Investments	11% p.a. growth of public market active specialties[4]	Customised services and products. Higher value specialist active strategies
Growing Private Markets demand with increasing accessibility	Investments	10% p.a. growth[5]	Existing scale, new products and growth in new channels
Ongoing energy transition	Investments	11% p.a. growth in investment in low-carbon energy transition[6]	Real Assets and sustainability

interactive investor (ii) **Adviser** **Investments**

Note: All opportunities are global unless otherwise stated.
Source: [1] Kings Court Trust. [2] Platforum. [3] Boring Money and Yorkshire Building Society. [4] Broadridge. [5] BCG. [6] Bloomberg.

Our strategic priorities

A clear roadmap focusing on three key strategic priorities to drive improved performance

Transform performance

- Drive sustainable, profitable growth.
- Deliver a significant uplift in efficiency and profitability in Investments.
- Improve net capital generation to support shareholder returns.

Read more on pages 6-7.

Improve client experience

- Win in UK wealth and with UK & international investment clients through continued focus on meeting customer needs.
- Maintain focus on improving investment performance.
- Continue to innovate and simplify.

Read more on pages 8-9.

Strengthen talent and culture

- Attract and retain the best people.
- Engage and motivate our colleagues.
- Streamline decision-making driven by the new Group Operating Committee.

Read more on pages 10-11.

Our strategic priorities will play a key role in delivering on our new targets:

Group

FY26
Adjusted operating profit
>£300m

FY26
Net capital generation
c.£300m

interactive investor

Sustain efficient growth by building on our differentiated proposition and investing in the ii brand.

FY26

Customer growth
8% p.a.

Cost/AUMA ratio[1]
<20bps

Adviser

Return to net inflows by enhancing our proposition and delivering leading client service.

FY26

Net promoter score[2]
>40

Net inflows
>£1bn

Investments

Step change in profitability by repositioning to areas of strength and opportunity, and driving improved efficiency.

FY26

Investment performance (3-years)
>70%

Adjusted operating profit
>£100m

See page 70 for further details on the FY 2026 targets.

1. The cost/AUMA ratio is calculated as annualised adjusted operating expenses divided by monthly average AUMA.
2. Average NPS for FY 2026.

Transform performance

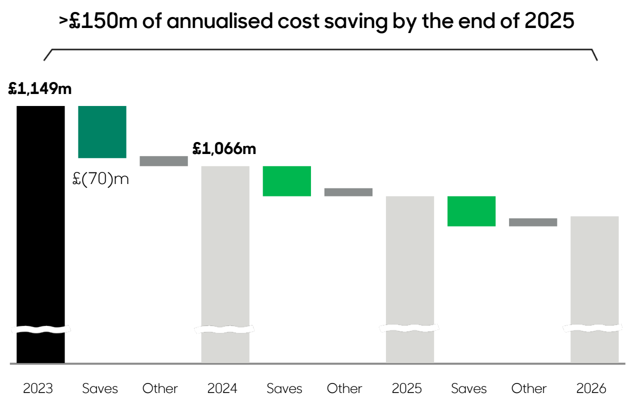
We are driving transformation across the Group to improve efficiency and deliver valued outcomes for all of our stakeholders.

Transforming to improve efficiency and profitability

In January 2024, we announced our cost transformation programme to deliver increased efficiency across the Group. Over the financial year, we delivered annualised cost savings of over £100m and aim to deliver at least £150m of annualised cost savings by the end of 2025. Our results show that we are already beginning to deliver performance improvements, although we have more work to do in Investments, which is the programme's main focus.

Each business has focused on transforming its performance. In 2024, interactive investor delivered 8% customer growth supported by growth in its market-leading SIPP. While Adviser saw increased net outflows compared to 2023, we have seen early signs of positive momentum through the launch of new solutions, a revised pricing model and improvements in service. Investments has seen a significant improvement in its net outflow position (+£15bn vs 2023) and delivered £84m of annualised cost savings.

Strong track record of delivering cost efficiencies



Driving performance improvements across our businesses

Investments has seen an improvement in profitability and overall net flow position which the business can build on. Further progress will be driven by focusing on strengths, improvements in investment performance, and enhancements to the operating model.

Adviser is seeking to deliver a step-change in performance and improve client service to provide a consistently excellent level of service to clients, which will be critical to return the business to growth.

> "We remain focused on executing our transformation plan, which is essential to driving sustainable profitability across the Group."

Ian Jenkins, Interim Chief Financial Officer

interactive investor's customer numbers continue to rise steadily. Our passion for serving our customers, our focus on continuous improvement, and our desire to grow market share have delivered impressive results, which leaves the business well-placed for further growth.

2025 focus

In 2025, we have appointed Richard Wilson as new Group Chief Operating Officer who will drive long-term benefits from our Transformation programme. Our focus will be on further efforts to streamline the business, e.g. Investment operating model enhancements, technology and operational process efficiency improvements and functional support model enhancements. We will also focus on supporting future growth. This includes investing in our people, talent and culture; improving our use of technology and AI; and enhancing our business controls.

Improve client experience

We put our clients at the heart of everything we do. We aim to provide an exceptional client experience by delivering the outcomes they seek and exceeding their expectations.

Progress in 2024

Understanding the needs of our clients is key to our ability to deliver on their expectations both in terms of required outcomes and our service proposition.

interactive investor

interactive investor has focused on expanding its products and proposition to deliver a great experience and outcomes for clients. In 2024, we launched our first managed portfolio service (Managed ISA) for less confident investors and ii Community, a social platform for customers to discuss their investment strategies and support each other's decision-making. We implemented a new platform and design for the public website to create a modern, welcoming experience for existing customers and prospects. These enhancements supported a seven-point improvement for the website's Net Promoter Score (NPS) score. We also enhanced in-app experience, including cash transfers, account administration and referral programmes.

Adviser

Improving client service is a priority for the business. In 2024, we saw an 18-point improvement in our NPS. This was thanks to extensive improvements we made to our platform and processes. Notably, we increased data processing automation by ensuring only complete requests are processed, improving overall turnaround times. We increased the use of digital signatures and smart forms with embedded validation and routing. We also enhanced communication on service-level expectations for consistent client understanding. While we have made progress, we intend to build on this in 2025 through ongoing service improvements.

Investments

A priority for 2024 was to improve investment performance to deliver better client outcomes. Through the ongoing delivery of our extensive performance improvement plan we are now starting to see a difference in performance. Over one year, 77% of our AUM performed (2023: 55%) and 60% performed over three years (2023: 51%). We also sought to clarify our brand identity by defining ourselves as a specialist asset manager that focuses on areas of strength and growth, e.g. Credit, Specialist Equities and Real Assets. Alongside these improvements, the business delivered a range of client service enhancements. For example, we upgraded our investment reporting proposition to deliver gains in efficiency and lead times; and we improved clients' digital experiences through improvements to our in-house client portal.

"Improving client experience is fundamental to our success each year. While we are proud of the service we provide, we know there is more to do. We are focused on continuously improving our ability to meet and exceed clients' expectations."

Jason Windsor, Chief Executive Officer

interactive investor +40	Net Promoter Score average for the website for 2024 reflecting good customer experience.
Adviser +34	Net Promoter Score average for 2024. An 18-point improvement from 2023.
Investments 7.6	Our "Voice of the Client" score remained stable at 7.6/10, reflecting an ongoing commitment to client service.

2025 focus

We will continue improving client experience across each business. Below, we highlight examples of our focus areas in 2025.

interactive investor

- Expand our solutions for lower-confidence investors through a Managed SIPP product, launch a trading solution (ii 360) for more advanced users and rollout of ii advice – a digital advice solution.

Adviser

- Embed new client service team to drive forward service proposition and improve service timings.
- Maintain investment in the platform to automate and improve processes, integrating further with third parties across the advice ecosystem to increase adviser capacity.

Investments

- Drive investment performance improvements by investing in the right people, processes and technology.

Strengthen talent and culture

A strong culture with high-quality, engaged talent is fundamental to our long-term success. We continue to invest in our people to help build the foundations for sustainable growth.

Our cultural commitments

We have four commitments that serve as the foundation of our culture: we put the client first, we are empowered, we are ambitious and we are transparent. We engage colleagues around these commitments to ensure they are embedded in our organisational structure, processes and decision-making.

Progress in 2024

In 2024, we launched a new career framework to give all employees a clear understanding of their roles and career levels, and to enable them to plan their future careers. We also cascaded detailed scorecards through each business, with ultimate accountability at the executive level, mapping back to individual objectives and goals to ensure people feel more connected to the Group's success.

We also embedded new talent and leadership across the organisation with changes and hires, including a new Group CEO in Jason Windsor, additional Group COO responsibilities for Richard Wilson, new leadership of Investments in Xavier Meyer, a new CTO in Investments, and a number of leadership changes in our Adviser business. In February 2025, we also announced the appointment of Siobhan Boylan as Chief Financial Officer (CFO), subject to regulatory approval.

While we still have room for further improvement, our employee sentiment has continued to increase, with engagement scores now at 57% (2023: 54%). Meanwhile, our talent development remained strong with average learning hours increasing on average by four hours per person. Through diversity, equity and inclusion work, we continue to oversee and drive progress allowing all our talent to thrive. Read more on pages 49-52).

"I am proud of the strides we are making to develop our talent and culture. We remain focused on establishing an even more engaged business as part of our mission to deliver great outcomes for clients and customers."

Tracey Hahn – Chief People Officer

2024 outcomes

57%

Employee engagement score (2023: 54%)

40%

Female representation at senior leadership (2023: 34%)

2025 focus

In 2025, we are aiming for continued improvements in our talent and culture processes, targeting an improved employee engagement score of 60%.

Each business is fully focused on developing strong, motivated teams and ensuring clear career progression and growth opportunities are available for our people.

A business with consistent standards supporting all colleagues

Our talent and culture priorities	Examples of our progress	Target outcomes
Embed best-in-class leadership	– Refreshed Group leadership team. – Strengthened Adviser leadership team.	– Confidence in our leaders. – Aligned focus on clients.
Improve our operating model	– New, smaller Group Operating Committee, driving pace of decisions. – Broadened Executive Leadership Team with greater client expertise.	– Increased speed of execution. – Greater proximity to business.
Invest in our people	– New career framework launched. – Extra four learning hours per person.	– Attract and retain the best people. – Better performing teams.
Evolve our culture	– Improved colleague engagement score of 57% (2023: 54%). – Scorecards to track execution.	– Robust performance management. – Increased innovation and efficiency.

Strong foundations for growth

Sir Douglas Flint
Chair

2024 marked a further year of transition, during which good progress was made in returning abrdn to a position from which it can grow sustainably and deliver the profitability required by our shareholders and offer the career opportunities and recognition our colleagues seek.

Our transition is based upon building profitability in all three of our Wealth and Investment businesses, each of which has good potential for growth, with each at a different stage of development. The Board's principal accountability is to ensure the disciplined allocation of capital to where it can deliver the best long-term outcomes for all stakeholders and to release or redeploy capital where it underperforms its required returns; the Board takes this accountability extremely seriously.

Performance in 2024

We entered the year with an ambitious plan to invest to simplify our profile and address an uncompetitive cost/income ratio. I am pleased to report we surpassed the cost reduction targets we announced at the beginning of 2024. Most of this was achieved within the operations, technology and functional areas within the Investments business and we are on track to meet the £150m cost improvement target we set by the end of this year. We continued to rationalise non-core activities, including disposing of our European-based private equity business and majority disposal of Focus Business Solutions, a software product and services business and expect to take further steps to simplify our business.

But resumption of profit growth cannot be achieved through cost reduction alone, although that is essential both to fund the reshaping of our businesses, where that is needed, and to support growth in our fast-growing segments.

Our leading D2C platform business, interactive investor (ii), delivered excellent results and is our main engine of growth opportunity, fully justifying the confidence we had in its business model on acquisition in 2022. We committed additional funding to build its brand recognition and expand its customer numbers organically. That investment was rewarded with ii close to doubling its net inflows in the year, attracting the largest share of net flow in its market with excellent penetration of SIPP accounts.

Our Adviser platform business remained our most profitable business yet suffered a further year of disappointing net outflows which we are taking steps to reverse. During the year we refreshed the leadership of the business, added resource to improve customer experience and adjusted our pricing to improve our competitive positioning, all with the objective of returning to net positive flows as soon as possible.

Our Investments business made progress in 2024 with net outflows considerably lower and profits ahead of the prior year. We achieved this first by committing to and executing successfully a cost reduction programme that targeted areas where we were out of line with best-in-class peers and where fully costed service delivery was no longer covered by projected revenues. Considerable attention was directed to reshaping the Investments business without impacting client interface and service, with most of the cost reduction achieved in 2024 targeted in support and operations areas. We simplified the leadership structure to streamline decision making and implemented process improvement plans across the entirety of the Investments business.

The business mix we have today reflects the significant repositioning of the company over the last six years to a modern and digitally-focused Wealth & Investments group.

Jason Windsor in his Chief Executive Officer's review will amplify the key elements of performance in 2024, clarify the strategic priorities of each of our businesses and introduce the new name of the Company approved by the Board, aberdeen group plc.

Investment environment and trends

For all of our businesses, the investment environment is important as it impacts the risk appetite and allocation decisions of our clients and customers. Market conditions in 2024 were mixed. Investor appetite fuelled continuation of the long period of concentration of asset allocation towards the vibrant US economy and within it the largest US technology related companies while interest in Asia and emerging markets was muted. China's slower than hoped for economic recovery post-pandemic cast a shadow over investor appetite for Asian exposure which was detrimental to us given our long heritage of investing in that region. Pressure on traditional asset manager revenues reflected further growth in the market share of passive strategies versus active. In the UK, flows out of equity products also reflected continuing decumulation from UK defined benefit pension schemes, now in run-off, that were historically the bedrock of asset gathering for UK-based asset managers.

These trends are leading to shifts in the focus and shape of traditional asset management businesses. Notably, as concerns have grown over the sustainability of the valuation levels to which public equity markets in the US have reached, interest in gaining greater access to private market assets has expanded markedly. In European public markets, we are now seeing emerging consolidation among the largest asset managers to address their cost and distribution challenges, a trend that we and market commentators expect to continue.

Board matters

Most significantly, during 2024, we completed an orderly succession in the leadership of the firm. Stephen Bird handed over the reins to Jason Windsor in May last year, with Jason being appointed as CEO in September of that year, following a thorough, externally supported, process. I am pleased to report that Jason has made a strong start as CEO, impressing both clients and colleagues with his commitment to prioritising service delivery focused on enabling our clients to meet their investment objectives. Once again, I would like to place on record our thanks to Stephen for his leadership as CEO through what was a very turbulent period.

In other Board changes we welcomed Katie Bickerstaffe and Vivek Ahuja to the Board with effect from 1 October last year. Katie brings considerable retail and consumer experience as well as proficiency in delivering business transformation and digital business change programs. Her career included spells at Unilever, Pepsico, Dyson and Marks & Spencer from where she retired in July last year as co-CEO. Vivek has over thirty years' experience in international financial services notably with Standard Chartered plc where he was Deputy CFO and in his non-executive career, Vivek chaired the risk committee at NatWest Markets.

These appointments followed the departure of Catherine Bradley from the abrdn plc Board at last year's AGM to concentrate her service to the Group as Chair of ii. In December we announced that, as a consequence of her appointment as Chief Financial Officer and an Executive Director of HSBC Holdings plc, Pam Kaur will not seek re-election at the forthcoming AGM. We are disappointed to lose Pam's input but are delighted by her appointment to such an important role.

Finally, we were delighted to announce on 28 February that Siobhan Boylan will be joining the Company as Chief Financial Officer and an Executive Director, subject to regulatory approval. Siobhan is expected to join the Company in the summer.

Siobhan is an accomplished CFO who brings over thirty years' experience and significant knowledge from across the financial services sector. She is currently CFO of Coutts & Co, the private banking arm of the NatWest Group, and will step down from her role as an independent non-executive director of Jupiter Fund Management prior to joining the Company.

Prior to Coutts & Co, Siobhan was CFO of wealth manager Brewin Dolphin , CFO of the asset management subsidiary of Legal & General, LGIM, and held various senior finance roles at Aviva plc.

The appointment of Siobhan completes the line-up of the Executive Leadership Team assembled by Jason to build on the solid foundations for growth he describes in his report.

Once these changes take place, the Board will comprise two executive directors, seven non-executive directors and the Chairman.

With a Board refresh also completed last year, it is now an appropriate time to commence the search for my own successor as Chair and Jonathan Asquith as Senior Independent Director will lead this process, starting immediately. I will be working closely with Jonathan and Jason to ensure a smooth handover when the time comes.

Finally, the Board is recommending a final dividend of 7.3p per share taking the total for the year to 14.6p per share, identical to the prior year. The proposed final dividend will be put to shareholders at the upcoming AGM. The full-year dividend was 92% covered by net capital generation in the year.

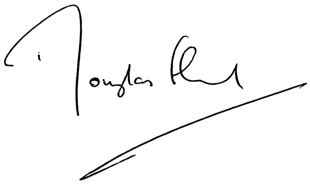
Looking forward

As we entered 2025, two words dominated commentators' perspectives on the year ahead – 'uncertainty and disruption'. We have already seen the first major surprise given the market turmoil following the launch of the Chinese AI App 'DeepSeek' in late January. More broadly we are entering a period where globalisation and multilateralism are being challenged as never before, where protectionism and nationalism are being advanced under many guises – supply chain resilience, security of supply, national security considerations, and attempts to address persistent economic imbalances through tariffs. On top of this, the geopolitical and fiscal challenges brought about by a lower growth global economy, the pause in appreciation of living standards in much of the world, unplanned migration, demographic ageing and its impact on health and social care systems, climate change preparation and continuing major military conflicts – all have to be taken into account when designing investment strategies to protect and grow the savings entrusted to us. Our research-based experience and skill in constructing portfolios to meet investment goals through active management gives us the agility to respond to changing economic circumstances and risk preferences. We do this through accessing selectively the wide range of asset classes we manage, which places us in an excellent position to meet the requirements of both our institutional and retail wealth clients.

This latter customer segment is increasingly important to us, especially as around the world greater emphasis is being given to placing responsibility on the individual to plan and save for lifetime events and in particular retirement. We welcome steps being taken in the UK to build a retail investment culture through simplifying the regulation around advisory services and introducing the concept of 'targeted support' to facilitate broader access to investment services through helping consumers to make informed decisions. We also welcome the greater regulatory emphasis now being permitted on 'value' versus 'cost' when assessing suitability of investment products. This follows on from the encouragement now being given to our regulators to accept that a higher tolerance of risk in investment outcomes is necessary to enhance returns over the long term and thereby attract investment to asset classes such as infrastructure that will create the future we aspire to build for future generations. If we had an ask to facilitate further encouragement to the creation of an equity culture, we would join others in noting that the stamp duty tax on share purchases in the UK is higher than in many other countries, many of whom indeed do not have such a levy, and that this acts as a disincentive to investment in UK listed versus overseas shares. In a globalised investment world competing for capital this is a significant disadvantage.

All major economies today seek growth to fund the fiscal and societal challenges facing them; and sustainable growth requires investment to build the infrastructure, the skill base and the innovation that will deliver such growth. We have a major responsibility to harness the investing skills within our Investments business to allocate capital to make this a reality and to facilitate access to such investment products as widely as possible through our distribution channels in a cost effective and risk transparent way.

The coming year will offer both opportunities and challenges for all the reasons noted above but we now have a sound base from which to grow and are well down the road of redesigning our businesses to be even more relevant to the customer segments we serve. We owe our colleagues a huge debt of gratitude for all their efforts to build this position and we look forward to updating shareholders on progress as the year develops.



Sir Douglas Flint
Chair

Photo credit: Kimmo Iso-Tuisku
abrdn core infrastructure investments in district heating, Finland and biomethane platform, Italy

Growing in Wealth, Repositioning Investments

Jason Windsor
Chief Executive Officer

I was delighted to be appointed as CEO of the Group in September, and stepped into this role with a sense of determination and optimism about the challenges and opportunities ahead.

Since taking the role, the depth of talent, and the commitment to our clients and customers, has shone through. We are working hard to deliver better outcomes for all of our stakeholders, and I would like to thank our clients, colleagues and shareholders for their support.

In 2024, we reported adjusted operating profit of £255m (2023: £249m), with all three businesses contributing higher profits than last year. This was driven by cost discipline, better markets and a strong performance by interactive investor.

The reasons for my optimism are clear. First, the performance in 2024 has strengthened our foundations with significant headroom for growth. As we move through 2025 and beyond, we are well positioned as a Wealth & Investments group with two leading businesses in the fast-growing UK Wealth sector, alongside a specialist asset management business that is repositioning its focus on its strengths and where it sees opportunities to drive growth globally. This is underpinned by a commitment to continuous improvements in efficiency, technology and talent.

We intend to deliver through a relentless focus on execution, with clarified accountabilities measured by extended KPIs. Across the Group, we are already driving improvement by removing distractions, simplifying the business, eliminating unnecessary drags on profitability, and focusing management time on the right areas.

Our strategic priorities and FY 2026 targets

As part of our strategy update, each of our businesses has set a clear strategic objective:

- **interactive investor**: Sustain efficient growth by building on our differentiated proposition and investing in the ii brand.
- **Adviser**: Return to net inflows by enhancing our proposition and delivering leading client service.
- **Investments**: Step change in profitability by repositioning to areas of strength and opportunity, and driving improved efficiency.

Our three Group priorities that I set out at Half year remain unchanged. We are focused on transforming performance, improving the client experience and strengthening talent and culture.

Alongside, we continue to simplify the business, focusing on where we have competitive advantage. We made progress in 2024 with a number of non-core divestments, and we have commenced a review of strategic options for our Finimize business.

We are also announcing new Group targets for FY 2026, building on the momentum achieved in 2024:

- **Adjusted operating profit** to increase to at least £300m in FY 2026; an increase of at least 18% from 2024. This is expected to reflect a significant uplift in contribution from interactive investor along with growth in Investments, partly offset by the impact of the previously announced repricing in Adviser.
- **Net capital generation** is expected to increase to c.£300m in FY 2026, an increase of c.26% from 2024.

Better performing businesses and a simplified Group will support reinvestment into growth areas, improve capital generation and support our dividend policy. Combined with the further strengthening of our capital position through the deployment of our pension surplus, this presents what I believe is a compelling route to creating greater value for the Group.

New corporate name

This is a Group to be proud of, with a promising future. We will deliver by looking forward with confidence and removing distractions. To that end, we are changing our name to aberdeen group plc. This is a pragmatic decision marking a new phase for the organisation, as we focus on delivering for our customers, people and shareholders.

We do not intend to make any changes to our subsidiary legal entity names or the names of our underlying funds (including the CUSIPs or ISINs) at this time, and our LSE ticker will remain ABDN. We will now start to use 'aberdeen' as the principal trading identity for our Investments and Adviser businesses.

New senior leadership team

Delivering on our ambitions will take real determination. In November, I reshaped the senior executive team, including setting up a streamlined Group Operating Committee to improve the pace of decision-making, and an extended, more commercial, Executive Leadership Team. By putting the right talent in the right roles, we are now well placed to accelerate progress against our strategic priorities.

As our new Chief Operating Officer, Richard Wilson is tasked with driving the organisation harder, improving operational efficiency along with sustaining the impressive growth in interactive investor. The first focus of our new CEO of Investments, Xavier Meyer, is our clients - bringing them better experience, service and product performance.

On 28 February, we announced the appointment of Siobhan Boylan as CFO, subject to regulatory approval. Siobhan's skillset and experience is highly relevant and complementary to the rest of the leadership team and I know she will make a significant impact when she joins this summer.

Overview of 2024 performance

Cost discipline, better markets and a strong performance by interactive investor enabled us to improve adjusted operating profit to £255m (2023: £249m), with all three businesses reporting higher profits than last year.

It is important to make clear, however, this is well below the level of profitability we aspire to, and we see much more potential across the Group.

Overall we reported a transformationally higher IFRS profit before tax of £251m (2023: loss £6m) which includes higher adjusted operating profit, the gain on sale of the European-headquartered Private Equity business of £92m and lower restructuring and corporate transaction expenses of £100m (2023: £152m).

AUMA is up 3% on last year to £511.4bn with total Group outflows of £1.1bn, representing a substantial improvement on 2023 when outflows were £17.6bn. As well as strong customer and AUMA growth in interactive investor, this was supported by market conditions, which more than offset the impact of the sale of our European-headquartered Private Equity business.

The transformation programme we launched in January 2024 has surpassed the year one targets we set out, delivering £70m of in-year cost savings and over £100m of savings on an annualised basis. We remain on track to deliver a reduction in run-rate costs of at least £150m by the end of 2025, with a commitment to continually seek further efficiencies.

interactive investor

Strong performance with excellent foundations for sustained growth.

interactive investor has undoubtedly delivered the strongest performance across the Group this year. A focus on organic growth saw total customer numbers increase by 8% to 439k. This helped to deliver net inflows totalling £5.7bn compared to £2.9bn in 2023, making it number one in the UK for D2C flows across the year, and contributed to a 17% increase in AUMA to £77.5bn. Trading and FX revenues also rose sharply, with retail trades up by almost 30%. Around a quarter of all UK retail share trading and a third of UK retail international trading last year were transacted through interactive investor.

Adjusted operating profit in interactive investor was £116m (2023: £114m), an increase on last year despite the sale of the discretionary fund management business and the transfer of MPS to Adviser.

A number of key actions contributed to interactive investor's growth in 2024. Greater investment in the ii brand and marketing delivered improved customer awareness. This was supported by strong structural growth across the D2C market, which we expect to continue. Growth has also been driven by a series of proposition enhancements. In 2024, we launched a new Managed ISA and introduced ii Community, which offers a social platform for users to connect with, and learn from, other investors. With a Managed SIPP (designed with aberdeen Investments), ii advice (a digital advice service) and ii360 (an advanced trading platform), all expected to launch in 2025, we look to further broaden our customer appeal.

By leveraging our excellent technology base and disruptive pricing model to deepen and widen customer engagement, we are well placed to enjoy the compound effects of gaining a growing share of a growing market.

Adviser

Actions being taken to achieve client service leadership, reverse outflows and return to growth.

Adjusted operating profit in Adviser was up 7% to £126m (2023: £118m). Markets also helped support a small rise in AUMA to £75.2bn (2023: £73.5bn).

While the increase in profit is welcome, the picture on flows was disappointing with elevated redemptions leading to net outflows of £3.9bn (2023: outflows £2.1bn). Adviser remains at number two in the UK market by AUA, and serves over 50% of the UK's IFAs. Returning to growth is our key priority and a range of actions has already been put in place to achieve this.

We made an important shift on pricing, becoming more competitive as we seek to take advantage of a structurally growing market. We also made important enhancements to our proposition, with the launch of our Money Market MPS option in February 2024, followed by our cash savings solution on the Wrap platform in July.

Adviser has also strengthened its sales and distribution capabilities. A new Chief Distribution Officer has been appointed, one of several senior appointments to strengthen the Adviser leadership team.

We have acknowledged that aspects of our client service have not been as strong as they should and we have undertaken a range of measures to address this. This work has resulted in much shorter delivery times in critical areas like sign-ups and transfers. Our customer feedback scores have improved over the year, and we expect to make further progress in 2025.

Adviser holds an enviable position in an attractive market and, through these actions, we are focused on re-establishing a leadership position in the market, with a growing and profitable business.

Investments

Significant growth in net flows, with cost discipline and markets offsetting changes in asset mix.

2024 brought more favourable market conditions than experienced in recent years, helping Investments AUM to rise slightly from £366.7bn to £369.7bn, despite the sale of the European-headquartered Private Equity business and other corporate actions (£(6.6)bn).

Net outflows reduced significantly from £19.0bn in 2023 to £4.0bn, with Institutional & Retail Wealth flows improving by over £18bn to an overall net inflow of £0.3bn, reflecting a material reduction in redemptions and a 31% improvement in gross flows excluding liquidity to £25.5bn. While outflows in equities remained a sectoral challenge, this was offset by good momentum in our alternatives, quantitative and liquidity strategies. Insurance Partners net outflows increased to £4.3bn (2023: outflows £1.1bn) principally relating to run-off in the heritage business.

The ongoing trend toward passive strategies continues to put pressure on margins. In this environment, cost discipline has been critical, and we have delivered a reduction in adjusted operating expenses in Investments of

11%, helping to deliver an increase in adjusted operating profit to £61m (2023: £50m).

Investment performance is improving, with the overall percentage of AUM performing over three years at 60% (2023: 51%), with even stronger performance over one year at 77% (2023: 55%). Further work remains on equities performance, largely due to the weighting of our business toward emerging markets and Asia. Our programme of improvements is beginning to gain traction, with performance in multi-asset and equities showing welcome increases over the one-year period.

Momentum is shifting in Investments, and there is potential to unlock substantial profitable growth over time. With the changes to the executive team and a sharper strategic focus, we are now better placed to realise the potential of our Investments business.

As we move ahead, we will preserve and optimise our offering in core areas, while repositioning Investments to focus on the specific capabilities where we have competitive advantage and clear market opportunities, namely real assets, credit and specialist equities. We also expect to build scale in important areas of the business (e.g. Insurance, Closed End Funds and Institutional Solutions), and expand further in Private Markets and Wholesale, where we see attractive growth opportunities. At the same time, we will redouble efforts to achieve greater efficiency, with automation of more processes, to drive better results.

Capital allocation and dividend

Our commitment to disciplined capital management was maintained in 2024, finishing the year with indicative CET1 of £1.5bn (2023: £1.5bn), and coverage of 139% (2023: 139%). Part of delivering better performance lies in simplifying the business, and the non-core divestments we made through the year delivered an overall gain on disposals of £100m, which supported our transformation.

Adjusted capital generation of £307m (2023: £299m) covered our dividend 1.2x. Net capital generation was £238m (2023: £178m), up by a significant 34%.

As we have previously highlighted, the Group's defined benefit pension plan has been successfully managed over the years, resulting in a significant surplus. We have now reached agreement with the Trustee to use part of the surplus to fund the cost of providing defined contribution benefits to current employees. We expect this to deliver a significant annual boost to capital generation of c.£35m starting from July 2025 (we expect no impact on adjusted operating profit). This agreement enables the Group to unlock value from the plan, while largely maintaining the surplus and retaining optionality.

We understand the importance of the dividend to our shareholders. The Board's intention is to pay a total annual dividend of 14.6p per share until it is covered at least 1.5x by adjusted capital generation. Our commitment to growing capital generation to support the dividend is evidenced by our new target of c.£300m net capital generation in 2026, an increase of c.26% on 2024.

Sustainability

As an organisation of over 4,000 people, with clients and customers across the globe, we have a responsibility to make a positive impact on the communities we live and work in. With this in mind, we have refined our sustainability strategy in 2024, with a focus on ensuring transparency, accountability and clarity of purpose. Our approach is now based around three pillars: environmental transition, inclusive growth and responsible business.

As an investor, we have been factoring sustainability into our approach for many years. As well as considering ESG as part of our standard investment processes, we offer a broad range of sustainability focused products, informed by deep research and expertise.

Our commitment to inclusion saw our gender pay gap further reduce this year, and we have also published ethnicity pay gap data for the first time. Going into 2025, we plan to develop our inclusive growth pillar further with a strategy focused on the 'lifelong ladder' of saving and investment. Financial education and employability are at the heart of this strategy as we believe these are issues on which we and our partners can have the greatest impact.

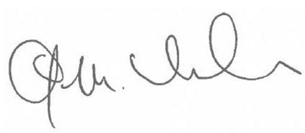
Looking ahead

Across our markets there are compelling long-term structural growth drivers which we are well placed to leverage - changing demographics, generational wealth transfers, and the growing need for people to secure their own financial futures – and these drivers are likely to continue for several years to come.

Our ambition is to be the UK's leading Wealth & Investments group, with fast growing direct and advised wealth platforms and a specialist asset manager that operates worldwide with strength in areas of market growth, all driven by excellent client service, technology and talent.

We have substantial headroom for growth in each of our businesses. In parallel, we are simplifying our business, focusing on where we have competitive advantage.

Success will demand a relentless focus on execution. I am confident we have the right team to meet this challenge. We are setting out clear plans for all three businesses, together with ambitious 2026 targets which will enable us to provide evidence of our progress, as we transform the Group to achieve its full potential.



Jason Windsor
Chief Executive Officer

A Wealth & Investments group with strong foundations for growth

Positioned for success through market cycles

Driven by our purpose to enable our clients to be better investors, we have strengthened our business through effective capital management and investment to create strong foundations for growth.

Our strengths and resources

UK's second-largest direct-to-consumer investment platform by AUMA and number one by net flows.

UK's second-largest advised platform by AUA, powered by innovative technology.

Specialist asset manager providing investment solutions to meet complex needs.

Global distribution and client base.

Strong balance sheet to drive shareholder value and client confidence.

Positioned to benefit from key themes shaping our markets

1. Long-term structural growth in UK savings and wealth, driven by:

- Increased personal responsibility for savings
- Ongoing wealth transfer
- Reducing the savings and advice gap

2. Ongoing energy transition:

- Real assets growth
- Infrastructure spending

3. Digital innovation

- Transforming investment platforms and asset allocations to support more complex client needs and outcomes.

An efficient, diversified model

Strengthened, simplified business

- Strategic focus
- Robust governance
- Effective capital management

Driving investment in long-term growth

- People
- Product
- Technology

Structured around three businesses

- **interactive investor**
- **Adviser**
- **Investments**

Delivered through strong operational processes

Controlled processes

Our control environment helps us manage risk effectively, provide business security and maintain operational resilience.

Efficient operations

We are enhancing our operations for agility, speed and efficiency, supported by technology which aims to deliver the best possible experience.

Creating long-term value

Diversified business and a strong balance sheet support long-term value creation

Investment in long-term growth

Payment of dividends to shareholders

How we make money

We earn revenue mainly from:
- Asset management and platform fees based on AUMA.
- Subscription and trading fees.
- Interest margins on cash balances.

Value shared with stakeholders

Clients

We focus on delivering outcomes that truly matter to our clients. We draw on our expertise and insight with the aim of delivering long-term investment performance.

Investment performance

77%
One-year

60%
Three-year

Colleagues

We aim to attract and develop the best people for leadership roles, and to offer clear pathways for career advancement.

57%
Employee engagement score

Society

We have important responsibilities to society and the environment. Through sustainable investment we increase the positive impact we can have through our operations.

AA
MSCI ESG rating

Shareholders

We aim to create sustainable shareholder value over the long term.

14.6p
Full year dividend

Read more on Chief Financial Officer's overview on pages 66 to 81.

Read more on Stakeholder engagement on pages 59 to 61.

Delivering improved financial performance in 2024

Cost discipline, better markets and a strong performance by ii have ensured improved profitability in the year. However, profitability remains well below the level that we aspire to, and we see much more potential across the Group.

Financial performance summary

Adjusted net operating revenue[1]

£1,321m

reduced by 6% to £1,321m (2023: £1,398m) reflecting the impact of net outflows and the expected lower margins in Investments as well as the net impact of corporate actions.

Adjusted operating profit

£255m

increased by 2% to £255m (2023: £249m) reflecting higher profitability in Investments, Adviser and interactive investor, partly offset by higher central Group corporate costs.

Adjusted operating expenses

£1,066m

reduced by 7% to £1,066m (2023: £1,149m) driven by the continued progress on delivering cost savings.

IFRS profit before tax

£251m

of £251m (2023: loss £6m) includes the gain on sale of our European-headquartered Private Equity business and lower restructuring and corporate transaction expenses of £100m (2023: £152m).

Net outflows

£1.1bn

improved to £1.1bn (2023: £17.6bn), primarily reflecting strong Investments gross inflows in quantitatives, liquidity and real assets. ii net inflows were strong at £5.7bn (2023: £2.9bn).

1. The measure of segmental revenue has been renamed from net operating revenue to adjusted net operating revenue. See Note 3(c) for a reconciliation of these revenue measures.

Our capital resources provide strength to allow for investment to grow the business and to be more efficient.

Capital performance summary

Common Equity Tier 1 (CET1)

£1,465m

was stable at £1,465m (2023: £1,466m) including the benefit from adjusted capital generation in the year and the disposal of the European-headquartered Private Equity business. This was offset by the payment of dividends, and restructuring expenses.

Value of listed stake in Phoenix

£0.5bn

of £0.5bn (2023: £0.6bn) is excluded from the CET1 capital position.

Cash and liquid resources

£1.7bn

remained robust at £1.7bn (2023: £1.8bn). These resources are high quality and mainly invested in cash, money market instruments and short-term debt securities.

Full year dividend per share

14.6p

was maintained at 14.6p (2023: 14.6p), with a dividend coverage on an adjusted capital generation basis of 1.18 times (2023: 1.12 times). It remains the Board's current intention to pay a total annual dividend of 14.6p until it is covered at least 1.5 times by adjusted capital generation.

Read more about our financial and capital performance in the Chief Financial Officer's overview section of this report.

ii

Richard Wilson
CEO, interactive investor

20%
self-directed retail investment platform market share of AUA[1]

439,000
total customers[2]

8%
growth in total customers[2]

29%
growth in SIPP customers[2]

£77.5bn
AUMA

It was another impressive year for ii as we delivered strong year-on-year performance ahead of expectations to support our sustained, organic growth.

We welcomed 32,000 net new customers and continued to see strong growth in the number of customers who choose to hold an ii SIPP. This contributed to around £6bn net AUA inflows – 31% of UK market inflows[3] – and incremental growth across most market share metrics.

Trading activity was 29% above 2023 levels. This was supported by increased international trading, which exceeded the previous record set in 2021 and benefited from our multicurrency global markets offering.

In 2024, we continued to enhance our customer proposition through several major initiatives.

Firstly, we launched our new Managed ISA targeting new and inexperienced investors who lack the confidence to manage their own investments but recognise its importance in achieving financial security.

We also launched ii Community, a new, innovative social trading platform that enables people to discuss stocks, compare their portfolios and get inspiration from other investors, while offering data-driven insights.

Additionally, we launched our new public website, providing improved underlying technology and a better user experience to continue supporting our growth.

Our roadmap for 2025 will bring another wave of new features, including our Managed SIPP; our digital advice service, ii advice; and our advanced trading platform, ii360.

Our results in 2024 reflect the successful combination of our fixed-fee subscription model; wide-ranging investment choices; and reliable, continuously improving customer experience that we provide.

As we continue to innovate, we believe we can help more people take direct control of their financial future, regardless of how confident they are in managing their investments.

1. Source: Compeer XO Quarterly Benchmarking report, as at 30 September 2024.
2. Excludes our financial planning business.
3. Source: Fundscape, Direct Matters Q4 2024 report, as at 31 December 2024.

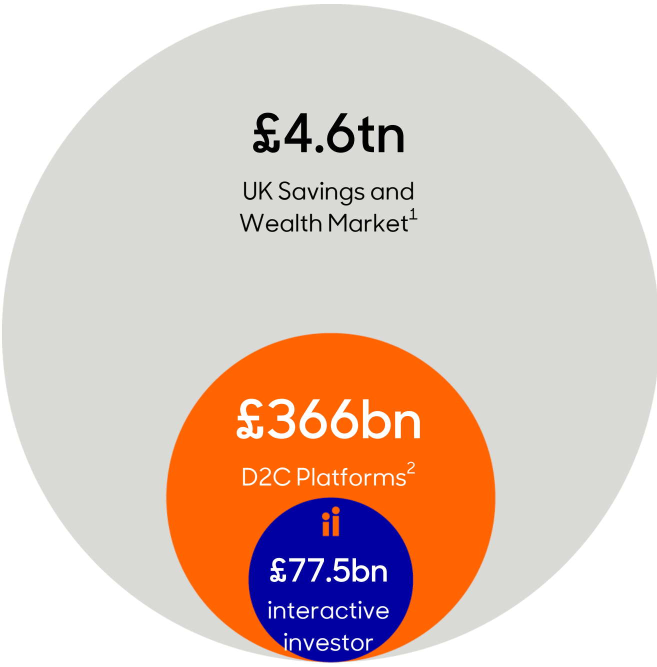
Our strategic overview

We are driving strong, organic growth by broadening our proposition and attracting new customer segments.

Who we are

Our ambition	**Be the UK's leading personal wealth platform with best-in-class propositions**		
Key capabilities and offerings	Flexible D2C investment platform	Simple investment solutions	Operating excellence & embedded risk culture
Who we serve	Lower confidence investors	Self-directed investors	Active/expert investors
Strategic areas of focus	Broaden and deepen proposition	Drive further customer engagement	Increase automation and efficiency

Building a leading position in the UK savings and wealth market



AUMA

2023 **£66.0bn**

2024 **£77.5bn**

Adjusted operating profit

2023 **£114m**

2024 **£116m**

1. Source: The Investment Association, Investment Management in the UK 2023-2024. Figures as at 31 December 2023 and inclusive of retail and institutional markets.
2. Source: Fundscape, Direct Matters Q4 2024 report, as at 31 December 2024.

Our progress in 2024

Sustained organic growth

Following several years characterised by M&A activity, our focus at ii since 2022 has been on organic growth. In 2024, we welcomed 32k net new customers to the platform, representing an increase of 8%, which brought our total number of customers to 439k (2023: 407k).

Net inflows were strong in each quarter, totalling £6.1bn across the year for the ii direct platform, compared to £3.3bn in 2023. This contributed to AUMA increasing by 19% to £73.8bn for the ii direct platform, up from £61.7bn at the end of 2023.

To promote our organic growth strategy, we increased our brand activity, launching our 'Say hi to ii' TV advertisements in Q4 2023, supported by a broader content campaign across multiple marketing channels. Between Q4 2023 and Q4 2024, this helped our prompted brand awareness to increase from 13% to 25%, according to Boxclever data. Although this score remains behind our closest peers', we hope to close the brand awareness gap by 2026.

Market-leading

We are the UK's leading flat-fee retail investing platform by AUA,[1] and we continued to grow our self-directed AUA market share from 19.2% to 19.8% between the end of Q3 2023 and Q3 2024 (the most recent figures available). Compeer benchmark reporting showed that we also grew our share in the UK cash-market trading, non-UK trading and SIPP markets, with the number of customer SIPPs increasing by 29% to 80.6k.

Our market-leading proposition was also recognised through numerous awards. For the third year running, we were named Recommended Provider of Self Invested Personal Pensions (SIPPs) by Which! We also won the Association of Investment Companies (AIC) Shareholder Engagement Award for the fourth successive year. We also received six awards from Boring Money, including Best Buy ISA, Best Buy Pension and Best for Low-cost Pension.

Continuous proposition enhancements

Our growth has continued to be supported by the successful delivery of enhancements to our service offering and proposition, supported by an extraordinary service team. During 2024, we launched several products and services, including our new Managed ISA; ii Community, a new, innovative social trading platform; and our new public website, alongside improvements to our website research and content.

ii Community was deployed in October 2024. By the year-end, it had attracted 12.1k users who posted a total of 19.8k interactions. Through joining the community, investors who feel more confident in managing their own money ('self-directed' investors) can generate ideas and share learning with others by discussing individual stocks and comparing their portfolios. Community members can also access performance data and portfolio breakdowns to compare their investments to other users'.

Attracting new customer segments

Due to our flat-fee, subscription-based pricing model, our core customer base has historically been self-directed investors. To attract new customer segments, our more recent proposition enhancements have been designed to attract a broader range of investors, including those with a lower level of confidence in investing. Our Managed ISA, ii Community and lower, essential-investor price points, which we introduced in 2023, are all designed to encourage less experienced investors, including younger customers, to start building their investment portfolios.

In 2025, we intend to launch our new Managed SIPP, which aims to help inexperienced investors save for their financial futures through private pensions. In the first half of the year, we also plan to introduce our advanced trading application, ii360, to attract more sophisticated investors. ii360 is designed to give users access to a wider range of instruments, including derivatives and stock lending, as well as enhanced market data through a state-of-the-art market trading experience.

Revenue growth

Our overall business revenues grew to £278m in 2024. Adjusting 2023 revenues for the sale of our discretionary fund business and transfer of MPS to Adviser in the same financial year, this represents an underlying growth of £19m, or 7%.

Trading and FX revenues increased by 15% and 70% respectively over the year. Daily average retail trades increased to 20.1k compared to 15.7k in 2023 – a year-on-year increase of 28%. Within this, non-UK equity trades grew by 64% to 4.3k, helping to drive the uplift in FX transactions. Trading activity was driven by increased volatility, partly due to political and economic uncertainties in 2024.

Subscription fees, gross of marketing incentives, increased to £60m (2023: £58m) reflecting strong organic customer growth. Customer incentive costs increased by £4m to £8m, including cashback and free period offers, which have helped drive customer growth.

Treasury income increased slightly in 2024 to £138m (2023: £134m). Our net treasury margin was 229bps, down slightly from 236bps in 2023. We expect our margin to remain in the region of 200-220bps in 2025 if the Bank of England steadily reduces the UK's base interest rate as expected at the time of writing.

1. Platforum data, as at 31 March 2024.

Opportunities for growth

Market growth:

- Structural market growth – UK savers taking increased personal responsibility for their finances.
- ISA market AUA growth of 10% p.a. over seven years to Q3 2024[1].
- SIPP market AUA growth of 12% p.a. over seven years to Q3 2024[1].

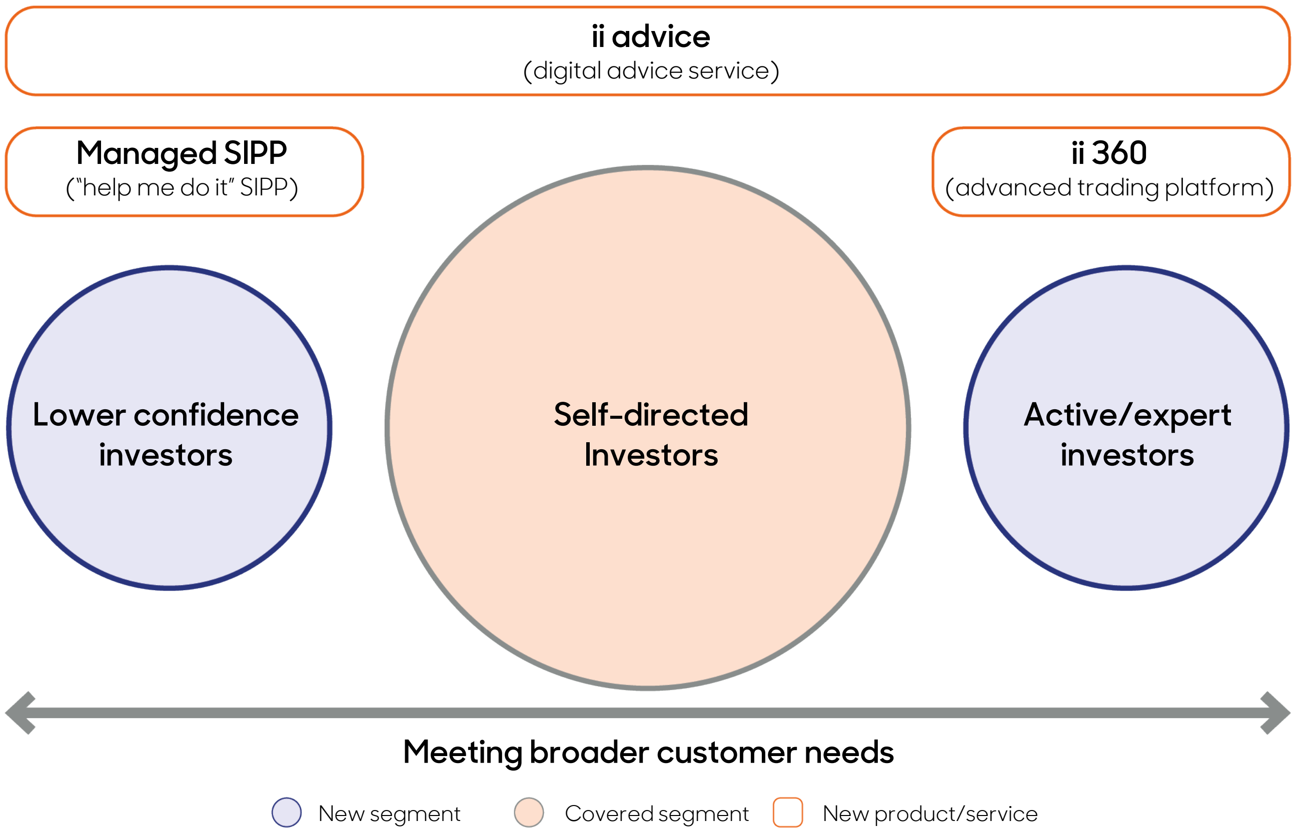
How we're increasing market share:

- Clear 2024-2025 product roadmap – Managed ISA and SIPP, new website, ii Community and ii360.
- Targeted offerings to retain and attract customers in each segment – lower-confidence, self-directed and active/expert investors.
- Improved research offering in 2024.
- Continued review of our subscription-based pricing plans.

Growth through accessing adjacent customer segments

We test and learn new services to broaden our proposition with a subscription core by carefully leveraging the ii operating model and technology capabilities:

- Simplified experiences for less confident investors.
- All propositions follow a subscription model, with bolt-on fees for added-value services such as advice and ii360.
- Position financial planning on top of service offering.



1. Source: Compeer XO Quarterly Benchmarking report data, as at 30 September 2024.

Our strategy in action
Improve client experience

ii is expanding its product range through the launch of a new Managed ISA and Managed SIPP. These provide less confident investors with a simple, low-cost way to save for their financial futures, while enabling us to continue attracting new customer segments.

£4.99

flat, monthly fee for accounts with <£50,000

£11.99

flat, monthly fee for accounts with ≥£50,000

10

simple, low-cost portfolios available

"Our Managed ISA and SIPP make investing simple. By offering customers a seamless experience, we hope those who are less familiar with investing will trust us to manage their savings for years to come, while those who grow more confident in making their own investment choices can eventually utilise the full ii platform."

John Tumilty, COO, interactive investor

Giving people the confidence to invest

More and more people in the UK are taking responsibility for their own financial futures. However, for inexperienced investors, the process can seem daunting. With the launch of our Managed ISA in 2024 and Managed SIPP in 2025, we're making it easier for those who would otherwise lack the confidence to invest to build their nest eggs through a simple, managed portfolio.

Providing a safe home for customers' investments

In 2025, we will celebrate 30 years of customers trusting ii with their investments. Our operating excellence and people's' confidence in our business model is demonstrated by our Trustpilot score of 4.7. Underpinning our growth and success is a strong, risk-based culture with our customers' goals and requirements at the forefront of what we do every day.

Making investing affordable

Our Managed ISA is available at a flat-fee – £4.99 per month for those with less than £50,000 and £11.99 for those with £50,000 or more. These fees are highly competitive compared to our nearest rivals.

Offering a simple and differentiated choice

Our customers don't need to spend their time researching investments – they are simply matched to one of 10 portfolios according to their risk profile and sustainability preferences.

Our short questionnaire helps the customer identify which of the five risk levels is most suitable for them. They can then choose whether to invest in a low-cost indexed solution or a sustainability solution.

The process takes just a few minutes, making it a smooth customer experience.

Leveraging abrdn's capabilities

Our portfolios have exposure to funds managed by abrdn Investments, which means our customers can benefit from the Group's wider capabilities through the highly diversified, cost-efficient investment portfolios we offer.

Adviser

Noel Butwell
CEO, Adviser

£75.2bn

AUMA[1]

11%

AUA market share[2]

>50%

we have relationships with over half the UK's IFAs

401,000

total end customers

34

average service net promoter score (2023: 16)

+63%

third-party IFA net inflows into abrdn MPS

1. Includes Platform AUA of £72.4bn.
2. Source: Fundscape Q3 2024. Market share excludes Curtis Banks for consistency with historical reporting.

In 2024, we continued to focus heavily on improving our client service proposition and technology platform to drive progress across the business, while investing in our people to create what I believe is the strongest leadership team in the adviser platform market.

Among the most important changes we made with a view to returning the business to growth were the major pricing changes we introduced to abrdn Wrap. This new pricing structure materially improves the platform's competitiveness, which puts us in a stronger position to attract and retain client assets.

Our investment in enhancing our service proposition has also begun to pay off. We significantly improved our back-office pick-up times and speed to answering client calls in 2024, while bolstering our client service team through further hires.

We are committed to further investment in our service proposition in 2025 to deliver market-leading client experiences. We are focused on further improving service and delivering deeper integration to increase adviser efficiency and thereby allow more customers to benefit from high-quality financial advice.

We remain well-positioned to capitalise on structural growth in the UK advice market as we continue to pursue market share growth and address the widening advice gap among retail customers.

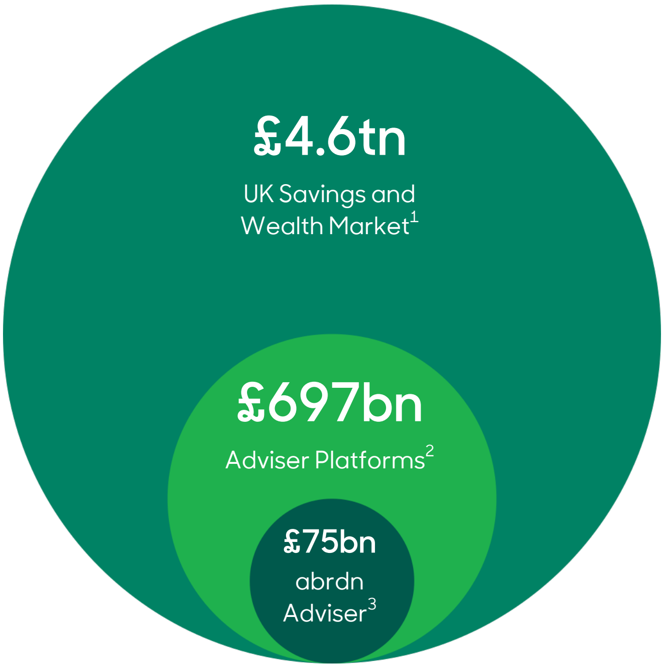
Our strategic overview

We are realising value from our major investment programme with a view to returning to net inflows.

Who we are

Our ambition	To become the UK's leading provider of fully integrated adviser business solutions		
Key capabilities and offerings	Wealth management platform	Wrappers and investment solutions	End-to-end advisory support
Who we serve	Existing customers, targeting increased wrappers per customer	Existing clients, targeting increased primary partnerships	New clients through advocacy
Strategic areas of focus	Improve client service to create capacity for clients	Enhance products and proposition	Continue to improve platform

Structurally growing market with significant intergenerational wealth transfer and advice gap



AUMA

2023	2024
£73.5bn	£75.2bn

Adjusted operating profit

2023	2024
£118m	£126m

1. Source: The Investment Association, Investment Management in the UK 2023-2024. Figures as at 31 December 2023 and inclusive of retail and institutional markets.
2. Source: Fundscape Q4 Press Release, January 2025, AUMA as at 31 December 2024.
3. abrdn Adviser AUMA as at 31 December 2024. Includes Platform AUA of £72.4bn.

Our progress in 2024

Focused on building momentum

The adviser platform market continued to face challenges in 2024. Net market inflows of £13.4bn (2023: £8.3bn) represented a year-on-year increase, but these flows were still materially below those in prior years[1]. Within our Adviser business, we experienced net outflows of £3.9bn during the financial year compared to £2.1bn in 2023. Our AUMA rose slightly from £73.5bn to £75.2bn driven by positive market movements.

Revenue grew by £13m to £237m, supported by the annualisation of our revised SIPP distribution agreement with Phoenix, which took effect in July 2023. However, our total customer numbers fell from 420k to 401k, again reflecting the net flow position.

During the year, we made major changes with a view to building positive momentum within the business, which included enhancing our client service and proposition, improving our competitive position through strategic repricing and investing in our people. These initiatives have already begun to yield results in terms of client satisfaction and service scores, the user experience on our technology platform and our new business pipeline.

By the end of the financial year, there were also some early signs of progress in flows, with net outflows reducing in both Q3 and Q4. We remain committed to returning to consistent net inflows through our strategic focus areas as outlined below.

Improved client service to create capacity for clients

Building on our significant technology investment in 2023, we delivered major improvements to client service in 2024. Notably, we reduced the steps involved in several key processes to enhance speed and accuracy.

By the end of the year we had reduced sign-up and transfer-in process lead times by up to five days, introduced smart forms to capture client data accurately first time, deployed AI to client-facing mailboxes to filter requests more efficiently, and established new roles to support clients transferring from third-party platforms. We also refreshed our segmentation model to ensure our service model better supports our clients' needs.

These changes yielded results: in the second half of 2024, our average speed-to-answer was consistently under one minute, while our customer satisfaction score (CSAT) and service net promoter score (NPS) steadily climbed throughout the year, achieving averages of 91% and 34 respectively. The latter marked a significant improvement on 2023's average NPS of 16.

Enhanced products and proposition

We also introduced several new investment options during the year to enhance our client offering. In February, we launched our Money Market Managed Portfolio Service (MPS) in response to client demand to provide a low-risk, MPS alternative to cash products.

The portfolio will be available across all tax wrappers to allow advisers to access these solutions alongside their existing investment propositions. Given the ongoing uncertainty in investment markets and some investors' increased propensity to hold cash, we believe the product is likely to continue to attract flows.

In July, we launched our integrated cash solutions on Wrap. Cash solutions are fully embedded into existing platform processes, which makes it simple to invest and withdraw client money. Not only does this create significant efficiencies for advisers, it also leads to better client outcomes by increasing opportunities for portfolio diversification and enabling money to be transferred more quickly between cash and investment products. A wide range of competitive cash accounts is available to ensure customers have access to deals that are among the most competitive on the market.

In December, we launched our ESG Hub analytics tool on Wrap to enable advisers to hold more informed conversations with their clients about their portfolios' ESG characteristics. The tool enables advisers to record their clients' ESG preferences and manage their portfolios accordingly, including the ability to assess ESG data at stock and portfolio levels. It can also generate tailored ESG reporting in a client-friendly PDF format. Information is sourced from leading ESG data providers and the feature is available at no additional cost.

Continue to improve platform and pricing

One of our most significant developments in 2024 was to simplify Wrap's pricing structure. Key changes included lowering fees and reducing the number of pricing tiers. Combined, these changes mean our platform provides a highly competitive price offering that we believe leaves us well-placed to attract and retain client assets.

The changes were made possible by the technology upgrades we have implemented in recent years, with the creation of servicing efficiencies allowing us to pass these savings on to our clients. Lower fees were made available to new customers in 2024, while the new fee structure to existing customers was delivered in February 2025.

1. Fundscape Q4 Press Release, January 2025, AUMA as at 31 December 2024.

Significant investment in people

During the year, we made key organisational changes and appointments to ensure that we have the right structure and leadership in place to drive improvements in our client service and proposition to return the business to growth.

We announced three senior hires to build what we believe is among the strongest leadership teams within the adviser platform market. In October, Verona Kenny joined in the newly created role of Chief Distribution Officer (CDO). A senior leader in the platform industry over many years, Verona will shape the vision for and lead our sales strategy, with executive responsibility for managing client relationships across our strategic partnerships and regional accounts.

Following Verona's appointment, we strengthened our sales team by establishing a strategic relationships team, which is responsible for building lasting relationships with the largest regional firms, consolidators and networks. We also combined our sales and marketing teams to sharpen our take-to-market focus and further invested in our people by launching a structured, 22-week training programme available to all sales team members.

In November, Derek Smith joined in another newly created role, Chief Product & Technology Officer. Under his leadership, our product and technology teams have been combined, with Derek responsible for executing our technology strategy and ensuring the continuous enhancement and scalability of our offering.

Product strategy

Our product strategy is focused on empowering clients by transforming their experience with seamless integration, exceptional service and innovative solutions, which drive efficiency, personalisation and high-value advice:

- We plan to launch the new abrdn SIPP, which includes enhanced cash management, illustrations and digitalisation of key processes.
- We're developing deeper integration with advisers' customer relationship management systems and wider technology suites so that we can create a highly integrated advice ecosystem.
- We will continue to work with financial advice firms to optimise their service journeys with zero- and one-touch service, providing fast, accurate and personalised processes and contents to support their business.

We are also recruiting product, engineering and data professionals to help us create market-leading digital products, services and experiences to support our clients' growth.

Most recently, in January 2025, Louise Williams joined as the business's new Chief Financial Officer. Louise brings extensive experience as a senior executive driving transformation and robust financial governance, and her role will be key to ensuring we deploy capital efficiently and achieve our business's growth ambitions.

Opportunities for growth

Market opportunity:

- UK has a large economy with an ageing population undergoing a £5.5tn intergenerational wealth transfer over the next 25 years[1].
- Platform market AUMA is expected to grow at 13% p.a. to 2029[2].
- The UK has a savings and advice gap of over 20m people[3]. The advice industry will need to increase capacity and efficiency to help reduce this gap.

How are we positioned for growth?

Our strategic growth plan comprises four key pillars:

- Price: We now offer even more competitive platform fees, and we're leveraging our cost efficiencies to pass on savings to clients.
- Product: We are investing in our proposition with a clear focus on increasing integration and digitalisation and optimising core processes. We expect this to enhance our ability to create innovative solutions that drive efficiencies for clients and improve service experience.
- People: We have invested in our leadership team, service and sales team to deliver for our clients.
- Service: We are continuing to improve our service to help clients focus on serving their end customers. We are re-engineering client journeys to make things faster and simpler. We are offering new approaches to meet clients' needs however they interact with us. We have also bolstered our client services team with new hires to give even more support to advisers.

1. Source: Kings Court Trust.
2. Source: Fundscape Q4 Press Release, January 2025. AUMA as at 31 December 2024.
3. Source: Boring Money and Yorkshire Building Society.

Our strategy in action
Strengthen talent and culture

Adviser invested in its people through senior hires and organisational changes in 2024. Our three new leadership team members highlight how they are looking to build talent and culture within the business to drive our return to growth.

3

new senior leadership hires

4

new types of role created to further enhance our service

9

point increase to 61% in Pulse employee engagement score from May to November

"By adding three new senior hires, I believe we have created the best leadership team in the market. Combined with wider changes across the business, we are building a culture focused on delivering success and empowering people so that they can thrive."

Noel Butwell, CEO, Adviser

Strengthening our leadership team

Name: Verona Kenny

Role: Chief Distribution Officer

Profile: A senior leader in the platform industry with many years of experience, Verona joined abrdn Adviser from 7IM, where she was Managing Director, Intermediary.

Joined: October 2024

Name: Derek Smith

Role: Chief Product & Technology Officer

Profile: A leader in creating innovative digital solutions, Derek joined the business from Morningstar Wealth, where he was Chief Technology Officer. He previously served in head of engineering roles at Virgin Money and Lloyds Banking Group.

Joined: November 2024

Name: Louise Williams

Role: Chief Financial Officer

Profile: A senior executive with a focus on change, transformation and robust financial governance, Louise's career spans decades in asset and wealth management, including at Quilter and BNY.

Joined: January 2025

How does talent and culture translate to our client experience?

"Clients can always recognise if a business has a client-focused organisational culture. Culture comes from the top down but also, critically, it must go across the business. It influences every client interaction, not only in our distribution function, but through everyone in the business. That's why we, as a leadership team, are focused on creating a clear sense of purpose and engaging people in our strategy across the entire business. We have a hugely talented and committed team of people, and everyone will play an important role in delivering for our clients."

How will talent and culture initiatives drive our technology and product solutions?

"Investing in the talent and culture of our teams empowers us to foster innovation and agility, equipping them with the skills necessary to create cutting-edge product and technology solutions. By cultivating a culture of accountability and empowerment, we enable our teams to deliver seamless, integrated experiences for advisers, ultimately driving business success and market leadership."

How important is talent and culture to Adviser's success?

"We have a clear focus on creating alignment, both across the Group and within the Adviser business. That talent and culture is one of the Group's three strategic priorities speaks volumes. I've been extremely encouraged to see the strength of the business's foundations, particularly in terms of the depth of our talent. Now that we have the right structure and a new leadership team in place, we're well-positioned to make that happen and to move forward together."

Investments

Xavier Meyer
CEO, Investments

#1

net sales among UK fund managers in passive fixed income[1]

£25.5bn

I&RW[2] ex-liquidity gross inflows (+31% vs 2023)

£84m

annualised cost savings achieved

Investment performance

1 year

77%

(2023: 55%)[3]

3 years

60%

(2023: 51%)[3]

5 years

71%

(2023: 58%)[3]

In 2024, we made significant progress in our Investments business's turnaround and implemented key changes to our leadership team and organisational structure to position ourselves for a stronger, more competitive future.

Against a challenging industry backdrop, our fundamentals have improved. We delivered a material increase in our investment performance and net flows, combined with reduced costs that reflect our efforts to modernise our operating environment.

While these are notable achievements, we recognise that we still need to do more to live up to the standards of excellence that both we and our clients expect.

In my new role as CEO, my focus is to put strengthened performance, stability and improved client service at the heart of everything we do.

As a specialist asset manager, we aim to deliver reliable, outcome-oriented solutions by leveraging our many strengths and differentiators.

There are many pockets of growth opportunities available for an active asset manager. We are reinforcing our business and channelling resources into our core areas of expertise – Public and Private Credit, Specialist Equities, and Real Assets. At the same time, we are continuing to capitalise on our unique client solutions, especially for Insurers, Closed-End Funds and Wealth Platforms.

I am humbled to lead a business with such a strong heritage, filled with extremely talented people, at such a critical inflexion point in our journey. I am confident that, by sharpening our strategic focus and continuing to transform our costs and processes, we can successfully deliver sustainable growth for our business and clients.

1. Broadridge data, as at 31 December 2024.
2. Institutional & Retail Wealth.
3. The scope of the investment performance calculation has been extended to cover all funds that aim to track or outperform a benchmark, with certain assets excluded where this measure of performance is not appropriate or expected. 2023 comparative has been restated.

Our strategic overview

We are pursuing a return to growth in focus areas, while improving efficiency.

Who we are

Our ambition	**As a specialist asset manager, we aim to help clients achieve their target investment outcomes by identifying investment opportunities to benefit from trends today and beyond**		
Key capabilities and offerings	**Specialist strategies**	**Wealth and institutional solutions**	
Who we serve	**Institutional clients with bespoke needs**	**Private investors globally**	
Strategic focus	**Focus on areas of expertise**	**Drive better investment performance**	**Enhance our operating model**

We are a specialist asset manager with £369.7bn in AUM. We focus on areas where we have both the strength and scale to capitalise on the key themes shaping the market, through either public markets or alternative asset classes.

AUM

2023
£366.7bn

2024
£369.7bn

Adjusted operating profit

2023
£50m

2024
£61m

Our progress in 2024

Significant progress despite a challenging environment

Although the active management industry continued to face challenges in 2024, there was a marked improvement over the previous year, both in terms of flows and investment performance. In 2023, global active mutual funds had experienced net outflows of £569bn, the second worst year on record. While 2024 was still subdued, industry net outflows of £197bn[1] indicated that reduced inflation fears had gradually tempted investors back into the market.

Nevertheless, market behaviour still suggested a safety-first approach. Government bond yields remained sensitive to headwinds, with US Treasuries reversing their previous gains between September and the end of the year as the Federal Reserve signalled a slower pace of rate cuts. Within risk assets, performance was largely concentrated in proven winners, notably the US S&P 500 stock market index and, more specifically, its Magnificent 7 constituents.

Our Investments business's performance echoed this backdrop, with improvements in flows and investment performance. Overall, net outflows were £4.0bn in 2024; however, this represented a positive swing of £15bn compared to 2023. Encouragingly, net flows from institutional, retail and wealth clients improved by £18.2bn to a net inflow of £0.3bn as we benefited from our increased strategic focus on providing solutions in areas experiencing greater client demand.

We also improved investment performance in 2024, advancing our strategic aim to provide clients with valued outcomes. Over one year, 77% of our AUM delivered returns in line with or above their benchmarks in 2024 (2023: 55%[2]), while three-year and five-year performance were also stronger at 60% (2023: 51%[2]) and 71% (2023: 58%[2]). This was in no small part due to enhancements we made to our organisational and investment processes during the year.

Improved investment performance

Our fixed income and multi-asset strategies performed better than last year over one-, three- and five-year periods, while alternatives, liquidity and quantitative index solutions ('quants') delivered strong returns, having also done so in 2023. Equities improved over one year, but still lagged over three and five, while real assets performance was mixed.

Over 90% of our AUM in alternatives, liquidity and quants delivered returns in line with or above their benchmarks across one-, three- and five-year periods. Our alternatives and fund-of-hedge-fund strategies were among those that delivered exceptional relative returns.

In Quants, the Enhanced Index range continued to outperform, with the multifactor approach delivering well across all regions. The index strategies also continued to track well within expected ranges.

Fixed income performance remained strong, with 83% of AUM performing over one year (2023: 81%), 90% over three years (2023: 75%) and 93% over five years (2023: 84%). Credit, emerging markets (EM) and US municipal bonds remained particularly strong.

Multi-asset saw the strongest improvement versus 2023, with the benefits of our process enhancement programme materialising. One-year performance stood at 85% of AUM (2023: 12%), which fed through to three- and five-year performance of 36% (2023: 15%) and 71% (2023: 22%) respectively. Our Diversified Assets funds performed well versus their peers, as did the majority of our MyFolio range's AUM. Elsewhere, improvements in tactical asset allocation benefited some of our larger balanced mandates.

Within real assets, one-, three- and five-year performance stood at 30% (2023: 30%), 46% (2023: 56%) and 56% (2023: 45%) respectively. The majority of these strategies seek to outperform long-term inflation-linked or absolute return benchmarks, which has proven a headwind to relative performance over more recent periods. However, we saw encouraging performance in direct real estate in 2024, where more than half of our AUM outperformed real estate market indices over one-, three- and five-year periods, reflecting stronger UK and Living performance.

It was another challenging year for the industry in equities, with only 31% of actively managed funds outperforming in 2024[3]. Notably, rate-cutting and election cycles, geopolitical risks and the Magnificent 7's concentrated outperformance presented challenges for stock pickers.

Our equities performance was similarly impacted by these factors. In developed markets, the Magnificent 7's outperformance remained a headwind for our active strategies, particularly those with a yield focus. Our AUM bias towards Asia and EM also held back overall equities performance. More positively, our European income, EM income, India and Tekla strategies continued to perform well. Our small cap fund range also recovered during the year, benefiting from some of the improvements we delivered to our investment processes.

Reduced outflows through strategic focus

At an AUM level, our asset class mix increasingly reflects our efforts to sharpen our investment specialisms, optimise our geographic footprint, drive growth through our strategic partnerships and provide client-centric solutions.

1. Broadridge data, as at 31 December 2024.
2. The scope of the investment performance calculation has been extended to cover all funds that aim to track or outperform a benchmark, with certain assets excluded where this measure of performance is not appropriate or expected. 2023 comparative has been restated.
3. Manager Versus Machine; AJ Bell, Morningstar; December 2024. Data as at 30 November 2024.

We are one of the largest providers of closed-end funds globally, while our quants business is building scale through our relationships with Phoenix and other clients. We continue to believe in the long-term potential of Asia and EM, despite near-term headwinds.

Within Institutional & Retail Wealth, asset classes with positive net flows in 2024 included liquidity solutions at £5.0bn (£8.7bn higher than in 2023) and quants with £3.6bn (£2.5bn higher than in 2023). Real asset flows were also slightly positive at £0.8bn (£1.1bn higher than in 2023), while fixed income flows were flat (£4.0bn higher than in 2023). According to Broadridge, we were the number one fund manager in the UK for passive fixed income net sales in 2024.

Unfortunately, we continued to experience challenges in equities, with net outflows of £7.9bn (£0.7bn larger than in 2023) driven mainly by Asia and EM outflows of £3.1bn and £2.5bn respectively. Meanwhile, multi-asset net outflows improved by £1.7bn to £1.5bn.

Modernising our business to improve efficiency and outcomes

In 2024, we increased efforts to transform and modernise our business to improve our client offering. Overall, we delivered £84m in annual cost savings, which means we are on track to deliver on our cost transformation by 2025.

Our continued investment in technology, AI and data enhancements has helped us to eliminate non-core and repetitive processes, freeing colleagues to focus on servicing clients. We strengthened over 250 processes in 2024, including centralising research processes and simplifying investment frameworks, alongside launching our performance cockpit, bringing benefits across the investment floor.

We also continued to improve client engagement through our new abrdn Gather conference, Asia Sustainability Week and Insurance Roundtables.

Transforming our business

2024 highlights:

- On track to achieve 2024 cost transformation targets.
- 250 processes simplified.
- Fund rationalisation nearly complete, with process for ongoing review established.
- Unlocked savings and value in our service model by building relationships and renegotiating contracts.
- Ongoing optimisation of tech and data stack.
- Upgraded and scalable systems and tools.
- High impact marketing and distribution.

2025 priorities:

- Focus on our strengths and growth opportunities - Credit, Specialist Equities and Real Assets.
- Improve investment performance by investing in the right people, processes and technology.
- Enhance our operating model with our partners to improve agility and scale efficiently.
- Complete cost transformation.

Opportunities for growth

We have identified four industry mega trends to which we are aligning our business:

1. Democratisation of finance and digital innovation

- Governments shifting responsibility for savings and investment to individuals.
- Investors require broader range of asset classes, including private assets.
- Digital innovation transforming investment platforms and asset allocations.
- We are: promoting our best performing credit products; enhancing our managed wealth and MPS solutions, including enhanced indexing; expanding our alternatives offering; and embedding trends in specialist equities, including small- and mid-caps.

2. Ageing populations and improving health

- Structural growth in pension assets.
- Increased expenditure to support longer, healthier lives.
- We are: serving investors with asset allocation, income, and liability matching solutions; increasing our real assets capabilities; and building our thematics expertise.

3. Growth of Asia and EM

- Regional GDP expected to continue outgrowing Western economies.
- We are: providing access to Asia and EM with our strong existing footprint and capabilities.

4. Ongoing energy transition

- Real assets growth driven by energy transition.
- Investments growth driven by infrastructure spending, public transport electrification, waste management and digital fibre networks.
- We are: serving the growing demand for alternatives, real assets and sustainability through significantly expanded capabilities.

Our strategy in action
Transform performance

abrdn Core Infrastructure is funding the essential upgrade of UK railway rolling stock. Our investments continue to generate stable, long-term cashflows for clients, while strengthening our ability to capture future sustainable growth opportunities.

>10%

of UK passenger rolling stock funded by our investments

>£2.4bn

investments in UK rolling stock led by abrdn

#1

East Anglia fleet ranked top-performing rail investment globally in GRESB 2024 Sector Leaders assessment

Photograph credit: Greater Anglia

"Our successful 10-year partnership with Rock Rail exemplifies our strategy of identifying and unlocking incremental value in core infrastructure assets. The delivery of four rolling stock fleets has expanded our presence in the transport sector and enhanced our reputation as a strategic, long-term partner in infrastructure investment, which the UK government has identified as priority for economic growth."

Dominic Helmsley, Head of Infrastructure, abrdn

Strategic partnership to transform UK railways

Over the past 10 years, abrdn has led over £2.4bn in investments to upgrade four fleets across the UK's railway network, accounting for over 10% of passenger rolling stock. These investments have been made in partnership with Rock Rail, a specialist railway infrastructure developer, through two of our flagship direct core/core-plus infrastructure funds.

Stable, long-term cashflows

These infrastructure assets offer a robust return profile, which includes stable cash yields from the outset and downside protection against end-customer demand risk. The investment case is compelling – rolling stock provides long-term, stable cash flows while enhancing mobility, reliability, safety, and passenger experience.

Driving our sustainability commitments

Investing in the UK's rolling stock offers our clients valuable exposure to essential infrastructure, which is pivotal to decarbonising the transport sector.

In 2024, the Rock Rail East Anglia and Rock Rail Moorgate fleets were named as global Sector Leaders for rail by GRESB, achieving scores of 100/100.

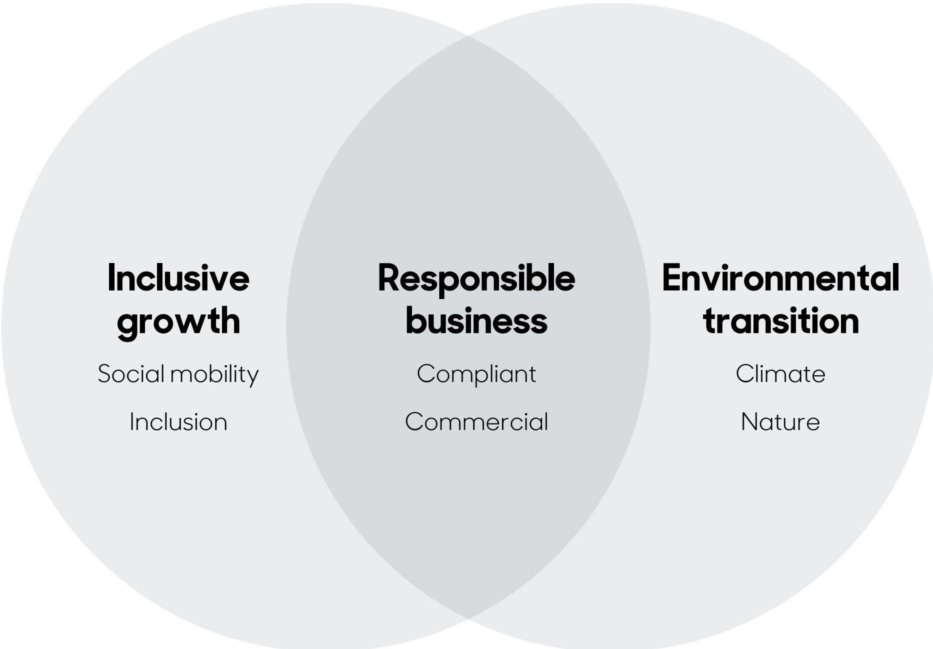
Capitalising on structural growth

We believe this is one of the most exciting periods for infrastructure investing in recent history, as governments in both developed and developing economies look towards the asset class to stimulate growth and adapt to long-term, structural trends.

We are well-positioned to capitalise on these opportunities, thanks to our extensive capabilities in both infrastructure debt and equity, which will support abrdn's strategic growth in the real assets sector.

Sustainability strategy

Taking a three-pillar approach to risks and opportunities



Our sustainability ambition is to enable inclusive growth and a credible environmental transition for our clients, people and tomorrow's generation. We believe this is responsible business.

We aim to consider sustainability when determining our corporate strategy and commercial initiatives. Our disclosure is aligned to recognised guidance frameworks and considers the interests of our various stakeholders.

We support our clients and customers to manage the long-term risks and opportunities associated with the environmental transition and inclusive growth. We analyse sustainability opportunities to ensure a balance between short-term costs and long-term benefits. Our strategy is not static and will be iterative in response to the changing landscape: macro-economic, regulatory and scientific.

Our strategy is supported by measurable metrics, with progress evaluated and verified:

Jason Windsor, CEO

"Building a sustainable business helps us to achieve our purpose: to enable our clients to be better investors. Sustainability is not only about managing risks, but also capturing opportunities. It supports our strategic priorities to transform performance, improve our client experience and strengthen talent and culture. Strong corporate citizenship is an important foundation of our business. Our sustainability strategy focuses on the areas where we can make the greatest material impact and aligns to long-term value creation."

Highlights

Gender

40%△ female representation at senior leadership

6ppts increase in female representation in our global senior leadership population (CEO-1 and 2) to 40%

Ethnicity

7%△ ethnic minority representation at UK senior leadership

On track for our 2027 target for UK senior leadership ethnic minority representation

Social mobility

£2.2m total charitable contribution

including donations to charities and in-kind giving

Environmental transition

74% reduction in operational emissions versus 2018 baseline

45% reduction of in-scope public markets[1] portfolio carbon intensity versus 2019 baseline

△ 2024 data with this symbol is subject to Independent Limited Assurance in accordance with ISAE(UK)3000 and ISAE3410 by KPMG. See page 300 for more detail.

1. Includes a subset of in-scope assets across equities, fixed income, and active quantitative strategies. See page 57 for more detail.

Sustainability progress

In 2024, building on our strong foundations as shown below, we focused on discovery, aligning goals, and establishing and embedding a strategy that can adapt with the dynamic sustainability landscape. In 2025, we will continue to progress against all three of our sustainability strategy pillars, with a strong focus on maintaining and maturing our approach to inclusive growth. We also aim to deliver meaningful impact on the environmental transition by setting new medium-term targets on climate and further maturing our approach to nature.

Pre 2020

- An accredited UK Living Wage employer since 2014
- Operational emissions baseline (2018)
- Entered Bloomberg Gender Equality Index, and Equileap top 200 companies for gender (2019)
- Six employee inclusion networks, three regional networks comprising 2,000+ colleagues (2019)
- Portfolio emissions intensity baseline (2019)
- Published climate change approach document for Investments (2019)

2020

- One of the first companies to be accredited as a Living Hours employer
- First annual diversity, equity and inclusion (DEI) client report
- Published our first TCFD-aligned report
- First reported portfolio emissions intensity for equities and fixed income
- Launch of our carbon foot-printing tools for investment desks

2021

- Published 'Human Rights – Our approach for investors'
- First year climate scenario analysis research published
- Published our first real estate net zero investment framework
- First roll-out of carbon metrics reporting for clients
- Published our first Stewardship Report

2022

- Announced a three-year partnership with UNESCO via abrdn Charitable Foundation (aCF)
- Strengthened accountability by increasing DEI metrics in executive scorecards
- Strengthened accountability by increasing climate metrics in executive scorecards
- Launch of engagement strategy focused on highest financed emitters
- Published 'Preserving Natural Capital – Our approach for investors'
- ii ACE40 list launch

2023

- Partnered with The Alan Turing Institute (via aCF)
- Became a Disability Confident Employer
- 100 Women in Finance EMEA Industry DEI award
- Year 2 of engagement with our top suppliers on their approach to net zero targets
- Net Zero award from Scottish Financial Enterprise for our research identifying climate transition leaders
- ESG fixed income fund of the year award from Environmental Finance
- ii wins AIC Shareholder engagement award, supporting retail investors to engage with their investments
- Group Double Materiality Assessment performed

2024

- Launch of new Senior Leadership (UK) ethnicity target
- Scottish Diversity Awards – Diversity campaign of the year
- Completed two-year engagement programme with our top 20 largest financed emitters
- 74% reduction in operational emissions versus baseline
- 45% reduction for in-scope public market portfolio carbon intensity versus baseline
- 34% reduction for in-scope real estate portfolio carbon intensity versus baseline
- Adviser launch ESG Hub
- ii named 'Shareholder Engagement Champion'

2025

- Target date for 50% reduction in operational emissions versus 2018 baseline

2030

- Target date for 50% reduction of in-scope portfolio carbon intensity versus 2019 baseline

2040

- Target date for operational net zero

Key

- Inclusive growth
- Environmental transition
- Responsible business

Sustainability governance

Oversight and management of identified risks and opportunities

Roles and accountabilities

Our framework

We use a governance framework aligned to the UK Corporate Governance Code's (2018) principles. Our Board oversees the implementation of the Group's business model and the activities of our three businesses: ii, Adviser and Investments. This includes oversight of material sustainability matters relating to our business model and strategy.

Board and its Committees

Our Board approves the Group sustainability strategy, with the Audit Committee providing oversight of sustainability reporting, and the Nomination and Governance Committee providing oversight of our Talent agenda, including DEI.

Executive Directors

The Board delegates responsibility for sustainability matters to the Chief Executive Officer who, alongside our Chief Financial Officer, is incentivised through our Executive Remuneration Policy to achieve sustained performance against our public sustainability targets.

Executive Leadership Team

Our sustainability ambition, plan and actions are led by our Executive Leadership Team (ELT) and progress is measured through the ELT scorecard.

Executive Sustainability Committee

In 2024, the Committee – comprising executive representatives from our businesses and corporate functions – met to discuss and provide recommendations to the Chief Executive Officer on sustainability matters. In 2025, we have elevated sustainability to become a standing item at ELT meetings to ensure strategy input from the full executive team. The Committee has been repurposed into a Group Sustainability Strategy Forum.

Embedded sustainability expertise

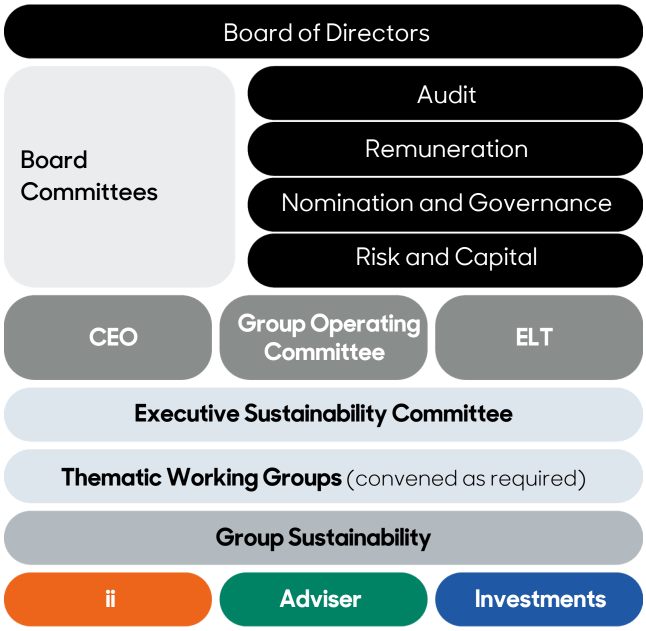
Our Group General Counsel, Group Head of Sustainability, and corporate sustainability team lead the management and delivery of our sustainability plans and actions. Our Investments business has a central sustainable investing team, led by our Chief Sustainable Investment Officer, as well as dedicated asset class specialists. Our Chief People Officer, Colleague Experience Director and colleague experience team manage the Group's culture plans and actions.

Colleague networks

Our Colleague Council, established in 2024, brings together all aspects of our colleague voice. Our colleague networks support colleagues to play a role in shaping our culture. Our ELT provides sponsorship for the Colleague council and each network.

Our people

Our global Code of Conduct describes the principles and standards to which we hold ourselves. We ask all of our colleagues to consider these principles in every decision and action they take.



Climate change governance

Oversight of risks and opportunities

Oversight of climate-related risks and opportunities is integrated in our sustainability governance structure. In 2024, the Board and its Committees were regularly informed about climate-related issues. They also reviewed our sustainability strategy, including a focus on the environmental transition. Our Audit Committee provided ongoing oversight of non-financial disclosure requirements.

Integration with Enterprise Risk Management

Climate-related risk is integrated within our Enterprise Risk Management Framework, which is subject to Board oversight. Climate change is considered among our principal risks and uncertainties, specifically within our 'Sustainability' principal risk. We consider climate risk to be material and acknowledge its relationship with financial, regulatory and legal risk, but note that it is also a standalone risk.

Management of risks and opportunities

Our Chief Executive Officer delegates authority from the Board to our ELT. We have established several different forums and working groups to manage the integration of sustainability, including climate change, across the business. These groups ensure the implementation of our strategy and actions to mitigate risks and identify opportunities, and are key in identifying matters to be escalated through our governance structure.

Read more in our Sustainability and TCFD report 2024.

Inclusive growth

We believe that everyone – our clients, customers, people and communities – should have the ability and confidence to achieve financial security. By bringing diverse perspectives and ways of thinking into our workplace, we are well-positioned to support our clients and customers who face increasingly complex financial challenges.

Social mobility

We are committed to building a business that supports social mobility and financial well-being for our clients, people, communities and tomorrow's generation. We believe we can achieve our ambition through supporting financial education, community impact, fair work and ensuring our offerings are accessible to all.

For more on social mobility, see pages 46-48.

Inclusion

We are committed to creating a more inclusive organisation that attracts brilliant talent, where all our people can thrive, where they belong, and can learn, develop and do their best work.

For more on inclusion, see pages 49-52.

Kristina Church
Group Head of Sustainability

"We are dedicated to helping our clients and customers secure their financial futures through effective planning, saving, and investing. By championing inclusive growth, we aim to break down barriers and create equal opportunities, supporting our stakeholders to achieve their potential. We do this through our partnerships with leading charities, attracting brilliant talent, creating a diverse supply chain, and through the products and services we provide to our clients."

£2.2m

Total charitable contribution including donations to charities and in-kind giving (2023: £2.1m)

3,301 hours

Our colleagues recorded 3,301 hours of volunteering time, a 2% increase versus 2023 (2023: 3,248 hours)

31%

Proportion of minority ethnic representation in recruited graduate positions (UK) (2023: 19%)

+6ppts senior female representation

Female representation in our global senior leader population (CEO-1 and 2) increased by 6ppts to 40%$^{\Delta}$ (2023: 34%).

△ 2024 data with this symbol is subject to Independent Limited Assurance in accordance with ISAE(UK)3000 and ISAE3410 by KPMG. See page 300.

Social mobility – accessible offerings and fair work

Supporting our customers, clients and colleagues to achieve financial security

Accessible offerings

ii

We believe that investment platforms can be a powerful force for good, when they put customer interests at the heart of their pricing. ii's flat-fee structure differentiates it from many other investment platforms and can make its services more cost-effective and accessible to a broader range of investors.

In the latest iteration of ii's Great British Retirement Survey 2023, we found there is a self-employment crisis – three quarters (76%) of the self-employed are paying nothing into a state pension, and 38% don't have a pension at all. This highlights the urgent need in the market for more accessible and cost-effective retirement products.

Our Pension Essentials, launched in 2023, is an entry-level plan for UK savers, aimed at bringing self-invested pensions to the mass market. As higher living costs continue to challenge peoples' ability to save for a comfortable retirement, this product is an example of how investment platforms can make pensions more accessible to a broader range of investors.

Adviser

Support for customers in vulnerable circumstances

We support advisers to achieve the best outcomes for their clients, which includes additional support for customers in vulnerable circumstances.

The FCA identifies four key drivers of vulnerability: health, life events, resilience, and capability. Through our Client Engagement Hub, we aim to provide support and tools for clients with vulnerabilities and aim to make processes as accessible and effortless as possible.

We have a team of specialists who are trained to provide additional help when a vulnerability is identified. Our accessibility services also support additional needs. We can translate certain documents into braille, or large print, and we can accept calls from registered sign language interpreters, or through RelayUK, which enables users to type to talk.

Through our proactive focus on training, technology and collaboration, our goal is to provide best-in-class support for our customers and clients who find themselves in vulnerable circumstances.

Fair work

Living Wage and Living Hours

We have been an accredited UK Living Wage employer since 2014. In 2020, we were one of the first companies to be accredited as a Living Hours employer. We ensure all our UK colleagues (over 80% of our global workforce) are paid above, or in line with, the UK Living Wage and that all colleagues are paid above the minimum wage in their country of work. In the UK, we extend this commitment to third-party suppliers working on our premises and our Global-Third Party Code of Conduct details our linked expectations for any global third-parties that we work with.

Also overseen by the UK Living Wage Foundation, the Living Hours accreditation provides greater security for workers. Living Hours are intended to help combat insecure work across the UK.

Case study

Living Wage advocacy

We continue to play a leading role in advocating for the Living Wage through our participation in three working groups of the Living Wage Foundation, in support of both the Living Wage and Living Hours. In 2024, we joined a working group with a leading sustainability ratings agency to support discussions aimed at raising awareness of, and expanding engagement with, the Living Wage accreditation scheme through their networks.

Social mobility – supporting financial education

Powerful charitable partnerships

Across the UK, we are directly supporting organisations championing financial education and inclusion through the abrdn Charitable Foundation, a registered charity in Scotland (SC042597). We have committed to multi-year partnerships with MyBnk and WorkingRite, which are delivering financial education and employability programmes designed to address systemic barriers and to support financial inclusion for young people. We see this as integral to our inclusive growth sustainability approach, as our contributions empower tomorrow's generation to secure their financial futures.

£1.1m

Donated to charities aligned to breaking down barriers to employment and financial wellness
(2023: £0.7m)

Case study

The Savings Ladder

In 2024, we launched our 'Savings Ladder' campaign to get Britain investing. Our campaign highlights the growing need for the nation to embrace a 'savings ladder' culture where saving, investing and pensions become a bigger part of how people view their finances.

We have measured this through the development of a 'Propensity to Save and Invest' score, with our first 'Index', published in July 2024, finding that the UK's average is 45/100. This is further supported by our research, with 44% of poll respondents classified as having poor financial literacy, based on answers to questions developed by the Global Financial Literacy Excellence Centre.

This translates to millions of people potentially heading for a less financially comfortable retirement, which we believe must be remedied by policy interventions to support financial education. Our open letter to the UK Government set out our concerns and urged action to boost financial literacy.

To read our open letter, visit www.abrdn.com/annualreport

Delivered with MyBnk

3,869
participants and 231 programmes delivered

62%
improvement in financial mindsets and attitudes

Kirsty Brownlie
Senior Social Impact and Partnerships Manager

"Many young people continue to face systemic barriers to achieving financial security. Acknowledging and addressing these challenges is essential if we want tomorrow's generation to fulfil their potential. Better financial education is vital if we are to encourage a culture of investing for the long-term, with our research suggesting that poor financial literacy is hampering people's long-term financial health."

Our Savings Ladder Index results

Highlighting the need for urgent action to support financial education in the UK

45/100
propensity to save and invest

44%
of respondents with poor financial literacy

Social mobility – community impact

Giving strategy

We connect people to opportunities, their communities and the natural world. We do this through employee engagement and building partnerships through our charitable giving strategy, governed through the abrdn Charitable Foundation. Our charitable giving is strategically aligned under two main themes: People, focused on breaking down barriers to education, employment and financial wellness; and Planet, protecting nature and addressing the impacts of climate change.

Colleague initiatives

We actively support our colleagues' passion for contributing to causes and organisations close to their hearts. We do this through contributing to colleague giving for both regular contributions through payroll in the UK and one-time fundraising efforts globally. We encourage colleagues across the globe to engage with their communities by offering three days of paid leave annually for volunteering, applicable during and beyond regular working hours. This approach highlights our commitment to community engagement, allowing us and our colleagues to make a meaningful impact.

£86k

Payroll giving[1]: We match colleague giving through our Give As You Earn scheme, up to a total of £100 per month. This totalled £86k in 2024 (2023: £103k). Colleagues donated £174k voluntarily via payroll giving in 2024 (2023: £191k).

£29k

Fundraise Plus[1]: We match colleague fundraising through our Fundraise Plus scheme, up to a total of £200 per person, per annum. This totalled £29k in 2024 (2023: £53k). Colleagues fundraised and donated £121k voluntarily in 2024 (2023: £195k).

Spotlight on: abrdn Innovation Fund

The abrdn Charitable Foundation launched its inaugural Innovation Fund, aimed at advancing social mobility, combating climate change, and protecting nature.

We invited applications from across the globe from charities and other non-profit entities that propose compelling solutions to social and environmental challenges.

The Fund is aimed at supporting them to explore groundbreaking ideas with the potential to significantly benefit global communities, delivering a lasting impact.

Our 2024 Innovation Projects include:
- Digital Career Mentoring with Drive Forward, a UK charity that enables care-experienced young people to achieve their full potential through sustainable and fulfilling employment.
- 24/7 Digital Library with Institut Louis Germain, a French charity that breaks down barriers to education, enabling the pathway to academic success and ambition.

Our 2024 Community Champion

We celebrate extraordinary colleagues and teams for the amazing things they do inside and outside of work. Our 2024 Community Champion, Peter Tulloch, volunteers for Blood Bikes, delivering vital blood to those who need it across Scotland. Peter volunteers for an average of 20 hours per month and can drive up to 300 miles in a six-hour shift. We are proud of all our colleagues who give up their time to support their communities.

1. Funding since 2023 has reduced as a result of lower headcount through transformation.

Diversity, equity and inclusion (DEI)

Caring about our people is the right thing to do for our business and our clients. We have a strategy and a framework in place to support all our colleagues at abrdn.

Resetting our strategy and priorities

Our purpose is to enable clients to be better investors. That means all of us, whoever we are, need to support our clients, whoever they are, to achieve their investment goals.

In 2024, we reset our strategy and redefined our ambitions to be clear about what matters to our people and our clients. We have built a framework and an ambitious plan to support the building of diverse teams who have a blend of skills, experience and backgrounds. This will help us meet our ambition to attract brilliant talent, coupled with a culture where all our people can thrive. We believe this will help create better business outcomes, both today and in the future.

We have developed a new ambition, clear priorities and an action plan for 2025:

Tracey Hahn
Chief People Officer

"We have made positive progress in 2024, and I'm pleased to see a shift in how people feel about working here. Supporting and developing our talent, and building the right culture to enable our people to thrive, is right at the heart of our strategic priorities. I am really proud of the role all our colleagues play in working together to deliver the best outcomes for our customers and clients."

Our ambition

We are committed to building a business that attracts brilliant talent and where all our people can thrive; where they belong, and can learn, develop and do their best work.

Our 2024-2025 priorities

Gender
- Supporting and growing our Balance network.
- Mentoring and sponsorship.
- Continued actions to close the UK gender pay gap.
- Establishing communities of support.

Ethnicity
- Supporting and growing our Unity Network.
- Publishing the UK Ethnicity pay gap.
- Working with our new partner for ethnicity.

Business/Regional
- Locally defined and owned, based on data, demographics, and cultural or regional nuances.

2024-2025 actions to drive change across the agenda

Revitalise our networks and communities	Focusing on talent and career actions/ progression	Inclusive & high performing leadership skills for all leaders	Activate sponsorship and mentoring	Embed in the end-to-end colleague experience

What we have delivered

Catalyst event, 'Diversifest', for reset of our ambition attended by one in three colleagues	Increase of diversity data disclosure to 76% for race/ethnicity	Actions across all five areas of 2024 reset: Client RFPs; data; partnerships; networks; priorities	12 real-life colleague stories shared via award-winning internal campaign, 'What you see and the real me'

Read more in our Sustainability and TCFD report 2024.

DEI – gender and ethnic representation

Making progress

Building an inclusive business is underpinned by having the right data, setting ambitious but appropriate targets and reporting on our progress for transparency and accountability.

We set our Gender targets in 2016, and met these initial ambitions in 2020.

Our targets and related actions clearly align to our two core priorities of Gender and Ethnicity. We are taking meaningful actions in both the short and medium term to drive sustainable change within our business, for all our colleagues.

In 2024, we introduced a new target for 6% of UK senior leadership representation to identify as minority ethnic by 2027. Already we have seen strong progress and momentum, and are on track for this target. This has been in addition to our increased disclosure among colleagues for race and ethnicity data.

We are pleased to report that we are on-track for our Board gender target, as well as our senior leadership targets. We remain committed through our plans and through our focus on gender as a priority.

Our gender and ethnic representation targets

Target group	Gender target	2024 status	Ethnicity	2024 status
abrdn plc Board	40% women	40% women ∆	Maintain commitment to the UK Parker review recommendation (1 or more members)	Two Directors identifying as minority ethnic ∆ (100% disclosure rate)
Senior leadership[1] (CEO-1 and 2)	40% women (global)	40% women ∆ (global)	Target: 6% UK senior leadership identifying as minority ethnic by 2027	7% UK senior leadership identifying as minority ethnic ∆ (82% disclosure rate)
Global workforce[2]	50% gender balance (+/- 3% tolerance)	43% women ∆		

Statement of consistency with the FCA Listing Rules

As of 31 December 2024, 40% of the abrdn plc Board were women, with two Directors identifying as from a minority ethnic background. Diversity characteristics are self-reported by Board members and all colleagues. No senior positions on the Board, as defined by UKLR 16.3.29, were held by women as at 31 December 2024. No changes to the Board have occurred since then. The Board continues to support its Diversity Statement. Further detail on pages 99-100.

Board and executive management gender representation	Number of Board members	Percentage of the Board	Number of senior positions on the Board[3]	Number in executive management[4]	Percentage of executive management
Women	4	40%	–	4	27%
Men	6	60%	3	11	73%

Board and executive management ethnic representation	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	8	80%	3	12	80%
Asian/Asian British	2	20%	–	1	7%
Not specified/prefer not to say[5]	–	–	–	2	13%

Subsidiary Director gender representation[6]	Number of Subsidiary Directors in 2024	Percentage of Subsidiary Directors in 2024	Number of Subsidiary Directors in 2023	Percentage of Subsidiary Directors in 2023
Women	12 (of 27)	44%	14 (of 30)	47%
Men	15 (of 27)	56%	16 (of 30)	53%

∆ 2024 data subject to Independent Limited Assurance in accordance with ISAE(UK)3000 and ISAE3410 by KPMG. Assurance statement and abrdn's detailed reporting criteria included in the Other information section (page 298) of this report.

1. Senior leadership relates to leaders one and two levels below the CEO and includes the Company Secretary, but excludes administration roles and individuals on garden leave.
2. Global workforce of 4,396 (2023: 4,742) including 1,898 (2023: 2,049) women. 24 colleagues without gender data on our people system are excluded from the headcount data (2023: 63).
3. Current senior positions on the abrdn plc Board are Chief Executive Officer, Senior Independent Director, and Chair.
4. Executive management team includes direct reports to the CEO ("CEO-1") and excludes administration roles.
5. Includes one individual based in a country where we do not collect diversity data.
6. Directors of the Company's direct subsidiaries as listed in Note 44(a) of the Group financial statements and not otherwise classified above.

DEI – UK pay gap disclosures

Our UK gender and ethnicity pay gaps

Our UK gender pay and bonus gaps

UK gender pay and bonus gaps	2024	2023
Mean pay gap	**24.2%**	24.8%
Median pay gap	**18.0%**	18.8%
Mean bonus gap	**50.2%**	55.3%
Median bonus gap	**34.6%**	34.6%

What is the gender pay gap

The difference between the average pay of men and women in a company regardless of the job they do. It is not the same as equal pay. The Equal Pay Act in the UK legally requires that colleagues working for the same employer must get equal pay for doing 'equal work' (the same, similar, equivalent or of equal value).

What do our results show

The data shows that progress is possible. Where we are taking action, we are seeing some evidence of change. This gives us confidence that we are moving in the right direction, but we acknowledge that progress is too slow and we need to do more to drive meaningful change. This is one data point that informs our actions and plans at abrdn.

Actions we are taking

1	**Representation targets**	Delivering our senior leadership targets will have the greatest impact on the UK gender pay gap.
2	**Industry collaboration**	Supporting the Diversity Project's goal for firms to reduce their UK gender pay gap by one-third from 2019 levels.
3	**Accountability**	With oversight from our Nomination and Governance Committee, our ambition is led by our ELT and includes tracking of progress against culture-related metrics.
4	**Career framework**	Providing greater transparency of the skills and expectations of people at each career level within our job families.
5	**Keeping gender as a priority across our Talent and Culture agenda**	Our progressive plan has been in place since 2017 and we continue to shape and refine our actions based on our data, colleague voices and by working with our Balance network.

Our UK ethnicity pay gap

UK ethnicity pay gaps	2024
Mean pay gap	**12.4%**
Median pay gap	**15.7%**

What is the ethnicity pay gap

The ethnicity pay gap is the difference between the average pay of people of different ethnicities within the same company, based on self-disclosure of their race/ ethnicity data, regardless of the job they do. Our UK pay gap shows that, on average, people who identify as Black, Asian or Minority Ethnic earn 12% less than people who identified themselves as White.

What do our results show

This is the first time we are publishing our UK ethnicity pay gap, which we hope indicates our commitment to action and sustainable change. The data represents a baseline from which we can track the impact our actions are having. Ethnicity is a core focus of our strategy and we recognise that there is a long way to go to create a truly equitable world of work – across the financial services industry and at abrdn. We are committed to playing our part in making progress.

Actions we are taking

1	**Representation targets**	We have set targets specifically at UK senior leadership level that will have the greatest impact on the UK ethnicity pay gap.
2	**Career framework**	Providing greater transparency of the skills and expectations of people at each career level within our job families.
3	**Data collection and accuracy**	We are focused on data disclosure and gathering the right insight from our people.
4	**Making ethnicity a priority**	Based on our increased data disclosure and insight, and close engagement with our Unity network, we are driving more targeted actions.

View or download our standalone UK pay gap report at www.abrdn.com/diversity-and-inclusion

Colleague engagement

Building momentum and launching a new colleague council

2024 engagement results

While acknowledging that there is room for improvement, we are pleased to see an increase in colleague engagement to 57% (2023: 54%). Our all-colleague survey achieved its highest ever participation rate of 83% (2023: 79%), reflecting our efforts to encourage a culture of feedback from our colleagues, with over 7,000 comments received during the year.

Reflecting a healthy culture

Pride and advocacy are growing, despite challenging market conditions. Our underlying culture is healthy, with colleagues reporting strong client focus, challenging and interesting work, growing belief in leadership and strong collaborative team relationships.

Taking action

The introduction of our new career framework has contributed to improvements in colleague perception of career development at abrdn. In 2024, 81% of our colleagues had a mid-year career conversation with their leader to discuss the new career framework, future career aspirations and development opportunities. Focus and work in this area continues to be a priority.

Day-to-day experiences are positive and leaders at all levels have strong and trusted relationships with their teams. 87% of colleagues say their manager cares about their wellbeing; 81% feel included by the people they work with; and 74% say their perspectives are valued, reflecting an emerging strength and opportunity in our leaders.

Colleague engagement score

57%

(2023: 54%)

"I can voice a contrary opinion without fear of negative consequences"

67%

(2023: 53%)

"I know how my work contributes to delivering abrdn's strategy"

78%

(2023: 68%)

"I believe there are good career opportunities for me here"

44%

(2023: 36%)

Colleague council

Newly formed in 2024, this global group represents our colleague population, bringing together all aspects of colleague voice. More than 100 colleagues put themselves forward, from which 30 colleagues were appointed, including representation from each business area, every region and each of our colleague networks.

Advice and input will be sought from this group to help create the best outcomes for our people. Meeting for the first time in September 2024, our colleague council has already completed its first mission, resulting in four new questions in our annual engagement survey and a fresh, myth-busting approach to communications.

In 2025, our colleague council will work with leaders and their teams, taking action and empowering others to continue to improve our colleague experience.

Noel Butwell
CEO, Adviser

"We are on a mission so that everyone feels seen, heard and valued and so that nothing gets in the way of people doing their best work. I was humbled by the number and quality of applications for our colleague council. This group is already shaping our culture, and I look forward to continuing to work closely with them, driving forward improvements together."

Environmental transition

Managing risks and realising opportunities

In the second half of 2024, the Board discussed our Group sustainability strategy, which included environmental transition as a strategic area of focus. The directors recognise the importance of managing the risks and opportunities linked to climate change, nature and the wider environmental transition. The Board also supports our business to reflect this strategic focus in a way that best serves our customers and clients.

Under our environmental transition pillar, we consider the impact of, and our impact on, the environmental transition across the Group, with a focus on climate and nature.

We continue to actively manage our transition planning and have developed a Climate Transition Plan internally. This plan is evolving as frameworks and data mature. We hope to be in a position to publish our plan externally in the near future.

Identifying and assessing environmental risks and opportunities

Our Corporate Sustainability team works closely with our businesses to identify and manage sustainability risks and opportunities, which are then discussed and disseminated in a process managed by our Risk team, in line with our Enterprise Risk Management Framework (ERMF).

Periodically, we conduct Group environmental risk assessments using our ERMF risk impact matrix to ensure a cohesive view of environment-related risks and opportunities for the business.

Residual risk assessment is determined based on a number of factors, including: the likelihood of the risk materialising; the timeframe of onset; the scale of the potential impact of each identified risk; the controls we have to mitigate impact; and business continuity plans aligned to each risk, all of which help determine vulnerability. The assessment considers inherent risk and the quality of controls to determine a residual risk score of low, medium, high or very high, depending on the impact and likelihood attributed to the risk.

Read more in our Sustainability and TCFD report 2024.

The output of this assessment is shown overleaf, with our most recent assessment being conducted in November 2024. Our view remains that the Group is predominantly exposed to climate transition risk (see page 54) and opportunity (see below), as markets, policies and regulations evolve. This is most significant to our Investments business as it has the potential to impact the financial performance of our investments. Adviser and ii do not face the same level of exposure, due to them being platform businesses.

Identifying opportunities

Across our Group, we aim to support clients in meeting their own sustainability ambitions. This means supporting our clients to meet their own sustainable investment goals and navigating the financial implications of the environmental transition on their investments. We also identify climate- and nature-related opportunities at both a Group and business level.

At our Climate Risk Workshop in 2023, subject matter experts identified two over-arching opportunities, which remain unchanged in 2024. These are the opportunities from developing decarbonising investment products and services across our three businesses, and reducing operational costs by using more efficient buildings, technology and transport. The development of specific products is individual to each business. See page 56 for our operational approach to decarbonisation.

Investments' approach

We continue to experience strong demand for sustainable investing opportunities. As such, sustainability and, in particular, climate change remains a long-term strategic focus for our Investments business. We provide investment solutions, capabilities and insights to enable our clients to meet their sustainability and financial objectives.

ii and Adviser's approach

Our ii and Adviser businesses provide information, insight, and access to a range of sustainable investment solutions.

It is important to be clear that climate- and nature-related considerations are not integral to every investment, or strategic decision, nor are tools without limitations. We aim to improve our capabilities each year, as new data becomes available, and the needs of our clients evolve.

Environmental risks and opportunities

Identified environment-related risks – climate and nature

The table below illustrates our risk assessment of abrdn's environment-related risks. With input from the first line and Corporate Sustainability, we consider applicability and expected likelihood across our business. This is an illustrative view, which is expected to evolve over time.

Identified environmental transition risks		Potential financial impact to abrdn	Mitigation strategies	Applicability to business areas	Time horizon	Residual risk
Policy and legal	Evolving regulatory and reporting landscape, with regional variants	Costs to gather, analyse, and publish data	Reporting tools and efficient processes	Group	0–5 yrs	Medium
		Costs of inadvertent non-compliance	Horizon scanning and engagement supported by governance frameworks	Group	0–5 yrs	High
Market	Changing client/customer preferences	Reduced revenue from decreased demand for products and services	Market research to inform commercial decisions. Thought leadership and client engagement	Investments	0–10 yrs	Medium
		Potential for missed opportunities due to lack of products and services	Product development to meet this demand	Group	0–10 yrs	Medium
	Lack of clarity regarding the pace, direction, and evolution of public policy	Market uncertainties and associated impacts on returns	We have multiple ways to assess potential impacts including on-desk analysts, insights from the central investment team and our Global Macro Research team	Group	0–10 yrs	Medium
	Environmental events impact the financial markets	Volatility reducing revenue and impacting financial performance	Investment research to understand and quantify the potential impact on returns and build more resilient portfolios	Investments	0–10 yrs	Medium/ High
		Reactive policies leading to potential market instability	Horizon scanning and, where applicable, proactive advocacy with policy makers	Group	0–10 yrs	Medium/ High
Reputational	Increased stakeholder concern or negative sentiment	Reduced revenue from decreased demand for products and services	Enhanced reporting and transparency, and implementation of controls to mitigate marketing risks	Group	0–5 yrs	High
		Costs associated with potential litigation due to investment decisions	Proactive engagement with stakeholders to ensure clear understanding of regulatory landscape	Investments	0–5 yrs	High
Identified environmental acute and chronic physical risks						
Acute physical	Increased severity of extreme weather events and location-specific loss of ecosystem services	Costs related to damage to operational infrastructure, technology, and disruption to power networks. Supply chain disruption and increasing resource constraints	Infrastructure insurance, a business continuity process, remote working technology, distributed infrastructure with backup power, and climate sensitivity analysis for office locations	Group	0–10 yrs	Medium
		Costs and operational impact of non-office-based disruption to colleagues/third-parties	Business continuity and remote working support, provision of staff support platforms, and requirement for third-party services to provide resilience plans	Group	0–10 yrs	Medium
		Costs of physical damage to investment assets, including real estate	Physical climate risks are assessed, mitigated and managed as part of due diligence for new investments and on an ongoing basis as part of asset management	Investments	0–10 yrs	Low/ Medium

Climate scenario analysis - Investments

Understanding climate-related risks and opportunities

Beliefs driving our analysis

As investors, we must understand and quantify the effect of climate-related risks on potential returns of the companies and markets in which we invest on behalf of clients, and how the underlying assets are addressing their exposure to climate-related risks. We believe that this will enable us to build more resilient portfolios and generate better long-term returns for our clients.

Our bespoke approach

We take a bespoke approach with the aim to integrate climate scenario analysis with our investment processes and provide solutions for our clients:

1. **We reflect more realistic regional and sectoral characteristics than standard approaches.**
2. **We assign probabilities to our scenarios to create a 'most likely' future pathway.**
3. **We design our baseline to reflect what is currently priced into the market.**
4. **We are not restricted by the technological assumptions of a single energy-systems model.**
5. **We consider the impact of company transition strategies and assess their credibility.**

Insights and conclusions

Generally, global climate policy ambition continues to increase, but with delayed implementation, which is a feature of a 'disorderly' energy transition and will create nuanced consequences for investors.

We continue to believe that the most pronounced impacts for investors will be sector- and stock-specific, with valuation impairments for aggregate global equities being limited (-0.5%) under our Probability-weighted scenario, which projects a global temperature rise of 2.2°C (2023: 2.3°C). The chart below plots the dispersion of asset uplifts and impairments under this scenario. Our framework generates forecasts on over 22,000 equity assets and 55,000 corporate bonds. This analysis can be applied as a top-down tool to support our clients, with flexibility to meet specific client needs, in conjunction with other forms of analysis.

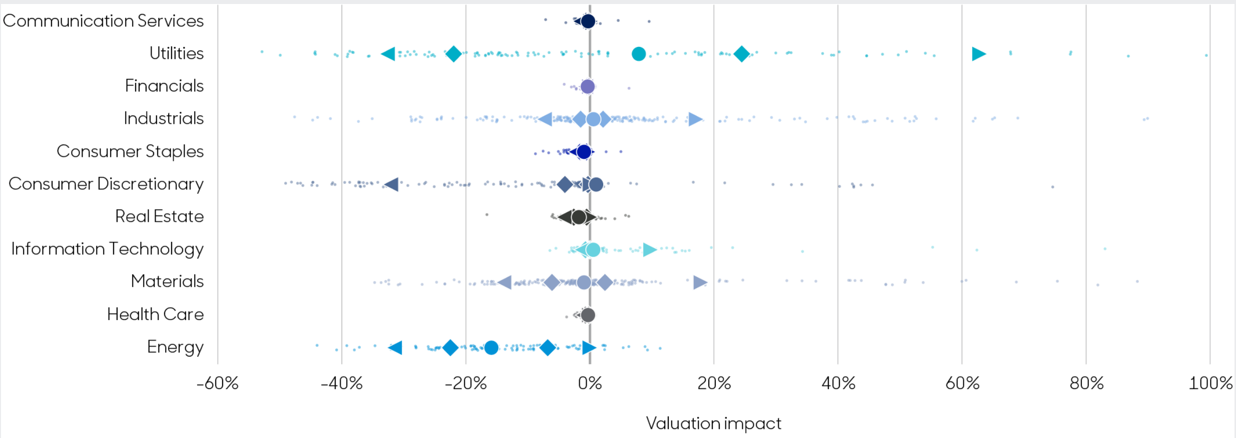
Our suite of 16 scenarios allows us to consider the impact of a range of climate futures from Paris-aligned scenarios of well-below 2°C to a 'hot-house world', with projected temperature rises ranging from 1.3°C to 3.8°C by 2100. But our bespoke scenarios allow us to provide enhanced insight in the more probable middle-ground.

Resilience of abrdn as a firm

The financial sector faces limited direct exposure to climate-related risks, with an average equity valuation impairment of 0.5% under our Probability-weighted scenario. However, climate-related risk has the potential to be material indirectly, due to portfolio-level exposures, and other risk types explored on page 54. It is therefore critical that we understand and quantify climate-related portfolio risks, to better enable the objectives of our clients, as the owners of the assets we manage. We consider our direct exposure to climate-related risks to be low. Further information on the resilience of the Group can be found in our Viability statement on page 80.

Our conclusion is that climate risk and opportunity is both a sector- and stock-specific phenomenon

This suggests that actionable insights can be found by looking across and within sectors and implies that actively managed investment strategies can tilt portfolios towards climate transition 'winners' and away from climate 'losers'. Insights can be refined using our climate 'building blocks', with both top-down and bottom-up analysis. See more on page 50 of our Sustainability and TCFD report 2024.



Probability-weighted mean scenario. Circles show the sector mean; diamonds represent the 25th and 75th percentile; triangles represent the 10th and 90th percentile.

Operational emissions disclosure

Delivering against our interim emissions reduction objective

Progress in 2024

Our operational emissions intensity is comparatively small compared with the intensity of the investments we manage on behalf of our clients. We aim to lead by example and believe that our actions must mirror our expectations as investors.

In 2024, we remained on track to meet our interim objective of a 50% reduction in reported operational emissions by 2025[1]. We report a 74% reduction versus our 2018 base year. This reduction continues to be driven largely by a fall in our business travel since 2018 and office consolidation.

Actions and initiatives from 2024

Each year, we take action to refine our processes, engage colleagues and deliver meaningful impacts. In 2024, we carried out net zero audits for some of our major offices. We engaged with relevant stakeholders required to deliver the energy efficiency initiatives identified in these audits, and this process will continue in 2025. This forms part of our work to address our material operational impacts, such as energy use in our offices. We also remain committed to addressing broader environmental impacts, as sources of emissions considered to be less material can still intersect climate and nature, or may present an opportunity for engagement with colleagues.

Operational climate targets[1]

Target	Scope	Progress
Operational net zero by 2040	Beginning with absolute emissions reductions, we are targeting net zero operational emissions across Scopes 1, 2, and material Scope 3 categories.	74% reduction since 2018
50% reduction by 2025 versus a 2018 baseline	Absolute reduction in reported Scope 1, 2, and 3 emissions. This does not include some Scope 3 categories for which data remains unavailable.	

Reported operational emissions and energy consumption

Operational emissions in metric tonnes of CO_2 (tCO_2e)		2024	2023	2018
Scope 1∆[2]		**692**	739	2,667
Scope 2 (location based)∆[3]		**1,469**	1,821	7,069
Total Scope 1 and 2 (location based)		**2,161**	2,560	9,736
Scope 2 (market based)		**426**	558	4,376
Scope 3 – Fuel- and energy-related activities (transmission and distribution losses)		**168**	135	451
Scope 3 – Waste from UK operations		**3**	7	–
Scope 3 – Business travel		**4,974**	6,012	22,031
Scope 3 – Employees working from home		**1,035**	1,205	–
Total Scope 3 operational emissions ∆[4]		**6,180**	7,359	22,482
Total Scope 1, 2 and 3 operational emissions		**8,341**	9,919	32,218
Total energy consumption in kilowatt-hours (kWh '000s)				
UK energy consumption		**8,841**	10,746	26,658
Global energy consumption		**2,017**	1,812	8,451
Total energy consumption ∆		**10,858**	12,558	35,109
Operational emissions intensity in metric tonnes of CO_2 (tCO_2e)				
Scope 1 and 2 emissions intensity per full-time employee equivalent (FTE)[5]		**0.49**	0.54	1.57
Reported emissions by location in metric tonnes of CO_2 (tCO_2e)				
Scope 1	UK	**676**	702	2,629
	Global (ex. UK)	**16**	37	38
Scope 2 (location based)	UK	**1,064**	1,275	4,181
	Global (ex. UK)	**405**	546	2,888

∆ 2024 data subject to Independent Limited Assurance in accordance with ISAE(UK)3000 and ISAE3410 by KPMG. Assurance statement and detailed reporting criteria included in the Other information section of this report.

1. Operational net zero and interim reduction targets are based on reported Scope 1, 2, and 3 absolute emissions (tCO_2e) reductions.
2. Scope 1 emissions include natural gas, fluorinated gas, company-owned vehicles, and stationary fuel.
3. Scope 2 emissions include purchased electricity and district heating.
4. Scope 3 reported emissions do not include some emission categories deemed to be material but where data is currently unavailable. Refer to page 303.
5. Emissions intensity reporting based on FTE as of 31 December 2024 of 4,409 (2023: 4,719 and 2018: 6,192). In 2024, we improved our FTE coverage to include contingent workers.

Portfolio decarbonisation – Investments

Targeting a 50% reduction in the carbon intensity of in-scope assets by 2030, versus a 2019 baseline, within our Investments business

Public markets: progress to date

This is our third year of reporting against our target, with a 45% reduction in the carbon intensity of in-scope public market assets versus our 2019 baseline in (2023: 41%). In-scope assets include specific funds and mandates within equities, fixed income and active quantitative strategies, with demonstrable decarbonisation achieved across each of the asset classes. We continue to note momentum in an increase in client mandated decarbonisation in segregated accounts, which has continued to act as an enabler to achieving our target, along with client inflows into low-carbon quantitative strategies over the last four years.

Real-world decarbonisation

There remain significant challenges to overcome to achieve real-world decarbonisation, including favourable policy environments, data availability, and client demand. Reductions in portfolio carbon intensity may not be attributable to real-world impact due to the limitations of portfolio carbon metrics.

Our strategy is focused on having the best possible climate building blocks and frameworks to enable our clients to integrate climate change considerations into their investments.

The combination of our top-down climate scenario analysis and bottom-up portfolio alignment and credibility framework help support our forward-looking evaluation of emissions and climate-related risks and opportunities. These frameworks are also deeply integrated into our active ownership approach to enhance our considerations of climate risks and opportunities.

Real estate: progress to date

Between 2019 and 2023, we note a 34% reduction in Scope 1 and 2 carbon intensity by floor area. This can be attributed to the ongoing decarbonisation of UK and EU energy grids, and the continued evolution of the in-scope portfolio towards assets with a lower Scope 1 and 2 carbon intensity. This included an increased allocation towards industrial assets, which typically have a lower Scope 1 and 2 carbon intensity compared with other asset types (e.g. offices).

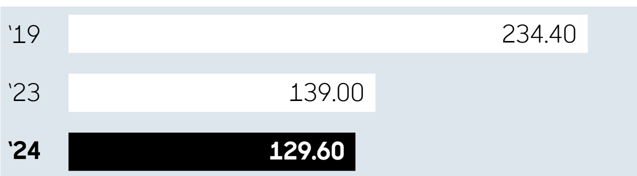
Our analysis of the 2023 calendar year has considered 74% of direct real estate AUM (4% of abrdn AUMA at 31 December 2023). Of the 74% of direct real estate AUM considered, 27% has associated Scope 1 and/or Scope 2 carbon emissions. The remaining in-scope assets with no associated Scope 1 and/or 2 carbon emissions are those that have no landlord energy procurement (i.e. all energy is procured by the tenant, and therefore all emissions are Scope 3 emissions that fall outside of the scope of the 50% reduction target). While no Scope 3 emissions are disclosed for the purposes of reporting against the above target, it should be noted that we collect extensive Scope 3 emissions data for our real estate investments, which is typically disclosed at the product-level.

Transition pathways for direct real estate

We continue to implement our decarbonisation framework to support the decarbonisation of our real estate assets and the delivery of our carbon targets and financial objectives. This helps us to understand transition pathways for our assets, and importantly the associated cost.

Public market decarbonisation
(29% AUMA)
WACI: tCO_2e/\$m Revenue (Scope 1 and 2)

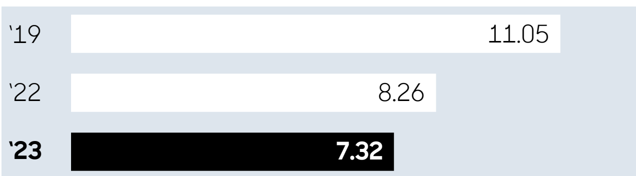
45% reduction
(2023: 41% reduction)



Weighted average carbon intensity (WACI) is our method of tracking public market decarbonisation, in line with the original recommendations of the TCFD. In-scope assets include equities, fixed income, and active quantitative strategies.

Real estate decarbonisation
(4% AUMA)
Carbon intensity: $kgCO_2e/m^2$ (Scope 1 and 2)

34% reduction
(2022: 25% reduction)



Emissions for in-scope direct real estate are divided by floor area and, along with AUMA, are reported for the 2023 financial year. There is a significant lag to the collection of data from individual assets, preventing reporting to 31 December 2024.

Active ownership and solutions

Catalysing sustainable change through engagement

Active ownership and ESG considerations are a driver of our investment process, investment activity, client journey and corporate influence. Through engagement with the companies in which we invest, and by exercising votes on behalf of our clients, we seek to improve the financial resilience and performance of our clients' investments. Where we believe change is needed, we endeavour to catalyse this through our stewardship capabilities.

Our approach to stewardship

We seek to integrate and appraise environmental, social and governance factors in our investment process. Our aim is to generate the best long-term outcomes for our clients, proportionate to the risk preference they have accepted, and we will actively take steps as stewards and owners to protect and enhance the value of our clients' assets. We use the UN Global Compact's four areas of focus in assessing how companies are performing in this area. Specifically, we expect companies to be able to demonstrate how they manage their exposures across environmental, labour and employment, human rights and business ethics.

Exercising voting and ownership rights

In 2023, we updated our voting policy to reflect our intention to use indicators within the Carbon Disclosure Project (CDP) to identify companies which are not fulfilling their climate commitments. We publicly announced our focus on voting action at the AGMs of companies which we defined as climate laggards. We defined a climate laggard to be a company which responded 'No' or did not respond to the question on board level oversight of climate related issues in its most recent CDP questionnaire. In 2024, we took voting action at the AGMs of 15 companies.

For more information on our approach to stewardship and voting with regards to voting on DEI – please refer to our Sustainability and TCFD report.

Read more in our Sustainability and TCFD report 2024.

Looking forward: Nature and Biodiversity

The risks and opportunities associated with the use of natural capital (the world's natural resources, which underpin our economy and society) are becoming increasingly financially material.

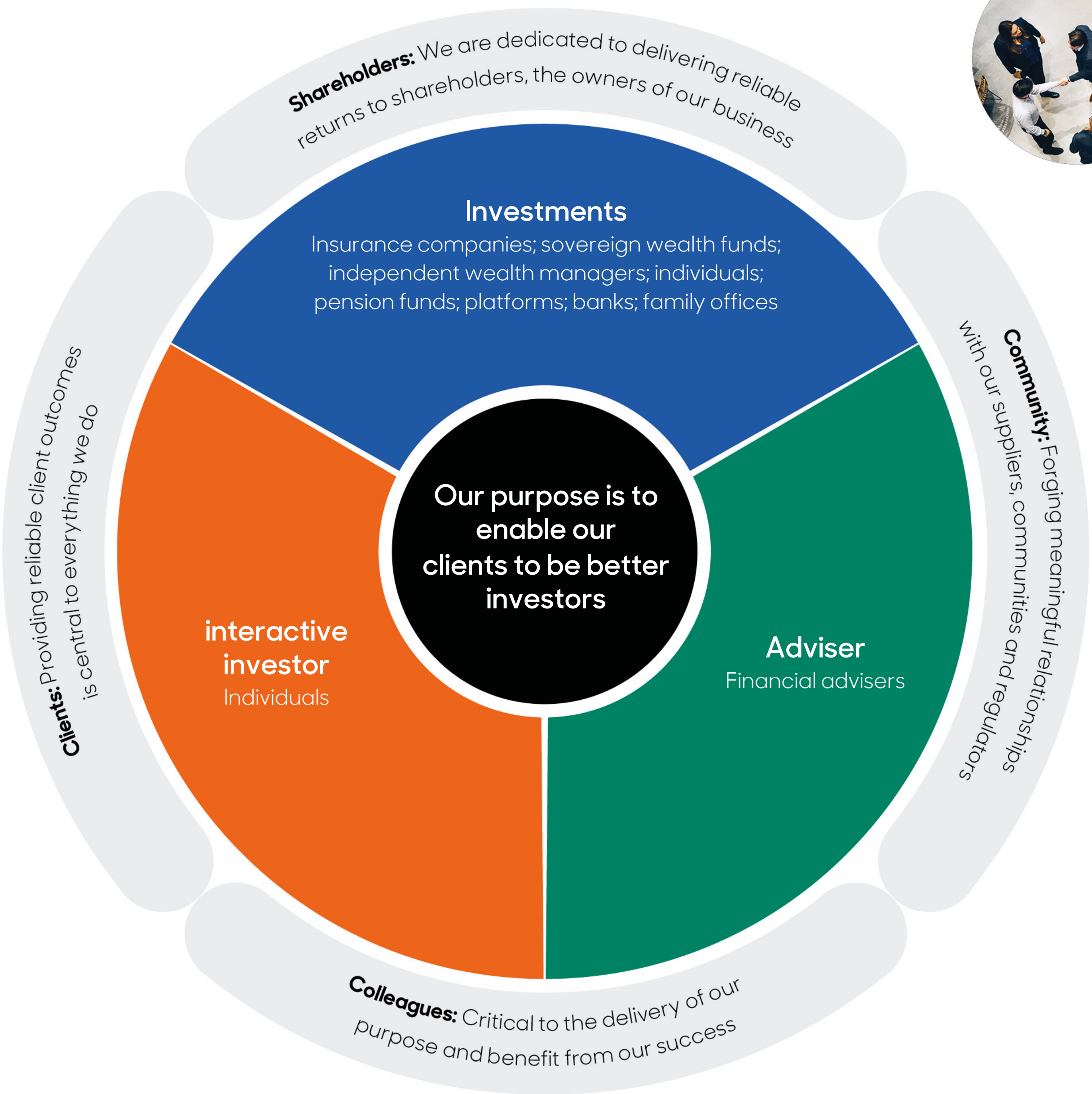
The Taskforce for Nature-related Financial Disclosure (TNFD) was established to develop and deliver a risk management and disclosure framework. We believe this framework is likely to become the default standard for companies to promote disclosure of nature-based risks. abrdn is supportive of TNFD and we will encourage companies to focus on its disclosure and reporting on natural capital as we believe better disclosure can help support abrdn's analysis of nature-related financially material risks and opportunities.

Engagement with our top 20 largest financed emitters

In 2022, for our public market investments, we launched a two-year engagement plan with our top 20 largest financed emitters. This enables meaningful engagement over time and reflects our objective to work with our investee companies to support real-world decarbonisation. We have identified decarbonisation trends in the hardest to abate sectors, such as mining and oil and gas producers. Through our engagement programme, we have also managed to identify those companies we believe are likely to be transition leaders. Our two year engagement plan has now concluded and, in 2025, we will review progress against our decarbonisation milestones. Should we not see sufficient progress against these milestones, we may take voting action and/or consider reducing our financial exposure, if we believe a lack of progress represents a clear financial risk to our clients.

Responsible business

We work with all our stakeholders to support inclusive growth and a credible environmental transition. This is our view of responsible business.



Section 172 (1) statement

The Board recognises the requirements of reporting against matters set out in section 172 (1) (a) to (f) of the Companies Act. The illustration on this page and information on pages 60 to 61 identifies key stakeholders and summarises actions and engagement activities undertaken during 2024, in support of the success of the company and for the benefit of members as a whole. Further information is also provided on pages 92 to 96 of the Corporate governance statement.

Stakeholder engagement

We strive to engage with our stakeholders to understand their views and take them into account in our long-term decision-making

Examples of stakeholder engagement during 2024

Stakeholder	How do we engage? / What did we learn?	Related outcomes
Clients	**How do we engage?** – Across our business, we regularly engage with clients via direct meetings, perception studies, and attendance at industry conferences. Such engagements help us understand our clients' needs and strategies, including their sustainability objectives. **What did we learn?** – Listening to feedback is critical, with indicators, such as consistent 'Excellent' ratings from ii customers on Trustpilot, illustrating this in practice. – Across Adviser, we know our clients value service. We measure customer satisfaction (averaging 91 in 2024) to help us continuously improve the service we provide. – Our Investments business has a diverse client base. Independent client survey feedback highlights strong client service and account management.	**Related outcomes** – Launched a new Managed ISA product in ii to encourage low-confidence investors. See pages 24-29. – Reduced sign-up and transfer-in process lead times; improved call answer times at Adviser. See pages 30-35. – Undertook a range of investment performance improvement programmes, which has supported returns across asset classes. See pages 36-41.
Shareholders	**How do we engage?** – Our Annual General Meeting (AGM) offers shareholders the opportunity to interact directly with our Chair and Board. – In 2024, we began providing the market with quarterly trading updates, responding to investor appetite for more frequent communication. – During 2024, we also carried out a comprehensive programme of one-to-one meetings, conferences and roadshows in the US, as well as the UK, with domestic and international investors. **What did we learn?** – Feedback on our results announcements and quarterly trading updates allows us to better understand the views of our shareholders and the market. The introduction of quarterly trading updates has enabled us to obtain this information more regularly. – Feedback from our programme of investor meetings reflects a broad range of investor interests. Learn more on page 93.	**Related outcomes** – We aim to provide regular information to shareholders on our trading performance. The introduction of quarterly trading updates has supported this outcome, with the more regular communication viewed as helpful in investor feedback. – The business aims to encourage an all-employee share ownership. Learn more on page 133.
Suppliers	**How do we engage?** – All suppliers providing services within the scope of our third-party risk management framework are engaged through due diligence assessment and ongoing monitoring. – Strategic supplier relationships have dedicated relationship managers to support greater oversight and engagement. – ESG topics are included within our oversight reviews. **What did we learn?** – Through due diligence and ongoing monitoring, we are able to assess suppliers against our third party expectations, as outlined in our Global Third-Party Code of Conduct. – Many of our suppliers align with our expectations and, in many cases, demonstrate an established understanding of sustainability risks. However, where suppliers do not align, we aim to establish stronger controls to support them and monitor their performance.	**Related outcomes** – In 2024, we continued to advance our approach to managing sustainability risks presented by suppliers, using established processes to identify and address weaknesses in supplier performance. The information gathered enables abrdn to continuously improve its approach to supplier sustainability and associated outcomes.
Regulators	**How do we engage?** – abrdn retains membership of various industry groups and forums, which supports the development of a collective sector view. – We proactively respond to government, parliament and regulatory consultations and inquiries relevant to our businesses and stakeholders. **What did we learn?** – We are supportive of greater interoperability in global sustainability disclosure standards. – We are also strong believers in client-first outcomes and support the implementation of requirements such as Consumer Duty.	**Related outcomes** – In 2024, we engaged with our regulator on implementation of fund labelling as part of the Sustainability Disclosure Requirements. – We published extensive consumer research highlighting the need for action to improve financial literacy among UK adults.

Stakeholder engagement

Examples of stakeholder engagement during 2024 continued

Communities	**How do we engage?** – We conduct research and publish insights relating to topics such as financial inclusion, savings and retirement, and the low carbon transition. – The abrdn Charitable Foundation directs our community impact strategy, with a focus on tomorrow's generation. – Our colleagues volunteer and fundraise for a variety of charitable causes. We provide three paid volunteering days to abrdn colleagues to enable this. **What did we learn?** – Insights, such as our 'Savings Ladder' research suggest that 23 million people in the UK have poor financial literacy and that those with good financial literacy are more likely to have a pension. – Our colleagues have primarily chosen to volunteer for social welfare charities, supporting those in need or facing hardship, or environmental charities.	**Related outcomes** – £2.2m contributed to charitable causes in 2024 (2023: £2.1m). – 3,301 hours spent volunteering by colleagues during 2024 (2023: 3,248). – We have committed to multi-year partnerships with MyBnk and WorkingRite, which are delivering financial education and employability programmes designed to address systemic barriers and to support financial inclusion for young people.
Colleagues	**How do we engage?** – Our annual colleague engagement survey (page 52). – Pulse surveys throughout the year, checking in with colleagues. – Reinvigorated regular townhalls and informal coffee sessions to provide candid Q&A opportunities with our ELT. – Our new colleague council brought together all aspects of colleague voice, including representation from each colleague network, region and area of the business. **What did we learn?** – Engagement is steadily improving, with notable positive shifts in pride and advocacy. – Focused leadership engagement activity, and visible, approachable, leadership style have driven increased scores in motivation and confidence. – Colleagues' scores show strength in client focus, interesting work, and strong collaborative team relationships. – Our Board Employee Engagement programme includes a number of opportunities throughout the year for employees to engage with our designated NED for employee engagement.	**Related outcomes** – In clarifying our ambition and re-setting our networks, colleagues recognised a refreshed ambition and focus. 81% feel included by the people they work with. – Refined approach to stating our desired culture and measuring our progress towards that, through our new Culture Dashboard. – Introduction of our new Career Framework, supporting colleagues' personal development, connecting back to highlight learning and development opportunities.

Inside abrdn's Board Employee Engagement: a year in review

By Hannah Grove, Designated non-executive Director for Board Employee Engagement (BEE)

2024: a year of engagement

The following are some example activities from the BEE programme in 2024:

- 14 discussion sessions were held with groups across various levels, businesses and geographies, including the Future Leaders cohort, female talent groups, the newly formed Colleague Council and colleagues in America, Europe, Asia and the UK.
- Six 'Meet the NEDs' sessions took place including events with colleagues in London, Edinburgh and Philadelphia, as well as a specific session held by our subsidiary Adviser board directors for Adviser colleagues in Edinburgh.
- Six Employee Network engagements, including a roundtable discussion with our US network chairs in Philadelphia.

More detail in relation to the programme can be found on page 93.

Looking ahead to 2025

We will stay close to colleagues and maintain high board visibility, continuing to leverage the BEE programme to support progress and improve engagement, which will ultimately deliver better performance.

Feedback from colleagues

"These are excellent sessions – insightful, candid and with a group of Non Execs who are, without exception, very approachable."

"These are just brilliantly relaxed and engaged sessions. There's honest sharing and supportive conversation and I'm always grateful for the opportunity to meet the NEDs in person. I strongly recommend any other team member take advantage of these sessions at the next occasion."

Non-financial disclosure

Non-financial and sustainability information statement

Statement of the extent of consistency with FCA UKLR 6.6.6(8)R for TCFD disclosure

The disclosure in this report, with additional information in our Sustainability and TCFD report, is designed to be consistent with the 11 recommendations of the TCFD framework, except for disclosure of certain Scope 3 emissions categories, including complete disclosure of financed emissions.

Limitations and exclusions

Data availability and maturity remains a challenge and has bearing on the completeness of the information we can report. While our disclosure remains consistent with prior periods, we acknowledge that our reporting may evolve in future periods. Our view is that sufficient climate-related data is available to better enable our investment processes and to manage our objectives as a responsible business. This also allows us to track our progress against targets, outlined on pages 56 and 57. Full details of our limitations and exclusions relating to operational emissions disclosures is summarised within our Sustainability Reporting criteria in the Other Information of this document (page 302).

Summary of non-financial disclosure

The information on this page and page 63 summarises where we have made required disclosures under the Companies Act 414CA and 414CB in this report in addition to the information required under the FCA UKLR 6.6.6(8)R. Additional information is also provided in our standalone Sustainability and TCFD report, and other disclosure documents, which we believe adds value for our stakeholders and reflects common market practice.

	Recommended TCFD-aligned disclosure	Page(s)
Governance	Describe the Board's oversight of climate-related risks and opportunities.	44
	Describe management's role in assessing and managing climate-related risks and opportunities	44
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	53-54
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	53-54, 55
	Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	55
Risk management	Describe the organisation's processes for identifying and assessing climate-related risks	53
	Describe the organisation's process for managing climate-related risks	53-54
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	53
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	56-57
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	56-57
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	56-57

	Climate and environment
Our focus	Our continued focus is on managing our climate-related risks and opportunities, which is presently the most significant environmental matter for our business. Our sustainability strategy, discussed by the Board in H2 2024, includes a focus on environmental transition, as we look to now place strategic emphasis on matters beyond climate, both as investors and in our business.
Policies and due diligence	Operational environment policy Listed company voting principles Sustainability and TCFD report
Policy outcomes	Climate targets applicable to our operations and investments Active engagement approaches and climate tools to support our investment processes
Related risks	Disclosure on page 54
Risk management	Sustainability professionals and governance structure Tools in place to support climate-related risk management
Non-financial KPIs	Greenhouse Gas emissions metrics Climate-related voting and engagement

Non-financial information

Non-financial and sustainability information statement

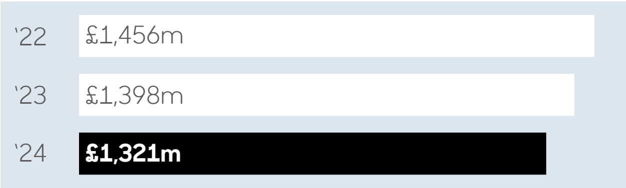
	Employees	Social matters	Human rights	Anti-corruption and anti-bribery
Our focus	Our objective is to build a business that attracts brilliant talent; and where all our people can thrive; where they belong, and can learn, develop and do their best work.	Our sustainability strategy, reviewed by the Board in H2 2024, includes a focus on inclusive growth. This is a strategic objective as we look to enable financial inclusion and education via our products and services, external partnerships, and industry campaign initiatives.	Our approach to human rights is to work across our operations, investments, and supply chain to support safe and secure work, and mitigate related risks. This is a focus for our active engagement approach, and we increasingly provide transparency on our supply chain activities.	Our business is conducted fairly, honestly, and with integrity. We do not take part in acts of corruption, or pay or receive bribes, whether directly or indirectly. We have clear expectations outlined in our global code of conduct, and policies and procedures embedded across abrdn.
Policies and due diligence	Global diversity, Equity and Inclusion policy Global code of conduct	Client and customer policy Charitable giving strategy	Global code of conduct Third-party code of conduct Modern slavery statement Privacy and data protection Human rights statement	Anti-Financial Crime policy Anti-Bribery and Anti-Corruption standards Global code of conduct
Policy outcomes	Annual colleague engagement survey Inclusive recruitment and development programmes Launch of our colleague council	Industry campaigns on financial education Charitable partnerships with MyBnk, and WorkingRite	Human rights and labour are focus areas for active ownership Increased transparency on our supply chain	Applicable controls embedded within operating procedures
Related risks	Noted amongst principal risks and uncertainties	Lack of financial inclusion for our key stakeholders	Unsafe and insecure work in our value chain Lack of data protection and security Risks to vulnerable customers	Noted amongst principal risks and uncertainties
Risk management	Listening to and responding to colleague feedback Developing our career proposition Strategic focus on talent and culture	Inclusive growth is a strategic sustainability focus area	Investment tools and processes Supplier risk assessments Data protection procedures	Required training for all colleagues Controls to prevent and detect instances of bribery and corruption
Non-financial KPIs	Employee engagement score Diversity, equity, and inclusion targets	Client and customer satisfaction Impact reporting from charity partnerships	Third-party risk assessments Data incidents and breachers Related voting engagement activities	Completion rates of staff training Gifts and entertainment incidents and breachers
Reference	Pages 49-52	Pages 45-48	Page 60	Page 83

Our key performance indicators

Adjusted net operating revenue[1]

KPI APM

£1,321m

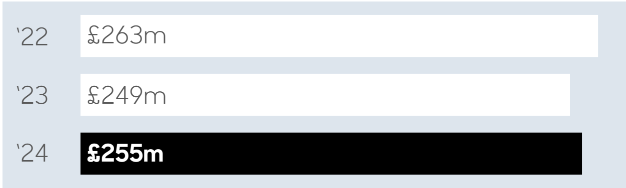


This measure is a component of adjusted operating profit and includes revenue we generate from asset management charges, platform charges and other transactional/advice charges and treasury income.

Adjusted operating profit

KPI APM

£255m

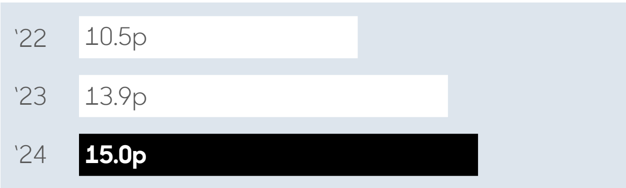


Adjusted operating profit is our key alternative performance measure and is how our results are measured and reported internally.

Adjusted diluted earnings per share

KPI APM

15.0p

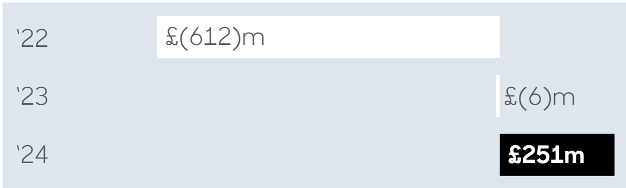


This measure shows on a per share basis our profitability and capital efficiency, calculated using adjusted profit after tax.

IFRS profit/(loss) before tax

KPI

£251m

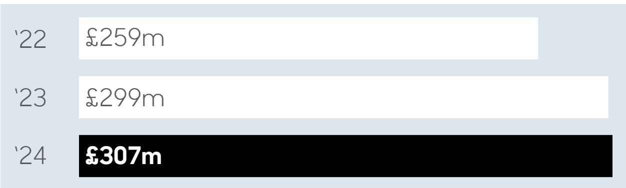


IFRS profit/loss before tax is the measure of profitability set out in our financial statements. As well as adjusted profit, it includes adjusting items such as restructuring expenses and profit on disposal of subsidiaries.

Adjusted capital generation

KPI APM

£307m



This measure aims to show how adjusted profit contributes to regulatory capital.

Net capital generation

KPI APM

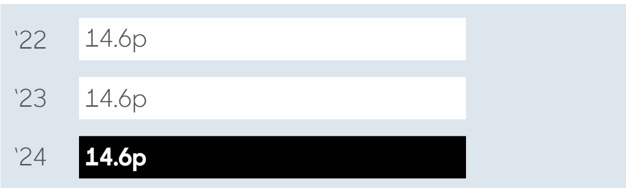
£238m

This measure shows Adjusted capital generation less Restructuring and corporate transaction expenses (net of tax).

Full year dividend per share

KPI

14.6p



The total annual dividend (interim and final) is an important part of the returns that we deliver to shareholders and is assessed each year in line with our stated policy to hold at 14.6p until it is covered at least 1.5 times by adjusted capital generation.

APM

Alternative performance measures

We assess our performance using a variety of performance measures including APMs such as adjusted operating profit, adjusted profit before tax, adjusted capital generation and net capital generation.

APMs should be read together with the Group's IFRS financial statements. Further details of all our APMs are included in Supplementary information.

1. The measure of segmental revenue has been renamed from net operating revenue to adjusted net operating revenue. See Note 3(c) for a reconciliation of these revenue measures.

Investment performance[1]

(Percentage of AUM performing over three years)

KPI

60%

This measures our performance in generating investment return against benchmark/target. Calculations for investment performance are made gross of fees except where the stated comparator is net of fees.

Employee engagement survey

KPI

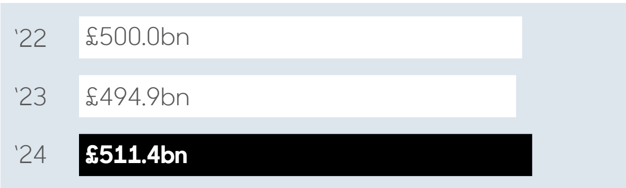
57%

This measure is important in gauging the engagement and motivation of our people in their roles. It also enables our managers at all levels to take local action in response to what their teams are telling them.

Other indicators

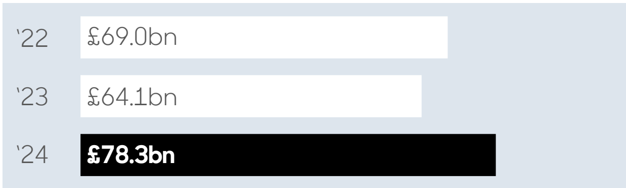
AUMA

£511.4bn



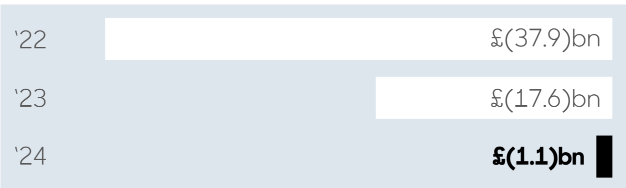
Gross inflows

£78.3bn



Net flows – Total

£(1.1)bn



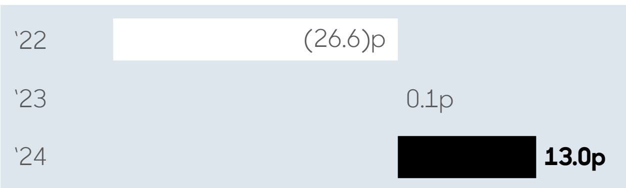
Net flows

(excluding liquidity, and LBG tranche withdrawals in 2022)

£(6.1)bn

IFRS diluted earnings per share

13.0p



1. The scope of the investment performance calculation has been extended to cover all funds that aim to track or outperform a benchmark, with certain assets excluded where this measure of performance is not appropriate or expected. 2022 and 2023 comparative have been restated.

Transforming our business to deliver sustainable profitable growth

Ian Jenkins
Interim Chief Financial Officer

"2024 was a year of significant progress, underpinned by consistent delivery and execution. I am pleased by the success of the first year of our cost transformation programme and the benefits this is already delivering. Looking ahead, I am confident we can build on this progress and complete the transformation plans we have in place, in turn helping us to unlock the significant potential in the Group. Supported by our strong balance sheet and diversified three-business model, we have strong foundations for sustainable and profitable growth."

>£100m
Annualised cost savings delivered

£255m
Adjusted operating profit

£251m
IFRS profit before tax

£238m
Net capital generation

£1,465m
Common Equity Tier 1

Overview

We have delivered an increase in adjusted operating profit, both at Group level and across all three of our Wealth & Investment businesses. Notably, this included our Investments business, despite the geopolitical and structural challenges which impacted the sector as a whole, and disposals which impacted both our Investments business and ii.

During the year, we also made significant progress in improving our efficiency which remains a priority for the Group. The associated savings achieved in the year, coupled with the clear strengths of our diversified business model, have enabled us to deliver improved financial performance.

At the start of 2024, we announced our transformation programme with the target of achieving at least £150m of annualised cost savings by the end of 2025. I am pleased to reaffirm my confidence in this target, and to highlight some of the key benefits delivered by the programme during 2024. With improved financial discipline now embedded in each of the businesses, we are seeing benefits across the Group.

The programme has delivered £106m of annualised savings in 2024, with £70m reflected in our financial performance for the year. This exceeded our initial expectations and has driven a 7% reduction in our adjusted operating expenses to £1,066m (2023: £1,149m).

Our transformation is not only about removing cost, but also about strategically investing in technology, processes and our people. Amongst other improvements, we have rationalised our fund range for our clients focusing on fewer, scalable products and removing small and unprofitable funds.

The clear progress we have made in transforming our cost base, particularly in Investments, has created a leaner, more efficient business with a clear path to profitable growth.

Our balance sheet remains strong. This has been crucial in enabling us to fund our transformation programme and invest in the business while continuing to support our dividend. Throughout 2024, we have continued to simplify our business, including through disposals which generated gains on sale of £100m. These included the sale of our Virgin Money joint venture and our European-headquartered Private Equity business in April, threesixty in July and the partial sale of Focus Business Solutions in December.

In summary, I am confident that the actions we have taken in 2024 are creating stronger foundations to deliver better outcomes for our clients, colleagues and shareholders.

Profit

Adjusted operating profit was up 2% to £255m (2023: £249m). This included a 2% increase in ii to £116m (2023: £114m), a 7% increase in Adviser to £126m (2023: £118m) and a 22% increase in Investments to £61m (2023: £50m).

IFRS profit before tax was £251m, a significant improvement (2023: loss £6m). This comprised adjusted operating profit of £255m, adjusted net financing costs and investment return of £99m (2023: £81m), and an overall loss from adjusting items of £103m (2023: loss of £336m).

Adjusting items in 2024 included restructuring and corporate transaction expenses of £100m (2023: £152m), primarily relating to our transformation programme. Adjusting items benefited from a £100m profit on disposal of subsidiaries and interests in joint ventures (2023: £79m), principally relating to the sale of our European-headquartered Private Equity business in April 2024. Adjusting items also included a loss of £27m on the fair value of significant listed investments (2023: loss of £178m), reflecting the 5% reduction in the Phoenix share price in 2024. Our share of profit in the HASL joint venture increased to £26m (2023: £3m) including investment-related gains due to favourable investment market conditions.

Adjusted net operating revenue

Adjusted net operating revenue was 6% lower at £1,321m (2023: £1,398m). This included the impact of net outflows and changes to asset mix in Investments, and a net reduction from corporate actions in Investments and ii.

At ii, adjusted net operating revenue was 3% lower at £278m (2023: £287m), or 7% (£19m) higher adjusting for the sale of abrdn Capital, which included the MPS business that transferred to Adviser in May 2023.

The improvement in underlying revenue in ii was driven by strong organic customer growth, increased trading activity, and stronger treasury income. Trading revenue increased 46% to £70m (2023: £48m) reflecting higher trading and FX activity. Subscription revenue, gross of marketing incentives, of £60m (2023: £58m) reflected continued strong organic customer growth. Treasury income increased 3% to £138m, reflecting continued growth in average cash balances as well as the continued high interest rate environment. Fee income reduced to £25m (2023: £57m) primarily as a result of the sale of abrdn Capital and the associated transfer of MPS to Adviser.

In our Adviser business, adjusted net operating revenue was up 6% to £237m (2023: £224m). This was primarily due to the full 12-month benefit from the revised Wrap SIPP distribution agreement as well as higher treasury income. Total Adviser revenue in 2024 comprised £169m of platform charges (2023: £169m), £33m of treasury income (2023: £31m) and £37m of other income (2023: £26m).

In Investments, adjusted net operating revenue was 9% lower at £797m (2023: £878m), driven by a continuation of trends seen in recent years. These included changes to asset mix, with net outflows from higher margin asset classes, mainly equities, partially offset by strong inflows into lower margin asset classes such as quantitative strategies and liquidity. Across our Institutional & Retail Wealth business AUM amounted to £210.5bn at 31 December 2024 (2023: £211.2bn) with the small reduction driven by the sale of our European-headquartered Private Equity business. Excluding this sale and other corporate actions, AUM increased by 3% in the year, driven by positive market movements and net inflows. Total net flows across our I&RW business improved by over £18bn, with a small net inflow of £0.3bn in 2024 compared to an outflow of £17.9bn in 2023.

Our relationship with Phoenix is significant to our Investments business, with Insurance Partners AUM up 2% to £159.2bn. Underlying this trend, positive market movements more than offset net outflows of £4.3bn principally relating to run-off in the heritage business.

Adjusted operating expenses

Adjusted operating expenses decreased by 7% to £1,066m (2023: £1,149m).

This principally reflected transformation savings of £70m, which exceeded the original £60m cost reduction target for 2024 given at the time the transformation programme was announced.

The impact of the transformation programme is most evident in our Investments business with adjusted operating expenses reducing by 11% to £736m (2023: £828m). These cost savings were driven by lower staff costs, including the net benefit from corporate transactions, lower outsourcing and professional fees, project and change spend and property costs. These reductions were partially offset by the impact of staff cost inflation.

At ii, operating expenses reduced 6% to £162m (2023: £173m), primarily reflecting the sale of abrdn Capital. Excluding the impact of this sale, expenses increased by £14m or 9%. This was driven by increased investment in the ii brand, marketing, product development and our people to support continued organic growth.

In Adviser, adjusted operating expenses increased 5% to £111m (2023: £106m) reflecting continued investment in our proposition. Expenses in 2024 benefited from a temporary third-party outsourcing discount of £17m.

The 2024 in-year savings result in annualised run-rate savings from our transformation programme of over £100m. This gives us confidence in achieving the programme's overall target of delivering total annualised run rate savings of at least £150m by the end of 2025. However, the programme we have put in place is cost-led rather than cost-only, and we will continue to strategically invest in the business to deliver sustainable and profitable growth, as well as better outcomes for our clients and colleagues.

Capital

We maintain a strong capital position. This provides us with resilience during periods of economic uncertainty and volatility, such as those seen in the last few years of heightened geopolitical risk and elevated inflation.

In 2024, we remained disciplined in our capital allocation, delivering continued returns to our shareholders via dividends while strategically investing in our businesses to support sustainable profitable growth.

We have continued to simplify our business through the sale of non-core businesses, with disposals generating a total of £74m of capital in 2024. In April, we completed the sale of our European-headquartered Private Equity business for £92m and, in December completed the sale of 80% of Focus Business Solutions via a management buyout. This follows significant simplification in 2023, which included the further disposals of our listed Indian stakes, and our US Private Equity and Venture Capital business. In September 2024, we also completed the acquisition of closed-end funds from First Trust Advisors to build further on our capabilities in the CEF market where we have significant scale.

We intend to maintain our disciplined approach to capital:

- We are committed to delivering on the actions outlined in our transformation programme including at least £150m of Group annualised cost savings by the end of 2025. Associated implementation costs in 2024 were £73m with total implementation costs expected to be around £150m by the time the programme concludes. As in 2024, CET1 surplus capital will be deployed to fund the restructuring in 2025.
- We will continue to invest in our business in a disciplined way, with a high bar used to assess organic growth investments and a highly selective approach to inorganic opportunities.
- It remains the Board's intention to pay a total annual dividend of 14.6p (with interim and final dividends of 7.3p per share), until it is covered at least 1.5 times by adjusted capital generation (currently covered 1.18 times).
- Over the short term, the dividend will largely be supported by adjusted capital generation and our surplus capital.

Outlook

As reflected in our 2024 results, we have improved the efficiency of the Group, making significant advances toward right-sizing our cost base, particularly in the Investments business. Each of our businesses are at different stages of their development and none has yet achieved its full potential. However, we are pleased with the progress we have made. Profitability has increased in all of our core businesses, and we are confident in our growth plans for each.

Looking forward, we expect interest rates to reduce in 2025. While the pace of that reduction remains uncertain, falling rates in the UK are expected to lead to a gradual reduction of the cash margins earned in ii and Adviser. Nevertheless, we expect growth in treasury income in ii helped by continued growth in cash balances. Revenue in ii is also expected to benefit from increased customer activity including further use of the platform's global trading and FX capabilities.

Other factors expected to impact revenue in 2025 include the previously announced Adviser platform repricing to improve its competitive positioning. We also expect the impact of changes in asset mix in 2024 and ongoing market dynamics to result in a slight reduction in revenue margins in Investments in 2025.

Against this backdrop, we expect to make further progress in driving efficiency improvements and right-sizing our cost base, principally through our transformation programme.

Our balance sheet and capital generation benefit from our stake in Phoenix and the surplus in our defined benefit staff pension plan.

We have reached agreement with the Trustee of the defined benefit pension plan to utilise part of the existing surplus to fund the cost of providing defined contribution benefits to current employees. This is expected to result in an annual benefit of c.£35m to net capital generation from July 2025 with an annual review of other options including an insurance buyout. This agreement enables the Group to unlock value from the plan, while largely maintaining the surplus and retaining optionality. See Note 31 for further details.

Looking beyond 2025, we continue to see long-term structural growth in the UK savings and wealth industry, which we are well-positioned to capture. In addition, while market conditions are expected to remain challenging for active asset managers generally, we see a number of areas of attractive opportunities that our Investments business is well-placed to serve.

New targets

We are announcing a number of FY 2026 targets, which reflect the increasing momentum in the Group. This includes ambitious targets for adjusted operating profit of at least £300m and net capital generation of c.£300m, reflecting our confidence in the Group's potential for profit growth and sustainability of the dividend. The Group targets are underpinned by ambitions for each of our three Wealth & Investments businesses:

- At interactive investor, we will focus on sustaining organic growth, with customer numbers continuing to increase by 8% per year, in line with this year's impressive rate. As this growth is delivered, we expect key measures of efficiency to improve, reflecting the scalability of the business. We are therefore targeting a cost/AUMA ratio of less than 20bps in FY 2026.
- We aim to deliver over £1bn of net inflows at Adviser in FY 2026 while maintaining a Net Promoter Score of over +40, reflecting our focus on delivering leading client service.
- Finally, we are targeting a step change in profitability in Investments, aiming for adjusted operating profit of over £100m for FY 2026, supported by investment performance of over 70% on a 3-year basis.

We believe none of our businesses is yet operating at its full potential, despite 2024 having been a year of progress and positive realignment.

By continuing this momentum through 2025 and delivering on our 2026 targets, I am confident we can deliver improved outcomes for our clients, colleagues and shareholders.

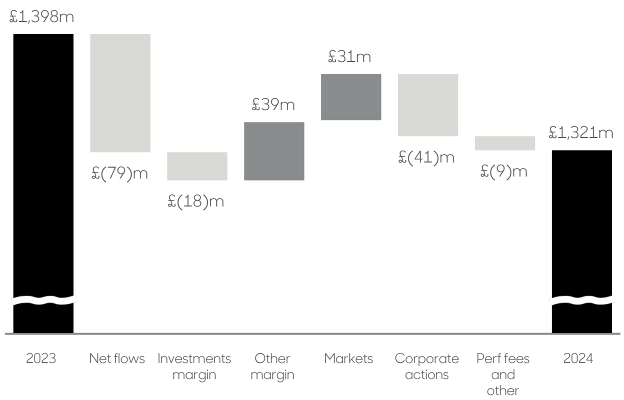
Results summary

Analysis of profit	2024 £m	2023 £m
Adjusted net operating revenue[1]	**1,321**	1,398
Adjusted operating expenses	**(1,066)**	(1,149)
Adjusted operating profit	**255**	249
Adjusted net financing costs and investment return	**99**	81
Adjusted profit before tax	**354**	330
Adjusting items including results of associates and joint ventures	**(103)**	(336)
IFRS profit/(loss) before tax	**251**	(6)
Tax (expense)/credit	**(3)**	18
IFRS profit for the year	**248**	12

The IFRS profit before tax was £251m (2023: loss £6m) including adjusted operating profit of £255m (2023: £249m) and Adjusted net financing costs and investment return of £99m (2023: £81m). Adjusting items were £(103)m (2023: £(336)m) including:
– Restructuring and corporate transaction expenses of £100m (2023: £152m), including costs relating to our transformation programme.
– Losses of £27m (2023: losses of £178m) from the change in fair value of significant listed investments as a result of the decrease in the share price of Phoenix in 2024. 2023 included losses resulting from the reductions in the share prices of HDFC Asset Management, HDFC Life and Phoenix.
– Profit on disposal of subsidiaries and interests in joint ventures of £100m (2023: £79m).

Adjusted operating profit was £6m higher than 2023. Lower revenue in Investments was partly offset by growth in revenue in both ii (excluding the impact of the sale of abrdn Capital) and Adviser. Lower expenses were primarily due to the benefit of significant cost reduction activity in Investments. Our cost transformation programme has delivered a £70m benefit of lower adjusted operating expenses in 2024, with an annualised benefit of over £100m. We remain on track to deliver annualised cost savings of at least £150m by the end of 2025. The implementation costs were £73m in 2024, £61m included in restructuring expenses and a £12m loss on disposal of subsidiaries.

Adjusted net operating revenue



Adjusted net operating revenue decreased by 6% reflecting:
– Impact of net outflows and changes to asset mix resulting in lower Investments margin.
– Other margin changes including the benefit in Adviser from the revised distribution arrangement with Phoenix, higher trading and FX activity in ii, and higher total treasury income of £171m (2023: £165m).
– £31m benefit of favourable market movements.
– £(41)m net impact from corporate actions mainly reflecting the sales of the US and European-headquartered Private Equity businesses and the discretionary fund management business, partly offset by the acquisition of the healthcare fund management capabilities of Tekla.

Adjusted operating expenses

	2024 £m	2023 £m
Staff costs excluding variable compensation	**460**	511
Variable compensation	**88**	75
Staff and other related costs[2]	**548**	586
Non-staff costs	**518**	563
Adjusted operating expenses	**1,066**	1,149

Adjusted operating expenses reduced by 7% reflecting:
– 10% reduction in staff costs (excluding variable compensation), with the benefit of fewer FTEs (8%) reflecting our cost transformation programme and net result of corporate transactions, partly offset by salary increases and increased investment, especially in ii, to drive growth.
– Higher variable compensation reflecting business performance.
– 8% reduction in non-staff costs, with cost savings partly offset by the impact of inflation.

1. The measure of segmental revenue has been renamed from net operating revenue to adjusted net operating revenue. See Note 3(c) for a reconciliation of these revenue measures.
2. See Supplementary information for a reconciliation to IFRS staff and other employee related costs.

interactive investor[1]

Adjusted operating profit	Adjusted net operating revenue	Cost/income ratio	Net flows
£116m	£278m	58%	£5.7bn

	2024	2023
Adjusted net operating revenue	**£278m**	£287m
Adjusted operating expenses	**£(162)m**	£(173)m
Adjusted operating profit	**£116m**	£114m
Cost/income ratio	**58%**	60%
AUMA[2]	**£77.5bn**	£66.0bn
Gross inflows	**£13.7bn**	£10.2bn
Redemptions	**£(8.0)bn**	£(7.3)bn
Net flows	**£5.7bn**	£2.9bn

Adjusted operating profit

- Profit increased by £2m to £116m, including the benefit of lower losses in the financial planning business and higher trading income. This was partly offset by investment to drive organic growth, and the impact of the sale of abrdn Capital in 2023.

Adjusted net operating revenue

- Revenue of £278m, was £9m lower than in 2023, reflecting the sale of abrdn Capital which (including MPS revenue which transferred to Adviser) contributed £28m to revenue in 2023.
- Excluding abrdn Capital, revenue increased by £19m or 7% and continued to benefit from diversified revenue streams.
- Subscription revenue, gross of marketing incentives, of £60m (2023: £58m) reflected continued strong organic customer growth.
- Trading revenues of £70m reflected higher trading and FX activity, driven by increased volatility and higher non-UK equity trading.
- Treasury income increased to £138m, benefiting from sustained high interest rates since 2023 and the growth in cash balances.
- The average cash margin in 2024 was 229bps (2023: 236bps) and is expected to be in the region of 200-220bps in 2025.
- Fee income reduced to £25m primarily reflecting the sale of abrdn Capital and transfer of MPS in 2023.

Adjusted net operating revenue	2024 £m	2023 £m
Subscription/account fees[3]	**52**	54
Trading transactions	**70**	48
Treasury income	**138**	134
Fee income	**25**	57
Less: Cost of sales	**(7)**	(6)
Adjusted net operating revenue	**278**	287
Adjusted net operating revenue (excluding abrdn Capital)	**278**	259

Adjusted operating expenses

- Lower adjusted operating expenses of £162m mainly reflect the sale of abrdn Capital.
- Excluding abrdn Capital, expenses increased by £14m or 9%, reflecting higher advertising as we increase awareness of the ii brand and product/proposition development to support ii's organic growth. In addition, record high SIPP transfer-in volumes were supported by an uplift in operational resource which also provides future capacity.

AUMA

- AUMA increased to £77.5bn (2023: £66.0bn) benefiting from stronger markets and growth in net flows.
- Average customer cash balances as a percentage of average AUA were 8.7%[4] (2023: 9.8%[4]).
- Total customers increased by 8% to 439k[4] (2023: 407k[4]) due to organic growth. Our strategy to increase SIPP market penetration continues, with the number of customers holding a SIPP account up by 29% to 80.6k[4] (2023: 62.4k[4]).

Gross and net flows

- Net inflows remained strongly positive, increasing to £5.7bn (2023: £2.9bn) due to growth from new customers and existing customers choosing more of our products, including our SIPP.
- Within this, the ii direct platform generated net inflows of £6.1bn offset by £0.4bn net outflows in the financial planning business.

1. See Supplementary information for additional operational metrics.
2. Includes financial planning business AUA of £3.7bn (2023: £4.3bn).
3. Net of £(8)m (2023: £(4)m) of marketing incentives.
4. Excludes our financial planning business.

Adviser

Adjusted operating profit	Adjusted net operating revenue	Adjusted net operating revenue yield	Net flows
£126m	£237m	31.2bps	£(3.9)bn

	2024	2023
Adjusted net operating revenue	**£237m**	£224m
Adjusted operating expenses	**£(111)m**	£(106)m
Adjusted operating profit	**£126m**	£118m
Cost/income ratio	**47%**	47%
Adjusted net operating revenue yield[1]	**31.2bps**	30.6bps
AUMA[2]	**£75.2bn**	£73.5bn
Gross inflows	**£6.5bn**	£5.8bn
Redemptions	**£(10.4)bn**	£(7.9)bn
Net flows	**£(3.9)bn**	£(2.1)bn

Adjusted operating profit

- Profit growth of 7% to £126m (2023: £118m).
- Cost/income ratio remained stable at 47%, benefiting from higher revenue, which was partly offset by higher expenses driven by investment in our proposition.
- Expenses continued to benefit from a temporary third-party outsourcing discount of £17m (2023: £16m).

Adjusted net operating revenue

- Revenue increased by 6% to £237m mainly reflecting the full 12 month benefit of a revised distribution arrangement, agreed in H2 2023, for services provided to Phoenix in respect of the Wrap SIPP.
- Platform charges remained stable at £169m.
- Treasury income on client balances increased to £33m, benefiting from higher interest rates offset by an increase in cash interest paid to clients.
- The average margin earned on client cash balances during 2024 was 263bps (2023: c228bps). The indicative Adviser average cash margin for FY 2025 is expected to be lower reflecting the impact of expected Bank of England rate cuts.
- Other revenue increased by £11m mainly reflecting the 12 month benefit of the revised distribution arrangement with Phoenix of £12m (2024: £27m, 2023: £15m).

Adjusted net operating revenue	2024 £m	2023 £m
Platform charges	**169**	169
Treasury income	**33**	31
Other revenue	**37**	26
Less: Cost of sales	**(2)**	(2)
Adjusted net operating revenue	**237**	224

1. Adjusted net operating revenue yield excludes revenue of £4m (2023: £7m) for which there are no attributable assets.
2. Includes Platform AUA of £72.4bn (2023: £70.9bn) and MPS AUMA of £2.8bn (2023: £2.6bn).

Adjusted net operating revenue yield

- Increased to 31.2bps due to the higher revenue as outlined under adjusted net operating revenue.
- We expect to see a reduction in revenue yield of 2-3bps in 2025 reflecting the previously announced repricing which will be applied to existing back book before the end of Q1 2025.

AUMA

- AUMA increased slightly to £75.2bn driven by positive market movements offset by net outflows.
- Average AUMA of £74.7bn was 6% higher than 2023.
- Average customer cash balances as a percentage of average AUMA (excluding bonds and Wrap SIPP) were 2.4% (2023: 2.5%).

Gross and net flows

- Net outflows of £3.9bn (2023: £2.1bn) reflected higher redemptions in 2024.
- Higher gross inflows included the full 12 months benefit of the MPS business.
- Elevated outflows are driven by higher customer actions such as transfers out, drawdown of tax free cash and continued IFA consolidation in the market.
- We have taken actions to address these challenges in 2024 including improvements to our service proposition, delivery of a strategic reprice for new clients which will be extended to the back book in Q1 2025, improving our competitive position in the market and investing in our senior leadership team and distribution capabilities.

Investments

Adjusted operating profit	Adjusted net operating revenue	Adjusted net operating revenue yield	Net flows
£61m	£797m	21.3bps	£(4.0)bn

	Total		Institutional & Retail Wealth		Insurance Partners	
	2024	2023	**2024**	2023	**2024**	2023
Adjusted net operating revenue[1]	**£797m**	£878m				
Adjusted operating expenses	**£(736)m**	£(828)m				
Adjusted operating profit	**£61m**	£50m				
Cost/income ratio	**92%**	94%				
Adjusted net operating revenue yield	**21.3bps**	23.5bps	**30.8bps**	32.6bps	**8.7bps**	10.0bps
AUM	**£369.7bn**	£366.7bn	**£210.5bn**	£211.2bn	**£159.2bn**	£155.5bn
Gross inflows	**£60.5bn**	£50.3bn	**£36.7bn**	£28.1bn	**£23.8bn**	£22.2bn
Redemptions	**£(64.5)bn**	£(69.3)bn	**£(36.4)bn**	£(46.0)bn	**£(28.1)bn**	£(23.3)bn
Net flows	**£(4.0)bn**	£(19.0)bn	**£0.3bn**	£(17.9)bn	**£(4.3)bn**	£(1.1)bn
Net flows excluding liquidity[2]	**£(9.0)bn**	£(15.3)bn	**£(4.7)bn**	£(14.2)bn	**£(4.3)bn**	£(1.1)bn

Adjusted operating profit

- Profit increased by 22% or £11m to £61m reflecting the benefit of operational leverage, with lower revenue more than offset by lower expenses.

Adjusted net operating revenue

- 9% lower than 2023 largely due to net outflows, particularly in equities and changes to the asset mix.
- £(11)m net impact of corporate actions.
- Performance fees of £12m (2023: £14m) were earned mainly from fixed income, alternatives, active equities and real assets.

Adjusted operating expenses

- Adjusted operating expenses reduced by £92m (11%) to £736m (2023: £828m) including £13m benefit resulting from the disposal of our US Private Equity Venture Capital business in H2 2023 and our European-headquartered Private Equity business in April 2024.
- Adjusted operating expenses also benefited from lower staff costs, outsourcing and professional fees, project and change spend and property costs, as well as a reduced allocation of central Group costs.

Institutional & Retail Wealth

Adjusted net operating revenue

- 10% lower at £654m (2023: £724m) primarily due to net outflows particularly from higher margin asset classes, consistent with the risk-off environment seen across the market and the net impact of corporate actions.
- 4% reduction in average AUM to £210.5bn (2023: £220.0bn). Equities and multi-asset average AUM down 7% and 6% respectively.

Adjusted net operating revenue yield

- 1.8bps lower at 30.8bps largely due to changes in asset mix including the decrease in private equity average AUM resulting from the disposal of our US Private Equity Venture Capital business in H2 2023 and our European-headquartered Private Equity business in April 2024 offset in part by the benefit arising from the acquisition of the fund management capabilities of Tekla Capital Management in H2 2023 and the acquisition of First Trust closed end funds in H2 2024.

Gross inflows

- Excluding liquidity, £6.0bn (31%) higher at £25.5bn (2023: £19.5bn) driven by improvement across most asset classes including quantitatives and real assets. This reflects continued demand for these asset classes and the strength of our offering.

Net flows

- Net inflows of £0.3bn (2023: outflows £17.9bn) included the benefit of liquidity inflows in the period. Excluding liquidity, net outflows were £9.5bn lower than 2023 at £4.7bn benefiting from both higher gross inflows and lower redemptions.
- Excluding liquidity, net outflows improved to (2)% of opening AUM compared with (7)% in 2023.
- Redemptions (excluding liquidity) were £3.5bn lower than 2023 at £30.2bn (2023: £33.7bn) due to lower fixed income and multi-asset redemptions.

1. Includes performance fees of £12m (2023: £14m).
2. Institutional & Retail Wealth liquidity net flows excluded.

Insurance Partners

Adjusted net operating revenue

– 7% lower in 2024 at £143m (2023: £154m), reflecting the impact of asset mix and lower pricing offset by a 7% increase in average AUM to £158.0bn.

Gross inflows

– £1.6bn higher than 2023 at £23.8bn (2023: £22.2bn) including the benefit from higher activity in our client's defined contribution pension business.

Adjusted net operating revenue yield

– Adjusted net operating revenue yield decreased to 8.7bps (2023: 10.0bps) due to a shift in asset mix from active to passive strategies. This, together with related pricing changes, is expected to result in a further reduction in revenue yields.

Net flows

– Net outflows reflect outflows from heritage business in run-off, largely being offset by inflows from growing workplace pensions.
– Net outflows of £4.3bn in 2024 (2023: £1.1bn outflow), representing (2.8)% of opening AUM compared with (0.8)% in 2023.

Investment performance

% of AUM performing[1]	1 year		3 years		5 years	
	2024	2023 restated	**2024**	2023 restated	**2024**	2023 restated
Equities	**32**	27	**15**	17	**25**	48
Fixed income	**83**	81	**90**	75	**93**	84
Multi-asset	**85**	12	**36**	15	**71**	22
Real assets	**30**	30	**46**	56	**56**	45
Alternatives	**94**	98	**100**	98	**100**	98
Quantitative	**98**	100	**90**	100	**96**	95
Liquidity	**100**	100	**100**	95	**100**	97
Total	**77**	55	**60**	51	**71**	58

The investment performance measure now includes our large and growing index tracking alternatives and quantitative AUM, where we continue to deliver well on expected outcomes for clients.

Investment performance on a one-, three- and five-year basis has improved, exceeding 70% on both a one- and five-year basis. Performance has improved to 60% on a three-year basis, up from 51% in 2023. Strong investment returns and performance have continued within alternatives, fixed income, liquidity and quantitative strategies. Equities performance remained challenged, including the impact of our AUM bias towards Asia and emerging markets.

See page 38 for further details on our investment performance.

1. The scope of the investment performance calculation has been extended to cover all funds that aim to track or outperform a benchmark, with certain assets excluded where this measure of performance is not appropriate or expected. 2023 comparatives have been restated. As at 31 December 2024, 80% (31 December 2023 restated: 75%) of AUM is covered by this metric. Further details about the calculation of investment performance and the change in scope are included in the Supplementary information section.

Overall performance

Adjusted operating profit	IFRS profit before tax	Net capital generation	Net flows
£255m	£251m	£238m	£(1.1)bn

	Adjusted operating profit		AUMA		Net flows	
	2024	2023	**2024**	2023	**2024**	2023
Segmental summary	**£m**	£m	**£bn**	£bn	**£bn**	£bn
ii	**116**	114	**77.5**	66.0	**5.7**	2.9
Adviser	**126**	118	**75.2**	73.5	**(3.9)**	(2.1)
Investments[1]	**61**	50	**369.7**	366.7	**(9.0)**	(15.3)
Other[2]	**(48)**	(33)	**–**	–	**–**	–
Eliminations			**(11.0)**	(11.3)	**1.1**	0.6
Total	**255**	249	**511.4**	494.9	**(6.1)**	(13.9)
Liquidity net flows					**5.0**	(3.7)
Total net flows (including liquidity)					**(1.1)**	(17.6)

The adjusted operating loss in Other increased to £48m (2023: £33m) primarily reflecting higher retained corporate costs.

Assets under management and administration

AUMA increased by 3% to £511.4bn (2023: £494.9bn):
- Total net outflows of £1.1bn includes liquidity net inflows of £5.0bn. Excluding liquidity, net outflows were £6.1bn, with outflows in Investments and Adviser partly offset by positive flows in ii of £5.7bn.
- Market and other movements of £24.2bn, mainly reflecting positive movements in Investments, driven by stronger markets primarily within quantitatives, alternative investment solutions, equities and multi-asset partly offset by real estate.
- Net impact of corporate actions of £(6.6)bn following the disposal of our European-headquartered Private Equity business in April 2024, partly offset by the acquisition of closed-end funds from First Trust Advisors in July 2024 and September 2024.

Results summary

Analysis of profit	**2024 £m**	2023 £m
Adjusted net operating revenue	**1,321**	1,398
Adjusted operating expenses	**(1,066)**	(1,149)
Adjusted operating profit	**255**	249
Adjusted net financing costs and investment return	**99**	81
Adjusted profit before tax	**354**	330
Adjusting items including results of associates and joint ventures	**(103)**	(336)
IFRS profit/(loss) before tax	**251**	(6)
Tax (expense)/credit	**(3)**	18
IFRS profit for the year	**248**	12

Adjusted net financing costs and investment return

Adjusted net financing costs and investment return resulted in a gain of £99m (2023: gain £81m):
- Investment gains, including from seed capital and co-investment fund holdings of £19m (2023: losses £3m).
- Net finance income of £58m (2023: £50m) reflecting a higher rate of interest on cash and liquid assets.
- Lower net interest credit relating to the staff pension schemes of £22m (2023: £34m) reflecting a lower opening pension surplus and costs relating to de-risking the pension scheme.

1. Investments net flows exclude Institutional & Retail Wealth liquidity.
2. Adjusted operating loss consists of adjusted net operating revenue £9m (2023: £9m) and adjusted operating expenses £57m (2023: £42m). Adjusted operating expenses in 2024 includes the impact of increased retained central Group costs.

Adjusting items

	2024 £m	2023 £m
Restructuring and corporate transaction expenses	**(100)**	(152)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	**(129)**	(189)
Profit on disposal of subsidiaries and other operations	**89**	79
Profit on disposal of interests in joint ventures	**11**	–
Change in fair value of significant listed investments	**(27)**	(178)
Dividends from significant listed investments	**56**	64
Share of profit or loss from associates and joint ventures	**24**	1
Reversal of impairment of interests in joint ventures	**–**	2
Other	**(27)**	37
Total adjusting items including results of associates and joint ventures	**(103)**	(336)

Restructuring and corporate transaction expenses were £100m (2023: £152m). Restructuring costs of £88m (2023: £121m) mainly related to our transformation programme including related severance expenses, as well as separate platform transformation expenses. Corporate transaction costs of £12m (2023: £31m) primarily related to prior period transactions.

Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts reduced to £129m (2023: £189m), mainly due to the lower goodwill impairments of £5m (2023: £62m). The impairment of goodwill in 2024 relates to Finimize and includes the impact of higher anticipated losses. Further details are provided in Note 13.

Profit on disposal of interests in subsidiaries and other operations primarily relates to the sale of our European-headquartered Private Equity business. The 2023 profit relates to the sales of our discretionary fund management business and our US Private Equity and Venture Capital business. See Note 1 for further details.

Profit on disposal of interest in joint ventures relates to the sale of our shareholding in Virgin Money UTM that completed on 2 April 2024. See Note 14 for further details.

Change in fair value of significant listed investments of £(27)m from market movements is detailed below:

	2024 £m	2023 £m
Phoenix	**(27)**	(77)
HDFC Asset Management	**–**	(96)
HDFC Life	**–**	(5)
Change in fair value of significant listed investments	**(27)**	(178)

The final HDFC Life and HDFC Asset Management stakes were sold on 31 May 2023 and 20 June 2023 respectively.

Dividends from significant listed investments of £56m relates to our shareholding in Phoenix (2023: Phoenix £54m and HDFC Asset Management £10m).

Share of profit or loss from associates and joint ventures increased to a profit of £24m (2023: £1m). HASL profit increased to £26m (2023: £3m) including investment-related gains due to favourable investment market conditions.

Other includes a £15m expense relating to the release of a prepayment for the Group's purchase of Phoenix's trustee investment plan and a £16m expense relating to an adjustment to revenue recognised in prior periods. Other adjusting items in 2024 also includes a £11m gain for net fair value movements in contingent consideration. See Note 11 for further details of other adjusting items.

See pages 184 and 198 for further details on adjusted operating profit and reconciliation of adjusted operating profit to IFRS profit. Further details on adjusting items are included in the Supplementary information section.

Tax policy

We have important responsibilities in paying and collecting taxes in the countries in which we operate. Our tax strategy is therefore, guided by a commitment to high ethical, legal and professional standards and being open and transparent about what we are doing to meet those standards.

Tax expense

The total IFRS tax expense attributable to the profit for the period is £3m (2023: credit £18m), including a tax credit attributable to adjusting items of £67m (2023: credit £68m), which results in an effective tax rate of 1% (2023: 300%). The difference to the UK Corporation Tax rate of 25% is mainly driven by:
– Realised gains on disposal of subsidiaries and interests in joint ventures not being subject to tax.
– Dividend income and fair value movements from our investments in Phoenix not being subject to tax.
– Profits arising in joint ventures included on a net of tax basis.
– Prior year adjustments reflecting the non taxable release of accounting provisions.

The tax expense attributable to adjusted profit is £70m (2023: £50m), an effective tax rate of 20% (2023: 15%). This is lower than the 25% UK rate primarily due to pension scheme surplus movements included on a net of tax basis and the effect of lower tax rates, and the use of deferred tax assets on overseas profits.

Total tax contribution

Total tax contribution is a measure of all the taxes abrdn pays to and collects on behalf of governments in the territories in which we operate. Our total tax contribution was £362m (2023 £449m). Of the total, £135m (2023: £201m) was borne by abrdn whilst £227m (2023: £248m) represents tax collected by abrdn on behalf of the tax authorities. Taxes borne mainly consist of corporation tax, employer's national insurance contributions and irrecoverable VAT. The taxes collected figure is mainly comprised of pay-as-you-earn deductions from employee payroll payments, employees' national insurance contributions, VAT collected and income tax collected on behalf of HMRC on platform pensions business.

The reduction in our total tax contribution includes a reduction in our ongoing VAT liability following the sales of our discretionary fund management and European Private Equity businesses, the impact of headcount reduction on payroll taxes and the effect of taxes paid on the disposal of our final stake in HDFC AMC in 2023.

You can read our tax report on our website www.abrdn.com/annualreport

Earnings per share

- Adjusted diluted earnings per share increased to 15.0p (2023: 13.9p) due to the higher adjusted profit after tax and the benefit from share buybacks in 2023.
- Diluted earnings per share was 13.0p (2023: 0.1p) reflecting the factors above, and also the benefit of profit on disposal of subsidiaries and interests in joint ventures.

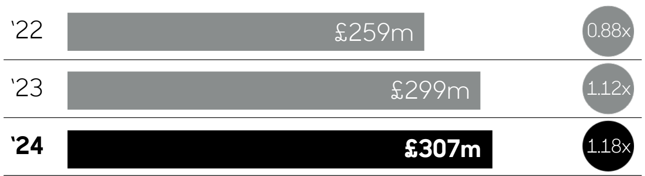
Dividends

The Board has recommended a final dividend for 2024 of 7.3p (2023: 7.3p) per share, resulting in a total dividend for the year of 14.6p (2023: 14.6p).

The final dividend is subject to shareholder approval and will be paid on 13 May 2025 to shareholders on the register at close of business on 28 March 2025. The final dividend payment is expected to be £130m.

External dividends are funded from the cumulative dividend income that abrdn plc receives from its subsidiaries and other investments (see below for details of cash and distributable reserves). The need to hold appropriate regulatory capital is the primary restriction on the Group's ability to pay dividends. Further information on the principal risks and uncertainties that may affect the business and therefore dividends is provided in the Risk management section.

The adjusted capital generation trend and related dividend coverage is shown below:



Liquidity and capital

Cash and liquid resources and distributable reserves

Cash and liquid resources remained robust at £1.7bn at 31 December 2024 (2023: £1.8bn). These resources are high quality and mainly invested in cash, money market instruments and short-term debt securities. Cash and liquid resources held in abrdn plc were £0.4bn (2023: £0.4bn).

Further information on cash and liquid resources, and a reconciliation to IFRS cash and cash equivalents, are provided in Supplementary information.

At 31 December 2024 abrdn plc had £2.9bn (2023: £3.1bn) of distributable reserves.

IFRS net cash flows

- Net cash inflows from operating activities were £213m (2023: £221m) which includes outflows from restructuring and corporate transaction expenses, net of tax, of £53m (2023: £78m).
- Net cash inflows from investing activities were £258m (2023: £542m) and primarily reflected the maturity of cash invested in money market instruments which were not classified as cash equivalents, and the net proceeds from the Group's disposal of its European-headquartered Private Equity business.
- Net cash outflows from financing activities were £342m (2023: £711m) with the decrease mainly due to outflows for the share buyback in 2023.

The cash inflows and outflows described above resulted in closing cash and cash equivalents of £1,335m as at 31 December 2024 (2023: £1,210m).

IFPR CET1 own funds

The indicative CET1 own funds at 31 December 2024 were £1,465m (2023: £1,466m).

Key movements in CET1 own funds and respective coverage are shown in the table below.

	2024		2023	
Analysis of movements in CET1 own funds and respective coverage	**£m**	**%**	£m	%
Opening CET1 own funds	**1,466**	**139**	1,301	123
Sources of capital				
Adjusted capital generation	**307**	**30**	299	28
HDFC Life and HDFC Asset Management[1] sales	**–**	**–**	576	55
Disposals[2]	**74**	**7**	137	13
Uses of capital				
Restructuring and corporate transaction expenses (net of tax)	**(69)**	**(7)**	(121)	(12)
Dividends	**(260)**	**(25)**	(267)	(25)
Share buyback	**–**	**–**	(302)	(29)
Acquisitions[3]	**(20)**	**(2)**	(152)	(14)
Other	**(33)**	**(3)**	(5)	–
Total	**1,465**	**139**	1,466	139

The full value of the Group's significant listed investment in Phoenix, and the IAS19 staff defined benefit pension scheme surplus are excluded from the capital position under IFPR.

A summary of our CET1 capital coverage is shown in the table below.

	2024	2023
CET1 capital coverage	**£m**	£m
CET1 own funds	**1,465**	1,466
Total own funds threshold requirement	**(1,054)**	(1,054)
CET1 capital coverage	**139%**	139%

Note 42 of the Group financial statements includes a reconciliation between IFRS equity and surplus regulatory capital and details of our capital management policies.

Capital generation

Adjusted capital generation, which shows how adjusted profit contributes to regulatory capital, increased by 3% to £307m. Net capital generation increased by £60m to £238m and included the benefit of lower restructuring costs.

	2024	2023
	£m	£m
Adjusted profit after tax	**284**	280
Less net interest credit relating to the staff pension schemes	**(22)**	(34)
Less interest paid on other equity	**(11)**	(11)
Add dividends received from associates, joint ventures and significant listed investments	**56**	64
Adjusted capital generation	**307**	299
Less restructuring and corporate transaction expenses (net of tax)	**(69)**	(121)
Net capital generation	**238**	178

IFRS net assets

IFRS net assets attributable to equity holders was stable at £4.8bn (2023: £4.9bn) reflecting the IFRS profit before tax offset by dividends paid in the period:

- Intangible assets decreased to £1.5bn (2023: £1.6bn) primarily due to regular amortisation. Further details are provided in Note 13.
- The principal defined benefit staff pension scheme, which is closed to future accrual, continues to have a significant surplus of £0.8bn (2023: £0.7bn). We have reached agreement with the trustee of the defined benefit pension plan to utilise part of the existing surplus to fund the cost of providing defined contribution benefits to current employees. This is expected to result in an annual benefit of c.£35m to net capital generation from July 2025 with an annual review of other options including an insurance buyout. This agreement enables the Group to unlock value from the plan, while largely maintaining the surplus and retaining optionality. See Note 31 for further details.
- Financial investments reduced slightly to £1.8bn (2023: £2.0bn). At 31 December 2024, financial investments included £530m (2023: £557m) in relation to our stake in Phoenix.

1. Capital benefit of HDFC Asset Management sales reflects the pre-tax proceeds.
2. European-headquartered Private Equity business, Virgin Money UTM, threesixty business with related intangibles and partial disposal of Focus Business Solutions. Discretionary fund management with related intangibles and US Private Equity businesses in 2023.
3. First Trust funds in 2024 and Tekla and Macquarie funds in 2023.

Viability statement

Longer-term prospects

The Directors have determined that three years is an appropriate period over which to assess the Group's prospects. In addition to aligning with our business planning horizon, this reflects the timescale over which changes to major regulations and the external landscape affecting our business typically take place.

The Group's prospects are primarily assessed through the strategic and business planning process. These prospects have been enhanced as a result of actions taken to simplify the business.

The assessment reflects (i) the Group's focus on its strategic priorities as set out on pages 4 to 11 and how this is expected to drive client-led growth in abrdn's three businesses and (ii) progress made in implementing the transformation programme announced in January 2024.

In forming their assessment of the Group's longer-term prospects, the Directors have also taken into account:
- The Group's capital position as set out on page 79.
- The Group's substantial holdings of cash and liquid resources as well as holdings in listed equity investments, as set out on page 79.
- The Group's principal and emerging risks as set out on pages 82 to 85.

Assessment of prospects

The Directors consider the Group's focus on its strategic priorities will deliver growth while allowing the Group to maintain its regulatory capital position and the dividend policy described on page 67.

Viability

The Directors consider that three years is an appropriate period for assessing viability as this is in line with the horizon used for our business planning and stress testing and scenario analysis processes.

In considering the viability statement, the Directors completed a robust assessment of the principal and emerging risks facing the Group in order to understand potential vulnerabilities for the business. In addition to this, the Directors assessed the Group's viability taking into account:
- Output from the Group's business planning process.
- Results from the Group's stress testing and scenario analysis programme.
- Results from the Group's exploration of reverse stress tests.
- Work performed in connection with the UK's FCA and PRA rules on operational resilience.

The business planning process includes the projection of profitability, regulatory capital and liquidity over a three-year period, based on a number of assumptions. This includes assumptions regarding the economic outlook which reflects various factors, such as the changing market conditions following the significant geopolitical and economic developments in recent years.

The Group has no debt maturing over the next three years and based on business planning projections, there is no expectation that the Group will need to draw down on its £400m revolving credit facility described on page 144.

The Group's stress testing and scenario analysis programme develops financial projections over a three-year horizon in response to a range of severe but plausible stresses to the business plan to understand the Group's financial resilience. This includes exploring (i) the impacts of market-wide stresses, (ii) stresses that are specific to abrdn, and (iii) stresses that combine both these elements. Whilst all of the Group's principal risks could potentially impact on the Group's financial resilience, our combined stress testing scenarios focused on those risks expected to have the most significant impact:
- Financial risk was considered through stresses to market levels, flows, margins, and expenses. Whilst a range of economic scenarios was explored, the most onerous combined scenario included (i) net outflows of £112bn relative to the business plan and (ii) a market shock with an impact that might be expected around 1-in-20 years. This included: equity markets falling approximately 24% in Q1 2025 before recovering from Q3 2025 to the end of 2027; the UK Base rate was assumed to fall to 0.1% by Q1 2026 where it remains. Cost inflation was assumed to drive variable costs 5% higher.
- Operational risks were considered by including an assumed £50m operational loss in the combined scenario. This was assumed to represent the impact of a severe failure in Q1 2025 relating to one of the Group's important business services identified as part of the Group's operational resilience planning activity. The combined scenario also assumed that future operational changes planned under the Group's transformation activity fail to deliver cost savings with £20m of additional costs incurred in stabilising changes previously implemented.

All the scenarios explored resulted in the Group experiencing reduced profitability and, in some cases, losses over the planning horizon. Projections of capital and liquid resources fell as a result of these losses.

For the most onerous combined scenario, the strength of the Group's financial position meant the Group was able to maintain sufficient capital and liquid resources to remain above its regulatory requirements.

In the event that the Group was to experience more severe stresses than those explored under the stress testing and scenario analysis programme, the Group has a range of management actions it would be able to take, including a number of sizeable management actions wholly within the Group's control. These include drawing down on the Group's revolving credit facility, reducing discretionary expenditure, and taking dividend management actions.

The results of the stress testing and scenario analysis also support the view that Group is resilient to adverse climate change over the planning horizon. The stresses to market levels and flows explored in the most onerous combined scenario are deemed to capture the possible market and client-led responses to adverse climate change over this period. Any costs that would be incurred in responding to adverse climate change are considered to be covered by the additional costs included in the most onerous combined scenario.

Reverse stress testing involves exploring the quantitative and/or qualitative impacts of extreme scenarios which could threaten the viability of our business model. The Group has explored a number of these scenarios over recent years including:
- Failure of Citigroup as a material outsourcer restricts the operating ability of the Investments business.
- Malware infects abrdn systems and propagates rapidly across abrdn networks leading to a loss of clients/customers.
- A single business is subject to multiple cyber-attacks causing repeated disruption to operations and the loss of clients/customers.
- Loss of critical staff due to either severe illness/injury or death due to pandemic or building disaster results in abrdn being unable to operate.
- Failure of a key payment mechanism relied upon by the business results in abrdn being unable to provide services required by clients/customers.
- A ransomware attack on the abrdn Group leading to a loss of clients/customers is followed a few months later by a cyber-attack on FNZ impacting their ability to undertake processing for the Adviser business.

The previous exploration of these scenarios concluded they had a low likelihood of occurrence and accordingly were not considered a threat to the Group's viability. Work undertaken this year has confirmed there is no change in this assessment which is supported by the diversification of revenues arising from the Group's three businesses and the strength of the Group's control environment which is regularly reviewed and assessed.

Operational resilience is the ability of firms to respond to and recover from operational disruptions, protecting both clients/customers and market integrity. Without operational resilience, there is a risk that firms are unable to service their clients and customers for prolonged periods, potentially threatening the firm's viability.

To support the Group's operational resilience and align with UK regulatory expectations the Group annually reviews and approves important business services, impact tolerance thresholds, and operational resilience self-assessments. The Group also takes necessary measures to comply with operational resilience regulations in overseas jurisdictions, such as Singapore and Ireland.

By the end of March 2025 the FCA/PRA require in-scope firms to have performed mapping and testing so they can remain, and operate consistently, within the impact tolerances firms have set for their important business services. The Group has undertaken several key initiatives to enhance readiness for this deadline and improve our overall resilience. This included performing increased scenario testing and improving technology and business processes.

The Group is committed to continuously improving its operational resilience and defences against risks. This ensures compliance with regulatory expectations and helps reduce the risk of non-viability.

Assessment of viability

The Directors confirm that they have a reasonable expectation that abrdn plc will be able to continue in operation and meet its liabilities as they fall due over the next three years.

Managing risk for better outcomes

Our approach to risk management

A strong risk and compliance culture underpins our commitment to put clients and customers first and safeguard the interests of our shareholders. Our Board has ultimate responsibility for risk management and oversees the effectiveness of our Enterprise Risk Management Framework (ERMF).

ERMF

The ERMF underpins risk management throughout our business. We operate 'three lines of defence' with defined roles and responsibilities. We continually evolve our framework to meet the changing needs of the company and to make sure it keeps pace with industry best practice. In 2024, improvements to the framework included:

- Delivering a new approach to Risk and Control Self Assessments, focused on key business outcomes and executive accountability.
- Implementing an enhanced risk appetite monitoring process.
- Simplification of abrdn's risk taxonomy, adopting a single version taxonomy across the Group.
- Delivering improved risk reporting through the adoption of consistent risk dashboards.
- Improved accessibility of the ERMF and its supporting materials.

Business risk environment

Business planning assumptions are more prone to external market developments than before.

The global political and economic environment is in flux. Political elections in the US has brought about a period of greater policy uncertainty in the area of global trade, strategic competition with China, developments in conflicts in Europe and the Middle East, and sovereign debt management. Both energy costs and cross-border trade costs could be adversely impacted leading to upward pressure on inflation and stalling central banks' plans to further ease their target interest rates. This increases the range of potential outcomes across all asset classes.

Increased levels of sovereign indebtedness (measured by G7 debt/GDP levels) could be the source of disruption to fixed income and currency markets in the coming months or years.

Increasing equity market value concentration in a small number of technology stocks (the so-called 'Magnificent Seven' phenomenon) poses challenges for both passive and active asset management which could manifest as increased market volatility at some stage.

Developments in technology and continued competitive pressure mean that investment firms must continue to transform their operating models in order to preserve margins and/or build capital to reinvest for the future.

Operational resilience is a key focus as the risks from cyber, technology and third-parties continue to evolve. We continue to build our capabilities and develop our mitigation plans to deal with areas of vulnerability in order to minimise (and if necessary, mitigate) the risk of disruption to our clients and customers.

Global regulators have extensive policy and supervisory agendas which need to be addressed. We are working diligently and steadfastly to meet our regulators' expectations, especially in the areas of consumer duty, operational resilience and anti-financial crime.

Evolving and emerging risks

We are vigilant to risks that could crystallise over different horizons and impact our strategy, operations and our clients. These risks vary in nature as they cover geopolitical, economic, societal, technological, legal, regulatory and environmental themes. We distil internal and external research to consider how risks could emerge and evolve.

Some notable risks (and opportunities) for our business include adoption of modern technologies, uncertainty driven by geo-politics, unprecedented market shifts, evolving cyber threats and climate change.

Sustainability risks

We have a responsibility to shareholders, clients, customers and all stakeholders to assess, report on, manage and mitigate our sustainability risks. As an investment firm, we need to consider the impact of our corporate activities while making investments in line with client mandates. We continue to deepen our understanding of these risks for the benefit of all stakeholders and use these insights to advocate for positive policy change.

As a global investment firm, we are also mindful of the different and changing political and regulatory perspectives on operating and investing with sustainability considerations in mind.

Principal risks and uncertainties

We categorise our risks across nine principal risk categories which have both internal and external drivers. This reduction from previous years, where we reported on 12 principal risks, ensures we remain focused on our key exposures and supports our corporate priority of simplifying the way we think about and manage our business.

Within our ERMF, we have developed more detailed taxonomy risks under these principal risk categories. This allows us to systematically monitor the risk profile of our business.

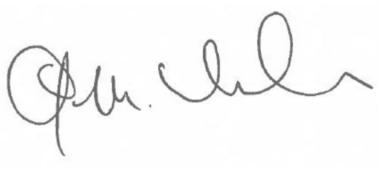
Principal and emerging risks are subject to active oversight and robust assessment by the Board. The principal risks are described in the following table.

Risk to our business	How we manage this risk
1 Strategic risk	
– These are risks that could prevent us from achieving our strategic aims and successfully delivering our business plans. – These could include failing to meet client expectations, poor strategic decision-making or failure to adapt. – A key external risk which could impact on the achievement of the strategy relates to geopolitical and macroeconomic developments.	We continue to simplify our business model by transforming our operating model and the diversification of the revenue base. This includes the disposal of non-core activities. Informed by our analysis of the key market segments in which we operate, we explore specific acquisition possibilities with a view to strengthening our capabilities. We maintain focus on geopolitical and macroeconomic developments to understand and manage implications.
2 Financial risk	
– This is the risk of having insufficient financial resources, suffering losses from adverse markets or the failure or default of counterparties. It is impacted by our flows experience, global market conditions and the fees we charge on investment mandates, platforms and wealth management services.	Our business planning is focused on generating sustainable capital growth. Risks to that plan are informed by projections of our financial resources under a range of stress scenarios that help us calibrate buffers that ensure financial resilience at Group and subsidiary level. Our Group Capital and Dividend Policy ensures that we optimise our holding of financial resources across the Group having regard, inter alia, for regulatory requirements that apply at Group and subsidiary level.
3 Conduct risk	
– With a mission 'to help our clients and customers to be better investors', our business is focused on meeting our clients' expectations for good investment performance and service delivery. There is a risk that we fail to achieve this through our operational activities or through the implementation of our change programmes.	Our Group is organised to ensure clear focus on our clients and customers in interactive investor, Adviser and Investments. This translates into our client-first culture and the focus of our operational and change plans. Our ERMF supports the management of conduct risk with clear expectations around conduct goals and responsibilities. We have a clear Global Code of Conduct and have implemented the FCA's Consumer Duty.

Risk to our business	How we manage this risk
4 Regulatory and legal risk	
– High volumes of regulatory change can create interpretation and implementation risks. – Divergences between different regulators can create operational complexities. – Compliance failures can lead to poor customer and client outcomes, sanctions, reputation damage and income loss. – As we engage with a wide number of external parties, we have to be vigilant to the risk that these parties are connected with criminal behaviour, or subject to sanctions by national or global authorities.	Our relationships with regulators are based on trust and transparency while our compliance and legal teams support senior managers across our business. Our three lines of defence model supports the embedding of compliance expectations across the business and oversight with these expectations. We have established compliance advisory, monitoring and testing activity across the Group. We actively monitor developments and engage with our regulators and industry groups so that we respond effectively to new regulatory policy initiatives.
5 Process execution	
– This is the risk that processes, systems or external events could produce operational errors that impact client, customer or shareholder outcomes. – We are vigilant to the risk that our Transformation programme and other change initiatives could adversely impact our key business outcomes.	We instil a culture of 'getting things right first time' so as to minimise the cost of 'failure demand'. We have established processes for reporting and managing incidents, risk events and issues. We monitor underlying causes of error to identify areas for action, promoting a culture of accountability and continuously improving how we address issues. We dealt with incidents using established incident management processes. We have established processes for managing change including the implementation of our Transformation programme so that risks are assessed and managed.
6 People	
– Our people are our greatest asset and the engagement and stability of our workforce is critical to the delivery of our key business outcomes. – Attrition in key teams can be disruptive and costly.	Through our ongoing management activities and periodic staff surveys, we maintain a close focus on employee engagement, morale and attrition levels. We look to ensure that abrdn provides competitive compensation and benefits in the labour markets where we have operations. We use targeted approaches to support retention and recruitment for our key business functions.

Risk to our business	How we manage this risk
7 Technology security and resilience	
– There is a risk that our technology may fail to keep pace with business needs. – With the increasing sophistication of external threat actors, there is also the significant risk of unauthorised access of our systems and cyber-attack. – Our third-party suppliers also present risks to our technology estate. – These risks are relevant to a wide range of potential threats to the business including internal failure, external intrusion, supplier failure and weather events.	We have an ongoing programme to invest in and enhance our IT infrastructure controls. We benchmark our IT systems environment to identify areas for improvement and further investment. We maintain heightened vigilance for cyber intrusion, with dedicated teams monitoring and managing cyber security risks. We carry out regular testing on penetration and crisis management. Mindful of internal (business) changes and the evolution of the external threat landscape, we continue to strengthen our operational resilience and cyber defences. Crisis management and contingency planning processes are regularly reviewed and tested. We will implement changes related to the UK Operational Resilience Regulations (in March 2025) and the EU Digital Operational Resilience Act (in January 2025).
8 Third party	
– We rely on third parties to deliver key business activities and services and are exposed to a variety of delivery, operational, regulatory and reputational risks as a result.	Our Third Party Risk Management framework is well established. We have clear processes for the oversight, monitoring and management of third party relationships, especially our strategic suppliers.
9 Sustainability	
– Sustainability risk covers, but is not limited to, environmental, social and governance risks, which can lead to material impacts by and for our business, clients, customers, suppliers and communities. – Disclosure-based regulatory frameworks are currently not interoperable globally, which increases the risk of non-compliance across our jurisdictions. – We seek external assurance and guidance to ensure we are avoiding any risk of greenwashing throughout our communications, disclosures and reports. – The politicisation of the sustainability agenda can add complexity to our business operations.	We have a sustainability strategy in place to ensure we are transitioning as a business. We measure and manage our most material corporate environmental impacts including our carbon footprint. We have well established investment processes to ensure that we run investment portfolios in line with our client mandates. We carefully monitor the content of our corporate and client disclosures. We engage with policymakers, clients, customers, suppliers, our people and our communities to ensure we understand their expectations, gather data and continue to stay compliant and consistent in our approach.

The cover to page 85 constitute the Strategic report which was approved by the Board and signed on its behalf by:



Jason Windsor
Chief Executive Officer
abrdn plc
(SC286832)
3 March 2025

Governance

Contents

Board of Directors

Our business is overseen by our Board of Directors. Biographical details (and shareholdings) of the Directors as at 3 March 2025 are listed below.

Sir Douglas Flint CBE – Chair

Appointed to the Board	Age
November 2018	69
Nationality	**Shares**
British	200,000
Board committees:	NC

Experience and competencies

Sir Douglas draws on his extensive board experience to shape a collaborative approach, which facilitates open and constructive boardroom discussion. He guides the board's review of performance and shaping of abrdn's strategy and promotes its stewardship responsibilities, including active engagement with key stakeholders. He has considerable global experience, including in Asia, and he remains actively involved in international, financial and governance matters.

Previously, Sir Douglas spent over two decades at HSBC, serving as the banking group's chairman for seven years and as group finance director 15 years. Prior to this, he was a partner at KPMG. He was also previously a non-executive director at BP from 2005-2011 and a member of the Mayor of Shanghai and Mayor of Beijing's Advisory Boards.

Sir Douglas received his CBE in 2006 and knighthood in 2018 recognising his services to the finance industry.

External appointments

- Chairman of IP Group plc.
- Chairman of the Royal Marsden Hospital and Charity.
- International Advisory Panel of the Monetary Authority of Singapore.

Jason Windsor – Chief Executive Officer

Appointed to the Board	Age
October 2023	52
Nationality	**Shares**
British	357,635

Experience and competencies

Jason was appointed as abrdn's Chief Executive Officer in September 2024, having joined as Chief Financial Officer (CFO) in October 2023. With over 30 years of industry experience, Jason brings a strong track record of leadership in finance, asset management, mergers and acquisitions and strategic planning.

He previously served as CFO of UK housebuilder Persimmon and in several leadership roles at Aviva, including as the group's CFO, CFO of Aviva UK, Chief Capital & Investments Officer and as a director on the board of Aviva Investors.

Jason previously spent 15 years at Morgan Stanley in London and Singapore, latterly as a managing director within its investment banking division, where he advised UK and international banks, insurers and asset managers on mergers and acquisitions, capital raising and strategy.

External appointments

- Governor of Felsted School, Essex.

Vivek Ahuja – Non-Executive Director

Appointed to the Board	Age
October 2024	58
Nationality	**Shares**
Singaporean	Nil
Board committees:	A NC RC

Experience and competencies

Vivek is a global business leader with over 30 years of senior management experience in international financial services and private equity. He offers considerable expertise in strategy, business transformation, risk management and corporate governance.

Prior to joining abrdn's board, Vivek held several prominent executive roles. Most recently, he was Chief Executive Officer (CEO) of private equity firm Terra Firma, having initially joined as Group Chief Financial Officer (CFO) and Chief Operating Officer (COO). Previously, he spent 17 years at Standard Chartered, working in senior global finance roles, latterly as Deputy Group CFO.

Vivek also brings a wealth of strategic and financial expertise to multisector businesses through his non-executive and advisory experience. From 2018 to January 2025, he was a non-executive director and Chair of the Risk Committee at NatWest Markets.

He is a Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW).

External appointments

- Senior Independent Director and Chair of the Audit & Risk Committee at PZ Cussons plc.
- Independent Member of Council at King's College, London.
- Non-Executive Director of the Royal Free London NHS Foundation Trust.
- Non-Executive Director of Ebury Partners Limited.

Key to Board committees

R Remuneration Committee	NC Nomination and Governance Committee
RC Risk and Capital Committee	Committee Chair
A Audit Committee	

Jonathan Asquith – Non-Executive Director and Senior Independent Director

Appointed to the Board	Age
September 2019	68
Nationality	**Shares**
British	205,864
Board committees:	R NC

Experience and competencies

Jonathan has considerable experience as a non-executive director within the investment management and wealth industry, which enables him to provide crucial insights to abrdn through his board membership and committee roles.

He was a board member at 3i Group plc for almost 10 years, stepping down as Deputy Chair in 2020. His other previous non-executive roles have included Chair of Citigroup Global Markets Limited, Citibank International Limited, Dexion Capital plc and AXA Investment Managers. He was also a director at Tilney, Ashmore Group plc and AXA UK plc.

In his executive career, Jonathan spent 18 years at Morgan Grenfell. After serving as Group Finance Director, he became Deutsche Morgan Grenfell's CFO and, later, Chief Operating Officer. From 2002 to 2008, he was a director of Schroders plc, serving as CFO and, subsequently, Executive Vice Chairman.

External appointments

– Non-Executive Director of CiCap Limited and its regulated subsidiary Coller Capital Limited.
– Non-Executive Director of B-FLEXION Group Holdings SA and subsidiaries, including Capital Four Holding A/S and Twelve Securis Holding AG.

Katie Bickerstaffe – Non-Executive Director

Appointed to the Board	Age
October 2024	57
Nationality	**Shares**
British	30,195
Board committees:	R

Experience and competencies

Katie is a highly regarded retail and consumer business leader, bringing strong perspectives on digital business models and transformation programmes to the abrdn board.

During her executive career, Katie held numerous leadership positions, including as Co-Chief Executive Officer (CEO) of multinational food, clothing and homewares retailer, M&S; Executive Chair and CEO Designate at energy provider SSE; and CEO, UK & Ireland at Dixons Carphone.

She also served in managing director roles at the Somerfield Stores group and was Dyson Appliances' group HR director. Previously, she held various roles at PepsiCo and Unilever.

External appointments

– Chair of the Remuneration Committee of Barratt Redrow plc.
– Senior Independent Director of Diploma plc.
– Senior Independent Director of England and Wales Cricket Board.
– Non-Executive Director of Royal Marsden NHS Foundation Trust.

John Devine – Non-Executive Director

Appointed to the Board	Age
July 2016	66
Nationality	**Shares**
British	52,913
Board committees:	RC A NC

Experience and competencies

John provides the board with extensive insights into financial reporting and risk management, which he gained through his successful career in investment banking and capital markets and then, latterly, in asset management; international experience in the US and Asia; and background in finance, operations and technology – all of which are of great importance to abrdn's strategy.

From 2008 to 2010, John was Chief Operating Officer of Threadneedle Asset Management Limited. Previously, he held several senior executive positions at Merrill Lynch in London, New York, Tokyo and Hong Kong.

He is a Fellow of the Chartered Institute of Public Finance and Accounting.

External appointments

– Non-Executive Chair of Credit Suisse International and Credit Suisse Securities (Europe) Limited.
– Non-Executive Director of Citco Custody Limited and Citco Custody (UK) Limited.

Hannah Grove – Non-Executive Director

Appointed to the Board September 2021	**Age** 61
Nationality American and British	**Shares** 33,000
Board committees:	NC R

Experience and competencies

Hannah provides expertise in leading brand, communications, client experience and digital marketing strategies, including those for major acquisitions, which she combines with deep knowledge of regulatory and governance matters.

She has received significant industry recognition as a diversity and equity champion and is our designated non-executive director for board employee engagement. She is also a non-executive director on the boards of Standard Life Savings Limited and Elevate Portfolio Services Limited, wholly owned subsidiaries of abrdn.

Before joining the abrdn board, Hannah enjoyed a 22-year career at State Street (NYSE:STT), including 12 years as Chief Marketing Officer. She was a member of the management committee, business conduct and risk committee, and conduct standards committee, as well as the board of its China legal entity. Previously, Hannah was a marketing director at the Money Matters Institute.

External appointments

– Member of the advisory board at Irrational Capital.

– Member of the board of advisors at Reboot.

– Vice Chair of the Boston Public Library Fund.

Pam Kaur – Non-Executive Director

Appointed to the Board June 2022	**Age** 61
Nationality British	**Shares** Nil
Board committees:	A RC

Experience and competencies

Pam has more than 20 years' experience of leadership roles in business, risk, compliance and internal audit at several of the world's largest and most complex financial institutions during periods of significant change and public scrutiny. She has brought considerable expertise in leading the development and implementation of compliance, audit and risk frameworks and adapting these to changing regulatory expectations.

Her career has spanned roles at Ernst & Young, Citigroup, Lloyds TSB, Royal Bank of Scotland, Deutsche Bank and HSBC. Between 2019 and 2022, she served as a non-executive director on the board of Centrica. Pam is a fellow of the Institute of Chartered Accountants of England and Wales.

Following her appointment as Group Chief Financial Officer (CFO) at HSBC, Pam will not seek re-election to abrdn's board at the company's annual general meeting.

External appointments

– Group Chief Financial Officer (CFO) and Executive Director at HSBC.

– Director at Hong Kong Shanghai Banking Corporation.

Michael O'Brien – Non-Executive Director

Appointed to the Board June 2022	Age 61
Nationality Irish	Shares 173,780
Board committees:	A RC

Experience and competencies

Mike brings extensive asset management experience to the abrdn board. Throughout his career, he has had a key focus on innovation and technology-driven change to support better client outcomes. A qualified actuary, he has been responsible for developing and leading global investment solutions, distribution and relationship management strategies.

His executive career spanned senior roles across the industry. At JP Morgan Asset Management, he was Co-Head, Global Investment Solutions and, previously, Chief Executive Officer (CEO) of the firm's EMEA business. Prior to this, he was Head of Institutional Business for EMEA at Blackrock/Barclays Global Investors and an investment and risk consultant at Towers Watson. He also previously served on the board of the UK NAPF and was a member of the UK NAPF Defined Benefit Council.

Mike is a Chartered Financial Analyst and a Fellow of the Institute of Actuaries.

External appointments

– Non-Executive Director of Carne Global Financial Services Limited.

– Senior adviser to Osmosis Investment Management.

– Investment adviser to the British Coal Pension Funds.

Key to Board committees

R	Remuneration Committee
RC	Risk and Capital Committee
A	Audit Committee
NC	Nomination and Governance Committee
(box)	Committee Chair

Cathleen Raffaeli – Non-Executive Director

Appointed to the Board August 2018	**Age** 68
Nationality American	**Shares** 9,315
Board committees:	R RC

Experience and competencies

Cathi has strong experience in the financial technology, wealth management and banking sectors with a background in the platforms sector, as well as international board experience. She brings these insights as non-executive chair of the boards of Standard Life Savings Limited and Elevate Portfolio Services Limited, wholly owned subsidiaries of abrdn. Her role provides a direct link between the board and the platform businesses that help us connect with clients.

Previously, Cathi was a lead director of E*Trade Financial Corporation, non-executive director of Kapitall Holdings, LLC and President and Chief Executive Officer of ProAct Technologies Corporation. She was also a non-executive director of Federal Home Loan Bank of New York, where she was a member of the executive committee, and Vice Chair of both the technology committee and compensation and human resources committee.

External appointments

- Managing Partner of Hamilton White Group.
- Managing Partner of Soho Venture Partners.
- Director and member of the Audit Committee and Human Resources Committee of RE/MAX Holdings Inc.

Corporate governance statement

The Corporate governance statement and the Directors' remuneration report, together with the cross references to the relevant other sections of the Annual report and accounts, explain the main aspects of the Company's corporate governance framework and seek to give a greater understanding as to how the Company has applied the principles and reported against the provisions of the UK Corporate Governance Code 2018 (the Code).

Statement of application of and compliance with the Code

For the year ended 31 December 2024, the Board has carefully considered the principles and provisions of the Code (available at **www.frc.org.uk**) and has concluded that its activities during the year and the disclosures made within the Annual report and accounts comply with the requirements of the Code. The statement also explains the relevant compliance with the FCA's Disclosure Guidance and Transparency Rules Sourcebook. The table on page 148 sets out where to find each of the disclosures required in the Directors' report in respect of all of the information required by UK Listing Rule (UKLR) 6.6.1 R, and our statement on Board diversity is on page 99.

(i) Board leadership and company purpose

Purpose and Business model

The Board ratifies the Company's purpose set out on the inside front cover, and oversees implementation of the Group's business model, which it has approved, and which is set out on pages 20 and 21. Pages 2 to 85 show how the development of the business model in 2024 supports the protection and generation of shareholder value over the long term, as well as underpinning our strategy for growth. Significant developments in 2024 included the announcement of the transformation programme in January, targeting an annualised cost reduction of at least £150m by the end of 2025 and the introduction of the Group Operating Committee (GOC) in November. The Board's consideration of current and future risks to the success of the Group is set out on pages 82 to 85, complemented by the report of the Risk and Capital Committee on pages 114 to 117.

Oversight of culture

The Board and the Nomination and Governance Committee play a key role in overseeing how the management of the Group assesses and monitors the Group's culture. Through engagement surveys and the Board Employee Engagement programme, the Board acquires a clear view on the culture evident within the Group's businesses and how successfully expected behaviour is being embedded across the group in ways that will contribute to our success. The Board notes the improvement in the engagement scores over the course of the year.

The Board holds management to account for a range of engagement and diversity, equity and inclusion outcomes, which are seen as important indicators of culture, and which form a key part of the executive scorecard.

The Board and the Executive Leadership Team (ELT) have defined a set of Commitments – Client first, Empowered, Ambitious and Transparent – which embody our cultural commitments at abrdn and are designed to create the best working environment for our colleagues, so contributing to better customer experience and outcomes. Our culture is defined by these commitments and the behaviours which underpin them, which are set out on page 11.

Stakeholder engagement

The Annual report and accounts explains how the Directors have complied with their duty to have regard to the matters set out in section 172 (1) (a)-(f) of the Companies Act 2006. These matters include responsibilities with regard to the interests of customers, employees, suppliers, the community and the environment, all within the context of promoting the success of the Company. The table on pages 95 and 96 sets out the Board's focus on its key relationships and shows how the relevant stakeholder engagement is reported up to the Board or Board Committees.

Engaging with investors

The Group's Investor Relations and Secretariat teams support the direct investor engagement activities of the Chair, Senior Independent Director (SID), CEO, CFO and, as relevant, Board Committee chairs. During 2024, we carried out a comprehensive programme of meetings with domestic and international investors, via a range of one-on-one, group, conference and reporting related engagements. Investors had broad interests including financial performance, the new CEO's initial observations and key priorities, progress on our transformation programme, synergies between the three businesses, market trends, investment performance, capital allocation, the relationship with Phoenix, and corporate governance. The Chair, SID, CEO and CFO bring relevant feedback from this engagement to the attention of the Board.

The Board ensures its outreach activities encompass the interests of the Company's circa one million individual shareholders. Given the nature of this large retail shareholder base, it is impractical to communicate with all shareholders using the same direct engagement model followed for institutional investors. Shareholders are encouraged to receive their communications electronically and around 400,000 shareholders receive all communications this way. The Company actively promotes self service via the share portal, and more than 215,000 shareholders have signed up to this service. Shareholders have the option to hold their shares in the abrdn Share Account where shares are held electronically and around 91% of individual shareholders hold their shares in this way.

To give all shareholders easy access to the Company's announcements, all information reported via the London Stock Exchange's regulatory news service is published on the Company's website. The CEO and CFO continue to host formal presentations to support both the full year and half year financial results with the related transcript and webcast available from the Investors' section of the Company's website. In 2024, the Company published an H2 2023 trading statement in January, a Q1 2024 update in April, a 2024 Half Year results announcement in August and a Q3 2024 update in October. In 2025, the Company published a Q4 2024 update in January.

The 2024 Annual General Meeting (AGM) was held in Edinburgh on 24 April 2024. The meeting was arranged as a 'hybrid' meeting. This allowed shareholders to participate in the meeting remotely, as well as in person. For those participating remotely, questions could be submitted during the meeting via a 'chat box'. The Chair and CEO presentations addressed the main themes of the questions which had been submitted at and prior to the meeting. 43.6% of the shares in issue were voted. All resolutions were passed.

Our 2025 AGM will be held on 8 May 2025 in Edinburgh. The AGM Guide 2025 will be published online at **www.abrdn.com** in advance of this year's meeting. The voting results, including the number of votes withheld, will be published on the website at **www.abrdn.com** after the meeting.

Engaging with employees

Hannah Grove continued as our designated non-executive Director for board employee engagement (BEE) for a third year. abrdn's BEE programme is designed to ensure that employees' perspectives and sentiments are heard and understood by the Board to help inform decision-making, and to support colleagues' understanding about the role of the plc Board. The programme also ensures that colleagues have direct access to our Non-Executive Directors (NEDs). A summary of activity can also be found on page 61.

Given the amount of change in 2024, both specific to abrdn and across the industry at large, it was important to ensure that the programme reached as many colleagues as possible and created opportunities for engagement, discussion and feedback throughout the year. A key design element was not to curate attendance at BEE sessions to ensure that the programme reached a true and fair representation of employees, and not just those who might have been more positively inclined or engaged to begin with. As a result, the programme comprised three pillars: (i) Discussion Sessions, forums for groups of between 10-15 colleagues from across businesses and geographies for informal sessions so that they could share views, provide feedback and ask questions; (ii) Meet the NEDs sessions, where team members could interact directly with the broader plc Board, ask questions and hear views and lived experiences on topics ranging from the broader investment industry and macro environments to specifics around abrdn's strategy, and lastly; (iii) reporting and measurement, including regular quarterly thematic updates to the Board, abrdn's ELT and abrdn's Chief People Officer to ensure that key talent/people strategies were aligned and any issues or gaps could be addressed or considered within the framework of abrdn's overall strategy and policies and procedures. abrdn employees are another important stakeholder group in terms of communication and here we provided a mid-year update of activity and themes in addition to ad-hoc communications coinciding with specific BEE activity. The efficacy of the programme was measured through anecdotal feedback and post event surveys where we gauge overall satisfaction as well as gather insights on ways to improve or evolve the programme.

In 2024, BEE activity spanned abrdn locations across the UK, US, Europe and APAC, with sessions and events delivered in a combination of in-person, virtual and hybrid formats.

The BEE programme received positive and constructive feedback from colleagues that participated in the programme. The main themes heard were largely around Change – understanding the impact of transformation; Compensation – a desire for greater clarity and focus; and Career Development – more structure around advancement and management and leadership skills. There was also a lot of interest in abrdn's commitment to Diversity and Inclusion and strengthening network engagement and participation. Importantly for each theme, tangible action ensued from abrdn's leadership team spanning greater focus on clarifying the approach to compensation and pathways to improvement, to the launch of abrdn's new Career Framework providing structure and clarity around professional growth and opportunity, to the relaunch of abrdn's diversity strategy with strong ELT engagement and involvement. Heightened focus was also applied to communication around change with regular reporting on transformation progress including investments made back into the business and people.

The BEE programme places a strong focus on talent. The members of abrdn's Future Leaders programme and the abrdn Leadership Group (aLG) take part in Discussion Sessions aimed to gauge the efficacy and progress of these leadership programmes and cohorts. Formal mentoring continued between all members of the plc Board and abrdn's ELT as well as its Executive Talent pipeline. The connectivity between the BEE programme and wider talent initiatives at abrdn allows the Board to have more follow up data points which are then considered by the business and the Board.

In 2025, the BEE programme will continue its core objectives, gathering feedback and demonstrating actionable outcomes, and focusing on staying close to colleagues and maintaining high Board visibility. The Board have seen how this and the significant investment from the CEO and leadership team in prioritising people and culture is starting to make a difference in terms of engagement and confidence, as evidenced by the most recent employee engagement scores. These improved scores are not yet at the desired level therefore it's very important that positive momentum is maintained which means leveraging the BEE programme where possible to support progress which ultimately will deliver better overall performance.

Summary of Stakeholder engagement activities

In line with their obligations under s.172 of the Companies Act 2006, the Directors consider their responsibilities to stakeholders in their discussions and decision-making. The table below illustrates direct and indirect Board engagement with various stakeholders. More details of stakeholder engagement activities can be found on pages 60 and 61.

Key stakeholders	Direct Board engagement	Indirect Board engagement	Outcomes
Clients	– The CEO meets with key clients as required and reports to the Board on such meetings. – The CEO takes part in key client pitches to hear directly from clients on their requirements. – The Chair meets with peers and key clients at conferences and industry membership and advisory boards where he represents the Group. – Board members feed into Board discussions any feedback received directly from clients.	– The CEOs of Adviser, ii and Investments (the Business CEOs) report at Board meetings on key client engagement, support programmes and client strategies. – Market share data and competitor activity are reported to the Board. – Results of client perceptions survey/customer sentiment index are reported.	– Engagement supported the development of the key client management process, and our client solutions and sustainability approaches. – The businesses position the business around client needs with performance accountability measured on that basis. – Investment processes are driven by understanding client needs and designing appropriate solutions taking into account client risk appetite and sophistication.
Our colleagues	– 'Meet the NEDs' BEE sessions for a diverse mix of staff at all levels allows direct feedback in informal settings. – Employee engagement NED in place and active with the colleague-led networks as well as with employees through their representatives. The BEE NED reports regularly to the CEO and the Board. – Each year, the Board mentors emerging talent. – CEO and CFO run 'Town Hall' sessions following quarterly, half-yearly and annual trading announcements.	– The Chief People Officer (CPO) reports to the Nomination and Governance Committee meeting on key hires and employee issues including development needs to support succession planning. – The CPO produces reporting for the Board drawing out key factors influencing staff turnover, morale and engagement. – Viewpoints and employee surveys collect aggregate, regional and functional trend data which is reported to the Board.	– Engagement feedback recognised in Board discussions. – Board involvement in shaping the desired culture and targets, to tracking progress against engagement feedback, are key inputs to talent and development programmes and the design of reward philosophy.
Community – **Business partners/ supply chain**	– CEO oversees key strategic relationships and meets with his opposite numbers as required. – Executive Director (ED) direct meetings with core suppliers. – The Risk and Capital Committee reviews the dependency on critical suppliers and how they are managed. – The Audit Committee leads an assessment of external audit performance and service provision. – The Board receives detailed papers supporting the outsourcing of technology and business services.	– The Board receives reports on first line key supplier relationships and their role in transition and transformation activities. – Supplier due diligence surveys are undertaken. – Tendering process includes smaller size firms. – Access and audit rights in place with key suppliers. – Modern slavery compliance process in place. – Procurement/payment principles and policies in place. – Certain key suppliers regularly discussed at Audit Committee, Risk and Capital Committee and Board. – Oversight of key outsourcing arrangements reported to the Board.	– The development of our business through our relationships with partners is a critical element of the Board's strategy. – Transformation discussions have included a focus on the quality, service provision, availability and costs of relevant suppliers. – The overriding guidelines for business partnerships have been established as working for both parties and creating efficient operations. – The Board sought executive assurance on the operation and working practice of key suppliers.

Key stakeholders		Direct Board engagement	Indirect Board engagement	Outcomes
Community (continued)	Communities	– Board members present at relevant events and conferences. – Chair/CEO/CFO represent the Group on public policy and industry organisations. – Board is kept up to date with the activities of the abrdn Financial Fairness Trust and the abrdn Charitable Foundation.	– Stewardship/sustainability teams report regularly to the Board and Committees. – Feedback on annual Stewardship and Sustainability and TCFD reports. – Review of charitable giving strategy. – Sustainability presentations to the Board.	– Considered as input to the Group's charitable giving programmes. – Engagement with our communities helps bring our purpose to life.
	Regulators/ policymakers/ governments	– Regular engagement by CEO, CFO, Chair and Committee Chairs. – FCA has access to the Board. – 'Dear Board/CEO' letters issued from regulators. – Relevant engagement with regulators in overseas territories.	– CFO and Chief Risk Officer (CRO) update the Board regularly. – Board hears reports on the results of active participation through industry groups.	– Relevant Board decisions recognise regulatory impact and environment.
Shareholders	Shareholders	– Results presentations with EDs and Board attendance at the AGM and Q&A. – Chair, CEO, SID and CFO meetings with investors. – Chair, Committee Chairs, SID and BEE NED round table with governance commentators. – Remuneration Committee Chair meetings with institutional investors. – Chair/CEO direct shareholder correspondence.	– Regular updates from the EDs/ Investor Relations Director/ Chair/Chair of Remuneration Committee summarising the output from their programmes of engagement. – Analyst/Investor reports distributed to the Board. – As relevant, feedback from corporate brokers. – Dedicated mailbox and shareholder call centre team.	– There has been continued dialogue with shareholders on remuneration matters including in the period leading up to the 2024 AGM.

Details are included below of two examples of principal decisions made by the Board in 2024 and how the interests of our stakeholders were considered during the Board's decision-making process.

Transformation programme

In January 2024, the Board approved the announcement of a transformation programme targeting an annualised cost reduction of at least £150m by the end of 2025. The programme was designed to restore the core Investments business to an acceptable level of profitability and allow for incremental reinvestment into growth areas. The announcement marked a further step on the Company's journey to align its resources and capabilities to meet client needs and reinforce areas of strength across the Group.

In approving the announcement of the programme, the Board considered the need to remove management layers, increase spans of control, generate further efficiency in outsourcing and technology areas, as well as reduce overheads in Group functions and support services. The Board also considered the Company's key stakeholder groups and that whilst the programme was expected to result in the reduction of approximately 500 roles, the bulk of the savings would be generated from non-staff costs. The Board further noted that following the announcement of the programme, focus would remain on delivering excellent service and strongly competitive investment performance to all clients, supported by the Group's strong risk management and control environment.

In relation to potential key outcomes of the programme, the Board noted that a streamlined operations and management structure will enable the Group to deploy its resources more efficiently and improve management accountability. The increased profitability will enable incremental investment in the capabilities to deliver excellent customer outcomes. Further information regarding the benefits and outcomes of the Transformation programme can be found at page 7.

Appointment of CEO	In May 2024, the Company announced the launch of a CEO succession plan, following the strategic repositioning of the Company to a specialist asset manager, and a digitally-focused wealth manager. Jason Windsor was announced as Interim Group CEO, while a formal and thorough search process supported by an external search firm was conducted. In line with the Group's long term succession planning process, the Board considered a number of internal and external candidates for the role and identified detailed suitability criteria that it was looking for in the next CEO. The Board's considerations included the importance of the CEO to all of the Company's key stakeholder groups, the Group's strategy and in leading the day-to-day running of the Group. The Board met on a number of occasions to consider the shortlist of internal and external candidates and in September announced Jason Windsor as Group CEO. Jason was the unanimous choice of the Board to lead the Company in its next phase and brings significant expertise and knowledge of the Group's industry. Following Jason's appointment in September, there has been a focus on strengthening leadership and enhancing the operating model with the result that the Executive Leadership Team has been broadened with greater client expertise and a new Group Operating Committee (GOC) has been introduced to improve the pace of decision-making. The Board looks forward to continuing to work with Jason, with a focus on the delivery of the Company's strategic objectives in 2025.

Speaking up

The workforce has the means to raise concerns in confidence and anonymously, and these means are well communicated. The Audit Committee's oversight of the whistleblowing policy and the Audit Committee Chair's role to report to the Board on whistleblowing matters is covered in the Audit Committee report on page 106.

Outside appointments and conflicts of interest

The Board's policy encourages executive Directors to take up one external non-executive director role, as the Directors consider this can bring an additional perspective to the Director's contribution. Jason Windsor is a Governor of Felsted School and a Director of Felsted School Trustees Limited.

Any proposed additional appointments of the non-executive Directors are firstly discussed with the Chair and then reported to the Nomination and Governance Committee prior to being considered for approval. The Senior Independent Director takes that role in relation to the Chair's outside appointments. The register of the Board's collective outside appointments is reviewed annually by the Board. Directors' principal outside appointments are included in their biographies on pages 88 to 91. These appointments form part of the Chair's annual performance review of individual non-executive Directors' contribution and time commitment, and similarly that of the Senior Independent Director of the Chair.

The Directors continued to review and authorise Board members' actual and potential conflicts of interest on a regular and ad hoc basis in line with the authority granted to them in the Company's Articles. As part of the process to approve the appointment of a new Director, the Board considers and, where appropriate, authorises their potential or actual conflicts. The Board also considers whether any new outside appointment of any current Director creates a potential or actual conflict before, where appropriate, authorising it. All appointments are approved in accordance with the relevant Group policies. At the start of every Board and Committee meeting, Directors are requested to declare any actual or potential conflict of interest and in the event a declaration is made, conflicted Directors can be excluded from receiving information, taking part in discussions, and making decisions that relate to the potential or actual conflict.

(ii) Division of responsibilities

The Group operates the following governance framework.

Governance framework

Board

The Board's role is to organise and direct the affairs of the Company and the Group in accordance with the Company's constitution, all relevant laws, regulations, corporate governance, and stewardship standards. The Board's role and responsibilities, collectively and for individual Directors, are set out in the Board Charter. The Board Charter also identifies matters that are specifically reserved for decision by the Board. During 2024, the Board's key activities included approving, overseeing and challenging:

- The updated strategy and the 2025 to 2027 business plan to implement the strategy.
- Capital adequacy and allocation decisions.
- Oversight of culture, our standards and ethical behaviours.
- Dividend policy including the decision framework governing the sustainability of the dividend.
- Financial reporting.
- Risk management, including the Enterprise Risk Management (ERM) framework, risk strategy, risk appetite limits and internal controls and in particular how these apply in a blended working environment with colleagues working from home.
- Significant corporate transactions.
- Succession planning, in particular in the appointment of Jason Windsor as CEO.
- The performance of each of the business areas.
- The sustainability strategy and approach across the Group, both as a corporate and as an asset manager.
- Significant external communications.
- The work of the Board Committees.
- Appointments to the Board and to Board Committees.
- Matters escalated from subsidiary boards to the Board for approval.

The Board regularly reviews reports from the CEO and from the CFO on progress against approved strategies and the business plan, as well as updates on financial market and global economic conditions. There are also regular presentations from the Business CEOs and business functional leaders.

Chair

- Leads the Board and ensures that its principles and processes are maintained.
- Promotes high standards of corporate governance.
- Together with the Company Secretary, sets agendas for meetings of the Board.
- Ensures Board members receive accurate, timely and quality information on the Group and its activities.
- Encourages open debate and constructive discussion and decision-making.
- Leads the performance assessments and identification of training needs for the Board and individual Directors.
- Speaks on behalf of the Board and represents the Board to shareholders and other stakeholders.

CEO

The CEO operates within authorities delegated by the Board to:

- Develop strategic plans and structures for presentation to the Board.
- Make and implement operational decisions.
- Lead the GOC/ELT in the day-to-day running of the Group.
- Report to the Board with relevant and timely information.
- Develop appropriate capital, corporate, management and succession structures to support the Group's objectives.
- Together with the Chair, represent the Group to external stakeholders, including shareholders, customers, suppliers, regulatory and governmental authorities, and the local and wider communities.

Senior Independent Director (SID)

The SID is available to talk with our shareholders about any concerns that they may not have been able to resolve through the channels of the Chair, the CEO or CFO, or where a shareholder was to consider these channels as inappropriate.
The SID leads the annual review of the performance of the Chair.

Non-executive Directors (NEDs)

The role of our NEDs is to participate fully in the Board's decision-making work including advising, supporting and challenging management as appropriate.

Nomination and Governance Committee (N&G)

- Board and Committee composition and appointments.
- Succession planning.
- Governance framework.
- Culture, Diversity, Equity & Inclusion (DEI).

Audit Committee (AC)

- Financial reporting.
- Internal audit.
- External audit.
- Whistleblowing.
- Regulatory financial reporting.
- Non-financial reporting (sustainability).

Remuneration Committee (RC)

- Development and implementation of remuneration philosophy and policy.
- Incentive design and setting of executive Director targets.
- Employee benefit structures.

Risk and Capital Committee (RCC)

- Risk management framework.
- Compliance reporting.
- Risk appetites and tolerances.
- Transactional risk assessments.
- Capital adequacy.
- Anti-financial crime.

Group Operating Committee (GOC)

The GOC is responsible to the CEO for the development of corporate objectives and strategy, oversight of commercial operations, finalisation of the annual budget and business plan, proposals for inorganic strategic activity, commercial aspects of people-related matters and to support the effective operation and cohesion of the ELT. Membership of the GOC includes the CEO, CFO, Group General Counsel, Chief Operating Officer & CEO of interactive investor, Chief People Officer, CEO of Investments and CEO of Adviser.

Executive leadership team (ELT)

The ELT is responsible to the CEO for the execution of corporate objectives and strategy, competitive analysis, sharing client insights, ensuring communication and alignment across senior leadership, oversight of annual budget and business plan proposals, review of performance against targets and plan, idea generation, oversight and delivery of people-related matters, oversight of sustainability and oversight of risk and controls. Membership of the ELT includes the members of the GOC and the Chief Strategy and Business Development Officer, Chief Risk Officer, Chief Internal Audit Officer, Chief Investment Officer, Investments Chief Client Officer, Investments Chief Product & Marketing Officer, interactive investor Chief Operating Officer and Adviser Chief Distribution Officer.

Businesses

Business CEOs support the CEO to deliver growth across the business:

- ii.
- Adviser.
- Investments.

Talent

The Chief People Officer (CPO) supports the CEO in developing talent management and succession planning and culture initiatives.

Efficient Operations

Strategy, Technology, Legal and Finance ELT members, including the CFO, support the CEO by overseeing global functions and the delivery of functional priorities.

Control

The Chief Risk Officer (CRO) supports the ELT and the CEO in their first line management of risk. The Chief Internal Audit Officer attends ELT controls meetings.

The framework is formally documented in the Board Charter which also sets out the Board's relationship with the boards of the key subsidiaries in the Group. In particular, it specifies the matters which these subsidiaries refer to the Board or to a Committee of the Board for approval or consultation.

You can find the Board Charter on our website www.abrdn.com

Board balance and director independence

The Directors believe that at least half of the Board should be made up of independent non-executive Directors. As at 3 March 2025, the Board comprises the Chair, eight independent non-executive Directors and one executive Director. The Board is made up of six men (60%) and four women (40%) (2023: men 60%, women 40%). Catherine Bradley stepped down from the Board on 24 April 2024 and Stephen Bird stepped down on 24 May 2024. As noted in her biography on page 90, following her appointment as Group CFO at HSBC, Pam Kaur will not seek re-election to abrdn's Board at the Company's Annual General Meeting in May. Katie Bickerstaffe and Vivek Ahuja were appointed to the Board on 1 October 2024 and will stand for election at the Company's AGM on 8 May 2025.

The Chair was independent on his appointment in December 2018. The Board carries out a formal review of the independence of non-executive Directors annually. The review considers relevant issues including the number and nature of their other appointments, any other positions they hold within the Group, any potential conflicts of interest they have identified and their length of service. Their individual circumstances are also assessed against independence criteria, including those in the Code. The Nomination and Governance Committee, on behalf of the Board, conducts a particularly rigorous review for any non-executive director whose term exceeds six years. In addition to the above, this review includes any feedback from the Board effectiveness review, ongoing overall contribution, and the output from individual annual performance discussions with each NED conducted by the Chair. Cathi Raffaeli and the Chair have both served more than six years and no issues or considerations were raised through this assessment. John Devine's term will reach nine years in July 2025 and it is proposed that John is re-appointed for a further term (to expire at the end of the 2026 AGM) in order to facilitate an orderly transition of his role as Risk Committee Chair. Following a recommendation from the Nomination and Governance Committee, the Board concluded that John continued to be independent in character and judgement and that there were no relationships that were likely to affect or could appear to affect his judgement. The Board also considered that John continues to make high quality contributions to Board and Committee meetings, providing effective and constructive challenge to management and demonstrating objective and independent judgement. The Board therefore concluded that it was in the best interests of the Company for John to remain on the Board to facilitate the orderly transition of Risk Committee Chair responsibilities and that John was considered to be independent. Following the review, the Board has concluded that all the non-executive Directors are independent and consequently, the Board continues to comprise a majority of independent non-executive Directors. Jonathan Asquith served as Senior Independent Director throughout 2024. In this role, he is available to provide a sounding board to the Chair and serve as an intermediary for the other Directors and the shareholders. He also led the process to review the Chair's performance. The roles of the Chair and the CEO are separate and are summarised on page 98. Each has clearly defined responsibilities, which are described in the Board Charter. The Directors have access to the governance advice of the Company Secretary whose appointment and removal is a matter reserved to the Board.

You can find out more about our Directors in their biographies on pages 88 to 91.

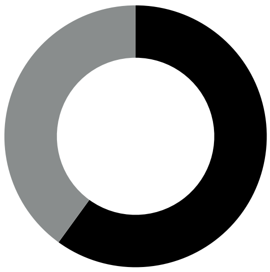
(iii) Board composition, succession, diversity and evaluation

The Board's policy is to appoint and retain non-executive Directors who bring relevant expertise as well as a wide perspective to the Group and its decision-making framework. The Board continues to support its Board Diversity statement, which also applies to the Remuneration, Audit and Nomination and Governance Committees and states that the Board:

- Recognises that diversity can bring insights and behaviours that make a valuable contribution to its effectiveness and the Group's performance.
- Supports the CEO's commitment to achieve and maintain a diverse workforce and an inclusive workplace.
- Believes in equity and supports the principle that the best person should always be appointed to the role with due regard given to the benefits of a full range of diversity characteristics, when undertaking a search for candidates, whether executive or non-executive.
- Is committed to maintaining the diverse composition that is appropriate to its needs.
- Has a zero-tolerance approach to unfair treatment or discrimination of any kind, both throughout the Group and in relation to clients, individuals and 3rd parties, associated with the Group.
- Supports and has oversight of the Group's DEI framework.

Board Diversity

Gender

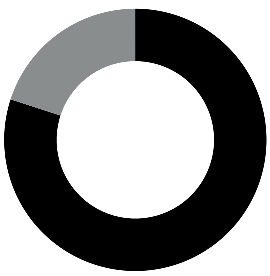


Nationality

Diversity activities and progress to meet our targets are covered in the People – Diversity, equity & inclusion section of the Strategic report on page 49. The ELT's diversity policy is covered in the Diversity, equity and inclusion section of the Directors' report on page 146.

Board changes during the period are covered above and in the Directors' report on page 144.

Ethnicity



In accordance with UKLR 6.6.6(9), as at 31 December 2024:
– At least 40% of the individuals on the board of directors are women.
– At least one individual on the board of directors is from a minority ethnic background.

During 2024, we applied our policy on diversity when searching for a successor to Stephen Bird, with Jason Windsor ultimately appointed, as CEO. Consequently, we do not currently meet the requirement under UKLR 6.6.6(9)(a)(ii) to have a woman represented in the identified Board leadership positions (Chair, Senior Independent Director, CEO or CFO).

The Board supports the principle that the person best qualified, in the particular circumstances of the role, should always be appointed to the role with due regard given to the benefits of a full range of diversity characteristics. This principle applies to the search for and appointment of all candidates, both executive and non-executive.

Board appointment process, terms of service and role

Board appointments are overseen by the Nomination and Governance Committee and more information can be found on page 119.

Each non-executive Director is appointed for a three-year fixed term and shareholders vote on whether to elect/re-elect them at every AGM. Once a three-year term has ended, a non-executive Director can continue for a maximum of two further terms, if the Board is satisfied with the non-executive Director's performance, independence and ongoing time commitment. Taking account of their appointment dates the current average length of service of the non-executive Directors is four years. For any non-executive Directors who have already served two three-year terms, the Nomination and Governance Committee considers any factors which have the potential to impact their independence or time commitment prior to making any recommendation to the Board. Cathi Raffaeli, Hannah Grove and Sir Douglas Flint came to the end of a three-year term during 2024.

External search consultants may be used to support Board appointments. The Group has used the services of MWM Consulting to support senior management searches. MWM Consulting has no other connection to the Group or the Directors.

Time commitment

The letter of appointment confirms that the amount of time each non-executive Director is expected to commit to each year, once they have met all of the approval and induction requirements, is a minimum of 35 days.

When appointing a non-executive Director, the Nomination and Governance Committee carefully considers time commitments, investor guidelines and voting policies and their application on current directorships. The Committee also reviews in detail the planned changes to a non-executive Director's portfolio and overall capacity, including the balance of listed and non-listed non-executive Director roles. This is also reviewed by the Chair as part of a formal sequence of bilateral conversations with each Board member during the Company's annual Board Effectiveness process. This covers: time commitment and the impact of any anticipated changes to external appointments over the next 12 months; conflicts of interest and; any training requirements that would support the Board member in their role during the year. The Company supports plc Directors taking active roles on the main Group subsidiary boards. Cathi Raffaeli chairs the Standard Life

Savings Limited and Elevate Portfolio Services Limited boards, and Hannah Grove also sits on these boards. Time commitment for their roles on these group boards are also considered as part of the annual evaluation process.

Having carefully reviewed various inputs, including those outlined above and each non-executive Director's contribution and capacity in 2024, the Nomination and Governance Committee concluded that all non-executive Directors continue to have sufficient time to dedicate to their role as independent non-executive Directors of abrdn plc.

The service agreements/letters of appointment for Directors are available to shareholders to view on request from the Company Secretary at the Company's registered address (which can be found in the Shareholder information section) and will be accessible for the 2025 AGM. Non-executive Directors are required to confirm that they can allocate sufficient time to carry out their duties and responsibilities effectively. As set out in their letters of appointment, Non-executive Directors are also required to advise, support and challenge across a number of areas including, but not limited to, strategy, performance, risk and remuneration.

Director election and re-election

At the 2025 AGM, all of the Directors will retire and stand for election or re-election. As well as in the Board of Directors section, the AGM Guide 2025 includes background information about the Directors, including the reasons why the Chair, following the Directors' annual reviews, believes that their individual skills and contribution support their election or re-election.

Details of Directors' outside appointments can be found in their biographies on pages 88 to 91.

Advice

Directors may sometimes need external professional advice to carry out their responsibilities. The Board's policy is to allow them to seek this where appropriate and at the Group's expense. Directors also have access to the advice and services of the Company Secretary. With the exception of professional advice obtained by the Remuneration Committee, as detailed in page 141, no independent professional advice was sought in 2024.

Board effectiveness

Review process

An externally facilitated review was last undertaken in 2022, and the 2024 effectiveness review, which considered all aspects of the Board's effectiveness, was conducted internally, on behalf of the Board, by the Chair and supported by the Company Secretary. A questionnaire was issued to each Board member, which allowed individual feedback on a confidential basis. As part of the review process, the questionnaire is also supplemented by a year-end 1:1 discussion with the Chair, providing Directors with the opportunity to raise any matters directly with the Chair.

The tone of the 2024 review was positive and concluded that the Board and its Committees continued to operate effectively during 2024, with no material issues or concerns raised and priorities for the coming year clarified. Progress was noted on matters identified in the 2023 review and it was noted that the Board is effective in monitoring culture and behaviour throughout the Group, understands principal risks and assesses risk management assurance processes well and acts collegiately and collaboratively, with Board members having trust in the voice and opinions of others. The Chair again hosted a conference in September 2024 bringing together non-executive directors from the Group's subsidiary companies and EMEA-based fund boards. The main areas arising from the 2024 review on which the Board looked to see continued improvement in 2025, both in respect of its own effectiveness and that of its Committees, were in relation to improving the insights within and brevity of materials presented. The report also acknowledged that given the criticality of human talent and technology to future sustainable success, succession planning would remain a core focus for the Board, as would technology development given its impact on the future of asset and wealth management.

As in prior years, the report noted the strong levels of Board engagement and participation, both in formal meetings and other Board initiatives, such as the BEE programme. The report also recognised positively Board dynamics, the effectiveness of Board Committees and the breadth of knowledge and experience of Board members. Maintaining these attributes was seen as essential to the Company's successful navigation of current macro-economic challenges and the delivery of its desired strategic outcomes.

Chair

The review of Sir Douglas's performance as Chair is led by the SID, Jonathan Asquith, supported by the Company Secretary. It is based on feedback given in returned questionnaires specifically regarding the Chair's performance and discussions between the SID and the other non-executive Directors. The feedback is summarised into a report which is considered by the Directors in a meeting led by Jonathan Asquith and without Sir Douglas being present. It was noted that the Chair's industry experience, style and development of the Board continued to be of significant benefit to the Group. As with the main Board evaluation, the continued focus on delivery for shareholders and other stakeholders is a key priority and the important role that the Chair plays in supporting the execution of the Group's strategy was recognised. As part of the process, Jonathan Asquith meets with Sir Douglas to pass on feedback from the review directly and his final report is made available to all non-executive Directors.

Directors

An important part of the annual effectiveness review process is the individual evaluation of each member of the Board. This process is undertaken personally by the Chair and this year was conducted through year-end bilateral discussions with each Board member to a specific agenda. These discussions ran alongside the broader effectiveness process and fed into Nomination and Governance Committee's consideration of director re-election and ongoing succession planning. In addition to discussing individual performance, consideration was also given to Non-Executive Directors' time commitment and capacity, conflicts of interest, any individual training and development needs and broader Company engagement opportunities.

Director induction and development

The Chair, supported by the Company Secretary, is responsible for arranging a comprehensive preparation and induction programme for all new Directors. The programme takes their background, knowledge and experience into account. If relevant, Directors are required to complete the FCA's approval process before they are appointed and Directors self-certify annually that they remain competent to carry out this aspect of their role. These processes continue to adapt to meet evolving best practice in respect of the Senior Managers and Certification Regime.

The formal preparation and Induction programme includes:

- Meetings with the executive Directors and the members of the GOC and the ELT.
- Focused technical meetings with internal experts on specific areas including the three businesses, regulatory reporting, sustainability, conduct risk, risk and capital management, and financial reporting.
- Visits to business areas to meet our people and gain a better insight into the operation of the business and its culture.
- Meetings with the external auditors and contact with the FCA supervisory teams.
- Meetings with the Company Secretary on the Group's corporate governance framework and the role of the Board and its Committees.
- Meetings with the Chief Risk Officer on the risk management framework as well as meetings on their individual responsibilities as holders of a Senior Management Function role.

Background information is also provided including:

- Key Board materials and information, stakeholder and shareholder communications and financial reports.
- The Group's organisational structure, strategy, business activities and operational plans.
- The Group's key performance indicators, financial and operational measures and industry terminology.

The induction programme provides the background knowledge new Directors need to perform to a high level as soon as possible after joining the Board and its Committees and to support them as they build their knowledge and strengthen their performance further.

When Directors are appointed to the Board, they make a commitment to broaden their understanding of the Group's business. The Secretariat, Finance, Risk and Reward teams monitor relevant external governance and risk management, financial and regulatory developments and keep the ongoing Board training and information programme up to date. Specific Board and Committee awareness and deep-dive sessions took place on:

- Macro trends.
- Cyber resilience.
- Corporate reform.
- abrdn's Internal Capital and Risk Assessment.
- Operational resilience self-assessment.
- Transformation.
- Sustainability.
- Technology.
- FCA Consumer Duty.
- Vulnerable Customers.
- Investments business.
- Equities.

(iv) Audit, risk and internal control

The Directors retain the responsibility to state that they consider the Annual report and accounts, taken as a whole, is fair, balanced and understandable, presents an assessment of the Company's position and prospects and presents the necessary information for shareholders to assess the business and strategy. They also recognise their responsibility to establish procedures to manage risk and oversee the internal control framework. The Directors' responsibilities statement is on page 149. The reports from the Audit Committee and the Risk and Capital Committee Chairs show how the Committees have supported the Board in meeting these responsibilities.

The Board's view of its principal and emerging risks and how they are being managed is contained in the Risk management section of the Strategic report on pages 82 to 85.

Annual review of internal control

The Directors have overall responsibility for the governance structures and systems of the Group, which includes the ERM framework and system of internal control, and for the ongoing review of their effectiveness. The framework is designed to manage, rather than eliminate, risk and can only provide reasonable, not absolute, assurance against material misstatement or loss. The framework covers all of the risks as set out in the Risk management section of the Strategic report.

In line with the requirements of the Code, the Board has reviewed the effectiveness of the system of internal control. The Audit Committee undertook the review on behalf of the Board and reported the results of its review to the Board. The system was in place throughout the year and up to the date of approval of the Annual report and accounts 2024.

The review of abrdn's risk management and internal control systems was carried out drawing on inputs across the three lines of defence taking into account the operation of each component of the Enterprise Risk Management Framework.

The business continues to make control improvements to meet increasing regulatory expectations, particularly, in the areas of operational resilience and third-party oversight. 2024 has seen the business continue to strengthen controls within its operating model through better definition of accountability and processes. Technology advances and the implementation of actions around the Consumer Duty and Operational Resilience regulations continue to drive further improvements in the control environment. The Finance function operates a set of defined processes which operate over all aspects of financial reporting, which includes the senior review and approval of financial results, controlled processes for the preparation of the IFRS consolidation, and the monitoring of external policy developments to ensure these are adequately addressed. These processes include the operation of a Technical Review Committee and the Financial Reporting Executive Review Group to provide senior review, challenge and approval of relevant disclosures, accounting policies, and changes required to comply with external developments.

The Board's going concern statement is on page 148 and the Board's viability statement is on page 80.

(v) Remuneration

The Directors' remuneration report (DRR) on pages 122 to 141 sets out the work of the Remuneration Committee and its activities during the year, the levels of Directors' remuneration and the shareholder approved remuneration policy. The Company's approach to investing in and rewarding its workforce is set out on page 136 of the DRR. The Board believes that its remuneration policies and practices are designed to support the Company's strategy and long-term sustainable success. More information about the policies and practices can be found in the DRR.

Other information

You can find details of the following, as required by FCA Disclosure and Transparency Rule 7.2.6, in the Directors' report and in the Directors' remuneration report:

Share capital

- Significant direct or indirect holdings of the Company's securities.
- Confirmation that there are no securities carrying special rights with regard to control of the Company.
- Confirmation that there are no restrictions on voting rights in normal circumstances.
- How the Articles can be amended.
- The powers of the Directors, including when they can issue or buy back shares.

Directors

- How the Company appoints and replaces Directors.
- Directors' interests in shares.

Board meetings and meeting attendance

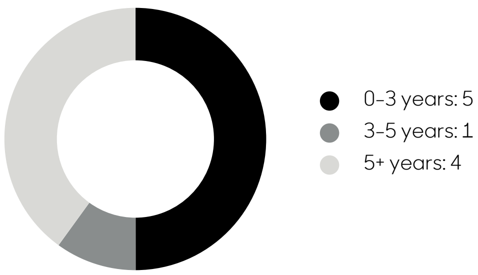
The Board and its Committees meet regularly, operating to an agreed timetable. Meetings are usually held in Edinburgh or London. During the year, the Board held specific sessions to consider the Group's strategy and business planning. The Chair and the non-executive Directors also met during the year, formally at each Board meeting, and informally, without the executive Directors present and where matters including executive performance and succession and Board effectiveness were discussed. The Board scheduled nine formal meetings and a focused strategy meeting in 2024.

Directors are required to attend all meetings of the Board and the Committees they serve on, and to devote enough time to the Company to perform their duties. Board and Committee papers are distributed before meetings other than, by exception, urgent papers which may need to be tabled at the meeting. If Directors are not able to attend a meeting because of conflicts in their schedules, they receive all the relevant papers and have the opportunity to submit their comments in advance to the Chair or to the Company Secretary. If necessary, they can follow up with the Chair of the meeting. Recognising that some Directors may have existing commitments they cannot change at very short notice, the Board has established the Standing Committee as a formal procedure for holding unscheduled meetings. The Standing Committee meets when, exceptionally, decisions on matters specifically reserved for the Board need to be taken urgently. All Directors are invited to attend Standing Committee meetings. The Standing Committee met once during 2024.

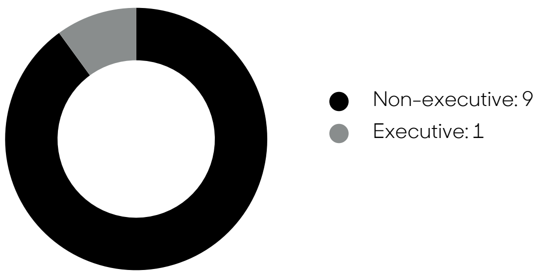
The Company Chair is not a member of the Audit, Risk and Capital, or Remuneration Committees. He is invited to attend meetings of all Committees, by invitation, in order to keep abreast of their discussions and routinely does so. The table below reflects the composition of the Board and Board Committees during 2024 and records the number of meetings and members' attendance.

	Board	Audit Committee	Nomination and Governance Committee	Remuneration Committee	Risk and Capital Committee
Chair					
Sir Douglas Flint	**10/10**	**–**	**3/3**	**–**	**–**
Executive Directors					
Jason Windsor	**10/10**	**–**	**–**	**–**	**–**
Non-executive Directors					
Jonathan Asquith	**10/10**	**–**	**3/3**	**8/8**	**–**
John Devine	**10/10**	**5/6**	**3/3**	**–**	**6/6**
Hannah Grove	**10/10**	**–**	**3/3**	**8/8**	**–**
Pam Kaur	**10/10**	**6/6**	**–**	**–**	**6/6**
Cathleen Raffaeli	**10/10**	**–**	**–**	**8/8**	**6/6**
Vivek Ahuja (appointed on 1 October 2024)	**2/2**	**2/2**	**–**	**–**	**–**
Katie Bickerstaffe (appointed on 1 October 2024)	**2/2**	**–**	**–**	**2/2**	**–**
Mike O'Brien	**10/10**	**6/6**	**–**	**–**	**5/6**
Former members					
Stephen Bird (stood down 24 May 2024)	**4/4**	**–**	**–**	**–**	**–**
Catherine Bradley (stood down 24 April 2024)	**4/4**	**2/2**	**1/1**	**3/3**	**–**

Tenure as at March 2025



Executive and Non-executive mix



Board Committees

abrdn plc Board

Audit Committee	Remuneration Committee	Nomination and Governance Committee	Risk and Capital Committee

The Board has established Committees that oversee, consider and make recommendations to the Board on important issues of policy and governance. At each Board meeting, the Committee chairs provide reports of the key issues considered at recent Committee meetings, and minutes of Committee meetings are circulated to the appropriate Board members. This includes reporting from the Chair of the Audit Committee on any whistleblowing incidents which have been escalated to them. The Committees operate within specific terms of reference approved by the Board and kept under review by each Committee.

These terms of reference are published within the Board Charter on our website at www.abrdn.com

All Board Committees are authorised to engage the services of external advisers at the Company's expense, whenever they consider this necessary. With the exception of fees paid to external advisers of the Remuneration Committee, as detailed on page 141, no such expense was incurred during 2024.

Committee reports

This statement includes reports from the chairs of the Audit Committee, the Risk and Capital Committee and the Nomination and Governance Committee. The report on the responsibilities and activities of the Remuneration Committee can be found in the Directors' remuneration report section.

The Committee Chairs are happy to engage with you on their reports. Please contact them via questions@abrdnshares.com

1. Audit Committee report

The Audit Committee assists the Board in discharging its responsibilities for external financial and material non-financial reporting, internal controls over financial reporting and the relationship with the external auditors.

I am pleased to present my report as Chair of the Audit Committee (the Committee).

Following Catherine Bradley's announcement of her intention not to stand for re-election at the 2024 AGM, the Board requested that I take on the Chair role of the Audit Committee on an interim basis until a suitable replacement was identified. Vivek Ahuja has now been appointed to this role from 1 January 2025.

While the Committee focuses its attention primarily on the Company's financial and non-financial control framework, during 2024 it has also put specific governance emphasis on:

– Oversight of the Group's transformation programme, designed to restore our core Investments business to an acceptable level of profitability and allow for incremental reinvestment into growth areas.
– Significant changes in senior personnel in the Finance function.
– Oversight of the work required to support compliance with the changes introduced in the 2024 UK Corporate Governance Code.
– Oversight of the Group's external audit tender process.

The Committee also continued to focus on the quality of financial reporting.

While ensuring we fulfil our delegated responsibilities on behalf of the Board, the Audit Committee continues to be a dynamic forum which benefits from a high degree of transparency from management, enabling effective discussion and decision making. This will remain fundamental to the Committee's effectiveness and its oversight of the Company's financial and non-financial reporting and control environment during 2025.

The report is structured in four parts:
(1) Governance
(2) Report on the year
(3) Internal audit
(4) External audit

John Devine
Chair, Audit Committee

(i) Governance

Membership

All members of the Audit Committee are independent non-executive Directors. For their names, the number of meetings and committee member attendance during 2024, please see the table on page 104.

The Board believes Committee members have the necessary range of financial, risk, control and commercial expertise required to provide effective challenge to management and have competence in accounting and auditing as well as recent and relevant financial experience. John Devine is a member of the Chartered Institute of Public Finance and Accounting and had previously chaired the Company's Audit Committee. Pam Kaur is a qualified chartered accountant. Mike O'Brien is a fellow of the Institute and Faculty of Actuaries. Vivek Ahuja, who took on the role of Chair of the Committee on 1 January 2025, has extensive experience in international financial services and private equity. In his executive career, he was most recently CEO of Terra Firma, a leading European Private Equity firm and, prior to that, Deputy Group CFO at Standard Chartered plc. He is a qualified chartered accountant who brings broad commercial and operational experience spanning finance, strategy, business and cultural transformation, risk management and corporate governance and is an experienced non-executive Director. The Committee members are also members of audit committees related to their other non-executive Director roles.

Invitations to attend Committee meetings are extended to the Chair, the Chief Executive Officer, the Chief Financial Officer, the Group Financial Controller, the Chief Internal Audit Officer and the Group Chief Risk Officer, as well as the external auditors.

The Audit Committee meets privately for part of its meetings and also has regular private meetings separately with the external auditors and the Chief Internal Audit Officer. These meetings address the level of co-operation and information exchange and provide an opportunity for participants to raise any concerns directly with the Committee.

Key responsibilities

The Audit Committee's responsibilities are to oversee, and report to the Board on:

- The appropriateness of the Group's accounting and accounting policies, including the going concern presumption and viability statement.
- The findings of its reviews of the financial information in the Group's annual and half year financial reports.
- The clarity of the disclosures relating to accounting judgements and estimates.
- Its view of the 'fair, balanced and understandable' reporting obligation.
- The findings of its review of certain Group prudential external disclosures.
- Internal controls over financial reporting.
- Sustainability disclosures relating to financial and quantitative information.
- Liaison with the Remuneration Committee on any financial reporting matters related to the achievement of targets and measures.
- Outcomes of investigations resulting from whistleblowing.
- The appointment or dismissal of the Chief Internal Audit Officer, the approved internal audit work programme, key audit findings and the quality of internal audit work.
- The skills of the external audit team and their compliance with auditor independence requirements, the approved audit plan, the quality of the firm's execution of the audit, and the agreed audit and non-audit fees.

In carrying out its duties, the Committee is authorised by the Board to obtain any information it needs from any Director or employee of the Group. It is also authorised to seek, at the expense of the Group, appropriate external professional advice whenever it considers this necessary. The Committee did not need to take any independent advice during the year.

In accordance with the Senior Managers and Certification Regime the Audit Committee Chair is responsible for the oversight of the independence, autonomy and effectiveness of our policies and procedures on whistleblowing including the procedures for the protection of employees who raise concerns related to detrimental treatment. Throughout the year the Audit Committee Chair met regularly with the Chief Internal Auditor, the external audit partner, the Chief Sustainability Officer - Investments and the Global Head of Corporate Sustainability to discuss their work, findings and current developments.

Committee effectiveness

The Committee reviews its remit and effectiveness each year. Following the externally facilitated review in 2023, the 2024 review was conducted internally, on behalf of the Board, by the Company Secretary. The review concluded that the Committee continued to operate effectively during 2024 with no material issues or concerns raised. More information about the process involved, and its outcomes, can be found on page 101.

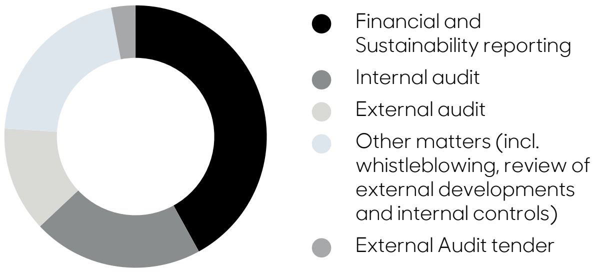
(ii) Report on the year

Audit agenda

As well as regular reporting, agenda items were aligned to the annual financial cycle as set out below:

	What was discussed
Jan-Mar	– Annual report and accounts 2023. – Strategic report and financial highlights 2023. – Financial reporting judgements. – Liaison with the Remuneration Committee on any financial reporting matters related to the achievement of targets and measures. – External auditor's review of Full year results. – Whistleblowing. – Sustainability reporting. – Effectiveness of the Internal Audit function.
Apr-Jun	– Internal audit findings. – Prudential and Regulatory reporting. – Initial financial reporting matters for Half year 2024. – Whistleblowing. – External auditor's management letter, and audit strategy. – Transformation programme
Jul-Sep	– Half year results 2024. – External auditors' review of Half year results. – External auditors' independence. – Internal audit findings. – Whistleblowing. – Material legal actions and open litigations
Oct-Dec	– Initial financial reporting matters for Full year 2024, including pension scheme assumptions. – Non-audit services policy. – The internal audit plan and charter. – Internal audit findings. – Effectiveness of the external auditors and related non-audit services. – External audit tender. – Whistleblowing. – Sustainability reporting. – Risk management and internal control system annual review and future plans. – Transformation programme – Corporate and Audit Reform update.

The indicative proportion of time spent on the business of the Committee is illustrated below:



Detail of work

The focus of work in respect of 2024 is described below.

Financial and non-financial reporting

Our Annual report and accounts are prepared in accordance with International Financial Reporting Standards (IFRS). The Committee believes that some Alternative Performance Measures (APMs), which are also called non-GAAP measures, can add insight to the IFRS reporting and help to give shareholders a fuller understanding of the performance of the business. The Committee considered the presentation of APMs and related guidance as discussed further in the 'Fair, balanced and understandable' section below.

The Committee reviewed the Group accounting policies and confirmed they were appropriate to be used for the 2024 Group financial statements. This year there were no new accounting standards which had a significant impact on the Group accounting policies.

The Committee reviewed the basis of accounting and in particular the appropriateness of adopting the going concern basis of preparation of the financial statements. In doing so, it considered the Group's cash flows resulting from its business activities and factors likely to affect its future development, performance and position together with related risks, as set out in more detail in the Strategic report. The Committee recommended the going concern statement to the Board.

In addition, the Committee considered the form of the viability statement and in particular whether the three-year period remained appropriate, and concluded that it did. This reflects both our internal planning cycle and the timescale over which changes to major regulations and the external landscape affecting our business typically take place. In formulating the statement, the Committee considered the result of stress testing and reverse stress testing presented to the Risk and Capital Committee. The Committee recommended the viability statement to the Board.

During 2024, the Committee reviewed the Annual report and accounts 2023 and the Half year results 2024. For both periods it received written and/or oral reports from the Chief Financial Officer, the interim Chief Financial Officer, the Company Secretary, the Chief Internal Audit Officer and the external auditors. The Committee used these reports to aid its understanding of the composition of the financial statements, to confirm that the specific reporting standards and compliance requirements had been met and to support the accounting judgements and estimates. Following its reviews, the Committee was able to recommend the approval of each of the reports to the Board, being satisfied that the full and half year financial statements complied with laws and regulations and had been appropriately compiled.

The Committee recognises the importance of sustainability reporting. During 2024 the Committee discussed and reviewed the sustainability reporting landscape and the related governance framework at a number of meetings. In particular, as part of the review of the Annual report and accounts, the Committee reviewed content relating to the Task Force on Climate-Related Financial Disclosures (TCFD). The Committee's review focused on ensuring metrics and outcomes were appropriately explained and validated. KPMG in their role as auditor have reviewed our TCFD disclosures as part of their audit engagement. More information can be found on page 112.

Accounting estimates and judgements

The Audit Committee considered all estimates and judgements that Directors understood could be material to the 2024 financial statements. The Committee also focused on disclosure of these key accounting estimates and judgements.

Significant accounting estimates, judgements and assumptions for the year ended 31 December 2024	How the Audit Committee addressed these significant accounting estimates and assumptions
Goodwill impairment reviews	
Goodwill is required to be tested annually for impairment and the determination of recoverable amounts for this impairment assessment is a key area of estimation. The impairment assessment is performed by comparing the carrying amount of each cash-generating unit (CGU) with its recoverable amount, being the higher of its value in use (VIU) and fair value less costs of disposal (FVLCD). In 2024 an impairment of goodwill was recognised in relation to the Finimize CGU (impairment of £5m) within Other business operations and corporate costs and therefore the determination of the recoverable amount for this CGU was a key judgement which directly impacted the amount of the impairment. The impairment reflects higher anticipated losses in the period prior to which abrdn anticipates Finimize is likely to achieve profitability and the related Group support required in this period. Following this impairment, there is no remaining goodwill for Finimize. The recoverable amount for Finimize was determined based on FVLCD, with the primary approach being a revenue multiple valuation approach. Goodwill relating to the interactive investor and abrdn financial planning CGUs were also tested for impairment and the recoverable amounts, based on FVLCD, indicated that no impairments were required.	The Committee spent time reviewing and challenging recoverable amount assumptions at three meetings. For Finimize, the Committee noted that the business is inherently difficult to value as there are few directly comparable companies and therefore there are a range of reasonable valuations. The Committee discussed the valuation assessment with management and agreed that the recoverable amount was within the reasonable range. The Committee agreed with management's view that the goodwill for the interactive investor and abrdn financial planning CGUs were not impaired. The Committee noted the inherent sensitivity of the recoverable amounts and supported the disclosure of appropriate sensitivities. Further details on goodwill impairment reviews are disclosed in Note 13 of the Group financial statements.
UK defined benefit pension plan	
In compiling a set of financial statements, it is necessary to make some judgements and estimates about outcomes that are dependent on future events. This is particularly relevant to the defined benefit pension plan surplus which is inherently dependent on how long people live and future economic outcomes. For the principal UK defined benefit pension plan, the Committee reviewed the assumptions for mortality, discount rate and inflation.	The Committee considered the proposed assumptions taking into account market data and information from pension scheme advisors. Note 31 of the Group financial statements provides further details on the actuarial assumptions used, and sets out the impact of mortality, discount rate and inflation sensitivities. Note 31 also provides details on the accounting policy applied and accounting policy judgements relating to the Group's assessment that it has an unconditional right to a refund of a surplus, and the treatment of tax relating to this surplus.
Tritax contingent consideration fair value	
In 2021, the abrdn group purchased 60% of the membership interests in Tritax Management LLP. Subject to certain conditions, an additional contingent deferred earn-out is expected to be payable to acquire the remaining 40% of membership interests in Tritax should the selling partners choose to exercise put options in respect of each of the years ended 31 March 2024, 31 March 2025 and 31 March 2026. The amount payable is linked to the EBITDA of the Tritax business in the relevant period. abrdn has the right to purchase any outstanding interests at the end of 2026 through exercising a call option. The contingent consideration liability is required to be recognised at fair value, which is primarily dependant on future earnings projections.	The Committee analysed and discussed management's assumptions underlying the fair value of the contingent consideration at 31 December 2024 and agreed that the fair value was within the reasonable range. The Committee reviewed and supported that disclosure of sensitivities to key assumptions should be provided given the inherent uncertainties in the valuation. See Note 36 of the Group financial statements for further details.

Significant accounting estimates, judgements and assumptions for the year ended 31 December 2023	How the Audit Committee addressed these significant accounting estimates and assumptions
Investments in subsidiaries	
In relation to the abrdn plc Company only accounts, an assessment is made at each reporting date as to whether there are any indicators of impairment in relation to investments in subsidiaries. At year end 2024 management noted that the Company's net assets attributable to shareholders of £4.4bn (post impairments) continues to be higher than the Company's market capitalisation of £2.6bn. Taking this into account along with the payment by abrdn Investment Holdings Limited (aIHL) and abrdn Holdings Limited (aHL) of dividends of £102m and £40m respectively to the Company in 2024 and the continued headwinds facing active asset managers, it was assessed that there were indicators of impairments in relation to aIHL and aHL, the Company's asset management holding companies. Following the performance of valuation exercises, impairments of aIHL and aHL of £115m and £15m respectively have been recognised. Indicators of impairment were also identified in relation to abrdn Financial Planning Limited (aFPL). aFPL paid distributions in specie totalling £47m in 2024 following the sale of abrdn Financial Planning and Advice to another subsidiary of the Company. Following this the valuation of aFPL was £1 and an impairment of £45m has been recognised. No other indicators of impairment were identified on any material investment in subsidiaries including ii which, as noted above, is also fully supported by a valuation exercise performed for goodwill purposes.	The Committee discussed the investment in subsidiaries impairment assessment with management and noted that the judgements in relation to these assessments were materially the same as the judgements relating to the goodwill impairment reviews. The Committee supported the view that relevant disclosures were made in the Company only accounts including disclosure that appropriate consideration had been given to the Company net assets being higher than the abrdn market capitalisation. The Committee noted that the Company's distributable profits were £2.9bn which continued to provide support for the dividend policy. Further details on the assessment of investments in subsidiaries are set out in Note A of the Company financial statements section.

Principal risks are disclosed in the Strategic report and recommended to the Board by the Risk and Capital Committee. The Committee was satisfied that the estimates and quantified risk disclosures in the financial statements were consistent with the Strategic report. The Committee concluded that appropriate judgements had been applied in determining the estimates and that sufficient disclosure had been made to allow readers to understand the uncertainties surrounding outcomes.

Fair, balanced and understandable

The Committee supported management's continued aim to compile the Annual report and accounts to be 'fair, balanced and understandable'.

abrdn's principles

To create clarity on fair, balanced and understandable for abrdn, a set of principles is applied, as set out below:

Fair 'We are being open and honest in the way we present our discussions and analysis, and are providing what we believe to be an accurate assessment of business and economic realities.'	– The narrative contained in the Annual report and accounts is honest, accurate and comprehensive. – The key messages in the narrative in the Strategic report and Governance sections of the Annual report and accounts reflect the financial reporting contained in the financial statements. – The Key Performance Indicators (KPIs) for the period are consistent with the key messages outlined in the Strategic report.
Balanced 'We are fully disclosing our successes, the challenges we have faced in the period, and the challenges and opportunities we anticipate in the future; all with equal importance and at a level of detail that is appropriate for our stakeholders.'	– The Annual report and accounts presents both successes and challenges experienced during the year and, as appropriate, reflects those expected in the future. – The level of prominence we give to successes in the year versus challenges faced is appropriate. – The narrative and analysis contained in the Annual report and accounts effectively balances the information needs and interests of each of our key stakeholder groups.
Understandable 'The language we use and the way we structure our report is helping us present our business and its performance clearly; in a way that someone with a reasonably informed knowledge of financial statements and our industry would understand.'	– The layout is clear and consistent and the language used is simple and easy to understand (industry specific terms are defined where appropriate). – There is a consistent tone across and good linkage between all sections in a manner that reflects a complete story and clear signposting to where additional information can be found.

Activities

An Internal Review Group (IRG) is in place which reviews the Annual report and accounts specifically from a fair, balanced and understandable perspective and provides feedback to our financial reporting team on whether it conforms to our standards. The members of the IRG are independent of the financial reporting team and include colleagues from Investor Relations, Sustainability reporting, Risk, Internal Audit, Communications and Strategy.

The key points discussed by the IRG covered:

- The overall balance and tone of reporting.
- The balance of messaging on net flows in the year.
- How adjustments between IFRS metrics and APMs have been reported.

Fair, balanced and understandable guidance was provided to relevant stakeholders involved in the Annual report and accounts production process.

The Audit Committee, reviewed the messaging in the Annual report and accounts, taking into account material received and Board discussions during the year.

Three drafts of the Annual report and accounts 2024 were reviewed by the Audit Committee at three meetings. The Committee complemented its knowledge with that of executive management and Internal Audit.

The Annual report and accounts goes through an extensive internal verification process of all content to verify accuracy.

The Committee also reviewed the use and presentation of APMs which complement the statutory IFRS results. This review considered guidelines issued by the European Securities and Markets Authority in 2016 and the thematic reviews by the Financial Reporting Council (FRC). A Supplementary information section is included in the Annual report and accounts to explain the rationale for using these metrics and to provide reconciliations of these metrics to IFRS measures where relevant. This section also provides increased transparency over the calculation of reported financial ratios.

Adjusted operating profit and adjusted profit before tax are key profit APMs. The Committee considered whether the allocation of items to adjusted operating profit was in line with the defined accounting policies, consistent with previous practice and appropriately disclosed. Where there were judgemental areas, such as in relation to certain interactive investor related costs, the Committee specifically reviewed the proposed treatments and ensured that the Annual report and accounts provided appropriate disclosures.

The Audit Committee agreed to recommend to the Board that the Annual report and accounts 2024, taken as a whole, is fair, balanced and can be understood by someone with a reasonably informed knowledge of financial statements and our industry.

Prudential reporting

The Committee also considered disclosures relating to IFPR (Investment Firms Prudential Regime) results included in the Strategic report and notes sections of the Annual report and accounts and half year reporting, together with related assurance over these disclosures.

Internal controls

As noted earlier, the Directors have overall responsibility for abrdn's internal controls and for ensuring their ongoing effectiveness. This does not extend to associates and joint ventures. Together with the Risk and Capital Committee, the Committee provides comfort to the Board of their ongoing effectiveness.

Internal Audit regularly reviews the effectiveness of internal controls and reports to the Committee and the Risk and Capital Committee.

The Finance function sets formal requirements for financial reporting which apply to the Group as a whole, defines the processes and detailed controls for the consolidation process and reviews and challenges reporting submissions. Further, the Finance function runs a Technical Review Committee and is responsible for monitoring external technical developments. The Committee focuses on ensuring appropriate sign-offs on financial results are provided, and a mechanism for the escalation of issues from major regulated subsidiary Boards is in place.

The Committee oversees and monitors controls over financial and non-financial reporting, considering reports from management on the control environment and status of remediation activities where appropriate. This directly supports the review and assessment of reporting by the Committee.

In 2024 the Committee monitored control environment developments supported by investments in technology. Particular focus was also given to certain controls over revenue and the control over journal entries in certain components of the group, and associated actions. In H2 2024, the Committee discussed the impact of historic billing issues reflected in financial results for the current year reporting.

In 2025, the Committee will continue to oversee actions taken to strengthen and enhance controls in these areas, alongside the wider control environment. This is with a view to enhancing the control environment, supporting reduced reliance on substantive testing and compensating controls in aspects of the audit.

Whistleblowing

Our people are trained via mandatory training modules to detect the signs of possible fraudulent or improper activity and how to report concerns either directly or via our independent whistleblowing hotline. The Committee Chair is the designated whistleblower's champion and the Committee receives regular updates on the operation of the whistleblowing procedures (Speak Up) from the Head of Conduct, Conflicts and Training. The anonymised reports include a summary of the incidents raised as whistleblowing, and information on developments of the arrangements in place, to ensure concerns can be raised in confidence about possible malpractice, wrongdoing and other matters.

The Committee oversees the findings of investigations and required follow-up action. If there is any allegation against the Risk and Internal Audit functions, the Committee directs the investigation. The Committee is satisfied that the Group's procedures are currently operating effectively. The Committee Chair reports to the Board on the updates the Committee receives.

(iii) Internal audit

The role and mandate of the Internal Audit function is set out in its Charter, which is reviewed and approved by the Committee annually. Whilst Internal Audit maintains a relationship with the external auditors, in accordance with relevant independence standards, the external auditors do not place reliance on the work of Internal Audit. The internal audit plan is reviewed and approved by the Committee at least annually and is flexed during the year to respond to internal and external developments. The function's coverage aligns to the Group's activities and footprint, taking account of local internal audit requirements. Regular reporting is provided to the Committee to illustrate plan progress, any emerging risks or themes and the status of implementation of recommendations.

The Committee assesses the independence and quality assurance practices of the Internal Audit function and agrees the effectiveness of the function, aligned to the Group's objectives on an annual basis. Independent external reviews are also undertaken at regular intervals. The most recent one was completed in H2 2021 by Deloitte who assessed the abrdn internal audit function as having the highest overall rating with conformance against all aspects of the Institute of Internal Auditors' International Professional Practices Framework (IPPF) and the Internal Audit Financial Services Code of Practice (the Standards). The Committee's own review of the function in 2024 was positive and supports the continuous evolution and enhancement of Internal Audit.

The Committee Chair meets the Chief Internal Audit Officer periodically, without management being present.

(iv) External auditors

The appointment

The Committee has responsibility for making recommendations to the Board on the reappointment of the external auditors, determining their independence from the Group and its management and agreeing the scope and fee for the audit. Following its review of KPMG's performance, the Committee concluded that there should be a resolution to shareholders to recommend the reappointment of KPMG at the 2025 AGM. The Committee confirms that the recommendation to vote in favour of the reappointment of KPMG is free from influence by a third party and no contract to which the Company is party restricts the members' choice in respect of the external auditor.

The Committee complies with the UK Corporate Governance Code, the FRC Guidance on Audit Committees with regard to the external audit tendering timetable, the provisions of the EU Regulation on Audit Reform, and the Competition and Markets Authority Statutory Audit Services Order with regard to mandatory auditor rotation and tendering. The Committee also complied with the requirements of the FRC's Audit Committees and the External Audit: Minimum Standard for the year ended 31 December 2024.

The audit was last subject to a tender during the first half of 2016, and on 17 May 2016 the Company announced its intention to appoint KPMG as its auditor for the year ending 31 December 2017, replacing PwC who were the Company's previous auditors.

In March 2017, the proposed acquisition of Aberdeen Asset Management PLC was announced. Consequently, the Standard Life plc Audit Committee (now abrdn plc) sought assurance that KPMG's independence would not be compromised as a result of their previous position as external auditor of Aberdeen Asset Management PLC, from its incorporation in 1983 until 30 September 2015. While recognising that the KPMG tenure had ceased nearly two years prior to the proposed acquisition, a paper outlining the matters which had been considered was brought to the Committee and, following review, the Committee was satisfied that there were no impacting issues.

KPMG's independence has subsequently been regularly reviewed by the Committee, which remains satisfied of their independence. Further detail on this assessment is set out below. The Committee considers KPMG's tenure for abrdn plc and its group of companies to run from the completion of the 2016 tender exercise and their appointment for year end in 2017.

The audit for the year ended 31 December 2024 is, therefore, KPMG's 8th year as auditor. The Senior Statutory Auditor is Richard Faulkner. The Committee has continued to follow the annual appointment process and has concluded that a tender for the 2024 year end was not required. This is currently considered to be in the best interests of the Company taking into account the results of the formal review of the effectiveness of the KPMG audit discussed in this section. In October 2024, the Committee approved holding an audit tender process in 2025, effective for the 2027 year end. This is in line with mandatory tender requirements, with the 2026 year end being KPMG's 10th year as auditor.

Auditor independence

The Board has an established policy (the Policy) setting out which non-audit services can be purchased from the firm appointed as external auditors. The Committee monitors the implementation of the Policy on behalf of the Board. The aim of the Policy, which is reviewed annually, is to support and safeguard the objectivity and independence of the external auditors and to comply with the revised FRC Ethical standards for auditors (Ethical Standards). It does this by prohibiting the auditors from carrying out certain types of non-audit services, and by setting out which non-audit services are permitted. It also ensures that where fees for approved non-audit services are significant, they are subject to the Committee Chair's prior approval. KPMG has implemented its own policy preventing the provision by KPMG of most non-audit services to FTSE 350 companies which are audit clients. A 70% fee cap on non-audit services to audit clients is in place.

The services prohibited by the Policy are as set out in the FRC Revised Ethical Standard 2024.

The Policy permits non-audit services to be purchased, following approval, when they are closely aligned to the external audit service and when the external audit firm's skills and experience make it the most suitable supplier.

These include:
- Audit related services, such as regulatory reporting.
- Investment circular reporting accountant engagements.
- Attesting to services not required by statute or regulation.
- Other reports required by a regulator or assurance services relating to regulatory returns.
- Sustainability and TCFD report audits/reviews.
- Fund merger assurance engagements, where the engagement is with the manager and the external auditor is also the auditor of the fund.

KPMG has reviewed its own independence in line with these criteria and its own ethical guideline standards. KPMG has confirmed to the Committee that following its review it is satisfied that it has acted in accordance with relevant regulatory and professional requirements and that its objectivity is not impaired.

Having considered compliance with our Policy and the fees paid to KPMG, the Committee is satisfied that KPMG has remained independent.

Audit and non-audit fees

The Group audit fee payable to KPMG in respect of 2024 was £7.5m (2023: £7.2m). In addition, £2.7m (2023: £2.8m) was incurred on audit related assurance services. Fees for audit related assurance services are primarily in respect of client money reporting and the half year review. The Committee is satisfied that the audit fee is commensurate with permitting KPMG to provide a quality audit and monitors regularly the level of audit and non-audit fees. Non-audit work can only be undertaken if the fees have been approved in advance in accordance with the Policy for non-audit fees. Unless fees are small (which we have defined as less than £75,000), the approval of the Committee Chair is required.

Non-audit fees amounted to £0.9m (2023: £1.0m), of which £0.9m (2023: £1.0m) related to other assurance services and £nil (2023: £nil) related to other non-audit fee services. Other assurance services in 2024 primarily related to control assurance reports, which are closely associated with audit work. The external auditors were considered the most suitable supplier for these services taking into account the alignment of these services to the work undertaken by external audit and the firm's skill sets. The Committee also monitors audit and non-audit services provided to non-consolidated funds and were satisfied fees for those services did not impact auditor independence.

Further details of the fees paid to the external auditors for audit and non-audit work carried out during the year are set out in Note 7 of the Group financial statements.

The ratio of non-audit fees to audit and audit related assurance fees is 9% (2023: 10%). The total of audit related assurance fees (£2.7m) and non-audit fees (£0.9m) is £3.6m, and the ratio of these audit related assurance fees and non-audit fees to audit fees is 48% (2023: 53%). As noted above the audit related assurance fees are primarily fees in relation to required regulatory reporting, where it is normal practice for the work to be performed by the external auditor.

The Committee is satisfied that the non-audit fees do not impair KPMG's independence.

Audit quality and materiality

The Committee places great importance on the quality of the external audit and carries out a formal annual review of its effectiveness.

The Committee looks to the audit team's objectivity, professional scepticism, continuing professional education and its relationship with management, all in the context of regulatory requirements and professional standards. Specifically:

- The Committee discussed the scope of the audit prior to its commencement.
- The Committee reviewed the annual findings of the Audit Quality Review team of the FRC in respect of KPMG's audits. The Committee was satisfied insofar as the issues might be applicable to abrdn's audit, that KPMG had proper and adequate procedures in place for our audit.
- The Committee approved a formal engagement with the auditor and agreed its audit fee.
- The Committee Chair had regular meetings with the lead audit partner to discuss Group developments.
- The Committee receives updates on KPMG's work and its findings and compliance with auditor independence requirements.
- The Committee reviewed and discussed the audit findings including audit differences prior to the approval of the financial statements. See the discussion on materiality in the following paragraphs for more detail.
- The Committee also continued to monitor and discuss relevant external matters in relation to KPMG as a firm.

The Committee discussed the accuracy of financial reporting with KPMG both as regards accounting errors that would be brought to the Committee's attention and as regards amounts that would need to be adjusted so that the financial statements give a true and fair view. Differences can arise for many reasons ranging from deliberate errors (fraud etc.) to good estimates that were made at a point in time that, with the benefit of more time, could have been more accurately measured. KPMG have set overall audit materiality at £13.2m (2023: £13.7m) based on revenue (as set out in the KPMG independent auditors' report). This is within the range in which audit opinions are conventionally thought to be reliable. To manage the risk that aggregate uncorrected differences become material, the Committee supported that audit testing would be performed to a lower materiality threshold for individual reporting units. Furthermore, KPMG agreed to draw the Committee's attention to all identified uncorrected misstatements greater than £0.7m (2023: £0.7m). The aggregated net difference between the reported pre-tax profit and the auditor's judgement of pre-tax profit was less than audit materiality. The gross differences were attributable to various individual components of the consolidated income statement and balance sheet. No audit difference was material to any line item in either the income statement or the balance sheet. Accordingly, the Committee did not require any adjustment to be made to the financial statements as a result of the audit differences reported by the external auditors.

KPMG has confirmed to the Committee that the audit complies with their independent review procedures.

2. Risk and Capital Committee report

I am pleased to present my report as Chair of the Risk and Capital Committee (the Committee).

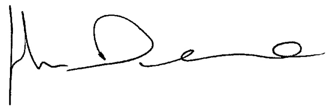
The Risk and Capital Committee supports the Board in providing effective oversight and challenge of risk management and the use of capital across the Group so as to ensure that we meet the expectations of our shareholders, regulators, and clients.

During 2024 the Committee maintained its client-first focus in the management of risk and capital matters. Particular emphasis was placed on client and conduct risk, and operational and financial resilience. Throughout 2024, the Committee considered the financial and strategic implications of the challenging market and economic environment and the increased focus on sustainability and geopolitical risks. The Committee continued to review and challenge key activities undertaken by the business and advise the Board on these, including:

- Enhancement of the Enterprise Risk Management Framework (ERMF).
- Delivery of the Group's ICARA and capital and liquidity objectives.
- Conduct risks across our three businesses, the embedding of Consumer Duty and the continuing support of vulnerable customers.
- Key project delivery updates from the transformation activity.
- The strengthening of anti-financial crime and anti-money laundering processes and controls across the Group.
- Developments in the framework for managing investment risk.
- Maturing our approach to managing cyber resilience in line with the US National Institute of Standards and Technology (NIST) framework.
- Ongoing simplification and diversification of the business model.
- The Group's exposure to emerging risks, including client, sustainability and geopolitical risks and events.

Furthermore, the Committee has closely monitored regulatory developments from across the world as regulators have progressed their priorities, including operational resilience, ESG and innovation in technologies such as (AI).

Further details on these and other activities carried out by the Committee during the year can be found in the report that follows.



John Devine
Chair, Risk and Capital Committee

Membership

All members of the Risk and Capital Committee are independent non-executive Directors. For their names, the number of meetings and Committee member attendance during 2024, please see the table on page 104.

The Committee meetings are attended by the Chief Risk Officer. Others invited to attend on a regular basis include the Chief Executive Officer, the Chief Financial Officer, Group General Counsel, and the Chief Internal Auditor, as well as the External Auditors.

Regular private meetings of the Committee's members were held during the year, providing an opportunity to raise any issues or concerns with the Chair of the Committee. The Committee's members have also held regular private meetings with the Chief Risk Officer and with management and subject matter experts outside of the Committee meetings, to support them in gaining an in-depth understanding of specific topics.

Key responsibilities

The Company's purpose results in opportunities and exposure to a range of risks and uncertainties. Understanding and actively managing the sources and scale of these opportunities and risks are key to fulfilling this purpose.

The role of the Committee is to provide oversight and advice to the Board, and where appropriate, the Board of each relevant Group company on the following:
– The Group's current risk strategy, material risk exposures and their impact on the levels and allocations of capital.
– The structure and implementation of the Group's ERMF and its ability to react to forward-looking issues and the changing nature of risks.
– Changes to the risk appetite framework and quantitative risk limits.
– Risk aspects of major investments, major product developments and corporate transactions.
– Regulatory compliance across the Group.
– Specific deep dives, including asset classes and the treatment of vulnerable customers.

Further detail on the work performed in each of these areas is set out in the report below.

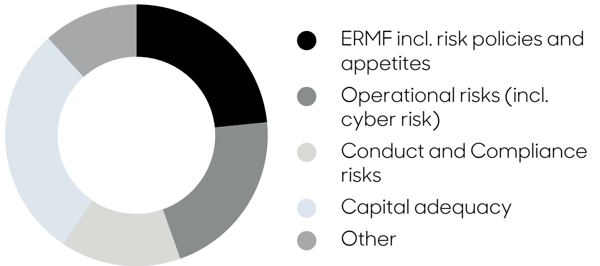
In addition, the Committee acts as the Board Risk Committee for the Group's two main UK investment companies, abrdn Investment Management Limited (aIML) and abrdn Investments Limited (aIL). Accordingly, the CEO of these entities is also invited to attend the Committee meetings.

In carrying out its duties, the Committee is authorised by the Board to obtain any information it requires from any Director or employee of the Group. It is also authorised to seek, at the expense of the Group, appropriate external professional advice whenever it considers this necessary. The Committee did not need to take any independent advice during the year.

The Committee's work in 2024

Overview

The Committee operates a dynamic agenda and uses each meeting to consider a range of recurring items as well as other items that are more ad hoc and/or more forward-looking in nature. An indicative breakdown as to how the Committee spent its time is shown below:



The key recurring items which were considered by the Committee are:
– The 'Views on Risk' report - this provides an independent holistic assessment from the Chief Risk Officer of the key risks and uncertainties faced by the Group's businesses and the ongoing monitoring against risk appetites.
– Conduct risks in each of abrdn's three main businesses, with a focus on the embedding of the Consumer Duty requirements.
– Ongoing activity to enhance and develop abrdn's ERMF, including the process for risk identification and conformance with the ERMF and Policy Framework.
– Performance of the Group's ICARA processes in accordance with IFPR, including the firm's stress and scenario testing programme. The ICARA supports the Committee in understanding changes to the risk profile of the Group and the capital position over time.

Through these recurring activities the Committee was able to challenge management's assessment of risks and oversee the key actions being taken to manage these risks.

In addition to reviewing these recurring items, the Committee provided oversight of a broad range of topics in 2024. This included consideration of:

	What was discussed
Jan-Mar	– Advice provided to the Remuneration Committee regarding the delivery of performance relative to risk appetites. – Risk and Control Self Assessment (RCSA) reform and delivery. – Property fund management review, with focus on liquidity. – Findings from the abrdn Investment Management business Internal Controls Report. – Stress testing results from the ICARA process. – Oversight of risk appetite metrics. – Review of abrdn's principal risks and risk disclosures for the Annual report and accounts.
Apr-Jun	– Conduct risks for the ii business. – Cyber risks and operational resilience. – ESMA Liquidity Stress Testing framework. – Bank counterparty credit approach. – ICARA 2024 approach.
Jul-Sep	– Conduct risks for the Adviser business. – Response to the CrowdStrike incident. – MLRO Annual report. – Seed Company Investment Process.
Oct-Dec	– ICARA process and FCA supervisory review. – The remit of the Risk & Compliance function. – Investments business management of Risks & Issues, including Conduct. – ERMF Taxonomy. – Conflicts of Interest. – 2025 Monitoring & Oversight assurance plan.

After each meeting, the Committee Chair reports to the Board, summarising the key points from the Committee's discussions and any specific recommendations.

Risk exposures and risk strategy

abrdn's risk appetite framework enables the communication, understanding and control of the types and levels of risk that the Board is willing to accept in its pursuit of the strategy of the Group. This includes the business plan objectives and the capital and liquidity it requires.

The Committee has received regular reporting through the 'Views on Risk' report on each of the Group's nine principal risks. The reporting has included risk dashboards, commentary and management information.

The Committee continued to monitor the risk appetite measures and limits against the approved Board risk appetites, revised in Q2, 2024. The Committee considered changes to the risk profile in view of the external environment and ongoing transformation of the business.

Through reviewing the Views on Risk reporting, the Committee supports the Board by monitoring risk exposures and the resilience of the capital position under current and stressed conditions. Key items that the Committee discussed during the year in this context included:

- The risks associated with the delivery of the business plan.
- Components of the Group's risk appetite framework.
- The process of completion of the abrdn ICARA and its results.
- Improvements to anti-financial crime processes.
- Deepening the focus on conduct risks and embedding Consumer Duty.
- The management of cyber risk and operational resilience across the Group.

Results from regular stress testing and scenario analysis has supported the Committee in understanding, monitoring, and in managing the capital and liquidity risk profile of the business under stressed conditions. These results provided the Committee with a forward-looking assessment of the Group's financial resilience in response to potentially significant adverse events affecting key risk exposures. The material presented to the Committee included combined stress scenarios which looked at simultaneous stresses impacting on economic conditions, flows and idiosyncratic factors specific to the Group.

From reviewing the stress testing and scenario analysis results, the Committee concluded that the Group was financially resilient and there was no requirement for the business to reduce its risk exposures.

The Committee reviewed the results of reverse stress testing to explore extreme but plausible events which have the potential to cause the business to become unviable. This allowed the Committee to assess both the risk of business failure and the ability of the Group to prevent and mitigate this risk.

From reviewing the reverse stress testing results, the Committee concluded that the risk of the Group having to wind down due to these scenarios was remote. This assessment was supported by the regular risk reporting presented to the Committee, in particular the reporting on cyber and third-party risks which are notable potential causes of business failure, as well as regular updates on the Group's financial and operational resilience.

Enterprise Risk Management Framework (ERMF)

During the year, the business continued to evolve the ERMF which is used to identify, assess, control, and monitor the Group's risks. In particular, the Committee reviewed and supported key enhancements to the ERMF in respect of the risk appetite framework, the RCSA process and the risk taxonomy.

The Committee has obtained assurance regarding the operation of the ERMF through its review of regular content within the Views on Risk reporting presented by the Chief Risk Officers. In particular, the risk appetite dashboard and supporting indicators help the Committee to understand the Group's risk profile relative to its defined risk appetite. Additionally, an annual review of the effectiveness of the ERMF was undertaken which was discussed and supported by the Committee.

Exceptions-based reporting is also provided to the Committee, setting out any matters of significance in respect of the results of Policy compliance reporting and also the actions being taken in response to material risk events. These two items further support the Committee in performing its oversight of the ERMF.

Regulatory developments and compliance

The Committee reviews and assesses regulatory compliance plans which detail the planned schedule of monitoring activities to be performed by the Risk and Compliance function to ensure there is appropriate coverage. Regular updates on key findings from regulatory compliance activity and progress against the plans were reported to the Committee through the Views on Risk report.

As a Committee we have closely monitored global regulatory developments to understand and anticipate potential implications for both the Group and the wider financial services sector. In particular the Committee paid close attention to geopolitical risks and resulting operational implications. The Committee has also closely followed regulatory developments and implementation activity in relation to the new Consumer Duty requirements, operational resilience, and new sustainability regulations.

Governance arrangements

The Committee has continued to refer to the work of those non-executive risk committees operating in subsidiary companies to provide oversight and challenge of risks within those subsidiaries. This has included the risk committees in place for abrdn Life and Pensions Limited, Standard Life Savings Limited and Elevate Portfolio Services Limited.

The Committee receives updates from, and reviews the minutes of, these committees in order to maintain awareness and oversight of risks across the Group. In addition to the Committee's review of reporting from the subsidiary risk committees, arrangements also exist for the Committee's Chair to attend these subsidiary risk committees on request.

In its capacity since January 2022 as the board risk committee for aIL and aIML; the Group's two main UK investment firms, the Committee has routinely considered the implications of Group risk management activities for these two companies and identified any significant risk concerns to be brought to the attention of the respective Boards, The Chair of the two investment company Boards has a standing invitation to attend the Risk and Capital Committee.

During the year, the Committee provided advice to the Remuneration Committee regarding the delivery of performance in the context of incentive packages. In particular, the Committee considered whether performance had been delivered in a manner that was consistent with the Group's strategy, risk appetite and tolerances and its capital position. The provision of this advice helped to ensure that the Group's overall remuneration practices are aligned to the business strategy, objectives, culture, and long-term interests of the Group and also that individual remuneration is consistent with, and promotes, effective risk management.

Committee effectiveness

The Committee reviews its remit and effectiveness each year. The 2024 review was conducted internally, on behalf of the Board, by the Company Secretary. The review concluded that the Committee continued to operate effectively during 2024, with no material issues or concerns raised. More information about the process involved, and its outcomes, can be found on page 101.

3. Nomination and Governance Committee report

I am pleased to present my report as Chair of the Nomination and Governance Committee (the Committee).

The Committee's main priorities during the year have been in managing succession in the leadership of the firm and in ensuring that our policy frameworks supporting talent development incentivises and rewards the behaviours that we want to be hallmark of abrdn as an employer, a business partner and as a counterparty. We also took responsibility, on behalf of the Board, to ensure that our stewardship responsibilities and accountabilities were fully factored into our decision making and were transparently disclosed.

Most significantly during 2024, we completed an orderly succession in the leadership of the firm. Stephen Bird handed over the reins to Jason Windsor in May last year, with Jason being appointed as CEO in September of that year, following a thorough, externally supported, process. I am pleased to report that Jason has made a strong start as CEO, impressing both clients and colleagues with his commitment to prioritising service delivery focused on enabling our clients to meet their investment objectives. Once again, I would like to place on record our thanks to Stephen for his leadership as CEO through what was a very turbulent period.

In addition, the Committee focused on wider Board succession, with Catherine Bradley stepping down in April to concentrate her service to the Group as Chair of interactive investor. Katie Bickerstaffe and Vivek Ahuja were appointed to the Board in October; details of their background and experience can be found on pages 88 and 89 and the Board approved further terms of appointment for Cathi Raffaeli, Hannah Grove and myself as we reached the end of our current terms.

As Jason began the work of shaping his executive team, the Committee supported succession planning for the executive, particularly in relation to the establishment of the Group Operating Committee, the expanded Executive Leadership Team, the transition from Rene Buehlmann to Xavier Meyer as Investment business CEO, and the expanded role of Richard Wilson as Group Chief Operating Officer in addition to his position as CEO of interactive investor.

We continued to oversee initiatives supporting enhancement of performance management, talent, leadership, diversity, equity and inclusion frameworks. Monitoring progress on embedding the Company's values within our expectations of employee and employer behaviours to reinforce our cultural commitments, is an important standing agenda item. This followed the expansion of the remit of the Committee in 2022 to include oversight of culture, recognising the contribution this would make as an important enabler within the Company's transformation programmes.

Governance Framework

We continued to review our governance framework against the Code principles and provisions and welcomed the revisions made to the Code in early 2024. There were no material changes proposed to our governance framework during 2024.

Board evaluation

Our 2024 Board review was conducted internally and I am pleased to report that it concluded the Board was operating effectively while helpfully highlighting areas where further progress could be made. More information about what the process involved, and its outcomes, can be found on page 101.

Culture, Diversity, Equity and Inclusion

The Board has consistently supported the recruitment, development and advancement of the best person for the job, ensuring there is no systematic bias in our processes. The Committee received regular updates during the year on the work being done to implement the Group's culture, diversity, equity and inclusion (DEI) programmes and improve our talent development and performance measurement frameworks. In 2024, we introduced a Colleague Council to bring together a group of 30 colleagues representing all aspects of the global abrdn population to help shape the best outcomes across all matters that connect us as an organisation.

The Committee monitored the development of a new Career Framework, alongside our DEI discovery and reset initiatives, which have continued to embed our cultural commitments. The Board supported ongoing engagements with colleagues through various informal initiatives such as coffee sessions, as well as through the established BEE program. These efforts have been instrumental in fostering a more inclusive, diverse, and engaged workplace environment.

During 2024, the Group successfully implemented an ambitious transformation programme. The Committee received presentations to ensure that the impact of staff reductions was not disproportionately borne by any particular group of employees in terms of their diverse characteristics.

There is more detail about this below and on page 125 onwards of the strategic report.

Talent and Leadership

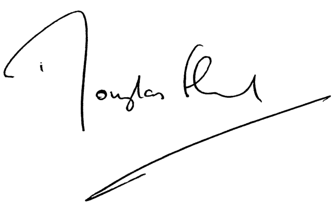
The Committee received regular reports from teams involved with Talent and Organisation Effectiveness, reviewing and inputting guidance on their plans to deliver effective leadership, talent and performance management across the Group. During the year we have spent particular time on the Career Framework. Delivering for our clients by supporting our talented colleagues to perform, grow, and progress is key; with the Career Framework supporting that by providing clarity for colleagues and allowing them to understand how their development, their career, and their performance will be supported and measured. Alongside our early-, mid-, and senior- talent development programmes and succession planning, this has allowed us to better recognise and develop our key talent.

Board composition

The Committee, on behalf of the Board, assesses the balance of executive and non-executive Directors, and the composition of the Board in terms of the skills, experience, cognitive diversity and sufficiency of time availability needed for the Company to be successful. These factors are important to the Board when reviewing overall composition and during the year were reviewed by the Committee, are covered in my 1:1 discussions with Directors, all of which feed into the Board effectiveness review.

In addition to the Board changes noted above, Pam Kaur has advised that as a consequence of her appointment as Chief Financial Officer and an Executive Director of HSBC Holdings plc with effect from 1 January 2025, she will not seek re-election at the Company's Annual General Meeting on 8 May 2025 and will stand down from the Board from that date. We shall miss her wise guidance and wish her well in her new role.

There were no other Board or Committee composition changes during the year.



Sir Douglas Flint
Chair and Chair of the Nomination and Governance Committee

Membership

The members of the Committee are the Chair, the Chairs of Board Committees and the NED responsible for Employee Engagement. For their names, the number of meetings and committee member attendance during 2024, please see the table on page 104.

Jason Windsor, in his CEO role, is invited to Committee meetings to discuss relevant topics, such as the roles within and membership of the GOC, ELT, talent development and management succession.

Key responsibilities

The Committee's primary role is to support the composition and effectiveness of the Board, and to oversee the Group's activities to strengthen its talent pipeline. It also oversees ongoing development and implementation of the Group's governance framework and its work to embed appropriate diversity and inclusion policies.

The Committee's key responsibilities are:

- Identifying and recommending Directors to be appointed to the Board and the Board Committees and ensuring relevant training is provided on appointment and throughout their tenure.
- Reviewing and assisting in the development and implementation of initiatives to embed the Board's desired outcomes for diversity, equity and inclusion within the Group and to define, monitor and performance manage the behaviours expected of all employees that will be seen to represent the Group's culture.
- Reviewing Board diversity, skills and experience.
- Supporting the process and output of the Board's effectiveness review.
- Overseeing succession planning, and leadership and talent management development throughout the Group.
- Considering how the Group should comply with current and upcoming corporate governance requirements, guidance and best practice and relevant directors' duties.

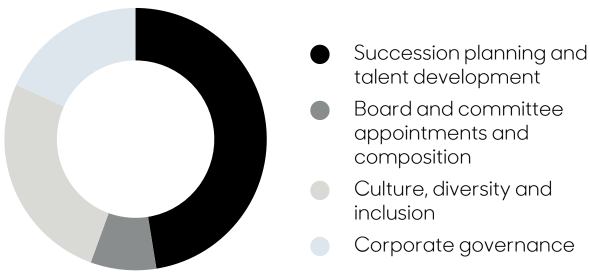
The Committee reports regularly to the Board so that all Directors can be involved in discussing these topics as appropriate.

The Committee's work in 2024

An indicative breakdown as to how the Committee spent its time is shown below:

	What was discussed
Jan–Mar	– Reviewed compliance with the UK Corporate Governance Code for the 2023 ARA. – Reviewed the results of the Committee Effectiveness Review. – Reviewed progress on Talent and Leadership development activities. – Reviewed the Diversity, Equity and Inclusion Strategy and Board Diversity Statement. – Reviewed the recommendations to shareholders to re/elect Directors at the AGM. – Received an update on the 2023 year-end annual performance process. – Reviewed Board skills and succession planning.
Apr–Sep	– Recommended the appointment of Jason Windsor as CEO and Katie Bickerstaffe and Vivek Ahuja as independent non-executive Directors. – Received an update on the progress of the Diversity, Equity and Inclusion Strategy and action plan. – Reviewed executive succession planning. – Received updates on the Group's People and Talent strategies. – Reviewed the Group's annual Stewardship Code Report.
Oct–Dec	– Received an update on Diversity, Equity and Inclusion progress and input into the 2025 Plan. – Received an update on colleague engagement survey results. – Received the regular update on the activities of the abrdn Financial Fairness Trust. – Recommended to the Board changes to the Committee's Terms of Reference. – Reviewed senior talent moves.

An indicative breakdown as to how the Committee spent its time is shown below:



Board and committee appointments and composition

The Committee keeps under constant review the skills, experience and capabilities needed for particular Board roles. This recognises the need to secure a pipeline of potential successors to be able to chair the Board Committees, and also the need to plan ahead to take account of the length of time served on the Board by the current independent non-executive Directors. In addition, it also recognises the skills which the Board will need as it moves forward to oversee the implementation of the Group's approved strategy and takes account of the Group's commitments to achieve and maintain its published Board diversity targets.

Where Board augmentation is needed, an external search consultant is then requested to prepare a list of suitable candidates. From that, the Committee agrees a shortlist. Following interviews with potential candidates, the Committee makes recommendations to the Board on any proposed appointment, subject always to the satisfactory completion of all background checks and regulatory notifications or approvals. Part of this includes considering existing or planned external commitments of candidates to assess their ability to meet the necessary time commitment and whether there are any conflicts of interest to address.

The Committee also oversees the process that recommends continuation of appointments; members of the Committee do not, however, take part in discussions when their own performance – or continued appointment – is being considered.

Following Catherine Bradley's decision not to seek re-election at the Company's AGM in April, the Committee requested that John Devine take on the role of Audit Committee Chair on an interim basis. During the year the Committee then considered the appointments of Vivek Ahuja, as Audit Chair Designate (subject to regulatory approval), and of Katie Bickerstaffe as a member of the Remuneration Committee, and recommended these appointments to the Board. Katie and Vivek were appointed on 1 October, and Vivek took on the role of Audit Committee Chair on 1 January 2025.

Succession planning and talent management activities

The Committee regularly reviews succession planning activities, including identifying key person and retention risk, and talent development programmes across the Group.

During 2024, in particular, the Committee discussed the future leadership and talent needs of the Group and how the current programmes could be revised to take account of the skills and expertise required by the Board, the GOC and the ELT. These programmes are designed to recognise the changing shape of the Group, and also to identify both the talent available within the Group and the need/benefits of external recruitment. Diversity was considered as a core part of these discussions, and progress was reviewed against our diversity goal to achieve minimum 40% women on ELT succession plans.

The Talent and Change agenda is led by the CPO, in conjunction with the CEO.

The Committee spent time during 2024 building on the foundations built in 2023 and looking at the strategic priorities of the talent team to:
- Bring the best possible people into the organisation and continue to develop our colleagues.
- Enable people to be the best they can and encouraging movement of talent across our organisation.
- Create the best possible environment for our people to thrive.

The Committee discussed the team's progress to deliver initiatives to support early careers, talent acquisition, future talent, core capabilities and behaviours and effective performance management. The Committee discussed the inclusive design of the initiatives such as early careers, talent acquisition and future talent and considered the diversity of talent this achieved.

The Committee reviewed the effectiveness of its NED mentoring programme which allows each NED to get to know members of the next generation of talent through individual meetings which take place over the course of the year and evolve based on the needs of each individual being mentored. Having received positive feedback from both mentors and mentees, the mentoring relationships were refreshed in 2024 to continue the Board's exposure to our top talent and the programme will continue in 2025.

During the year, the Committee reviewed the succession and contingency planning for our top performing fund managers and the enterprise-wide roles identified which are considered as critical to delivering business results and revenue growth. The identification of successors for these roles creates opportunities for talent development as well as ensuring better business continuity.

The Committee regards all of these initiatives as helpful in supporting its oversight of the development of the Company's key talent. Continuing to focus on those commercial roles and those that manage key client and revenue generating relationships will remain an important focus of the Committee.

Board evaluation

The Committee has a key role in supporting the Board evaluation process. Details of the 2024 review are on page 101.

Culture, Diversity, Equity and inclusion

The Committee and the Board spent time with both the CEO and the Chief People Officer understanding the evolving hardwiring of our cultural commitments (Client first, Empowered, Ambitious, Transparent). During 2024 this moved beyond a phased programme of work and into 'Evolve and sustain' where continued measurement, evolution, and delivery of our cultural commitments is sustained through BAU activity.

Over the course of 2024, the Committee oversaw and received updates on key colleague engagement activity, and shifting sentiment against a shifting internal and external landscape. Measuring progress against cultural ambitions through colleague sentiment via our employee engagement online platform (pulse), trends on key themes such as pride and advocacy, and insight into plans to drive further colleague engagement.

The Board's diversity statement is on page 99. The Committee has a key role in supporting publication of this statement through its oversight of DEI activities, these are presented to the Committee at least twice a year to report on progress to deliver against Committee-approved framework, action plans and initiatives. The Committee reviewed progress against the Group's DEI ambition and plan, being:
- We're committed to building a business that attracts brilliant talent and where all our people can thrive; where they belong, and can learn, develop and do their best work. Priorities:
  - **Gender**: Supporting and growing our Balance network; Mentoring and sponsorship; Continued actions to close the UK gender pay gap; Establishing communities of support.
  - **Ethnicity**: Supporting and growing our Unity Network; Publishing the UK Ethnicity pay gap; Working with our new partner for ethnicity.
  - **Business/regional**: Locally defined and owned based on data, demographics, and cultural or regional nuances.

The Committee further reviewed relevant trends, data points, and regulation including:
- Internal colleague sentiment in relation to themes such as voicing contrary opinion, and the perceptions of diversity & inclusion by colleagues.
- External landscape such as client and RFP volume and interest, and external partnerships, industry bodies, and abrdn pledges.

Committee effectiveness

The effectiveness review was conducted internally in 2024, with the most recent externally-facilitated review undertaken in 2022.

Details of the 2024 review are on page 101 and reflect the themes raised across the Board and its Committees.

4. Directors' remuneration report

Remuneration Committee Chair's statement

This report sets out what the Directors of abrdn were paid in 2024 together with an explanation of how the Remuneration Committee reached its recommendations.

Where tables and charts in this report have been audited by KPMG LLP, we have marked them as 'audited' for clarity.

The report is structured in the following sections and corresponding page numbers:

Approval

The Directors' remuneration report was approved by the Board and signed on its behalf by:

Jonathan Asquith
Chair of the Remuneration Committee

3 March 2025

Dear shareholder

On behalf of the Board I am pleased to present the Directors' remuneration report for the year ended 31 December 2024.

Introduction

At the 2024 AGM our directors' remuneration report for 2023 received an 86% vote in favour. I would like to thank all shareholders for your continued support and constructive dialogue on remuneration matters. I would also like to welcome Katie Bickerstaffe who joined the Remuneration Committee in October.

The Directors' Remuneration Policy (the Policy) is now in its final year of operation prior to being submitted to shareholders at the 2026 AGM. Therefore, during 2025, the Remuneration Committee will review the Policy to ensure that it remains fit for purpose for our strategy and that it reflects the evolving executive remuneration landscape. Shareholder input will, as always, be sought as part of the process.

2024 was a year of transition for abrdn in which good progress resulted in improved financial outcomes. As set out in the strategic report, all three of our businesses reported increased profits in 2024, AUMA increased from last year and progress on the transformation programme has exceeded our initial expectations. Overall, noteworthy traction in financial and non-financial outcomes was noted in H2 2024.

ii reported another year of strong growth in customer numbers, AUMA and net flows and our Adviser business reported increased profits. Our Investments business delivered significantly reduced net outflows and improved investment performance. As a result, financial performance measures for the annual bonus came out towards the upper end of the range. Strategic actions taken by management in year also resulted in outcomes at the upper end of the range against non-financial performance for annual bonus.

New Chief Executive Officer's remuneration

The remuneration arrangements for Jason Windsor's appointment as Chief Executive Officer and Stephen Bird's exit were agreed by the Remuneration Committee in conformity with the Policy agreed at the 2023 AGM. Jason's remuneration package as Chief Executive Officer comprises:

- A base salary of £800,000 per annum.
- A pension allowance of 18% of salary aligned to the maximum contribution available to abrdn's UK-based employees and other benefits in line with our Policy.
- An Annual Bonus up to a maximum of 250% of salary subject to performance (with 50% of any bonus earned being deferred for three years into abrdn shares, which will vest in three equal annual tranches).
- An annual Long Term Incentive award of 350% of salary (final vesting percentage is based on stretching financial and shareholder return targets over the three-year performance period and the award is subject to a further two-year holding period after vesting).

The structure and quantum of the Chief Executive Officer's remuneration package is consistent with our Policy and falls below the maximum levels permitted under the Policy. Jason's package was calibrated in the context of an assessment of what it would take to attract the required skills and expertise from the market (utilising benchmarking data for similar roles across FTSE Financial Services peer group companies), the expectations of other candidates considered for the role and the previous Chief Executive Officer's remuneration package.

The Remuneration Committee is confident that the remuneration package has been set at a level that takes into account the skills and experience that Jason brings to his new role.

Implementation in 2024

Jason's annual bonus opportunity was based on a pro-rata combination of his CEO and CFO maximum opportunities and salaries, based on the portion of 2024 served in each role. Further details are set out on page 126.

Similarly, his 2024 LTIP award was based on a pro-rata combination of his CEO and CFO maximum opportunities and salaries. As set out in the announcement on 27 September 2024, this was delivered through a supplementary LTIP award, as the original 2024 LTIP award was granted prior to Jason becoming CEO. Further details are set out on page 133.

New Chief Financial Officer's remuneration

As announced on 28 February 2025, Siobhan Boylan has been appointed as Chief Financial Officer, subject to regulatory approval. She is expected to join the Company during the summer and her remuneration arrangements are fully in line with our Policy. Siobhan's ongoing annual remuneration package consists of a salary of £495,000, pension allowance of 18% of salary and other benefits in line with our Policy, maximum bonus opportunity of 150% of salary and a typical LTIP grant of 200% of salary. Siobhan is also eligible to be granted buyout awards for any awards that she will forfeit in resigning from her current role. Full details on any buyout awards that are granted and how her remuneration was implemented in 2025 will be disclosed in the Annual report and accounts 2025.

How our Policy was applied in 2024

Strategic progress was made in 2024 in reducing our cost base, sustaining strong organic customer growth in ii, improving customer satisfaction whilst maintaining profits in Adviser and improving our investment performance and Investments net flows position. While we remain focused on increasing group profitability and there is continued work to be done to return Adviser and Investments to growth, 2024 was a year of improvement.

The annual bonus, as set out in our current Policy, is intended to reward the successful delivery of the Company's business plan for the year. The LTIP is intended to align with our shareholders and promote sustainability of our performance by rewarding the delivery of long-term growth in shareholder value. With the strong in-year momentum balanced by low shareholder returns, as measured by the metrics in the 2022 LTIP, the Remuneration Committee is comfortable that the Policy operated as intended with the annual bonus and LTIP outcomes.

Annual bonus (detail on pages 128 to 130)

Financial performance (65%)

Financial targets were set with reference to the Board-approved plan including measures on investment performance, net flows and adjusted operating profit. Adjusted operating profit increased overall. Despite market challenges, investment performance improved in 2024. While net flows for Adviser disappointed in 2024, net flows have materially improved in Investments and have significantly increased for ii.

Investment performance: investment performance on a 1-year basis exceeded 70% and on a 3-year basis improved year on year. Strong investment performance has continued within alternatives, fixed income, liquidity and quantitative strategies. Equities performance remained challenged, including the impact of our AUM bias towards Asia and emerging markets. The overall outcome was between threshold and stretch targets.

Net flows: in ii, net flows have remained strong, significantly increasing to £5.7bn in 2024 from £2.9bn in 2023. Despite positive traction on gross inflows, higher redemptions in 2024 were reflected in net outflows of £3.9bn for Adviser. While still in net outflows, our Investments business has seen an encouraging improvement in net flows year on year. Excluding liquidity, net flows from Institutional, Retail and Wealth clients were £9.5bn better year on year, benefiting from both higher gross inflows and lower redemptions. Performance on net flows exceeded the stretch target for ii, fell below the threshold target for Adviser and fell between threshold and stretch targets for Investments.

Adjusted operating profit: this came in 2% higher than the prior year, at £255m. Adjusted operating profit increased in all three of our Wealth and Investments businesses. The overall outcome was between threshold and stretch targets.

The outcomes for the financial element of the 2024 annual bonus are summarised below.

Financial performance measure	Weighting (% of total scorecard)	2024 outcome
Investment performance	15%	**10.50%**
Net flows	15%	**7.33%**
Adjusted operating profit	35%	**32.07%**

This resulted in an overall outcome of 49.90% out of a maximum of 65% on financial measures.

Non-financial performance (35%)

In 2024, we assessed non-financial performance against three groups of measures: Strategic (one measure related to a critical group-wide strategic initiative), ESG (comprising Environment and Social categories) and Customer. See page 129 for further details.

Strategic: the transformation programme, established to deliver increased efficiency across the Group, was the key strategic focus in 2024. In 2024, the initial cost targets that were set out have been surpassed, with £70m of in-year cost savings delivered and over £100m of savings on an annualised basis have been achieved, all within risk appetite. This increased progress towards right-sizing our cost base, reinforces our focus in 2025 on further streamlining the company and positioning it for future growth. On this basis, we determined the final outcome of 10% out of 10%.

Environment: as investors, we concluded our two-year engagement programme with our top 20 largest financed emitters, with voting action to follow where required. Tracking at a 45% carbon intensity reduction in in-scope public market portfolios compared to our 2019 baseline (34% reduction in in-scope real estate portfolio), we are also making good progress towards our target of a 50% reduction by 2030. For our own operational net zero, we improved year-on-year in our progress to meet our long-term net zero carbon emission target. Noting these, the Remuneration Committee also took into account slower progress in certain other areas considered as part of this scorecard. Overall, the outcome was determined at 3.5% out of 5%.

Social/people: with organisational transformation ongoing, engagement levels continued on their positive trajectory from 50% in 2022, to 54% in 2023 and to 57% in 2024. Colleagues have demonstrated their desire to contribute to shaping the future of the company with participation in the engagement survey at its highest ever. Under new leadership in the second half of 2024, swift changes brought with them momentum in employee sentiment. Increased employee scores in motivation and confidence were observed, with colleagues reporting strong client focus, challenging and interesting work, collaborative team relationships and growing belief in leadership. Progress on global senior leadership gender representation and UK ethnicity diversity targets remained strong. Taking into account a wide range of performance indicators, the Remuneration Committee determined the final outcome of 8% out of 10%.

Customer: in ii, the Remuneration Committee noted the sustained strong organic growth in customer numbers and continued customer satisfaction across website customers. In our Adviser business, customer satisfaction scores and service net promoter scores both significantly increased through 2024. This was balanced by net outflows and a reduction in total customer numbers year on year. In our Investments business, strong relationships persisted with key clients despite a challenging environment. There was also a reduction in redemptions observed year on year, along with an improved new business win rate, resulting in improved net flows. Taking into account the range of quantitative and qualitative performance indicators across the three businesses, the Remuneration Committee determined the final outcome of 6.08% out of 10%.

Considering all components together, this resulted in an overall assessment of 27.58% out of a maximum of 35% on non-financial measures.

Remuneration Committee assessment

To assess whether the outcomes generated by the scorecard were fair in the broader performance and risk context, the Remuneration Committee reviewed the individual components which contributed to the delivery of this performance and the alignment of scorecard outcomes with the experience of a range of stakeholders.

The Committee carefully considered, amongst other factors:

- The wider workforce experience, while taking into account that by design, there are differences in how the wider workforce and executive Directors are remunerated:
  - Continued investment in individual salary reviews within the wider workforce, with no salary increases awarded to the executive Directors.
  - Increased bonus pool funding.
  - Continued material funding for restricted stock awards.

- Our shareholder experience:
  - While share price and total shareholder returns (TSR) performance is not where we would like it to be, TSR - in its various forms - comprises 100% of the LTIP for executive Directors and constitutes the majority of their maximum total variable pay outcome. Shareholder experience is, therefore, reflected in long-term remuneration outcomes for executive Directors.
  - Additionally, the executive Directors' own mandated shareholding provides for further alignment to the shareholder experience.
- Feedback received from the Audit Committee and the Risk and Capital Committee on material accounting, reporting and disclosure matters and the management of risk within the business.

The Remuneration Committee concluded that the outcomes delivered by the scorecard were a fair and balanced assessment of performance and no adjustment to them was needed or made.

Summarising these results, the Remuneration Committee approved the following outcomes based on performance against targets:

Executive Director	Final outcome (% of max)	2024 total bonus (000's)
Jason Windsor[1]	**77.48%**	**1,249**
Stephen Bird[2]	**77.48%**	**843**

1. The 2024 total bonus for Jason Windsor reflects his time served as CFO and CEO during the year.
2. The 2024 total bonus for Stephen Bird was prorated to reflect his commencement of garden leave effective 1 July 2024.

Long-term incentives (detail on page 130)

Vesting of the 2022 Long-Term Incentive Plan (LTIP) award granted to Stephen Bird is based on performance over the three-year period ending on 31 December 2024. A proportion of Jason Windsor's 2022 Long-Term Incentive Buyout is also subject to the performance conditions of the 2022 LTIP (see pages 126 and 127 of the Annual report and accounts 2023 for more detail). After review, the Remuneration Committee concluded that performance had not met the stretching targets set under both measures. Therefore, the award will not vest.

Policy implementation in 2025

Following a review, no change has been made to salaries for the executive Directors or fees for the non-executives and the Chair for 2025.

In line with previous practice, we will continue to set stretching targets for the annual bonus and the LTIP to ensure that the maximum opportunity will only be earned for exceptional performance.

The scorecard for the 2025 annual bonus is detailed on page 127 and the targets, which are commercially sensitive, will be disclosed at the end of this performance year in the Annual report and accounts 2025. The scorecard continues to focus the majority of the opportunity on the achievement of financial targets as set out in our Policy (65%), with the balance measured against non-financial performance including Strategic, Environment, Social/People and Customer objectives. The Remuneration Committee has agreed a Strategic measure and a range of key indicators in the other areas which will allow a rounded assessment of performance to be made. Details on these metrics, including how the Remuneration Committee assessed performance against them, will be disclosed retrospectively.

The Remuneration Committee has reviewed the operation of the Relative TSR measure for LTIP awards over the past few years and observed the wide dispersion in the performance of individual companies in the competitor set, driven by the idiosyncratic effects of differences in scale, product mix, channel and geographical focus. This dispersion, combined with the changes in the Group's own profile over the period, has led the Remuneration Committee to conclude that we cannot select a bespoke peer group for Relative TSR benchmarking purposes that is not overly subjective and prone to distortion.

The Group is committed, under its Policy, to have at least one relative performance measure for the determination of rewards under the LTIP. Given the investment alternatives available to our shareholders and the need for a more stable basis to judge the Group's relative performance over time, the Remuneration Committee has decided that the benchmark for the Relative TSR component (50%) of the 2025 LTIP will be the total return of the FTSE 350 index. Performance ranges will be set as before, with threshold (25%) being set at median performance and maximum (100%) at the 75th centile. Details of the 2025 LTIP grant can be found on page 127.

To help you navigate the report effectively, I would like to draw your attention to the sections on pages 126 and 127 which summarise both the outcomes for 2024 and how the Policy will be implemented in 2025.

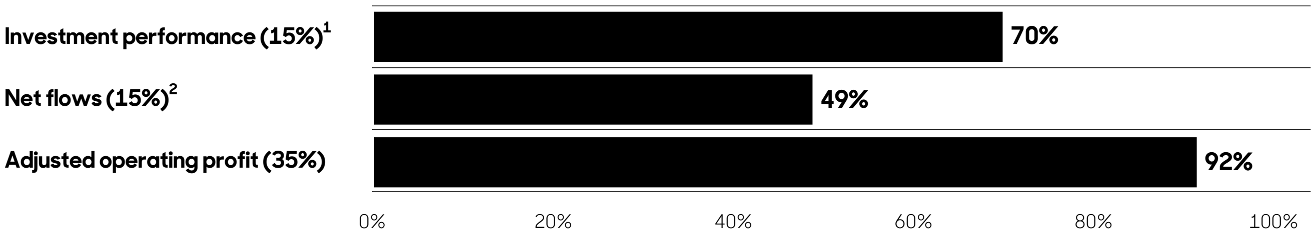
On behalf of the Board, I invite you to read our remuneration report. As always, the Remuneration Committee and I are open to hearing your views on this year's report and our Policy in general.

At a glance – 2024 remuneration outcomes

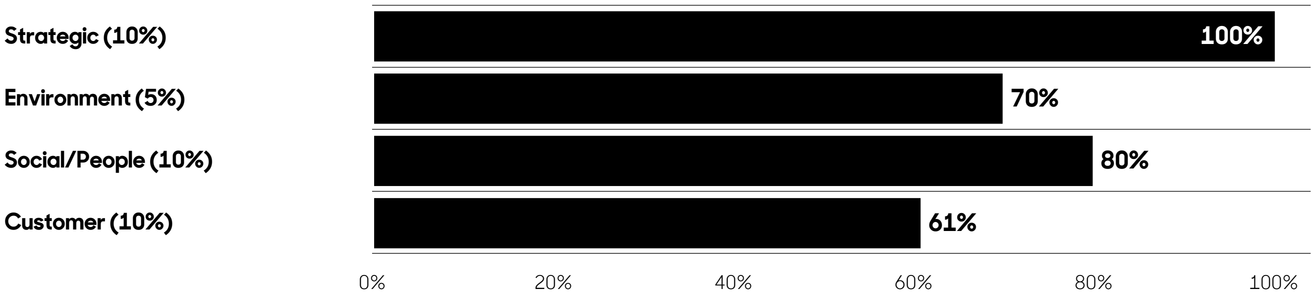
Outcome of performance measures ending in the financial year

The following charts show performance against the target range for the annual bonus and commentary on the 2022 LTIP. Further detail on the assessment of the performance conditions can be found on pages 128 to 130.

Performance vs Maximum (%) – Financial measures



Performance vs Maximum (%) – Non-financial measures



1. % AUM above benchmark average of one-year and three-year for all asset classes.
2. Excl. cash/liquidity and Insurance Partners.

2024 annual bonus scorecard outcome

The following table sets out the final outcome for the 2024 annual bonus. A detailed breakdown of the assessment of performance conditions can be found on pages 128 to 130.

	Bonus Scorecard Outcome			Total Bonus Outcome
	Financial metrics (minimum 65%)	Non-financial metrics (maximum 35%)	Board approved outcome (% of maximum)	Total award ('000s)
Jason Windsor[1]	49.90%	27.58%	77.48%	1,249
Stephen Bird[2]				843

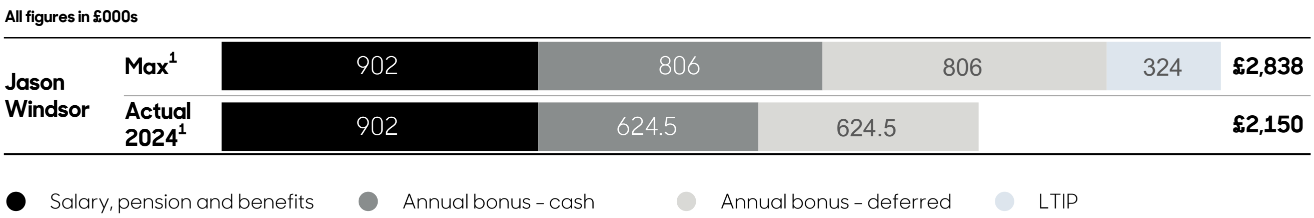
1. Jason Windsor was appointed to the Board effective 23 October 2023 as Chief Financial Officer. He then served as Interim CEO from 24 May 2024 to 10 September 2024 and was appointed as CEO on 10 September 2024. For the period 1 January to 23 May 2024, the outcome was linked to 150% maximum of his Chief Financial Officer salary of £675,000. For the period 24 May 2024 to 31 December 2024, the outcome was linked to 250% maximum of his Chief Executive Officer salary of £800,000.
2. Stephen Bird commenced garden leave effective 1 July 2024. The total 2024 annual bonus awarded value was prorated to reflect the proportion of the 2024 performance year for which he served at abrdn prior to commencement of garden leave.

2022 LTIP outcome

The performance period for the 2022 LTIP concluded on 31 December 2024. Performance against the Adjusted Diluted Capital Generation per share (CAGR) and Relative TSR performance measures were assessed to be below the threshold required. Therefore, the award will not vest. Detail of the performance assessment for the 2022 LTIP can be found on page 130.

Total remuneration outcomes in 2024

The chart below shows the remuneration outcomes for the CEO in 2024 based on performance compared to the maximum opportunity.



1. Max and actual outcomes for the CEO in 2024 reflect time served as CEO and CFO during 2024. The LTIP max and actual figures relate only to the proportion of the 2022 Long-Term Incentive Buyout subject to abrdn performance conditions.

At a glance – 2025 Policy implementation

This section sets out how we propose to implement our Policy in 2025. The full Policy, which remains unchanged for 2025 from the Policy approved by shareholders at the 2023 AGM, including detail on how it addresses the principles as set out in the 2018 Corporate Governance Code, can be found in the Annual report and accounts 2022 on pages 120 to 130.

Element of remuneration	Key features of operation	2025 implementation
Salary		
Core reward for undertaking the role	Normally reviewed annually, taking into account a range of internal and external factors.	Jason Windsor: £800,000
Pension		
Competitive retirement benefit	Aligned to the current maximum employer contribution available to the UK wider workforce (18% of salary).	Jason Windsor 18% of salary
Benefits		
Competitive benefits	Includes (i) private healthcare; (ii) death in service protection (iii) income protection (iv) reimbursement of membership fees of professional bodies; and (v) eligibility for the all-employee share plan.	No change to benefits provision
Annual bonus		
To reward the successful delivery of the Company's business plan	Annual performance assessed against a range of key financial and non-financial measures. At least 65% will be based on financial measures. At least 50% will be deferred into shares vesting in equal tranches over a three-year period. Awards are subject to malus and clawback terms.	Jason Windsor: 250% of salary See below for 2025 performance conditions
Long-term incentive plan		
To align with our shareholders and reward the delivery of long-term growth	Awards are subject to a three-year performance period, with a subsequent two-year holding period. Dividend equivalents accrue over the performance and holding period. Awards are subject to two equally-weighted performance metrics linked to long-term strategic priorities and the creation of long-term shareholder value. Awards are subject to malus and clawback terms.	Jason Windsor: 350% of salary 2025 performance metrics are set out below
Shareholding requirements	Executive Directors are required to build up a substantial interest in Company shares. The share ownership policy for executive Directors requires shares up to the value of the shareholding requirement to be held for a period of two years following departure from the Board.	Jason Windsor: 350% of salary

Performance conditions for 2025 annual bonus

Financial (65% weighting)	Investment performance (10%), adjusted operating profit (40%) and net flows (15%)
Non-financial (35% weighting)	Performance against Customer (10%) and ESG objectives (comprising Environment and Social measures) (15%) and progress on a key strategic initiative (10%)

Due to commercial sensitivity, actual targets and ranges will be disclosed at the end of the performance period. The Remuneration Committee retains an appropriate level of flexibility to apply discretion to ensure that remuneration outcomes reflect a holistic view of overall performance, including conduct and culture.

Performance conditions for 2025 Long-term incentive plan

	Target range[1]
Net Capital Generation per share (50% weighting)	5% – 15% CAGR
Relative TSR (50% weighting)[2]	Equal to median – equal to upper quartile

1. Straight line vesting occurs between threshold and maximum. 25% vesting for threshold performance.
2. Relative TSR measure against the FTSE 350 Index.

Directors' remuneration in 2024

This section reports remuneration awarded and paid at the end of 2024 in further detail, including payments to past Directors.

Single total figure of remuneration – executive Directors (audited)

The following table sets out the single total figure of remuneration for each of the individuals who served as an executive Director at any time during the financial year ending 31 December 2024:

Executive Directors		Salary for year £000s	Taxable benefits in year[1] £000s	Pension allowance paid in year £000s	Bonus paid in cash £000s	Bonus deferred[2] £000s	LTIP with period ending in the year[3] £000s	Buyout Awards[4] £000s	Total for the year £000s	Total fixed £000s	Total variable £000s
Jason Windsor[5]	**2024**	**773**	**1**	**128**	**624.5**	**624.5**	**–**	**1,041**	**3,192**	**902**	**2,290**
	2023	130	–	23	35	35	3	712	938	153	785
Stephen Bird[6]	**2024**	**347**	**–**	**63**	**421.5**	**421.5**	**–**	**–**	**1,253**	**410**	**843**
	2023	875	1	158	393	393	275	–	2,095	1,034	1,061

1. This includes the taxable value of all benefits paid in respect of the relevant year. Included for 2024 are medical premiums at a cost to the Group of £636 per annum for executive Directors.
2. This represents 50% of the total bonus award and is delivered in shares which will vest in equal tranches over a three-year period.
3. The LTIP with period ending in the year values reported for 2023 are restated to reflect the share price at date of vesting for the proportion of Jason Windsor's 2021 Long-Term Incentive Buyout award subject to abrdn performance conditions and for Stephen Bird's 2021 LTIP award.
4. The value reported for 2024 for Jason Windsor includes two elements. The first is the value (£228k) of the proportion of his 2021 Long-Term Incentive Buyout award subject to Aviva performance conditions (157,431 shares vesting), based on the share price at the vesting date (144.55 pence). The outcome of the proportion of his 2021 Long-Term Incentive Buyout award subject to Aviva performance conditions was not known, nor able to be estimated, at the time of publication of the Annual report and accounts 2023. The second element, as disclosed on page 127 of the Annual report and accounts 2023, is a buyout award in relation to the bonus foregone for the period 1 January to 13 October 2023 as a result of leaving his previous employer. The value of this element (£813k) was determined by the Committee taking into account the reported outcome and results of Jason's previous employer. 50% of this element is deferred into abrdn shares vesting after 3 years, as detailed on page 133.
5. Jason Windsor was appointed to the Board effective 23 October 2023. He received an annual salary supplement (neither pensionable nor taken into account for annual bonus or LTIP outcomes) whilst serving as Interim CEO from 24 May 2024 to 10 September 2024 and was then appointed as CEO on 10 September 2024.
6. Stephen Bird stepped down from the Board effective 24 May 2024 and commenced garden leave effective 1 July 2024. All figures, excluding the 2024 annual bonus outcome, reflect amounts paid/awarded until stepping down from the Board. The 2024 annual bonus outcome reflects the proportion of the 2024 performance year for which he served at abrdn prior to commencement of garden leave. See page 130 for further information on payments made to Stephen Bird as a past director.

Base Salary (audited)

Jason Windsor received an annual salary supplement only for the period he served as Interim CEO from 24 May 2024 to 10 September 2024, which totalled £59,110 for the period. His annual salary was increased from £675,000 to £800,000 on appointment as CEO on 10 September 2024.

Pension (audited)

Under the Policy approved at the 2023 AGM, the executive Directors received a cash allowance in lieu of pension contribution of 18% of base salary.

Annual Bonus Plan

The following section contains details on the targets and the Remuneration Committee's assessment of outcomes for the period 1 January 2024 to 31 December 2024 against each of the elements of the executive Director bonus scorecard.

Financial performance metrics – 65% of total scorecard outcome

	Weighting (% of overall scorecard)	Threshold (25% of maximum)	Stretch (100% of maximum)	Actual	Result (% of overall outcome)[1]
Investment performance[2] – % AUM above benchmark average of 1-year and 3-year for all asset classes	**15%**	**50%**	**70%**	**62%**	**10.50%**
ii net flows (£bn)	**5%**	**2.9**	**5.1**	**5.7**	**5.00%**
Adviser net flows (£bn)	**5%**	**(1.0)**	**2.0**	**(3.9)**	**0.00%**
Investments net flows[3] (£bn)	**5%**	**(7.0)**	**1.0**	**(4.7)**	**2.33%**
Adjusted operating profit (£m)	**35%**	**204**	**261**	**255**	**32.07%**

1. Straight-line vesting between threshold and stretch targets.
2. Investment performance assessed using performance reporting approach in place at the point in time that these targets were set by the Remuneration Committee.
3. Excluding cash/liquidity and Insurance Partners.

Non-financial performance metrics – 35% of total scorecard outcome

Category	Highlights from assessment	Result (% of overall outcome)
Strategic (10%): Surpassed initial targets for key strategic initiative across our Group	As announced in January 2024, the key strategic initiative that spans across the Group is our transformation programme. The intention of this initiative was to deliver increased efficiency and profitability across the Group. Over 2024, the initial cost targets that were set out have been exceeded, with £70m of in-year cost savings and over £100m of savings on an annualised basis delivered within risk appetite. This has led to a 7% reduction in our adjusted operating expenses and has helped to build a leaner, more efficient company, laying the foundations for growth.	**10%**
Environment (5%): Year-on-year improvement on progress towards portfolio decarbonisation and Operational Net Zero targets	The environmental measures we selected focused on the important contribution our Company has to make as a global institutional investor and a responsible Company. The Remuneration Committee considered a number of quantitative and qualitative measures. Our Sustainability and TCFD report, available on our website, contains further detail on our performance in this area. Key factors in the determination were: – In 2022, for our public market investments, we launched a two-year engagement programme with our top 20 largest financed emitters. This enabled meaningful engagement over time and reflects our goal to work with investee companies to support real-world decarbonisation. – In 2024, we were tracking at a 45% carbon intensity reduction in in-scope public market portfolios compared to our 2019 baseline (34% reduction in in-scope real estate portfolio), remaining on track for our target of a 50% reduction versus our 2019 baseline by 2030. This represents a year-on-year increase in progress against our long-term target, as we were tracking at a 41% reduction in 2023 compared to our 2019 baseline (25% reduction in in-scope real estate portfolio). – For our own operational net zero, we remain on track to meet our long-term net zero carbon emission target of operational net zero by 2040, with a 74% reduction versus our 2018 baseline in 2024. This represents a year-on-year increase in progress against our long-term target, as we were tracking at a 69% reduction versus our 2018 baseline in 2023.	**3.5%**
Social/people (10%): Noteworthy improvement in trackers of culture at abrdn, increase in engagement score and continued progress on senior leadership gender representation and ethnicity diversity targets	abrdn is a people business and we believe that in order to succeed it needs to embed diversity, equity and inclusion within a strong and shared cultural framework, enabling us to continue to attract and maintain an engaged and diverse talent base. The Remuneration Committee considered a number of quantitative and qualitative measures, including data points relating to gender and ethnicity representation amongst senior leadership and employee engagement. – Against a backdrop of organisational transformation, our employee engagement continued to steadily improve, with engagement scores at 57% (2023: 54% and 2022: 50%). However, there is still room for further improvement with a sustained positive trajectory. – Swift changes under new leadership in H2 2024 increased momentum in employee sentiment, evidenced through increased scores in motivation and confidence. – Our culture is healthy with colleagues reporting strong client focus, challenging and interesting work, collaborative team relationships and growing belief in leadership. – Amongst senior leadership, females (global) and individuals identifying as minority ethnic (UK) both increased year on year to 40% and 7% (2023: 34% and 4%) respectively.	**8%**

Category	Highlights from assessment	Result (% of overall outcome)
Customer (10%): Measured across our ii, Adviser and Investments businesses	Our three-business model gives us a diverse customer base, from institutional to adviser to retail. We measure our success in delivering for our customers with reference to business-specific quantitative and qualitative metrics that holistically capture the experience of our different customer and client groups. The Remuneration Committee considered a range of quantitative and qualitative measures from internal and external sources. Key factors in the determination were: – In ii, there was sustained strong organic customer growth over 2024 and a significant year-on-year increase in the number of customer SIPPs. Customer satisfaction remains robust across website customers. – In Adviser, a significant improvement in client satisfaction occurred through 2024 after technology upgrade implementation headwinds. However, net outflows and a reduction in total customer numbers reflected a challenging year. – In our Investments business, strong relationships persisted with key clients despite a challenging environment. There was a reduction in redemptions year on year and improved new business win rate, as evidenced through improved net flows.	**6.08%**

2022 LTIP outcome

The following table details the targets and assessment of outcomes for the 2022 LTIP. The performance period for this award concluded on 31 December 2024. The Remuneration Committee concluded that the award had not met the required threshold performance. Therefore, the award will not vest.

	Threshold (25%)	Maximum (100%)	Actual outcome	% vesting
Adjusted Diluted Capital Generation per share (CAGR) (50%)	5%	15%	(1)%	0%
Relative TSR (50%)[1]	Median	Upper quartile	Below Median	0%

1. The peer group was made up of the following global peers: Affiliated Managers, Alliance Bernstein, Amundi, Ashmore Group, DWS Group, Franklin Resources, Hargreaves Lansdown, Invesco, Janus Henderson Group, Jupiter Fund Management, M&G, Man Group, Ninety One, Quilter, Schroders, SEI Investments, St James's Place.

Payments to past Directors and payments for loss of office (audited)

Payments made to former executive Directors that have not been previously reported elsewhere are reported if they are in excess of £20,000.

Stephen Bird stepped down from the Board effective 24 May 2024 and commenced garden leave effective 1 July 2024 to his termination date of 31 December 2024. Between 24 May 2024 and 31 December 2024, Stephen received salary, pension allowance and taxable benefits totalling £623,834.

The Company has also made a payment in lieu of notice of basic salary, pension allowance and taxable benefits, in monthly instalments (subject to mitigation) over the remainder of Stephen Bird's contract (being a further four months and twenty-three days to 23 May 2025). The final monthly instalment is due to be paid in May 2025. The total of the five payments will be £410,975.

Stephen Bird was entitled to a capped contribution towards legal fees incurred in connection with his exit arrangements. The contribution towards legal fees did not exceed £20,000.

The table below summarises the total payments to Stephen Bird as a past director for 2024:

Payment element	Amount (£)
Salary, pension allowance and taxable benefits after stepping down from Board	**£623,834**
Payment in lieu of notice of basic salary, pension allowance and taxable benefits	**£410,975**

For Stephen's outstanding incentive awards, in accordance with the relevant plan rules, the following treatment applied:
- Unvested deferred bonus awards (including the deferred award that will be awarded relating to the prorated 2024 bonus) will continue to vest on normal vesting dates and will remain subject to malus and clawback.
- Unvested LTIP awards will continue to vest on normal vesting dates and will remain subject to the satisfaction of the relevant performance conditions (measured over the full performance period), holding periods and malus and clawback. All LTIP awards will be prorated based on the proportion of the performance period completed to Stephen's termination date.
- The Company's post-cessation shareholding requirements apply for a two-year period from Stephen's date of departure from the Board on 24 May 2024.

Shareholdings and outstanding share awards

This section reports our executive Directors' interests in shares.

Directors' interests in shares (audited)

Our shareholding requirements for executive Directors are detailed on page 127. The Policy requires executive Directors to accumulate and maintain a material long-term investment in abrdn plc shares. The Remuneration Committee reviews progress against the requirements annually. Personal investment strategies (such as hedging arrangements) are not permitted for the purposes of reducing the economic exposure arising from the shareholding requirements.

The following table shows the total number of abrdn plc shares held by the executive Directors and their connected persons:

						Unvested shares		
	Total number of shares owned at 1 January 2024	Shares acquired during the period 1 January 2024 and 31 December 2024	Total shares owned as at 31 December 2024	Options exercised during the period 1 January 2024 and 31 December 2024	Vested but unexercised shares[1]	Subject to performance conditions[2]	Not subject to performance conditions[3]	Shares lapsed[4]
Jason Windsor	–	357,635	357,635	–	234,370	2,769,957	766,144	23,432
Stephen Bird[5]	782,355	134,751	917,106	269,503	454,602	3,182,881	597,635	2,793,795

1. For Jason Windsor, this Includes buyout of 2021 Long-Term Incentive Plan and 2021 Bonus Award Buyout (bought-out) awards. For Stephen Bird, this includes 2021 Long-Term Incentive Plan award and deferred bonus awards. The number of vested but unexercised shares includes shares to be awarded in lieu of dividend equivalents.
2. For Jason Windsor, this includes 2022 and 2023 Long-Term Incentive Buyout awards and 2024 LTIP awards. For Stephen Bird, this includes 2022, 2023 and 2024 LTIP awards (awards subject to performance targets over three-year periods). The number of unvested shares presented under awards subject to performance conditions exclude shares to be awarded in lieu of dividend equivalents. The figures for the 2022 LTIP are as at 31 December 2024 and do not reflect the subsequent lapsing of this award.
3. For Jason Windsor, this includes 2021 and 2022 Bonus Award Buyout awards and 2024 deferred bonus award. For Stephen Bird, this includes 2022, 2023 and 2024 deferred bonus awards. The number of unvested shares presented under awards not subject to performance conditions include shares to be awarded in lieu of dividend equivalents.
4. For Jason Windsor, the shares lapsed relate to the performance outcome of his 2021 Long-Term Incentive Buyout award. For Stephen Bird, the shares lapsed relate to the performance outcome of the 2021 LTIP award – see page 123 of the Annual report and accounts 2023 – and the proration of his 2023 and 2024 LTIP awards for time employed during the performance periods.
5. On 8 April 2024, Stephen Bird exercised the second tranche of the deferred portion of his 2021 annual bonus. On 9 April 2024, he exercised the third tranche of the deferred portion of his 2020 annual bonus award. On 11 April 2024, he exercised the first tranche of the deferred portion of his 2022 annual bonus award.

The following table shows the number of qualifying awards included in assessing achievement towards the shareholding requirement, as at 31 December 2024. The total Qualifying holding includes shares held outright (which derive from vested and exercised awards plus any purchased shares) as well as Qualifying unvested or unexercised awards. Purchased shares are valued at the higher of the cost of the purchase as disclosed in RNS announcements or the closing market price on 31 December 2024. Qualifying unvested or unexercised awards include 50% of the value (as a proxy for the payment of tax due on the exercise of the awards) of awards not subject to performance conditions and which have not yet vested.

	Qualifying unvested or unexercised awards							
	Number of shares under the deferred share plan which are not subject to performance conditions	Number of shares under option under long-term incentive plans which are no longer subject to performance conditions	Total Qualifying holding (shares owned from table above and 50% of Qualifying unvested or unexercised awards)[1]	Value of holding[2]	Shareholding requirement (as % salary)	Basic salary	Total of the value of shares owned and 50% of the value of qualifying awards at 31 December 2023 as a % of salary	Shareholding requirement met?
Jason Windsor	**823,207**	**177,307**	**857,892**	**1,210,915**	**350%**	**800,000**	**151%**	**In progress**
Stephen Bird	**788,245**	**263,992**	**1,443,225**	**2,683,431**	**350%**	**875,000**	**307%**	**In progress**

1. Of the total number of shares shown, Jason Windsor purchased 357,635 shares at a total cost of £505k and Stephen Bird purchased 750,000 shares at a total cost of £1,705k.
2. The closing market price at 31 December 2024 used to determine the value of non-purchased shares was 141.15 pence.

Executive Directors who have not yet satisfied the shareholding requirement are expected to accumulate shares until they have fully met their shareholding requirement. They are required to hold 100% of vested shares (post-tax) granted under the Company's share plans (including any dividend equivalents) until they have met their shareholding requirement. All other shares acquired and held by the executive Director or owned indirectly by a partner or family trust also count towards the shareholding requirement.

Jason Windsor, who was appointed in October 2023, has not yet met the shareholding requirement. However, the Remuneration Committee is satisfied with the progress he has made towards his requirements given his tenure.

Under the Policy, an executive Director is required to hold shares up to the value of their shareholding requirement for 24 months following departure from the Board. However, if at the date of departure from the Board, the executive Director holds shares with a value lower than the value of the requirement, the number of shares held at the date of departure from the Board must be retained for 24 months thereafter. Any self-purchased shares are not subject to this requirement. Accordingly, Stephen Bird is required to retain any shares (excluding self-purchased shares) until 24 May 2026.

Awards granted in 2024 (audited)

The following table shows the key details of the LTIP, deferred and buyout awards granted in 2024:

Participant	Type of award	Basis of award	% of salary	Face value at grant	Number of shares awarded	% payable for threshold performance	Details on performance conditions
Jason Windsor	**Conditional Award**	**LTIP[1]**	**225%**	**£1,518,750**	**1,079,884**	**25%**	**Award is subject to performance against targets measured over three years as set out on page 120 of the Annual report and accounts 2023**
	Conditional Award	**Supplementary LTIP[1,2]**	**350%**	**£777,152**	**552,582**	**25%**	
	Conditional Award	**Deferred Bonus[1]**	**Not applicable**	**£34,874**	**24,796**	**Not applicable**	**Not applicable**
	Conditional Award	**2023 Bonus Award Buyout[1,3]**	**Not applicable**	**£406,515**	**289,044**	**Not applicable**	**Not applicable**
Stephen Bird	**Conditional Award**	**LTIP[1, 4]**	**350%**	**£3,062,500**	**2,177,545**	**25%**	**Award is subject to performance against targets measured over three years as set out on page 120 of the Annual report and accounts 2023**
	Conditional Award	**Deferred Bonus[1]**	**Not applicable**	**£392,875**	**279,347**	**Not applicable**	**Not applicable**

1. The share price used to calculate the number of shares for the awards was 140.64 pence (the five-day average price over the five dealing days prior to the grant date of 8 April 2024). The Supplementary LTIP award has also used this share price as the award relates to the original 2024 LTIP award.
2. The Supplementary LTIP face value at grant has been calculated by first determining what the original 2024 LTIP face value at grant would have been based on a £675,000 salary and 225% maximum opportunity up to and including 23 May 2024, then a £800,000 salary and 350% maximum opportunity from 24 May 2024 up to and including 31 December 2024. The difference of this value and the original 2024 LTIP face value at grant was then used as the face value at grant for the Supplementary LTIP. This reflects that Jason Windsor had fulfilled the CEO role from 24 May 2024 onwards, having been appointed as Interim CEO on 24 May 2024 and consequently CEO on 10 September 2024.
3. As set out on pages 126 and 127 of the Annual report and accounts 2023, the 2023 Bonus Award Buyout relates to the bonus foregone as a result of Jason Windsor leaving his previous employer.
4. As set out in the announcement on 24 May 2024, time pro-rating will be applied to the number of shares (if any) over which Stephen Bird's 2024 LTIP award vests by reference to the proportion of the award performance period that had elapsed at his termination date of 31 December 2024.

Share dilution limits

All share plans operated by the Company which permit awards to be satisfied by issuing new shares contain dilution limits that comply with the guidelines produced by The Investment Association (IA). On 31 December 2024, the Company's standing against these dilution limits was 0.00% where the guideline is no more than 5% in any 10 years under all discretionary share plans in which the executive Directors participate and 0.39% where the guideline is no more than 10% in any 10 years under all share plans.

As is normal practice, there are employee trusts that operate in conjunction with the Executive LTIP, the abrdn Discretionary Plan, the deferred elements of the abrdn plc annual bonus plan, the Aberdeen Asset Management deferred plans and the abrdn all-employee plans. On 31 December 2024, the trusts held 53,958,247 shares acquired to satisfy these awards. Of these shares 8,084,343 are committed to satisfying vested but unexercised option awards. The percentage of share capital held by the employee trusts is 2.93% of the issued share capital of the Company – within the 5% best practice limit endorsed by the IA.

Promoting all-employee share ownership

The Company promotes employee share ownership with a range of initiatives, including the abrdn plc (Employee) Share Plan which allows eligible UK employees (our largest jurisdiction) to buy abrdn plc shares directly from earnings.

A similar tax-approved plan is operated by the company in Ireland. As at 31 December 2024, 1,015 employees in the UK and Ireland were actively making monthly contributions averaging £73. As at 31 December 2024, 1,304 individuals were abrdn plc shareholders through participation in the Plan.

The Sharesave Plan was offered in 2024 to eligible employees in the UK. This plan allows UK tax resident employees to save towards the exercise of options over abrdn plc shares with the option price set at the beginning of the savings period at a discount of up to 20% of the market price. As at 31 December 2024, 1,352 employees were saving towards one or more of the Sharesave offers.

Executive Directors' service contracts

Service contracts for both executive Directors are not for a fixed term but have notice periods in line with the executive Director's role:

– Six months by the executive Director to the employer.
– Up to 12 months by the employer to the executive Director.

Executive Directors' external appointments

Executive Directors can accept a limited number of external appointments to the boards of other organisations and can retain any fees paid for these services. Jason Windsor and Stephen Bird held representative directorships on behalf of the Group during the year. Jason Windsor is a Governor of Felsted School and a Director of Felsted School Trustees Limited. The executive Directors received no fees for their external appointments in 2024. Significant external positions held during the year are set out below.

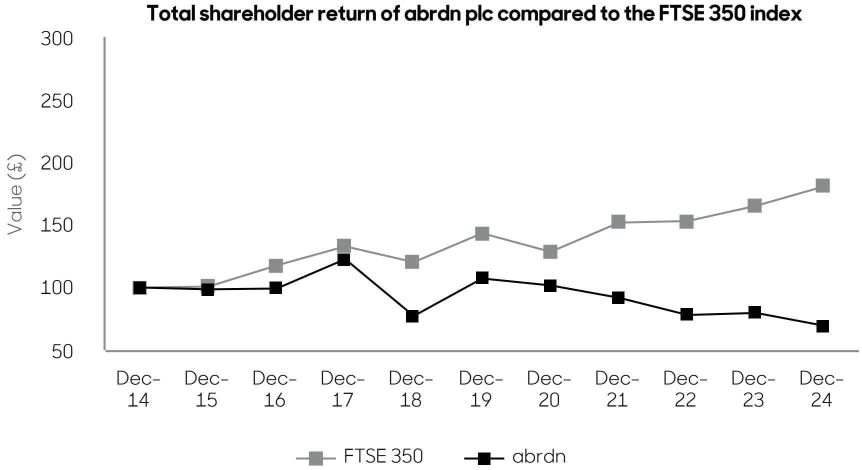
Executive Director	Role and Organisation	2024 Fees
Stephen Bird	Member of the Financial Services Growth & Development Board[1]	**£nil**
	Board member at the Investment Association[2]	**£nil**
	Member of the President's Committee for the Confederation of British Industry[3]	**£nil**
	Member of the Lord Mayor's Strategic Advisory Board for the Finance for Growth Project[4]	**£nil**

1. Appointed on 17 January 2022.
2. Appointed on 27 April 2022.
3. Appointed on 3 February 2023.
4. Appointed on 18 April 2023.

Executive Directors' remuneration in context

Pay compared to performance

The graph shows the difference in the total shareholder return at 31 December 2024 if, on 1 January 2015, £100 had been invested in abrdn plc and in the FTSE 350 respectively. It is assumed dividends are reinvested in both. The FTSE 350 has been chosen as abrdn plc has been a member of this index for the full 10-year period.



Source: Datastream

The following table shows the single figure of total remuneration for the Director in the role of Chief Executive Officer for the same 10 financial years as shown in the graph above. Also shown are the annual incentive awards and LTIP awards which vested based on performance in those years.

Year ended 31 December	Chief Executive Officer	Chief Executive Officer single total figure of remuneration[1] (£000s)	Bonus outcome/ annual incentive rates against maximum opportunity (%)	Long-term incentive plan vesting rates against maximum opportunity (%)
2024	**Jason Windsor**	**3,192**	**77.48**	**–**
	Stephen Bird	**1,253**	**77.48**	**–**
2023	Stephen Bird	2,143	35.92	18.75
2022	Stephen Bird	1,696	30.25	–
2021	Stephen Bird	2,795	80.5	–
2020	Stephen Bird	1,044	48	–
	Keith Skeoch	1,075	48	–
2019	Keith Skeoch	1,050	9	–
2018	Keith Skeoch	814	10	–
	Martin Gilbert	814	10	–
2017	Keith Skeoch	3,028	82	70.00
	Martin Gilbert	1,317	56	–
2016	Keith Skeoch	2,746	81	31.02
2015	Keith Skeoch	1,411	87	40.77
	David Nish	2,143	90	40.77

1. The Chief Executive Officer single total figure of remuneration for Jason Windsor includes £1,041m of buyout awards, as set out on page 128.

Relative importance of spend on pay

The following table compares what the Company spent on employee remuneration to what is paid in the form of dividends to the Company's shareholders. Also shown is the Company's adjusted operating profit which is provided for context as it is one of our key performance measures:

	2024	% Change	2023
Remuneration payable to all Group employees (£m)[1]	**510**	**(4)%**	529
Dividends paid in respect of financial year (£m)	**260**	**(3)%**	267
Share buybacks and return of capital (£m)	**–**	**(100)%**	302
Adjusted operating profit (£m)	**255**	**2%**	249

1. In addition, staff costs and other employee related costs of £35m (2023: £78m) and £8m (2023: £4m) are included in restructuring and corporate transaction expenses and in cost of sales respectively. See Note 6 of the Group financial statements for further information.

Annual percentage change in remuneration of Directors compared to UK based employees

The table below shows the percentage year-on-year change in salary, benefits and annual bonus in the relevant year for the executive Directors, along with any percentage change in fees for the non-executive Directors, compared to the average Group employee. Year-on-year movement on base salaries or Director fees is primarily attributable to part-year appointment changes.

	% Salary/fee					**Annual bonus outcome**					**% Benefits[1]**				
	2024	2023	2022	2021	2020	**2024**	2023	2022	2021	2020	**2024**	2023	2022	2021	2020
Executive Directors															
Jason Windsor[2]	**495%**	–	–	–	–	**1,684%**	–	–	–	–	**100%**	–	–	–	–
Stephen Bird[3]	**-60%**	–	–	100%	–	**7%**	19%	-62%	234%	–	**-100%**	–	–	–	–
Non-executive Directors[4, 5]															
Sir Douglas Flint	**–**	–	–	–	–	**–**	–	–	–	–	**–**	–	–	–	–
Vivek Ahuja	**–**	–	–	–	–	**–**	–	–	–	–	**–**	–	–	–	–
Jonathan Asquith	**–**	–	–	–	202%	**–**	–	–	–	–	**–**	–	–	–	–
Katie Bickerstaffe	**–**	–	–	–	–	**–**	–	–	–	–	**–**	–	–	–	–
Catherine Bradley	**-68%**	20%	–	–	–	**–**	–	–	–	–	**–**	–	–	–	–
John Devine	**7%**	–	6%	-3%	-2%	**–**	–	–	–	–	**100%**	–	-100%	–	-100%
Hannah Grove	**4%**	21%	334%	–	–	**–**	–	–	–	–	**–**	–	–	–	–
Pam Kaur	**–**	72%	–	–	–	**–**	–	–	–	–	**–**	–	–	–	–
Michael O'Brien	**–**	72%	–	–	–	**–**	–	–	–	–	**100%**	–	–	–	–
Cathleen Raffaeli	**2%**	1%	10%	–	–	**–**	–	–	–	–	**100%**	–	–	–	-100%
Group employees[6]	**3%**	5%	–	–	3%	**17%**	-20%	-47%	50%	-53%	**5%**	–	–	–	17%

1. The change in benefits figures for employees (including executive Directors) are based on the change in medical premium paid by the Group on their behalf. Benefits do not include pension contributions for these purposes.
2. Jason Windsor was appointed to the Board effective 23 October 2023. He received an annual salary supplement whilst serving as Interim CEO from 24 May 2024 to 10 September 2024 and was then appointed as CEO on 10 September 2024.
3. Stephen Bird stepped down from the Board effective 24 May 2024. 2024 remuneration figures for Stephen used for the purposes of year-on-year comparison reflect amounts paid until the date on which he stepped down from the Board, except from the annual bonus outcome which reflects the proportion of the 2024 performance year for which he served at abrdn prior to commencement of garden leave on 1 July 2024.
4. Remuneration for non-executive Directors and the Chair is disclosed on page 138.
5. Catherine Bradley stepped down from the Board effective 24 April 2024. John Devine was appointed as Chair of the Audit Committee effective 24 April 2024. The subsidiary Board fees as a Chair and a member of the Standard Life Savings Limited and Elevate Portfolio Services Limited Boards increased effective 1 August 2023. See the single total figure of remuneration non-executive Directors table on page 138 for more detail on differences in year-on-year remuneration.
6. Disclosure is made on the basis of the period 31 December 2023 to 31 December 2024.

How pay was set across the wider workforce in 2024

Our principles for setting pay across the wider workforce are consistent with those for our executive Directors, in that the proportion of the remuneration package which is linked to performance increases for more senior roles within the Company as responsibility and accountability increase.

Base salaries are targeted at an appropriate level in the relevant markets in which the Group competes for talent. The Remuneration Committee considers the base salary percentage increases for the Group's broader UK and international employee populations when determining any annual salary increases for the executive Directors. As a result of organisational transformation in 2024, some employees experienced significant changes to their role. New roles and responsibilities were reviewed and targeted salary increases were made, taking into account new responsibilities, internal relativities and market data. These increases were designed to be meaningful to recognise the change in role and increased contribution of these individuals. For other employees, increases were generally limited to those earning less than £50,000 (or local country equivalent).

Having considered the market position of our executive Director pay and the recent determination of salary for Jason Windsor upon his original appointment in October 2023, the Remuneration Committee determined that no salary increases were appropriate for the executive Directors in 2024.

The eligibility criteria for participation in variable pay plans is set so that more senior individuals have a greater proportion of their pay linked to performance. For roles where variable remuneration eligibility is retained, our clear approach is designed to support and reward performance at a Company, team and individual level. Performance-related variable remuneration includes deferred variable compensation at a suitable level for the employee's role, ensuring a performance link over a longer time horizon than a single year. Variable remuneration for employees, including executive Directors, is determined as a total pool which is distributed across the business based on the performance of each business line and function. Individuals are then considered for a bonus payment on the basis of their individual performance objectives and goals, taking into account conduct.

The Group operates a Compensation Committee comprising the Chief People Officer (Chair), Chief Financial Officer and Chief Risk Officer, the role of which is to consider the implementation of the remuneration policy across the Group. The terms of reference of the Compensation Committee are set by the Remuneration Committee and the Chair of the Compensation Committee formally reports to the Remuneration Committee on all matters which fall within the Compensation Committee's remit.

Pay ratio

The table below sets out the ratio of CEO pay to the median, 25^{th} and 75^{th} percentile total remuneration of full-time equivalent UK employees. We have identified the relevant employees for comparison using our gender pay gap data set (snapshot data from 5 April 2024), referred to as Methodology B in the legislation. This was chosen by the Remuneration Committee as it utilised a data set which had already been processed and thoroughly reviewed and this enabled timely reporting for disclosure purposes. Some employing entities are excluded from the gender pay gap calculation in line with the regulations due to the number of individuals employed by these entities being less than 250. The Remuneration Committee considered this would not have a material impact on the outcome of the pay ratio calculation given the limited number of individuals this excludes, relative to the total population being captured, and the range of the remuneration for those excluded individuals, which was spread across quartiles.

The remuneration paid to each of the individuals identified under methodology B was reviewed against other individuals within the quartile both above and below. The individuals identified at the 25^{th} and 75^{th} percentiles had ceased employment in the year; therefore, the next identified individuals were selected. The individual identified at the 50th percentile had changed working hours in the year; therefore, the next identified individual was selected. Benefits figures were based on the medical premium paid by the Company on behalf of employees.

The pay ratio has increased from 2023, which reflects the fact that the CEO has a greater level of remuneration at risk which is dependent on Company performance; based on both financial and non-financial performance in 2024, the bonus for the CEO paid out at 77.48% of maximum, compared to 35.92% of maximum in 2023 and the LTIP lapsed in its entirety as it did in 2023. The change of CEO during the year, the buyout awards for Jason Windsor and the transformation the company underwent in 2024 makes a year-on-year comparison more challenging. In particular, £1,041,000 of the total remuneration for the CEO in the year related to buyout awards with performance conditions solely based on the performance of previous employers. If these were removed, the pay ratio would be 62 for the 25th percentile employee, 42 for the 50th percentile employee and 29 for the 75th percentile employee. By design, there are differences in the priorities which drive how these two populations are remunerated; as a result, their relative experiences can be different.

The Remuneration Committee is comfortable that the pay ratio reflects the pay and progression policies and Remuneration Philosophy across the Company as set out above. Further detail on the make up of workforce pay is set out below.

	Year	Method	25th percentile	50th percentile	75th percentile
Jason Windsor/Stephen Bird	**2024**	**Option B**	**81**	**55**	**38**
Stephen Bird	2023	Option B	39	27	19
Stephen Bird	2022	Option B	35	25	16
Stephen Bird	2021	Option B	62	45	25
Stephen Bird/Keith Skeoch	2020	Option B	49	30	18
Keith Skeoch	2019	Option B	34	23	13
Keith Skeoch	2018	Option B	30	19	12

	Salary (£000s)	Total pay (£000s)
CEO remuneration, of which:	**1,120**	**4,445**
Jason Windsor (excl. Buyout Awards)	***773***	***3,192 (2,151)***
Stephen Bird	***347***	***1,253***
25th percentile employee	**46**	**55**
50th percentile employee	**65**	**80**
75th percentile employee	**91**	**118**

Remuneration for non-executive Directors and the Chair
Single total figure of remuneration – non-executive Directors (audited)

The following table sets out the single total figure of remuneration for each of the non-executive Directors who served as a Director at any time during the financial year ending 31 December 2024. Non-executive Directors do not participate in bonus or long-term incentive plans and do not receive pension funding.

Non-executive Directors		Fees for year ended 31 December £000s	Taxable benefits in year ended 31 December[1] £000s	Total remuneration for the year ended 31 December £000s
Sir Douglas Flint[2]	**2024**	**475**	**–**	**475**
	2023	475	–	475
Jonathan Asquith	**2024**	**139**	**–**	**139**
	2023	139	–	139
Catherine Bradley[3]	**2024**	**42**	**–**	**42**
	2023	131	–	131
John Devine[4]	**2024**	**140**	**2**	**142**
	2023	131	–	131
Hannah Grove[5]	**2024**	**166**	**–**	**166**
	2023	159	–	159
Pam Kaur	**2024**	**109**	**–**	**109**
	2023	109	–	109
Michael O'Brien	**2024**	**109**	**1**	**110**
	2023	109	–	109
Cathleen Raffaeli[6]	**2024**	**169**	**8**	**177**
	2023	166	–	166
Vivek Ahuja[7]	**2024**	**23**	**–**	**23**
	2023	–	–	–
Katie Bickerstaffe[8]	**2024**	**23**	**–**	**23**
	2023	–	–	–

1. Taxable benefits relate to taxable expenses incurred while undertaking their roles as non-executive Directors of the Group.
2. Sir Douglas Flint is eligible for life assurance of 4x his annual fee. This is a non-taxable benefit.
3. Catherine Bradley stepped down from the Board effective 24 April 2024.
4. John Devine was appointed as Chair of the Audit Committee effective 24 April 2024.
5. The subsidiary Board fees as a member of the Standard Life Savings Limited and Elevate Portfolio Services Limited Boards increased from £37,500 p.a. to £50,000 p.a. effective 1 August 2023. Total fees include subsidiary Board fees of £50,000 p.a. (previously £37,500 p.a.) as a member of the Standard Life Savings Limited and Elevate Portfolio Services Limited Boards. Hannah Grove also receives a Board Employee Engagement fee of £15,000 p.a.
6. The subsidiary Board fees as Chair of the Standard Life Savings Limited and Elevate Portfolio Services Limited Boards increased from £55,000 p.a. to £60,000 p.a. effective 1 August 2023. Total fees include subsidiary Board fees of £60,000 p.a. (previously £55,000 p.a.) as Chair of the Standard Life Savings Limited and Elevate Portfolio Services Limited Boards.
7. Vivek Ahuja was appointed to the Board and the Audit Committee effective 1 October 2024.
8. Katie Bickerstaffe was appointed to the Board and the Remuneration Committee effective 1 October 2024.

The non-executive Directors, including the Chair, have letters of appointment that set out their duties and responsibilities. The key terms are set out in the Policy which can be found in the Annual report and accounts 2022 on pages 120 to 130. The service agreements/letters of appointment for Directors are available to shareholders to view on request from the Company Secretary at the Company's registered address (which can be found in the Shareholder information section) and will be accessible for the 2025 AGM.

Details of the date of appointment to the Board and date of election by shareholders are set out below:

Chair/Non-executive Director	Initial appointment to the Board	Initial election by shareholders
Chair		
Sir Douglas Flint	1 November 2018	AGM 2019
Senior Independent Director		
Jonathan Asquith	1 September 2019	AGM 2020
Non-executive Directors		
Vivek Ahuja	1 October 2024	–
Katie Bickerstaffe	1 October 2024	–
Catherine Bradley	4 January 2022	AGM 2022
John Devine	4 July 2016	AGM 2017
Hannah Grove	1 September 2021	AGM 2022
Cathleen Raffaeli	1 August 2018	AGM 2019
Pam Kaur	1 June 2022	AGM 2022
Michael O'Brien	1 June 2022	AGM 2022

Implementation of policy for non-executive Directors in 2025

The following table sets out abrdn non-executive Director fees to be paid in 2025. Fees for 2025 remain at the current level.

Role	2025 fees	2024 fees
Chair's fees[1]	**£475,000**	£475,000
Non-executive Director fee[2]	**£73,500**	£73,500
Additional fees:		
Senior Independent Director	**£25,000**	£25,000
Chair of the Audit Committee	**£30,000**	£30,000
Chair of the Risk and Capital Committee	**£30,000**	£30,000
Chair of the Remuneration Committee	**£30,000**	£30,000
Committee membership (Audit, Risk and Capital and Remuneration Committees)	**£17,500**	£17,500
Committee membership (Nomination Committee)	**£10,000**	£10,000
Employee engagement	**£15,000**	£15,000

1. The Chair's fees are inclusive of the non-executive Directors' core fees and no additional fees are paid to the Chair where he chairs, or is a member of, other committees/boards. The Chair is eligible to receive life assurance, which is a non-taxable benefit.
2. For non-executive Directors, individual fees are constructed by taking the core fee and adding extra fees for being the Senior Independent Director, chair or member of committees and/or subsidiary boards where a greater responsibility and time commitment is required.

Non-executive Directors' interests in shares (audited)

The following table shows the total number of abrdn plc shares held by each of the non-executive Directors and their connected persons:

	Total number of shares owned at 1 January 2024 or date of appointment if later	Shares acquired during the period 1 January 2024 to 31 December 2024	Total number of shares owned at 31 December 2024 or date of cessation if earlier
Sir Douglas Flint	**200,000**	–	**200,000**
Vivek Ahuja	–	–	–
Jonathan Asquith	**205,864**	–	**205,864**
Katie Bickerstaffe	**30,195**	–	**30,195**
Catherine Bradley[1]	**12,181**	–	**12,181**
John Devine	**52,913**	–	**52,913**
Hannah Grove	**33,000**	–	**33,000**
Pam Kaur	–	–	–
Michael O'Brien	**173,780**	–	**173,780**
Cathleen Raffaeli	**9,315**	–	**9,315**

1. Catherine Bradley stepped down from the Board effective 24 April 2024.

Sir Douglas Flint, as Chair, is subject to a shareholding guideline of 100% of the value of his annual fee in abrdn plc shares to be reached within four years of appointment. The total investment cost of Sir Douglas Flint's shareholding was £495k, equivalent to 104% of his annual fee.

The Remuneration Committee

Membership

During 2024, the Remuneration Committee was made up of independent non-executive Directors. For their names, the number of meetings and committee member attendance during 2024, please see the table on page 104.

The role of the Remuneration Committee

To consider and make recommendations to the Board in respect of the total remuneration policy across the Company, including:

– Rewards for the executive Directors, senior employees and the Chair.
– The design and targets for any employee share plan.
– The design and targets for annual cash bonus plans throughout the Company.
– Changes to employee benefit structures (including pensions) throughout the Company.

The Remuneration Committee's work in 2024

	Matters covered	Key outcomes
Jan–Mar	– 2023 Directors' remuneration report and Policy. – Updates from the Risk and Audit Committees on relevant matters for the Committee's consideration when determining pay outcomes. – Approve performance outcomes for 2023 Annual Bonus and 2021 LTIP. – Agree 2024 Annual Bonus scorecard measures and targets and 2024 LTIP measures and targets. – Review remuneration outcomes for the Material Risk Taker population.	– Published 2023 Directors' remuneration report for shareholder approval. – Established remuneration framework to incentivise executive Directors to deliver against company strategy, maintaining alignment with long-term shareholder value creation.
Apr–Jun	– Agree Jason Windsor's Interim CEO remuneration package. – Approve Stephen Bird's exit remuneration arrangements. – Review regulatory remuneration disclosures and documentation. – Assess implications of current external environment on executive pay, new executive director policies within the UK listed investment management industry and observations from the 2024 AGM season.	– Supported the launch of abrdn's CEO succession plan as part of the company's transformation. – Ensured company compliance with regulatory remuneration disclosure requirements. – Considered options for the implementation of Policy in 2025 and for Policy review in advance of being taken to shareholders for approval at the 2026 AGM.
Jul–Sep	– Mid-year review of performance against targets for annual bonus and in-flight LTIP awards for the executive Directors. – Remuneration decisions for senior employees within the Remuneration Committee's remit. – Approve Jason Windsor's CEO remuneration package.	– Tracked performance against financial and non-financial executive Director Annual Bonus scorecard targets as well as for in-flight LTIP awards. – Supported the appointment of abrdn's CEO.
Oct–Dec	– Update the Remuneration Committee and Compensation Committee's Terms of Reference. – Review gender and ethnicity pay gap data. – Review Group Remuneration Policy for 2025 implementation. – Review variable remuneration pool allocation principles and approve overall funding. – Review 2025 remuneration proposals.	– Ensured Group Remuneration Policy supports company's long-term strategy. – Determined funding available for variable remuneration and reviewed allocation principles, supporting the operation of a performance-driven culture.

At various points throughout the year the Remuneration Committee also:

– Made remuneration decisions for the Executive Leadership Team and other senior employees within the Remuneration Committee's remit.
- Considered and approved the design of special incentive schemes in different business areas.
- Considered and approved employee regulatory classifications and statutory and regulatory disclosures on remuneration matters.
– Received updates relating to regulatory changes and market best practice.
– Reviewed minutes of subsidiary Committee meetings and their governance documents.

External advisers

During the year, the Remuneration Committee took advice from PwC LLP (a member of the Remuneration Consultants Group (RCG)) who were appointed by the Remuneration Committee after a retender process was conducted in 2022, as disclosed in the Annual report and accounts 2022 on page 118. As PwC LLP is a member of the RCG, the Remuneration Committee is satisfied that the advice given from PwC LLP during the year was objective and independent. The remuneration advisers do not have connections with abrdn that might impair their independence.

A representative from our external adviser attends, by invitation, all Remuneration Committee meetings to provide information and updates on external developments affecting remuneration as well as specific matters raised by the Remuneration Committee. Outside the meetings, the Remuneration Committee's Chair seeks advice on remuneration matters on an ongoing basis. As well as advising the Remuneration Committee, PwC LLP also provided tax, accounting support, risk management, consultancy and assurance services to the Company during the year.

Fees paid to PwC LLP during 2024 for professional advice to the Remuneration Committee were £126,300.

Where appropriate, the Remuneration Committee receives input from the Chair, Chief Executive Officer, Chief Financial Officer, Chief People Officer, Global Head of Reward and the Chief Risk Officer. This input never relates to their own remuneration. The Remuneration Committee also receives input from the Risk and Capital Committee and the Audit Committee.

Remuneration Committee effectiveness

The Remuneration Committee reviews its remit and effectiveness each year. The 2024 review was conducted internally, on behalf of the Board, by the Company Secretary. As part of the review the views of the Board were sought on the performance of the Remuneration Committee and how Directors felt they were updated on its activities following each meeting. This is supplemented by any matters a Director wish to raise as part of their year-end 1:1 discussion with the Chair.

The review concluded that the Remuneration Committee continued to operate effectively during 2024 with no material issues or concerns raised. The main areas in which the Remuneration Committee looked to see continued improvement in 2025 were in relation to the insight and brevity of materials presented. More information about the process involved, and its outcomes, can be found on page 101.

Shareholder voting

We remain committed to ongoing shareholder dialogue and take an active interest in voting outcomes.

The Policy was last subject to a vote at the 2023 AGM on 10 May 2023 and the following table sets out the outcome.

Policy 2023 AGM	For	Against	Withheld
% of total votes	94.29%	5.71%	
No. of votes cast	675,020,934	40,860,480	189,168,584

The Directors' remuneration report was subject to a vote at the 2024 AGM on 24 April 2024 and the following table sets out the outcome.

2023 Directors' Remuneration Report	For	Against	Withheld
% of total votes	86.83%	13.17%	
No. of votes cast	540,767,951	82,055,677	180,082,555

Directors' report

The Directors present their annual report on the affairs of the abrdn group of companies (the Group), together with the audited International Financial Reporting Standards (IFRS) consolidated financial statements for the Group, financial information for the Group and financial statements for abrdn plc (the Company) for the year ended 31 December 2024.

For clarity, some of the matters that would otherwise have been included in the Directors' report have been included in the Strategic report on pages 2 to 85, as the Board considers they fit better within that report. Specifically, these are:

- Future business developments.
- Risk management.
- Our approach to managing, and reporting, on our global greenhouse gas emission impact(s).
- Information on how the Directors have had regard for the Company's stakeholders (also covered in the Corporate governance statement on pages 95 and 96).
- Information on our people including employee engagement, diversity and inclusion, and talent and reward (details of the Board's diversity statement can be found in the Corporate governance statement on page 99).

Reporting for the year ended 31 December 2024

During 2024, the Group operated primarily in the UK, rest of Europe, Asia and the Americas. More information about the relevant activities of the Company's principal subsidiary undertakings are in the Strategic report on pages 2 to 85.

The Chief Executive Officer's overview in the Strategic report outlines the main trends and factors likely to affect the future development, performance and position of the Group. Reviews of the operating and financial performance of the Group for the year ended 31 December 2024 are also given in the Strategic report.

The Chair's statement, the Directors' responsibility statement and the Corporate governance statement form part of this Directors' report. The Corporate governance statement on pages 92 to 141 is submitted by the Board.

The results of the Group are presented in the Group financial statements on pages 169 to 269. A detailed description of the basis of preparation of the IFRS results (including adjusted profit) is set out in the Group financial statements section. The Group uses derivative financial instruments in the normal course of its business and information covering these instruments and related financial risk management matters can be found in Note 18 and Note 34 to the Group financial statements. These notes are incorporated into this report by reference.

This report forms part of the management report for the purposes of the Disclosure Guidance and Transparency Rules (DTR 4.1.8R) of the Financial Conduct Authority (FCA).

Dividends

The Board recommends paying a final dividend for 2024 of 7.3p per ordinary share. This will be paid on 13 May 2025 to shareholders whose names are on the register of members at the close of business on 28 March 2025, subject to shareholder approval at the 2025 AGM.

The total payment is estimated at £130m for the final dividend and together with the interim dividend of 7.3p per share totalling £130m paid on 24 September 2024, the total dividend for 2024 will be 14.6p per share (2023: 14.6p) totalling £260m (2023: £267m).

Share capital

The Company's issued share capital as at 31 December 2024 comprised a single class of ordinary share. Full details of the Company's share capital, including movements in the Company's issued ordinary share capital during the year, are in Note 24 to the Group financial statements, which is incorporated into this report by reference. An analysis of registered shareholdings by size, as at 31 December 2024, can be found in the Shareholder information section on page 310.

As at 31 December 2024, there were 1,840,742,629 ordinary shares in issue held by 81,329 registered members. The abrdn Share Account (the Company-sponsored nominee) held 613,561,526 of those shares on behalf of 834,638 participants. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Between 1 January 2024 and the date this report was signed, the Company received the following notifications in respect of major shareholdings and major proportions of voting rights in accordance with the Disclosure Guidance and Transparency Rules of the FCA:

Shareholder	Date of transaction	Type of transaction	Number of voting rights following the transaction	Percentage of voting rights following the transaction
Blackrock Inc	15 April 2024	Disposal of voting rights	138,496,903	7.50%
Blackrock Inc	17 April 2024	Disposal of voting rights	137,987,695	7.48%
Blackrock Inc	31 May 2024	Disposal of voting rights	Below 5%	Below 5%
Blackrock Inc	26 June 2024	Acquisition of voting rights	92,051,362	5%
Blackrock Inc	27 June 2024	Disposal of voting rights	Below 5%	4.96%
Blackrock Inc	22 August 2024	Acquisition of voting rights	92,052,418	5%
Blackrock Inc	23 August 2024	Disposal of voting rights	Below 5%	Below 5%
Blackrock Inc	4 September 2024	Acquisition of voting rights	92,093,766	5%

In accordance with the terms of the abrdn Employee Trust (formerly named the Standard Life Employee Trust) Deed, the trustees waived all entitlements to current or future dividend payments for shares they hold.

Similarly, in accordance with the terms of The Aberdeen Asset Management Employee Benefit Trust 2003 and The abrdn Employee Benefit Trust 2019 (formerly named the Standard Life Aberdeen Employee Benefit Trust 2019), the trustees waived all entitlements to current or future dividend payments for shares they hold other than dividends payable on any shares held by the trustee as nominee for any other person.

The trustees of the abrdn plc (Employee) Share Plan voted the appropriate shares in accordance with any instructions received from participants in the plan.

Restrictions on the transfer of shares and securities

Except as listed below, there are no specific restrictions on the size of a holding or on the transfer of shares. Both are governed by the general provisions of the Company's articles of association (the Articles) and current legislation and regulation. There are no restrictions on voting rights.

A copy of the Articles can be obtained from Companies House or by writing to the Company Secretary at our registered address (details of which can be found in the Contact us section). The Articles may only be amended by a special resolution passed by the shareholders.

The Articles are on our website at www.abrdn.com/en-gb/corporate/about-us/governance

The Board may decline to register the transfer of:

- A share that is not fully paid.
- A certificated share, unless the instrument of transfer is duly stamped or duly certified and accompanied by the relevant share certificate or other evidence of the right to transfer, is in respect of only one class of share and is in favour of a sole transferee or no more than four joint transferees.
- An uncertificated share, in the circumstances set out in the uncertificated securities rules (as defined in the Articles) and, in the case of a transfer to joint holders, where the number of joint holders to whom the share is to be transferred does not exceed four.
- A certificated share by a person with a 0.25 per cent interest (as defined in the Articles) in the Company, if that person has been served with a restriction notice under the Articles, after failing to provide the Company with information about interests in those shares as set out in the Companies Act 2006 (unless the transfer is shown to the Board to be pursuant to an arm's length sale under the Articles).

These restrictions are in line with the standards set out in the FCA's UK Listing Rules and are considered to be standard for a listed company.

The Directors are not aware of any other agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Rights attached to shares

Subject to applicable statutes, any resolution passed by the Company under the Companies Act 2006 and other shareholders' rights, shares may be issued with such rights and restrictions as the Company may decide by ordinary resolution, or (if there is no such resolution or if it does not make specific provision) as the Board may decide. Subject to the Articles, the Companies Act 2006 and other shareholders' rights, unissued shares are at the disposal of the Board.

Every member and duly appointed proxy present at a general meeting or class meeting has one vote on a show of hands, provided that where a proxy is appointed by more than one shareholder entitled to vote on a resolution and is instructed by one shareholder to vote 'for' the resolution and by another shareholder to vote 'against' the resolution, then the proxy will be allowed two votes on a show of hands – one vote 'for' and one vote 'against'. On a poll, every member present in person or by proxy has one vote for every share they hold. For joint shareholders, the vote of the senior joint shareholder who tenders a vote, in person or by proxy, will be accepted and will exclude the votes of the other joint shareholders. For this purpose, seniority is determined by the order that the names appear on the register of members for joint shareholders.

A member will not be entitled to vote at any general meeting or class meeting in respect of any share they hold if any call or other sum then payable by them for that share remains unpaid or if they have been served with a restriction notice (as defined in the Articles) after failing to provide the Company with information about interests in those shares required to be provided under the Companies Act 2006.

The Company may, by ordinary resolution, declare dividends up to the amount recommended by the Board. Subject to the Companies Act 2006, the Board may also pay an interim dividend, and any fixed rate dividend, whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, it is not liable to holders of shares with preferred or pari passu rights for losses that arise from paying interim or fixed dividends on other shares.

The Board may withhold payment of all or part of any dividends or other monies payable in respect of the Company's shares from a person with a 0.25 per cent interest (as defined in the Articles) if that person has been served with a restriction notice (as defined in the Articles) after failure to provide the Company with information about interests in those shares, which is required under the Companies Act 2006.

Subject to the Companies Act 2006, rights attached to any class of shares may be varied with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares held as treasury shares). These rights can also be varied with the approval of a special resolution passed at a separate general meeting of the holders of those shares. At every separate general meeting (except an adjourned meeting) the quorum shall be two persons holding, or representing by proxy, not less than one-third in nominal value of the issued shares of the class (calculated excluding any shares held as treasury shares).

A shareholder's rights will not change if additional shares ranking pari passu with their shares are created or issued – unless this is expressly provided in the rights attaching to their shares.

Power to purchase the Company's own shares

At the 2024 Annual General Meeting (AGM), shareholders granted the Directors limited powers to:

- Allot ordinary shares in the Company up to a maximum aggregate amount of £51,423,866.
- Disapply, up to a maximum total nominal amount of £38,567,899 of its issued ordinary share capital, shareholders' pre-emption rights in respect of new ordinary shares issued for cash.
- Make market purchases of the Company's ordinary shares up to a maximum of 92,037,035 of its issued ordinary shares which represented 5% of the share capital at the time.

Significant agreements

Certain significant agreements to which the Company, or one of its subsidiaries, is party entitle the counterparties to exercise termination or other rights in the event of a change of control of the Company. These agreements are noted in the paragraphs below.

Credit Facility

Under a £400m revolving credit facility between the Company and the banks and financial institutions named therein as lenders (Lender) dated 5 February 2025 (the Facility), in the event that any persons or group of persons acting in concert, gain control of the Company, then any Lender may elect within a prescribed time frame to cancel its outstanding commitment under the Facility and declare its participation in all outstanding loans, together with accrued interest and all amounts accrued, immediately due and payable, whereupon the commitment of that Lender under the Facility will be cancelled and all such outstanding amounts will become immediately due and payable.

China

Under a joint venture agreement dated 12 October 2009 (as amended) between the Company and Tianjin TEDA International Holding (Group) Co. Limited (TEDA), pursuant to which the Company holds its interest in Heng An Standard Life Insurance Company Limited (Heng An Standard Life), upon a change of control of the Company, TEDA has the right to terminate the venture and to purchase, or nominate a third party to purchase, the Company's shares in Heng An Standard Life for a price determined in accordance with the agreement.

Other agreements

A number of other agreements contain provisions that entitle the counterparties to exercise termination or other rights in the event of a change of control of the Company. However, these agreements are not considered to be significant in terms of their likely impact on the business of the Group as a whole.

The Directors are not aware of any agreements with any employee that would provide compensation for loss of office or employment resulting from a takeover. The Company also has no agreement with any Director to provide compensation for loss of office or employment resulting from a takeover.

Appointment and retirement of Directors

The appointment and retirement of Directors is governed by the Articles, the Companies Act 2006, the UK Corporate Governance Code and related legislation.

Catherine Bradley stepped down from the Board on 24 April 2024 and Stephen Bird stepped down on 24 May 2024.

As announced, Pam Kaur will not stand for re-election at the 2025 AGM on 8 May 2025 and will stand down from the Board from that date.

Katie Bickerstaffe and Vivek Ahuja were appointed to the Board on 1 October 2024 and will stand for election at the 2025 AGM.

All remaining Directors as at the date of the 2025 AGM, will retire and stand for election or re-election.

The powers of the Directors can also be found in the Articles.

Directors and their interests

The Directors who served during the year, and up to the date the report was signed were:

Sir Douglas Flint (Chair)	Catherine Bradley[2]
Stephen Bird[1]	John Devine
Jason Windsor	Hannah Grove
Jonathan Asquith	Pam Kaur
Vivek Ahuja[3]	Michael O'Brien
Katie Bickerstaffe[3]	Cathi Raffaeli

1. Retired 24 May 2024.
2. Retired 24 April 2024.
3. Appointed 1 October 2024.

Biographies of the current Directors can be found on pages 88 to 91.

Details of the Directors' interests in the Company's ordinary shares, the abrdn plc (Employee) Share Plan, the abrdn Sharesave Plan and the share-based discretionary plans are set out in the Directors' remuneration report together with details of the executive Directors' service contracts and non-executive Directors' appointment letters.

No Director has any interest in the Company's listed debt securities or in any shares, debentures or loan stock of the Company's subsidiaries. No Director has any material interest in any contract with the Company or a subsidiary undertaking which was significant in relation to the Company's business, except for the following:
- The benefit of a continuing third party indemnity provided by the Company (in accordance with company law and the Articles).
- Service contracts between each executive Director and subsidiary undertakings (Aberdeen Corporate Services Limited and abrdn Holdings Limited).

Copies of the following documents can be viewed at the Company's registered office (details of which can be found in the Contact us section) during normal business hours (9am to 5pm Monday to Friday) and are available for inspection at the Company's AGM:
- The Directors' service contracts or letters of appointment.
- The Directors' deeds of indemnity, entered into in connection with the indemnification of Directors' provisions in the Articles.
- The rules of the abrdn plc Executive Long-Term Incentive Plan.
- The rules of the abrdn plc Deferred Share Plan.
- The Company's Articles.

Directors' liability insurance

During 2024, the Company maintained directors' and officers' liability insurance on behalf of its Directors and officers to provide cover should any legal action be brought against them. The Company also maintained pension trustee liability indemnity policies (which includes third party indemnity) for the boards of trustees of the UK and Irish staff pension schemes where required to do so.

Our people

Our people are central to delivering our strategy, and we are focused on helping them thrive.

More on our people strategy can be found in the Strategic report section of this report.

Communicating with and engaging employees

During 2024 we have focused activity across colleague experience on a refreshed connection and commitment, creating a line of sight for colleagues at all levels, supported by powerful storytelling and robust feedback mechanisms. We inform and engage colleagues on key topics through a regular drum beat of messaging, from strategy and external context, to day-to-day activity that supports our business.

To further improve transparency and embed new leadership, we have created more opportunity to create dialogue between colleagues and leaders, with listening at the heart. Smaller conversational group sessions support our intentional focus on building a tone of openness and honesty, where leaders talk with our people, share context and thinking, hear their questions and respond in real time.

2024 also saw the introduction of our Colleague Council, a new group of colleagues who represent global colleague voice. With their help, we have listened closely to our colleagues using their input to continuously shape our activity. The first mission of our Colleague Council was input to help shape our Pulse survey, ensuring we are hearing from colleagues on the topics of greatest importance.

'Engage', our technology tool enabling colleagues to have direct and open communication with each other and leadership teams across the business, has grown in usage and momentum through 2024. A popular new feature is #RingTheBell, new functionality where colleagues can share wins and client news.

Our in-house 'abrdn awards' gained momentum in its second year, reinforcing our culture commitments and supporting positive change. Colleagues have the opportunity to be recognised for excellence and contribution both to abrdn and our clients and for the work they do in their wider communities and with charities they support outside the organisation. Our 'Praise Board' also continues to be well used for 'in the moment' peer recognition.

Colleagues made good use of our new abrdn IDEAS scheme, launched in 2024 as a streamlined way of surfacing ideas to be assessed and actioned, with the aim of simplifying our business to deliver for our clients.

We continue to support our performance culture – guiding leaders and colleagues through meaningful conversations including mid and end of year reviews. To provide increased consistency and clarity and highlight new opportunities for career growth, we launched our Career Framework, with globally consistent and transparent career families and levels. Leaders used the Career Framework to have quality development conversations with their teams in 2024 and we will continue to build on this through embedding further in 2025.

Diversity, equity and inclusion

Disability statement

We have specific policies to ensure that colleagues with disabilities face no discrimination or obstacles in relation to job applications, training, promotion and career development. Reasonable adjustments are also made to train and enable employees who become disabled to allow them to continue and progress in their career.

In 2024 abrdn became a Disability Confident employer under the UK Government's scheme. Although we had always offered candidates the ability to make adjustments they needed to our recruitment process for their disability, by joining this scheme we further committed to visibly removing barriers for people with disabilities. We revised the diversity statement on our interview letters and templates to include specific wording and guidance for candidates with a disability or who are neurodivergent.

DEI policy, how it is implemented, progress made against it

To complement the Board's formal diversity statement **www.abrdn.com/corporate/about-us/governance**, the Executive Leadership Team put in place a Global Diversity, Equity and Inclusion policy in 2019 **www.abrdn.com/corporate/about-us/diversity-and-inclusion**. The policy affirms that diversity, equity and inclusion remain fundamental pillars supporting all our decisions.

The Company supports the principle that the best person should be appointed to a role based on individual merit. Due regard should be given to the benefits of diversity (defined below), and recognises the positive impact that diverse teams and strong culture have on performance.

We define diversity in its broadest sense and support a culture that values fairness and transparency. This is at the heart of our cultural Commitments. We support the right of all people (colleagues, workers, candidates, customers, clients, and third parties) to be treated with respect and dignity. Our targets and related actions clearly align to our two core priorities of Gender and Ethnicity. We are taking meaningful actions in both the short and medium term to drive sustainable change within our business.

In 2024, we introduced a new target for 6% of UK senior leadership representation to identify as minority ethnic by 2027. Already we have seen strong progress, momentum, and are on track for this target. This has been in addition to our increased disclosure among colleagues for race and ethnicity data. Our Sustainability and TCFD report 2024 alongside our Pay Gap report describes our progress, priorities, and additional detail against our DEI ambition and plan. Our 2024 report can be found on our website at **www.abrdn.com/annualreport**

Progress against our diversity, equity and inclusion ambition and plan is reviewed twice a year by the Nomination and Governance Committee.

Gender representation

Gender Diversity	31 December 2024	Target by 2025
Women at plc Board	40% (4 of 10)	40% women
Women in senior leadership[1]	40% (37 of 93)	40% women
Women in global workforce[2]	43% (1,898 of 4,396)	50% (+/- 3% tolerance)

1. Relates to leaders one and two levels below the Chief Executive Officer, including Company Secretary, excluding administration roles, and individuals on garden leave.
2. 24 colleagues without gender data on our people system are excluded from the headcount data.

Ethnicity recommendations

As evidence of our commitment to ethnic diversity, we introduced an ethnicity target for the first time which took effect on 1 January 2021, following the recommendations of the Sir John Parker review. Since 2019 we have met the recommendation to have at least one Board member who identifies as ethnic minority. The Board Charter mandates appointments to be based on merit, with due consideration given to the Board's gender and ethnicity balance.

Sustainability

Building a sustainable business helps us to achieve our purpose: to enable our clients to be better investors. Sustainability is not only about managing risks, but also capturing opportunities.

We aim to consider sustainability when determining our corporate strategy and commercial initiatives. Our disclosure is aligned to recognised guidance frameworks and seeks to consider the interests of our various stakeholders. We support our clients and customers in managing the long-term risks and opportunities associated with the environmental transition and inclusive growth.

Political donations

The Company has a long-standing policy of not making political donations. The Company has limited authorisation from shareholders to make political donations and incur political expenditure. This is requested as a precaution against any inadvertent breach of political donations legislation. While abrdn has regular interaction with government and elected politicians in the UK and other jurisdictions in which we operate, we are strictly apolitical.

Auditors

The Audit Committee is responsible for considering the Group's external audit arrangements. Resolutions proposing the re-appointment of KPMG LLP as auditors of the Company and giving authority to the Audit Committee to determine their remuneration will be submitted at the 2025 AGM.

Disclosure of information to the auditors

The Directors who held office at the date of the approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Annual General Meeting

The 2025 AGM is scheduled to take place on 8 May 2025 in Edinburgh. Details of the meeting content can be found in our AGM guide 2025. The AGM guide and other materials will be published online at **www.abrdn.com** in advance of this year's AGM.

Post balance sheet events

There have been no material events occurring between the balance sheet date and the date of signing this report.

Other information

Under UK Listing Rule (UKLR) 6.6.4.R, a listed company must include all information required by UKLR 6.6.4.R in a single identifiable location or cross-reference table. For the purposes of UKLR 6.6.4.R, the information required to be disclosed can be found in the following locations. All the relevant information cross-referenced below is hereby incorporated by reference into this Directors' report.

	Location		
Topic	**Directors' report**	**Directors' remuneration report**	**None/ Not applicable**
Interest capitalised			x
Publication of unaudited financial information in a class 1 circular or in a prospectus, other than in accordance with Annexes 1 and 2 of the FCA's Prospectus Rules			x
Details of long-term incentive schemes		x	
Waiver of emoluments by a Director			x
Waiver of future emoluments by a Director			x
Non pre-emptive issues of equity for cash			x
Non pre-emptive issues of equity for cash in relation to major subsidiary undertakings			x
Parent participation in a placing by a listed subsidiary			x
Contracts of significance			x
Provision of services by a controlling shareholder			x
Shareholder waivers of dividends	x		
Shareholder waivers of future dividends	x		
Agreements with controlling shareholders			x

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and financial position, are set out in the Strategic report. This includes details on our liquidity and capital management and our viability statement in the Chief Financial Officer's overview section and our principal risks in the Risk management section. The Group financial statements include additional information relating to going concern in the basis of preparation section on page 178.

The Group continues to meet group and individual entity capital requirements and day-to-day liquidity needs. The Company has a revolving credit facility of £400m as part of our contingency funding plans and this is due to mature in 2028. The Group has considerable financial resources together with a diversified business model, with a spread of business and geographical reach. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries and having assessed the principal risks and all other available information, the Directors are satisfied that the Group and Company have and will maintain sufficient resources to enable them to continue operating for at least 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. There are no material uncertainties relating to this going concern conclusion. In addition, the Directors have assessed the Group's viability over a period of three years.

The Directors' report was approved by the Board and signed on its behalf by:

Iain Jones
Company Secretary

3 March 2025

Statement of Directors' responsibilities in respect of the Annual report and the financial statements

The Directors are responsible for preparing the Annual report and accounts and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the Group's profit or loss for that period. In preparing each of the Group and Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable, relevant and reliable.
- For the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards.
- For the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements.
- Assess the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate governance statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The Strategic report and Directors' report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

Sir Douglas Flint
Chair

3 March 2025

Jason Windsor
Chief Executive Officer

3 March 2025

Financial information

Contents

How to navigate our Group financial statements

The Group's significant **accounting policies** are included at the beginning of the relevant notes to the Group financial statements with this background colour. Critical judgements in applying accounting policies are summarised in the Presentation of consolidated financial statements section which follows the primary financial statements. Accounting policies that are relevant to the financial statements as a whole are also set out in that section.

The Group's critical **accounting estimates** and assumptions are summarised in the Presentation of consolidated financial statements section which follows the primary financial statements. Further detail on these critical accounting estimates and assumptions is provided in the relevant note with this background colour.

Independent auditor's report to the members of abrdn plc

1. Our opinion is unmodified

In our opinion:

- The financial statements of abrdn plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as of 31 December 2024, and of the Group's profit for the year then ended.
- The Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards.
- The Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework.
- The Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of abrdn plc (the Company) for the year ended 31 December 2024 (2024) included in the Annual report and accounts, which comprise:

Group	Parent Company (abrdn plc)
Consolidated income statement Consolidated statement of comprehensive income Consolidated statement of financial position Consolidated statement of changes in equity Consolidated statement of cash flows Notes 1 to 42(a) and 43 to the Group financial statements, including the accounting policies in those notes and in the Presentation of consolidated financial statements section.	Company statement of financial position Company statement of changes in equity Notes A to R to the Parent Company financial statements, including the accounting policies in the Company accounting policies section.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee (AC).

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

KPMG

2. Overview of our audit

Factors driving our view of risks

Following our prior year (2023) audit and considering developments affecting the abrdn plc Group since then, we have updated our risk assessment.

Much of the uncertainty in the macro-economic environment that existed at the end of 2023 remains. Continued performance challenges within the Investments business have negatively contributed to fee-based revenue during the financial year. This has been offset by continued growth in ii profits and the impact of group wide cost savings from the transformation programme announced on 24 January 2024.

Overall, fee-based revenue has fallen slightly year on year and our materiality levels have fallen to reflect this. Our consideration in respect of Key Audit Matters identified are consistent with the prior year and are explained below.

During 2023, given the challenging global economic environment as well as the Group's wider financial performance, we identified that there was a significant risk around the recoverability of certain of the Group's goodwill balances and certain of the Parent Company's investments in subsidiaries.

As there continues to be market uncertainty and performance challenges for the Group, we have again identified a significant risk in these areas for 2024. Due to impairments of certain goodwill balances in the prior years, in the current year the risk relates to the recoverability of ii goodwill only.

Given the substantial size of the carrying value of the Parent Company's investment in abrdn Holdings Limited ("aHL") and the ongoing performance challenges faced by the Investments business, we continue to recognise a significant risk regarding the recoverability of this balance. In line with our considerations of the ii goodwill balance, we have also identified a significant risk in relation to the carrying value of the Parent Company's investment in ii. We have not identified a significant risk over any other parent company investment in subsidiary balances due to the limited estimation uncertainty associated with these recoverable values. Due to the performance of the ii business in the year we believe that this risk of impairment has reduced compared to last year for both the Group goodwill and Parent Company investment in subsidiary balances.

As part of our risk assessment, we maintained our focus on future economic and operational assumptions used by the Group in its accounting estimates. The most significant area that these could impact the financial statements (outside of goodwill and investment in subsidiaries as noted above) is in the valuation of the defined benefit pension obligation. As a result, this continues to be a Key Audit Matter.

Key audit matters	vs 2023	Item
Recoverability of the ii goodwill (Group) and of certain of the parent company's investments in subsidiaries (Parent company)	↓	4.1
Valuation of the principal UK defined benefit pension scheme present value of funded obligation (Group)	←→	4.2
Revenue recognition: management fee revenue from contracts with customers	←→	4.3

Factors driving our view of risks *continued*

The Group has a number of revenue streams. The area of revenue which had the greatest effect on our overall Group audit and audit effort in the current period is management fee income (institutional, retail wealth and insurance partners), including associated rebates of investment management fees. The nature of, and approach to calculating, management fees and rebates has remained consistent year on year, while market volatility and uncertainty continue to drive a revenue focus for users of the financial statements.

While not reported as Key Audit Matters, we also identified that the Group's ongoing cost transformation programme and corporate transactions would have financial reporting implications that would require consideration in the Group and Parent Company financial statements.

Audit Committee interaction

During the year, the AC met six times. KPMG are invited to attend all AC meetings and are provided with an opportunity to meet with the AC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the AC in section 4, including matters that required particular judgment for each.

The matters included in the Audit Committee Chair's report on pages 105 – 113 are materially consistent with our observations of those meetings.

Our Independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during 2024 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the year ended 31 December 2017. The period of total uninterrupted engagement is for the eight financial years ended 31 December 2024.

The Group engagement partner is required to rotate every 5 years. As these are the third set of the Group's financial statements signed by Richard Faulkner, he will be required to rotate off after the FY26 audit.

The average tenure of component engagement partners is 2.5 years, with the shortest being 1 year and the longest being 5 years.

Total audit fee	£7.5m
Audit related fees (including interim review)	£2.7m
Other services	£0.9m
Non-audit fee as a % of total audit and audit related fee %	9%
Date first appointed	16 May 2017
Uninterrupted audit tenure	8 years
Next financial period which requires a tender	FY27
Tenure of Group engagement partner	3 years
Average tenure of component engagement partners	2.5 year

Materiality (item 6 below)

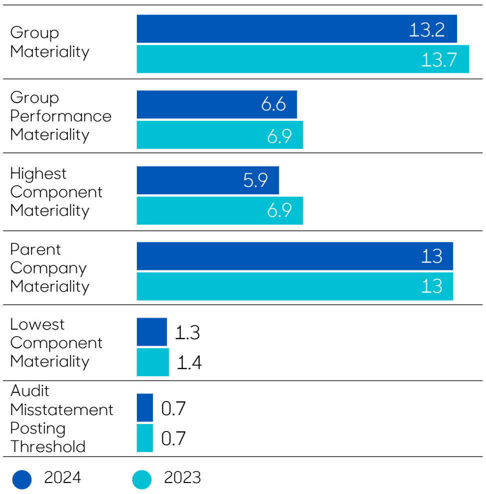
The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group financial statements as a whole at £13.2m (2023: £13.7m) and for the Parent Company financial statements as a whole at £13.0m (2023: £13.0m).

Consistent with 2023, we determined that total revenue from contracts with customers remains the benchmark for the Group as underlying performance is such that a normalised profit benchmark would indicate materiality which is inappropriate for the size and scale of the Group. As such, we based our Group materiality on total revenue, of which it represents 1.0% (2023: 0.9%).

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company total assets, limited to be no more than materiality for the group financial statements as a whole. It represents 0.2% (2023: 0.2%) of the stated benchmark.

Materiality levels used in our audit



KPMG

Group Scope (Item 7 Below)

We have performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, what audit procedures to perform at these components and the extent of involvement required from our component auditors around the world.

In total, we identified 313 components, having considered our evaluation of the Group's operational and legal structure and our ability to perform audit procedures centrally.

Of those, we identified 7 quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures. Of these, one component was also identified as requiring special audit consideration, owing to the Group risk relating to the UK Defined Benefit pension scheme residing in the component.

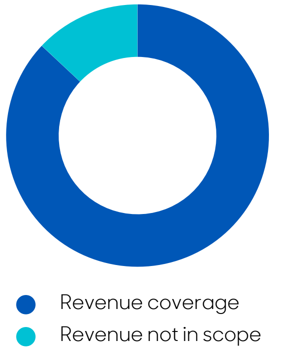
Additionally, having considered qualitative and quantitative factors, we selected 10 components with accounts contributing to the specific risks of material misstatement of the Group financial statements.

For the remaining components for which we performed no audit procedures, we performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

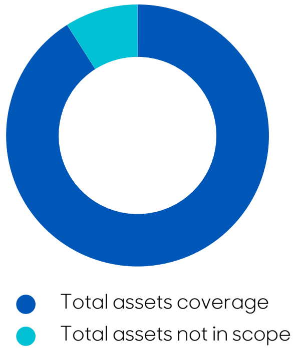
We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

Coverage of Group financial statements

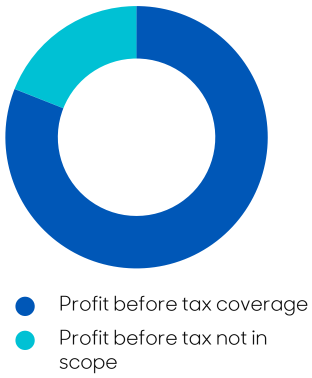
Our audit procedures covered 86% of Group revenue from contracts with customers:



Our audit procedures covered 91% of Group total assets:



Our audit procedures covered 81% of Group profit before tax:



The impact of climate change on our audit	In planning our audit we have considered the potential impacts of climate change on the Group's business and its financial statements. Climate change impacts the Group in a number of ways including the impact of climate risk on investment valuations, potential reputational risk associated with the Group's delivery of its climate related initiatives, and greater emphasis on climate related narrative and disclosure in the annual report. The Group's direct exposure to climate change in the financial statements is primarily through its investment holdings, as the key valuation assumptions and estimates may be impacted by climate risks. As part of our audit, we have made enquiries of Directors and the Group's Corporate Sustainability team to understand the extent of the potential impact of climate change risk on the Group's financial statements and the Group's preparedness for this. We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit, in particular with respect to investment holdings. We consider that the impact of climate risk on level 1 and level 2 investments is already reflected in the market prices used to value these holdings at year end. As such, the impact of climate change was limited to the valuation of level 3 investment holdings; taking into account the relative size of the level 3 investments balance, we assessed that the impact of climate change was not a significant risk for our audit nor does it constitute a key audit matter. We did not consider the potential impact of climate change on the sustainability of earnings or cashflow forecasts to be material. We held discussions with our own climate change professionals to challenge our risk assessment. We have also read the Group's disclosure of climate related information in the front half of the Annual report and accounts as set out on pages 42 to 63 and considered consistency with the financial statements and our audit knowledge.

3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (the going concern period).

Going Concern

We used our knowledge of the Group, its industry and operating model, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and the Parent Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Parent Company's available financial resources over this period was increased market volatility leading to reduced revenue for the Group.

We considered whether this risk could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's and Parent Company's current and projected cash and facilities (a reverse stress test). We also assessed the completeness of the going concern disclosure.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in note (a)(r) to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group's and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note (a)(r) to be acceptable; and
- The related statement under the Listing Rules set out on page 148 is materially consistent with the financial statements and our audit knowledge.

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:
- The Directors' confirmation within the Viability statement on page 80 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- The Risk Management disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- The Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement set out on page 80 under the Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:
- The overall audit strategy.
- The allocation of resources in the audit.
- Directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our findings from those procedures in order that the Company's members, as a body, may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Recoverability of certain goodwill (Group) and of certain of the Parent Company's investments in subsidiaries (Parent Company)

Financial Statement Elements	2024	2023	Our assessment of risk vs 2023	Our findings
Goodwill – ii:	**£819m**	£819m	↓ Due to impairments in previous years, the risk associated with the recoverability of Goodwill and Investment in Subsidiary balances has declined. Furthermore, the increased level of headroom on the interactive investor ('ii') goodwill investment in subsidiary indicates that there is a reduced risk of impairment on these balances.	**2024: Balanced** 2023: Balanced
Investment in subsidiaries – ii:	**£1,512m**	£1,512m		
Investment in subsidiaries – aHL:	**£1,113m**	£1,228m		

Description of the Key Audit Matter

The results in the Investments business have been impacted by the external market environment in addition to wider performance challenges. The abrdn Holdings Limited ("aHL") subsidiary is the most material contributor to that business and has been impaired in the current year by £15m. The performance of the ii business is also very material to the Group, given the size of the associated goodwill and investment in subsidiary balances that arose on acquisition. Further, the net assets attributable to equity holders of the Parent Company and overall Group significantly exceeded the Group's market capitalisation at the balance sheet date.

These factors mean there is a heightened risk associated with the recoverability of the associated Parent Company investment in the ii and aHL subsidiaries and, in relation to ii, the goodwill balance allocated to the corresponding cash generating unit (CGU) in the Group financial statements.

In the prior year, this Key Audit Matter included recoverability of the goodwill and investment in subsidiary balance associated with the Financial Planning business. The impairments recognised in the prior and current periods have reduced the carrying value of these balances to a level at which we have determined that the recoverability of the balances is no longer part of the Key Audit Matter.

Our response to the risk

We performed the procedures below rather than seeking to rely on any of the Group's controls because the nature of the balances are such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures included:

Our sector expertise: We critically assessed the Group's assessment of whether there were any impairment indicators for the Parent Company's investment in subsidiaries, including comparing the carrying value of Parent Company's net assets with the Group's market capitalisation and considering the subsidiaries' business performance.

Our valuation expertise: Using our own valuation specialists, we assessed the appropriateness of the Group's FVLCD methodology and the appropriateness of the input assumptions used in calculating the FVLCD of the CGUs to which certain goodwill is allocated and of certain of the Parent Company's investment in subsidiaries.

Goodwill and investment in subsidiaries – subjective estimate
Goodwill is tested for impairment at least annually whether or not indicators of impairment exist. For goodwill, the impairment assessment is performed by comparing the carrying amount of each CGU or group of CGUs to which goodwill is allocated with its recoverable amount being the higher of its value in use (VIU) or fair value less costs of disposal (FVLCD). Similarly, for investments in subsidiaries the carrying value of the investment in the subsidiary is compared with the recoverable amount of that investment being the higher of its VIU or FVLCD.

In determining the FVLCD, the key assumptions are forecast cash flows, market multiples (including applicable premiums/discounts) and discount rates (as applicable).

The resulting recoverable amounts, in particular for the CGU and investments in subsidiaries set out above, are subjective due to the inherent uncertainty in determining these assumptions and are therefore also susceptible to management bias.

The effect of these matters is that, as part of our risk assessment, we determined that the recoverable amount of the ii goodwill and certain investments in subsidiaries have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole and possibly many times that amount. The financial statements (notes 13 and A) disclose the sensitivity estimated by the Group and Parent Company.

Benchmarking assumptions: We compared the Group's assumptions to externally derived data in relation to key inputs such as market multiples and discount rates.

Sensitivity analysis: We performed our own sensitivity analysis which included assessing the effect of reasonable alternative assumptions in respect of forecast cash flows, market multiples (including applicable premiums/discounts) and discount rates (as applicable) to evaluate the impact on the FVLCD of the CGUs to which certain goodwill is allocated and of certain of the Parent Company's investment in subsidiaries.

Assessing transparency: We assessed whether the Group's disclosures (in respect of goodwill) and the Parent Company's disclosures (in respect of investment in subsidiaries) about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflect the risks inherent in the recoverable amount of goodwill and investment in subsidiaries.

Communications with the abrdn plc Audit Committee
Our discussions with and reporting to the Audit Committee included:
- Our definition of the key audit matter relating to the recoverability of the ii goodwill and certain of the Parent Company's investments in subsidiaries including our assessment of the risks associated with individual goodwill balances.
- Our audit response to the key audit matter which included the use of specialists to challenge key aspects of the Group's and Parent Company's determination of the recoverable amount and level of impairment.
- The findings of our procedures.

Areas of particular auditor judgement
We identified the following as the areas of particular auditor judgement:
- Subjective and complex auditor judgement was required in evaluating the key assumptions used by the Group and Parent Company (including forecast cash flows, market multiples (and applicable premiums/discounts) and discount rates (as applicable)).

Our findings
We found the Group's estimated recoverable amount of the ii goodwill to be balanced (2023: balanced) with proportionate (2023: proportionate) disclosures of the related assumptions and sensitivities.

We found the Parent Company's estimated recoverable amount of certain of its investments in subsidiaries and the related impairment charges to be balanced (2023: balanced) with proportionate (2023: proportionate) disclosures of the related assumptions and sensitivities.

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 105 to 113 for details on how the Audit Committee considered recoverability of the ii goodwill and of certain of the Parent Company's investments in subsidiaries as areas of significant attention, pages 199 to 205 for the accounting policy on goodwill and financial disclosures, page 273 for the investment in subsidiaries accounting policy and pages 275 to 278 for the investment in subsidiaries financial disclosures.

4.2 Valuation of the principal UK defined benefit pension scheme present value of funded obligation (Group)

Financial Statement Elements	2024	2023	Our assessment of risk vs 2023	Our findings
Present value of funded obligation:	**£1,552m**	£1,784m	←→ Our assessment is that the risk is similar to 2023. Market volatility remains high and the risk associated with the selection of economic assumptions remains similar to 2023.	**2024: Optimistic** 2023: Balanced

Description of the Key Audit Matter	Our response to the risk
Subjective valuation The present value of the Group's funded obligation for the principal UK defined benefit pension scheme is an area that involves significant judgement over the uncertain future settlement value. The Group is required to use judgement in the selection of key assumptions covering both operating assumptions and economic assumptions. The key operating assumptions are base mortality and mortality improvement. The key economic assumptions are the discount rate and inflation. The risk is that inappropriate assumptions are used in determining the present value of the funded obligation. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of the pension scheme obligation has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole and possibly many times that amount. The financial statements (note 31) disclose the sensitivity estimated by the Group.	We performed the procedures below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our procedures included:** **Assessing actuaries' credentials:** We evaluated the competency and objectivity of the Group's experts who assisted them in determining the actuarial assumptions used to calculate the defined benefit obligation. **Benchmarking assumptions**: We considered, with the support of our own actuarial specialists, the appropriateness of the base mortality assumption by reference to scheme and industry data on historical mortality experience and the outcome of the latest triennial report. We considered, with the support of our own actuarial specialists, the appropriateness of the mortality improvement assumptions by reference to industry-based expectations of future mortality improvements and the appropriateness of the discount rate and inflation assumptions by reference to industry practice. **Assessing transparency:** In conjunction with our own actuarial specialists, we considered whether the Group's disclosures in relation to the assumptions used in the calculation of the present value of the funded obligation appropriately represent the sensitivities of the obligation to the use of alternative assumptions.

Communications with the abrdn plc Audit Committee
Our discussions with and reporting to the Audit Committee included:
- Our identification of the key audit matter relating to the valuation of the defined benefit pension obligation.
- Our audit response to the key audit matter which included the use of our own specialists to challenge key aspects of the Group's actuarial valuation.
- The findings of our procedures.

Areas of particular auditor judgement
We identified the following as the areas of particular auditor judgement:
- Subjective and complex auditor judgement was required in evaluating the key assumptions used by the Group (including the discount rate, inflation and mortality assumptions).

Our findings
We found the Group's valuation of the Principal UK defined benefit pension scheme obligation to be optimistic (2023: balanced) with proportionate (2023: proportionate) disclosures of the related assumptions and sensitivities.

Further information in the Annual report and accounts: See the Audit Committee Report on pages 105 to 113 for details on how the Audit Committee considered the valuation of the UK defined benefit pension scheme obligation as an area of significant attention, page 230 for the accounting policy on the valuation of the UK defined benefit pension scheme obligation, and note 31 for the financial disclosures.

KPMG

4.3 Revenue recognition: management fee revenue from contracts with customers (Group)

Financial Statement Elements	2024	2023	Our assessment of risk vs 2023	Our findings
Management fee income – Institutional and Retail Wealth	**£679m**	769m	←→ Our assessment is that the risk is similar to 2023. The nature and complexity of management fee calculations remains at a similar level to last year while market volatility and uncertainty remain.	**2024 and 2023: We found no significant items, either unadjusted or adjusted for**
Management fee income – Insurance Partners	**£116m**	£132m		

Description of the Key Audit Matter

Data capture and calculation error

Revenue from contracts with customers is the most significant item in the consolidated income statement and represents one of the areas that had the greatest effect on the overall Group audit. In addition, market volatility and uncertainty has driven increased revenue focus. The balance comprises various revenue streams as outlined in note 3.

The area of revenue which had the greatest effect on our overall Group audit and audit effort in the current period is management fee income (institutional, retail wealth and insurance partners), including associated management fee rebates, which is the most significant and, in certain areas, for example for segregated account management fee calculations, complex item. The nature and complexity of management fee calculations has remained largely stable year on year.

The two key components in calculating management fee income are fee rates to be applied and the amount of assets under management (AUM) resulting in the following key risks:

- **Fee rates:** There is a risk that fee rates have not been entered appropriately into the fee calculation and billing systems when clients are onboarded or agreements are amended.
- **AUM:** There is a risk that AUM data from third-party service providers or client appointed administrators and/or custodians does not exist and/or is not accurate.
- **Calculation:** There is a risk that management fee income, including associated rebates, is incorrectly calculated.

Our response to the risk

Our procedures included:

We performed the detailed procedures below rather than seeking to rely on the Group's controls as our knowledge indicated that we would be unlikely to obtain the required evidence to support reliance on the controls.

We assessed the design and operating effectiveness of controls at third party service providers over the production of AUM data that is used in calculating management fees and associated rebates. This included inspecting the internal controls reports prepared by relevant outsourced service organisations covering the design and operation of key controls over the production of AUM data used in the calculation of management fees.

Tests of details and substantive analytical procedures

We agreed a selection of fee rates and associated rebate rates used in the calculation to the investment management agreements (IMAs), fee letters or fund prospectuses outlining the effective fee rates.

Where AUM data was obtained from third party service organisations (and where we had tested the controls over the AUM data) we independently calculated management fees. Where AUM data was obtained from a client appointed administrator and/or custodian (and so we could not test controls over the AUM data) we independently calculated management fees and/or agreed a selection of amounts billed and received to invoice and bank statements.

Communications with the abrdn plc Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our definition of the key audit matter relating to revenue recognition: management fee revenue from contracts with customers.
- Our audit response to the key audit matter which included use of data and analytics technology to complete certain of the recalculations.
- The findings of our procedures.

Our findings

- We found no significant items, either unadjusted or adjusted for, in the Group's management fee revenue from contracts with customers (2023: no significant items either unadjusted or adjusted for).

Further information in the Annual report and accounts: See page 187 for the accounting policy on revenue from contracts with customers and note 3 for the financial disclosures.

5. Our ability to detect irregularities, and our response

Fraud – Identifying and responding to risks of material misstatement due to fraud	
Fraud risk assessment	To identify risks of material misstatement due to fraud (fraud risks) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included: – Enquiring of the Directors, the Audit Committee, Group Internal Audit and the Group's Legal team and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud. – Reading Board and certain other committee minutes and attending Audit Committee and Risk and Capital Committee meetings. – Considering the findings of Group Internal Audit's reviews covering the financial year. – Considering remuneration incentive schemes and performance targets for management and the Directors.
Risk communications	We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group auditor to component auditors of relevant fraud risks identified at the Group level and requesting component auditors performing procedures at the component level to report to the Group auditor any identified fraud risk factors or identified or suspected instances of fraud.
Fraud risks	As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we performed procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as impairment and pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition, given the lack of judgement involved in revenue recognition and the segregation of duties between management and third party service providers. In the current year we also continued to identify a fraud risk related to the recoverability of the Group's ii goodwill balance and Parent Company's ii investment in subsidiary balance given the size of the associated goodwill and investment in subsidiary balances that arose on acquisition and its significance to Group strategy going forward.
Link to KAMs	Further detail in respect of the risk of fraud over the recoverability of the Group's ii goodwill balance and the Parent Company's ii investment in subsidiary balance, including our procedure to compare certain key input assumptions to external market data, is set out in the key audit matter disclosures in section 4.1 of this report.
Procedures to address fraud risks	In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls. We also performed substantive audit procedures including: – Identifying journal entries and other adjustments to test for all Group components based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted by senior finance management and those posted to unusual accounts, as well as those which comprised unexpected posting combinations. – Evaluating the business purpose of significant unusual transactions. – Assessing significant accounting estimates for bias, including whether the judgements made in making accounting estimates are indicative of a potential bias.

KPMG

Laws and regulations - Identifying and responding to risks of material misstatement RELATING TO compliance with laws and regulations	
Laws and regulations risk assessment	We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements. For this risk assessment matters considered included the following: – Our general commercial and sector experience. – Discussion with the Directors and other management (as required by auditing standards). – Inspection of the Group's regulatory and legal correspondence. – Inspection of the policies and procedures regarding compliance with laws and regulation. As the Group and many of its subsidiaries are regulated, our assessment of risks involved gaining an understanding of the control environment including the Group's procedures for complying with regulatory requirements, how they analyse identified breaches and assessing whether there were any implications of identified breaches on our audit.
Risk communications	We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group auditor to component auditors of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level. The potential effect of these laws and regulations on the financial statements varies considerably.
Direct laws context and link to audit	Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pensions regulations and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
Most significant indirect law/ regulation areas	Secondly, the Group is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: – Specific areas of regulatory capital and liquidity; – Conduct, including Client Assets; – Anti-money laundering; and – Market abuse Regulation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.
Actual or suspected breaches discussed with AC	We discussed with the Audit Committee matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit.
Context	
Context of the ability of the audit to detect fraud or breaches of law or regulation	Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulation

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£13.2m (2023: £13.7m) **Materiality for the group financial statements as a whole**	**What we mean** A quantitative reference for the purpose of planning and performing our audit.
	Basis for determining materiality and judgements applied Materiality for the Group financial statements as a whole was set at £13.2m (2023: £13.7m). This was determined with reference to a benchmark of total revenue from contracts with customer Consistent with 2023, we determined that total revenue from contracts with customers remains the main benchmark for the Group as given the performance is such that a normalised profit benchmark would indicate materiality which is inappropriate for the size and scale of the Group. Our Group materiality of £13.2m was determined by applying a percentage to the total revenue from contracts with customers. When using a benchmark of total revenue from contracts with customers to determine overall materiality, KPMG's approach for listed entities considers a guideline range of 0.5% to 1.0% of the measure. In setting overall Group materiality, we applied a percentage of 1.0% (2023: 0.9%) to the benchmark. Materiality for the Parent Company financial statements as a whole was set at £13.0m (2023: £13.0m), determined with reference to a benchmark of Parent Company total assets, limited to be less than materiality for the group financial statements as a whole (2023: no change). Our materiality was lower than we would have determined with reference to a benchmark of parent company total assets. It represents 0.2% (2023: 0.2%) of the stated benchmark.
£6.6m (2023: £6.9m) **Performance materiality**	**What we mean** Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.
	Basis for determining performance materiality and judgements applied We have considered performance materiality at a level of 50% (2023: 50%) of materiality for abrdn plc's Group financial statements as a whole to be appropriate. The Parent Company performance materiality was set at £6.5m (2023: £6.5m), which equates to 50% (2023: 50%) of materiality for the Parent Company financial statements as a whole. We applied this reduced percentage in our determination of performance materiality for the Group and Parent Company financial statements in the current year as we identified specific factors indicating an elevated level of aggregation risk. These factors included the ongoing level of transformation and change impacting the Group's systems of internal control.
£0.66m (2023: £0.69m) **Audit misstatement posting threshold**	**What we mean** This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud. This is also the amount above which all misstatements identified are communicated to the Audit Committee.
	Basis for determining the audit misstatement posting threshold and judgements applied We set our audit misstatement posting threshold at 5% (2023: 5%) of our materiality for the Group financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £13.2m (2023: £13.7m) compares as follows to the main financial statement caption amounts:

	Total Group revenue		Group profit/(loss) before tax		Total Group assets	
	2024	2023	**2024**	2023	**2024**	2023
Financial statement caption	**£1,370m**	£1,474m	**£251m**	(£6m)	**£7,721m**	£8,031m
Group materiality as % of caption	**1.0%**	0.9%	**5.3%**	(228.3%)	**0.2%**	0.2%

7. The scope of our audit

Group Scope

What we mean

How the Group auditor determined the procedures to be performed across the Group.

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement (RMMs). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 313 components, having considered our evaluation of the Group's operational and legal structure and our ability to perform audit procedures centrally.

Of those, we identified quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Additionally, having considered qualitative and quantitative factors, we selected additional components with accounts contributing to the specific risks of material misstatement of the Group financial statements.

The below summarises where we performed audit procedures:

Component type	Number of components where we performed audit procedures	Range of materiality applied
Quantitatively significant components	7	£4.6m – £5.9m
Other components where we performed procedures	10	£1.3m – £5.2m
Total	**17**	

We involved component auditors in performing the audit work on 11 components. We set the component materialities having regard to the mix of size and risk profile of the Group across the components. We performed the audit of the parent Company.

Our audit procedures covered 86% of Group revenue from contracts with customers. We performed audit procedures in relation to components that accounted for 91% of Group total assets and 83% of Group profit before tax.

For the remaining components for which we performed no audit procedures, no component represented more than 3% of Group total revenue from contracts with customers, Group profit before tax or Group total assets. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components. This included consideration of the work that had been performed over certain balances at a group level, including over Staff Bonuses and Taxation.

	Controls approach for group audit abrdn relies on the effectiveness of a number of IT systems and applications to ensure that financial transactions are recorded completely and accurately. The main financial accounting, reporting (including consolidation), invoice and billing systems and the interactive investor (ii) and Adviser platforms were identified as key IT systems relevant to our audit. The IT systems for the Group and Investments business are primarily managed from the centralised IT function in the UK and certain of these were evaluated by IT specialists who were part of the Group audit team. Other relevant IT systems were evaluated by component IT specialists to determine whether these could be relied upon. These included the IT systems and applications for the Adviser business and ii which have systems managed locally. At certain components of the Group, we identified control deficiencies relating to the posting, review and approval of manual journals. We modified our audit approach by assessing compensating controls and by enhancing our selection criteria in the testing of manual journal entries. For the Investments business we tested and relied on key manual and automated controls related to the billing process operated by third party service organisations as well as the Group's oversight of relevant third-party service organisations, as discussed in the "Revenue recognition: management fee revenue from contracts with customers" key audit matter above. We assessed the status of remediation of prior year findings in respect of internal controls operated by the Group over invoicing and billing processes, ahead of the year end, and subsequently concluded that we would not rely on these controls as completion of strengthening and enhancing of these controls remained ongoing. Our overall audit response was largely substantive due to the nature of the identified key audit matters, and also deficiencies in certain controls in place in areas that we may have sought to rely on controls. The Audit Committee has discussed these internal control matters, and management's actions to remediate them, on page 111. We performed incremental procedures to respond to the deficiencies in the control environment as outlined at 4.3 Revenue recognition: management fee revenue from contracts with customers.
Group auditor oversight	**What we mean** The extent of the Group auditor's involvement in work performed by component auditors. As part of establishing the overall Group audit strategy and plan, we conducted risk assessment and planning discussion meetings with component auditors to discuss Group audit risks relevant to the components, including the key audit matter in respect of recognition of management fee revenue from contracts with customers. We visited each of the four component auditors not located in the UK to assesses the audit risks and strategy. Video and telephone conference meetings were also held with these component auditors. At these visits and meetings, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further work required by us was then performed by the component auditors. We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on work performed over the recognition of management fee revenue from contracts with customers.

8. Other information in the annual report and accounts

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.	**Our reporting** Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic report and directors' report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- We have not identified material misstatements in the strategic report and the Directors' report.
- In our opinion the information given in those reports for the financial year is consistent with the financial statements.
- In our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

Our responsibility We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.	**Our reporting** In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance disclosures

Our responsibility We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and: – The Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. – The section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed. – The section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.	**Our reporting** Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.
We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.	We have nothing to report in this respect.

Other matters on which we are required to report by exception

Our responsibility Under the Companies Act 2006, we are required to report to you if, in our opinion: – Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or – The Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or – Certain disclosures of Directors' remuneration specified by law are not made; or – We have not received all the information and explanations we require for our audit.	**Our reporting** We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 149, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

R. Faulkner

Richard Faulkner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

3 March 2025

Group financial statements

Consolidated income statement

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Revenue from contracts with customers	3	**1,370**	1,474
Cost of sales	3	**(65)**	(76)
Net operating revenue		**1,305**	1,398
Restructuring and corporate transaction expenses	5	**(100)**	(152)
Impairment of intangibles acquired in business combinations and through the purchase of customer contracts	5	**(9)**	(63)
Amortisation of intangibles acquired in business combinations and through the purchase of customer contracts	5	**(120)**	(126)
Staff costs and other employee-related costs	5	**(510)**	(529)
Other administrative expenses	5	**(574)**	(593)
Total administrative and other expenses		**(1,313)**	(1,463)
Net gains or losses on financial instruments and other income			
Fair value movements and dividend income on significant listed investments	4	**29**	(114)
Other net gains or losses on financial instruments and other income	4	**131**	116
Total net gains or losses on financial instruments and other income		**160**	2
Finance costs		**(25)**	(25)
Profit on disposal of subsidiaries and other operations	1	**89**	79
Profit on disposal of interests in associates	1	**11**	–
Reversal of impairment	14	**–**	2
Share of profit or loss from associates and joint ventures	14	**24**	1
Profit/(loss) before tax		**251**	(6)
Tax (expense)/credit	9	**(3)**	18
Profit for the year		**248**	12
Attributable to:			
Equity shareholders of abrdn plc		**237**	1
Other equity holders	28	**11**	11
		248	12
Earnings per share			
Basic (pence per share)	10	**13.2**	0.1
Diluted (pence per share)	10	**13.0**	0.1

The Notes on pages 176 to 269 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Profit for the year		**248**	12
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement gains/(losses) on defined benefit pension plans	31	**24**	(139)
Share of other comprehensive income of associates and joint ventures	14	**6**	(4)
Total items that will not be reclassified subsequently to profit or loss		**30**	(143)
Items that may be reclassified subsequently to profit or loss:			
Fair value gains/(losses) on cash flow hedges	18	**20**	(40)
Exchange differences on translating foreign operations		**(2)**	(35)
Share of other comprehensive income of associates and joint ventures	14	**(53)**	(27)
Items transferred to the consolidated income statement			
Fair value (gains)/losses on cash flow hedges	18	**(18)**	28
Realised foreign exchange (gains)	1	**–**	(1)
Equity holder tax effect of items that may be reclassified subsequently to profit or loss	9	**–**	3
Total items that may be reclassified subsequently to profit or loss		**(53)**	(72)
Other comprehensive income for the year		**(23)**	(215)
Total comprehensive income for the year		**225**	(203)
Attributable to:			
Equity shareholders of abrdn plc		**214**	(214)
Other equity holders	28	**11**	11
		225	(203)

The Notes on pages 176 to 269 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2024

	Notes	2024 £m	2023 £m
Assets			
Intangible assets	13	**1,474**	1,578
Pension and other post-retirement benefit assets	31	**786**	740
Investments in associates and joint ventures accounted for using the equity method	14	**205**	229
Property, plant and equipment	15	**135**	163
Deferred tax assets	9	**197**	215
Financial investments	17	**1,818**	2,047
Receivables and other financial assets	19	**1,024**	1,071
Current tax recoverable	9	**23**	10
Other assets	20	**54**	77
Assets held for sale	21	**17**	19
Cash and cash equivalents	22	**1,321**	1,196
		7,054	7,345
Assets backing unit linked liabilities	23		
Financial investments		**649**	669
Receivables and other unit linked assets		**4**	4
Cash and cash equivalents		**14**	13
		667	686
Total assets		**7,721**	8,031

	Notes	2024 £m	2023 £m
Liabilities			
Third party interest in consolidated funds	29	**184**	187
Subordinated liabilities	30	**597**	599
Pension and other post-retirement benefit provisions	31	**8**	12
Deferred tax liabilities	9	**101**	129
Current tax liabilities	9	**3**	6
Derivative financial liabilities	29	**3**	9
Other financial liabilities	32	**1,048**	1,241
Provisions	33	**64**	66
Other liabilities	33	**7**	4
Liabilities of operations held for sale	21	**–**	2
		2,015	2,255
Unit linked liabilities	23		
Investment contract liabilities		**665**	684
Other unit linked liabilities		**2**	2
		667	686
Total liabilities		**2,682**	2,941
Equity			
Share capital	24	**257**	257
Shares held by trusts	25	**(123)**	(141)
Share premium reserve	24	**640**	640
Retained earnings	26	**4,480**	4,449
Other reserves	27	**(427)**	(327)
Equity attributable to equity shareholders of abrdn plc		**4,827**	4,878
Other equity	28	**207**	207
Non-controlling interests – ordinary shares	28	**5**	5
Total equity		**5,039**	5,090
Total equity and liabilities		**7,721**	8,031

The Notes on pages 176 to 269 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 169 to 269 were approved by the Board and signed on its behalf by the following Directors:

Sir Douglas Flint
Chair
3 March 2025

Jason Windsor
Chief Executive Officer
3 March 2025

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Notes	Share capital £m	Shares held by trusts £m	Share premium reserve £m	Retained earnings £m	Other reserves £m	Total equity attributable to equity shareholders of abrdn plc £m	Other equity £m	Non-controlling interests – ordinary shares £m	Total equity £m
1 January 2024		**257**	**(141)**	**640**	**4,449**	**(327)**	**4,878**	**207**	**5**	**5,090**
Profit for the year		**–**	**–**	**–**	**237**	**–**	**237**	**11**	**–**	**248**
Other comprehensive income for the year		**–**	**–**	**–**	**(23)**	**–**	**(23)**	**–**	**–**	**(23)**
Total comprehensive income for the year	26,27	**–**	**–**	**–**	**214**	**–**	**214**	**11**	**–**	**225**
Issue of share capital	24	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Dividends paid on ordinary shares	12	**–**	**–**	**–**	**(260)**	**–**	**(260)**	**–**	**–**	**(260)**
Interest paid on other equity	28	**–**	**–**	**–**	**–**	**–**	**–**	**(11)**	**–**	**(11)**
Reserves credit for employee share-based payments	27	**–**	**–**	**–**	**–**	**26**	**26**	**–**	**–**	**26**
Transfer to retained earnings for vested employee share-based payments	26,27	**–**	**–**	**–**	**32**	**(32)**	**–**	**–**	**–**	**–**
Transfer between reserves on impairment of subsidiaries	26,27	**–**	**–**	**–**	**94**	**(94)**	**–**	**–**	**–**	**–**
Shares acquired by employee trusts	25	**–**	**(26)**	**–**	**–**	**–**	**(26)**	**–**	**–**	**(26)**
Shares distributed by employee and other trusts and related dividend equivalents	25,26	**–**	**44**	**–**	**(48)**	**–**	**(4)**	**–**	**–**	**(4)**
Aggregate tax effect of items recognised directly in equity		**–**	**–**	**–**	**(1)**	**–**	**(1)**	**–**	**–**	**(1)**
31 December 2024		**257**	**(123)**	**640**	**4,480**	**(427)**	**4,827**	**207**	**5**	**5,039**

	Notes	Share capital £m	Shares held by trusts £m	Share premium reserve £m	Retained earnings[1] £m	Other reserves £m	Total equity attributable to equity shareholders of abrdn plc[1] £m	Other equity £m	Non-controlling interests – ordinary shares £m	Total equity[1] £m
31 December 2022		280	(149)	640	4,986	(129)	5,628	207	7	5,842
Effect of application of IFRS 9 on Investments in associates and joint ventures accounted for using the equity method[1]		–	–	–	51	–	51	–	–	51
1 January 2023		280	(149)	640	5,037	(129)	5,679	207	7	5,893
Profit for the year		–	–	–	1	–	1	11	–	12
Other comprehensive income for the year		–	–	–	(170)	(45)	(215)	–	–	(215)
Total comprehensive income for the year	26,27	–	–	–	(169)	(45)	(214)	11	–	(203)
Issue of share capital	24	–	–	–	–	–	–	–	–	–
Dividends paid on ordinary shares	12	–	–	–	(279)	–	(279)	–	–	(279)
Interest paid on other equity	28	–	–	–	–	–	–	(11)	–	(11)
Share buyback	24,26,27	(23)	–	–	(302)	23	(302)	–	–	(302)
Other movements in non-controlling interests in the year	28	–	–	–	–	–	–	–	(2)	(2)
Reserves credit for employee share-based payments	27	–	–	–	–	24	24	–	–	24
Transfer to retained earnings for vested employee share-based payments	26,27	–	–	–	31	(31)	–	–	–	–
Transfer between reserves on impairment of subsidiaries	26,27	–	–	–	169	(169)	–	–	–	–
Shares acquired by employee trusts	25	–	(27)	–	–	–	(27)	–	–	(27)
Shares distributed by employee and other trusts and related dividend equivalents	25,26	–	35	–	(38)	–	(3)	–	–	(3)
31 December 2023		257	(141)	640	4,449	(327)	4,878	207	5	5,090

1. The Group implemented IFRS 9 in 2019. However, as permitted under a temporary exemption granted to insurers in IFRS 4 Insurance Contracts, the Group's insurance joint venture, Heng An Standard Life Insurance Company Limited (HASL), applied IFRS 9 at 1 January 2023 following the implementation of the new insurance contracts standard, IFRS 17. In line with the approach adopted by the Group on its implementation of IFRS 9 on 1 January 2019, the 2022 comparatives were not restated for HASL's adoption of IFRS 9. The impact of HASL adopting IFRS 9 was recognised in retained earnings at 1 January 2023.

The Notes on pages 176 to 269 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Profit/(loss) before tax		**251**	(6)
Change in operating assets	37	**112**	157
Change in operating liabilities	37	**(202)**	(109)
Adjustment for non-cash movements in investment income		–	3
Other non-cash and non-operating items	37	**77**	210
Taxation paid[1]		**(25)**	(34)
Net cash flows from operating activities		**213**	221
Cash flows from investing activities			
Purchase of property, plant and equipment		**(7)**	(18)
Proceeds from sale of property, plant and equipment		**1**	–
Acquisition of subsidiaries and unincorporated businesses net of cash acquired	1(b)	**–**	(108)
Disposal of subsidiaries net of cash disposed of	37	**49**	139
Acquisition of investments in associates and joint ventures	14	**–**	(2)
Proceeds in relation to contingent consideration	36	**7**	21
Payments in relation to contingent consideration	36	**(9)**	(12)
Disposal of investments in associates and joint ventures	1(c)	**20**	–
Purchase of financial investments		**(138)**	(445)
Proceeds from sale or redemption of financial investments	17	**360**	1,029
Taxation paid on sale or redemption of financial investments[1]		**–**	(41)
Prepayment in respect of potential acquisition of customer contracts	39(b)	**1**	20
Acquisition of intangible assets		**(26)**	(41)
Net cash flows from investing activities		**258**	542
Cash flows from financing activities			
Payment of lease liabilities – principal		**(23)**	(24)
Payment of lease liabilities – interest		**(6)**	(6)
Shares acquired by trusts		**(26)**	(27)
Interest paid on subordinated liabilities and other equity		**(38)**	(20)
Other interest paid		**(3)**	(3)
Cash received relating to collateral held in respect of derivatives hedging subordinated liabilities		**14**	(50)
Share buyback	24	**–**	(302)
Ordinary dividends paid	12	**(260)**	(279)
Net cash flows from financing activities		**(342)**	(711)
Net increase in cash and cash equivalents		**129**	52
Cash and cash equivalents at the beginning of the year		**1,210**	1,166
Effects of exchange rate changes on cash and cash equivalents		**(4)**	(8)
Cash and cash equivalents at the end of the year	22	**1,335**	1,210
Supplemental disclosures on cash flows from operating activities			
Interest received		**93**	85
Dividends received		**82**	91
Rental income received on investment property		**2**	3

1. Total taxation paid was £25m in 2024 (2023: £75m).

The Notes on pages 176 to 269 are an integral part of these consolidated financial statements.

Presentation of consolidated financial statements

The Group's significant accounting policies are included at the beginning of the relevant notes to the consolidated financial statements. This section sets out the basis of preparation, a summary of the Group's critical accounting estimates and judgements in applying accounting policies, and other significant accounting policies which have been applied to the financial statements as a whole.

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards. The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of owner-occupied property, derivative instruments and other financial assets and financial liabilities at fair value through profit or loss (FVTPL).

Climate risks have been taken into consideration in the preparation of the consolidated financial statements, primarily in relation to fair value calculations and impairment assessments. Refer Note 34(a) for further details of our consideration of climate impact including our current assessment that the impact on the consolidated financial statements is not material.

The principal accounting policies set out in these consolidated financial statements have been consistently applied to all financial reporting periods presented except as described below.

(a)(i) New standards, interpretations and amendments to existing standards that have been adopted by the Group

The Group has adopted the following new International Financial Reporting Standards (IFRSs), interpretations and amendments to existing standards, which are effective for annual periods beginning on or after 1 January 2024.

Amendments to existing standards

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1.
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16.
- Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7.

The Group's accounting policies have been updated to reflect these other amendments. Management considers the implementation of the above amendments to existing standards has had no significant impact on the Group's financial statements.

(a)(ii) Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Group's annual accounting periods beginning after 1 January 2024. The Group has not early adopted the standards, amendments and interpretations described below.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)
IFRS 18 was issued in April 2024 and will replace IAS 1 Presentation of Financial Statements. This standard includes a number of changes to the current presentation and disclosure requirements under IAS 1 including:
- The categorisation of income and expenses in the consolidated income statement into five new categories: operating, investing, financing, income taxes and discontinued operations based on an entity's main business activities.
- The disclosure of new mandatory IFRS subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- The introduction of a new concept of management-defined performance measure (MPM) with related disclosure requirements including the disclosure of information on MPMs within a single note to the financial statements.
- Additional guidance on whether to 'present' information in the primary financial statements or 'disclose' in the notes and on the levels of the aggregation permitted or disaggregation required.

Our assessment of the impact on the Group's future financial reporting from the implementation of IFRS 18, which has not yet been endorsed by the UK Endorsement Board, is currently ongoing. IFRS 18 will have no impact on the Group's recognition or measurement.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)
IFRS 19 was issued in May 2024 and specifies the disclosure requirements that allows eligible entities to apply reduced disclosures while still applying the recognition, measurement and presentational requirements in other IFRS accounting standards. The Company is not an eligible entity and will not be permitted to apply IFRS 19, which has not yet been endorsed by the UK Endorsement Board, to its Company or consolidated financial statements. The Group's subsidiaries will, however, consider in due course if the application of IFRS 19 would be beneficial where they qualify as eligible entities.

Other
There are no other new standards, interpretations and amendments to existing standards that have been published that are expected to have a significant impact on the consolidated financial statements of the Group.

(a)(iii) Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements requires management to exercise judgements in applying accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses arising during the year. Judgements and sources of estimation uncertainty are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where judgements have the most significant effect on the amounts recognised in the consolidated financial statements are as follows:

Financial statement area	Critical judgements in applying accounting policies	Related note
Defined benefit pension plans	Assessment of whether the Group has an unconditional right to a refund of the surplus. Treatment of tax relating to the surplus.	Note 31

The following changes have been made to the Group's critical judgements:
- As the Group has not made any significant acquisitions in 2024, the identification and valuation of intangible assets arising from business combinations, and the determination of useful lives is not considered as a critical judgement in 2024.

There are no other changes to critical judgements in applying accounting policies from the prior year.

The areas where assumptions and other sources of estimation uncertainty at the end of the reporting period have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Financial statement area	Critical accounting estimates and assumptions	Related note
Intangible assets	Determination of the recoverable amount in relation to the impairment of certain goodwill.	Note 13
Financial instruments at fair value through profit or loss	Determination of the fair value of contingent consideration liabilities relating to the acquisition of Tritax.	Notes 34 and 36
Defined benefit pension plans	Determination of principal UK pension plan assumptions for mortality, discount rate and inflation.	Note 31

There are no changes to the critical accounting estimates and assumptions from the prior year.

Further detail on critical accounting estimates and assumptions is provided in the relevant note.

(a)(iv) Foreign currency translation

The consolidated financial statements are presented in million pounds Sterling.

The statements of financial position of Group entities, including associates and joint ventures accounted for using the equity method, that have a different functional currency than the Group's presentation currency are translated into the presentation currency at the year end exchange rate and their income statements and cash flows are translated at average exchange rates for the year. All resulting exchange differences arising are recognised in other comprehensive income and the foreign currency translation reserve in equity. On disposal of a Group entity the cumulative amount of any such exchange differences recognised in other comprehensive income is reclassified to profit or loss.

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Gains and losses arising from such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the relevant line in the consolidated income statement.

Translation differences on non-monetary items, such as equity securities held at fair value through profit or loss, are reported as part of the fair value gain or loss within Net gains or losses on financial instruments and other income in the consolidated income statement. Translation differences on financial assets and liabilities held at amortised cost are included in the relevant line in the consolidated income statement.

(a)(v) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and financial position, are set out in the Strategic report. This includes details on our liquidity and capital management and our viability statement in the Chief Financial Officer's overview section and our principal risks in the Risk management section including the impacts of the macroeconomic environment and global and regional geopolitical events on these principal risks. In addition, these financial statements include notes on the Group's subordinated liabilities (Note 30), management of its risks including market, credit and liquidity risk (Note 34), its contingent liabilities and commitments (Notes 38 and 39), and its capital structure and position (Note 42).

In preparing these financial statements on a going concern basis, the Directors have considered the following matters and have taken into account market uncertainty:

- The Group has cash and liquid resources of £1.7bn at 31 December 2024. In addition, the Company has a revolving credit facility of £400m as part of our contingency funding plans. This was refinanced on 5 February 2025 and is due to mature in 2028, with the option to extend for a further two years. It remains undrawn.
- The Group's indicative regulatory Common Equity Tier 1 (CET1) capital surplus on an IFPR basis was £875m in excess of capital requirements at 31 December 2024. The regulatory CET1 capital surplus does not include the value of the Group's significant listed investment in Phoenix Group Holdings (Phoenix).
- The Group performs regular stress and scenario analysis as described in the Annual report and accounts 2024 Viability statement. The diverse range of management actions available meant the Group would be able to withstand these extreme stresses.
- The Group's operational resilience processes have operated effectively during the period including the provision of services by key outsource providers.

Based on a review of the above factors the Directors are satisfied that the Group and Company have and will maintain sufficient resources to enable them to continue operating for at least 12 months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis. There were no material uncertainties relating to this going concern conclusion.

(b) Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and its subsidiaries.

Subsidiaries are all entities (including investment vehicles) over which the Group has control. Control arises when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. For operating entities this generally accompanies a shareholding of 50% or more in the entity. For investment vehicles, including structured entities, the control assessment also considers the removal rights of other investors and whether the Group acts as principal or agent in assessing the link between power and variable returns. In determining whether the Group acts as principal, and therefore controls the entity, the removal rights of other investors and the magnitude of the variability associated with the returns are also taken into account. As a result, the Group often is considered to control investment vehicles in which its shareholding is less than 50%.

Where the Group is considered to control an investment vehicle, such as an open-ended investment company, a unit trust or a limited partnership, and it is therefore consolidated, the interests of parties other than the Group are assessed to determine whether they should be classified as liabilities or as non-controlling interests. The liabilities are recognised in the third party interest in consolidated funds line in the consolidated statement of financial position and any movements are recognised in the consolidated income statement. The financial liability is designated at fair value through profit or loss (FVTPL) as it is implicitly managed on a fair value basis as its value is directly linked to the market value of the underlying portfolio of assets. The interests of parties other than the Group in all other types of entities are recorded as non-controlling interests.

All intra-group transactions, balances, income and expenses are eliminated in full.

The Group uses the acquisition method to account for acquisitions of businesses. At the acquisition date the assets and liabilities of the business acquired and any non-controlling interests are identified and initially measured at fair value on the consolidated statement of financial position.

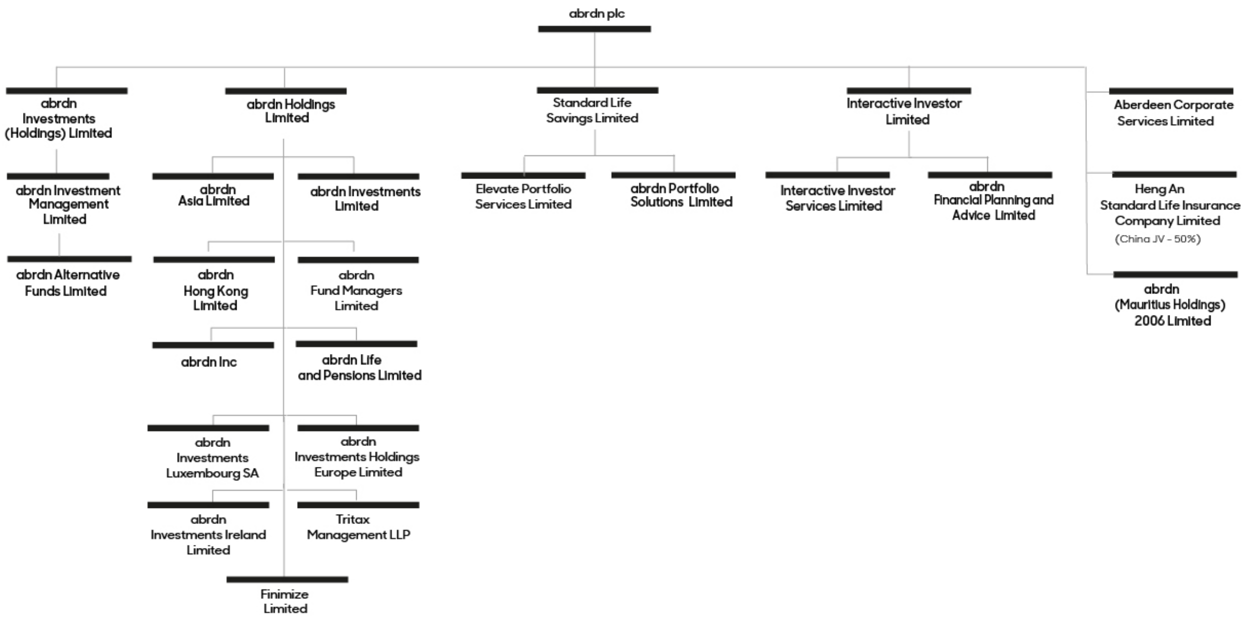
When the Group acquires or disposes of a subsidiary, the profits and losses of the subsidiary are included from the date on which control was transferred to the Group until the date on which it ceases, with consistent accounting policies applied across all entities throughout.

Notes to the Group financial statements

1. Group structure

(a) Composition

The following diagram is an extract of the Group structure at 31 December 2024 and gives an overview of the composition of the Group.



A full list of the Company's subsidiaries is provided in Note 44.

(b) Acquisitions

(b)(i) Prior year acquisitions of subsidiaries

Healthcare fund management capabilities of Tekla Capital Management

On 27 October 2023, abrdn Inc. purchased the healthcare fund management capabilities of Tekla Capital Management LLC (Tekla) through a purchase agreement. Tekla's investment team transferred to the Group as part of the agreement. The assets under management at the acquisition date were £2.3bn. At acquisition the cash consideration was £108m and the fair value of deferred and contingent consideration was £11m. The acquisition further strengthens abrdn's closed-end fund business and allows the Group to draw on Tekla's expertise in investing in the healthcare sector as it looks to build out its offering in this area.

(c) Disposals

(c)(i) Current year disposal of subsidiaries and other operations

During 2024, the Group made three significant disposals of subsidiaries and other operations:
- On 26 April 2024, the Group completed the sale of its European-headquartered Private Equity business to Patria Investments.
- On 2 July 2024, the Group completed the sale of threesixty services, its adviser support services business, to the Fintel group.
- On 13 December 2024, the Group completed the sale of 80% of the share capital of Focus Business Solutions (FBS) to Focus Advice Technology Holdings Limited. The sale included the operations of the Group's digital innovation group.

The Group's European-headquartered Private Equity business and the threesixty services were reported in the Investments and Adviser segments respectively. DIG was reported within Other business operations and corporate costs.

Profit or (loss) on disposal of subsidiaries and other operations for the year ended 31 December 2024 have been summarised below.

	2024 £m
Disposal of European-headquartered Private Equity business	92
Disposal of threesixty services	9
Disposal of FBS	(12)
Profit on disposal of subsidiaries and other operations for the year ended 31 December 2024	**89**

European-headquartered Private Equity business

The gain on sale, which is included in profit on disposals of subsidiaries and other operations in the consolidated income statement for the year ended 31 December 2024 for the European-headquartered Private Equity business was calculated as follows:

	£m
Total assets of operations disposed of	(29)
Total liabilities of operations disposed of	11
Net assets of operations disposed of	**(18)**
Cash consideration (less transaction costs) and outstanding intercompany balances[1,2]	74
Fair value of deferred/contingent consideration and retained interest[3]	36
Gain on sale before tax[4]	**92**

1. Included in cash consideration is £12m for additional upfront consideration which was determined based on the net assets of the European-headquartered Private Equity business following a number of adjustments detailed in the sale price agreement and has now been agreed with Patria Investments.
2. Following the completion of the sale, £5m relating to a number of unsettled outstanding intercompany balances which previously eliminated on consolidation are now recognised as an asset of the Group.
3. The Group has also retained certain carried interest entitlements which have been recognised in the consolidated statement of financial position at a fair value of £6m.
4. The provisional gain on sale reported in the Group's HY24 results was £88m. The Group has now agreed with Patria Investments an additional £4m payment comprising of a £2m uplift in the additional upfront consideration and a £2m payment of additional unsettled outstanding balances which were previously intercompany balances.

Prior to the completion of the sale, the European-headquartered Private Equity business was classified as an operation held for sale (refer Note 21).

threesixty services

The gain on sale, which is included in profit on disposals of subsidiaries and other operations in the consolidated income statement for the year ended 31 December 2024 for threesixty services was calculated as follows:

	£m
Total assets of operations disposed of	(7)
Total liabilities of operations disposed of	2
Net assets of operations disposed of	**(5)**
Cash consideration (less transaction costs)	14
Gain on sale before tax	**9**

FBS

The loss on sale, which is included in profit on disposals of subsidiaries and other operations in the consolidated income statement for the year ended 31 December 2024 for FBS was calculated as follows:

	£m
Total assets of operations disposed of	**(14)**
Total liabilities of operations disposed of	**2**
Net assets of operations disposed of	**(12)**
Cash consideration (less transaction costs)	**–**
Fair value of retained holding[1]	**–**
Loss on sale before tax	**(12)**

1. The Group's 20% retained holding in FBS has been recognised as an investment in an associate accounted for using the equity method at an initial fair value of £nil.

(c)(ii) Current year disposal of joint ventures

Virgin Money Unit Trust Managers (Virgin Money UTM)

Profit on disposal of interests in joint ventures for the year ended 31 December 2024 of £11m relates to the sale of the Group's interest in Virgin Money UTM to its joint venture partner, Clydesdale Bank, on 2 April 2024 for a cash consideration of £20m. Prior to the sale, the Group's interest in Virgin Money UTM was classified as held for sale and had a carrying value of £9m (refer Note 21). The interest in Virgin Money UTM did not form part of the Group's reportable segments.

(c)(iii) Prior year disposal of subsidiaries and other operations

During 2023, the Group made two material disposals of subsidiaries and other operations:
- On 1 September 2023, the Group completed the sale of abrdn Capital Limited (aCL), its discretionary fund management business, to LGT UK Holdings Limited.
- On 2 October 2023, the Group completed the sale of its US Private Equity and Venture Capital capabilities to HighVista Strategies LLC.

aCL and the Group's US Private Equity and Venture Capital capabilities were reported in the ii and Investments segments respectively.

Other disposals included the sale of abrdn Australia Ltd to Melbourne Securities Corporation Limited on 1 July 2023. The disposal is not considered material to the Group.

Profit on disposal of subsidiaries and other operations for the year ended 31 December 2023 have been summarised below.

	2023 £m
Disposal of aCL	58
Disposal of US Private Equity and Venture Capital capabilities	22
Other disposals	(1)
Profit on disposal of subsidiaries and other operations for the year ended 31 December 2023	79

On disposal, a net gain of £1m was recycled from the translation reserve and was included in determining the profit on disposal of subsidiaries and other operations for the year ended 31 December 2023.

2. Segmental analysis

The Group's reportable segments have been identified in accordance with the way in which the Group is structured and managed. IFRS 8 Operating Segments requires that the information presented in the financial statements is based on information provided to the 'Chief Operating Decision Maker'.

(a) Basis of segmentation

Reportable segments

interactive investor (ii)

ii, our direct investing platform and our financial planning business, abrdn Financial Planning and Advice. It also included the Group's discretionary fund management business until the completion of the sale of aCL on 1 September 2023. Refer Note 1 (c)(iii) for further details.

Adviser

Our UK financial adviser business which provides platform services to wealth managers and advisers along with the Group's Managed Portfolio Service (MPS) business. It also included threesixty services until its sale on 2 July 2024. Refer Note 1(c)(i) for further details.

Investments

Our global asset management business which provides investment solutions for Institutional, Retail Wealth and Insurance Partners clients.

In addition to the Group's reportable segments above, the analysis of adjusted profit in Section b(i) below also reports the following:

Other business operations and corporate costs (Other)

Other comprises Finimize along with certain corporate costs. It also included the Group's digital innovation group until the partial sale of FBS on 13 December 2024. Refer Note 1(c)(i) for further details.

These are all reported to the level of adjusted operating profit.

(b) Reportable segments – adjusted profit and revenue information

(b)(i) Analysis of adjusted profit

Adjusted operating profit is presented by reportable segment in the table below.

31 December 2024	Notes	ii £m	Adviser £m	Investments £m	Other £m	Total £m
Adjusted net operating revenue[1]		278	237	797	9	1,321
Adjusted operating expenses		(162)	(111)	(736)	(57)	(1,066)
Adjusted operating profit		116	126	61	(48)	255
Adjusted net financing costs and investment return						99
Adjusted profit before tax						354
Tax on adjusted profit						(70)
Adjusted profit after tax						284
Adjusted for the following items						
Restructuring and corporate transaction expenses	5					(100)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	5					(129)
Change in fair value of significant listed investments	4					(27)
Profit on disposal of subsidiaries and other operations	1					89
Profit on disposal of interests in joint ventures						11
Dividends from significant listed investments	4					56
Share of profit or loss from associates and joint ventures	14					24
Other	11					(27)
Total adjusting items including results of associates and joint ventures						(103)
Tax on adjusting items						67
Profit attributable to other equity holders						(11)
Profit for the year attributable to equity shareholders of abrdn plc						237
Profit attributable to other equity holders						11
Profit for the year						248

1. The measure of segmental revenue has been renamed from net operating revenue to adjusted net operating revenue. See Note 3(c) for a reconciliation of these revenue measures.

Adjusted net operating revenue is reported as the measure of revenue in the analysis of adjusted operating profit and relates to revenues generated from external customers.

In the year ended 31 December 2024, transactions with one external customer amounted to more than 10% of adjusted net operating revenue (2023: one). This adjusted net operating revenue[1] of £151m (2023: £150m) is included in the Investments and Adviser segments.

Adjusted operating expenses includes depreciation and amortisation of £31m (2023: £33m); £24m (2023: £26m) for the Investments segment; £5m (2023: £5m) for the ii segment; and £2m (2023: £2m) for the Adviser segment. Interest income, interest expense and income tax expense are not included in adjusted operation profit and are not analysed by segment in the information provided to the 'Chief Operating Decision Maker'.

Assets and liabilities by segment are not required to be presented as such information is not presented on a regular basis to the 'Chief Operating Decision Maker'.

31 December 2023	Notes	ii £m	Adviser £m	Investments £m	Other £m	Total £m
Adjusted net operating revenue[1]		287	224	878	9	1,398
Adjusted operating expenses		(173)	(106)	(828)	(42)	(1,149)
Adjusted operating profit		114	118	50	(33)	249
Adjusted net financing costs and investment return						81
Adjusted profit before tax						330
Tax on adjusted profit						(50)
Adjusted profit after tax						280
Adjusted for the following items						
Restructuring and corporate transaction expenses	5					(152)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	5					(189)
Profit on disposal of subsidiaries and other operations	1					79
Change in fair value of significant listed investments	4					(178)
Dividends from significant listed investments	4					64
Share of profit or loss from associates and joint ventures	14					1
Reversal of impairment of interests in joint ventures	14					2
Other	11					37
Total adjusting items including results of associates and joint ventures						(336)
Tax on adjusting items						68
Profit attributable to other equity holders						(11)
Profit for the year attributable to equity shareholders of abrdn plc						1
Profit attributable to other equity holders						11
Profit for the year						12

1. The measure of segmental revenue has been renamed from net operating revenue to adjusted net operating revenue. See Note 3(c) for a reconciliation of these revenue measures.

(b)(ii) Reconciliation to the consolidated income statement

Adjusted net operating revenue

The reconciliation of adjusted net operating revenue, as presented in the analysis of Group adjusted profit by segment to revenue from contracts with customers, as presented in the consolidated income statement, is included in Note 3.

Adjusted operating expenses

The following table provides a reconciliation of adjusted operating expenses, as presented in the analysis of Group adjusted profit by segment, to total administrative and other expenses, as presented in the consolidated income statement.

	2024 £m	2023 £m
Total administrative and other expenses as presented in the consolidated income statement	**(1,313)**	(1,463)
Restructuring and corporate transaction expenses included in adjusting items	**100**	152
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts included in adjusting items	**129**	189
Administrative and other expenses relating to the unit linked business	**–**	1
Other differences	**18**	(28)
Adjusted operating expenses as presented in the analysis of Group adjusted profit by segment	**(1,066)**	(1,149)

Other differences relate to items presented in adjusted net financing costs and investment return for segment reporting (see commentary under table below) and other items classified as adjusting items (refer Note 11).

Adjusted net financing costs and investment return

The following table provides a reconciliation of adjusted net financing costs and investment return, as presented in the analysis of Group adjusted profit by segment, to Net gains or losses on financial instruments and other income, as presented in the consolidated income statement.

	2024 £m	2023 £m
Net gains or losses on financial instruments and other income as presented in the consolidated income statement	**160**	2
Finance costs separately disclosed in the consolidated income statement	**(25)**	(25)
Change in fair value of significant listed investments included in adjusting items	**27**	178
Dividends from significant listed investments included in adjusting items	**(56)**	(64)
Net gains or losses on financial instruments and other income relating to the unit linked business	**1**	(4)
Other differences	**(8)**	(6)
Adjusted net financing costs and investment return as presented in the analysis of Group adjusted profit by segment	**99**	81

Other differences primarily relate to amounts presented in a different line item of the consolidated income statement and other items classified as adjusting items. This includes the net interest credit relating to the staff pension schemes of £22m (2023: £34m) which is presented in total administrative and other expenses in the consolidated income statement and in adjusted net financing costs and investment return in the analysis of Group adjusted profit by segment.

(c) Total adjusted net operating revenue by geographical location

Total adjusted net operating revenue[1] split by geographical location is as follows:

	2024 £m	2023 £m
UK	**985**	1,037
Europe, Middle East and Africa	**96**	107
Asia Pacific	**116**	137
Americas	**124**	117
Total	**1,321**	1,398

1. Adjusted net operating revenue is allocated based on legal entity revenue recognition.

(d) Non-current non-financial assets by geographical location

	2024 £m	2023 £m
UK	**1,462**	1,565
Europe, Middle East and Africa	**10**	33
Asia Pacific	**10**	13
Americas	**127**	130
Total	**1,609**	1,741

Non-current non-financial assets for this purpose consist of property, plant and equipment and intangible assets.

3. Net operating revenue

Net operating revenue represents revenue from contracts with customers after deduction of cost of sales.

Revenue from contracts with customers is recognised as services are provided i.e. as the performance obligation is satisfied. Performance fees and carried interest are only recognised once it is highly probable that a significant reversal will not occur in future periods. Where revenue is received in advance (front-end fees), this income is deferred and recognised as a deferred income liability (refer Note 32) and released to the consolidated income statement over the period services are provided.

Where revenue received relates to performance obligations whose fulfilment involves another external party, for example fund accounting or custodian services, the Group assesses if it is acting as a principal with full responsibility for the performance obligation and control over its fulfilment or solely responsible for arranging for the third party to fulfil the performance obligation i.e. acting as an agent. Where the Group is acting as an agent, only its share of the revenue for the arrangement of the relevant service is recognised within revenue from contracts from customers, therefore the revenue is recognised net of the revenue passed on to the third party. This is not currently considered a significant judgement for the Group.

Commission and other fee expenses which relate directly to revenue are presented as cost of sales. These expenses include ongoing commission expenses payable to financial institutions, investment platform providers and financial advisers that distribute the Group's products which are generally based on an agreed percentage of AUM and are recognised in the consolidated income statement as the service is received. Other cost of sales also includes amounts payable to employees and others relating to carried interest and performance fee revenue.

(a) Revenue from contracts with customers

The following table provides a breakdown of total revenue from contracts with customers.

	2024 **£m**	2023 £m
ii		
Fee income – Advice and Discretionary	**25**	57
Account fees	**52**	54
Trading transactions	**70**	48
Treasury income	**138**	134
Revenue from contracts with customers for the ii segment	**285**	293
Adviser		
Platform charges	**196**	184
Treasury income	**33**	31
Other revenue from contracts with customers[1]	**10**	11
Revenue from contracts with customers for the Adviser segment	**239**	226
Investments		
Management fee income – Institutional and Retail Wealth[2]	**679**	769
Management fee income – Insurance Partners[2]	**116**	132
Performance fees and carried interest	**20**	18
Other revenue from contracts with customers	**22**	27
Revenue from contracts with customers for the Investments segment	**837**	946
Revenue from contracts with customers for Other	**9**	9
Total revenue from contracts with customers	**1,370**	1,474

1. Other revenue from contracts with customers for the Adviser segment includes £5m (2023: £4m) in relation to discretionary fund management fee income.
2. In addition to revenues earned as a percentage of AUM, management fee income includes certain other revenues not based on a percentage of AUM.

ii
Through its subsidiary Interactive Investor Services Limited (ii), the Group offers a subscription-based trading and direct investing platform. The services that ii offers are provided on both a point in time and an over time basis.

Customers pay monthly account fees as part of ii's subscription model. Account fees are invoiced monthly and are payable immediately from the customer's account, with receivables recognised if there are insufficient funds available. The account fees cover the performance obligation to provide the customer with access to the platform and custody services. For certain subscription levels, the account fee also entitles the customer to receive trading credits which can be redeemed against future trades. For these subscription levels, the account fees also cover ii's performance obligation to perform these future trades. In accordance with IFRS 15, the account fees are allocated to the two performance obligations. Access to the platform and custody services is provided over time and the account fees revenue allocated to this performance obligation is recognised over the calendar month as the customer receives the benefit of these services. Trading credits need to be used by the customer within 31 days of the credit arising, therefore the revenue is recognised over the calendar month as a reasonable approximation of when the performance obligation is satisfied at a point in time within the month.

In addition, ii performs additional trades and foreign exchange transactions for its customers. These are performed at a point in time with the revenue recognised at the trade date of the transaction. Trading fees for transactions not covered by trading credits are generally charged on a flat-fee basis with larger international share trades charged based on a percentage of the trade value. These are added to the cost of purchasing shares or deducted from the proceeds from the sale of shares with receivables recognised for unsettled trades. For foreign exchange trades, ii receives a margin (varying depending on the size of the transaction) via a third party in the month following the transaction, with receivables recognised prior to the payment.

In addition, ii is entitled to receive treasury income in relation to its performance obligations to the customer. Treasury income is the interest earned on cash balances less the interest paid to customers based on the client money balances held with third party banks and by reference to the applicable interest rates. Treasury income is recognised on an over time basis with accrued income recognised for unpaid interest.

Through its subsidiary abrdn Financial Planning and Advice Limited, the Group also offers financial planning services. Financial planning is either provided on a one-off basis or on an ongoing basis. The performance obligation for one-off advice is performed at a point in time with the revenue recognised when the advice is provided. The performance obligation for ongoing financial planning is performed over time with the revenue recognised as the obligation is performed. The Group generally receives ongoing financial planning fees based on the percentage of the assets under advice. One-off financial planning fees are invoiced to the customer following delivery of the advice. Ongoing financial planning fees are invoiced to the customer or a designated financial provider either monthly or quarterly. Receivables are recognised for unpaid invoices. The payment terms for invoiced revenue vary but are typically 30 days from receipt of invoice. Accrued income is recognised to account for income earned but not yet invoiced which is not dependent on any future performance.

Adviser
Through a number of its subsidiaries, the Group offers customers access to fund platforms. The platforms give customers the ongoing functionality to manage and administer their investments. This performance obligation is performed over time with the revenue recognised as the obligation is performed. Customers pay a platform charge which is generally calculated as a percentage of their assets. The percentage varies depending on the level of assets on the specific platform. The main platform charges are calculated either daily or monthly and are collected and recognised monthly. The charges are collected directly from assets on the platform. There are no significant payment terms.

In addition, Adviser receives treasury income for providing management and administration of cash held in platform cash accounts. The performance obligation for cash management and administration is performed over time with the revenue recognised as the obligation is performed. The customer receives interest on their cash balances after deduction of a cash management administration charge which is generally calculated as a percentage of their cash held in relevant accounts. The percentage varies depending on the interest received from the banks used to provide the cash accounts. There are no significant payment terms.

Through its subsidiary abrdn Portfolio Solutions Limited, the Group offers discretionary fund management services via its Managed Portfolio Service. The Managed Portfolio Service business has been reported in Adviser since its transfer from aCL in May 2023. aCL, which was the Group's primary discretionary fund management business, was reported in the ii segment until the completion of its sale on 1 September 2023 (refer Note 1(c)(iii) for further details).

The performance obligation for discretionary fund management services is performed over time with the revenue recognised as the obligation is performed. The Group generally receives discretionary fund management services fees based on the percentage of the assets under management. The percentage varies depending on the model selected. Discretionary fund management services fees are deducted from assets. Deducted fees are generally calculated and recognised daily and collected on a monthly or quarterly basis.

Investments

Through a number of its subsidiaries, the Group provides asset management services to its customers. This performance obligation is performed over time with the revenue recognised as the obligation is performed. The Group generally receives asset management fees based on the percentage of the assets under management. The percentage varies depending on the level and nature of assets under management. Asset management fees are either deducted from assets or invoiced. Deducted fees are generally calculated, recognised and collected on a daily basis. Some larger clients separately receive rebates on these fees. Other asset management fees are invoiced to the customer either monthly or quarterly with receivables recognised for unpaid invoices. The payment terms for invoiced revenue vary but are typically 30 days from receipt of invoice. Accrued income is recognised to account for income earned but not yet invoiced which is not dependent on any future performance.

There is also some use of performance fees and carried interest arrangements. Performance fees and carried interest are earned from some investment mandates when contractually agreed performance levels are exceeded within specified performance measurement periods. Performance fees and carried interest are only recognised once it is highly probable that a significant reversal will not occur in future periods. Given the unpredictability of future performance, the risk of a significant reversal occurring will typically only be considered low enough to make recognition appropriate upon the crystallisation event occurring.

(b) Cost of sales

The following table provides a breakdown of total cost of sales.

	2024	2023
	£m	£m
Commission expenses	**48**	64
Other cost of sales	**17**	12
Total cost of sales	**65**	76

Other cost of sales includes amounts payable to employees and others relating to carried interest and performance fee revenue. Cost of sales for each of the Group's reportable segments is disclosed in Section (c) below.

(c) Reconciliation of revenue from contracts with customers to adjusted net operating revenue as presented in the analysis of adjusted operating profit

The following table provides a reconciliation of revenue from contracts with customers as presented in the consolidated income statement to adjusted net operating revenue as presented in the analysis of adjusted operating profit (see Note 2(b) for each of the Group's reportable segments).

	ii		**Adviser**		**Investments**		**Other**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
Revenue from contracts with customers	**285**	293	**239**	226	**837**	946	**9**	9	**1,370**	1,474
Cost of sales	**(7)**	(6)	**(2)**	(2)	**(56)**	(68)	**–**	–	**(65)**	(76)
Net operating revenue as presented in the consolidated income statement	**278**	287	**237**	224	**781**	878	**9**	9	**1,305**	1,398
Other differences	**–**	–	**–**	–	**16**	–	**–**	–	**16**	–
Adjusted net operating revenue as presented in the analysis of Group adjusted profit by segment	**278**	287	**237**	224	**797**	878	**9**	9	**1,321**	1,398

In the current year, net operating revenue includes a reduction related to revenue recognised in previous years. As this is not material, it has been adjusted for prospectively rather than restating comparative amounts. Other differences reflect the effect of removing this adjustment as it does not relate to revenue recognised in the current year.

4. Net gains or losses on financial instruments and other income

Gains and losses resulting from changes in both market value and foreign exchange on investments classified as fair value through profit or loss are recognised in the consolidated income statement in the period in which they occur. The gains and losses include investment income received such as interest payments and dividend income. Dividend income is recognised when the right to receive payment is established.

Interest income on financial instruments measured at amortised cost is separately recognised in the consolidated income statement using the effective interest rate method. The effective interest rate method allocates interest and other finance costs at a constant rate over the expected life of the financial instrument, or where appropriate a shorter period, by using as the interest rate the rate that exactly discounts the future cash receipts over the expected life to the net carrying value of the instrument.

Other income includes income related to vacant property and fair value movements in contingent consideration.

	Notes	2024 £m	2023 £m
Fair value movements and dividend income on significant listed investments			
Fair value movements on significant listed investments (other than dividend income)		**(27)**	(178)
Dividend income from significant listed investments		**56**	64
Total fair value movements and dividend income on significant listed investments		**29**	(114)
Non-unit linked business – excluding significant listed investments			
Net gains or losses on financial instruments at fair value through profit or loss		**26**	6
Interest and similar income from financial instruments at amortised cost		**87**	76
Foreign exchange gains or losses on financial instruments at amortised cost		**–**	(7)
Other income		**19**	37
Net gains or losses on financial instruments and other income – non-unit linked business – excluding significant listed investments		**132**	112
Unit linked business			
Net gains or losses on financial instruments at fair value through profit or loss			
Net gains or losses on financial assets at fair value through profit or loss		**56**	69
Change in non-participating investment contract financial liabilities		**(58)**	(65)
Change in liability for third party interests in consolidated funds		**–**	(1)
Total net gains or losses on financial instruments at fair value through profit or loss		**(2)**	3
Interest and similar income from financial instruments at amortised cost		**1**	1
Net gains or losses on financial instruments and other income – unit linked business[1]	23	**(1)**	4
Total other net gains or losses on financial instruments and other income		**131**	116
Total net gains or losses on financial instruments and other income		**160**	2

1. In addition to the Net gains or losses on financial instruments and other income – unit linked business of £(1)m (2023: £4m), there are administrative expenses of £nil (2023: £(1)m) and a policyholder tax credit of £1m (2023: tax expense of £3m) relating to unit linked business for the account of policyholders. The result attributable to unit linked business for the year is £nil (2023: £nil). Refer Note 23 for further details.

Fair value movements on significant listed investments (other than dividend income) of losses of £27m for the year ended 31 December 2024 related to the Group's investment in Phoenix. Fair value movements on significant listed investments (other than dividend income) of losses of £178m for the year ended 31 December 2023 comprised losses of £77m relating to Phoenix, losses of £96m relating to HDFC Asset Management and losses of £5m relating to HDFC Life.

Dividend income from significant listed investments of £56m for the year ended 31 December 2024 related to the Group's investment in Phoenix. Dividend income from significant listed investments of £64m for the year ended 31 December 2023 comprised £54m relating to Phoenix and £10m relating to HDFC Asset Management.

5. Administrative and other expenses

	Notes	2024 £m	2023 £m
Restructuring and corporate transaction expenses	8	**100**	152
Impairment of intangibles acquired in business combinations and through the purchase of customer contracts			
Impairment of intangibles acquired in business combinations	13	**9**	63
Total impairment of intangibles acquired in business combinations and through the purchase of customer contracts		**9**	63
Amortisation of intangibles acquired in business combinations and through the purchase of customer contracts			
Amortisation of intangibles acquired in business combinations	13	**109**	115
Amortisation of intangibles acquired through the purchase of customer contracts	13	**11**	11
Total amortisation of intangibles acquired in business combinations and through the purchase of customer contracts		**120**	126
Staff costs and other employee-related costs	6	**510**	529
Other administrative expenses[1]		**574**	593
Total administrative and other expenses[2]		**1,313**	1,463

1. Other administrative expenses includes interest expense of £3m (2023: £4m). In addition, interest expense of £19m (2023: £19m) was incurred in respect of subordinated liabilities and the related cash flow hedge (refer Note 18) and interest expense of £6m (2023: £6m) in respect of lease liabilities (refer Note 16) which are included in Finance costs in the consolidated income statement.
2. Total administrative and other expenses includes £nil (2023: £1m) relating to unit linked business. Refer Note 23 for further details.

6. Staff costs and other employee-related costs

	Notes	2024 £m	2023 £m
The aggregate remuneration payable in respect of employees:			
Wages and salaries		**411**	443
Social security costs		**47**	51
Pension costs			
Defined benefit plans		**(22)**	(39)
Defined contribution plans		**48**	55
Employee share-based payments and deferred fund awards	40	**26**	19
Total staff costs and other employee-related costs		**510**	529

In addition, wages and salaries of £5m (2023: £18m), social security costs of £1m (2023: £4m), pension costs – defined benefit plans of £nil (2023: £nil), pension costs – defined contribution plans of less than £1m (2023: less than £1m), employee share-based payments and deferred fund awards relating to transformation, leavers and corporate transactions of £10m (2023: £12m) and termination benefits of £19m (2023: £44m) have been included in restructuring and corporate transaction expenses. Refer Note 8. A further £8m (2023: £4m) of expenses are included in other cost of sales in relation to amounts payable to employees and former employees relating to carried interest and performance fee revenue. Refer Note 3.

The following table provides an analysis of the average number of staff employed by the Group during the year.

	2024	2023
ii	**1,165**	1,138
Adviser	**507**	536
Investments	**1,933**	2,132
IT and support functions	**1,014**	1,252
Total employees	**4,619**	5,058

Information in respect of Directors' remuneration is provided in the Directors' remuneration report on pages 122 to 141. In addition to the total remuneration disclosed as paid to the Directors for the prior year are amounts paid to those Directors who stepped down from the Board during 2023 being £329k to Stephanie Bruce and £33k to Brian McBride. There were also payments totalling £644k to Stephanie Bruce as a past director in 2023. This is as disclosed in the 2023 Directors' remuneration report.

7. Auditors' remuneration

The following table shows the auditors' remuneration during the year.

	2024 £m	2023 £m
Fees payable to the Company's auditors for the audit of the Company's individual and consolidated financial statements	**2.2**	2.1
Fees payable to the Company's auditors for other services		
The audit of the Company's consolidated subsidiaries pursuant to legislation	**5.3**	5.1
Audit related assurance services	**2.7**	2.8
Total audit and audit related assurance fees	**10.2**	10.0
Other assurance services	**0.9**	1.0
Other non-audit fee services	**–**	–
Total non-audit fees	**0.9**	1.0
Total auditors' remuneration	**11.1**	11.0

Auditors' remuneration disclosed above excludes audit and non-audit fees payable to the Group's principal auditor by Group managed funds which are not controlled by the Group, and therefore not consolidated in the Group's financial statements.

During the year ended 31 December 2024, £nil audit fees were payable in respect of defined benefit plans to the Group's principal auditor (2023: £nil).

For more information on non-audit services, refer to the Audit Committee report in the Corporate governance statement.

8. Restructuring and corporate transaction expenses

Total restructuring and corporate transaction expenses during the year were £100m (2023: £152m). Restructuring expenses of £88m (2023: £121m) mainly consisted of costs to effect our cost transformation programme including related severance expenses, and platform transformation expenses. Restructuring expenses in 2023 were partly offset by a £32m release of the provision for separation costs. Refer Note 33 for further details. Corporate transaction expenses were £12m (2023: £31m) and include deal costs relating to acquisitions for the year ended 31 December 2024 of £nil (2023: £2m). Further information on restructuring and corporate transaction expenses can be found in Section 1.1 of Supplementary information.

9. Taxation

The Group's tax expense comprises both current tax and deferred tax expense.

Current tax is the expected tax payable on taxable profit for the year and is calculated using tax rates and laws substantively enacted at the balance sheet date.

A deferred tax asset represents a tax deduction that is expected to arise in a future period. It is only recognised to the extent that it is probable that the tax deduction will be capable of being offset against taxable profits and gains in future periods. A deferred tax liability represents taxes which will become payable in a future period as a result of a current or prior year transaction. Where local tax law allows, deferred tax assets and liabilities are netted off on the consolidated statement of financial position. The tax rates used to determine deferred tax are those enacted or substantively enacted at the balance sheet date that are expected to apply when the deferred tax asset or liability are realised. Any tax consequences of distributions on other equity instruments are credited to the statement in which the profit distributed originally arose.

Deferred tax is recognised on temporary differences arising from investments in subsidiaries and associates unless the timing of the reversal is in our control and it is expected that the temporary difference will not reverse in the foreseeable future.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Current tax and deferred tax are recognised in the consolidated income statement except when it relates to items recognised in other comprehensive income or directly in equity, in which case it is credited or charged to other comprehensive income or directly to equity respectively.

The Group operates in a number of territories and during the normal course of business will be subject to audit or enquiry by local tax authorities. At any point in time the Group will also be engaged in commercial transactions the tax outcome of which may be uncertain due to their complexity or uncertain application of tax law. Tax provisions, therefore, are subjective by their nature and require management judgement based on the interpretation of legislation, management experience and professional advice. As such, this may result in the Group recognising provisions or disclosing contingent liabilities for uncertain tax positions. Management will provide for uncertain tax positions where they judge that it is probable there will be a future outflow of economic benefits from the Group to settle the obligation. Where a future outflow of economic benefits is judged as less than probable but more than remote, a contingent liability will be disclosed, where material. In assessing uncertain tax positions management considers each issue on its own merits using their judgement as to the estimate of the most likely outcome. When making estimates, management considers all available evidence. This may include forecasts of future profitability, the frequency and severity of any losses, and statutory carry forward and carry back provisions as well as management experience of tax attributes expiring without use. Where the final outcome differs from the amount provided this difference will impact the tax charge in future periods. Management re-assesses provisions at each reporting date based upon latest available information.

(a) Tax charge in the consolidated income statement

(a)(i) Current year tax expense

	2024	2023
	£m	£m
Current tax:		
UK	**11**	17
Pillar Two Top-up tax	**1**	–
Overseas	**7**	51
Adjustment to tax expense in respect of prior years	**(4)**	(2)
Total current tax	**15**	66
Deferred tax:		
Deferred tax credit arising from the current year	**(5)**	(69)
Adjustment to deferred tax in respect of prior years	**(7)**	(15)
Total deferred tax	**(12)**	(84)
Total tax expense/(credit)[1]	**3**	(18)

1. The tax expense of £3m (2023: tax credit of £18m) includes a tax credit of £1m (2023: tax expense of £3m) relating to unit linked business. Refer Note 23 for further details.

In 2024 unrecognised tax losses from previous years were used to reduce the current tax expense by £2m (2023: £2m).

Current tax recoverable and current tax liabilities at 31 December 2024 were £23m (2023: £10m) and £3m (2023: £6m) respectively. In addition current tax recoverable and current tax liabilities in relation to unit linked business were £nil (2023: £nil) and £nil (2023: £nil) respectively. Current tax assets and liabilities at 31 December 2024 are expected to be recoverable or payable in less than 12 months (2023: less than 12 months).

(a)(ii) Reconciliation of tax expense

	2024 £m	2023 £m
Profit/(loss) before tax	**251**	(6)
Tax at 25% (2023: 23.5%)	**63**	(1)
Remeasurement of deferred tax due to rate changes	**1**	(5)
Permanent differences	**4**	1
Non-taxable dividends from significant listed investments	**(14)**	(13)
Non-taxable fair value movements on significant listed investments	**7**	18
Tax effect of accounting for share of profit or loss from associates and joint ventures	**(6)**	–
Tax effect of distributions on other equity instruments	**(3)**	(3)
Impairment losses on goodwill	**1**	15
Differences in overseas tax rates	**(2)**	4
Adjustment to current tax expense in respect of prior years	**(4)**	(2)
Recognition of previously unrecognised deferred tax credit	**(9)**	(1)
Deferred tax not recognised	**1**	2
Adjustment to deferred tax expense in respect of prior years	**(7)**	(15)
Non-taxable profit or loss on sale of subsidiaries, associates and significant listed investments	**(26)**	(18)
Other	**(3)**	–
Total tax expense/(credit) for the year	**3**	(18)

The standard UK Corporation Tax rate for the accounting period is 25%. The rate of UK Corporation Tax increased from 19% to 25% with effect from 1 April 2023.

The accounting for certain items in the consolidated income statement results in certain reconciling items in the table above, the values of which vary from year to year depending upon the underlying accounting values.

Details of significant reconciling items are as follows:
- Profits on the sale of our European-headquartered Private Equity business not being subject to tax
- Dividend income and fair value movements from our investments in Phoenix not being subject to tax.
- Overseas profits reducing the unrecognised deferred tax asset.
- Prior year adjustments reflecting the non taxable release of accounting provisions.

(b) Tax relating to components of other comprehensive income

Tax relating to components of other comprehensive income is as follows:

	2024 £m	2023 £m
Tax relating to fair value gains and losses recognised on cash flow hedges	**4**	(10)
Tax relating to cash flow hedge gains and losses transferred to consolidated income statement	**(4)**	7
Equity holder tax effect relating to items that may be reclassified subsequently to profit or loss	**–**	(3)
Tax relating to other comprehensive income	**–**	(3)

All of the amounts presented above are in respect of equity holders of abrdn plc.

(c) Tax relating to items taken directly to equity

	2024 £m	2023 £m
Tax relating to share-based payments	**1**	–
Tax relating to items taken directly to equity	**1**	–

(d) Deferred tax assets and liabilities

(d)(i) Analysis of recognised deferred tax

	2024 £m	2023 £m
Deferred tax assets comprise:		
Losses carried forward	**167**	160
Depreciable assets	**24**	35
Employee benefits	**14**	20
Provisions and other temporary timing differences	**7**	7
Gross deferred tax assets	**212**	222
Less: Offset against deferred tax liabilities	**(15)**	(7)
Deferred tax assets	**197**	215
Deferred tax liabilities comprise:		
Unrealised gains on investments	**6**	4
Deferred tax on intangible assets acquired through business combinations	**101**	124
Other	**9**	8
Gross deferred tax liabilities	**116**	136
Less: Offset against deferred tax assets	**(15)**	(7)
Deferred tax liabilities	**101**	129
Net deferred tax asset at 31 December	**96**	86

A deferred tax asset of £167m (2023: £160m) has been recognised by the Group in respect of losses of the parent company and various subsidiaries. The increase reflects the conversion of part of the deferred tax asset held on depreciable assets to recognised losses carried forward. This increase was partially offset by the utilisation of brought forward losses against taxable profits in the year.

Deferred tax assets are recognised to the extent that it is probable that the losses will be capable of being offset against taxable profits and gains in future periods. The value attributed to them takes into account the certainty or otherwise of their recoverability. Their recoverability is measured against the reversal of deferred tax liabilities and anticipated taxable profits and gains based on business plans. The deferred tax asset recognised on losses relates to UK entities where there is currently no restriction on the period of time over which losses can be utilised. Recognition of this deferred tax asset requires that management must consider if it is more likely than not that this asset will be recoverable in future periods against future profits arising in the UK. In making this assessment management have considered future operating plans and forecast taxable profits and are satisfied that forecast taxable profits will be sufficient to enable recovery of the UK tax losses. The financial forecasts considered were consistent with those used for the assessment of the Group's intangible assets (refer Note 13). Based upon the level of forecast taxable profits management do not consider there is significant risk of a material adjustment to the carrying amount of the deferred tax asset on UK tax losses within the next financial year. Management expect the deferred tax asset to be utilised over a period of between four and six years.

Deferred tax assets of £180m (2023: £215m) and liabilities of £80m (2023: £129m) are expected to be recovered or settled after more than 12 months.

(d)(ii) Movements in deferred tax assets and liabilities

	Losses carried forward £m	Depreciable assets £m	Employee benefits £m	Provisions and other temporary timing differences £m	Unrealised gains on investments £m	Deferred tax on intangible assets acquired through business combinations £m	Other £m	Net deferred tax asset £m
At 1 January 2024	**160**	**35**	**20**	**7**	**(4)**	**(124)**	**(8)**	**86**
Credit or (charge) directly to equity	**–**	**–**	**(1)**	**–**	**–**	**–**	**–**	**(1)**
Amounts (expensed) in/credited to the consolidated income statement	**8**	**(11)**	**(5)**	**1**	**(3)**	**23**	**(1)**	**12**
Tax on cash flow hedge	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other	**(1)**	**–**	**–**	**(1)**	**1**	**–**	**–**	**(1)**
At 31 December 2024	**167**	**24**	**14**	**7**	**(6)**	**(101)**	**(9)**	**96**

	Losses carried forward £m	Depreciable assets £m	Employee benefits £m	Provisions and other temporary timing differences £m	Unrealised gains on investments £m	Deferred tax on intangible assets acquired through business combinations £m	Other £m	Net deferred tax asset £m
At 1 January 2023	170	33	26	5	(60)	(162)	(11)	1
Amounts (expensed) in/credited to the consolidated income statement	(10)	2	(6)	2	56	38	2	84
Tax on cash flow hedge	–	–	–	–	–	–	3	3
Other	–	–	–	–	–	–	(2)	(2)
At 31 December 2023	160	35	20	7	(4)	(124)	(8)	86

(e) Unrecognised deferred tax

Due to uncertainty regarding recoverability, deferred tax assets have not been recognised in respect of the following:

– Cumulative losses carried forward of £112m (2023: £91m) in the UK and losses and other temporary differences of £343m (2023: £360m) in the US, losses of £7m in China (2023: £10m), losses of £8m in Japan (2023: £10m) and losses of £10m (2023: £9m) in other overseas jurisdictions.

Of these unrecognised deferred tax assets, certain losses have expiry dates as follows:

– US losses of £136m (2023: £140m) with expiry dates between 2035-2037.
– Other overseas losses of £19m with expiry dates between 2025-2034 (2023: £21m with expiry dates between 2024-2033).

The following table provides an analysis of the losses with expiry dates for unrecognised deferred tax assets.

	2024 £m	2023 £m
Less than 1 year	**1**	4
Greater than or equal to 1 year and less than 5 years	**14**	9
Greater than or equal to 5 years and less than 10 years	**4**	8
Greater than 10 years	**136**	140
Total losses with expiry dates	**155**	161

There is an unrecognised deferred tax asset of £6m (2023: liability of £18m) relating to temporary timing differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements.

10. Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the period excluding shares owned by the employee trusts that have not vested unconditionally to employees.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue during the period to assume the conversion of all dilutive potential ordinary shares, such as share options granted to employees. Details of the share options and awards issued under the Group's employee plans are provided in Note 40.

Adjusted earnings per share is calculated on adjusted profit after tax attributable to ordinary equity holders of the Company.

Basic earnings per share was 13.2p (2023: 0.1p) and diluted earnings per share was 13.0p (2023: 0.1p) for the year ended 31 December 2024. The following table shows details of basic, diluted and adjusted earnings per share.

	2024 £m	2023 £m
Adjusted profit before tax	**354**	330
Tax on adjusted profit	**(70)**	(50)
Adjusted profit after tax	**284**	280
Attributable to:		
Other equity holders	**(11)**	(11)
Adjusted profit after tax attributable to equity shareholders of abrdn plc	**273**	269
Total adjusting items including results of associates and joint ventures	**(103)**	(336)
Tax on adjusting items	**67**	68
Profit attributable to equity shareholders of abrdn plc	**237**	1

	2024 Millions	2023 Millions
Weighted average number of ordinary shares outstanding	**1,796**	1,902
Dilutive effect of share options and awards	**22**	28
Weighted average number of diluted ordinary shares outstanding	**1,818**	1,930

	2024 Pence	2023 Pence
Basic earnings per share	**13.2**	0.1
Diluted earnings per share	**13.0**	0.1
Adjusted earnings per share	**15.2**	14.1
Adjusted diluted earnings per share	**15.0**	13.9

11. Adjusted profit and adjusting items

Adjusted profit excludes the impact of the following items:
- Restructuring and corporate transaction expenses. Restructuring includes the impact of major regulatory change.
- Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts.
- Profit or loss arising on the disposal of a subsidiary, joint venture or equity accounted associate.
- Change in fair value of/dividends from significant listed investments (see (a) below).
- Share of profit or loss from associates and joint ventures.
- Impairment loss/reversal of impairment loss recognised on investments in associates and joint ventures accounted for using the equity method.
- Fair value movements in contingent consideration.
- Items which are one-off and, due to their size or nature, are not indicative of the long-term operating performance of the Group.

The tax charge or credit allocated to adjusting items is based on the tax treatment of each adjusting item.

The operating, investing and financing cash flows presented in the consolidated statement of cash flows are for both adjusting and non-adjusting items.

(a) Significant listed investments

Following the sale of the Group's final investments in HDFC Life and HDFC Asset Management in May 2023 and June 2023 respectively (see below), the Group has one remaining significant listed investment, Phoenix. There were no additions or disposals of significant listed investments in 2024.

Fair value movements on significant listed investments are included as adjusting items, which is aligned with our treatment of gains on disposal for these holdings when they were classified as associates. Dividends from significant listed investments are also included as adjusting items, as these result in fair value movements.

(b) Other

Other adjusting items for the year ended 31 December 2024 include:
- £11m gain (2023: £23m gain) for net fair value movements in contingent consideration.
- £(15)m negative release (2023: £nil) to other administrative expenses of the prepayment recognised in relation to the Group's purchase of Phoenix's trustee investment plan business for UK pension scheme clients. Refer Note 20 for further details.
- £(16)m negative adjustment (2023: £nil) to Revenue from contracts with customers recognised in prior periods which were not restated as the impact was not considered material.
- Gain of £4m (2023: £4m gain) in relation to market movements on the investments held by the abrdn Financial Fairness Trust which is consolidated by the Group. The assets of the abrdn Financial Fairness Trust are restricted to be used for charitable purposes.
- £(10)m net expense (2023: £(9)m) related to properties which are not being used operationally.

Other adjusting items for the year ended 31 December 2023 included:
- £36m for an insurance liability recovery in relation to the single process execution event in 2022. The £41m provision expense was included in other adjusting items for the year ended 31 December 2022. Refer Note 33.
- £21m provision expense relating to a potential tax liability. Refer Note 33.
- £5m fair value loss on a financial instrument liability related to a prior period acquisition.

12. Dividends on ordinary shares

Dividends are distributions of profit to holders of abrdn plc's share capital and as a result are recognised as a deduction in equity. Final dividends are announced with the Annual report and accounts and are recognised when they have been approved by shareholders. Interim dividends are announced with the Half year results and are recognised when they are paid.

	2024		2023	
	Pence per share	£m[1]	Pence per share	£m
Prior year's final dividend paid	**7.30**	**130**	7.30	142
Interim dividend paid	**7.30**	**130**	7.30	137
Total dividends paid on ordinary shares		**260**		279
Current year final recommended dividend	**7.30**	**130**	7.30	130

1. Estimated for current year final recommended dividend.

The final recommended dividend will be paid on 13 May 2025 to shareholders on the Company's register as at 28 March 2025, subject to approval at the 2025 Annual General Meeting. After the current year final recommended dividend, the total dividend in respect of the year ended 31 December 2024 is 14.60p (2023: 14.60p).

13. Intangible assets

Goodwill is created when the Group acquires a business and the consideration exceeds the fair value of the net assets acquired. In determining the net assets acquired in business combinations, intangible assets are recognised where they are separable or arise from contractual or legal rights. Intangible assets acquired by the Group through business combinations consist mainly of customer relationships and investment management contracts, technology and brands. Any remaining value that cannot be identified as a separate intangible asset on acquisition forms part of goodwill. Goodwill is not charged to the consolidated income statement unless it becomes impaired.

In addition to intangible assets acquired through business combinations, the Group recognises as intangible assets software which has been developed internally and other purchased technology which is used in managing and executing our business. Costs to develop software internally are capitalised after the research phase and when it has been established that the project is technically feasible and the Group has both the intention and ability to use the completed asset.

Intangible assets are recognised at cost and amortisation is charged to the consolidated income statement over the length of time the Group expects to derive benefits from the asset. The allocation of the consolidated income statement charge to each reporting period is dependent on the expected pattern over which future benefits are expected to be derived. Where this pattern cannot be determined reliably the charge is allocated on a straight-line basis.

The Group also recognises the cost of obtaining customer contracts (refer Note 3) as an intangible asset. These costs primarily relate to the cost of acquiring existing investment management contracts from other asset managers and commission costs for initial investors into new closed-end funds where these are borne by the Group. For the cost of obtaining customer contracts, the intangible asset is amortised on the same basis as the transfer to the customer of the services to which the intangible asset relates.

Refer to the estimates and assumptions section below for details of the amortisation periods and methods applied.

	Acquired through business combinations							
	Goodwill	Brand	Customer relationships and investment management contracts	Technology & other	Internally developed software[1]	Purchased software and other	Cost of obtaining customer contracts	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Gross amount								
At 1 January 2023	4,665	110	1,483	101	137	5	105	6,606
Disposals and adjustments	–	1	(4)	–	2	–	–	(1)
Additions	41	–	78	–	8	–	33	160
Foreign exchange adjustment	(2)	–	(4)	–	–	–	(1)	(7)
At 31 December 2023	4,704	111	1,553	101	147	5	137	6,758
Disposals and adjustments	**–**	**–**	**(12)**	**(5)**	**(21)**	**–**	**–**	**(38)**
Additions	**–**	**–**	**–**	**–**	**5**	**–**	**21**	**26**
Foreign exchange adjustment	**1**	**–**	**1**	**–**	**–**	**–**	**1**	**3**
At 31 December 2024	**4,705**	**111**	**1,542**	**96**	**131**	**5**	**159**	**6,749**
Accumulated amortisation and impairment								
At 1 January 2023	(3,730)	(96)	(874)	(74)	(130)	(5)	(78)	(4,987)
Amortisation charge for the year[2]	–	(4)	(99)	(12)	(2)	–	(11)	(128)
Impairment losses recognised[3]	(62)	–	(1)	–	(2)	–	–	(65)
At 31 December 2023	(3,792)	(100)	(974)	(86)	(134)	(5)	(89)	(5,180)
Disposals and adjustments	**–**	**–**	**11**	**5**	**21**	**–**	**–**	**37**
Amortisation charge for the year[2]	**–**	**(3)**	**(96)**	**(10)**	**(3)**	**–**	**(11)**	**(123)**
Impairment losses recognised[3]	**(5)**	**–**	**(4)**	**–**	**–**	**–**	**–**	**(9)**
At 31 December 2024	**(3,797)**	**(103)**	**(1,063)**	**(91)**	**(116)**	**(5)**	**(100)**	**(5,275)**
Carrying amount								
At 1 January 2023	935	14	609	27	7	–	27	1,619
At 31 December 2023	912	11	579	15	13	–	48	1,578
At 31 December 2024	**908**	**8**	**479**	**5**	**15**	**–**	**59**	**1,474**

1. Included in the internally developed software of £15m (2023: £13m) is £6m (2023: £10m) relating to intangible assets not yet ready for use.
2. For the year ended 31 December 2024, £120m (2023: £126m) of the amortisation charge is recognised in Amortisation of intangibles acquired in business combinations and through the purchase of customer contracts with £3m (2023: £2m) recognised in other administrative expenses.
3. For the year ended 31 December 2024, £9m (2023: £63m) of impairment is recognised in Impairment of intangibles acquired in business combinations and through the purchase of customer contracts with £nil (2023: £2m) recognised in Restructuring and corporate transaction expenses.

At 31 December 2024, there was:
- £40m (2023: £39m) of goodwill attributable to the abrdn Inc. cash-generating unit (CGU) in the Investments segment in relation to the acquisition of the healthcare fund management capabilities of Tekla (refer Note 1(b)(i) for further details).
- £819m (2023: £819m) and £24m (2023: £24m) of goodwill attributable to the ii CGU and the abrdn financial planning business (aFP) CGU respectively in the ii segment.
- £25m (2023: £25m) of goodwill is attributable to an Adviser segment CGU.

At 31 December 2023, there was also £5m of goodwill attributable to the Finimize CGU which is reported within Other business operations and corporate costs. This goodwill is now fully impaired – see below.

In addition to goodwill, the Group has a number of customer related acquired intangibles that are individually material.

Tekla investment management contract intangible assets

On acquisition of the healthcare fund management capabilities of Tekla, £78m of customer relationships and investment management contract intangibles were recognised. These assets primarily relate to investment management contracts with the four NYSE listed funds. The description of the individually material intangible assets including the estimated useful life at the acquisition date of 27 October 2023 were as follows:

Investment management contract intangible asset	Description	Useful life at acquisition date	Fair value on acquisition date £m	**Carrying value 2024 £m**	Carrying value 2023 £m
Tekla Healthcare Opportunities Fund	Investment management contract with Tekla Healthcare Opportunities Fund	12.1 years	28	**25**	26
Tekla Healthcare Investors	Investment management contract with Tekla Healthcare Investors	12.1 years	25	**22**	23

As the investment management contracts relate to closed-end funds, the straight-line method of amortisation is considered appropriate for these intangibles. There has been no change to the useful lives and therefore the residual useful life of these investment management contract intangible assets is 10.9 years.

ii intangible assets

On acquisition of ii, customer relationships, brand and technology and other intangibles of £421m, £16m and £32m respectively were recognised. Identification and valuation of intangible assets acquired in business combinations was a key judgement. The description of the individually material intangible asset including the estimated useful life at the acquisition date of 27 May 2022 was as follows:

Customer relationship intangible asset	Description	Useful life at acquisition date	Fair value on acquisition date £m	**Carrying value 2024 £m**	Carrying value 2023 £m
Customer base	ii's customer base at the date of acquisition	15 years	421	**293**	340

There has been no change to the useful life and therefore residual useful life of the customer relationships intangible asset is 12.4 years. The reducing balance method of amortisation is considered appropriate for this intangible, consistent with the attrition rate being constant over time.

Following the valuation of the ii intangibles discussed above goodwill of £993m was recognised. The allocation of this goodwill to cash-generating units was a key judgement in 2022. The goodwill was allocated to cash-generating units based on expected earnings contribution, including in relation to revenue synergies, at the time of the transaction. We considered an earnings contribution method of allocation to be appropriate as earnings multiples are a primary valuation method for businesses such as ii. This resulted in the goodwill being primarily allocated to the ii cash-generating unit in the ii segment (£819m), with £132m and £42m allocated to the asset management group of cash-generating units in the Investments segment and a cash-generating unit in the ii segment respectively. The £132m allocated to the asset management group of cash-generating units was subsequently impaired in 2022. The £42m allocated to a cash-generating unit in the ii segment was transferred to held for sale at 31 December 2022 and disposed of during 2023 as part of the sale of aCL.

Tritax investment management contract intangible assets

On acquisition of Tritax, £71m of customer relationships and investment management contracts intangibles were recognised. These assets primarily relate to Tritax's investment management contracts with Tritax Big Box REIT plc which is a listed closed-end real estate fund and another closed-end real estate fund, Tritax EuroBox plc, (EuroBox) which was delisted and renamed Titanium Ruth Holdco PLC in December 2024. See the estimates and assumptions section below for details of the recent developments in relation to the EuroBox asset.

The description of the individually material intangible asset including the estimated useful life at the acquisition date of 1 April 2021 was as follows:

Investment management contract intangible asset	Description	Useful life at acquisition date	Fair value on acquisition date £m	**Carrying value 2024 £m**	Carrying value 2023 £m
Tritax Big Box REIT plc	Investment management contract with Tritax Big Box REIT plc	13 years	50	**36**	40

As the investment management contracts relate to closed-end funds, the straight-line method of amortisation is considered appropriate for these intangibles. There has been no change to the useful lives and therefore the residual useful life of these investment management contract intangible assets is 9.25 years.

abrdn Holdings Limited (aHL) intangibles

On the acquisition of aHL in 2017, we identified intangible assets in relation to customer relationships, brand and technology as being separable from goodwill. Identification and valuation of intangible assets acquired in business combinations is a key judgement.

The customer relationships acquired through aHL and its subsidiaries were grouped where the customer groups have similar economic characteristics and similar useful economic lives. This gave rise to three separate intangible assets which we termed Lloyds Banking Group, Open ended funds, and Segregated and similar.

The intangible asset for Lloyds Banking Group had a carrying value of £nil at the end of 2019. The description of the remaining two separate intangible assets including their estimated useful life at the acquisition date of 14 August 2017 was as follows:

Customer relationship intangible asset	Description	Useful life at acquisition date	Fair value on acquisition date	**Carrying value 2024**	Carrying value 2023
			£m	**£m**	£m
Open ended funds	Separate vehicle group – open ended investment vehicles	11 years	223	**19**	30
Segregated and similar	All other vehicle groups dominated by segregated mandates which represent 75% of this group	12 years	427	**29**	43

The reducing balance method of amortisation is considered appropriate for these intangibles, consistent with the attrition pattern on customer relationships which means that the economic benefits delivered from the existing customer base will reduce disproportionately over time. There has been no change to the useful lives of the Open ended funds and Segregated and similar customer relationship intangible assets. Therefore the residual useful life of the Open ended funds customer relationship intangible asset is 3.6 years and the residual life of the Segregated and similar customer relationship intangible asset is 4.6 years.

Estimates and assumptions

The estimates and assumptions in relation to intangible assets primarily relate to:
- Determination of the recoverable amount of goodwill and customer intangibles.
- Determination of useful lives.

The determination of the recoverable amount of the interactive investor CGU is a key area of estimation uncertainty at 31 December 2024, and further details of assumptions and sensitivities are disclosed in this section.

Determination of the recoverable amount of goodwill and customer intangibles

For all intangible assets including goodwill, an assessment is made at each reporting date as to whether there is an indication that the goodwill or intangible asset has become impaired. If any indication of impairment exists then the recoverable amount of the asset is determined. In addition, the recoverable amount for goodwill must be assessed annually.

The recoverable amounts are defined as the higher of fair value less costs of disposal (FVLCD) and the value in use (VIU) where the value in use is based on the present value of future cash flows. Where the carrying value exceeds the recoverable amount then the carrying value is written down to the recoverable amount.

In assessing value in use or FVLCD measured using a discounted cash flow approach, expected future cash flows are discounted to their present value using a pre-tax discount rate for VIU or a post-tax discount rate for FVLCD. Judgement is required in assessing both the expected cash flows and an appropriate discount rate which is based on current market assessments of the time value of money and the risks associated with the asset.

Goodwill

In 2024 impairments of goodwill of £5m (2023: £62m) have been recognised. The goodwill impairment for the year ended 31 December 2024 relates to the Finimize CGU which is reported within Other business operations and corporate costs. The goodwill impairment for the year ended 31 December 2023 comprised a further £26m relating to the Finimize CGU and £36m relating to the aFP CGU which is included in the ii segment.

The impairments are included within Impairment of intangibles acquired in business combinations and through the purchase of customer contracts in the consolidated income statement.

Finimize

In 2024 the Group recognised an impairment of the goodwill relating to the Finimize CGU of £5m. Following this impairment, the goodwill allocated to the Finimize CGU is now fully impaired (2023: £5m). This impairment was recognised at 30 June 2024. The impairment reflects higher anticipated losses in the period prior to which abrdn anticipates Finimize is likely to achieve profitability and the related Group support required in this period.

The recoverable amount of the Finimize CGU at 30 June 2024 was £10m which was based on fair value less costs of disposal (FVLCD). The FVLCD considered a number of valuation approaches, with the primary approach being a revenue multiple approach. The key assumptions used in determining the revenue multiple valuation were future revenue projections, which were based on management forecasts and market multiples for broadly comparable listed companies, with appropriate discounts applied to take into account profitability, track record, revenue growth potential, and net premiums for control. This is a level 3 measurement as they are measured using inputs which are not based on observable market data.

The goodwill allocated to the Finimize CGU was also impaired in 2023 by £26m. The recoverable amount of the Finimize CGU at 31 December 2023 was £10m which was based on FVLCD. As above, the FVLCD considered a number of valuation approaches, with the primary approach being a revenue multiple approach.

aFP

Goodwill of £24m (2023: £24m) is allocated to the aFP CGU which comprises the Group's financial planning business. There was no impairment of the goodwill attributable to this CGU in 2024.

The goodwill allocated to the aFP CGU was impaired in 2023 by £36m. The recoverable amount of the aFP CGU at 31 December 2023 was £45m which was based on FVLCD. The FVLCD considered a number of valuation approaches, with the primary approach being a multiples approach based on price to revenue and price to assets under advice (AUAdv). Multiples were based on trading multiples for aFP's peer companies, adjusted to take into account profitability where appropriate, and were benchmarked against recent transactions. This was a level 3 measurement as they are measured using inputs which are not based on observable market data.

Following this impairment, the residual goodwill attributable to the aFP CGU is not significant in comparison to the total carrying amount of goodwill.

interactive investor

Goodwill of £819m (2023: £819m) is allocated to the interactive investor CGU which comprises the interactive investor business in the ii segment. There was no impairment of this goodwill attributable to this CGU in 2024 or 2023.

The recoverable amount of this CGU was determined based on FVLCD. The FVLCD was based on an earnings multiple approach. This is a level 3 measurement as it is measured using inputs which are not based on observable market data.

The key assumptions used in determining the earnings multiple valuation were future post tax adjusted earnings, which were based on management's business plan projections and reflected past experience and market price to earnings multiples, which were based on multiples of a peer group of comparable listed direct-to-consumer investment platform providers.

Sensitivities of key assumptions

The business plan projections used to determine the future earnings are based on macroeconomic forecasts including interest rates and inflation, and forecast levels of client activity, market pricing, the percentage of client funds held in cash and expenses. The projections are therefore sensitive to these assumptions. A 20% reduction in forecast earnings has been provided as a sensitivity.

The market price to earnings multiple used in the valuation is 17x based on multiples of a peer group of comparable listed direct-to-consumer investment platform providers. This assumption is sensitive to general equity market fluctuations and to market views on UK direct-to-consumer investment platform companies. A 40% sensitivity to an earnings multiple has been provided as a sensitivity.

The recoverable amount at 31 December 2024 exceeds the carrying amount of the cash-generating unit by £692m. The impact of sensitivities to a single variable and change required to reduce headroom to zero are shown in the tables below.

Impact on goodwill carrying amount at 31 December 2024	**£m**
20% reduction in forecast post tax adjusted earnings	–
40% reduction in market multiple	**(84)**

Change required to reduce headroom to zero	**%**
Change in forecast post tax adjusted earnings	**(36)**
Reduction in market multiple	**(36)**

We consider the 36% reduction in market multiple assumption to 11x to reduce the headroom to zero to be a reasonably possible change. The sensitivity for forecast post tax earnings has been included for illustrative purposes only.

Other goodwill

Goodwill of £40m (2023: £39m) is attributable to the abrdn Inc. CGU in the Investments segment. This relates to the acquisition of healthcare fund management capabilities of Tekla. Refer Note 1(b)(i) for further details.

Goodwill of £25m (2023: £25m) is attributable to an Adviser segment CGU.

There were no impairments of these goodwill balances in 2024 or 2023, both of which are not significant in comparison to the total carrying amount of goodwill.

Customer relationship and investment management contract intangibles

An impairment of £4m was recognised in 2024 in relation to the Investment management contract intangible asset for EuroBox within the Investments segment. The impairment resulted from the completion of the takeover of EuroBox on 10 December 2024 by a Brookfield real estate private fund. At 31 December 2024 the Group was still managing the assets of EuroBox.

An impairment of customer relationship and investment management contract intangibles of £1m was recognised in 2023.

Determination of useful lives

The determination of useful lives requires judgement in respect of the length of time that the Group expects to derive benefits from the asset and considers for example expected duration of customer relationships and when technology is expected to become obsolete for technology based assets.

The amortisation period and method for each of the Group's intangible asset categories is as follows:

- Customer relationships acquired through business combinations – generally between 7 and 15 years, generally reducing balance method.
- Investment management contracts acquired through business combinations – between 10 and 17 years, straight-line.
- Brand acquired through business combinations – between 2 and 5 years, straight-line.
- Technology and other intangibles acquired through business combinations – between 1 and 6 years, straight-line.
- Internally developed software – between 2 and 6 years. Amortisation is on a straight-line basis and commences once the asset is available for use.
- Purchased software – between 2 and 6 years, straight-line.
- Costs of obtaining customer contracts – between 3 and 12 years, generally reducing balance method.

Internally developed software

There was no impairment of internally developed software in 2024. An impairment of internally developed software of £2m was recognised in 2023.

14. Investments in associates and joint ventures

Associates are entities where the Group can significantly influence decisions made relating to the financial and operating policies of the entity but does not control the entity. For entities where voting rights exist, significant influence is presumed where the Group holds between 20% and 50% of the voting rights. Where the Group holds less than 20% of voting rights, consideration is given to other indicators and entities are classified as associates where it is judged that these other indicators result in significant influence.

Joint ventures are strategic investments where the Group has agreed to share control of an entity's financial and operating policies through a shareholders' agreement and decisions can only be taken with unanimous consent.

Associates, other than those accounted for at fair value through profit or loss, and joint ventures are accounted for using the equity method from the date that significant influence or shared control, respectively, commences until the date this ceases.

Under the equity method, investments in associates and joint ventures are initially recognised at cost. When an interest is acquired at fair value from a third party, the value of the Group's share of the investee's identifiable assets and liabilities is determined applying the same valuation criteria as for a business combination at the acquisition date. This is compared to the cost of the investment in the investee. Where cost is higher the difference is identified as goodwill and the investee is initially recognised at cost which includes this component of goodwill. Where cost is lower a bargain purchase has arisen and the investee is initially recognised at the Group's share of the investee's identifiable assets and liabilities unless the recoverable amount for the purpose of assessing impairment is lower, in which case the investee is initially recognised at the recoverable amount.

Subsequently the carrying value is adjusted for the Group's share of post-acquisition profit or loss and other comprehensive income of the associate or joint venture, which are recognised in the consolidated income statement and other comprehensive income respectively. The Group's share of post-acquisition profit or loss includes amortisation charges based on the valuation exercise at acquisition. The carrying value is also adjusted for any impairment losses.

The Group's share of post-acquisition profit or loss and other comprehensive income of the associate or joint venture are determined using consistent accounting policies. In relation to insurance contracts and contracts with discretionary participating features for which the Group adopted IFRS 17 Insurance Contracts from 1 January 2023, the Group's primary exposure is through its insurance joint venture, HASL (see Section C below). The Group has no material direct exposure to insurance contracts and contracts with discretionary participating features.

In relation to insurance contracts and contracts with discretionary participating features, there are three main measurement models: the general measurement model; the variable fee approach and the premium allocation approach. HASL primarily uses the general measurement model for its traditional insurance business and the variable fee approach for its direct participating contracts and investment contracts with direct participation features with some use of the premium allocation approach. HASL has elected to take the other comprehensive income (OCI) options under IFRS 17 to take elements of the movements in the measurement of insurance contract through OCI. HASL also classifies some of its debt securities as fair value through OCI.

On partial disposal of an associate, a gain or loss is recognised based on the difference between the proceeds received and the equity accounted value of the portion disposed of. Indicators of significant influence are reassessed based on the remaining voting rights. Where significant influence is judged to have been lost, the investment in associate is reclassified to interests in equity securities and pooled investment funds measured at fair value. If an entity is reclassified, the difference between the fair value and the remaining equity accounted value is accounted for as a reclassification gain or loss on disposal.

Where the Group has an investment in an associate, a portion of which is held by, or is held indirectly through, a mutual fund, unit trust or similar entity, including investment-linked insurance funds, that portion of the investment is measured at FVTPL. In general, investment vehicles which are not subsidiaries are considered to be associates where the Group holds more than 20% of the voting rights.

The level of future dividend payments and other transfers of funds to the Group from associates and joint ventures accounted for using the equity method could be restricted by the regulatory solvency and capital requirements of the associate or joint venture, certain local laws or foreign currency transaction restrictions.

(a) Investments in associates and joint ventures accounted for using the equity method

	2024			2023		
	Associates £m	**Joint ventures £m**	**Total £m**	Associates £m	Joint ventures £m	Total £m
Opening balance carried forward	**15**	**214**	**229**	14	218	232
Effect of application of IFRS 9[1]	**–**	**–**	**–**	–	51	51
Opening balance at 1 January	**15**	**214**	**229**	14	269	283
Reclassified as held for sale during the year	**–**	**–**	**–**	–	(9)	(9)
Exchange translation adjustments	**–**	**(3)**	**(3)**	–	(19)	(19)
Additions and adjustments	**–**	**2**	**2**	2	–	2
(Loss)/profit after tax	**(1)**	**25**	**24**	(1)	2	1
Other comprehensive income	**–**	**(47)**	**(47)**	–	(31)	(31)
Reversal of impairment/(impairment)	**–**	**–**	**–**	–	2	2
At 31 December	**14**	**191**	**205**	15	214	229

1. The Group implemented IFRS 9 in 2019. However, as permitted under a temporary exemption granted to insurers in IFRS 4 Insurance Contracts, the Group's insurance joint venture, Heng An Standard Life Insurance Company Limited (HASL), applied IFRS 9 at 1 January 2023 following the implementation of the new insurance contracts standard, IFRS 17. In line with the approach adopted by the Group on its implementation of IFRS 9 on 1 January 2019, the 2022 comparatives were not restated for HASL's adoption of IFRS 9. The impact of HASL adopting IFRS 9 was recognised in retained earnings at 1 January 2023.

The following joint venture is considered to be material to the Group as at 31 December 2024.

Name	Nature of relationship	Principal place of business	Measurement method	Interest held by the Group at 31 December 2024	Interest held by the Group at 31 December 2023
Heng An Standard Life Insurance Company Limited (HASL)	Joint venture	China	Equity accounted	**50%**	50%

The country of incorporation or registration is the same as the principal place of business. The interest held by the Group is the same as the proportion of voting rights held. HASL is not listed.

(b) Investments in associates accounted for using the equity method

	2024 £m	2023 £m
Carrying value of associates accounted for using the equity method	**14**	15
Share of profit/(loss) after tax	**(1)**	(1)

Investments in associates accounted for using the equity method primarily relates to the Group's interests in Archax Group Limited (Archax) (previously named Archax Holdings Limited). The Group's interest in Archax was 10.77% at 31 December 2024 (31 December 2023: 11.00%). The classification of Archax as an associate reflects the Group's additional rights under Archax's articles of association as a large external investor.

There were no additional investment into Archax in 2024 (2023: £2m) and there are no indicators of impairment at 31 December 2024.

(c) Investments in joint ventures accounted for using the equity method

	HASL		Other		Total	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Carrying value of joint ventures accounted for using the equity method	**190**	214	**1**	–	**191**	214
Share of profit/(loss) after tax	**26**	3	**(1)**	(1)	**25**	2

HASL

The Group has a 50% share in HASL, an insurance company in China offering life and health insurance products. HASL is an investment which gives the Group access to one of the world's largest markets. The table below provides summarised financial information for HASL, the joint venture which is considered to be material to the Group. HASL's year-end date is 31 December, however, HASL is not adopting IFRS 17 and IFRS 9 for its local reporting until 2025. Consequently, HASL has provided additional financial information on an IFRS 17 and IFRS 9 basis for the purposes of the preparation of the Group's consolidated financial statements.

	HASL	
	2024	2023
	£m	£m
Summarised financial information of joint venture:		
Revenue	**151**	154
Depreciation and amortisation	**5**	6
Interest income	**105**	97
Interest expense	**1**	2
Income tax (expense)/credit	**(21)**	(1)
Profit after tax	**51**	6
Other comprehensive income	**(94)**	(62)
Total comprehensive income	**(43)**	(56)
Total assets[1]	**6,906**	5,267
Total liabilities[1]	**6,526**	4,839
Cash and cash equivalents	**169**	179
Net assets	**380**	428
Attributable to investee's shareholders	**380**	428
Interest held	**50%**	50%
Share of net assets	**190**	214

1. As a liquidity presentation is used by insurance companies when presenting their statement of financial position, an analysis of total assets and total liabilities between current and non-current has not been provided for HASL.

In relation to HASL, there are no indicators that the recoverable amount of the Group's investment in HASL is less than the Group's share of net assets.

Virgin Money UTM

The Group's interest in Virgin Money UTM which was previously included in other joint ventures accounted for using the equity method was transferred to held for sale at 31 December 2023. The sale completed on 2 April 2024. Refer Note 1(c)(ii) for further details. Prior to the transfer, a reversal of prior impairment of the Group's interest of £2m was recognised. The reversal of impairment was included in Reversal of impairment of interests in joint ventures in the consolidated income statement for the year ended 31 December 2023. The interest in Virgin Money UTM did not form part of the Group's reportable segments.

(d) Investments in associates measured at FVTPL

The aggregate fair value of associates accounted for at FVTPL included in equity securities and interests in pooled investment funds (refer Note 17) at 31 December 2024 is £1m (2023: £10m) none of which are considered individually material to the Group.

15. Property, plant and equipment

Property, plant and equipment consists primarily of property owned and occupied by the Group and the computer equipment used to carry out the Group's business along with right-of-use assets for leased property and equipment.

Owner occupied property: Owner occupied property is initially recognised at cost and subsequently revalued to fair value at each reporting date. Depreciation, being the difference between the carrying amount and the residual value of each significant part of a building, is charged to the consolidated income statement over its useful life. The useful life of each significant part of a building is estimated as being between 30 and 50 years. A revaluation surplus is recognised in other comprehensive income unless it reverses a revaluation deficit which has been recognised in the consolidated income statement.

Equipment: Equipment is initially recognised at cost and subsequently measured at cost less depreciation. Depreciation is charged to the consolidated income statement over 2 to 15 years depending on the length of time the Group expects to derive benefit from the asset.

Right-of-use asset: Refer Note 16 below for the accounting policies for right-of-use assets.

	Owner occupied property £m	Equipment £m	Right of use assets – property £m	Right of use assets – equipment £m	Total £m
Cost or valuation					
At 1 January 2023	2	120	321	4	447
Additions	–	18	30	1	49
Disposals and adjustments[1]	–	(8)	(10)	(1)	(19)
Derecognition of right-of-use assets relating to subleases classified as finance leases	–	–	(24)	–	(24)
Foreign exchange adjustment	–	(2)	(4)	–	(6)
At 31 December 2023	2	128	313	4	447
Additions	**–**	**7**	**4**	**1**	**12**
Disposals and adjustments[1]	**(2)**	**(7)**	**(72)**	**(2)**	**(83)**
Foreign exchange adjustment	**–**	**–**	**(1)**	**–**	**(1)**
At 31 December 2024	**–**	**128**	**244**	**3**	**375**

	Owner occupied property £m	Equipment £m	Right of use assets – property £m	Right of use assets – equipment £m	Total £m
Accumulated depreciation and impairment					
At 1 January 2023	(1)	(65)	(177)	(3)	(246)
Depreciation charge for the year[2]	–	(15)	(16)	(1)	(32)
Disposals and adjustments[1]	–	7	9	–	16
Derecognition of right-of-use assets relating to subleases classified as finance leases	–	–	20	–	20
Impairment[3]	–	(11)	(39)	–	(50)
Reversal of impairment[3]	–	–	3	–	3
Foreign exchange adjustment	–	2	2	1	5
At 31 December 2023	(1)	(82)	(198)	(3)	(284)
Depreciation charge for the year[2]	**–**	**(13)**	**(15)**	**(1)**	**(29)**
Disposals and adjustments[1]	**1**	**4**	**65**	**2**	**72**
Foreign exchange adjustment	**–**	**–**	**1**	**–**	**1**
At 31 December 2024	**–**	**(91)**	**(147)**	**(2)**	**(240)**
Carrying amount					
At 1 January 2023	1	55	144	1	201
At 31 December 2023	1	46	115	1	163
At 31 December 2024	**–**	**37**	**97**	**1**	**135**

1. For the year ended 31 December 2024, £1m (2023: £5m) of disposals and adjustments relates to equipment with net book value of £nil which is no longer in use.
2. Included in other administrative expenses.
3. Included in restructuring and corporate transaction expenses.

Included in property right-of-use assets, are right-of-use assets that meet the definition of investment property. Their carrying amount at 31 December 2024 is £22m (2023: £31m). This comprises a gross carrying value of £63m (2023: £134m) and accumulated depreciation and impairment of £40m (2023: £103m). Rental income received and direct operating expenses incurred to generate that rental income in the year to 31 December 2024 were £2m (2023: £3m) and £1m (2023: £2m) respectively. In addition, there were direct expenses of £1m (2023: £1m) in relation to investment properties not currently generating income.

The movements during the period of the carrying value of the Group's investment property is analysed below.

	2024 £m	2023 £m
At start of period	**31**	14
Transfers to investment property	**–**	63
Transfers from investment property	**–**	(3)
Depreciation	**(2)**	(4)
Derecognition related to new subleases classified as finance leases	**(2)**	(3)
Impairments	**–**	(39)
Reversal of impairment	**–**	3
Disposals and adjustments	**(5)**	–
At end of period	**22**	31

The disposals and adjustments for the year ended 31 December 2024 of £5m relate to the assignation of a lease relating to a floor within a property in the UK. The assignation also resulted in the derecognition of related lease liabilities of £10m and a gain of £3m has been recognised within Other income in Net gains or losses on financial instruments and other income as a result of the assignation.

There were no transfers to or from investment property in 2024 and no impairments recognised.

The transfers to investment property in 2023 related to a number of properties in the UK and the US that will no longer be used operationally by the Group. The right-of-use assets were assessed for impairment at the point of transfer. Impairments of £39m were recognised in the year ended 31 December 2023 in relation to these properties and one other property in the UK previously transferred to investment property. The right-of-use assets are related to the Investments segment (£27m impairment), Other business operations and corporate costs (£11m impairment) and ii segment (£1m impairment).

On transfers in 2023, the recoverable amount for the properties in the UK, which was based on value in use, was £27m. The recoverable amount for the properties in the US, which was based on value in use, was £4m. The cash flows were based on the rental income expected to be received under subleases during the term of the lease and the direct expenses expected to be incurred in managing the leased property, discounted using a discount rate that reflects the risks inherent in the cash flow estimates. The assessment of the cash flows took into consideration climate related factors such as the energy efficiency of the buildings. It was not based on valuations by an independent valuer.

The transfers from investment property in 2023 related to a property in the UK which was not being used operationally but following the review of properties in the UK is being brought back into operational use. The right-of-use asset was assessed for reversal of impairment at the point of transfer. The Group recognised a reversal of impairment of £3m in the year ended 31 December 2023 in relation to this property. The recoverable amount for this property was its carrying value at 30 June 2023 if it had not previously been impaired. The right-of-use asset is also related to the Investments segment.

The fair value of investment property included within right-of-use assets at 31 December 2024 is £27m (2023: £36m). The valuation technique used to determine the fair value considers the rental income expected to be received under subleases during the term of the lease and the direct expenses expected to be incurred in managing the leased property, discounted using a discount rate that reflects the risks inherent in the cash flow estimates. It is not based on valuations by an independent valuer. This is a level 3 valuation technique as defined in Note 36.

The Group disposed of its last owned occupied property in 2024, recognising a loss of less than £1m on the disposal. Prior to the disposal, the expected residual value of owner occupied property was in line with the current fair value and no depreciation was charged on owner occupied property.

Further details on the leases under which the Group's right-of-use assets are recognised are provided in Note 16 below.

16. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. In 2019, on adoption of IFRS 16 the Group used the practical expedient permitted to apply the new standard at transition solely to leases previously identified in accordance with IAS 17 and IFRIC 4 Determining whether an Arrangement Contains a Lease.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses and are presented in property, plant and equipment (refer Note 15). The Group does not revalue its right-of-use assets. This applies to all right-of-use assets, including those that are assessed as meeting the definition of investment property. The cost comprises the amount of the initial measurement of the lease liability plus any initial direct costs and expected restoration costs not relating to wear and tear. Costs relating to wear and tear are expensed over the term of the lease. Depreciation is charged on right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group assesses right-of-use assets for impairment when such indicators exist, and where required, reduces the value of the right-of-use asset accordingly.

The related lease liability (included in other financial liabilities – refer Note 32) is calculated as the present value of the future lease payments. The lease payments are discounted using the rate implicit within the lease where readily available or the Group's incremental borrowing rate where the implicit rate is not readily available. Interest is calculated on the liability using the discount rate and is charged to the consolidated income statement under finance costs.

In determining the value of the right-of-use assets and lease liabilities, the Group considers whether any leases contain lease extensions or termination options that the Group is reasonably certain to exercise.

Where a leased property has been sublet, the Group assesses whether the sublease has transferred substantially all the risk and rewards of the right-of-use asset to the lessee under the sublease. Where this is the case, the right-of-use asset is derecognised and a net investment in finance leases (included in Receivables and other financial assets – refer Note 19) is recognised, calculated as the present value of the future lease payments receivable under the sublease. Where a property is only partially sublet, only the portion of the right-of-use asset relating to the sublet part of the property is derecognised and recognised as a net investment in finance leases.

Any difference between the initial value of the net investment in finance leases and the right-of-use asset derecognised is recognised in the consolidated income statement (within other income or expenses). Interest is calculated on the net investment in finance lease using the discount rate and is recognised in the consolidated income statement as interest income.

Where the sublease does not transfer substantially all the risk and rewards of the right-of-use assets to the lessee under the sublease, the Group continues to recognise the right-of-use asset. The sublease is accounted for as an operating lease with the lease payments received recognised as property rental income in other income in the consolidated income statement. Lease incentives granted are recognised as an integral part of the property rental income and are spread over the term of the lease.

The Group does not recognise right-of-use assets and lease liabilities for short-term leases (less than one year from inception) and leases where the underlying asset is of low value.

(a) Leases where the Group is lessee

The Group leases various offices and equipment used to carry out its business. Leases are generally for fixed periods but may be subject to extensions or early termination clauses. The remaining periods for current leases range from less than 1 year to 14 years (2023: less than 1 year to 15 years). A number of leases which are due to end in 2031 contain options that would allow the Group to extend the lease term. The Group reviews its property use on an ongoing basis and these extensions have not been included in the right-of-use asset or lease liability calculations. The Group had not committed to any leases at 31 December 2024 which had not yet commenced.

The Group has recognised the following assets and liabilities in relation to these leases where the Group is a lessee:

	2024 **£m**	2023 £m
Right-of-use assets:		
Property	**97**	115
Equipment	**1**	1
Total right-of-use assets	**98**	116
Lease liabilities	**(193)**	(223)

Details of the movements in the Group's right-of-use assets including additions and depreciation are included in Note 15.

The interest on lease liabilities is as follows:

	2024 **£m**	2023 £m
Interest on lease liabilities	**6**	6

The total cash outflow for lease liabilities recognised in the consolidated statement of cash flows for the year ended 31 December 2024 was £29m (2023: £30m). Refer Note 37(f) for further details.

The following table provides a maturity analysis of the contractual undiscounted cash flows for the lease liabilities.

	2024 **£m**	2023 £m
Less than 1 year	**27**	26
Greater than or equal to 1 year and less than 2 years	**27**	25
Greater than or equal to 2 years and less than 3 years	**26**	26
Greater than or equal to 3 years and less than 4 years	**24**	26
Greater than or equal to 4 years and less than 5 years	**23**	25
Greater than or equal to 5 years and less than 10 years	**72**	91
Greater than or equal to 10 years and less than 15 years	**19**	32
Total undiscounted lease liabilities	**218**	251

The Group does not recognise right-of-use assets and lease liabilities for short-term leases and leases where the underlying asset is of low value. The expenses for these leases for the year ended 31 December 2024 were less than £1m (2023: £1m). The Group has no lease commitments for short-term leases at 31 December 2024 (2023: none).

(b) Leases where the Group is lessor (subleases)

Where the Group no longer requires a leased property, the property may be sublet to a third party. The sublease may be for the full remaining term of the Group's lease or only part of the remaining term.

At 31 December 2024, the Group had a net investment in finance leases asset of £32m (2023: £31m) for subleases which had transferred substantially all the risk and rewards of the right-of-use assets to the lessee under the sublease. All other subleases are accounted for as operating leases.

(b)(i) Finance leases

During the year ended 31 December 2024, the Group received finance income on the net investment in finance leases asset of less than £1m (2023: less than £1m). The Group recorded an initial gain of £2m in relation to new subleases entered into during the year ended 31 December 2024 (2023: £6m). The following table provides a maturity analysis of the future contractual undiscounted cash flows for the net investment in finance leases and a reconciliation to the net investment in finance leases asset.

	2024 £m	2023 £m
Less than 1 year	**5**	3
Greater than or equal to 1 year and less than 2 years	**5**	4
Greater than or equal to 2 years and less than 3 years	**5**	4
Greater than or equal to 3 years and less than 4 years	**4**	4
Greater than or equal to 4 years and less than 5 years	**5**	4
Greater than or equal to 5 years and less than 10 years	**13**	14
Greater than or equal to 10 years and less than 15 years	**–**	1
Total contractual undiscounted cash flows under finance leases	**37**	34
Unearned finance income	**(5)**	(3)
Total net investment in finance leases	**32**	31

(b)(ii) Operating leases

During the year ended 31 December 2024, the Group received property rental income from operating leases of £2m (2023: £3m).

The following table provides a maturity analysis of the future contractual undiscounted cash flows for subleases classified as operating leases.

	2024 £m	2023 £m
Less than 1 year	**2**	2
Greater than or equal to 1 year and less than 2 years	**1**	2
Greater than or equal to 2 years and less than 3 years	**–**	1
Total contractual undiscounted cash flows under operating leases	**3**	5

17. Financial assets

Financial assets are initially recognised at their fair value. Subsequently all equity securities and interests in pooled investment funds and derivative instruments are measured at fair value. All equity securities and interests in pooled investment funds are classified as FVTPL on a mandatory basis. Changes in their fair value are recognised in Net gains or losses on financial instruments and other income in the consolidated income statement. The classification of derivatives and the accounting treatment of derivatives designated as a hedging instrument are set out in Note 18.

The subsequent measurement of debt instruments depends on whether their cash flows are solely payments of principal and interest and the nature of the business model they are held in as follows:

SPPI[1] test satisfied?	Business model	Classification
Yes	A: Objective is to hold to collect contractual cash flows	Amortised cost[2]
Yes	B: Objective is achieved by both collecting contractual cash flows and selling	Fair value through other comprehensive income (FVOCI)[2]
Yes	C: Objective is neither A nor B	FVTPL
No	N/A	FVTPL

1. Solely payments of principal and interest.
2. May be classified as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Group has no direct holding in debt instruments that are managed within a business model whose objective is achieved both by collecting contractual cash flows and selling and therefore there are no debt instruments classified as FVOCI. The Group's Chinese joint venture, HASL, does hold debt securities classified as FVOCI. (refer Note 14). Debt instruments classified as FVTPL are classified as such due to the business model they are managed under, predominantly being held in consolidated investment vehicles.

The methods and assumptions used to determine fair value of financial assets at FVTPL are discussed in Note 36.

Amortised cost is calculated, and related interest is credited to the consolidated income statement, using the effective interest method. Impairment is determined using an expected credit loss impairment model which is applied to all financial assets measured at amortised cost. Financial assets measured at amortised cost attract a loss allowance equal to either:

- 12 month expected credit losses (losses resulting from possible default within the next 12 months).
- Lifetime expected credit losses (losses resulting from possible defaults over the remaining life of the financial asset).

Financial assets attract a 12 month ECL allowance unless the asset has suffered a significant deterioration in credit quality or the simplified approach for calculation of ECL has been applied. As permitted under IFRS 9 Financial Instruments, the Group has applied the simplified approach to calculate the ECL allowance for trade receivables and contract assets recognised under IFRS 15 Revenue from Contracts with Customers and lease receivables recognised under IFRS 16 Leases. Under the simplified approach the ECL is always equal to the lifetime expected credit loss.

The table below sets out an analysis of financial assets excluding those assets backing unit linked liabilities which are set out in Note 23.

		At fair value through profit or loss[1]		Cash flow hedge[2]		At amortised cost		Total	
		2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Notes	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
Derivative financial assets	18	**4**	2	**50**	41	**–**	–	**54**	43
Equity securities and interests in pooled investment funds	36	**1,105**	1,139	**–**	–	**–**	–	**1,105**	1,139
Debt securities	36	**659**	740	**–**	–	**–**	125	**659**	865
Financial investments		**1,768**	1,881	**50**	41	**–**	125	**1,818**	2,047
Receivables and other financial assets	19	**17**	11	**–**	–	**1,007**	1,060	**1,024**	1,071
Cash and cash equivalents	22	**–**	–	**–**	–	**1,321**	1,196	**1,321**	1,196
Total		**1,785**	1,892	**50**	41	**2,328**	2,381	**4,163**	4,314

1. All financial assets measured at fair value through profit or loss have been classified at FVTPL on a mandatory basis. The Group has not designated any financial assets as FVTPL.
2. Changes in fair value are recognised in the Cash Flow Hedges Reserve (refer Note 27) but may be reclassified subsequently to profit or loss.

The amount of debt securities expected to be recovered or settled after more than 12 months is £36m (2023: £8m). Due to the nature of equity securities and interests in pooled investment funds, there is no fixed term associated with these securities. The amount of equity securities and interests in pooled investment funds expected to be recovered or settled after more than 12 months is £1,105m (2023: £1,139m).

Financial assets at 31 December 2024 of £4,163m (2023: £4,314m) includes £98m (2023: £94m) related to the abrdn Financial Fairness Trust whose assets are restricted to be used for charitable purposes. Refer Note 44 for further details.

18. Derivative financial instruments

A derivative is a financial instrument that is typically used to manage risk and whose value moves in response to an underlying variable such as interest or foreign exchange rates. The Group uses derivative financial instruments in order to match subordinated debt liabilities and to reduce the risk from potential movements in foreign exchange rates on seed capital and co-investments and potential movements in market rates on seed capital. Certain consolidated investment vehicles may also use derivatives to take and alter market exposure, with the objective of enhancing performance and controlling risk.

Management determines the classification of derivatives at initial recognition. All derivative instruments are classified as at FVTPL except those designated as part of a cash flow hedge or net investment hedge. Derivatives at FVTPL are measured at fair value with changes in fair value recognised in the consolidated income statement.

On adoption of IFRS 9 Financial instruments in 2019, the Group has elected to continue applying the hedge accounting requirements of IAS 39. The accounting treatment below applies to derivatives designated as part of a hedging relationship.

Using derivatives to manage a particular exposure is referred to as hedging. For a derivative to be considered as part of a hedging relationship its purpose must be formally documented at inception. In addition, the effectiveness of the hedge must be initially high and be able to be reliably measured on a regular basis. Derivatives used to hedge variability in future cash flows such as coupons payable on subordinated liabilities or revenue receivable in a foreign currency are designated as cash flow hedges, while derivatives used to hedge currency risk on investments in foreign operations are designated as net investment hedges.

Where a derivative qualifies as a cash flow or net investment hedge, hedge accounting is applied. The effective part of any gain or loss resulting from the change in fair value is recognised in other comprehensive income, and in the cash flow or net investment hedge reserve in equity, while any ineffective part is recognised immediately in the consolidated income statement. If a derivative ceases to meet the relevant hedging criteria, hedge accounting is discontinued.

For cash flow hedges, the amount recognised in the cash flow hedge reserve is transferred to the consolidated income statement (recycled) in the same period or periods during which the hedged item affects profit or loss and is transferred immediately if the cash flow is no longer expected to occur. For net investment hedges, the amount recognised in the net investment hedge reserve is transferred to the consolidated income statement on disposal of the investment.

		2024			2023		
		Contract amount	**Fair value assets**	**Fair value liabilities**	Contract amount	Fair value assets	Fair value liabilities
	Notes	**£m**	**£m**	**£m**	£m	£m	£m
Cash flow hedges	17	**599**	**50**	**–**	588	41	–
FVTPL	17, 29	**555**	**4**	**3**	628	2	9
Derivative financial instruments	36	**1,154**	**54**	**3**	1,216	43	9
Derivative financial instruments backing unit linked liabilities	23	**–**	**–**	**–**	2	–	–
Total derivative financial instruments		**1,154**	**54**	**3**	1,218	43	9

Derivative assets of £50m (2023: £41m) are expected to be recovered after more than 12 months. There are no derivative liabilities (2023: none) expected to be settled after more than 12 months.

(a) Hedging strategy

The Group generally does not hedge the currency exposure relating to revenue and expenditure, nor does it hedge translation of overseas profits in the consolidated income statement. Where appropriate, the Group may use derivative contracts to reduce or eliminate currency risk arising from individual transactions or seed capital and co-investment activity.

(a)(i) Cash flow hedges

On 18 October 2017, the Group issued subordinated notes with a principal amount of US$750m. In order to manage its foreign exchange risk relating to the principal and coupons payable on these notes the Group entered into a cross-currency swap which is designated as a cash flow hedge. The cash flow hedge was fully effective during the year. The cross-currency swap has the effect of swapping the 4.25% US Dollar fixed rate subordinated notes into 3.2% Sterling fixed rate subordinated notes with a principal amount of £569m. The cross-currency swap has a fair value asset position of £50m (2023: £41m asset). During the year ended 31 December 2024 fair value gain of £20m (2023: losses of £40m) were recognised in other comprehensive income in relation to the cross-currency swap. Gains of £11m (2023: losses of £35m) were transferred from other comprehensive income to Net gains or losses on financial instruments and other income in the consolidated income statement in relation to the cross-currency swap during the year. In addition, forward points of £6m (2023: £6m) and gains of £1m (2023: gains of £1m) were transferred from other comprehensive income to Finance costs in the consolidated income statement.

(a)(ii) FVTPL

Derivative financial instruments classified as FVTPL include those that the Group holds as economic hedges of financial instruments that are measured at fair value. FVTPL derivative financial instruments are also held by the Group to match contractual liabilities that are measured at fair value or to achieve efficient portfolio management in respect of instruments measured at fair value.

	2024			2023		
	Contract amount	**Fair value assets**	**Fair value liabilities**	Contract amount	Fair value assets	Fair value liabilities
	£m	**£m**	**£m**	£m	£m	£m
Equity derivatives:						
Futures	**95**	**3**	**–**	130	–	5
Swaps	**6**	**–**	**–**	13	–	–
Bond derivatives:						
Futures	**54**	**–**	**–**	46	–	2
Interest rate derivatives:						
Swaps	**–**	**–**	**–**	21	1	–
Foreign exchange derivatives:						
Forwards	**313**	**1**	**–**	339	1	–
Other derivatives:						
Credit default swaps	**87**	**–**	**3**	81	–	2
Derivative financial instruments at FVTPL	**555**	**4**	**3**	630	2	9

(b) Maturity profile

The maturity profile of the contractual undiscounted cash flows in relation to derivative financial instruments is as follows:

	Within 1 year		**1-5 years**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
Cash inflows						
Derivative financial assets	**331**	339	**663**	677	**994**	1,016
Derivative financial liabilities	**11**	25	**–**	–	**11**	25
Total	**342**	364	**663**	677	**1,005**	1,041
Cash outflows						
Derivative financial assets	**(319)**	(331)	**(614)**	(632)	**(933)**	(963)
Derivative financial liabilities	**(11)**	(25)	**(3)**	(2)	**(14)**	(27)
Total	**(330)**	(356)	**(617)**	(634)	**(947)**	(990)
Net derivative financial instruments cash inflows	**12**	8	**46**	43	**58**	51

Included in the above maturity profile are the following cash flows in relation to cash flow hedge assets:

	Within 1 year		1-5 years		Total	
	2024	2023	**2024**	2024	**2024**	2024
	£m	£m	**£m**	£m	**£m**	£m
Cash inflows	**25**	25	**663**	676	**688**	701
Cash outflows	**(18)**	(18)	**(614)**	(632)	**(632)**	(650)
Net cash flow hedge cash inflows	**7**	7	**49**	44	**56**	51

Cash inflows and outflows are presented on a net basis where the Group is required to settle cash flows net.

19. Receivables and other financial assets

	Notes	2024 £m	2023 £m
Amounts receivable from contracts with customers		**115**	110
Accrued income		**333**	310
Amounts due from counterparties and customers for unsettled trades and fund transactions		**371**	477
Net investment in finance leases		**32**	31
Collateral pledged in respect of derivative contracts	34	**12**	19
Contingent consideration assets	36	**17**	11
Deferred consideration assets		**21**	–
Other		**123**	113
Receivables and other financial assets		**1,024**	1,071

The carrying amounts disclosed above reasonably approximate the fair values as at the year end.

The amount of receivables and other financial assets expected to be recovered after more than 12 months is £84m (2023: £67m).

Accrued income includes £329m (2023: £306m) of accrued income from contracts with customers.

20. Other assets

	2024 £m	2023 £m
Prepayments	**53**	75
Other	**1**	2
Other assets	**54**	77

The amount of other assets expected to be recovered after more than 12 months is £2m (2023: £24m).

Prepayments of £53m (2023: £75m) includes prepayments of £6m (2023: £23m) which relate to the Group's purchase of certain products in Phoenix's savings business offered through abrdn's Wrap platform together with Phoenix's trustee investment plan (TIP) business for UK pension scheme clients. Refer Note 39(b) for further details.

During 2024, the Group has released £15m of the £19m prepayment recognised in relation to the TIP business to other administrative expenses in the consolidated income statement following a review of the recoverability of these costs from future profits from the TIP business. The transfer of this business to the Group is now expected to occur in 2025.

21. Assets and liabilities held for sale

Assets and liabilities held for sale are presented separately in the consolidated statement of financial position and consist of operations and individual non-current assets whose carrying amount will be recovered principally through a sale transaction (expected within one year) and not through continuing use.

Operations held for sale, being disposal groups, and investments in associates accounted for using the equity method are measured at the lower of their carrying amount and their fair value less disposal costs. No depreciation or amortisation is charged on assets in a disposal group once it has been classified as held for sale.

Operations held for sale include newly established investment vehicles which the Group has seeded but is actively seeking to divest from. For these investment funds, which do not have significant liabilities or non-financial assets, financial assets continue to be measured based on the accounting policies that applied before they were classified as held for sale. The Group classifies seeded operations as held for sale where the intention is to dispose of the investment vehicle in a single transaction. Where disposal of a seeded investment vehicle will be in more than one tranche the operations are not classified as held for sale in the consolidated statement of financial position.

Amounts seeded into newly established investment vehicles which are not consolidated and are recognised as interests in pooled investment funds are also classified as held for sale where the Group intends to dispose of its investment in a single transaction. As above, they continue to be measured based on the accounting policies that applied before they were classified as held for sale.

	Notes	**2024** **£m**	2023 £m
Assets of operations held for sale			
European-headquartered Private Equity business		**–**	10
Investments in joint ventures accounted for using the equity method			
Virgin Money UTM	14	**–**	9
Investment vehicles		**17**	–
Assets held for sale		**17**	19
Liabilities of operations held for sale			
European-headquartered Private Equity business		**–**	2
Liabilities of operations held for sale		**–**	2

(a) European-headquartered Private Equity business

On 26 April 2024, the Group completed the sale of its European-headquartered Private Equity business to Patria Investments. Refer Note 1(c)(i). The European-headquartered Private Equity business was reported in the investments segment.

At 31 December 2023, this disposal group was measured at its carrying amount and comprised the following assets and liabilities:

	2023 £m
Assets of operations held for sale	
Receivables and other financial assets	9
Cash and cash equivalents	1
Total assets of operations held for sale	10
Liabilities of operations held for sale	
Other financial liabilities	2
Total liabilities of operations held for sale	2
Net assets of operations held for sale	8

Net assets of operations held for sale were net of intercompany balances between the European-headquartered Private Equity business and other group entities, the net assets on a gross basis as at 31 December 2023 were £8m.

22. Cash and cash equivalents

Cash and cash equivalents include cash at bank, money at call and short notice with banks, money market funds and any highly liquid investments with less than three months to maturity from the date of acquisition. For the purposes of the consolidated statement of cash flows, cash and cash equivalents also include bank overdrafts which are included in other financial liabilities on the consolidated statement of financial position where the overdraft is repayable on demand and forms an integral part of the Group's cash management.

Where the Group has a legally enforceable right of set off and intention to settle on a net basis, cash and overdrafts are offset in the consolidated statement of financial position.

	2024 £m	2023 £m
Cash at bank and in hand	**733**	704
Money at call, term deposits, reverse repurchase agreements and debt instruments with less than three months to maturity from acquisition	**415**	301
Money market funds	**173**	191
Cash and cash equivalents	**1,321**	1,196

	Notes	2024 £m	2023 £m
Cash and cash equivalents		**1,321**	1,196
Cash and cash equivalents backing unit linked liabilities	23	**14**	13
Cash and cash equivalents classified as held for sale	21	**–**	1
Total cash and cash equivalents for consolidated statement of cash flows		**1,335**	1,210

Cash at bank, money at call and short notice and deposits are subject to variable interest rates.

Cash and cash equivalents in respect of unit linked funds (including third party interests in consolidated funds) are held in separate bank accounts and are not available for general use by the Group.

As at 31 December 2024, no cash and overdrafts were offset in the consolidated statement of financial position (2023: none).

23. Unit linked liabilities and assets backing unit linked liabilities

The Group operates unit linked life assurance businesses through an insurance subsidiary. This subsidiary provides investment products through a life assurance wrapper. These products do not contain any features which transfer significant insurance risk and therefore are classified as investment contracts. Unit linked non-participating investment contracts are separated into two components being an investment management services component and a financial liability. All fees and related administrative expenses are deemed to be associated with the investment management services component (refer Note 3). The financial liability component is designated at FVTPL as it is implicitly managed on a fair value basis as its value is directly linked to the market value of the underlying portfolio of assets.

Where the Group is deemed to control an investment vehicle as a result of holdings in that vehicle by subsidiaries to back unit linked non-participating investment contract liabilities, the assets and liabilities of the vehicle are consolidated within the Group's statement of financial position. The liability for third party interest in such consolidated funds is presented as a unit linked liability.

Unit linked liabilities and assets backing unit linked liabilities are presented separately in the consolidated statement of financial position except for those held in operations held for sale, which are presented in assets and liabilities held for sale in the consolidated statement of financial position.

Contributions received on non-participating investment contracts and from third party interest in consolidated funds are treated as deposits and not reported as revenue in the consolidated income statement.

Withdrawals paid out to policyholders on non-participating investment contracts and to third party interest in consolidated funds are treated as a reduction to deposits and not recognised as expenses in the consolidated income statement.

Investment return and related benefits credited in respect of non-participating investment contracts and third party interest in consolidated funds are recognised in the consolidated income statement as changes in investment contract liabilities and changes in liability for third party interest in consolidated funds respectively. Investment returns relating to unit linked business are for the account of policyholders and have an equal and opposite effect on income and expenses in the consolidated income statement with no impact on profit or loss after tax.

Assets backing unit linked liabilities comprise financial investments, which are all classified as FVTPL on a mandatory basis, and receivables and other financial assets and cash and cash equivalents which are measured at amortised cost.

(a) Result for the year attributable to unit linked business

	Notes	**2024** £m	2023 £m
Net gains or losses on financial instruments and other income	4	**(1)**	4
Other administrative expense	5	**–**	(1)
(Loss)/profit before tax		**(1)**	3
Tax credit/(expense) attributable to unit linked business	9	**1**	(3)
Profit after tax		**–**	–

(b) Financial instrument risk management

The shareholder is not directly exposed to market risk or credit risk in relation to the financial assets backing unit linked liabilities. The shareholder's exposure to market risk on these assets is limited to variations in the value of future revenue as fees are based on a percentage of fund value.

The shareholder is exposed to liquidity risk relating to unit linked funds. For the unit linked business, liquidity risk is primarily managed by holding a range of diversified instruments which are assessed against cash flow and funding requirements. A core portfolio of assets is maintained and invested in accordance with the mandates of the relevant unit linked funds. Given that unit linked policyholders can usually choose to surrender, in part or in full, their unit linked contracts at any time, the non-participating investment contract unit linked liabilities are designated as payable within one year. Such surrenders would be matched in practice, if necessary, by sales of underlying assets. Policyholder behaviour and the trading position of asset classes are actively monitored. The Group can delay settling liabilities to unit linked policyholders to ensure fairness between those remaining in the fund and those leaving the fund. The length of any such delay is dependent on the underlying financial assets.

(c) Fair value measurement of unit linked financial liabilities and financial assets backing unit linked liabilities

Each of the unit linked financial liabilities and the financial assets backing unit linked liabilities has been categorised below using the fair value hierarchy as defined in Note 36. Refer Note 36 for details of valuation techniques used.

	Level 1		Level 2		Level 3		Not at fair value		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
Financial investments	**349**	396	**300**	273	**–**	–	**–**	–	**649**	669
Receivables and other financial assets	**–**	–	**–**	–	**–**	–	**4**	4	**4**	4
Cash and cash equivalents	**–**	–	**–**	–	**–**	–	**14**	13	**14**	13
Total financial assets backing unit linked liabilities	**349**	396	**300**	273	**–**	–	**18**	17	**667**	686
Investment contract liabilities	**–**	–	**665**	684	**–**	–	**–**	–	**665**	684
Other unit linked financial liabilities	**–**	–	**–**	–	**–**	–	**2**	2	**2**	2
Total unit linked financial liabilities	**–**	–	**665**	684	**–**	–	**2**	2	**667**	686

The financial investments backing unit linked liabilities comprise equity securities and interests in pooled investment funds of £616m (2023: £667m) and debt securities of £33m (2023: £2m).

The fair value of financial instruments not held at fair value approximates to their carrying value at both 31 December 2024 and 31 December 2023.

There were no significant transfers between levels 1 and 2 during the years ended 31 December 2024 and 31 December 2023. Transfers are deemed to have occurred at the end of the calendar quarter in which they arose.

The movements during the period of level 3 unit linked assets and liabilities held at fair value are analysed below.

	Equity securities and interests in pooled investment funds		Investment contract liabilities	
	31 Dec 2024	31 Dec 2023	**31 Dec 2024**	31 Dec 2023
	£m	£m	**£m**	£m
At start of period	**–**	1	**–**	(1)
Sales	**–**	(1)	**–**	1
At end of period	**–**	–	**–**	–

Unit linked level 3 assets related to holdings in real estate funds. No individual unobservable input is considered significant. Changing unobservable inputs in the measurement of the fair value of these unit linked level 3 financial assets and liabilities to reasonably possible alternative assumptions would have no impact on profit attributable to equity holders or on total assets.

Transfers of unit linked assets and liabilities to level 3 generally arise when external pricing providers stop providing prices for the underlying assets and liabilities in the funds or where the price provided is considered stale.

(d) Change in non-participating investment contract liabilities

The change in non-participating investment contract liabilities was as follows:

	2024	2023
	£m	£m
At 1 January	**684**	773
Contributions	**59**	54
Account balances paid on surrender and other terminations in the year	**(137)**	(206)
Change in non-participating investment contract liabilities recognised in the consolidated income statement	**58**	65
Recurring management charges	**1**	(2)
At 31 December	**665**	684

24. Issued share capital and share premium

Shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity on terms that may be unfavourable. The Company's share capital consists of the number of ordinary shares in issue multiplied by their nominal value. The difference between the proceeds received on issue of the shares and the nominal value of the shares issued is recorded in share premium. Where the Company undertakes share buybacks, the reduction to retained earnings is accounted for on the trade date of the transaction of each repurchase with a liability recognised for unsettled trades, unless the Company has an irrevocable contractual obligation with a third party. Where the Company has an irrevocable contractual obligation, the full contractual value of the buyback programme is recognised as a liability and as a reduction to retained earnings on the date of the agreement. The reduction to share capital for the cancellation of the shares and the related credit to the capital redemption reserve is always accounted for on the settlement date for the repurchases.

The movement in the issued ordinary share capital and share premium of the Company was:

	2024			2023		
	Ordinary share capital		**Share premium**	Ordinary share capital		Share premium
Issued shares fully paid	**13 61/63p each**	**£m**	**£m**	13 61/63p each	£m	£m
At 1 January	**1,840,740,364**	**257**	**640**	2,001,891,899	280	640
Shares issued in respect of share incentive plans	**2,265**	**–**	**–**	2,414	–	–
Share buyback	**–**	**–**	**–**	(161,153,949)	(23)	–
At 31 December	**1,840,742,629**	**257**	**640**	1,840,740,364	257	640

All ordinary shares in issue in the Company rank pari passu and carry the same voting rights and entitlement to receive dividends and other distributions declared or paid by the Company.

In 2024 the Group has not undertaken any share buybacks.

During 2023, the Group undertook a £300m share buyback programme. The share buyback commenced on 5 June 2023 and was completed on 19 December 2023. The Company bought back and cancelled 161,153,949 shares for a total consideration of £302m which included transaction costs.

The share buyback resulted in a reduction in retained earnings in the year ended 31 December 2023 of £302m. In addition, £23m was credited to the capital redemption reserve relating to the nominal value of the shares cancelled.

The Company can issue shares to satisfy awards granted under employee incentive plans which have been approved by shareholders. Details of the Group's employee plans are provided in Note 40.

25. Shares held by trusts

Shares held by trusts relates to shares in abrdn plc that are held by the abrdn Employee Benefit Trust (abrdn EBT), the abrdn Employee Trust (abrdn ET) and the Aberdeen Asset Management Employee Benefit Trust 2003 (AAM EBT).

The abrdn EBT, abrdn ET and AAM EBT purchase shares in the Company for delivery to employees under employee incentive plans. Purchased shares are recognised as a deduction from equity at the price paid. Where new shares are issued to the abrdn EBT, abrdn ET or AAM EBT the price paid is the nominal value of the shares. When shares are distributed from the trust their corresponding value is released to retained earnings.

	2024	2023
Number of shares held by trusts		
abrdn Employee Benefit Trust	**30,362,961**	34,076,343
abrdn Employee Trust	**21,888,159**	22,187,644
Aberdeen Asset Management Employee Benefit Trust 2003	**1,707,127**	2,080,853

26. Retained earnings

The following table shows movements in retained earnings during the year.

	Notes	**2024 £m**	2023 £m
Opening balance carried forward		**4,449**	4,986
Effect of application of IFRS 9 on Investments in associates and joint ventures accounted for using the equity method[1]		**–**	51
Opening balance at 1 January		**4,449**	5,037
Recognised in comprehensive income			
Recognised in profit/(loss) for the year attributable to equity holders		**237**	1
Recognised in other comprehensive income			
Remeasurement losses on defined benefit pension plans	31	**24**	(139)
Share of other comprehensive income of associates and joint ventures	14	**(47)**	(31)
Total items recognised in comprehensive income		**214**	(169)
Recognised directly in equity			
Dividends paid on ordinary shares		**(260)**	(279)
Share buyback	24	**–**	(302)
Transfer for vested employee share-based payments		**32**	31
Transfer between reserves on impairment of subsidiaries	27	**94**	169
Shares distributed by employee and other trusts		**(48)**	(38)
Aggregate tax effect of items recognised directly in equity	9	**(1)**	–
Total items recognised directly in equity		**(183)**	(419)
At 31 December		**4,480**	4,449

1. The Group implemented IFRS 9 in 2019. However, as permitted under a temporary exemption granted to insurers in IFRS 4 Insurance Contracts, the Group's insurance joint venture, Heng An Standard Life Insurance Company Limited (HASL), applied IFRS 9 at 1 January 2023 following the implementation of the new insurance contracts standard, IFRS 17. In line with the approach adopted by the Group on its implementation of IFRS 9 on 1 January 2019, the 2022 comparatives were not restated for HASL's adoption of IFRS 9. The impact of HASL adopting IFRS 9 was recognised in retained earnings at 1 January 2023.

27. Movements in other reserves

In July 2006 Standard Life Group demutualised and during this process the merger reserve, the reserve arising on Group reconstruction and the special reserve were created.

Merger reserve: The merger reserve consists of two components. Firstly, at demutualisation in July 2006 the Company issued shares to former members of the mutual company. The difference between the nominal value of these shares and their issue value was recognised in the merger reserve. The reserve includes components attaching to each subsidiary that was transferred to the Company at demutualisation based on their fair value at that date. Secondly, following the completion of the merger of Standard Life plc and Aberdeen Asset Management PLC on 14 August 2017, an additional amount was recognised in the merger reserve representing the difference between the nominal value of shares issued to shareholders of Aberdeen Asset Management PLC and their fair value at that date. On disposal or impairment of a subsidiary any related component of the merger reserve is released to retained earnings.

Reserve arising on Group reconstruction: The value of the shares issued at demutualisation was equal to the fair value of the business at that date. The business's assets and liabilities were recognised at their book value at the time of demutualisation. The difference between the book value of the business's net assets and its fair value was recognised in the reserve arising on Group reconstruction. The reserve comprises components attaching to each subsidiary that was transferred to the Company at demutualisation. On disposal of such a subsidiary any related component of the reserve arising on Group reconstruction is released to retained earnings.

Special reserve: Immediately following demutualisation and the related initial public offering, the Company reduced its share premium reserve by court order giving rise to the special reserve. Dividends can be paid out of this reserve.

Capital redemption reserve: In August 2018, as part of the return of capital and share buyback the capital redemption reserve was created. In July 2022 there was a cancellation of the capital redemption reserve of £1,059m. Additional capital redemption reserve is created by subsequent buybacks (refer Note 24).

The following tables show the movements in other reserves during the year.

	Cash flow hedges £m	Foreign currency translation £m	Merger reserve £m	Equity compensation reserve £m	Special reserve £m	Reserve arising on Group reconstruction £m	Capital redemption reserve £m	Total £m
1 January 2024	**14**	**34**	**106**	**41**	**115**	**(685)**	**48**	**(327)**
Recognised in other comprehensive income								
Fair value losses on cash flow hedges	20	–	–	–	–	–	–	20
Exchange differences on translating foreign operations	–	(2)	–	–	–	–	–	(2)
Items transferred to profit or loss	(18)	–	–	–	–	–	–	(18)
Total items recognised in other comprehensive income	**2**	**(2)**	**–**	**–**	**–**	**–**	**–**	**–**
Reserves credit for employee share-based payments	–	–	–	26	–	–	–	26
Transfer to retained earnings for vested employee share-based payments	–	–	–	(32)	–	–	–	(32)
Transfer between reserves on impairment of subsidiaries	–	–	(94)	–	–	–	–	(94)
Total items recognised directly within equity	**–**	**–**	**(94)**	**(6)**	**–**	**–**	**–**	**(100)**
At 31 December 2024	**16**	**32**	**12**	**35**	**115**	**(685)**	**48**	**(427)**

As at 31 December 2024, none of the merger reserve relates to the Group's asset management businesses. (2023: £94m). Following the impairment of the Company's investment in abrdn Investments (Holdings) Limited (aIHL), £94m was transferred from the merger reserve to retained earnings during the year ended 31 December 2024. £169m was also transferred from the merger reserve to retained earnings in relation to aIHL during the year ended 31 December 2023. Refer Note A in the Company financial statements for further details.

	Notes	Cash flow hedges £m	Foreign currency translation £m	Merger reserve £m	Equity compensation reserve £m	Special reserve £m	Reserve arising on Group reconstruction £m	Capital redemption reserve £m	Total £m
1 January 2023		23	70	275	48	115	(685)	25	(129)
Recognised in other comprehensive income									
Fair value losses on cash flow hedges		(40)	–	–	–	–	–	–	(40)
Exchange differences on translating foreign operations		–	(35)	–	–	–	–	–	(35)
Items transferred to profit or loss		28	(1)	–	–	–	–	–	27
Aggregate tax effect of items recognised in other comprehensive income		3	–	–	–	–	–	–	3
Total items recognised in other comprehensive income		(9)	(36)	–	–	–	–	–	(45)
Recognised directly in equity									
Share buyback	24	–	–	–	–	–	–	23	23
Reserves credit for employee share-based payments		–	–	–	24	–	–	–	24
Transfer to retained earnings for vested employee share-based payments		–	–	–	(31)	–	–	–	(31)
Transfer between reserves on impairment of subsidiaries		–	–	(169)	–	–	–	–	(169)
Total items recognised directly within equity		–	–	(169)	(7)	–	–	23	(153)
At 31 December 2023		14	34	106	41	115	(685)	48	(327)

28. Other equity and non-controlling interests

Perpetual subordinated notes issued by the Company are classified as other equity where no contractual obligation to deliver cash exists.

(a) Other equity – perpetual subordinated notes

5.25% Fixed Rate Reset Perpetual Subordinated Contingent Convertible Notes

On 13 December 2021, the Company issued £210m of 5.25% Fixed Rate Reset Perpetual Subordinated Contingent Convertible Notes (the Notes). These were classified as other equity and initially recognised at £207m (proceeds received less issuance costs of £3m).

The Notes initially bear interest on their principal amount at 5.25% per annum payable semi-annually in arrears on 13 June and 13 December in each year. The interest rate is subject to reset on 13 June 2027 and then every five years thereafter. The payments of interest are discretionary and non-cumulative. The interest paid is recognised as profit attributable to other equity when paid. The profit for the year attributable to other equity was £11m (2023: £11m).

The Notes have no fixed redemption date. The Company has the option to redeem the Notes (in full) between 13 December 2026 and 13 June 2027 and every five years thereafter. The Notes are convertible to ordinary shares in the Company at a conversion price of £1.6275 (fixed subject to adjustment for share corporate actions e.g. share consolidations in accordance with the terms and conditions of the Notes) if the Group IFPR CET1 Ratio falls below 70%. The IFPR CET1 ratio at 31 December 2024 was 495% (2023: 467%).

(b) Non-controlling interests – ordinary shares

Non-controlling interests – ordinary shares of £5m were held at 31 December 2024 (2023: £5m). The profit for the year attributable to non-controlling interests – ordinary shares was less than £1m (2023: less than £1m).

29. Financial liabilities

Management determines the classification of financial liabilities at initial recognition. Financial liabilities which are managed and whose performance is evaluated on a fair value basis are designated as at fair value through profit or loss. Changes in the fair value of these financial liabilities are recognised in the consolidated income statement.

Derivatives are also measured at fair value. Changes in the fair value of derivatives are recognised in Net gains or losses on financial instruments and other income in the consolidated income statement except for derivative instruments that are designated as a cash flow hedge or net investment hedge. The classification of derivatives and the accounting treatment of derivatives designated as a hedging instrument are set out in Note 18.

Except for contingent consideration liabilities which are measured at fair value, other financial liabilities are classified as being subsequently measured at amortised cost. Amortised cost is calculated, and the related interest expense is recognised in the consolidated income statement, using the effective interest method.

All financial liabilities are initially recognised at fair value less, in the case of financial liabilities subsequently measured at amortised cost, transaction costs that are directly attributable to the issue of the liability.

Where the terms of a financial liability measured at amortised cost are modified and the modification does not result in the derecognition of the liability, the liability is adjusted to the net present value of the future cash flows less transaction costs with a modification gain or loss recognised in the consolidated income statement.

The methods and assumptions used to determine fair value of financial liabilities measured at fair value through profit or loss and derivatives are discussed in Note 36.

The table below sets out an analysis of financial liabilities excluding unit linked financial liabilities which are set out in Note 23.

		At fair value through profit or loss[1]		At amortised cost		Total	
		2024	2023	**2024**	2023	**2024**	2023
	Notes	**£m**	£m	**£m**	£m	**£m**	£m
Third party interest in consolidated funds		**184**	187	**–**	–	**184**	187
Subordinated liabilities	30	**–**	–	**597**	599	**597**	599
Derivative financial liabilities	18	**3**	9	**–**	–	**3**	9
Other financial liabilities	32	**111**	129	**937**	1,112	**1,048**	1,241
Total		**298**	325	**1,534**	1,711	**1,832**	2,036

1. All financial liabilities measured at fair value through profit or loss have been classified at FVTPL on a mandatory basis except for third party interest in consolidated funds which the Group has designated as at FVTPL.

30. Subordinated liabilities

Subordinated liabilities are debt instruments issued by the Company which rank below its other obligations in the event of liquidation but above the share capital. Subordinated liabilities are initially recognised at the value of proceeds received after deduction of issue expenses. Subsequent measurement is at amortised cost using the effective interest rate method.

		2024		2023	
	Notes	**Principal amount**	**Carrying value**	Principal amount	Carrying value
Subordinated notes					
4.25% US Dollar fixed rate due 30 June 2028		**$750m**	**£597m**	$750m	£599m
Total subordinated liabilities	36		**£597m**		£599m

A description of the key features of the Group's subordinated liabilities as at 31 December 2024 is as follows:

	4.25% US Dollar fixed rate[1]
Principal amount	$750m
Issue date	18 October 2017
Maturity date	30 June 2028
Callable at par at option of the Company from	Not applicable
If not called by the Company interest will reset to	Not applicable

1. The cash flows arising from the US dollar subordinated notes give rise to foreign exchange exposure which the Group manages with a cross-currency swap designated as a cash flow hedge. Refer Note 18 for further details.

The difference between the fair value and carrying value of the subordinated liabilities is presented in Note 36. A reconciliation of movements in subordinated liabilities in the year is provided in Note 37.

The principal amount of the subordinated liabilities is expected to be settled after more than 12 months. There was no accrued interest on the subordinated liabilities at 31 December 2024 (2023: £13m). Any accrued interest is expected to be settled within 12 months.

31. Pension and other post-retirement benefit provisions

The Group operates two types of pension plans:

- Defined benefit plans which provide pension payments upon retirement to members as defined by the plan rules. All of the Group's defined benefit plans, with the exception of a small plan in Ireland, are closed to future service accrual.
- Defined contribution plans where the Group makes contributions to a member's pension plan but has no further payment obligations once the contributions have been paid.

The Group's liabilities in relation to its defined benefit plans are valued by at least annual actuarial calculations. The Group has funded these liabilities in relation to its UK and Ireland defined benefit plans by ring-fencing assets in trustee-administered funds. The Group has further smaller defined benefit plans some of which are unfunded.

The consolidated statement of financial position reflects a net asset or net liability for each defined benefit pension plan. The liability recognised is the present value of the defined benefit obligation (estimated future cash flows are discounted using the yields on high quality corporate bonds) less the fair value of plan assets, if any. If the fair value of the plan assets exceeds the defined benefit obligation, a pension surplus is only recognised if the Group considers that it has an unconditional right to a refund of the surplus from the plan. The amount of surplus recognised will be limited by tax and expenses. Our judgement is that, in the UK, any refund would be subject to an authorised surplus payments charge and that a surplus payments charge is not an income tax. Consequently, any UK surplus is recognised net of an authorised surplus payments charge and the authorised surplus payments charge is not included within deferred taxation.

For the principal defined benefit plan (abrdn UK Group plan), the Group considers that it has an unconditional right to a refund of a surplus, assuming the gradual settlement of the plan liabilities over time until all members have left the plan. The plan trustees can purchase annuities to insure member benefits and can, for the majority of benefits, transfer these annuities to members. The trustees cannot unconditionally wind up the plan or use the surplus to enhance member benefits without employer consent. Our judgement is that these trustee rights do not prevent us from recognising an unconditional right to a refund and therefore a surplus.

Net interest income (if a plan is in surplus) or interest expense (if a plan is in deficit) is calculated using yields on high quality corporate bonds and recognised in the consolidated income statement. A current service cost is also recognised which represents the expected present value of the defined benefit pension entitlement earned by members in the period. A past service cost is also recognised which represents the change in the present value of the defined benefit obligation for service in prior periods, resulting from an amendment or curtailment to a plan.

Remeasurements, which include gains and losses as a result of changes in actuarial assumptions, the effect of the limit on the plan surplus and returns on plan assets (other than amounts included in net interest) are recognised in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

For defined contribution plans, the Group pays contributions to separately administered pension plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised in current service cost in the consolidated income statement as staff costs and other employee-related costs when they are due.

Defined contribution plans
The defined contribution plans comprise a mixture of arrangements depending on the employing entity and other factors. Some of these plans are located within the same legal vehicles as defined benefit plans. The Group contributes a percentage of pensionable salary to each employee's plan. The contribution levels vary by employing entity and other factors.

Defined benefit plans	
UK plans	
These plans are governed by trustee boards, which comprise employer and employee nominated trustees and an independent trustee. The plans are subject to the statutory funding objective requirements of the Pensions Act 2004, which require that plans be funded to at least the level of their technical provisions (an actuarial estimate of the assets needed to provide for benefits already built-up under the plan). The trustees perform regular valuations to check that the plans meet the statutory funding objective. While the IAS 19 valuation reflects a best estimate of the financial position of the plan, the funding valuation reflects a prudent estimate. There is no material difference in how assets are measured. The funding measure of liabilities (technical provisions) and the IAS 19 measure are materially different. The key differences are the discount rate and inflation assumptions. While IAS 19 requires that the discount rate reflect corporate bond yields, the funding measure discount rate reflects a prudent estimate of future investment returns based on the actual investment strategy. The funding valuation adopts a market consistent measure of inflation without any adjustment. The IAS 19 RPI inflation assumption is derived from market-implied RPI inflation with an adjustment to remove the inflation risk premium believed to exist within market prices, with an additional deduction required to derive the IAS 19 CPI inflation assumption (to reflect differences between RPI and CPI). The trustees set the plan investment strategy to protect the ratio of plan assets to the trustees' measure of the value of assets needed to meet the trustees' objectives. This investment strategy does not aim to protect the IAS 19 surplus or the ratio of plan assets to the IAS 19 measure of liabilities. After consulting the relevant employers, the trustees prepare statements of funding and investment principles and set a schedule of contributions. If necessary, this schedule includes a recovery plan that aims to restore the funding level to the level of the technical provisions.	
abrdn UK Group (SLSPS) plan (principal plan)	This is the Group's principal defined benefit plan. The plan closed to new membership in 2004 and changed from a final salary basis to a revalued career average salary basis in 2008. Accrual ceased in April 2016. Following a High Court ruling against a third party's pension scheme in 2018, that required pension schemes to address inequalities for the effect of unequal GMPs accrued between May 1990 and April 1997, an allowance for assumed equalisation was recognised as a past service cost for our principal defined benefit plan in 2018 and this adjustment has been carried forward to 2024. There was a further judgement in 2020 requiring pension schemes to address inequalities for the effect of unequal GMPs for those beneficiaries that transferred out of the scheme between May 1990 and October 2018. The estimated impact is immaterial and was recognised as a past service cost in 2020 and this adjustment has been carried forward to 2024. The Virgin Media Ltd v NTL Pension Trustees decision, delivered by the High Court on 16 June 2023 and upheld by the Court of Appeal in June 2024 (the VM judgement), considers the implications of section 37 of the Pension Schemes Act 1993 for amendments to contracted-out schemes between 1997 and 2016. The Company is aware of the VM judgement and is in discussions with advisers regarding its potential impact on the Group's three UK defined benefit pension plans. The judgement left significant questions unanswered. There is legal uncertainty since the Group's pension plans are governed by Scots law, while the VM judgement was issued in English courts. The Group considers it would only be appropriate to assess the full implications of the VM judgement once further guidance is available, and it will work with the trustee boards of its pension plans to carry out further investigations when the position is clearer. The funding of the plan depends on the statutory valuation performed by the trustee, and the relevant employers, with the assistance of the scheme actuary – i.e. not the IAS 19 valuation. The funding valuation was last completed at 31 December 2022, and measured plan assets and liabilities to be £3.0bn and £2.1bn respectively. This corresponds to a surplus of £0.9bn and a funding level of 144%. As there is currently no deficit, no recovery plan is required. Following the judgement by the Court of Session in August 2023 that, among other things, confirmed that if a buy-out were to be completed and sufficient provision made for: (i) any remaining liabilities; and (ii) expenses of completing the winding-up of the pension scheme, there would be a resulting trust in respect of any residual surplus assets in favour of the employer, the Group has continued to work with the trustee on the long-term strategy for the plan. The Group has reached agreement with the trustee of the defined benefit pension plan to utilise part of the existing surplus to fund the cost of providing defined contribution benefits to current employees with an annual review of other options including an insurance buyout and within certain guardrails ensuring the continued financial strength of the plan. This is expected to result in an annual benefit of c.£35m to net capital generation from July 2025, assuming there is a decision to proceed with the proposed DC consolidation following completion of the ongoing employee consultation expected to conclude in March 2025. This agreement enables the Group to unlock value from the plan, while largely maintaining the surplus and retaining optionality. Any residual amount that would be returned to the Group would be determined at the time of the ultimate refund.

Other UK plans	The Group also operates two UK defined benefit plans as a result of the acquisition of Aberdeen Asset Management PLC (now renamed abrdn Holdings Limited) in 2017. These plans are final salary based, with benefits depending on members' length of service and salary prior to retirement. At the last statutory valuation date (30 June 2022), one plan, the Edinburgh Fund Managers Group Scheme (the EFM Scheme) was in deficit and the Group agreed funding plans with the plan's trustees which aimed to eliminate the deficit. The other plan, the Murray Johnstone Limited Retirement Benefits Plan (the MJ Plan), was in surplus. Refer Section (d) for details of the buy-in undertaken on the MJ Plan in 2023.
Other plans	
abrdn ROI plan	In December 2009, this plan closed to new membership and changed from a final salary basis to a career average revalued earnings (CARE) basis. Following the sale of the UK and European insurance business in 2018, there remain two employees who continue to accrue benefits under this plan. At the last funding valuation, effective 1 January 2022, the plan was in deficit and as above, the Group agreed funding plans with the plan's trustees which aimed to eliminate the deficit.
Other	The Group operates smaller funded and unfunded defined benefit plans in other countries.

Plan regulations

The plans are administered according to local laws and regulations in each country. Responsibility for the governance of the plans rests with the relevant trustee boards (or equivalent). The UK pensions market is regulated by the Pensions Regulator whose statutory objectives and regulatory powers are described on its website, **www.thepensionsregulator.gov.uk**

(a) Analysis of amounts recognised in the consolidated income statement

The amounts recognised in the consolidated income statement for defined contribution and defined benefit plans are as follows:

	2024 **£m**	2023 £m
Current service cost	**48**	55
Past service cost	**–**	(5)
Net interest income	**(33)**	(38)
Administrative expenses	**11**	4
Expense recognised in the consolidated income statement	**26**	16

Contributions made to defined contribution plans are included within current service cost.

Contributions to defined benefit plans in the year ended 31 December 2024 comprised £5m (2023: £8m) to the Other UK plans and the abrdn ROI plan. Contributions are expected to be £4m in 2025 and are not expected to materially change in the two subsequent years. These contributions include a mixture of deficit funding and funding to achieve a targeted level of overall financial strength.

(b) Analysis of amounts recognised in the consolidated statement of financial position

	2024			2023		
	Principal plan **£m**	**Other** **£m**	**Total** **£m**	Principal plan £m	Other £m	Total £m
Present value of funded obligation	**(1,552)**	**(217)**	**(1,769)**	(1,784)	(234)	(2,018)
Present value of unfunded obligation	**–**	**(2)**	**(2)**	–	(2)	(2)
Fair value of plan assets	**2,591**	**222**	**2,813**	2,912	233	3,145
Net asset/(liability) before the limit on plan surplus	**1,039**	**3**	**1,042**	1,128	(3)	1,125
Effect of limit on plan surplus[1]	**(260)**	**(4)**	**(264)**	(394)	(3)	(397)
Net asset/(liability)	**779**	**(1)**	**778**	734	(6)	728

1. UK recoverable surpluses are reduced to reflect an authorised surplus payments charge of 25% that would arise on a refund. This charge was reduced from 35% to 25% effective from 6 April 2024 and this is reflected in the net asset at 31 December 2024. The comparative figures at 31 December 2023 are shown with a 35% surplus charge.

Other comprises a defined benefit plan asset relating to two defined benefit plans (2023: one) of £7m (2023: £6m) and a number of other defined benefit plans with a total liability of £8m (2023: £12m).

A pension plan surplus is considered to be recoverable where an unconditional right to a refund exists.

(c) Movement in the net defined benefit asset

	Present value of obligation		Fair value of plan assets		Net asset/(liability) before the limit on plan surplus		Effect of limit of plan surpluses		Net asset/(liability)	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
At 1 January	**(2,020)**	(1,986)	**3,145**	3,252	**1,125**	1,266	**(397)**	(447)	**728**	819
Total expense										
Current service cost	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Past service cost	**–**	5	**–**	–	**–**	5	**–**	–	**–**	5
Interest (expense)/income	**(91)**	(88)	**142**	146	**51**	58	**(18)**	(20)	**33**	38
Administrative expenses	**(9)**	(4)	**(2)**	–	**(11)**	(4)	**–**	–	**(11)**	(4)
Total (expense)/income recognised in consolidated income statement	**(100)**	(87)	**140**	146	**40**	59	**(18)**	(20)	**22**	39
Remeasurements										
Return on plan assets, excluding amounts included in interest income	**–**	–	**(392)**	(186)	**(392)**	(186)	**–**	–	**(392)**	(186)
(Loss)/gain from change in demographic assumptions	**(1)**	31	**–**	–	**(1)**	31	**–**	–	**(1)**	31
(Loss)/gain from change in financial assumptions	**236**	(56)	**–**	–	**236**	(56)	**–**	–	**236**	(56)
Experience gains/(losses)	**27**	2	**–**	–	**27**	2	**–**	–	**27**	2
Change in effect of limit on plan surplus	**–**	–	**–**	–	**–**	–	**154**	70	**154**	70
Remeasurement (losses)/gains recognised in other comprehensive income	**262**	(23)	**(392)**	(186)	**(130)**	(209)	**154**	70	**24**	(139)
Exchange differences	**5**	4	**(4)**	(4)	**1**	–	**(3)**	–	**(2)**	–
Employer contributions	**–**	–	**5**	8	**5**	8	**–**	–	**5**	8
Benefit payments	**82**	72	**(81)**	(71)	**1**	1	**–**	–	**1**	1
At 31 December	**(1,771)**	(2,020)	**2,813**	3,145	**1,042**	1,125	**(264)**	(397)	**778**	728

(d) Defined benefit plan assets

Investment strategy is directed by the trustee boards (where relevant) who pursue different strategies according to the characteristics and maturity profile of each plan's liabilities. Assets and liabilities are managed holistically to create a portfolio with the dual objectives of return generation and liability management. In the principal plan this is achieved through a diversified multi-asset absolute return strategy seeking consistent positive returns, and hedging techniques which protect liabilities against movements arising from changes in interest rates and inflation expectations. Derivative financial instruments support both of these objectives and may lead to increased or decreased exposures to the physical asset categories disclosed below.

To provide more information on the approach used to determine and measure the fair value of the plan assets, the fair value hierarchy has been used as defined in Note 36. Those assets which cannot be classified as level 1 have been presented together as level 2 or 3.

The distribution of the fair value of the assets of the Group's funded defined benefit plans is as follows:

	Principal plan		Other		Total	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
Assets measured at fair value based on level 1 inputs						
Debt securities	**1,412**	1,403	**–**	–	**1,412**	1,403
Total assets measured at fair value based on level 1 inputs	**1,412**	1,403	**–**	–	**1,412**	1,403
Assets measured at fair value based on level 2 or 3 inputs						
Derivatives	**(3)**	(3)	**–**	(2)	**(3)**	(5)
Equity securities	**43**	44	**–**	–	**43**	44
Interests in pooled investment funds						
Debt	**106**	286	**19**	19	**125**	305
Equity	**–**	–	**12**	7	**12**	7
Multi-asset private markets	**217**	230	**–**	–	**217**	230
Property	**79**	82	**9**	11	**88**	93
Absolute return	**–**	–	**4**	9	**4**	9
Cash	**–**	9	**52**	73	**52**	82
Debt securities	**909**	1,110	**3**	2	**912**	1,112
Qualifying insurance policies	**2**	2	**116**	125	**118**	127
Total assets measured at fair value based on level 2 or 3 inputs	**1,353**	1,760	**215**	244	**1,568**	2,004
Cash and cash equivalents	**111**	103	**4**	4	**115**	107
Liability in respect of collateral held	**(285)**	(354)	**3**	(15)	**(282)**	(369)
Total	**2,591**	2,912	**222**	233	**2,813**	3,145

Further information on risks is provided at Section (g) of this Note. The £2,324m (2023: £2,515m) of debt securities includes £1,619m (2023: £1,608m) of government bonds (including conventional and index-linked). Of the remaining £705m (2023: £907m) debt securities, £645m (2023: £815m) are investment grade corporate bonds or certificates of deposit.

Included in the qualifying insurance policy asset of £118m (2023: £127m) is £112m (2023: £121m) in relation to two insurance policies purchased by the trustees of Other UK defined benefit plans to protect the plans against future investment and actuarial risks.

- £40m (2023: £43m) in relation to the partial buy-in completed on the EFM Scheme in 2015.
- £72m (2023: £78m) in relation to the substantially full buy-in completed on the MJ Plan in 2023. The premium paid was £99m.

The MJ Plan buy-in was not considered to be a settlement therefore, as noted above, the insurance policy is recognised within the plan assets. The buy-in transaction was an investment decision made by the trustee to increase the security of plan benefits. The insurance policy does provide the option to convert the buy-in into individual policies which would transfer the future obligation to pay pensions to the insurer for the members covered by the policy (known as a buy-out). However, this obligation remains with the Group and while the conversion to a buy-out may be considered in the future, a separate decision will be required, and certain conditions will need to be met, including changes to the MJ Plan's trust deed and rules, before any buy-out can be executed. Consequently the difference between the valuation of the policy and the premium paid was recognised within Remeasurement gains/(losses) recognised in other comprehensive income in 2023.

The £282m liability in respect of collateral held (2023: £369m) consists of repurchase agreements of £287m (2023: £353m), margins on derivatives of £(17)m (2023: £(8)m) and collateral of £12m (2023: £24m).

(e) Estimates and assumptions

Determination of the valuation of principal plan liabilities is a key estimate as a result of the assumptions made relating to both economic and non-economic factors.

The key economic assumptions for the principal plan, which are based in part on current market conditions, are shown below:

	2024	2023
	%	%
Discount rate	**5.60**	4.60
Rates of inflation		
Consumer Price Index (CPI)	**2.75**	2.65
Retail Price Index (RPI)	**3.10**	3.00

The changes in economic assumptions over the period reflect changes in both corporate bond prices and market implied inflation. The underlying methodology used to set these assumptions has not changed over the reporting period. The population of corporate bond prices excludes bonds issued by UK universities. The inflation assumption reflects the future reform of RPI effective from 2030 as described in Section (g)(i) below.

The determination of the present value of the funded obligation at 31 December 2024 includes a methodology change for post-retirement pension increases on 'post 6th April 88' GMP pensions in the principal plan. The previous methodology used a deterministic approach in line with the relevant CPI index. The updated methodology allows for the contractual pension increase cap and floor when deriving the pension increase assumption, using an assumed CPI inflation volatility of 2% p.a. The impact of this methodology change is to reduce the closing obligation by £5m.

The most significant non-economic assumption for the principal plan is post-retirement longevity which is inherently uncertain. The longevity assumptions (along with sample expectations of life) are illustrated below:

				Expectation of life from NRA			
			Normal retirement Age	**Male age today**		**Female age today**	
2024	**Table**	**Improvements**	**(NRA)**	**NRA**	**40**	**NRA**	**40**
	Plan specific basis (calibrated by Club Vita) reflecting membership demographics	Core parameterisation of the CMI 2021 mortality improvements model (SK parameter of 7.0), with an initial improvement (or 'A') parameter of +0.5% for males and females, and a long-term rate of improvement of 1.5%.	**60**	**27**	**28**	**29**	**32**

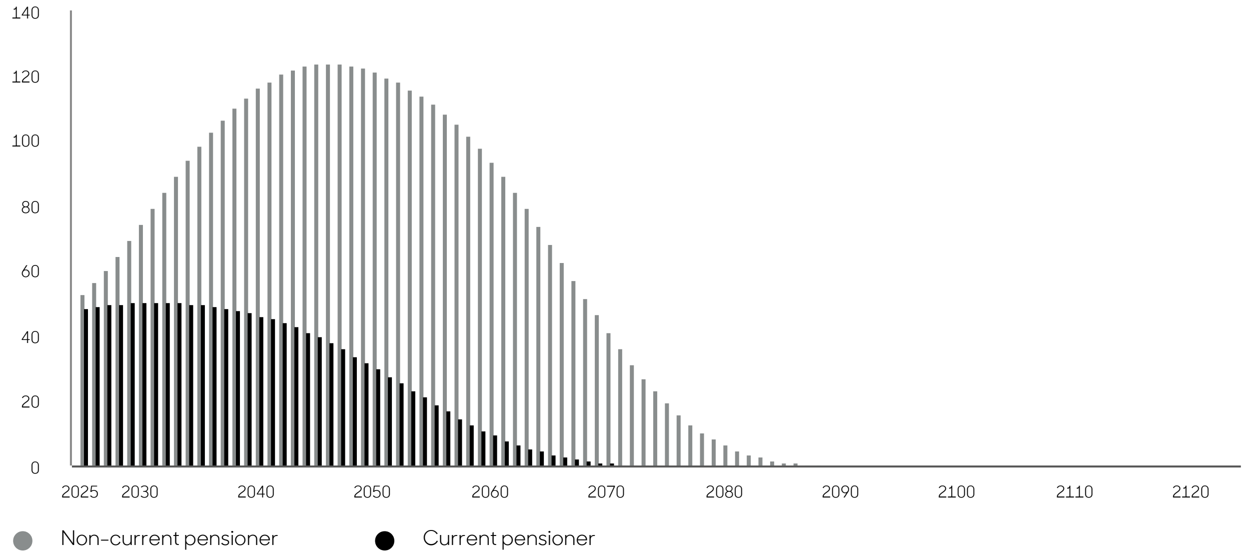
				Expectation of life from NRA			
			Normal retirement Age	Male age today		Female age today	
2023	Table	Improvements	(NRA)	NRA	40	NRA	40
	Plan specific basis (calibrated by Club Vita) reflecting membership demographics	Core parameterisation of the CMI 2021 mortality improvements model (SK parameter of 7.0), with an initial improvement (or 'A') parameter of +0.5% for males and females, and a long-term rate of improvement of 1.5%.	60	27	28	29	31

These assumptions reflect a cautious allowance for the recently observed slowdown in longevity improvements. The mortality improvement assumptions are in line with CMI 2021 but with a 10% weighting on 2020 and 2021 data. This makes some allowance for recent post-pandemic experience whilst recognising that greater stability in recent 2022 mortality experience may be indicative of expected future trends.

(f) Duration of defined benefit obligation

The graph below provides an illustration of the undiscounted expected benefit payments included in the valuation of the principal plan obligations.

Undiscounted benefit payments (£m)



Weighted average duration	2024 years	2023 years
Current pensioner	**11**	11
Non-current pensioner	**20**	22

The weighted average duration is calculated based on discounted benefit payments so is impacted by changes in the discount and inflation rates used (Refer Section (e)).

(g) Risk

(g)(i) Risks and mitigating actions

The Group's consolidated statement of financial position is exposed to movements in the defined benefit plans' net asset. In particular, the consolidated statement of financial position could be materially sensitive to reasonably likely movements in the principal assumptions for the principal plan. By having offered post-retirement defined benefit pension plans the Group is exposed to a number of risks. An explanation of the key risks and mitigating actions in place for the principal plan is given below.

Asset volatility

Investment strategy risks include underperformance of the absolute return strategy and underperformance of the liability hedging strategy. As the trustees set investment strategy to protect their own view of plan strength (not the IAS 19 position), changes in the IAS 19 liabilities (e.g. due to movements in corporate bond prices) may not always result in a similar movement in plan assets.

Failure of the asset strategy to keep pace with changes in plan liabilities would expose the plan to the risk of a deficit developing, which could increase funding requirements for the Group. abrdn and the trustees are working together to determine the most appropriate de-risking strategy to best protect against the risk that this plan strength deteriorates in the future.

Yields/discount rate

Falls in yields would in isolation be expected to increase the defined benefit plan liabilities.

The principal plan uses both bonds and derivatives to hedge out yield risks on the relevant plan basis in order to meet the trustee's objectives, rather than the IAS 19 basis, which is expected to minimise the plan's need to rely on support from the Group.

Inflation

Increases in inflation expectations would in isolation be expected to increase the defined benefit plan liabilities.

The principal plan uses both bonds and derivatives to hedge out inflation risks on the relevant plan basis in order to meet the objectives, rather than the IAS 19 basis, which is expected to minimise the plan's need to rely on support from the Group.

In the principal plan, pensions in payment are generally linked to CPI, however inflationary risks are hedged using RPI instruments due to lack of availability of CPI linked instruments. Therefore, the plan is exposed to movements in the actual and expected long-term gap between RPI and CPI.

A House of Lords report in 2019 raised the potential for changes to the RPI measure of inflation, which was followed by recommendations from the UK Statistics Authority. The results of the consultation on the reform of RPI (announced on 25 November 2020) confirmed that RPI will be aligned to CPIH (CPI including owner occupiers' housing costs) as proposed, but not before 2030. While uncertainty remains, there is a risk that future cash flows from, and thus the value of, the plan's RPI-linked assets fall without a corresponding reduction in the plan's CPI-linked liabilities. While not directly observable from market data, the plan's RPI-linked asset values may already reflect an element of the expected changes and risk of such changes.

Life expectancy

Increases in life expectancy beyond those currently assumed will lead to an increase in plan liabilities. Regular reviews of longevity assumptions are performed to ensure assumptions remain appropriate.

Climate

The principal plan adopts a low-risk strategy to investment, with the majority of plan assets invested in UK government bonds. The trustees have assessed the principal plan's exposure to severe climate change as being minimal, as a result of the low-risk investment strategy alongside the plan's strong funding level.

(g)(ii) Sensitivity to key assumptions

The sensitivity of the principal plan's obligation and assets to the key assumptions is disclosed below.

		2024		2023	
		(Increase)/decrease Increase/(decrease) in present value of obligation	**(Increase)/decrease Increase/(decrease) in fair value of plan assets**	(Increase)/decrease Increase/(decrease) in present value of obligation	(Increase)/decrease Increase/(decrease) in fair value of plan assets
	Change in assumption	**£m**	**£m**	£m	£m
Yield/discount rate	Decrease by 1% (e.g. from 5.60% to 4.60%)	**(266)**	**444**	(342)	566
	Increase by 1%	**210**	**(346)**	266	(432)
Rates of inflation	Decrease by 1%	**184**	**(299)**	233	(371)
	Increase by 1%	**(229)**	**384**	(306)	485
Life expectancy	Decrease by 1 year	**47**	**N/A**	54	N/A
	Increase by 1 year	**(47)**	**N/A**	(54)	N/A

32. Other financial liabilities

	Notes	**2024 £m**	2023 £m
Accruals		**234**	284
Amounts due to counterparties and customers for unsettled trades and fund transactions		**355**	464
Lease liabilities	16	**193**	223
Cash collateral held in respect of derivative contracts	34	**57**	40
Contingent consideration liabilities	36	**96**	114
Deferred income		**12**	4
Other		**101**	112
Other financial liabilities		**1,048**	1,241

The amount of other financial liabilities expected to be settled after more than 12 months is £268m (2023: £323m).

Accruals includes £13m (2023: £43m) relating to accruals for rebates due on contracts with customers.

33. Provisions and other liabilities

Provisions are obligations of the Group which are of uncertain timing or amount. They are recognised when the Group has a present obligation as a result of a past event, it is probable that a loss will be incurred in settling the obligation and a reliable estimate of the amount can be made.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate reimbursement asset is recognised when it is virtually certain that reimbursement will be received if the Group settles the obligation.

(a) Provisions

The movement in provisions during the year is as follows:

	Separation costs		Process execution		Tax related provisions		Other provisions		Total provisions	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
At 1 January	**–**	33	**–**	41	**42**	–	**24**	23	**66**	97
Charged/(credited) to the consolidated income statement										
Additional provisions	**–**	–	**–**	–	**–**	42	**22**	33	**22**	75
Release of unused provision	**–**	(32)	**–**	–	**(1)**	–	**(1)**	(4)	**(2)**	(36)
Used during the year	**–**	(1)	**–**	(41)	**–**	–	**(22)**	(28)	**(22)**	(70)
At 31 December	**–**	–	**–**	–	**41**	42	**23**	24	**64**	66

The provision for a potential liability of £41m (2023: £42m) relates to a tax related matter which is the subject of an ongoing appeal. Any resolution is not expected to be until 2026 at the earliest. A reimbursement asset has been recognised within receivables and other financial assets for £19m (2023: £18m) which is an expected recovery in the event of any settlement.

The opening separation cost provision at 1 January 2023 of £33m was in respect of costs expected to be incurred following the sale of the UK and European insurance business to Phoenix. Following the completion of the separation programme during the year ended 31 December 2023 the Group expected no further costs to be incurred and £32m was released from the provision in the year ended 31 December 2023.

The opening process execution provision recognised at 1 January 2023 for £41m was in respect of a payment required to compensate an asset management client relating to the provision of certain services has been fully utilised in the year ended 31 December 2023 to fully settle the compensation. Following the settlement, the Group had agreed a recovery of £36m from its liability insurance, being the cost of the compensation net of a £5m excess of which £36m had been received by 31 December 2023. The recovery was credited against other administrative expenses for the year ended 31 December 2023 in the consolidated income statement.

The majority of Other provisions relate to dilapidations on leased properties and restructuring provisions. Dilapidations are generally expected to be settled after more than 12 months. Refer Note 16 for further details of the Group's leases. Restructuring provisions are generally expected to be settled within 12 months. Remaining balances relate to other ongoing matters across the Group and are typically expected to be settled within 12 months.

The amount of provisions expected to be settled after more than 12 months is £52m (2023: £45m).

(b) Other liabilities

As at 31 December 2024, other liabilities totalled £7m (2023: £4m). The amount of other liabilities expected to be settled after more than 12 months is £nil (2023: £nil).

34. Financial instruments risk management

(a) Overview

The principal risks and uncertainties that affect the Group's business model and the Group's approach to risk management are set out in the Risk management section of the Strategic report.

The Group's exposure to financial instrument risk is derived from the financial instruments that it holds directly, the assets and liabilities of the unit linked funds of the life operations of the Group and the Group's defined benefit pension plans. In addition, due to the nature of the business, the Group's secondary exposure extends to the impact on treasury income and investment management and other fees that are determined on the basis of a percentage of AUMA and are therefore impacted by financial risks borne by third party investors. In this Note, exposures and sensitivities provided relate to the financial instrument assets and liabilities, in scope of IFRS 7, to which the shareholder is directly exposed.

For the purposes of this Note:
- Shareholder business refers to the assets and liabilities to which the shareholder is directly exposed. The shareholder refers to the equity holders of the Company.
- Unit linked funds refers to the assets and liabilities of the unit linked funds of the life operations of the Group. It does not include the cash flows (such as asset management charges or investment expenses) arising from the unit linked fund contracts. These cash flows are included in shareholder business.
- Third party interest in consolidated funds and non-controlling interests refers to the assets and liabilities recorded on the Group's consolidated statement of financial position which belong to third parties. The Group controls the entities which own the assets and liabilities but the Group does not own 100% of the equity or units of the relevant entities.

Unit linked funds are excluded from the analysis in this Note. Details regarding the financial risks of instruments relating to the Group's unit linked funds can be found in Note 23 and the risks relating to the Group's principal defined benefit pension plan are explained in Note 31.

Third party interests in consolidated funds do not expose the shareholder to market, credit or liquidity risk since the financial risks from the assets and obligations are borne by third parties. As a result, equity risk, interest rate risk and credit risk quantitative disclosures in this Note exclude these assets.

Under IFRS 7 the following financial instruments are excluded from scope:
- Interests in subsidiaries, associates and joint ventures.
- Rights and obligations arising from employee benefit plans.
- Insurance contracts as defined by IFRS 17.
- Share-based payment transactions.

For the purposes of managing risks to the Group's financial instrument assets and liabilities, the Group considers the following categories:

Risk	Definition and exposure
Market	The risk of financial loss as a result of adverse financial market movements. The shareholder is directly exposed to the impact of movements in equity prices, interest rates and foreign exchange rates on the value of assets held by the shareholder business.
Credit	The risk of financial loss as a result of the failure of a counterparty, issuer or borrower to meet their obligations or perform them in a timely manner. The shareholder is directly exposed to credit risk from holding cash, debt securities, derivative financial instruments and receivables and other financial assets.
Liquidity	The risk of financial loss as a result of being unable to settle financial obligations when they fall due, as a result of having insufficient liquid resources or being unable to realise investments and other assets other than at excessive costs. The shareholder is directly exposed to the liquidity risk from the shareholder business if it is unable to realise investments and other assets in order to settle its financial obligations when they fall due, or can do so only at excessive cost.

As set out in the Risk management section of the Strategic report, the Group reviews and manages climate-related risks and opportunities. Climate change is considered amongst our principal risks and uncertainties, specifically sitting within our 'Sustainability' principal risk. We consider climate risk to be material and acknowledge its relationship with financial and regulatory and legal risk. We continue to assess the potential impacts on our business with a view to the resilience of our operations and investment strategies. This is monitored through our climate risk and opportunity radar to ensure we are well positioned to realise opportunities and mitigate risks. Our day-to-day business is predominantly exposed to transition risk as markets and policies increasingly align to a lower carbon world. We have a critical role to play as stewards of clients' capital and this is reflected in our business strategy and our commitment to reduce the carbon intensity of our portfolios and absolute emissions from our direct operations. The Group is also exposed to climate risk in relation to its investment property which are primarily properties which are no longer being used operationally by the Group and are being sublet. Refer Note 15 for details of the Group's consideration of climate-related factors in relation to investment property. We have considered the implications of climate-related risk, including transition risks, for the 2024 financial statements, and have concluded that there are no material impacts on the valuation of the Group's assets and liabilities, including the valuation of financial instruments held at fair value through profit or loss (in particular in relation to level 3 investments) or at amortised cost (in particular in relation to expected credit losses).

(b) Market risk

The Group's largest exposure to market risk relates to our investment in Phoenix. Other market risk exposures primarily arise as a result of holdings in newly established investment vehicles which the Group has seeded and co-investments in property and infrastructure funds in the Investments segment. Seed capital is classified as held for sale when it is the intention to dispose of the vehicle in a single transaction and within one year. Co-investments are typically held for a longer term and align the Group's economic interests with those of property, private equity and infrastructure fund co-investors. The consolidated statement of financial position includes the following amounts in respect of seed capital and co-investments.

	2024 **£m**	2023 £m
Equity securities and interests in pooled investment funds at FVTPL	**150**	209
Debt securities	**69**	86
Assets held for sale	**17**	–
Total seed capital	**236**	295
Equity securities and interests in pooled investment funds at FVTPL	**184**	116
Total co-investments	**184**	116

The Group sets limits for investing in seed capital and co-investment activity and regularly monitors exposures arising from these investments. The Group will consider hedging its exposure to market risk in respect of seed capital investments where it is appropriate and efficient to do so. The Group will also consider hedging its exposure to currency risk in respect of co-investments where it is appropriate and efficient to do so. Other market risks associated with co-investments are not hedged given the need for the Group's economic interests to be aligned with those of the co-investors.

(b)(i) Elements of market risk

The main elements of market risk to which the Group is exposed are equity risk, interest rate risk and foreign currency risk, which are discussed on the following pages.

Information on the methods used to determine fair values for each major category of financial instrument measured at fair value is presented in Note 36.

(b)(i)(i) Exposure to equity risk

The Group is exposed to the risk of adverse equity market movements which could result in losses. This applies to daily changes in the market values and returns on the holdings in equity securities.

At 31 December 2024 the shareholder exposure to equity markets was £734m (2023: £792m) in relation to equity securities. This primarily relates to the Group's investments in Phoenix of £530m (2023: £557m), seed capital investments of £114m (2023: £151m), and equity securities held by the abrdn Financial Fairness Trust of £67m (2023: £64m).

The Group is also exposed to adverse market price movements on its interests in pooled investment funds. The shareholder exposure of £278m (2023: £235m) to pooled investment funds primarily relates to £220m (2023: £174m) of seed capital and co-investments, investments in certain managed funds to hedge against liabilities from variable pay awards that are deferred and settled in cash by reference to the price of those funds of £29m (2023: £35m) and pooled investment funds held by the abrdn Financial Fairness Trust of £25m (2023: £22m).

Equities and interests in pooled investment funds at FVTPL included in the consolidated statement of financial position includes £94m (2023: £112m) relating to third party interest in consolidated funds and non-controlling interests – ordinary shares to which the shareholder is not exposed.

Exposures to equity risk are primarily managed though the hedging of market risk in respect of seed capital investments where it is appropriate and efficient to do so. Additionally limits are imposed on the amount of seed capital and co-investment activity that may be undertaken. The Group does not hedge equity risk in relation to its investment in Phoenix.

(b)(i)(ii) Exposure to interest rate risk

Interest rate risk is the risk that arises from exposures to changes in the shape and level of yield curves which could result in losses due to the value of financial assets and liabilities, or the cash flows relating to these, fluctuating by different amounts.

The main financial assets held by the Group which give rise to interest rate risk are debt securities and cash and cash equivalents. The Group is also exposed to interest rate risk on its investments in pooled investment funds where the underlying instruments are exposed to interest rate risk.

Interest rate exposures are managed in line with the Group's risk appetite.

(b)(i)(iii) Exposure to foreign currency risk

Foreign currency risk arises where adverse movements in currency exchange rates impact the value of revenues received from, and the value of assets and liabilities held in, currencies other than UK Sterling. The Group's financial assets are generally held in the local currency of its operational geographic locations. The Group generally does not hedge the currency exposure relating to revenue and expenditure, nor does it hedge translation of overseas profits in the consolidated income statement. Where appropriate, the Group may use derivative contracts to reduce or eliminate currency risk arising from individual transactions or seed capital and co-investment activity.

The table below summarises the financial instrument exposure to foreign currency risks in UK Sterling.

		UK Sterling		Euro		US Dollar		Singapore Dollar		Other currencies		Total	
		2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Notes	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
Financial assets	17	**3,183**	3,280	**193**	204	**540**	612	**87**	59	**160**	159	**4,163**	4,314
Financial liabilities	29	**(1,014)**	(1,130)	**(31)**	(48)	**(757)**	(823)	**(10)**	(15)	**(20)**	(20)	**(1,832)**	(2,036)
Cash flow hedges		**(599)**	(588)	**–**	–	**599**	588	**–**	–	**–**	–	**–**	–
Non-designated derivatives		**265**	296	**(69)**	(66)	**(146)**	(186)	**(12)**	–	**(38)**	(44)	**–**	–
		1,835	1,858	**93**	90	**236**	191	**65**	44	**102**	95	**2,331**	2,278

Other currencies include assets of £50m (2023: £41m) and liabilities of £nil (2023: £nil) in relation to the fair value of derivatives used to manage currency risk.

On 18 October 2017, the Group issued US dollar subordinated notes with a principal amount of US$750m. The related cash flows expose the Group to foreign currency risk on the principal and coupons payable. The Group manages the foreign exchange risk with a cross-currency swap which is designated as a cash flow hedge.

Non-designated derivatives relate to foreign exchange forward contracts that are not designated as cash flow hedges or net investment hedges and primarily relate to the management of currency risk arising from seed capital and co-investment activity.

In addition to financial instruments analysed above, the principal source of foreign currency risk for shareholders arises from the Group's investments in overseas subsidiaries and associates and joint ventures accounted for using the equity method. The carrying value of the Group's Chinese joint venture is disclosed in Note 14. The Group does not hedge foreign currency risk in relation to these investments.

(b)(ii) Sensitivity of financial instruments to market risk analysis

The Group's profit/loss after tax and equity are sensitive to variations in respect of the Group's market risk exposures and a sensitivity analysis is presented below. The analysis has been performed by calculating the sensitivity of profit after tax and equity to changes in equity security prices (equity risk), changes in interest rates (interest rate risk) and changes in foreign exchange rate (foreign currency risk) as at the reporting date applied to assets and liabilities other than those classified as held for sale, and after allowing for the Group's hedging strategy.

The variables used in the sensitivity analysis are considered reasonable assumptions and are consistent with market peers. Changes to variables are provided by internal specialists who determine what are reasonable assumptions.

Profit/loss after tax and equity sensitivity to market risk

		31 December 2024		31 December 2023	
		A reasonable change in the variable within the next calendar year	Increase/ (decrease) in post-tax profit	A reasonable change in the variable within the next calendar year	Increase/ (decrease) in post-tax profit
		%	£m	%	£m
Equity prices	**Increase**	**10**	**71**	10	74
	Decrease	**10**	**(71)**	10	(74)
US Dollar against Sterling	**Strengthen**	**10**	**14**	10	12
	Weaken	**10**	**(11)**	10	(9)
Euro against Sterling	**Strengthen**	**10**	**10**	10	10
	Weaken	**10**	**(8)**	10	(8)

The reasonable change in variables have no impact on any other components of equity. These sensitivities concern only the impact on financial instruments and exclude indirect impacts of the variable on fee income and certain costs which may be affected by the changes in market conditions.

Interest rate sensitivity to a reasonable change in the variable within the next calendar year is not material in either 2024 or 2023.

Limitations

The sensitivity of the Group's profit after tax and equity may be non-linear and larger or smaller impacts should not be derived from these results. The sensitivities provided illustrate the impact of a reasonably possible change in a single sensitivity factor, while the other sensitivity factors remain unchanged. Correlations between the different risks and/or other factors may mean that experience would differ from that expected if more than one risk event occurred simultaneously.

(c) Credit risk

Exposures to credit risk and concentrations of credit risk are managed by setting exposure limits for different types of financial instruments and counterparties. The limits are established using the following controls:

Financial instrument with credit risk exposure	Control
Cash and cash equivalents	Maximum counterparty exposure limits are set with reference to internal credit assessments.
Derivative financial instruments	Maximum counterparty exposure limits, net of collateral, are set with reference to internal credit assessments. The forms of collateral that may be accepted are also specified and minimum transfer amounts in respect of collateral transfers are documented.
Debt securities	The Group's policy is to set exposure limits by name of issuer, sector and credit rating.
Other financial instruments	Appropriate limits are set for other financial instruments to which the Group may have exposure at certain times.

Group Treasury perform central monitoring of exposures against limits and are responsible for the escalation of any limit breaches to the Chief Risk Officer.

Expected credit losses (ECL) are calculated on financial assets which are measured at amortised cost.

Financial assets attract an ECL allowance equal to either:

12 month ECL (losses resulting from possible default within the next 12 months)	No significant increase in credit risk since initial recognition. Trade receivables or contract assets with significant financing component, or lease receivables if lifetime ECL measurement has not been elected.
Lifetime ECL (losses resulting from possible defaults over the remaining life of the financial asset)	Significant increase in credit risk since initial recognition. Trade receivables or contract assets with no significant financing component. Trade receivables or contract assets with significant financing component, or lease receivables for which lifetime ECL measurement has been elected.
Changes in Lifetime ECL	Credit-impaired at initial recognition.

In determining whether a default has taken place, or where there is an increased risk of a default, a number of factors are taken into account including a deterioration in the credit quality of a counterparty, the number of days that a payment is past due, and specific events which could impact a counterparty's ability to pay.

The Group assumes that a significant increase in credit risk has arisen when contractual payments are more than 30 days past due. The Group assumes that credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Financial instruments with an external rating of 'investment grade' are presumed to have low credit risk in the absence of evidence to the contrary. Investment grade financial instruments are financial assets with credit ratings assigned by external rating agencies with classification within the range of AAA to BBB. If a financial asset is not rated by an external agency it is classified as 'not rated'.

The Group applies the simplified approach, as permitted under IFRS 9, to calculate the ECL allowance for trade receivables and contract assets including accrued income from contracts with customers and lease receivables. Under the simplified approach, the ECL allowance is calculated over the remaining life of the asset, using a provision matrix approach based on historic observed default rates adjusted for knowledge of specific events which could influence loss rates.

The Group does not hold significant financial assets at amortised cost that it regards as credit-impaired or for which it considers the probability of default would result in material expected credit losses in its Investments and Adviser segments. At 31 December 2024, these segments had total receivables of £4m (2023: £nil) which were considered to be credit impaired for which a lifetime loss allowance of £4m (2023: £nil) has been recognised based on expected recovery. Historically, default levels have been insignificant for the Group's customers within these segments. Trade debtors past due but not in default at 31 December 2024 for these segments were £58m (2023: £71m) of which £43m was over 90 days past due (2023: £36m). Except for a £4m balance above, we have not identified significant credit risk with counterparties with balances over 90 days past due and recovery is still expected. The expected credit losses recognised for non-credit impaired assets were less than £1m (2023: less than £1m). In making this assessment the Group has considered if any evidence is available to indicate the occurrence of an event which would result in a detrimental impact on the estimated future cash flows of these assets.

The Group is exposed to a higher level of credit risk within its ii segment, primarily in relation to ii. Trade debtors past due for the ii segment at 31 December 2024 were £6m (2023: £5m), the majority of which were considered to be credit impaired. A lifetime loss allowance of £2m (2023: £2m) has been recognised based on expected recovery.

(c)(i) Credit exposure

The following table presents an analysis of the credit quality of shareholder financial assets and the maximum exposure to credit risk without taking into account any collateral held.

	Fair value through profit or loss		Cash flow hedge		Amortised cost: 12 month ECL		Amortised cost: Lifetime ECL[1]		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
AAA	**–**	30	**–**	–	**138**	115	**–**	–	**138**	145
AA+ to AA-	**67**	169	**–**	–	**137**	76	**–**	–	**204**	245
A+ to A-	**467**	405	**50**	41	**942**	977	**–**	–	**1,459**	1,423
BBB	**69**	86	**–**	–	**75**	127	**–**	–	**144**	213
Not rated	**18**	12	**–**	–	**533**	610	**479**	452	**1,030**	1,074
Gross carrying amount	**621**	702	**50**	41	**1,825**	1,905	**479**	452	**2,975**	3,100
Loss allowance	**–**	–	**–**	–	**–**	–	**(5)**	(2)	**(5)**	(2)
Carrying amount	**621**	702	**50**	41	**1,825**	1,905	**474**	450	**2,970**	3,098
Derivative financial assets	**4**	2	**50**	41	**–**	–	**–**	–	**54**	43
Debt securities	**600**	689	**–**	–	**(1)**	125	**–**	–	**599**	814
Receivables and other financial assets	**17**	11	**–**	–	**533**	610	**474**	450	**1,024**	1,071
Cash and cash equivalents	**–**	–	**–**	–	**1,293**	1,170	**–**	–	**1,293**	1,170
Carrying amount	**621**	702	**50**	41	**1,825**	1,905	**474**	450	**2,970**	3,098

1. As noted in Section (c) above, Lifetime ECL balances include trade debtors with a gross carrying value of £10m (2023: £5m) which are credit impaired for which a loss allowance of £6m (2023: £2m) has been recognised. All other Lifetime ECL balances are not credit impaired.

In the table above, debt securities exclude debt securities relating to third party interests in consolidated funds of £60m (2023: £51m). Cash and cash equivalents exclude cash and cash equivalents relating to third party interests in consolidated funds of £28m (2023: £26m). The shareholder is not exposed to the credit risk in respect of third party interests in consolidated funds since the financial risk of the assets are borne by third parties.

(c)(ii) Collateral accepted and pledged in respect of financial instruments

Collateral in respect of bilateral over-the-counter (OTC) derivative financial instruments and bilateral repurchase agreements is accepted from and provided to certain market counterparties to mitigate counterparty risk in the event of default. The use of collateral in respect of these instruments is governed by formal bilateral agreements between the parties. For OTC derivatives the amount of collateral required by either party is determined by the daily bilateral OTC exposure calculations in accordance with these agreements and collateral is moved on a daily basis to ensure there is full collateralisation. Under the terms of these agreements, collateral is posted with the ownership captured under title transfer of the contract. With regard to either collateral pledged or accepted, the Group may request the return of, or be required to return, collateral to the extent it differs from that required under the daily bilateral OTC exposure calculations.

Where there is an event of default under the terms of the agreements, any collateral balances will be included in the close-out calculation of net counterparty exposure. At 31 December 2024, the Group had pledged £12m (2023: £19m) of cash and £nil (2023: £nil) of securities as collateral for derivative financial liabilities. At 31 December 2024, the Group had accepted £57m (2023: £40m) of cash and £105m (2023: £35m) of securities as collateral for derivatives financial assets and reverse repurchase agreements. None of the securities were sold or repledged at the year end.

(c)(iii) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported on the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group does not offset financial assets and liabilities on the consolidated statement of financial position, as there are no unconditional rights to set off. Consequently, the gross amount of other financial instruments presented on the consolidated statement of financial position is the net amount. The Group's bilateral OTC derivatives are all subject to an International Swaps and Derivative Association (ISDA) master agreement. ISDA master agreements and reverse repurchase agreements entered into by the Group are considered master netting agreements as they provide a right of set off that is enforceable only in the event of default, insolvency, or bankruptcy.

The Group does not hold any other financial instruments which are subject to master netting agreements or similar arrangements.

The following table presents the effect of master netting agreements and similar arrangements.

			Related amounts not offset on the consolidated statement of financial position					
	Gross amounts of financial instruments as presented on the consolidated statement of financial position		Financial instruments		Financial collateral pledged/ (received)		Net position	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m
Financial assets								
Derivatives[1]	**54**	43	**–**	(2)	**(54)**	(39)	**–**	2
Reverse repurchase agreements	**105**	35	**–**	–	**(105)**	(35)	**–**	–
Total financial assets	**159**	78	**–**	(2)	**(159)**	(74)	**–**	2
Financial liabilities								
Derivatives[1]	**(3)**	(2)	**–**	2	**–**	–	**(3)**	–
Total financial liabilities	**(3)**	(2)	**–**	2	**–**	–	**(3)**	–

1. Only OTC derivatives subject to master netting agreements have been included above.

(d) Liquidity risk

The shareholder is exposed to liquidity risk if the Group is unable to realise investments and other assets in order to settle its financial obligations when they fall due, or can do so only at excessive cost. The following quantitative liquidity risk disclosures are provided in respect of these financial liabilities.

The Group has a liquidity risk framework and processes in place for monitoring, assessing, and managing liquidity risk.

This framework ensures that liquidity risks are identified across the Group and, where relevant, mitigation measures are put in place. Stress testing of the residual risks is performed to understand the quantum of risk under stress conditions. This then informs the level of liquid resources that need to be maintained. Where appropriate, this is enhanced with external credit facilities and the Group has a syndicated revolving credit facility of £400m which was undrawn at 31 December 2024.

The level of liquid resources in the Group is also projected under a number of adverse scenarios. These are described more fully in the Viability statement.

A contingency funding plan is maintained to ensure that if liquidity risk did materialise, processes and procedures are already in place to assist with resolving the issue. Regular monitoring of liquid resources is performed and projections undertaken (under both base and stressed conditions) to understand the outlook.

As a result of the policies and processes established to manage risk, the Group expects to be able to manage liquidity risk on an ongoing basis. We recognise there are a number of scenarios that can impact the liquid resources of a business as discussed in the Risk management section of the Strategic report.

(d)(i) Maturity analysis

The analysis that follows presents the undiscounted cash flows payable under contractual maturity at the reporting date for all financial liabilities, other than those related to unit linked funds which are discussed in Note 23.

	Within 1 year		1-5 years		5-10 years		10-15 years		15-20 years		Greater than 20 years		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
Subordinated liabilities	**26**	24	**662**	647	**–**	–	**–**	–	**–**	–	**–**	–	**688**	671
Other financial liabilities	**789**	950	**178**	185	**80**	97	**29**	46	**7**	6	**–**	–	**1,083**	1,284
Total	**815**	974	**840**	832	**80**	97	**29**	46	**7**	6	**–**	–	**1,771**	1,955

Refer Note 18 for the maturity profile of undiscounted cash flows of derivative financial instruments.

The Group also had unrecognised commitments in respect of financial instruments as at 31 December 2024 (refer Note 39) with a contractual maturity of within one year, between one and five years and over five years of £8m, £6m and £52m respectively (2023: £2m, £29m and £36m). The commitments may generally be requested anytime up to the contractual maturity.

35. Structured entities

A structured entity is an entity that is structured in such a way that voting or similar rights are not the dominant factor in deciding who controls the entity. The Group has interests in structured entities through investments in a range of investment vehicles including:

- Pooled investment funds managed internally and externally, including OEICs, SICAVs, unit trusts and limited partnerships.
- Debt securitisation vehicles which issue asset-backed securities.

The Group consolidates structured entities which it controls. Where the Group has an investment in, but not control over these types of entities, the investment is classified as an investment in associate when the Group has significant influence. Investments in associates at FVTPL are included in equity securities and pooled investment funds in the analysis of financial investments.

The Group also has interests in structured entities through asset management fees and other fees received from these entities.

(a) Consolidated structured entities

As at 31 December 2024 and 31 December 2023, the Group has not provided any non-contractual financial or other support to any consolidated structured entity and there are no current intentions to do so.

(b) Unconsolidated structured entities

As at 31 December 2024 and 31 December 2023, the Group has not provided any non-contractual financial or other support to any unconsolidated structured entities and there are no current intentions to do so.

The following table shows the carrying value of the Group's interests in unconsolidated structured entities by line item in the consolidated statement of financial position.

	2024 £m	2023 £m
Financial investments		
Equity securities and interests in pooled investment funds	**482**	482
Debt securities	**–**	–
Total financial investments	**482**	482
Receivables and other financial assets	**162**	196
Other financial liabilities	**63**	114

The Group's exposure to loss in respect of unconsolidated structured entities is limited to the carrying value of the Group's investment in these entities and the loss of future asset management and other fees received by the Group for the management of these entities. Exposure to loss arising from market and credit risk in relation to investments held in the unit linked funds and relating to third party interest in consolidated funds and non-controlling interests – ordinary shares is not borne by the shareholder.

Additional information on the Group's exposure to financial risk and the management of these risks can be found in Note 23 and Note 34.

The total assets under management of unconsolidated structured entities are £137,343m at 31 December 2024 (2023: £108,993m). The fees recognised in respect of these assets under management during the year to 31 December 2024 were £413m (2023: £453m).

As at 31 December 2024, the Group had no investments in unconsolidated structured debt securitisation vehicles (2023: £nil).

36. Fair value of assets and liabilities

The Group uses fair value to measure many of its assets and liabilities. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

An analysis of the Group's financial assets and financial liabilities in accordance with the categories of financial instrument set out in IFRS 9 Financial Instruments is presented in Notes 17, 23 and 29 and includes those financial assets and liabilities held at fair value.

(a) Fair value hierarchy

In determining fair value, the following fair value hierarchy categorisation has been used:

- **Level 1:** Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities. An active market exists where transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- **Level 2:** Fair values measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** Fair values measured using inputs that are not based on observable market data (unobservable inputs).

Information on the methods and assumptions used to determine fair values for equity securities and interests in pooled investment funds, debt securities and derivatives measured at fair value is given below:

	Equities and interests in pooled investment funds[1,2]	Debt securities	Derivatives[3]
Level 1	Equity instruments listed on a recognised exchange valued using prices sourced from their primary exchange.	Debt securities listed on a recognised exchange valued using prices sourced from their primary exchange.	Exchange traded derivatives valued using prices sourced from the relevant exchange.
Level 2	Pooled investment funds where daily unit prices are available and reference is made to observable market data.	Debt securities valued using prices received from external pricing providers based on quotes received from a number of market participants. Debt securities valued using models and standard valuation formulas based on observable market data[4].	Over-the-counter derivatives measured using a range of valuation models including discounting future cash flows and option valuation techniques.
Level 3	These relate primarily to interests in private equity, real estate and infrastructure funds which are valued at net asset value. Underlying real estate and private equity investments are generally valued in accordance with independent professional valuation reports or International Private Equity and Venture Capital Valuation Guidelines where relevant. The underlying investments in infrastructure funds are generally valued based on the phase of individual projects forming the overall investment and discounted cash flow techniques based on project earnings. Where net asset values are not available at the same date as the reporting date, the latest available valuations are reviewed and, where appropriate, adjustments are made to reflect the estimated impact of changes in market conditions between the date of the valuation and the end of the reporting period. Other unlisted equity securities are generally valued using a calibration to the price of a recent investment.	Debt securities valued using prices received from external pricing providers based on a single broker indicative quote. Debt securities valued using models and standard valuation formulas based on unobservable market data[4].	N/A

1. Investments in associates at FVTPL are valued in the same manner as the Group's equity securities and interests in pooled investment funds.
2. Where pooled investment funds have been seeded and the investment in the funds have been classified as held for sale, the costs to sell are assumed to be negligible. The fair value of pooled investment funds held for sale is calculated as equal to the observable unit price.
3. Non-performance risk arising from the credit risk of each counterparty is also considered on a net exposure basis in line with the Group's risk management policies. At 31 December 2024 and 31 December 2023, the residual credit risk is considered immaterial and no credit risk adjustment has been made.
4. If prices are not available from the external pricing providers or are considered to be stale, the Group has established procedures to arrive at an internal assessment of the fair value.

The fair value of liabilities in respect of third party interest in consolidated funds and non-participating investment contracts are calculated equal to the fair value of the underlying assets and liabilities.

Thus, the value of these liabilities is dependent on the methods and assumptions set out above in relation to the underlying assets and liabilities:
- For third party interest in consolidated funds, when the underlying assets and liabilities are valued using readily available market information the liabilities in respect of third party interest in consolidated funds are treated as level 2. Where the underlying assets and liabilities are not valued using readily available market information the liabilities in respect of third party interest in consolidated funds are treated as level 3.
- For non-participating investment contracts, the underlying assets and liabilities are predominately categorised as level 1 or 2 and as such, the inputs into the valuation of the liabilities are observable and these liabilities are predominately categorised within level 2 of the fair value hierarchy. Where the underlying assets are categorised as level 3, the liabilities are also categorised as level 3.

In addition, contingent consideration assets and contingent consideration liabilities are also categorised as level 3 in the fair value hierarchy. Contingent consideration assets and liabilities have been recognised in respect of acquisitions and disposals. Generally valuations are based on unobservable assumptions regarding the probability weighted cash flows and, where relevant, discount rate.

(a)(i) Fair value hierarchy for assets measured at fair value in the consolidated statement of financial position

The table below presents the Group's non-unit linked assets measured at fair value by level of the fair value hierarchy (refer Note 23 for fair value analysis in relation to assets backing unit linked liabilities).

	As recognised in the consolidated statement of financial position line item		Classified as held for sale		Fair value hierarchy							
					Total		Level 1		Level 2		Level 3	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
Owner occupied property	**–**	1	**–**	–	**–**	1	**–**	–	**–**	–	**–**	1
Derivative financial assets	**54**	43	**–**	–	**54**	43	**–**	–	**54**	43	**–**	–
Equity securities and interests in pooled investment vehicles[1]	**1,105**	1,139	**17**	–	**1,122**	1,139	**711**	769	**133**	137	**278**	233
Debt securities	**659**	740	**–**	–	**659**	740	**5**	7	**653**	732	**1**	1
Contingent consideration assets	**17**	11	**–**	–	**17**	11	**–**	–	**–**	–	**17**	11
Total assets at fair value	**1,835**	1,934	**17**	–	**1,852**	1,934	**716**	776	**840**	912	**296**	246

1. Includes £530m (2023: £557m) for the Group's listed equity investment in Phoenix which is classified as a significant listed investment. The Group's listed equity investments in HDFC Asset Management and HDFC Life which were also classified as significant listed investments were sold in the year ended 31 December 2023.

There were no significant transfers between levels 1 and 2 during the years ended 31 December 2024 and 31 December 2023. Transfers generally relate to assets where changes in the frequency of observable market transactions resulted in a change in whether the market was considered active and are deemed to have occurred at the end of the calendar quarter in which they arose.

Refer Section (a)(iii) below for details of movements in level 3.

(a)(ii) Fair value hierarchy for liabilities measured at fair value in the consolidated statement of financial position

The table below presents the Group's non-unit linked liabilities measured at fair value by level of the fair value hierarchy.

	Total		Fair value hierarchy					
			Level 1		Level 2		Level 3	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m
Liabilities in respect of third party interest in consolidated funds	**184**	187	**–**	–	**115**	117	**69**	70
Derivative financial liabilities	**3**	9	**–**	7	**3**	2	**–**	–
Contingent consideration liabilities	**96**	114	**–**	–	**–**	–	**96**	114
Other financial liabilities[1]	**15**	15	**–**	–	**–**	–	**15**	15
Total liabilities at fair value	**298**	325	**–**	7	**118**	119	**180**	199

1. Excluding contingent consideration liabilities.

There were no significant transfers between levels 1 and 2 during the years ended 31 December 2024 and 31 December 2023. Refer Section (a)(iii) below for details of movements in level 3. Transfers are deemed to have occurred at the end of the calendar quarter in which they arose.

(a)(iii) Reconciliation of movements in level 3 instruments

The movements during the year of level 3 assets and liabilities held at fair value, excluding unit linked assets and liabilities and assets and liabilities held for sale, are analysed below.

	Owner occupied property		Equity securities and interests in pooled investment funds		Debt securities		Liabilities in respect of third party interest in consolidated funds	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
At 1 January	**1**	1	**233**	231	**1**	2	**(70)**	(74)
Total gains/(losses) recognised in the consolidated income statement	**–**	–	**6**	1	**–**	–	**–**	–
Purchases	**–**	–	**45**	18	**–**	–	**–**	–
Sales and other adjustments	**(1)**	–	**(6)**	(17)	**–**	(1)	**1**	4
At 31 December	**–**	1	**278**	233	**1**	1	**(69)**	(70)

	Contingent consideration assets		Contingent consideration liabilities		Other financial liabilities[1]	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
At 1 January	**11**	19	**(114)**	(132)	**(15)**	(11)
Total amounts recognised in the consolidated income statement	**2**	7	**9**	16	**–**	(5)
Additions	**11**	7	**–**	(11)	**–**	–
Settlements	**(7)**	(21)	**9**	12	**–**	1
Other movements	**–**	(1)	**–**	1	**–**	–
At 31 December	**17**	11	**(96)**	(114)	**(15)**	(15)

1. Excluding contingent consideration liabilities.

For the year ended 31 December 2024, gains of £19m (2023: gains of £19m) were recognised in the consolidated income statement in respect of non-unit linked assets and liabilities held at fair value classified as level 3 at the year end, excluding assets and liabilities held for sale. Of this amount, gains of £19m (2023: gains of £19m) were recognised in Net gains or losses on financial instruments and other income.

Transfers of equity securities and interests in pooled investment funds and debt securities into level 3 generally arise when external pricing providers stop providing a price or where the price provided is considered stale. Transfers of equity securities and interests in pooled investment funds and debt securities out of level 3 arise when acceptable prices become available from external pricing providers.

(a)(iv) Significant unobservable inputs in level 3 instrument valuations

The table below identifies the significant unobservable inputs in relation to equity securities and interests in pooled investment funds categorised as level 3 instruments at 31 December 2024 with a fair value of £278m (2023: £233m).

	Fair value				
	2024 £m	2023 £m	**Valuation technique**	**Unobservable input**	**Range (weighted average)**
Private equity, real estate and infrastructure funds	**266**	221	Net asset value	Net asset value statements provided for a large number of funds including nine significant funds (fair value >£5m).	A range of unobservable inputs is not applicable as we have determined that the reported NAV represents fair value at the end of the reporting period.
Other unlisted equity securities	**12**	12	Indicative share price	Calibration to the price of a recent investment.	A range of unobservable inputs is not applicable as we have determined that the calibration to the price of a recent investment represents fair value at the end of the reporting period.

The unobservable input for the Group's related liabilities in respect of third party interest in consolidated funds categorised as level 3 instruments at 31 December 2024 with a fair value of £(69)m (2023: £(70)m) are the same as for the private equity, real estate, hedge and infrastructure funds above. There are no single significant funds in relation to liabilities in respect of third party interest in consolidated funds.

The table below identifies the significant unobservable inputs in relation to contingent consideration assets and liabilities and other financial instrument liabilities categorised as level 3 instruments at 31 December 2024 with a fair value of £(94)m (2023: £(118)m).

	Fair value				
	2024	2023			
	£m	£m	**Valuation technique**	**Unobservable input**	**Input used**
Contingent consideration assets and liabilities and other financial instrument liabilities	**(94)**	(118)	Probability weighted cash flow and where applicable discount rates	Unobservable inputs relate to probability weighted cash flows and, where relevant, discount rates. The most significant unobservable inputs relate to assumptions used to value the contingent consideration liability related to the acquisition of Tritax of £85m (2023: £90m). The liability comprises an earn-out element, which will be settled on the exercise of put and call options based on the EBITDA of Tritax in 2025 or 2026, and a profit share element based on the net profit of Tritax up to the exercise of the options. As in prior periods, the valuation uses as its base, a forecast for Tritax's core traditional business which includes the management of Tritax Big Box REIT plc (Big Box). In addition to the base forecast, in 2024 the assumptions reflect the effect of a new Big Box strategy which will generate new forms of revenues arising from the development, securing of power grid connections and management of large data centres, some of which are not recurring in nature. The contingent consideration has been valued applying a probability weighting reflecting a number of outcomes. In respect of the new strategy, the revenues have been assigned a lower probability than the base business reflecting the higher risk inherent in any new strategy. The valuation also allows for the possibility of adjustments to the profit used to determine the element of contingent consideration relating to the new Big Box strategy under the sale purchase agreement. The resulting valuation is discounted from the payment date to the balance sheet date. It was assumed that the timing of the exercise of the earn out put options between 2025 and 2026 would be that which is most beneficial to the holders of the put options.	The earn-out valuation used EBITDAs reflecting a probability weighted revenue compound annual growth rate (CAGR) from 31 March 2024 to 31 March 2026 of 19% and a probability weighted cost/income ratio of c57%. The risk adjusted contingent consideration cash flows have been discounted using a discount rate of 4% (2023: 4%).

(a)(v) Sensitivity of the fair value of level 3 instruments to changes in key assumptions

At 31 December 2024 the shareholder is directly exposed to movements in the value of all non-unit linked level 3 instruments. See Note 23 for unit linked level 3 instruments.

Sensitivities for material level 3 assets and liabilities are provided below. Changing unobservable inputs in the measurement of the fair value of the other level 3 financial assets and financial liabilities to reasonably possible alternative assumptions would not have a material impact on loss attributable to equity holders or on total assets.

(a)(v)(i) Equity securities and interests in pooled investment funds

As noted above, of the level 3 equity securities and interests in pooled investment funds, £266m relates to private equity, real estate, hedge and infrastructure funds (2023: £221m) which are valued using net asset value statements. A 10% increase or decrease in the net asset value of these investments would increase or decrease the fair value of the investments by £27m (2023: £22m).

(a)(v)(ii) Liabilities in respect of third party interest in consolidated funds

As noted above, £69m of liabilities in respect of third party interest in consolidated funds of the level 3 equity securities and interests in pooled investment funds (2023: £70m) are also valued using net asset value statements. A 10% increase or decrease in the net asset value of these investments would increase or decrease the fair value of the liability by £7m (2023: £7m).

(a)(v)(iii) Contingent consideration assets and liabilities and other financial instrument liabilities

As noted above, the most significant unobservable inputs for level 3 instruments relate to assumptions used to value the contingent consideration related to the purchase of Tritax. Sensitivities for reasonably possible changes to key assumptions are provided in the table below.

Assumption	Change in assumption	Consequential increase/(decrease) in contingent consideration liability
		2024
		£m
Revenue compound annual growth rate (CAGR) from 31 March 2024 to 31 March 2026	Decreased by 5%	**(17)**
	Increased by 10%	**44**
Cost/income ratio	Decreased by 5%	**15**
	Increased by 5%	**(12)**
Discount rate	Decreased by 2%	**2**
	Increased by 2%	**(2)**

(b) Assets and liabilities not carried at fair value

The table below presents estimated fair values by level of the fair value hierarchy of non-unit linked financial assets and liabilities whose carrying value does not approximate fair value. Fair values of assets and liabilities are based on observable market inputs where available, or are estimated using other valuation techniques.

		As recognised in the consolidated statement of financial position line item		Fair value		Level 1		Level 2		Level 3	
		2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Notes	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
Assets											
Debt securities		**–**	125	**–**	125	**–**	–	**–**	125	**–**	–
Liabilities											
Subordinated liabilities	30	**597**	599	**572**	534	**–**	–	**572**	534	**–**	–

The estimated fair values for subordinated liabilities are based on the quoted market offer price.

The carrying value of all other financial assets and liabilities measured at amortised cost approximates their fair value.

37. Statement of cash flows

The Group classifies cash flows in the consolidated statement of cash flows as arising from operating, investing or financing activities.

Cash flows are classified based on the nature of the activity to which they relate and with consideration to generally accepted presentation adopted by peers. For activities related to asset management business, cash flows arising from the sale and purchase of debt securities and equity securities and interests in pooled investment funds, with the exception of those related to unit linked funds, are classified as cash flows arising from investing activities. For activities related to insurance business, including those related to unit linked funds, cash flows arising from the sale and purchase of debt securities and equity securities and interests in pooled investment funds are classified as cash flows arising from operating activities.

For activities related to the acquisition and disposal of subsidiaries, associates and joint ventures, cash flows are classified as investing activities. The settlement of contingent and deferred amounts recognised on acquisitions and disposals are classified as investing activities where there is not considered to be a significant financing component of the related inflows or outflows.

Purchases and sales of financial investments are presented on a gross basis except for purchases and sales of short-term instruments with a high turnover held in consolidated liquidity funds which are presented on a net basis.

Dividends received from associates and joint ventures are presented as cash flows arising from operating activities.

Movements in cash collateral held in relation to derivative contracts hedging subordinated debt are presented as cash flows arising from financing activities.

The tables below provide further analysis of the balances in the consolidated statement of cash flows.

(a) Change in operating assets

	2024 £m	2023 £m
Equity securities and interests in pooled investment funds	**55**	314
Debt securities	**(29)**	13
Derivative financial instruments	**(9)**	30
Receivables and other financial assets and other assets	**91**	(184)
Assets held for sale	**4**	(16)
Change in operating assets	**112**	157

Change in operating assets includes related non-cash items.

(b) Change in operating liabilities

	2024 £m	2023 £m
Other financial liabilities, provisions and other liabilities	**(161)**	76
Pension and other post-retirement benefit provisions	**(13)**	(48)
Investment contract liabilities	**(19)**	(90)
Change in liability for third party interest in consolidated funds	**(7)**	(53)
Liabilities held for sale	**(2)**	6
Change in operating liabilities	**(202)**	(109)

Change in operating liabilities includes related non-cash items.

(c) Other non-cash and non-operating items

	2024 £m	2023 £m
Gain on sale of subsidiaries and other operations	**(89)**	(79)
Profit on disposal of interests in associates	**(11)**	–
Gain on disposal or derecognition of property, plant and equipment	**–**	(6)
Depreciation of property, plant and equipment	**29**	32
Amortisation of intangible assets	**123**	128
Impairment losses on intangible assets	**9**	65
Reversal of impairment of interests in associates and joint ventures	**–**	(2)
Impairment losses recognised on property, plant and equipment	**–**	50
Reversal of impairment losses recognised on property, plant and equipment	**–**	(3)
Movement in contingent consideration assets/liabilities	**(11)**	(23)
Equity settled share-based payments	**26**	24
Finance costs	**25**	25
Share of profit or loss from associates and joint ventures accounted for using the equity method	**(24)**	(1)
Other non-cash and non-operating items	**77**	210

(d) Disposal of subsidiaries and other operations[1]

	Notes	2024 £m	2023 £m
Intangibles		**1**	59
Other assets of operations disposed of		**48**	30
Other liabilities of operations disposed of		**(14)**	(12)
Net assets disposed of		**35**	77
Items transferred to profit or loss on disposal of subsidiaries	1	**–**	(1)
Fair value of deferred/contingent consideration and retained interest	1	**(36)**	(5)
Other non-cash consideration[2]	1	**(17)**	(3)
Gain on sale	1	**89**	79
Transaction costs		**4**	13
Total cash consideration		**75**	160
Cash and cash equivalents disposed of		**(26)**	(21)
Cash inflow from disposal of subsidiaries		**49**	139

1. Relates to a number of disposals in 2024 (refer Note 1(c)(i) for further details) and 2023 (refer Note 1(c)(iii) for further details).
2. Includes the additional upfront consideration of £12m (2023: £nil) for the sale of our European-headquartered Private Equity business (refer Note 1(c)(i) for further details).

(e) Movement in subordinated liabilities

The following table reconciles the movement in subordinated liabilities in the year, split between cash and non-cash items.

	2024 £m	2023 £m
At 1 January	**599**	621
Cash flows from financing activities		
Interest paid	**(38)**	(13)
Cash flows from financing activities	**(38)**	(13)
Non-cash items		
Interest expense	**24**	26
Foreign exchange adjustment	**12**	(35)
At 31 December	**597**	599

Interest paid on subordinated liabilities and other equity in the consolidated statement of cash flows of £38m (2023: £20m) also includes an inflow of £11m (2023: £4m) in relation to the related cash flow hedge (refer table below and Note 18) and an outflow of £11m (2023: £11m) in relation to other equity (refer Note 28).

The table below reconciles the movements in the year in the cash flow hedge asset of £50m (2023: asset of £41m) and the liability of £52m (2023: liability of £39m) with the collateral held in respect of the derivative contracts liability of £57m (2023: liability £40m (included in Other financial liabilities) which relates to the cash flow hedge, split between cash and non-cash items.

	Cash flow hedge (asset)		Collateral held in respect of the cash flow hedges	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
At 1 January	**(41)**	(85)	**39**	89
Cash flows from financing activities				
Realised gains on cash flow hedge	**11**	4	**–**	–
Change in cash received relating to collateral held in respect of derivatives hedging subordinated liabilities	**–**	–	**13**	(50)
Cash flows from financing activities	**11**	4	**13**	(50)
Non-cash items				
Other fair value movements	**(20)**	40	**–**	–
At 31 December	**(50)**	(41)	**52**	39

(f) Movement in lease liabilities

The following table reconciles the movement in lease liabilities in the year, split between cash and non-cash items.

	2024	2023
	£m	£m
At 1 January	**223**	224
Cash flows from financing activities		
Payment of lease liabilities – principal	**(23)**	(24)
Payment of lease liabilities – interest	**(6)**	(6)
Cash flows from financing activities	**(29)**	(30)
Non-cash items		
Additions	**5**	28
Disposals and adjustments	**(13)**	(2)
Interest capitalised	**6**	6
Foreign exchange adjustment	**1**	(3)
At 31 December	**193**	223

38. Contingent liabilities and contingent assets

Contingent liabilities are possible obligations of the Group of which timing and amount are subject to significant uncertainty. Contingent liabilities are not recognised on the consolidated statement of financial position but are disclosed, unless they are considered remote. If such an obligation becomes probable and the amount can be measured reliably it is no longer considered contingent and is recognised as a liability.

Conversely, contingent assets are possible benefits to the Group. Contingent assets are only disclosed if it is probable that the Group will receive the benefit. If such a benefit becomes virtually certain it is no longer considered contingent and is recognised as an asset.

Legal proceedings, complaints and regulations

The Group is subject to regulation in all of the territories in which it operates investment management, asset administration and insurance businesses. In the UK, where the Group primarily operates, the FCA has broad powers, including powers to investigate marketing and sales practices.

The Group, like other financial organisations, is subject to legal proceedings, complaints and regulatory and tax authority discussions and reviews in the normal course of its business. All such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Group incurring a liability. Where it is concluded that it is more likely than not that a material outflow will be made a provision is established based on management's best estimate of the amount that will be payable. A subsidiary of the Group is currently responding to certain information requests from an overseas Tax Authority in connection with its Income Tax Returns. Interpretation of tax legislation is complex and therefore, as part of the normal course of business, local tax authorities may sometimes request further information in order to clarify facts and technical approach. These types of enquiries can sometimes be prolonged due to inherent complexity. At this stage of enquiry, it is not possible to reliably predict the outcome. Certain other Group entities are also currently responding to information requests from an investor in relation to the performance of a fund managed by a subsidiary of the Group. At this time, the Group has received no notification of a claim, and it is not possible to reliably predict the outcome of ongoing communications to which the Group is a party.

There are no other identified contingent liabilities that the Group anticipates could result in a material exposure.

39. Commitments

The Group has contractual commitments which will be payable in future periods. These commitments are not recognised on the Group's statement of financial position at the year end but are disclosed to give an indication of the Group's future committed cash flows.

(a) Unrecognised financial instruments

As at 31 December 2024, the Group has committed to investing an additional £66m (2023: £67m) into funds in which it holds a co-investment interest.

(b) Capital commitments

As at 31 December 2024, the Group has no capital commitments other than in relation to financial instruments (2023: none).

In addition, the Group has commitments relating to future acquisitions.

- In February 2021, the Group announced the purchase of certain products in Phoenix's savings business offered through abrdn's Wrap platform, comprising a self-invested pension plan (SIPP) and an onshore bond product; together with Phoenix's trustee investment plan business for UK pension scheme clients. The transfers to the Group of the majority of the SIPP contracts and the TIP business are subject to regulatory and court approvals. The transfer of the TIP business is expected to be completed during H1 2025. The Group and Phoenix are working collaboratively on the timing of the transfer of the SIPP contracts. The upfront consideration paid by the Group in February 2021 was £62.5m, which is offset in part by payments from Phoenix to the Group relating to profits of the products prior to completion of the legal transfer. The net amount of consideration paid is included in prepayments in the consolidated statement of financial position with cash movements in relation to the consideration included in prepayment in respect of potential acquisition of customer contracts in the consolidated statement of cash flows. Refer Note 20 for details of the release of the prepayments to expenses in the year ended 31 December 2024.

40. Employee share-based payments and deferred fund awards

The Group operates share incentive plans for its employees. These generally take the form of an award of options, conditional awards or restricted shares in abrdn plc (equity-settled share-based payments) but can also take the form of a cash award based on the share price of abrdn plc (cash-settled share-based payments). The Group also incentivises certain employees through the award of units in Group managed funds (deferred fund awards) which are cash-settled. All the Group's incentive plans have conditions attached before the employee becomes entitled to the award. These can be performance and/or service conditions (vesting conditions) or the requirement of employees to save in the save-as-you-earn scheme (non-vesting condition). The period over which all vesting conditions are satisfied is the vesting period and the awards vest at the end of this period.

For all share-based payments, services received for the incentive granted are measured at fair value.

For equity-settled share-based payment transactions, the fair value of services received is measured by reference to the fair value of the equity instruments at the grant date. The fair value of the number of instruments expected to vest is charged to the consolidated income statement over the vesting period with a corresponding credit to the equity compensation reserve in equity.

At each period end the Group reassesses the number of equity instruments expected to vest and recognises any difference between the revised and original estimate in the consolidated income statement with a corresponding adjustment to the equity compensation reserve.

At the time the equity instruments vest, the amount recognised in the equity compensation reserve in respect of those equity instruments is transferred to retained earnings.

For cash-settled share-based payment and deferred fund awards transactions, services received are measured at the fair value of the liability. The fair value of the liability is remeasured at each reporting date and any changes in fair value are recognised in the consolidated income statement.

The following plans made awards during the year ended 31 December 2024:

Plan	Options	Conditional awards	Restricted shares	Typical vesting period (years)	Contractual life for options	Recipients	Conditions which must be met prior to vesting
abrdn plc Deferred Share Plan/ Discretionary Share Plan/ Executive LTIP Plan[1]	Yes	Yes	No	1-3 years (3 years for Executive LTIP)	Up to 10 years from date of grant	Executives and senior management	Service, or service and performance conditions. These can be tailored to the individual award.
Sharesave (Save-as-you-earn)	Yes	No	No	3 or 5 years	Up to 6 months after vesting	UK employees	Service only
Share incentive plan	No	No	Yes	3 years	Not applicable	UK and Irish employees	Service only

1. Included in Deferred and discretionary share plans in Section (b)(i) below.

All of the awards made under these plans are equity-settled except for a small number of cash-settled awards for the deferred and discretionary share plans (see Section (d)(ii) below).

The fair value of awards granted under the Group's incentive schemes is determined using a relevant valuation technique, such as the Black Scholes option pricing model. The fair value of awards is recharged to employing entities over the life of the awards.

The awards made under the deferred and discretionary share plans include awards for deferred bonuses of the prior year. The deferred bonus awards generally still have service conditions of one, two or three years after the date of the award but have no outstanding performance conditions.

The awards made include the awards for executive Directors under the Executive LTIP plan and certain awards under the deferred and discretionary share plans to senior management with specific performance conditions.

Further details of the Executive LTIP are set out in the Directors' remuneration report.

The deferred and discretionary share plans also made a number of deferred fund awards in the year end 31 December 2024 (see Section (d)(i) below).

Options and conditional awards are all at nil cost with the exception of Sharesave where eligible employees in the UK save a monthly amount from their salaries, over either a three or five year period, which can be used to purchase shares in the Company at a predetermined price.

The share incentive plan allows employees the opportunity to buy up to £1,800 of shares from their salary each year with the Group matching up to £600 per year. The matching shares awarded are granted each month but are restricted for three years (two years for Ireland).

In addition, the Group operates the following plan for which there are outstanding awards but for which no awards were made during the year ended 31 December 2024:

Plan	Options	Conditional awards	Restricted shares	Typical vesting period (years)	Contractual life for options	Recipients	Conditions which must be met prior to vesting
Aberdeen Asset Management Deferred Share Plan 2009[1]	Yes	No	No	1-3 (3-5 for executive management)	Up to 10 years from date of grant	Executives and senior management	Service only. There are no outstanding performance conditions at date of grant.

1. Included in Annual bonus deferred share options Section (b)(i) below.

(a) Employee share-based payments and deferred fund awards expense

The amounts recognised as an expense for equity-settled share-based payment transactions and deferred fund awards with employees are as follows:

	2024 £m	2023 £m
Share options and share awards granted under deferred and discretionary share plans[1]	**24**	22
Share options granted under Sharesave	**1**	1
Matching shares granted under share incentive plans	**1**	1
Equity-settled share-based payments	**26**	24
Cash-settled deferred fund awards[2]	**10**	7
Total expense	**36**	31

1. Includes expense for annual bonus deferred share options and conditional awards.
2. The expense for cash-settled deferred fund awards includes £nil (2023: £3m) for awards related to funds which are consolidated.

Included in the expense above is £10m (2023: £12m) which is included in Restructuring and corporate transaction expenses in the consolidated income statement.

(b) Options and conditional awards granted

(b)(i) Deferred and discretionary share plans

The number and remaining contractual life for options outstanding and the share price at exercise of options exercised during the year are as follows:

	2024		2023	
	Deferred and discretionary share plans	Annual bonus deferred share options	Deferred and discretionary share plans	Annual bonus deferred share options
Outstanding at 1 January	**43,370,260**	**3,853,791**	61,117,377	5,574,422
Granted	**3,081,687**	**–**	7,847,719	–
Forfeited	**(5,533,913)**	**(3,005)**	(15,690,306)	(58,611)
Exercised	**(15,255,187)**	**(1,771,002)**	(9,904,530)	(1,662,020)
Outstanding at 31 December	**25,662,847**	**2,079,784**	43,370,260	3,853,791
Exercisable at 31 December	**5,802,467**	**2,079,784**	6,840,715	3,853,791
Remaining contractual life of options outstanding (years)[1]	**4.80**	**2.08**	5.96	2.70
Options exercised during the year				
Share price at time of exercise[1]	**151p**	**154p**	198p	204p

1. Weighted average.

The options granted under the deferred and discretionary share plans in the year ended 31 December 2024 had a grant date of 11 January 2024 and had a £nil exercise price. The weighted average option term was 2.59 years. The weighted average share price at grant date was 169p and the weighted average fair value at grant date was 169p. The options include an entitlement to the receipt of dividends in respect of awards that ultimately vest between the date of grant and the vesting date. All other awards granted under the deferred and discretionary share plans during the year ended 31 December 2024 were conditional awards (see below).

In addition to nil costs options, 26,976,096 nil cost conditional awards were also granted under the deferred and discretionary share plans (2023: 357,888) throughout 2024 with a main grant date of 8 April 2024. The weighted average share price at grant date was 142p and the weighted average fair value at grant date was 134p. As for the options above, the conditional awards include an entitlement to the receipt of dividends in respect of awards that ultimately vest between the date of grant and the vesting date.

(b)(ii) Sharesave

The number, exercise price and remaining contractual life for options outstanding and the share price at exercise of options exercised during the year are as follows:

	2024		2023	
	Sharesave	**Weighted average exercise price for sharesave**	Sharesave	Weighted average exercise price for sharesave
Outstanding at 1 January	**9,109,490**	**130p**	9,981,563	143p
Granted	**4,101,947**	**120p**	1,864,914	132p
Forfeited	**(812,071)**	**136p**	(501,929)	154p
Exercised	**(299,485)**	**118p**	(440,123)	186p
Expired	**(497,665)**	**196p**	(1,045,470)	205p
Cancelled	**(1,012,858)**	**133p**	(749,465)	154p
Outstanding at 31 December	**10,589,358**	**123p**	9,109,490	130p
Exercisable at 31 December	**202,092**	**158p**	774,894	173p
Remaining contractual life of options outstanding (years)[1]	**2.68**		2.85	
Options exercised during the year				
Share price at time of exercise[1]	**151p**		201p	

1. Weighted average.

The Sharesave options were granted on 10 October 2024 with an exercise price of 120p. The weighted average option term was 3.48 years. The weighted average share price at grant date was 157p and the weighted average fair value at grant date was 39p. Sharesave options have no dividend entitlement. In determining the fair value of options granted under the Sharesave scheme the historic volatility of the share price over a period of up to five years and a risk-free rate determined by reference to swap rates was also considered.

The following table shows the range of exercise prices of Sharesave options outstanding.

	2024	2023
	Number of options outstanding	Number of options outstanding
117p-119p	**4,906,803**	6,161,234
120p-129p	**3,988,426**	–
130p-139p	**1,354,082**	1,819,506
140p-259p	**340,047**	1,128,750
Outstanding at 31 December	**10,589,358**	9,109,490

(c) Matching shares granted under share incentive plans

During the year ended 31 December 2024, 371,678 matching shares were granted under the share incentive plan (2023: 338,001). The weighted average share price at grant date was 153p which was also the weighted average fair value at grant date. The plans include the entitlement to the receipt of dividends in respect of awards that ultimately vest between the date of grant and the vesting date.

(d) Deferred fund awards and cash settled share based payments

(d)(i) Deferred fund awards

At 31 December 2024, the liability recognised for cash-settled deferred fund awards was £22m (2023: £27m). There is no liability (2023: £nil) for deferred fund awards relating to funds which are consolidated.

(d)(ii) Cash settled share based payments

At 31 December 2024, the liability recognised for cash-settled share based payments was £nil (2023: £nil).

41. Related party transactions

(a) Transactions and balances with related parties

In the normal course of business, the Group enters into transactions with related parties that relate to investment management and insurance businesses. In the year ended 31 December 2024, there have been no changes in the nature of these transactions.

During the year, the Group recognised management fees of £2m (2023: £2m) from the Group's defined benefit pension plans. The Group's defined benefit pension plans have assets of £541m (2023: £748m) invested in investment vehicles managed by the Group.

During the year, there were no sales to associates accounted for using the equity method (2023: £nil) and no purchases in relation to services received (2023: £nil). The Group had no balances due to or from associates accounted for using the equity method as at 31 December 2024 (2023: £nil). In 2024, the Group made no capital contributions to associates accounted for using the equity method (2023: £nil) and had no commitments to make such capital contributions (2023: £nil).

During the year ended 31 December 2024, there were sales to joint ventures accounted for using the equity method of £2m (2023: £4m) and no purchases from joint ventures (2023: £nil). The sales to joint ventures accounted for using the equity method included sales to Virgin Money UTM. The Group disposed of its interest in Virgin Money UTM in 2024. Refer Note 1(c)(ii) for further details. The Group had no balances due to or from joint ventures as at 31 December 2024 (2023: £nil). In 2024, the Group made no capital contributions to joint ventures accounted for using the equity method (2023: £nil) and had no commitments to make such capital contributions (2023: £nil).

In addition to these transactions between the Group and the above related parties during the year, in the normal course of business the Group made a number of investments into/divestments from investment vehicles managed by the Group which may be considered to be related parties including investment vehicles which are classified as investments in associates measured at FVTPL. Group entities paid amounts for the issue of shares or units and received amounts for the cancellation of shares or units. Information in relation to unconsolidated structured entities can be found in Note 35.

(b) Compensation of key management personnel

Key management personnel includes Directors of abrdn plc (since appointment) and the members of the Executive Leadership Team (since appointment).

The summary of compensation of key management personnel is as follows:

	2024 £m	2023 £m
Salaries and other short-term employee benefits	**10**	10
Post-employment benefits	**–**	–
Share-based payments and deferred fund awards	**12**	7
Termination benefits	**2**	1
Total compensation of key management personnel	**24**	18

(c) Transactions with key management personnel and their close family members

Certain members of key management personnel hold investments in investments products which are managed by the Group. None of the amounts concerned are material in the context of funds managed by the Group. All transactions between key management and their close family members and investments products which are managed by the Group during the year are on terms which are equivalent to those available to all employees of the Group.

42. Capital management

(a) Capital and risk management policies and objectives

Managing capital is the ongoing process of determining and maintaining the quantity and quality of capital appropriate for the Group and ensuring capital is deployed in a manner consistent with the expectations of our stakeholders. For these purposes, the Board considers our key stakeholders to be our clients, the providers of capital (our equity holders and holders of our subordinated liabilities) and the Financial Conduct Authority (FCA) as the lead prudential supervisor for the Group.

There are two primary objectives of capital management within the Group. The first objective is to ensure that capital is, and will continue to be, adequate to maintain the required level of financial stability of the Group and hence to provide an appropriate degree of security to our stakeholders. The second objective is to create equity holder value by driving profit attributable to equity holders.

The treasury and capital management policy, which is subject to review at least annually, forms one element of the Group's overall management framework. Most notably, it operates alongside and complements the strategic investment policy and the Group risk policies. Integrating policies in this way enables the Group to have a capital management framework that robustly links the process of capital allocation, value creation and risk management.

Capital requirements are forecast on a periodic basis and assessed against the forecast available own funds (previously referred to as capital resources). In addition, rates of return achieved on capital invested are assessed against hurdle rates, which are intended to represent the minimum acceptable return given the risks associated with each investment. Ongoing monitoring of investments is incorporated into the Group's established performance management process. The capital planning process is the responsibility of the Chief Financial Officer. Capital plans are ultimately subject to approval by the Board.

The formal procedures for identifying and assessing risks that could affect the capital position of the Group are described in the Risk management section of the Strategic report. Information on financial instruments risk is also provided in Note 34.

(b) Regulatory capital

(b)(i) Regulatory capital framework (unaudited)

The Group is supervised under the Investment Firms Prudential Regime (IFPR). The Group's regulatory own funds position under IFPR is determined by consolidating the eligible capital and reserves of the Group (subject to a number of deductions) to derive regulatory own funds, and comparing this to the Group's regulatory capital requirements.

Stress testing is completed to inform the appropriate level of regulatory capital and liquidity that the Group must hold, with results shared with the FCA at least annually. In addition, the Group monitors a range of capital and liquidity statistics on a daily, monthly or less frequent basis as required. Surplus capital levels are forecast, taking account of projected dividends and investment requirements, to ensure that appropriate levels of own funds are maintained.

The Group is required to hold own funds to cover the higher of the Own Funds Requirement and the Own Funds Threshold Requirement described below in complying with the Overall Financial Adequacy Rule.

Own Funds Requirement

The Own Funds Requirement focuses on the Group's permanent minimum capital requirement, its fixed overhead requirement and its K-factor requirement with the Own Funds Requirement being the highest of the three. At 31 December 2024, the Group's indicative Own Funds Requirement was £296m.

Own Funds Threshold Requirement

The Own Funds Threshold Requirement supplements the Own Funds Requirement via the Internal Capital Adequacy and Risk Assessment (ICARA), which is the means by which the Group assesses the level of own funds that adequately supports all of the relevant current and future risks in its business, taking into account potential periods of financial stress during the economic cycle as well as a potential wind-down scenario with the Own Funds Threshold requirement being the highest of the two, as per the Overall Financial Adequacy Rule. The results of the Group's ICARA process is subject to periodic review by the FCA under the Supervisory Review and Evaluation Process (SREP). The first review was conducted in 2023.

Under IFPR the Group fully excludes the value of its holding in significant listed investments from its own funds. IFPR also includes constraints on the proportion of the minimum capital requirement that can be met by each tier of own funds. As a result, approximately £154m of Tier 2 own funds, whilst continuing to be reported within the Group's own funds, is not available to meet the minimum capital requirement.

(b)(ii) IFPR (unaudited)

	2024[1] £m	2023 £m
IFRS equity attributable to equity holders of abrdn plc	**4,827**	4,878
Deductions for intangibles and defined benefit pension assets, net of related deferred tax liabilities	**(2,160)**	(2,168)
Deductions for significant investments in financial sector entities	**(735)**	(780)
Deductions for non-significant investments in financial sector entities	**(12)**	(12)
Other deductions and adjustments, including provision for foreseeable dividend	**(455)**	(452)
Common Equity Tier 1 own funds	**1,465**	1,466
Additional Tier 1 own funds	**207**	207
Tier 1 own funds	**1,672**	1,673
Tier 2 own funds	**417**	539
Total own funds	**2,089**	2,212
Total own funds threshold requirement	**(1,054)**	(1,054)
CET1 own funds threshold requirement[2]	**(590)**	(590)
Surplus CET1 own funds	**875**	876
Own Funds Requirement	**296**	314
CET1 ratio (CET1 as % of own funds requirement)	**495%**	467%

1. 2024 draft position on 3 March 2025 following finalisation of the Annual report and accounts.
2. 56% of total own funds threshold requirement.

The Group has complied with all externally imposed capital requirements during the year.

43. Events after the reporting date

There have been no material events occurring between the balance sheet date and the date of signing this report.

44. Related undertakings

The Companies Act 2006 requires disclosure of certain information about the Group's related undertakings which is set out in this Note. Related undertakings are subsidiaries, joint ventures, associates and other significant holdings. In this context significant means either a shareholding greater than or equal to 20% of the nominal value of any class of shares, or a book value greater than 20% of the Group's assets.

The particulars of the Company's related undertakings at 31 December 2024 are listed below. For details of the Group's consolidation policy refer to (b) Basis of consolidation in the Presentation of consolidated financial statements section. Under that policy, limited partnerships and limited liability companies in which the Group has no interest but whose general partner or manager is controlled by the Group are not consolidated. However, such limited partnerships are considered to be subsidiaries under the Companies Act 2006 and therefore are listed below. Where the Group has no interest in a limited partnership or limited liability company that is considered a related entity, the interest held is disclosed as 0%.

The ability of subsidiaries to transfer cash or other assets within the Group for example through payment of cash dividends is generally restricted only by local laws and regulations, and solvency requirements. Included in equity attributable to equity holders of abrdn plc at 31 December 2024 is £98m (2023: £94m) related to the abrdn Financial Fairness Trust, a subsidiary undertaking of the Group. The assets of the abrdn Financial Fairness Trust are restricted to be used for charitable purposes.

The registered head office of all related undertakings is 1 George Street, Edinburgh, EH2 2LL unless otherwise stated.

(a) Direct subsidiaries

Name of related undertaking	Share class[1]	% interest held[2,3]
30 STMA 4 Limited[4]	Ordinary shares	100%
30 STMA 5 Limited[4]	Ordinary shares	100%
6 SAS 3 Limited[4]	Ordinary shares	100%
Aberdeen Corporate Services Limited	Ordinary shares	100%
abrdn (Mauritius Holdings) 2006 Limited[5]	Ordinary shares	100%
abrdn Charitable Foundation	N/A	100%
abrdn Client Management Limited	Ordinary shares	100%
abrdn Finance Limited	Ordinary shares	100%
abrdn Financial Fairness Trust	N/A	100%
abrdn Financial Planning Limited[6]	Ordinary shares	100%
abrdn Holdings Limited	Ordinary shares	100%
abrdn Investments (Holdings) Limited	Ordinary shares	100%
Adviseros Limited[4]	Ordinary shares	100%
Adviseros Platform Limited[4]	Ordinary shares	100%
Adviseros Trustee Company Limited[4]	Ordinary shares	100%
Interactive Investor Limited[7]	Ordinary shares	100%
Standard Life Aberdeen Trustee Company Limited	Ordinary shares	100%
Standard Life Savings Limited	Ordinary shares	100%
The abrdn Company 2006	N/A	100%

(b) Other subsidiaries

Name of related undertaking	Share class[1]	% interest held[2,3]
6 SAS 1 Limited	Ordinary shares	100%
6 SAS 2 Limited	Ordinary shares	100%
Aberdeen Asia Enhanced Core Property Fund of Funds[8]	SIF fund with only Class 1A Units	0%
Aberdeen Asia III Property Fund Of Funds[8]	SIF fund with only Class A1 Units	2%
Aberdeen Asia IV (General Partner) S.a.r.l.[9]	Ordinary shares	100%
Aberdeen Asia Pacific Fund II, LP[10]	Limited Partnership	0%
Aberdeen Asia Pacific Fund, LP[10]	Limited Partnership	0%
Aberdeen Asia Pacific II (Offshore), LP[10]	Limited Partnership	0%
Aberdeen Asia Pacific III Ex-Co-Investment (Offshore), LP[10]	Limited Partnership	0%
Aberdeen Asia Pacific III Ex-Co-Investment, LP[10]	Limited Partnership	0%
Aberdeen Asia Pacific III, LP[10]	Limited Partnership	0%

Name of related undertaking	Share class[1]	% interest held[2,3]
Aberdeen Asia Partners III, LP[11]	Limited Partnership	0%
Aberdeen ASIF Carry LP	Limited Partnership	25%
Aberdeen Asset Management (Thailand) Ltd[12]	Ordinary shares	100%
Aberdeen Asset Management Denmark A/S[13]	Ordinary shares	100%
Aberdeen Asset Management Finland Oy[14]	Ordinary shares	100%
Aberdeen Capital Managers GP LLC[11]	Limited Liability Company	100%
Aberdeen Claims Administration, Inc.[11]	Ordinary shares	100%
Aberdeen Direct Property (Holding) Limited[4]	Ordinary shares	100%
Aberdeen Emerging Asia Fund, LP[10]	Limited Partnership	0%
Aberdeen Emerging Asia Pacific II (Offshore), LP[10]	Limited Partnership	0%
Aberdeen Emerging Asia Pacific III Ex-Co-Investments, LP[10]	Limited Partnership	0%
Aberdeen Energy & Resource Company IV, LLC[11]	Limited Liability Company	73%
Aberdeen Energy & Resources Company V, LLC[11]	Limited liability company	93%
Aberdeen Energy & Resources Partners III, LP[11]	Limited Partnership	0%
Aberdeen Energy & Resources Partners IV, LP[11]	Limited Partnership	1%
Aberdeen Energy & Resources Partners V, LP[11]	Limited Partnership	2%
Aberdeen European Infrastructure Carry GP Limited	Ordinary shares	100%
Aberdeen European Infrastructure Carry Limited	Ordinary shares	100%
Aberdeen European Infrastructure Co-Invest II LP[4]	Limited Partnership	0%
Aberdeen European Infrastructure GP II Limited[4]	Ordinary shares	100%
Aberdeen European Infrastructure GP III Limited[4]	Ordinary shares	100%
Aberdeen European Infrastructure GP Limited[4]	Ordinary shares	100%
Aberdeen European Infrastructure III A Limited[4]	Ordinary shares	100%
Aberdeen European Infrastructure III B Limited[4]	Ordinary shares	100%
Aberdeen European Infrastructure IV Ltd[4]	Ordinary shares	100%
Aberdeen European Infrastructure Partners Carry II LP	Limited Partnership	25%
Aberdeen European Infrastructure Partners Carry III LP	Limited Partnership	23%
Aberdeen European Infrastructure Partners Carry LP	Limited Partnership	25%
Aberdeen European Infrastructure Partners II LP[4]	Limited Partnership	3%
Aberdeen European Infrastructure Partners III LP[4]	Limited Partnership	2%
Aberdeen European Infrastructure Partners LP[4]	Limited Partnership	5%
Aberdeen European Opportunities Property Fund of Funds LLC[15]	Limited Liability Company	3%
Aberdeen European Residential Opportunities Fund SCSp[8]	Limited Partnership	0%
Aberdeen Fund Distributors LLC[11]	Limited Liability Company	100%
Aberdeen General Partner CAPELP Limited[10]	Ordinary shares	100%
Aberdeen General Partner CGPLP Limited[10]	Ordinary shares	100%
Aberdeen General Partner CMENAPELP Limited[10]	Ordinary shares	100%
Aberdeen General Partner CPELP II Limited[10]	Ordinary shares	100%
Aberdeen General Partner CPELP Limited[10]	Ordinary shares	100%
Aberdeen Global ex-Japan GP Limited[10]	Ordinary shares	100%
Aberdeen Global ex-Japan Property Fund of Funds LP[10]	Limited Partnership	5%
Aberdeen Global Infrastructure Carry GP Limited	Ordinary shares	100%
Aberdeen Global Infrastructure GP II Limited[16]	Ordinary shares	100%
Aberdeen Global Infrastructure GP Limited[16]	Ordinary shares	100%
Aberdeen Global Infrastructure Partners II Carry LP	Limited Partnership	25%
Aberdeen Global Infrastructure Partners II LP[17]	Limited Partnership	0%
Aberdeen Global Infrastructure Partners III Carry LP	Limited Partnership	25%
Aberdeen Global Infrastructure Partners LP[17]	Limited Partnership	0%
Aberdeen Indirect Property Partners II FCP-FIS[8]	Class A1, A2 and A3 units	1%
Aberdeen Infrastructure Feeder GP Limited	Ordinary shares	100%
Aberdeen Infrastructure Finance GP Limited[16]	Ordinary shares	100%
Aberdeen Infrastructure GP II Limited[4]	Ordinary shares	100%
Aberdeen Infrastructure Partners II Carry LP	Limited Partnership	25%
Aberdeen Infrastructure Partners II LP[4]	Limited Partnership	0%
Aberdeen Infrastructure Partners LP Inc[17]	Limited Partnership	0%
Aberdeen Investment Company Limited	Ordinary shares	100%

Name of related undertaking	Share class[1]	% interest held[2,3]
Aberdeen Keva Asia IV Property Partners SCSp[9]	Limited Partnership	1%
Aberdeen Pension Trustees Limited	Ordinary shares	100%
Aberdeen Pooling II GP AB[18]	Ordinary shares	100%
Aberdeen Property Investors (General Partner) S.a.r.l.[19]	Ordinary shares	100%
Aberdeen Property Investors The Netherlands BV[20]	Ordinary shares	100%
Aberdeen Property Secondaries Partners II[8]	Limited Partnership	23%
Aberdeen Real Estate Fund Finland II LP[21]	Limited Partnership	100%
Aberdeen Real Estate Partners III, LP[11]	Limited Partnership	0%
Aberdeen Secondaries II GP S.a.r.l.[8]	Ordinary shares	100%
Aberdeen Sidecar LP Inc[17]	Limited Partnership	0%
Aberdeen Standard Carlsbad Carry LP	Limited Partnership	25%
Aberdeen Standard Carlsbad GP Limited[16]	Ordinary shares	100%
Aberdeen Standard Carlsbad LP[17]	Limited Partnership	0%
Aberdeen Standard Core Infrastructure III LTP LP	Limited Partnership	25%
Aberdeen Standard Core Infrastructure III SCSp[8]	Limited Partnership	1%
Aberdeen Standard European Infrastructure GP IV Limited[4]	Ordinary shares	100%
Aberdeen Standard European Infrastructure Partners Carry IV LP	Limited Partnership	25%
Aberdeen Standard European Infrastructure Partners Co-invest IV LP[4]	Limited Partnership	0%
Aberdeen Standard European Infrastructure Partners IV LP[4]	Limited Partnership	5%
Aberdeen Standard European Long Income Real Estate Fund SCSp[8]	Limited Partnership	9%
Aberdeen Standard Global Infrastructure GP III Ltd[16]	Ordinary shares	100%
Aberdeen Standard Global Infrastructure Partners I (2021) Carry LP	Limited Partnership	25%
Aberdeen Standard Global Infrastructure Partners III LP[17]	Limited Partnership	5%
Aberdeen Standard Gulf Carry GP Limited	Ordinary shares	100%
Aberdeen Standard Gulf Carry LP	Limited Partnership	12%
Aberdeen Trust Limited	Ordinary shares	100%
Aberdeen UK Infrastructure Carry GP Limited	Ordinary shares	100%
Aberdeen UK Infrastructure Carry Limited	Ordinary shares	100%
Aberdeen Unit Trust Managers Limited	Ordinary shares	100%
abrdn – Emerging Markets Equity ADR Fund[11]	Corporate Fund	100%
abrdn - US SMID Cap Equity Fund[11]	Corporate Fund	100%
abrdn (CRED II) GP Limited	Ordinary shares	100%
abrdn (General Partner CRED) Limited[4]	Ordinary shares	100%
abrdn (General Partner ELIREF) S.a.r.l.[8]	Ordinary shares	100%
abrdn (General Partner EPGF) Limited	Ordinary shares	100%
abrdn (General Partner PFF 2018) S.a.r.l.[8]	Ordinary shares	100%
abrdn (General Partner SCF 1) Limited	Ordinary shares	100%
abrdn (IL Infrastructure Debt) GP Limited[4]	Ordinary shares	100%
abrdn (SLSPS) Pension Trustee Company Ltd	Ordinary shares	100%
abrdn Alternative Funds Limited	Ordinary shares	100%
abrdn Alternative Holdings Limited	Ordinary shares	100%
abrdn Alternative Investments Limited[4]	Ordinary shares	100%
abrdn Asia Limited[22]	Ordinary shares	100%
abrdn Bloomberg Industrial Metals Strategy K-1 Free ETF[23]	ETF	41%
abrdn Brasil Investimentos Ltda[24]	Limited Liability Company	100%
abrdn Canada Limited[25]	Ordinary shares	100%
abrdn Commercial Real Estate Debt II LP	Limited Partnership	0%
abrdn Commercial Real Estate Debt LP[4]	Limited Partnership	0%
abrdn Corporate Secretary Limited	Ordinary shares	100%
abrdn Eclipse HFRI 500 SP[10]	Private Commingled Fund	43%
abrdn ETFs Advisors LLC[11]	Limited liability company	100%
abrdn ETFs Sponsor LLC[11]	Limited liability company	100%
abrdn European Property Growth Fund LP[4]	Limited Partnership	0%
abrdn European Sustainable Infrastructure Co-Invest V LP[4]	Limited Partnership	0%
abrdn European Sustainable Infrastructure GP V Limited[4]	Ordinary shares	100%
abrdn European Sustainable Infrastructure Partners Carry V LP	Limited Partnership	25%

Name of related undertaking	Share class[1]	% interest held[2,3]
abrdn European Sustainable Infrastructure Partners V LP[4]	Limited Partnership	5%
abrdn FF USD 2 GP LLC[11]	Limited Liability Company	100%
abrdn Financial Planning & Advice Limited[4]	Ordinary A shares Ordinary B	100%
abrdn Founder Co Limited	Ordinary shares	100%
abrdn Fund Managers Limited[4]	Ordinary shares	100%
abrdn Global Absolute Return Strategies Onshore Feeder Fund, LP[11]	Limited Partnership	0%
abrdn Global Sustainable Infrastructure GP IV Ltd[17]	Ordinary shares	100%
abrdn Global Sustainable Infrastructure IV (Deeside) A Limited[4]	Ordinary shares	100%
abrdn Global Sustainable Infrastructure IV (Deeside) B Limited[4]	Ordinary shares	100%
abrdn Global Sustainable Infrastructure IV Carry LP	Limited Partnership	25%
abrdn Global Sustainable Infrastructure Partners IV LP[17]	Limited Partnership	9%
abrdn Hong Kong Limited[26]	Ordinary shares	100%
abrdn Inc.[11]	Ordinary shares	100%
abrdn Income Plus Fund[27]	Unit trust	100%
abrdn Inflation-Linked Infrastructure Debt LP[4]	Limited Partnership	0%
abrdn Investment Management Limited	Ordinary shares	100%
abrdn Investments (General Partner UK Shopping Centre Feeder Fund LP)	Ordinary shares	100%
abrdn Investments Beteiligungs GmbH[28]	Limited Liability Company	90%
abrdn Investments Deutschland AG[28]	Ordinary shares	90%
abrdn Investments Group Limited[4]	Ordinary shares	100%
abrdn Investments Holdings Europe Limited[4]	Ordinary shares	100%
abrdn Investments Ireland Limited[29]	Ordinary shares	100%
abrdn Investments Jersey Limited[30]	Ordinary shares	100%
abrdn Investments Limited	Ordinary shares	100%
abrdn Investments Luxembourg Corporate Manager S.a r.l.[8]	Ordinary shares	100%
abrdn Investments Luxembourg S.A.[8]	Ordinary shares	100%
abrdn Investments Middle East Limited[31]	Ordinary shares	100%
abrdn Investments Switzerland AG[32]	Ordinary shares	100%
abrdn Islamic Malaysia Sdn. Bhd.[33]	Ordinary shares	100%
abrdn Japan Limited[34]	Ordinary shares	100%
abrdn Jersey Limited[35]	Ordinary shares	100%
abrdn Korea Co. Limited.[36]	Ordinary shares	100%
abrdn Korea GP 2 Pte. Ltd[37]	Ordinary shares	100%
abrdn Korea Separate Account 2 LP[37]	Limited Partnership	1%
abrdn Life and Pensions Limited[4]	Ordinary shares	100%
abrdn Liquidity Fund (Lux) - Seabury Sterling Liquidity 1 Fund[8]	SICAV	100%
abrdn Malaysia Sdn. Bhd.[33]	Ordinary shares, Irredeemable	100%
abrdn MSPC General Partner S.a.r.l.[8]	Ordinary shares	100%
abrdn Multi-Sector Private Credit Fund SCSp[8]	Limited Partnership	3%
abrdn Nominees Services HK Limited[26]	Ordinary shares	100%
abrdn Oceania Pty Ltd[38]	Ordinary shares	100%
abrdn OEIC III - abrdn Multi-Sector Credit Fund[4]	OEIC	100%
abrdn OEIC III - abrdn MyFolio Sustainable I Fund[39]	OEIC	41%
abrdn OEIC III - abrdn MyFolio Sustainable Index I Fund[4]	OEIC	52%
abrdn OldCo Limited	Ordinary shares	75%
Abrdn Pan European Residential Property Feeder S.C.A. SICAV RAIF[8]	Limited Partnership	0%
abrdn Pan European Residential Property Fund SICAV-RAIF[8]	Limited Partnership	0%
abrdn Phoenix Fund Financing SCSp[8]	Limited Partnership	0%
abrdn Poinsettia GP Ltd[10]	Ordinary shares	100%
abrdn Portfolio Investments abrdn Asia-China Bond[40]	Corporate Fund	98%
abrdn Portfolio Investments Limited	Ordinary shares	100%
abrdn Portfolio Investments US Inc.[11]	Ordinary shares	100%
abrdn Portfolio Solutions Limited[4]	Ordinary shares	100%
abrdn Premises Services Limited	Ordinary shares	100%
abrdn Private Credit (Luxembourg) GP S.a.r.l[8]	Ordinary shares	100%
abrdn Private Fund Management (Shanghai) Company Limited[41]	Ordinary shares	100%

Name of related undertaking	Share class[1]	% interest held[2,3]
abrdn Private Real Assets Co-Investment Fund I GP, LLC[11]	Limited liability company	80%
abrdn Private Real Assets Co-Investment Fund I, LP[11]	Limited Partnership	1%
abrdn Property Investors France SAS[42]	Ordinary shares	100%
abrdn Real Estate Operations Limited	Ordinary shares	100%
abrdn Secure Credit LP	Limited Partnership	0%
abrdn SGD Money Market Fund[27]	Unit trust	100%
abrdn Si Yuan Private Fund Management (Shanghai) Company Limited[41]	Ordinary shares	100%
abrdn SICAV I - Asia Pacific Dynamic Dividend Fund[8]	SICAV	100%
abrdn SICAV I - Asian Credit Sustainable Bond Fund[8]	SICAV	79%
abrdn SICAV I - Asian Sustainable Development Equity Fund[8]	SICAV	74%
abrdn SICAV I - CCBI Belt & Road Bond Fund[8]	SICAV	32%
abrdn SICAV I - China Next Generation Fund[8]	SICAV	76%
abrdn SICAV I - Climate Transition Bond Fund[8]	SICAV	46%
abrdn SICAV I - Global Mid-Cap Equity Fund[8]	SICAV	47%
abrdn UK Shopping Centre Feeder Fund Company Limited[43]	Ordinary shares	100%
abrdn UK Shopping Centre Feeder Fund Limited Partnership[4]	Limited Partnership	100%
abrdn Wealthtech Singapore Pte. Ltd.[44]	Ordinary shares	100%
AEROF (Luxembourg) GP S.a.r.l.[8]	Ordinary shares	100%
AERP V-A Master, LP[11]	Limited Partnership	0%
AIA Series T Holdings LLC[11]	Limited liability company	0%
AIP Co-investment Fund SCSp[8]	Limited Partnership	0%
AIPP Folksam Europe II Kommanditbolag[18]	Limited Partnership	0%
AIPP Folksam Europe[8]	Limited Partnership	0%
AIPP Pooling I SA[8]	Ordinary shares	100%
Airport Industrial GP Limited[45]	Ordinary shares	60%
Airport Industrial Limited Partnership[46]	Limited Partnership	0%
Airport Industrial Nominees B Limited[45]	Ordinary shares	60%
Airport Industrial Nominees Limited[45]	Ordinary shares	60%
Alliance Trust Savings Limited	Ordinary shares	100%
Andean Social Infrastructure (No. 1) Limited[4]	Ordinary shares	100%
Andean Social Infrastructure Fund I LP[10]	Limited Partnership	5%
Andean Social Infrastructure GP Limited[10]	Ordinary shares	100%
Arden Garden State NJ Fund, LP[15]	Limited Partnership	0%
Arden Institutional Advisers, LP[15]	Limited Partnership	0%
Arthur House (No.6) Limited[4]	Ordinary shares	100%
ASI (KFAS) RE GP LLP	Limited Liability Partnership	100%
ASI Direct RE GP LLP	Limited Liability Partnership	100%
ASI Han Co-Investment LP	Limited Partnership	93%
ASI REMM GP LLP	Limited Liability Partnership	100%
ASI Shin Co-Investment LP	Limited Partnership	100%
ASI Shin Global Investment GP Limited[10]	Ordinary shares	100%
ASIF Sidecar Carry LP	Limited Partnership	25%
ASPER (Luxembourg) GP S.a.r.l.[8]	Ordinary shares	100%
BOSEMP Feeder LP	Limited Partnership	0%
Coutts Global Property Limited Partnership[10]	Limited Partnership	0%
Edinburgh Fund Managers Group Limited	Ordinary shares	100%
Edinburgh Fund Managers Plc	Ordinary shares	100%
Edinburgh Unit Trust Managers Limited	Ordinary shares, Deferred	100%
Elevate Portfolio Services Limited[4]	Ordinary shares	100%
Emerging Markets Income Equity Fund, a series of the aICF, LLC[11]	Private Commingled Fund	100%
Finimize Limited[4]	Ordinary shares	100%
Flag Asia Company III, LLC[11]	Limited liability company	100%
Flag Asia Company III, LP[11]	Limited Partnership	0%
Flag Energy & Resource Company II, LLC[11]	Limited liability company	0%
Flag Energy & Resource Company III, LLC[11]	Limited liability company	0%
Flag Real Estate Company III, LLC[11]	Limited liability company	0%

Name of related undertaking	Share class[1]	% interest held[2,3]
Flag Squadron Asia Pacific III GP LP[10]	Limited Partnership	100%
FSA III EA SPV, LP[10]	Limited Partnership	0%
FSA III Pacific SPV, LP[10]	Limited Partnership	0%
Godo Kaisha abrdn Portfolio Investments[47]	Ordinary shares	100%
GPMS Corporate Secretary Limited[48]	Ordinary shares	100%
Griffin Nominees Limited[4]	Ordinary shares	100%
Interactive Investor Services Limited[7]	Ordinary shares	100%
Interactive Investor Services Nominees Limited[7]	Ordinary shares	100%
Investor Nominees (Dundee) Limited	Ordinary shares	100%
Investor Nominees Limited[7]	Ordinary shares	100%
Investor SIPP Trustees Ltd[7]	Ordinary shares	100%
KFAS Real Estate Limited Partnership	Limited Partnership	0%
Local2Local Limited[45]	Ordinary shares	60%
Loimua Co-Investment Fund SCSp[8]	Limited Partnership	100%
Murray Johnstone Limited	Ordinary shares	100%
North East Trustees Limited[4]	Ordinary A shares Ordinary B	100%
Orion Partners CLP Inc.[49]	Ordinary shares	100%
Orion Partners Services Inc.[49]	Ordinary shares	100%
Ostara China Real Estate Fund LP[49]	Limited Partnership	0%
Ostara Japan Fund 3 LP[49]	Limited Partnership	1%
Ostara Korea GP 2 Pte. Ltd[37]	Ordinary shares	100%
Ostara Korea Separate Account LP[37]	Limited Partnership	0%
Ostara Partners Inc. China[49]	Ordinary shares	100%
Ostara Partners Inc. Japan 3[49]	Ordinary shares	100%
Pearson Jones & Company (Trustees) Limited[4]	Ordinary shares	100%
Pearson Jones Nominees Limited[4]	Ordinary shares	100%
Poinsettia Holdco LP[10]	Limited Partnership	0%
PT Aberdeen Standard Investments Indonesia[50]	Limited Liability Company	99%
SG Commercial LLP[45]	Limited Liability Partnership	60%
Share Nominees Limited[7]	Ordinary shares	100%
Shin Global Investment Partners LP[10]	Limited Partnership	0%
SL Capital Infrastructure Fund II Top-Up Co-Investment Fund SCSp[8]	Limited Partnership	0%
SL Capital Infrastructure I GP LP	Limited Partnership	100%
SL Capital Infrastructure I LP	Limited Partnership	0%
SL Capital Infrastructure II LTP LP	Limited Partnership	25%
SL Capital Infrastructure II SCSp[8]	Limited Partnership	1%
SL Capital Infrastructure Secondary I GP LP	Limited Partnership	25%
SL Capital Infrastructure Secondary I LP	Limited Partnership	0%
SL Capital Infrastructure Secondary II LP	Limited Partnership	0%
SLCI I Executive Co Investment Limited Partnership	Limited Partnership	0%
SLCI II Executive Co-Investment LP	Limited Partnership	0%
SLCI Rail Co-Invest LP	Limited Partnership	0%
SLCP (General Partner Infrastructure I) Limited	Ordinary shares	100%
SLCP (General Partner Infrastructure Secondary I) Limited	Ordinary shares	100%
SLIPC (General Partner Infrastructure II LTP 2017) Limited	Ordinary shares	100%
SLIPC (General Partner Infrastructure II) S.a.r.l.[8]	Ordinary shares	100%
SLIPC (General Partner Infrastructure III) S.à r.l.[8]	Ordinary shares	100%
Squadron Asia Pacific Fund II, LP[10]	Limited Partnership	0%
Squadron Asia Pacific Fund, LP[10]	Limited Partnership	0%
Squadron Capital Asia Pacific GP, LP[10]	Limited Partnership	100%
Squadron Capital Asia Pacific II GP LP[10]	Limited Partnership	100%
Squadron Capital Partners Limited[10]	Ordinary shares	100%
Squadron GP Participation II, LP[10]	Limited Partnership	0%
Squadron GP Participation, LP[10]	Limited Partnership	0%
Standard Life Investments (General Partner European Real Estate Club II)	Ordinary shares	100%
Standard Life Investments (General Partner European Real Estate Club III)	Ordinary shares	100%

Name of related undertaking	Share class[1]	% interest held[2,3]
Standard Life Investments (General Partner European Real Estate Club)	Ordinary shares	100%
Standard Life Investments (General Partner GARS) Limited	Ordinary shares	100%
Standard Life Investments (General Partner GFS) Limited	Ordinary shares	100%
Standard Life Investments (General Partner Global Tactical Asset	Ordinary shares	100%
Standard Life Investments (General Partner MAC) Limited	Ordinary shares	100%
Standard Life Investments Brent Cross General Partner Limited	Ordinary shares	100%
Standard Life investments Brent Cross LP	Limited Partnership	0%
Standard Life Investments European Real Estate Club III LP[4]	Limited Partnership	2%
Tenon Nominees Limited	Ordinary shares	100%
Touchstone Insurance Company Limited[51]	Ordinary shares	100%
TPIF (No. 1) GP LLP[48]	Limited Liability Partnership	60%
TPIF (No. 1) LP[48]	Limited Partnership	0%
TPIF (Portfolio No. 1) GP LLP[45]	Limited Liability Partnership	60%
TPIF (Portfolio No. 1) LP[46]	Limited Partnership	0%
TPIF (Portfolio No. 1) Nominee Limited[45]	Ordinary shares	60%
Tritax abrdn Supply Chain Carry GP LLP[45]	Limited Liability Partnership	60%
Tritax abrdn Supply Chain Carry LP[48]	Limited Partnership	12%
Tritax abrdn Supply Chain GP LLP[45]	Limited Liability Partnership	60%
Tritax abrdn Supply Chain LP[46]	Limited Partnership	0%
Tritax Assets LLP[45]	Limited Liability Partnership	60%
Tritax LMR Carry GP LLP[48]	Limited Liability Partnership	60%
Tritax LMR Carry Limited Partnership[48]	Limited Partnership	7%
Tritax Management LLP[4]	Limited Liability Partnership	60%
Tritax Powerbox 1 GP LLP[45]	Limited Liability Partnership	60%
Tritax Powerbox 1 LP[45]	Limited Partnership	60%
Tritax Powerbox Carry GP LLP[45]	Limited Liability Partnership	60%
Tritax Powerbox Carry LP[48]	Limited Partnership	60%
Tritax PowerBox Limited[45]	Ordinary shares	60%
Tritax Securities LLP[45]	Limited Liability Partnership	60%
UK PRS Opportunities General Partner Limited[4]	Ordinary shares	100%
UK PRS Opportunities LP[3]	Limited Partnership	0%
VZWL Bestandsimmobilien GmbH & Co geschlossene Investment KG[28]	Limited Partnership	0%
VZWL Private Equity GmbH & Co geschlossene Investment KG[28]	Limited Partnership	0%

(c) Associates and joint ventures

Name of related undertaking	Share class[1]	% interest held[2,3]
abrdn Investcorp Infrastructure Investments Manager Limited[52]	Ordinary shares	50%
abrdn OEIC III – abrdn MyFolio Sustainable Index V Fund[4]	OEIC	23%
Archax Group Ltd[53]	Ordinary shares	11%
Criterion Tec Holdings Ltd[54]	Ordinary shares	21%
Focus Business Solutions Limited[55]	Ordinary shares	20%
Heng An Standard Life Insurance Company Limited[56]	Ordinary shares	50%
PURetail Luxembourg Management Company S.a.r.l.[39]	Class A shares	50%
Tenet Group Limited[57]	Ordinary B shares	25%

1. OEIC = Open-ended investment company
   SICAV = Société d'investissement à capital variable
   ETF = Exchange traded fund
   ICAV = Irish collective asset-management vehicle
2. Limited Partnerships or limited liability companies in which the Group has no interest but whose general partner or manager is controlled by the Group are considered subsidiaries under Companies Act 2006. Where the Group has no interest in a limited partnership or limited liability company that is considered a subsidiary, the interest held is disclosed as 0%.
3. % interest held is rounded to the nearest 1%.

Registered offices

4. 280 Bishopsgate, London, EC2M 4AG
5. c/o IQ EQ Fund Services (Mauritius) Ltd, 33 Edith Cavell Street, Port Louis, 11324, Mauritius
6. 30 Finsbury Square, London, EC2A 1AG
7. 201 Deansgate, Manchester, M3 3NW
8. 35a Avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg
9. 287-289, route d'Arlon, L-1150 Luxembourg, Luxembourg
10. c/o Maples Corporate Services Limited, Ugland House, P.O. Box 309, Grand Cayman, KY1-1104, Cayman Islands
11. c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE, 19808, USA
12. Bangkok City Tower, 28th Floor, 179 South Sathorn Road, Thungmahamek, Sathorn, Bangkok, 10120, Thailand
13. Strandvejen 171,3, 2900 Hellerup, Denmark
14. c/o Aatsto DLA Piper Finland Oy, Kanavaranta 1, 00160, Helsinki, Finland
15. 1900 Market Street, Suite 200, Philadelphia, PA 19103, USA
16. Western Suite, Ground Floor Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ
17. Top Floor, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ
18. Box 162 85, 103 25 Stockholm, Sweden
19. 2 Boulevard de la Foire, L-1528 Luxembourg, Luxembourg
20. WTC, H-Tower, 20th Floor, Zuidplein 166, 1077 XV Amsterdam, Netherlands
21. One London Wall, London, EC2Y 5AB
22. 7 Straits View, #23-04 Marina One East Tower, 018936, Singapore
23. 712 5th Ave, New York, NY 10019, USA
24. Sao Paulo, Avenida Presidente Juscelino Kubitschek, 1327, Vila Nova Conceicao, 04543-011, Brazil
25. 4 Chipman Hill, Suite 100, Saint John, New Brunswick, E2L 2A9, Canada
26. 6th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
27. 5 Changi Business Park Crescent, Level 5, Singapore 486027
28. Bockenheimer Landstrasse 25, 60325 Frankfurt am Main, Germany
29. 2-4 Merrion Row, Dublin 2, D02 WP23, Ireland
30. 1st Floor, Sir Walter Raleigh House, Esplanade, St Helier, JE2 3QB, Jersey
31. Office Unit 8, 6th Floor, Al Khatem Tower, Abu Dhabi Global Market Square, Al Marya Island, PO Box 764605, Abu Dhabi, United Arab Emirates
32. Schweizergasse 14, Zurich, 8001, Switzerland
33. Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing No.1, Leboh Ampang 50100 Kuala Lumpur, Malaysia
34. Otemachi Financial City Grand Cube 9F, 1-9-2 Otemachi, Chiyoda-ku, Tokyo, 100-0004, Japan
35. 44 Esplanade, St Helier, Jersey, JE4 9WG
36. 13th Fl., B Tower (Seocho-dong, Kyobo Tower Building), 465, Gangnam-daero, Seocho-gu, Seoul, Korea
37. 9 Raffles Place, #26-01 Republic Plaza, 048619, Singapore
38. Governor Macquarie Tower, Level 40, 1 Farrer Place, Sydney, NSW, 2000, Australia
39. 1, rue Jean Piret, L-2350 Luxembourg, Luxembourg
40. 21 Church Street, #01-01, Capital Square Two, 049480, Singapore
41. West Area, 2F, No.707 Zhangyang Road, China (Shanghai) Pilot Free Trade Zone
42. 19 Avenue de l'Opera 75001 Paris
43. Ogier House, Esplanade, St Helier, JE4 9WG, Jersey
44. 1 Marina Boulevard, #28-00, 018989, Singapore
45. 72 Broadwick Street, London, W1F 9QZ
46. 3rd Floor, 6 Duke Street St James's, London, SW1Y 6BN
47. Tokyo Kyodo Accounting Office, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo, 100-0005
48. 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
49. Campbells Corporate Services Limited, 4th Floor, Willow House, Cricket Square, Grand Cayman, KY1-9010, Cayman Islands
50. 16th Floor, Menara DEA Tower 2, 16th Floor, Kawasan Mega Kuningan, Jl Mega Kuningan Barat Kav. E4.3 No. 1-2, 12950 Jakarta, Indonesia
51. c/o Aon, PO Box 33, Maison Trinity, Trinity Square, St Peter Port, Guernsey GY1 4AT
52. c/o Paget-Brown Trust Company Ltd, Boundary Hall, Cricket Square, P.O. Box 1111, Grand Cayman, KY1-1102, Cayman Islands
53. 10 Queen Street Place, London, EC4R 1BE
54. 9-10 St Andrew Square, Edinburgh, EH2 2AF
55. 8 Hamilton Terrace, Leamington Spa, United Kingdom, CV32 4LY
56. 18F, Tower II, The Exchange, 189 Nanjing Road, Heping District, Tianjin, People's Republic of China, 300051
57. c/o Interpath Advisory, 10 Fleet Place, London, EC4M 7RB

Company financial statements

Company statement of financial position

As at 31 December 2024

	Notes	2024 £m	2023 £m
Assets			
Investments in subsidiaries	A	**4,273**	4,402
Investments in associates and joint ventures	B	**196**	196
Deferred tax assets	N	**138**	150
Loans to subsidiaries	C	**58**	–
Derivative financial assets	C	**50**	41
Equity securities and interests in pooled investment funds	C	**544**	574
Debt securities	C	**1**	126
Receivables and other financial assets	C	**60**	46
Current tax recoverable	N	**12**	–
Other assets	F	**6**	47
Cash and cash equivalents	C	**9**	21
Total assets		**5,347**	5,603
Liabilities			
Subordinated liabilities	L	**597**	599
Current tax liabilities	N	**–**	1
Other financial liabilities	L	**189**	166
Other liabilities	P	**1**	–
Total liabilities		**787**	766
Equity			
Share capital	G	**257**	257
Shares held by trusts	H	**(119)**	(137)
Share premium reserve	G	**640**	640
Retained earnings	I		
Brought forward retained earnings		**3,547**	3,665
(Loss)/profit for the year attributable to equity shareholders of abrdn plc[1]		**(16)**	300
Other movements in retained earnings		**(181)**	(418)
Total retained earnings		**3,350**	3,547
Other reserves	J	**225**	323
Equity attributable to equity shareholders of abrdn plc		**4,353**	4,630
Other equity	K	**207**	207
Total equity		**4,560**	4,837
Total equity and liabilities		**5,347**	5,603

1. The Company's total loss for the year was £5m (2023: profit of £311m) of which a profit of £11m was attributable to other equity holders (2023: profit of £11m).

The financial statements on pages 270 to 285 were approved by the Board and signed on its behalf by the following Directors:

Sir Douglas Flint
Chair

3 March 2025

Jason Windsor
Chief Executive Officer

3 March 2025

Company registered number: SC286832

The Notes on pages 273 to 285 are an integral part of these financial statements.

Company statement of changes in equity

For the year ended 31 December 2024

	Notes	Share capital £m	Shares held by trusts £m	Share premium reserve £m	Retained earnings £m	Other reserves £m	Total equity attributable to equity shareholders of abrdn plc £m	Other equity £m	Total equity £m
1 January 2024		**257**	**(137)**	**640**	**3,547**	**323**	**4,630**	**207**	**4,837**
Loss for the year		–	–	–	(16)	–	(16)	11	(5)
Other comprehensive income for the year		–	–	–	–	2	2	–	2
Total comprehensive income for the year		–	–	–	(16)	2	(14)	11	(3)
Interest paid on other equity	K	–	–	–	–	–	–	(11)	(11)
Dividends paid on ordinary shares	I	–	–	–	(260)	–	(260)	–	(260)
Share buyback	G	–	–	–	–	–	–	–	–
Reserves credit for employee share-based payment	J	–	–	–	–	26	26	–	26
Transfer to retained earnings for vested employee share-based payment	J	–	–	–	32	(32)	–	–	–
Transfer between reserves on impairment of subsidiaries	J	–	–	–	94	(94)	–	–	–
Shares acquired by employee trusts	H	–	(26)	–	–	–	(26)	–	(26)
Shares distributed by employee and other trusts and related dividend equivalents	H	–	44	–	(47)	–	(3)	–	(3)
31 December 2024		**257**	**(119)**	**640**	**3,350**	**225**	**4,353**	**207**	**4,560**

The Notes on pages 273 to 285 are an integral part of these financial statements.

	Notes	Share capital £m	Shares held by trusts £m	Share premium reserve £m	Retained earnings £m	Other reserves £m	Total equity attributable to equity shareholders of abrdn plc £m	Other equity £m	Total equity £m
1 January 2023		280	(145)	640	3,665	485	4,925	207	5,132
Profit for the year		–	–	–	300	–	300	11	311
Other comprehensive income for the year		–	–	–	–	(9)	(9)	–	(9)
Total comprehensive income for the year		–	–	–	300	(9)	291	11	302
Interest paid on other equity	K	–	–	–	–	–	–	(11)	(11)
Dividends paid on ordinary shares	I	–	–	–	(279)	–	(279)	–	(279)
Share buyback	G	(23)	–	–	(302)	23	(302)	–	(302)
Reserves credit for employee share-based payment	J	–	–	–	–	24	24	–	24
Transfer to retained earnings for vested employee share-based payment	J	–	–	–	31	(31)	–	–	–
Transfer between reserves on impairment of subsidiaries	J	–	–	–	169	(169)	–	–	–
Shares acquired by employee trusts	H	–	(27)	–	–	–	(27)	–	(27)
Shares distributed by employee and other trusts and related dividend equivalents	H	–	35	–	(37)	–	(2)	–	(2)
31 December 2023		257	(137)	640	3,547	323	4,630	207	4,837

The Notes on pages 273 to 285 are an integral part of these financial statements.

Company accounting policies

(a) Basis of preparation

These separate financial statements are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for year ended 31 December 2024 have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as issued by the Financial Reporting Council.

The financial statements have been prepared on a going concern basis (see the Basis of preparation section of the Group financial statements for further details) and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss (FVTPL). Climate risks have been taken into consideration in the preparation of the financial statements, primarily in relation to fair value calculations and impairment assessments.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions available under that standard:
- A cash flow statement and related notes.
- Capital management.
- Effect of IFRSs issued but not effective.
- Related party transactions with wholly owned subsidiaries.

As equivalent disclosures are given in the consolidated financial statements, we have also applied the disclosure exemptions for share based payments and financial instruments.

The principal accounting policies adopted are the same as those given in the consolidated financial statements, together with the Company specific policies set out below. These accounting policies have been consistently applied to all financial reporting periods presented in these financial statements.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own statement of comprehensive income in these financial statements. The auditors' remuneration for audit and other services is disclosed in Note 7 to the consolidated financial statements. The Company has no employees.

(a) (i) Investment in subsidiaries, associates and joint ventures

The Company has certain subsidiaries which are investment vehicles such as open-ended investment companies, unit trusts and limited partnerships whose primary function is to generate capital or income growth through holding investments. This category of subsidiary is held at FVTPL since they are managed on a fair value basis.

Investments in subsidiaries (other than those measured at FVTPL), associates (other than those measured at FVTPL) and joint ventures are initially recognised at cost and subsequently held at cost less any impairment charge. An impairment charge is recognised when the carrying amount of the investment exceeds its recoverable amount. Any gain or loss on disposal of a subsidiary, associate or joint venture is recognised in profit for the year.

Distributions received of non-cash assets, including investments in subsidiaries, are recognised at fair value in the balance sheet and as dividends in specie in income or other comprehensive income as appropriate in the statement of comprehensive income.

(a) (ii) Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements requires management to make estimates and assumptions and exercise judgements in applying the accounting policies that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses arising during the year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where judgements have the most significant effect on the amounts recognised in the Company financial statements are as follows:

Financial statement area	Critical judgements in applying accounting policies	Related notes
Investments in subsidiaries held at cost	Given that the net assets attributable to shareholders of abrdn plc at 31 December 2024 were higher than the market capitalisation of the Company judgement was required to determine for which subsidiaries this was considered an indicator of impairment	Note A

The areas where assumptions and other sources of estimation uncertainty at the end of the reporting period have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Financial statement area	Critical accounting estimates and assumptions	Related notes
Investments in subsidiaries held at cost	Determination of the recoverable amount	Note A

Notes to the Company financial statements

A. Investments in subsidiaries

	Investments in subsidiaries measured at cost	Investments in subsidiaries measured at FVTPL	Total
	£m	£m	£m
Cost			
At 1 January 2023	8,592	170	8,762
Acquisition of subsidiaries[1]	40	180	220
Disposal of subsidiaries	–	(9)	(9)
At 31 December 2023	8,632	341	8,973
Acquisition of subsidiaries[1]	**6**	**64**	**70**
Disposal of subsidiaries	**(25)**	**–**	**(25)**
At 31 December 2024	**8,613**	**405**	**9,018**
Impairment			
At 1 January 2023	(4,280)	–	(4,280)
Impairment of subsidiaries measured at cost	(304)	–	(304)
Reversal of impairment of subsidiaries measured at cost	13	–	13
Disposal of subsidiaries measured at cost	–	–	–
At 31 December 2023	(4,571)	–	(4,571)
Impairment of subsidiaries measured at cost	**(179)**	**–**	**(179)**
Reversal of impairment of subsidiaries measured at cost	–	–	–
Disposal of subsidiaries measured at cost	**5**	**–**	**5**
At 31 December 2024	**(4,745)**	**–**	**(4,745)**
Carrying amount			
At 1 January 2023	4,312	170	4,482
At 31 December 2023	4,061	341	4,402
At 31 December 2024	**3,868**	**405**	**4,273**

1. Includes investment into existing subsidiaries measured at cost of £6m (2023: £40m).

Details of the Company's subsidiaries are given in Note 44 of the Group financial statements.

(a) Acquisitions

During 2024, the Company made the following acquisitions of subsidiaries measured at cost:
- The Company increased its investment in Aberdeen Corporate Services Limited (ACSL) through the purchase of 3,318 ordinary shares for a cash consideration of £3.3m.
- The Company increased its investment in Focus Business Solutions Limited (FBS) through the purchase of 290,289,070 ordinary shares for a cash consideration of £2.9m. See Section (b) below for details of FBS's subsequent partial disposal.

During 2023, the Company made the following acquisitions of subsidiaries measured at cost:
- The Company increased its investment in ACSL through the purchase of 26,278 ordinary shares for a cash consideration of £26.3m.
- The Company increased its investment in abrdn Financial Planning Limited (aFPL) through the purchase of 12,150,000 ordinary shares for a cash consideration of £12.2m.
- The Company increased its investment in abrdn Client Management Limited (aCM) through the purchase of 1,500,000 ordinary shares for a cash consideration of £1.5m.

See Section (d) below for details on investments in subsidiaries at FVTPL.

(b) Disposals

During 2024, the Company made the following disposals of subsidiaries measured at cost:
- In March 2024, Antler Holdco Limited (Antler) was liquidated. Prior to liquidation, the carrying value of the Company's interest in Antler was £7m and the Company received final liquidation proceeds of £7m in the form of a distribution in specie of its intercompany balance due to Antler.
- In July 2024, the Company sold its interest in threesixty services LLP (threesixty) to Fintel group. At the time of the sale, the carrying value of threesixty was £4m and the company received a consideration of £4m. The carrying value of threesixty at 31 December 2023 was £19m. This has been reduced by £15m in 2024 in relation to the following:
  - In June 2024, threesixty paid a dividend of £3m to the Company. This was considered an indicator of impairment and following the performance of a valuation, an impairment of the Company's interest in

threesixty of £5m was recognised. The recoverable amount of £14m was based on Company's share of net consideration for the subsequent sale of the threesixty business – refer Note 1 of the Group financial statements for further details. The impairment was due to the payment of the dividend and a slight lowering of valuation of the threesixty business. This is a level 3 measurement as they are measured using inputs which are not based on observable market data.
  - At this time, threesixty also transferred its business to a subsidiary of abrdn Holdings Limited (aHL), abrdn Newco Limited (now renamed threesixty Services Limited) which was also sold to Fintel group in July 2024. Consequently £10m of the consideration for the threesixty business was then receivable by aHL not the Company. In recognition of this, £10m of the cost of threesixty was transferred to the cost of Company's interest in aHL which increased from £1,218m to £1,228m.
- In December 2024, the Company sold 80% of its interest in FBS to Focus Advice Technology Holdings Limited. At the time of the sale, the carrying value of FBS was £8m and the Company received a consideration of £1. Following the sale, the Company's remaining 20% interest in FBS has been recognised as an investment in an associate based on a fair value of £nil.

(c) Impairment

The Company's net assets attributable to shareholders of abrdn plc at 31 December 2024 of £4.4bn are higher than the Company's market capitalisation of £2.6bn. Taking this into account along with the payment by abrdn Investment Holdings Limited (aIHL) and abrdn Holdings Limited (aHL) of dividends of £102m and £40m respectively to the Company in 2024 and the continued headwinds facing active asset managers, it was assessed that there were indicators of impairments in relation to aIHL and aHL, the Company's asset management holding companies. Following the performance of valuation exercises, impairments of aIHL and aHL of £115m and £15m respectively have been recognised.

Indicators of impairment were also identified in relation to abrdn Financial Planning Limited (aFPL) following the payment of distributions in specie totalling £47m. An impairment of £45m has been recognised.

Refer Section (b) above for details of the impairment of threesixty prior to its disposal during 2024.

No other indicators of impairment were identified on any material investment in subsidiaries including Interactive Investor Limited (IIL) for which illustrative sensitivities have been provided below.

Indicators of reversal of impairment have also been considered. There were no reversal of impairment in 2024. A reversal of impairment of £13m was recognised in relation to Aberdeen Corporate Services Limited in 2023.

aIHL

The Company's investment in its subsidiary aIHL was impaired during 2024 by £115m (2023: £169m). The impairment primarily resulted from the payment of dividends from aIHL to the Company. The dividends included dividend income received by aIHL from its subsidiary, abrdn Investment Management Limited (aIML) following the sale of the European-headquartered Private Equity business (refer Note 1(c)(i) of the Group financial statements).

The recoverable amount of aIHL which is its FVLCD at 31 December 2024 was £704m. The FVLCD considered a number of valuation approaches, with the primary approach based on the net assets of aIHL and its subsidiaries. This is a level 3 measurement as it is measured using inputs which are not based on observable market data.

As the year end carrying values are the recoverable amount, any downside sensitivity will lead to a further future impairment loss. As the primary approach was net assets as set out above, the valuation is not considered sensitive to significant change. However, a 20% reduction in the net assets of aIHL and its subsidiaries would result in a further impairment of £141m.

The Company's investment in aIHL was also impaired during 2023 by £169m. The impairment primarily resulted from the payment of dividends from aIHL to the Company in 2023 following the sale of its interest in HDFC Asset Management held by aIML and abrdn Capital Limited.

The recoverable amount of aIHL which was its FVLCD at 31 December 2023 was £819m. The FVLCD considered a number of valuation approaches, with the primary approach based on the net assets of aIHL and its subsidiaries excluding those held for sale at 31 December 2023 as part of the sale of the European-headquartered Private Equity business which completed in 2024. The recoverable amount also included the valuation of European-headquartered Private Equity business which was based on an estimated price from the sale process.

aHL

The Company's investment in its subsidiary aHL was impaired during 2024 by £15m (2023: £40m). The impairment primarily resulted from the payment of a £40m dividend to the Company during 2024.

The recoverable amount of aHL which is its FVLCD at 31 December 2024 was £1,213m. The recoverable amount was based on FVLCD. The FVLCD considered a number of valuation approaches, applied to the elements of aHL's business as appropriate. The primary approach was discounted cash flow with cash flows which were based on the three year financial budgets approved by management split by region. Revenue in the management forecasts reflects past experience and modelling based on assets under management and fee revenue yields by asset class. Assets under management is modelled from future net flow assumptions and market movements. Expenses in the management forecasts were based on past experience adjusted for planned expense savings and inflation impacts.

Cash flow projections were extrapolated using a 3.5% revenue growth and 2% increase in expenses in years 4 and 5, and then a 1.9% terminal rate profit growth based on long-term inflation forecasts. Post tax discount rates of between 12.93% and 14.47% were used based on the peer companies cost of equity adjusted for forecasting risk and relative size. However, where the net assets of a significant element of aHL's business were higher, the valuation included the net asset value rather than the discounted cash flow value. The recoverable amount for aHL also included the value of its subsidiaries, associates and joint ventures not included in the discounted cash flow valuation. These primarily include Finimize Limited and Archax Group Limited. This is a level 3 measurement as it is measured using inputs which are not based on observable market data.

As the year end carrying values are the recoverable amount, any downside sensitivity will lead to a further future impairment loss. As noted above, net assets are not considered sensitive to significant change. However, earnings and the discount rate are more subject to change and the table below gives sensitivities for the carrying amount of aHL at 31 December 2024 in relation to these assumptions.

Impact on carrying amount at 31 December 2024	**£m**
25% reduction in forecast post tax adjusted earnings	**(187)**
2% increase in the post-tax discount rate	**(109)**

The Company's investment in its subsidiary aHL was also impaired during 2023 by £40m. The impairment in 2023 resulted from lower future cash flow projections reflecting the headwinds facing active asset managers.

The recoverable amount of aHL which was its FVLCD at 31 December 2023 was £1,218m. As above, the FVLCD considered a number of valuation approaches, with the primary approach being a discounted cash flow approach with net assets used for a significant element of aHL's business where these were higher than the discounted cash flow valuation. This recoverable amount for aHL also included the value of its subsidiaries, associates and joint ventures not included in the discounted cash flow valuation.

aFPL

The Company's investment in its subsidiary aFPL was impaired during 2024 by £45m. The impairment resulted from the payment of distributions in specie totalling £47m by aFPL to the Company in 2024. These distributions primarily related to an intercompany loan and accrued interest due to aFPL from IIL following the sale of aFPL's primary subsidiary, abrdn Financial Planning and Advice Limited to IIL in January 2024. aFPL is now in liquidation and following the distributions, the recoverable amount of aFPL was £1 which is also its carrying value. This was a level 3 measurement as they are measured using inputs which are not based on observable market data.

The Company's investment in its subsidiary aFPL was impaired during 2023 by £52m. The recoverable amount of aFPL at 31 December 2023 of £45m was based on FVLCD which considered a number of valuation approaches, with the primary approach also being a multiples approach based on price to revenue and price to assets under advice. Multiples were based on trading multiples for peer companies, adjusted to take into account profitability where appropriate, and were benchmarked against recent transactions.

abrdn (Mauritius Holdings) 2006 Limited (aMH06)

The carrying amount of the Company's investment in aMH06 is less than £1m (2023: less than £1m). During 2023, the Company's investment in its subsidiary aMH06 was impaired by £43m. The impairment resulted from the payment of dividends from aMH06 to the Company in 2023. These dividends primarily related to the sale of aMH06's final investment in HDFC Life.

IIL

The carrying amount of the Company's investment in IIL is £1,512m (2023: £1,512m). There are no indicators that recoverable amount of the Company's investment in IIL is less than its carrying amount.

The recoverable amount of IIL was determined at 31 December 2024 based on FVLCD for illustrative sensitivities purposes using the same approach and key assumptions as used in the impairment review for interactive investor goodwill set out in Note 13 of the Group financial statements. The basis for sensitivities of key assumptions is also set out in Note 13 of the Group financial statements. The impact of these illustrative sensitivities on the carrying amount of IIL at 31 December 2024 is as follows:

Impact on carrying amount at 31 December 2024	**£m**
20% reduction in forecast post tax adjusted earnings	**–**
40% reduction in market multiple	**(187)**

ACSL

The carrying amount of the Company's investment in ACSL is £105m (2023: £102m). Refer Section (a) for details of the capital injection during the year. There was no impairment or reversal of impairment in relation to the Company's investment in ACSL during the year ended 31 December 2024 and no indicators that recoverable amount of the Company's investment in ACSL is less than its carrying amount.

In 2023 the Company recognised a reversal of impairment in its investments in subsidiaries of £13m. The Company's investment in ACSL had previously been impaired by £13m in the year ended 31 December 2017.

On 1 August 2023, the Court of Session confirmed that any residual surplus assets that remain after all plan-related obligations of the Group's main defined benefit plan, the abrdn UK Group (SLSPS) plan, are settled or otherwise provided for would be available to ACSL as sponsoring employer (see Note 31 of the Group financial statements for further details). Following this confirmation, the Directors of the Company assessed that it was appropriate to consider ACSL's pension scheme asset in determining the recoverable amount of ACSL. The recoverable amount for ACSL was assessed based on the net assets of ACSL at 31 December 2023 which were £733m including a defined benefit asset of £734m. This value of £734m was determined on an IAS 19 basis net of an authorised surplus payments charge of 35%. The residual surplus assets that ACSL would realise would be significantly lower than this surplus as would be expected following a buy-out transaction. However, even allowing for a prudent haircut to the net assets for this, the net assets of ACSL would still be significantly in excess of ACSL's carrying value before any reversal of impairment of £13m and the reversal of impairment was recognised. This was a level 3 assessment as it was measured using inputs which are not based on observable market data.

(d) Investments in subsidiaries at FVTPL

Investments in subsidiaries at FVTPL, valued at £405m (2023: £341m), relate to holdings in funds over which the Company has control.

B. Investments in associates and joint ventures

	2024 **£m**	2023 £m
Investment in associates measured at cost	**–**	–
Investment in joint venture measured at cost	**196**	196
Investments in associates and joint ventures	**196**	196

(a) Investment in associates

The Company has an interest of 25.3% (2023: 25.3%) in Tenet Group Limited (Tenet), a company incorporated in England and Wales which is measured at cost less impairment. The carrying amount of the Company's investment in Tenet is £nil (2023: £nil). There were no capital contributions or impairments in relation to Tenet during the year ended 31 December 2024 (2023: none). Tenet is currently in administration.

As noted in Note A(b) above, the Company's remaining 20% interest in FBS is now also recognised as an investment in an associate with a carrying value at 31 December 2024 of £nil.

(b) Investment in joint ventures

The Company has a 50% (2023: 50%) interest in Heng An Standard Life Insurance Company Limited (HASL), a company incorporated in China. Further details on this joint venture are provided in Note 14 of the Group financial statements.

C. Financial investments

	Notes	Fair value through profit or loss		Derivative financial instruments used for hedging		Amortised cost		Total	
		2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
		£m	£m	**£m**	£m	**£m**	£m	**£m**	£m
Investments in subsidiaries measured at FVTPL	A	**405**	341	**–**	–	**–**	–	**405**	341
Loan to subsidiaries		**–**	–	**–**	–	**58**	–	**58**	–
Derivative financial assets	D	**–**	–	**50**	41	**–**	–	**50**	41
Equity securities and interests in pooled investment funds		**544**	574	**–**	–	**–**	–	**544**	574
Debt securities		**1**	1	**–**	–	**–**	125	**1**	126
Receivables and other financial assets	E	**–**	–	**–**	–	**60**	46	**60**	46
Cash and cash equivalents		**–**	–	**–**	–	**9**	21	**9**	21
Total		**950**	916	**50**	41	**127**	192	**1,127**	1,149

The amount of debt securities expected to be recovered or settled after more than 12 months is £1m (2023: £1m). The amount of loans to subsidiaries expected to be recovered or settled after more than 12 months is £10m (2023: £nil). The amount of equity securities and interests in pooled investment funds expected to be recovered or settled after more than 12 months is £544m (2023: £574m).

Under IFRS 9 the Company calculates expected credit losses (ECL) on financial assets which are measured at amortised cost (refer to Note 34(c) of the Group financial statements), including loans to subsidiaries (which are unrated). At 31 December 2024 the Company does not hold financial assets at amortised cost that it regards as credit-impaired or for which it considers the probability of default would result in material expected credit losses. The expected credit losses recognised were less than £1m (2023: less than £1m). In making this assessment the Company has considered if any evidence is available to indicate the occurrence of an event which would result in a detrimental impact on the estimated future cash flows of these assets.

D. Derivative financial instruments

The Company uses derivative financial instruments in order to reduce the risk from potential movements in foreign exchange rates.

	2024			2023		
	Contract amount	**Fair value assets**	**Fair value liabilities**	Contract amount	Fair value assets	Fair value liabilities
	£m	**£m**	**£m**	£m	£m	£m
Cash flow hedges	**599**	**50**	**–**	588	41	–
Foreign exchange forwards	**33**	**–**	**–**	40	–	–
Derivative financial instruments	**632**	**50**	**–**	628	41	–

The derivative asset of £50m (2023: derivative asset of £41m) is expected to be settled after more than 12 months.

On 18 October 2017, the Company issued subordinated notes with a principal amount of US $750m. In order to manage the foreign exchange risk relating to the principal and coupons payable on these notes the Company entered into a cross-currency swap which is designated as a hedge of future cash flows. The maturity profile of the contractual undiscounted cash flows in relation to derivative financial instruments is as follows:

	Within 1 year		2–5 years		6–10 years		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m
Cash inflows								
Cash flow hedges	**25**	25	**663**	676	**–**	–	**688**	701
Foreign exchange forwards	**33**	40	**–**	–	**–**	–	**33**	40
Total	**58**	65	**663**	676	**–**	–	**721**	741
Cash outflows								
Cash flow hedges	**(18)**	(18)	**(614)**	(632)	**–**	–	**(632)**	(650)
Foreign exchange forwards	**(33)**	(40)	**–**	–	**–**	–	**(33)**	(40)
Total	**(51)**	(58)	**(614)**	(632)	**–**	–	**(665)**	(690)
Net derivative financial instruments cash flows	**7**	7	**49**	44	**–**	–	**56**	51

E. Receivables and other financial assets

	2024 £m	2023 £m
Amounts due from related parties	**58**	43
Other financial assets	**2**	3
Total receivables and other financial assets	**60**	46

The carrying amounts disclosed above reasonably approximate the fair values at the year end.

Receivables and other financial assets of £nil (2023: £nil) are expected to be recovered after more than 12 months.

F. Other assets

	2024 £m	2023 £m
Prepayments	**6**	23
Other	**–**	24
Other assets	**6**	47

The amount of Other assets which are expected to be recovered after more than 12 months is £1m (2023: £21m).

Prepayments relate to the Group's purchase of certain products in Phoenix's savings business offered through abrdn's Wrap platform together with Phoenix's trustee investment plan (TIP) business for UK pension scheme clients. Refer Note 39(b) of the Group financial statements for further details.

During 2024, the Group has released £15m of the £19m prepayment recognised in relation to the TIP business to other administrative expenses in the consolidated income statement following a review of the recoverability of these costs from future profits from the TIP business. The transfer of this business to the Group is now expected to occur in 2025.

Other includes £nil (2023: £24m) in respect of amounts due from related parties.

G. Share capital and share premium

Details of the Company's share capital and share premium are given in Note 24 of the Group financial statements. In 2024 the Company has not undertaken any share buybacks. Details of the share buyback undertaken by the Company in 2023, including the impact on retained earnings and the capital redemption reserve (see Note J below), are also included in Note 24 of the Group financial statements.

H. Shares held by trusts

Shares held by trusts relates to shares in abrdn plc that are held by the abrdn Employee Benefit Trust and the abrdn Employee Trust. Further details of these trusts are provided in Note 25 of the Group financial statements.

I. Retained earnings

Details of the dividends paid on the ordinary shares by the Company are provided in Note 12 of the Group financial statements. Note 12 also includes information regarding the final dividend proposed by the Directors for the year ended 31 December 2024.

Refer Note J for details of the transfers from the merger reserve to retained earnings during the years ended 31 December 2024 and 31 December 2023.

J. Movements in other reserves

The following tables show the movements in other reserves during the year:

	Merger reserve £m	Equity compensation reserve £m	Special reserve £m	Capital redemption reserve £m	Cash flow hedges £m	Total £m
At 1 January 2024	**106**	**40**	**115**	**48**	**14**	**323**
Fair value losses on cash flow hedges	**–**	**–**	**–**	**–**	**20**	**20**
Realised losses on cash flow hedges transferred to income statement	**–**	**–**	**–**	**–**	**(18)**	**(18)**
Reserves credit for employee share-based payments	**–**	**26**	**–**	**–**	**–**	**26**
Transfer to retained earnings for vested employee share-based payments	**–**	**(32)**	**–**	**–**	**–**	**(32)**
Transfer between reserves on impairment of subsidiaries	**(94)**	**–**	**–**	**–**	**–**	**(94)**
At 31 December 2024	**12**	**34**	**115**	**48**	**16**	**225**

	Merger reserve £m	Equity compensation reserve £m	Special reserve £m	Capital redemption reserve £m	Cash flow hedges £m	Total £m
At 1 January 2023	275	47	115	25	23	485
Fair value losses on cash flow hedges	–	–	–	–	(40)	(40)
Realised losses on cash flow hedges transferred to income statement	–	–	–	–	28	28
Shares bought back on-market and cancelled	–	–	–	23	–	23
Reserves credit for employee share-based payments	–	24	–	–	–	24
Transfer to retained earnings for vested employee share-based payments	–	(31)	–	–	–	(31)
Transfer between reserves on impairment of subsidiaries	(169)	–	–	–	–	(169)
Tax effect of items that may be reclassified subsequently to profit or loss	–	–	–	–	3	3
At 31 December 2023	106	40	115	48	14	323

Following the impairment losses recognised in 2024 and 2023 on the Company's investment in aIHL, £94m and £169m was transferred from the merger reserve to retained earnings during the years ended 31 December 2024 and 31 December 2023 respectively. Refer Note A for details of these impairments.

K. Other equity

5.25 % Fixed Rate Reset Perpetual Subordinated Contingent Convertible Notes

In 2021, the Company issued £210m of 5.25% Fixed Rate Reset Perpetual Subordinated Contingent Convertible Notes (the Notes). The Notes are classified as other equity and were initially recognised at £207m (the proceeds received less issuance costs of £3m). Refer Note 28 (a) of the Group financial statements for further details.

The profit for the year attributable to other equity was £11m (2023: £11m).

L. Financial liabilities

		Designated as Fair Value through Profit or loss		Amortised Cost		Total	
		2024	2023	**2024**	2023	**2024**	2023
	Notes	**£m**	£m	**£m**	£m	**£m**	£m
Subordinated liabilities	M	**–**	–	**597**	599	**597**	599
Other financial liabilities	O	**5**	8	**184**	158	**189**	166
Total		**5**	8	**781**	757	**786**	765

M. Subordinated liabilities

	2024		2023	
	Principal	**Carrying amount value**	Principal	Carrying amount value
Subordinated notes:				
4.25% US Dollar fixed rate due 30 June 2028	**$750m**	**£597m**	$750m	£599m
Total subordinated liabilities		**£597m**		£599m

The principal amount of the subordinated liabilities is expected to be settled after more than 12 months. There was no accrued interest on the subordinated liabilities at 31 December 2024 (2023: £13m). Any accrued interest is expected to be settled within 12 months.

Further information on the subordinated liabilities including the terms and conditions is given in Note 30 of the Group financial statements.

N. Taxation

(a) Current tax

Current tax recoverable amounts at 31 December 2024 were £12m (2023: liability of £1m). Current tax assets at 31 December 2024 are expected to be recoverable in less than 12 months.

(b) Deferred tax

	2024 £m	2023 £m
Deferred tax assets	**138**	150

The amount of deferred tax assets expected to be recovered or settled after more than 12 months are £121m (2023: £150m).

Recognised deferred tax

	2024 £m	2023 £m
Deferred tax assets comprise:		
Losses carried forward	**143**	155
Gross deferred tax assets	**143**	155
Less: Offset against deferred tax liabilities	**(5)**	(5)
Deferred tax assets	**138**	150
Deferred tax liabilities comprise:		
Unrealised gains on cash flow hedges	**5**	5
Gross deferred tax liabilities	**5**	5
Less: Offset against deferred tax assets	**(5)**	(5)
Net deferred tax asset at 31 December	**138**	150
Movements in net deferred tax assets comprise:		
At 1 January	**150**	143
Amounts credited to profit or loss	**(12)**	4
Amounts charged to other comprehensive income	**–**	3
At 31 December	**138**	150

The deferred tax assets and liabilities recognised are in respect of unused tax losses and unrealised gains on cash flow hedges respectively. The deferred tax assets are recognised to the extent that it is probable that the losses will be capable of being offset against future taxable profits (refer Note 9(d)(i) of the Group financial statements).

There is no unrecognised deferred tax relating to temporary timing differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements (2023: none).

Due to uncertainty regarding recoverability, deferred tax assets have not been recognised in respect of capital losses carried forward of £32m (2023: £8m). UK capital losses can be carried forward indefinitely.

Movements in deferred tax assets and liabilities

	Losses carried forward	Unrealised gains on investments	Unrealised gains or losses on cash flow hedges	Net deferred tax asset
	£m	£m	£m	£m
At 1 January 2024	**155**	**–**	**(5)**	**150**
Amounts credited to the income statement	**(12)**	**–**	**–**	**(12)**
Tax on cash flow hedge	**–**	**–**	**–**	**–**
At 31 December 2024	**143**	**–**	**(5)**	**138**

	Losses carried forward	Unrealised gains on investments	Unrealised gains or losses on cash flow hedges	Net deferred tax asset
	£m	£m	£m	£m
At 1 January 2023	151	–	(8)	143
Amounts credited to the income statement	4	–	–	4
Tax on cash flow hedge	–	–	3	3
At 31 December 2023	155	–	(5)	150

O. Other financial liabilities

	2024	2023
	£m	£m
Outstanding purchase of investment securities	**1**	1
Amounts due to related parties	**121**	109
Collateral held in respect of derivative contracts	**52**	39
Contingent consideration liabilities	**5**	8
Other	**10**	9
Other financial liabilities	**189**	166

Other financial liabilities of £5m (2023: £5m) are expected to be settled after more than 12 months.

P. Provisions and other liabilities

The Company has no provisions at 31 December 2024 (2023: £nil). During the year ended 31 December 2023, the Company released a £32m provision relating to separation costs. Refer Note 33 of the Group financial statements for further information.

Of Other liabilities at 31 December 2024 of £1m (2023: £nil), £1m was expected to be settled within 12 months (2023: £nil) and was in respect of amounts due to related parties.

Q. Contingent liabilities, contingent assets, indemnities and guarantees

(a) Legal proceedings and regulations

The Company, like other financial organisations, is subject to legal proceedings and complaints in the normal course of its business. All such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Company incurring a liability. Where it is concluded that it is more likely than not that a material outflow will be made a provision is established based on management's best estimate of the amount that will be payable. At 31 December 2024, there are no identified contingent liabilities expected to lead to a material exposure.

(b) Indemnities and guarantees

Under the trust deed in respect of the abrdn UK Group (SLSPS) plan, ACSL, the principal employer, must pay contributions to the pension plan as the trustee's actuary may certify necessary. The Company has guaranteed the obligations of ACSL in relation to this plan. In addition, the Company has guaranteed similar obligations in respect of certain other subsidiaries' UK and Ireland defined benefit pension plans.

None of the guarantees issued by the Company give rise to any significant liabilities at 31 December 2024 (2023: none).

R. Related party transactions

(a) Key management personnel

The Directors and key management personnel of the Company are considered to be the same as for the Group. See Note 41 of the Group financial statements for further information.

Supplementary information

1. Alternative performance measures[1]

We assess our performance using a variety of measures that are not defined under IFRS and are therefore termed alternative performance measures (APMs). The APMs that we use may not be directly comparable with similarly named measures used by other companies. We have presented below reconciliations from these APMs to the most appropriate measure prepared in accordance with IFRS. All APMs should be read together with the consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows, which are presented in the Group financial statements section of this report, and related metrics. Adjusted operating profit excludes certain items which are likely to be recurring such as restructuring costs, amortisation of certain intangibles, dividends from significant listed investments and the share of profit or loss from associates and joint ventures.

R Metric used for executive remuneration in 2024. See page 127 for more information.

Definition	Purpose
Adjusted operating profit APM R	
Adjusted operating profit is the Group's key APM, and is reported on a pre-tax basis. Adjusted operating profit includes the results of the Group's three businesses: ii, Adviser and Investments, along with Other business operations and corporate costs. It excludes the Group's adjusted net financing costs and investment return. Adjusted operating profit also excludes the impact of the following items: – Restructuring and corporate transaction expenses. Restructuring includes the impact of major regulatory change. – Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts. – Profit or loss arising on the disposal of a subsidiary, joint venture or equity accounted associate. – Change in fair value of/dividends from significant listed investments. – Share of profit or loss from associates and joint ventures. – Impairment loss/reversal of impairment loss recognised on investments in associates and joint ventures accounted for using the equity method. – Fair value movements in contingent consideration. – Items which are one-off and, due to their size or nature, are not indicative of the long-term operating performance of the Group. – Further details are included in Note 11 of the Group financial statements.	Adjusted operating profit reporting provides further analysis of the results reported under IFRS and the Directors believe it helps to give shareholders a fuller understanding of the performance of the business by identifying and analysing adjusting items. Segment reporting used in management information is reported to the level of adjusted operating profit.
Adjusted net operating revenue APM	
Adjusted net operating revenue is a component of adjusted operating profit and includes revenue we generate from asset management charges (AMCs), platform charges, treasury income and other transactional charges. AMCs are earned on products such as mutual funds, and are calculated as a percentage fee based on the assets held. Investment risk on these products rests principally with the client, with our major indirect exposure to rising or falling markets coming from higher or lower AMCs. Treasury income is the interest earned on cash balances less the interest paid to customers. It excludes items which are one-off and, due to their size, or nature are not indicative of the long-term operating performance of the Group. Adjusted net operating revenue is shown net of fees, cost of sales, commissions and similar charges. Cost of sales include revenue from fund platforms which is passed to the product provider.	Adjusted net operating revenue is a component of adjusted operating profit and provides the basis for reporting of the revenue yield financial ratio. Adjusted net operating revenue is also used to calculate the cost/income ratio.
Adjusted operating expenses APM	
Adjusted operating expenses is a component of adjusted operating profit and relates to the day-to-day expenses of managing our business. Adjusted operating expenses excludes restructuring and corporate transaction expenses. Adjusted operating expenses also excludes amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts.	Adjusted operating expenses is a component of adjusted operating profit and is used to calculate the cost/income ratio.
Adjusted profit before tax APM	
In addition to the results included in adjusted operating profit above, adjusted profit before tax includes adjusted net financing costs and investment return.	Adjusted profit before tax is a key input to the adjusted earnings per share measure.
Adjusted net financing costs and investment return APM	
Adjusted net financing costs and investment return is a component of adjusted profit and relates to the return from the net assets of the shareholder business, net of costs of financing. This includes the net assets in defined benefit staff pension plans and net assets relating to the financing of subordinated liabilities.	Adjusted net financing costs and investment return is a component of adjusted profit before tax.

1. Supplementary information is unaudited in line with previous years.

Definition	Purpose
Cost/income ratio APM This is an efficiency measure that is calculated as adjusted operating expenses divided by adjusted net operating revenue.	This ratio is used by management to assess efficiency and reported to the Board and the 'Chief Operating Decision Maker'.
Adjusted net operating revenue yield (bps) APM The adjusted net operating revenue yield is a measure that illustrates the average margin being earned on the assets that we manage or administer and excludes the ii business. It is calculated as annualised adjusted net operating revenue (excluding performance fees, ii and revenue for which there are no attributable assets) divided by monthly average fee based assets. The ii business is excluded from the calculation of adjusted net operating revenue yield as fees charged for this business are primarily from subscriptions and trading transactions.	The adjusted net operating revenue yield is a measure that illustrates the average margin being earned on the assets that we manage or administer and excludes the ii business.
Adjusted diluted earnings per share APM Adjusted diluted earnings per share is calculated on adjusted profit after tax. The weighted average number of ordinary shares in issue is adjusted during the period to assume the conversion of all dilutive potential ordinary shares, such as share options granted to employees. Details on the calculation of adjusted diluted earnings per share are set out in Note 10 of the Group financial statements.	Earnings per share is a commonly used financial metric which can be used to measure the profitability and capital efficiency of a company over time. We also calculate adjusted diluted earnings per share to illustrate the impact of adjusting items on the metric. This ratio is used by management to assess performance and reported to the Board and 'Chief Operating Decision Maker'.
Adjusted capital generation APM Adjusted capital generation is part of the analysis of movements in IFPR regulatory capital. Adjusted capital generation is calculated as adjusted profit after tax less returns relating to pension schemes in surplus and interest paid on other equity (Additional Tier 1 instruments). It also includes dividends from associates, joint ventures and significant listed investments. **Net capital generation** APM Net capital generation is calculated as adjusted capital generation less restructuring and corporate transaction expenses (net of tax).	These measures aim to show how adjusted profit contributes to regulatory capital, and therefore provides insight into our ability to generate capital that is deployed to support value for shareholders.
Adjusted diluted capital generation per share APM Adjusted diluted capital generation per share is calculated as adjusted capital generation divided by the weighted average number of diluted ordinary shares outstanding. **Net diluted capital generation per share** APM R Net diluted capital generation per share is calculated as net capital generation divided by the weighted average number of diluted ordinary shares outstanding.	These ratios are measures used to assess performance for dividend paying capability.
Cash and liquid resources APM Cash and liquid resources are IFRS cash and cash equivalents (netted down for overdrafts), money market instruments and holdings in money market funds. It also includes surplus cash that has been invested in liquid assets such as high-quality corporate bonds, gilts and pooled investment funds. Seed capital and co-investments are excluded. Cash collateral, cash held for charitable funds and cash held in employee benefit trusts are excluded from cash and liquid resources.	The purpose of this measure is to demonstrate how much cash and invested assets we hold and can be readily accessed.

1.1. Adjusted operating profit and adjusted profit

Reconciliation of adjusted operating profit and adjusted profit to IFRS profit by component

The components of adjusted operating profit are adjusted net operating revenue and adjusted operating expenses. These components provide a meaningful analysis of our adjusted results. The table below provides a reconciliation of movements between adjusted operating profit component measures and relevant IFRS terms.

A reconciliation of Adjusted operating expenses to the IFRS item Total administrative and other expenses, and a reconciliation of Adjusted net financing costs and investment return to the IFRS item Net gains on financial instruments and other income are provided in Note 2b(ii) of the Group financial statements. A reconciliation of adjusted net operating revenue to the IFRS item Revenue from contracts with customers is provided in Note 3 of the Group financial statements.

IFRS term 2024	IFRS £m	Presentation differences £m	Adjusting items £m	Adjusted profit £m	Adjusted profit term
Net operating revenue	**1,305**	**–**	**16**	**1,321**	Adjusted net operating revenue[1]
Total administrative and other expenses	**(1,313)**	**(16)**	**263**	**(1,066)**	Adjusted operating expenses[2]
	(8)	**(16)**	**279**	**255**	**Adjusted operating profit**
Total net gains or losses on financial instruments and other income	**160**	**(7)**	**(54)**	**99**	Adjusted net financing costs and investment return
Finance costs	**(25)**	**23**	**2**	**–**	N/A
Profit on disposal of subsidiaries and other operations	**89**	**–**	**(89)**	**–**	N/A
Profit on disposal of interests in joint ventures	**11**	**–**	**(11)**	**–**	N/A
Share of profit or loss from associates and joint ventures	**24**	**–**	**(24)**	**–**	N/A
Profit before tax	**251**	**–**	**103**	**354**	**Adjusted profit before tax**
Total tax expense	**(3)**	**–**	**(67)**	**(70)**	Tax on adjusted profit
Profit for the year	**248**	**–**	**36**	**284**	**Adjusted profit after tax**

1. The measure of segmental revenue has been renamed from net operating revenue to adjusted net operating revenue.
2. Adjusted operating expenses includes staff and other related costs of £548m compared with IFRS staff costs and other employee-related costs of £510m. The difference primarily relates to the inclusion of contractor, temporary agency staff and recruitment and training costs of £18m (IFRS basis: Reported within other administrative expenses) and gains on funds to hedge deferred bonus awards of £2m (IFRS basis: Reported within other net gains on financial instruments and other income) within staff and other related costs. IFRS staff costs and other employee-related costs includes the benefit from the net interest credit relating to the staff pension schemes of £22m (Adjusted profit basis: Reported within adjusted net financing costs and investment return and other adjusting items respectively).

IFRS term 2023	IFRS £m	Presentation differences £m	Adjusting items £m	Adjusted profit £m	Adjusted profit term
Net operating revenue	1,398	–	–	1,398	Adjusted net operating revenue
Total administrative and other expenses	(1,463)	(29)	343	(1,149)	Adjusted operating expenses
	(65)	(29)	343	249	**Adjusted operating profit**
Net gains or losses on financial instruments and other income	2	6	73	81	Adjusted net financing costs and investment return
Finance costs	(25)	23	2	–	N/A
Profit on disposal of subsidiaries and other operations	79	–	(79)	–	N/A
Share of profit or loss from associates and joint ventures	1	–	(1)	–	N/A
Reversal of impairment of interests in joint ventures	2	–	(2)	–	N/A
Loss before tax	(6)	–	336	330	**Adjusted profit before tax**
Total tax credit	18	–	(68)	(50)	Tax on adjusted profit
Profit for the year	12	–	268	280	**Adjusted profit after tax**

Presentation differences primarily relate to amounts presented in a different line item of the consolidated income statement.

Analysis of adjusting items

The table below provides detail of the adjusting items made in the calculation of adjusted profit before tax:

	2024 £m	2023 £m
Restructuring and corporate transaction expenses	**(100)**	(152)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	**(129)**	(189)
Profit on disposal of subsidiaries and other operations	**89**	79
Profit on disposal of interests in joint ventures	**11**	–
Change in fair value of significant listed investments	**(27)**	(178)
Dividends from significant listed investments	**56**	64
Share of profit or loss from associates and joint ventures	**24**	1
Reversal of impairment of interests in joint ventures	**–**	2
Other	**(27)**	37
Total adjusting items including results of associates and joint ventures	**(103)**	(336)

An explanation for why individual items are excluded from adjusted profit is set out below:

- Restructuring and corporate transaction expenses are excluded from adjusted profit. Restructuring includes the impact of major regulatory change. By highlighting and excluding these costs we aim to give shareholders a fuller understanding of the performance of the business. Restructuring and corporate transaction expenses include costs relating to acquisitions and our transformation programmes. Other restructuring costs excluded from adjusted profit relate to projects which have a significant impact on the way the Group operates. Costs are only excluded from adjusted profit where they are out-with business as usual activities and the costs would not have been incurred had the restructuring project not taken place. The 2024 expenses mainly comprised £61m of costs to implement our cost transformation programme (total 2024 implementation costs of £73m includes £12m loss on disposal of subsidiary in respect of the partial disposal of Focus Business Solutions), £12m in respect of platform transformation (2023: £26m), £7m in relation to specific costs to effect savings in investments (2023: £17m) and £8m in respect of other restructuring activities. In 2023, restructuring costs were, partially offset by a credit of £30m in respect of Phoenix separation costs following the £(32)m release of a related provision. Corporate transaction costs of £12m (2023: £31m) mainly related to prior period acquisitions. Restructuring expenses in 2025 are expected to include costs of c.£80m relating to the multi-year cost transformation programme which is expected to complete in 2025.
- Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts is included as an adjusting item. This is consistent with peers and therefore excluding these items aids comparability. Highlighting this as an adjusting item aims to give a fuller understanding of these accounting impacts which arise where businesses have been acquired but do not arise where businesses have grown organically. Further details are provided in Note 13 of the Group financial statements.
- Profit on disposal of subsidiaries and other operations of £89m in 2024 relates to £92m from the sale of our European-headquartered Private Equity business, £9m from the sale of threesixty services, and £(12)m from the sale of 80% of Focus Business Solutions. In 2023 the profit on disposal of subsidiaries and other operations mainly related to the sales of our discretionary fund management business and our US private equity and venture capital business. These items are excluded from adjusted profit as they are non-recurring in nature.
- Profit on disposal of interests in joint ventures of £11m (2023: £nil) relates to the sale of our shareholding in Virgin Money UTM. Refer to Note 14 for further details.
- The change in fair value of significant listed investments was negative £27m (2023: negative £178m) and in 2024 represents the impact of market movements on our shareholding in Phoenix. Excluding fair value movements on significant listed investments for the purposes of adjusted profit is aligned with our treatment of gains on disposal for these holdings when they were classified as an associate, and reflects that the fair value movements are not indicative of the long-term operating performance of the Group.
- Dividends from significant listed investments relates to our shareholding in Phoenix. The £56m in 2024 relates to dividends received from Phoenix. The £64m in 2023 relates to dividends from Phoenix (£54m) and HDFC Asset Management (£10m). Dividends from significant listed investments are included in adjusting items, as such dividends result in fair value movements.
- Share of profit or loss from associates and joint ventures was a profit of £24m (2023: profit £1m). In 2024, this mainly comprises the share of profit or loss from our holdings in HASL and Archax. Associate and joint venture results are excluded from adjusted profit to help in understanding the performance of our core business separately from these holdings.
- The reversal of impairment of interests in associates and joint ventures in 2023 of £2m related to our joint venture in Virgin Money UTM. Refer to Note 14 for further details.

– Details on items classified as 'Other' in the table above are provided in Note 11 of the Group financial statements. Other adjusting items in 2024 primarily relates to £(16)m negative adjustment to revenue recognised in prior periods which were not restated as the impact was not considered material, £(15)m negative release of the prepayment recognised in relation to the Group's purchase of Phoenix's trustee investment plan business for UK pension scheme clients and £(10)m net expense (2023: £(9)m) related to properties which are not being used operationally. Other adjusting items in 2024 also includes a £11m gain (£23m gain) for net fair value movements in contingent consideration. Other adjusting items in 2023 also included a £36m insurance liability recovery in relation to the single process execution event in 2022.

1.2. Cost/income ratio

	2024	2023
Adjusted operating expenses (£m)	**(1,066)**	(1,149)
Adjusted net operating revenue (£m)	**1,321**	1,398
Cost/income ratio (%)	**81**	82

1.3. Adjusted net operating revenue yield (bps)

	Average AUMA (£bn)		Adjusted net operating revenue (£m)		Adjusted net operating revenue yield (bps)	
	2024	2023	**2024**	2023	**2024**	2023
Adviser[1]	**74.7**	70.8	**237**	224	**31.2**	30.6
Institutional and Retail Wealth	**210.5**	220.0	**648**	716	**30.8**	32.6
Insurance Partners	**158.0**	147.7	**137**	148	**8.7**	10.0
Investments	**368.5**	367.7	**785**	864	**21.3**	23.5
Eliminations[2]	**(7.4)**	(7.8)	**N/A**	N/A	**N/A**	N/A
Adjusted net operating revenue yield[2]	**435.8**	430.7	**1,022**	1,088	**23.4**	25.1
ii[2]			**278**	287		
Performance fees[3]			**12**	14		
Other			**9**	9		
Adjusted net operating revenue			**1,321**	1,398		

Analysis of Institutional & Retail Wealth by asset class

	Average AUM (£bn)		Adjusted net operating revenue (£m)		Adjusted net operating revenue yield (bps)	
	2024	2023	**2024**	2023	**2024**	2023
Equities	**45.5**	49.1	**288**	298	**63.3**	60.7
Fixed income	**34.8**	35.2	**91**	89	**26.2**	25.1
Multi-asset	**24.9**	26.5	**43**	61	**17.1**	23.1
Private equity	**2.2**	10.7	**10**	48	**44.4**	44.7
Real assets	**37.6**	39.5	**159**	171	**42.4**	43.4
Alternative investment solutions including private credit	**26.0**	23.8	**34**	31	**13.2**	13.1
Quantitative	**19.3**	15.9	**7**	5	**3.7**	3.1
Liquidity	**20.2**	19.3	**16**	13	**7.9**	6.9
Institutional and Retail Wealth	**210.5**	220.0	**648**	716	**30.8**	32.6

1. Adviser adjusted net operating revenue yield excludes revenue of £4m (2023: £7m) for which there are no attributable assets.
2. ii is excluded from the calculation of adjusted net operating revenue yield as fees charged for this business are primarily from subscriptions and trading transactions. ii includes financial planning revenue previously classified as Personal Wealth, comparatives also include revenue relating to abrdn Capital. Comparatives, including Eliminations have been restated.
3. Performance fees consist of Institutional & Retail Wealth £6m (2023: £8m) and Insurance Partners £6m (2023: £6m).

1.4. Additional ii information

The tables below provide additional detail of ii operational metrics.

ii operational metrics[1]	2024	2023
Total customers at period end	**439k**	407k
Customers holding a SIPP account	**80.6k**	62.4k
Customer cash balances	**£6.2bn**	£5.5bn
AUA per customer	**£168k**	£152k
New customers	**50.7k**	30.2k
Daily average retail trading volumes	**20.1k**	15.7k

1. Excludes our financial planning business.

1.5. Net capital generation

The table below provides a reconciliation of movements between adjusted profit after tax and net capital generation. A reconciliation of adjusted profit after tax to IFRS profit for the year is included earlier in this section.

	2024 £m	2023 £m
Adjusted profit after tax	**284**	280
Less net interest credit relating to the staff pension schemes	**(22)**	(34)
Less interest paid on other equity	**(11)**	(11)
Add dividends received from associates, joint ventures and significant listed investments	**56**	64
Adjusted capital generation	**307**	299
Less restructuring and corporate transaction expenses (net of tax)	**(69)**	(121)
Net capital generation	**238**	178

Net interest credit relating to the staff pension schemes

The net interest credit relating to the staff pension schemes is the contribution to adjusted profit before tax from defined benefit pension schemes which are in surplus.

Dividends received from associates, joint ventures and significant listed investments

An analysis is provided below:

	2024 £m	2023 £m
Phoenix	**56**	54
HDFC Asset Management	**–**	10
Dividends received from associates, joint ventures and significant listed investments	**56**	64

The table below provides detail of dividend coverage on an adjusted capital generation basis.

	2024	2023
Adjusted capital generation (£m)	**307**	299
Full year dividend (£m)	**260**	267
Dividend cover on an adjusted capital generation basis (times)	**1.18**	1.12

1.6. Net diluted capital generation per share

A reconciliation of net capital generation to adjusted profit after tax is included in 1.5 above.

	2024	2023
Adjusted capital generation (£m)	**307**	299
Net capital generation (£m)	**238**	178
Weighted average number of diluted ordinary shares outstanding (millions)	**1,818**	1,930
Adjusted diluted capital generation per share (pence)	**16.9**	15.5
Net diluted capital generation per share (pence)	**13.1**	9.2

1.7. Cash and liquid resources

The table below provides a reconciliation between IFRS cash and cash equivalents and cash and liquid resources. Seed capital and co-investments are excluded.

	2024 £bn	2023 £bn
Cash and cash equivalents per the consolidated statement of financial position	**1.3**	1.2
Debt securities excluding third party interests[1] – Note 34 (c)(i) of the Group financial statements	**0.5**	0.7
Other[2]	**(0.1)**	(0.1)
Cash and liquid resources	**1.7**	1.8

1. Excludes £69m (2023: £86m) relating to seeding.
2. Cash collateral, cash held for charitable funds and cash held in employee benefit trusts are excluded from cash and liquid resources.

2. Investment performance

Definition	Purpose
Investment performance	
Investment performance is a measure of how investments are performing relative to a benchmark, target, or other comparator. The calculation covers funds that aim to outperform or track a benchmark/target, with certain assets excluded where these measures of performance are not appropriate or expected, such as certain private markets and execution only mandates. Benchmarks and targets differ by fund and are defined in the relevant investment management agreement or prospectus, as appropriate. The investment performance data is calculated internally by abrdn to give users guidance on how we are delivering positive investment outcomes for our clients. It is not intended for clients or potential clients investing in our products as more specific information and reporting is available for this purpose. Investment performance has been aggregated using a money weighted average of our assets under management. Calculations for investment performance are made gross of fees except for those funds for which the stated comparator is net of fees. The calculation uses a closing AUM weighting basis and is based on AUM data available as at the relevant reporting date. As at 31 December 2024, 80% of AUM is covered by this metric, performance is calculated relative to the relevant comparator for each investment strategy on the basis of: – Assets ahead of the benchmark or target defined in the investment management agreement or prospectus, as appropriate. This applies to 60% of the AUM. – Assets where the objective is to track an index are assessed based on being within or above an applicable tolerance for the strategy. This applies to 20% of the AUM.	As an asset managing business this measure demonstrates our ability to generate investment returns for our clients.

	1 year			3 year			5 year		
% of AUM performing	**2024**	2023 restated[1]	2023	**2024**	2023 restated[1]	2023	**2024**	2023 restated[1]	2023
Equities	**32**	27	27	**15**	17	17	**25**	48	48
Fixed income	**83**	81	81	**90**	75	75	**93**	84	84
Multi-asset	**85**	12	12	**36**	15	15	**71**	22	22
Real assets	**30**	30	30	**46**	56	56	**56**	45	45
Alternatives	**94**	98	100	**100**	98	100	**100**	98	100
Quantitative	**98**	100	100	**90**	100	100	**96**	95	37
Liquidity	**100**	100	100	**100**	95	95	**100**	97	97
Total	**77**	55	44	**60**	51	42	**71**	58	52

% of AUM covered by metric	**80%**	75%	61%

The extension to the scope of the investment performance calculation primarily relates to alternatives and quantitative asset classes; the table below provides additional detail highlighting the change to these asset classes:

	1 year			3 years			5 years		
% of AUM performing	**2024**	2023 restated[1]	2023	**2024**	2023 restated[1]	2023	**2024**	2023 restated[1]	2023
Alternatives	**94**	98	100	**100**	98	100	**100**	98	100
Active	**100**	97	100	**100**	97	100	**100**	97	100
Index	**78**	100	N/A	**100**	100	N/A	**100**	N/A	N/A
Quantitative	**98**	100	100	**90**	100	100	**96**	95	37
Active	**100**	100	100	**27**	100	100	**94**	37	37
Index	**98**	100	N/A	**100**	100	N/A	**96**	99	N/A

1. The scope of the investment performance calculation has been extended to include index tracker funds which were previously excluded from this metric. 2023 comparatives have been restated. We believe that this approach provides a more representative view of our overall investment performance.

3. Assets under management and administration and flows

Definition	Purpose
AUMA	
AUMA is a measure of the total assets we manage, administer or advise on behalf of our clients. It includes assets under management (AUM), assets under administration (AUA) and assets under advice (AUAdv). AUMA does not include assets for associates and joint ventures. AUM is a measure of the total assets that we manage on behalf of individual and institutional clients. AUM also includes assets managed for corporate purposes. AUA is a measure of the total assets we administer for clients through our Platforms. AUAdv is a measure of the total assets we advise our clients on, for which there is an ongoing charge.	The amount of funds that we manage, administer or advise directly impacts the level of revenue that we receive.
Net flows	
Net flows represent gross inflows less gross outflows or redemptions. Gross inflows are new funds from clients. Redemptions is the money withdrawn by clients during the period. Cash dividends which are retained on the ii platform are included in net flows for the ii business only. Cash dividends are included in market movements for other parts of the group including the Investments and Adviser platform businesses. We consider that this different approach is appropriate for the ii business as cash dividend payments which are retained result in additional income for ii, but are largely revenue neutral for the rest of the Group.	The level of net flows that we generate directly impacts the level of revenue that we receive.

3.1. Analysis of AUMA

12 months ended 31 December 2024	Opening AUMA at 1 Jan 2024 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions[6] £bn	Closing AUMA at 31 Dec 2024 £bn
ii[1]	**66.0**	**13.7**	**(8.0)**	**5.7**	**5.8**	**–**	**77.5**
Adviser[2]	**73.5**	**6.5**	**(10.4)**	**(3.9)**	**5.6**	**–**	**75.2**
Institutional & Retail Wealth[3]	**211.2**	**36.7**	**(36.4)**	**0.3**	**5.6**	**(6.6)**	**210.5**
Insurance Partners[3,4]	**155.5**	**23.8**	**(28.1)**	**(4.3)**	**8.0**	**–**	**159.2**
Investments	**366.7**	**60.5**	**(64.5)**	**(4.0)**	**13.6**	**(6.6)**	**369.7**
Eliminations[5]	**(11.3)**	**(2.4)**	**3.5**	**1.1**	**(0.8)**	**–**	**(11.0)**
Total AUMA	**494.9**	**78.3**	**(79.4)**	**(1.1)**	**24.2**	**(6.6)**	**511.4**

12 months ended 31 December 2023	Opening AUMA at 1 Jan 2023 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions[7] £bn	Closing AUMA at 31 Dec 2023 £bn
ii[1]	67.1	10.2	(7.3)	2.9	4.1	(8.1)	66.0
Adviser[2]	68.5	5.8	(7.9)	(2.1)	4.6	2.5	73.5
Institutional & Retail Wealth	231.2	28.1	(46.0)	(17.9)	(1.0)	(1.1)	211.2
Insurance Partners[4]	144.9	22.2	(23.3)	(1.1)	11.7	–	155.5
Investments	376.1	50.3	(69.3)	(19.0)	10.7	(1.1)	366.7
Eliminations[5]	(11.7)	(2.2)	2.8	0.6	–	(0.2)	(11.3)
Total AUMA	500.0	64.1	(81.7)	(17.6)	19.4	(6.9)	494.9

1. Includes financial planning business AUA at 31 December 2024 of £3.7bn (2023: £4.3bn).
2. Includes Platform AUA at 31 December 2024 of £72.4bn (2023: £70.9bn).
3. Market and other movements includes transfer of £1.7bn assets from Quantitative mandates in Institutional & Retail Wealth to Insurance Partners.
4. Insurance Partners AUM at 31 December 2024 includes £158.1bn (2023: £154.4bn) relating to Phoenix and £1.1bn (2023: £1.1bn) of other AUM.
5. Eliminations remove the double count reflected in Investments, Adviser and ii.
6. Corporate actions in 2024 relate to the disposal of our European-headquartered Private Equity business in April 2024 (£(7.0)bn) and the acquisition of First Trust Advisors closed-end funds in July and September 2024 (£0.3bn and £0.1bn).
7. Corporate actions in 2023 relate to the acquisition of Macquarie closed-end funds in March and July 2023 (£0.5bn and £0.2bn) and Tekla healthcare fund management capabilities in October 2023 (£2.3bn) and the disposals of our discretionary fund management business in September 2023 (£6.1bn) and US private equity and venture capital business in October 2023 (£4.1bn). Corporate actions also include the transfer of the MPS business from Personal Wealth to Adviser in May 2023 of £2.5bn, and investment share plan and ISA customers who moved on to the ii platform in December 2023 (£0.5bn), and resulting impact on eliminations.

3.2. Quarterly net flows

15 months ended 31 December 2024	3 months to 31 Dec 2024 £bn	3 months to 30 Sep 2024 £bn	3 months to 30 Jun 2024 £bn	3 months to 31 Mar 2024 £bn	3 months to 31 Dec 2023 £bn
ii	**1.4**	1.2	1.9	1.2	0.5
Adviser	**(0.9)**	(1.0)	(1.1)	(0.9)	(1.0)
Institutional & Retail Wealth	**2.3**	(2.4)	(0.3)	0.7	(5.8)
Insurance Partners	**(1.8)**	(1.1)	(0.9)	(0.5)	0.3
Investments	**0.5**	(3.5)	(1.2)	0.2	(5.5)
Eliminations	**0.2**	0.2	0.4	0.3	0.3
Total net flows	**1.2**	(3.1)	–	0.8	(5.7)

4. Public markets and Alternatives investment capability

We have simplified and focused our investment capabilities on areas where we have both the skill and the scale to capitalise on the key themes shaping the market, through either public markets or alternative asset classes. This analysis includes Institutional, Retail Wealth and Insurance Partners.

Analysis of AUM and adjusted net operating revenue

	AUM (£bn)		Adjusted net operating revenue (£m)	
	2024	2023	**2024**	2023
Equities	**62.4**	67.8	**318**	341
Fixed income (including Liquidity)[1]	**124.2**	122.4	**165**	156
Multi-asset	**28.7**	32.3	**57**	81
Quantitative	**84.7**	67.8	**23**	18
Public markets	**300.0**	290.3	**563**	596
Real assets	**41.5**	42.8	**173**	188
Private credit	**7.7**	8.8	**17**	15
Alternative investment solutions	**20.5**	17.1	**32**	28
Private equity	**–**	7.7	**12**	51
Alternatives	**69.7**	76.4	**234**	282
Total Investments	**369.7**	366.7	**797**	878

1. Total liquidity AUM at 31 December 2024 was £38.6bn (2023: £35.3bn). Total liquidity adjusted net operating revenue was £25m (2023: £23m).

5. Institutional and Retail Wealth AUM

Detailed asset class split

12 months ended 31 December 2024	Opening AUM at 1 Jan 2024 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements[1] £bn	Corporate actions[2] £bn	Closing AUM at 31 Dec 2024 £bn
Developed markets equities	11.8	1.0	(2.6)	(1.6)	0.4	–	10.6
Emerging markets equities	11.1	1.4	(3.9)	(2.5)	0.3	–	8.9
Asia Pacific equities	16.3	2.0	(5.1)	(3.1)	1.8	–	15.0
Global equities	8.5	1.1	(1.8)	(0.7)	0.7	–	8.5
Total equities	47.7	5.5	(13.4)	(7.9)	3.2	–	43.0
Developed markets credit	21.4	4.0	(3.5)	0.5	(0.2)	0.4	22.1
Developed markets rates	3.3	0.5	(0.9)	(0.4)	(0.2)	–	2.7
Emerging markets fixed income	9.8	1.9	(2.0)	(0.1)	0.6	–	10.3
Total fixed income	34.5	6.4	(6.4)	–	0.2	0.4	35.1
Absolute return[3]	–	–	–	–	–	–	–
Diversified growth/income	0.2	–	(0.1)	(0.1)	0.8	–	0.9
MyFolio	16.2	1.4	(2.6)	(1.2)	1.2	–	16.2
Other multi-asset[3]	8.7	0.9	(1.1)	(0.2)	(0.9)	–	7.6
Total multi-asset	25.1	2.3	(3.8)	(1.5)	1.1	–	24.7
Total private equity	7.2	–	–	–	(0.2)	(7.0)	–
UK real estate	15.9	0.6	(1.4)	(0.8)	(0.3)	–	14.8
European real estate	13.6	0.3	–	0.3	(1.2)	–	12.7
Global real estate	1.2	0.9	(0.3)	0.6	(0.1)	–	1.7
Real estate multi-manager	1.5	0.2	(0.1)	0.1	(0.2)	–	1.4
Infrastructure equity	6.1	0.7	(0.1)	0.6	(0.1)	–	6.6
Total real assets	38.3	2.7	(1.9)	0.8	(1.9)	–	37.2
Total alternative investment solutions (including private credit)	24.0	2.1	(1.8)	0.3	3.3	–	27.6
Total quantitative	17.1	6.5	(2.9)	3.6	(0.4)	–	20.3
Total excluding liquidity	193.9	25.5	(30.2)	(4.7)	5.3	(6.6)	187.9
Total liquidity	17.3	11.2	(6.2)	5.0	0.3	–	22.6
Total	211.2	36.7	(36.4)	0.3	5.6	(6.6)	210.5

1. Market and other movements includes transfer of £1.7bn assets from Quantitative mandates in Institutional & Retail Wealth to Insurance Partners.
2. Corporate actions in 2024 relate to the disposal of our European-headquartered Private Equity business in April 2024 (£(7.0)bn) and the acquisition of First Trust Advisors closed-end funds in July and September 2024 (£0.3bn and £0.1bn).
3. Other multi-asset includes opening AUM of £3.4bn, flows of £nil, market and other movements of £nil and closing AUM of £3.4bn relating to assets previously classified as Absolute return.

12 months ended 31 December 2023	Opening AUM at 1 Jan 2023 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions[1] £bn	Closing AUM at 31 Dec 2023 £bn
Developed markets equities	11.1	1.1	(3.5)	(2.4)	0.8	2.3	11.8
Emerging markets equities	12.5	0.7	(2.2)	(1.5)	0.1	–	11.1
Asia Pacific equities	20.5	2.1	(4.7)	(2.6)	(1.6)	–	16.3
Global equities	8.2	1.3	(2.0)	(0.7)	0.6	0.4	8.5
Total equities	52.3	5.2	(12.4)	(7.2)	(0.1)	2.7	47.7
Developed markets credit	22.5	3.1	(5.7)	(2.6)	1.4	0.1	21.4
Developed markets rates	2.0	1.1	(0.8)	0.3	0.8	0.2	3.3
Emerging markets fixed income	11.3	1.4	(3.1)	(1.7)	0.2	–	9.8
Total fixed income	35.8	5.6	(9.6)	(4.0)	2.4	0.3	34.5
Absolute return[2]	1.4	0.1	(1.0)	(0.9)	(0.5)	–	–
Diversified growth/income	0.3	0.1	(0.3)	(0.2)	0.1	–	0.2
MyFolio	15.6	1.8	(2.7)	(0.9)	1.5	–	16.2
Other multi-asset[2]	11.0	0.8	(2.0)	(1.2)	(1.1)	–	8.7
Total multi-asset	28.3	2.8	(6.0)	(3.2)	–	–	25.1
Total private equity	12.3	0.1	(0.5)	(0.4)	(0.6)	(4.1)	7.2
UK real estate	19.3	0.2	(1.0)	(0.8)	(2.6)	–	15.9
European real estate	14.3	0.3	–	0.3	(1.0)	–	13.6
Global real estate	1.6	0.3	(0.6)	(0.3)	(0.1)	–	1.2
Real estate multi-manager	1.4	0.2	–	0.2	(0.1)	–	1.5
Infrastructure equity	6.1	0.4	(0.1)	0.3	(0.3)	–	6.1
Total real assets	42.7	1.4	(1.7)	(0.3)	(4.1)	–	38.3
Total alternative investment solutions (including private credit)	24.0	1.3	(1.5)	(0.2)	0.2	–	24.0
Total quantitative	15.0	3.1	(2.0)	1.1	1.0	–	17.1
Total excluding liquidity	210.4	19.5	(33.7)	(14.2)	(1.2)	(1.1)	193.9
Total liquidity	20.8	8.6	(12.3)	(3.7)	0.2	–	17.3
Total	231.2	28.1	(46.0)	(17.9)	(1.0)	(1.1)	211.2

1. Corporate actions in 2023 relate to the acquisition of Macquarie closed-end funds in March and July 2023 (£0.5bn and £0.2bn) and Tekla healthcare fund management capabilities in October 2023 (£2.3bn) and the disposal of US private equity and venture capital business in October 2023 (£(4.1)bn).
2. Other multi-asset includes opening AUM of £4.3bn, net outflows of £0.6bn, market and other movements of £(0.3)bn and closing AUM of £3.4bn relating to assets previously classified as Absolute return.

6. Investments AUM by geography

	31 December 2024			31 December 2023		
	Institutional & Retail Wealth £bn	**Insurance Partners £bn**	**Total £bn**	Institutional & Retail Wealth £bn	Insurance Partners £bn	Total £bn
UK	**97.2**	**159.2**	**256.4**	102.0	155.5	257.5
Europe, Middle East and Africa (EMEA)	**52.9**	**–**	**52.9**	51.9	–	51.9
Asia Pacific (APAC)	**17.3**	**–**	**17.3**	15.7	–	15.7
Americas	**43.1**	**–**	**43.1**	41.6	–	41.6
Total AUM	**210.5**	**159.2**	**369.7**	211.2	155.5	366.7

Other information

Contents

Independent Practitioner's Limited Assurance Report to abrdn plc

Report on selected sustainability information included within abrdn plc's Annual Report and Accounts for the year ended 31 December 2024.

Conclusion

We have performed a limited assurance engagement on whether selected information on pages 50 and 56 of abrdn plc's ("abrdn" or the "Company") Sustainability section of abrdn's Annual Report and Accounts (the "Report") for the year ended 31 December 2024 has been properly prepared in accordance with abrdn's Sustainability reporting criteria as set out on pages 302 - 305 of the Annual Report and Accounts (the "Reporting Criteria"). The information within the Report that was subject to assurance is indicated with the symbol "△ " and is in respect of the year ended 31 December 2024 (the "Selected Information") and is also listed in Appendix 1.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

Our conclusion is to be read in the context of the remainder of this report, in particular the "Inherent limitations in preparing the Selected Information" and "Intended use of our report" sections below.

Our conclusion on the Selected Information does not extend to other information that accompanies or contains the Selected Information and our assurance report (hereafter referred to as "Other Information"). We have not performed any procedures as part of this engagement with respect to such Other Information. We audited the financial statements included within the Other Information, and the part of the Directors' Remuneration Report to be audited, and our report thereon is included with the Other Information.

Basis of conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (UK) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE (UK) 3000") issued by the Financial Reporting Council ("FRC") and, in respect of the greenhouse gas emissions information included within the Selected Information, in accordance with International Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the Institute of Chartered Accountants in England and Wales ("ICAEW") Code of Ethics, which includes independence and other ethical requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards).

Our firm applies International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements ("ISQM (UK) 1"), issued by the FRC, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations in preparing the Selected Information

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable, evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

The greenhouse gas ("GHG") emissions quantification process is subject to: scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs; and estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

For Scope 3 GHG emissions, there are also significant limitations in the availability and quality of GHG emissions data from third parties, resulting in abrdn's reliance on proxy data in determining estimated Scope 3 GHG emissions. Over time better information may become available from third parties and the principles and methodologies used to measure and report Scope 3 GHG emissions may change based on market practice and regulation.

The Reporting Criteria has been developed to assist abrdn in reporting sustainability information selected by abrdn as key metrics to measure the success of its sustainability strategy. As a result, the Selected Information may not be suitable for another purpose.

Directors' responsibilities

The Directors of abrdn are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;

- selecting and/or developing suitable Reporting Criteria for preparing the Selected Information;
- properly preparing the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent limited assurance conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to abrdn.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional scepticism throughout the engagement. We planned and performed our procedures to obtain evidence that is sufficient and appropriate to obtain a meaningful level of assurance over the Selected Information to provide a basis for our limited assurance conclusion. Planning the engagement involves assessing whether abrdn's Reporting Criteria are suitable for the purposes of our limited assurance engagement. Our procedures selected depended on our judgement, on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In carrying out our engagement, we performed procedures which included:

- conducting interviews with management and key staff responsible for the Selected Information to obtain an understanding of the key processes, systems and controls in place for the preparation of the Selected Information;
- obtaining documentation for a selection of transactions, which supports the processes, systems and controls in place for the Selected Information, but did not include evaluating the design of controls, obtaining evidence about their implementation nor testing their operating effectiveness;
- evaluating whether abrdn's methods for developing key estimates were appropriate and had been consistently applied, but did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate abrdn's estimates;
- performing limited substantive testing, including agreeing a selection of the Selected Information to corresponding supporting information, including invoices, survey data, human resources systems, and published emission factors; and
- reading the Report with regard to the Reporting Criteria and for consistency with our findings over the Selected Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Intended use of our report

Our report has been prepared for abrdn solely in accordance with the terms of our engagement. We have consented to the publication of our report on abrdn's website at abrdn.com for the purpose of abrdn showing that it has obtained an independent assurance report in connection with the Selected Information.

Our report was designed to meet the agreed requirements of abrdn determined by abrdn's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than abrdn for any purpose or in any context. Any party other than abrdn who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

Joshua Olomolaiye
for and on behalf of KPMG LLP

Chartered Accountants
15 Canada Square
London
E14 5GL

3 March 2025

The maintenance and integrity of abrdn's website is the responsibility of the Directors of abrdn; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Report presented on abrdn's website since the date of our report.

Appendix 1 – Selected Information

No.	Metric
1	Percentage of women on abrdn plc Board level
2	Percentage of women in Senior leadership
3	Percentage of women in Global workforce
4	Number of Directors of abrdn plc Board identifying as minority ethnic
5	Percentage of Senior leadership identifying as minority ethnic
6	Scope 1 operational emissions
7	Scope 2 operational emissions (location based)
8	Scope 3 operational emissions
9	Total energy consumption (kWh)

Sustainability reporting criteria

Operational emissions disclosure

Reporting boundary

Our methodology aligns with Greenhouse Gas (GHG) Protocol. We use an operational control boundary and exclude any joint ventures and associates. Emissions associated with our direct operations are therefore representative of abrdn plc and its wholly-owned and operated subsidiaries, reported as at 31 December 2024.

Data collection and collation

Our Corporate Sustainability team collects activity data for Scope 1, 2 and 3 emissions categories from across the business[1] and use third-party software to support conversion, and aggregation of inputs to tonnes of carbon dioxide equivalent (tCO_2e)[2]. Note that receipt of information is varied in terms of KPI and sources. As such, the collection of data is varied, dependent upon the availability of such data. We are reliant on third-parties for the collection of some data.

Scope 1 emissions

We report emissions from natural gas, fluorinated gas, company-owned vehicles used solely for business purposes, and stationary fuel[3]. Recorded metrics, such as kilowatt-hours (kWh), relate to energy use in our buildings and car mileage, and are converted to tCO_2e using regional guidance on conversion factors. The recorded metrics are collected from various sources, e.g. meter readings and supplier invoices, and differ for each emission source (kWh, m^3, kg, litres).

Scope 2 emissions

Consumption from electricity and district heating is metered and measured in kWh for in-scope operations and converted to tCO_2e using regional guidance on conversion factors. The source for this information is typically energy bills from utility providers.

Reported Scope 3 emissions categories

We report fuel and energy related activities (Category 3), waste from UK operations (Category 5), business travel (Category 6), and an estimate for employees working from home (Category 7). For each category we follow GHG Protocol guidance and prioritise the conversion of real data, such as: meter readings and supplier invoices (Category 3); third-party data provided by waste contractors (Category 5); and passenger kilometres travelled obtained by third-parties (Category 6), to tCO_2e using applicable conversion factors.

Energy consumption

We report energy consumption associated with purchased electricity, natural gas, company-owned vehicles used solely for business purposes, stationary fuel, and district heating in kWh. This data is reported in both aggregated and disaggregated forms.

Estimating working from home emissions

Our approach

To calculate our estimated emissions associated with colleagues working from home (part of Category 7), we revised our approach in 2023 in collaboration with our external partners, Pawprint. The basis of the approach is to use the Pawprint methodology to calculate the estimated emissions profile of an abrdn colleague working from home, which is aggregated to an annual tCO_2e figure based upon inputs such as headcount[4] and assumed office occupancy. We are using the technical model developed by Pawprint[5], as we believe this has a strong basis for this purpose.

Inputs from our colleague survey

We ask all colleagues to respond to a voluntary survey, with questions designed to enable the generation of an average emissions profile for abrdn colleagues. In 2024, we received an 18% response rate across global colleagues, which we use as the basis for the output.

Average emissions profile

The applied method builds an average emissions profile based on survey inputs capturing home size, working patterns, heating, cooling, and equipment use. Consumption values are drawn and converted from regional averages sourced from guidance published by those such as the Department for Business, Energy & Industrial Strategy (BEIS).

Office occupancy

Our colleagues are generally expected to work from our offices three days a week and we use this as our ratio to aggregate a 2024 average emissions profile. This is after making allowances for annual leave and part-time work. We also assume a seven-hour working day, based on standard contractual terms. In practice, we acknowledge that this will vary.

Total colleagues

Our survey was conducted during September and October 2024, and we are using an average FTE across the year as the basis for our total population.

1. See page 48 of the Sustainability and TCFD report 2024 for the number of countries we operate in.
2. Conversion factors applied differ by region and source of emissions data. Primary sources are DEFRA, IEA, NGA, UNFCCC, and www.carbonfootprint.com
3. Fluorinated gas and stationary fuel limited to 5 sites, with 50% FTE coverage
4. In 2024, we improved our FTE coverage to include contingent workers.
5. Pawprint emissions methodology available at www.pawprint.eco/methodology

Operational emissions disclosure

Key limitations to our approach

Our 2024 approach uses colleague survey inputs to create a more nuanced average emissions profile, paired with the third-party model from Pawprint. We believe this is a more robust approach for long-term utility but stress that the calculation of working from home emissions is inherently reliant on some key inputs and assumptions. The reported figure should be treated as an estimated value only. Figures such as the office occupancy ratio and employee headcount have significant bearing on the aggregate figures reported. This means that changes to policy, or our business, may result in higher or lower reported figures that are unrelated to real-world emissions changes.

Improvements in 2024

Following the completion of our 2023 exercise, we implemented several refinements to the methodology, which allows for greater specificity in the calculations. For example, we now account for specific laptop models and types of lighting in use in the home.

Limitations and exclusions

Market-based emissions

We report both location- and market-based emissions, but note that our operational targets are measured using location-based emissions. We believe this to be best practice, with the outputs reflecting absolute emission reductions over time. Market-based emissions are not included as part of our external assurance engagement but are disclosed on page 56.

Use of estimates

We source primary data wherever possible but if data is not available, we will estimate based on an equivalent time for the previous year, the average consumption for the facility, or a similar site within the portfolio, scaled according to energy consumption and relative FTE. The sites we estimate are immaterial in terms of our overall emissions impact.

If data is completely unavailable for a site, we may choose not to disclose a value rather than providing an estimate; for example, there are limitations linked to the completeness of some reported data such as waste disposal across all global office locations.

Due to the nature of our operations, we focus our efforts on the facilities with the largest proportion of FTE, and we aim for continuous improvement year on year.

Other Scope 3 emissions categories

We do not currently report against all 15 categories of Scope 3 defined by the GHG Protocol. Our assessment is that some categories are not material due to the nature of our operations, but we acknowledge gaps related to purchased goods and services (Category 1), capital goods (Category 2), employee commuting (Category 7) and investments (Category 15). Scope 3 reported emissions do not include some emissions categories deemed to be material, but where data is currently unavailable.

During 2023, our procurement function worked to develop a Category 1 and 2 baseline, which we expect to report in future. We also carried out an employee survey which will enable us to establish a Category 7 baseline. In 2024, our focus has been to improve and refine these data sets in preparation for future disclosure. Our focus for Category 15 has been to enable our clients to understand emissions related to their portfolios and we disclose portfolio carbon intensity metrics on page 57, with scope limited by data coverage and availability. This does not currently include financed emissions associated with the assets on the abrdn plc balance sheet.

Our intention is to disclose all material emissions categories over time. However, our priority is to ensure that abrdn's data capability meets our reporting requirements and to enable reporting of our emissions to our clients. We will continue to allocate resources with that view but expect to add to our disclosure in future. This may result in adjustments to our reported baseline and targets.

DEI – gender and ethnic representation

Outlining our reporting scope

Reporting boundary

Our reporting boundary for our global workforce and senior leadership populations is representative of abrdn plc and its wholly-owned and operated subsidiaries. Data is reported as of 31 December 2024, unless otherwise stated.

abrdn plc Board

The abrdn plc Board is comprised of one Chair, eight Non-Executive Directors, and one Executive Director. Diversity information for all Board members is self-reported at point of joining, with option of updating at any stage during tenure.

Global workforce

Our global workforce includes all full-time, part-time, fixed term, graduates, apprentices, secondees and intern employees. We do not make any adjustments for part-time working and count each person as one employee. As independent members of the Board, Non-Executive Directors are not included in total populations. All diversity characteristics are self-reported by all colleagues through our people systems at point of joining and self-service update at any stage during employment. This information is typically disclosed during onboarding processes, but colleagues do have the ability to change and update their own information, should this be required. Gender representation is calculated based on a total headcount of 4,420 as at 31 December 2024. This is reported as a percentage of the total workforce population.

Senior leadership

Our senior leadership is defined as those one and two reporting levels below the CEO of abrdn plc, excluding all administrative and support staff. This is a subset of our global workforce and follows the same self-reporting processes noted. Gender representation is calculated based on a total senior leadership population of 93 as of 31 December 2024. This is reported as a percentage of the total workforce population.

Definitions and exclusions

Gender

Reported representation figures are based upon self-disclosed information from colleagues and Directors. This is split by male and female gender identities for the purposes of formal and regulatory reporting. We recognise and are supportive of colleagues who may choose to identify as a different gender to that assigned at birth, as non-cisgender, or as non-binary.

Ethnicity

Our ethnicity data for the abrdn plc Board is based upon our Board members' self-reported ethnicity to our DEI team, compared with UK census data to identify ethnic minority backgrounds (all non-white groups). For our senior leadership population, data is self-reported via our people systems and is disclosed as the proportion of individuals identifying as being from non-white groups, in accordance with UK census data categories. The disclosure rate for this population is 82%.

Administrative roles

Colleagues in administrative and support roles are excluded from our senior leadership population for the purposes of our related target and reporting. These roles are defined by job title, or equivalent, with supporting information on our people systems used as the basis.

Leave

Colleagues on garden leave as at 31 December 2024 are excluded from the senior leadership population. In simple terms, this reflects colleagues in the process of leaving the business who remain on leave until the completion of a notice period. Other forms of leave are included.

Excluded data

When reporting aggregated gender representation, any colleagues without gender on our people systems as of 31 December 2024 are removed from the calculation. This related to 24 colleagues in 2024 (2023: 63). When reporting aggregated ethnicity representation, this is given as an overall percentage figure with no exclusions. Where possible, we report disclosure rate alongside ethnicity representation.

Portfolio emissions disclosure

Public markets: Weighted average carbon intensity (WACI)

WACI is our method of tracking public market decarbonisation, in line with the original recommendations of the TCFD. We source emissions data from our specialist third-party provider and use our proprietary tools to apply the data to our portfolios and enable aggregate reporting. In-scope assets include specific funds and mandates within equities, fixed income and active quantitative strategies, with demonstrable decarbonisation achieved across each of the asset classes.

Real estate: Carbon intensity by floor area

Calculation approach

Carbon emissions data for real estate is based on the energy consumed in the operation of real estate assets. Data is collated by asset class specialists and aggregated for reporting and disclosure purposes.

Existing scope

There is a significant lag to the collection of real estate metrics from individual assets. This prevents reporting to 31 December 2024, with disclosure on page 57 applicable to financial year 2023. The scope of carbon data disclosure reflects around 74% of direct real estate AUM as at 31 December 2023. This translates to approximately 4% of Group AUMA. Of this, 27% of direct real estate AUM has associated Scope 1 and 2 emissions. The remaining emissions are Scope 3 emissions, which fall outside the scope of this target.

Scope 1 and 2 emissions

Data from Scope 1 and 2 emissions categories is in-scope for our portfolio decarbonisation target (page 57). This is inclusive of activity data such as electricity, gas, and district heating, which is then converted to $kgCO_2e$ using location-based emissions factors. These factors are average grid carbon factors, which are subject to change each year. Scope 1 and 2 emissions relate to energy which the landlord (the investment manager) procures and excludes energy procured by tenants, which is categorised under Scope 3. This is important, as procurement responsibility varies by individual asset. Assets, such as multi-let office buildings, typically have landlord procurement responsibility for the entire building, whereas for asset types, such as retail parks, the landlord may only procure energy for common areas and exterior lighting. The result is that some assets are more carbon intensive than others based on the subdivision of this responsibility.

Scope 3 emissions

Our team collects and collates available Scope 3 emissions, but this data is not readily available to a high level of completeness and accuracy. Scope 3 data is not included as part of our portfolio decarbonisation target, or subject to disclosure in this report.

Intensity by floor area

Our portfolio decarbonisation target uses floor area (m^2) as the denominator for carbon intensity across the in-scope real estate portfolio. We note that the availability of accurate floor area data across our entire portfolio is limited. We consider our confidence level in both this, and Scope 1 and 2 data, before including an asset as in-scope for our target. This is something we are working to improve over time.

Portfolio emissions metrics

As investors we do not have access to real-time emissions data from companies and assets. There also remain significant reporting gaps across some regions and sectors, with Scope 3 reporting still to fully develop. We use Scope 1 and 2 data to track progress against our target and report core portfolio level metrics (page 57). The source for this data set in public markets is a specialist third-party provider, whereas data for real estate is collected directly from occupiers of those assets. Both routes include a lag associated with data being reported, collated, and made available to investors. Asset classes other than listed equity, corporate credit, and real estate remain difficult to accurately monitor due to data availability and nascent methodologies. Our portfolio metrics are based upon the original recommendations of TCFD, and methods established by the Partnership for Carbon Accounting Financials (PCAF), which we believe to be best practice. It is also important to recognise that portfolio carbon metrics are subject to volatility not related to changes in emissions, with revenues, asset values, and markets as key drivers. We believe that tracking and reporting these metrics is critical, but that tools such as climate scenario analysis (page 55) are also essential to support decision-making.

Glossary

Adjusted capital generation

Adjusted capital generation is part of the analysis of movements in IFPR regulatory capital. Adjusted capital generation is calculated as adjusted profit after tax less returns relating to pension schemes in surplus and interest paid on other equity (Additional Tier 1 instruments). It also includes dividends from associates, joint ventures and significant listed investments.

Adjusted net financing costs and investment return

Adjusted net financing costs and investment return is a component of adjusted profit and relates to the return from the net assets of the shareholder business, net of costs of financing. This includes the net assets in defined benefit staff pension plans and net assets relating to the financing of subordinated liabilities.

Adjusted net operating revenue

Adjusted net operating revenue is a component of adjusted operating profit and includes revenue we generate from asset management charges (AMCs), platform charges, treasury income and other transactional charges. AMCs are earned on products such as mutual funds, and are calculated as a percentage fee based on the assets held. Investment risk on these products rests principally with the client, with our major indirect exposure to rising or falling markets coming from higher or lower AMCs. Treasury income is the interest earned on cash balances less the interest paid to customers. It excludes items which are one-off and, due to their size, or nature are not indicative of the long-term operating performance of the Group. Adjusted net operating revenue is shown net of fees, cost of sales, commissions and similar charges. Cost of sales include revenue from fund platforms which is passed to the product provider.

Adjusted net operating revenue yield (bps)

The adjusted net operating revenue yield is a measure that illustrates the average margin being earned on the assets that we manage or administer and excludes the ii business. It is calculated as annualised adjusted net operating revenue (excluding performance fees, ii and revenue for which there are no attributable assets) divided by monthly average fee based assets. The ii business is excluded from the calculation of adjusted net operating revenue yield as fees charged for this business are primarily from subscriptions and trading transactions.

Adjusted operating expenses

Adjusted operating expenses is a component of adjusted operating profit and relates to the day-to-day expenses of managing our business. Adjusted operating expenses excludes restructuring and corporate transaction expenses. Adjusted operating expenses also excludes amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts.

Adjusted operating profit

Adjusted operating profit is the Group’s key APM, and is reported on a pre-tax basis. Adjusted operating profit includes the results of the Group’s three businesses: ii, Adviser and Investments, along with Other business operations and corporate costs.

It excludes the Group’s adjusted net financing costs and investment return.

Adjusted operating profit also excludes the impact of the following items:
- Restructuring and corporate transaction expenses. Restructuring includes the impact of major regulatory change.
- Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts.
- Profit or loss arising on the disposal of a subsidiary, joint venture or equity accounted associate.
- Change in fair value of/dividends from significant listed investments.
- Share of profit or loss from associates and joint ventures.
- Impairment loss/reversal of impairment loss recognised on investments in associates and joint ventures accounted for using the equity method.
- Fair value movements in contingent consideration.
- Items which are one-off and, due to their size or nature, are not indicative of the long-term operating performance of the Group.

Adjusted profit before tax

In addition to the results included in adjusted operating profit above, adjusted profit before tax includes adjusted net financing costs and investment return.

Assets under management and administration (AUMA)

AUMA is a measure of the total assets we manage, administer or advise on behalf of our clients. It includes assets under management (AUM), assets under administration (AUA) and assets under advice (AUAdv). AUMA does not include assets for associates and joint ventures.

AUM is a measure of the total assets that we manage on behalf of individual and institutional clients. AUM also includes assets managed for corporate purposes.

AUA is a measure of the total assets we administer for clients through our Platforms.

AUAdv is a measure of the total assets we advise our clients on, for which there is an ongoing charge.

Board

The Board of Directors of the Company.

Carbon intensity

Is a measure of the amount of carbon dioxide (CO_2) or other greenhouse gases emitted per unit of activity, such as energy produced, economic output, or product manufactured. It is often used to compare the environmental impact of different fuels, processes, or activities.

Carbon offsetting

Carbon offsetting is an internationally recognised way to take responsibility for carbon emissions. The aim of carbon offsetting is that for every one tonne of offsets purchased there will be one less tonne of carbon dioxide in the atmosphere than there would otherwise have been. To offset emissions we purchase the equivalent volume of carbon credits (independently verified emissions reductions) to compensate for our operational carbon emissions. We have been reviewing our use of offsetting, and although we will continue to use offsets as a means of addressing our residual emissions, our prime objective is always to reduce our environmental impact before compensating for it.

Common Equity Tier 1 (CET1) Capital Coverage

CET1 capital coverage is calculated as CET1 own funds as a percentage of total own funds threshold requirement.

Company

abrdn plc.

Cost/income ratio

This is an efficiency measure that is calculated as adjusted operating expenses divided by adjusted net operating revenue.

Director

A director of the Company.

Earnings per share (EPS)

EPS is a commonly used financial metric which can be used to measure the profitability and strength of a company over time. EPS is calculated by dividing profit by the number of ordinary shares. Basic EPS uses the weighted average number of ordinary shares outstanding during the year. Diluted EPS adjusts the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, such as share options awarded to employees.

Effective tax rate

Tax expense/(credit) attributable to equity holders' profit divided by profit before tax attributable to equity holders' profits expressed as a percentage.

Executive Leadership Team (ELT)

The ELT is responsible to the CEO for the execution of corporate objectives and strategy, competitive analysis, sharing client insights, ensuring communication and alignment across senior leadership, oversight of annual budget and business plan proposals, review of performance against targets and plan, idea generation, oversight and delivery of people-related matters, oversight of sustainability and oversight of risk and controls.

Fair value through profit or loss (FVTPL)

FVTPL is an IFRS measurement basis permitted for assets and liabilities which meet certain criteria. Gains or losses on assets or liabilities measured at FVTPL are recognised directly in the income statement.

FCA

Financial Conduct Authority of the United Kingdom.

Greenhouse gases

Greenhouse gases are the atmospheric gases responsible for causing global warming (i.e. the greenhouse effect) and climate change. These gases, both natural and anthropogenic in origin include carbon dioxide, methane and nitrous oxide. Other greenhouse gases which are less prevalent but with a greater Global Warming Potential include hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6).

Group or abrdn

Relates to the Company and its subsidiaries.

Group Operating Committee (GOC)

The GOC is responsible to the CEO for the development of corporate objectives and strategy, oversight of commercial operations, finalisation of the annual budget and business plan, proposals for inorganic strategic activity, commercial aspects of people-related matters and to support the effective operation and cohesion of the ELT.

Internal Capital Adequacy and Risk Assessment (ICARA)

The ICARA is the means by which the Group assesses the levels of capital and liquidity that adequately support all of the relevant current and future risks in its business.

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards are accounting standards issued by the International Accounting Standards Board (IASB).

Investment Firms Prudential Regime (IFPR)

The Investment Firms Prudential Regime is the FCA's prudential regime for MiFID investment firms.

Investment performance

Investment performance is a measure of how investments are performing relative to a benchmark, target, or other comparator. The calculation covers funds that aim to outperform or track a benchmark/target, with certain assets excluded where these measures of performance are not appropriate or expected, such as certain private markets and execution only mandates. Benchmarks and targets differ by fund and are defined in the relevant investment management agreement or prospectus, as appropriate. The investment performance data is calculated internally by abrdn to give users guidance on how we are delivering positive investment outcomes for our clients. It is not intended for clients or potential clients investing in our products as more specific information and reporting is available for this purpose.

Investment performance has been aggregated using a money weighted average of our assets under management. Calculations for investment performance are made gross of fees except for those funds for which the stated comparator is net of fees. The calculation uses a closing AUM weighting basis and is based on AUM data available as at the relevant reporting date.

As at 31 December 2024, 80% of AUM is covered by this metric, performance is calculated relative to the relevant comparator for each investment strategy on the basis of:
- Assets ahead of the benchmark or target defined in the investment management agreement or prospectus, as appropriate. This applies to 60% of the AUM.
- Assets where the objective is to track an index are assessed based on being within or above an applicable tolerance for the strategy. This applies to 20% of the AUM.

LBG tranche withdrawals

On 24 July 2019, the Group announced that it had agreed a final settlement in relation to the arbitration proceedings between the parties concerning LBG's attempt to terminate investment management arrangements under which assets were managed by members of the Group for LBG entities. In its decision of March 2019, the arbitral tribunal found that LBG was not entitled to terminate these investment management contracts. The Group had continued to manage approximately £104bn (as at 30 June 2019) of assets under management (AUM) for LBG entities during the period of the dispute. Approximately two thirds of the total AUM (the transferring AUM) will be transferred to third party managers appointed by LBG through a series of planned tranches from 24 July 2019. The Group continued to be remunerated for its services in relation to the transferring AUM until the final tranche withdrawal was completed in H1 2022.

Market Disclosure

This IFPR disclosure complements the Own funds requirement and Own funds threshold requirement with the aim of improving market discipline by requiring companies to publish certain details of their risks, capital and risk management. Relevant disclosures are made in the abrdn plc consolidated annual report and accounts and alongside the accounts of the Group's individual IFPR-regulated entities, all of which can be found on the abrdn plc Group's website.

Net capital generation

Net capital generation is calculated as adjusted capital generation less restructuring and corporate transaction expenses (net of tax).

Net flows

Net flows represent gross inflows less gross outflows or redemptions. Gross inflows are new funds from clients. Redemptions is the money withdrawn by clients during the period. Cash dividends which are retained on the ii platform are included in net flows for the ii business only. Cash dividends are included in market movements for other parts of the group including the Investments and Adviser platform businesses. We consider that this different approach is appropriate for the ii business as cash dividend payments which are retained result in additional income for ii, but are largely revenue neutral for the rest of the Group.

Net zero

It is generally accepted that net zero is the target of completely negating the amount of greenhouse gases produced by human activity, to be achieved by reducing emissions to the lowest possible amount and offsetting (see carbon offsetting) only the remainder as a last resort.

Operational emissions

Operational emissions are the greenhouse gas emissions related to the operations of our business. They are categorised into three groups or 'scopes' in alignment with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain. At abrdn we report on Scope 1 and Scope 2 emissions, and a selection of Scope 3 categories, where deemed material, which includes our working from home emissions.

Own Funds Requirement

Under IFPR, the Own Funds Requirement is the higher of the permanent minimum capital requirement, the fixed overheads requirements, and the K-factor requirement. The K-factor requirement is the sum of: Risk-to-Client, Risk-to-Market, and Risk-to-Firm K-factors.

Own Funds Threshold Requirement

Under IFPR, the Own Funds Threshold Requirement is the higher of Own funds required on an ongoing basis and Own funds required on a wind-down basis. The firm identifies and measures risks of harm and determines the degree to which systems and controls alone mitigate those risks of harm (or risks of disorderly wind-down). Any additional own funds needed, over and above the Own funds requirement, to cover this identified residual risk is held under the Own Funds Threshold Requirement.

Paris alignment

'Paris alignment' refers to the alignment of public and private financial flows with the objectives of the Paris Agreement on climate change. Article 2.1c of the Paris Agreement defines this alignment as "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development". Alignment in this way will help to scale up the financial flows needed to strengthen the global response to the threat of climate change.

Phoenix or Phoenix Group

Phoenix Group Holdings plc or Phoenix Group Holdings plc and its subsidiaries.

Significant listed investments

At 31 December 2024, Phoenix is the only significant listed investment. Our remaining stakes in HDFC Asset Management and HDFC Life were sold during H1 2023. Fair value movements and dividend income relating to these investments are treated as adjusting items for the purpose of determining the Group's adjusted profit.

Subordinated liabilities

Subordinated liabilities are debts of a company which, in the event of liquidation, rank below its other debts but above share capital. The 5.25% Fixed Rate Reset Perpetual Subordinated Contingent Convertible Notes issued by the Company in December 2021 are classified as other equity as no contractual obligation to deliver cash exists.

Weighted Average Carbon Intensity (WACI)

Is calculated by summing the product of each portfolio holdings carbon intensity, typically carbon intensity by revenue (tCO_2/$m Revenue) and the corresponding holdings' weight in the portfolio after adjusting for non-eligible assets. WACI can be calculated at different levels of aggregation across holdings, portfolio and asset classes.

Shareholder information

Registered office

1 George Street
Edinburgh
EH2 2LL
Scotland

Company registration number: SC286832

Secretary: Iain Jones

Registrar: Equiniti

Auditors: KPMG LLP

Solicitors: Slaughter and May

Brokers: JP Morgan Cazenove, Goldman Sachs

Shareholder services

We offer a wide range of shareholder services. For more information, please:

- Contact our registrar, Equiniti, who manage this service for us. Their full details can be found on the inside back cover.
- Visit our share portal at **www.abrdnshares.com**
- **For shareholder services call:** +44 (0)371 384 2464*

* Calls are monitored/recorded to meet regulatory obligations and for training and quality purposes. Call charges will vary.

A Dividend Reinvestment Plan (DRIP) is provided by Equiniti Financial Services Limited. The DRIP enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at **www.abrdnshares.com**

Sign up for Ecommunications

Signing up means:

- You'll receive an email when documents like the annual report and accounts, Half year results and AGM guide are available on our website.
- Voting instructions for the Annual General Meeting will be sent to you electronically.

Set up a share portal account

Having a share portal account means you can:

- Manage your account at a time that suits you.
- Download your documents when you need them.

To find out how to sign up, visit www.abrdnshares.com

Preventing unsolicited mail

By law, the Company has to make certain details from its share register publicly available. As a result it is possible that some registered shareholders could receive unsolicited mail, emails or phone calls. You could also be targeted by fraudulent 'investment specialists', clone firms or scammers posing as government bodies e.g. HMRC, FCA. Frauds are becoming much more sophisticated and may use real company branding, the names of real employees or email addresses that appear to come from the company. If you get a social or email message and you're unsure if it is from us, you can send it to **emailscams@abrdn.com** and we'll let you know.

You can also check the FCA warning list and warning from overseas regulators, however, please note that this is not an exhaustive list and do not assume that a firm is legitimate just because it does not appear on the list as fraudsters frequently change their name and it may not have been reported yet.

www.fca.org.uk/consumers/unauthorised-firms-individuals

www.iosco.org/investor_protection/?subsection=investor_alerts_portal

You can find more information about share scams at the Financial Conduct Authority website **www.fca.org.uk/consumers/scams**

If you are a certificated shareholder, your name and address may appear on a public register. Using a nominee company to hold your shares can help protect your privacy. You can transfer your shares into the Company-sponsored nominee – the abrdn Share Account – by contacting Equiniti, or you could get in touch with your broker to find out about their nominee services. If you want to limit the amount of unsolicited mail you receive generally, please visit **www.mpsonline.org.uk**

Financial calendar

Full year results 2024	**4 March**
Ex-dividend date for 2024 final dividend	**27 March**
Record date for 2024 final dividend	**28 March**
Last date for DRIP elections for 2024 final dividend	**23 April**
Annual General Meeting – Edinburgh	**8 May**
Dividend payment date for 2024 final dividend	**13 May**
Half year results 2025	**30 July**
Ex-dividend date for 2025 interim dividend	**14 August**
Record date for 2025 interim dividend	**15 August**
Last date for DRIP elections for 2025 interim dividend	**3 September**
Dividend payment date for 2025 interim dividend	**23 September**

Analysis of registered shareholdings at 31 December 2024

Range of shares	Number of holders	% of total holders	Number of shares	% of total shares
1-1,000	53,491	65.77	20,846,069	1.13
1,001-5,000	23,548	28.96	49,439,323	2.69
5,001-10,000	2,636	3.24	17,959,369	0.97
10,001-100,000	1,350	1.66	29,560,951	1.61
#100,001+	304	0.37	1,722,936,917	93.60
Total	**81,329**	**100.00**	**1,840,742,629**	**100.00**

\# These figures include the Company-sponsored nominee – the abrdn Share Account – which had 834,638 participants holding 613,561,526 shares.

Forward-looking statements

This document may contain certain 'forward-looking statements' with respect to the financial condition, performance, results, strategies, targets (including ESG targets), objectives, plans, goals and expectations of the Company and its affiliates. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements are prospective in nature and are not based on historical or current facts, but rather on current expectations, assumptions and projections of management of the abrdn Group about future events, and are therefore subject to known and unknown risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

For example but without limitation, statements containing words such as 'may', 'will', 'should', 'could', 'continues', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'hopes', 'plans', 'pursues', 'ensure', 'seeks', 'targets' and 'anticipates', and words of similar meaning (including the negative of these terms), may be forward-looking. These statements are based on assumptions and assessments made by the Company in light of its experience and its perception of historical trends, current conditions, future developments and other factors it believes appropriate.

By their nature, all forward-looking statements involve risk and uncertainty because they are based on information available at the time they are made, including current expectations and assumptions, and relate to future events and/or depend on circumstances which may be or are beyond the Group's control, including, among other things: UK domestic and global political, economic and business conditions; market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the impact of inflation and deflation; the impact of competition; the timing, impact and other uncertainties associated with future acquisitions, disposals or combinations undertaken by the Company or its affiliates and/or within relevant industries; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the value of and earnings from the Group's strategic investments and ongoing commercial relationships; default by counterparties; information technology or data security breaches (including the Group being subject to cyberattacks); operational information technology risks, including the Group's operations being highly dependent on its information technology systems (both internal and outsourced) and the continued development and enhancement of said technology systems (including the utilisation of artificial intelligence (AI)); natural or man-made catastrophic events; the impact of pandemics; climate change and a transition to a low-carbon economy (including the risk that the Group may not achieve its relevant ESG targets); exposure to third-party risks including as a result of outsourcing; the failure to attract or retain necessary key personnel; the policies and actions of regulatory authorities and the impact of changes in capital, solvency or accounting standards, ESG disclosure and reporting requirements, and tax and other legislation and regulations (including changes to the regulatory capital requirements) that the Group is subject to in the jurisdictions in which the Company and its affiliates operate. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals, objectives and expectations set forth in the forward-looking statements.

Neither the Company, nor any of its associates, directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Persons receiving this document should not place reliance on forward-looking statements. All forward-looking statements contained in this document are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Each forward-looking statement speaks only as at the date of the particular statement. Neither the Company nor its affiliates assume any obligation to update or correct any of the forward-looking statements contained in this document or any other forward-looking statements it or they may make (whether as a result of new information, future events or otherwise), except as required by law. Past performance is not an indicator of future results and the results of the Company and its affiliates in this document may not be indicative of, and are not an estimate, forecast or projection of, the Company's or its affiliates' future results.

Notes

Contact us

Got a shareholder question? Contact our shareholder services team.

UK and overseas

visit	**www.abrdnshares.com**
email	questions@abrdnshares.com
phone	44(0)371 384 2464*
mail	abrdn Shareholder Services Aspect House Spencer Road Lancing, West Sussex BN99 6DA, United Kingdom

* Calls are monitored/recorded to meet regulatory obligations and for training and quality purposes. Call charges will vary.

Extensive information, including many answers to frequently asked questions, can also be found online at **www.abrdnshares.com**

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Please remember that the value of shares can go down as well as up and you may not get back the full amount invested or any income from it. All figures and share price information have been calculated as at 31 December 2024 (unless otherwise indicated).

This document has been published by abrdn plc for information only. It is based on our understanding as at March 2025 and does not provide financial or legal advice.

abrdn plc is registered in Scotland (SC286832) at 1 George Street, Edinburgh EH2 2LL.

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