

Hargreaves Lansdown plc

Preliminary results for the
year ended 30 June 2016

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.

Certain figures contained in this presentation have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column, row or chart may not conform exactly to the total figure given for that column, row or chart.

Contents

Highlights and Financial Results

Christopher Hill, CFO

Comment and Strategy update

Ian Gorham, CEO

Appendices

Christopher Hill, CFO

Highlights

Financial results

FY 2016 highlights

CONTINUED GROWTH IN AUA DESPITE MARKETS

- £6.0bn of assets gathered (FY2015: £6.1bn)
- Record AUA of £61.7bn
- FTSE All-Share on average down 5.1% vs. FY 2015 +2.0%
- Asset retention 93.5% vs. FY2015 92.7%

AUA
+12%
(£61.7bn vs. £55.2bn FY 2015)

GROWTH IN CLIENTS AND MARKET SHARE

- 836,000 active clients, 100,000 net new clients (FY2015: 84,000)
- Increase in HL Multi-Manager funds to £6.3bn (FY2015: £5.6bn)
- Platform market share 37.5% and Compeer 27.3%







Net revenue
+11%
(£326.5m vs. £294.2m)

DOUBLE DIGIT GROWTH IN REVENUE AND PROFITS

- Net-revenue up 11% to £326.5m
- Pre-tax profits up 10%, EPS up 13%
- 3% increase to full year dividend to 34.0p (2015: 33.0p)

Operating profit
+10%
(£218.3m vs. £198.1m)

FY 2016 financial headlines

		FY 2016	FY 2015	
Net revenue		£326.5m	£294.2m	Net revenue up 11%
Profit before tax		£218.9m	£199.1m	13% increase in PAT and earnings
Tax rate		19.0%	21.0%	
Profit after tax		£177.3m	£157.2m	dividend increased to 34.0p
EPS (diluted)		37.3p	33.1p	
Dividend per share		34.0p	33.0p	

Net revenue

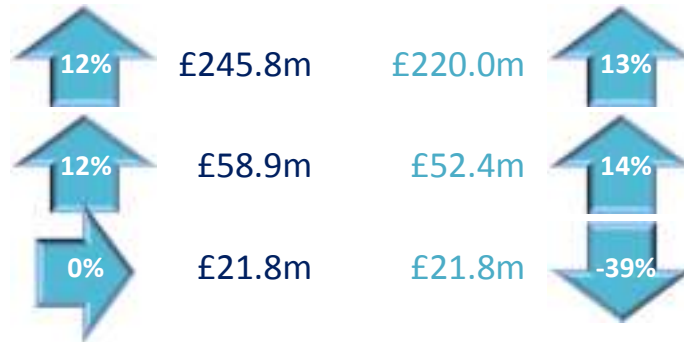
HIGH QUALITY EARNINGS

- % of recurring net revenue FY 2016: 78.2% (FY 2015: 77.8%)
- % of assets earning recurring revenue FY 2016: 84% (FY 2015: 84%)

		FY 2016	FY 2015
Net recurring revenue – fees, interest, renewal income	12%	£255.3m	£228.9m
Transactional income – incl. dealing commission, advice fees	11%	£65.0m	£58.8m
Other income	-3%	£6.2m	£6.4m
<hr/>			
Total net revenue	11%	£326.5m	£294.2m

Divisional results

	Net revenue		Operating profit	
	FY 2016	FY 2015	FY 2016	FY 2015
Vantage (platform)	£245.8m	£220.0m	£166.4m	£147.5m
Discretionary & Managed	£58.9m	£52.4m	£45.4m	£39.9m
Third party & Other services*	£21.8m	£21.8m	£6.5m	£10.7m
TOTAL	£326.5m	£294.2m	£218.3m	£198.1m



* Includes the costs of HL Savings

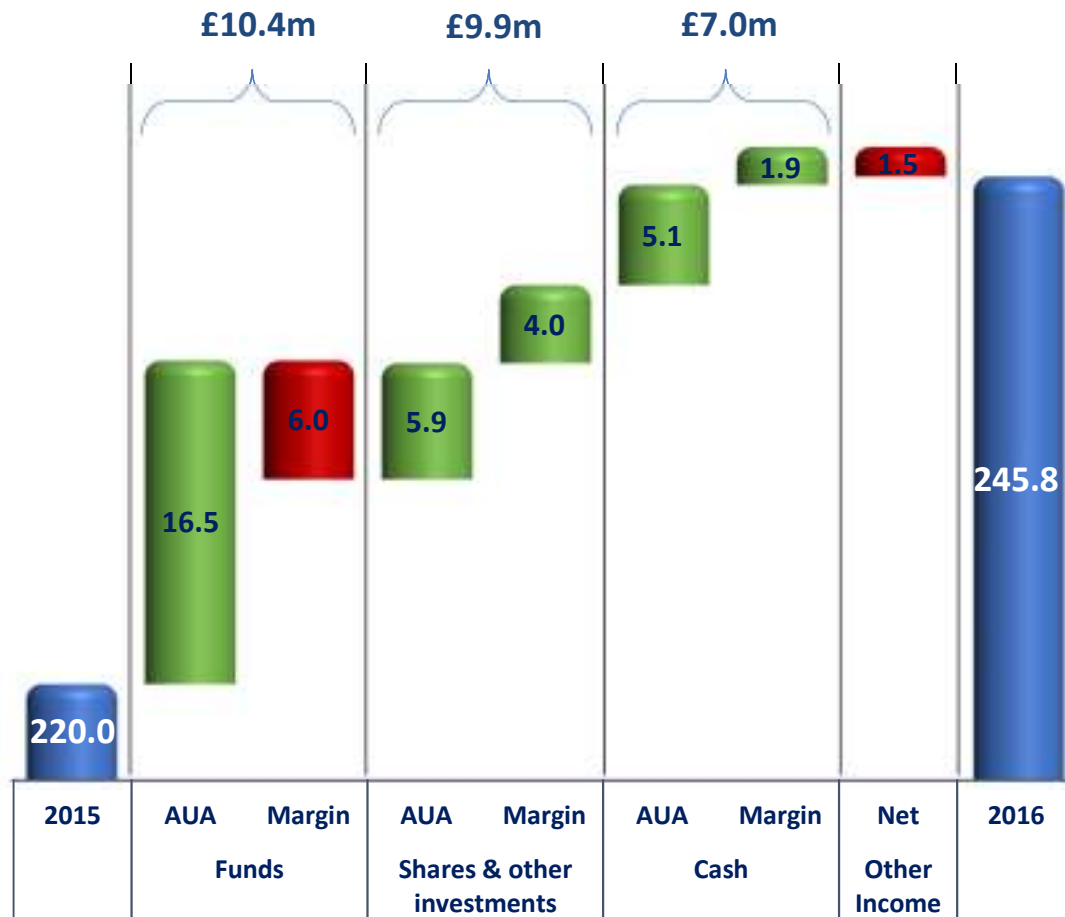
Vantage

RETURN TO DOUBLE DIGIT GROWTH IN NET REVENUE AND OPERATING PROFIT

STABILISATION OF MARGINS POST RDR

KPIs		FY 2016	FY 2015
Net revenue	+12%	£245.8m	£220.0m
Ave. net revenue margin (net of loyalty bonus)	-1bp	42bps	43bps
Operating profit margin (on net revenue)	+0.7pts	67.7%	67.0%
Average cost ratio (on AUA, excl loyalty bonus)	-1bp	14bps	15bps
No. of active Vantage clients ('000)	+14%	827	727
Vantage net new business inflows	-2%	£5.9bn	£6.0bn
Market movement	-75%	£0.5bn	£2.0bn
Vantage AUA at end of period	+12%	£58.7bn	£52.3bn
Total Platform AUA* at end of period	+12%	£61.6bn	£55.2bn

Vantage Platform – Net Revenue Bridge (£m)



- Fund volume more than compensates for the reduction in fund margin
- Reintroduction of FX commission and volatile markets drive increase in shares margin
- Higher margin on cash due to SIPP term deposits

Vantage Margin

	FY 2016	FY 2015	H2 2016	H1 2016	Future margin
Funds	44bps	46bps	43bps	45bps	↓
Equities	30bps	29bps	33bps	27bps	↑
Cash	56bps	53bps	58bps	55bps	↓
Vantage margin	42bps	43bps	43bps	42bps	

- Expect ~42bps on funds – post sunset clause
- Equities margin ~30bps – driven by activity
- Cash margin 35-45bps – if no further cuts to Base Rates

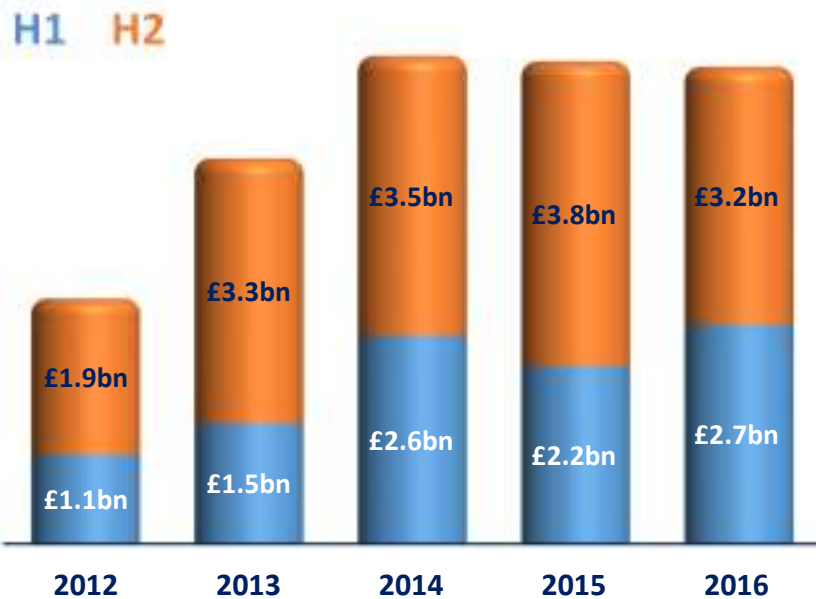
£58.7bn Vantage AUA

VANTAGE NET NEW BUSINESS (£BN)

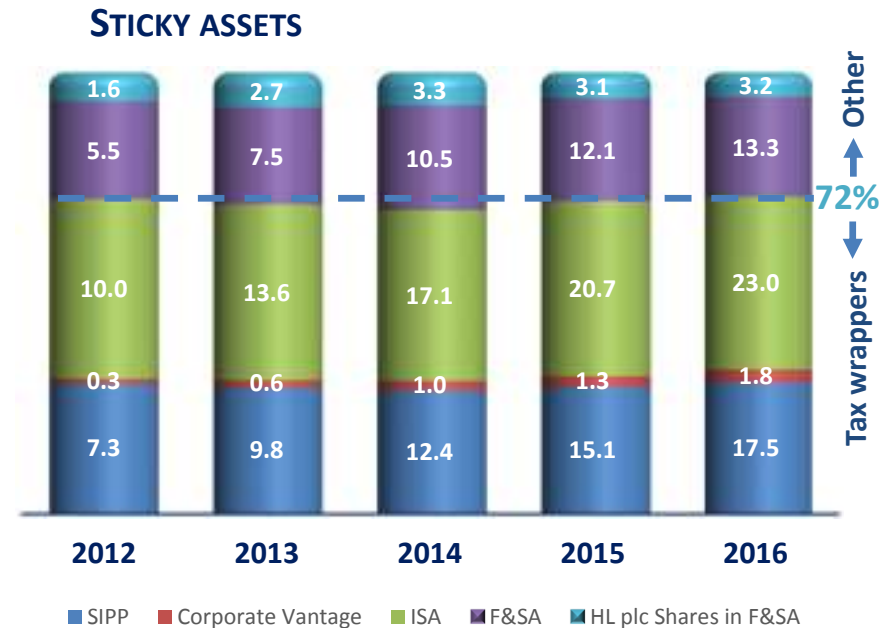
H2 net new business at 54% of yearly net new business was at the bottom of the recent range of 54% - 69%.

ASSET MIX (AT 30 JUNE 2016)

54% of Vantage AUA held in investment funds
 34% stocks and shares
 12% cash
 (At 30 June 2015: 56%, 34%, 10% respectively)

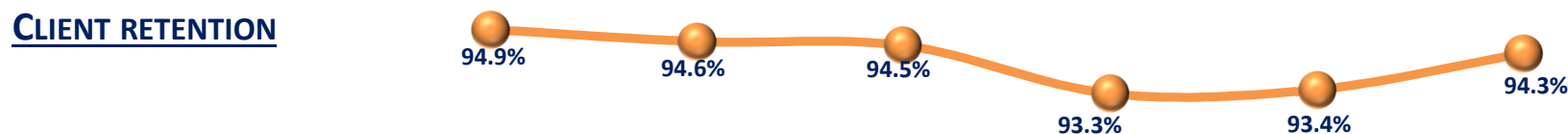
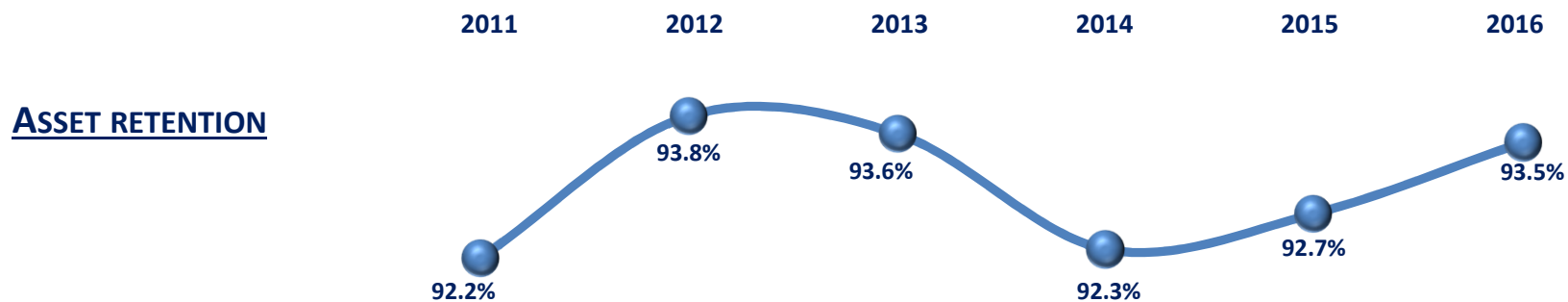


Net new business inflows FY 2012 to FY 2016 (£ billion), first vs. second half



Asset retention

CLIENT AND ASSET RETENTIONS REMAIN VERY HIGH



Discretionary and managed

STRONG GROWTH IN MULTI-MANAGER FUND REVENUE

KPIs		FY 2016	FY 2015
Net revenue	+12%	£58.9m	£52.4m
Net recurring revenue	+1pt	93%	92%
Operating profit margin (on net revenue)	+0.9pts	76.9%	76.0%
HLMM AUA (Vantage)	+16%	£3,441m	£2,959m
HLMM AUA (PMS)	+8%	£2,793m	£2,576m
Discretionary AUM at period end*	+10%	£6.44bn	£5.85bn
Net new business inflows	-33%	£624m	£937m

Average number of advisers at 94 (2015: 102)

Third Party/Other Services

PENSION REFORMS INTRODUCED IN MARCH 2014 CONTINUE TO IMPACT ANNUITY VOLUMES

KPIs		FY 2016	FY 2015
Net revenue	0%	£21.8m	£21.8m
Operating profit margin on net revenue*	-19.3pts	29.9%	49.2%
Annuities	-21%	£1.5m	£1.9m
Third party investments	+12%	£5.6m	£5.0m
HL Markets**	0%	£3.2m	£3.2m
Funds Library	-3%	£6.2m	£6.4m

* Includes the cost of HL Savings

** Relates to Currency, CFDs and Spreadbetting

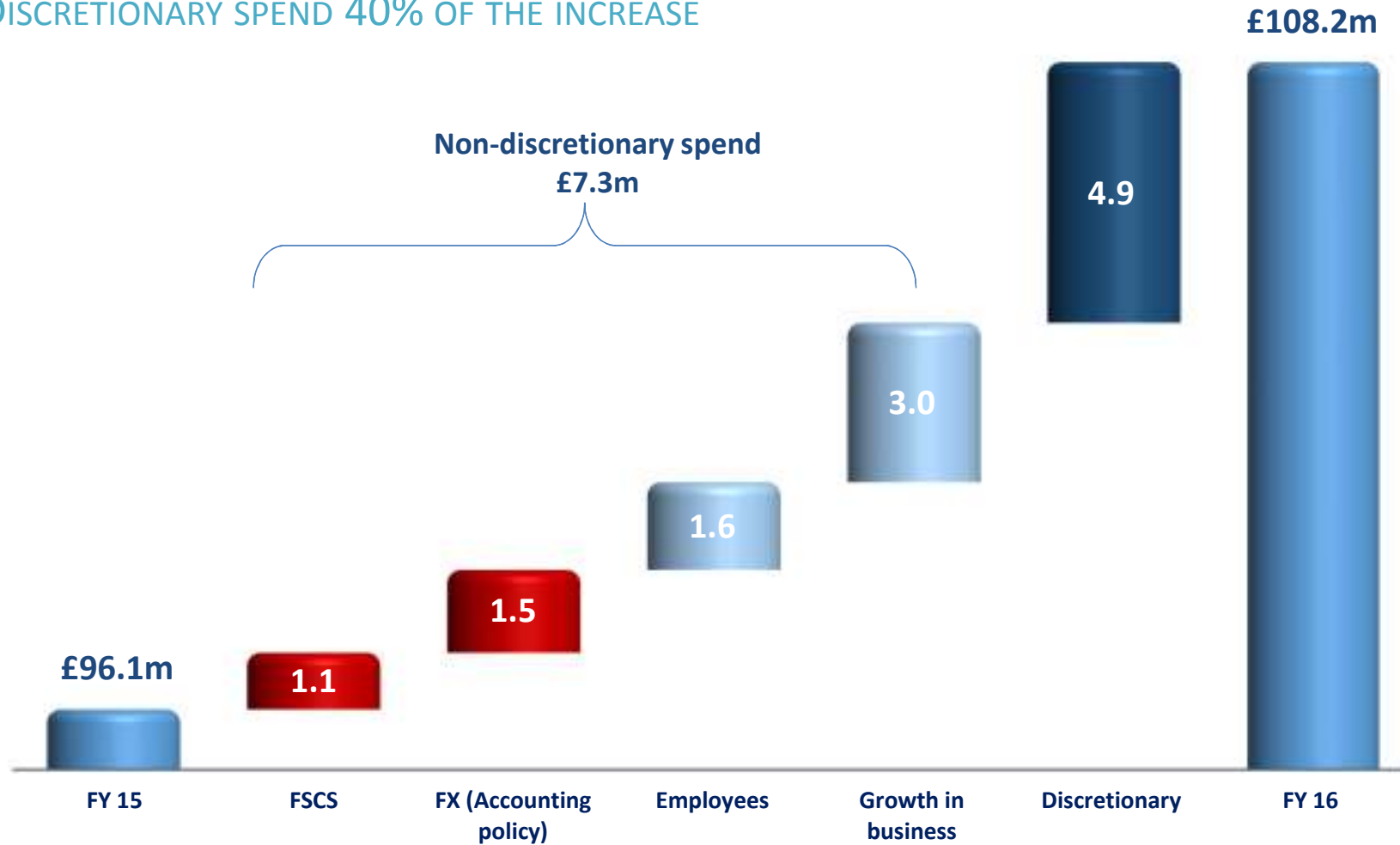
Operating Costs

13% INCREASE IN OPERATING COSTS

		FY 2016	FY 2015
Staff costs	+13%	£60.2m	£53.1m
Marketing and distribution spend	-12%	£11.2m	£12.7m
Office running costs	+12%	£4.8m	£4.3m
Depreciation, amortisation & financial costs	+20%	£6.1m	£5.1m
Other costs	+24%	£20.4m	£16.5m
FSCS levy	+25%	£5.5m	£4.4m
Total operating costs	+13%	£108.2m	£96.1m

Costs bridge

DISCRETIONARY SPEND 40% OF THE INCREASE



Summary and outlook

- Return to double digit revenue and profit growth post RDR.
- Result delivered despite tough markets and lower investor confidence.
- Well positioned for the structural growth opportunity.

Ian Gorham

Chief Executive

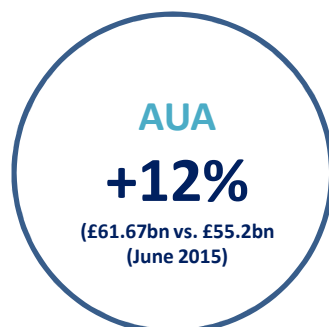
Results comment

Market share and future growth

Strategic initiatives

Other information

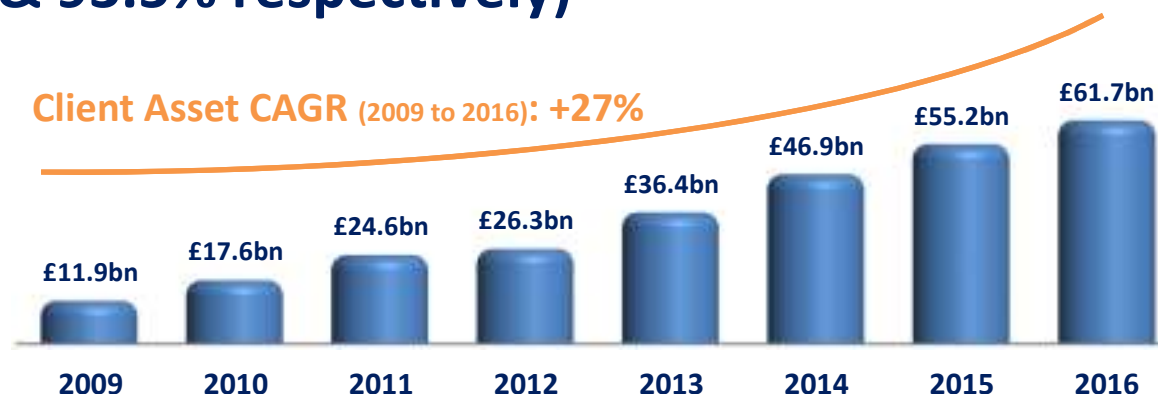
Results comment



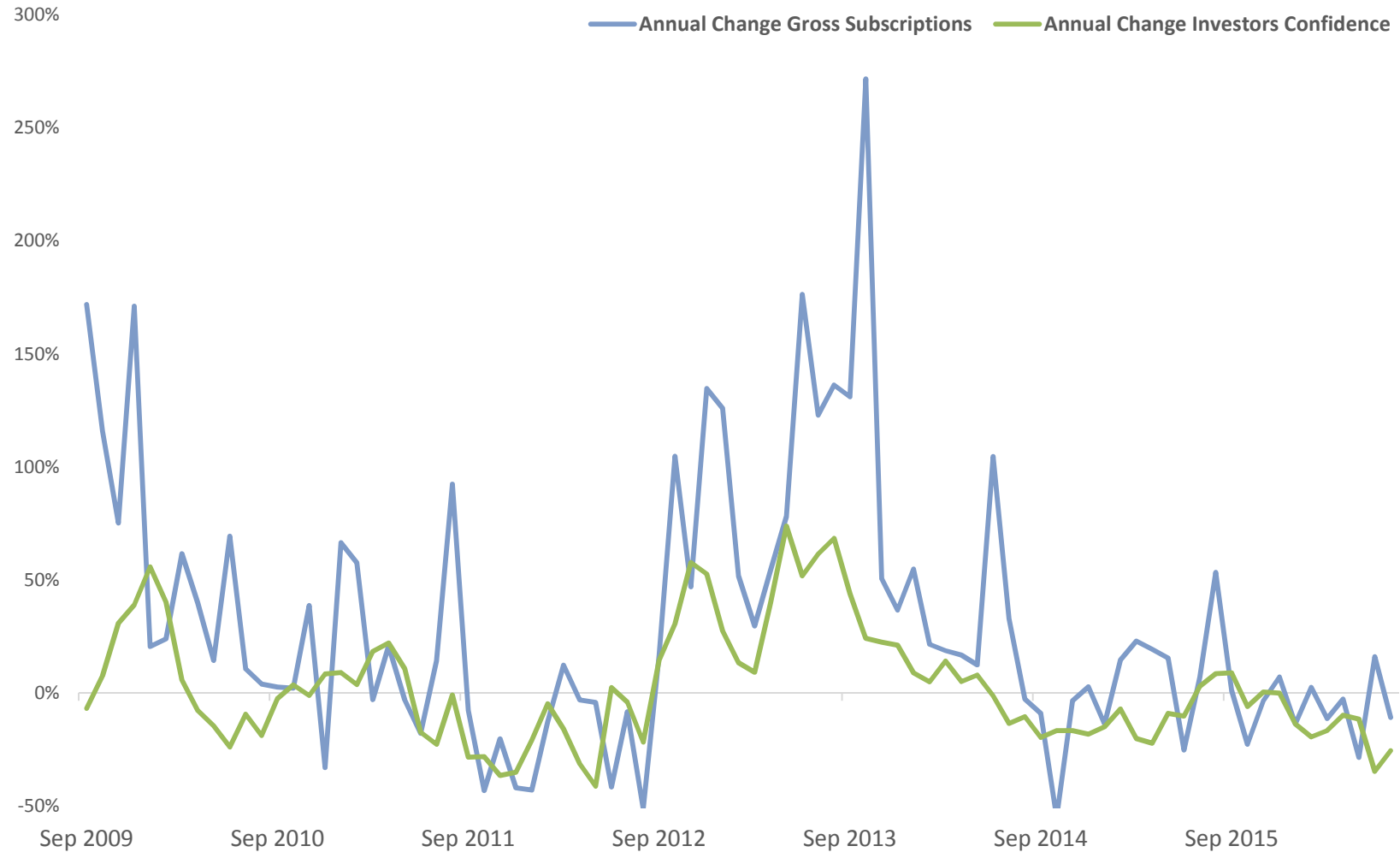
Continued growth in assets, clients and income to record levels

10% profit growth: little market help for income. (FTSE All Share -5.1% on average). 15% underlying* PBT growth

Excellent client and asset retention (94.3% & 93.5% respectively)



Investor confidence v new business levels



Growth in Account Assets

- Pension freedom popularity
- Investor confidence affects ISA and non-tax wrapped accounts most
- Organic growth and retention remains strong

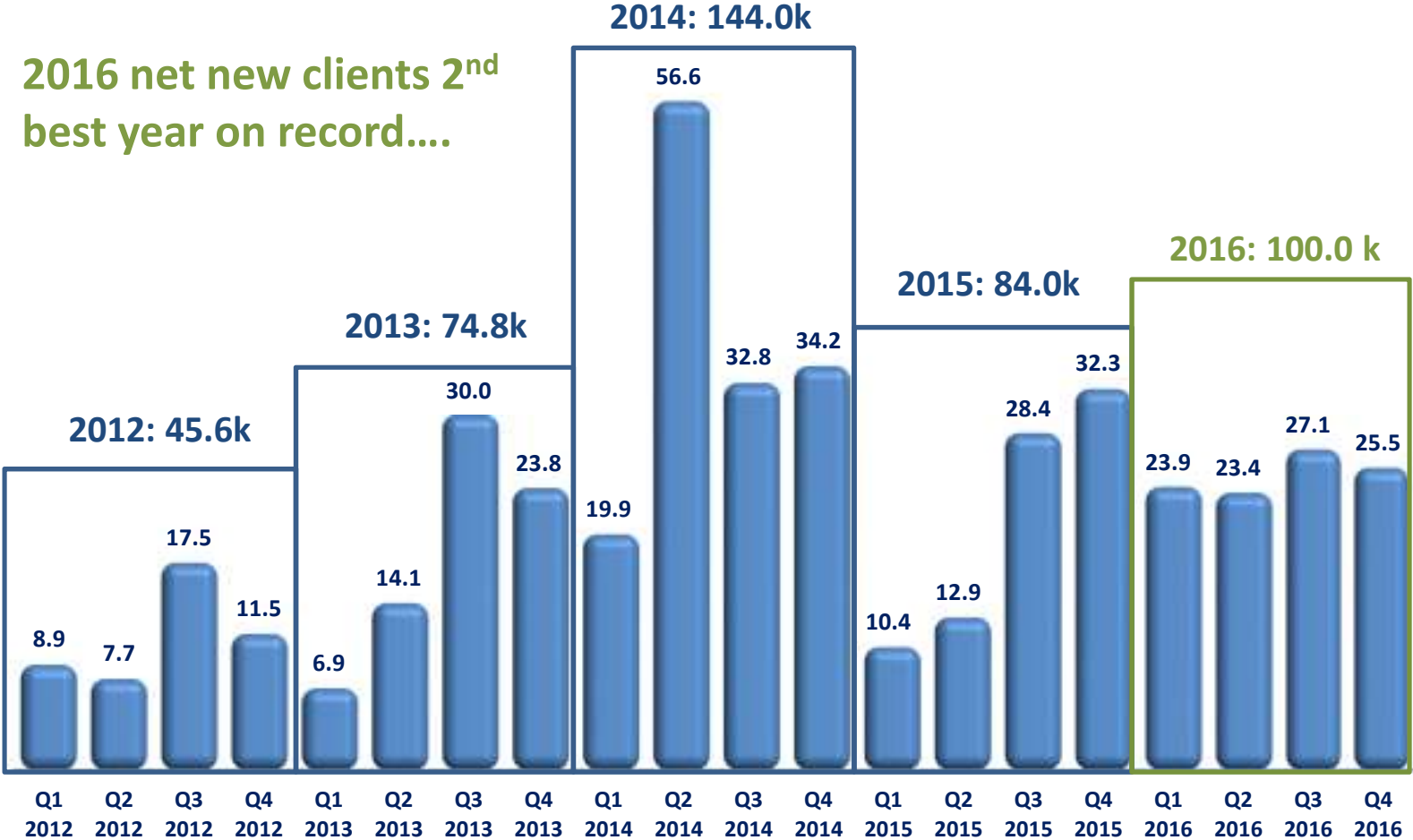
Net New Business (Vantage)		FY2016	FY2015
ISA	-15%	£2.2bn	£2.6bn
SIPP	+17%	£2.7bn	£2.3bn
Fund and Share	-	£1.1bn	£1.1bn

HL benefits from pensions opportunity*

- Number of drawdown accounts in the UK up 38% on last year
- We continue to invest: HL clients in drawdown grew 42%
- HL the market leader in non-advised pension drawdown
- Large growth potential: HL only 29,355 clients and £4.1bn AuA currently
- Entire drawdown market (including advised) estimated at still only c.300,000. Expected to rise quickly.
- **Drawdown = the new retirement. HL saw 3x more new DD accounts than annuities**

Net new clients progression

2016 net new clients 2nd best year on record....



Vantage net new clients progression ('000)

Client v asset growth

Average Vantage contributions fell slightly:

- Average subscriptions from new clients £9,634 (£11,337 FY2015)
- Average subscriptions existing clients £11,924* (£12,515 FY2015)

Why?

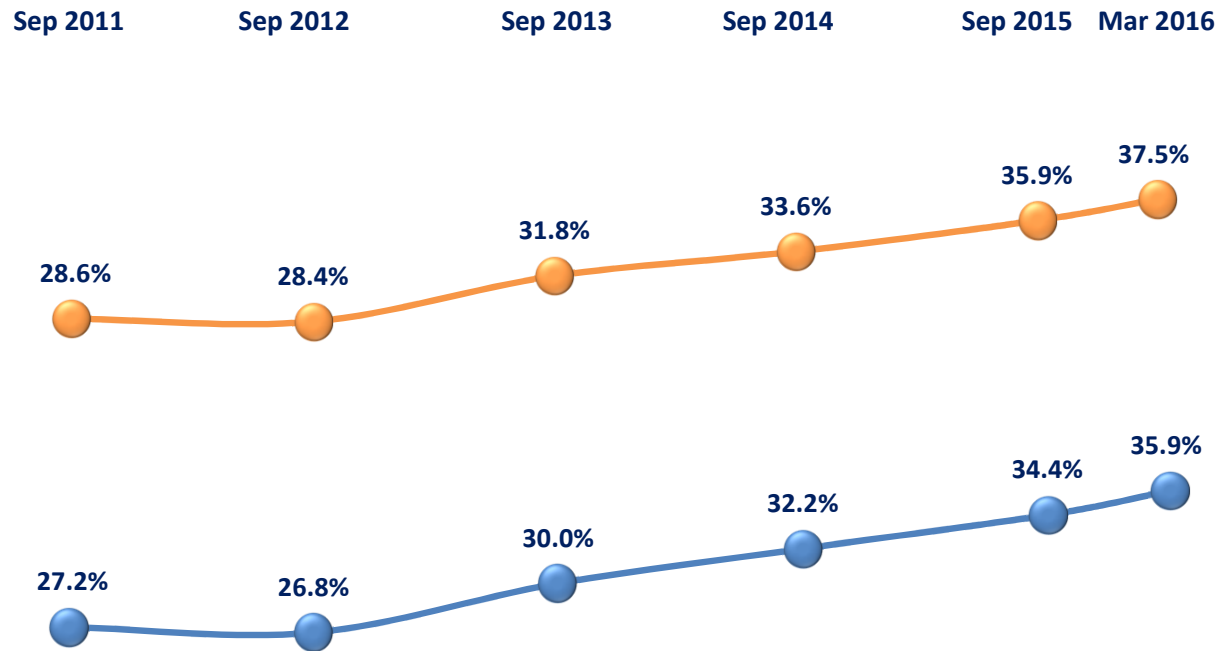
- Lack of investor confidence
- Macro uncertainty
- UK savings ratio lowest for 50 years and falling (4.2% in 2015, 3.8% in Q4 2015)**
- Financially stretched populace
- Lower market values = lower asset value of transfers in

Market share and future growth

HL D2C market share increased further

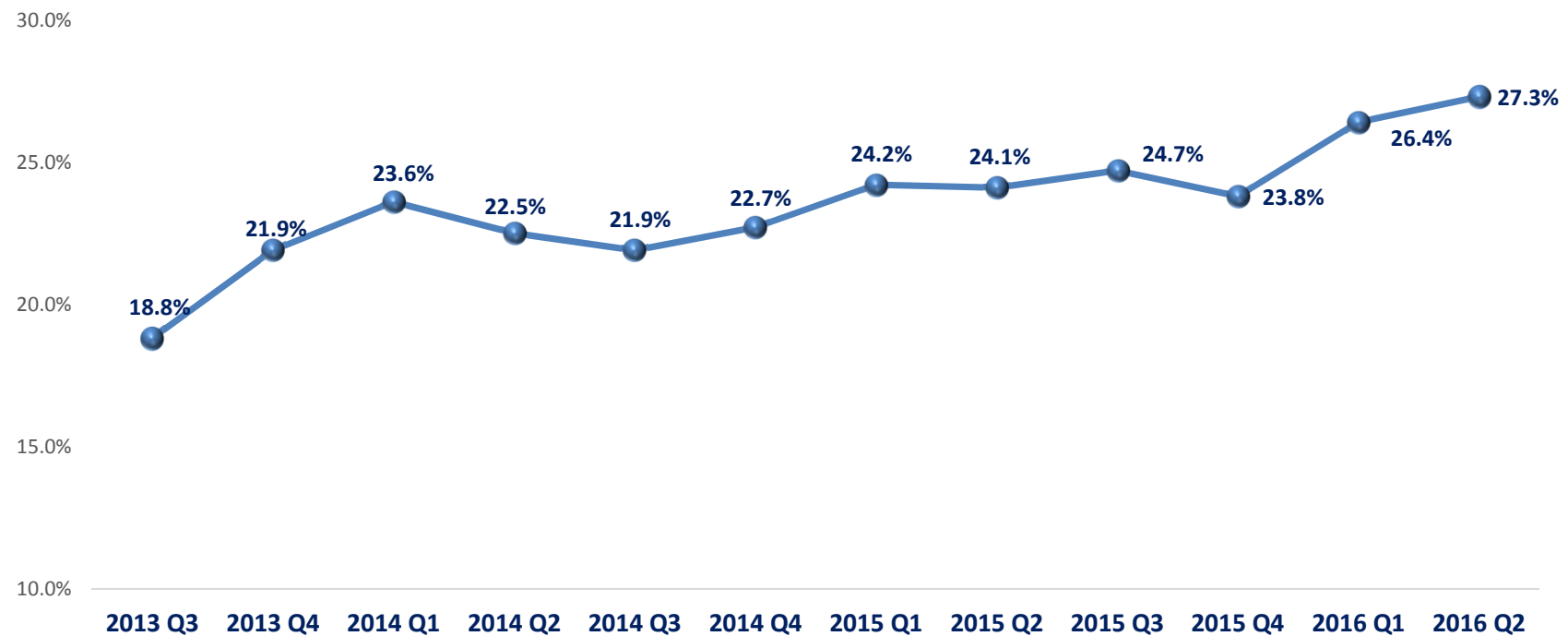
HL market share
as per Platform*

Adjusted for HL
shares held on the
platform



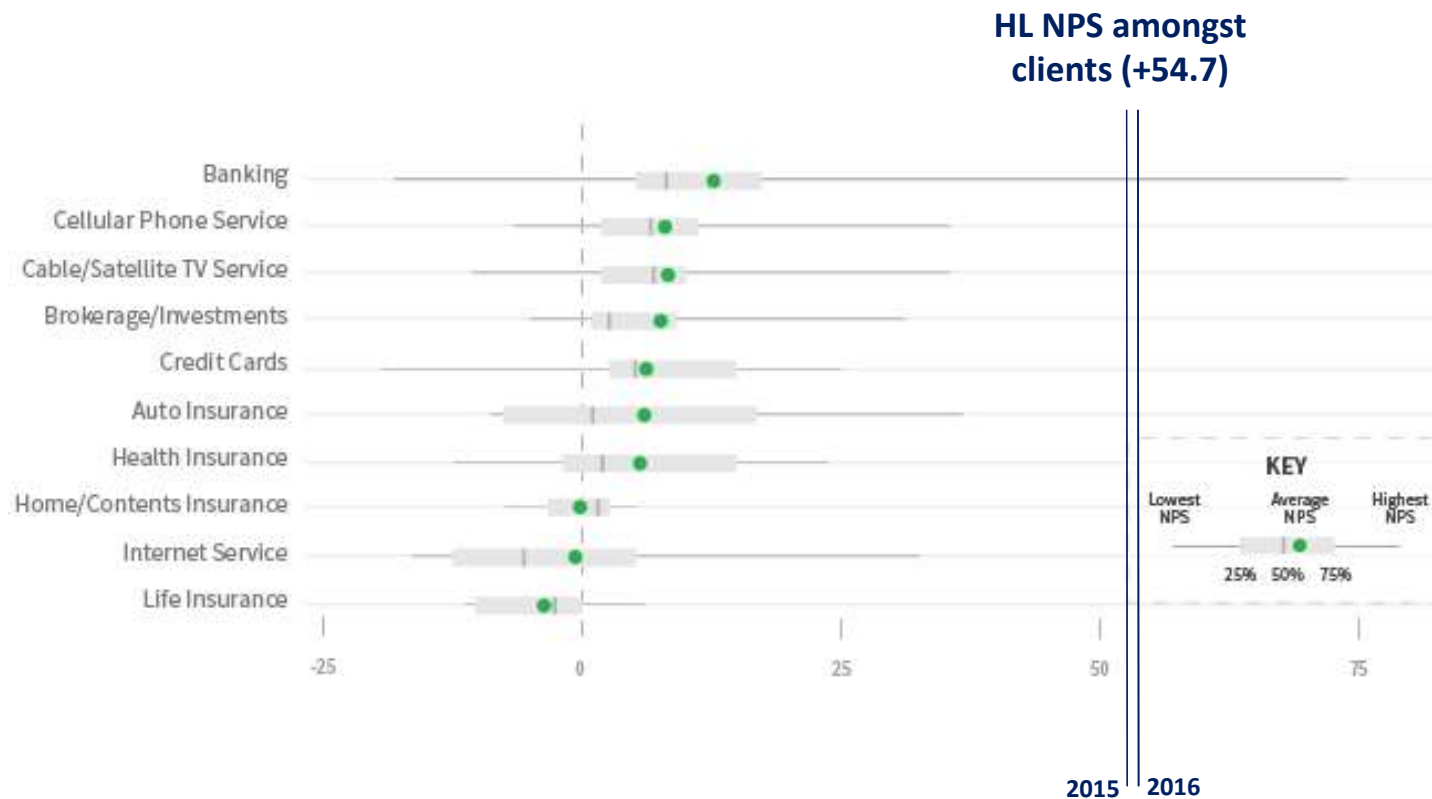
Market share of stockbroking

HL UK stockbroking volumes vs XO peer group



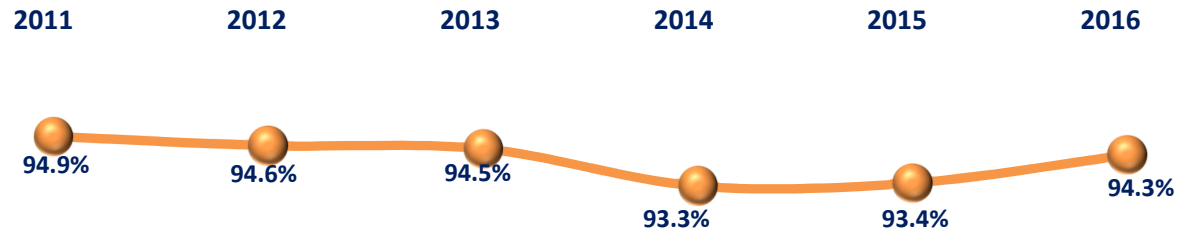
HL well loved by clients

- HL sector leader (Investment & Brokerage) on Net Promoter ScoreSM
- NPS up to 54.7 from 54 last year

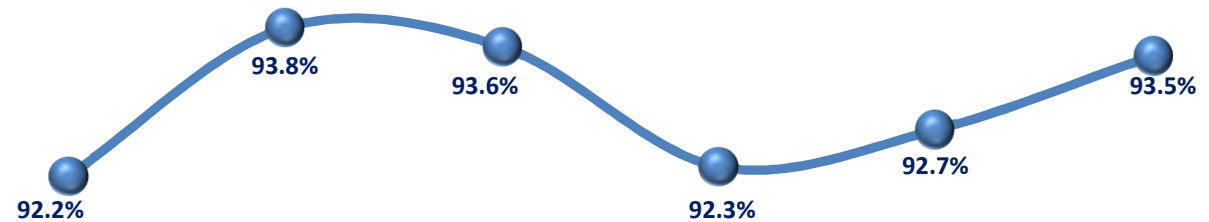


Client and Asset Retention

Client retention

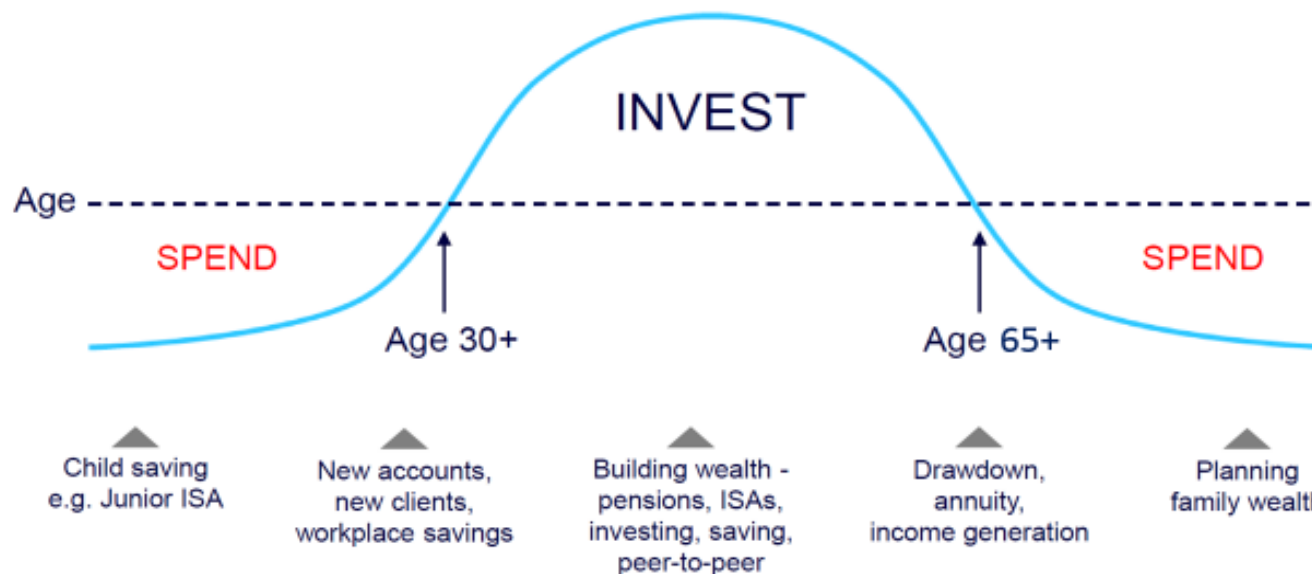


Asset retention

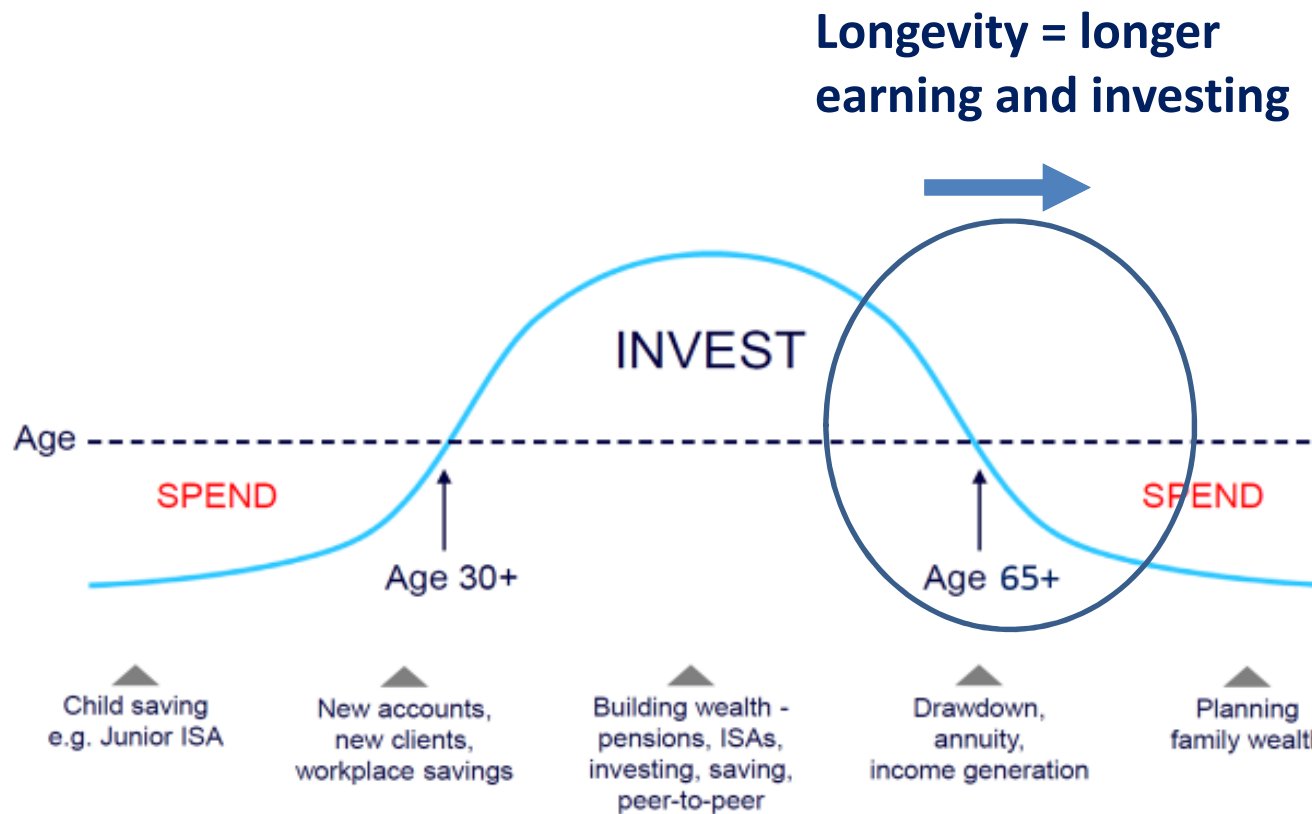


- Both remain excellent
- Transfers out normalised at low levels

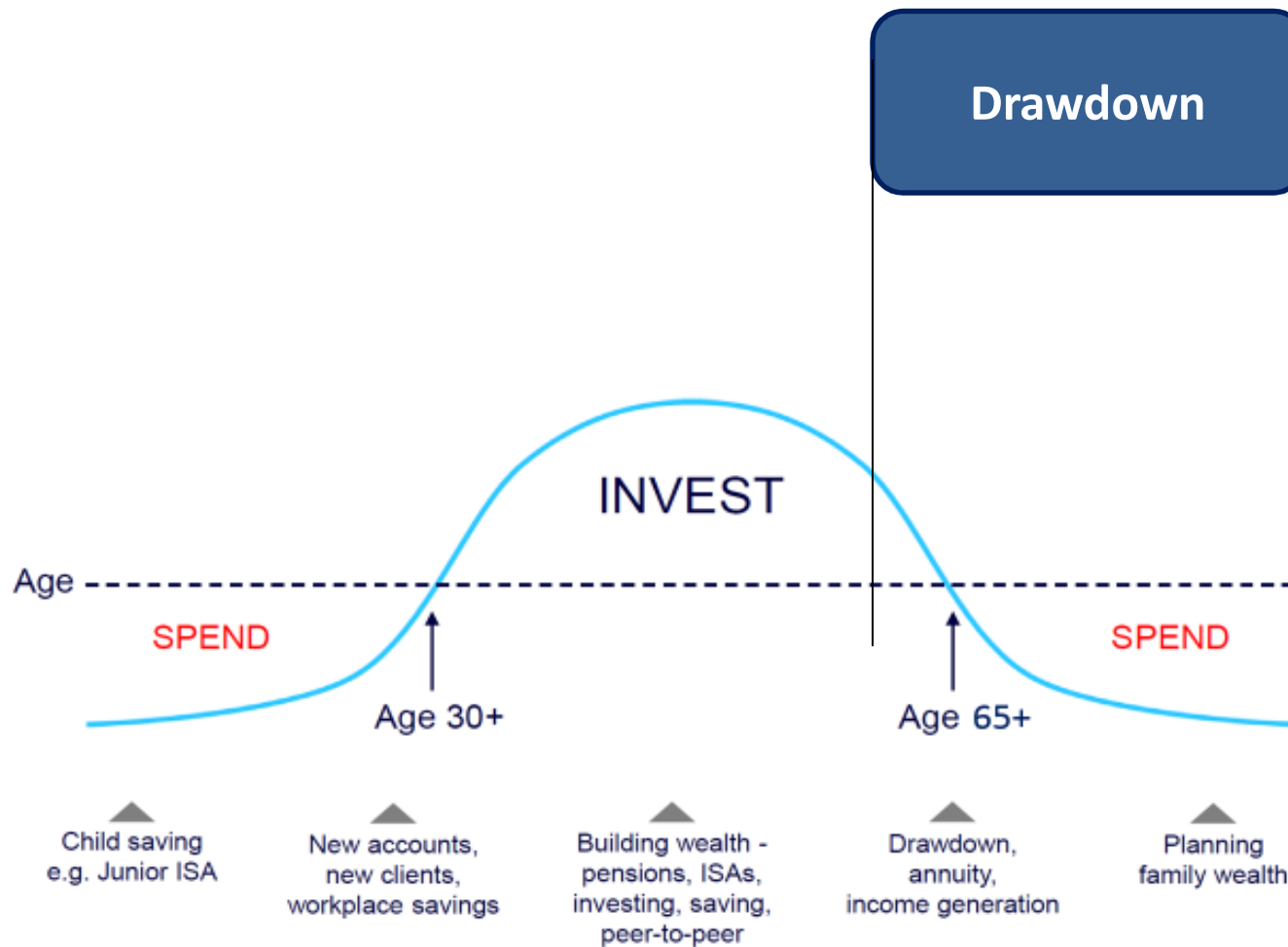
Numerous lifecycle opportunities



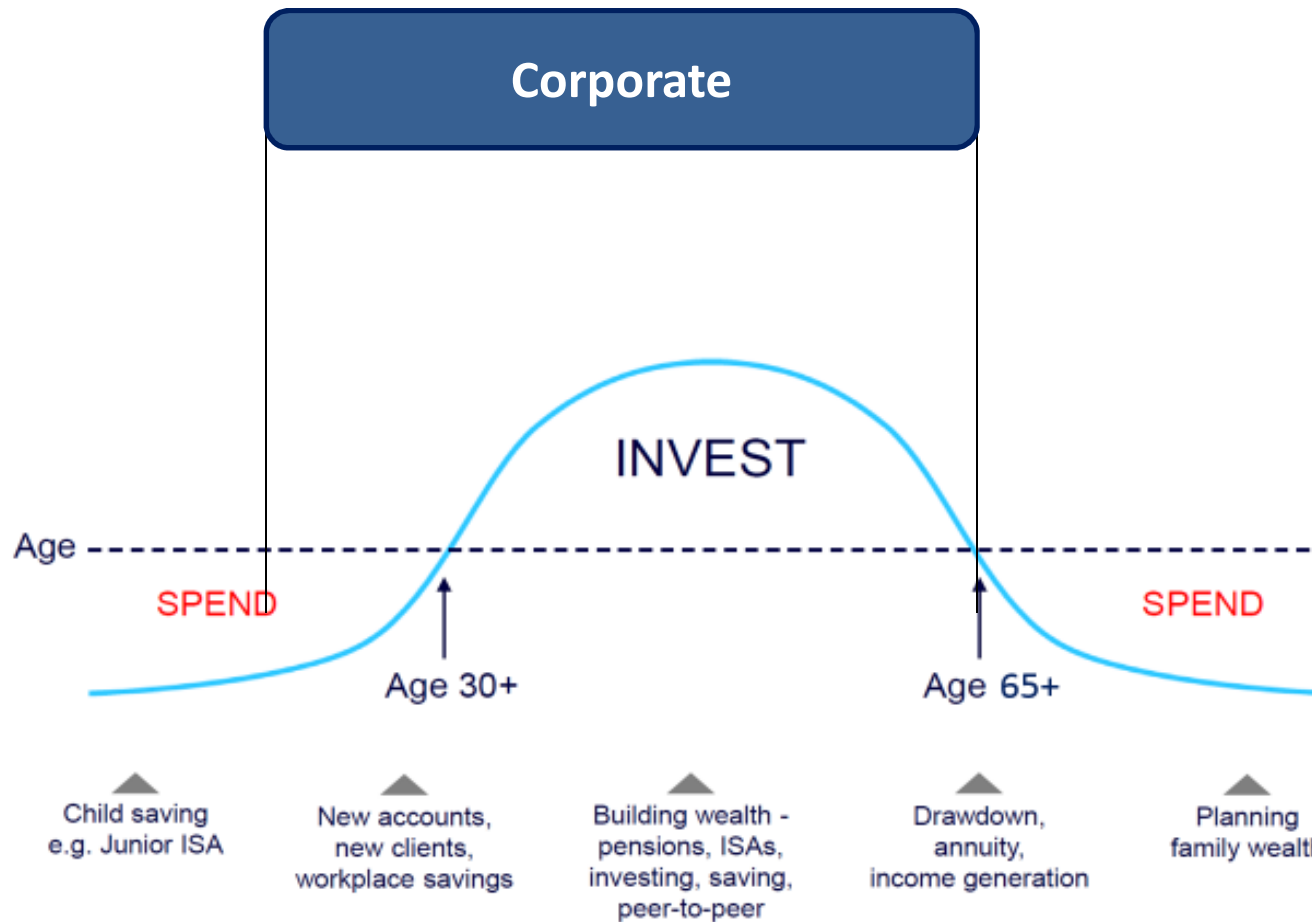
Numerous lifecycle opportunities



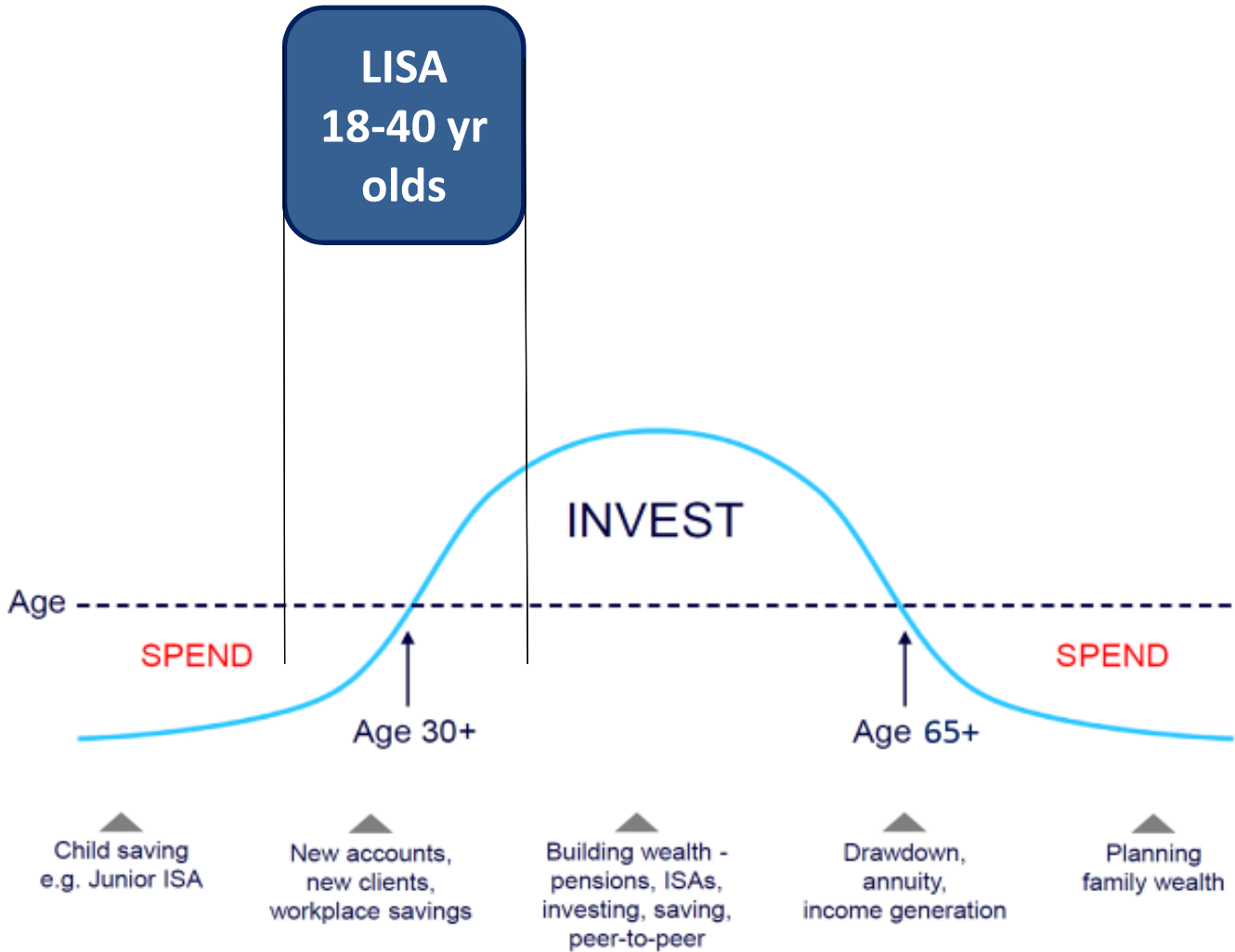
Numerous lifecycle opportunities



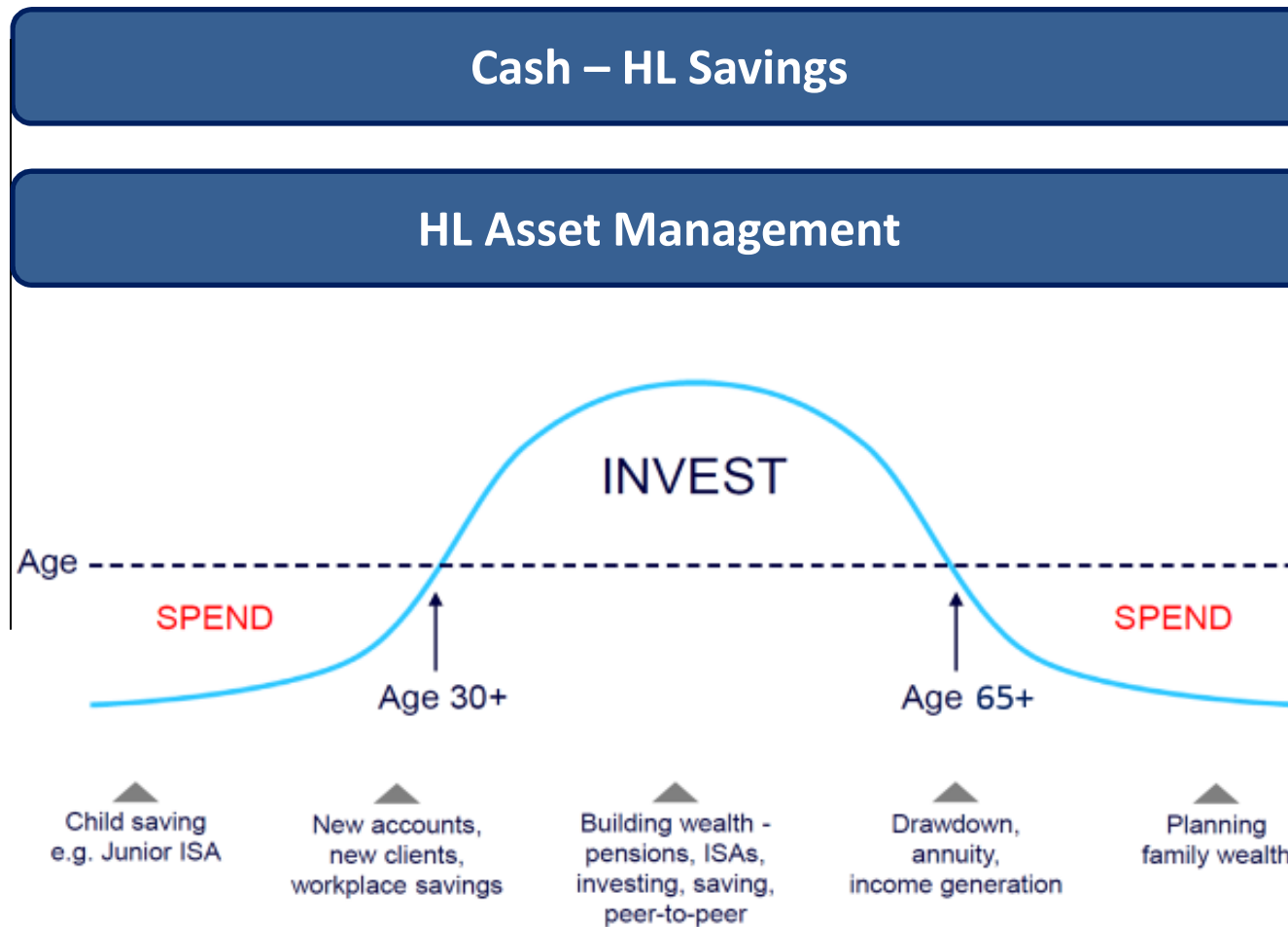
Numerous lifecycle opportunities



Numerous lifecycle opportunities



Numerous lifecycle opportunities



Summary

- Profit growth
- Increased dividend
- Clients, asset growth
- Market share growth
- Structural opportunities to invest in

Brexit

Brexit

Friday 24 June

557% trading

increase

(compared with Friday 17th
June 2016)

312,000+ views

**on our Brexit
landing page**

(1st June 2016 – 1st August
2016)

- + People still need to invest
 - + Rekindled interest in markets
 - + Increased equity trading
 - + Lower interest on cash = equities are attractive
-
- Introduces uncertainty, may effect investor confidence
 - Interest rates and margin

Strategic initiatives

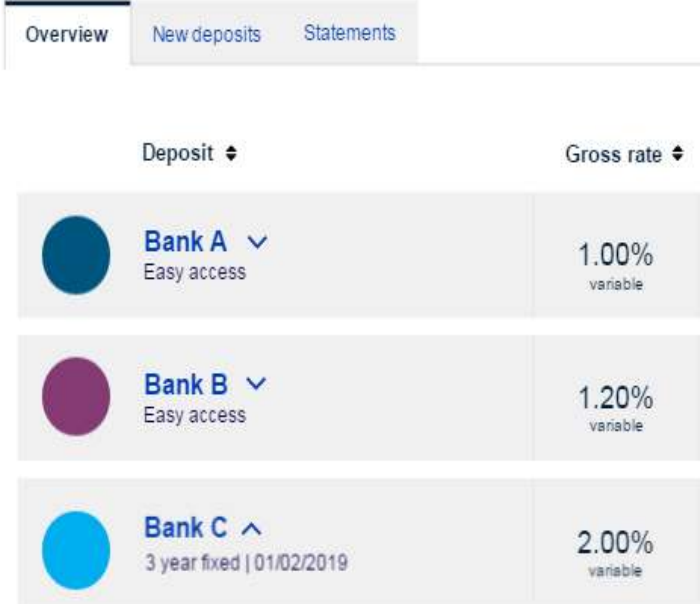
The importance of income – an opportunity

HL Savings: Cash

- A digital deposit service to help cash savers access better rates on their savings
- UK savings market estimated to be at least £700bn**
- Clients can spread their FSCS risk. 45% of HL clients say they have >£75,000 in cash savings*. 70% say they might use HL for savings*.
- Focused on ease of use and choice: HL will make available a range of offers provided by a manageable number of select supplier banks & building societies
- Integrated with Vantage
- New client cohort opportunity: 70% of “street surveyed” public will always use cash as lack investment risk appetite

HL Savings: Cash

- Concept well received from banking community
- Expecting 5+ main banking partners at launch
- Simple IT integration options allowing banks to join with minimal costs.
- Interest rates offered remain attractive despite rate cut
- Initial launch by end of 2016
- Previous margin guidance remains valid (0.25% deposit and 1% p2p)
- ISA and Peer to Peer to follow soon after



The screenshot shows a banking interface with three tabs: 'Overview', 'New deposits', and 'Statements'. Below the tabs, there are two columns: 'Deposit' and 'Gross rate'. The 'Deposit' column lists three banks: Bank A (Easy access), Bank B (Easy access), and Bank C (3 year fixed | 01/02/2019). The 'Gross rate' column shows the corresponding interest rates: 1.00% variable, 1.20% variable, and 2.00% variable.

Deposit	Gross rate
Bank A Easy access	1.00% variable
Bank B Easy access	1.20% variable
Bank C 3 year fixed 01/02/2019	2.00% variable

HL Fund Management

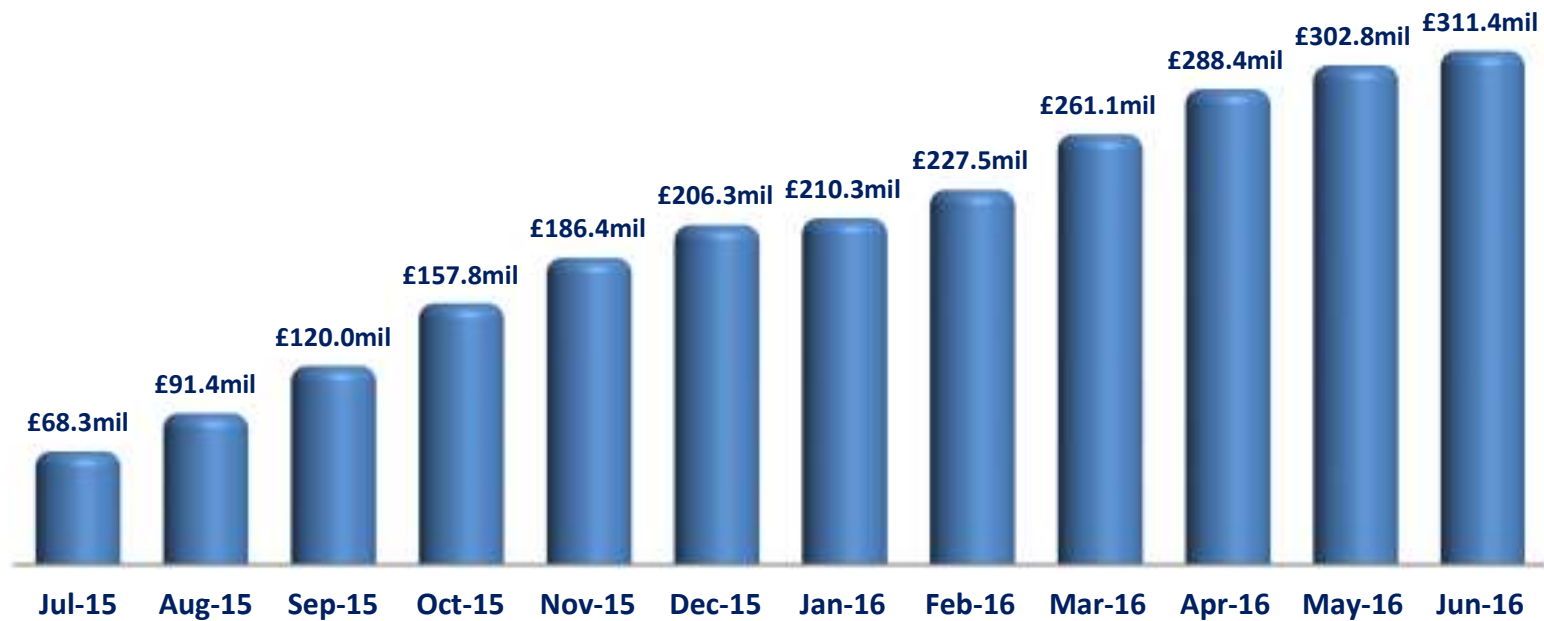
- HLMM assets achieved the £6 billion milestone (March 2016), now at £6.3bn
- 10.2% of HL AUA
- HLMM assets grew 13%, other Vantage grew 12%

- 42% of HLMM money is invested in Income & Growth
- HLMM Income and Growth has successfully grown income in 11 of 12 years since launch
- Successful launch of HLMM High Income raising £153m at launch

- Clear demand for HL as a Fund Management brand
- Upcoming equity fund launching during FY2017





Portfolio+

- Over a year since launch and AUA continue to grow
- 84.6% in sticky wrappers
- Average monthly net new assets £22.4m



Corporate Vantage

- Healthy growth
- Auto enrolment phasing in, affects all employers by Q1 2017
- Assets heading towards £2bn

	<u>As at 30 June</u> <u>2016</u>	<u>As at 30 June</u> <u>2015</u>	% change	12 months increase in FY 2016	12 months increase in FY 2015
 Members*	68,560	53,318	+29%	15,242	11,134
 Schemes *	335	256	+31%	79	45
 Annual Premiums **	£244m	£197m	+24%	£47m	£38.2m
 AUA	£1,765m	£1,301m	+36%	£464m	£317m

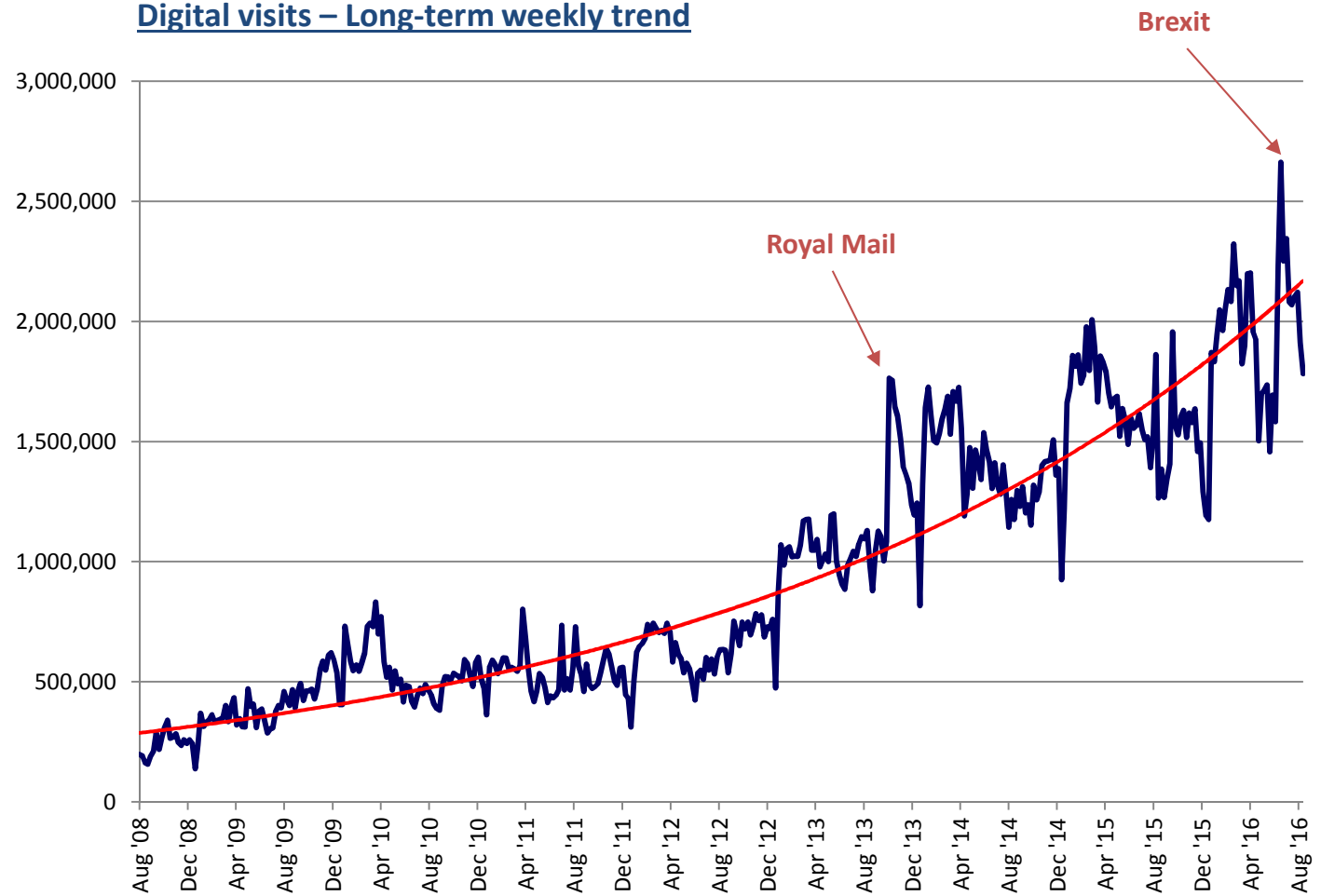
Digital

Digital visits
+ 15.5%
year-on-year

App trades
11.6%
of all online
trades

Mobile
fuelling growth
and offering new
marketing
opportunities

Digital visits – Long-term weekly trend



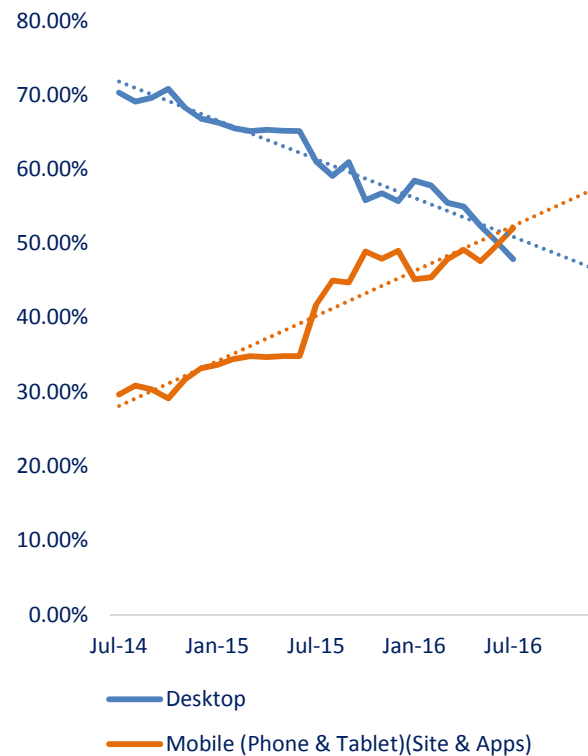
Mobile

Mobile phone logins
+ 170%

App trades
11.6%
of all online trades

July 2016
Visits on mobile
overtook desktop
52.1% of all visits

HL Visits – Desktop VS Mobile



New apps due to launch shortly
(seven figure HL investment)



- Optional fingerprint log in
- Add money in-app
- Open account in-app (in due course)
- See HL Savings accounts
- HL Savings will also have own app

Lifetime ISA (LISA)

What is it?

- Targeting 18-40 year olds
- An added 25% bonus from the government
- Can be used for property deposit

Opportunity

- Conversations with TISA and HMT around simplicity
- One-off opportunity to transfer Help-to-Buy ISA into LISA during 17/18 tax year
- 45% of eligible clients surveyed said they would use it
- Expecting final rules to be confirmed between September and October 2016

Implementation plan

- **Final rules expected by October 2016**
- **Stocks & Shares LISA will be ready in time for LISA launch (April 2017)**

HL will be ready for launch!

Summary

- Profit growth
- Assets, clients continue to grow
- Interesting and volatile markets
- Even lower interest rates
- Little competitor impact.
- Stressed market to HL advantage – HL has money and scale to continue to invest for growth.
- Strong retention and market share performance
- Exciting initiatives – opportunities and investing in business

Appendices

Index

Contents	Slide	Contents	Slide
Financial		AUA and volumes	
Market consensus	52	Assets under administration	59
Divisional revenue	53	Growth in total AUA	60
Divisional revenue analysis	54	Vantage AUA & Net new business	61
Third party and other services revenue	55	Growth and scale	62
Platform net revenue and average AUA	56	Net new clients	63
Costs	57	Divisional results	64
Dividend analysis	58	Vantage AUA	65
		Vantage AUA analysis	66
		The Cost Ratio	67
		Vantage AUA analysis by sector	68
		Vantage AUA by geographical exposure	69
		Other	
		Vantage – other information	70
		Share dealing volumes	71

Market consensus

To exclude the effect of outdated forecasts, HL maintains a 'consensus tracker' to which analysts are invited to contribute their latest forecasts. The table below represents the position based on the consensus tracker as at 05/09/15.

13 analysts have contributed to the tracker.

FY 2016	Average	Range Min	Range Max	Reported
Net revenue (£m)	323.0	316.8	330.4	326.5
Profit before tax (£m)	214.5	210.8	219.3	218.9
Diluted EPS (pence)	36.1	35.4	36.8	37.3
DPS (pence)	34.2	33.1	35.8	34.0
Vantage Net New Business (£bn)	5.8	5.4	6.5	5.9

Divisional net revenue

		FY 2016	FY 2015
Vantage	+12%	£245.8m	£220.0m
Discretionary	+12%	£58.9m	£52.5m
Third Party and Other Services	0%	£21.8m	£21.8m
Total	+11%	£326.5m	£294.2m

Vantage net revenue		FY 2016	FY 2015
Net renewal income	-40%	£7.7m	£12.9m
Platform fee	+13%	£139.4m	£123.8m
Management fees	+19%	£14.8m	£12.4m
Interest receivable	+29%	£31.2m	£24.2m
Stockbroking income	+21%	£43.0m	£35.4m
Advice and other charges*	-14%	£9.7m	£11.3m
Total	+12%	£245.8m	£220.0m

% of Group net revenue		75%	75%
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* Includes the paper based valuation statement fee

Divisional net revenue

Discretionary and Managed net revenue

		FY 2016	FY 2015
Renewal income	-33%	£0.2m	£0.3m
Ongoing advice fee	-9%	£10.7m	£11.7m
HL Multi Manager fund AMC	+21%	£44.1m	£36.5m
Advice charges	0%	£2.9m	£2.9m
Other	-9%	£1.0m	£1.1m
Total	+12%	£58.9m	£52.5m
% of Group net revenue		18%	18%

Third Party + Other Services net revenue

Corporate pensions	-6%	£3.2m	£3.4m
Investments	+12%	£5.6m	£5.0m
Personal life & pensions	-14%	£1.9m	£2.2m
Other services	-1%	£11.1m	£11.2m
Total (further breakdown on next page)	0%	£21.8m	£21.8m
% of Group net revenue		7%	7%

Third Party & Other Services net revenue

3P Corporate Pensions net revenue

		FY 2016	FY 2015	
Renewal income		-30%	£1.2m	£1.5m
Initial income	- corporate annuities	-25%	£0.3m	£0.4m
	- corporate pensions	-75%	£0.2m	£0.8m
Advisory fees		+114%	£1.5m	£0.7m
Total		-6%	£3.2m	£3.4m

3P Investments net revenue

Renewal income		+12%	£5.5m	£4.9m
Initial income		0%	£0.1m	£0.1m
Total		+12%	£5.6m	£5.0m

3P Personal Pensions net revenue

Renewal income		0%	£0.5m	£0.5m
Initial income	- Annuities	-13%	£1.3m	£1.5m
	- pensions/other	-50%	£0.1m	£0.2m
Total		-14%	£1.9m	£2.2m

Other Services net revenue

Stockbroking income		-3%	£3.8m	£3.9m
- <i>Certificated</i>		-14%	£0.6m	£0.7m
- <i>Currency services</i>	} HL Markets	+5%	£2.0m	£2.1m
- <i>CFD & Spreadbetting</i>		+9%	£1.2m	£1.1m
Interest receivable		-100%	£0.0m	£0.1m
Funds Library income		-3%	£6.2m	£6.4m
Other/advice fees		+38%	£1.1m	£0.8m
Total		-1%	£11.1m	£11.2m

Total Third Party & Other Services net revenue		0%	£21.8m	£21.8m
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Platform net revenue and average AUA

	FY 2016			FY 2015		
	Revenue £m	Ave Assets £bn	Margin %	Revenue £m	Ave Assets £bn	Margin %
Renewal income (net of loyalty bonus)	7.7			12.9		
Platform fee	139.4			123.8		
Total net revenue from funds	147.1	33.3	0.44%	136.7	29.7	0.46%
Stockbroking commission	43.0			35.4		
Management fees	14.8			12.4		
Total revenue from other stock	57.8	19.2	0.30%	47.8	16.6	0.29%
Total revenue from cash	31.2	5.5	0.56%	24.2	4.6	0.53%
Other income	9.7			11.3		
Total Investment Platform margin	245.8	58.1	0.42%	220.0	50.9	0.43%

Costs

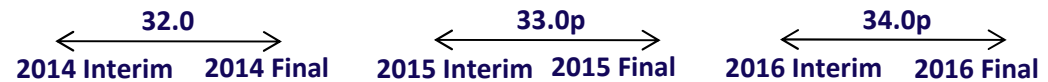
		FY 2016	FY 2015
Staff costs	+13%	£60.2m	£53.1m
Marketing and distribution spend	-12%	£11.2m	£12.7m
Depreciation, amortisation & financial costs	+20%	£6.1m	£5.1m
Office running costs	+12%	£4.8m	£4.3m
Other costs	+24%	£20.4m	£16.5m
FSCS levy costs	+25%	£5.5m	£4.4m
Total operating costs	+12.7%	£108.3m	£96.1m
Ave. no of staff (FTE)	+6%	969	914
No of staff at end of period (FTE)	-3%	942	970

Final dividend up 3% to 34.0p

	% of PAT	FY 2016	% of PAT	FY 2015
		Pence per share		
Interim dividend (ordinary)		7.8p		7.3p
Final dividend (incl.special)*		26.2p		25.7p
Total dividend		34.0p		33.0p
Total ordinary dividend	65%	24.10P	65%	21.60p
Total special dividend	26%	9.90p	34%	11.40p
Total dividend per share	91%	34.0p	99%	33.0p

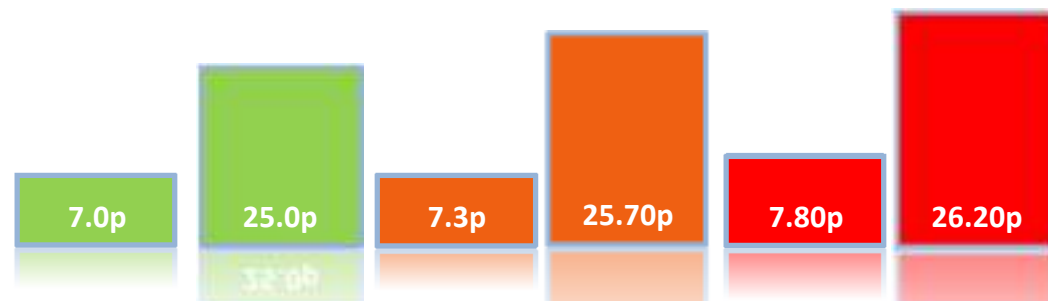
* Final dividend payable 28 September 2016

5 year CAGR = 12.5%



DIVIDEND

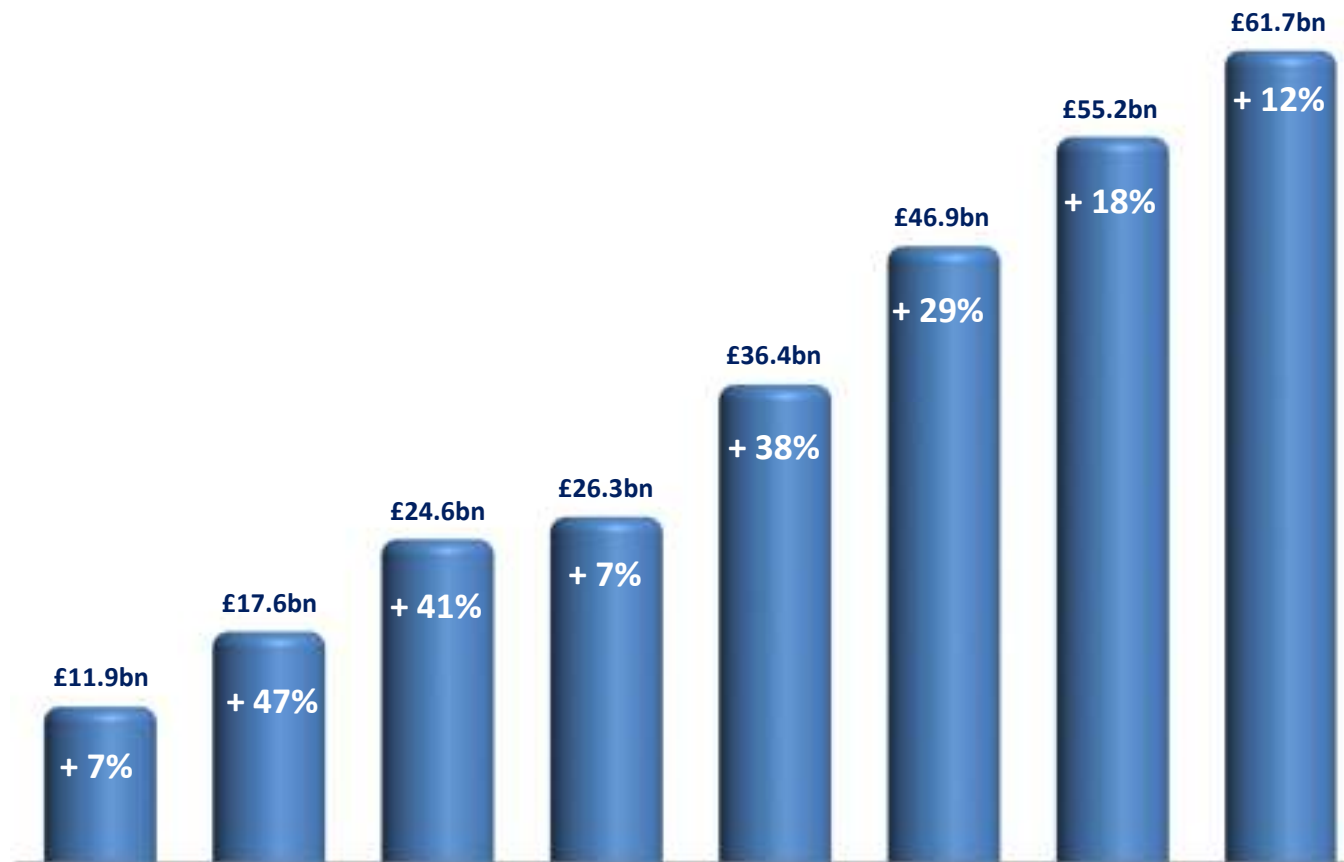
Interim and final dividend (p)



Total assets under administration

	Vantage AUA	Discr. AUM	Less MM funds in Vantage	FY 2016	FY 2015
	£bn	£bn	£bn	£bn	£bn
AUA at start of period	52.3	5.9	(3.0)	55.2	46.9
Net new business inflows	5.9	0.6	(0.6)	6.0	6.1
Market movement	0.5	(0.1)	0.1	0.5	2.2
AUA at end of period	58.7	6.4	(3.4)	61.7	55.2
Net new business inflow %	11%	10%		11%	13%

Growth in total AUA

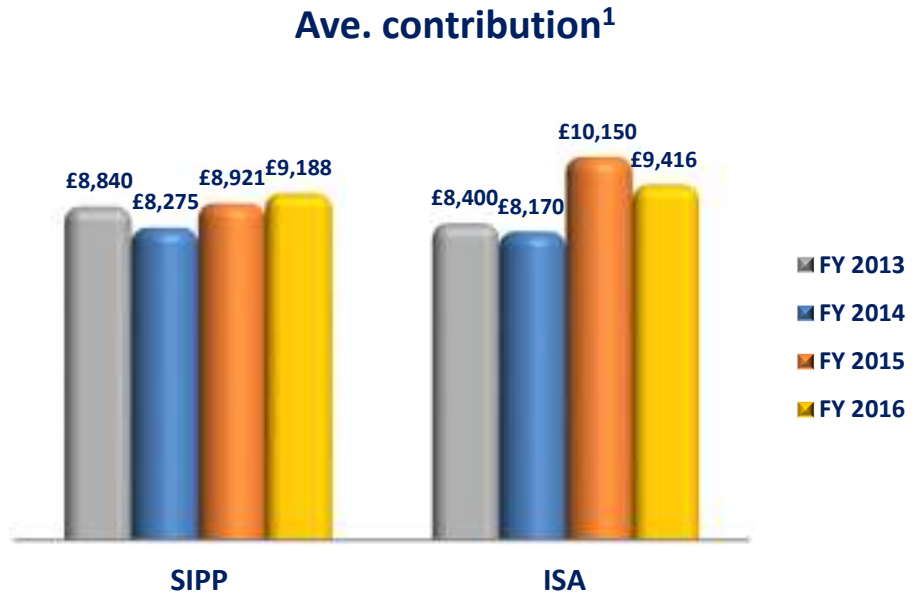
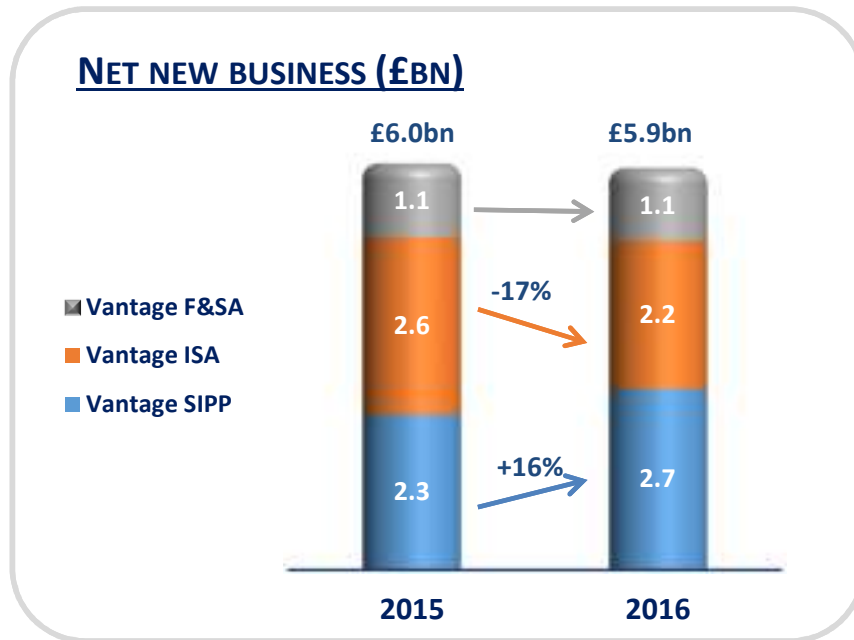


Total AUA FY 2009 to FY 2016 (£ billion)

	2009	2010	2011	2012	2013	2014	2015	2016
Market/other growth	-11%	+19%	+21%	-6%	+19%	+11%	+5%	+1%
Organic growth ¹	+18%	+28%	+20%	+13%	+19%	+18%	+13%	+11%
Total growth in AUA	+7%	+47%	+41%	+7%	+38%	+29%	+18%	+12%

¹ Organic growth based on net inflows as a % of opening AUA

Vantage AUA & Net new business



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

Growth and scale

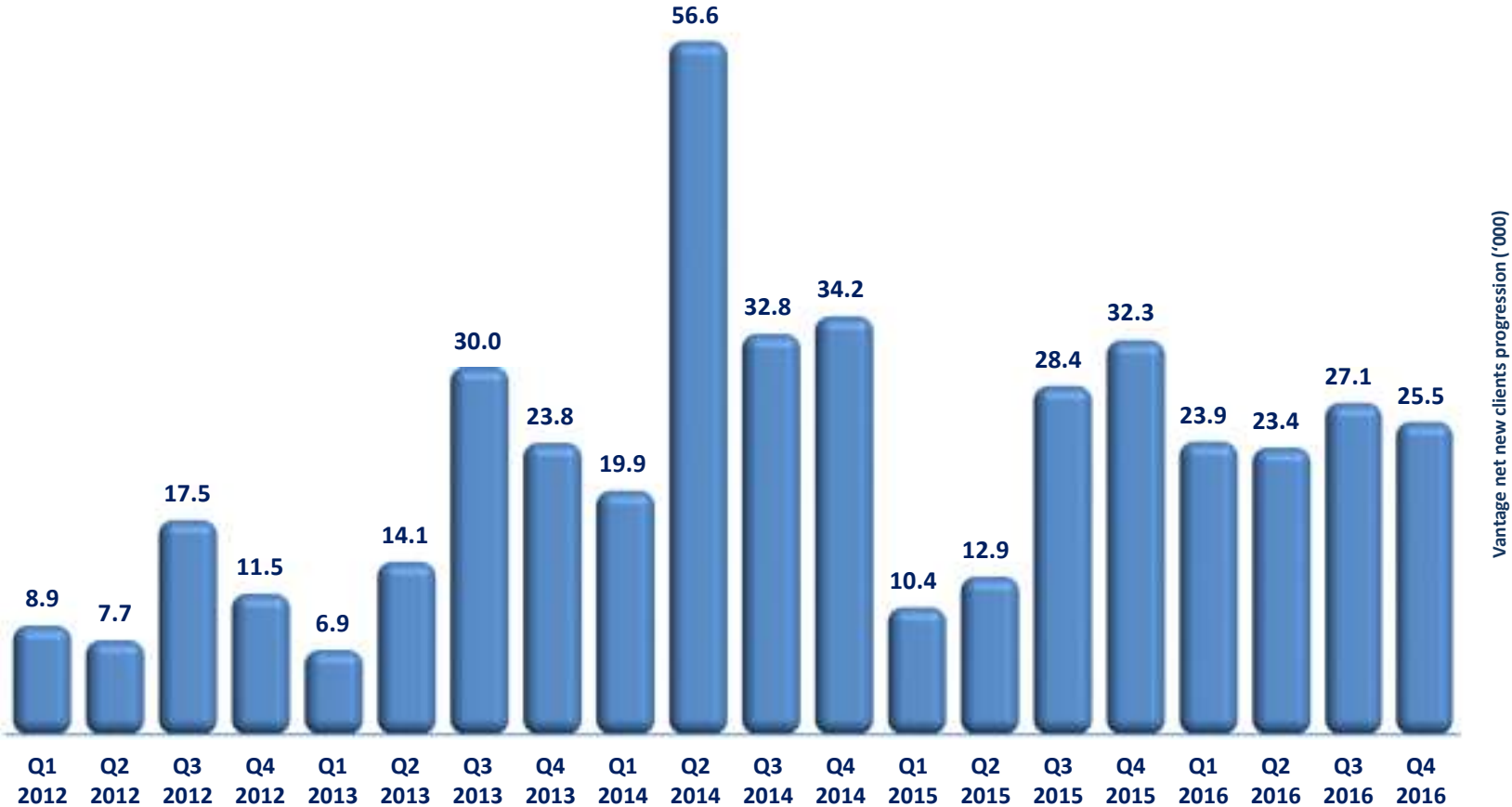
Lower interest rates + lower post RDR charges (from 1.3.14) contributed to a reduced Vantage net revenue margin. Stabilised post April 16 Sunset Clause.



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
FY 2016	42bps	56bps	£61.7bn	18.5bps
Change	-30%	-50%	+505%	+70%

Net new clients



Vantage net new clients progression ('000)

Divisional results

	Net revenue	Operating profit
FY 2015	£294.2m	£198.1m
Vantage (platform)	+£25.8m	+£18.9m
Discretionary & Managed	+£6.5m	+£5.5m
Third party & Other services	-	-£4.2m
FY 2016	£326.5m	£218.3m

See Appendices for breakdown of divisional revenues

Vantage AUA

72% of Vantage AUA in tax wrappers (Jun 15: 71%)

	SIPP** £bn	ISA £bn	F&S/Other*** £bn	Total £bn	FY 2015 £bn
Total AUA at start of period	16.4	20.7	15.2	52.3	44.2
Net new business inflows	2.7	2.2	1.1	5.9	6.0
Market movement *	0.2	0.1	0.2	0.5	2.0
AUA at end of period	19.3	23.0	16.5	58.7	52.3
Net new business %	16%	11%	7%	11%	13%
Market movement %	1%	0%	1%	1%	5%
Net business inflows FY 2015	2.3	2.6	1.1		6.0

* Market movement includes other growth factors, such as retained investment income, totalling £595m (FY 2015: £494m). Figures contain roundings.

** Vantage SIPP AUA includes £4,211m income drawdown assets at 30 June 2016 (30 June 2015: £3,424m)

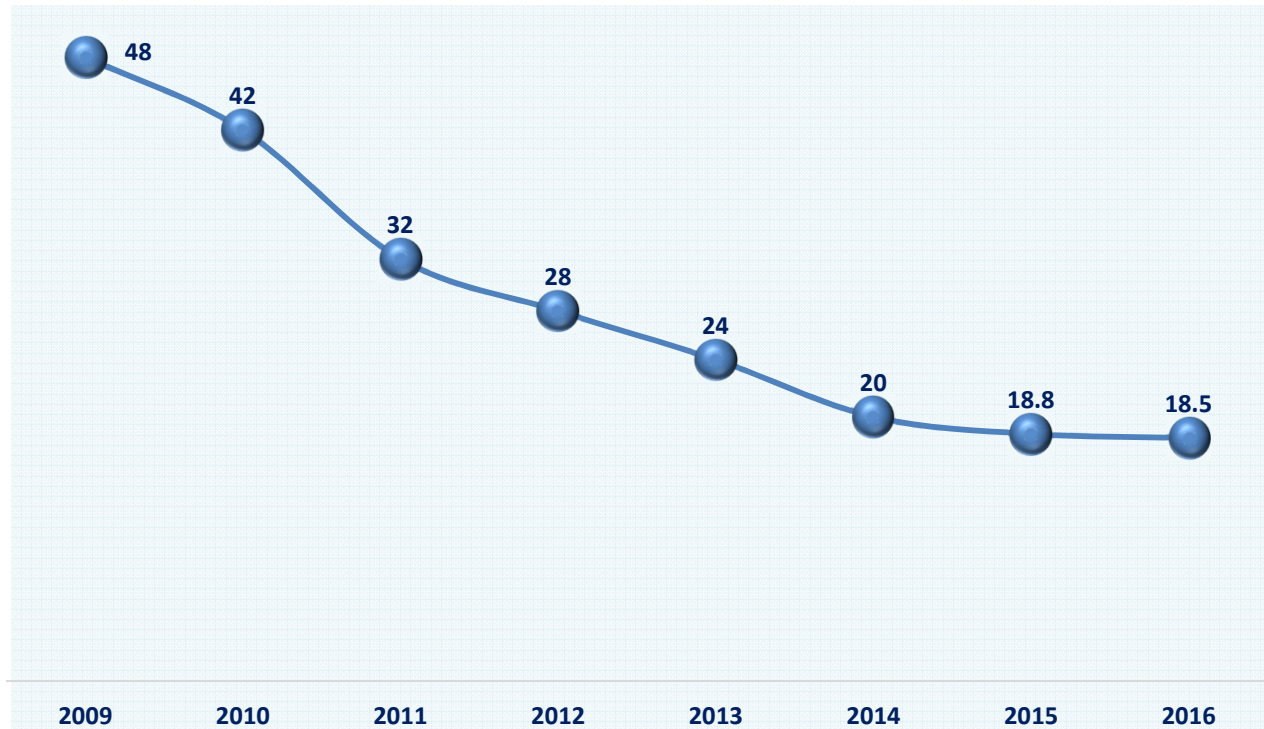
*** Vantage Fund & Share Account includes £3.2bn as at 30 June 2016 (30 Jun 2015: £3.1bn) of Hargreaves Lansdown plc shares.

Vantage AUA analysis

72% of Vantage AUA in tax wrappers (Jun 2015: 71%)

	SIPP	ISA	F&S/Other	Total
At 30 Jun 2016				
Stocks and shares	24%	24%	59%	34%
Investment funds	58%	67%	33%	54%
Cash	18%	9%	8%	12%
% of Vantage	33%	39%	28%	100%
At 30 Jun 2015				
Stocks and shares	25%	24%	58%	34%
Investment funds	58%	68%	35%	56%
Cash	17%	8%	7%	10%
% of Vantage	31%	40%	29%	100%

The Cost Ratio

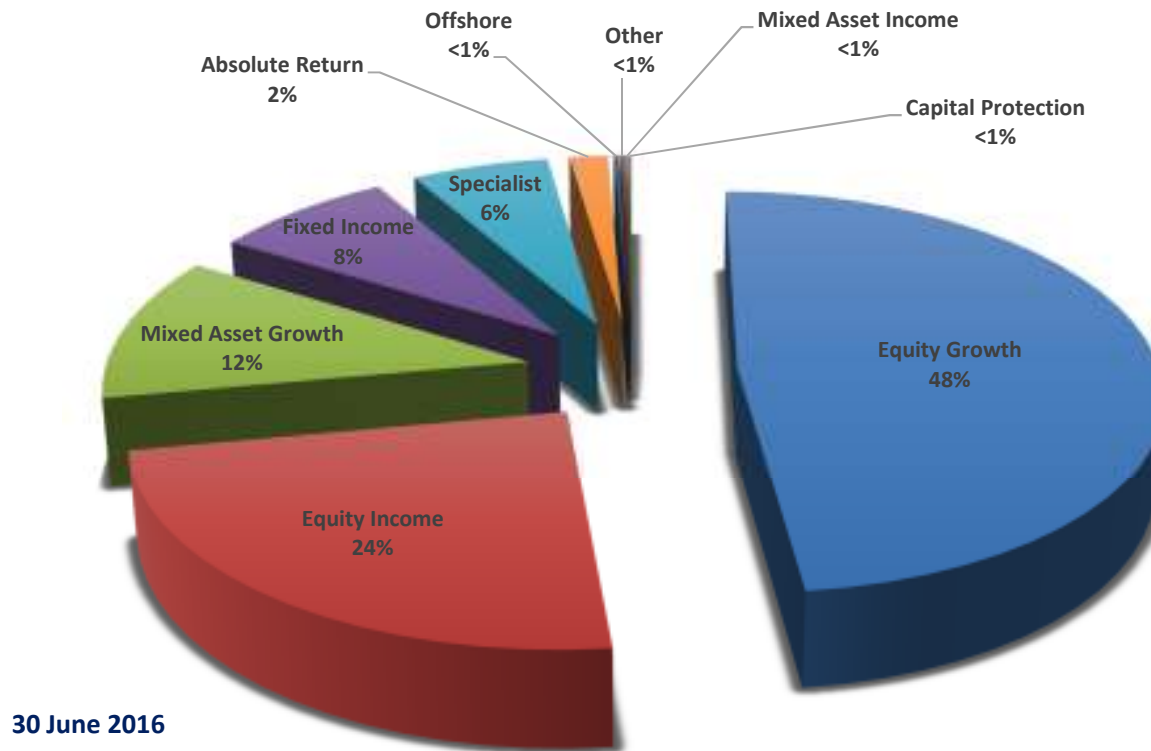


Group Cost Ratio (bps) FY 2009 to FY 2016

Clear and consistent focus on simplicity and on operating efficiency

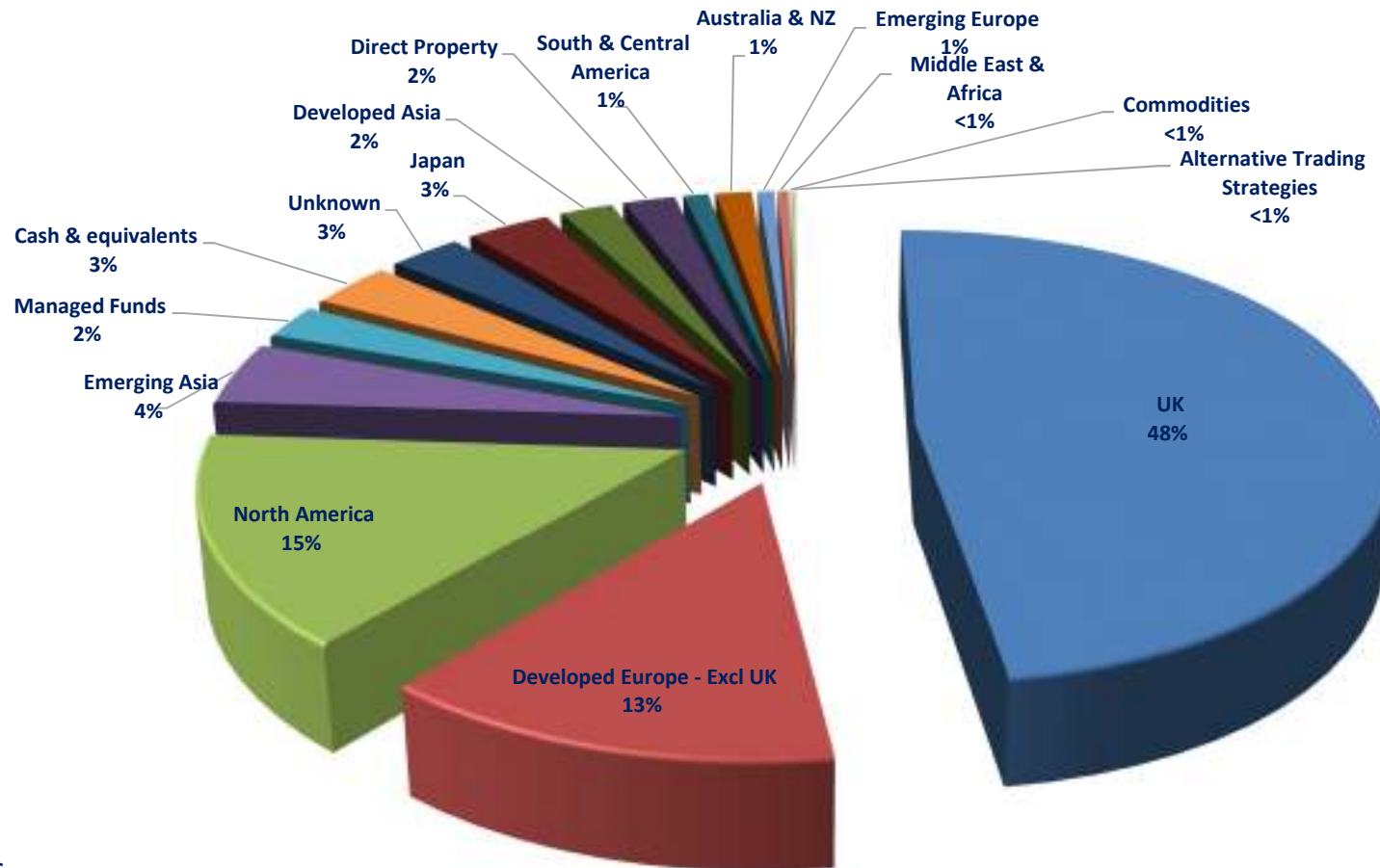
Vantage AUA analysis by sector

54% of Vantage AUA held as investment funds (Jun 2015: 56%) across the following sectors:



Vantage AUA Investment funds geographical exposure

48% (June 2015: 51%) of underlying holdings within clients investment funds are located within the UK



30 June 2016

Vantage – other information

	SIPP	ISA	F&S/Other	Total	FY 2015
Total No. of equity deals* ('000)	1,061	1,619	1,061	3,741	3,425
Total client share deals ('000)	914	1,197	886	2,998	2,806
% Internet (of client share deals)	99%	97%	97%	98%	97%
No. of fund deals ('000)	3,556	4,036	835	8,427	7,363
Average active client value at period end (£'000)	71.9	42.8	60.3	71.0	71.9
Average age (years)	47.6	49.4	57.5	49.5	50.6
New active accounts ('000)	45	57	17	119	105
Total active accounts ('000)				1,122	1,003
Clients registered for online access				88%	88%
Clients registered for paperless service				73%	71%

* Includes 743,000 automated share deals i.e. income reinvestment, fee sales and regular savings (FY 2015 : 619,000)

Share dealing volumes (Vantage)

Client-driven share dealing volumes +7% vs 2015

	Client-driven	Automated
FY 2015	2,806,000	619,000
FY 2016	2,998,000	743,000

