



 abrdn

**IFPR Disclosures
as at 31 December 2023**

Standard Life Savings Limited

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1. Overview

1.1 Background

From 1 January 2022, the UK financial services regulator, the Financial Conduct Authority (FCA) introduced the Investment Firms Prudential Regime (IFPR), which is the regulatory framework for governing the amount and nature of capital that investment firms must hold. The new prudential requirements for investment firms are now set out in the FCA Prudential sourcebook for MIFID investment firms (MIFIDPRU). Under MIFIDPRU, a new framework for regulatory disclosures was introduced. These disclosures cover:

- Risk management objectives and policies (MIFIDPRU 8.2);
- Governance arrangements (MIFIDPRU 8.3);
- Own Funds (MIFIDPRU 8.4);
- Own Funds Requirements (MIFIDPRU 8.5); and
- Remuneration policy and practices (MIFIDPRU 8.6).

This disclosure is in relation to Standard Life Savings Limited (the Firm), a private limited company, incorporated in the United Kingdom, authorised and regulated by the FCA. Under the IFPR's firm categorisation, the firm is categorised as a non-small non-interconnected (non-SNI) MIFIDPRU investment firm. The Firm's reference number is 188796.

The Firm is a wholly owned subsidiary of abr dn plc. abr dn plc and its subsidiaries are defined as the abr dn group. The abr dn group's business is structured around three types of businesses (Investments, Adviser and interactive investor) which are focused on the changing needs of clients. The Firm sits in the Adviser business.

1.2 Frequency and location of disclosure

The Firm's disclosure under MIFIDPRU is made annually at the same time as the publication of its financial statements. Additional disclosure may be made where appropriate, for example, in the event of a major change in business model.

All areas of disclosure are covered in this document with the exception of MIFIDPRU 8.2 Risk management objectives and policies and the qualitative disclosures relating to MIFIDPRU 8.6 Remuneration policy and practices. These are covered in separate documents titled Risk Management Disclosures for MIFIDPRU Investment Firms and 2023 Group Remuneration Disclosure, respectively.

These disclosures can be found on the abr dn plc website:

<https://www.abr dn.com/en-gb/corporate/investors/investor-information/regulatory-disclosures>

1.3 Verification and sign-off

The Firm's regulatory disclosure has been subject to external verification to the extent that financial information is equivalent to content taken from the audited annual financial statements and the remaining content has been subject to an additional internal verification exercise.

2. Governance arrangements

2.1 Board and Committees

The Board of Directors of the Firm (the "Board") recognises that the long-term success of the business is dependent on the way it works with a large number of important stakeholders. The Directors have had regard to the interests of stakeholders (including clients and customers, employees, society and shareholders) while complying with their obligations to promote the success of the Firm in line with section 172 of the Companies Act. The Board has discussed these obligations throughout the year, including how stakeholder engagement is incorporated into long-term decision-making and how the Firm operates as a subsidiary within the wider abrdn group.

The Board has overall responsibility for the Firm's business including overseeing the implementation of the strategy. The Board oversees the operation of the Firm's business by senior management, as well as its adherence to risk appetite, compliance with abrdn group policies, including those relating to the provision of services to clients, and the maintenance of adequate accounting and other internal control systems to ensure compliance with regulatory obligations; and regulatory rules mandating the operation of specific policies and procedures (for example, regarding conflicts of interest, outsourcing, remuneration etc.).

The abrdn group Conflicts of Interest ("COI") Policy sets the standards the Firm must adhere to and is attested to through the broader policy attestation framework in order to prevent and manage any potential and actual COI. The Directors review and authorise Board members' actual and potential conflicts of interest on a regular and ad hoc basis in line with the authority granted to them in the Firm's Articles of Association. As part of the process to approve the appointment of a new Director, the Board considers and, where appropriate, authorises their potential or actual conflicts. The Board also considers whether any new outside appointment of any current Director creates a potential or actual conflict before, where appropriate, authorising it. At the start of every Board and Committee meeting, Directors are requested to declare any actual or potential conflicts of interests and in the event a declaration is made, conflicted Directors can be excluded from receiving information, taking part in discussions and making decisions that relate to the potential or actual conflict. The abrdn group, of which the Firm is a part, has an Enterprise Risk Management ("ERM") framework comprising three lines of defence; the first being day-to-day risk management, including identification and mitigation of risks and maintaining appropriate controls; the second being oversight from the abrdn Group Risk and Compliance function, which reports to the Chief Risk Officer; and the third being the abrdn Internal Audit function, reporting to the Chief Internal Auditor, which independently verifies systems of control.

The governance framework comprises the management body of the Firm, the Board, and the Board committees which collectively manage and oversee the business. The Board governs the Firm in accordance with its Articles of Association, the Board Charter / Matters Reserved and the business plan, which considers the long term success of the Firm and ensures that the likely long term consequences of any decisions by the Firm are taken into account. Matters which are material to the abrdn group must be referred by the Firm to the abrdn plc Board for non-objection. The Board receives reports from the abrdn plc Board and its Committees where matters have been discussed or decisions made on abrdn group matters which have direct relevance to the Firm. The Board regularly reviews reports from the Chief Executive Officer and from the Chief Financial Officer on progress against approved strategies and the business plan, as well as updates on financial market and global economic conditions. Specific Board and Committee awareness and deep-dive strategic sessions take place during the year.

The Board provides clear leadership, line of sight and accountability throughout the business. The Board is responsible for the development and delivery of strategy and for leading the Firm through challenges and opportunities. The Firm ensures that the members of the Board meet the requirements of SYSC 4.3A.3R. The Firm is subject to the Senior Managers Regime ('SMR') and all members of the Board and the management body hold SMF status, and are registered and listed on the FCA Register. The Firm has undertaken the necessary fitness and propriety tests associated with the SMR to ensure each Director:

- Is of sufficiently good repute;
- Possesses sufficient knowledge, skills, and experience to perform their duties;
- Possesses adequate collective knowledge, skills, and experience to understand the Firm's activities, including the main risks;
- Reflects an adequately broad range of experiences;
- Commits sufficient time to perform their functions in the Firm; and
- Acts with honesty, integrity, and independence of mind to effectively assess and challenge the decisions of senior management where necessary and to effectively oversee and monitor management decision-making.

The Board oversees and is accountable for the Firm's governance arrangements. MIFIDPRU requires the Board to establish its own risk, nomination and remuneration committees comprised of independent non-executive directors.

The Board reviews public disclosures specific to the Firm's business and has approved this Regulatory Disclosure.

The Board meets quarterly, with ad hoc meetings scheduled, as needed. As at 31 December 2023, the Board comprised of seven directors.

All members of the Board Committees are independent non-executive directors ("INEDs") and members of the Board. The purpose of the Firm's Committees with their respective scopes of duties and responsibilities are formalised in each Committee's Terms of Reference. A summary of the role of each of these committees in overseeing the business of the Firm is set out below. The activities and recommendations of these committees, in so far as they relate to the Firm, are reported to the Board for its review and approval, as needed.

Nomination and Governance Committee (N&G)	Remuneration Committee (RC)	Risk Committee (RCC)
<ul style="list-style-type: none"> - Board and Committee composition and appointments - Succession planning - Oversee the appointment and removal of the relevant Material Risk Takers (MRT) population 	<ul style="list-style-type: none"> - Development and implementation of the Group's remuneration policy as it applies to Executive Directors and MRT population - Evaluate the incentives created by the remuneration system 	<ul style="list-style-type: none"> - Risk Management Framework - Compliance and Regulatory reporting - Risk appetites and tolerances - Capital adequacy - Anti-financial crime

2.2 Directorships

The Board comprises executive and INEDs who are appointed by the Board on the recommendation of the Firm's Nomination Committee.

The number of Executive and non-Executive directorships held by the Directors (not including abrdn group directorships) at the year ended 31 December 2023 were:

Directorships		
	Number of Non-Executive directorships	Number of Executive directorships
Non-Executive Directors		
Carolyn Cathleen Raffaeli	2	0
Aileen Margaret Gillan	1	0
Hannah Melissa Wood Grove	2	0
David Gideon Marock	5	0
Executive Directors		
Noel Thomas Butwell	0	1
Jonathan Black	0	2
Stuart Lapsley MacLennan	0	1

Executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives and executive and non-executive directorships held within the abrdn group are not in scope for the number of directorships to be included hence an adjusted number of directorships has been provided.

The Firm has received a confirmation from the FCA for a modification for the application of SYSC 4.3A.6R(1)(a) or (b) in order to allow a member of the Board to hold additional directorships.

2.3 Diversity

The abrdn group's Diversity and Inclusion Policy applies to the abrdn plc board and the boards of the other regulated entities within the abrdn group, including the Firm. Its key objective is to provide an inclusive workplace where all forms of difference are valued and which is free from any form of unfair or unlawful treatment. As part of its commitment to diversity and inclusion the abrdn group has a current focus on gender and ethnicity as priorities. Targets have been set to improve the underrepresentation of women in the abrdn group management body and the abrdn plc Board, and to improve the underrepresentation of ethnic minority Board members. The abrdn group's 2023 Diversity, Equity and Inclusion report at www.abrdn.com/en-gb/corporate/about-us/diversity-equity-and-inclusion describes how the objectives of the abrdn group's Diversity & Inclusion policy are implemented and details the extent that objectives/targets have been met. Progress against the abrdn group's diversity, equity and inclusion framework is reviewed twice a year by the abrdn plc Nomination and Governance Committee.

For more information on the abrdn group's Diversity and Inclusion Policy see the Diversity, Equity and Inclusion section of the Directors' report from page 52 of the abrdn plc Annual Report and Accounts 2023.

3. Own Funds

3.1 Composition of regulatory Own Funds

The table below summarises the composition of regulatory Own Funds for the Firm as at 31 December 2023, including the audited profit for the year to 31 December 2023. Under the IFPR, Own Funds are made up of a firm's common equity tier 1 capital (CET1), additional tier 1 capital and tier 2 capital. The Firm's regulatory capital fully consists of CET1.

Composition of Regulatory Own Funds (OF1)			
	Item	Amount (GBP thousands)	Balance Sheet reference
1	Own Funds	195,938	
2	Tier 1 Capital	195,938	
3	Common Equity Tier 1 Capital	195,938	
4	Fully paid-up share capital	70,000	Page 17 financial statements – share capital
5	Share premium	n/a	
6	Retained Earnings	208,398	Page 17 financial statements – retained earnings
7	Accumulated other comprehensive income	n/a	
8	Other reserves	n/a	
9	Adjustments to CET1 due to prudential filters	n/a	
10	Other funds	n/a	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(82,460)	Page 17 financial statements – £81,549k of investment in subsidiaries and £911k of intangible assets
19	CET1: Other Capital elements, deductions and adjustments	n/a	
20	ADDITIONAL TIER 1 CAPITAL	n/a	
21	Fully paid up, directly issued capital instruments	n/a	
22	Share premium	n/a	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	n/a	
24	Additional Tier 1: Other capital elements, deductions and adjustments	n/a	
25	TIER 2 CAPITAL	n/a	
26	Fully paid up, directly issued capital instruments	n/a	
27	Share premium	n/a	
28	(-) TOTAL DEDUCTINS FROM TIER 2	n/a	
29	Tier 2: Other capital elements	n/a	

3.2 Own Funds: reconciliation of regulatory Own Funds to balance sheet in the audited financial statements

The table below shows the breakdown of the total available regulatory capital reconciled to the capital shown on the balance sheet in the Firm's audited financial statements:

Own Funds: reconciliation of regulatory Own Funds to balance sheet in the audited financial statements (OF2)			
		Balance Sheet as in published/audited financial statements (£000s)	Cross reference to template OF1
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements.			
1	Intangible assets	911	Item 11 – total deductions from CET 1
2	Deferred acquisition costs	328	
3	Investments in subsidiaries	84,458	Item 11 – total deductions from CET 1
4	Trade and other receivables	66,109	
5	Cash and cash equivalents	152,963	
	Total Assets	304,769	
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Trade and other payables	26,371	
	Total Liabilities	26,371	
Shareholders' Equity			
1	Share capital	70,000	Item 4 – fully paid-up share capital
2	Retained earnings	208,398	Item 6 – retained earnings
	Total Shareholders' Equity	278,398	

Own Funds: main features of own instruments

The Firm's Own Funds is comprised of issued share capital and retained earnings, adjusted for intangible assets and significant holdings in financial services entities (investment in subsidiaries).

4. Own Funds Requirements

The Firm is required to hold capital resources to cover the higher of the Own Funds Requirement and the Own Funds Threshold Requirement (OFTR) in complying with the Overall Financial Adequacy Rule (OFAR). The OFAR states that a firm must, at all times, hold Own Funds and liquid assets which are adequate, both as to their amount and quality, to ensure that:

- the firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- the firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

4.1 Own Funds Requirement

The Own Funds requirement is based on the higher of the Permanent Minimum Requirement, the Fixed Overheads Requirement and the K- Factor requirement as shown in the table below:

Own Fund Requirements¹		
	£'000	£'000
Permanent Minimum Requirement		150
Fixed Overhead Requirement		23,711
K-AUM	0	
K-CMH	3,017	
K-ASA	7,484	
K-AUM, K-CMH + K-ASA		10,501
K-COH		67
K-Factor Requirement		10,568
Own Funds Requirement		23,711

1 As per latest MIFIDPRU Reporting as at 31 December 2023.

The K-Factor definitions are as follows:

- K-CMH: K-factor requirement based on client money held.
- K-ASA: K-factor requirement based on assets safeguarded and administered
- K-COH: K-factor requirement based on client orders handled

4.2 Own Funds Threshold Requirement

The OFTR supplements the Own Funds requirement via the Internal Capital Adequacy and Risk Assessment (ICARA), which is the means by which the Group assesses the level of capital that adequately supports all of the relevant current and future risks in its business, taking into account potential periods of financial stress during the economic cycle as well as a potential wind-down scenario. The OFTR is the higher of the two, as per the OFAR. The ICARA is performed at a Group level with the resulting Own Funds and liquid asset requirements allocated to subsidiaries as appropriate. The results of the Group's ICARA process will be subject to periodic review by the FCA under the Supervisory Review and Evaluation Process (SREP).

5. Remuneration policy and practices

5.1 Quantitative remuneration disclosure

The tables below provide an overview of the following:

- Aggregate total remuneration paid by Standard Life Savings Limited to staff identified as Material Risk Takers (MRTs);
- Aggregate total remuneration paid by Standard Life Savings Limited to its entire staff;
- Severance payments to individuals identified as MRTs;
- Guaranteed variable remuneration; and
- Additional disclosures relating to the breakdown of variable remuneration for MRTs.

Aggregate total remuneration

	Senior Management ^{1,2}	Other MRTs ²	Other Staff ³
Total MRTs identified	30	5	N/A
Fixed remuneration	£7,881,949	£592,540	£58,409,210
Variable remuneration	£9,196,035	£39,704	£4,321,796
Total	£17,077,984	£632,244	£62,731,006

Severance payments

	Senior Management ^{1,2}	Other MRTs ²
Amount awarded	-	-
Number of recipients	-	-
Highest award	-	-

Guaranteed variable remuneration

	Senior Management ^{1,2}	Other MRTs ²
Amount awarded	-	-
Number of recipients	-	-

Additional disclosures

		Senior Management ^{1,2}	Other MRTs ²
Number of employees who benefit from disapplying requirements (Shares, instruments and alternative arrangements; Retention policy; Deferral; and Discretionary pension benefits) under SYSC 19G.5.9R		21	5
Total remuneration of those employees who benefit from disapplying requirements under SYSC 19G.5.9R	Fixed remuneration	£4,159,359	£592,540
	Variable remuneration	£613,595	£39,704
MRT Variable Remuneration	Cash	£1,446,478	£39,704
	> Deferred	-	-
	> Non-deferred	£1,446,478	£39,704
	Shares	£7,749,556	-
	> Deferred	£7,749,556	-
	> Non-deferred	-	-
	Share-linked instruments	-	-
	> Deferred	-	-
	> Non-deferred	-	-
	Other forms	-	-
	> Deferred	-	-
	> Non-deferred	-	-

		Senior Management ^{1,2}	Other MRTs ²
The amount of deferred remuneration awarded to MRTs for previous performance periods, split into:	The amount due to vest in the financial year in which the disclosure is made	£4,536,128	£1,265
	The amount due to vest in subsequent years	£11,627,575	£1,265
The amount of deferred remuneration awarded to MRTs that is due to vest in the financial year in respect of the disclosure, split into:	The amount that is or will be paid out	£1,491,935	£93,975
	The amount that was due to vest but has been withheld as a result of performance adjustment	-	-

- 1 Senior Management are defined in this table as those holding Senior Management Functions for the entity.
- 2 The Other MRTs disclosure relates to individuals identified as MRTs, who are not defined as Senior Management, and represents total compensation of those staff of the entity who are fully or partly involved in the activities of the entity.
- 3 As there are a number of individuals indirectly and directly employed by the entity, these figures represent an apportioned amount of abrdn's total remuneration fixed and variable pay, apportioned to the entity on a revenue basis.

Qualitative remuneration disclosures have been made on a consolidated Group basis, and can be found on our website, under [Regulatory disclosures](#).