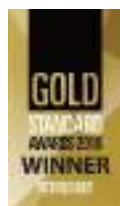


Hargreaves Lansdown plc

Unaudited interim results
for the
6 months ended
31 December 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.

Contents

Highlights and Financial Results

Christopher Hill, Deputy CEO

Comment and Strategy update

Ian Gorham, CEO

Appendices

Christopher Hill, Deputy CEO

Highlights

Financial results

H1 2017 highlights

GROWTH IN ASSETS AND CLIENTS

- Record AUA of £70.0bn
- £2.34bn of assets gathered (H1 2016: £2.77bn or £2.51bn excl acquisitions)
- 876,000 active clients, 40,000 net new clients (H1 2016: 47,000; 40,400 excl acquisitions)
- FTSE All-share up 10.2% vs. H1 2016 -3.5%
- Ongoing strong client and asset retention rates (94.7% & 93.5% respectively)

AUA

+13.5%

(£70.0bn vs. £61.7bn FY 2016)

FTSE All-Share

+10.2%

(H1 2016: -3.5%)

STRONG PROFITABILITY

- Net-revenue up 16% to £184.8m
- Pre-tax profits up 21%, diluted EPS up 22%
- Stable margins
- Operating costs up 7% with continued disciplined investment in strategic initiatives

Net revenue

+16.3%








(£184.8m vs. £158.8m)

Operating profit

+21%

(£130.5m vs. £107.8m)





H1 2017 financial headlines

		H1 2017	H1 2016	FY 2016	
Net revenue		£184.8m	£158.8m	£326.5m	Net revenue up 16%
Operating profit		£130.5m	£107.8m	£218.3m	
Profit before tax		£131.0m	£108.1m	£218.9m	21% increase in PBT
Effective tax rate		18.8%	19.6%	19.0%	
Profit after tax		£106.4m	£86.9m	£177.3m	22% increase in PAT
EPS (diluted)		22.4p	18.3p	37.3p	
Dividend per share		8.6p	7.8p	34.0p	Interim dividend increased to 8.6p







Net revenue

HIGH QUALITY EARNINGS

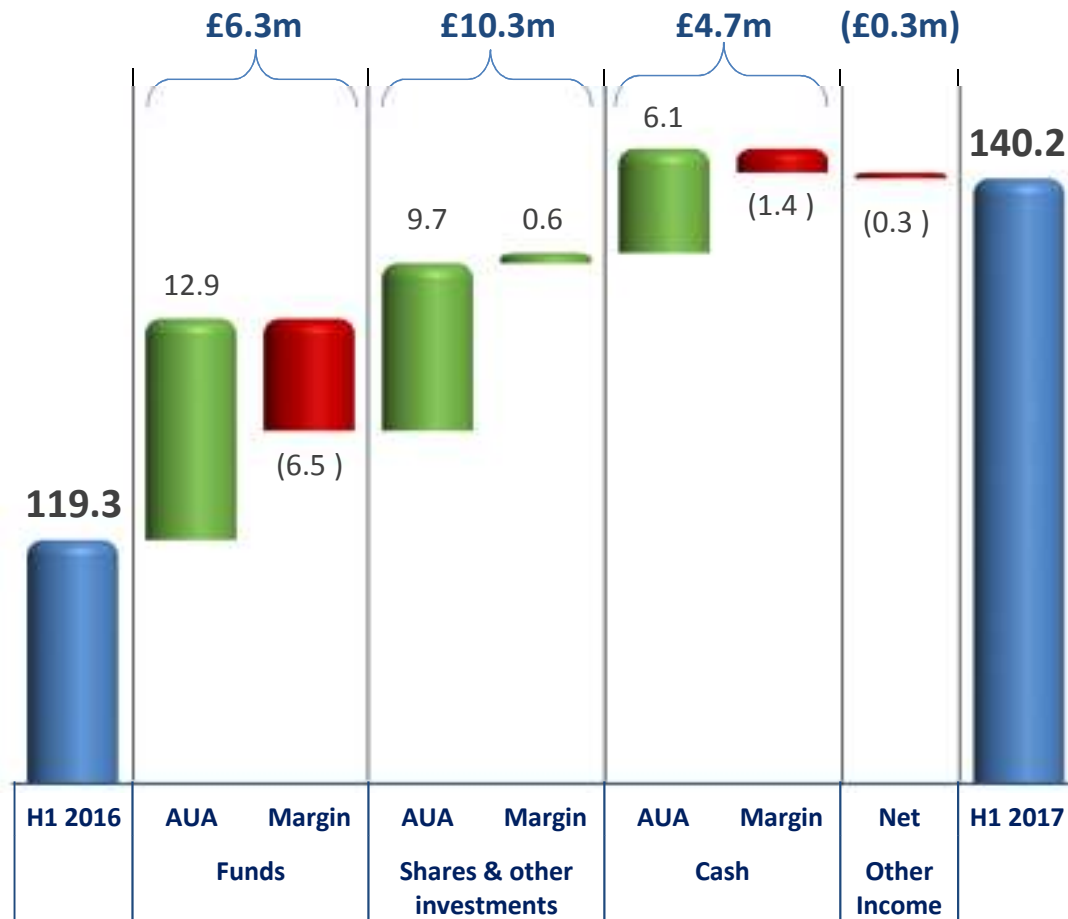
- % of recurring net revenue H1 2017: 77% (H1 2016: 80%)
- % of assets earning recurring revenue H1 2017: 84% (H1 2016: 80%)

		H1 2017	H1 2016
Net recurring revenue – fees, interest, renewal income		£141.9m	£126.5m
Transactional income – incl. dealing commission, advice fees		£39.2m	£29.4m
Other income		£3.7m	£2.9m
<hr/>			
Total net revenue		£184.8m	£158.8m

Divisional results

	Net revenue		Operating profit	
	H1 2017	H1 2016	H1 2017	H1 2016
Vantage service	 +18% £140.2m	£119.3m	 +24% £100.9m	£81.5m
Discretionary & Managed	 +14% £33.3m	£29.1m	 +19% £27.2m	£22.9m
Third party & Other services	 +9% £11.3m	£10.4m	 -29% £2.4m*	£3.4m
TOTAL	£184.8m	£158.8m	£130.5m	£107.8m

Vantage Service – Net Revenue Bridge (£m)



- Fund volumes compensate for the planned reduction in fund margin
- Strong 1H for deal volumes due to Brexit – contributes £8.6m
- Reduction in cash margin in line with previous guidance

Vantage Margin – Future Drivers

	H1 2017	FY 2016	H2 2016	H1 2016	FY 2017
Funds	42bps	44bps	43bps	45bps	41-42bps
Equities	33bps	30bps	33bps	27bps	~30bps
Cash	51bps	56bps	58bps	55bps	40-50bps
<hr/> Vantage margin	<hr/> 41bps	<hr/> 42bps	<hr/> 43bps	<hr/> 42bps	<hr/>

- Expect ~41-42bps on funds – post sunset clause
- Equities margin ~30bps – driven by activity
- Cash margin 40-50bps – assuming no Base Rate change

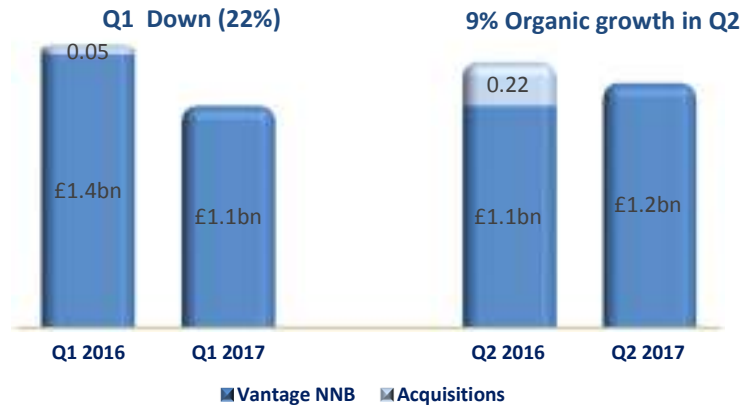
Vantage

RECORD SHARE DEALING VOLUMES

KPIs		H1 2017	H1 2016	FY 2016
Net revenue	+18%	£140.2m	£119.3m	£245.8m
Ave. net revenue margin (net of loyalty bonus)	-1bps	41bps	42bps	42bps
Operating profit margin (on net revenue)	+3.6pts	71.9%	68.3%	67.7%
Average cost ratio (on AUA, excl loyalty bonus)	-2bps	12bps	14bps	14bps
No. of active Vantage clients ('000)	+12%	867	775	827
Total dealing volumes	+44%	2.38m	1.65m	3.74m
Client share dealing volumes ¹		1.94m	1.28m	3.00m
Automated share dealing volumes ²		0.43m	0.37m	0.74m
Vantage net new business inflows	-15%	£2.32bn	£2.73bn	£5.94bn
Market movement		£5.65bn	(£0.91bn)	£0.5bn
Vantage AUA at end of period	+19%	£66.7bn	£55.9bn	£58.7bn
Total Platform AUA ³ at end of period	+19%	£69.9bn	£58.8bn	£61.6bn

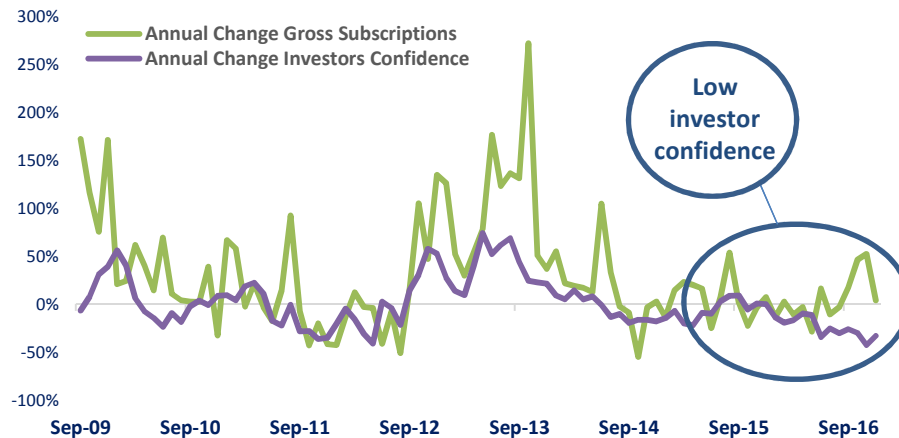
Vantage Net New Business

NET NEW BUSINESS



- Q2 return to growth in New Business

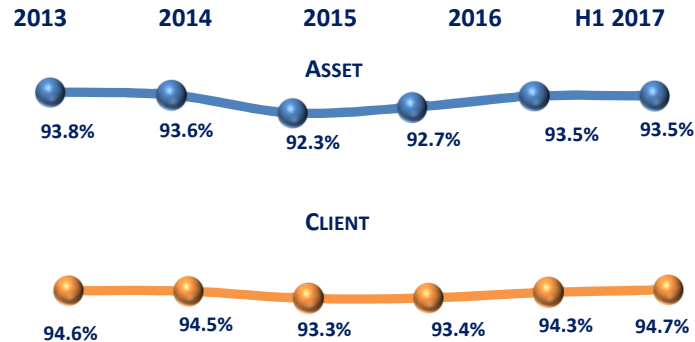
INVESTOR CONFIDENCE



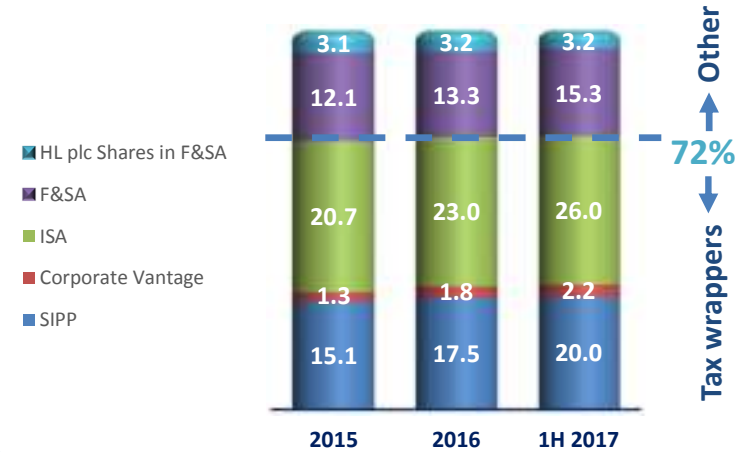
- Low investor confidence through H1
- Some pick-up post November

Client & Asset retention

HIGH RETENTION RATES



STICKY ASSETS



CLIENT SATISFACTION



- Asset & client retention remain excellent at 93.5% and 94.7% respectively

Discretionary and managed

HLMM FUNDS CONTINUE TO ATTRACT STRONG INFLOWS

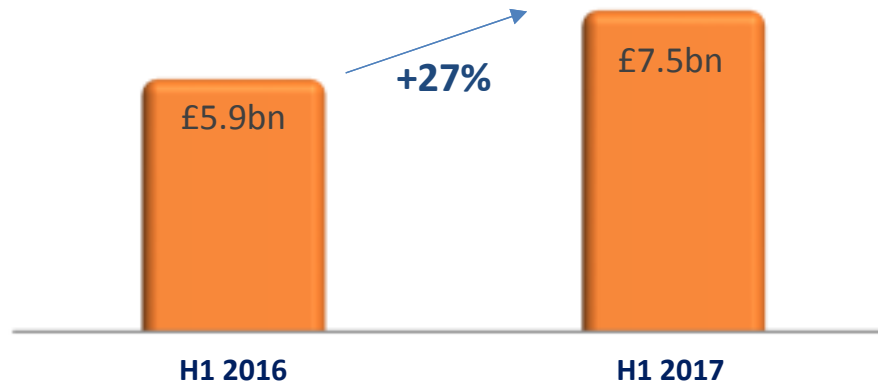
KPIs		H1 2017	H1 2016	FY 2016
Net revenue	+14%	£33.3m	£29.1m	£58.9m
Net recurring revenue	+2pts	96%	94%	93%
Operating profit margin (on net revenue)	+3.3pts	81.8%	78.5%	76.9%
HLMM AUA (Vantage)	+32%	£4,303m	£3,249m	£3,441m
HLMM AUA (PMS)	+19%	£3,159m	£2,644m	£2,793m
Discretionary AUM at period end*	+23%	£7.58bn	£6.17bn	£6.44bn
Net new business inflows	+36%	£433m	£319m	£624m

- Decreased average number of advisers from 95 to 91

* Made up of PMS (HLMM & non-HLMM (£50m)), HLMM in Vantage and HLMM held by third parties (£69m)

Funds & Fund Management

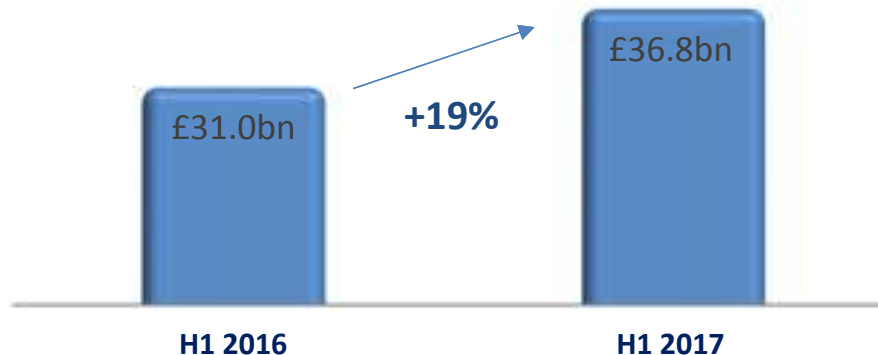
HL FUNDS



- 3 New Fund launches in the 12 months to December 2016

- HL Strategic Assets
 - HL High Income
 - HL Select UK Shares
- HL Multi-Manager Funds

VANTAGE FUNDS



- More launches planned – next up “HL Select UK Income Shares” in March 2017

Third Party/Other Services

GROWTH IN DEVELOPING BUSINESSES

KPIs		H1 2017	H1 2016	FY 2016
Net revenue	+9%	£11.3m	£10.4m	£21.8m
Operating profit margin on net revenue*	-12.0pts	20.9%	32.9%	29.9%
Revenue includes:				
Funds Library	+30%	£3.9m	£3.0m	£6.2m
HL Markets**	+27%	£1.9m	£1.5m	£3.2m
Third party corporate and personal pensions	-23%	£2.0m	£2.6m	£5.2m

- Funds Library revenue growth driven by new solvency II services

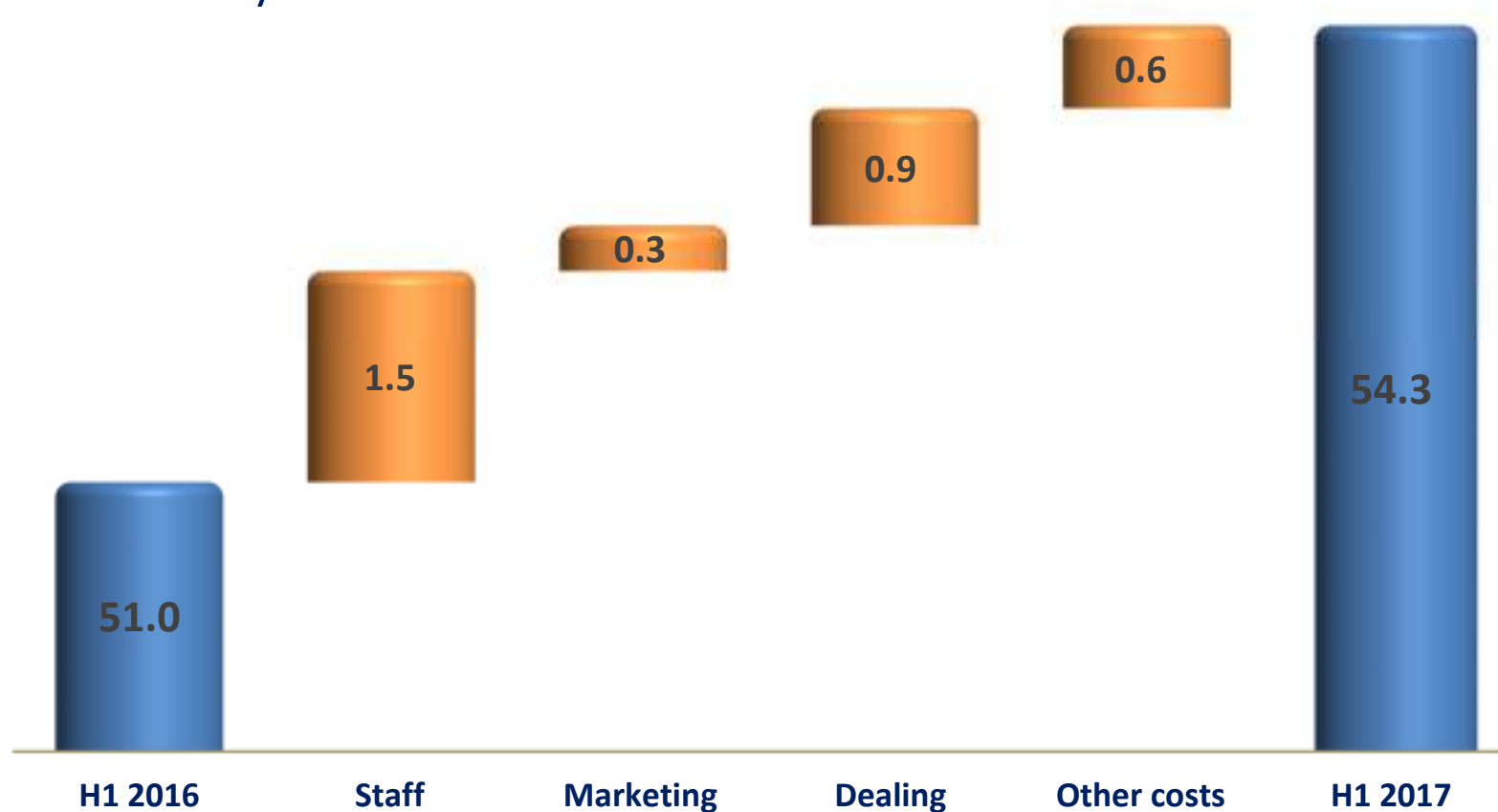
*Includes the cost for HL Savings

** Relates to Currency and CFDs

Costs bridge

7% INCREASE IN COSTS

- FSCS levy falls in the second half



Operating Costs

		H1 2017	H1 2016	FY 2016
Staff costs	+5%	£31.9m	£30.3m	£60.2m
Marketing and distribution spend	+5%	£5.8m	£5.5m	£11.2m
Depreciation, amortisation & financial costs	+18%	£3.3m	£2.8m	£6.1m
Office running costs	-22%	£1.8m	£2.3m	£4.8m
Other costs	+18%	£11.9m	£10.1m	£20.4m
Total FSCS levy costs	-	(0.3m)	-	£5.5m
Total operating costs	+7%	£54.4m	£51.0m	£108.2m

Headcount		H1 2017	H1 2016	FY 2016
No of staff at end of period	+3%	1,012	985	942
Ave. no of staff (FTE)	+0.6%	970	964	969

Summary and outlook

FIRST HALF OF FY17

- Strong growth in revenue, profits and EPS
- Stable margins
- Growth in assets and clients
- Confidence to invest in future opportunities
- Dividend signals confidence in outlook

SECOND HALF OF FY17

- Launch of new apps, new fund, the LISA
- Tax year end and increase in ISA allowance to £20k
- Investor confidence remains key
- FSCS levy charged in H2

Ian Gorham, CEO

Results comment

Strategy update

Other information

Results comment

AUA

+19%

(£70.0bn vs. £58.8bn H1 2016)

Net New Business

Actual

-16%

(£2.34bn vs. £2.77bn H1 2016)

Organic

-7%

(£2.34bn vs. £2.51bn H1 2016)

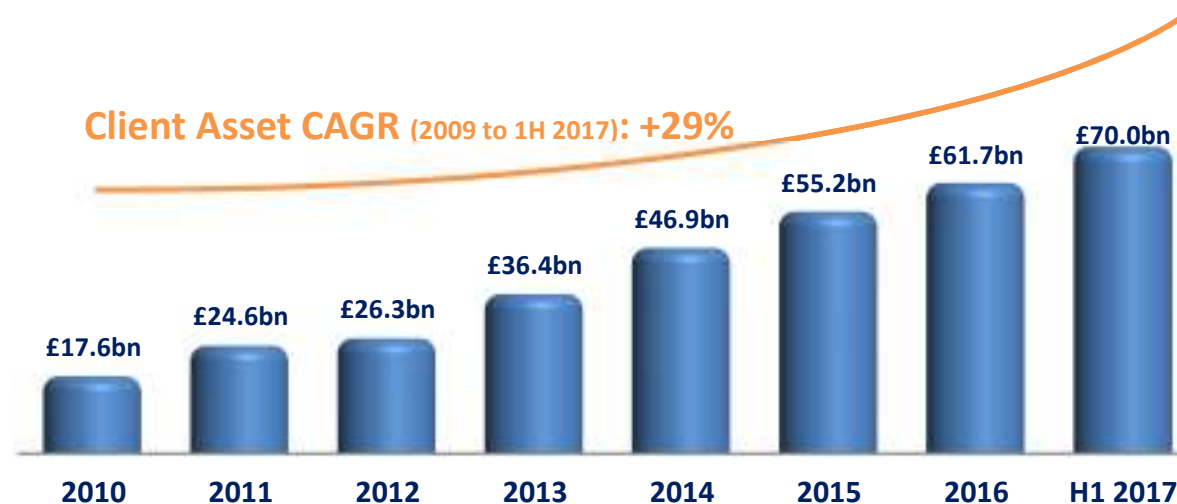
Profit
Before Tax

+21%

Continued growth in assets, clients and income to record levels

21% profit growth helped by strong markets (FTSE All Share +7.7% on average)

Client Asset CAGR (2009 to 1H 2017): +29%

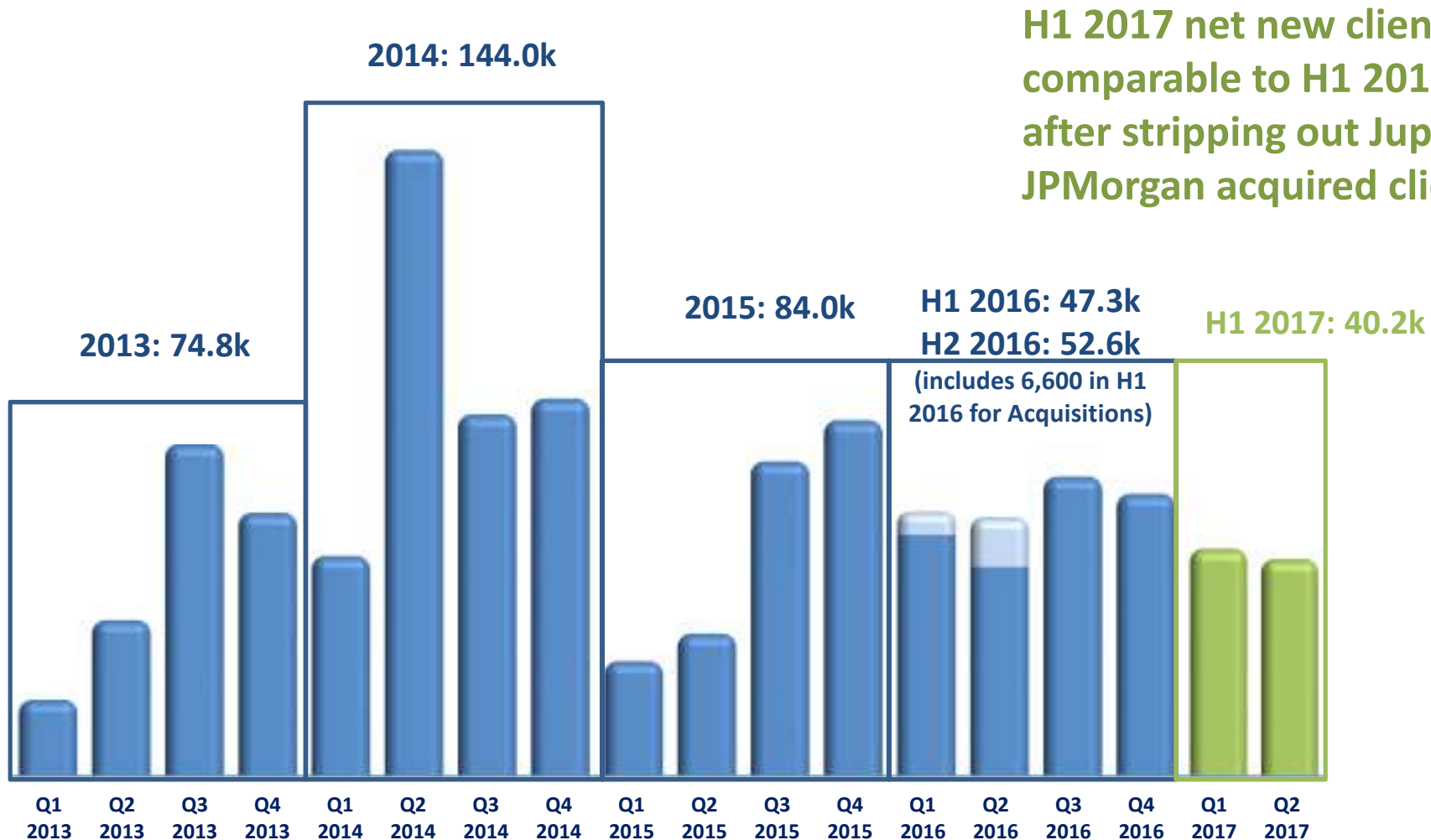


Growth in Account Assets

Net New Business (Vantage)		H1 2017	H1 2016
ISA	-14%	£0.6bn	£0.7bn
SIPP	-8.3%	£1.1bn	£1.2bn
Fund and Share	-25%	£0.6bn	£0.8bn
TOTAL	-15%	£2.3bn	£2.7bn

- Transfers and pension freedoms continue to help pensions growth
- High markets + low confidence = increased cash withdrawals
- Particularly affected Fund and Share account following the EU referendum
- H1 2016 included c£264m of new business acquired from JP Morgan and Jupiter Asset Management

Net new clients progression



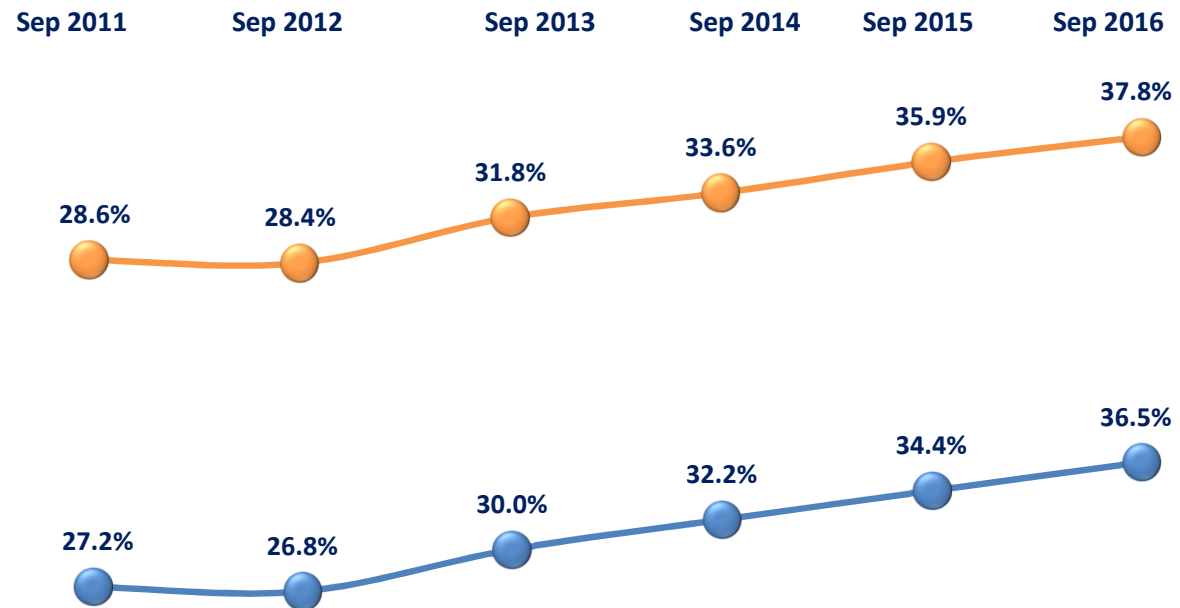
H1 2017 net new clients comparable to H1 2016 after stripping out Jupiter & JPMorgan acquired clients

Market share and future growth

HL D2C market share increased further

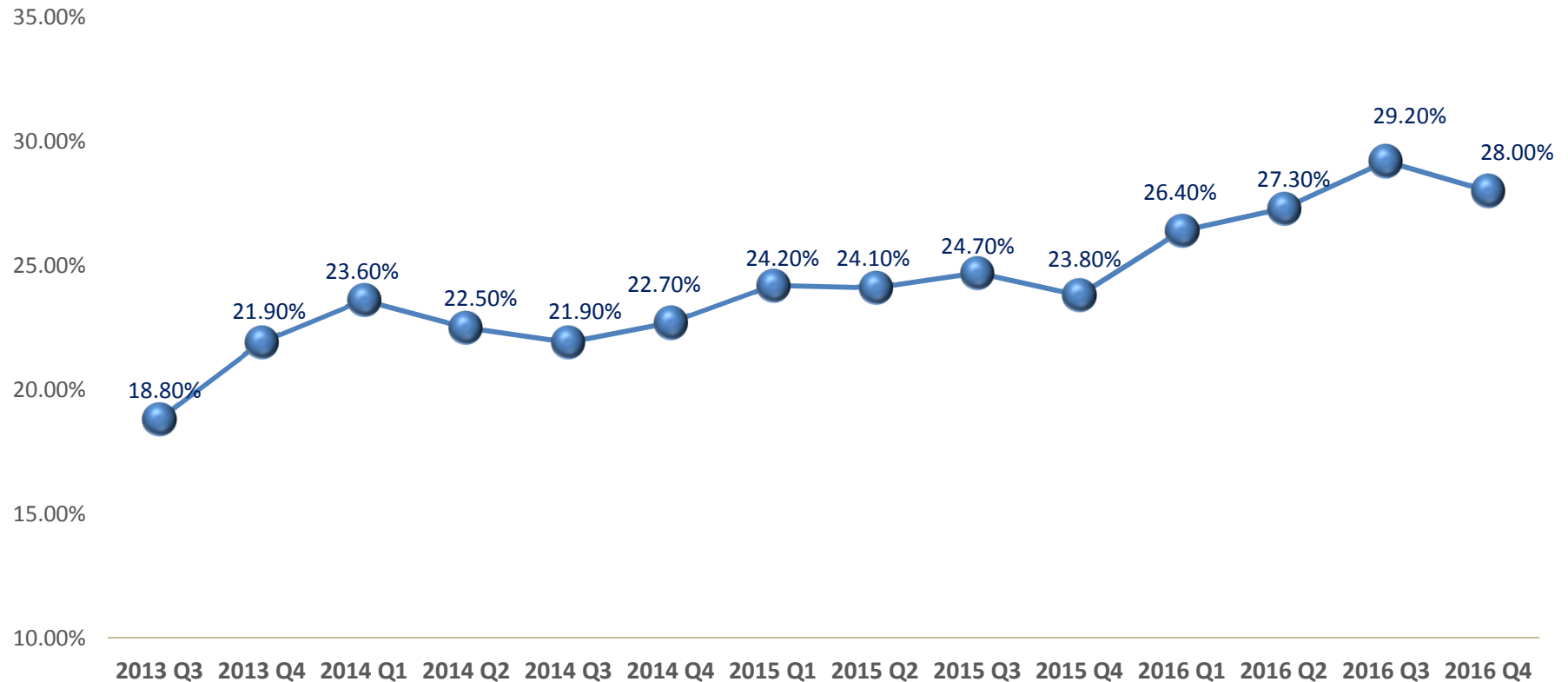
HL market share
as per Platform*

Adjusted for HL
shares held on the
platform



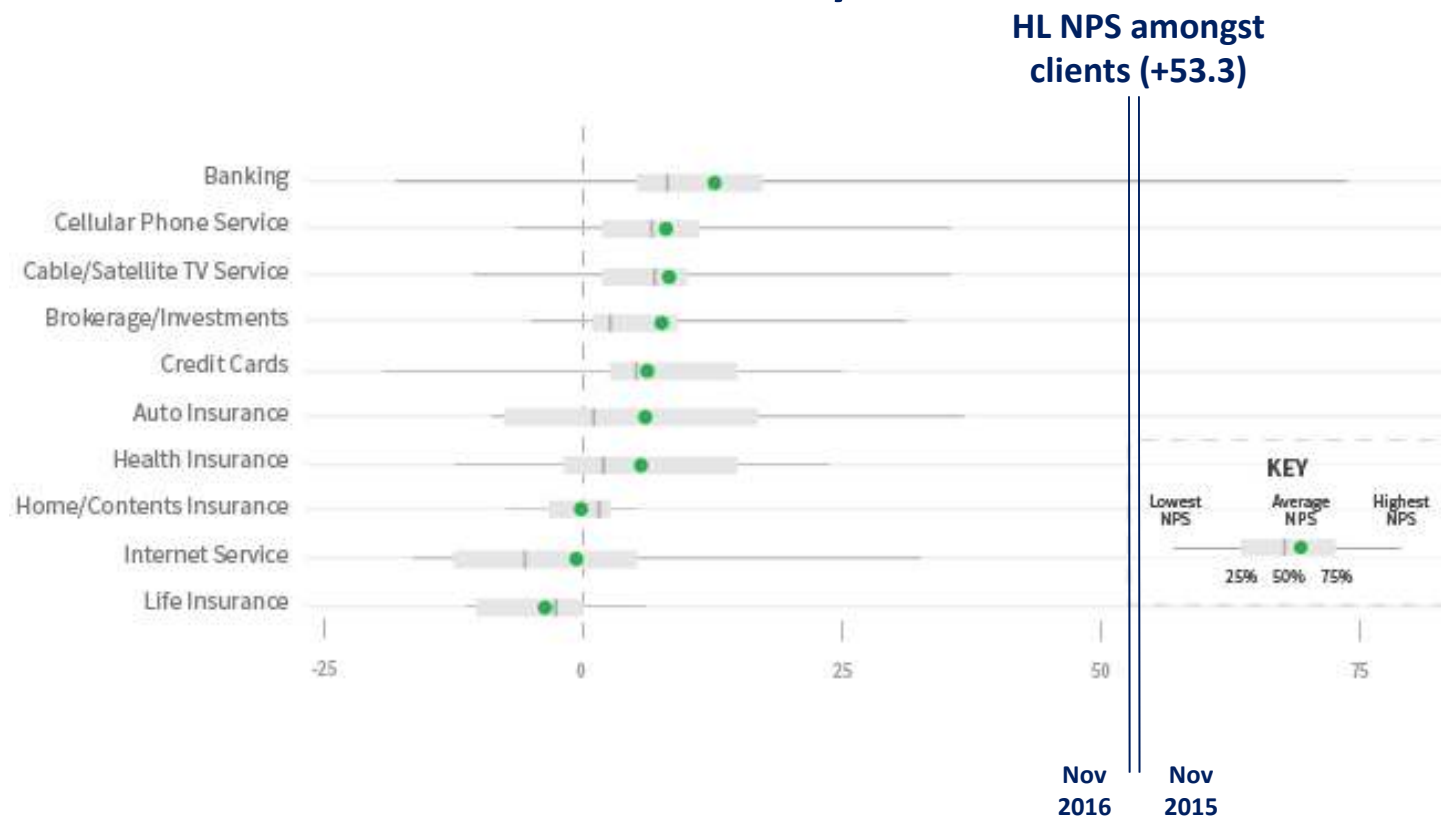
Market share of stockbroking

HL UK stockbroking volumes vs XO peer group



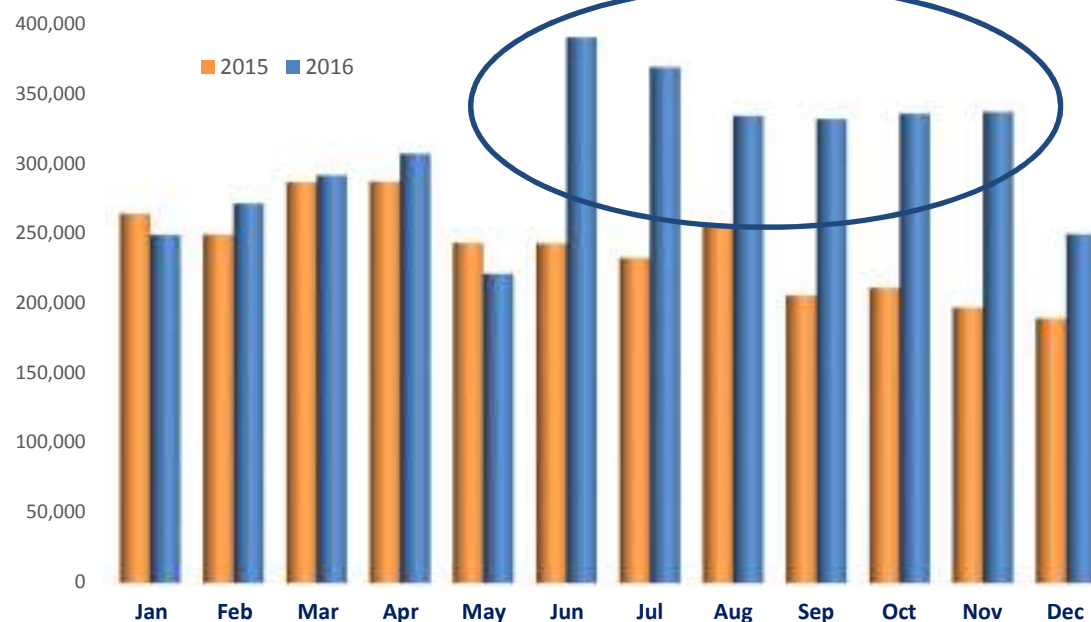
HL well loved by clients

- HL sector leader (Investment & Brokerage) on Net Promoter ScoreSM
- NPS similar at 53.3 versus 53.7 last year*



Brexit

Client-driven equity deals

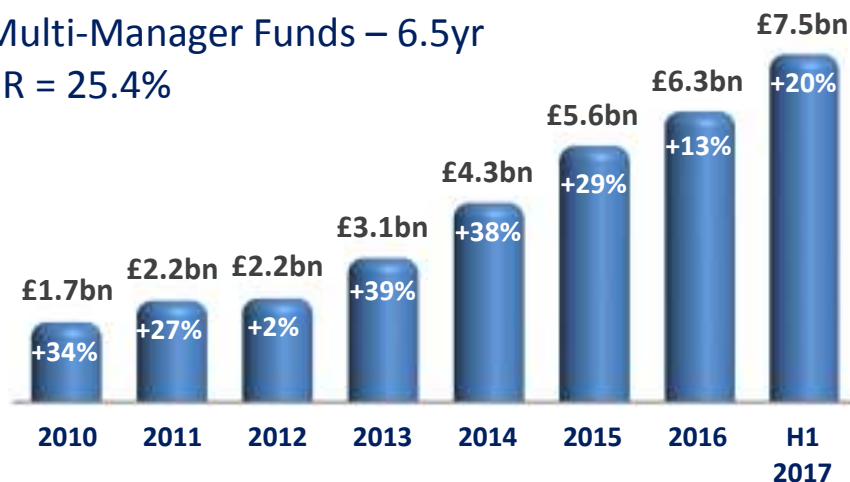


- + People still need to invest
 - + Rekindled interest in markets
 - + Increased equity trading
 - + Lower interest on cash = equities are attractive
-
- Introduces uncertainty, may effect investor confidence
 - Interest rates and margin

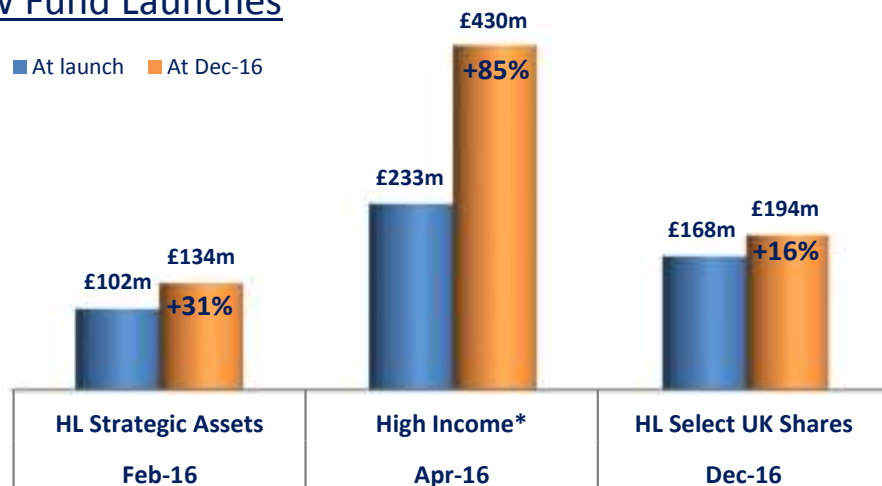
Strategic initiatives

HL Funds & Fund Management

HL Multi-Manager Funds – 6.5yr
CAGR = 25.4%



New Fund Launches



* High Income included £75m of transferred PMS assets at launch

HLMM Funds (£m)	Dec-16
Income & Growth	2,952
Special Situations	1,307
Balanced Managed	983
Strategic Bond	789
High Income	430
Equity & Bond	239
UK Growth	197
Asia & Emerging Markets	170
European	135
Strategic Assets	134
Multi-Manager Funds	7,337
HL Select UK Shares	194
Equity Funds	194
TOTAL	7,531

HL Savings

- Digital deposit service integrated with Vantage. Will help cash savers access better rates on their savings with a range of offers provided by manageable number of banks & building societies. Supported by a Peer to Peer (P2P) offer to follow.
- UK Savings market estimated to be at least £700bn*. 45% of HL clients say they have >£75,000 in cash savings*. 70% say they might use HL for savings**.
- New client cohort opportunity: 70% of “street surveyed” public will always default to cash as they lack investment risk appetite

Client

- Savings at click of mouse
- See assets all in one place
- Spread across FSCS
- Range of returns
- Maximise interest return
- Minimise paperwork
- Optimise cash portfolio

Bank

- Acquire retail money
- Reduced acquisition cost
- Reduced overheads
- Simplified IT integration to join
- Diversify funding sources

Progress on HL Savings

- We have prioritised deposit service (“HL Active Savings”). P2P will follow.
- HL Savings Ltd received FCA Authorisation on 16 December 2016 for its deposit service.
- Launched proof of concept (PoC) in January 2017. Accessible only to internal (staff) clients for user feedback but successfully proves feasibility of:
 - Legal and regulatory requirements
 - Technology
 - Partner bank participation and connectivity
- BUT there is a lot of work to do. Estimate client facing not until at least October 2017.

Why is it taking longer?

- Vantage is market leading. Client experience needs to be at least as good as Vantage investment experience before we launch to clients.
- Bank connectivity using SWIFT is successful but required longer build
- Underestimated client verification, client money and money laundering requirements build. Assumed would be shorter because lesser regulatory requirements. In reality as market leader we need to be gold standard.
- NOT an issue with the service or feasibility.
- HAVE added resources where appropriate.

Robo: Portfolio Plus

A banner for HL Portfolio+ with a dark blue background and a network diagram on the right. The text 'HL Portfolio+' is in large white font, followed by 'Ready-made investing managed by our experts' in smaller white font. A blue arrow points left to the text 'Back to overview'.

Portfolio+ is not personal advice. If you are unsure if it is an appropriate service for you or which portfolio is suitable for your circumstances, contact us for advice. As the value of investments can fall as well as rise you should anticipate holding it for at least 5 years and not invest monies you may need before then. Tax rules can change and the benefits will depend on your circumstances.



Choose your goal

You can invest for income or growth and select from three pre-determined risk levels.



Select portfolio

Once you have chosen a portfolio you can view it online as often as you like.







Rest assured

Sit back and leave the rest to our experts. We will rebalance it for you twice a year.

- Now **£459m assets** in Portfolio +
- 123% growth in the past 12 months
- Self Directed and Advised still substantially larger

Corporate

Progress but “lumpy” new business with employers and decision makers distracted by Brexit. Opportunities have picked up since.

	<u>As at 31 Dec</u> <u>2016</u>	<u>As at 30</u> <u>June 2016</u>	% change	6 months increase in H1 2017	6 months increase in H1 2016
 Members*	74,769	68,560	+9%	6,209	6,089
 Schemes *	352	335	+5%	17	32
 Annual Premiums **	£254m	£244m	+4%	£10.0m	£20.9m
 AUA	£2,162m	£1,765m	+22%	£397m	£188m

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

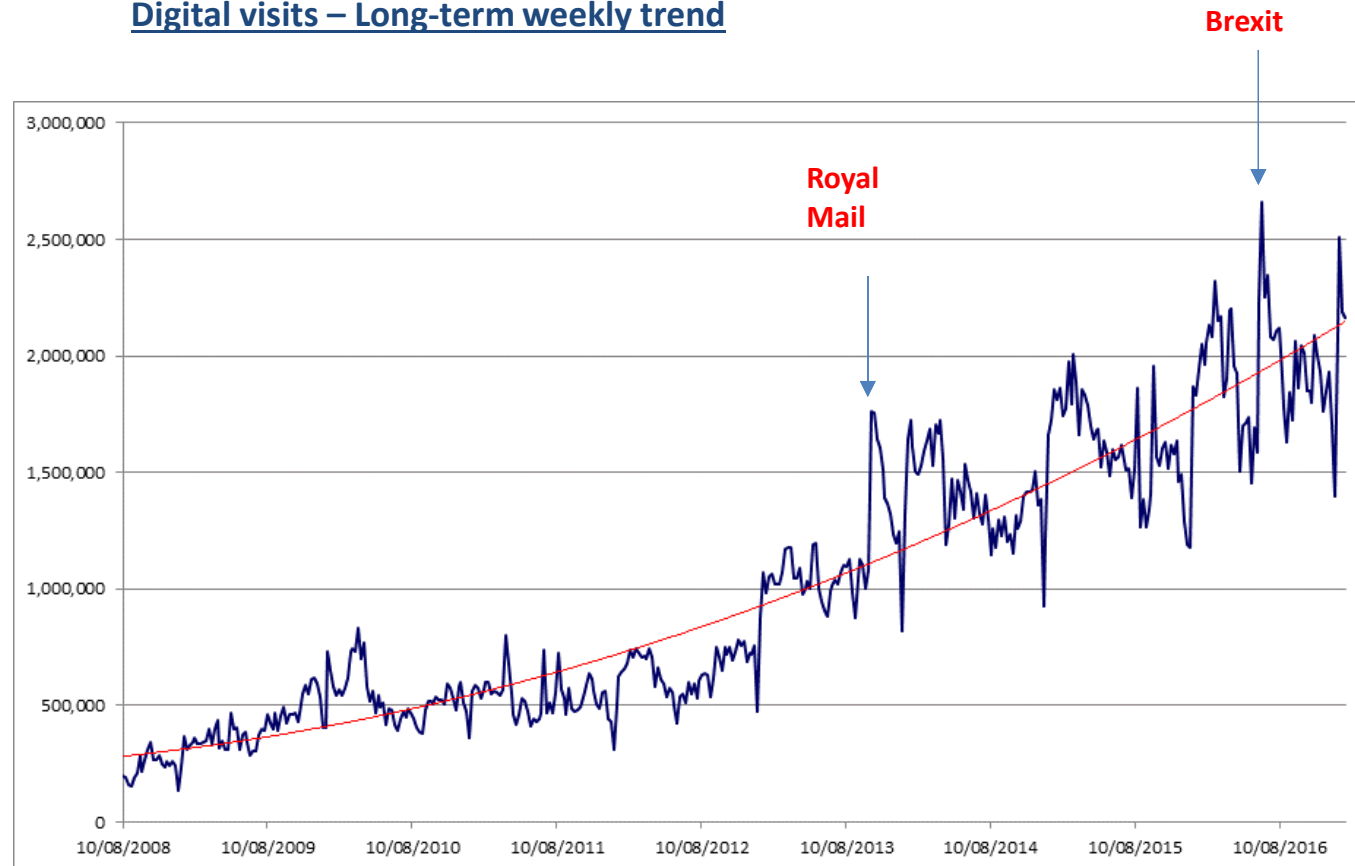
Digital

Digital visits
+ 39%
year-on-year

APPs
More than
500,000
App downloads to
date

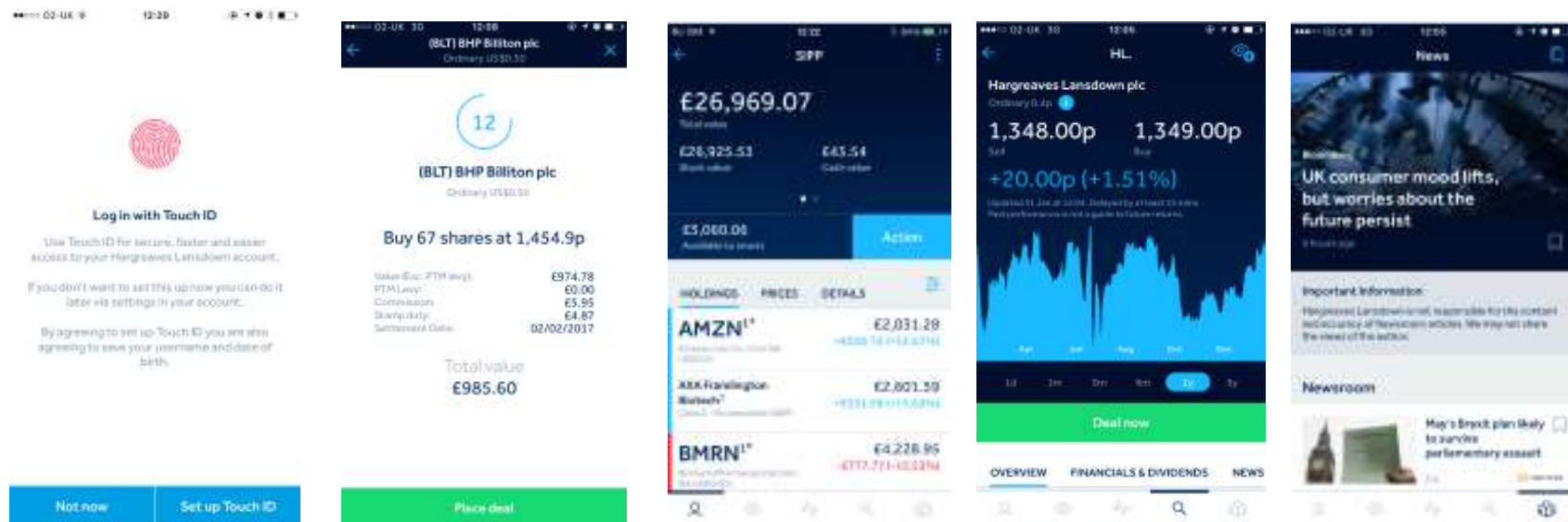
Mobile
fuelling growth
and offering new
marketing
opportunities

Digital visits – Long-term weekly trend



Our New App – what it offers

- Fully updated design
- Fingerprint login
- Free live share prices for clients
- Enhanced trading: stop losses, limits and overseas stocks
- Top up and withdrawal functionality



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

Implementation plan

- **Final promotional rules from the FCA due March 2017**
- **Stocks & Shares LISA will be ready in time for LISA launch (April 2017)**

HL will be ready for launch!

Regulation

- **FCA Asset Management Market study**
- We welcome any work to improve competition, transparency and lower costs for retail investors
- FCA review recognises the benefits of Hargreaves Lansdown scale and negotiation of charge reductions on behalf of clients
- We are responding to the consultation
- We don't expect there to be a material impact on results

Summary

- 21% Profit growth aided by higher stock markets, sustained higher levels of equity trading and new assets.
- Net asset gathering has held up well: transaction booster in last year comparative and high client asset values and low confidence can drive cash withdrawals.
- Improving picture at start of Q3 as investor confidence better. Competitive position remains excellent.
- Launched new apps and on track with Lifetime ISA. HL Savings progresses with focus on quality. New funds and Portfolio+ doing well.
- Well set looking towards tax year end.

Appendices

Index

Contents	Slide	Contents	Slide
Financial		AUA and volumes	
Market consensus	43	Assets under administration	51
Divisional net revenue	44-45	Growth in total AUA	52
Third party and other services revenue	46	Vantage AUA & Net new business	53
Platform net revenue and average AUA	47	Growth and scale	54
Costs	48	Net new clients	55
Cost ratio	49	Divisional results	56
Interim dividend	50	Vantage AUA	57
		Vantage AUA analysis	58
		Vantage AUA analysis by sector	59
		Vantage AUA by geographical exposure	60
		Other	
		Vantage – other information	61
		Share dealing volumes	62

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 31/01/16.

15 analysts have contributed to the tracker.

H1 2017	Average	Range Min	Range Max	Reported
Net revenue (£m)	177.4	171.4	182.0	184.8
Profit before tax (£m)	121.0	114.2	126.0	131.0
Diluted EPS (pence)	20.5	19.2	21.5	22.4
DPS (pence)	8.5	7.8	9.1	8.6
Vantage Net New Business (£bn)	2.4	2.1	2.9	2.3

Divisional net revenue

		H1 2017	H1 2016	FY 2016
Vantage	+18%	£140.2m	£119.3m	£245.8m
Discretionary	+14%	£33.3m	£29.1m	£58.9m
Third Party & Other Services	+9%	£11.3m	£10.4m	£21.8m
Total	+16%	£184.8m	£158.8m	£326.5m

Vantage net revenue		H1 2017	H1 2016	FY 2016
Net renewal income	-	£0.0m	£5.8m	£7.7m
Platform fee	+18%	£80.5m	£68.5m	£139.4m
Management fees	+14%	£8.3m	£7.3m	£14.8m
Interest receivable	+33%	£18.5m	£13.9m	£31.2m
Stockbroking income	+51%	£28.0m	£18.6m	£43.0m
Advice and other charges*	-6%	£4.9m	£5.2m	£9.7m
Total	+18%	£140.2m	£119.3m	£245.8m

% of Group net revenue		76%	75%	75%
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* Includes the paper based valuation statement fee

Divisional net revenue

Discretionary and Managed net revenue

		H1 2017	H1 2016	FY 2016
Renewal income	-	£0.0m	£0.1m	£0.2m
Ongoing advice fee	-7%	£5.4m	£5.8m	£10.7m
HL Multi Manager fund AMC	+23%	£26.3m	£21.4m	£44.1m
Advice charges	-36%	£0.9m	£1.4m	£2.9m
Other	+75%	£0.7m	£0.4m	£1.0m
Total	+14%	£33.3m	£29.1m	£58.9m
% of Group net revenue		18%	18%	18%

Third Party & Other Services net revenue

Corporate pensions	-27%	£1.1m	£1.5m	£3.2m
Investments	-7%	£2.5m	£2.7m	£5.6m
Personal life & pensions	-27%	£0.8m	£1.1m	£1.9m
Other services	+35%	£6.9m	£5.1m	£11.1m
Total (further breakdown on next page)	+9%	£11.3m	£10.4m	£21.8m
% of Group net revenue		6%	7%	7%

Third Party & Other Services net revenue

3P Corporate Pensions net revenue

		H1 2017	H1 2016	FY 2016
Renewal income	-86%	£0.1m	£0.7m	£1.2m
Initial income	-50%	£0.1m	£0.2m	£0.3m
- corporate annuities	-	£0.1m	£0.1m	£0.2m
- corporate pensions				
Advisory fees	+60%	£0.8m	£0.5m	£1.5m
Total	-27%	£1.1m	£1.5m	£3.2m

3P Investments net revenue

Renewal income	-7%	£2.5m	£2.7m	£5.5m
Initial income	-	-	-	£0.1m
Total	-7%	£2.5m	£2.7m	£5.6m

3P Personal Pensions net revenue

Renewal income	-33%	£0.2m	£0.3m	£0.5m
Initial income	-29%	£0.5m	£0.7m	£1.3m
- Annuities	-	£0.1m	£0.1m	£0.1m
- pensions/other				
Total	-27%	£0.8m	£1.1m	£1.9m

Other Services net revenue

Stockbroking income	+21%	£2.3m	£1.9m	£3.8m
- <i>Certificated</i>	-	£0.4m	£0.4m	£0.6m
- <i>Currency services</i>	-	£0.9m	£0.9m	£2.0m
- <i>CFD & Spreadbetting</i>	+67%	£1.0m	£0.6m	£1.2m
Interest receivable	-	-	-	£0.0m
Funds Library income	+30%	£3.9m	£3.0m	£6.2m
Other/advice fees	+250%	£0.7m	£0.2m	£1.1m
Total	+35%	£6.9m	£5.1m	£11.1m

Total Third Party & Other Services net revenue

+9%	£11.3m	£10.4m	£21.8m
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Platform net revenue and average AUA

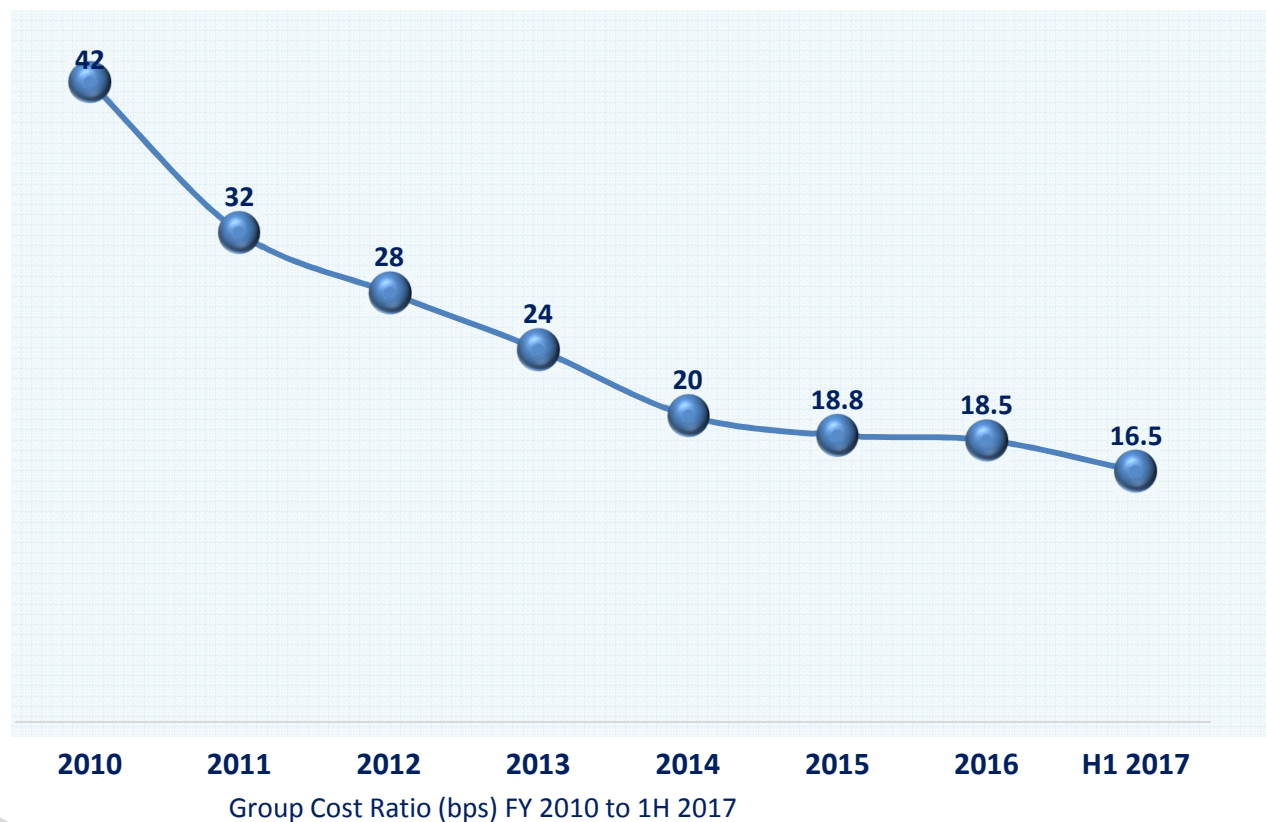
	H1 2017			FY 2016
	Revenue £m	Ave Assets £bn	Margin %	Margin %
Renewal income (net of loyalty bonus)	0.0			
Platform fee	80.6			
Initial commission	-			
Total net revenue from funds*	80.6	38.4	0.42%	0.44%
Stockbroking commission	28.0			
Management fees	8.2			
Total revenue from other stock	36.2	21.9	0.33%	0.30%
Total revenue from cash	18.5	7.2	0.51%	0.56%
Other income	4.9			
Total Investment Platform margin	140.2	67.5	0.41%	0.42%

*'Post RDR' income and AUA includes PMS

Costs

		H1 2017	H1 2016	FY 2016	H2 2016
Commission payable (loyalty bonus)	-	£0.0m	£41.9m	£61.8m	£19.9m
Staff costs	+5%	£31.9m	£30.3m	£60.2m	£29.9m
Marketing and distribution spend	+5%	£5.8m	£5.5m	£11.2m	£5.7m
Depreciation, amortisation & financial costs	+18%	£3.3m	£2.8m	£6.1m	£3.3m
Office running costs	-22%	£1.8m	£2.3m	£4.8m	£2.5m
Other costs	+18%	£11.9m	£10.1m	£20.4m	£10.3m
Other operating costs	+7%	£54.7m	£51.0m	£102.7m	£51.7m
Total FSCS levy costs		(£0.3m)	-	£5.5m	£5.5m
Total other operating costs	+7%	£54.4m	£51.0m	£170.0	£57.2m
Ave. no of staff (FTE)	+0.6%	970	964	969	973
No. of staff at end of period (FTE)	+3%	1,012	985	942	942

Cost ratio



Clear and consistent focus on simplicity and on operating efficiency

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

Interim dividend up 10% to 8.6p

Interim ordinary dividend

Interim special dividend

Interim dividend payable 30th March 2017

Total interim dividend – March 2017

Total final dividend

Total ordinary dividend

Total special dividend

Total dividend per share

H1 2017

Pence per share

8.60p

-

8.60p

£40.7m

% of PAT FY 2016

Pence per share

7.8p

-

7.8p

26.2p

65% 24.10p

26% 9.90p

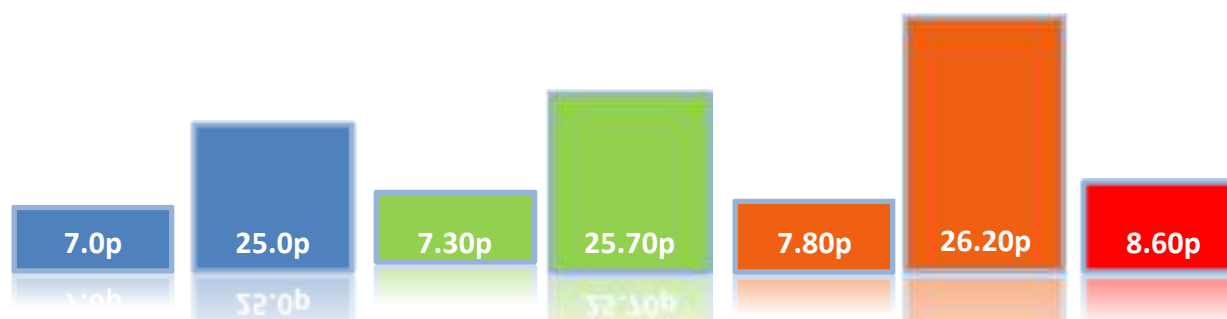
91% 34.0p

← 32.0p → 2014 Interim 2014 Final ← 33.0p → 2015 Interim 2015 Final ← 34.0p → 2016 Interim 2016 Final 2017 Interim



DIVIDEND

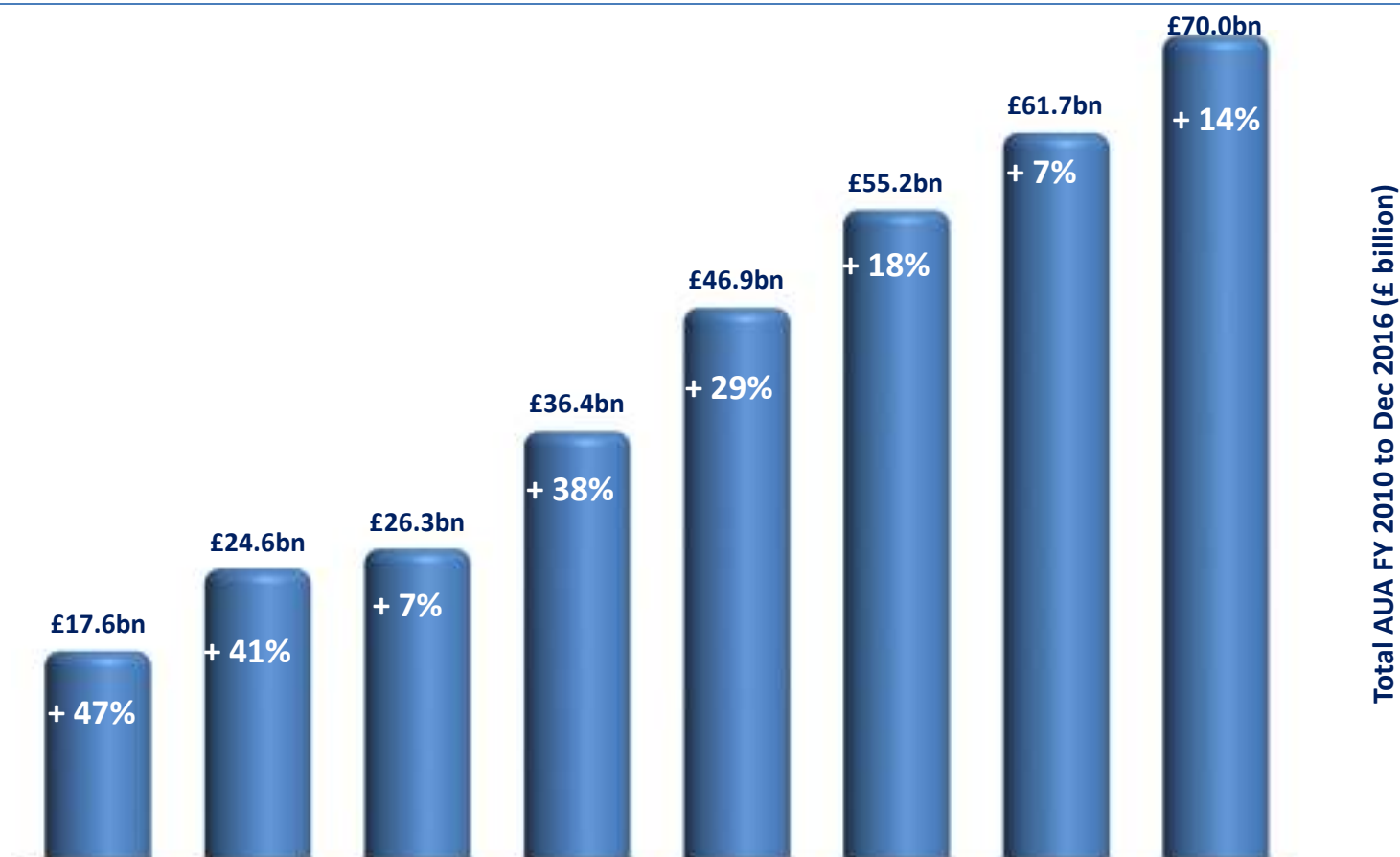
Interim and final dividend (p)



Total assets under administration

	Vantage AUA	Discr. AUM	Less MM funds in Vantage	H1 2017	H1 2016	FY 2016
	£bn	£bn	£bn	£bn	£bn	£bn
AUA at start of period	58.7	6.4	(3.4)	61.7	55.2	55.2
Net new business inflows	2.3	0.5	(0.4)	2.3	2.8	6.0
Market movement	5.7	0.8	(0.5)	6.0	0.8	0.5
AUA at end of period	66.7	7.6	(4.3)	70.0	58.8	61.7
Net new business inflow %	4%	8%	12%	4%	5%	11%
Month end ave. FTSE All-Share				3740.02	3474.06	3440.68

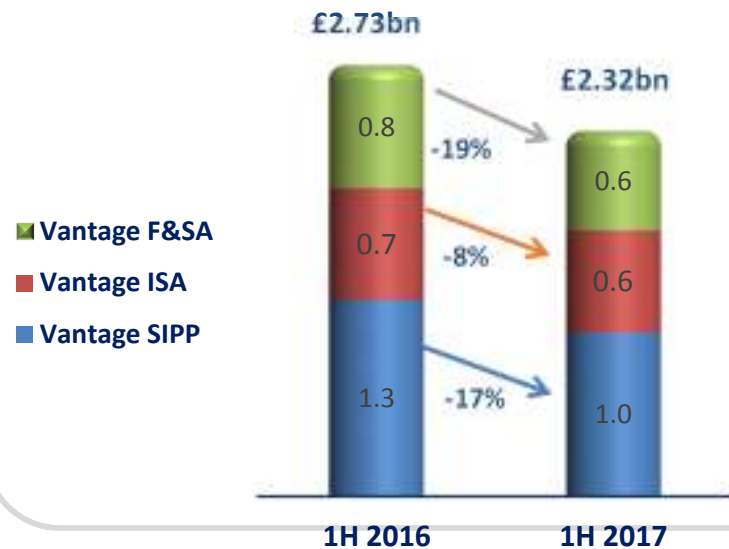
Growth in total AUA



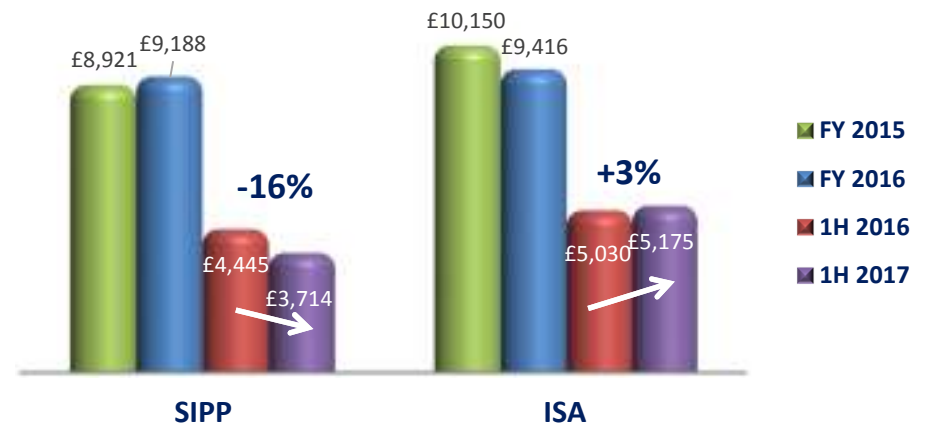
	2010	2011	2012	2013	2014	2015	2016	H1 2017
Market/other growth ²	+19%	+21%	-6%	+19%	+11%	+5%	+2%	+10%
Organic growth ^{1,2}	+28%	+20%	+13%	+19%	+18%	+13%	+5%	+4%
Total growth in AUA ²	+47%	+41%	+7%	+38%	+29%	+18%	+7%	+14%

Vantage AUA & Net new business

NET NEW BUSINESS (£BN)



Ave. contribution¹



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

Growth and scale

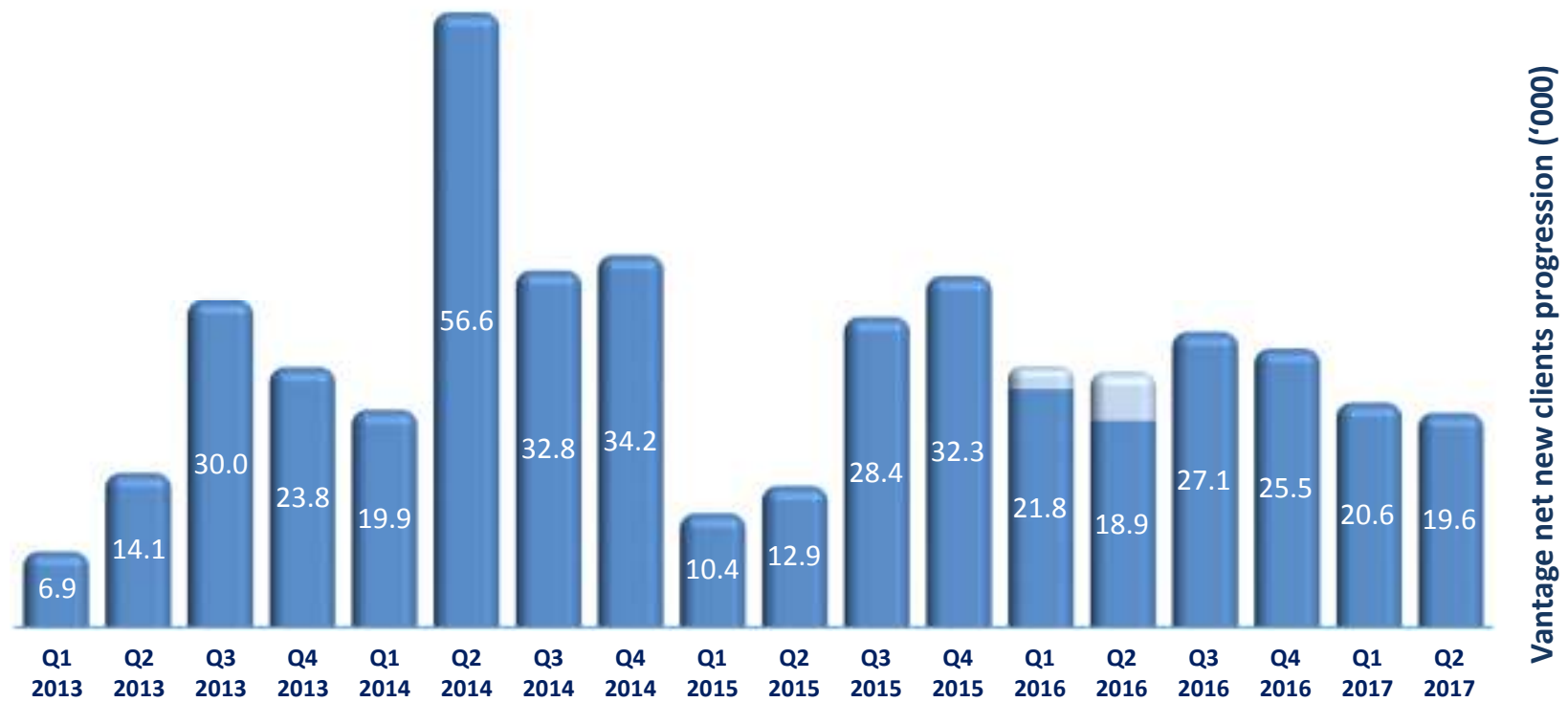
Lower interest rates + lower post RDR charges (from 1.3.14) have contributed to a reduced Vantage net revenue margin this year



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 2017	41bps	54bps	£70.0bn	16.0bps
Change	-32%	-51%	+586%	+74%

Net new clients



Divisional results

	Net revenue	Operating profit
H1 2016	£158.8m	£107.8m
Vantage (platform)	+£20.9m	+£19.4m
Discretionary & Managed	+£4.2m	+£4.3m
Third party & Other services	+£0.9m	-£1.0m
H1 2017	£184.8m	£130.5m

See Appendices for breakdown of divisional revenues

Vantage AUA

72% of Vantage AUA in tax wrappers (Jun 16: 72%)

	SIPP** £bn	ISA £bn	F&S/Other*** £bn	Total £bn	H1 2016 £bn	FY 2016 £bn
Total AUA at start of period	19.3	23.0	16.5	58.7	52.3	52.3
Net new business inflows	1.0	0.6	0.6	2.3	2.7	5.9
Market movement *	1.9	2.4	1.4	5.7	0.9	0.5
AUA at end of period	22.2	26.0	18.5	66.7	55.9	58.7
Net new business %	5%	3%	4%	4%	5%	11%
Market movement %	10%	10%	8%	10%	12%	1%
Net business inflows H1 2016	1.3	0.7	0.8		2.7	5.9

* H1 2017 Market movement includes other growth factors, such as retained investment income, totalling £338m (H1 2016: £290m, FY 2016 £595m). Figures contain roundings.

** H1 2017 Vantage SIPP AUA includes £4,923m income drawdown assets at 31 December 2016 (31 Dec 2015 £3,811m, 30 June 2016: £4,211m)

*** H1 2017 Vantage Fund & Share Account includes £3.2bn as at 31 Dec 2016 (31 Dec 2015: £4.0bn, 30 June 2016: £3.2bn) of Hargreaves Lansdown plc shares.

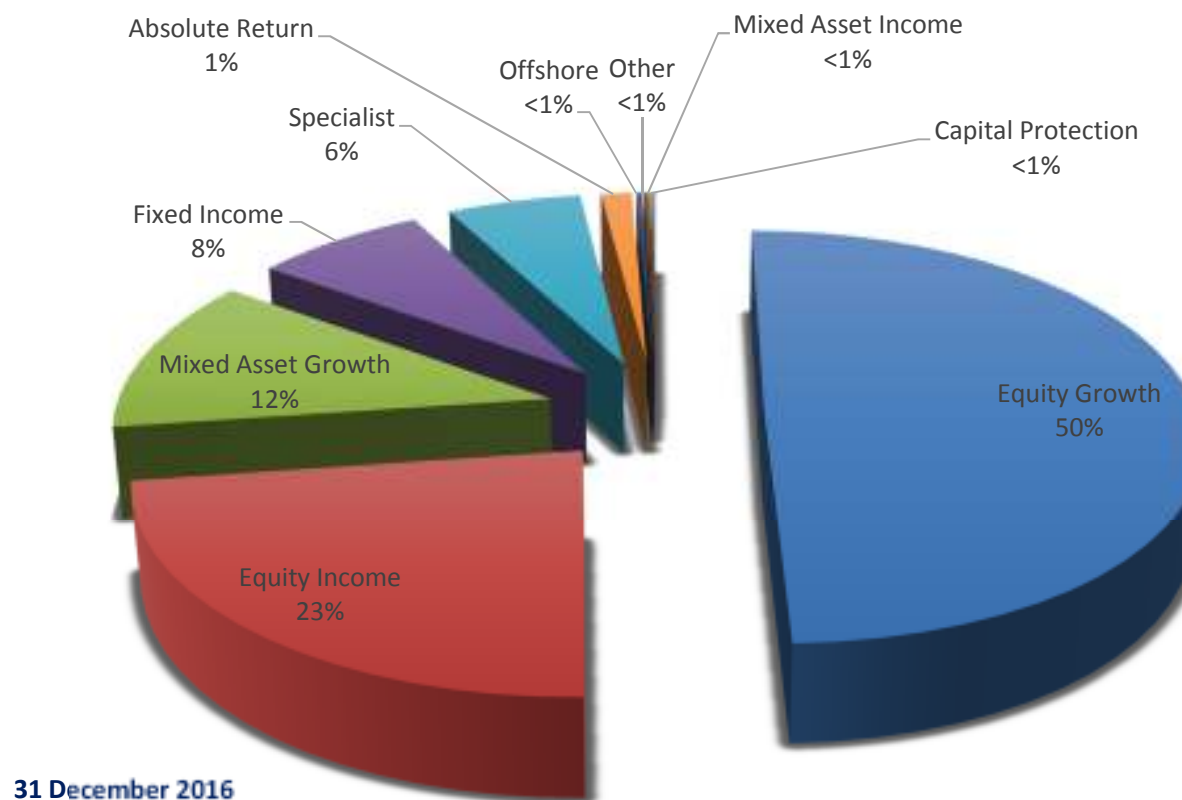
Vantage AUA analysis

72% of Vantage AUA in tax wrappers (Jun 2016: 72%)

	SIPP	ISA	F&S/Other	Total
At 31 Dec 2016				
Stocks and shares	25%	25%	58%	34%
Investment funds	58%	67%	35%	55%
Cash	17%	8%	7%	11%
% of Vantage	33%	39%	28%	100%
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%

Vantage AUA analysis by sector

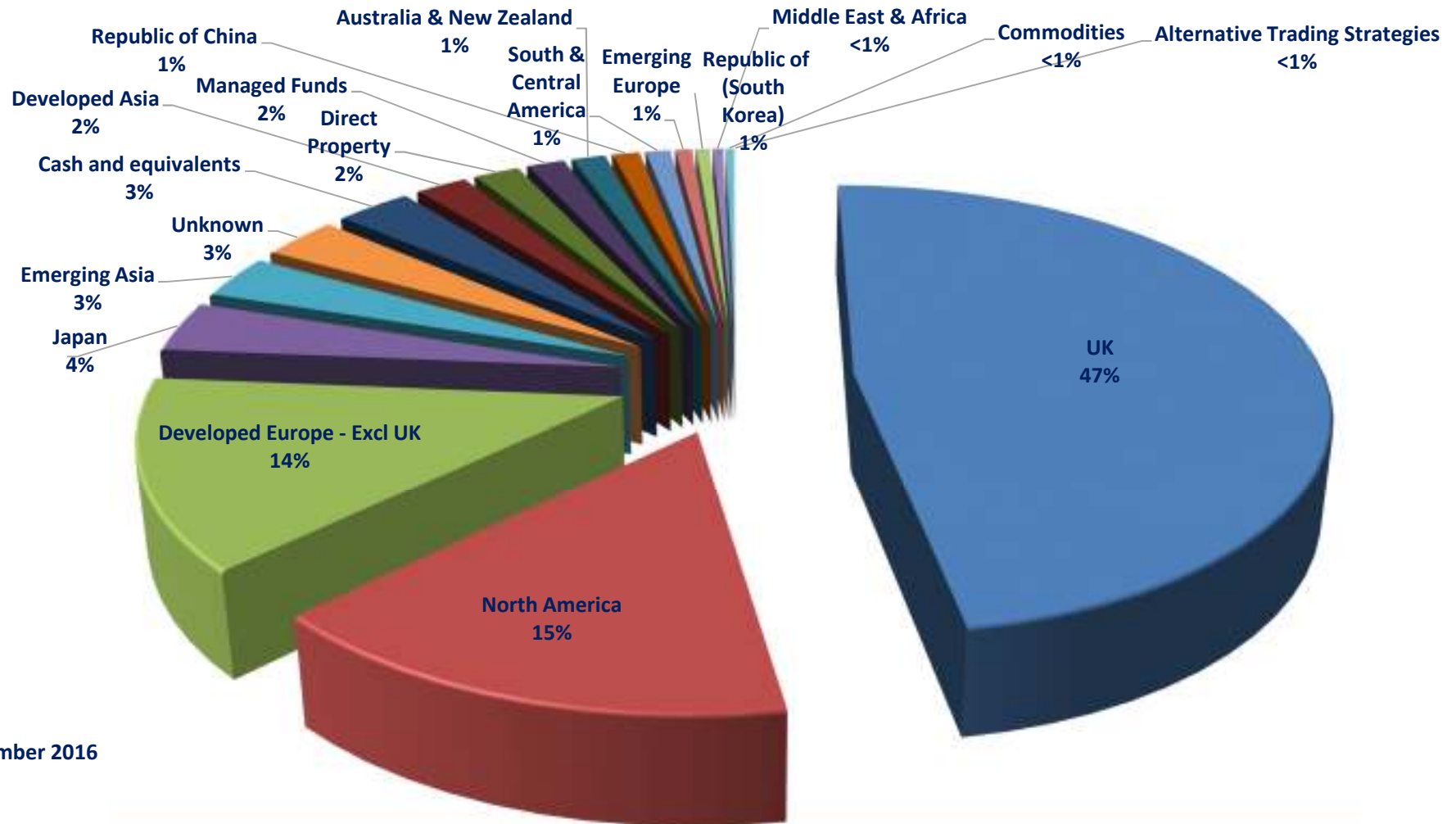
55% of Vantage AUA held as investment funds (Jun 2016: 54%) across the following sectors:



Mix of assets has shifted towards
Growth funds rather than Income

Vantage AUA Investment funds geographical exposure

47% (June 2016: 48%) of underlying holdings within clients investment funds are located within the UK



31 December 2016

Vantage – other information

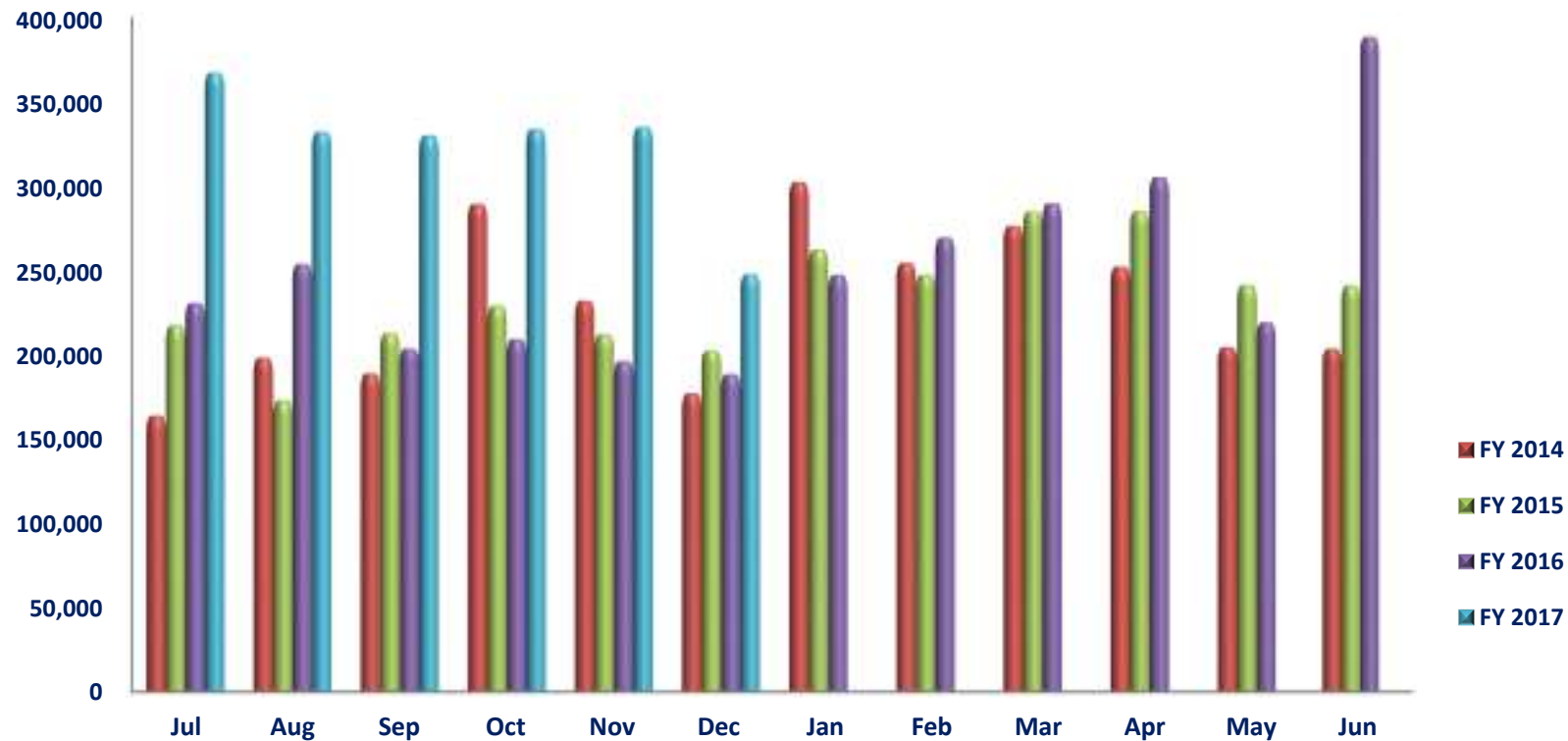
	SIPP	ISA	F&S/Other	Total	H1 2016	FY 2016
Total No. of equity deals* ('000)	694	1,022	661	2,377	1,651	3,741
Total client share deals ('000)	605	777	562	1,944	1,281	2,998
% Internet (of client share deals)	99%	98%	98%	98%	98%	98%
No. of fund deals ('000)	2,057	2,341	484	4,882	4,000	8,427
Average active client value at period end (£'000)	80.0	47.3	65.9	78.4	74.0	71.0
Average age (years)	47.6	49.3	57.5	49.4	50.2	49.5
Net new active accounts ('000)	16	21	13	50	56	119
Total active accounts ('000)				1,172	1,058	1,122
Clients registered for online access				89%	88%	88%
Clients registered for paperless service				75%	72%	73%

* Includes 433,000 automated share deals i.e. income reinvestment, fee sales and regular savings (H1 2016: 370,000 , FY 2016 : 743,000)

Share dealing volumes

Client-driven share dealing
volumes +52% vs H1 2016

	Client-driven	Automated*
FY 2016	2,998,000	743,000
H1 2016	1,287,000	370,000
H1 2017	1,950,000	433,000



*Income reinvestment levels decreased from June 2014, resulting in an increase in automated deal volumes