

Hargreaves Lansdown plc

Unaudited interim results for the
6 months ended 31 December 2013



Forward-looking statements

These presentation slides contain forward-looking statements and forecasts with respect to the financial condition and the results of Hargreaves Lansdown plc.

These statements are forecasts involving risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future.

There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this presentation should be construed as a profit forecast.

Nothing in this presentation should be seen as a promotion or solicitation to buy Hargreaves Lansdown plc shares. It should be remembered that the value of shares can fall as well as rise and therefore you could get back less than you invested.

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Tracey Taylor, CFO

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Ian Gorham, CEO

Appendices

Tracey Taylor, CFO

Highlights

Financial results

H1 2014 highlights

CONTINUED GROWTH DESPITE INTEREST HEADWIND

- Pre-tax profits up 11%, EPS up 13%
- 11% increase to interim dividend at 7.0p per share

IMPROVED TRADING CONDITIONS VS H1 2013

EXCELLENT BUSINESS VOLUMES

- More transfer business, more clients investing new money
- Increase in dealing volume (share dealing volumes +72%, funds +32%)

SUBSTANTIAL ORGANIC GROWTH

- 584,000 active clients, 77,000 new clients (H1 2013: 21,000)
- £2.80bn of assets gathered (H1 2013: £1.65bn)
- Record AUA of £43.4bn

Revenue

+13%

(£158.4m vs. £140.3m)

Operating profit

+12%

(£103.2 vs. £92.1m)

Operating margin

-0.4pts

(65.2% vs. 65.6%)

AUA

+43%

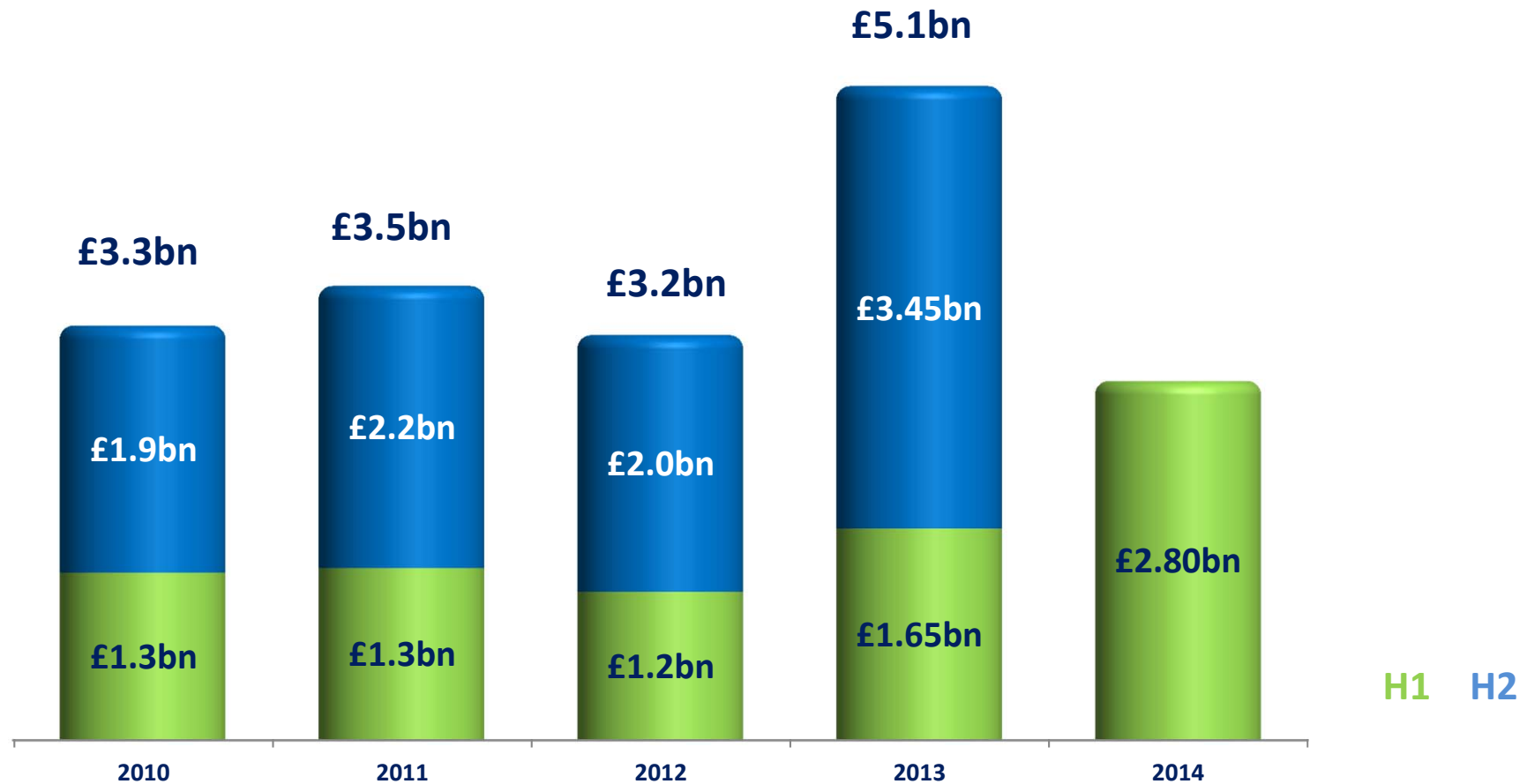
(£43.4bn vs. H1 2013
£30.4bn)

FTSE All-Share

+9.7%








(H1 2013: +7%)

£2.8bn net new inflows



Net new business inflows FY 2010 to H1 2014 (£ billion), first vs. second half

H1 2014 financial headlines

		H1 2014	H1 2013	FY 2013
Revenue		£158.4m	£140.3m	£292.4m
Net revenue *		£142.2m	£131.3m	£269.2m
Operating profit		£103.2m	£92.1m	£192.5m
Profit before tax		£104.1m	£93.7m	£195.2m
Effective tax rate		22.6%	23.9%	23.7%
EPS (diluted)		17.0p	15.0p	31.4p
Dividend per share		7.0p	6.3p	29.59p







13% increase to earnings

**Interest income
headwind, no cost offset**

**Interim dividend up 11%
to 7.0p**

New 'net revenue' KPI

Net revenue

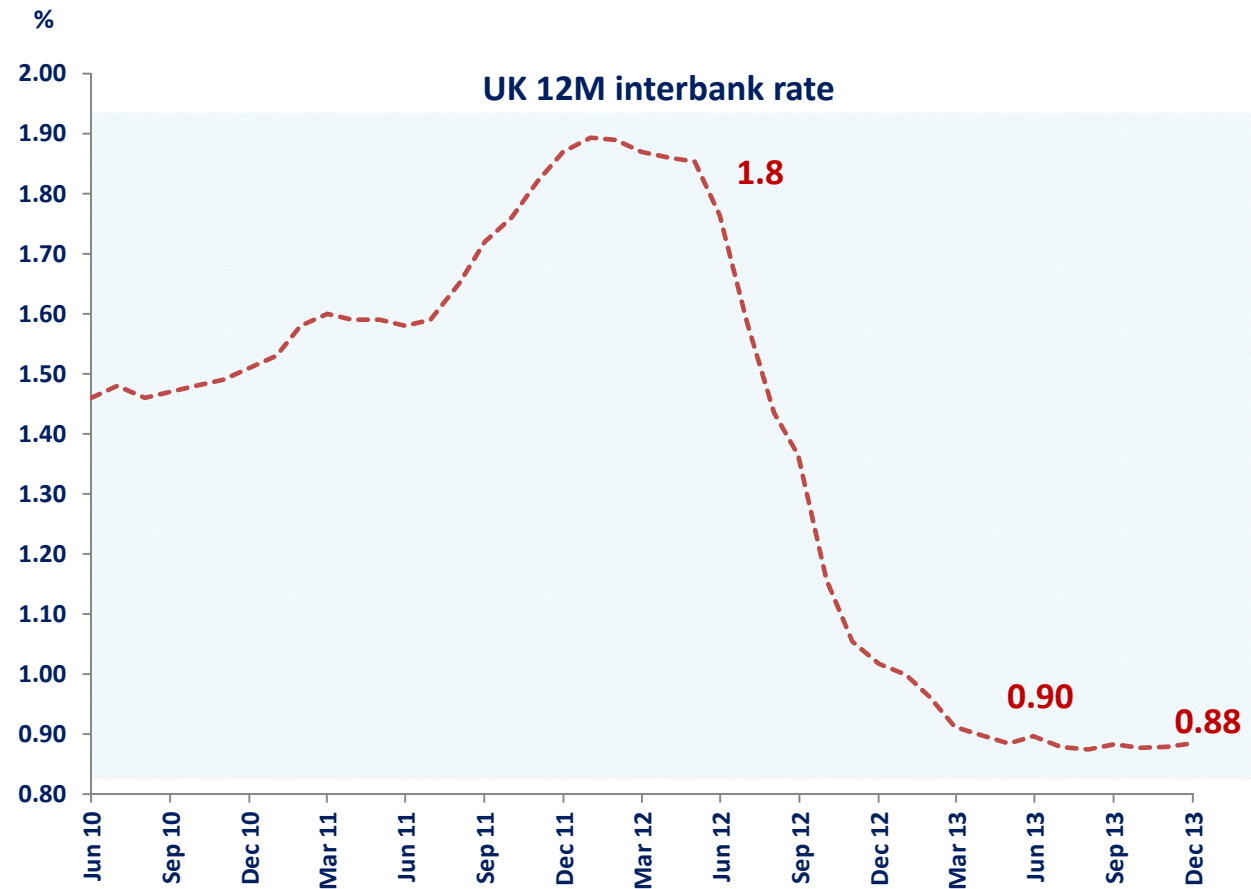
		H1 2014	H1 2013	
Other income		£2.9m	£3.3m	Share dealing volumes up 72% Ave. level of AUA + 41% As expected, significant reduction to interest income
Transactional income – incl. dealing commission, advice fees		£30.2m	£22.7m	
Recurring revenue – fees, interest, renewal income		£125.3m	£114.3m	
Total revenue		£158.4m	£140.3m	
Commission payable		£16.2m	£9.0m	SIPP loyalty bonus from 1.1.13
Net revenue		£142.2m	£131.3m	

FY 2014 headwind from lower interest rates

Lower term and overnight deposit rates

Clients reduced cash weighting (Cash = c.8% of AUA, June 2013: 10%)

Reduced H1 2014 income by c£17m, reduction to interest income margin in H2 2014



Growth and scale

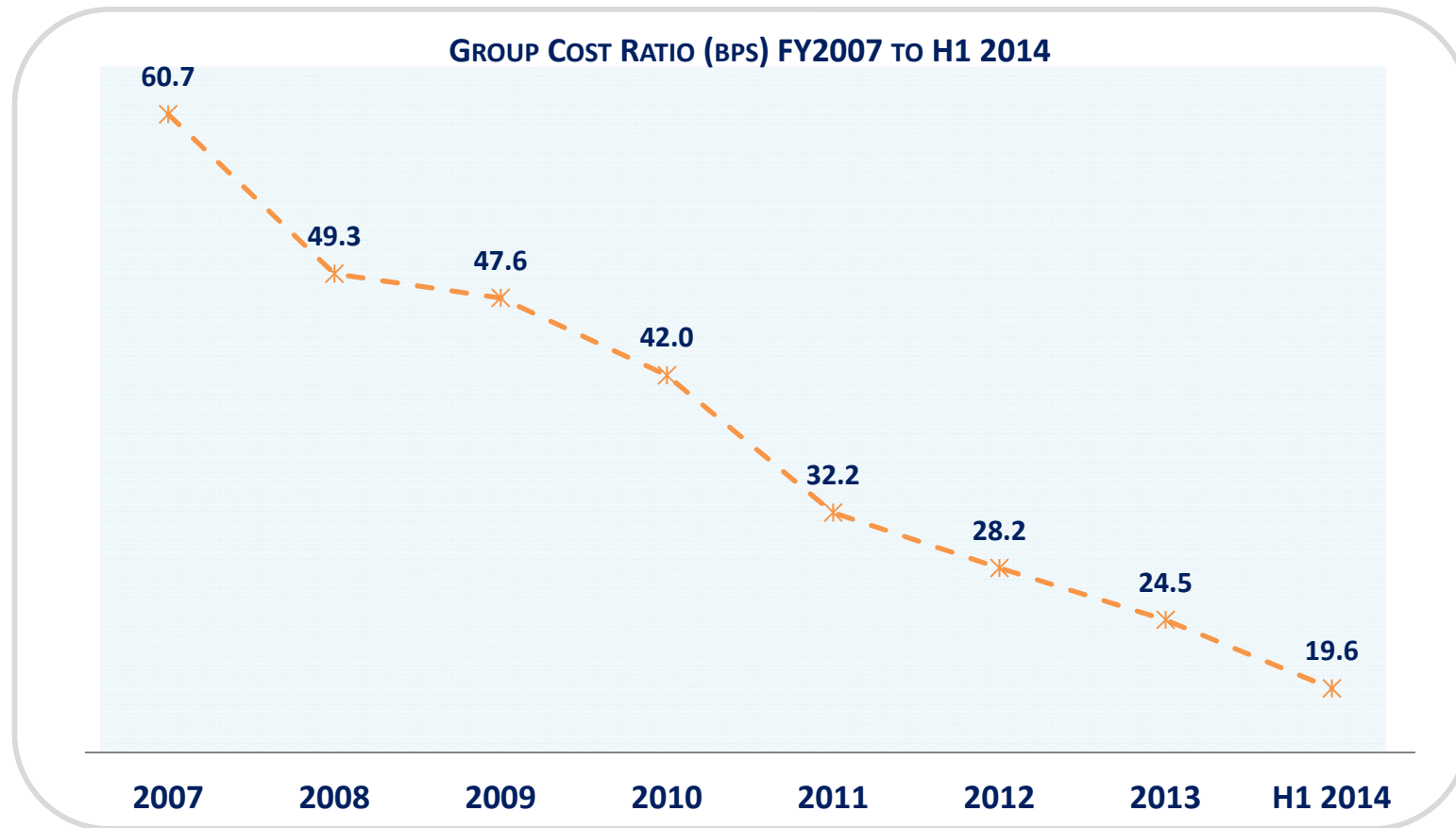
Lower interest rates + SIPP loyalty bonus (from 1.1.13) have contributed to a reduced Vantage net revenue margin this year



Historically the **combined** effect of **growth in AUA** and benefits of **increased scale** has more than offset reductions to net income margin and **driven growth in profit**.

	Vantage net revenue margin	Group net revenue margin	Total AUA	Group cost ratio improvement
FY 2007 *	60bps	111bps	£10.2bn	60.7bps
H1 2014	56bps	70bps	£43.4bn	19.6bps
Change	-7%	-37%	+325%	+68%

The cost ratio continues to improve



Clear and consistent focus on simplicity and on operating efficiency

Investing in client experience and convenience to make our platform even better

Staff costs

		H1 2014	H1 2013	FY 2013
Staff costs	+5%	£25.6m	£24.4m	£50.3m
No of staff at end of period	+8%	790	729	741
Ave. no of staff (FTE)	+8.5%	752	693	728

WHY HAVE STAFF NUMBERS INCREASED?

Increase in
headcount vs June
2013

Increase in volumes / seasonal staff **+35**

IT, development and testing **+8**

Continued cost control

8% GROWTH IN NET REVENUE, NO INCREASE TO OPERATING COSTS

		H1 2014	H1 2013
Commission payable (loyalty bonus)	+80%	£16.2m	£9.0m
Other operating costs	-0.5%	£39.0m	£39.2m
Comprising:			
Staff costs	+5%	£25.6m	£24.4m
Marketing and distribution spend	-20%	£4.5m	£5.6m
FSCS levy	-100%	-	£1.2m
Other non staff costs	+11%	£8.9m	£8.0m
	-0.5%	£39.0m	£39.2m

- Loyalty bonus increases with value of investment funds in Vantage AUA (+37% ave.)
- New **SIPP loyalty bonus** from 1.1.13 (£4.3m H1 2014, £nil H1 2013)
- FSCS expected net cost c.£1m in H2 2014

Divisional results

	Revenue	Operating profit
H1 2013	£140.3m	£92.1m
Vantage	+£13.3m	+£6.5m
Discretionary & Managed	+£6.4m	+£5.4m
Third party & Other services	-£1.6m	-£0.8m
H1 2014	£158.4m	£103.2m

See Appendices for breakdown of divisional revenues

Vantage

£17M INTEREST INCOME HEADWIND

IMPROVED COST RATIO

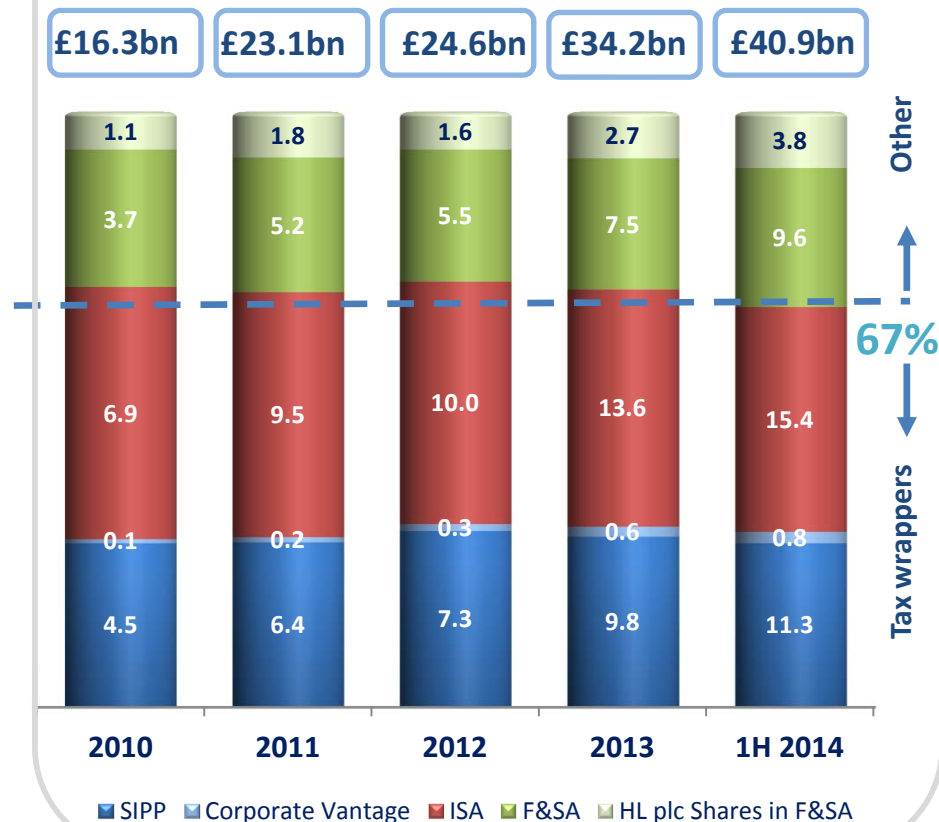
SUBSTANTIAL ORGANIC GROWTH IN AUA

KPIs

		H1 2014	H1 2013	FY 2013
Revenue	+12%	£123.3m	£109.9m	£227.2m
Ave. net revenue margin (net of loyalty bonus)	-18bps	56bps	74bps	68bps
Operating profit margin	-2pts	64.9%	66.9%	66.1%
Average cost ratio (on AUA, excl loyalty bonus)	-6bps	15bps	21bps	18bps
No. of active Vantage clients ('000)	+29%	576	446	500
Vantage net new business inflows	+69%	£2.60bn	£1.54bn	£4.8bn
Market movement		£4.1bn	£2.3bn	£4.7bn
Vantage AUA at end of period	+44%	£40.9bn	£28.5bn	£34.2bn
Total Platform AUA* at end of period	+43%	£43.4bn	£30.4bn	£36.3bn

£40.9bn Vantage AUA

VANTAGE AUA (£BN)



ASSET CATEGORY

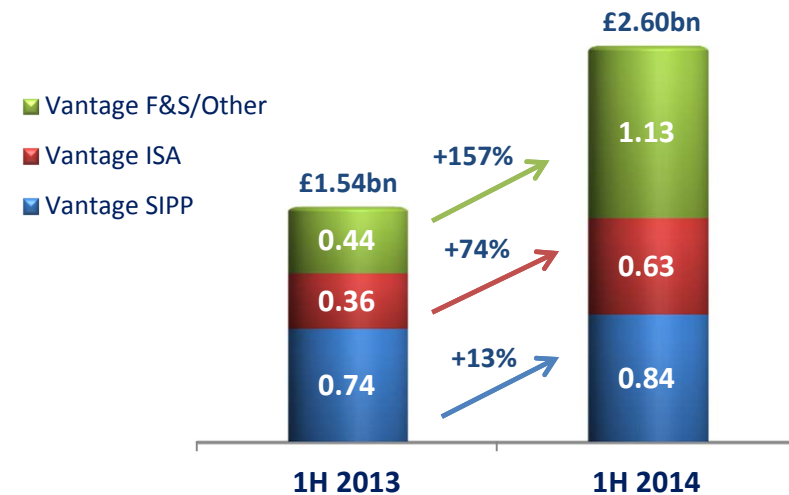
54% of Vantage AUA held in investment funds

38% stocks and shares

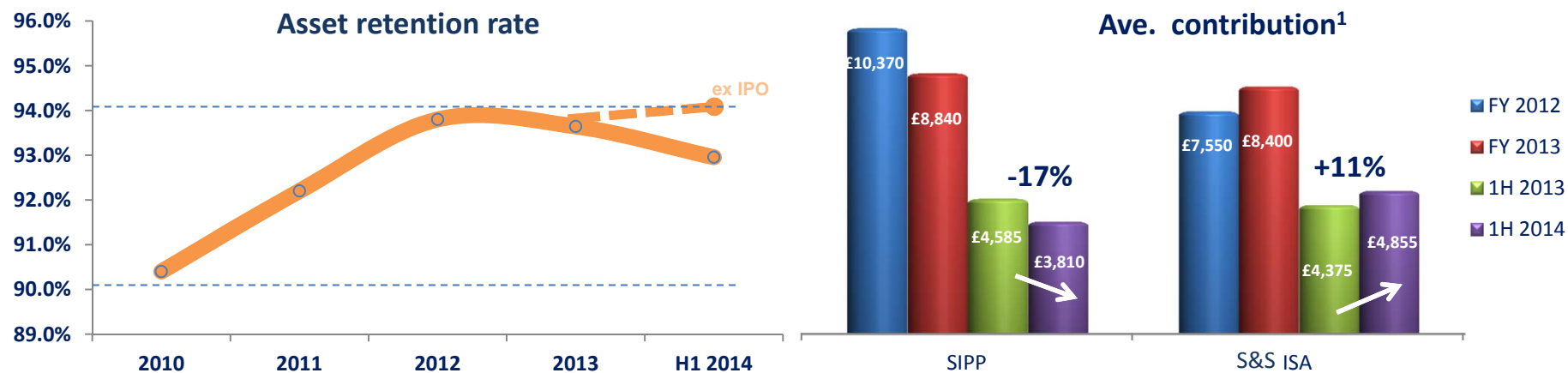
8% cash

(At 30 June 2013: 56%, 34%, 10% respectively)

NET NEW BUSINESS (£BN)



£2.60bn Vantage net new business (+69%)



Improvement in investor **confidence**,
better investment market conditions

1.1.13 introduction of **SIPP Loyalty Bonus**

Availability of **in-specie transfers**

RDR1 changes in the advised market

Increase in the number of clients
contributing **new monies** (SIPP +24%, ISA
+77%)

8% increase to regular contributions
run rate vs June 2013. Run rate £323m

Increased **transfers-in** to Vantage
(£1.65bn gross, H1 2013: £1.35bn)

15% increase in the number of
Vantage clients (+76,500)

IPO activity – added c32,000 net new
clients and c£150M of net new
business

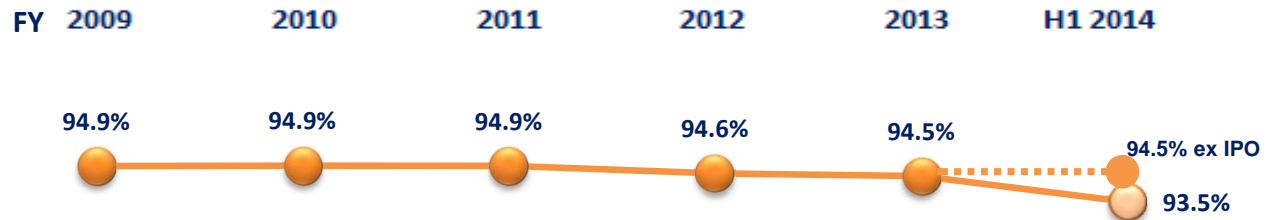
Households are still facing
financial challenges

Very high client (94.5%) and
asset (94.2%) retention
rates, ex IPO

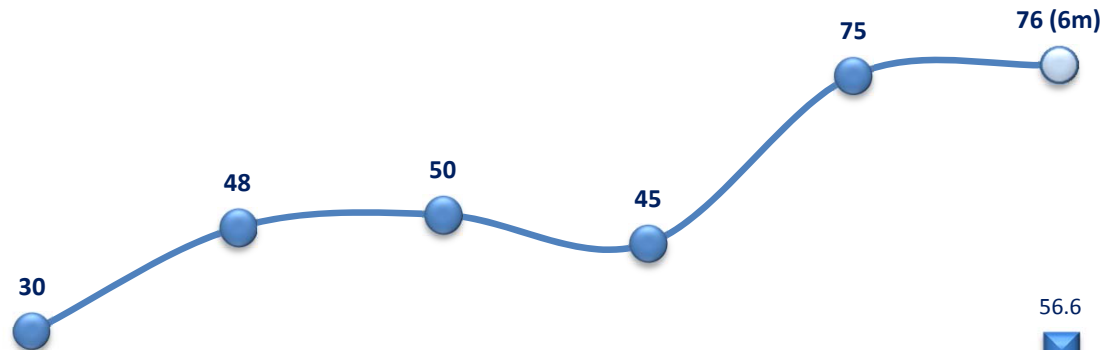
¹ Average contribution for those clients who have contributed during the year, includes both member and employer contributions includes SIPP tax relief

Substantial increase in net new clients

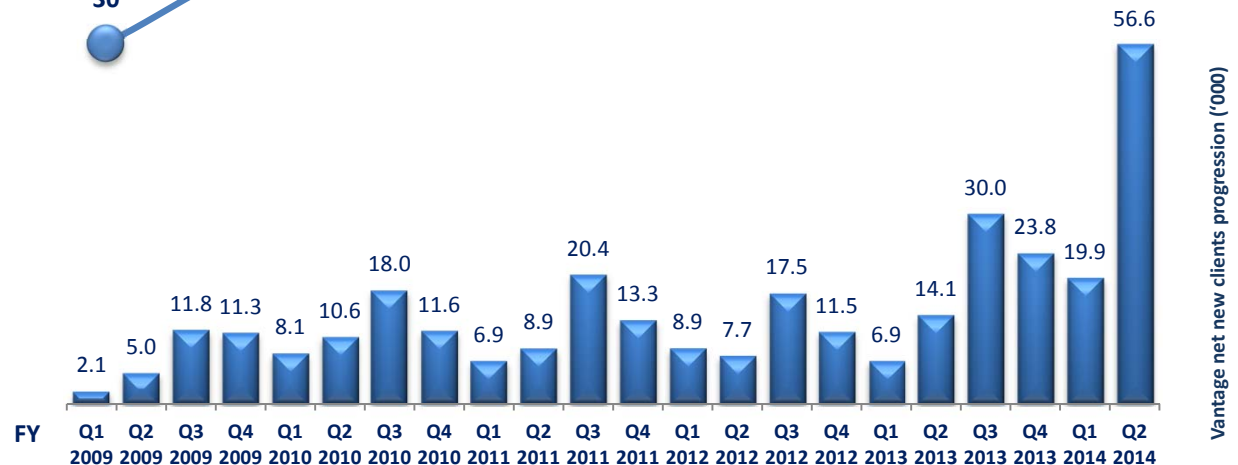
Client retention



76,000 net new Vantage clients ('000)



15% increase in no. of Vantage clients



Discretionary and managed

INCREASED AVE. NUMBER OF ADVISERS FROM 77 TO 92

INCREASED LEVELS OF NEW BUSINESS INFLOWS

KPIs		H1 2014	H1 2013	FY 2013
Revenue	+42%	£21.8m	£15.4m	£34.1m
Net revenue margin	-2bps	1.16%	1.18%	1.18%
Operating profit margin	+5.4pts	71.2%	65.8%	67.8%
No. of PMS clients ('000)	+16%	14.5	12.5	13.4
No. of advisers at period end	+15%	93	81	92
Discretionary AUM at period end	+47%	£4.06bn	£2.76bn	£3.35bn
Of which, PMS AUM	+37%	£2.49bn	£1.82bn	£2.13bn
Net new business inflows	+153%	£431m	£170m	£495m

Third Party/Other Services

EXPECT TO SEE GROWTH IN DEVELOPING BUSINESSES + THIRD PARTY PENSIONS DECLINE IN FAVOUR OF VANTAGE

ANNUITIES GENDER RULES DEC 2012, HIGH VOLUMES IN H1 2013

KPIs		H1 2014	H1 2013	FY 2013
Revenue	-11%	£13.4m	£15.0m	£31.1m
Operating profit margin	+1.2pts	57.4%	56.2%	61.4%
Funds Library revenue	-12%	£3.0m	£3.4m	£6.0m
HL Markets* revenue	+25%	£1.5m	£1.2m	£2.7m
HL annuities service revenue	-46%	£2.5m	£4.6m	£7.8m

* Relates to Currency, CFDs and Spreadbetting

Summary and outlook

Increase in H1 2014 earnings despite interest rate headwind

Client recruitment and excellent new business volumes

Outlook for H2 2014

- Lower interest rates
- End of tax year
- Implement recently announced new RDR pricing w.e.f. March 2014

Ian Gorham, CEO

Results comment

Strategy update

Regulatory update

Comments on results : clients

Net new clients
HY2014

77,000

Exclude Royal
Mail Only

(27,000)

Net new clients
HY2014 **ex RM**

50,000

Net new clients
HY2013 +

21,000

Net new clients
HY2012 +

16,000

Net new clients
HY2011

16,000

Total last 3 years H1
combined

53,000

New Clients

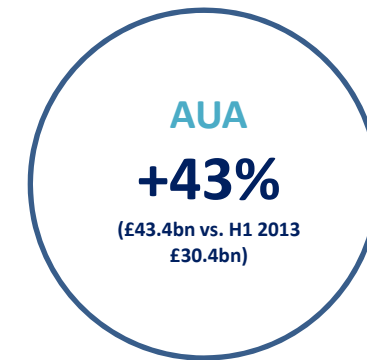
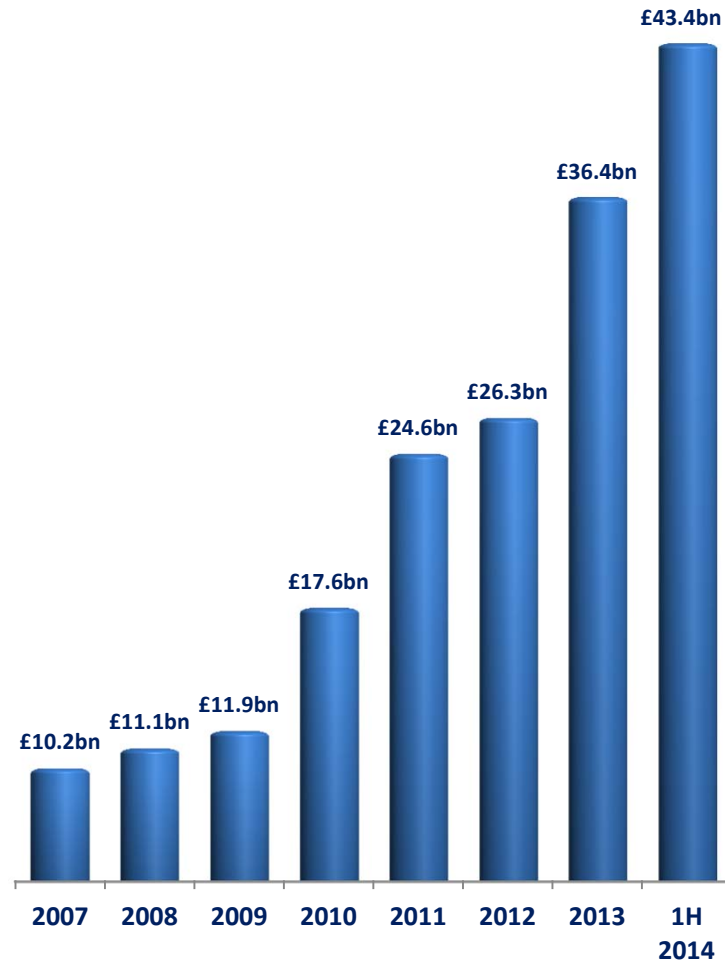
+267%

(77,000 vs. H1 2013
21,000)

Why?

- Client recommendation
- Digital media, mobile
- Pre-eminence of distribution
- **Royal Mail**
- Excellent client retention (93.5%)
- Markets up

Comments on results : Assets



Why?

- Market +9.7%
- Increased inward transfers + 18.7%
- Client recommendation
- Digital media, mobile
- Pre-eminence of distribution
- Excellent client retention (93.5%)

Interest Rate Drag

Operating
profit

+12%

(£103.2m vs. £92.1m)

AUA

+43%

(£43.4bn vs. H1 2013
£30.4bn)

New Clients

+267%

(77,000 vs. H1 2013
21,000)

Interest Rates

Group strategy : a reminder



Beneficial demographic trends

A growing need to **save earlier, and for longer**

A need to take **more personal responsibility**

Trend away from advice **towards self-directed investing**

Growth of the “defined contribution” generation

More post retirement options eg. income drawdown

Auto-enrolment : Compulsion & increased awareness

Strategy update

3 KEY INITIATIVES



**Investment
Supermarket**

**“The best place in the UK to buy
any investment directly”**



Digital

**Harness electronic channels to
encourage investing with Hargreaves
Lansdown**



**The Pensions
Opportunity**

**Providing the UK public with better
pensions options**

The Wealth 150+ initiative

Post RDR fund management units

- Seeking best deal for our clients
- Whilst remaining independent



The Exercise:

Fund management companies approached: **222**

Respondents (by AUM on Vantage): **89%**



The Result:

W150 funds – better deal than standard: **68%**

The Wealth 150+

- ✓ Choices will be based on potential for **Highest Total Return** to clients

W150 AMC : 0.65%

Standard: 0.76%

Discount: 0.11%

W150+ AMC : 0.54%

Standard: 0.70%

Discount: 0.16%

- ✓ Wealth 150 remains **Dynamic** and **Investment Led**
- ✓ Wealth 150 will remain sole client facing brand

Market share

Direct platform market	32% (2013: 28%)
Stocks and Shares ISAs	Tax Year 2013/2012: 8.4% (Tax Year 2012/2011: 6.9%)
Junior ISA	Tax Year 2013/2012: 32%
UK XO stockbroking	Q4 2013: 22.1% (Q4 2012: 16.0%)
Share of UK net retail sales	Up to 26% in certain months
Top 5 investment platforms (of which HL is only direct platform)	73% of all retail sales

Digital strategy

Mobile apps



Mobile app downloads:

150,000+ to date

App visits:

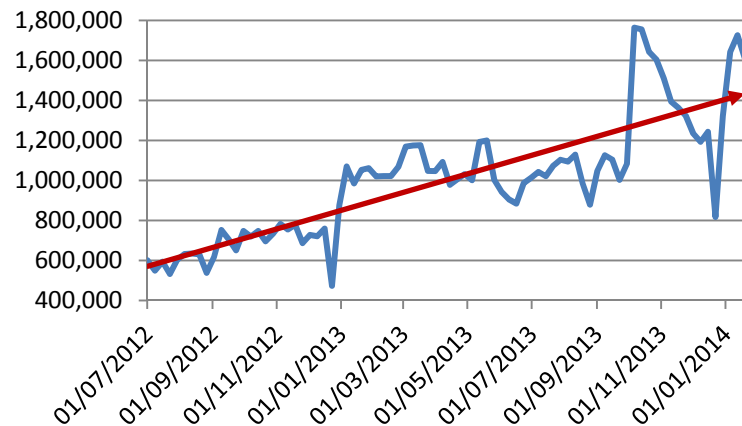
Up 93% y-o-y

App fund and share

deals: Up 125% y-o-y

HL.co.uk

Visits



iPad app



- More than 37,000 downloads
- 4½ star average app store rating
- Already 5% of daily online visits are via HL Live iPad app

Summary of digital progress





- Website visits **up 73%** year-on-year – significantly increasing online traffic share in market
- New Digital Client Acquisition team focused solely on generating new business from new clients
- Proportion of business transacted online by new and existing clients continues to increase

Corporate

Auto enrolment phasing in, affects all employers by Q1 2017. Potential for higher take up rates c.10% AE opt-out rates (DWP)

Also benefits from pricing

Corporate Vantage progress:

	<u>As at 31 Dec 2013</u>	<u>As at 30 June 2013</u>	% change	6 months increase in H1 2014	6 months increase in H1 2013
 Members*	34,704	25,889	+34%	8,815	7,454
 Schemes *	191	167	+14%	24	17
 Annual Premiums **	£133.4m	£109.9m	+21%	£23.5m	£38.0m
 AUA (CV, including legacy Group SIPP)	£793.7m	£618.5m	+28%	£175.2m	£151.1m

• Numbers relate to schemes either live or contracted. ** Only includes those annual premiums already being received.

Regulation - RDR: a recap

RDR 1 “Advice”

31/12/2012: (Already live)

Fee Based Advice
Qualifications
Independence
Transfers in stock

RDR 2 “Platforms”

From 06/04/2014

FCA PS13/01, as expected

Key to us:

1. *Better deals on funds*

Still up our “marketing sleeve”

2. *Our charging structure*

Announced

Client Fund Values	Charge
£0 - £250,000	0.45%
The next £250,000 to £1,000,000	0.25%
The next £1,000,000 to £2,000,000	0.10%
Over £2,000,000	0.00%

RDR delivery method and response

- Sent booklet to 580,000 clients
- Web information and calculators
- Contact so far less than expected: c. 3.5% of clients
- Expected **up to 20%**

Nature of feedback:

96.5%	No contact / seems reasonable
1.40%	Clarification / adjustment eg. “make me paperless please”
0.70%	How does it work? – collection, selling, loyalty, etc
0.70%	Investment Trusts
0.53%	Passives
<u>0.17%</u>	“Apprehensive” in some way
100%	

Where do we go from here

- Done the first difficult bit (communication)
- Implementation 1 March 2014
- Marketing: Big fund launches to come
- Keep under careful review
- One change made : revert Investment Trusts to old regime (circa £1.5m)

It's compelling for clients...

- **Save money** with the best discounts: “The Best Prices”
- Financially **secure** and **trusted** FTSE 100 firm
- Amazing award winning **service** and intuitive **useability**
- Vast **free expert research** and information
- Discounts and competitive fee tariff – **most people will pay less**
- **No fixed or account charges** if you're just starting out
- Bigger discounts if you have a **large account**
- **Seamless fee collection**
- We retain the best resources for **distribution and marketing**
- **Little disturbance** for existing clients

RDR - in summary

- **There will be short term noise; 580,000 clients have received booklets**
- **We have lowered the cost of investing**
- **80% of clients are better (or no worse) off**
- **Highly competitive**
- **Best funds at best prices launch to come**
- **Wait and see from here...**

Summary

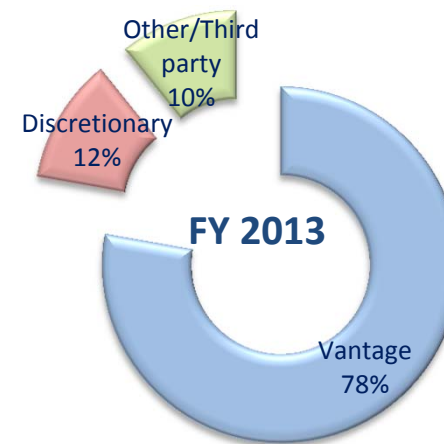
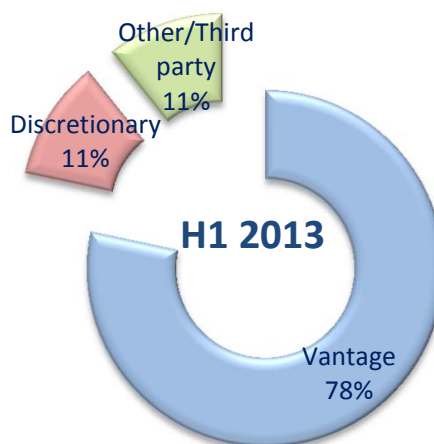
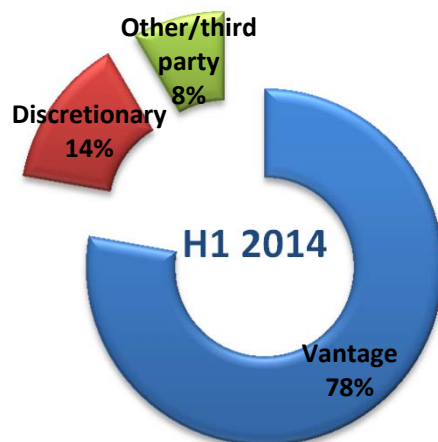
- **Strong** performance
- **Exceptional growth in assets and new clients**
- **Caution: Royal Mail** shows our strength but **exceptional**
- **Investment in strategic initiatives** = increased market share
- **Better economic outlook**
- **Low interest rates**
- Other **positive market fundamentals** remain
- Hard part of **RDR** communicated. Good **fund discounts** to come.
- Working hard – continuing to improve the business

Appendices

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Divisional Revenue



Revenue, by division

- Vantage	+12%
- Discretionary/Managed	+42%
- Third Party/Other	-11%

H1 2014

£123.3m
£21.8m
£13.4m
£158.4m

H1 2013

£109.9m
 £15.4m
 £15.0m
 £140.3m

FY 2013

£227.2m
 £34.1m
 £31.1m
 £292.4m

Divisional Revenue

Vantage Revenue

		H1 2014	H1 2013	FY 2013
Renewal income	+36%	£79.1m	£58.0m	£127.4m
Management fees	+32%	£6.2m	£4.7m	£10.1m
Interest receivable	-49%	£17.7m	£34.5m	£58.7m
Initial commission income	-25%	£0.3m	£0.4m	£0.9m
Stockbroking income	+71%	£18.3m	£10.7m	£26.6m
Advice and other charges	+6%	£1.7m	£1.6m	£3.5m
Total	+12%	£123.3m	£109.9m	£227.2m
% of Group revenue		78%	78%	78%

Discretionary and Managed Revenue

Renewal income	+29%	£0.9m	£0.7m	£1.4m
Ongoing advice fee	+39%	£4.3m	£3.1m	£6.9m
HL Multi Manager fund AMC	+40%	£13.7m	£9.8m	£21.4m
Advice charges	+86%	£2.6m	£1.4m	£3.7m
Interest receivable	-	£0.1m	£0.1m	£0.2m
Other	-	£0.2m	£0.2m	£0.5m
Total	+42%	£21.8m	£15.4m	£34.1m
% of Group revenue		14%	11%	12%

Third Party and Other Services Revenue

Corporate pensions	+8%	£2.6m	£2.4m	£7.4m
Investments	-11%	£2.4m	£2.7m	£5.0m
Personal life & pensions	-38%	£2.9m	£4.7m	£8.0m
Other services	+4%	£5.5m	£5.3m	£10.6m
Total (further breakdown on next page)	-11%	£13.4m	£15.0m	£31.1m
% of Group revenue		8%	11%	10%

Third Party & Other Services Revenue

Corporate Pensions Revenue				H1 2014	H1 2013	FY 2013	
Renewal income			+40%	£0.7m	£0.5m	£1.2m	
Initial income	- corporate annuities		+50%	£0.3m	£0.2m	£0.5m	
	- corporate pensions		-14%	£1.2m	£1.4m	£4.9m	
Advisory fees			+33%	£0.4m	£0.3m	£0.8m	
Total			+8%	£2.6m	£2.4m	£7.4m	
Investments Revenue							
Renewal income			-4%	£2.3m	£2.4m	£4.7m	
Initial income			-50%	£0.1m	£0.2m	£0.3m	
Total			-11%	£2.4m	£2.7m	£5.0m	
Personal Pensions Revenue							
Renewal income			+50%	£0.3m	£0.2m	£0.6m	
Initial income	- annuities		-50%	£2.2m	£4.4m	£7.3m	
	- pensions/other		+300%	£0.4m	£0.1m	£0.1m	
Total			-38%	£2.9m	£4.7m	£8.0m	
Other Services Revenue							
Stockbroking income			25%	£2.0m	£1.6m	£3.4m	
- <i>Certificated</i>	} HL Markets		+25%	£0.5m	£0.4m	£0.7m	
- <i>Currency services</i>			+25%	£1.0m	£0.8m	£1.8m	
- <i>CFD & Spreadbetting</i>			+25%	£0.5m	£0.4m	£0.9m	
Interest receivable			-50%	£0.1m	£0.2m	£0.5m	
Funds Library income			-12%	£3.0m	£3.4m	£6.0m	
Other/advice fees			+100%	£0.4m	-	£0.7m	
Total			+4%	£5.5m	£5.3m	£10.6m	
Total Third Party & Other Services Revenue				-11%	£13.4m	£15.0m	£31.1m

Costs

		H1 2014	H1 2013	FY 2013
Staff costs	+5%	£25.6m	£24.4m	£50.3m
Commission payable (loyalty bonus)	+80%	£16.2m	£9.0m	£23.2m
Marketing and distribution spend	-20%	£4.5m	£5.6m	£11.0m
Depreciation, amortisation & financial costs	-	£1.3m	£1.3m	£2.0m
Office running costs	-5%	£2.0m	£2.1m	£3.8m
Other costs	+22%	£5.6m	£4.6m	£10.1m
Total administrative expenses	+17%	£55.2m	£47.0m	£100.4m
Total FSCS levy costs	-100%	-	£1.2m	(£0.5m)
Total operating costs	+15%	£55.2m	£48.2m	£99.9m
Ave. no of staff (FTE)	+9%	752	693	728
No of staff at end of period (FTE)	+8%	790	729	741
% variable staff costs (discretionary bonus + share based payment)	-1.2pts	36.5%	39%	37.7%

Interim dividend up 11% to 7.0p

Interim ordinary dividend
Interim special dividend
Interim dividend payable 11th April

Total interim dividend – April 2014

Total final dividend

Total ordinary dividend

Total special dividend

Total dividend per share

H1 2014

Pence per share

7.0p

-

7.0p

£32.9m

% of PAT FY 2013

Pence per share

6.30p

-

6.30p

23.29p

65% 20.68p

28% 8.91p

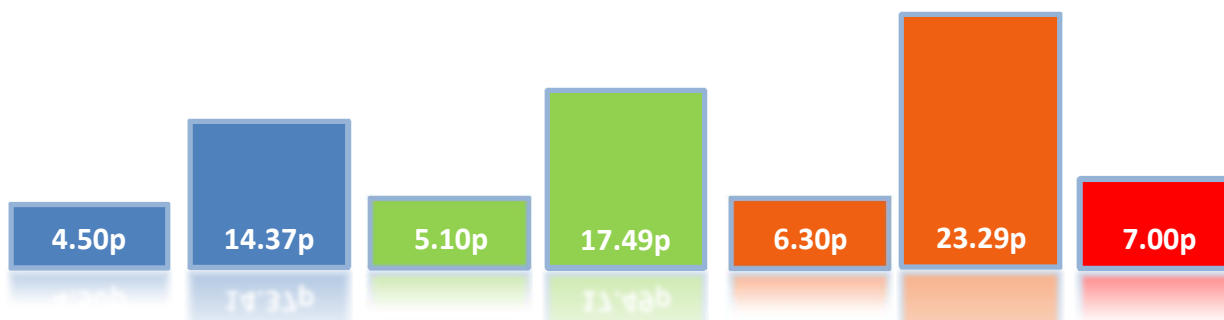
93% 29.59p

18.87p 22.59p 29.59p
2011 Interim 2011 Final 2012 Interim 2012 Final 2013 Interim 2013 Final 2014 Interim



DIVIDEND

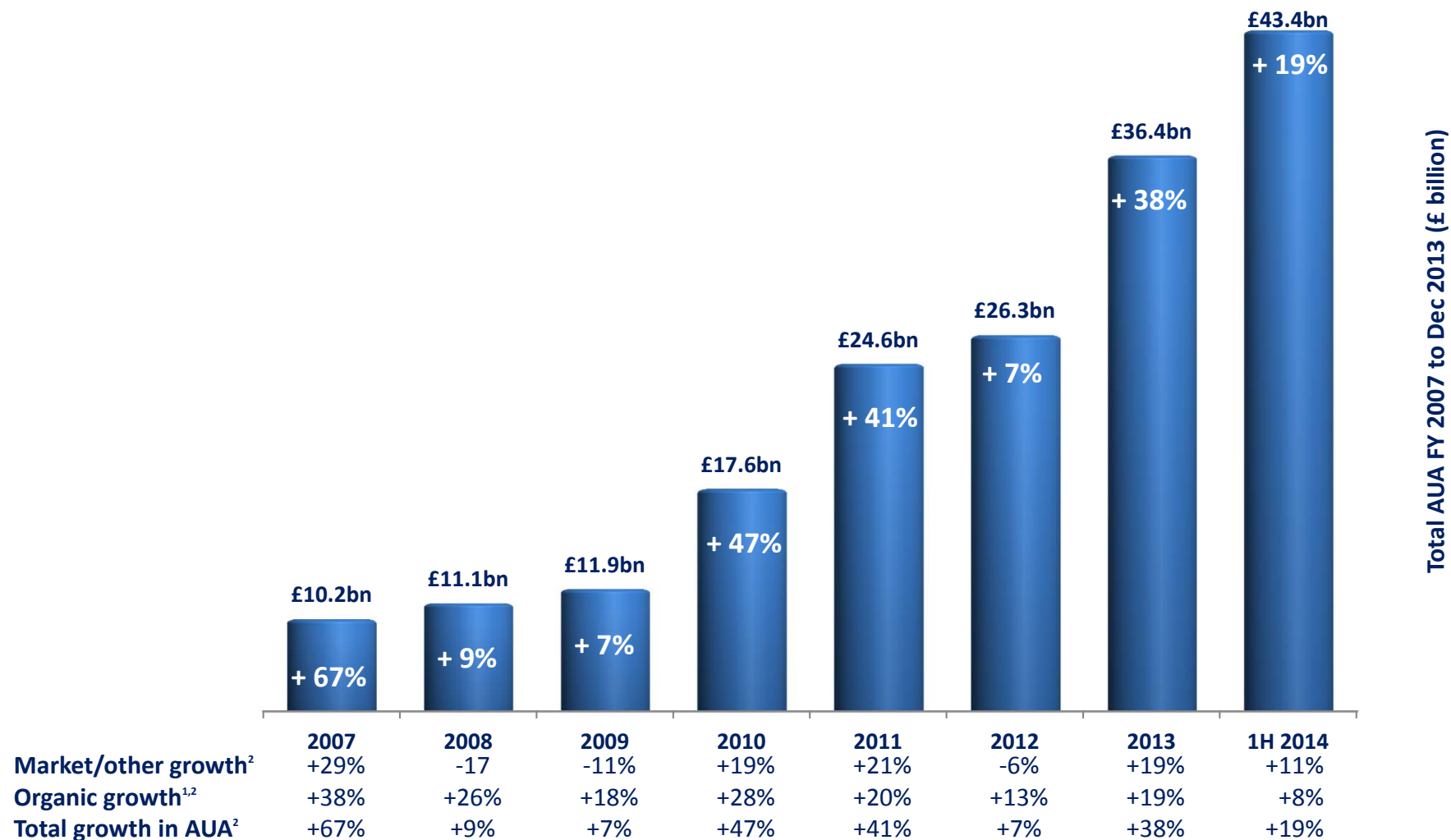
Interim and final dividend (p)



Assets under administration

	Vantage AUA	Discr. AUM	Less MM funds in Vantage	H1 2014	H1 2013	FY 2013
	£bn	£bn	£bn	£bn	£bn	£bn
AUA at start of period	34.2	3.3	(1.2)	36.4	26.3	26.3
Net new business inflows	2.6	0.4	(0.2)	2.8	1.6	5.1
Market movement	4.1	0.3	(0.1)	4.2	2.5	4.9
AUA at end of period	40.9	4.0	(1.5)	43.4	30.4	36.4
Net new business inflow %	8%	12%	17%	8%	6%	19%
Daily ave. FTSE All-Share				3497.86	3021.20	3185

Growth in total AUA



Vantage AUA

67% of Vantage AUA in tax wrappers (Jun 13: 70%)

	SIPP** £bn	ISA £bn	F&S/Other*** £bn	Total £bn	H1 2013 £bn	FY 2013 £bn
Total AUA at start of period	10.4	13.6	10.2	34.2	24.6	24.6
Net new business inflows	0.8	0.6	1.1	2.6	1.5	4.8
Market movement *	0.8	1.2	2.1	4.1	2.3	4.7
AUA at end of period	12.1	15.4	13.4	40.9	28.5	34.2
Net new business %	8%	4%	11%	8%	6%	20%
Market movement %	8%	9%	21%	12%	9%	19%
Net business inflows H1 2013	0.7	0.4	0.4		1.5	

* Market movement includes other growth factors, such as retained investment income, totalling £224m (H1 2013: £194m, FY 2013: £349m). Figures contain roundings.

** Vantage SIPP AUA includes £2,289m income drawdown assets at 31 December 2013 (31 Dec 2012 £1,565m, 30 June 2013: £1,898m)

*** Vantage Fund & Share Account includes £3.8bn as at 31 Dec 2013 (31 Dec 2012: £2.0bn, 30 Jun 2013: £2.6bn) of Hargreaves Lansdown plc shares.

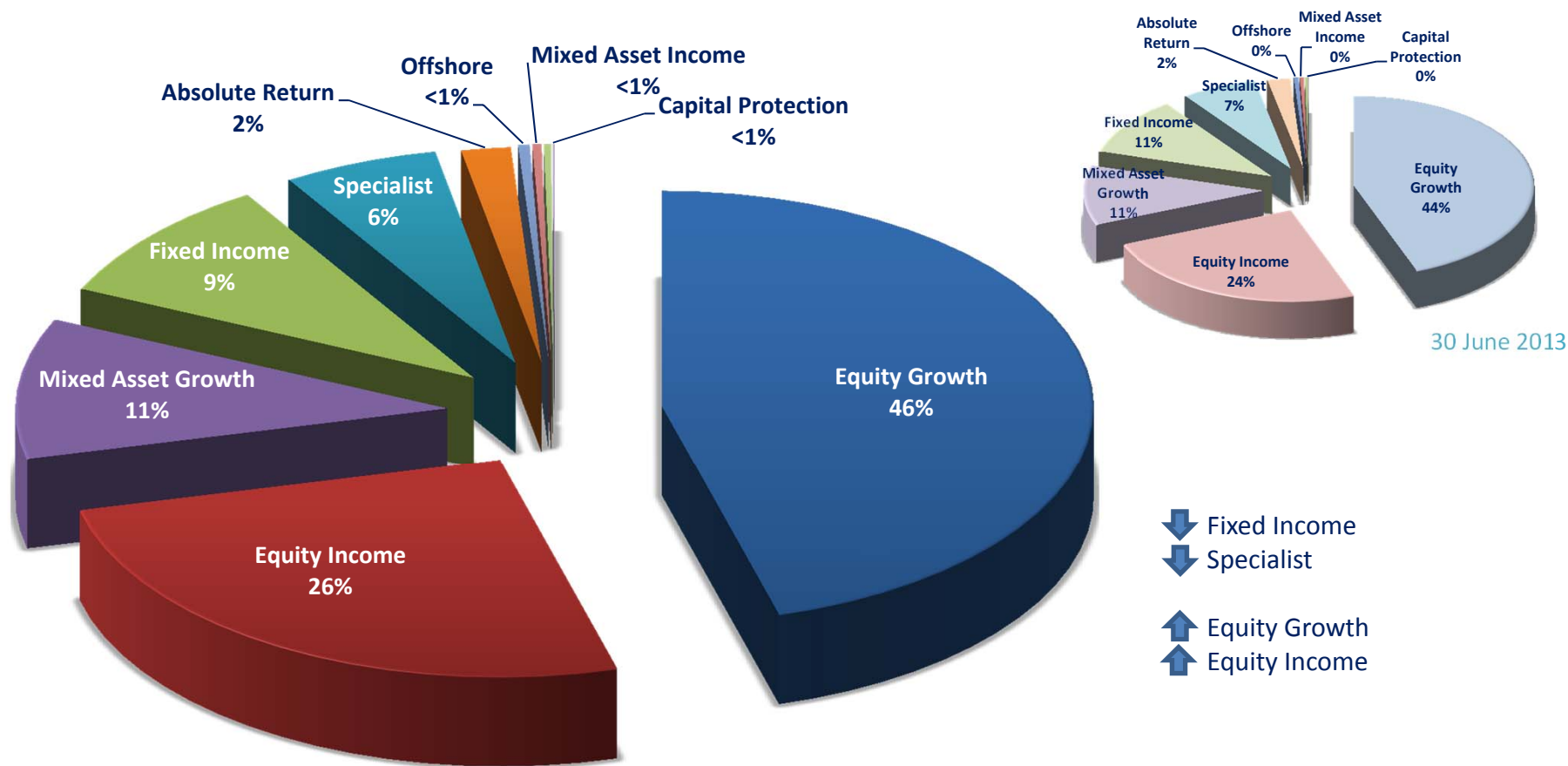
Vantage AUA analysis

67% of Vantage AUA in tax wrappers (Jun 2013: 70%)

	SIPP	ISA	F&S/Other	Total
At 31 Dec 2013				
Stocks and shares	28%	23%	63%	38%
Investment funds	57%	71%	32%	54%
Cash	15%	6%	5%	8%
% of Vantage	29%	38%	33%	100%
At 30 Jun 2013				
Stocks and shares	26%	21%	60%	34%
Investment funds	56%	72%	35%	56%
Cash	19%	7%	5%	10%
% of Vantage	30%	40%	30%	100%

Vantage AUA analysis by sector

54% of Vantage AUA held as investment funds (Jun 2013: 56%) across the following sectors:

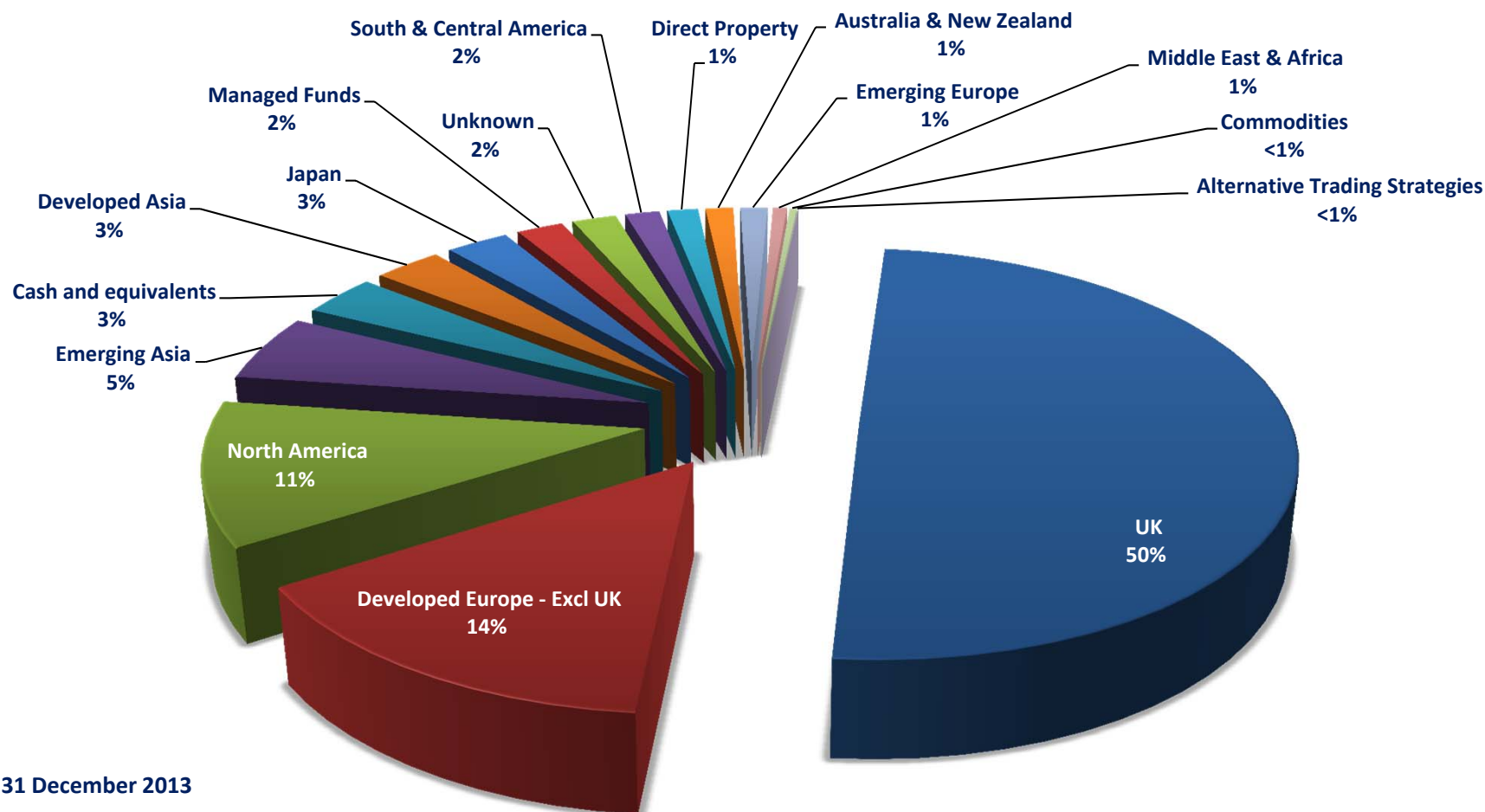


31 December 2013

Slide 53

Vantage AUA analysis by country

Geographical exposure of all Vantage holdings at 31 December 2013:



31 December 2013

Vantage revenue and average AUA

	H1 2014		H1 2013		FY 2013	
	Revenue £'m	Ave Assets £'bn	Revenue £'m	Ave Assets £'bn	Revenue £'m	Ave Assets £'bn
Renewal income	79.1		58.0		127.4	
Initial income	0.3		0.4		0.9	
Total revenue from qualifying funds	79.3	20.5	58.4	15.0	128.3	16.6
Stockbroking income	18.3		10.7		26.6	
Management fees	6.2		4.7		10.1	
Total revenue from other stock	24.5	14.2	15.4	9.1	36.7	10.3
Total revenue from cash	17.7	3.5	34.5	3.0	58.7	3.2
Other income	1.8		1.6		3.4	
Total	123.3	38.2	109.9	27.0	227.2	30.1
Average revenue margin	64.5bps		81bps		75.5bps	
Average net revenue margin	56bps		74bps		68bps	

Vantage – other information

	SIPP	ISA	F&S/Other	Total	H1 2013	FY 2013
No. of equity deals	375,300	466,000	456,400	1,297,700	753,900	1,917,000
% Internet	96%	88%	92%	92%	89%	90%
No. of fund deals	1,372,900	1,198,800	312,800	2,884,500	2,177,200	5,060,000
Average active client value at period end (£'000)	73.2	41.6	58.3	70.9	63.9	68.4
Average age (years)	47.6	53.7	57.4	52.6	53.9	52.9
New active accounts ('000)	14	32	48	94	28	96
Total active accounts ('000)				816	653	722
Clients registered for online access				83%	77%	81%
Clients registered for paperless service				51%	43%	48%

Corporate Vantage

	LEGACY 31 DEC 2013	CORPORATE VANTAGE 31 DEC 2013	TOTAL 31 DEC 2013	LEGACY 30 JUNE 2013	CORPORATE VANTAGE 30 JUNE 2012	TOTAL 30 JUNE 2013	TOTAL % CHANGE	CORPORATE VANTAGE % CHANGE
TOTAL AUA £M	282.5	511.2	793.7	263.0	355.5	618.5	+28%	+44%
CLIENTS	12,792	21,912*	34,704	12,777	13,112*	25,889	+34%	+67%
SCHEMES	85	106*	191	89	78*	167	+14%	+36%
ANNUAL PREMIUM £M	31.9	101.5*	133.4	31.1	78.8*	109.9	+21%	+29%

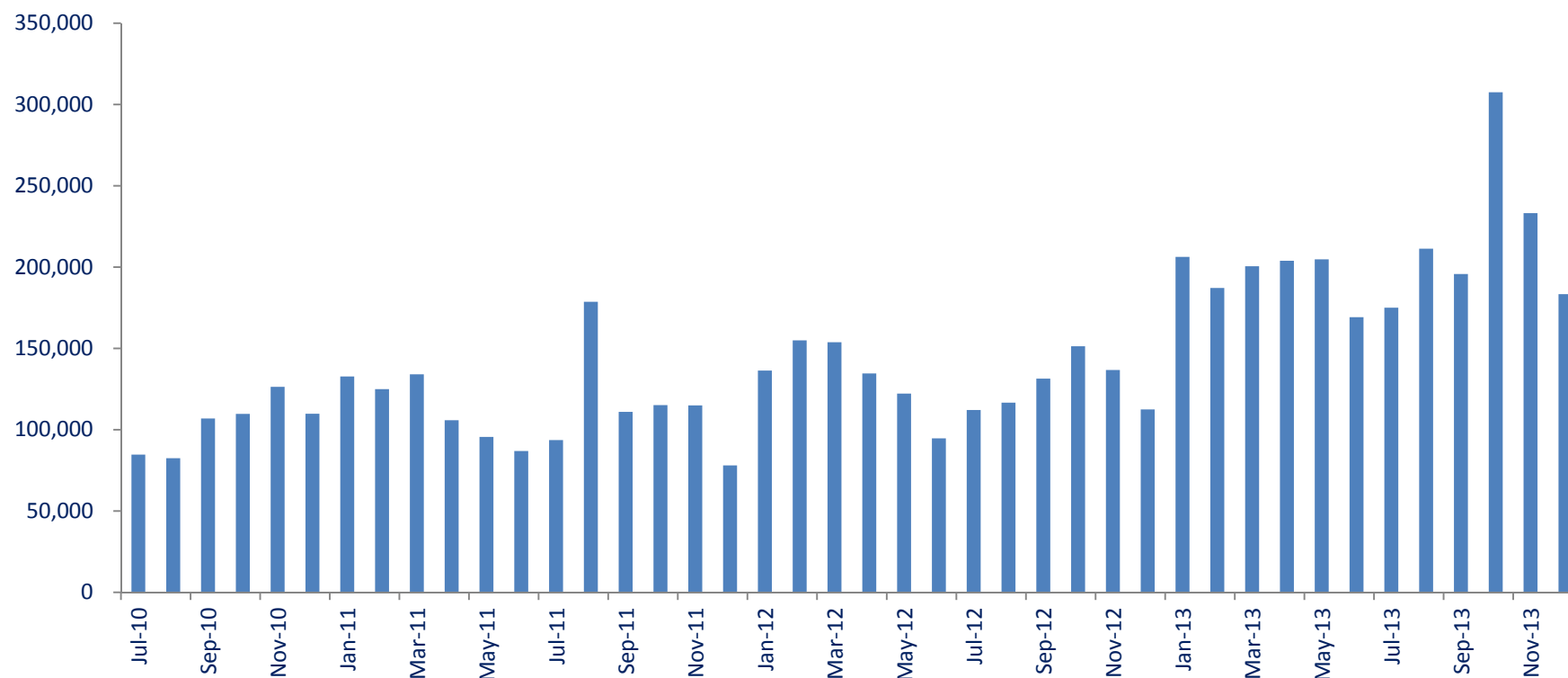
* Numbers relate to schemes either live or contracted.

** Only includes those annual premiums already being received.

Share dealing volumes

Volumes

FY 2013	1,932,000
H1 2013	761,000
H1 2014	1,306,000



Cash flow and regulatory capital

	Dec 2013 £m	June 2013 £m
Group regulatory capital		
Group capital resources*	178	196
Regulatory capital requirement	(25)	(25)
Declared interim dividend	(33)	(109)
Total surplus capital after dividend	120	62

Strong, conservative balance sheet - No debt

Low normal capex requirement

Cash flow

Operating cash flow % **	115%	99%
Cash brought forward	178	
Profit after tax	81	
Non cash – incl. depreciation	2	
Dividends paid during the period	(109)	
Other items	17	
Cash resources (before interim dividend)	169	

**Large regulatory capital surplus
(> 4x capital requirement)**

Consistently cash generative

* Pro-forma Group capital resources including H1 2014 profits

** Operating cash flows as a % of operating profit

Recent awards

2013

Financial Provider of the Year - Shares Awards

Best Wealth Manager - Shares Awards

Best Self Select ISA Provider - Shares Awards

Best Financial Services Provider - UK Stock Market Awards

Best Direct Stocks and Shares ISA Provider - Your Money

Best SIPP Provider - Your Money

Best SIPP Provider - What Investment

Best Share Dealing Service - What Investment

Best Retail Pensions Provider - Financial News Awards for Excellence

Best Online Fund Supermarket - Money AM

Best User Experience - The Platform

Best Direct Platform - The Platform

Investment Planner of the year, Chris Wordsworth, Hargreaves Lansdown - Money Management

Gold Standard for Individual Pensions - Gold Standard Awards

Best Stockbroker for Customer Service - Investors Chronicle and Financial Times Investment Awards

Best Share Trading App - Investors Chronicle and Financial Times Investment Awards

Winner - Britain's Most Admired Companies: Speciality and Other Finance

