Half year results 2022

abrdn plc

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Contents

Media

A conference call for the media will take place at 7:45 am (BST) on 9 August 2022. To access the conference call, you will need to pre-register at **https://cossprereg.btci.com/prereg/key.process?key=PEDBGUXPT**

Institutional investors and analysts

A presentation for analysts and investors will take place via webcast at 9:00am (BST) on 9 August 2022. To view the webcast live please go to **www.abrdn.com**

For further information please contact:

Institutional equity investors and analysts

Catherine Nash	07798 518657
Rupert Forsyth	07393 781906

Media

Andrea Ward	07876 178696
Iain Dey (Teneo)	07976 295906

Retail equity investors

Equiniti*	0371 384 2464

Debt investors and analysts

Graeme McBirnie	0131 372 7760

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

The Half year results 2022 are published on the Group's website at www.abrdn.com/hyresults

Details of forward-looking statements can be found on page 64.

APM Certain measures such as fee based revenue, cost/income ratio, adjusted operating profit, adjusted profit before tax and adjusted capital generation are not defined under International Financial Reporting Standards (IFRS) and are therefore termed alternative performance measures (APMs).

APMs should be read together with the Group's 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.

All movements shown are compared to H1 2021 unless otherwise stated.

"The half year Group results largely reflect the challenging global economic environment and market turbulence.

When I became CEO in late 2020 I said that we would pursue a strategy of diversification by refocusing our Investments business in to areas of strength, where we have scale and that lean into global growth trends and also significantly expand our reach into the higher growth UK wealth market. We are doing exactly that and the addition of interactive investor transforms our UK retail presence and future revenue streams. The strength of our balance sheet means that we can continue to invest and reward shareholders."

Stephen Bird
Chief Executive Officer

Markets impacting profitability

- Fee based revenue 8% lower at £696m and adjusted operating profit 28% lower at £115m, driven by market movements.
- Continued cost control delivered 2% reduction in adjusted operating expenses.
- Cost/income ratio higher at 83% (H1 2021: 79%) as a result of lower revenue.
- IFRS loss before tax of £320m (H1 2021: profit £113m), largely due to losses of £313m from the change in fair value of our significant listed investments in the period.
- Net outflows were £3.8bn excluding LBG and liquidity[1] (H1 2021: £1.9bn), representing (1%) of opening AUMA.
- Total net outflows were £35.9bn (H1 2021: £5.6bn) largely reflecting final LBG tranche withdrawal of £24.4bn.
- AUMA was £508bn (FY 2021: £542bn) reflecting lower markets and final LBG tranche withdrawal, partly offset by inclusion of AUA from interactive investor (ii).

Diversification creating resilience and Investments being reshaped

- Investments vector fee based revenue down 11% and adjusted operating profit down 40% mainly reflecting adverse market conditions.
- Material rationalisation of funds to enable focus on our strongest and most relevant strategies.
- Areas of strategic focus in Institutional and Wholesale, such as real assets and alternatives, delivering growth and supporting gross flows of £13.5bn (excluding liquidity).
- Successfully retained c£7.5bn of LBG assets in Institutional quantitative funds.
- Investment performance broadly stable with 63% of AUM above benchmark over three years (FY 2021: 67%).
- Adviser continues to deliver in tough markets with fee based revenue up 6% and adjusted operating profit up 3%.
- Net flows in Adviser of £1.4bn (H1 2021: £2.0bn) reflects customer activity in the current environment.
- Personal includes one month result for ii, increasing fee based revenue by £13m and adjusted operating profit by £6m.

Focused on delivering returns for shareholders

- Strong capital position, with regulatory surplus of £0.6bn (FY 2021: £1.8bn) after funding ii acquisition.
- Value of significant listed investments at 30 June of £1.7bn (FY 2021: £2.3bn).
- Initial phase of £300m shareholder return programme commenced with £150m share buyback launched.
- Interim dividend of 7.3p in line with our dividend policy.

Outlook

- Current market uncertainty means our ambitions for revenue growth and improved cost/income ratio are likely to take longer than originally expected.
- In current markets we aim to deliver a similar percentage level of adjusted operating cost reduction in FY 2022 to that achieved in H1.
- Targeting net cost savings in Investments vector of c£75m over the period to 2024, comprising gross cost savings of c£150m and c£75m investment in future growth and inflation.
- Restructuring costs expected to be c£150m in FY 2022 (excluding corporate transaction costs). Additional restructuring costs associated with Investments vector cost actions expected to be broadly funded by proceeds from disposals of non-core assets.
- ii performing ahead of our profit expectations in H1 2022 and on track to deliver double-digit earnings accretion based on adjusted diluted earnings per share.
- With our disciplined approach to allocating capital to deliver shareholder returns, we will continue to return capital in excess of business needs as further stake sales are realised.
- Our previously stated dividend policy remains unchanged.

Performance indicators	H1 2022	H1 2021	Change
Fee based revenue	**£696m**	£755m	(8%)
Cost/income ratio	**83%**	79%	4ppts
Adjusted operating profit	**£115m**	£160m	(28%)
Adjusted capital generation	**£107m**	£176m	(39%)
IFRS (loss)/profit before tax	**(£320m)**	£113m	
Adjusted diluted earnings per share	**3.7p**	7.0p	(47%)
Diluted earnings per share	**(13.9p)**	4.7p	
Investment performance[2]	**63%**	67%[3]	(4ppts)
Interim dividend per share	**7.3p**	7.3p	-

1. Excluding Institutional and Wholesale liquidity net outflows of £7.7bn (H1 2021: £3.7bn) and LBG tranche withdrawals of £24.4bn (H1 2021: £nil). Liquidity flows are low margin and volatile in nature. LBG tranche withdrawals relate to the settlement of arbitration with LBG.
2. % of AUM above benchmark over three years. Further details on the calculation of investment performance are provided in Supplementary information.
3. Comparative as at 31 December 2021.

Chief Executive Officer's statement

Adjusted operating profit	IFRS loss before tax	Adjusted capital generation
£115m	(£320m)	£107m

Our business model has been resilient in the first half of 2022 and we've seen the clear benefits of our diversified three vector model, with profits growing in Personal and Adviser. This is against the backdrop of a rapid downturn in the global economy and markets that has affected the sector and had an impact on the Investments vector and overall group performance.

Fee based revenue is 8% lower, adjusted operating profit is 28% lower and the fall in the value of our listed stakes has resulted in an IFRS loss before tax of £320m. The cost/income ratio is higher at 83% and AUMA was £508bn, 6% lower than the start of the year.

When I became CEO in late 2020 I said that we would pursue a strategy of refocusing our Investments business in to areas of strength and relative scale and that we would expand our reach in the higher growth and higher margin UK savings and wealth market by investing in and growing our Adviser and Personal vectors. Despite the challenging market context we are doing exactly that.

Investments

In the Investments vector our results have been impacted by industry-wide negative returns which has resulted in 11% lower fee based revenue and 40% lower adjusted operating profit.

The sharp rotation from growth to value has impacted our investment performance in equities and multi-asset, while performance in real assets, alternatives and fixed income is highly competitive over the medium and longer term. Our long-term quality focus should fare better in the natural next phase of rotation as recessionary concerns mount. Likewise, our Asia and China expertise represent a potential counter cyclical investment opportunity as the US slows.

In the context of heavy market turbulence, we saw net outflows of 1% of opening AUMA (excluding LBG and liquidity), demonstrating stability despite the conditions and impacts on investment performance. We have retained c£7.5bn of LBG assets in our Solutions business, Tritax AUM has increased from £5.9bn a year ago to £7.7bn, and we have over £1.7bn in the real estate acquisition pipeline including the student residence market.

Client interest in real assets continues to be high. Investment performance over the three-year period for real assets has now improved from 52% to 75% and our shift from traditional retail assets into next generation long term real assets is paying off with Tritax overseeing one of our top revenue generating funds in this half year.

New business activity in the first half is fully aligned to our chosen areas of focus. For example, recent fund development and launches include the MyFolio Sustainability Index, China Next Gen, Asian Sustainable Credit, Commercial Real Estate Debt, Core Infrastructure and Global Risk Mitigation.

Overall costs within the vector remain too high and a range of initiatives are underway to address this. We are continuing with fund rationalisation and non-core disposals. We have simplified management processes, progressed single middle office migration and transformed our equity and multi-asset solutions operations. We are committed to delivering gross cost savings of c£150m by the end of 2024.

We outlined our group and Investment vector strategy in March last year, and whilst the environment has changed substantially, we remain absolutely committed to delivery. We are substantially changing the shape of our Investments business and repositioning ourselves in higher margin asset classes that both play to existing abrdn strengths and lean into global growth trends. This will also position us optimally when broader global economic recovery starts by exposing us to the markets most critical to that recovery. Our core manufacturing pillars of fixed income, specialty equities and alternatives are being organised to deliver outcomes and solutions for clients aligned to global mega-trends that will dominate the investment landscape for the foreseeable future. We are pulling away from a broad waterfront offering as we focus the business on areas where we have strength and scale.

As our progress in the first half of 2022 demonstrates, we are rebasing this business and positioning it for sustainable higher margin growth with a significantly reduced cost base.

Adviser

The Adviser vector remains the number one adviser platform in the UK by AUA (Source: Fundscape), with over 50% of advisory businesses using our solutions and giving a 96% customer satisfaction score. In the first half of 2022 the business has performed robustly with growth in fee based revenue of 6% and adjusted operating profit up by 3%. We are continuing to invest in technological capabilities and platform integration that will further improve client experience and further enhance our leadership in this growing market.

Personal

The acquisition of interactive investor, completed in May, has transformed our position in the vibrant UK Wealth market and delivers a significant acceleration of group revenue diversification. ii's financial performance in the first half (of which a month is contributory to abrdn) was ahead of our expectations, driven by three fundamentals – customer acquisition, subscription revenue growth and improved operating leverage. ii has seen a 17% increase in revenue and 47% increase in adjusted operating profit on a full year 2021 run rate basis (excluding Share), while the cost/income ratio improved by 9 percentage points to 56%, highlighting ii's efficiency.

To maximise growth synergies, we are moving the existing Personal Wealth business – discretionary, digital advice and financial planning – under Richard Wilson, who has been appointed CEO of the entire Personal vector. This will enable us to deliver an 'end to end' customer proposition from simple online transactions to more complex financial advice and exploit further shared opportunities to fully serve this expanded customer group.

Taken together, growth in the Adviser and Personal vectors, which significantly increase exposure to the UK wealth market, will help transform the shape and source of group revenue in line with our stated strategic ambitions.

Strategic approach and outlook

We are continuing to deliver on our priorities and whilst the external market environment has worsened and it will likely take us longer to deliver our targets, it is the right strategy and we have the team and the capital resources to execute it well.

Looking forward into the second half, we will see revenue tailwinds from a full six months' contribution from ii and from performance fees. We are expecting continued positive flows in Adviser and Personal Wealth. Markets have shown some signs of improvement in July and if this trend continues it will provide a further revenue tailwind.

Even with the additional costs from ii and Tritax, for FY 2022 we have a clear pathway in current markets to lower overall group operating costs and we aim to deliver a similar year on year percentage level of adjusted operating cost reduction for FY 2022 to that seen in H1 2022 against the comparative half year period. This will be driven by cost actions within the Investments vector, a further reduction of headcount, and continued cost control across the group.

We are targeting the delivery of net cost savings in the Investments vector of c£75m over the period to 2024. This comprises actions to deliver gross savings of c£150m over the period from 2022 to 2024, with the majority impacting 2023 and fully realised in 2024, and c£75m of costs invested for future growth which will also largely fall in 2023. Our actions to deliver cost savings are designed to enable investment in areas of growth and performance related compensation for our teams. Additional restructuring costs associated with these actions are expected to be broadly funded by proceeds from the disposal of non-core assets.

Our capital resources are strong, which will continue to enable investment in the business and support the dividend policy and the current £300m shareholder return programme. Now that the ii acquisition is complete and with our disciplined approach to allocating capital to deliver shareholder returns, we will continue to return capital in excess of business needs as further stake sales are realised.

We are continuing to execute on our client-led growth strategy first by improving the performance of each vector and then by extracting the value across all three. This approach will diversify earnings, improve efficiency, deliver our revenue and cost ambitions and ensure optimal use of capital. Now that the shape of the group is largely settled, we expect inorganic actions on a more modest scale. This may include both further divestments and selective reinvestment where we see capabilities we need and that offer compelling value.

Whilst the global economic outlook remains very uncertain, we are focusing on what we can control through the ongoing delivery of our strategy. This will provide diversification of revenue streams and put the group on a sustainable growth trajectory.

Stephen Bird
Chief Executive Officer

Introducing ii

"Against a backdrop of weak markets, ii's resilient subscription-based model enables us to report a progressive performance for the half year. Joining the abrdn family offers further opportunities to grow and we are already collaborating to harness the advice, wealth management and research capabilities as we work constantly to improve the services we offer our customers."

Richard Wilson
CEO of interactive investor

interactive investor (ii) is the UK's second largest investment platform for private investors and the number one flat-fee provider. ii offers ISA, SIPP, Junior ISA and general investing accounts, plus investment content, tools, choice and service. It is an award-winning platform with a wide choice, rated 'Excellent' on Trustpilot, and in July was named as a Which? recommended SIPP provider 2022.

AUA per customer is industry leading, customer numbers went up again in H1 and ii already has a highly scalable platform powered by modern digital and data infrastructure that will support margin expansion as those numbers grow further.

In H1, trading remained above pre-COVID levels. The business is seeing important growth in SIPP penetration, with over 49,000 customers holding a SIPP, up by almost 10,000 year-on-year. This has substantial customer retention benefits; lapse rates for SIPP customers are four times lower than for non-SIPP holding customers.

In February, ii expanded its pension offering, launching its low-cost, standalone Pension Builder SIPP. Further value enhancements include a reduction in ii's standard online dealing charge from 1 September.

There is a clear roadmap of further propositions to attract and retain customers and drive future growth, including; a fixed fee pension offer, new pricing bundles, a new website and extending into advice.

The acquisition substantially increases the scale of our Personal vector, adding over 400,000 customers. This represents a step change in our combined UK personal wealth offering and offers additional growth opportunities and diversification to abrdn's revenue streams. With Richard Wilson becoming CEO of abrdn's Personal vector, and assuming leadership of our wider personal wealth offering, we are well placed to accelerate delivery of identified growth synergies.

Financial performance ahead of our expectations

	H1 2022 6 months £m	FY 2021 12 months £m excl Share[1]
Fee based revenue[2]	**£75m**	£128m
Adjusted operating expenses	**(£42m)**	(£83m)
Adjusted operating profit	**£33m**	£45m
Cost/income ratio	**56%**	65%

For comparative purposes, ii's results for the 12 months to 31 December 2021 and the six months to 30 June 2022 are set out in the table above.

Results for ii are included within abrdn's H1 2022 results only for the one month period to 30 June 2022 following the completion of the acquisition.

Recent performance highlights:

- ii has continued to perform well against an uncertain market environment with profit performance ahead of our original projections.
- Adjusted operating profit up 47% in H1 2022 compared to the 2021 run rate (being 50% of FY 2021).
- Diverse revenue streams continue to drive growth, despite the current weak market conditions. This is underpinned by our subscription-based revenue model with H1 2022 subscription revenue up 13% compared to the 2021 run rate.
- Revenue has benefited from interest rates increasing from the exceptionally low levels in 2021, with treasury income of £17m in H1 2022 compared to £9m for the whole of FY 2021.
- Given the operating leverage, the cost/income ratio improved to 56% in H1 2022.

- Total customer numbers increased to c408k at 30 June 2022.
- AUA per customer of £128k at H1 2022 remains substantially above peers.
- AUA market share has grown strongly from c16% at H1 2021 to c18% at H1 2022[3].
- Net inflows of £2.2bn (H1 2021: £3.6bn) represent 4% of opening AUA. The reduction in net inflows compared to H1 2021 reflects the exceptional trading conditions seen in Q1 2021 and the impact of market headwinds.
- Daily average retail trades reduced to 20.2k, with peak trading levels in 2021 driven predominantly by COVID-19 market fluctuations.

Key operational metrics	**H1 2022 6 months**	FY 2021 12 months
AUA	**£52bn**	£59bn
Net flows	**£2.2bn**	£5.8bn
Total customers at period end	**408k**	403k
New customers	**18.6k**	47.4k
AUA per customer	**£128k**	£145k
Daily average retail trading volumes	**20.2k**	21.9k

1. Adjusted operating profit has been presented to exclude losses relating to Share Limited ('Share') to provide a more meaningful comparison to the go-forward position. The FY 2021 adjusted operating profit of £45m excludes losses relating to Share of £9m while part of this business was wound down. Including losses from Share, the FY 2021 adjusted operating profit was £36m. The H1 2022 impact was £nil. See section 5.1.4 of Supplementary information for further details.
2. Fee based revenue includes trading transactions, account fees and treasury income. See Section 5.1.4 of Supplementary information.
3. Platforum Reports AUA Market Share: July 2022.

Results summary

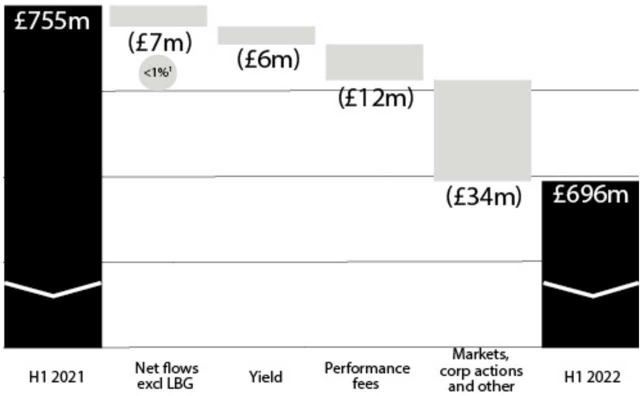
Analysis of profit	H1 2022 £m	H1 2021 £m
Fee based revenue	**696**	755
Adjusted operating expenses	**(581)**	(595)
Adjusted operating profit	**115**	160
Adjusted net financing costs and investment return	**(16)**	3
Adjusted profit before tax	**99**	163
Adjusting items including results of associates and joint ventures	**(419)**	(50)
IFRS (loss)/profit before tax	**(320)**	113
Tax credit/(expense)	**31**	(11)
IFRS (loss)/profit for the period	**(289)**	102

The IFRS loss before tax was £320m (H1 2021: profit £113m) largely due to losses of £313m from the change in fair value of significant listed investments (HDFC Asset Management, HDFC Life and Phoenix) as a result of the fall in the share price of these companies in the period. Adjusted operating profit was 28% lower, largely due to the 8% reduction in revenue as a result of lower market levels which particularly impacted high yielding equities. The H1 2022 results include a contribution from ii for the one month to 30 June 2022 which benefited fee based revenue by £13m and adjusted operating profit by £6m.

Adjusting items were £419m and include the £313m loss from the change in the fair value of significant listed investments (H1 2021: loss £72m) and restructuring and corporate transaction expenses of £88m (H1 2021: £113m). H1 2021 benefited from the profit on disposal of subsidiaries and interests in associates of £152m.

Focusing on what we can control in period of adverse markets

Fee based revenue



Fee based revenue reduced by 8% reflecting:

- Impact from net outflows excluding LBG of less than 1% (H1 2021: <0.5%)[1].
- Performance fees of £10m (H1 2021: £22m), primarily generated from Asia Pacific and small cap equities.
- Significant impact from adverse markets. Other movements include a £4m negative net impact from corporate actions during 2021 and 2022, with Parmenion and Bonaccord partly offset by ii and Tritax. H2 2022 will benefit from a full six months inclusion of ii.

Adjusted operating expenses

	H1 2022 £m	H1 2021 £m
Staff costs excluding variable compensation	**264**	264
Variable compensation	**39**	60
Staff and other related costs[2]	**303**	324
Non-staff costs	**278**	271
Adjusted operating expenses	**581**	595

Adjusted operating expenses reduced by 2% reflecting:

- Staff costs excluding variable compensation were flat with one month of ii expenses offset by underlying cost savings.
- Lower accruals for variable compensation in line with overall business performance.
- Increase in non-staff costs of £7m includes impact of higher outsourcing costs and regulatory driven change spend.

The cost/income ratio worsened to 83% (H1 2021: 79%) as a result of the lower revenue.

1. Reflects the estimated impact on fee based revenue as a result of net outflows in both the current and prior period, as a percentage of prior period revenue.
2. See Supplementary information for a reconciliation to IFRS staff costs and other employee-related costs.

Investments

Adjusted operating profit
£76m

Fee based revenue
£546m

Fee revenue yield
25.3bps

Net flows (Excl liquidity & LBG)
(£5.2bn)

	Total		Institutional and Wholesale		Insurance	
	H1 2022	H1 2021	**H1 2022**	H1 2021	**H1 2022**	H1 2021
Fee based revenue[1]	**£546m**	£613m				
Adjusted operating expenses	**(£470m)**	(£487m)				
Adjusted operating profit	**£76m**	£126m				
Cost/income ratio	**86%**	79%				
Fee revenue yield	**25.3bps**	26.3bps	**37.1bps**	39.4bps	**9.9bps**	10.1bps
AUM	**£386bn**	£464bn[2]	**£232bn[3]**	£253bn[2]	**£154bn[3]**	£211bn[2]
Gross flows	**£25.4bn**	£31.1bn	**£16.6bn**	£22.0bn	**£8.8bn**	£9.1bn
Redemptions	**(£62.7bn)**	(£39.4bn)	**(£27.6bn)**	(£26.5bn)	**(£35.1bn)**	(£12.9bn)
Net flows	**(£37.3bn)**	(£8.3bn)	**(£11.0bn)**	(£4.5bn)	**(£26.3bn)**	(£3.8bn)
Net flows excluding liquidity[4]	**(£29.6bn)**	(£4.6bn)	**(£3.3bn)**	(£0.8bn)	**(£26.3bn)**	(£3.8bn)
Net flows excluding liquidity and LBG[4,5]	**(£5.2bn)**	(£4.6bn)	**(£3.3bn)**	(£0.8bn)	**(£1.9bn)**	(£3.8bn)

Investments vector faced headwinds

Adjusted operating profit

- £50m (40%) lower than H1 2021, reflecting 11% lower revenue and 3% lower costs.

Fee based revenue

- Lower than H1 2021 largely due to adverse market movements impacting average AUM.
- Performance fees of £10m (H1 2021: £22m) reduced mainly due to the lower real assets performance fees compared with H1 2021.

Institutional and Wholesale

Fee based revenue

- 11% lower at £455m (H1 2021: £511m) driven by a £10bn decrease in average AUM to £239bn (H1 2021: £249bn). This is attributable to adverse market movements in equities, fixed income and multi-asset AUM. This is partly offset by a full six months revenue from Tritax, compared to three months in H1 2021, and growth in Tritax average AUM.

Revenue yield

- 2.3bps lower largely due to the decrease in the higher margin equities average AUM.

Gross flows

- £6.5bn lower excluding liquidity (H1 2022: £13.5bn, H1 2021: £20.0bn) mainly within fixed income and equities. This includes the impact of the negative market environment resulting in lower gross flows compared to H1 2021 across the wider industry, as many clients are delaying investment decisions.

Net flows

- £2.5bn higher net outflows of £3.3bn excluding liquidity, largely due to the lower level of gross inflows partly offset by a £4bn improvement in redemptions. H1 2021 benefited from net inflows into private markets of £3.2bn which are more lumpy in nature.
- Net outflows represent 1% of opening AUM (excluding liquidity).
- Liquidity net outflows of £7.7bn (H1 2021: £3.7bn) reflects clients using their cash balances.

1. Includes performance fees of £10m (H1 2021: £22m).
2. As at 31 December 2021.
3. Following completion of the LBG tranche withdrawals, the remaining LBG AUM of c£7.5bn which has been retained was reallocated to quantitatives in Institutional/Wholesale.
4. Institutional and Wholesale liquidity net flows excluded.
5. Flows excluding LBG do not include the tranche withdrawals of £24.4bn (H1 2021: £nil) relating to the settlement of arbitration with LBG.

Insurance

Fee based revenue
- 11% lower than prior year at £91m (H1 2021: £102m), including the impact of LBG tranche withdrawals of £24.4bn in H1 2022 and lower average AUM.
- The largest client, Phoenix, represents c16% of the total Investments fee based revenue.

Revenue yield
- Fee revenue yield remained broadly stable at 9.9bps.
- Insurance asset allocation changes as a result of market conditions are a potential headwind for future margins and flows.

AUM
- LBG AUM within Insurance is £nil (FY 2021: £34bn). This reflects the final tranche withdrawal of £24.4bn with c£7.5bn of assets retained under a new quantitatives mandate now included within Institutional to better reflect how the relationship is being managed.

Gross flows
- Broadly in line with H1 2021.

Net flows
- Net outflows of £1.9bn excluding LBG tranche withdrawals of £24.4bn, are lower than prior year reflecting lower redemptions in the closed book of business which is in long term run-off.

Investment performance

% of AUM ahead of benchmark[1]	1 year		3 years		5 years	
	H1 2022	FY 2021	**H1 2022**	FY 2021	**H1 2022**	FY 2021
Equities	**30**	36	**51**	72	**34**	61
Fixed income	**44**	59	**63**	82	**76**	87
Multi-asset	**53**	41	**54**	39	**50**	44
Real assets	**87**	83	**75**	52	**69**	50
Alternatives	**97**	87	**100**	98	**100**	98
Quantitative	**21**	98	**45**	44	**57**	68
Liquidity	**82**	88	**85**	87	**70**	84
Total	**53**	57	**63**	67	**61**	67

Investment performance over the key three-year time period has weakened, with 63% of AUM covered by this metric ahead of benchmark (FY 2021: 67%). The sharp rotation in equities from growth to value has impacted our equity investment performance in H1 2022. Asia Pacific, Emerging Markets and Small Cap equities were particularly challenged against this backdrop with underperformance resulting from our overweight positioning in long duration growth.

Over the key three-year time period, we have consistently delivered strong performance in alternatives and liquidity, with fixed income remaining positive. Real assets performance continued to improve over one, three and five years reflecting active fund positioning away from retail and further into logistics and accommodation sectors.

1. Calculations for investment performance are made gross of fees except where the stated comparator is net of fees. Benchmarks 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. Further details about the calculation of investment performance are included in the Supplementary information section.

Adviser

Adjusted operating profit	Fee based revenue	Fee revenue yield	Net flows
£38m	£92m	25.5bps	£1.4bn

	H1 2022	H1 2021
Fee based revenue	**£92m**	£87m
Adjusted operating expenses	**(£54m)**	(£50m)
Adjusted operating profit	**£38m**	£37m
Cost/income ratio	**59%**	57%
Fee revenue yield	**25.5bps**	25.3bps
AUA	**£68bn**	£76bn[1]
Gross flows	**£4.0bn**	£4.6bn
Redemptions	**(£2.6bn)**	(£2.6bn)
Net flows	**£1.4bn**	£2.0bn

Solid performance from leading Adviser platforms

Adjusted operating profit

- Profit was stable at £38m against a backdrop of challenging market conditions.
- Cost/income ratio worsened to 59% (2ppts) reflecting the timing of outsourced expenses.

Fee based revenue

- 6% increase on H1 2021 reflecting higher average AUA.

Revenue yield

- Stable over the period at 25.5bps.
- Average AUA of £72bn, 5% higher than H1 2021.

AUA

- 10% decrease in H1 2022 due to adverse market movements in the period partly offset by net inflows.
- Retained our number one position in UK adviser platform market by AUA[2].
- Our ongoing Adviser Experience Programme will deliver enhancements which is expected to drive increased new business activity in H2, including from our Junior ISA which launched earlier this year.

Gross flows

- Sales activity reduced by 13% on prior year reflecting lower client activity across the industry due to ongoing market uncertainty and focus on short term spending goals amongst the UK consumer base.
- Number two position on gross flows[2].

Net flows

- Reduction in net inflows to £1.4bn is mainly due to the lower gross flows. The reduction also included a £0.2bn impact from a client exit due to it being acquired by a consolidator business.

1. As at 31 December 2021.
2. Source: UK Adviser platform, Fundscape Q1 2022.

Personal

Adjusted operating profit
£7m

Fee based revenue
£58m

Fee revenue yield
60.0bps

Net flows
£0.3bn

	Total		interactive investor[3]		Personal Wealth	
	H1 2022	H1 2021	**1 month to 30 June 2022**	N/A	**H1 2022**	H1 2021
Fee based revenue	**£58m**	£41m	**£13m**		**£45m**	£41m
Adjusted operating expenses	**(£51m)**	(£37m)	**(£7m)**		**(£44m)**	(£37m)
Adjusted operating profit	**£7m**	£4m	**£6m**		**£1m**	£4m
Cost/income ratio	**88%**	90%	**54%**		**98%**	90%
Fee revenue yield[1]					**60.0bps**	55.9bps
AUMA	**£65.6bn**	£14.4bn[2]	**£52.3bn**		**£13.3bn**	£14.4bn[2]
Gross flows	**£1.4bn**	£1.0bn	**£0.6bn**		**£0.8bn**	£1.0bn
Redemptions	**(£1.1bn)**	(£0.5bn)	**(£0.4bn)**		**(£0.7bn)**	(£0.5bn)
Net flows	**£0.3bn**	£0.5bn	**£0.2bn**		**£0.1bn**	£0.5bn

Accelerating revenue diversification through ii

Adjusted operating profit

- Higher profit reflects the inclusion of £6m for the one month result for ii.
- The H1 2021 Personal Wealth adjusted operating profit included a one-off benefit of c£3m. Excluding this one-off benefit in the prior period, the underlying performance was stable at £1m.

Fee based revenue

- Includes £13m from ii and for Personal Wealth the benefit of higher average UK market levels in H1 2022 compared to H1 2021.

Revenue yield

- Personal Wealth revenue yield increased to 60.0bps with average AUMA of £14bn, 1% higher than H1 2021.

AUMA

- AUA for ii of £55bn at acquisition included as a corporate action in the period.
- Personal Wealth AUM decreased to £13.3bn (FY 2021: £14.4bn) due to market falls between end 2021 and 30 June 2022.
- Total discretionary client numbers remained constant at c16,000 (FY 2021: c16,000) and total ii customer numbers increased to c408,000 (FY 2021: c403,000).

Gross and net flows

- Total net flows of £0.3bn included £0.2bn for the one month of ii flows. Lower levels of activity are expected during the summer period.
- Reductions in gross and net flows for Personal Wealth include the impact of broader market uncertainty which has resulted in lower activity across the industry as individuals focus on shorter term spending needs in the near term. This included a more modest tax year-end period.

1. Fee revenue yield is shown for Personal Wealth only. Revenue for interactive investor is not aligned with AUA and therefore revenue yield is not presented.
2. Comparative as at 31 December 2021.
3. Results for interactive investor included following the completion of the acquisition on 27 May 2022.

Overall performance

Adjusted operating profit
£115m

IFRS loss before tax
(£320m)

Adjusted capital generation
£107m

Segmental summary	Adjusted operating profit H1 2022 £m	Adjusted operating profit H1 2021 £m	AUMA H1 2022 £bn	AUMA FY 2021 £bn	Net flows H1 2022 £bn	Net flows H1 2021 £bn
Investments[1]	**76**	126	**386**	464	**(5.2)**	(4.6)
Adviser	**38**	37	**68**	76	**1.4**	2.0
Personal	**7**	4	**66**	14	**0.3**	0.5
Corporate/strategic[2]	**(6)**	(7)	**-**	–	**-**	0.3
Eliminations	**-**	–	**(12)**	(12)	**(0.3)**	(0.1)
Total	**115**	160	**508**	542	**(3.8)**	(1.9)
Liquidity net flows					**(7.7)**	(3.7)
LBG tranche withdrawals					**(24.4)**	–
Total net flows (including liquidity and LBG)					**(35.9)**	(5.6)

Analysis of profit	H1 2022 £m	H1 2021 £m
Fee based revenue	**696**	755
Adjusted operating expenses	**(581)**	(595)
Adjusted operating profit	**115**	160
Adjusted net financing costs and investment return	**(16)**	3
Adjusted profit before tax	**99**	163
Adjusting items including results of associates and joint ventures	**(419)**	(50)
IFRS (loss)/profit before tax	**(320)**	113
Tax credit/(expense)	**31**	(11)
IFRS (loss)/profit for the period	**(289)**	102

Adjusted net financing costs and investment return

Adjusted net financing costs and investment return resulted in a loss of £16m (H1 2021: gain £3m):

– Investment losses, including from seed capital and co-investment fund holdings, were £25m (H1 2021: gain £5m) due to adverse market conditions in the period.
– Reduced net finance costs of £6m (H1 2021: £11m) reflecting a higher rate of return on cash and liquid assets.
– Higher net interest credit relating to the staff pension schemes of £15m (H1 2021: £9m) reflecting an increase in the discount rate due to a rise in corporate bond yields.

1. Investments net flows exclude Institutional/Wholesale liquidity and LBG tranche withdrawals.
2. Adjusted operating profit consists of fee based revenue £nil (H1 2021: £14m) and adjusted operating expenses £6m (H1 2021: £21m). H1 2022 comprises of only certain corporate costs. H1 2021 also included the Parmenion business which was held for sale. The sale of Parmenion completed in June 2021.

Adjusting items

	H1 2022 £m	H1 2021 £m
Profit on disposal of interests in associates	**6**	68
Profit on disposal of subsidiaries and other operations	**-**	84
Restructuring and corporate transaction expenses	**(88)**	(113)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	**(52)**	(51)
Change in fair value of significant listed investments	**(313)**	(72)
Dividends from significant listed investments	**42**	35
Share of profit or loss from associates and joint ventures	**6**	(33)
Loss on impairment of interests in associates	**(9)**	–
Other	**(11)**	32
Total adjusting items including results of associates and joint ventures	**(419)**	(50)

Profit on disposal of interests in associates of £6m relates to the sale of our stake in Origo Services Limited in May 2022. The H1 2021 profit of £68m related to a one-off accounting gain following the reclassification of our Phoenix shareholding from an associate to an investment measured at fair value.

Profit on disposal of subsidiaries and other operations was £nil compared with £84m in H1 2021 which primarily related to the sale of Parmenion.

Restructuring and corporate transaction expenses were £88m, primarily reflecting ongoing transformation costs including severance, platform transformation and business integration. H1 2022 also included £13m of ii corporate transaction deal costs.

Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts were £52m and are broadly in line with last year.

Change in fair value of significant listed investments of (£313m) from market movements is analysed in the table below:

	H1 2022 £m	H1 2021 £m
Phoenix	**(63)**	(49)
HDFC Asset Management	**(194)**	–
HDFC Life	**(56)**	(23)
Change in fair value of significant listed investments	**(313)**	(72)

HDFC Asset Management was classified as an associate in H1 2021.

Dividends from significant listed investments relates to our shareholdings in Phoenix (£26m), HDFC Asset Management (£15m) and HDFC Life (£1m). The £35m in H1 2021 relates to dividends received from Phoenix which was prior to the reduction in our shareholding from 14.4% to 10.4%.

Share of profit or loss from associates and joint ventures increased to a profit of £6m (H1 2021: loss £33m). Phoenix and HDFC Asset Management are no longer classified as associates and joint ventures. The reduction in HASL was due mainly to lower investment returns in H1 2022.

	H1 2022 £m	H1 2021 £m
HASL	**8**	10
Virgin Money UTM	**(1)**	(1)
Phoenix	**-**	(56)
HDFC Asset Management	**-**	14
Other	**(1)**	–
Share of profit or loss from associates and joint ventures	**6**	(33)

Loss on impairment of interests in associates of £9m relates to an impairment of Tenet Group Ltd.

Other adjusting items in H1 2021 included a one-off £25m net release of deferred income. See Note 4.9 for further details of other adjusting items.

Tax expense

The total IFRS tax credit attributable to the loss for the period was £31m (H1 2021: expense £11m), including a tax credit attributable to adjusting items of £44m (H1 2021: credit £2m), resulting in an effective tax rate of 10% on the total IFRS loss (H1 2021: 10%). The difference to the UK Corporation Tax rate of 19% is mainly driven by:

- Dividends from significant listed investments not being subject to tax in the UK.
- Movements in the fair value of our investment in HDFC Asset Management being tax effected at the Indian long-term capital gains tax rate, which is lower than the UK Corporation Tax rate.
- Fair value movements relating to our investments in Phoenix and HDFC Life not being subject to tax.

The tax expense attributable to adjusted profit is £13m (H1 2021: £13m), an effective tax rate of 13% (H1 2021: 8%). This is lower than the 19% UK rate primarily due to the benefit of certain tax losses now being expected to arise after the UK Corporation Tax rate increases to 25% in 2023.

Earnings per share

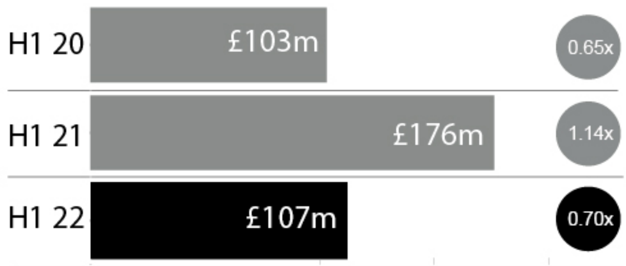
- Adjusted diluted earnings per share decreased to 3.7p (H1 2021: 7.0p) due to the decrease in adjusted profit after tax and the interest payment on the AT1 debt.
- Diluted earnings per share decreased to a loss of 13.9p (H1 2021: profit 4.7p) reflecting the H1 2022 fair value losses of significant listed investments.

Dividends

The Board has declared an interim dividend for 2022 of 7.3p (H1 2021: 7.3p) per share which will be paid on 27 September 2022. The dividend payment is expected to be £153m.

As a result of the decline in revenue in the period, dividend cover on an adjusted capital generation basis fell to 0.70 times.

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



It remains the Board's current intention to maintain the total annual dividend at 14.6p (with the interim and final both at 7.3p per share), until it is covered at least 1.5 times by adjusted capital generation, at which point the Board will seek to grow the dividend in line with its assessment of the underlying medium-term growth in profitability.

Capital and liquidity

Adjusted capital generation

Adjusted capital generation which shows how adjusted profit contributes to regulatory capital decreased by 39% to £107m.

	H1 2022 £m	H1 2021 £m
Adjusted profit after tax	**86**	150
Less net interest credit relating to the staff pension schemes	**(15)**	(9)
Less AT1 debt interest	**(6)**	-
Add dividends received from associates, joint ventures and significant listed investments	**42**	35
Adjusted capital generation	**107**	176

Net movement in IFPR surplus regulatory capital

The indicative surplus regulatory capital at 30 June 2022 was £0.6bn (FY 2021: £1.8bn) following the acquisition of ii. Disposal of part of our Phoenix stake in February 2022 generated sale proceeds of £0.3bn.

Key movements in surplus regulatory capital are shown in the table below.

Analysis of movements in surplus regulatory capital (IFPR basis)	H1 2022 £bn	FY 2021 £bn
Opening surplus regulatory capital[1]	**1.8**	1.2
Sources of capital		
Adjusted capital generation	**0.1**	0.4
HDFC Life, HDFC Asset Management and Phoenix sale proceeds	**0.3**	0.9
Parmenion and Bonaccord sale proceeds	**-**	0.1
Issuance of AT1 debt	**-**	0.2
Uses of capital		
Restructuring and corporate transaction expenses (net of tax)	**(0.1)**	(0.2)
Dividends	**(0.2)**	(0.3)
Acquisition of interactive investor[2]	**(1.4)**	-
Acquisitions of Tritax and Finimize	**-**	(0.3)
Other	**0.1**	(0.2)
Closing surplus regulatory capital	**0.6**	1.8

1. The Group reported capital under CRD IV until 31 December 2021. 2021 figures are therefore indicative.
2. Acquisition price of £1.5bn less capital resources acquired.

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

Return of capital

On 6 July 2022, we announced a £300m return of capital to shareholders. The first phase, a share buyback of up to £150m, has commenced and is expected to complete by 30 December 2022.

Cash and liquid resources and distributable reserves

Cash and liquid resources remained robust at £1.7bn at 30 June 2022 (FY 2021: £3.1bn) following the £1.5bn ii acquisition. These resources are high quality and mainly invested in cash, money market instruments and short-term debt securities. Further information on cash and liquid resources, and a reconciliation to IFRS cash and cash equivalents, is provided in Supplementary information. At 30 June 2022 abrdn plc had £2.7bn (FY 2021: £2.8bn) of distributable reserves.

IFRS net cash flows

- Net cash inflows from operating activities were £56m (H1 2021: outflows £128m) which includes outflows from restructuring costs, net of tax, of £71m (H1 2021: £97m). H1 2021 inflows were reduced by working capital movements.
- Net cash outflows from investing activities were £325m (H1 2021: inflows £243m) and primarily reflected a £1.4bn outflow from the purchase of ii (net of cash acquired) offset by £1.1bn net proceeds from the sale of financial investments (£0.8bn from the sale of money market instruments to fund the ii transaction, and £0.3bn from the Phoenix stake sale in February 2022). The H1 2021 inflow primarily related to maturing money market instruments.
- Net cash outflows from financing activities were £234m (H1 2021: £260m) with the reduction mainly due to the share buyback in H1 2021.

The cash inflows and outflows described above resulted in closing cash and cash equivalents of £1,395m as at 30 June 2022 (FY 2021: £1,875m).

IFRS net assets

IFRS net assets attributable to equity holders decreased to £6.8bn (FY 2021: £7.6bn) mainly due to losses, the fall in the pension scheme surplus discussed below and the full year 2021 dividend paid in the period:

- Intangible assets increased to £2.1bn (FY 2021: £0.7bn) as a result of the ii acquisition. Further details are provided in Note 4.2.
- The principal defined benefit staff pension scheme, which is closed to future accrual, continues to have a significant surplus of £1.2bn (FY 2021: £1.6bn). The reduction in the period primarily resulted from interest rate rises and that the investment strategy is different to the IAS 19 accounting basis. Further details are provided in Note 4.14.
- Financial investments decreased to £2.9bn (FY 2021: £4.3bn) primarily due to the £0.8bn sale of money market instruments to fund the ii transaction, the £0.3bn Phoenix stake sale and the £0.3bn impact of market falls on our significant listed investments. At 30 June 2022 financial investments included £1.7bn (FY 2021: £2.3bn) in relation to significant listed investments (Phoenix £615m, HDFC Asset Management £646m and HDFC Life £451m).

Principal risks and uncertainties

The principal risks that we believe the Group will be exposed to in the second half of 2022 are the same as those set out in the Annual report and accounts 2021 comprising: Strategic risk; Financial risk; Conduct risk; Regulatory and legal risk; Process execution and trade errors; People; Technology; Business resilience and continuity; Fraud and financial crime; Change management; Third party management and Financial management process. However the nature of these has changed in the last few months as a result of the external environment where we have seen a confluence of inflation pressures, monetary tightening, weaker asset markets and geopolitical tensions. Overall, the asset management sector has been re-rated downwards as a result of market headwinds impacting revenue, continued margin pressure and higher inflation impacting input costs.

Key developments in relation to our principal risks

Looking to the second half of 2022 we would highlight the following trends and developments as important in relation to our principal risks:

- The macroeconomic environment is particularly challenging and uncertain with inflation rising sharply and a growing risk of recession across the developed economies. Rising inflation and the consequent monetary policy response has resulted in tough market conditions for investors across all regions and asset classes. Rising prices also feed into the operational cost base for the group.
- Political risk remains particularly elevated in view of the ongoing conflict between Russia and Ukraine, which has the potential to widen and trigger instability in other regions. The impact of the Russia-Ukraine conflict on the price of key commodities is also expected to be a continued source of inflationary pressure.
- Amid difficult commercial and market conditions, the acquisition of ii will enable the group to diversify its activities and its revenue base and we are now focused on ways of working which preserve the operational independence of ii within the group structure.
- Some short-term operational challenges remain as we approach completion of our transformation programme.
- As a global active fund manager, climate change and ESG considerations in our investment activities remains an important area of focus. The proliferation of new standards internationally, particularly on disclosure and reporting, presents market-wide implementation challenges.
- We maintain heightened vigilance for cyber intrusion and financial crime. Dedicated teams actively monitor and manage our cyber security risks as they evolve, with the support of external specialists.

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.

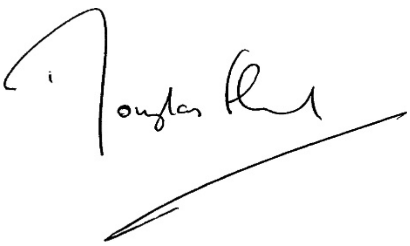
- As per principle N of the UK Corporate Governance Code, the Half year results 2022 taken as a whole, present a fair, balanced and understandable assessment of the Company's position and prospects.

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

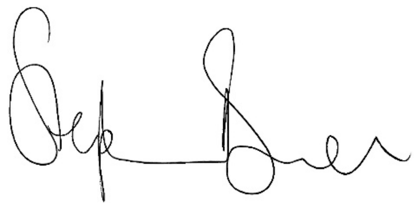
As announced on 1 March 2022, Martin Pike and Jutta af Rosenborg retired from the Board at the conclusion of the AGM on 18 May, and Pam Kaur and Mike O'Brien were appointed to the Board on 1 June 2022.

By order of the Board



Sir Douglas Flint
Chairman

8 August 2022



Stephanie Bruce
Chief Financial Officer

8 August 2022

3. Independent review report to abrdn plc

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the Half year results for the six months ended 30 June 2022 which comprises the 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 year results for the six months ended 30 June 2022 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 year results 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 of 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 year results is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half year results 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 year results 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 year results 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

8 August 2022

4. Financial Information

Condensed consolidated income statement

For the six months ended 30 June 2022

	Notes	6 months 2022 £m	6 months 2021[1] £m	Full Year 2021 £m
Revenue from contracts with customers	4.4(a)	**731**	853	1,685
Cost of sales	4.4(b)	**(35)**	(76)	(142)
Net operating revenue		**696**	777	1,543
Restructuring and corporate transaction expenses	4.6	**(88)**	(113)	(259)
Amortisation and impairment of intangibles acquired in business combinations and through the purchase of customer contracts	4.6	**(52)**	(51)	(99)
Staff costs and other employee-related costs	4.6	**(266)**	(305)	(604)
Other administrative expenses	4.6	**(300)**	(290)	(594)
Total administrative and other expenses		**(706)**	(759)	(1,556)
Net gains or losses on financial instruments and other income				
Fair value movements and dividend income on significant listed investments	4.5	**(271)**	(37)	(227)
Other net gains or losses on financial instruments and other income	4.5	**(27)**	28	44
Total net gains or losses on financial instruments and other income		**(298)**	(9)	(183)
Finance costs		**(15)**	(15)	(30)
Profit on disposal of subsidiaries and other operations	4.2(b)	**-**	84	127
Profit on disposal of interests in associates	4.2(b)	**6**	68	1,236
Loss on impairment of interests in associates	4.12	**(9)**	–	–
Share of profit or loss from associates and joint ventures	4.12	**6**	(33)	(22)
(Loss)/profit before tax		**(320)**	113	1,115
Tax credit/(expense)	4.7	**31**	(11)	(120)
(Loss)/profit for the period		**(289)**	102	995
Attributable to:				
Equity shareholders of abrdn plc		**(296)**	102	994
Other equity holders		**6**	–	–
Non-controlling interests - ordinary shares		**1**	–	1
		(289)	102	995
Earnings per share				
Basic (pence per share)	4.8	**(13.9)**	4.8	46.8
Diluted (pence per share)	4.8	**(13.9)**	4.7	46.0

1. The Group made changes to the presentation of the consolidated income statement in the Annual report and accounts for the year ended 31 December 2021. The comparatives for the six months ended 30 June 2021 have been re-presented on the same basis. Refer Section 4.1(a)(ii) of the Basis of preparation for further details.

The Notes on pages 24 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 2022

	Notes	6 months 2022 £m	6 months 2021 £m	Full Year 2021 £m
(Loss)/profit for the period		**(289)**	102	995
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement (losses)/gains on defined benefit pension plans	4.14	**(386)**	(33)	117
Share of other comprehensive income of associates and joint ventures	4.12	**-**	12	12
Equity holder tax effect of items that will not be reclassified subsequently to profit or loss	4.7	**-**	4	3
Total items that will not be reclassified subsequently to profit or loss		**(386)**	(17)	132
Items that may be reclassified subsequently to profit or loss:				
Fair value gains/(losses) on cash flow hedges		**61**	(2)	19
Exchange differences on translating foreign operations		**37**	(25)	(2)
Share of other comprehensive income of associates and joint ventures	4.12	**(7)**	(8)	(4)
Items transferred to the condensed consolidated income statement				
Fair value (gains)/losses on cash flow hedges		**(68)**	3	(10)
Realised foreign exchange losses	4.2(b)	**-**	1	18
Share of other comprehensive income of associates and joint ventures	4.12	**-**	(9)	(9)
Equity holder tax effect of items that may be reclassified subsequently to profit or loss	4.7	**2**	(1)	(3)
Total items that may be reclassified subsequently to profit or loss		**25**	(41)	9
Other comprehensive income for the period		**(361)**	(58)	141
Total comprehensive income for the period		**(650)**	44	1,136
Attributable to:				
Equity shareholders of abrdn plc		**(657)**	44	1,135
Other equity holders		**6**	–	–
Non-controlling interests - ordinary shares		**1**	–	1
		(650)	44	1,136

The Notes on pages 24 to 49 are an integral part of this condensed consolidated financial information.

Condensed consolidated statement of financial position
As at 30 June 2022

	Notes	6 months 2022 £m	6 months 2021 £m	Full Year 2021 £m
Assets				
Intangible assets	4.11	**2,116**	674	704
Pension and other post-retirement benefit assets	4.14	**1,221**	1,454	1,607
Investments in associates and joint ventures accounted for using the equity method	4.12	**282**	381	274
Property, plant and equipment		**193**	208	187
Deferred tax assets		**184**	146	168
Financial investments	4.15	**2,940**	3,152	4,316
Receivables and other financial assets		**1,237**	1,521	680
Current tax recoverable		**2**	8	2
Other assets		**115**	134	105
Cash and cash equivalents		**1,433**	1,341	1,904
		9,723	9,019	9,947
Assets backing unit linked liabilities	4.15			
Financial investments		**1,114**	1,396	1,430
Receivables and other unit linked assets		**17**	13	8
Cash and cash equivalents		**25**	32	33
		1,156	1,441	1,471
Total assets		**10,879**	10,460	11,418
Liabilities				
Third party interest in consolidated funds	4.15	**130**	101	104
Subordinated liabilities		**707**	632	644
Pension and other post-retirement benefit provisions	4.14	**17**	51	38
Deferred income		**6**	10	5
Deferred tax liabilities		**248**	83	165
Current tax liabilities		**21**	22	27
Derivative financial liabilities	4.15	**17**	15	5
Other financial liabilities		**1,507**	1,341	1,046
Provisions		**52**	63	49
Other liabilities		**11**	8	8
		2,716	2,326	2,091
Unit linked liabilities	4.15			
Investment contract liabilities		**890**	1,034	1,088
Third party interest in consolidated funds		**256**	399	378
Other unit linked liabilities		**10**	8	5
		1,156	1,441	1,471
Total liabilities		**3,872**	3,767	3,562
Equity				
Share capital	4.13(a)	**305**	305	305
Shares held by trusts	4.13(b)	**(152)**	(173)	(171)
Share premium reserve	4.13(a)	**640**	640	640
Retained earnings		**4,906**	4,877	5,775
Other reserves		**1,094**	1,041	1,094
Equity attributable to equity shareholders of abrdn plc		**6,793**	6,690	7,643
Other equity		**207**	–	207
Non-controlling interests – ordinary shares		**7**	3	6
Total equity		**7,007**	6,693	7,856
Total equity and liabilities		**10,879**	10,460	11,418

The Notes on pages 24 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 2022

	Notes	Share capital £m	Shares held by trusts £m	Share premium reserve £m	Retained earnings[1] £m	Other reserves[1] £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 2022		**305**	**(171)**	**640**	**5,775**	**1,094**	**7,643**	**207**	**6**	**7,856**
(Loss)/profit for the period		**-**	**-**	**-**	**(296)**	**-**	**(296)**	**6**	**1**	**(289)**
Other comprehensive income for the period		**-**	**-**	**-**	**(393)**	**32**	**(361)**	**-**	**-**	**(361)**
Total comprehensive income for the period		**-**	**-**	**-**	**(689)**	**32**	**(657)**	**6**	**1**	**(650)**
Issue of share capital	4.13(a)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends paid on ordinary shares	4.10	**-**	**-**	**-**	**(154)**	**-**	**(154)**	**-**	**-**	**(154)**
Interest paid on other equity		**-**	**-**	**-**	**-**	**-**	**-**	**(6)**	**-**	**(6)**
Reserves credit for employee share-based payments		**-**	**-**	**-**	**-**	**11**	**11**	**-**	**-**	**11**
Transfer to retained earnings for vested employee share-based payments		**-**	**-**	**-**	**60**	**(60)**	**-**	**-**	**-**	**-**
Shares acquired by employee trusts		**-**	**(41)**	**-**	**-**	**-**	**(41)**	**-**	**-**	**(41)**
Shares distributed by employee and other trusts and related dividend equivalents		**-**	**60**	**-**	**(62)**	**-**	**(2)**	**-**	**-**	**(2)**
Other movements		**-**	**-**	**-**	**(23)**	**17**	**(6)**	**-**	**-**	**(6)**
Aggregate tax effect of items recognised directly in equity		**-**	**-**	**-**	**(1)**	**-**	**(1)**	**-**	**-**	**(1)**
30 June 2022		**305**	**(152)**	**640**	**4,906**	**1,094**	**6,793**	**207**	**7**	**7,007**

1. Other movements includes the transfer of (£17m) previously recognised in the foreign currency translation reserve (which is part of Other reserves) to Retained earnings. In prior periods we considered that the functional currency of an intermediate subsidiary which holds the Group's investment in HDFC Life was US Dollars. We now consider that the functional currency should have been GBP, resulting in the current period transfer between reserves. Prior periods have not been restated as the impact on prior periods is not considered material. There is no impact on net assets for any period presented.

	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	Non-controlling interests - ordinary shares £m	Total equity £m
1 January 2021		306	(170)	640	4,970	1,064	6,810	3	6,813
Profit for the period		–	–	–	102	–	102	–	102
Other comprehensive income for the period		–	–	–	(34)	(24)	(58)	–	(58)
Total comprehensive income for the period		–	–	–	68	(24)	44	–	44
Issue of share capital	4.13(a)	–	–	–	–	–	–	–	–
Dividends paid on ordinary shares	4.10	–	–	–	(154)	–	(154)	–	(154)
Share buyback		(1)	–	–	–	1	–	–	–
Other movements in non-controlling interests in the period		–	–	–	5	–	5	–	5
Reserves credit for employee share-based payments		–	–	–	–	24	24	–	24
Transfer to retained earnings for vested employee share-based payments		–	–	–	24	(24)	–	–	–
Shares acquired by employee trusts		–	(37)	–	–	–	(37)	–	(37)
Shares distributed by employee and other trusts and related dividend equivalents		–	34	–	(37)	–	(3)	–	(3)
Aggregate tax effect of items recognised directly in equity		–	–	–	1	–	1	–	1
30 June 2021		305	(173)	640	4,877	1,041	6,690	3	6,693

	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 2021		306	(170)	640	4,970	1,064	6,810	–	3	6,813
Profit for the year		–	–	–	994	–	994	–	1	995
Other comprehensive income for the year		–	–	–	119	22	141	–	–	141
Total comprehensive income for the year		–	–	–	1,113	22	1,135	–	1	1,136
Issue of share capital	4.13(a)	–	–	–	–	–	–	–	–	–
Issue of other equity		–	–	–	–	–	–	207	–	207
Dividends paid on ordinary shares	4.10	–	–	–	(308)	–	(308)	–	–	(308)
Share buyback		(1)	–	–	–	1	–	–	–	–
Other movements in non-controlling interests in the year		–	–	–	6	–	6	–	2	8
Reserves credit for employee share-based payments		–	–	–	–	43	43	–	–	43
Transfer to retained earnings for vested employee share-based payments		–	–	–	36	(36)	–	–	–	–
Shares acquired by employee trusts		–	(41)	–	–	–	(41)	–	–	(41)
Shares distributed by employee and other trusts and related dividend equivalents		–	40	–	(42)	–	(2)	–	–	(2)
Aggregate tax effect of items recognised directly in equity		–	–	–	–	–	–	–	–	–
31 December 2021		305	(171)	640	5,775	1,094	7,643	207	6	7,856

The Notes on pages 24 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 2022

	Notes	6 months 2022 £m	6 months 2021 £m	Full Year 2021 £m
Cash flows from operating activities				
(Loss)/profit before tax		**(320)**	113	1,115
Change in operating assets		**581**	(184)	214
Change in operating liabilities		**(272)**	(46)	(209)
Adjustment for non-cash movements in investment income		**(7)**	5	–
Other non-cash and non-operating items		**92**	(2)	(1,099)
Dividends received from associates and joint ventures		**–**	–	15
Taxation paid[1]		**(18)**	(14)	(22)
Net cash flows from operating activities		**56**	(128)	14
Cash flows from investing activities				
Purchase of property, plant and equipment		**(12)**	(4)	(12)
Proceeds from sale of property, plant and equipment		**–**	3	–
Acquisition of subsidiaries and unincorporated businesses net of cash acquired		**(1,378)**	(61)	(145)
Disposal of subsidiaries net of cash disposed of		**–**	81	112
Acquisition of investments in associates and joint ventures		**(2)**	(7)	(11)
Proceeds in relation to contingent consideration[2]		**–**	54	54
Payments in relation to contingent consideration		**(4)**	(26)	(28)
Disposal of investments in associates and joint ventures		**6**	–	304
Taxation paid on disposal of investments in associates and joint ventures[1]		**–**	–	(33)
Purchase of financial investments		**(90)**	(58)	(368)
Proceeds from sale or redemption of financial investments		**1,151**	321	938
Prepayment in respect of potential acquisition of customer contracts	4.2(b)(iii)	**5**	(60)	(56)
Acquisition of intangible assets		**(1)**	–	–
Net cash flows from investing activities		**(325)**	243	755
Cash flows from financing activities				
Proceeds from issue of perpetual subordinated notes		**–**	–	208
Payment of lease liabilities – principal		**(15)**	(12)	(27)
Payment of lease liabilities – interest		**(3)**	(3)	(6)
Shares acquired by trusts		**(41)**	(37)	(41)
Interest paid on subordinated liabilities and other equity		**(21)**	(14)	(28)
Share buyback		**–**	(40)	(41)
Ordinary dividends paid	4.10	**(154)**	(154)	(308)
Net cash flows from financing activities		**(234)**	(260)	(243)
Net increase in cash and cash equivalents		**(503)**	(145)	526
Cash and cash equivalents at the beginning of the period		**1,875**	1,358	1,358
Effects of exchange rate changes on cash and cash equivalents		**23**	(11)	(9)
Cash and cash equivalents at the end of the period[3]		**1,395**	1,202	1,875
Supplemental disclosures on cash flows from operating activities				
Interest paid		**1**	1	1
Interest received		**16**	10	22
Dividends received		**61**	54	122
Rental income received on investment property		**2**	2	2

1. Total taxation paid for the six months ended 30 June 2022 was £18m (six months ended 30 June 2021: £14m, 12 months ended 31 December 2021: £55m).
2. Proceeds in relation to contingent consideration for the six months ended 30 June 2021 and 12 months ended 31 December 2021 included £34m in relation to discontinued operations (six months ended 30 June 2022: £nil).
3. Comprises £1,458m (30 June 2021: £1,373m; 31 December 2021: £1,937m) of cash and cash equivalents, including cash and cash equivalents backing unit linked liabilities and (£63m) (30 June 2021: (£171m); 31 December 2021: (£62m)) of overdrafts which are reported in other financial liabilities in the condensed consolidated statement of financial position.

The Notes on pages 24 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 2021 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 April 2021 and 1 January 2022.

Amendments to existing standards

- Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16.
- Reference to the Conceptual Framework – Amendments to IFRS 3.
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16.
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37.
- Annual Improvements 2018-2020 cycle.

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.

(a)(ii) Income statement presentational change

The presentation of the Group's consolidated income statement was revised in the Annual report and accounts for the year ended 31 December 2021 following a review of the financial statements. The reason for the change was to make the financial statements more relevant to users as the revised presentation of the consolidated income statement is now more consistent with asset management peers. The change included a revised presentation of the unit linked business returns which we consider makes the results easier to understand. The comparatives for the six months ended 30 June 2021 have been re-presented on the same basis.

The table below sets out the impact of adopting the revised income statement format on the comparatives for the six months ended 30 June 2021:

	H1 2021 as previously presented £m	Presentation changes £m	H1 2021 revised format £m	Notes
Income				
Investment return	71	(71)	–	b
Revenue from contracts with customers	853	–	853	
Cost of sales	–	(76)	(76)	a
Net operating revenue			777	a
Insurance contract premium income	–	–	–	b
Profit on disposal of interests in associates	68	(68)	–	e
Other income	92	(92)	–	b
Total income	1,084			
Expenses				
Insurance contracts claims and change in liabilities	–	–	–	b
Change in non-participating investment contract liabilities	(66)	66	–	b
Administrative and other expenses				
Restructuring and corporate transaction expenses	(106)	(7)	(113)	d
Amortisation and impairment of intangibles acquired in business combinations and through the purchase of customer contracts	–	(51)	(51)	c
Staff costs and other employee-related costs	–	(305)	(305)	c
Other administrative expenses	(729)	439	(290)	c
Total administrative and other expenses	(835)		(759)	
Net gains or losses on financial instruments and other income				
Fair value movements and dividend income on significant listed investments	–	(37)	(37)	b
Other net gains or losses on financial instruments and other income	–	28	28	b
Total net gains or losses on financial instruments and other income	–	(9)	(9)	b
Change in liability for third party interest in consolidated funds	(22)	22	–	b
Finance costs	(15)	–	(15)	
Total expenses	(938)			
Profit on disposal of subsidiaries and other operations	–	84	84	f
Profit on disposal of interests in associates	–	68	68	e
Share of profit or loss from associates and joint ventures	(33)	–	(33)	
Profit before tax	113		113	

Note a: A new income statement line *Net operating revenue* is presented (six months ended 30 June 2021: £777m). Net operating revenue is the net of revenue from contracts with customers and cost of sales. Cost of sales includes commission expenses and other cost of sales which were previously presented within other administrative expenses.

Note b: A new income statement line of *Net gains or losses on financial instruments and other income* is also presented (six months ended 30 June 2021: (£9m)). This combines a number of line items previously shown separately on the face of the income statement with a more detailed breakdown disclosed in Note 4.5 of the financial statements.

Given the significance of the Fair value movements and dividend income on significant listed investments, these have been disclosed separately from Other net gains or losses on financial instruments and other income on the face of the condensed consolidated income statement.

The table below reconciles Net gains or losses on financial instruments and other income to previous line items:

30 June 2021	£m
Income items previously disclosed on the face of the condensed consolidated income statement	
Investment return	71
Insurance contract premium income	–
Other income	92
Total income items previously disclosed on the face of the condensed consolidated income statement	163
Expense items previously disclosed on the face of the condensed consolidated income statement	
Insurance contract claims and change in liabilities	–
Change in non-participating investment contract liabilities	(66)
Change in liability for third party interest in consolidated funds	(22)
Total expense items previously disclosed on the face of the condensed consolidated income statement	(88)
Total net gains or losses on financial instruments and other income before reclassifications	75
Less: Other income now separately disclosed as Profit on disposal of subsidiaries and other operations	(84)
Total net gains or losses on financial instruments and other income after reclassifications	(9)
Split as:	
Fair value movements and dividend income on significant listed investments	(37)
Net gains or losses on financial instruments and other income – non-unit linked business – excluding significant listed investments	24
Net gains or losses on financial instruments and other income – unit linked business	4
Total other net gains or losses on financial instruments and other income	28
Total net gains or losses on financial instruments and other income	(9)

The expense items included in the table above relate to unit linked business. We consider that offsetting the net gains or losses on unit linked financial assets (included in investment return in the table above) and the net gains or losses on unit linked financial liabilities (included in change in non-participating investment contract liabilities in the table above) on the face of the condensed consolidated income statement reflects the substance of the transactions, as changes in the value of the unit linked assets results in corresponding changes in the value of unit linked liabilities with no net impact on profit after tax.

Profit on disposal of subsidiaries and other operations is now shown separately due to materiality.

Note c: Presentational changes have also been made to Administrative and other expenses. The following table reconciles Other administrative expenses as previously presented at 30 June 2021 to the re-presented 30 June 2021 Other administrative expenses.

30 June 2021	£m
Other administrative expenses as previously presented	729
Less:	
Cost of sales now included in net operating revenue (see Note a above)	(76)
Staff costs and other employee-related costs now presented separately in the condensed consolidated income statement	(305)
Amortisation and impairment of intangibles acquired in business combinations and through the purchase of customer contracts now presented separately in the condensed consolidated income statement	(51)
Other administrative expenses reclassified to restructuring and corporate transaction expenses (see Note d below)	(7)
Re-presented other administrative expenses	290

Note d: Restructuring and corporate transaction expenses was already separately presented but, as shown above, we have reclassified £7m of other administrative expenses for the six months ended 30 June 2021 to restructuring and corporate transaction expenses:

30 June 2021	£m
Restructuring and corporate transaction expenses as previously presented	106
Add: Impairment of internally developed software and right-of-use assets as a result of restructuring	7
Re-presented restructuring and corporate transaction expenses	113

This additional element of restructuring costs was disclosed in Note 4.7 of the 30 June 2021 Group condensed consolidated financial statements, but has now been included on the face of the condensed consolidated income statement.

Note e: The *Profit on disposal of interests in associates* line item (six months ended 30 June 2021: £68m) is unchanged, but is now presented with the *Profit on disposal of subsidiaries and other operations* and the other income statement items relating to associates and joints ventures, namely *Loss on impairment of interests in associates* and *Share of profit or loss from associates and joint ventures*.

Note f: As described in Note b above, *Profit on disposal of subsidiaries and other operations* (six months ended 30 June 2021: £84m) which was previously included in Other income is now separately disclosed on the face of the condensed consolidated income statement.

(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 2021 Strategic report. This includes details on our liquidity and capital positions and our principal risks, including the impacts of the macroeconomic environment and rising inflation, the Ukraine conflict and COVID-19 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 £1.7bn at 30 June 2022. In addition the Company has a revolving credit facility of £400m as part of our contingency funding plans which is due to mature in 2025 and remains undrawn.
- The Group's indicative regulatory capital surplus on an IFPR basis was £0.6bn in excess of capital requirements at 30 June 2022. The regulatory capital surplus does not include the value of the Group's significant listed investments HDFC Asset Management, HDFC Life and Phoenix.
- The Group performs regular stress and scenario analysis as described in the Annual report and accounts 2021 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 2021 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) Current period acquisitions of subsidiaries

Interactive Investor (ii)

On 27 May 2022, abrdn plc purchased 100% of the issued share capital of Antler Holdco Limited (Antler), the parent company for the interactive investor group of companies. ii is the no.1 UK subscription-based trading platform and the no.2 UK direct investing platform, by assets under administration. The cash outflow at the completion of the acquisition was £1,496m, which comprised consideration of £1,485m and payments made by abrdn to fund the settlement of ii transaction liabilities as part of the transaction of £11m. The acquisition of ii provides abrdn with direct entry to the high-growth digitally enabled direct investing market, accessing new customer segments and capabilities. This will allow abrdn customers to choose from a wide spectrum of wealth services, spanning self-directed investing through to high-touch financial advice, depending on their specific needs over their financial life.

At the acquisition date the consideration, net assets acquired and resulting goodwill were as follows:

27 May 2022	£m
Cash consideration[1,2]	**1,485**
Fair value of net assets acquired	
Intangible assets	
Customer relationships	**421**
Brand	**16**
Technology and other intangibles	**32**
Property, plant and equipment	**8**
Deferred tax assets	**5**
Receivables and other financial assets[3]	**411**
Other assets	**7**
Cash and cash equivalents	**107**
Total assets	**1,007**
Other financial liabilities	**(400)**
Provisions	**(1)**
Deferred tax liabilities	**(114)**
Total liabilities	**(515)**
Goodwill	**993**

1. Cash consideration includes £61m paid by abrdn to redeem discount notes issued by Antler as part of the acquisition transaction. Not included in the cash consideration is £11m of payments made by abrdn to fund the settlement of ii transaction liabilities. These liabilities are included within other financial liabilities of ii at the acquisition date.
2. Cash consideration includes £10m paid to Richard Wilson the CEO of ii which is subject to a Reinvestment Agreement. Under the Reinvestment Agreement Mr Wilson was required to invest at least £5m in abrdn shares and at least a further £3m in abrdn shares or funds managed by the abrdn group. The Reinvestment Agreement contains restrictions on the sale of abrdn shares and fund units acquired which fall away in three equal tranches over a three-year period following completion.
3. The estimated contractual cash flow not expected to be collected is not material and therefore the gross contractual amounts receivable is materially in line with the fair value.

The customer relationships intangible asset relates to ii's customer base at the date of acquisition. The key assumptions in measuring the fair value of this intangible asset at acquisition date were as follows:

- Revenue per customer growth – comprises expected growth in account fees, treasury income and trading transactions revenue from ii business plans. Treasury income is the interest earned on cash balances less the interest paid to customers and was assumed to grow in line with assets under administration. Market interest rates were assumed to remain at or above 1%.
- Customer attrition – customer attrition represents the expected rate of existing customers leaving ii. This assumption was primarily based on historical attrition rates and was assumed to remain constant over time.
- Operating margin - this assumption was based on the current operating margins adjusted for marketing costs which are not attributable to the servicing of existing customers. Expected future operating margins are adjusted to take into account that increased treasury income does not result in higher costs.
- Discount rate - this assumption was based on a market participant weighted average cost of capital.

The above assumptions, and in particular the customer attrition assumption, were also used to determine the 15-year useful economic life at the acquisition date. The reducing balance method of amortisation is considered appropriate for this intangible, consistent with the attrition rate being constant over time.

The technology intangible asset relates to ii's internally generated technology which has been valued based on the replacement cost method. The brand intangible asset relates to the interactive investor brand and has been valued based on applying an assumed royalty rate to revenue forecasts.

The goodwill arising on acquisition of ii is mainly attributable to expected future cash flows from new customers, the quality and experience of the ii executive team and employees, and revenue synergies in our Investments and Personal segments. The goodwill is not expected to be deductible for tax purposes.

The revenue from contracts with customers and profit contributed to the Group's condensed consolidated income statement for the six months ended 30 June 2022 from the acquired ii business were £13m and £3m respectively. The profit contributed excludes amortisation of intangible assets acquired through business combinations. If the acquisition had occurred on 1 January 2022, the Group's total revenue from contracts with customers for the period would have increased by £65m to £796m and the loss would have increased by £4m to £293m. This increase in the loss includes increased amortisation of intangible assets acquired through business combinations (net of deferred tax) of £24m.

As part of the transaction, abrdn plc has also agreed the following retention incentive schemes which are not recognised as part of the business combination:

- A retention scheme for senior ii executives. These are awards over abrdn plc shares with a vesting period of up to 3 years and are subject to pre-determined performance metrics. The value of abrdn plc shares subject to these awards was c£25m at date of grant. The awards are accounted for as post completion share based payments and spread over the relevant vesting periods and will be recognised in Restructuring and corporate transaction expenses in the condensed consolidated income statement.
- Cash and share incentive retention awards to the wider ii workforce with vesting periods of up to c3 years. These awards are funded by the proceeds received by the ii employee benefit trust as part of the transaction. These are accounted for as post completion share based payments and remuneration and are spread over the relevant vesting periods and will be recognised in Restructuring and corporate transaction expenses in the condensed consolidated income statement.

Corporate transaction deal costs amounted to £27m of which £13m and £14m were included within Restructuring and corporate transaction expenses in the 6 months ended 30 June 2022 and 12 months ended 31 December 2021 respectively (6 months ended 30 June 2021: £nil).

(a)(ii) Prior period acquisitions of subsidiaries

On 1 April 2021, Aberdeen Asset Management PLC (AAM PLC) purchased 60% of the membership interests in Tritax, a specialist logistics real estate fund manager (the acquisition of Tritax). The initial cash consideration payable at the completion of the acquisition was £64m. Subject to the satisfaction of certain conditions, an additional contingent deferred earn-out is expected to be payable to acquire the remaining 40% of membership interests in Tritax should the selling Tritax partners choose to exercise three put options in each of years ended 31 March 2024, 2025 and 2026. The amount payable is linked to the EBITDA of the Tritax business in the relevant period. The Group will also have the right to purchase any outstanding membership interests at the end of the five-year period through exercising a call option. Based on the transaction terms, Tritax has been fully consolidated from 1 April 2021 and no non-controlling interest is recognised in the Group's total equity in relation to the 40% of the membership interests in Tritax subject to the put and call options. A contingent consideration financial liability is recognised at fair value in relation to the earn-out payments (under the put and call options) and the expected non-discretionary allocation of profit payments to the holders of the 40% membership interests up to the date of the exercise of the options. Refer Note 4.15(b)(iv) for further details on the contingent consideration liability.

In addition, on 29 October 2021, AAM PLC purchased 100% of the issued share capital of the investing insights platform Finimize.

(b) Disposals

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

During 2021, the Group made two material disposals of subsidiaries and other operations:

- On 30 June 2021, the Group completed the sale of Parmenion Capital Partners LLP (Parmenion) to Preservation Capital Partners.
- On 30 September 2021, the Group completed the sale of its Bonaccord US private market business (Bonaccord) to P10 Holdings Inc. (P10).

Other disposals included the sale of the Nordics real estate business to DEAS Asset Management A/S on 31 May 2021, and the sale of Hark Capital US private market business to P10 on 30 September 2021.

Profit on disposal of subsidiaries and other operations in prior periods have been summarised below.

	2021 £m
Disposal of Parmenion	73
Other disposals	11
Profit on disposal of subsidiaries and other operations for the six months ended 30 June 2021	84
Disposal of Bonaccord	39
Other disposals	4
Profit on disposal of subsidiaries and other operations for the 12 months ended 31 December 2021	127

On disposal, a loss of £1m was recycled from the translation reserve and was included in determining the profit on disposal of subsidiaries and other operations for the six months ended 30 June 2021 and the 12 months ended 31 December 2021.

(b)(ii) Current period disposal of associates

Profit on disposal of interests in associates for the six months ended 30 June 2022 of £6m relates to the sale of the Group's interest in Origo Services Limited in May 2022.

(b)(iii) Prior period disposal and reclassification of associates

Profit on disposal of associates in prior periods have been summarised below.

	2021 £m
Reclassification of Phoenix Group Holdings plc (Phoenix)	68
Profit on disposal of interests in associates for the six months ended 30 June 2021	68
Sale of equity shares in HDFC Asset Management and reclassification	1,168
Profit on disposal of interests in associates for the 12 months ended 31 December 2021	1,236

On disposal and reclassification, a loss of £17m was recycled from the translation reserve and was included in determining the profit on disposal of interests in associates for the 12 months ended 31 December 2021 (six months ended 30 June 2021: £nil). In addition, other comprehensive income gains of £9m were recycled from retained earnings and were included in determining the profit on disposal of interests in associates for the six months ended 30 June 2021 and the 12 months ended 31 December 2021.

Phoenix

On 23 February 2021, the Group announced details of the simplification and extension of the strategic partnership between the Group and Phoenix. Following the changes to the commercial agreements, in particular in relation to the licencing of the 'Standard Life' brand, our judgement was that Phoenix should no longer be accounted for as an associate with effect from 23 February 2021. The Group's shareholding in Phoenix, which remained at 14.4%, was therefore reclassified from an investment in associates accounted for using the equity method to equity securities and interests in pooled investment funds measured at fair value.

As part of the agreement, the Group announced the purchase of certain products in the Phoenix Group's savings business offered through abrdn's Wrap platform, comprising a self-invested pension plan (SIPP) and an onshore bond product; together with the Phoenix Group's trustee investment plan (TIP) business for UK pension scheme clients. The transaction is not expected to complete before 2024 and is 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.

HDFC Asset Management
On 29 September 2021, the Group completed a sale of equity shares in HDFC Asset Management on the National Stock Exchange of India Limited and BSE Limited. The gain on sale and the gain on reclassification from an associate to an equity investment can be summarised as follows:

	2021 £m
Gain on sale of 10,650,000 equity shares in HDFC Asset Management sold through a Bulk Sale on 29 September 2021	271
Gain on reclassification of remaining 34,578,305 equity shares in HDFC Asset Management from an associate to equity investment on 29 September 2021	897
Gains on disposal and reclassification of HDFC Asset Management for the 12 months ended 31 December 2021	1,168

Following the sale, the Group's shareholding in HDFC Asset Management was 34,578,305 equity shares or 16.22% and HDFC Asset Management was therefore no longer considered to be an associate of the Group. The Group's investment in HDFC Asset Management was reclassified from an investment in associates accounted for using the equity method to equity securities and interests in pooled investment funds measured at fair value.

The Group's shareholdings in Phoenix and HDFC Asset Management are now considered, along with HDFC Life, as significant listed investments for the purpose of determining the Group's adjusted profit. Refer Note 4.9(a) for changes in the Group's significant listed investments in the period ended 30 June 2022.

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, Wholesale and Insurance clients. The Investment segment includes the Tritax and Finimize businesses following their acquisitions during 2021.

Adviser

Our market-leading UK financial adviser business which provides services through the Wrap and Elevate platforms to wealth managers and advisers.

Personal

Our Personal business comprises Personal Wealth (which combines our financial planning business abrdn Financial Planning, our digital direct-to-consumer services and discretionary fund management services provided by abrdn Capital) and interactive investor following the completion of the acquisition in the six months ended 30 June 2022. Refer Note 4.2(a)(i) for further details.

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

Corporate/strategic

Corporate/strategic mainly comprises certain corporate costs. The comparative periods also include a business held for sale (Parmenion, the sale of which completed on 30 June 2021).

The segments are reported to the level of adjusted operating profit.

(b) Reportable segments – adjusted profit and revenue information

(b)(i) Analysis of adjusted profit

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

6 months 2022	Notes	Investments £m	Adviser £m	Personal £m	Corporate/ strategic £m	Total £m
Fee based revenue		546	92	58	–	696
Adjusted operating expenses		(470)	(54)	(51)	(6)	(581)
Adjusted operating profit		76	38	7	(6)	115
Adjusted net financing costs and investment return						(16)
Adjusted profit before tax						99
Tax on adjusted profit						(13)
Adjusted profit after tax						86
Adjusted for the following items						
Restructuring and corporate transaction expenses	4.6					(88)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts						(52)
Profit on disposal of interests in associates	4.2(b)					6
Change in fair value of significant listed investments						(313)
Dividends from significant listed investments						42
Share of profit or loss from associates and joint ventures[1]						6
Impairment of interests in associates						(9)
Other	4.9					(11)
Total adjusting items including results of associates and joint ventures						(419)
Tax on adjusting items						44
Profit attributable to other equity holders						(6)
Profit attributable to non-controlling interests – ordinary shares						(1)
Loss for the period attributable to equity shareholders of abrdn plc						(296)
Profit attributable to other equity holders						6
Profit attributable to non-controlling interests – ordinary shares						1
Loss for the period						(289)

1. Share of associates' and joint ventures' profit or loss primarily comprises the Group's share of results of HASL and Virgin Money Unit Trust Managers (Virgin Money UTM).

Fee based 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 2021	Notes	Investments £m	Adviser £m	Personal £m	Corporate/ strategic £m	Total £m
Fee based revenue		613	87	41	14	755
Adjusted operating expenses		(487)	(50)	(37)	(21)	(595)
Adjusted operating profit		126	37	4	(7)	160
Adjusted net financing costs and investment return						3
Adjusted profit before tax						163
Tax on adjusted profit						(13)
Adjusted profit after tax						150
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						(51)
Profit on disposal of subsidiaries and other operations	4.2(b)					84
Profit on disposal of interests in associates	4.2(b)					68
Change in fair value of significant listed investments						(72)
Dividends from significant listed investments						35
Share of profit or loss from associates and joint ventures[1]						(33)
Other	4.9					32
Total adjusting items including results of associates and joint ventures						(50)
Tax on adjusting items						2
Profit for the period						102

1. Share of associates' and joint ventures' profit or loss primarily comprises the Group's share of results of HASL, Virgin Money Unit Trust Managers (Virgin Money UTM), HDFC Asset Management and Phoenix (until 22 February 2021).

Full Year 2021	Notes	Investments £m	Adviser £m	Personal £m	Corporate/ strategic £m	Total £m
Fee based revenue		1,231	178	92	14	1,515
Adjusted operating expenses		(978)	(104)	(84)	(26)	(1,192)
Adjusted operating profit		253	74	8	(12)	323
Adjusted net financing costs and investment return						–
Adjusted profit before tax						323
Tax on adjusted profit						(26)
Adjusted profit after tax						297
Adjusted for the following items						
Restructuring and corporate transaction expenses	4.6					(259)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts						(99)
Profit on disposal of subsidiaries and other operations	4.2(b)					127
Profit on disposal of interests in associates	4.2(b)					1,236
Change in fair value of significant listed investments						(298)
Dividends from significant listed investments						71
Share of profit or loss from associates and joint ventures[1]						(22)
Other	4.9					36
Total adjusting items including results of associates and joint ventures						792
Tax on adjusting items						(94)
Profit attributable to non-controlling interests – ordinary shares						(1)
Profit for the year attributable to equity shareholders of abrdn plc						994
Profit attributable to non-controlling interests – ordinary shares						1
Profit for the year						995

1. Share of associates' and joint ventures' profit or loss primarily comprises the Group's share of results of HASL, Virgin Money Unit Trust Managers (Virgin Money UTM), Phoenix (until 22 February 2021) and HDFC Asset Management (until 29 September 2021).

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 2022 £m	6 months 2021 £m	Full Year 2021 £m
Investments			
Management fee income – Institutional and Wholesale[1]	**463**	525	1,043
Management fee income – Insurance[1]	**89**	97	200
Performance fees and carried interest	**12**	51	99
Other revenue from contracts with customers	**16**	34	54
Revenue from contracts with customers for the investments segment	**580**	707	1,396
Adviser	**93**	88	180
Personal	**58**	41	92
Corporate/strategic – Parmenion fund platform fee income	**–**	17	17
Total revenue from contracts with customers	**731**	853	1,685

1. In addition to revenues earned as a percentage of AUM, management fee income includes certain other revenues such as registration fees.

(b) Cost of sales

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

	6 months 2022 £m	6 months 2021 £m	Full Year 2021 £m
Cost of sales			
Commission expenses	**32**	46	87
Other cost of sales	**3**	30	55
Total cost of sales	**35**	76	142

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 fee based revenue

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

	Investments			**Adviser**			**Personal**			**Corporate/strategic**			**Total**		
	30 Jun 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m
Revenue from contracts with customers	**580**	707	1,396	**93**	88	180	**58**	41	92	**–**	17	17	**731**	853	1,685
Cost of sales	**(34)**	(72)	(137)	**(1)**	(1)	(2)	**–**	–	–	**–**	(3)	(3)	**(35)**	(76)	(142)
Net operating revenue	**546**	635	1,259	**92**	87	178	**58**	41	92	**–**	14	14	**696**	777	1,543
Other differences	**–**	(22)	(28)	**–**	–	–	**–**	–	–	**–**	–	–	**–**	(22)	(28)
Fee based revenue	**546**	613	1,231	**92**	87	178	**58**	41	92	**–**	14	14	**696**	755	1,515

Other differences primarily relate to amounts presented in a different line item of the condensed consolidated income statement and items classified as adjusting items. There were no other differences for the six months ended 30 June 2022. For the six months ended 30 June 2021 and 12 months ended 31 December 2021, these primarily relate to the net release of deferred income of £25m following the transfer of workplace pensions marketing staff to Phoenix in May 2021.

4.5 Net gains or losses on financial instruments and other income

	6 months 2022 £m	6 months 2021[1] £m	Full Year 2021 £m
Fair value movements and dividend income on significant listed investments			
Fair value movements on significant listed investments (other than dividend income)	**(313)**	(72)	(298)
Dividend income from significant listed investments	**42**	35	71
Total fair value movements and dividend income on significant listed investments	**(271)**	(37)	(227)
Non-unit linked business – excluding significant listed investments			
Net gains or losses on financial instruments at fair value through profit or loss	**(54)**	13	20
Interest and similar income from financial instruments at amortised cost	**8**	5	10
Foreign exchange losses on financial instruments at amortised cost	**10**	(2)	(1)
Other income	**6**	8	8
Net gains or losses on financial instruments and other income – non-unit linked business – excluding significant listed investments	**(30)**	24	37
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	**(156)**	92	174
Change in non-participating investment contract financial liabilities	**129**	(66)	(124)
Change in liability for third party interests in consolidated funds	**30**	(22)	(43)
Total net gains or losses on financial instruments at fair value through profit or loss	**3**	4	7
Net gains or losses on financial instruments and other income – unit linked business[2]	**3**	4	7
Total other net gains or losses on financial instruments and other income	**(27)**	28	44
Total net gains or losses on financial instruments and other income	**(298)**	(9)	(183)

1. The Group made changes to the presentation of the consolidated income statement in the Annual report and accounts for the year ended 31 December 2021. The comparatives for the six months ended 30 June 2021 have been re-presented on the same basis. Refer Section 4.1(a)(ii) of the Basis of preparation for further details.
2. In addition to the Net gains or losses on financial instruments and other income – unit linked business of £3m (six months ended 30 June 2021: £4m, 12 months ended 31 December 2021: £7m), there are administrative expenses and policyholder tax of £1m (six months ended 30 June 2021: £2m, 12 months ended 31 December 2021: £3m) and £2m (six months ended 30 June 2021: £2m, 12 months ended 31 December 2021: £4m) respectively. The result attributable to unit linked business for the year is therefore £nil (six months ended 30 June 2021: £nil, 12 months ended 31 December 2021: £nil).

4.6 Administrative and other expenses

	6 months 2022 £m	6 months 2021[1] £m	Full Year 2021 £m
Restructuring and corporate transaction expenses[2]	**88**	113	259
Amortisation and impairment of intangibles acquired in business combinations and through the purchase of customer contracts			
Amortisation of intangibles acquired in business combinations	**47**	44	87
Amortisation of intangibles acquired through the purchase of customer contracts	**5**	7	12
Total amortisation and impairment of intangibles acquired in business combinations and through the purchase of customer contracts	**52**	51	99
Staff costs and other employee-related costs	**266**	305	604
Other administrative expenses[2]	**300**	290	594
Total administrative and other expenses[3]	**706**	759	1,556

1. The Group made changes to the presentation of the consolidated income statement in the Annual report and accounts for the year ended 31 December 2021. The comparatives for the six months ended 30 June 2021 have been re-presented on the same basis. Refer Section 4.1(a)(ii) of the Basis of preparation for further details.
2. For the period ended 30 June 2021, £7m of expenses previously presented in other administrative expenses have been reclassified as restructuring and corporate transaction expenses. Refer Section 4.1(a)(ii) of the Basis of preparation for further details.
3. Total administrative and other expenses includes £1m (six months ended 30 June 2021: £2m, 12 months ended 31 December 2021: £3m) relating to unit linked business.

The restructuring and corporate transaction expenses for the six months ended 30 June 2022 mainly relate to ongoing transformation costs including severance, platform transformation and business integration. Expenses for the six months ended 30 June 2022 also includes £13m of ii corporate transaction deal costs.

4.7 Tax expense

	6 months 2022 £m	6 months 2021 £m	Full Year 2021 £m
Current tax:			
UK	**2**	3	5
Overseas	**11**	13	60
Adjustment to tax expense in respect of prior years	**(3)**	6	11
Total current tax	**10**	22	76
Deferred tax:			
Deferred tax expense/(credit) arising from the current period	**(42)**	(13)	36
Adjustment to deferred tax in respect of prior years	**1**	2	8
Total deferred tax	**(41)**	(11)	44
Total tax (credit)/expense[1]	**(31)**	11	120

1. The tax credit of £31m (six months ended 30 June 2021: tax expense of £11m, 12 months ended 31 December 2021: tax expense £120m) includes a tax expense of £2m (six months ended 30 June 2021: £2m, 12 months ended 31 December 2021: £4m) relating to unit linked business.

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

	6 months 2022 £m	6 months 2021 £m	Full Year 2021 £m
Tax relating to defined benefit pension plan deficits	**-**	(4)	(3)
Equity holder tax effect relating to items that will not be reclassified subsequently to profit or loss	**-**	(4)	(3)
Tax relating to fair value gains and losses recognised on cash flow hedges	**15**	–	6
Tax relating to cash flow hedge gains and losses transferred to condensed consolidated income statement	**(17)**	1	(3)
Equity holder tax effect relating to items that may be reclassified subsequently to profit or loss	**(2)**	1	3
Tax relating to other comprehensive income	**(2)**	(3)	–

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

4.8 Earnings per share

Basic earnings per share is calculated by dividing profit 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 2022 £m	6 months 2021 £m	Full Year 2021 £m
Adjusted profit before tax	**99**	163	323
Tax on adjusted profit	**(13)**	(13)	(26)
Adjusted profit after tax	**86**	150	297
Attributable to:			
Other equity holders	**(6)**	–	–
Non-controlling interests - ordinary shares	**(1)**	–	(1)
Adjusted profit after tax attributable to equity shareholders of abrdn plc	**79**	150	296
Total adjusting items including results of associates and joint ventures	**(419)**	(50)	792
Tax on adjusting items	**44**	2	(94)
(Loss)/profit attributable to equity shareholders of abrdn plc	**(296)**	102	994

	6 months 2022 Millions	6 months 2021 Millions	Full Year 2021 Millions
Weighted average number of ordinary shares outstanding	**2,130**	2,115	2,123
Dilutive effect of share options and awards	**17**	41	36
Weighted average number of diluted ordinary shares outstanding	**2,147**	2,156	2,159

In accordance with IAS 33, no share options and awards have been treated as dilutive for the six months ended 30 June 2022 due to the loss attributable to equity holders of abrdn plc in that period. This resulted in the adjusted diluted earnings per share being calculated using a weighted average number of ordinary shares of 2,130 million.

	6 months 2022 Pence	6 months 2021 Pence	Full Year 2021 Pence
Basic earnings per share	**(13.9)**	4.8	46.8
Diluted earnings per share	**(13.9)**	4.7	46.0
Adjusted earnings per share	**3.7**	7.1	13.9
Adjusted diluted earnings per share	**3.7**	7.0	13.7

4.9 Adjusted profit and adjusting items

Adjusted profit excludes the impact of the following items:

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

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

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

(a) Significant listed investments

During 2021, the Group's investments in Phoenix and HDFC Asset Management were reclassified from associates to equity securities. Refer Note 4.2(b)(iii) for further details. The Group's investment in HDFC Life was similarly reclassified in 2020 and all three are now considered significant listed investments of the Group. Fair value movements on these 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.

During the six months ended 30 June 2022, the Group's holding in Phoenix was reduced by 4% to 10.4% following the sale of 39,981,442 ordinary shares on 28 January 2022. The total consideration net of taxes and expenses was £263 million.

(b) Other

Other adjusting items for the six months ended 30 June 2022 includes a gain of £6m (six months ended 30 June 2021: £nil, 12 months ended 31 December 2021: loss of £3m) for net fair value movements in contingent consideration. Other adjusting items for the six months ended 30 June 2022 also includes a loss of £12m (six months ended 30 June 2021: profit of £5m, 12 months ended 31 December 2021: profit of £10m) in relation to market 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.

Other adjusting items for the six months ended 30 June 2021 and 12 months ended 31 December 2021 also included a net release of deferred income of £25m (30 June 2022: £nil) following the transfer of workplace pensions marketing staff to Phoenix in May 2021 and £5m and £8m respectively for initial gains on derecognition of right-of-use assets relating to subleases classified as finance leases.

4.10 Dividends on ordinary shares

	6 months 2022		6 months 2021		Full Year 2021	
	Pence per share	£m[1]	Pence per share	£m	Pence per share	£m
Dividends paid in reporting period						
Current year interim dividend	**–**	**–**	–	–	7.30	154
Final dividend for prior year	**7.30**	**154**	7.30	154	7.30	154
Total dividends paid in reporting period		**154**		154		308
Dividends relating to reporting period						
Interim dividend	**7.30**	**153**	7.30	154	7.30	154
Final dividend	**–**	**–**	–	–	7.30	154
Total dividends relating to reporting period		**153**		154		308

1. Estimated for the current period interim recommended dividend.

Subsequent to 30 June 2022, the Board has declared an interim dividend for 2022 of 7.30 pence per ordinary share (interim 2021: 7.30 pence), an estimated £153m in total (interim 2021: £154m). The dividend is expected to be paid on 27 September 2022 and will be recorded as an appropriation of retained earnings in the financial statements for the year ended 31 December 2022.

4.11 Intangible assets

	30 Jun 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m
Acquired through business combinations			
Goodwill	**1,324**	249	331
Brand	**18**	20	12
Customer relationships and investment management contracts	**701**	346	314
Technology and other	**36**	–	5
Internally developed software	**3**	15	4
Purchased software and other	**1**	1	1
Cost of obtaining customer contracts	**33**	43	37
Total intangible assets	**2,116**	674	704

Goodwill at 30 June 2022 comprises a gross carrying value of £4,714m (30 June 2021: £3,639m; 31 December 2021: £3,721m) and accumulated impairment of £3,390m (30 June 2021: £3,390m; 31 December 2021: £3,390m). During the period to 30 June 2022, there were additions to goodwill of £993m and no other movements in the carrying value (six months ended 30 June 2021: £164m additions, 12 months ended 31 December 2021: £246m additions). The additions in intangible assets acquired through business combinations in the six months ended 30 June 2022 predominately relate to the acquisition of interactive investor. Refer Note 4.2(a)(i) for further details.

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

	30 Jun 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m
Associates			
HDFC Asset Management Company Limited (HDFC Asset Management)	**–**	127	–
Other	**–**	10	10
Joint ventures			
Heng An Standard Life Insurance Company Limited (HASL)	**275**	237	258
Other	**7**	7	6
Total investments in associates and joint ventures accounted for using the equity method	**282**	381	274

During the period to 30 June 2022, the Group recognised an impairment of £9m in relation to its interest in Tenet Group Limited which is included in other associates accounted for using the equity method.

The Group's interest in HDFC Asset Management was reclassified from investments in associates accounted for using the equity method to equity securities measured at fair value on 29 September 2021. Refer Note 4.2(b)(iii) for further details.

4.13 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 2022			6 months 2021			Full Year 2021		
	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	**2,180,724,786**	**305**	**640**	2,194,115,616	306	640	2,194,115,616	306	640
Shares issued in respect of share incentive plans	**1,174**	**-**	**-**	960	–	–	2,032	–	–
Shares bought back on-market and cancelled	**-**	**-**	**-**	(13,392,862)	(1)	–	(13,392,862)	(1)	–
At end of period	**2,180,725,960**	**305**	**640**	2,180,723,714	305	640	2,180,724,786	305	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.

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 (formerly named the Standard Life Aberdeen Employee Benefit Trust) (abrdn EBT), Standard Life Employee Trust (ET) and the Aberdeen Asset Management Employee Benefit Trust 2003 (AAM EBT).

The abrdn EBT, 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 arbdn EBT, 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:

	6 months 2022	6 months 2021	Full Year 2021
Number of shares held by trusts			
abrdn Employee Benefit Trust	**36,702,940**	39,279,020	39,630,532
Standard Life Employee Trust	**22,635,206**	23,083,609	22,688,815
Aberdeen Asset Management Employee Benefit Trust 2003	**2,316,847**	3,294,476	2,647,359

4.14 Pension and other post-retirement benefit provisions

The Group operates a number of defined benefit pension plans, the largest of which is the UK Standard Life 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 Ireland Standard Life plan, which has fewer than 10 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 2022 £m	6 months 2021 £m	Full Year 2021 £m
Current service cost	**26**	28	53
Net interest income	**(16)**	(10)	(21)
Administrative expenses	**2**	2	4
Expense recognised in the condensed consolidated income statement	**12**	20	36

In addition, for the six months ended 30 June 2022, losses of £386m (six months ended 30 June 2021: losses of £33m; 12 months ended 31 December 2021: gains of £117m) 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 2022 of £1,221m (30 June 2021: £1,454m; 31 December 2021: £1,607m) includes the following amounts in relation to the principal plan:

	6 months 2022 £m	6 months 2021 £m	Full Year 2021 £m
Present value of funded obligation	**(1,932)**	(2,775)	(2,899)
Fair value of plan assets	**3,763**	4,987	5,337
Effect of limit on plan surplus	**(641)**	(774)	(853)
Net asset	**1,190**	1,438	1,585

(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 2022 %	30 Jun 2021 %	31 Dec 2021 %
Discount rate	**4.00**	2.00	2.05
Rates of inflation			
Consumer Price Index (CPI)	**2.60**	2.65	2.85
Retail Price Index (RPI)	**3.00**	3.15	3.25

The changes in economic assumptions over the period reflect changes in both corporate bond prices and market implied inflation. The population of corporate bond prices excludes bonds issued by UK universities. The inflation assumption reflects the future reform of RPI effective from 2030.

4.15 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, these valuations are reviewed and, where appropriate, adjustments are made to reflect the 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 at indicative share prices from off market transactions.	Debt securities valued using prices received from external pricing providers based on a single broker indicative quote. Debt securities valued using models and standard valuation formulas based on unobservable market data[4].	N/A

1. Investments in associates at FVTPL are valued in the same manner as the Group's equity securities and interests in pooled investment funds.
2. Where pooled investment funds have been seeded and the investment in the funds have been classified as held for sale, the costs to sell are assumed to be negligible. The fair value of pooled investment funds held for sale is calculated as equal to the observable unit price.
3. Non-performance risk arising from the credit risk of each counterparty is also considered on a net exposure basis in line with the Group's risk management policies. At 30 June 2022, 30 June 2021 and 31 December 2021, 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 4.15(c) for fair value analysis in relation to assets backing unit linked liabilities).

	Total			Fair value hierarchy Level 1			Level 2			Level 3		
	30 Jun 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m
Derivative financial assets	**70**	6	14	**2**	–	–	**68**	6	14	**–**	–	–
Equity securities and interests in pooled investment vehicles[1]	**2,513**	2,259	3,115	**2,057**	1,749	2,600	**340**	414	409	**116**	96	106
Debt securities[2]	**218**	626	961	**1**	2	1	**216**	623	959	**1**	1	1
Financial investments	**2,801**	2,891	4,090	**2,060**	1,751	2,601	**624**	1,043	1,382	**117**	97	107
Owner occupied property[3]	**1**	1	1	**–**	–	–	**–**	–	–	**1**	1	1
Contingent consideration asset[4]	**35**	21	31	**–**	–	–	**–**	–	–	**35**	21	31
Total assets at fair value	**2,837**	2,913	4,122	**2,060**	1,751	2,601	**624**	1,043	1,382	**153**	119	139

1. Includes £615m (30 June 2021: £975m, 31 December 2021: £941m), £646m (30 June 2021: £nil, 31 December 2021: £840m) and £451m (30 June 2021: £526m, 31 December 2021: £508m) for the Group's listed equity investments in Phoenix, HDFC Asset Management and HDFC Life respectively, which are classified as significant listed investments (refer Note 4.9(a)).
2. Excludes debt securities measured at amortised cost of £139m (30 June 2021: £261m, 31 December 2021: £226m) – refer Note 4.15(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 to level 2 during the period ended 30 June 2022 (30 June 2021: £nil, 31 December 2021: £nil). Transfers are deemed to have occurred at the end of the calendar quarter in which they arose.

Refer Section 4.15(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 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m
Liabilities in respect of third party interest in consolidated funds	**130**	101	104	**–**	–	–	**130**	101	104	**–**	–	–
Derivative financial liabilities	**17**	15	5	**–**	–	3	**17**	15	2	**–**	–	–
Contingent consideration liabilities[1]	**163**	164	165	**–**	–	–	**–**	–	–	**163**	164	165
Total liabilities at fair value	**310**	280	274	**–**	–	3	**147**	116	106	**163**	164	165

1. Presented in Other financial liabilities in the condensed consolidated statement of financial position.

There were no significant transfers between levels 1 and 2 during the year (30 June 2021: £nil, 31 December 2021: £nil). Refer Section 4.15(b)(iii) below for details of movements in level 3.

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

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

	Owner occupied property			Equity securities and interests in pooled investment funds			Debt securities		
	30 Jun 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m
At start of period	**1**	1	1	**106**	101	101	**1**	1	1
Total gains recognised in the condensed consolidated income statement	**–**	–	–	**4**	5	8	**–**	–	–
Purchases	**–**	–	–	**17**	5	24	**–**	–	–
Sales and other adjustments	**–**	–	–	**(16)**	(11)	(27)	**–**	–	–
Foreign exchange adjustment	**–**	–	–	**5**	(4)	–	**–**	–	–
Transfers in to level 3[1]	**–**	–	–	**–**	–	–	**–**	–	–
At end of period	**1**	1	1	**116**	96	106	**1**	1	1

1. Transfers are deemed to have occurred at the end of the calendar quarter in which they arose.

	Contingent consideration asset			Contingent consideration liabilities		
	30 Jun 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m
At start of period	**31**	28	28	**(165)**	(6)	(6)
Total amounts recognised in the income statement	**2**	–	–	**4**	–	(3)
Additions	**1**	21	31	**(6)**	(155)	(155)
Settlements	**–**	(34)	(34)	**4**	6	8
Other movements	**1**	(3)	(3)	**–**	–	–
Transfer to contingent consideration liability	**–**	9	9	**–**	(9)	(9)
At end of period	**35**	21	31	**(163)**	(164)	(165)

For the six months ended 30 June 2022, gains of £10m (30 June 2021: gains of £5m; 31 December 2021: gains of £5m) 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 2022 with a fair value of £116m (30 June 2021: £96m, 31 December 2021: £106m).

	Fair value					
	30 Jun 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m	**Valuation technique**	**Unobservable input**	**Range (weighted average)**
Private equity, real estate and infrastructure funds	**104**	80	91	Net asset value	Net asset value statements provided for six 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**	16	15	Indicative share price	Recent off market capital raising transactions	A range of unobservable inputs is not applicable as we have determined that the indicative share price from off market transactions represents fair value at the end of the reporting period

The table below identifies the significant unobservable inputs in relation to contingent consideration assets and liabilities categorised as level 3 instruments at 30 June 2022 with a fair value of (£128m) (30 June 2021: (£143m), 31 December 2021: (£134m)).

	Fair value					
	30 Jun 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m	**Valuation technique**	**Unobservable input**	**Range (weighted average)**
Contingent consideration assets and liabilities	**(128)**	(143)	(134)	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 related to the acquisition of Tritax. 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 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 2021 to 2026 of 21%, with other scenarios using a range of revenue growth rates around this base. The base scenario used a cost/income ratio of c50% 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 3.1%. (30 June 2021 and 31 December 2021: 1.9%)

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

At 30 June 2022, the shareholder is directly exposed to movements in the value of all non-unit linked level 3 instruments. No level 3 instruments are held in in consolidated structured entities. See Section 4.15(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 significant 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, £104m relates to private equity, real estate and infrastructure funds (30 June 2021: £80m, 31 December 2021: £91m) 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 £10m (30 June 2021: £8m, 31 December 2021: £9m).

(b)(v)(ii) Contingent consideration assets and 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 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m
Revenue compound annual growth rate (CAGR) from 2021 to 2026	Decreased by 5%	**(24)**	(25)	(26)
	Increased by 5%	**17**	18	19
Cost/income ratio	Decreased by 5%	**9**	9	10
	Increased by 5%	**(11)**	(12)	(12)
Discount rate	Decreased by 1%	**5**	7	6
	Increased by 1%	**(5)**	(7)	(6)

(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.

	Total			Fair value hierarchy: Level 1			Level 2			Level 3		
	30 Jun 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m
Financial investments	**1,114**	1,396	1,430	**844**	908	974	**269**	488	455	**1**	–	1
Total assets at fair value backing unit linked liabilities	**1,114**	1,396	1,430	**844**	908	974	**269**	488	455	**1**	–	1
Investment contract liabilities	**890**	1,034	1,088	**–**	–	–	**889**	1,034	1,087	**1**	–	1
Third party interest in consolidated funds	**256**	399	378	**–**	–	–	**256**	399	378	**–**	–	–
Other unit linked liabilities[1]	**5**	7	3	**–**	2	1	**5**	5	2	**–**	–	–
Total unit linked liabilities at fair value	**1,151**	1,440	1,469	**–**	2	1	**1,150**	1,438	1,467	**1**	–	1

1. Excludes other unit linked liabilities not measured at fair value of £5m (30 June 2021: £1m; 31 December 2021: £2m).

The financial investments backing unit linked liabilities comprise equity securities and interests in pooled investment funds of £977m (30 June 2021: £1,240m; 31 December 2021: £1,232m), debt securities of £135m (30 June 2021: £152m; 31 December 2021: £191m) and derivative financial assets of £2m (30 June 2021: £4m; 31 December 2021: £7m).

There were no significant transfers between levels 1 to level 2 during the six months ended 30 June 2022 (30 June 2021: £nil; 31 December 2021: £nil).

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 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m
At start of period	**1**	18	18	**(1)**	(18)	(18)
Total gains/(losses) recognised in the condensed consolidated income statement	**–**	–	–	**–**	–	–
Purchases	**–**	–	1	**–**	–	(1)
Sales	**–**	(18)	(18)	**–**	18	18
Transfers in to level 3[1]	**–**	–	–	**–**	–	–
At end of period	**1**	–	1	**(1)**	–	(1)

1. Transfers are deemed to have occurred at the end of the calendar quarter in which they arose.

Unit linked level 3 assets relate to holdings in real estate funds. No individual unobservable input is considered significant. Changing unobservable inputs in the measurement of the fair value of these unit linked level 3 financial assets and liabilities to reasonably possible alternative assumptions would have no impact on profit attributable to equity holders or on total assets.

Transfers of unit linked assets and liabilities to level 3 generally arise when external pricing providers stop providing prices for the underlying assets and liabilities in the funds or where the price provided is considered stale.

(d) Assets and liabilities not carried at fair value

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

	As recognised in condensed consolidated statement of financial position line item			Fair value		
	30 Jun 2022 £m	30 Jun 2021 £m	31 Dec 2021 £m	**30 Jun 2022 £m**	30 Jun 2021 £m	31 Dec 2021 £m
Assets						
Debt securities	**139**	261	226	**140**	267	230
Liabilities						
Subordinated liabilities	**707**	632	644	**671**	683	683

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.

4.16 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 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 discussions, reviews and challenges 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. At 30 June 2022, there are no identified contingent liabilities expected to lead to a material exposure.

4.17 Commitments

(a) Unrecognised financial instruments

As at 30 June 2022, the Group has committed to investing an additional £112m (30 June 2021: £50m, 31 December 2021: £105m) into funds in which it holds a co-investment interest.

(b) Capital and other commitments

As at 30 June 2022, the Group has no capital commitments other than in relation to financial instruments (30 June 2021: £6m, 31 December 2021: £2m). In addition, commitments relating to future acquisitions are disclosed in Note 4.2(b)(iii).

4.18 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 2021.

In the six months ended 30 June 2022, there were no sales to associates accounted for using the equity method (six months ended 30 June 2021: £36m, 12 months ended 31 December 2021: £36m) and no purchases in relation to services received (six months ended 30 June 2021: £2m, 12 months ended 31 December 2021: £2m). Purchases and sales in 2021 related to Phoenix prior to its reclassification (refer Note 4.2(b)(iii) for further details). Management fees were included in sales where the selection of the Group as the asset manager had been made by the underlying policyholder.

There were sales to joint ventures accounted for using the equity method of £2m, (six months ended 30 June 2021: £2m, 12 months ended 31 December 2021: £4m). There were no purchases from joint ventures (six months ended 30 June 2021: £nil, 12 months ended 31 December 2021: £nil). During the six months ended 30 June 2022, the Group contributed capital of £2m (six months ended 30 June 2021: £7m, 12 months ended 31 December 2021: £11m) to a joint venture. At 30 June 2022, there was no outstanding funding commitment to this joint venture (30 June 2021: £6m, 31 December 2021: £2m).

4.19 Events after the reporting period

On 1 July 2022, the Company's capital redemption reserve was cancelled in accordance with section 649 of the Companies Act 2006 resulting in a transfer of £1,059m to retained earnings.

On 6 July 2022 the Company announced that it would commence a £300m return to shareholders. The Company announced a first phase share buyback of up to £150m through on market purchases commencing on 6 July 2022 and ending no later than 30 December 2022. As at 5 August 2022, the Company had repurchased 19,494,168 shares for a consideration of £31m.

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 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 growth vectors: Investments, Adviser and Personal, along with Corporate/strategic. It excludes the Group's adjusted net financing costs and investment return, and discontinued operations. Adjusted operating profit also excludes the impact of the following items: – Restructuring costs 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 has replaced adjusted profit before tax as the Group's key APM. 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.
Fee based revenue APM	
Fee based 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. Fee based revenue is shown net of costs of sale, such as commissions and similar charges.	Fee based revenue is a component of adjusted operating profit and provides the basis for reporting of the fee revenue yield financial ratio. Fee based 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.

Definition	Purpose
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.
Cost/income ratio APM This is an efficiency measure that is calculated as adjusted operating expenses divided by fee based revenue in the period.	This ratio is used by management to assess efficiency and reported to the Board and executive leadership team.
Fee revenue yield (bps) APM The fee revenue yield is calculated as annualised fee based revenue (excluding performance fees, interactive investor and revenue for which there are no attributable assets) divided by monthly average fee based assets. interactive investor is excluded from the calculation of Personal and total fee revenue yield as fees charged for this business are primarily from subscriptions and trading transactions.	The average revenue yield on fee based business is a measure that illustrates the average margin being earned on the assets that we manage, administer or advise our clients on excluding interactive investor.
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.	This measure aims to show how adjusted profit contributes to regulatory capital, and therefore provides insight into our ability to generate capital that is deployed to support value for shareholders.
Adjusted diluted capital generation per share APM Adjusted diluted capital generation per share is calculated as adjusted capital generation divided by the weighted average number of diluted ordinary shares outstanding.	This ratio is a measure used to assess performance for remuneration purposes.
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.	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 key components of adjusted operating profit are fee based 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 Fee based revenue to the IFRS item Revenue from contracts with customers is provided in Note 4.4 of the Financial information section.

IFRS term H1 2022	IFRS £m	Presentation differences £m	Adjusting items £m	Adjusted profit £m	Adjusted profit term
Net operating revenue	**696**	**-**	**-**	**696**	Fee based revenue
Total administrative and other expenses	**(706)**	**(22)**	**147**	**(581)**	Adjusted operating expenses[1]
	(10)	**(22)**	**147**	**115**	**Adjusted operating profit**
Net gains or losses on financial instruments and other income	**(298)**	**8**	**274**	**(16)**	Adjusted net financing costs and investment return
Finance costs	**(15)**	**14**	**1**	**-**	N/A
Profit on disposal of interests in associates	**6**	**-**	**(6)**	**-**	N/A
Share of profit or loss from associates and joint ventures	**6**	**-**	**(6)**	**-**	N/A
Impairment of interests in associates	**(9)**	**-**	**9**	**-**	N/A
Loss before tax	**(320)**	**-**	**419**	**99**	**Adjusted profit before tax**
Total tax expense	**31**	**-**	**(44)**	**(13)**	Tax on adjusted profit
Loss for the period	**(289)**	**-**	**375**	**86**	**Adjusted profit after tax**

1. Adjusted operating expenses includes staff and other related costs of £303m compared with IFRS staff costs and other employee-related costs of £266m. The difference primarily relates to the inclusion of contractor, temporary agency staff and recruitment and training costs of £14m (IFRS basis: Reported within other administrative expenses) and losses on funds to hedge deferred bonus awards of £8m (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 £15m (Adjusted profit basis: Reported within adjusted net financing costs and investment return).

IFRS term H1 2021	IFRS £m	Presentation differences £m	Adjusting items £m	Adjusted profit £m	Adjusted profit term
Net operating revenue	777	3	(25)	755	Fee based revenue
Total administrative and other expenses	(759)	(7)	171	(595)	Adjusted operating expenses
	18	(4)	146	160	**Adjusted operating profit**
Net gains or losses on financial instruments and other income	(9)	(11)	23	3	Adjusted net financing costs and investment return
Finance costs	(15)	15	–	–	N/A
Profit on disposal of subsidiaries and other operations	84	–	(84)	–	N/A
Profit on disposal of interests in associates	68	–	(68)	–	N/A
Share of profit or loss from associates and joint ventures	(33)	–	33	–	N/A
Profit before tax	113	–	50	163	**Adjusted profit before tax**
Total tax expense	(11)	–	(2)	(13)	Tax on adjusted profit
Profit for the period	102	–	48	150	**Adjusted profit after tax**

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

5.1.2 Cost/income ratio

	H1 2022	H1 2021
Adjusted operating expenses (£m)	**(581)**	(595)
Fee based revenue (£m)	**696**	755
Cost/income ratio (%)	**83**	79

5.1.3 Fee revenue yield (bps)

	Average AUMA (£bn)		Fee based revenue (£m)		Fee revenue yield (bps)	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
Institutional and Wholesale[1]	**239.4**	249.4	**446**	490	**37.1**	39.4
Insurance	**184.3**	202.0	**90**	101	**9.9**	10.1
Investments[1]	**423.7**	451.4	**536**	591	**25.3**	26.3
Adviser	**72.3**	69.0	**92**	87	**25.5**	25.3
Personal Wealth[1]	**13.8**	13.7	**45**	41	**60.0**	55.9
Parmenion[2]	**–**	7.2	**–**	14	**–**	38.1
Eliminations	**(11.8)**	(10.9)	**N/A**	N/A	**N/A**	N/A
Fee revenue yield[1]	**498.0**	530.4	**673**	733	**26.9**	27.6
interactive investor[3]			**13**	–		
Performance fees			**10**	22		
Fee based revenue			**696**	755		

Analysis of Institutional and Wholesale by asset class[1]

	Average AUM (£bn)		Fee based revenue (£m)		Fee revenue yield (bps)	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
Equities	**60.7**	69.7	**193**	225	**64.0**	64.8
Fixed income	**43.4**	47.4	**60**	67	**27.9**	28.7
Multi-asset	**33.4**	34.4	**52**	58	**31.5**	34.1
Private equity	**12.3**	11.0	**25**	31	**40.5**	56.1
Real assets	**40.9**	34.2	**89**	82	**44.0**	48.5
Alternatives	**21.9**	20.0	**14**	12	**12.9**	12.6
Quantitative	**6.2**	6.0	**2**	2	**6.5**	6.5
Liquidity	**20.6**	26.7	**6**	10	**6.0**	7.8
Institutional and Wholesale	**239.4**	249.4	**441**	487	**37.1**	39.4

1. Institutional and Wholesale fee revenue yield excludes revenue of £5m (H1 2021: £3m) and Personal Wealth fee revenue yield excludes revenue of £4m (H1 2021: £3m) for which there are no attributable assets.
2. Parmenion is included in the Corporate/strategic vector. The sale of Parmenion completed on 30 June 2021 and the fee revenue yield reflects the position as at the date of disposal.
3. interactive investor is excluded from the calculation of Personal and total fee revenue yield as fees charged for this business are primarily from subscriptions and trading transactions.

5.1.4 Additional ii information

The results for ii are included in the Group's results following the completion of the acquisition on 27 May 2022. The adjusted operating profit for ii for the one month to 30 June 2022 of £6m is included in our overall H1 2022 adjusted operating profit of £115m.

The tables below provides detail of the performance of ii for the full six months ended 30 June 2022 and the full 12 months ended 31 December 2021 to provide a fuller understanding of the performance of this business. Adjusted operating profit has also been presented excluding losses relating to Share Limited to provide a more meaningful comparison to the go-forward position.

Analysis of ii profit	H1 2022 6 months £m	FY 2021 12 months £m Excl Share[1]	FY 2021 12 months £m Incl Share[1]
Fee based revenue	**75**	128	135
Adjusted operating expenses	**(42)**	(83)	(99)
Adjusted operating profit	**33**	45	36

The FY 2021 adjusted operating profit of £36m included losses relating to Share Limited of £9m while part of this business was wound down. Excluding losses from Share Limited, the FY 2021 adjusted operating profit was £45m. The H1 2022 impact was £nil.

Analysis of ii fee based revenue	H1 2022 6 months £m	FY 2021 12 months £m Excl Share[1]	FY 2021 12 months £m Incl Share[1]
Trading transactions	**34**	79	84
Account fees (subscription based revenue)	**27**	48	50
Treasury income	**17**	9	9
Less: Cost of sales	**(3)**	(8)	(8)
Fee based revenue	**75**	128	135

1. Losses were incurred in Share Limited and its subsidiaries (Share) as part of this business was wound down.

5.1.5 Adjusted capital generation

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

	H1 2022 £m	H1 2021 £m
Adjusted profit after tax	**86**	150
Less net interest credit relating to the staff pension schemes	**(15)**	(9)
Less interest paid on other equity	**(6)**	–
Add dividends received from associates, joint ventures and significant listed investments	**42**	35
Adjusted capital generation	**107**	176

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 2022 £m	H1 2021 £m
Phoenix	**26**	35
HDFC Life	**1**	–
HDFC Asset Management	**15**	–
Dividends received from associates, joint ventures and significant listed investments	**42**	35

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

	H1 2022	H1 2021
Adjusted capital generation (£m)	**107**	176
Interim dividend (£m)	**153**	154
Dividend cover on an adjusted capital generation basis (times)	**0.70**	1.14

5.1.6 Adjusted diluted capital generation per share

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

	H1 2022	H1 2021
Adjusted capital generation (£m)	**107**	176
Weighted average number of diluted ordinary shares outstanding (millions) – Note 4.8	**2,130[1]**	2,156
Adjusted diluted capital generation per share (pence)	**5.0**	8.2

1. In accordance with IAS 33, no share options and awards have been treated as dilutive for the six months ended 30 June 2022 due to the loss attributable to equity holders of abrdn plc in that period. See Note 4.8 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 2022 £bn	FY 2021 £bn
Cash and cash equivalents per the condensed consolidated statement of financial position	**1.4**	1.9
Bank overdrafts	**(0.1)**	(0.1)
Debt securities excluding third party interests[2]	**0.3**	1.1
Corporate funds held in absolute return funds	**0.2**	0.2
Other[3]	**(0.1)**	–
Cash and liquid resources	**1.7**	3.1

2. Excludes £71m (FY 2021: £76m) relating to seeding.
3. 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 has been aggregated using a money weighted average of our assets under management which are outperforming their respective benchmark. Calculations for investment performance are made gross of fees with the exception of those for which the stated comparator is net of fees. Benchmarks differ by fund and are defined in the relevant investment management agreement or prospectus, as appropriate. The investment performance calculation covers all funds that aim to outperform a benchmark, with certain assets excluded where this measure of performance is not appropriate or expected, such as private markets and execution only mandates, as well as replication tracker funds which aim to perform in line with a given index.	As an asset managing business this measure demonstrates our ability to generate investment returns for our clients.

	1 year		3 years		5 years	
% of AUM ahead of benchmark	**H1 2022**	FY 2021	**H1 2022**	FY 2021	**H1 2022**	FY 2021
Equities	**30**	36	**51**	72	**34**	61
Fixed income	**44**	59	**63**	82	**76**	87
Multi-asset	**53**	41	**54**	39	**50**	44
Real assets	**87**	83	**75**	52	**69**	50
Alternatives	**97**	87	**100**	98	**100**	98
Quantitative	**21**	98	**45**	44	**57**	68
Liquidity	**82**	88	**85**	87	**70**	84
Total	**53**	57	**63**	67	**61**	67

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 fee based revenue that we receive.
Net flows	
Net flows represent gross flows less redemptions. Gross flows are new funds from clients. Redemptions are the money withdrawn by clients during the period.	The level of net flows that we generate directly impacts the level of fee based revenue that we receive.

5.3.1 Analysis of AUMA

6 months ended 30 June 2022	Opening AUMA at 1 Jan 2022 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements[2] £bn	Corporate actions[3] £bn	Closing AUMA at 30 Jun 2022 £bn
Institutional	**174.0**	**7.7**	**(16.8)**	**(9.1)**	**(4.1)**	**–**	**160.8**
Wholesale	**79.1**	**8.9**	**(10.8)**	**(1.9)**	**(5.7)**	**–**	**71.5**
Insurance	**210.5**	**8.8**	**(35.1)**	**(26.3)**	**(30.2)**	**–**	**154.0**
Investments	**463.6**	**25.4**	**(62.7)**	**(37.3)**	**(40.0)**	**–**	**386.3**
Adviser	**76.2**	**4.0**	**(2.6)**	**1.4**	**(9.3)**	**–**	**68.3**
interactive investor	**–**	**0.6**	**(0.4)**	**0.2**	**(3.3)**	**55.4**	**52.3**
Personal Wealth	**14.4**	**0.8**	**(0.7)**	**0.1**	**(1.2)**	**–**	**13.3**
Personal[1]	**14.4**	**1.4**	**(1.1)**	**0.3**	**(4.5)**	**55.4**	**65.6**
Eliminations[1]	**(12.1)**	**(1.4)**	**1.1**	**(0.3)**	**1.5**	**(0.9)**	**(11.8)**
Total AUMA	**542.1**	**29.4**	**(65.3)**	**(35.9)**	**(52.3)**	**54.5**	**508.4**

6 months ended 30 June 2021	Opening AUMA at 1 Jan 2021 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions[4] £bn	Closing AUMA at 30 Jun 2021 £bn
Institutional	171.7	9.1	(12.5)	(3.4)	0.8	2.5	171.6
Wholesale	80.0	12.9	(14.0)	(1.1)	1.6	–	80.5
Insurance	205.2	9.1	(12.9)	(3.8)	3.1	–	204.5
Investments	456.9	31.1	(39.4)	(8.3)	5.5	2.5	456.6
Adviser	67.0	4.6	(2.6)	2.0	3.3	–	72.3
interactive investor	–	–	–	–	–	–	–
Personal Wealth	13.3	1.0	(0.5)	0.5	0.6	–	14.4
Personal[1]	13.3	1.0	(0.5)	0.5	0.6	–	14.4
Parmenion	8.1	0.7	(0.4)	0.3	0.3	(8.7)	–
Eliminations[1]	(10.7)	(1.4)	1.3	(0.1)	(0.7)	–	(11.5)
Total AUMA	534.6	36.0	(41.6)	(5.6)	9.0	(6.2)	531.8

1. Eliminations remove the double count reflected in Investments, Adviser and Personal. The Personal vector includes assets that are reflected in both the discretionary investment management and financial planning businesses. This double count is also removed within Eliminations.
2. Market and other movements include the transfer of retained LBG AUM of c£7.5bn from Insurance into Institutional (quantitatives), to better reflect how the relationship is being managed.
3. Corporate actions in H1 2022 relate to the acquisition of interactive investor on 27 May 2022. The eliminations are to remove the double count for the assets that are reflected in both interactive investor and Investments.
4. Corporate actions relate to the acquisition of a majority interest in Tritax on 1 April 2021 supplementing Institutional AUM by c£6bn at the acquisition date. This is partially offset by the disposal of our domestic real estate business in the Nordics region on 31 May 2021 which reduced AUM by c£3bn. The sale of Parmenion completed on 30 June 2021.

5.3.2 Quarterly net flows

15 months ended 30 June 2022	3 months to 30 Jun 22 £bn	3 months to 31 Mar 22 £bn	3 months to 31 Dec 21 £bn	3 months to 30 Sep 21 £bn	3 months to 30 Jun 21 £bn
Institutional	**(7.8)**	(1.3)	2.5	(2.0)	(0.7)
Wholesale	**-**	(1.9)	(0.8)	(0.3)	(0.5)
Insurance	**(4.6)**	(21.7)	(0.4)	(1.3)	(1.5)
Investments	**(12.4)**	(24.9)	1.3	(3.6)	(2.7)
Adviser	**0.5**	0.9	1.1	0.8	0.9
interactive investor	**0.2**	–	–	–	–
Personal Wealth	**-**	0.1	–	0.1	0.3
Personal	**0.2**	0.1	–	0.1	0.3
Parmenion	**-**	–	–	–	0.2
Eliminations	**(0.1)**	(0.2)	(0.2)	(0.1)	–
Total net flows	**(11.8)**	(24.1)	2.2	(2.8)	(1.3)

5.4 Institutional and Wholesale AUM

Detailed asset class split

6 months ended 30 June 2022	Opening AUM at 1 Jan 2022 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions £bn	Closing AUM at 30 Jun 2022 £bn
Developed markets equities	17.0	1.1	(1.6)	(0.5)	(4.8)	-	11.7
Emerging markets equities	16.4	1.1	(1.5)	(0.4)	(2.4)	-	13.6
Asia Pacific equities	25.3	1.4	(2.6)	(1.2)	(2.9)	-	21.2
Global equities	10.3	0.7	(0.8)	(0.1)	(2.1)	-	8.1
Total equities	69.0	4.3	(6.5)	(2.2)	(12.2)	-	54.6
Developed markets credit	28.3	1.6	(2.8)	(1.2)	(2.9)	-	24.2
Developed markets rates	2.9	0.2	(0.3)	(0.1)	(0.6)	-	2.2
Emerging markets fixed income	12.2	1.6	(1.4)	0.2	(1.0)	-	11.4
Private credit	2.4	0.2	(0.1)	0.1	0.4	-	2.9
Total fixed income	45.8	3.6	(4.6)	(1.0)	(4.1)	-	40.7
Absolute return	10.0	0.2	(0.7)	(0.5)	(2.0)	-	7.5
Diversified growth/income	0.5	0.1	(0.1)	-	(0.1)	-	0.4
MyFolio	17.7	0.9	(1.0)	(0.1)	(1.8)	-	15.8
Other multi-asset	7.8	0.5	(0.4)	0.1	(1.5)	-	6.4
Total multi-asset	36.0	1.7	(2.2)	(0.5)	(5.4)	-	30.1
Total private equity	12.3	0.2	(0.5)	(0.3)	0.7	-	12.7
UK real estate	19.9	0.2	(0.5)	(0.3)	0.8	-	20.4
European real estate	10.3	0.2	-	0.2	2.8	-	13.3
Global real estate	1.8	0.1	(0.1)	-	(0.1)	-	1.7
Real estate multi-manager	1.2	0.1	(0.1)	-	-	-	1.2
Infrastructure equity	6.2	0.3	(0.5)	(0.2)	0.1	-	6.1
Total real assets	39.4	0.9	(1.2)	(0.3)	3.6	-	42.7
Total alternatives	20.8	1.3	(0.7)	0.6	1.2	-	22.6
Total quantitative[1]	5.5	1.5	(1.1)	0.4	6.4	-	12.3
Total liquidity	24.3	3.1	(10.8)	(7.7)	-	-	16.6
Total[1]	253.1	16.6	(27.6)	(11.0)	(9.8)	-	232.3

1. Market and other movements include the transfer of retained LBG AUM of c£7.5bn from Insurance into Institutional (quantitatives), to better reflect how the relationship is being managed.

6 months ended 30 June 2021	Opening AUM at 1 Jan 2021 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions £bn	Closing AUM at 30 Jun 2021 £bn
Developed markets equities	14.7	1.7	(2.0)	(0.3)	1.5	–	15.9
Emerging markets equities	19.0	1.1	(2.0)	(0.9)	1.0	–	19.1
Asia Pacific equities	26.6	2.7	(3.0)	(0.3)	0.2	–	26.5
Global equities	8.9	0.8	(0.8)	–	0.6	–	9.5
Total equities	69.2	6.3	(7.8)	(1.5)	3.3	–	71.0
Developed markets credit	32.2	2.9	(4.4)	(1.5)	(1.5)	–	29.2
Developed markets rates	2.8	0.3	(0.2)	0.1	(1.8)	–	1.1
Emerging markets fixed income	12.2	2.3	(2.2)	0.1	1.3	–	13.6
Private credit	1.0	0.7	–	0.7	0.6	–	2.3
Total fixed income	48.2	6.2	(6.8)	(0.6)	(1.4)	–	46.2
Absolute return	11.5	0.4	(1.1)	(0.7)	(0.6)	–	10.2
Diversified growth/income	0.6	–	(0.1)	(0.1)	–	–	0.5
MyFolio	15.6	1.1	(1.4)	(0.3)	2.0	–	17.3
Other multi-asset	10.0	0.6	(0.7)	(0.1)	(3.0)	–	6.9
Total multi-asset	37.7	2.1	(3.3)	(1.2)	(1.6)	–	34.9
Total private equity	10.9	1.3	(0.5)	0.8	0.3	–	12.0
UK real estate	9.2	0.7	(0.5)	0.2	3.2	5.8	18.4
European real estate	12.1	0.6	(0.2)	0.4	0.7	(3.3)	9.9
Global real estate	1.8	0.2	(0.2)	–	–	–	1.8
Real estate multi-manager	1.6	0.1	(0.1)	–	(0.6)	–	1.0
Infrastructure equity	5.3	0.6	(0.3)	0.3	–	–	5.6
Total real assets	30.0	2.2	(1.3)	0.9	3.3	2.5	36.7
Total alternatives	19.5	1.4	(0.6)	0.8	–	–	20.3
Total quantitative	6.4	0.5	(0.5)	–	(0.4)	–	6.0
Total liquidity	29.8	2.0	(5.7)	(3.7)	(1.1)	–	25.0
Total	251.7	22.0	(26.5)	(4.5)	2.4	2.5	252.1

5.5 Analysis of Insurance

6 months ended 30 June 2022	Opening AUM at 1 Jan 2022 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions £bn	Closing AUM at 30 Jun 2022 £bn
Phoenix	**175.5**	**8.5**	**(9.5)**	**(1.0)**	**(21.7)**	**–**	**152.8**
Lloyds[1]	**33.6**	**0.3**	**(25.5)**	**(25.2)**	**(8.4)**	**–**	**–**
Other	**1.4**	**–**	**(0.1)**	**(0.1)**	**(0.1)**	**–**	**1.2**
Total[1]	**210.5**	**8.8**	**(35.1)**	**(26.3)**	**(30.2)**	**–**	**154.0**

6 months ended 30 June 2021	Opening AUM at 1 Jan 2021 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions £bn	Closing AUM at 30 Jun 2021 £bn
Phoenix	171.5	6.0	(9.9)	(3.9)	1.1	–	168.7
Lloyds	31.8	3.1	(2.9)	0.2	2.2	–	34.2
Other	1.9	–	(0.1)	(0.1)	(0.2)	–	1.6
Total	205.2	9.1	(12.9)	(3.8)	3.1	–	204.5

1. Following completion of the LBG tranche withdrawals, the remaining LBG AUM of c£7.5bn which has been retained was reallocated to quantitatives in Institutional and is included in market and other movements in the table above.

5.6 Analysis of total AUM
5.6.1 AUM by geography

	30 Jun 2022				31 Dec 2021			
	Institutional and Wholesale £bn	Insurance £bn	Personal[2] £bn	Total £bn	Institutional and Wholesale £bn	Insurance £bn	Personal[2] £bn	Total £bn
UK	**109.3**	**154.0**	**8.2**	**271.5**	120.3	210.5	8.9	339.7
Europe, Middle East and Africa (EMEA)	**56.4**	**–**	**–**	**56.4**	62.5	–	–	62.5
Asia Pacific (APAC)	**17.3**	**–**	**–**	**17.3**	19.2	–	–	19.2
Americas	**49.3**	**–**	**–**	**49.3**	51.1	–	–	51.1
Total AUM	**232.3**	**154.0**	**8.2**	**394.5**	253.1	210.5	8.9	472.5

2. Excludes assets under advice of £5.1bn at 30 June 2022 (FY 2021: £5.5bn) and interactive investor assets under administration of £52.3bn (FY 2021: £nil).

5.7 Surplus regulatory capital
The £0.6bn indicative capital surplus below includes a deduction to allow for the proposed interim dividend which will be paid in September 2022.

IFPR Group regulatory capital position	H1 2022 £bn	FY 2021 £bn
Common Equity Tier 1 capital resources	**1.2**	2.4
Additional Tier 1 capital resources	**0.2**	0.2
Total Tier 1 capital resources	**1.4**	2.6
Tier 2 capital resources	**0.6**	0.6
Total regulatory capital resources	**2.0**	3.2
Subordinated debt restrictions	**(0.3)**	(0.3)
Total regulatory capital resources available to meet total regulatory capital requirements	**1.7**	2.9
Total regulatory capital requirements	**(1.1)**	(1.1)
Surplus regulatory capital	**0.6**	1.8

6. Glossary

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 growth vectors: Investments, Adviser and Personal, along with Corporate/strategic.

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

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

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

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

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

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

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

Board
The Board of Directors of the Company.

Carbon intensity
Weighted-Average Carbon Intensity (WACI) is calculated by summing the product of each company's weight in the portfolio or loan book with that company's carbon-to-revenue intensity. Carbon-to-revenue intensity is calculated by dividing the sum of all apportioned emissions, with the sum of all apportioned revenues across an investment portfolio or loan book. This metric gives an indication of how efficient companies in a portfolio or loan book are at generating revenues per tonne of carbon emitted.

Carbon neutral
Being carbon neutral means that carbon released through our operational emissions is balanced by an equivalent amount being removed through carbon offsetting. For the purposes of offsetting, we include Scope 1, 2 and 3 emissions within our operational emissions.

Carbon offsetting
Carbon offsetting is an internationally recognised way to take responsibility for carbon emissions. The aim of carbon offsetting is that for every one tonne of offsets purchased there will be one less tonne of carbon dioxide in the atmosphere than there would otherwise have been. To offset emissions we purchase the equivalent volume of carbon credits (independently verified emissions reductions) to compensate for our operational carbon emissions. We work with Climate Impact Partners to offset our operational greenhouse gas emissions and voluntarily offset via two verified projects. We have historically supported a Gold Standard wind turbine project in India and a Verified Carbon Standard (VCS) Climate, Carbon, and Community rainforest protection project in Gola. For our 2021 emissions, we supported the development of wind energy in Nicaragua, with a Gold Standard Project, and a VCS project in Malawi focused on forest conservation and provision of clean cook stoves. We chose offsets that we knew were verifiable and correctly accounted for and have a low risk of non-additionality, reversal, and creating negative unintended consequences for people and the environment. Our intention is to review our approach in H2 2022 as the voluntary carbon market continues to evolve.

Chief Operating Decision Maker
The executive leadership team.

Company
abrdn plc. Standard Life Aberdeen plc was renamed abrdn plc on 2 July 2021.

Cost/income ratio
This is an efficiency measure that is calculated as adjusted operating expenses divided by fee based revenue.

CRD IV
CRD IV is the European regulatory capital regime (comprising the Capital Requirements Directive and Capital Requirements Regulation) that applied to investment firms up to and including 31 December 2021. The new IFPR regime came into force on 1 January 2022.

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 the business across our growth vectors 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.

Fee based revenue
Fee based 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. Fee based revenue is shown net of fees, costs of sale, commissions and similar charges. Costs of sale include revenue from fund platforms which is passed to the product provider.

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

Greenhouse gases
Greenhouse gases are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of thermal infrared radiation emitted by the earth's surface, the atmosphere itself, and by clouds. This property causes the greenhouse effect. Water vapour (H2O), carbon dioxide (CO2), nitrous oxide (N2O), methane (CH4) and ozone (O3) are the primary greenhouse gases in the earth's atmosphere. Moreover, there are a number of entirely human-made greenhouse gases in the atmosphere, such as halocarbons and other chlorine- and bromine-containing substances, dealt with under the Montreal Protocol. Beside CO2, N2O and CH4, the Kyoto Protocol deals with the greenhouse gases sulphur hexafluoride (SF6), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).

Group or abrdn
Relates to the Company and its subsidiaries.

Growth vectors
We provide services across three growth vectors:
- **Investments:** Asset management investment solutions for institutional, wholesale and insurance clients.
- **Adviser:** Our Wrap and Elevate adviser platforms.
- **Personal:** Comprises of Personal Wealth which includes our financial planning business and our direct-to-consumer services, and interactive investor following the completion of the acquisition in May 2022.

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 has been aggregated using a money weighted average of our assets under management which are outperforming their respective benchmark. Calculations for investment performance are made gross of fees with the exception of those for which the stated comparator is net of fees. Benchmarks differ by fund and are defined in the relevant investment management agreement or prospectus, as appropriate. The investment performance calculation covers all funds that aim to outperform a benchmark, with certain assets excluded where this measure of performance is not appropriate or expected, such as private markets and execution only mandates, as well as replication tracker funds which aim to perform in line with a given index.

LBG tranche withdrawals
On 24 July 2019, the Group announced that it had agreed a final settlement in relation to the arbitration proceedings between the parties concerning LBG's attempt to terminate investment management arrangements under which assets were managed by members of the Group for LBG entities. In its decision of March 2019, the arbitral tribunal found that LBG was not entitled to terminate these investment management contracts. The Group had continued to manage approximately £104bn (as at 30 June 2019) of assets under management (AUM) for LBG entities during the period of the dispute. Approximately two thirds of the total AUM (the transferring AUM) will be transferred to third party managers appointed by LBG through a series of planned tranches from 24 July 2019. During this period, the Group will continue to be remunerated for its services in relation to the transferring AUM. The final tranche withdrawal was completed in H1 2022.

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.

Net zero
Net zero is the target of completely negating the amount of greenhouse gases produced by human activity, to be achieved by reducing emissions to the lowest possible amount and offsetting (see carbon offsetting) only the remainder as a last resort.

Net Zero Direct Investing
Net Zero Directed Investing means moving towards the goal of net zero in the real world - not just in specific investment portfolios. At abrdn we seek to achieve this goal through a holistic set of actions, including rigorous research into net-zero trajectories, developing net-zero-directed investment solutions and active ownership to influence corporates and policy makers.

Operational emissions
Operational emissions are the greenhouse gas emissions related to the operations of our business. They are categorised into three groups or 'scopes'. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain. At abrdn we report Scope 1, Scope 2, and Scope 3 emissions, which includes our working from home emissions.

Paris alignment
'Paris alignment' refers to the alignment of public and private financial flows with the objectives of the Paris Agreement on climate change. Article 2.1c of the Paris Agreement defines this alignment as making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. Alignment in this way will help to scale up the financial flows needed to strengthen the global response to the threat of climate change.

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

Significant listed investments
Relates to our investments in HDFC Asset Management, HDFC Life and Phoenix. 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

For shareholder services call: 0371 384 2464*

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

Secretary: Kenneth A Gilmour

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 details can be found on the inside back cover.
- Visit our share portal 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 2022	9 August
Ex-dividend date for 2022 interim dividend	18 August
Record date for 2022 interim dividend	19 August
Last date for DRIP elections for 2022 interim dividend	7 September
Dividend payment date for 2022 interim dividend	27 September

Analysis of registered shareholdings at 30 June 2022

Range of shares	Number of holders	% of total holders	Number of shares	% of total shares
1-1,000	59,344	65.69	23,754,048	1.09
1,001-5,000	26,379	29.20	54,294,871	2.49
5,001-10,000	2,642	2.92	17,651,293	0.81
10,001-100,000	1,481	1.64	36,159,333	1.66
#100,001+	499	0.55	2,048,866,415	93.95
Total	**90,345**	**100.00**	**2,180,725,960**	**100.00**

These figures include the Company-sponsored nominee – the abrdn Share Account – which had 927,858 participants holding 643,129,574 shares.

8. Forward-looking statements

This document may contain certain 'forward-looking statements' with respect to the financial condition, performance, results, strategies, 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 and the ongoing conflict between Russia and Ukraine); 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, such as the COVID-19 (coronavirus) outbreak; climate change and a transition to a low-carbon economy (including the risk that the Group may not achieve its 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, 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.

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 (excluding Germany and Austria)

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

Germany and Austria

phone	+44 (0)371 384 2493*
email	fragen@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.

Please remember that the value of shares can go down as well as up and you may not get back the full amount invested or any income from it. All figures and share price information have been calculated as at 30 June 2022 (unless otherwise indicated).

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UKIR22 0822

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