Half year results 2024

abrdn plc

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abrdn plc Half year results 2024

6 August 2024

Delivering better performance

- Profitability supported by progress in transforming our cost base
- Performance transformation in Investments ongoing
- Strong earnings in Adviser with action being taken to address outflows
- Increased investment in interactive investor supporting organic growth

Summary results

Performance indicators	H1 2024	H1 2023	Change
Net operating revenue	**£667m**	£721m	(7)%
Cost/income ratio	**81%**	82%	1ppt
Adjusted operating profit	**£128m**	£127m	1%
Adjusted capital generation	**£144m**	£142m	1%
Net capital generation	**£104m**	£50m	
IFRS profit/(loss) before tax	**£187m**	£(169)m	
IFRS profit/(loss) for the period	**£171m**	£(145)m	
Adjusted diluted earnings per share	**6.8p**	6.2p	10%
Diluted earnings per share	**9.1p**	(7.7)p	
AUMA[1]	**£505.9bn**	£494.9bn	2%
Net flows	**£0.8bn**	£(5.2)bn	
Net flows excluding liquidity[2]	**£(1.6)bn**	£(4.4)bn	64%
Investment performance – 3 years[1,3]	**54%**	51%	3ppts
Interim dividend per share	**7.3p**	7.3p	-

1. Comparative as at 31 December 2023.
2. Excludes Institutional/Retail Wealth liquidity net inflows of £2.4bn (H1 2023: £0.8bn outflows).
3. Percentage of AUM outperforming. Calculations for investment performance use a closing AUM weighting basis and are made gross of fees except where the stated comparator is net of fees. 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. As at 30 June 2024, 77% (31 December 2023 restated: 75%) of AUM is covered by this metric.

Jason Windsor, Interim Chief Executive Officer of abrdn plc, said:

"In the first half of the year we have made an encouraging start as we become more efficient, and we enhance our propositions to lay the foundations for growth.

We have three core businesses, with strong, scale positions in attractive markets and each has headroom to grow. While market conditions remain challenging, we are firmly on track to realise at least £150m of annualised cost savings by the end of 2025.

These are solid foundations, positioning us for a step-change in performance and allowing us to invest further in growth.

I am excited about the potential in abrdn, and confident that by delivering against our priorities, we can deliver better outcomes for our clients, more attractive performance for our shareholders and nurture a culture that sustains long-term success."

Group profitability supported by progress in transforming our cost base

- Net operating revenue 7% lower at £667m (H1 2023: £721m), reflecting the impact of outflows and the expected lower margins in Investments as well as the net impact of corporate actions. Reduction partly offset by increase in Adviser revenue.
- Adjusted operating expenses reduced by 9% to £539m (H1 2023: £594m) reflecting good progress in achieving cost savings, including 11% lower staff costs (excluding variable compensation) and 9% lower non-staff costs.
- Adjusted operating profit 1% higher at £128m (H1 2023: £127m).
- IFRS profit before tax of £187m (H1 2023: loss £169m) includes the gain on sale of the European-headquartered Private Equity business of £88m and lower losses of £(15)m (H1 2023: £(181)m) from the reduction in the value of the listed stakes held on our balance sheet.
- AUMA at £505.9bn (FY 2023: £494.9bn), 2% higher than FY 2023 due to positive market movements and flows.
- Adjusted diluted EPS increased to 6.8p (H1 2023: 6.2p) due to the higher adjusted profit after tax and the benefit from share buybacks in 2023.

Progress on costs in Investments, flows and performance remain areas of focus

- Net operating revenue 12% lower at £406m (H1 2023: £461m) due to net outflows and changes in the asset mix resulting in margin of 22.0bps (H1 2023: 24.6bps).
- Adjusted operating expenses reduced by 13% to £372m (H1 2023: £427m) reflecting cost savings across both staff and non-staff expenses.
- Adjusted operating profit was stable at £34m (H1 2023: £34m).
- Gross inflows improved to £31.3bn (H1 2023: £27.0bn) reflecting strong inflows in liquidity, fixed income and quantitatives.
- Net outflows improved to £1.0bn (H1 2023: £6.5bn) reflecting the higher gross inflows above partly offset by net outflows in Equities, Multi-asset and Insurance Partners. Excluding liquidity, net outflows were £3.4bn (H1 2023: £5.7bn).
- Investment performance[1] improved to 54% (FY 2023: 51%) of AUM above benchmark over 3 years and 70% (FY 2023: 55%) over 1 year.

Strong earnings in Adviser with action being taken to address outflows

- Net operating revenue 16% higher at £119m (H1 2023: £103m) reflecting a £13m benefit of a revised distribution arrangement for services provided by abrdn to Phoenix in respect of the Wrap SIPP.
- Average cash margin in H1 2024 was 263bps (FY 2023: 228bps) and we expect FY 2024 to be broadly in line with H1 2024, subject to unexpected changes in interest rates.
- Adjusted operating profit 33% higher at £65m (H1 2023: £49m) benefiting from higher revenue. Expenses have continued to benefit from a temporary third-party outsourcing discount of £7m (H1 2023: £7m). This discount will cease on delivery of the abrdn SIPP.
- Net outflows of £2.0bn (H1 2023: £0.6bn) reflect elevated redemptions in the period, owing to the continued impact of the higher cost of living, further IFA consolidation and inflation beating cash saving options in the market.
- We are taking actions to address these net flow challenges including making further improvements to our service proposition following the short-term impact of a technology upgrade in 2023. We launched a new cash savings solution and announced a strategic reprice to achieve a highly competitive position in the market.

Increased underlying investment in interactive investor supporting organic growth

- Net operating revenue 10% lower at £137m (H1 2023: £152m) due to the sale of abrdn Capital in 2023. Excluding this, revenue increased by 5% to £137m (H1 2023: £130m) reflecting higher trading and FX fees.
- Average cash margin was 234bps (FY 2023: 236bps) and the indicative average cash margin for FY 2024 is expected to be maintained at these levels subject to unexpected changes in interest rates.
- Adjusted operating profit 10% lower at £55m (H1 2023: £61m) principally reflecting increased investment to drive and create additional capacity for organic growth.
- Net customer growth in H1 2024 was 4% to 422k[2] (FY 2023: 407k) reflecting growth in SIPP customers.
- Net inflows increased to £3.1bn (H1 2023: £1.8bn), representing 4.7% of opening AUA, driven by customer growth.

Improving net capital generation remains a priority

- Adjusted capital generation up 1% to £144m (H1 2023: £142m) driven by higher adjusted profit after tax. Covers interim dividend 1.11 times (H1 2023: 1.04 times).
- Net capital generation of £104m (H1 2023: £50m) more than doubled reflecting lower restructuring costs.
- Interim dividend maintained at 7.3p.
- CET1 capital resources were £1,544m (FY 2023: £1,466m) with coverage of 146% (FY 2023: 139%).

1. Percentage of AUM outperforming. Calculations for investment performance use a closing AUM weighting basis and are made gross of fees except where the stated comparator is net of fees. 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. As at 30 June 2024, 77% (31 December 2023 restated: 75%) of AUM is covered by this metric.
2. Excludes our financial planning business.

Outlook

Each of our three core businesses have made progress against their strategic objectives in the first half, and our focus on returning to profitable and sustainable growth is showing some early signs of success. However, while we have seen an improvement in market conditions in the first half, the outlook for global financial markets remains uncertain.

Against this backdrop, we are taking action to improve investment performance, modernise our platforms and restore profitability by transforming our cost base. We are investing in areas where we see clear opportunities for growth, including investment specialisms where we have strength and scale. In the structurally attractive UK savings and wealth market, Adviser is seeking to improve its competitive position through a strategic reprice while interactive investor continues to innovate to reach a growing number of customers. We remain on track to improve efficiency through our cost transformation programme, with the actions we are taking expected to help us drive operating costs below £1,075m for 2024. We are also on track to meet our target of delivering at least £150m of annualised cost savings by the end of 2025 compared to 2023.

Media and analyst calls

A conference call for media will take place today at 07:10am (BST). To access the conference call, you will need to pre-register at
https://event.loopup.com/SelfRegistration/registration.aspx?booking=5X8zjVUJ6mjKcAzEorPUaTsY8azLIW6tiyWSX8Thlqw=&b=2389e96d-457b-46a8-bebb-fec356d5b031

A presentation for analysts and investors will follow at 08:30am (BST). To view the webcast of the presentation please go to **www.abrdn.com**

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* Calls may be monitored and/or recorded. Call charges will vary.

The Half year results 2024 are published on the Group's website at **www.abrdn.com/hyresults**

The Management report (section 1) is on pages 1 to 14. Details of forward-looking statements can be found on page 66.

APM Certain measures such as adjusted operating profit, adjusted profit before tax, adjusted capital generation and cost/income ratio, 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 condensed consolidated income statement, condensed consolidated statement of financial position and condensed consolidated statement of cash flows, which are presented in the Financial information section of this report. Further details on APMs are included in Supplementary information.

See Supplementary information for details on AUMA, net flows and the investment performance calculation. Net flows excluding liquidity on page 1 excludes Institutional and Retail Wealth liquidity flows as they are volatile and lower margin.

All movements shown are compared to H1 2023 unless otherwise stated.

Chief Executive Officer's statement

Introduction

I am delighted to have been appointed as Interim CEO, and excited by the significant opportunities across the Group. Let me start my statement by thanking all of our clients, customers and colleagues for their continued support of our business. My overriding objective will always be supporting our clients to achieve their investing goals, and I have been very impressed by the commitment of everybody at abrdn to this objective.

The Board and I are convinced there is significant headroom in each of our three core businesses, which are at different points in their development. We will build on the strong strategic foundation of each business, with a relentless focus on execution.

From a financial perspective, our strategy targets profitable growth and higher net capital generation, giving us greater scope to invest to grow the businesses and to sustain the Group's very healthy dividend which is valued by our shareholders.

My top three priorities are to transform performance, further improve the client experience and create a culture aligned to attracting and retaining talent. By executing against these priorities, I believe we will build the foundation for long-term success across the Group.

Update on transformation programme

The transformation programme we announced in January 2024 is designed to deliver a step change in efficiency and profitability across the Group. I am pleased to report that we are on track to deliver the targets, namely cost savings of c.£60m in 2024, and at least £150m of annualised cost savings by the end of 2025. As detailed below, our results show that we are already beginning to see a positive impact on performance, particularly in Investments, which is the main focus of the programme.

The transformation programme is about more than cost reduction; it is also designed to deliver improved outcomes for our clients and colleagues. This includes smoother processes, simpler structures, and better use of technology. The first wave of transformation initiatives has now been embedded into the plans for each business.

Overview of performance

Our focus on improving profitability is showing some early signs of success. Group adjusted operating profit was £128m, which is higher than both H1 2023 and H2 2023 (profit of £127m and £122m, respectively). However, this is not close to the level of profitability we aspire to, as there is much more potential in the Group.

Materially higher IFRS profit before tax of £187m (H1 2023: loss £169m) includes a £88m gain on sale of the European-headquartered Private Equity business, and lower losses compared to last year from the reduction in the value of the listed stakes held on our balance sheet.

AUMA increased slightly to £506bn, with total Group net inflows including liquidity of £0.8bn. This is a material improvement on both the first and second halves of last year.

Each of our three businesses has made progress. Net flows improved considerably in Investments (despite outflows in equities). We have delivered good customer growth in interactive investor, and Adviser has made pricing and proposition enhancements that will help the business to return to growth. It is clear to me, however, that each business is yet to unlock its potential, and there is significant headroom for improvement.

Investments

Positive flows in areas of strong performance, focus on improving profitability

Following the significant industry headwinds of the last few years, we are pleased to see an improvement in market conditions in the first half of 2024. As a result, AUM has increased to £369bn (FY 2023: £367bn), despite outflows of £1bn, and a £7bn reduction from corporate actions. Adjusted operating profit was stable at £34m (H1 2023: £34m) with actions taken to transform the cost base driving a 13% reduction in expenses, offsetting a reduction in revenues.

Although flows improved significantly over the previous 12 months, they did remain negative overall with net outflows of £1bn across the Investments business, compared to £6.5bn of net outflows in H1 2023 and £12.5bn in H2 2023. Outflows in equities remained a challenge in line with industry trends, but total flows benefited from momentum in fixed income, quantitative, and liquidity strategies. Improving the investment performance of our equity funds overall remains a priority, particularly in Asia and Emerging Markets where we have a significant concentration of AUM.

In the second half of 2024, we expect to reduce costs further, seek continued growth where we have strong performance and continue to improve performance elsewhere. We remain committed to delivering stabilised revenues and improved efficiency to drive a much higher level of profitability.

Adviser

Investment in technology, pricing, proposition, and leadership team to return to growth

Adviser increased its adjusted operating profit by a third to £65m (H1 2023: £49m). This was helped by a 16% increase in net operating revenue, which reflected a £13m benefit of a revised SIPP distribution arrangement with Phoenix signed in 2023.

Gross inflows increased by 7% to £3.1bn, however net outflows of £2.0bn (H1 2023: £0.6bn) remained disappointing, reflecting elevated redemptions.

To address the outflows and to attract new clients in the structurally growing market, we have implemented a series of initiatives. First, to capitalise on service and user experience benefits from the platform upgrade that was completed in 2023. Second, to continue to add new functionality to the platform including the recently launched integrated cash savings solution on Wrap. Third, to change our pricing, which we announced in May, to a level that is more competitive, helping us to attract new clients and flows. In addition, Adviser has strengthened its senior leadership team with the appointment of a new dedicated Chief Technology Officer and a new Chief Distribution Officer.

With this series of initiatives, and an improved distribution strategy, we are focused on returning Adviser to positive flows.

interactive investor

Strong net inflows underpinned by investment in organic growth

Organic growth remains the key focus, with total customers up 4% to 422k and SIPP customers up 17% since the start of the year. Adjusted operating profit of £55m includes profit of £59m in the ii D2C platform and a £4m loss from the financial planning business. The lower profit in the period reflects the sale of abrdn Capital, and the increased investment ii has been making in marketing and product development to support customer growth.

This growth in customers and the take up of SIPP has helped to drive a 74% increase in net inflows on ii's direct platform to £3.3bn. This represented an annualised 11% of opening assets, reflecting ii's compelling subscription-based pricing, leading technology and excellent user experience. All of which have helped to position ii as a leader in the significant and rapidly growing UK savings and wealth market.

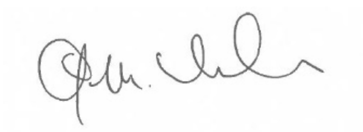
interactive investor will continue to launch new products in the second half of the year, including a managed SIPP, as we continue our focus on meeting the needs of a growing number of customers.

Our priorities

As we head into the second half of 2024, our focus is on realising the significant potential in each of our businesses through relentless delivery. As I've outlined, this includes executing against the strategies of each business to **transform performance** and improve further the **client experience.**

We will also focus on **talent and culture**. We need our people engaged and motivated, with belief and confidence in abrdn, to realise the opportunity in front of us. We will be taking action on multiple fronts, including: embedding greater colleague empowerment and clearer responsibilities to support faster decision-making; attracting and retaining top talent and increasing support for career development of our people. We will also continue to focus on delivering more sustainable and inclusive outcomes for our colleagues, clients and wider stakeholders. Seeing the benefit will take time but is critical to support our future success.

I am excited about the potential in abrdn and confident that by delivering against our priorities we can create an organisation that our colleagues can be proud to work for, delivers better outcomes for our clients, and more attractive performance for our shareholders.



Jason Windsor
Interim Chief Executive Officer

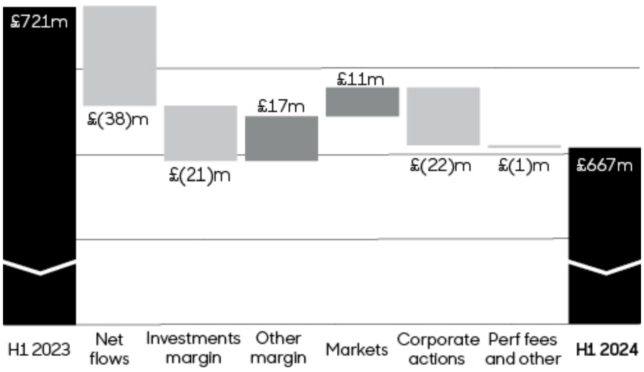
Results summary

Analysis of profit	H1 2024 £m	H1 2023 £m
Net operating revenue	**667**	721
Adjusted operating expenses	**(539)**	(594)
Adjusted operating profit	**128**	127
Adjusted net financing costs and investment return	**42**	24
Adjusted profit before tax	**170**	151
Adjusting items including results of associates and joint ventures	**17**	(320)
IFRS profit/(loss) before tax	**187**	(169)
Tax (expense)/credit	**(16)**	24
IFRS profit/(loss) for the period	**171**	(145)

The IFRS profit before tax was £187m (H1 2023: loss £169m) including adjusted operating profit of £128m (H1 2023: £127m) and adjusted net financing costs and investment return of £42m (H1 2023: £24m). Adjusting items were £17m (H1 2023: loss £320m) including:
- Restructuring and corporate transaction expenses of £51m (H1 2023: £113m), including costs relating to our transformation programme.
- Loss of £15m (H1 2023: loss £181m) from the change in fair value of significant listed investments as a result of the reduction in the share price of Phoenix in H1 2024. H1 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 £99m (H1 2023: £nil).

Adjusted operating profit was £1m higher than H1 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 remains on track to deliver the c.£60m benefit from lower adjusted operating expenses in 2024 and the annualised cost savings of at least £150m by the end of 2025. At 30 June 2024, actions have been taken which will deliver c.£50m of annualised savings, benefiting H1 2024 adjusted operating expenses by £20m. The implementation costs were £23m in H1 2024 and are included in restructuring costs.

Net operating revenue



Net operating revenue decreased by 7% reflecting:
- Impact of net outflows and changes to asset mix resulting in lower Investments margin.
- Other margin includes the benefit in Adviser from the revised distribution arrangement with Phoenix, higher trading and FX activity in ii, and higher total treasury income of £85m (H1 2023: £81m).
- £11m benefit of favourable market movements.
- £22m 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.
- £4m lower performance fees in Asia Pacific and Emerging markets equities.

Adjusted operating expenses

	H1 2024 £m	H1 2023 £m
Staff costs excluding variable compensation	**233**	262
Variable compensation	**43**	43
Staff and other related costs[1]	**276**	305
Non-staff costs	**263**	289
Adjusted operating expenses	**539**	594

Adjusted operating expenses reduced by 9% reflecting good progress in achieving cost savings:
- 11% reduction in staff costs (excluding variable compensation), with the benefit of fewer FTEs (11)%, partly offset by salary increases and increased investment, especially in ii, to drive growth.
- Variable compensation in line with H1 2023 reflecting business performance and fewer FTEs.
- 9% reduction in non-staff costs, with cost savings partly offset by the impact of inflation.

The Group cost/income ratio improved slightly to 81% (H1 2023: 82%) reflecting the benefit of the significant cost reduction activity which was partly offset by lower revenues.

1. See Supplementary information for a reconciliation to IFRS staff and other employee related costs.

Investments

Adjusted operating profit
£34m

Net operating revenue
£406m

Net operating revenue yield
22.0bps

Net flows
£(1.0)bn

	Total		Institutional and Retail Wealth		Insurance Partners	
	H1 2024	H1 2023	**H1 2024**	H1 2023	**H1 2024**	H1 2023
Net operating revenue[1,2]	**£406m**	£461m				
Adjusted operating expenses[1]	**£(372)m**	£(427)m				
Adjusted operating profit[1]	**£34m**	£34m				
Cost/income ratio[1]	**92%**	93%				
Net operating revenue yield	**22.0bps**	24.6bps	**31.7bps**	33.7bps	**9.1bps**	10.6bps
AUM	**£369.3bn**	£366.7bn[3]	**£210.7bn**	£211.2bn[3]	**£158.6bn**	£155.5bn[3]
Gross inflows	**£31.3bn**	£27.0bn	**£18.5bn**	£15.8bn	**£12.8bn**	£11.2bn
Redemptions	**£(32.3)bn**	£(33.5)bn	**£(18.1)bn**	£(22.5)bn	**£(14.2)bn**	£(11.0)bn
Net flows	**£(1.0)bn**	£(6.5)bn	**£0.4bn**	£(6.7)bn	**£(1.4)bn**	£0.2bn
Net flows excluding liquidity[4]	**£(3.4)bn**	£(5.7)bn	**£(2.0)bn**	£(5.9)bn	**£(1.4)bn**	£0.2bn

Adjusted operating profit

- Profit was stable at £34m, reflecting 12% reduction in revenue offset by 13% lower costs as we transform the cost base.

Net operating revenue

- 12% lower than H1 2023 largely due to net outflows and changes to the asset mix.
- Performance fees of £3m (H1 2023: £7m) were earned mainly from real assets and active equities.

Adjusted operating expenses

- Adjusted operating expenses reduced by £55m (13%) to £372m (H1 2023: £427m[1]).
- Staff costs have reduced reflecting 13% fewer front/middle office FTEs.
- Adjusted operating expenses also benefited from lower outsourcing and professional fees, project and change spend and property costs, as well as a reduced allocation of central Group costs.

Institutional and Retail Wealth

Net operating revenue

- 13% lower at £335m (H1 2023: £383m[1]) primarily due to net outflows particularly from higher margin asset classes, consistent with the risk-off environment seen across the market.
- 6% reduction in average AUM to £211.0bn (H1 2023: £225.5bn). Multi-asset and equities average AUM down 10% and 9% respectively.

Revenue yield

- 2.0bps lower at 31.7bps 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.

Gross inflows

- Excluding liquidity, £1.7bn (16%) higher at £12.6bn (H1 2023: £10.9bn) mainly in quantitative and fixed income primarily reflecting continued demand for these asset classes.

Net flows

- Net inflows of £0.4bn (H1 2023: outflows £6.7bn) included the benefit of liquidity inflows in the period. Excluding liquidity, net outflows were £3.9bn lower than H1 2023 at £2.0bn due to higher gross inflows and lower redemptions.
- Excluding liquidity, net outflows represent 1% of opening AUM compared with 3% in H1 2023.
- Redemptions (excluding liquidity) were £2.2bn lower than H1 2023 at £14.6bn (H1 2023: £16.8bn) due to lower fixed income redemptions.

1. Finimize and our digital innovation group have moved from Investments to Other. Comparatives have been restated.
2. Includes performance fees of £3m (H1 2023: £7m).
3. Comparative as at 31 December 2023.
4. Institutional/Retail Wealth liquidity net flows excluded.

Insurance Partners

Net operating revenue

- 9% lower in H1 2024 at £71m (H1 2023: £78m), reflecting the impact of asset mix and associated pricing changes offset by a 6% increase in average AUM to £156.3bn.

Revenue yield

- Net operating revenue yield decreased to 9.1bps (H1 2023: 10.6bps) due to a shift in asset mix from active to passive strategies, which we expect to continue through 2024. This, together with related pricing changes, is expected to result in a further reduction in yields.

Gross inflows

- £1.6bn higher than H1 2023 at £12.8bn (H1 2023: £11.2bn) including the benefit from higher activity in Phoenix'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 £1.4bn in H1 2024 (H1 2023: £0.2bn inflow), representing (0.9)% of opening AUM compared with 0.1% in H1 2023.

Investment performance

% of AUM performing[1]	1 year		3 years		5 years	
	H1 2024	FY 2023 restated	**H1 2024**	FY 2023 restated	**H1 2024**	FY 2023 restated
Equities	**23**	27	**14**	17	**23**	48
Fixed income	**89**	81	**79**	75	**84**	84
Multi-asset	**65**	12	**27**	15	**37**	22
Real assets	**40**	30	**42**	56	**45**	45
Alternatives	**97**	98	**100**	98	**100**	98
Quantitative	**92**	100	**90**	100	**93**	95
Liquidity	**100**	100	**96**	95	**100**	97
Total	**70**	55	**54**	51	**58**	58

The investment performance measures now include our large and growing Index tracking Alternatives and Quantitative AUM, where we are delivering well on expected outcomes for clients.

Investment performance on a 1 and 3 year basis has improved since the start of the year. We continue to deliver strong investment performance across our Alternatives, Fixed Income, Liquidity and Quantitative strategies with the majority of AUM outperforming the relevant comparator benchmarks.

Across Multi-asset, the majority of our MyFolio range AUM is ahead of comparators and performing well compared to peers. The Diversified Assets funds are also ahead over 1, 3 and 5 years. We are also starting to see the benefits of our process enhancement programme as well as better short-term performance with 75% of AUM ahead YTD. This includes improved tactical asset allocation benefiting some large balanced mandates.

Within Real Assets, after a challenging couple of years for the Real Estate market, our strategies are showing positive signs of recovery with 40% of Real Estate AUM outperforming over 1 year to Q1 2024 and with our Listed Real Estate funds outperforming over 1, 3 and 5 years.

The market backdrop continues to present challenges for active management in Equities with only 33% of actively managed funds globally outperforming over the year to 30 June 2024[2].

Our Equities performance continues to be impacted by this backdrop and our AUM bias towards Asia and Emerging Markets and the underperformance of China and Quality as a style within China. Furthermore, the exceptionally concentrated performance of the 'Magnificent 7' stocks in the US also remains a headwind for our Developed Markets strategies and particularly those with a yield focus. However, there are areas of outperformance in Equities including our EM Income, UK Value and European Income strategies both vs benchmarks and peers.

We continue to focus on making improvements to the investment process in Equities with priority areas identified across the value chain. Shorter term performance has improved in Smaller Companies and regional Asian country funds including India.

1. Calculations for investment performance use a closing AUM weighting basis and are made gross of fees except where the stated comparator is net of fees. Benchmarks and targets differ by fund and are defined in the investment management agreement or prospectus, as appropriate. These benchmarks are primarily based on indices or peer groups. 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. As at 30 June 2024, 77% (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.
2. Source: LSEG, Performance Review – Relative Performance of Equity Funds as of June 30, 2024.

Adviser

Adjusted operating profit **£65m**

Net operating revenue **£119m**

Net operating revenue yield **31.4bps**

Net flows **£(2.0)bn**

	H1 2024	H1 2023
Net operating revenue	**£119m**	£103m
Adjusted operating expenses	**£(54)m**	£(54)m
Adjusted operating profit	**£65m**	£49m
Cost/income ratio	**45%**	52%
Net operating revenue yield	**31.4bps**	28.8bps
AUMA[1]	**£75.0bn**	£73.5bn[2]
Gross inflows	**£3.1bn**	£2.9bn
Redemptions	**£(5.1)bn**	£(3.5)bn
Net flows	**£(2.0)bn**	£(0.6)bn

Adjusted operating profit

- Strong earnings performance with profit up 33% to £65m.
- Cost/income ratio improved by 7ppts to 45%, benefiting from higher revenue, as detailed below.
- Expenses continued to benefit from a temporary third-party outsourcing discount of £7m (H1 2023: £7m). This discount will end on delivery of the abrdn SIPP.

Net operating revenue

- Revenue increased by 16% to £119m mainly reflecting a £13m benefit of a revised distribution arrangement for services provided by abrdn to Phoenix in respect of the Wrap SIPP (which we now expect to take legal ownership of in 2025).
- Platform charges reduced slightly to £84m including the impact of IFA clients benefiting from higher tiered discounts triggered by higher asset values.
- Treasury income on client balances increased to £17m, benefiting from rising interest rates during 2023 offset by an increase in cash interest paid to clients.
- The average margin earned on client cash balances during H1 2024 was 263bps (FY 2023: 228bps) and the indicative Adviser average cash margin for FY 2024 is expected to be broadly in line with H1 2024, subject to unexpected changes in interest rates.
- Other revenue increased to £19m mainly reflecting the revised distribution arrangement with Phoenix. There was also a £2m increase from the transfer of Managed Portfolio Service (MPS) from ii in May 2023.

Net operating revenue	H1 2024 £m	H1 2023 £m
Platform charges	**84**	85
Treasury income	**17**	15
Other revenue	**19**	4
Less: Cost of sales	**(1)**	(1)
Net operating revenue	**119**	103

1. Includes Platform AUA of £72.3bn (31 December 2023: £70.9bn).
2. Comparative as at 31 December 2023.

Revenue yield

- Increased to 31.4bps due to the higher revenue explained under net operating revenue.
- We expect to see a reduction in revenue yield in 2025 reflecting the previously announced repricing which will be applied to existing back book before the end of Q1 2025 and the impact of any unexpected changes in UK interest rates.
- Average AUMA of £74.1bn was 5% higher than H1 2023.

AUMA

- AUMA increased slightly to £75.0bn driven by favourable market movements offset by net outflows.
- Average customer cash balances as a percentage of average AUMA (excluding SIPP and bonds) were 2.6% (FY 2023: 2.2%).

Gross and net flows

- Net outflows of £2.0bn reflected higher redemptions in the period.
- Gross inflows increased on H1 2023 with the full six months benefit of the MPS business in H1 2024.
- Elevated outflows included the impact of higher cost of living, further IFA consolidation and the availability of inflation beating cash saving options in the market.
- We are taking actions to address these challenges including making further improvements to our service proposition following the short-term impact of a technology upgrade in 2023, undertaking a strategic reprice resulting in a highly competitive position in the market, investing in our senior leadership team and distribution capabilities, and making available a new cash saving solution which launched in July 2024.

interactive investor[1]

Adjusted operating profit **£55m**

Net operating revenue **£137m**

Cost/income ratio **60%**

Net flows **£3.1bn**

	H1 2024	H1 2023
Net operating revenue	**£137m**	£152m
Adjusted operating expenses	**£(82)m**	£(91)m
Adjusted operating profit	**£55m**	£61m
Cost/income ratio	**60%**	60%
AUMA[2]	**£72.9bn**	£66.0bn[3]
Gross inflows	**£7.1bn**	£5.6bn
Redemptions	**£(4.0)bn**	£(3.8)bn
Net flows	**£3.1bn**	£1.8bn

Adjusted operating profit

– Profit reduced by £6m to £55m due to reinvestment to drive organic growth and £2m due to the sale of abrdn Capital to LGT in September 2023.

Net operating revenue

– Revenue of £137m, was £15m lower than in H1 2023, reflecting the sale of abrdn Capital which (including MPS revenue which transferred to Adviser) contributed £22m to revenue in H1 2023.
– Excluding abrdn Capital, revenue increased by £7m or 5% and continued to benefit from diversified revenue streams from subscriptions, transaction based revenues and treasury income.
– Treasury income increased to £68m, benefiting from sustained high interest rates since H1 2023.
– The average cash margin in H1 2024 was 234bps (FY 2023: 236bps) and the indicative ii average cash margin for FY 2024 is expected to be maintained at these levels subject to unexpected changes in interest rates.
– Trading revenues of £33m reflected higher trading and FX activity.
– Fee income reduced to £13m mainly reflecting the sale of abrdn Capital and the transfer of MPS to Adviser in May 2023.

Net operating revenue	**H1 2024 £m**	H1 2023 £m
Trading transactions	**33**	25
Subscription/account fees	**26**	27
Treasury income	**68**	66
Fee income	**13**	37
Less: Cost of sales	**(3)**	(3)
Net operating revenue	**137**	152

Adjusted operating expenses

– Lower adjusted operating expenses of £82m mainly reflect the sale of abrdn Capital.
– Excluding abrdn Capital, expenses increased by £11m or 15%, reflecting higher advertising 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 £72.9bn (FY 2023: £66.0bn), benefiting from stronger markets and growing in net flows.
– Average customer cash balances as a percentage of average AUA were 8.8%[4] (FY 2023: 9.8%).
– Total customers increased by 4% to 422k[4] (FY 2023: 407k) due to organic growth. Our strategy to increase SIPP market penetration continues, with the number of customers holding a SIPP account up by 17% to 73.0k (FY 2023: 62.4k).

Gross and net flows

– Net inflows increased to £3.1bn (H1 2023: £1.8bn) due to customer growth and existing customers choosing more of our products, including our SIPP.
– Within this, the ii direct platform generated net inflows of £3.3bn offset by £0.2bn net outflows in the financial planning business.

1. See Supplementary information for additional operational metrics.
2. Includes financial planning business AUA at 30 June 2024 of £4.1bn (31 December 2023: £4.3bn).
3. Comparative as at 31 December 2023.
4. Excludes our financial planning business.

Overall performance

Adjusted operating profit **£128m**

IFRS profit before tax **£187m**

Net capital generation **£104m**

Net flows **£0.8bn**

Segmental summary	Adjusted operating profit H1 2024 £m	Adjusted operating profit H1 2023 £m	AUMA H1 2024 £bn	AUMA FY 2023 £bn	Net flows H1 2024 £bn	Net flows H1 2023 £bn
Investments[1,2]	**34**	34	**369.3**	366.7	**(3.4)**	(5.7)
Adviser	**65**	49	**75.0**	73.5	**(2.0)**	(0.6)
ii	**55**	61	**72.9**	66.0	**3.1**	1.8
Other[1,3]	**(26)**	(17)	**-**	–	**-**	–
Eliminations	**-**	–	**(11.3)**	(11.3)	**0.7**	0.1
Total	**128**	127	**505.9**	494.9	**(1.6)**	(4.4)
Liquidity net flows					**2.4**	(0.8)
Total net flows (including liquidity)					**0.8**	(5.2)

The adjusted operating loss in Other increased to £26m (H1 2023: £17m) primarily reflecting higher retained corporate costs. Other also includes losses of Finimize and our digital innovation group.

Assets under management and administration

AUMA increased by 2% to £505.9bn (FY 2023: £494.9bn):

- Total net inflows of £0.8bn includes liquidity net inflows of £2.4bn. Excluding liquidity, net outflows were £1.6bn, with outflows in Investments and Adviser partly offset by positive flows in ii.
- Market and other movements of £17.2bn reflecting stronger markets primarily within alternative investment solutions and equities.
- Impact of corporate actions of £(7.0)bn following the disposal of our European-headquartered Private Equity business in April 2024.

Results Summary

Analysis of profit	H1 2024 £m	H1 2023 £m
Net operating revenue	**667**	721
Adjusted operating expenses	**(539)**	(594)
Adjusted operating profit	**128**	127
Adjusted net financing costs and investment return	**42**	24
Adjusted profit before tax	**170**	151
Adjusting items including results of associates and joint ventures	**17**	(320)
IFRS profit/(loss) before tax	**187**	(169)
Tax (expense)/credit	**(16)**	24
IFRS profit/(loss) for the period	**171**	(145)

Adjusted net financing costs and investment return

Adjusted net financing costs and investment return resulted in a gain of £42m (H1 2023: gain £24m):

- Investment gains, including from seed capital and co-investment fund holdings of £5m (H1 2023: losses £9m).
- Net finance income of £30m (H1 2023: £17m) reflecting a higher rate of interest on cash and liquid assets.
- Lower net interest credit relating to the staff pension schemes of £7m (H1 2023: £16m) reflecting a lower opening pension surplus and costs relating to de-risking the pension scheme.

1. Finimize and our digital innovation group have moved from Investments to Other. Comparatives have been restated. Refer Note 4.3 in the Financial information section.
2. Investment net flows exclude Institutional/Retail Wealth liquidity.
3. Adjusted operating loss consists of net operating revenue £5m (H1 2023: £5m) and adjusted operating expenses £31m (H1 2023: £22m). Adjusted operating expenses in H1 2024 includes the impact of increased retained central Group costs.

Adjusting items

	H1 2024 £m	H1 2023 £m
Restructuring and corporate transaction expenses	**(51)**	(113)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	**(64)**	(102)
Profit on disposal of subsidiaries and other operations	**88**	–
Profit on disposal of interests in joint ventures	**11**	–
Change in fair value of significant listed investments	**(15)**	(181)
Dividends from significant listed investments	**28**	37
Share of profit or loss from associates and joint ventures	**21**	4
Other	**(1)**	35
Total adjusting items including results of associates and joint ventures	**17**	(320)

Restructuring and corporate transaction expenses were £51m (H1 2023: £113m). Restructuring costs of £45m (H1 2023: £90m) mainly consisting of costs to effect our cost transformation programme including related severance expenses, and platform transformation expenses. Corporate transaction costs of £6m (H1 2023: £23m) 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 £64m (H1 2023: £102m), mainly due to the lower goodwill impairments of £5m (H1 2023: £37m). Impairment of goodwill in H1 2024 includes the impact of higher anticipated losses. Further details are provided in Note 4.11.

Profit on disposal of interests in subsidiaries and other operations relates to the sales of our European-headquartered Private Equity business. See Note 4.2 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 4.2 for further details.

Change in fair value of significant listed investments of £(15)m from market movements is analysed in the table below:

	H1 2024 £m	H1 2023 £m
Phoenix	**(15)**	(80)
HDFC Asset Management	**-**	(96)
HDFC Life	**-**	(5)
Change in fair value of significant listed investments	**(15)**	(181)

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 £28m relates to our shareholdings in Phoenix (H1 2023: Phoenix £27m and HDFC Asset Management £10m).

Share of profit or loss from associates and joint ventures increased to a profit of £21m (H1 2023: £4m). HASL profit increased to £21m (H1 2023: £5m) including investment-related gains due to favourable 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 £12m gain for net fair value movements in contingent consideration. See Note 4.9 for further details of other adjusting items.

Tax

The total IFRS tax expense attributable to the profit for the period is £16m (H1 2023: credit £24m), including a tax credit attributable to adjusting items of £25m (H1 2023: credit £48m), which results in an effective tax rate of 9% (H1 2023: 14%). The difference to the UK Corporation Tax rate of 25% is mainly driven by:

- Realised gains on disposal of our European-headquartered Private Equity business and our shareholding in Virgin Money UTM not being subject to tax.
- Profits arising in joint ventures included on a net of tax basis.
- Dividend income and fair value movements from our investments in Phoenix not being subject to tax.
- Prepayment release relating to the Group's purchase of Phoenix's trustee investment plan business being not deductible for tax purposes.

The tax expense attributable to adjusted profit is £41m (H1 2023: £24m), an effective tax rate of 24% (H1 2023: 16%). This is lower than the 25% UK rate primarily due to overseas profits taxed at a lower rate and pension scheme surplus movements included on a net of tax basis.

Earnings per share

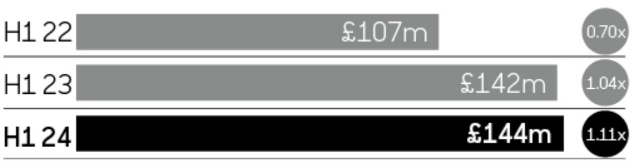
- Adjusted diluted earnings per share increased to 6.8p (H1 2023: 6.2p) due to the higher adjusted profit after tax and the benefit from share buybacks in 2023.
- Diluted earnings per share was a profit of 9.1p (H1 2023: loss 7.7p) reflecting the factors above, and also the benefit of profit on disposal of subsidiaries and interests in joint ventures.

Dividends

The Board has declared an interim dividend for 2024 of 7.3p (H1 2023: 7.3p) per share. The dividend payment is expected to be £130m.

As a result of the higher adjusted profit in the period, dividend cover on adjusted capital generation basis was 1.11 times.

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



Capital and liquidity

IFPR CET1 capital resources

The indicative CET1 capital resources at 30 June 2024 were £1,544m (FY 2023: £1,466m).

Key movements in CET1 capital resources and respective coverage are shown in the table below.

Analysis of movements in CET1 capital resources and respective coverage	H1 2024 £m	H1 2024 %	FY 2023 £m	FY 2023 %
Opening CET1 capital resources	**1,466**	**139**	1,301	123
Sources of capital				
Adjusted capital generation	**144**	**14**	299	28
HDFC Life and HDFC Asset Management[1] sales	**-**	**-**	576	55
Disposals[2]	**99**	**9**	137	13
Uses of capital				
Restructuring and corporate transaction expenses (net of tax)	**(40)**	**(4)**	(121)	(12)
Dividends	**(130)**	**(12)**	(267)	(25)
Share buyback	**-**	**-**	(302)	(29)
Acquisitions[3]	**-**	**-**	(152)	(14)
Other	**5**	**-**	(5)	-
Closing CET1 capital resources	**1,544**	**146**	1,466	139

The full value of the Group's significant listed investments is excluded from the capital position under IFPR.

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

CET1 capital coverage	H1 2024 £m	FY 2023 £m
CET1 capital resources	**1,544**	1,466
Total regulatory capital requirement	**1,054**	1,054
CET1 capital coverage	**146%**	139%

Capital generation

Adjusted capital generation which shows how adjusted profit contributes to regulatory capital increased by 1% to £144m. Net capital generation more than doubled to £104m and included the benefit of lower restructuring costs.

	H1 2024 £m	H1 2023 £m
Adjusted profit after tax	**129**	127
Less net interest credit relating to the staff pension schemes	**(7)**	(16)
Less interest paid on other equity	**(6)**	(6)
Add dividends received from associates, joint ventures and significant listed investments	**28**	37
Adjusted capital generation	**144**	142
Restructuring and corporate transaction expenses (net of tax)	**(40)**	(92)
Net capital generation	**104**	50

Cash and liquid resources and distributable reserves

Cash and liquid resources remained robust at £1.8bn at 30 June 2024 (FY 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 (FY 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 30 June 2024 abrdn plc had £2.9bn (FY 2023: £3.1bn) of distributable reserves.

IFRS net cash flows

- Net cash inflows from operating activities were £170m (H1 2023: £77m) which includes outflows from restructuring and corporate transaction expenses, net of tax, of £31m (H1 2023: £49m).
- Net cash inflows from investing activities were £202m (H1 2023: £504m) 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 Groups disposal of its European-headquartered Private Equity business.
- Net cash outflows from financing activities were £162m (H1 2023: £304m) 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 £1,415m as at 30 June 2024 (FY 2023: £1,210m).

1. Capital benefit of HDFC Asset Management sales reflects the pre-tax proceeds.
2. European-headquartered Private Equity business (£88m) and Virgin Money UTM (£11m). Discretionary fund management and US Private Equity businesses in 2023. Capital benefit of discretionary fund management disposal includes derecognition of related intangibles (£58m).
3. Tekla and Macquarie funds in 2023.

IFRS net assets

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

- Intangible assets decreased to £1.5bn (FY 2023: £1.6bn) primarily due to amortisation. Further details are provided in Note 4.11.
- The principal defined benefit staff pension scheme, which is closed to future accrual, continues to have a significant surplus of £0.8bn (FY 2023: £0.7bn). We are continuing to work with the trustee on the long-term strategy for the plan, including steps relating to any residual surplus assets that remain after all plan related obligations are settled or otherwise provided for. The timing for implementing any strategy, including the release of any surplus, remains a matter for the trustee. See Note 31 in the Annual report and accounts 2023 for more information.
- Financial investments reduced slightly to £1.9bn (FY 2023: £2.0bn). At 30 June 2024, financial investments included £542m (FY 2023: £557m) in relation to our stake in Phoenix.

Principal risks and uncertainties

The principal risks that we believe the Group will be exposed to in the second half of 2024 are the same as those set out in the Annual Report and Accounts 2023 across the following 12 categories: Strategic, Financial, Conduct, Regulatory and legal, Process execution and trade errors, People, Technology, Security and resilience, Fraud and financial crime; Change management; Third party management and Financial management process.

Key developments in relation to our principal risks

Looking to the second half of 2024 we would highlight the following trends and developments as important in relation to our principal risks:

- As inflationary pressures have abated, central banks are tentatively shifting towards reducing interest rates but the pace of easing is still uncertain and could be impacted by upticks in price and labour inflation. Lower interest rates are likely to be supportive of ad valorem fee income and transaction fee income, but may erode cash margin income.
- With a number of regional conflicts and democratic elections in some G7 countries, the geo-political environment has the potential to deliver outcomes that could disrupt markets which in turn could impact the delivery of the abrdn business plan.
- We continue to manage extensive change across our business areas and have structures and controls in place to ensure that this is delivered effectively.
- Disruption to our IT services has the potential to impact our clients and customers. We have processes in place to assess and respond to disruptions caused by our IT service providers and an ongoing programme to test our resilience under various adverse scenarios. We maintain heightened vigilance to the threats of cyber-attack and we have an ongoing programme to adapt to the changing threat landscape, drawing on the expertise of external specialists.
- Our regulators continue to focus on protecting clients, customers and the markets. We have various project workstreams in place to support our delivery against these areas of focus, including in relation to consumer duty, operational resilience, Environment, Social and Governance (ESG), prudential requirements and anti-financial crime.

2. Statement of Directors' responsibilities

Each of the Directors, whose names and functions are listed on the abrdn plc website, **www.abrdn.com**, confirms to the best of his or her knowledge and belief that:

- The condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows and associated notes, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

- The interim management report includes a fair review of the information required by:
  - DTR 4.2.7R of the FCA's Disclosure Guidance and Transparency Rules Sourcebook, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated financial information and a description of the principal risks and uncertainties for the remaining six months of the year.

  - DTR 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules Sourcebook, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

- As per principle N of the UK Corporate Governance Code, the Half year results 2024 taken as a whole, present a fair, balanced and understandable assessment of the Company's position and prospects.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Changes to Directors during the period

As announced on 27 February, Catherine Bradley retired from the Board at the conclusion of the AGM on 24 April. Stephen Bird stepped down from the Board on 24 May. The Company also announced the appointment of Jason Windsor as Interim Group CEO on 24 May following the commencement of a formal CEO search process.

By order of the Board

Sir Douglas Flint
Chairman

5 August 2024

Jason Windsor
Interim Chief Executive Officer

5 August 2024

3. Independent review report to abrdn plc

Conclusion

We have been engaged by abrdn plc ('the Company' or 'the Group') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ('the DTR') of the UK's Financial Conduct Authority ('the UK FCA')

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ('ISRE (UK) 2410') issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

R. Faulkner

Richard Faulkner
for and on behalf of KPMG LLP

Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

5 August 2024

4. Financial information

Condensed consolidated income statement

For the six months ended 30 June 2024

	Notes	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Revenue from contracts with customers	4.4(a)	**697**	763	1,474
Cost of sales	4.4(b)	**(30)**	(42)	(76)
Net operating revenue		**667**	721	1,398
Restructuring and corporate transaction expenses	4.6	**(51)**	(113)	(152)
Impairment of intangibles acquired in business combinations and through the purchase of customer contracts	4.6	**(5)**	(37)	(63)
Amortisation of intangibles acquired in business combinations and through the purchase of customer contracts	4.6	**(59)**	(65)	(126)
Staff costs and other employee-related costs	4.6	**(263)**	(275)	(529)
Other administrative expenses	4.6	**(295)**	(274)	(593)
Total administrative and other expenses		**(673)**	(764)	(1,463)
Net gains or losses on financial instruments and other income				
Fair value movements and dividend income on significant listed investments	4.5	**13**	(144)	(114)
Other net gains or losses on financial instruments and other income	4.5	**72**	26	116
Total net gains or losses on financial instruments and other income		**85**	(118)	2
Finance costs		**(12)**	(12)	(25)
Profit on disposal of subsidiaries and other operations	4.2(b)	**88**	–	79
Profit on disposal of interests in joint ventures	4.2(b)	**11**	–	–
Reversal of impairment of interests in joint ventures	4.12	**–**	–	2
Share of profit or loss from associates and joint ventures	4.12	**21**	4	1
Profit/(loss) before tax		**187**	(169)	(6)
Tax (expense)/credit	4.7	**(16)**	24	18
Profit/(loss) for the period		**171**	(145)	12
Attributable to:				
Equity shareholders of abrdn plc		**165**	(151)	1
Other equity holders		**6**	6	11
Non-controlling interests - ordinary shares		**–**	–	–
		171	(145)	12
Earnings per share				
Basic (pence per share)	4.8	**9.2**	(7.7)	0.1
Diluted (pence per share)	4.8	**9.1**	(7.7)	0.1

The Notes on pages 25 to 49 are an integral part of this condensed consolidated financial information.

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2024

	Notes	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Profit/(loss) for the period		**171**	(145)	12
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement gains/(losses) on defined benefit pension plans	4.17	**72**	(81)	(139)
Share of other comprehensive income of associates and joint ventures	4.12	**1**	–	(4)
Total items that will not be reclassified subsequently to profit or loss		**73**	(81)	(143)
Items that may be reclassified subsequently to profit or loss:				
Fair value gains/(losses) on cash flow hedges		**9**	(13)	(40)
Exchange differences on translating foreign operations		**(7)**	(42)	(35)
Share of other comprehensive income of associates and joint ventures	4.12	**(50)**	(18)	(27)
Items transferred to the condensed consolidated income statement				
Fair value (gains)/losses on cash flow hedges		**(9)**	30	28
Realised foreign exchange (gains)	4.2	**-**	–	(1)
Equity holder tax effect of items that may be reclassified subsequently to profit or loss	4.7	**-**	(4)	3
Total items that may be reclassified subsequently to profit or loss		**(57)**	(47)	(72)
Other comprehensive income for the period		**16**	(128)	(215)
Total comprehensive income for the period		**187**	(273)	(203)
Attributable to:				
Equity shareholders of abrdn plc		**181**	(279)	(214)
Other equity holders		**6**	6	11
Non-controlling interests - ordinary shares		**-**	–	–
		187	(273)	(203)

The Notes on pages 25 to 49 are an integral part of this condensed consolidated financial information.

Condensed consolidated statement of financial position

As at 30 June 2024

	Notes	30 Jun 2024 £m	30 Jun 2023[1] £m	31 Dec 2023 £m
Assets				
Intangible assets	4.11	**1,514**	1,548	1,578
Pension and other post-retirement benefit assets	4.17	**821**	772	740
Investments in associates and joint ventures accounted for using the equity method	4.12	**198**	245	229
Property, plant and equipment	4.13	**150**	162	163
Deferred tax assets		**202**	220	215
Financial investments	4.19	**1,919**	2,080	2,047
Receivables and other financial assets		**1,262**	1,238	1,071
Current tax recoverable		**7**	11	10
Other assets	4.14	**74**	100	77
Assets held for sale	4.15	**11**	83	19
Cash and cash equivalents		**1,397**	1,407	1,196
		7,555	7,866	7,345
Assets backing unit linked liabilities	4.19			
Financial investments		**655**	873	669
Receivables and other unit linked assets		**8**	8	4
Cash and cash equivalents		**15**	13	13
		678	894	686
Total assets		**8,233**	8,760	8,031
Liabilities				
Third party interest in consolidated funds	4.19	**206**	212	187
Subordinated liabilities		**604**	588	599
Pension and other post-retirement benefit provisions	4.17	**12**	9	12
Deferred tax liabilities		**120**	145	129
Current tax liabilities		**5**	6	6
Derivative financial liabilities	4.19	**4**	2	9
Other financial liabilities[1]		**1,393**	1,461	1,241
Provisions	4.18	**62**	58	66
Other liabilities		**4**	10	4
Liabilities of operations held for sale	4.15	**2**	6	2
		2,412	2,497	2,255
Unit linked liabilities	4.19			
Investment contract liabilities		**670**	724	684
Third party interest in consolidated funds		**–**	165	–
Other unit linked liabilities		**8**	5	2
		678	894	686
Total liabilities		**3,090**	3,391	2,941
Equity				
Share capital	4.16(a)	**257**	274	257
Shares held by trusts	4.16(b)	**(132)**	(147)	(141)
Share premium reserve	4.16(a)	**640**	640	640
Retained earnings		**4,509**	4,547	4,449
Other reserves		**(343)**	(159)	(327)
Equity attributable to equity shareholders of abrdn plc		**4,931**	5,155	4,878
Other equity		**207**	207	207
Non-controlling interests – ordinary shares		**5**	7	5
Total equity		**5,143**	5,369	5,090
Total equity and liabilities		**8,233**	8,760	8,031

1. The Group has made a presentational change to show Deferred income within Other financial liabilities.

The Notes on pages 25 to 49 are an integral part of this condensed consolidated financial information.

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2024

	Notes	Share capital £m	Shares held by trusts £m	Share premium reserve £m	Retained earnings £m	Other reserves £m	Total equity attributable to equity shareholders of abrdn plc £m	Other equity £m	Non-controlling interests - ordinary shares £m	Total equity £m
1 January 2024		**257**	**(141)**	**640**	**4,449**	**(327)**	**4,878**	**207**	**5**	**5,090**
Profit for the period		**-**	**-**	**-**	**165**	**-**	**165**	**6**	**-**	**171**
Other comprehensive income for the period		**-**	**-**	**-**	**23**	**(7)**	**16**	**-**	**-**	**16**
Total comprehensive income for the period		**-**	**-**	**-**	**188**	**(7)**	**181**	**6**	**-**	**187**
Issue of share capital	4.16(a)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends paid on ordinary shares	4.10	**-**	**-**	**-**	**(130)**	**-**	**(130)**	**-**	**-**	**(130)**
Interest paid on other equity		**-**	**-**	**-**	**-**	**-**	**-**	**(6)**	**-**	**(6)**
Reserves credit for employee share-based payments		**-**	**-**	**-**	**-**	**15**	**15**	**-**	**-**	**15**
Transfer to retained earnings for vested employee share-based payments		**-**	**-**	**-**	**24**	**(24)**	**-**	**-**	**-**	**-**
Shares acquired by employee trusts		**-**	**(10)**	**-**	**-**	**-**	**(10)**	**-**	**-**	**(10)**
Shares distributed by employee and other trusts and related dividend equivalents		**-**	**19**	**-**	**(21)**	**-**	**(2)**	**-**	**-**	**(2)**
Aggregate tax effect of items recognised directly in equity	4.7	**-**	**-**	**-**	**(1)**	**-**	**(1)**	**-**	**-**	**(1)**
30 June 2024		**257**	**(132)**	**640**	**4,509**	**(343)**	**4,931**	**207**	**5**	**5,143**

	Notes	Share capital £m	Shares held by trusts £m	Share premium reserve £m	Retained earnings[1] £m	Other reserves £m	Total equity attributable to equity shareholders of abrdn plc[1] £m	Other equity £m	Non-controlling interests – ordinary shares £m	Total equity[1] £m
31 December 2022		280	(149)	640	4,986	(129)	5,628	207	7	5,842
Effect of application of IFRS 9 on Investments in associates and joint ventures accounted for using the equity method[1]		–	–	–	51	–	51	–	–	51
1 January 2023		280	(149)	640	5,037	(129)	5,679	207	7	5,893
(Loss)/profit for the period		–	–	–	(151)	–	(151)	6	–	(145)
Other comprehensive income for the period		–	–	–	(99)	(29)	(128)	–	–	(128)
Total comprehensive income for the period		–	–	–	(250)	(29)	(279)	6	–	(273)
Issue of share capital	4.16(a)	–	–	–	–	–	–	–	–	–
Dividends paid on ordinary shares	4.10	–	–	–	(142)	–	(142)	–	–	(142)
Interest paid on other equity		–	–	–	–	–	–	(6)	–	(6)
Share buyback	4.16(a)	(6)	–	–	(98)	6	(98)	–	–	(98)
Reserves credit for employee share-based payments		–	–	–	–	13	13	–	–	13
Transfer to retained earnings for vested employee share-based payments		–	–	–	20	(20)	–	–	–	–
Shares acquired by employee trusts		–	(19)	–	–	–	(19)	–	–	(19)
Shares distributed by employee and other trusts and related dividend equivalents		–	21	–	(22)	–	(1)	–	–	(1)
Aggregate tax effect of items recognised directly in equity	4.7	–	–	–	2	–	2	–	–	2
30 June 2023		274	(147)	640	4,547	(159)	5,155	207	7	5,369

1. The Group implemented IFRS 9 in 2019. However, as permitted under a temporary exemption granted to insurers in IFRS 4 Insurance Contracts, the Group's insurance joint venture, Heng An Standard Life Insurance Company Limited (HASL), applied IFRS 9 at 1 January 2023 following the implementation of the new insurance contracts standard, IFRS 17. In line with the approach adopted by the Group on its implementation of IFRS 9 on 1 January 2019, the comparatives have not been restated for HASL's adoption of IFRS 9. The impact of HASL adopting IFRS 9 is recognised in retained earnings at 1 January 2023.

	Notes	Share capital £m	Shares held by trusts £m	Share premium reserve £m	Retained earnings[1] £m	Other reserves £m	Total equity attributable to equity shareholders of abrdn plc[1] £m	Other equity £m	Non-controlling interests – ordinary shares £m	Total equity[1] £m
31 December 2022		280	(149)	640	4,986	(129)	5,628	207	7	5,842
Effect of application of IFRS 9 on Investments in associates and joint ventures accounted for using the equity method[1]		–	–	–	51	–	51	–	–	51
1 January 2023		280	(149)	640	5,037	(129)	5,679	207	7	5,893
Profit for the year		–	–	–	1	–	1	11	–	12
Other comprehensive income for the year		–	–	–	(170)	(45)	(215)	–	–	(215)
Total comprehensive income for the year		–	–	–	(169)	(45)	(214)	11	–	(203)
Issue of share capital	4.16(a)	–	–	–	–	–	–	–	–	–
Dividends paid on ordinary shares	4.10	–	–	–	(279)	–	(279)	–	–	(279)
Interest paid on other equity		–	–	–	–	–	–	(11)	–	(11)
Share buyback	4.16(a)	(23)	–	–	(302)	23	(302)	–	–	(302)
Other movements in non-controlling interests in the year		–	–	–	–	–	–	–	(2)	(2)
Reserves credit for employee share-based payments		–	–	–	–	24	24	–	–	24
Transfer to retained earnings for vested employee share-based payments		–	–	–	31	(31)	–	–	–	–
Transfer between reserves on impairment of subsidiaries	4.16(c)	–	–	–	169	(169)	–	–	–	–
Shares acquired by employee trusts		–	(27)	–	–	–	(27)	–	–	(27)
Shares distributed by employee and other trusts and related dividend equivalents		–	35	–	(38)	–	(3)	–	–	(3)
31 December 2023		257	(141)	640	4,449	(327)	4,878	207	5	5,090

1. The Group implemented IFRS 9 in 2019. However, as permitted under a temporary exemption granted to insurers in IFRS 4 Insurance Contracts, the Group's insurance joint venture, HASL, applied IFRS 9 at 1 January 2023 following the implementation of the new insurance contracts standard, IFRS 17. In line with the approach adopted by the Group on its implementation of IFRS 9 on 1 January 2019, the comparatives have not been restated for HASL's adoption of IFRS 9. The impact of HASL adopting IFRS 9 is recognised in retained earnings at 1 January 2023.

The Notes on pages 25 to 49 are an integral part of this condensed consolidated financial information.

Condensed consolidated statement of cash flows
For the six months ended 30 June 2024

	Notes	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Cash flows from operating activities				
Profit/(loss) before tax		**187**	(169)	(6)
Change in operating assets		**(129)**	(86)	157
Change in operating liabilities		**147**	181	(109)
Adjustment for non-cash movements in investment income		**(5)**	(1)	3
Other non-cash and non-operating items		**(21)**	175	210
Taxation paid[1]		**(9)**	(23)	(34)
Net cash flows from operating activities		**170**	77	221
Cash flows from investing activities				
Purchase of property, plant and equipment		**(7)**	(9)	(18)
Proceeds from sale of property, plant and equipment		**1**	–	–
Acquisition of subsidiaries and unincorporated businesses net of cash acquired		**–**	–	(108)
Disposal of subsidiaries net of cash disposed of		**44**	–	139
Acquisition of investments in associates and joint ventures		**–**	(2)	(2)
Proceeds in relation to contingent consideration		**2**	2	21
Payments in relation to contingent consideration		**(4)**	(4)	(12)
Disposal of investments in associates and joint ventures		**20**	–	–
Purchase of financial investments		**(49)**	(291)	(445)
Proceeds from sale or redemption of financial investments		**197**	871	1,029
Taxation paid on sale or redemption of financial investments[1]		**–**	(41)	(41)
Prepayment in respect of potential acquisition of customer contracts	4.21(b)	**1**	13	20
Acquisition of intangible assets		**(3)**	(35)	(41)
Net cash flows from investing activities		**202**	504	542
Cash flows from financing activities				
Payment of lease liabilities – principal		**(12)**	(13)	(24)
Payment of lease liabilities – interest		**(3)**	(3)	(6)
Shares acquired by trusts		**(9)**	(19)	(27)
Interest paid on subordinated liabilities and other equity		**(15)**	(16)	(20)
Other interest paid		**(1)**	(2)	(3)
Cash received relating to collateral held in respect of derivatives hedging subordinated liabilities		**8**	(11)	(50)
Share buyback		**–**	(98)	(302)
Ordinary dividends paid	4.10	**(130)**	(142)	(279)
Net cash flows from financing activities		**(162)**	(304)	(711)
Net increase in cash and cash equivalents		**210**	277	52
Cash and cash equivalents at the beginning of the period		**1,210**	1,166	1,166
Effects of exchange rate changes on cash and cash equivalents		**(5)**	(16)	(8)
Cash and cash equivalents at the end of the period[2]		**1,415**	1,427	1,210
Supplemental disclosures on cash flows from operating activities				
Interest received		**42**	37	85
Dividends received		**40**	53	91
Rental income received on investment property		**2**	2	3

1. Total taxation paid for the six months ended 30 June 2024 was £9m (six months ended 30 June 2023: £64m, 12 months ended 31 December 2023: £75m).
2. Comprises cash and cash equivalents, including cash and cash equivalents backing unit linked liabilities, and overdrafts which are reported in other financial liabilities in the condensed consolidated statement of financial position. Cash and cash equivalents at 30 June 2024 were £1,415m (30 June 2023: £1,427m, 31 December 2023: £1,210m) of which £3m (30 June 2023: £7m, 31 December 2023: £1m) is included in assets of operations held for sale in the condensed consolidated statement of financial position (refer Note 4.15). The Group had no overdrafts at 30 June 2024 (30 June 2023: £nil, 31 December 2023: £nil).

The Notes on pages 25 to 49 are an integral part of this condensed consolidated financial information.

Notes to the condensed consolidated financial statements

4.1 Presentation of the condensed consolidated financial statements

(a) Basis of preparation

The condensed consolidated half year financial information has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority.

The accounting policies for recognition, measurement, consolidation and presentation as set out in the Annual report and accounts for the year ended 31 December 2023 have been applied in the preparation of the condensed consolidated half year financial information except as noted below.

(a)(i) New standards, interpretations and amendments to existing standards that have been adopted by the Group

The Group has adopted the following new International Financial Reporting Standards (IFRSs), interpretations and amendments to existing standards, which are effective for annual periods beginning on or after 1 January 2024.

Amendments to existing standards

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1.
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16.
- Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7.

The Group's accounting policies have been updated to reflect these amendments. Management considers the implementation of the above amendments to have no significant impact on the Group's financial statements.

(b) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and financial position, are set out in the Management report and in the Annual report and accounts 2023 Strategic report. This includes details on our liquidity and capital positions and our principal risks, including the impacts of the macroeconomic environment and global and regional geopolitical events on these principal risks.

In preparing these half year results on a going concern basis, the Directors have considered the following matters and have taken into account market uncertainty.

- The Group has cash and liquid resources of £1.8bn at 30 June 2024. In addition, the Company has a revolving credit facility of £400m as part of our contingency funding plans which is due to mature in 2026 and remains undrawn.
- The Group's indicative regulatory Common Equity Tier 1 (CET1) capital surplus on an IFPR basis was £954m in excess of capital requirements at 30 June 2024. The regulatory CET1 capital surplus does not include the value of the Group's significant listed investment in Phoenix Group Holdings (Phoenix).
- The Group performs regular stress and scenario analysis as described in the Annual report and accounts 2023 Viability statement. The diverse range of management actions available meant the Group was able to withstand these extreme stresses.
- The Group's operational resilience processes have operated effectively during the period including the provision of services by key outsource providers.

Based on a review of the above factors the Directors are satisfied that the Group and Company have and will maintain sufficient resources to enable them to continue operating for at least 12 months from the date of approval of the condensed consolidated financial statements. Accordingly, the financial statements have been prepared on a going concern basis. There were no material uncertainties relating to this going concern conclusion.

(c) Condensed consolidated half year financial information

This condensed consolidated half year financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Additionally, the comparative figures for the financial year ended 31 December 2023 are not the Company's statutory accounts for that financial year. The statutory accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The condensed consolidated half year financial information has been reviewed, not audited.

4.2 Acquisitions and disposals

(a) Acquisitions

(a)(i) Prior period acquisitions of subsidiaries and other operations

Healthcare fund management capabilities of Tekla Capital Management

On 27 October 2023, abrdn Inc. purchased the healthcare fund management capabilities of Tekla Capital Management LLC (Tekla) through a purchase agreement. Tekla's investment team transferred to the Group as part of the agreement. The assets under management at the acquisition date were £2.3bn. At acquisition the cash consideration was £108m and the fair value of deferred and contingent consideration was £11m. The acquisition further strengthens abrdn's closed-end fund business and allows the Group to draw on Tekla's expertise in investing in the healthcare sector as it looks to build out its offering in this area.

(b) Disposals

(b)(i) Current period disposal of subsidiaries and other operations

European-headquartered Private Equity business

Profit on disposal of subsidiaries and other for the six months ended 30 June 2024 relates to the sale of the Group's European-headquartered Private Equity business to Patria Investments. The sale completed on 26 April 2024. The European-headquartered Private Equity business was reported in the Investments segment.

The gain on sale before tax, which is included in profit on disposals of subsidiaries and other operations in the condensed consolidated income statement for the six months ended 30 June 2024 for the European-headquartered Private Equity business was calculated as follows:

26 April 2024	£m
Total assets of operations disposed of	(29)
Total liabilities of operations disposed of	11
Net assets of operations disposed of	**(18)**
Cash consideration (less transaction costs) and outstanding intercompany balances[1,2]	70
Fair value of deferred/contingent consideration and retained interest[3]	36
Gain on sale before tax	**88**

1. Following the completion of the sale, £3m relating to a number of unsettled outstanding intercompany balances which previously eliminated on consolidation are now recognised as an asset of the Group.
2. Included in cash consideration is £10m for additional upfront consideration which is determined based on the net assets of the European-headquartered Private Equity business following a number of adjustments detailed in the sale price agreement. The additional consideration of £10m is a provisional figure and remains subject to agreement with Patria Investments.
3. The Group has also retained certain carried interest entitlements which has been recognised in the condensed consolidated statement of financial position at a fair value of £6m.

Prior to the completion of the sale, the European-headquartered Private Equity business was classified as an operation held for sale (refer Note 4.15).

(b)(ii) Current period disposal of joint ventures

Virgin Money Unit Trust Managers (Virgin Money UTM)

Profit on disposal of interests in joint ventures for the six months ended 30 June 2024 of £11m relates to the sale of the Group's interest in Virgin Money UTM to its joint venture partner, Clydesdale Bank, on 2 April 2024 for a cash consideration of £20m. Prior to the sale, the Group's interest in Virgin Money UTM was classified as held for sale and had a carrying value of £9m (refer Note 4.15). The interest in Virgin Money UTM did not form part of the Group's reportable segments.

(b)(iii) Prior period disposal of subsidiaries and other operations

There were no disposals of subsidiaries and other operations during the six months ended 30 June 2023.

During the 12 months ended 31 December 2023, the Group made two material disposals of subsidiaries and other operations:

- On 1 September 2023, the Group completed the sale of abrdn Capital Limited (aCL), its discretionary fund management business, to LGT UK Holdings Limited.
- On 2 October 2023, the Group completed the sale of its US Private Equity and Venture Capital capabilities to HighVista Strategies LLC.

aCL and the Group's US Private Equity and Venture Capital capabilities were reported in the ii (previously named Personal) and Investments segments respectively.

Other disposals included the sale of abrdn Australia Ltd to Melbourne Securities Corporation Limited on 1 July 2023. The disposal is not considered material to the Group.

Profit on disposal of subsidiaries and other operations for the 12 months ended 31 December 2023 have been summarised below.

	£m
Disposal of aCL	58
Disposal of US Private Equity and Venture Capital capabilities	22
Other disposals	(1)
Profit on disposal of subsidiaries and other operations for the 12 months ended 31 December 2023	79

On disposal, a net gain of £1m was recycled from the translation reserve and was included in determining the profit on disposal of subsidiaries and other operations for the 12 months ended 31 December 2023.

4.3 Segmental analysis

The Group's reportable segments have been identified in accordance with the way in which the Group is structured and managed. IFRS 8 *Operating Segments* requires that the information presented in the financial statements is based on information provided to the 'Chief Operating Decision Maker' which for the Group is the executive leadership team.

(a) Basis of segmentation

(a)(i) Current reportable segments

Investments
Our global asset management business which provides investment solutions for Institutional, Retail Wealth and Insurance Partners clients.

Adviser
Our UK financial adviser business which provides platform services to wealth managers and advisers.

interactive investor (ii) (previously named Personal)
ii, our direct investing platform, and our financial planning business, abrdn Financial Planning and Advice. It also included the Group's discretionary fund management business until the completion of the sale of aCL on 1 September 2023. Refer Note 4.2(b)(iii) for further details.

In addition to the Group's reportable segments above, the analysis of adjusted profit in Section 4.3(b)(i) below also reports the following:

Other business operations and corporate costs (Other)
Other comprises of Finimize and our digital innovation group along with certain corporate costs.

(a)(ii) Changes to basis of segmentation

As noted above, the Group reports Other in addition to its reportable segments. For the six months ended 30 June 2023, the Group had previously only reported certain corporate costs in addition to its reportable segments (reported as Corporate/strategic). These costs are now reported within Other along with Finimize and our digital innovation group which were previously reported within Investments. Including Finimize and our digital innovation group within Other rather than the Investments reportable segment is considered to provide a clearer depiction of business structure and performance. Comparative amounts for the six months ended 30 June 2023 have now been prepared on a consistent basis. Comparative amounts for the 12 months ended 31 December 2023 were already prepared on this basis.

(b) Reportable segments – adjusted profit and revenue information

(b)(i) Analysis of adjusted profit

Adjusted operating profit is presented by reportable segment in the table below.

6 months 2024	Notes	Investments £m	Adviser £m	ii £m	Other £m	Total £m
Net operating revenue	4.4	**406**	**119**	**137**	**5**	**667**
Adjusted operating expenses		**(372)**	**(54)**	**(82)**	**(31)**	**(539)**
Adjusted operating profit		**34**	**65**	**55**	**(26)**	**128**
Adjusted net financing costs and investment return						**42**
Adjusted profit before tax						**170**
Tax on adjusted profit						**(41)**
Adjusted profit after tax						**129**
Adjusted for the following items						
Restructuring and corporate transaction expenses	4.6					**(51)**
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	4.6					**(64)**
Change in fair value of significant listed investments	4.5					**(15)**
Profit on disposal of subsidiaries and other operations						**88**
Profit on disposal of interests in joint ventures						**11**
Dividends from significant listed investments	4.5					**28**
Share of profit or loss from associates and joint ventures						**21**
Other	4.9					**(1)**
Total adjusting items including results of associates and joint ventures						**17**
Tax on adjusting items						**25**
Profit attributable to other equity holders						**(6)**
Profit attributable to non-controlling interests – ordinary shares						**-**
Profit for the period attributable to equity shareholders of abrdn plc						**165**
Profit attributable to other equity holders						**6**
Profit attributable to non-controlling interests – ordinary shares						**-**
Profit for the period						**171**

Net operating revenue is reported as the measure of revenue in the analysis of adjusted operating profit and relates to revenues generated from external customers.

6 months 2023	Notes	Investments restated[1] £m	Adviser £m	ii[2] £m	Other restated[1] £m	Total £m
Net operating revenue	4.4	461	103	152	5	721
Adjusted operating expenses		(427)	(54)	(91)	(22)	(594)
Adjusted operating profit		34	49	61	(17)	127
Adjusted net financing costs and investment return						24
Adjusted profit before tax						151
Tax on adjusted profit						(24)
Adjusted profit after tax						127
Adjusted for the following items						
Restructuring and corporate transaction expenses	4.6					(113)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	4.6					(102)
Change in fair value of significant listed investments	4.5					(181)
Dividends from significant listed investments	4.5					37
Share of profit or loss from associates and joint ventures						4
Other	4.9					35
Total adjusting items including results of associates and joint ventures						(320)
Tax on adjusting items						48
Profit attributable to other equity holders						(6)
Profit attributable to non-controlling interests - ordinary shares						–
Loss for the period attributable to equity shareholders of abrdn plc						(151)
Profit attributable to other equity holders						6
Profit attributable to non-controlling interests - ordinary shares						–
Loss for the period						(145)

1. The breakdown of Investments and Other for the six months ended 30 June 2023 has been restated in line with the changes to the Group's reportable segments. Refer Note 4.3(a)(ii) for further details.
2. Previously named Personal.

Full Year 2023	Notes	Investments £m	Adviser £m	ii £m	Other £m	Total £m
Net operating revenue	4.4	878	224	287	9	1,398
Adjusted operating expenses		(828)	(106)	(173)	(42)	(1,149)
Adjusted operating profit		50	118	114	(33)	249
Adjusted net financing costs and investment return						81
Adjusted profit before tax						330
Tax on adjusted profit						(50)
Adjusted profit after tax						280
Adjusted for the following items						
Restructuring and corporate transaction expenses	4.6					(152)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	4.6					(189)
Profit on disposal of subsidiaries and other operations	4.2(b)					79
Change in fair value of significant listed investments	4.5					(178)
Dividends from significant listed investments	4.5					64
Share of profit or loss from associates and joint ventures						1
Reversal of impairment of interests in joint ventures	4.12					2
Other	4.9					37
Total adjusting items including results of associates and joint ventures						(336)
Tax on adjusting items						68
Profit attributable to other equity holders						(11)
Profit attributable to non-controlling interests – ordinary shares						–
Profit for the year attributable to equity shareholders of abrdn plc						1
Profit attributable to other equity holders						11
Profit attributable to non-controlling interests – ordinary shares						–
Profit for the year						12

4.4 Net operating revenue

(a) Revenue from contracts with customers

The following table provides a breakdown of total revenue from contracts with customers.

	6 months 2024 £m	6 months 2023 restated[2] £m	Full Year 2023 £m
Investments			
Management fee income – Institutional and Retail Wealth[1]	**344**	399	769
Management fee income – Insurance Partners[1]	**70**	75	132
Performance fees and carried interest	**7**	12	18
Other revenue from contracts with customers	**11**	13	27
Revenue from contracts with customers for the Investments segment	**432**	499	946
Adviser			
Platform charges	**97**	85	184
Treasury income	**17**	15	31
Other revenue from contracts with customers	**6**	4	11
Revenue from contracts with customers for the Adviser segment	**120**	104	226
ii[3]			
Fee income – Advice and Discretionary	**13**	37	57
Account fees	**26**	27	54
Trading transactions	**33**	25	48
Treasury income	**68**	66	134
Revenue from contracts with customers for the ii segment[3]	**140**	155	293
Revenue from contracts with customers for Other	**5**	5	9
Total revenue from contracts with customers	**697**	763	1,474

1. In addition to revenues earned as a percentage of AUM, management fee income includes certain other revenues not based on a percentage of AUM.
2. The breakdown of revenue from contracts with customers for the six months ended 30 June 2023 has been restated in line with the changes to the Group's reportable segments. Refer Note 4.3(a)(ii) for further details.
3. Previously named Personal.

(b) Cost of sales

The following table provides a breakdown of total cost of sales.

	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Cost of sales			
Commission expenses	**22**	33	64
Other cost of sales	**8**	9	12
Total cost of sales	**30**	42	76

Other cost of sales includes amounts payable to employees and others relating to carried interest and performance fee revenue.

(c) Reconciliation of revenue from contracts with customers to net operating revenue as presented in the analysis of adjusted operating profit

The following table provides a reconciliation of revenue from contracts with customers as presented in the condensed consolidated income statement to net operating revenue, as presented in the analysis of adjusted operating profit (refer Note 4.3(b)(i) for each of the Group's reportable segments).

	Investments			Adviser			ii			Other			Total		
	6 months 2024	6 months 2023 restated[1]	Full Year 2023	**6 months 2024**	6 months 2023	Full Year 2023	**6 months 2024**	6 months 2023	Full Year 2023	**6 months 2024**	6 months 2023 restated[1]	Full Year 2023	**6 months 2024**	6 months 2023	Full Year 2023
	£m	£m	£m	**£m**	£m	£m	**£m**	£m	£m	**£m**	£m	£m	**£m**	£m	£m
Revenue from contracts with customers	**432**	499	946	**120**	104	226	**140**	155	293	**5**	5	9	**697**	763	1,474
Cost of sales	**(26)**	(38)	(68)	**(1)**	(1)	(2)	**(3)**	(3)	(6)	**-**	–	–	**(30)**	(42)	(76)
Net operating revenue	**406**	461	878	**119**	103	224	**137**	152	287	**5**	5	9	**667**	721	1,398

1. The breakdown of Investments and Other for the six months ended 30 June 2023 has been restated in line with the changes to the Group's reportable segments. Refer Note 4.3(a)(ii) for further details.

There are no differences between net operating revenue as presented in the condensed consolidated income statement and the analysis of Group adjusted profit by segment.

4.5 Net gains or losses on financial instruments and other income

	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Fair value movements and dividend income on significant listed investments			
Fair value movements on significant listed investments (other than dividend income)	**(15)**	(181)	(178)
Dividend income from significant listed investments	**28**	37	64
Total fair value movements and dividend income on significant listed investments	**13**	(144)	(114)
Non-unit linked business – excluding significant listed investments			
Net gains or losses on financial instruments at fair value through profit or loss	**23**	(11)	6
Interest and similar income from financial instruments at amortised cost	**37**	30	76
Foreign exchange gain or losses on financial instruments at amortised cost	**(2)**	(5)	(7)
Other income	**15**	9	37
Net gains or losses on financial instruments and other income – non-unit linked business – excluding significant listed investments	**73**	23	112
Unit linked business			
Net gains or losses on financial instruments at fair value through profit or loss			
Net gains or losses on financial assets at fair value through profit or loss	**43**	44	69
Change in non-participating investment contract financial liabilities	**(44)**	(36)	(65)
Change in liability for third party interests in consolidated funds	**-**	(6)	(1)
Total net gains or losses on financial instruments at fair value through profit or loss	**(1)**	2	3
Interest and similar income from financial instruments at amortised cost	**-**	1	1
Net gains or losses on financial instruments and other income – unit linked business[1]	**(1)**	3	4
Total other net gains or losses on financial instruments and other income	**72**	26	116
Total net gains or losses on financial instruments and other income	**85**	(118)	2

1. In addition to the Net gains or losses on financial instruments and other income – unit linked business of £(1)m (six months ended 30 June 2023: £3m, 12 months ended 31 December 2023: £4m), there are administrative expenses and policyholder tax of less than £1m (six months ended 30 June 2023: less than £1m, 12 months ended 31 December 2023: £1m) and £(1)m (six months ended 30 June 2023: £3m, 12 months ended 31 December 2023: £3m) respectively. The result attributable to unit linked business for the period is therefore £nil (six months ended 30 June 2023: £nil, 12 months ended 31 December 2023: £nil).

4.6 Administrative and other expenses

	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Restructuring and corporate transaction expenses	**51**	113	152
Impairment of intangibles acquired in business combinations and through the purchase of customer contracts			
Impairment of intangibles acquired in business combinations	**5**	37	63
Amortisation of intangibles acquired in business combinations and through the purchase of customer contracts			
Amortisation of intangibles acquired in business combinations	**54**	59	115
Amortisation of intangibles acquired through the purchase of customer contracts	**5**	6	11
Total amortisation of intangibles acquired in business combinations and through the purchase of customer contracts	**59**	65	126
Staff costs and other employee-related costs	**263**	275	529
Other administrative expenses	**295**	274	593
Total administrative and other expenses[1]	**673**	764	1,463

1. Total administrative and other expenses includes less than £1m (six months ended 30 June 2023: less than £1m, 12 months ended 31 December 2023: £1m) relating to unit linked business.

There were restructuring expenses of £45m (six months ended 30 June 2023: £90m, 12 months ended 31 December 2023: £121m), mainly consisting of costs to effect our cost transformation programme, including related severance expenses, and platform transformation expenses. The restructuring expenses for the 12 months ended 31 December 2023 were partly offset by a £32m release of the provision for separation costs. Refer Note 4.18 for further details. Corporate transaction expenses were £6m (six months ended 30 June 2023: £23m, 12 months ended 31 December 2023: £31m).

4.7 Tax expense

	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Current tax:			
UK	**10**	8	17
Pillar Two Top-up tax	**1**	–	–
Overseas	**3**	47	51
Adjustment to tax expense in respect of prior years	**(1)**	–	(2)
Total current tax	**13**	55	66
Deferred tax:			
Deferred tax credit arising from the current period[1]	**2**	(65)	(69)
Adjustment to deferred tax in respect of prior years	**1**	(14)	(15)
Total deferred tax	**3**	(79)	(84)
Total tax expense/(credit)[2]	**16**	(24)	(18)

1. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
2. The tax expense of £16m (six months ended 30 June 2023: tax credit of £24m, 12 months ended 31 December 2023: tax credit of £18m) includes a tax credit of £1m (six months ended 30 June 2023: tax expense of £3m, 12 months ended 31 December 2023: tax expense of £3m) relating to unit linked business.

Tax relating to components of other comprehensive income is as follows:

	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Tax relating to fair value gains and losses recognised on cash flow hedges	**2**	(3)	(10)
Tax relating to cash flow hedge gains and losses transferred to condensed consolidated income statement	**(2)**	7	7
Equity holder tax effect relating to items that may be reclassified subsequently to profit or loss	**–**	4	(3)
Tax relating to other comprehensive income	**–**	4	(3)

All of the amounts presented above are in respect of equity holders of abrdn plc.

Tax relating to items taken directly to equity is as follows:

	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Tax relating to share-based payments	**1**	(2)	–
Tax relating to items taken directly to equity	**1**	(2)	–

4.8 Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the period excluding shares owned by the employee trusts that have not vested unconditionally to employees.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue during the period to assume the conversion of all dilutive potential ordinary shares, such as share options granted to employees.

Adjusted earnings per share is calculated on adjusted profit after tax attributable to ordinary equity holders of the Company.

The following table shows details of basic, diluted and adjusted earnings per share.

	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Adjusted profit before tax	**170**	151	330
Tax on adjusted profit	**(41)**	(24)	(50)
Adjusted profit after tax	**129**	127	280
Attributable to:			
Other equity holders	**(6)**	(6)	(11)
Non-controlling interests - ordinary shares	**–**	–	–
Adjusted profit after tax attributable to equity shareholders of abrdn plc	**123**	121	269
Total adjusting items including results of associates and joint ventures	**17**	(320)	(336)
Tax on adjusting items	**25**	48	68
Profit/(loss) attributable to equity shareholders of abrdn plc	**165**	(151)	1

	6 months 2024 Millions	6 months 2023 Millions	Full Year 2023 Millions
Weighted average number of ordinary shares outstanding	**1,794**	1,949	1,902
Dilutive effect of share options and awards	**22**	25	28
Weighted average number of diluted ordinary shares outstanding	**1,816**	1,974	1,930

In accordance with IAS 33, no share options and awards were treated as dilutive for the six months ended 30 June 2023 due to the loss attributable to equity holders of abrdn plc in this period. This resulted in the diluted earnings per share and adjusted diluted earnings per share for the six months ended 30 June 2023 being calculated using a weighted average number of ordinary shares of 1,949 million.

	6 months 2024 Pence	6 months 2023 Pence	Full Year 2023 Pence
Basic earnings per share	**9.2**	(7.7)	0.1
Diluted earnings per share	**9.1**	(7.7)	0.1
Adjusted earnings per share	**6.9**	6.2	14.1
Adjusted diluted earnings per share	**6.8**	6.2	13.9

4.9 Adjusted profit and adjusting items

Adjusted profit excludes the impact of the following items:

- Restructuring and corporate transaction expenses. Restructuring includes the impact of major regulatory change.
- Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts.
- Profit or loss arising on the disposal of a subsidiary, joint venture or equity accounted associate.
- Change in fair value of/dividends from significant listed investments (refer Section 4.9(a) below).
- Share of profit or loss from associates and joint ventures.
- Impairment loss/reversal of impairment loss recognised on investments in associates and joint ventures accounted for using the equity method.
- Fair value movements in contingent consideration.
- Items which are one-off and, due to their size or nature, are not indicative of the long-term operating performance of the Group.

The tax expense or credit allocated to adjusting items is based on the tax treatment of each adjusting item.

The operating, investing and financing cash flows presented in the condensed consolidated statement of cash flows are for both adjusting and non-adjusting items.

(a) Significant listed investments

Following the sale of the Group's final investments in HDFC Life and HDFC Asset Management in May 2023 and June 2023 respectively, the Group has one remaining significant listed investment, Phoenix.

Fair value movements on significant listed investments are included as adjusting items, which is aligned with our treatment of gains on disposal for these holdings when they were classified as associates. Dividends from significant listed investments are also included as adjusting items, as these result in fair value movements.

(b) Other

Other adjusting items for the six months ended 30 June 2024 include:

- A £12m gain (six months ended 30 June 2023: £5m gain, 12 months ended 31 December 2023: £23m gain) for net fair value movements in contingent consideration.
- A £2m fair value gain (six months ended 30 June 2023: £5m loss, 12 months ended 31 December 2023: £5m loss) on a financial instrument liability related to a prior period acquisition.
- A gain of £5m (six months ended 30 June 2023: £nil, 12 months ended 31 December 2023: gain of £4m) in relation to market gains and losses on the investments held by the abrdn Financial Fairness Trust which is consolidated by the Group. The assets of the abrdn Financial Fairness Trust are restricted to be used for charitable purposes.
- A £15m release to Other administrative expenses of the prepayment recognised in relation to the Group's purchase of Phoenix's trustee investment plan business for UK pension scheme clients. Refer Note 4.14 for further details.

Other adjusting items for the six months ended 30 June 2023 and the 12 months ended 31 December 2023 included:

- £36m for an insurance liability recovery in relation to the single process execution event in 2022. The £41m provision expense was included in other adjusting items for the 12 months ended 31 December 2022.

Other adjusting items for the 12 months ended 31 December 2023 also included:

- £21m for provision expense relating to a potential tax liability. Refer Note 4.18.

4.10 Dividends on ordinary shares

	6 months 2024		6 months 2023		Full Year 2023	
	Pence per share	£m[1]	Pence per share	£m	Pence per share	£m
Dividends paid in reporting period						
Current year interim dividend	**-**	**-**	–	–	7.30	137
Final dividend for prior year	**7.30**	**130**	7.30	142	7.30	142
Total dividends paid in reporting period		**130**		142		279
Dividends relating to reporting period						
Interim dividend	**7.30**	**130**	7.30	137	7.30	137
Final dividend	**-**	**-**	–	–	7.30	130
Total dividends relating to reporting period		**130**		137		267

1. Estimated for the current period interim recommended dividend.

Subsequent to 30 June 2024, the Board has declared an interim dividend for 2024 of 7.30 pence per ordinary share (interim 2023: 7.30 pence), an estimated £130m in total (interim 2023: £137m). The dividend is expected to be paid on 24 September 2024 and will be recorded as an appropriation of retained earnings in the financial statements for the year ended 31 December 2024.

4.11 Intangible assets

	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m
Acquired through business combinations			
Goodwill	**907**	898	912
Brand	**10**	12	11
Customer relationships and investment management contracts	**530**	555	579
Technology and other	**10**	20	15
Internally developed software	**14**	12	13
Cost of obtaining customer contracts	**43**	51	48
Total intangible assets	**1,514**	1,548	1,578

Goodwill at 30 June 2024 comprises a gross carrying value of £4,704m (30 June 2023: £4,665m, 31 December 2023: £4,704m) and accumulated impairment of £3,797m (30 June 2023: £3,767m, 31 December 2023: £3,792m).

There were no additions to intangibles acquired through business combinations in the six months ended 30 June 2024 or the six months ended 30 June 2023. The additions to intangibles acquired through business combinations for the 12 months ended 31 December 2023 related to the acquisition of the healthcare fund management capabilities of Tekla. Refer Note 4.2(a)(i) for further details.

During the six months ended 30 June 2024, the Group recognised an impairment of the goodwill relating to the Finimize cash-generating unit (CGU) which is reported within Other business operations and corporate costs of £5m. Following this impairment, the goodwill allocated to the Finimize CGU is now fully impaired (30 June 2023: £17m, 31 December 2023: £5m). The impairment reflects higher anticipated losses in the period prior to which abrdn anticipates Finimize is likely to achieve profitability and the related Group support required in this period.

The recoverable amount of the Finimize CGU at 30 June 2024 was £10m which was based on fair value less costs of disposal (FVLCD). The FVLCD considered a number of valuation approaches, with the primary approach being a revenue multiple approach. The key assumptions used in determining the revenue multiple valuation were future revenue projections, which were based on management forecasts and market multiples for broadly comparable listed companies, with appropriate discounts applied to take into account profitability, track record, revenue growth potential, and net premiums for control. This is a level 3 measurement as they are measured using inputs which are not based on observable market data.

During the 12 months ended 31 December 2023 and six months ended 30 June 2023, the Group recognised impairments of goodwill of £62m and £37m respectively. In the 12 months ended 31 December 2023, the Group also recognised an impairment of the goodwill relating to the Finimize CGU of £26m for the 12 months ended 31 December 2023 of which £14m was also recognised for the six months ended 30 June 2023. In addition, the Group recognised an impairment of the goodwill relating to the abrdn Financial Planning Limited (aFPL) CGU which is included in the ii segment of £36m of which £23m was also recognised for the six months ended 30 June 2023.

4.12 Investments in associates and joint ventures accounted for using the equity method

	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m
Associates			
Other	**15**	15	15
Joint ventures			
HASL	**183**	223	214
Other	**–**	7	–
Total investments in associates and joint ventures accounted for using the equity method	**198**	245	229

There were no additions to associates accounted for using the equity method during the six months ended 30 June 2024. During the six months ended 30 June 2023 and the 12 months ended 31 December 2023, the Group made additions to Other associates accounted for using the equity method of £2m.

There were no additions to joint ventures accounted for using the equity method (six months ended 30 June 2023: none, 12 months ended 31 December 2023: none).

The share of profit or loss and other comprehensive income from associates and joint ventures for the six months ended 30 June 2024 of £21m (six months ended 30 June 2023: £4m, 12 months ended 31 December 2023: £1m) and £(49)m (six months ended 30 June 2023: £(18)m, 12 months ended 31 December 2023: £(31)m) respectively primarily relates to HASL.

The carrying value of joint ventures accounted for using the equity method for Other at 30 June 2023 primarily related to the Group's interest in Virgin Money UTM which was transferred to held for sale at 31 December 2023. Refer Note 4.15 below. Prior to the transfer, a reversal of prior impairment of the Group's interest of £2m was recognised. The reversal of impairment was included in Reversal of impairment of interests in joint ventures in the condensed consolidated income statement for the 12 months ended 31 December 2023 (six months ended 30 June 2024: £nil, six months ended 30 June 2023: £nil). The interest in Virgin Money UTM did not form part of the Group's reportable segments.

4.13 Property, plant and equipment

	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m
Owner occupied property	**–**	1	1
Equipment	**44**	45	46
Right-of-use assets – property	**105**	115	115
Right-of-use assets – equipment	**1**	1	1
Total property, plant and equipment	**150**	162	163

No impairments of or reversal of impairments for right-of-use assets for property have been recognised in the six months ended 30 June 2024.

For the six months ended 30 June 2023 and the 12 months ended 31 December 2023 impairments of £35m and £39m were recognised respectively. The impairments related to a number of properties in the UK and the US that are no longer being used operationally by the Group. The right-of-use assets are related to the Investments segment (six months ended 30 June 2023 and 12 months ended 31 December 2023: £27m impairment), the ii segment (six months ended 30 June 2023 and 12 months ended 31 December 2023: £1m impairment) and Other business operations and corporate costs (six months ended 30 June 2023: £7m impairment, 12 months ended 31 December 2023: £11m impairment).

For the six months ended 30 June 2023 and the 12 months ended 31 December 2023 the Group also recognised a reversal of impairment of £3m in relation to a property in the UK which was not being used operationally but following the review of properties in the UK was brought back into operational use. The right-of-use asset is related to the Investments segment.

4.14 Other assets

Other assets of £74m (30 June 2023: £100m, 31 December 2023: £77m) includes prepayments of £7m (30 June 2023: £30m, 31 December 2023: £23m) which relate to the Group's purchase of certain products in Phoenix's savings business offered through abrdn's Wrap platform together with Phoenix's trustee investment plan (TIP) business for UK pension scheme clients. Refer Note 4.21(b) for further details.

During the six months ended 30 June 2024, the Group has released £15m of the £19m prepayment recognised in relation to the TIP business to Other administrative expenses in the condensed consolidated income statement following a review of the recoverability of these costs from future profits from the TIP business. The transfer of this business to the Group is now expected to occur in 2025.

4.15 Assets and liabilities held for sale

	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m
Assets of operations held for sale			
threesixty services	**6**	–	–
abrdn Capital Limited	**-**	83	–
European-headquartered Private Equity business	**-**	–	10
Investment Vehicles	**5**	–	–
Investments in joint ventures accounted for using the equity method			
Virgin Money UTM	**-**	–	9
Assets held for sale	**11**	83	19
Liabilities of operations held for sale			
threesixty services	**2**	–	–
abrdn Capital Limited	**-**	6	–
European-headquartered Private Equity business	**-**	–	2
Liabilities of operations held for sale	**2**	6	2

The assets and liabilities of operations held for sale (excluding investment vehicles) at 30 June 2024 relate to the sale of the Group's threesixty services business which completed on 2 July 2024. Refer Note 4.23 for further details. The threesixty services business net assets classified as held for sale which were measured at their carrying values were net of intercompany balances between the business and other Group entities. The net assets on a gross basis were also £4m.

In relation to assets and liabilities held for sale at 31 December 2023 and 30 June 2023.
- The sale of the Group's European-headquartered Private Equity business completed on 26 April 2024. Refer Note 4.2(b)(i) for further details.
- The sale of the Group's interest in Virgin Money UTM completed on 2 April 2024. Refer Note 4.2(b)(ii) for further details.
- The sale of abrdn Capital Limited completed on 1 September 2023. Refer Note 4.2(b)(iii) for further details.

4.16 Issued share capital and share premium, shares held by trusts, retained earnings and other reserves

(a) Issued share capital and share premium

The movement in the issued ordinary share capital and share premium of the Company was:

	6 months 2024			6 months 2023			Full Year 2023		
	Ordinary share capital		Share premium	Ordinary share capital		Share premium	Ordinary share capital		Share premium
Issued shares fully paid	13 61/63p each	£m	£m	13 61/63p each	£m	£m	13 61/63p each	£m	£m
At start of period	**1,840,740,364**	**257**	**640**	2,001,891,899	280	640	2,001,891,899	280	640
Shares issued in respect of share incentive plans	**1,120**	**-**	**-**	1,023	–	–	2,414	–	–
Shares bought back on-market and cancelled	**-**	**-**	**-**	(39,587,562)	(6)	–	(161,153,949)	(23)	–
At end of period	**1,840,741,484**	**257**	**640**	1,962,305,360	274	640	1,840,740,364	257	640

All ordinary shares in issue in the Company rank *pari passu* and carry the same voting rights and entitlement to receive dividends and other distributions declared or paid by the Company.

During the six months to 30 June 2024 the Group has not undertaken any share buybacks.

During 2023, the Group undertook a £300m share buyback programme. The share buyback commenced on 5 June 2023 and was completed on 19 December 2023.
- During the six months to 30 June 2023, the Company had bought back and cancelled 39,587,562 shares for a total consideration of £98m which included transaction costs and unsettled purchases for 6,138,236 shares.
- During the 12 months ended 31 December 2023, the Company had bought back and cancelled 161,153,949 shares for a total consideration of £302m which included transaction costs.

The share buyback resulted in a reduction in retained earnings in the six months ended 30 June 2023 and the 12 months ended 31 December 2023 of £98m and £302m respectively. In addition, £6m and £23m respectively were credited to the capital redemption reserve relating to the nominal value of the shares cancelled for these periods.

The Company can issue shares to satisfy awards granted under employee incentive plans which have been approved by shareholders.

(b) Shares held by trusts

Shares held by trusts relates to shares in abrdn plc that are held by the abrdn Employee Benefit Trust (abrdn EBT), abrdn Employee Trust (abrdn ET) and the Aberdeen Asset Management Employee Benefit Trust 2003 (AAM EBT).

The abrdn EBT, abrdn ET and AAM EBT purchase shares in the Company for delivery to employees under employee incentive plans. Purchased shares are recognised as a deduction from equity at the price paid for them. Where new shares are issued to the abrdn EBT, abrdn ET or AAM EBT the price paid is the nominal value of the shares. When shares are distributed from the trust their corresponding value is released to retained earnings.

The number of shares held by trusts was as follows:

	30 Jun 2024	30 Jun 2023	31 Dec 2023
Number of shares held by trusts			
abrdn Employee Benefit Trust	**32,299,515**	35,540,771	34,076,343
abrdn Employee Trust	**22,032,503**	22,270,081	22,187,644
Aberdeen Asset Management Employee Benefit Trust 2003	**1,926,756**	2,194,934	2,080,853

(c) Retained earnings and other reserves

The merger reserve includes £94m (30 June 2023: £263m, 31 December 2023: £94m) in relation to the Group's asset management businesses. Following the impairment of the Company's investment in abrdn Investments (Holdings) Limited, £169m was transferred from the merger reserve to retained earnings during the 12 months ended 31 December 2023.

There were no transfers from the merger reserve to retained earnings during the six months ended 30 June 2024 and the six months ended 30 June 2023.

4.17 Pension and other post-retirement benefit provisions

The Group operates a number of defined benefit pension plans, the largest of which is the abrdn UK Group plan (principal plan) which is closed to future accrual. The Group also operates two other UK defined benefit plans, which are closed to future accrual, the abrdn ROI plan, which has two employees accruing future benefits, and a number of smaller funded and unfunded defined benefit plans in other countries.

For the UK plans, the trustees set the plan investment strategies to protect the ratio of plan assets to the trustees' measure of the value of assets needed to meet the trustees' objectives. The investment strategies do not aim to protect an IAS 19 surplus or ratio of plan assets to the IAS 19 measure of liabilities.

(a) Analysis of amounts recognised in the condensed consolidated income statement

The amounts recognised in the condensed consolidated income statement for defined contribution and defined benefit plans are as follows:

	6 months 2024 £m	6 months 2023 £m	Full Year 2023 £m
Current service cost	24	28	55
Past service cost	–	(5)	(5)
Net interest income	(16)	(18)	(38)
Administrative expenses	9	2	4
Expense recognised in the condensed consolidated income statement	**17**	7	16

In addition, for the six months ended 30 June 2024, gains of £72m (six months ended 30 June 2023: losses of £81m, 12 months ended 31 December 2023: losses of £139m) have been recognised in other comprehensive income in the condensed consolidated statement of comprehensive income in relation to remeasurement of the defined benefit plans.

(b) Analysis of amounts recognised in the condensed consolidated statement of financial position

Pension and other post-retirement benefit assets at 30 June 2024 of £821m (30 June 2023: £772m, 31 December 2023: £740m) includes the following amounts in relation to the principal plan:

	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m
Present value of funded obligation	(1,650)	(1,664)	(1,784)
Fair value of plan assets	2,736	2,819	2,912
Net asset before the limit on plan surplus	1,086	1,155	1,128
Effect of limit on plan surplus[1]	(271)	(404)	(394)
Net asset	**815**	751	734

1. UK recoverable surpluses are reduced to reflect an authorised surplus payments charge of 25% that would arise on a refund. This charge was reduced from 35% to 25% effective from 6 April 2024 and this is reflected in the net asset at 30 June 2024. The comparative figures at 30 June 2023 and 31 December 2023 are shown with a 35% surplus charge.

A pension plan surplus is considered to be recoverable where an unconditional right to a refund exists.

We are continuing to work with the trustee on the long-term strategy for the plan, including steps relating to any residual surplus assets that remain after all plan related obligations are settled or otherwise provided for. The timing for implementing any strategy, including the release of any surplus, remains a matter for the trustee. See Note 31 in the Annual report and accounts 2023 for more information.

(c) Principal assumptions

Determination of the valuation of principal plan liabilities is a key estimate as a result of the assumptions made relating to both economic and non-economic factors.

The key economic assumptions for the principal plan, which are based in part on current market conditions, are shown below:

	30 Jun 2024 %	30 Jun 2023 %	31 Dec 2023 %
Discount rate	**5.25**	5.25	4.60
Rates of inflation			
Consumer Price Index (CPI)	**2.80**	2.80	2.65
Retail Price Index (RPI)	**3.15**	3.15	3.00

The changes in economic assumptions over the period reflect changes in both corporate bond prices and market implied inflation. The underlying methodology used to set these key economic assumptions has not changed over the reporting period. The population of corporate bond prices excludes bonds issued by UK universities. The inflation assumption reflects the future reform of RPI effective from 2030.

The determination of the present value of the funded obligation at 30 June 2024 includes a methodology change for post-retirement pension increases on 'post 6th April 88' GMP pensions in the principal plan. The previous methodology used a deterministic approach in line with the relevant CPI index. The updated methodology allows for the contractual pension increase cap and floor when deriving the pension increase assumption, using an assumed CPI inflation volatility of 2% p.a. The impact of this methodology change is to reduce the closing obligation by c.£6m.

4.18 Provisions

	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m
Provisions			
Separation costs	**–**	32	–
Tax related provisions	**42**	–	42
Other provisions	**20**	26	24
Total provisions	**62**	58	66

The separation cost provision recognised at 30 June 2023 of £32m was in respect of costs expected to be incurred following the sale of the UK and European insurance business to Phoenix. Following the completion of the separation programme during the 12 months ended 31 December 2023 the Group expected no further costs to be incurred and £32m was released from the provision.

The provision for a potential liability of £42m relates to a disputed tax matter which is the subject of an ongoing appeal. Any resolution is not expected to be until 2025 at the earliest. A reimbursement asset has been recognised within receivables and other financial assets for £18m (30 June 2023: £nil, 31 December 2023: £18m) which is an expected recovery in the event of any settlement.

4.19 Fair value of assets and liabilities

(a) Fair value hierarchy

In determining fair value, the following fair value hierarchy categorisation has been used:

- **Level 1:** Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities. An active market exists where transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- **Level 2:** Fair values measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** Fair values measured using inputs that are not based on observable market data (unobservable inputs).

Information on the methods and assumptions used to determine fair values for equity securities and interests in pooled investment funds, debt securities and derivatives measured at fair value is given below:

	Equities and interests in pooled investment funds[1,2]	Debt securities	Derivatives[3]
Level 1	Equity instruments listed on a recognised exchange valued using prices sourced from their primary exchange.	Debt securities listed on a recognised exchange valued using prices sourced from their primary exchange.	Exchange traded derivatives valued using prices sourced from the relevant exchange.
Level 2	Pooled investment funds where daily unit prices are available and reference is made to observable market data.	Debt securities valued using prices received from external pricing providers based on quotes received from a number of market participants. Debt securities valued using models and standard valuation formulas based on observable market data[4].	Over-the-counter derivatives measured using a range of valuation models including discounting future cash flows and option valuation techniques.
Level 3	These relate primarily to interests in private equity, real estate and infrastructure funds which are valued at net asset value. Underlying real estate and private equity investments are generally valued in accordance with independent professional valuation reports or International Private Equity and Venture Capital Valuation Guidelines where relevant. The underlying investments in infrastructure funds are generally valued based on the phase of individual projects forming the overall investment and discounted cash flow techniques based on project earnings. Where net asset values are not available at the same date as the reporting date, the latest available valuations are reviewed and, where appropriate, adjustments are made to reflect the estimated impact of changes in market conditions between the date of the valuation and the end of the reporting period. Other unlisted equity securities are generally valued using a calibration to the price of a recent investment.	Debt securities valued using prices received from external pricing providers based on a single broker indicative quote. Debt securities valued using models and standard valuation formulas based on unobservable market data[4].	N/A

1. Investments in associates at fair value through profit or loss are valued in the same manner as the Group's equity securities and interests in pooled investment funds.
2. Where pooled investment funds have been seeded and the investment in the funds have been classified as held for sale, the costs to sell are assumed to be negligible. The fair value of pooled investment funds held for sale is calculated as equal to the observable unit price.
3. Non-performance risk arising from the credit risk of each counterparty is also considered on a net exposure basis in line with the Group's risk management policies. At 30 June 2024, 30 June 2023 and 31 December 2023, the residual credit risk is considered immaterial and no credit risk adjustment has been made.
4. If prices are not available from the external pricing providers or are considered to be stale, the Group has established procedures to arrive at an internal assessment of the fair value.

The fair value of liabilities in respect of third party interest in consolidated funds and non-participating investment contracts are calculated equal to the fair value of the underlying assets and liabilities.

Thus, the value of these liabilities is dependent on the methods and assumptions set out above in relation to the underlying assets and liabilities:

- For third party interest in consolidated funds, when the underlying assets and liabilities are valued using readily available market information the liabilities in respect of third party interest in consolidated funds are treated as level 2. Where the underlying assets and liabilities are not valued using readily available market information the liabilities in respect of third party interest in consolidated funds are treated as level 3.
- For non-participating investment contracts, the underlying assets and liabilities are predominately categorised as level 1 or 2 and as such, the inputs into the valuation of the liabilities are observable and these liabilities are predominately categorised within level 2 of the fair value hierarchy. Where the underlying assets are categorised as level 3, the liabilities are also categorised as level 3.

In addition, contingent consideration assets and contingent consideration liabilities are also categorised as level 3 in the fair value hierarchy. Contingent consideration assets and liabilities have been recognised in respect of acquisitions and disposals. Generally valuations are based on unobservable assumptions regarding the probability weighted cash flows and, where relevant, discount rate.

(b) Fair value hierarchy for assets and liabilities measured at fair value other than assets backing unit linked liabilities and unit linked liabilities

(b)(i) Fair value hierarchy for assets measured at fair value in the statement of financial position other than assets backing unit linked liabilities

The table below presents the Group's non-unit linked assets measured at fair value by level of the fair value hierarchy (refer Section 4.19(c) for fair value analysis in relation to assets backing unit linked liabilities).

										Fair value hierarchy								
	As recognised in the condensed consolidated statement of financial position			Classified as held for sale			Total			Level 1			Level 2			Level 3		
	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m
Derivative financial assets	46	78	43	–	–	–	46	78	43	–	–	–	46	78	43	–	–	–
Equity securities and interests in pooled investment vehicles[1]	1,138	1,167	1,139	6	–	–	1,144	1,167	1,139	743	808	769	140	128	137	261	231	233
Debt securities[2]	735	734	740	–	–	–	735	734	740	6	2	7	728	731	732	1	1	1
Financial investments	1,919	1,979	1,922	6	–	–	1,925	1,979	1,922	749	810	776	914	937	912	262	232	234
Owner occupied property[3]	–	1	1	–	–	–	–	1	1	–	–	–	–	–	–	–	1	1
Contingent consideration assets[4]	21	24	11	–	–	–	21	24	11	–	–	–	–	–	–	21	24	11
Total assets at fair value	1,940	2,004	1,934	6	–	–	1,946	2,004	1,934	749	810	776	914	937	912	283	257	246

1. Includes £542m (30 June 2023: £554m, 31 December 2023: £557m) for the Group's listed equity investment in Phoenix which is classified as a significant listed investment. The Group's listed equity investments in HDFC Asset Management and HDFC Life which were also classified as significant listed investments were sold in the six months ended 30 June 2023.
2. There were no debt securities measured at amortised cost at 30 June 2024. Debt securities at fair value at 30 June 2023 and 31 December 2023 excluded debt securities measured at amortised cost of £101m and £125m respectively – refer Section 4.19(d).
3. Presented in Property, plant and equipment in the condensed consolidated statement of financial position.
4. Presented in Receivables and other financial assets in the condensed consolidated statement of financial position.

There were no significant transfers between level 1 and level 2 during the six months ended 30 June 2024 (six months ended 30 June 2023 and 12 months ended 31 December 2023: none). Transfers are deemed to have occurred at the end of the calendar quarter in which they arose.

Refer Section 4.19(b)(iii) below for details of movements in level 3.

(b)(ii) Fair value hierarchy for liabilities measured at fair value in the statement of financial position other than unit linked liabilities

The table below presents the Group's non-unit linked liabilities measured at fair value by level of the fair value hierarchy.

	Total			Fair value hierarchy Level 1			Level 2			Level 3		
	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m
Liabilities in respect of third party interest in consolidated funds	**206**	212	187	**–**	–	–	**137**	141	117	**69**	71	70
Derivative financial liabilities	**4**	2	9	**1**	1	7	**3**	1	2	**–**	–	–
Contingent consideration liabilities[1]	**100**	129	114	**–**	–	–	**–**	–	–	**100**	129	114
Other financial liabilities[2]	**13**	16	15	**–**	–	–	**–**	–	–	**13**	16	15
Total liabilities at fair value	**323**	359	325	**1**	1	7	**140**	142	119	**182**	216	199

1. Presented in Other financial liabilities in the condensed consolidated statement of financial position.
2. Excluding contingent consideration liabilities.

There were no significant transfers between level 1 and level 2 during the six months ended 30 June 2024 (six months ended 30 June 2023 and 12 months ended 31 December 2023: none).

Refer Section 4.19(b)(iii) below for details of movements in level 3.

(b)(iii) Reconciliation of movements in level 3 instruments

The movements during the period of level 3 assets and liabilities held at fair value, excluding unit linked assets and liabilities and assets and liabilities held for sale, are analysed below.

	Owner occupied property			Equity securities and interests in pooled investment funds			Debt securities			Liabilities in respect of third party interest in consolidated funds		
	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m
At start of period	**1**	1	1	**233**	231	231	**1**	2	2	**(70)**	(74)	(74)
Total gains recognised in the condensed consolidated income statement	**–**	–	–	**3**	1	1	**–**	–	–	**–**	–	–
Purchases	**–**	–	–	**28**	7	18	**–**	–	–	**–**	–	–
Sales and other adjustments	**(1)**	–	–	**(2)**	(2)	(17)	**–**	(1)	(1)	**1**	3	4
Foreign exchange adjustment	**–**	–	–	**(1)**	(6)	–	**–**	–	–	**–**	–	–
At end of period	**–**	1	1	**261**	231	233	**1**	1	1	**(69)**	(71)	(70)

	Contingent consideration assets			Contingent consideration liabilities			Other financial liabilities[1]		
	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m
At start of period	**11**	19	19	**(114)**	(132)	(132)	**(15)**	(11)	(11)
Total amounts recognised in the condensed consolidated income statement	**2**	7	7	**10**	(2)	16	**2**	(5)	(5)
Additions	**10**	–	7	**–**	–	(11)	**–**	–	–
Settlements	**(2)**	(2)	(21)	**4**	4	12	**–**	–	1
Other movements	**–**	–	(1)	**–**	1	1	**–**	–	–
At end of period	**21**	24	11	**(100)**	(129)	(114)	**(13)**	(16)	(15)

1. Excluding contingent consideration liabilities.

For the six months ended 30 June 2024, gains of £17m (six months ended 30 June 2023: gains of £1m, 12 months ended 31 December 2023: gains of £19m) were recognised in the condensed consolidated income statement in respect of non-unit linked assets and liabilities held at fair value classified as level 3 at the period end, excluding assets and liabilities held for sale. All gains were recognised in Net gains or losses on financial instruments and other income.

Transfers of equity securities and interests in pooled investment funds and debt securities into level 3 generally arise when external pricing providers stop providing a price or where the price provided is considered stale. Transfers of equity securities and interests in pooled investment funds and debt securities out of level 3 arise when acceptable prices become available from external pricing providers.

(b)(iv) Significant unobservable inputs in level 3 instrument valuations

The table below identifies the significant unobservable inputs in relation to equity securities and interests in pooled investment funds categorised as level 3 instruments at 30 June 2024 with a fair value of £261m (30 June 2023: £231m, 31 December 2023: £233m).

	Fair value					
	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	**Valuation technique**	**Unobservable input**	**Range (weighted average)**
Private equity, real estate, hedge and infrastructure funds	**249**	219	221	Net asset value	Net asset value statements provided for ten significant funds (fair value >£5m) and a large number of smaller funds	A range of unobservable inputs is not applicable as we have determined that the reported NAV represents fair value at the end of the reporting period
Other unlisted equity securities	**12**	12	12	Indicative share price	Calibration to the price of a recent investment.	A range of unobservable inputs is not applicable as we have determined that the calibration to the price of a recent investment represents fair value at the end of the reporting period.

The unobservable input for the Group's related liabilities in respect of third party interest in consolidated funds categorised as level 3 instruments at 30 June 2024 with a fair value of £(69)m (30 June 2023: £(71)m, 31 December 2023: £(70)m) are the same as for the private equity, real estate, hedge and infrastructure funds above. There are no single significant funds in relation to liabilities in respect of third party interest in consolidated funds.

The table below identifies the significant unobservable inputs in relation to contingent consideration assets and liabilities and other financial instrument liabilities categorised as level 3 instruments at 30 June 2024 with a fair value of £(92)m (30 June 2023: £(121)m, 31 December 2023: £(118)m).

	Fair value					
	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	**Valuation technique**	**Unobservable input**	**Range (weighted average)**
Contingent consideration assets and liabilities and other financial instrument liabilities	**(92)**	(121)	(118)	Probability weighted cash flow and where applicable discount rates	Unobservable inputs relate to probability weighted cash flows and, where relevant, discount rates. The most significant unobservable inputs relate to assumptions used to value the contingent consideration liability related to the acquisition of Tritax of £82m (30 June 2023: £109m, 31 December 2023: £90m). For Tritax a number of scenarios were prepared, around a base case, with probabilities assigned to each scenario (based on an assessment of the likelihood of each scenario). The scenarios allow for adjustments to the profit used to determine the contingent consideration under the sale purchase agreement. The value of the contingent consideration was determined for each scenario, and these were then probability weighted, with this probability weighted valuation then discounted from the payment date to the balance sheet date. It was assumed that the timing of the exercise of the earn out put options between 2024, 2025 and 2026 would be that which is most beneficial to the holders of the put options.	The base scenario for Tritax contingent consideration used a revenue compound annual growth rate (CAGR) from 31 March 2023 to 31 March 2026 of 9% (30 June 2023: CAGR from 31 March 2022 to 31 March 2026 of 14% and 31 December 2023: CAGR from 31 March 2023 to 31 March 2026 of 9%) with other scenarios using a range of revenue growth assumptions around this base. The base scenario used a cost/income ratio of c57% (30 June 2023: c52% and 31 December 2023: c56%) with other scenarios using a range of cost/income ratios around this base. The risk adjusted contingent consideration cash flows have been discounted using a primary discount rate of 4% (30 June 2023: 5% and 31 December 2023: 4%).

(b)(v) Sensitivity of the fair value of level 3 instruments to changes in key assumptions

At 30 June 2024, the shareholder is directly exposed to movements in the value of all non-unit linked level 3 instruments. Refer Section 4.19(c) for unit linked level 3 instruments.

Sensitivities for material level 3 assets and liabilities are provided below. Changing unobservable inputs in the measurement of the fair value of the other level 3 financial assets and financial liabilities to reasonably possible alternative assumptions would not have a material impact on profit attributable to equity holders or on total assets.

(b)(v)(i) Equity securities and interests in pooled investment funds

As noted above, of the level 3 equity securities and interests in pooled investment funds, £249m relates to private equity, real estate, hedge and infrastructure funds (30 June 2023: £219m, 31 December 2023: £221m) which are valued using net asset value statements. A 10% increase or decrease in the net asset value of these investments would increase or decrease the fair value of the investments by £25m.

(b)(v)(ii) Liabilities in respect of third party interest in consolidated funds

As noted above, £69m of liabilities in respect of third party interest in consolidated funds of the level 3 equity securities and interests in pooled investment funds (30 June 2023: £71m, 31 December 2023: £70m) are also valued using net asset value statements. A 10% increase or decrease in the net asset value of these investments would increase or decrease the fair value of the liability by £7m.

(b)(v)(iii) Contingent consideration assets and liabilities and other financial instrument liabilities

As noted above, the most significant unobservable inputs for level 3 instruments relate to assumptions used to value the contingent consideration related to the purchase of Tritax. Sensitivities for reasonably possible changes to key assumptions are provided in the table below.

Assumption	**Change in assumption**	**Consequential increase/(decrease) in contingent consideration liability**
		30 Jun 2024 £m
Revenue compound annual growth rate (CAGR) from 31 March 2023 to 31 March 2026	Decreased by 5%	**(14)**
	Increased by 10%	**33**
Cost/income ratio	Decreased by 5%	**13**
	Increased by 5%	**(13)**
Discount rate	Decreased by 2%	**3**
	Increased by 2%	**(3)**

(c) Fair value hierarchy for assets backing unit linked liabilities and unit linked liabilities measured at fair value

The table below presents the Group's assets backing unit linked liabilities and unit linked liabilities measured at fair value by level of the fair value hierarchy.

				Fair value hierarchy								
	Total			**Level 1**			**Level 2**			**Level 3**		
	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m
Financial investments	**655**	873	669	**362**	590	396	**293**	283	273	**–**	–	–
Total assets at fair value backing unit linked liabilities	**655**	873	669	**362**	590	396	**293**	283	273	**–**	–	–
Investment contract liabilities	**670**	724	684	**–**	–	–	**670**	724	684	**–**	–	–
Third party interest in consolidated funds	**–**	165	–	**–**	–	–	**–**	165	–	**–**	–	–
Other unit linked liabilities[1]	**–**	1	–	**–**	–	–	**–**	1	–	**–**	–	–
Total unit linked liabilities at fair value	**670**	890	684	**–**	–	–	**670**	890	684	**–**	–	–

1. Excludes other unit linked liabilities not measured at fair value of £8m (30 June 2023: £4m, 31 December 2023: £2m).

The financial investments backing unit linked liabilities comprise equity securities and interests in pooled investment funds of £652m (30 June 2023: £764m, 31 December 2023: £667m), debt securities of £3m (30 June 2023: £107m, 31 December 2023: £2m) and derivative financial assets of £nil (30 June 2023: £2m, 31 December 2023: £nil).

There were no significant transfers between level 1 and level 2 during the six months ended 30 June 2024 (six months ended 30 June 2023 and 12 months ended 31 December 2023: none).

The movements during the period of level 3 unit linked assets and liabilities held at fair value are analysed below.

	Equity securities and interests in pooled investment funds			Investment contract liabilities		
	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m
At start of period	**–**	1	1	**–**	(1)	(1)
Sales	**–**	(1)	(1)	**–**	1	1
At end of period	**–**	–	–	**–**	–	–

Unit linked level 3 assets related to holdings in real estate funds.

(d) Assets and liabilities not carried at fair value

The table below presents estimated fair values of non-unit linked financial assets and liabilities whose carrying value does not approximate fair value. Fair values of assets and liabilities are based on observable market inputs where available or are estimated using other valuation techniques.

	As recognised in condensed consolidated statement of financial position line item			Fair value		
	30 Jun 2024 £m	30 Jun 2023 £m	31 Dec 2023 £m	**30 Jun 2024 £m**	30 Jun 2023 £m	31 Dec 2023 £m
Assets						
Debt securities	**–**	101	125	**–**	101	125
Liabilities						
Subordinated liabilities	**604**	588	599	**555**	515	534

The estimated fair values for subordinated liabilities are based on the quoted market offer price. The carrying value of all other financial assets and liabilities measured at amortised cost approximates their fair value.

4.20 Contingent liabilities and contingent assets

Legal proceedings, complaints and regulations

The Group is subject to regulation in all of the territories in which it operates investment management, asset administration and insurance businesses. In the UK, where the Group primarily operates, the FCA has broad powers, including powers to investigate marketing and sales practices.

The Group, like other financial organisations, is subject to legal proceedings, complaints and regulatory and tax authority discussions and reviews in the normal course of its business. All such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Group incurring a liability. Where it is concluded that it is more likely than not that a material outflow will be made a provision is established based on management's best estimate of the amount that will be payable. A subsidiary of the Group is currently responding to certain information requests from an overseas Tax Authority in connection with its Income Tax Returns. Interpretation of tax legislation is complex and therefore, as part of the normal course of business, local tax authorities may sometimes request further information in order to clarify facts and technical approach. These types of enquiries can sometimes be prolonged due to inherent complexity. At this stage of enquiry, it is not possible to reliably predict the outcome.

There are no other identified contingent liabilities expected to lead to a material exposure.

4.21 Commitments

(a) Unrecognised financial instruments

As at 30 June 2024, the Group has committed to investing an additional £52m (30 June 2023: £74m, 31 December 2023: £67m) into funds in which it holds a co-investment interest.

(b) Capital and other commitments

As at 30 June 2024, the Group has no capital commitments other than in relation to financial instruments (30 June 2023: £nil, 31 December 2023: £nil).

In addition, the Group has commitments relating to future acquisitions:

- In February 2021, the Group announced the purchase of certain products in Phoenix's savings business offered through abrdn's Wrap platform, comprising a self-invested pension plan (SIPP) and an onshore bond product; together with Phoenix's trustee investment plan business for UK pension scheme clients. The transfers to the Group of the majority of the SIPP contracts and the TIP business are expected to be completed during 2025, subject to regulatory and court approvals. The upfront consideration paid by the Group in February 2021 was £62.5m, which is offset in part by payments from Phoenix to the Group relating to profits of the products prior to completion of the legal transfer. The net amount of consideration paid is included in prepayments in the condensed consolidated statement of financial position with cash movements in relation to the consideration included in prepayment in respect of potential acquisition of customer contracts in the condensed consolidated statement of cash flows. Refer Note 4.14 for details of the release of the prepayments to expenses in the six months ended 30 June 2024.
- At 30 June 2024, the Group had other commitments for the cost of obtaining customer contracts for £22m. These commitments were subject to the satisfaction of certain conditions.

4.22 Related party transactions

In the normal course of business, the Group enters into transactions with related parties that relate to investment management and insurance businesses. There have been no changes in the nature of these transactions during the period to those reported in the Annual report and accounts for the year ended 31 December 2023. There were no transactions with related parties during the six months ended 30 June 2024 which had a material effect on the results or financial position of the Group.

4.23 Events after the reporting period

On 2 July 2024, the Group completed the sale of its adviser support services business, threesixty services, to the Fintel group. The threesixty services business was reported within our Adviser segment. The sale involved the transfer of 70 employees and resulted in an IFRS profit on disposal of subsidiaries and other operations of £9m which will be recognised in the second half of 2024.

5. Supplementary information

5.1 Alternative performance measures APM

We assess our performance using a variety of measures that are not defined under IFRS and are therefore termed alternative performance measures (APMs). The APMs that we use may not be directly comparable with similarly named measures used by other companies. We have presented below reconciliations from these APMs to the most appropriate measure prepared in accordance with IFRS. All APMs should be read together with the condensed consolidated income statement, condensed consolidated statement of financial position and condensed consolidated statement of cash flows, which are presented in the Financial information section of this report, and related metrics. Adjusted operating profit excludes certain items which are likely to be recurring such as restructuring costs, amortisation of certain intangibles, dividends from significant listed investments and the share of profit or loss from associates and joint ventures.

Definition	Purpose
Adjusted operating profit APM	
Adjusted operating profit before tax is the Group's key APM. Adjusted operating profit includes the results of the Group's three businesses: Investments, Adviser and ii along with Other business operations and corporate costs. It excludes the Group's adjusted net financing costs and investment return. Adjusted operating profit also excludes the impact of the following items: – Restructuring and corporate transaction expenses. Restructuring includes the impact of major regulatory change. – Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts. – Profit or loss arising on the disposal of a subsidiary, joint venture or equity accounted associate. – Change in fair value of/dividends from significant listed investments. – Share of profit or loss from associates and joint ventures. – Impairment loss/reversal of impairment loss recognised on investments in associates and joint ventures accounted for using the equity method. – Fair value movements in contingent consideration. – Items which are one-off and, due to their size or nature, are not indicative of the long-term operating performance of the Group. Further details are included in Note 4.9 of the Financial information section.	Adjusted operating profit reporting provides further analysis of the results reported under IFRS and the Directors believe it helps to give shareholders a fuller understanding of the performance of the business by identifying and analysing adjusting items. Segment reporting used in management information is reported to the level of adjusted operating profit.
Net operating revenue APM	
Net operating revenue includes revenue we generate from asset management charges (AMCs), platform charges, treasury income and other transactional charges. AMCs are earned on products such as mutual funds, and are calculated as a percentage fee based on the assets held. Investment risk on these products rests principally with the client, with our major indirect exposure to rising or falling markets coming from higher or lower AMCs. Net operating revenue is shown net of cost of sales, such as commissions and similar charges.	Net operating revenue is a component of adjusted operating profit and provides the basis for reporting of the revenue yield financial ratio. Net operating revenue is also used to calculate the cost/income ratio.
Adjusted operating expenses APM	
Adjusted operating expenses is a component of adjusted operating profit and relates to the day-to-day expenses of managing our business. Adjusted operating expenses excludes restructuring and corporate transaction expenses. Adjusted operating expenses also excludes amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts.	Adjusted operating expenses is a component of adjusted operating profit and is used to calculate the cost/income ratio.
Adjusted profit before tax APM	
In addition to the results included in adjusted operating profit above, adjusted profit before tax includes adjusted net financing costs and investment return.	Adjusted profit before tax is a key input to the adjusted earnings per share measure.
Adjusted net financing costs and investment return APM	
Adjusted net financing costs and investment return relates to the return from the net assets of the shareholder business, net of costs of financing. This includes the net assets in defined benefit staff pension plans and net assets relating to the financing of subordinated liabilities.	Adjusted net financing costs and investment return is a component of adjusted profit before tax.

Definition	Purpose
Cost/income ratio APM This is an efficiency measure that is calculated as adjusted operating expenses divided by net operating revenue in the period.	This ratio is used by management to assess efficiency and reported to the Board and executive leadership team.
Net operating revenue yield (bps) APM The net operating revenue yield is calculated as annualised net operating revenue (excluding performance fees, ii and revenue for which there are no attributable assets) divided by monthly average fee based assets. The ii business is excluded from the calculation of net operating revenue yield as fees charged for this business are primarily from subscriptions and trading transactions.	The net operating revenue yield is a measure that illustrates the average margin being earned on the assets that we manage, or administer and excludes the ii business.
Adjusted diluted earnings per share APM Adjusted diluted earnings per share is calculated on adjusted profit after tax. The weighted average number of ordinary shares in issue is adjusted during the period to assume the conversion of all dilutive potential ordinary shares, such as share options granted to employees. Details on the calculation of adjusted diluted earnings per share are set out in Note 4.8 of the Financial information section.	Earnings per share is a commonly used financial metric which can be used to measure the profitability and capital efficiency of a company over time. We also calculate adjusted diluted earnings per share to illustrate the impact of adjusting items on the metric. This ratio is used by management to assess performance and reported to the Board and executive leadership team.
Adjusted capital generation APM Adjusted capital generation is part of the analysis of movements in IFPR regulatory capital. Adjusted capital generation is calculated as adjusted profit after tax less returns relating to pension schemes in surplus and interest paid on other equity which do not benefit regulatory capital. It also includes dividends from associates, joint ventures and significant listed investments. At 30 June 2024, Phoenix is the only significant listed investment.	These measures aim to show how adjusted profit contributes to regulatory capital, and therefore provides insight into our ability to generate capital that is deployed to support value for shareholders.
Net capital generation APM Net capital generation is calculated as adjusted capital generation less restructuring and corporate transaction expenses (net of tax).	
Adjusted diluted capital generation per share APM Adjusted diluted capital generation per share is calculated as adjusted capital generation divided by the weighted average number of diluted ordinary shares outstanding.	These ratios are measures used to assess performance for dividend paying capability.
Net diluted capital generation per share APM Net diluted capital generation per share is calculated as net capital generation divided by the weighted average number of diluted ordinary shares outstanding.	
Cash and liquid resources APM Cash and liquid resources are IFRS cash and cash equivalents (netted down for overdrafts), money market instruments and holdings in money market funds. It also includes surplus cash that has been invested in liquid assets such as high-quality corporate bonds, gilts and pooled investment funds. Seed capital and co-investments are excluded. Cash collateral, cash held for charitable funds and cash held in employee benefit trusts are excluded from cash and liquid resources.	The purpose of this measure is to demonstrate how much cash and invested assets we hold and can be readily accessed.

5.1.1 Adjusted operating profit and adjusted profit

Reconciliation of adjusted operating profit and adjusted profit to IFRS profit by component

The components of adjusted operating profit are net operating revenue and adjusted operating expenses. These components provide a meaningful analysis of our adjusted results. The table below provides a reconciliation of movements between adjusted operating profit component measures and relevant IFRS terms. A reconciliation of Net operating revenue to the IFRS item Revenue from contracts with customers is provided in Note 4.4 of the Financial information section.

IFRS term H1 2024	IFRS £m	Presentation differences £m	Adjusting items £m	Adjusted profit £m	Adjusted profit term
Net operating revenue	**667**		**-**	**667**	Net operating revenue
Total administrative and other expenses	**(673)**	**(4)**	**138**	**(539)**	Adjusted operating expenses[1]
	(6)	**(4)**	**138**	**128**	**Adjusted operating profit**
Net gains or losses on financial instruments and other income	**85**	**(8)**	**(35)**	**42**	Adjusted net financing costs and investment return
Finance costs	**(12)**	**12**	**-**	**-**	N/A
Profit on disposal of subsidiaries and other operations	**88**	**-**	**(88)**	**-**	N/A
Profit on disposal of interests in joint ventures	**11**	**-**	**(11)**	**-**	N/A
Share of profit or loss from associates and joint ventures	**21**	**-**	**(21)**	**-**	N/A
Profit before tax	**187**	**-**	**(17)**	**170**	**Adjusted profit before tax**
Total tax expense	**(16)**	**-**	**(25)**	**(41)**	Tax on adjusted profit
Profit for the period	**171**	**-**	**(42)**	**129**	**Adjusted profit after tax**

1. Adjusted operating expenses includes staff and other related costs of £276m compared with IFRS staff costs and other employee-related costs of £263m. The difference primarily relates to the inclusion of contractor, temporary agency staff and recruitment and training costs of £8m (IFRS basis: Reported within other administrative expenses) and gains on funds to hedge deferred bonus awards of £2m (IFRS basis: Reported within other net gains on financial instruments and other income) within staff and other related costs. IFRS staff costs and other employee-related costs includes the benefit from the net interest credit relating to the staff pension schemes of £7m (Adjusted profit basis: Reported within adjusted net financing costs and investment return).

IFRS term H1 2023	IFRS £m	Presentation differences £m	Adjusting items £m	Adjusted profit £m	Adjusted profit term
Net operating revenue	721	-	-	721	Net operating revenue
Total administrative and other expenses	(764)	(13)	183	(594)	Adjusted operating expenses
	(43)	(13)	183	127	**Adjusted operating profit**
Net gains or losses on financial instruments and other income	(118)	2	140	24	Adjusted net financing costs and investment return
Finance costs	(12)	11	1	-	N/A
Profit on disposal of subsidiaries and other operations	-	-	-	-	N/A
Profit on disposal of interests in joint ventures	-	-	-	-	N/A
Share of profit or loss from associates and joint ventures	4	-	(4)	-	N/A
Loss before tax	(169)	-	320	151	**Adjusted profit before tax**
Total tax credit	24	-	(48)	(24)	Tax on adjusted profit
Loss for the period	(145)	-	272	127	**Adjusted profit after tax**

Presentation differences primarily relate to amounts presented in a different line item of the condensed consolidated income statement.

5.1.2 Cost/income ratio

	H1 2024	H1 2023
Adjusted operating expenses (£m)	**(539)**	(594)
Net operating revenue (£m)	**667**	721
Cost/income ratio (%)	**81**	82

5.1.3 Net operating revenue yield (bps)

	Average AUMA (£bn)		Net operating revenue (£m)		Net operating revenue yield (bps)	
	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
Institutional and Retail Wealth[1]	**211.0**	225.5	**332**	377	**31.7**	33.7
Insurance Partners	**156.3**	147.0	**71**	77	**9.1**	10.6
Investments	**367.3**	372.5	**403**	454	**22.0**	24.6
Adviser[2]	**74.1**	70.3	**119**	103	**31.4**	28.8
Eliminations[3]	**(7.4)**	(7.9)	**N/A**	N/A	**N/A**	N/A
Net operating revenue yield[3]	**434.0**	434.9	**522**	557	**24.0**	25.7
ii[3]			**137**	152		
Performance fees[4]			**3**	7		
Other[1]			**5**	5		
Net operating revenue			**667**	721		

Analysis of Institutional and Retail Wealth by asset class

	Average AUM (£bn)		Net operating revenue (£m)		Net operating revenue yield (bps)	
	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
Equities	**46.5**	51.1	**147**	156	**63.4**	61.8
Fixed income	**34.5**	35.5	**43**	48	**25.1**	27.2
Multi-asset	**24.8**	27.7	**26**	34	**21.5**	24.8
Private equity	**4.1**	11.8	**10**	26	**50.3**	45.2
Real assets	**37.8**	40.3	**79**	88	**41.9**	43.9
Alternative investment solutions including private credit	**25.8**	23.7	**17**	16	**12.9**	13.4
Quantitative	**18.3**	15.7	**3**	3	**3.5**	3.2
Liquidity	**19.2**	19.7	**7**	6	**7.8**	6.5
Institutional and Retail Wealth	**211.0**	225.5	**332**	377	**31.7**	33.7

1. Net operating revenue for Finimize and our digital innovation group moved from Investments to Other. Comparatives have been restated. Refer Note 4.3 of the Financial information section for further details.
2. Adviser net operating revenue yield excludes revenue of £4m (H1 2023: £3m) for which there are no attributable assets.
3. ii is excluded from the calculation of net operating revenue yield as fees charged for this business are primarily from subscriptions and trading transactions. ii includes financial planning revenue previously classified as Personal Wealth, comparatives also include revenue relating to abrdn Capital. Comparatives, including Eliminations have been restated.
4. Performance fees consist of Institutional and Retail Wealth £3m (H1 2023: £6m) and Insurance Partners £nil (H1 2023: £1m).

5.1.4 Additional ii information

The tables below provide additional detail of ii[1] operational metrics.

ii operational metrics[1]	H1 2024	H1 2023
Total customers at period end	**422k**	407k[2]
Customers holding a SIPP account	**73.0k**	62.4k[2]
Customer cash balances	**£5.9bn**	£5.5bn[2]
AUA per customer	**£163k**	£152k[2]
New customers	**28.2k**	15.1k
Daily average retail trading volumes	**20.5k**	16.7k

1. Excludes our financial planning business.
2. Comparative as at 31 December 2023.

5.1.5 Net capital generation

The table below provides a reconciliation of movements between adjusted profit after tax and net capital generation. A reconciliation of adjusted profit after tax to IFRS profit for the period is included earlier in this section.

	H1 2024 £m	H1 2023 £m
Adjusted profit after tax	**129**	127
Less net interest credit relating to the staff pension schemes	**(7)**	(16)
Less interest paid on other equity	**(6)**	(6)
Add dividends received from associates, joint ventures and significant listed investments	**28**	37
Adjusted capital generation	**144**	142
Less restructuring and corporate transaction expenses (net of tax)	**(40)**	(92)
Net capital generation	**104**	50

Net interest credit relating to the staff pension schemes

The net interest credit relating to the staff pension schemes is the contribution to adjusted profit before tax from defined benefit pension schemes which are in surplus.

Dividends received from associates, joint ventures and significant listed investments

An analysis is provided below:

	H1 2024 £m	H1 2023 £m
Phoenix	**28**	27
HDFC Asset Management	**-**	10
Dividends received from associates, joint ventures and significant listed investments	**28**	37

The table below provides detail of dividend coverage on an adjusted capital generation basis.

	H1 2024	H1 2023
Adjusted capital generation (£m)	**144**	142
Interim dividend (£m)	**130**	137
Dividend cover on an adjusted capital generation basis (times)	**1.11**	1.04

5.1.6 Net diluted capital generation per share

A reconciliation of net capital generation to adjusted profit after tax is included in 5.1.5 above.

	H1 2024	H1 2023
Adjusted capital generation (£m)	**144**	142
Net capital generation (£m)	**104**	50
Weighted average number of diluted ordinary shares outstanding (millions)[1] - Note 4.8	**1,816**	1,949
Adjusted diluted capital generation per share (pence)	**7.9**	7.3
Net diluted capital generation per share (pence)	**5.7**	2.6

1. In accordance with IAS 33, no share options and awards have been treated as dilutive for the six months ended 30 June 2023 due to the loss attributable to equity holders of abrdn plc in that period. Refer Note 4.8 of the Financial information section for further details.

5.1.7 Cash and liquid resources

The table below provides a reconciliation between IFRS cash and cash equivalents and cash and liquid resources. Seed capital and co-investments are excluded.

	H1 2024 £bn	FY 2023 £bn
Cash and cash equivalents per the condensed consolidated statement of financial position	**1.4**	1.2
Debt securities excluding third party interests[1]	**0.6**	0.7
Other[2]	**(0.2)**	(0.1)
Cash and liquid resources	**1.8**	1.8

1. Excludes £82m (FY 2023: £86m) relating to seeding.

2. Cash collateral, cash held for charitable funds and cash held in employee benefit trusts are excluded from cash and liquid resources.

5.2 Investment performance

Definition	Purpose
Investment performance Investment performance is a measure of how investments are performing relative to a benchmark, target, or other comparator. The calculation covers funds that aim to outperform or track a benchmark/target, with certain assets excluded where these measures of performance are not appropriate or expected, such as certain private markets and execution only mandates. Benchmarks and targets differ by fund and are defined in the relevant investment management agreement or prospectus, as appropriate. The investment performance data is calculated internally by abrdn to give users guidance on how we are delivering positive investment outcomes for our clients. It is not intended for clients or potential clients investing in our products as more specific information and reporting is available for this purpose. Investment performance has been aggregated using a money weighted average of our assets under management. Calculations for investment performance are made gross of fees except for those funds for which the stated comparator is net of fees. The calculation uses a closing AUM weighting basis and is based on AUM data available as at the relevant reporting date. As at 30 June 2024, 77% of AUM is covered by this metric, performance is calculated relative to the relevant comparator for each investment strategy on the basis of: Assets ahead of the benchmark or target defined in the investment management agreement or prospectus, as appropriate. As at 30 June 2024, this applies to 61% of the AUM. Assets where the objective is to track an index are assessed based on being within or above an applicable tolerance for the strategy. As at 30 June 2024, this applies to 16% of the AUM.	As an asset managing business this measure demonstrates our ability to generate investment returns for our clients.

% of AUM performing	1 year H1 2024	1 year FY 2023 restated[1]	1 year FY 2023	3 years H1 2024	3 years FY 2023 restated[1]	3 years FY 2023	5 years H1 2024	5 years FY 2023 restated[1]	5 years FY 2023
Equities	**23**	27	27	**14**	17	17	**23**	48	48
Fixed income	**89**	81	81	**79**	75	75	**84**	84	84
Multi-asset	**65**	12	12	**27**	15	15	**37**	22	22
Real assets	**40**	30	30	**42**	56	56	**45**	45	45
Alternatives	**97**	98	100	**100**	98	100	**100**	98	100
Quantitative	**92**	100	100	**90**	100	100	**93**	95	37
Liquidity	**100**	100	100	**96**	95	95	**100**	97	97
Total	**70**	55	44	**54**	51	42	**58**	58	52

% of AUM covered by metric	**77%**	75%	61%

1. The scope of the investment performance calculation has been extended to include index tracker funds which were previously excluded from this metric. 2023 comparatives have been restated. We believe that this approach provides a more representative view of our overall investment performance.

The extension to the scope of the investment performance calculation primarily relates to alternatives and quantitative asset classes; the table below provides additional detail highlighting the change to these asset classes:

% of AUM performing	1 year H1 2024	1 year FY 2023 restated[1]	1 year FY 2023	3 years H1 2024	3 years FY 2023 restated[1]	3 years FY 2023	5 years H1 2024	5 years FY 2023 restated[1]	5 years FY 2023
Alternatives	**97**	98	100	**100**	98	100	**100**	98	100
Active	**100**	97	100	**100**	97	100	**100**	97	100
Index	**91**	100	N/A	**100**	100	N/A	**100**	N/A	N/A
Quantitative	**92**	100	100	**90**	100	100	**93**	95	37
Active	**26**	100	100	**26**	100	100	**28**	37	37
Index	**99**	100	N/A	**100**	100	N/A	**99**	99	N/A

5.3 Assets under management and administration and flows

Definition	Purpose
AUMA AUMA is a measure of the total assets we manage, administer or advise on behalf of our clients. It includes assets under management (AUM), assets under administration (AUA) and assets under advice (AUAdv). AUM is a measure of the total assets that we manage on behalf of individual and institutional clients. AUM also includes fee generating assets managed for corporate purposes. AUA is a measure of the total assets we administer for clients through platform products such as ISAs, SIPPs and general trading accounts. AUAdv is a measure of the total assets we advise our clients on, for which there is an ongoing charge.	The amount of funds that we manage, administer or advise directly impacts the level of net operating revenue that we receive.
Net flows Net flows represent gross inflows less gross outflows or redemptions. Gross inflows are new funds from clients. Redemptions is the money withdrawn by clients during the period. Cash dividends which are retained on the ii platform are included in net flows for the ii business only. Cash dividends are included in market movements for other parts of the Group including the Investments and Adviser platform businesses. We consider that this different approach is appropriate for the ii business as cash dividend payments which are retained result in additional income for ii but are largely revenue neutral for the rest of the Group.	The level of net flows that we generate directly impacts the level of net operating revenue that we receive.

5.3.1 Analysis of AUMA

6 months ended 30 June 2024	Opening AUMA at 1 Jan 2024 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions[4] £bn	Closing AUMA at 30 Jun 2024 £bn
Institutional	**143.9**	**12.1**	**(9.2)**	**2.9**	**4.2**	**(7.0)**	**144.0**
Retail Wealth	**67.3**	**6.4**	**(8.9)**	**(2.5)**	**1.9**	**-**	**66.7**
Insurance Partners[1]	**155.5**	**12.8**	**(14.2)**	**(1.4)**	**4.5**	**-**	**158.6**
Investments	**366.7**	**31.3**	**(32.3)**	**(1.0)**	**10.6**	**(7.0)**	**369.3**
Adviser[2]	**73.5**	**3.1**	**(5.1)**	**(2.0)**	**3.5**	**-**	**75.0**
ii[3]	**66.0**	**7.1**	**(4.0)**	**3.1**	**3.8**	**-**	**72.9**
Eliminations[5]	**(11.3)**	**(1.1)**	**1.8**	**0.7**	**(0.7)**	**-**	**(11.3)**
Total AUMA	**494.9**	**40.4**	**(39.6)**	**0.8**	**17.2**	**(7.0)**	**505.9**

6 months ended 30 June 2023	Opening AUMA at 1 Jan 2023 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions[6] £bn	Closing AUMA at 30 Jun 2023 £bn
Institutional	161.9	9.0	(13.9)	(4.9)	(5.2)	–	151.8
Retail Wealth	69.3	6.8	(8.6)	(1.8)	(0.8)	0.5	67.2
Insurance Partners[1]	144.9	11.2	(11.0)	0.2	3.5	–	148.6
Investments	376.1	27.0	(33.5)	(6.5)	(2.5)	0.5	367.6
Adviser[2]	68.5	2.9	(3.5)	(0.6)	1.4	2.5	71.8
ii[3]	67.1	5.6	(3.8)	1.8	1.0	(2.5)	67.4
Eliminations[5]	(11.7)	(1.3)	1.4	0.1	0.5	–	(11.1)
Total AUMA	500.0	34.2	(39.4)	(5.2)	0.4	0.5	495.7

1. Insurance Partners AUM at 30 June 2024 includes £157.5bn (31 December 2023: £154.4bn, 30 June 2023: £147.5bn) relating to Phoenix and £1.1bn (31 December 2023: £1.1bn, 30 June 2023: £1.1bn) of other AUM.
2. Includes Platform AUA at 30 June 2024 of £72.3bn (31 December 2023: £70.9bn, 30 June 2023: £69.3bn).
3. Includes financial planning business AUA at 30 June 2024 of £4.1bn (31 December 2023: £4.3bn, 30 June 2023: £4.6bn).
4. Corporate actions in H1 2024 relates to the disposal of our European-headquartered Private Equity business.
5. Eliminations remove the double count reflected in Investments, Adviser and ii.
6. Corporate actions in H1 2023 relates to the transfer of the MPS business from ii to Adviser in May 2023 of £2.5bn and £0.5bn relating to the acquisition of Macquarie closed-end funds in March 2023.

5.3.2 Quarterly net flows

15 months ended 30 June 2024	3 months to 30 Jun 24 £bn	3 months to 31 Mar 24 £bn	3 months to 31 Dec 23 £bn	3 months to 30 Sep 23 £bn	3 months to 30 Jun 23 £bn
Institutional	**0.6**	2.3	(3.4)	(3.6)	(0.7)
Retail Wealth	**(0.9)**	(1.6)	(2.4)	(1.8)	(0.8)
Insurance Partners	**(0.9)**	(0.5)	0.3	(1.6)	1.7
Investments	**(1.2)**	0.2	(5.5)	(7.0)	0.2
Adviser	**(1.1)**	(0.9)	(1.0)	(0.5)	(0.5)
ii	**1.9**	1.2	0.5	0.6	1.1
Eliminations	**0.4**	0.3	0.3	0.2	0.2
Total net flows	**-**	0.8	(5.7)	(6.7)	1.0

5.4 Public markets and Alternatives investment capability

We have simplified and focused our investment capabilities on areas where we have both the skill and the scale to capitalise on the key themes shaping the market, through either public markets or alternative asset classes. This analysis includes Institutional, Retail Wealth and Insurance Partners.

Analysis of AUM and net operating revenue

	AUM (£bn)		Net operating revenue (£m)[2]	
	H1 2024	H1 2023	H1 2024	H1 2023
Equities	**66.8**	73.4	**158**	184
Fixed income (including Liquidity)[1]	**123.8**	125.0	**76**	81
Multi-asset	**33.0**	30.0	**40**	43
Quantitative	**76.2**	58.3	**13**	8
Public markets	**299.8**	286.7	**287**	316
Real assets	**41.3**	43.7	**85**	96
Private credit	**8.8**	8.1	**8**	7
Alternative investment solutions	**19.4**	16.8	**14**	14
Private equity	**-**	12.3	**12**	28
Alternatives	**69.5**	80.9	**119**	145
Total Investments	**369.3**	367.6	**406**	461

1. Total liquidity AUM at 30 June 2024 was £37.0bn (30 June 2023: £38.1bn). Total liquidity net operating revenue was £12m (H1 2023: £12m).
2. Net operating revenue for Finimize and our digital Innovation group moved from Investments to Other. Comparatives have been restated. Refer Note 4.3 of the Financial information section for further details.

5.5 Institutional and Retail Wealth AUM

Detailed asset class split

6 months ended 30 June 2024	Opening AUM at 1 Jan 2024 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions[1] £bn	Closing AUM at 30 Jun 2024 £bn
Developed markets equities	11.8	0.6	(1.2)	(0.6)	0.6	–	11.8
Emerging markets equities	11.1	0.5	(1.5)	(1.0)	0.5	–	10.6
Asia Pacific equities	16.3	1.2	(3.2)	(2.0)	1.1	–	15.4
Global equities	8.5	0.7	(1.1)	(0.4)	0.4	–	8.5
Total equities	**47.7**	**3.0**	**(7.0)**	**(4.0)**	**2.6**	**–**	**46.3**
Developed markets credit	21.4	2.9	(1.7)	1.2	(0.5)	–	22.1
Developed markets rates	3.3	0.2	(0.4)	(0.2)	(0.1)	–	3.0
Emerging markets fixed income	9.8	0.9	(0.7)	0.2	0.1	–	10.1
Total fixed income	**34.5**	**4.0**	**(2.8)**	**1.2**	**(0.5)**	**–**	**35.2**
Absolute return[2]	–	–	–	–	–	–	–
Diversified growth/income	0.2	–	–	–	0.7	–	0.9
MyFolio	16.2	0.7	(1.4)	(0.7)	0.9	–	16.4
Other multi-asset[2]	8.7	0.6	(0.7)	(0.1)	(0.9)	–	7.7
Total multi-asset	**25.1**	**1.3**	**(2.1)**	**(0.8)**	**0.7**	**–**	**25.0**
Total private equity	**7.2**	**–**	**–**	**–**	**(0.2)**	**(7.0)**	**–**
UK real estate	15.9	0.3	(0.9)	(0.6)	0.2	–	15.5
European real estate	13.6	0.2	–	0.2	(0.7)	–	13.1
Global real estate	1.2	–	(0.1)	(0.1)	(0.1)	–	1.0
Real estate multi-manager	1.5	–	(0.1)	(0.1)	–	–	1.4
Infrastructure equity	6.1	0.1	(0.1)	–	(0.1)		6.0
Total real assets	**38.3**	**0.6**	**(1.2)**	**(0.6)**	**(0.7)**	**–**	**37.0**
Total alternative investment solutions (including private credit)	**24.0**	**0.7**	**(0.6)**	**0.1**	**2.9**	**–**	**27.0**
Total quantitative	**17.1**	**3.0**	**(0.9)**	**2.1**	**0.7**	**–**	**19.9**
Total excluding liquidity	**193.9**	**12.6**	**(14.6)**	**(2.0)**	**5.5**	**(7.0)**	**190.4**
Total liquidity	**17.3**	**5.9**	**(3.5)**	**2.4**	**0.6**	**–**	**20.3**
Total	**211.2**	**18.5**	**(18.1)**	**0.4**	**6.1**	**(7.0)**	**210.7**

1. Corporate actions in H1 2024 relate to the disposal of our European-headquartered Private Equity business.
2. Other multi-asset includes opening AUM of £3.4bn, flows of nil, market and other movements of £(0.1)bn and closing AUM of £3.3bn relating to assets previously classified as Absolute return.

6 months ended 30 June 2023	Opening AUM at 1 Jan 2023 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions[1] £bn	Closing AUM at 30 Jun 2023 £bn
Developed markets equities	11.1	0.6	(1.7)	(1.1)	0.2	–	10.2
Emerging markets equities	12.5	0.4	(1.1)	(0.7)	(0.2)	–	11.6
Asia Pacific equities	20.5	1.4	(2.5)	(1.1)	(1.5)	–	17.9
Global equities	8.2	0.7	(0.9)	(0.2)	0.2	0.4	8.6
Total equities	52.3	3.1	(6.2)	(3.1)	(1.3)	0.4	48.3
Developed markets credit	22.5	1.6	(2.4)	(0.8)	(0.2)	0.1	21.6
Developed markets rates	2.0	0.8	(0.4)	0.4	0.8	–	3.2
Emerging markets fixed income	11.3	0.7	(1.7)	(1.0)	(0.3)	–	10.0
Total fixed income	35.8	3.1	(4.5)	(1.4)	0.3	0.1	34.8
Absolute return[2]	1.4	0.1	(0.5)	(0.4)	(0.2)	–	0.8
Diversified growth/income	0.3	–	(0.1)	(0.1)	0.1	–	0.3
MyFolio	15.6	0.8	(1.2)	(0.4)	0.7	–	15.9
Other multi-asset[2]	11.0	0.4	(1.0)	(0.6)	(1.3)	–	9.1
Total multi-asset	28.3	1.3	(2.8)	(1.5)	(0.7)	–	26.1
Total private equity	12.3	0.1	(0.5)	(0.4)	(0.1)	–	11.8
UK real estate	19.3	0.1	(0.7)	(0.6)	(2.2)	–	16.5
European real estate	14.3	0.2	–	0.2	(0.9)	–	13.6
Global real estate	1.6	0.1	(0.2)	(0.1)	(0.2)	–	1.3
Real estate multi-manager	1.4	0.1	–	0.1	(0.3)	–	1.2
Infrastructure equity	6.1	0.3	(0.1)	0.2	(0.1)	–	6.2
Total real assets	42.7	0.8	(1.0)	(0.2)	(3.7)	–	38.8
Total alternative investment solutions (including private credit)	24.0	1.0	(0.9)	0.1	(0.8)	–	23.3
Total quantitative	15.0	1.5	(0.9)	0.6	0.2	–	15.8
Total excluding liquidity	210.4	10.9	(16.8)	(5.9)	(6.1)	0.5	198.9
Total liquidity	20.8	4.9	(5.7)	(0.8)	0.1	–	20.1
Total	231.2	15.8	(22.5)	(6.7)	(6.0)	0.5	219.0

1. Corporate actions of £0.5bn in H1 2023 relates to the acquisition of Macquarie closed-end funds in March 2023.
2. Other multi-asset includes opening AUM of £4.3bn, net outflows of £0.3bn, market and other movements of £(0.2)bn and closing AUM of £3.8bn relating to assets previously classified as Absolute return.

5.6 Investments AUM by geography

	30 Jun 2024			31 Dec 2023		
	Institutional and Retail Wealth £bn	**Insurance Partners £bn**	**Total £bn**	Institutional and Retail Wealth £bn	Insurance Partners £bn	Total £bn
UK	**101.1**	**158.6**	**259.7**	102.0	155.5	257.5
Europe, Middle East and Africa (EMEA)	**50.1**	**-**	**50.1**	51.9	–	51.9
Asia Pacific (APAC)	**16.5**	**-**	**16.5**	15.7	–	15.7
Americas	**43.0**	**-**	**43.0**	41.6	–	41.6
Total AUM	**210.7**	**158.6**	**369.3**	211.2	155.5	366.7

5.7 Surplus regulatory capital

The £1,544m indicative CET1 capital resources below includes a deduction to allow for the declared interim dividend which will be paid in September 2024.

IFPR Group regulatory capital position	H1 2024 £m	FY 2023 £m
CET1 capital resources	**1,544**	1,466
Additional Tier 1 capital resources	**207**	207
Total Tier 1 capital resources	**1,751**	1,673
Tier 2 capital resources	**483**	539
Total regulatory capital resources	**2,234**	2,212
Total regulatory capital requirement	**(1,054)**	(1,054)
CET1 capital requirement[1]	**(590)**	(590)
Surplus CET1 regulatory capital	**954**	876
Own Funds Requirement	**296**	314
CET1 ratio (CET1 as % of Own Funds Requirement)	**522%**	467%

1. 56% of total regulatory capital requirement.

6. Glossary

Adjusted capital generation

Adjusted capital generation is part of the analysis of movements in IFPR regulatory capital. Adjusted capital generation is calculated as adjusted profit after tax less returns relating to pension schemes in surplus and interest paid on other equity which do not benefit regulatory capital. It also includes dividends from associates, joint ventures and significant listed investments.

Adjusted net financing costs and investment return

Adjusted net financing costs and investment return is a component of adjusted profit and relates to the return from the net assets of the shareholder business, net of costs of financing. This includes the net assets in defined benefit staff pension plans and net assets relating to the financing of subordinated liabilities.

Adjusted operating expenses

Adjusted operating expenses is a component of adjusted operating profit and relates to the day-to-day expenses of managing our business.

Adjusted operating profit

Adjusted operating profit before tax is the Group's key APM. Adjusted operating profit includes the results of the Group's three businesses: Investments, Adviser and ii, along with Other business operations and corporate costs.

It excludes the Group's adjusted net financing costs and investment return.

Adjusted operating profit also excludes the impact of the following items:

- Restructuring and corporate transaction expenses. Restructuring includes the impact of major regulatory change.
- Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts.
- Profit or loss arising on the disposal of a subsidiary, joint venture or equity accounted associate.
- Change in fair value of/dividends from significant listed investments.
- Share of profit or loss from associates and joint ventures.
- Impairment loss/reversal of impairment loss recognised on investments in associates and joint ventures accounted for using the equity method.
- Fair value movements in contingent consideration.
- Items which are one-off and, due to their size or nature, are not indicative of the long-term operating performance of the Group.

Adjusted profit before tax

In addition to the results included in adjusted operating profit above, adjusted profit before tax includes adjusted net financing costs and investment return.

Assets under management and administration (AUMA)

AUMA is a measure of the total assets we manage, administer or advise on behalf of our clients. It includes assets under management (AUM), assets under administration (AUA) and assets under advice (AUAdv). AUMA does not include assets for associates and joint ventures.

AUM is a measure of the total assets that we manage on behalf of individual and institutional clients. AUM also includes assets managed for corporate purposes.

AUA is a measure of the total assets we administer for clients through our Platforms.

AUAdv is a measure of the total assets we advise our clients on, for which there is an ongoing charge.

Board

The Board of Directors of the Company.

Chief Operating Decision Maker

The executive leadership team.

Common Equity Tier 1 (CET1) Capital Coverage

CET1 capital coverage is calculated as CET1 capital resources as a percentage of total regulatory capital requirement.

Company

abrdn plc.

Cost/income ratio

This is an efficiency measure that is calculated as adjusted operating expenses divided by net operating revenue.

Director

A director of the Company.

Earnings per share (EPS)

EPS is a commonly used financial metric which can be used to measure the profitability and strength of a company over time. EPS is calculated by dividing profit by the number of ordinary shares. Basic EPS uses the weighted average number of ordinary shares outstanding during the year. Diluted EPS adjusts the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, such as share options awarded to employees.

Effective tax rate

Tax expense/(credit) attributable to equity holders' profit divided by profit before tax attributable to equity holders' profits expressed as a percentage.

Executive leadership team (ELT)

Our ELT leads across our businesses and supporting functions globally and is responsible for executing and monitoring progress on the delivery of our business plans. The ELT also ensures we meet our obligations to our clients, people, shareholders, regulators and partners.

Fair value through profit or loss (FVTPL)
FVTPL is an IFRS measurement basis permitted for assets and liabilities which meet certain criteria. Gains or losses on assets or liabilities measured at FVTPL are recognised directly in the income statement.

FCA
Financial Conduct Authority of the United Kingdom.

Group or abrdn
Relates to the Company and its subsidiaries.

Internal Capital Adequacy and Risk Assessment (ICARA)
The ICARA is the means by which the Group assesses the levels of capital and liquidity that adequately support all of the relevant current and future risks in its business.

International Financial Reporting Standards (IFRS)
International Financial Reporting Standards are accounting standards issued by the International Accounting Standards Board (IASB).

Investment Firms Prudential Regime (IFPR)
The Investment Firms Prudential Regime is the FCA's new prudential regime for MiFID investment firms. The regime came into force on 1 January 2022.

Investment performance
Investment performance is a measure of how investments are performing relative to a benchmark, target, or other comparator. The calculation covers funds that aim to outperform or track a benchmark/target, with certain assets excluded where these measures of performance are not appropriate or expected, such as certain private markets and execution only mandates. Benchmarks and targets differ by fund and are defined in the relevant investment management agreement or prospectus, as appropriate. The investment performance data is calculated internally by abrdn to give users guidance on how we are delivering positive investment outcomes for our clients. It is not intended for clients or potential clients investing in our products as more specific information and reporting is available for this purpose.

Investment performance has been aggregated using a money weighted average of our assets under management. Calculations for investment performance are made gross of fees except for those funds for which the stated comparator is net of fees. The calculation uses a closing AUM weighting basis and is based on AUM data available as at the relevant reporting date. As at 30 June 2024, 77% of AUM is covered by this metric, performance is calculated relative to the relevant comparator for each investment strategy on the basis of:
- Assets ahead of the benchmark or target defined in the investment management agreement or prospectus, as appropriate. This applies to 61% of the AUM.
- Assets where the objective is to track an index are assessed based on being within or above an applicable tolerance for the strategy. This applies to 16% of the AUM.

Market Disclosure
This IFPR disclosure complements the Own funds requirement and Own funds threshold requirement with the aim of improving market discipline by requiring companies to publish certain details of their risks, capital and risk management. Relevant disclosures are made in the abrdn plc consolidated annual report and accounts and alongside the accounts of the Group's individual IFPR-regulated entities, all of which can be found on the abrdn plc Group's website.

Net capital generation
Net capital generation is calculated as adjusted capital generation less restructuring and corporate transaction expenses (net of tax).

Net flows
Net flows represent gross inflows less gross outflows or redemptions. Gross inflows are new funds from clients. Redemptions is the money withdrawn by clients during the period. Cash dividends which are retained on the ii platform are included in net flows for the ii business only. Cash dividends are included in market movements for other parts of the group including the Investments and Adviser platform businesses. We consider that this different approach is appropriate for the ii business as cash dividend payments which are retained result in additional income for ii, but are largely revenue neutral for the rest of the group.

Net operating revenue
Net operating revenue is a component of adjusted operating profit and includes revenue we generate from asset management charges (AMCs), platform charges, treasury income and other transactional charges. AMCs are earned on products such as mutual funds, and are calculated as a percentage fee based on the assets held. Investment risk on these products rests principally with the client, with our major indirect exposure to rising or falling markets coming from higher or lower AMCs. Treasury income is the interest earned on cash balances less the interest paid to customers. Net operating revenue is shown net of fees, cost of sales, commissions and similar charges. Cost of sales include revenue from fund platforms which is passed to the product provider.

Net operating revenue yield (bps)
The net operating revenue yield is a measure that illustrates the average margin being earned on the assets that we manage, or administer and excludes the ii business. It is calculated as annualised net operating revenue (excluding performance fees, ii and revenue for which there are no attributable assets) divided by monthly average fee based assets. The ii business is excluded from the calculation of net operating revenue yield as fees charged for this business are primarily from subscriptions and trading transactions.

Own Funds Requirement
Under IFPR, the Own Funds Requirement is the higher of the permanent minimum capital requirement, the fixed overhead requirements, and the K-factor requirement. The K-factor requirement is the sum of: Risk-to-Client, Risk-to-Market, and Risk-to-Firm K-factors.

Own Funds Threshold Requirement

Under IFPR, the Own Funds Threshold Requirement is the higher of Own funds required on an ongoing basis and Own funds required on a wind-down basis. The firm identifies and measures risks of harm and determines the degree to which systems and controls alone mitigate those risks of harm (or risks of disorderly wind-down). Any additional own funds needed, over and above the Own funds requirement, to cover this identified residual risk is held under the Own Funds Threshold Requirement.

Phoenix or Phoenix Group

Phoenix Group Holdings plc or Phoenix Group Holdings plc and its subsidiaries.

Significant listed investments

At 30 June 2024, Phoenix is the only significant listed investment. Our remaining stakes in HDFC Asset Management and HDFC Life were sold during H1 2023. Fair value movements and dividend income relating to these investments are treated as adjusting items for the purpose of determining the Group's adjusted profit.

Subordinated liabilities

Subordinated liabilities are debts of a company which, in the event of liquidation, rank below its other debts but above share capital. The 5.25% Fixed Rate Reset Perpetual Subordinated Contingent Convertible Notes issued by the Company in December 2021 are classified as other equity as no contractual obligation to deliver cash exists.

7. Shareholder information

Registered office

1 George Street
Edinburgh
EH2 2LL
Scotland

Company registration number: SC286832

Secretary: Paul McKenna

Registrar: Equiniti

Auditors: KPMG LLP

Solicitors: Slaughter and May

Brokers: JP Morgan Cazenove, Goldman Sachs

Shareholder services

We offer a wide range of shareholder services. For more information, please:

- Contact our registrar, Equiniti, who manage this service for us. Their full details can be found on the inside back cover.
- **For shareholder services call:** +44 (0)371 384 2464*
- Visit our share portal at **www.abrdnshares.com**

* Calls are monitored/recorded to meet regulatory obligations and for training and quality purposes. Call charges will vary.

Dividends

The Board has declared an interim dividend for 2024 of 7.3 pence per share which will be paid on 24 September 2024.

A Dividend Reinvestment Plan (DRIP) is provided by Equiniti Financial Services Limited. The DRIP enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at **www.abrdnshares.com**

Sign up for Ecommunications

Signing up means:

- You'll receive an email when documents like the annual report and accounts, Half year results and AGM guide are available on our website.
- Voting instructions for the Annual General Meeting will be sent to you electronically.

Set up a share portal account

Having a share portal account means you can:

- Manage your account at a time that suits you.
- Download your documents when you need them.

To find out how to sign up, visit www.abrdnshares.com

Preventing unsolicited mail

By law, the Company has to make certain details from its share register publicly available. As a result it is possible that some registered shareholders could receive unsolicited mail, emails or phone calls. You could also be targeted by fraudulent 'investment specialists', clone firms or scammers posing as government bodies e.g. HMRC, FCA. Frauds are becoming much more sophisticated and may use real company branding, the names of real employees or email addresses that appear to come from the company. If you get a social or email message and you're unsure if it is from us, you can send it to **emailscams@abrdn.com** and we'll let you know.

You can also check the FCA warning list and warning from overseas regulators, however, please note that this is not an exhaustive list and do not assume that a firm is legitimate just because it does not appear on the list as fraudsters frequently change their name and it may not have been reported yet.

www.fca.org.uk/consumers/unauthorised-firms-individuals

www.iosco.org/investor_protection/?subsection=investor_alerts_portal

You can find more information about share scams at the Financial Conduct Authority website **www.fca.org.uk/consumers/scams**

If you are a certificated shareholder, your name and address may appear on a public register. Using a nominee company to hold your shares can help protect your privacy. You can transfer your shares into the Company-sponsored nominee – the abrdn Share Account – by contacting Equiniti, or you could get in touch with your broker to find out about their nominee services. If you want to limit the amount of unsolicited mail you receive generally, please visit **www.mpsonline.org.uk**

Financial calendar

Half year results 2024	6 August
Ex-dividend date for 2024 interim dividend	15 August
Record date for 2024 interim dividend	16 August
Last date for DRIP elections for 2024 interim dividend	4 September
Dividend payment date for 2024 interim dividend	24 September

Analysis of registered shareholdings at 30 June 2024

Range of shares	Number of holders	% of total holders	Number of shares	% of total shares
1-1,000	54,949	66.20	21,827,316	1.19
1,001-5,000	23,735	28.60	50,104,916	2.72
5,001-10,000	2,653	3.20	17,987,113	0.98
10,001-100,000	1,347	1.62	29,841,108	1.62
#100,001+	315	0.38	1,720,981,031	93.49
Total	**82,999**	**100.00**	**1,840,741,484**	**100.00**

\# These figures include the Company-sponsored nominee – the abrdn Share Account – which had 853,071 participants holding 621,626,110 shares.

8. Forward-looking statements

This document may contain certain 'forward-looking statements' with respect to the financial condition, performance, results, strategies, targets (including ESG targets), objectives, plans, goals and expectations of the Company and its affiliates. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements are prospective in nature and are not based on historical or current facts, but rather on current expectations, assumptions and projections of management of the abrdn Group about future events, and are therefore subject to known and unknown risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

For example but without limitation, statements containing words such as 'may', 'will', 'should', 'could', 'continues', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'hopes', 'plans', 'pursues', 'ensure', 'seeks', 'targets' and 'anticipates', and words of similar meaning (including the negative of these terms), may be forward-looking. These statements are based on assumptions and assessments made by the Company in light of its experience and its perception of historical trends, current conditions, future developments and other factors it believes appropriate.

By their nature, all forward-looking statements involve risk and uncertainty because they are based on information available at the time they are made, including current expectations and assumptions, and relate to future events and/or depend on circumstances which may be or are beyond the Group's control, including, among other things: UK domestic and global political, economic and business conditions (such as the UK's exit from the EU, the ongoing conflict between Russia and Ukraine and the ongoing conflicts in the Middle East); market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the impact of inflation and deflation; the impact of competition; the timing, impact and other uncertainties associated with future acquisitions, disposals or combinations undertaken by the Company or its affiliates and/or within relevant industries; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the value of and earnings from the Group's strategic investments and ongoing commercial relationships; default by counterparties; information technology or data security breaches (including the Group being subject to cyberattacks); operational information technology risks, including the Group's operations being highly dependent on its information technology systems (both internal and outsourced); natural or man-made catastrophic events; the impact of pandemics; climate change and a transition to a low-carbon economy (including the risk that the Group may not achieve its relevant ESG targets); exposure to third-party risks including as a result of outsourcing; the failure to attract or retain necessary key personnel; the policies and actions of regulatory authorities and the impact of changes in capital, solvency or accounting standards, ESG disclosure and reporting requirements, and tax and other legislation and regulations (including changes to the regulatory capital requirements) that the Group is subject to in the jurisdictions in which the Company and its affiliates operate. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals, objectives and expectations set forth in the forward-looking statements.

Neither the Company, nor any of its associates, directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Persons receiving this document should not place reliance on forward-looking statements. All forward-looking statements contained in this document are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Each forward-looking statement speaks only as at the date of the particular statement. Neither the Company nor its affiliates assume any obligation to update or correct any of the forward-looking statements contained in this document or any other forward-looking statements it or they may make (whether as a result of new information, future events or otherwise), except as required by law. Past performance is not an indicator of future results and the results of the Company and its affiliates in this document may not be indicative of, and are not an estimate, forecast or projection of, the Company's or its affiliates' future results.

Contact us

Got a shareholder question? Contact our shareholder services team.

UK and overseas

phone	+44 (0)371 384 2464*
email	questions@abrdnshares.com
visit	www.abrdnshares.com
mail	abrdn Shareholder Services Aspect House Spencer Road Lancing, West Sussex BN99 6DA, United Kingdom

* Calls are monitored/recorded to meet regulatory obligations and for training and quality purposes. Call charges will vary.

Extensive information, including many answers to frequently asked questions, can also be found online at **www.abrdnshares.com**

abrdn plc is registered in Scotland (SC286832) at 1 George Street, Edinburgh EH2 2LL.

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