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abrdn PLC
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abrdn plc
Full Year Results 2024
Part 2 of 7

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.

Sustainability - Environmental transition

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

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.

Contents

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

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

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

interactive investor (ii)	Adviser	Investments
Adjusted operating profit £116m (2023: £114m)	Adjusted operating profit £126m (2023: £118m)	Adjusted operating profit £61m (2023: £50m)
AUMA £77.5bn (2023: £66.0bn)	AUMA £75.2bn (2023: £73.5bn)	AUM £369.7bn (2023: £366.7bn)
Cost/income ratio 58% (2023: 60%)	Cost/income ratio 47% (2023: 47%)	Cost/income ratio 92% (2023: 94%)

Read more about our three businesses on pages 24 to 36. 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	ii, Adviser	UK: Transfer of c.£5.5tn expected over the next 25 years[1]	Dynamic retirement solutions
Increasing personal responsibility for	ii, Adviser	UK: 35% of adults (19.1m) hold	Direct and advised investing

savings		investments, up 6 ppts from 2018[2]	
Growing savings & advice gap	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	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

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:

FY26 Adjusted operating profit	FY26 Net capital generation
>£300m	**c.£300m**

interactive investor	Adviser	Investments
Sustain efficient growth by building on our differentiated proposition and investing in the ii brand.	Return to net inflows by enhancing our proposition and delivering leading client service.	Step change in profitability by repositioning to areas of strength and opportunity, and driving improved efficiency.
FY26	FY26	FY26
Customer growth	Net promoter score[2]	Investment performance (3-years)
8% p.a.	**>40**	**>70%**
Cost/AUMA ratio[1]	Net inflows	Adjusted operating profit
<20bps	**>£1bn**	**>£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.

Transformperformance

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.

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

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

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

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

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

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

£4.6tn

UK Savings and Wealth Market[1]

£366bn

D2C Platforms[2]

£77.5bn interactive investor

AUMA

Adjusted operating profit

2023 2024 2023 2024

2023	2024	2023	2024
£66.0bn	£77.5bn	£114m	£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.

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.

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.

ii advice
(digital advice service)

Managed SIPP
("help me do it" SIPP)

ii 360
(advanced trading platform)

Lower confidence Investors (New segment)

Self-directed Investors (Covered Segment)

Active/expert Investors (New Segment)

Meeting broader customer needs

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

£4.6tn

UK Savings and Wealth Market[1]

£697bn

Adviser Platforms[2]

£75bn

abrdn

Adviser[3]

AUMA

Adjusted operating profit

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.

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.

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

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

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."

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

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."

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 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]

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.

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.

Our strategic overview

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

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**

Diagram removed for the purposes of this announcement. However it can be viewed in full in the pdf document

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	2024
£366.7bn	£369.7bn

Adjusted operating profit

2023	2024
£50m	£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.

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.

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.

Transforming our business

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

"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

Inclusive growth	Responsible business	Environmental transition
Social mobility	Compliant	Climate
Inclusion	Commercial	Nature

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%$^{\Delta}$ female representation at senior leadership

Ethnicity

7%$^{\Delta}$ ethnic minority representation at UK senior

senior leadership

at UK senior leadership

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

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

Δ 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.

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

1. Includes a subset of in-scope assets across equities, fixed income,
2. 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

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

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'

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.

Board of Directors	
Board Committees	Audit
	Remuneration
	Nomination and Governance
	Risk and Capital

CEO	Group Operating Committee	ELT
Executive Sustainability Committee		
Thematic Working Groups (convened as required)		
Group Sustainability		

ii	Adviser	Investments

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.

£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%).

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

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."

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

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).

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

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.

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

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%

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%

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

78%

(2023: 68%)

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

67%

(2023: 53%)

"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

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	Costs to gather, analyse, and publish data	Reporting tools and efficient processes	Group	0-5 yrs	Medium

	reporting landscape, with regional variants	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.

Diagram removed for the purposes of this announcement. However it can be viewed in full in the pdf document

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 (tCO e)	2024	2023	2018
Scope 1Δ[2]	**692**	739	2,667
Scope 2 (location based)Δ[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 Δ[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 (tCO e)				
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 (tCO e)				
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 e/ m Revenue (Scope 1 and 2)

WACI: tCO e/ 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 e/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 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.

Investments
Insurance companies; sovereign wealth funds; independent wealth managers; individuals; pension funds; platforms; banks; family offices

interactive investor
Individuals

Our purpose is to enable our clients to be better investors

Adviser
Financial advisers

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

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.	**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

	- 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.	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	Sustainability professionals and governance structure

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 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.

Adjusted capital generation **KPI APM**

£307m

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

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.

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.

IFRS profit/(loss) before tax **KPI APM**

£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.

Net capital generation **KPI APM**

£238m

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

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] **KPI**
(Percentage of AUM performing over three years)

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

Net flows - Total

£(1.1)bn

IFRS diluted earnings per share

13.0p

Gross inflows

£78.3bn

Net flows

(excluding liquidity, and LBG tranche withdrawals in 2022)

£(6.1)bn

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 & Investments 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.

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).

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.
- 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.
- 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).

	2024	2023
Adjusted net operating revenue	**£m**	£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

- 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%).
- 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 flows

1. 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.
2. Excluding liquidity, net outflows improved to (2)% of opening AUM compared with (7)% in 2023.
3. 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.

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.

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.

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

	2024	2023
Analysis of profit	**£m**	£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	2023
	£m	£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				

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.

CET1 capital coverage	**2024 £m**	2023 £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 £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

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 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 page79.
- The Group's substantial holdings of cash and liquid resources as well as holdings in listed equity investments, as set out on page79.
- 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.

Risk to our business	How we manage this risk
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