

HARGREAVES LANDSDOWN ASSET MANAGEMENT LIMITED

REGULATORY DISCLOSURE

BASED ON FINANCIAL DATA
AS AT 30 JUNE 2025

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Certain figures contained in this document, including financial information, have been subject to rounding adjustments.

1 Overview

1.1 Regulatory framework

The Financial Conduct Authority (**FCA**)’s regulatory framework for governing the amount and nature of capital that investment firms must hold is set out in the FCA Prudential sourcebook for MIFID investment firms (**MIFIDPRU**), which seeks to manage the potential harm firms can pose to consumers and markets. MIFIDPRU is directly applicable to Hargreaves Lansdown Asset Management Limited (**HLAM** or the **Firm**), a MIFIDPRU investment firm, and includes the framework for annual regulatory disclosures.

This document sets out those disclosures relating to its business that HLAM is required to make publicly available under MIFIDPRU and includes the following key areas in its 2025 disclosure:

- Governance arrangements;
- Risk management objectives and policies;
- Own funds;
- Own funds regulatory requirements; and
- Remuneration policy and practices.

The disclosures in this document are made solely in respect of HLAM. HLAM is not required to make a disclosure in relation to Investment Policy.

1.2 HLAM’s structure and composition

HLAM is a wholly owned subsidiary of Hargreaves Lansdown Limited (**HL Ltd**) (formerly plc), which is a wholly owned subsidiary of Hargreaves Lansdown Group Limited (**HLGL**) (formerly Harp Bidco Limited), and its principal activities during the year 1 July 2024 to 30 June 2025 (the **Disclosure Period**) were the provision of the Hargreaves Lansdown platform service, which included services relating to the holding and administration of investments and cash, investment brokerage and stockbroking. HLAM’s activities represent approximately 88% of the Hargreaves Lansdown Group Limited (the **Group**)’s turnover. There have not been any significant changes to its principal activities during the year.

HLAM is regulated by the FCA, reference number 115248 and has its registered office at One College Square South, Anchor Road, Bristol, BS1 5HL.

1.3 Regulatory capital

HLAM establishes its own funds and liquidity requirements via the Internal Capital Adequacy and Risk Assessment (**ICARA**) process and holds a surplus of regulatory capital over its minimum requirement (see Sections 4 and 5).

The ICARA process is central to HLAM’s risk management framework. Not only is it integral to how HLAM manages risk, but it is also central to how it is supervised by the FCA.

As part of the ICARA process the HLAM Board (the **Board**) oversees and assesses:

- HLAM’s processes, strategies and systems;
- the major sources of risk faced by HLAM that may impact its ability to meet its obligations;
- the results of internal stress testing of these risks; and
- the amounts and types of financial resources and internal capital, including own funds and liquidity resources, and whether these are adequate both as to amount and quality to ensure that there is no significant risk that its liabilities could not be met as they fall due.

The outcome of the ICARA is formally approved by the Board at least annually. The operational risk scenarios are refreshed quarterly, and any material changes are reflected in our own funds and liquidity requirements.

1.4 Frequency of disclosure

HLAM's disclosure under MIFIDPRU is made annually at the same time as the publication of its Report and Financial Statements. HLAM may also make an additional disclosure where appropriate, for example, in the event of a major change to its business model.

1.5 Location of disclosure

The disclosure is published in the Investor Relations section of the Group's website <https://www.hl.co.uk/investor-relations/regulatory-disclosure> and is also available free of charge on request by writing to Finance, One College Square South, Anchor Road, Bristol, BS1 5HL.

1.6 Verification and basis of disclosure

HLAM's regulatory disclosure has been subject to verification (a) to the extent that financial information is equivalent to content taken from the audited annual financial statements and (b) the remaining content has been subject to an additional internal verification exercise. This disclosure explains how the Board has overseen the calculation of certain capital requirements and information about risk management generally. It does not constitute financial statements and should not be relied upon in making judgements about HLAM, HLGL and other entities within the Group.

The financial data provided in this disclosure is calculated as of 30 June 2025, which is HLAM's financial year end, in accordance with MIFIDPRU.

1.7 Summary of significant changes compared to the previous Disclosure Period

On 24 March 2025, HL Ltd (formerly plc) and its subsidiaries including HLAM were acquired by HLGL, resulting in a change of control. Following the acquisition, HL Ltd (formerly plc) was delisted from the London Stock Exchange and subsequently re-registered as a private limited company. During the Disclosure Period, the HLAM Board had several changes as noted below:

- The Chief Risk Officer, Ms Priti Verma, announced that she would be resigning from this position and stepped down on 22 July 2025.
- The Chief Financial Officer, Mrs Amy Stirling announced that she would be resigning from this position and stepped down on 31 July 2025. Mrs Amy Stirling is replaced on an interim basis by Darren Worth, who previously held the position of Head of Commercial Finance within the Group.
- The Chief Executive Officer (CEO) for the Group, Mr Daniel Olley, announced he would be resigning from his position and stepped down on 1 August 2025. Mr Daniel Olley is replaced on an interim basis by Mr Richard Flint, who previously held the position of Independent Non-Executive Director (INED) within the Group.

2 Governance arrangements

2.1 HLAM Board and Committees

On 24 March 2025, the immediate parent company of HLAM, Hargreaves Lansdown Ltd was acquired by HLGL (a newly formed company indirectly owned by CVC Private Equity Funds, Nordic Capital XI Delta, SCSp (acting through its general partner, Nordic Capital XI Delta GP SARL) and Platinum Ivy B 2018 RSC Limited). As a result, on 25 March 2025, Hargreaves Lansdown Ltd (formerly plc), de-listed from the London Stock Exchange and then changed its legal status from that of a public limited company to a private limited company on 7 April 2025.

At the point of the Change in Control (**CiC**) on 24 March 2025, revisions to the membership for the existing Board were made, whereby four Independent Non-Executive Directors (**INEDs**) were appointed replacing four of the Executive Directors. In addition to this, HLAM established its own

sub-committees for risk, nomination and remuneration. INEDs form the membership for each of the Committees.

The Board is responsible for promoting the long-term sustainable success of HLAM, generating value for shareholders, delivering good client outcomes, and contributing to wider society. It has overall responsibility for HLAM's business, including overseeing the implementation of the Group strategy as it applies to the Firm. The Board oversees the operation of HLAM's business by senior management, as well as its adherence to risk appetite, compliance with Group policies and values, including those relating to the provision of services to clients, and the maintenance of adequate accounting and other internal control systems. The Board maintains a list of matters reserved for its approval, which is reviewed, at least, annually, and includes a requirement for the Board to review its own performance at least annually.

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

The Board meets regularly, with ad hoc meetings scheduled, as needed. As at 30 June 2025, the Board comprised of seven directors. Details of the number of directorships held by each director are set out in the table below. The directors of HLAM are made up of four INEDs and three members of the Group Executive Committee (**ExCo**), providing a balance of independent challenge and scrutiny and an important link between HLAM and the Group.

HLAM Director	Number of directorships ¹
Mary O'Connor (INED Chair)	5
Bruce Hemphill (INED)	2
Richard Flint (INED)	5
Lars-Ake Norling (INED)	3
Dan Olley	2
Amy Stirling	2
Priti Verma	1

The Board oversees and is accountable for HLAM's governance arrangements. MIFIDPRU requires the Board to establish a risk, nomination and remuneration committees. Prior to the CiC, HLAM relied on a waiver provided by the FCA to use the Group Risk (Board Risk Committee - **BRC**), Nomination & Governance and Remuneration Committees operated by the HL Ltd (formerly plc) Board to consider HLAM matters, on the basis that they considered HLAM matters as part of their oversight of the Group. Following the CIC, HLAM established its own Risk, Nomination & Governance and Remuneration Committee. Each of these committees is composed of a minimum of 50% INEDs, ensuring appropriate oversight and independence.

HLAM relies on a Group Audit Committee which oversees the Group's financial controls, including those applying to HLAM, and reviews HLAM's financial statements each year, before recommending them to the Board for approval.

The Group Operating Committee provides oversight of the group's day to day operational management business activities and includes that of HLAM.

A summary of the role of each of the relevant committees in overseeing the business of the Group, including HLAM, is set out below. The activities and recommendations of these committees, in so

¹ This number excludes non- HLAM executive and non-executive directorships held within the Group.

far as they relate to HLAM, are reported to the Board for its review and approval, as needed. Further information on the composition and activities of these committees during the year is set out in the Hargreaves Lansdown Ltd Report and Financial Statements 2025 available from [Results archive | Hargreaves Lansdown](#).

Hargreaves Lansdown Ltd (formerly plc) Board Committee	Post CiC HLAM Board Committee	Responsibilities
Board Risk Committee	HLAM Risk Committee	Prior to the CiC, HLAM was overseen by the Board Risk Committee for the Group, with the following Group wide responsibilities (including HLAM): • Reviews and advises on changes to the Group's risk appetite and risk profile and future risk strategy • Monitors the effectiveness of the Group's risk management framework • Oversees delivery of the ICARA process. Following the CiC, HLAM established its own HLAM Risk Committee to oversee those points above as they relate to HLAM.
Nomination & Governance Committee	HLAM Nomination & Governance Committee	Prior to the CiC, HLAM was overseen by the Board Nomination and Governance Committee for the Group, with the following Group wide responsibilities (including HLAM): • Monitors the composition of the HL Ltd & HLGL Board and its Committees to ensure it remains appropriate • Recommends appointments to the HLGL Board and its Committees and appointments to subsidiary boards, including HLAM • Conducts succession planning for the HLGL & HL Ltd Board and senior management (including the Board) • Oversees the annual evaluation of the HLGL and HL Ltd Board (and its committees) effectiveness • Keeps under review and approves changes to the HLGL and HL Board's governance framework • Receives updates on Inclusion and Diversity activity across the Group Following CiC, HLAM established its own HLAM Nomination and Governance Committee to oversee those points above as they relate to HLAM.
Remuneration Committee	HLAM Remuneration Committee	Prior to the CiC, HLAM was overseen by the Remuneration Committee for the Group, with the following Group wide responsibilities (including HLAM): • Oversees and reviews the remuneration policy for executive directors, MRTs and colleagues • Determines total remuneration for executive directors, senior management and MRTs, and associated targets for performance related pay Following CiC, HLAM established its own HLAM Remuneration Committee to oversee those points above as they relate to HLAM.

Audit Committee	Hargreaves Lansdown Group Audit Committee	HLAM is overseen by a by the Audit Committee for the Group with the following Group wide responsibilities (including HLAM): • Monitors the integrity of HLAM and the Group's financial reporting • Monitors the adequacy and effectiveness of the Group's internal controls systems • Oversees the Group's relationship with its external auditor and the effectiveness of the Internal Audit Function
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2.2 Conflicts of interest management

The Group, including HLAM, segregates its activities using a three lines of defence model in line with industry practice (see section 3.3.2.2). The Board manages any board-level conflicts of interest by applying the Group Conflicts of Interest Policy, with assistance from the Company Secretary.

On a quarterly basis, the Group Operating Committee oversees shared services-related conflicts of interest identified across the Group and the measures put in place to mitigate those conflicts of interest, including how effective these have been from a client perspective, and updates the Group's conflicts of interest register accordingly.

2.3 Promoting Board diversity

Prior to the CiC, the Group's Board Diversity Policy and the associated external targets applied to HLAM. Its key objective was to develop a diverse and inclusive culture where colleagues are engaged, empowered, work together, and live the Group's values. The composition and effectiveness of the HLAM board, play a critical role in achieving this objective by setting the tone from the top. The Policy also notes the Group's view that diversity amongst board members is of great value, and a far wider subject than gender alone.

HLAM committed to the aim of having at least 40% of its Board positions held by women and at least one director from an ethnic minority background. There have been a number of changes to the HLAM Board in the year, which has meant that there have been times in the year when this target was not met. As at 30 June 2025 the HLAM Board achieved both of these two aims, with one of its seven board roles held by a director from an ethnic minority background (14%), and three of the seven board roles were held by women (42%). HLAM continues to focus on maintaining and broadening the diversity of its Board and this forms part of succession planning considerations, and recruitment processes when recruiting additional directors or when vacancies arise. There have been a number of changes to the Board composition as detailed in Section 1.7 but promoting Board diversity remains a key consideration for new directors.

When assessing new appointments, the HLAM Nomination & Governance Committee carefully reviews the combined skills and experience of existing Board members to determine the characteristics needed. All appointments to the Board are made on merit against a set of objective criteria, in the context of the skills, experience, independence and knowledge which the Board, as a whole, requires to be effective.

3 Risk management objectives and policies

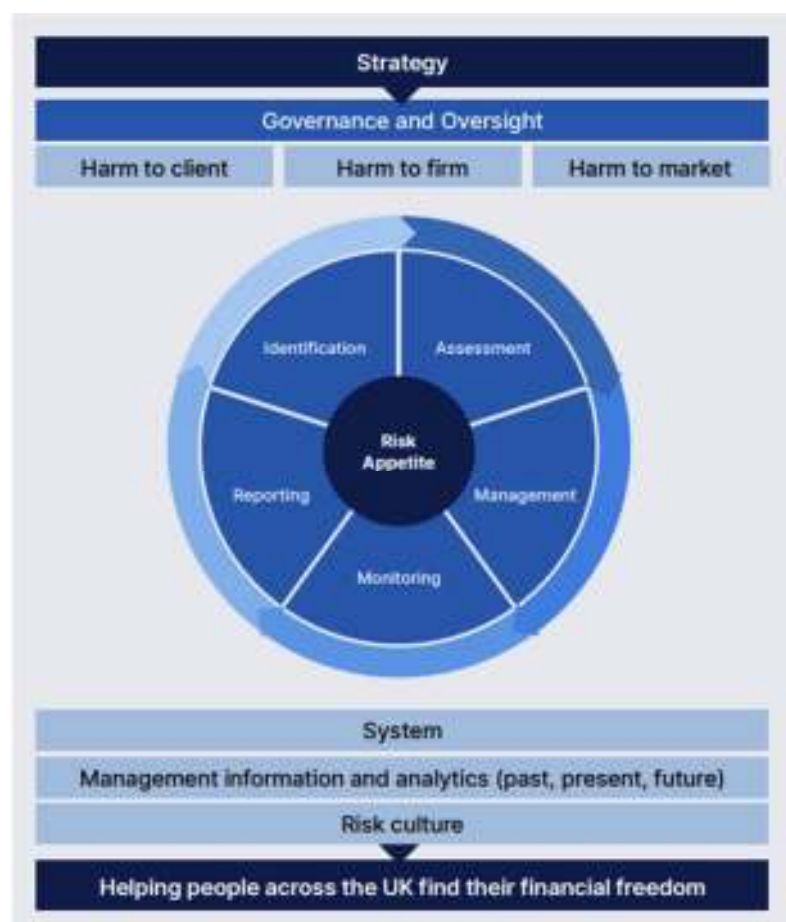
3.1 Overview

Effective risk management is essential for HLAM's ongoing success. It enables HLAM to identify and assess potential threats, allowing HLAM to mitigate or manage their impact. HLAM has adopted the Group's approach to risk, in which all colleagues have responsibility for risk management in their day-to-day work. This approach ensures that risks are identified, assessed and managed within all

business units and at all levels of the organisation. The Board has ultimate accountability for ensuring HLAM effectively manages risk across the organisation.

To assist the Board in discharging its responsibilities, HLAM follows the Group's Enterprise Risk Management Framework (**ERMF**), which sets out the way HL identifies, assesses, manages and monitors risk exposures. The framework (see figure 1) is aligned to industry standards and is regularly reviewed alongside other risk management tools to ensure they remain effective.

Figure 1: Enterprise Risk Management Framework model



Key enhancements made during the Disclosure Period include updates to the ERMF to outline expectations regarding Risk Culture and the ICARA.

It is important that HLAM continually improves its risk management practices to keep pace with emerging threats, the evolving regulatory landscape and a competitive market. This helps to protect client assets, maintain operational resilience and regulatory compliance as well as mitigate potential losses. To support this, HLAM performs regular risk maturity assessments across the organisation, which provide an objective view of our risk approach and allows us to prioritise any areas for improvement.

In addition to the information set out below, further details relating to HLAM and the HL Ltd Group's risk operating model, risk management principles, governance, risk appetite approach and principal risks & uncertainties, are described in the Hargreaves Lansdown Ltd Report and Financial Statements 2025 available from [Results archive](#) | [Hargreaves Lansdown](#).

3.2 Governance of risk management and control

Governance committees play a central role in maintaining and overseeing the firm's approach to risk. They ensure the risk framework is appropriate and proportionate to the complexity of the firm, and that suitable measures are in place to manage strategic, operational, financial and investment risks.

The HLAM Board is responsible for overseeing the management and control of risk, supported by the HLAM Risk Committee. Established under the authority of the Chief Executive Officer, the Executive Risk Committee (**ERC**) is responsible for ensuring appropriate systems of internal control and risk management are in place, operating within risk appetite and supporting good client outcomes. The ERC and ExCo are supported by the Operating Committee, Product & Client Outcomes Committee, Group Treasury Committee, Operational Risk Committee, Model Governance Committee, Client Assets Sourcebook (**CASS**) Committee and the Stress Testing Forum.

The Group Chief Risk Officer (**GCRO**), who has responsibility for all entities across the Group, has unfettered access to the HLGL and HLAM Risk Committees and the Chairs of the HLGL and HLAM Boards. Internal Audit report directly to the HLGL Board, allowing them to be independent.

3.3 Key components of the risk management framework

The ERMF sets out the key principles underpinning effective risk management across the Group, describing the following stages of the risk lifecycle. These principles support a consistent, structured and repeatable approach to risk management, allowing risks to be identified by all areas of the business and appropriately managed.

3.3.1 Risk Culture

HLAM's purpose is to help people across the UK find their Financial Freedom. A strong risk culture depends as much on values, beliefs, attitudes, and behaviours as it does on effective controls. HLAM's risk culture reflects its collective responsibility to deliver good client outcomes while managing risks proactively in line with the ERMF and safeguarding its financial strength and reputation. This approach is also aligned to HL's values. HLAM's risk culture underpins its commitment to treat clients fairly and support open/transparent communication and ethical behaviour.

A strong risk culture can support HLAM in:

- Fully considering risks when HLAM makes decisions;
- Working within Risk Appetite and Governance parameters;
- Providing consistent risk leadership;
- Encouraging broad participation in risk management activities across all lines of defence; and
- Maintaining healthy 'Speak Up' principles where colleagues are encouraged and confident to raise concerns.

3.3.2 Tools and Governance

3.3.2.1 Risk Taxonomy

Risks to which HLAM is exposed are set out in a Risk taxonomy. These are organised across four categories: Strategic, Financial, Operational and Investment risks. The approach supports consistency and completeness in the capture and management of risks and facilitates effective aggregation of risk across the Group. The taxonomy is reviewed at least annually so that it remains relevant and reflective of our risk exposure.

3.3.2.2 Three Lines of Defence

Risk management is a core responsibility of all colleagues at HLAM, with ownership allocated across business areas in line with the three lines of defence model. This fosters a strong risk culture, with colleagues who fully understand their risk management responsibilities and are accountable for their actions. This supports more informed decision making, reducing the likelihood of taking excessive or poorly understood risks.

3.3.2.2.1 First line of defence

The first line of defence is accountable for identifying the relevant risks in their area of responsibility, assessing the exposure to these risks and ensuring appropriate risk mitigation strategies are in place. The first line of defence comprises the operational functions and the business units that own and manage risks, including everyone in the organisation except for those in the second or third lines.

Key examples of first line control functions include:

- **CASS Oversight team:** provides guidance to operational teams on the FCA's CASS sourcebook and provides oversight of the CASS control environment;
- **IT Security team:** manages, tests, and controls the cyber control environment;
- **Financial Control:** ensures that the appropriate accountancy framework and standards are adhered to and monitors regulatory capital and liquidity;
- **Product Governance team:** provides oversight of the design, target markets and management of core client propositions;
- **Organisational Due Diligence team:** provides guidance and support prior to any investment solution (Wealth Short-list) selection and then subsequent periodic review; and
- **Business Risk and Control teams:** provide guidance and support to first line teams and embed the Enterprise Risk Management Framework to increase the overall risk maturity of the firm.

3.3.2.2.2 Second line of defence

The second line of defence is comprised of functions that oversee or specialise in regulatory compliance and risk management. They provide the policies, frameworks, tools, techniques and support that enable the first line to take ownership of its compliance and risk management responsibilities and carry out monitoring to assess how effectively the first line's controls have been embedded and provide assurance to senior management. The Group Risk and Compliance functions include teams that are focused on regulatory compliance monitoring, prevention of money laundering, and the prevention and detection of fraud, and they have oversight of data protection, operational, technology, change, conduct, investment and enterprise risks.

3.3.2.2.3 Third line of defence

The third line of defence is fulfilled by Internal Audit. Its main role is to provide independent assurance and ensure that the first two lines are operating effectively. Internal Audit is tasked by and reports to the Hargreaves Lansdown Group Audit Committee and is responsible for all legal entities operating within the Group, including HLAM. It provides an evaluation, through a risk-based approach, on the effectiveness of governance, risk management, and internal control. Our external auditors are also included within the third line.

3.3.2.3 Risk Documentation

HLAM's risk documentation, which comprises of frameworks, policies, standards and procedures, sets out key objectives, principles and requirements for managing our material risks within agreed Risk Appetite through effective control environment (control objectives).

These expected control objectives and controls may be derived from industry standard Control Frameworks (e.g. **COSO**, **COBIT**, **ISO 27001**) or be custom-written internal methodologies, tailored to meet relevant regulatory expectations.

Frameworks provide the high-level principles to identifying, assessing and managing risks. They apply either across the firm or a level 1 risk. Standard documents supporting individual ERMF components provide the key minimum requirements for the business areas to follow to ensure compliance with the overarching principles contained within HLAM's policies. Policies provide a consistent approach to risk management, internal control, business conduct standards, training and colleague obligations to comply. Procedures outline the specific steps and actions to be taken to implement a process effectively.

Documentation is approved by the appropriate governance committees and undergo an annual review cycle to ensure it remains relevant, appropriate for HLAM and in line with regulation. This includes outlining clear roles and responsibilities of Risk and Control Owners.

3.3.3 Risk Strategy

Risk is an integral part of the planning processes used to set strategy and business plans. A balanced approach is used to determine where to seek risk, so that HLAM can deliver good outcomes for clients, shareholders and colleagues. HLAM's business strategy was most recently reviewed and approved by the HL Ltd (formerly plc) Board in June 2024, following independent assessment from the Risk and Compliance teams. At the time of this report's publication, the Group strategy is being updated and approval is planned for November 2025.

3.3.4 Risk Appetite

HLAM's risk appetite is an articulation of the nature and level of risk that it is willing to accept to achieve its business objectives.

Risk appetite is expressed through both qualitative statements and quantitative metrics that measure operational, strategic financial and investment risk performance against agreed limits. It is reviewed and approved by the Board on at least an annual basis.

The Board has overall responsibility for determining the nature and extent of the acceptable levels of risk it is willing to accept in the course of achieving business objectives, achieving positive client outcomes, and ensuring that risks are managed effectively. HLAM follows the Group's approach to managing risk appetite; this is overseen by HLAM Risk Committee.

3.3.5 Risk Management

The ERMF sets out the key principles underpinning effective risk management at HLAM, describing the following stages of the risk lifecycle:

- **Identification:** recognising and documenting potential and emerging risks that could impact HLAM and give rise to harm to its clients, the firm or the market.
- **Assessment:** the evaluation of risks to understand their potential impact and likelihood against Board-approved risk appetite. HLAM uses tools (such as Risk & Control Self Assessments, operational risk scenario analysis, stress tests) to assess a variety of impacts on a consistent qualitative and quantitative basis.
- **Management:** the deployment of strategies to reduce, manage, accept, transfer or avoid risks.
- **Monitoring:** tracking identified risks against agreed tolerances to potentially refine risk management strategies.

These principles support a consistent, structured and repeatable approach to risk management, allowing risks to be identified by all areas of the business and appropriately managed.

3.3.6 Risk Reporting

Risk and control reporting is essential to ensure that risk management is embedded within the organisation. It provides a view of the HLAM risk profile and evidence that the risk management framework is being operated to ensure that material risks are being managed effectively so that HLAM may achieve its strategic objectives.

Risk and control reporting must present an accurate and timely picture of current and emerging risk issues and exposures and their potential impact on business activities. Reporting should provide demonstrable evidence that risks are appropriately managed, which provides assurance to management and the Board.

Reporting is aligned to the risk committee structure, and is suitably tailored to the audience to ensure information about risks, controls and incidents is escalated and discussed at an appropriate level across HLAM. Reporting drives informed decision making, ensuring the business operates within Risk Appetite.

HLAM also produces risk and control reporting for external stakeholders, including Regulators. These include:

- Report & Financial Statements
- Regulatory returns

3.3.7 Client Outcomes

The Group has implemented a framework (see figure 2) to enable its regulated entities including HLAM to achieve appropriate client outcomes as illustrated below.

Figure 2: Client Outcomes Framework



3.4 Internal Capital Adequacy and Risk Assessment

The ICARA is a firm-wide risk management tool that HLAM uses to assess the risks faced by the firm. It provides a clear, accurate and transparent link between the risk profile of the business, the firm's risk appetite and the capital and liquidity held by the firm to meet the FCA's Own Funds Adequacy Rule (**OFAR**). It incorporates the results of Board approved stress tests, which consider expected performance under alternative conditions and the impact this has on the financial resources.

Consistent with MIFIDPRU, HLAM operates a Group ICARA process, allowing it to fully consider material risks arising from its membership of the wider group. The output of the ICARA is formally approved by the Board and HLGL Board at least annually, with more frequent reviews if there is a fundamental change to the business or the operating environment.

3.5 Principal risks and uncertainties

HLAM has carried out an assessment of the principal risks and uncertainties facing the firm, including those that would threaten its business model, future performance or solvency. HLAM aligns principal risks to the relevant, plausible yet severe events to which the organisation has the largest exposure, as identified through the ICARA process. HLAM Management and the Board regularly discuss emerging risks, and the most prominent – including geopolitical tensions and macroeconomic deterioration – have been included as uncertainties.

In assessing all risks, HLAM considers the potential reputational, client and financial impacts materialising, as well as the impact of HLAM achieving its business and strategic objectives. To mitigate these risks HLAM ensures risk exposures and potential impacts are appropriately and proactively escalated through key risk governance. Reputational risk management is further supported by an internal Public Relations function and Corporate Affairs Group as well as the use of external advisers supporting both the Board and the Executive Leadership Team.

3.6 Own funds assessment

HLAM has measured the potential harm that might be incurred to its clients, the markets it operates in and its position within the Group in assessing its own funds requirement. A broad range of risk categories have been considered, including:

- strategic;
- market performance;
- technology;
- information security;
- operational delivery;
- regulatory compliance;
- financial crime;
- data;
- conduct;
- operational resilience;
- people; and
- concentration.

HLAM's own funds assessment considers the potential risk of harm to clients, market and the firm. HLAM has a robust balance sheet and maintains a surplus of own funds as described in Section 5. The ICARA sets out HLAM's approach to the identification, assessment, management and ongoing monitoring of significant risks and their impact on its own funds assessment.

3.7 Concentration risk

HLAM has an exposure to certain counterparties, resulting in an increased risk to HLAM and its clients. The concentration risks identified for HLAM are described below.

3.7.1 Fund concentration

HLAM offers a broad and diverse range of funds and shares to investors via the platform. As such an exposure to a fall in the value of an individual fund will not give rise to a substantial fall in overall fees and does not present a concentration risk to HLAM.

3.7.2 Client money concentration

HLAM places its client money with a range of third-party banks. A concentration exposure to banking counterparties could give rise to an increased level of risk. HLAM minimises this risk by maintaining robust treasury policies, regular monitoring of banking counterparties and managing the

client money portfolio to minimise client exposure to individual banking institutions. All client money is held in segregated client money accounts with appropriate trust status.

3.7.3 HLAM cash concentration

HLAM places its own money with a range of third-party banks. A concentration exposure to banking counterparties could give rise to an increased level of risk. HLAM minimises this risk by maintaining robust treasury policies, regular monitoring of banking counterparties and managing the counterparty portfolio.

3.8 Liquidity risk

Liquidity risk is the risk that HLAM, although solvent, does not have sufficient financial resources available to enable it to meet its obligations as they fall due, or can secure them only at an excessive cost. HLAM maintains adequate liquidity to cover its needs on a daily basis and is self-sufficient in terms of cash generated monthly from operating activities covering its operating expenses.

HLAM is committed to the control and management of liquidity on a day-to-day basis to ensure all obligations can be met in a timely manner. To do this and to comply with MIFIDPRU, HLAM has set a conservative liquidity risk appetite, with governance and controls appropriate to a large retail investment firm and a contingency funding plan, which sets out the strategy for addressing liquidity shortfalls in emergency situations including a credit facility.

HLAM's approach to managing liquidity risk is consistent with MIFIDPRU and is detailed in the ICARA document.

HLAM's high-level approach to liquidity management is to:

- determine the level of available cash resources by forecasting the month-end cash position;
- ensure that cash balances together with other funding sources remain sufficient in line with its and the Group's liquidity risk appetite;
- stress test the liquidity risks identified on the liquidity risk register, including client funding, business, operational and extreme risks; and
- use stress test outputs and the results of scenario modelling to inform its liquidity risk appetite and contingency funding requirements.

Information relating to HLAM's liquid assets threshold requirement is included in Section 5.

4 Own funds

4.1 Composition of regulatory own funds

Consistent with MIFIDPRU, regulatory capital or own funds are made up of a firm's common equity tier 1 capital (**CET1**), additional tier 1 capital and tier 2 capital. The entire base of HLAM's regulatory capital is made up of CET1, which is the most robust category of financial resources against which all requirements can be measured.

The value of HLAM's total own funds or CET1 capital as of 30 June 2025 was £385.7m and is comprised of issued share capital and retained earnings, adjusted for the net book value of intangible assets and the foreseeable dividend.

HLAM's objectives when managing capital are to:

- i. comply with the regulatory capital requirements set by the FCA under MIFIDPRU;
- ii. safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- iii. maintain a strong capital base to support the development of its business.

Table 1 shows the breakdown of HLAM's total available regulatory capital reconciled to the capital shown in the HLAM audited financial statements.

Table 1 - Composition of regulatory own funds			
	Item	Amount (£m)	Source based on reference to balance sheet in the audited financial statements
1	OWN FUNDS	385.7	
2	TIER 1 CAPITAL	385.7	
3	COMMON EQUITY TIER 1 CAPITAL	385.7	
4	Fully paid-up capital instruments	- ²	Page 13 HLAM financial statements - share capital
5	Share premium	n/a	
6	Retained earnings	712.9	Page 13 HLAM 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	327.2	
12	Intangible assets	37.2	Page 13 HLAM financial statements - intangible assets
13	Goodwill	n/a	
14	Foreseeable dividends	290.0	
15	Foreseeable share purchases	n/a	
16	CET1: Other capital elements, deductions and adjustments	n/a	
17	ADDITIONAL TIER 1 CAPITAL	n/a	
18	Fully paid up, directly issued capital instruments	n/a	
19	Share premium	n/a	
20	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	n/a	
21	Additional Tier 1: Other capital elements, deductions and adjustments	n/a	
22	TIER 2 CAPITAL	n/a	
23	Fully paid up, directly issued capital instruments	n/a	
24	Share premium	n/a	
25	(-) TOTAL DEDUCTIONS FROM TIER 2	n/a	
26	Tier 2: Other capital elements, deductions and adjustments	n/a	

² The authorised, issued and fully paid ordinary called up share capital is £1,000.

4.2 Own funds: Reconciliation of regulatory own funds to balance sheet in the audited financial statements

Table 2 shows the breakdown of the total available regulatory capital for HLAM reconciled to the capital shown in its audited financial statements.

Table 2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements			
		Balance sheet as in published/audited financial statements (£m)	Cross reference to Table 1
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1	Intangible assets ³	37.2	Item 12 in Table 1 - Intangible assets
2	Tangible assets	9.2	
3	Trade and other receivables	1,252.7	
4	Investments	0.2	
5	Cash at bank and in hand	316.9	
6	Deferred tax asset	-	
7	Current tax assets	1.7	
	Total Assets	1,617.9	
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Trade and other payables	893.3	
2	Provisions for liabilities	6.7	
3	Non-current lease liabilities	0.1	
4	Deferred tax liability	4.9	
	Total Liabilities	905.0	
Shareholders' Equity			
1	Called up share capital	- ²	Item 4 in Table 1 - fully paid-up capital instruments
2	Retained earnings	712.9	Item 6 in Table 1 - fully paid-up capital instruments
	Total Shareholders' equity	712.9	

Own funds: main features of own instruments

HLAM's own funds is comprised of issued share capital and retained earnings, adjusted for the net book value of intangible assets and the foreseeable dividend.

³ Intangible assets represent software costs and software assets under construction. For accounting purposes, software and IT development costs are capitalised as intangible fixed assets where they meet certain criteria. Intangibles do not qualify as capital for CET1 purposes and are therefore deducted.

5 Own funds regulatory requirements

5.1 Overview

The level of regulatory capital that must be held is referred to as the own funds threshold. The own funds threshold requirement was determined by the higher of three elements:

- permanent minimum capital requirement (**PMR**): £0.15m
- fixed overheads requirement (**FOR**): £62.8m
- total K-factor requirement (**KFR**): £82.9m

In addition, HLAM conducts scenario testing and analysis in order to identify additional risks including those potentially arising from Group activities to determine its own assessment.

HLAM ensures it continues to maintain compliance with the overall financial adequacy rule through regular monitoring of:

- own funds held by HLAM compared with the own funds threshold requirement calculated according to MIFIDPRU; and
- the liquid assets held by HLAM compared with the liquid assets thresholds calculated according to MIFIDPRU.

The outcome of this analysis is reported to its risk committees at least quarterly.

Further detail is provided below on each element of the capital and liquidity requirement.

5.2 Permanent minimum capital requirement

HLAM's PMR is fixed at £0.15m consistent with MIFIDPRU.

5.3 Fixed overheads requirement

HLAM's FOR is one quarter of its previous financial year's annual relevant expenditure, as set out in MIFIDPRU 4.5. The FOR was £62.8m.

5.4 K-factor assessment

HLAM's KFR is the sum of:

- K-AUM requirement – this is 0.02% of HLAM's average assets under management held on behalf of clients as measured on the last business day of each month during the previous fifteen months excluding the most recent three months;
- K-CMH requirement – this is 0.4% of HLAM's daily average client money held in segregated accounts during the previous nine months excluding the most recent three months;
- K-ASA requirement – this is 0.04% of HLAM's daily average assets held on behalf of clients during the previous nine months excluding the most recent three months; and
- K-COH requirement – this is 0.1% of HLAM's daily average value of the orders that it handled on behalf of clients during the previous six months excluding the most recent three months. This includes equity and fund trades.

HLAM's KFR was as follows:

KFR metric	Measurement £m
K-AUM	0.4
K-CMH	26.8
K-ASA	55.2
K-AUM + K-CMH + K-ASA	82.4
K-COH	0.5
Total KFR assessment	82.9

Metrics relating to K-DTF, K-NPR, K-CMG, K-TCO and K-CON (see Glossary of abbreviations and definitions on page 27) are not relevant to HLAM, as it does not carry out any trading on its own account.

5.5 Liquid assets threshold requirement

HLAM's liquid assets threshold requirement is calculated as one third of its FOR plus an assessment of the additional amount required to fund ongoing business operations, withstand potential stress or ensure an orderly wind down. This is held as instant access cash.

6 Remuneration policies and practices

6.1 Overview

Under the MIFIDPRU Remuneration Code, HLAM is subject to the extended remuneration requirements and therefore this disclosure has been undertaken in line with the provisions for the 'Largest non-SNI firms'.

6.2 Role of the Remuneration Committee

Section 2 of this Disclosure sets out HLAM's governance arrangements. Prior to the transaction, HLAM had been granted a waiver by the FCA to the requirement to establish its own Remuneration Committee enabling it to rely on the Remuneration Committee operated by the HL Ltd (formerly plc) Board. Following the transaction, a new governance structure has been put in place with HLGL establishing a Remuneration Committee for the Group and HLAM establishing its own Remuneration Committee for decisions relating to its business.

HLGL is now responsible for determining the Remuneration Policy for the Group. The HLAM Remuneration Committee is responsible for establishing, approving and overseeing the implementation of the Remuneration Policy as it applies to HLAM and making relevant recommendations as appropriate to HLAM in relation to the remuneration policy.

The HLAM Remuneration Committee makes decisions in respect of individual remuneration packages for Material Risk Takers (**MRTs**) of HLAM under the MIFIDPRU Remuneration Code. The HLGL Remuneration Committee makes decisions in respect of individual remuneration for Material Risk Takers in respect of other Group entities.

The HLAM Remuneration Committee also ensures that the Remuneration Policy complies with the MIFIDPRU Remuneration Code, in a manner that is proportionate to the size, complexity and nature of HLAM's business activities.

Both Remuneration Committees are governed by formal Terms of Reference, which are reviewed annually and are comprised of at least three independent non-executive directors. Five scheduled meetings were held during the Disclosure Period and additional ad hoc meetings where required. None of the Remuneration Committee members has any personal financial interest or conflicts of interests arising from cross-directorships or day-to-day involvement in running the business. No director was involved in decisions regarding the determination of their own remuneration.

6.3 Advice to the Remuneration Committee

The Remuneration Committee receives independent advice from Deloitte LLP, a signatory to the Remuneration Consultants Group's Code of Conduct for the provision of independent remuneration advice, and throughout the year has been advised by them. Further legal advice was provided during the transaction from Freshfields and Fenchurch Street.

6.4 Remuneration Policy

The Remuneration Policy is designed to ensure that remuneration supports the Group's strategic objectives adopted by HLAM, is appropriately positioned against the external market, and provides fair rewards that will attract, retain, and motivate individuals of the highest calibre required to run an organisation of the scale and complexity of HLAM and the Group.

Remuneration packages are comprised of the following elements:

Fixed remuneration:

- Base salary – reflects the individual's responsibilities, experience and contribution;
- Pension – provides adequate pension saving arrangements for directors and employees;
- Benefits – an 'across the board' benefits package is available to support the wellbeing of employees and provide flexibility to suit a diverse workforce.

Variable remuneration:

- Annual Discretionary Bonus Scheme (**ADBS**) – rewards achievement of the Group's business plan adopted by HLAM, key performance indicators and an individual's personal contribution; and
- Sustained Performance Plan (**SPP**) – long term incentive plan which enables the Group to reward executive directors, ExCo members and certain other senior leaders, over the long-term. Grant of awards was subject to specific financial and non-financial performance underpins.

In addition to the above the remuneration policy also includes the ability to grant retention awards, guaranteed variable pay, buyouts, and severance payments in certain circumstances as considered appropriate. Any payment would be made in line with regulatory requirements.

6.5 Design of variable remuneration

HLAM rewards employees who deliver against its strategy and their personal objectives, and demonstrate behaviours aligned to the Group's values as adopted by HLAM. Employees' service contracts outline that individuals may be paid a discretionary bonus for each financial year and that bonus payments are discretionary and non-pensionable.

Individual performance is assessed against objectives and ratings are assigned by line managers based on delivery against objectives and behaviours against role level competency requirements aligned to our values. All colleagues have a people and culture objective and a foundations objective, the latter being supported by central guidance for expectations around risk management for certain categories of colleagues. Ratings descriptors are used to assist line managers in assessing performance and behaviours, and a ratings matrix is used to assign ratings. Calibration of ratings is undertaken by line managers to ensure fairness and consistency in their assessment of performance.

The overall size of aggregate bonus awards is determined by the Remuneration Committee and is calculated based on various business performance metrics and taking account of market rates of pay.

6.6 Annual Discretionary Bonus Scheme

The ADBS is designed to ensure participants are appropriately motivated to support HLAM and the Group in achieving their strategic goals. Executive directors and ExCo members (all of whom are HLAM MRTs) participate in the ADBS.

Performance is assessed against a combination of financial and non-financial metrics over the financial year.

In assessing the overall performance outcome, the Remuneration Committee will also use its judgement to consider:

- the extent to which market movements, investor sentiment, interest rates and regulation, have impacted performance;
- the extent to which management has operated within agreed risk parameters;
- the extent to which the bonus outcome reflects the overall performance of the business in the context of the investors and wider stakeholder experience; and
- the extent to which the outcome is appropriate in the context of unexpected or unforeseen circumstances relating to the Group.

Performance ratings are used to determine individual awards via a bonus award framework and line managers can apply discretion, within bonus range parameters, to take account of relative individual performance, available budget and peer relativity.

6.7 Summary of financial and non-financial performance criteria

Under the ADBS, the Group performance scorecard for the Disclosure Period consists of the following financial and non-financial metrics comprising of 80% of the award:

	Measure	Weighting
Financial/Growth (56%)	Net New Business	16%
	Client Retention	8%
	Underlying Cost	16%
	Profit Before Tax (Statutory)	16%
Non Financial (24%)	Client Service NPS	8%
	ESG - Colleague engagement	8%
	ESG - Risk and Controls	8%

The remaining 20% is an assessment of individual performance (being 20% of the overall maximum outcome) includes assessment aligned to strategic priorities, including 'Responsible & Resilient Business' and 'Great People, Capability & Culture'. The requirements of these depending on their role and responsibilities.

6.8 Risk Adjustment

Risk adjustment is any downward adjustment (collective or individual) made to variable remuneration. This includes any variable remuneration plans that may operate from time to time. The GCRO, with input from the Group Risk and Compliance functions, reviews all types of current and future risks, and assesses if there are any risk factors or events that should reduce aggregate and/or individual variable remuneration awards payable. This is submitted to the Remuneration Committee as part of the assessment process. Variable remuneration will be materially affected if there is a failure to meet either corporate or individual standards and expectations either in whole or part, with the possibility to award zero variable remuneration, should the Remuneration Committee consider it appropriate.

The Remuneration Committee can defer a decision to award variable remuneration or award and suspend payment of variable remuneration or suspend vesting of variable remuneration of any

individual in scope of an investigation into their conduct or responsibility, accountability or knowledge and/or influence over any material risk event identified during or after the performance year.

All bonus schemes and long-term incentive plans are also subject to malus and clawback provisions as appropriate. The triggers that apply to malus and clawback under all incentive plans are as follows:

- there is reasonable evidence of employee misconduct or material error;
- a material misstatement of the financial results of any Group company or its funds;
- a material failure of risk management in any Group company or a relevant business unit;
- serious reputational damage to any Group company or a relevant business unit attributable to the conduct of, or an act of omission by, the participant or an employee for which the participant is or was responsible;
- a failure by the participant to identify any serious risks relating to any relevant business unit in which the participant works or worked or for which the participant is responsible;
- a failure by the participant to implement appropriate controls for any serious risk relating to any relevant business unit in which the participant works or worked or for which the participant is responsible;
- a case of fraud or other conduct with intent or severe negligence which led to significant losses;
- corporate failure or significant downturn in financial performance suffered by any Group company or relevant business unit;
- participation or responsibility for conduct which resulted in significant losses in any Group company or relevant business unit;
- a failure by the participant to meet standards of fitness and propriety; or
- an error in calculating any participant's award.

6.9 Sustained Performance Plan

The SPP has been operated annually, for the benefit of employees. Awards under the SPP have been made to executive directors, ExCo members and certain MRTs. The final SPP grant will take place in September 2025, based on Group and personal performance during the 2025 financial year.

Under the SPP, awards are made at the discretion of the Remuneration Committee and are limited to a maximum of 50% of base salary. The awards vest over a three-year performance period, subject to achievement of underpinning performance conditions and are then subject to a 6-month retention period for MRTs.

Awards granted under the SPP in respect of this Disclosure Period are subject to the following underpinning performance conditions:

- A pre-grant assessment of performance for Financial Year 25; and
- A sound capital base at the point of payment.

6.11 Guaranteed variable remuneration

In line with regulatory requirements and guidance, all non-standard forms of variable remuneration when awarded to HLAM's MRTs, are subject to malus and clawback provisions, deferral, payments in instruments and retention policy requirements. Under the MIFIDPRU Remuneration Code, they are also included in the variable component of pay for the purposes of determining the variable to fixed remuneration ratios for the performance period in which the award is made.

Guaranteed variable pay is not awarded to an MRT unless it occurs in the context of hiring, is limited to the first year of service and where HLAM has a strong capital base. Guaranteed variable pay will only be awarded rarely and not as common practice.

6.12 Severance payments

Severance payments are to be made on an exceptional basis and are not a common form of remuneration upon leaving HLAM. Severance payments must not provide a disproportionate reward and instead must reflect appropriate compensation for the early termination of the contract. The following criteria may be taken into account for the purposes of determining the amount of a severance payment:

- the reasons for the early cessation of employment;
- the length of an individual's service with HLAM and the Group;
- the individual's performance over time; and
- the seniority of the individual's role within HLAM and the Group.

For MRTs, any payments relating to the early termination of an employment contract reflects the individual's performance over time and does not reward failure or misconduct.

6.13 Material risk taker identification

MRTs are those staff members whose professional activities have a material impact on the risk profile of the Group and/or its relevant regulated entities, or the assets they manage.

The MRT population is identified in accordance with the MIFIDPRU Remuneration Code which establishes qualitative criteria to identify categories of staff whose professional activities have a material impact on the firm's risk profile. These categories broadly include Board members, senior management, senior control function staff and other key risk takers. This also includes an additional test specifically relating to our own risks covering senior leaders who have material decision-making or risk responsibilities or those with the potential to cause significant harm to the firm.

6.14 Deferral and vesting

For the Disclosure Period, the deferral and vesting policy is as follows for HLAM MRTs:

- If variable remuneration greater than or equal to £500,000, 60% of total bonus is deferred.
- If total variable compensation less than £500,000, at least 40% of total bonus is deferred.
- Awards are deferred over three years with vesting in annual tranches and subject to an additional post vesting holding period of six months.
- In line with the Group's internal de minimis approach adopted by HLAM, if the variable pay for any MRT is less than or equal to one-third of total remuneration, and less than or equal to £167,000, bonus awards are paid fully in cash.

For 2025, bonus will be deferred into cash instruments, vesting pro-rata over a period of three years. These awards are not subject to any further performance conditions other than continued employment within the Group.

The deferral time horizons align with regulatory requirements and are in line with HLAM's long-term interests.

6.15 Quantitative remuneration information

Table 1 - Total amount of remuneration awarded to MRTs and all staff

	Senior Management £m	Other MRTs £m	Other Staff £m	Total (All Staff) £m
Fixed Remuneration	3.65	5.82	100.66	110.12
Variable Remuneration	4.92	2.22	16.89	24.03
Total Remuneration	8.57	8.04	117.55	134.15

For the 2025 performance year, 37 individuals were identified as MRTs.

Table 2 - Total amount of guaranteed variable remuneration and severance pay awarded to MRTs

	Senior Management	Other MRTs	Total
Guaranteed variable remuneration awards			
Guaranteed variable remuneration awards - Number of MRTs	-	-	-
Guaranteed variable remuneration awards -Total amount (£m)	-	-	-
Severance payments awarded during the financial year			
Severance payments awarded during the financial year - Number of MRTs	1	-	1
Severance payments awarded during the financial year - Total amount (£m)	0.49	-	0.49
The amount of the highest severance payment awarded to an individual MRT (£m)	0.49	-	0.49

Table 3 - The amounts and forms of variable remuneration awarded to MRTs

	Senior Management	Other MRTs	Total
Number of MRTs	8	29	37
Total Variable Remuneration (£m)			
Of which: cash-based			
Of which: non-deferred	2.51	1.74	4.25
Of which: deferred	2.41	0.48	2.89
Of which: shares			
Of which: non-deferred	-	-	-
Of which: deferred	-	-	-
Of which: share-linked instruments or equivalent non-cash instruments			
Of which: non-deferred	-	-	-
Of which: deferred	-	-	-
Of which: other forms of remuneration			
Of which: non-deferred	-	-	-
Of which: deferred	-	-	-

Table 4 - Information on whether the firm uses the exemption for individuals in Senior Management Arrangements, Systems and Controls (SYSC) 19G.5.9R

Certain employees may be exempt from the MIFIDPRU Remuneration Code requirements on deferral, payment in instruments and retention periods based on their individual level of earnings. The table below outlines the provisions set out in the de minimis approach and as detailed in section 6.14 in which the firm relies on the exemption⁴.

	Senior Management	Other MRTs	Total
Shares, instruments and alternative arrangements			
Number of MRTs who benefit from exemption	-	11	11
Retention Policy			
Number of MRTs who benefit from exemption	-	11	11
Deferral			
Number of MRTs who benefit from exemption	-	11	11
Discretionary pension benefits			
Number of MRTs who benefit from exemption	-	11	11
Total remuneration of MRTs who benefit from an exemption (£m)			
Fixed Remuneration	-	2.67	2.67

⁴ Where an MRT's annual variable remuneration does not exceed £167,000 and does not represent more than one-third of total annual remuneration.

Variable Remuneration	-	0.98	0.98
Total	-	3.65	3.65

Table 5 - The amount of deferred remuneration awarded to MRTs

	Senior Management £m	Other MRTs £m	Total £m
Amount of deferred remuneration awarded for previous performance periods			
Of which: due to vest in the financial year in which the disclosure is made	2.00	2.31	4.31
Of which: due to vest in subsequent years	10.11	3.36	13.47
Amount of deferred remuneration due to vest in the financial year in respect of which the disclosure is made			
Of which: is or will be paid out	2.00	2.31	4.31
Of which: the amount was due to vest but has been withheld as a result of performance adjustment	-	-	-

Forward-looking Statements

IMPORTANT NOTICES

This document comprises regulatory disclosures related to MIFIDPRU for the year ended 30 June 2025 for Hargreaves Lansdown Asset Management Limited (the "Company").

It contains certain forward-looking statements with respect to the financial condition and the results of the Company, including statements about the Company's beliefs and expectations and including, without limitation, statements containing the words 'may', 'will', 'should', 'continue', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates', and words of similar meaning, are forward-looking statements. These statements are based on plans, estimates and projections as at the time they are made, and therefore undue reliance should not be placed on them. By their nature, all forward-looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. The forward-looking statements are based on current assumptions and estimates by the management of the Company. Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future. Such statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements. These risks may include, for example, changes in the global economic situation. The Company provides no guarantee that future development and future results actually achieved will correspond to the forward-looking statements included here and accepts no liability if they should fail to do so. Neither the Company nor any member of its group undertakes any obligation to update these forward-looking statements, which speak only as at the date of this document and will not publicly release any revisions that may be made to these forward-looking statements, which may result from events or circumstances arising after the date of this document, except as required under applicable laws and regulations. Nothing in this document constitutes, nor should it be construed as, a profit forecast or estimate.

The contents of any website references in this document do not form part of this document.

7 Glossary of abbreviations and definitions

Abbreviation	Definition
ADBS	Annual Discretionary Bonus Scheme
Board	Hargreaves Lansdown Asset Management Limited Board
BRC	Board Risk Committee
CASS	FCA Client Assets sourcebook
CET1	Common equity tier 1 capital
CiC	Change in Control
COBIT	Control Objectives for Information and Related Technologies
COSO	Committee of Sponsoring Organizations
Disclosure	Disclosure required under MIFIDPRU 8
Disclosure Period	July 2024 - June 2025
ERC	Executive Risk Committee
ERMF	Enterprise Risk Management Framework
ESG	Environmental, social, and governance
ExCo	Group Executive Committee
FCA	Financial Conduct Authority
FOR	Fixed overheads requirement
GCRO	Group Chief Risk Officer
Group	Hargreaves Lansdown Group Limited
HL Ltd	Hargreaves Lansdown Limited
HLAM or the Firm	Hargreaves Lansdown Asset Management Limited
HLGL	Hargreaves Lansdown Group Limited
ICARA	Internal Capital Adequacy and Risk Assessment
INEDs	Independent Non-Executive Directors
ISO	International Organization for Standardization
K-ASA	K factor requirement based on assets safeguarded and administered
K-AUM	K factor requirement based on assets under management
K-CMG	K factor requirement based on clearing margin given
K-CMH	K factor requirement based on client money held
K-COH	K factor requirement based on client orders handled
K-CON	K factor requirement based on concentration risk
K-DTF	K factor requirement based on daily trading flow
KFR	Total K-factor requirement
K-NPR	K Factor requirement based on net position risk
K-TCD	K factor requirement based on trading counterparty default
MEP	Management Equity Plan
MIFIDPRU	FCA Prudential sourcebook for MIFID investment firms
MRT/MRTs	Material risk taker(s)
NPS	Net Promoter Score
OFAR	Own Funds Adequacy Rule
PMR	Permanent minimum capital requirement
SPP	Sustained Performance Plan
SYSC	Senior Management Arrangements, Systems and Controls