

Schroders

2013 H1 results

Data Pack | August 2013



Schroders

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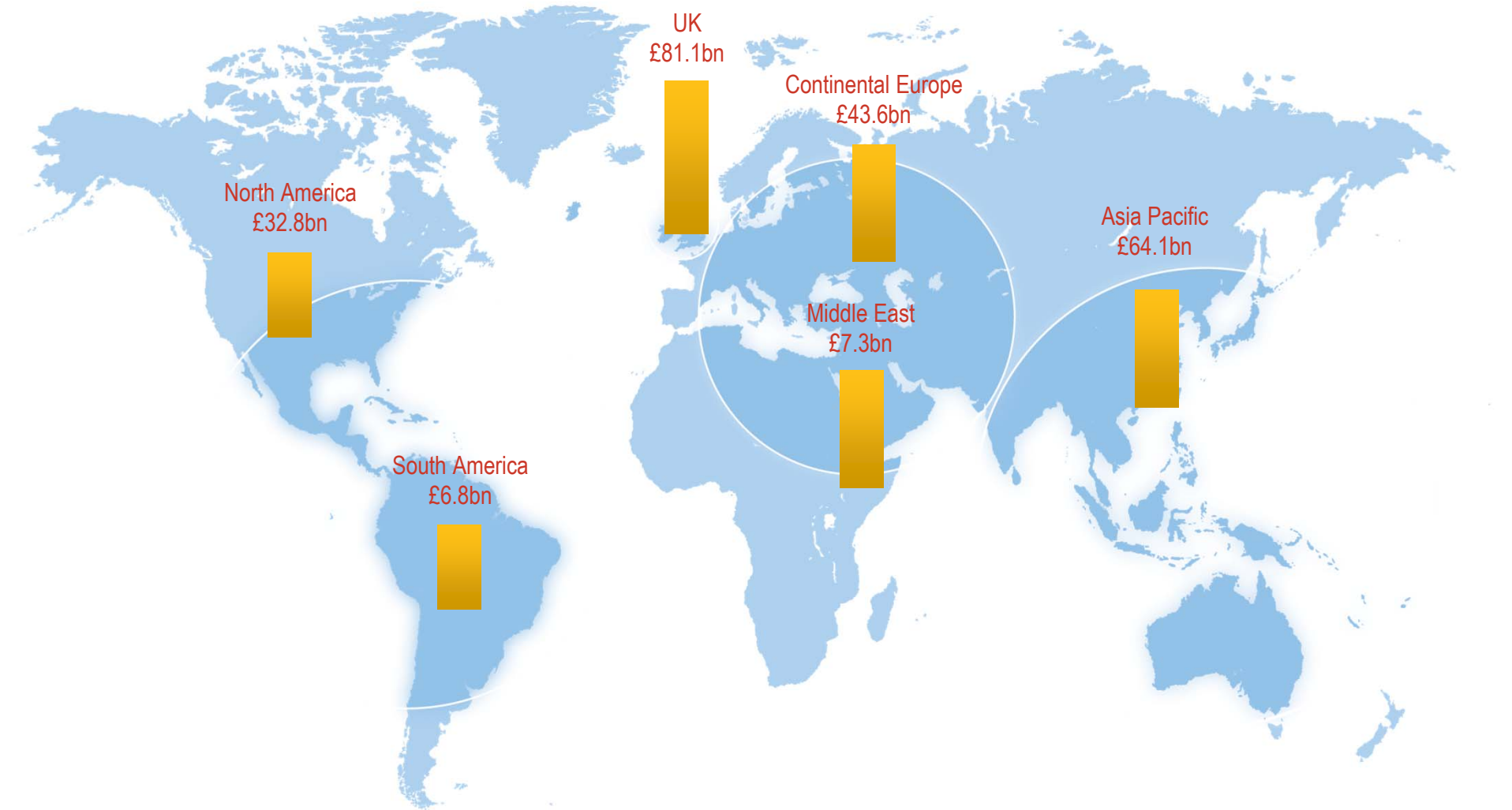
Assets under management (AUM)

£235.7 billion at 30 June 2013

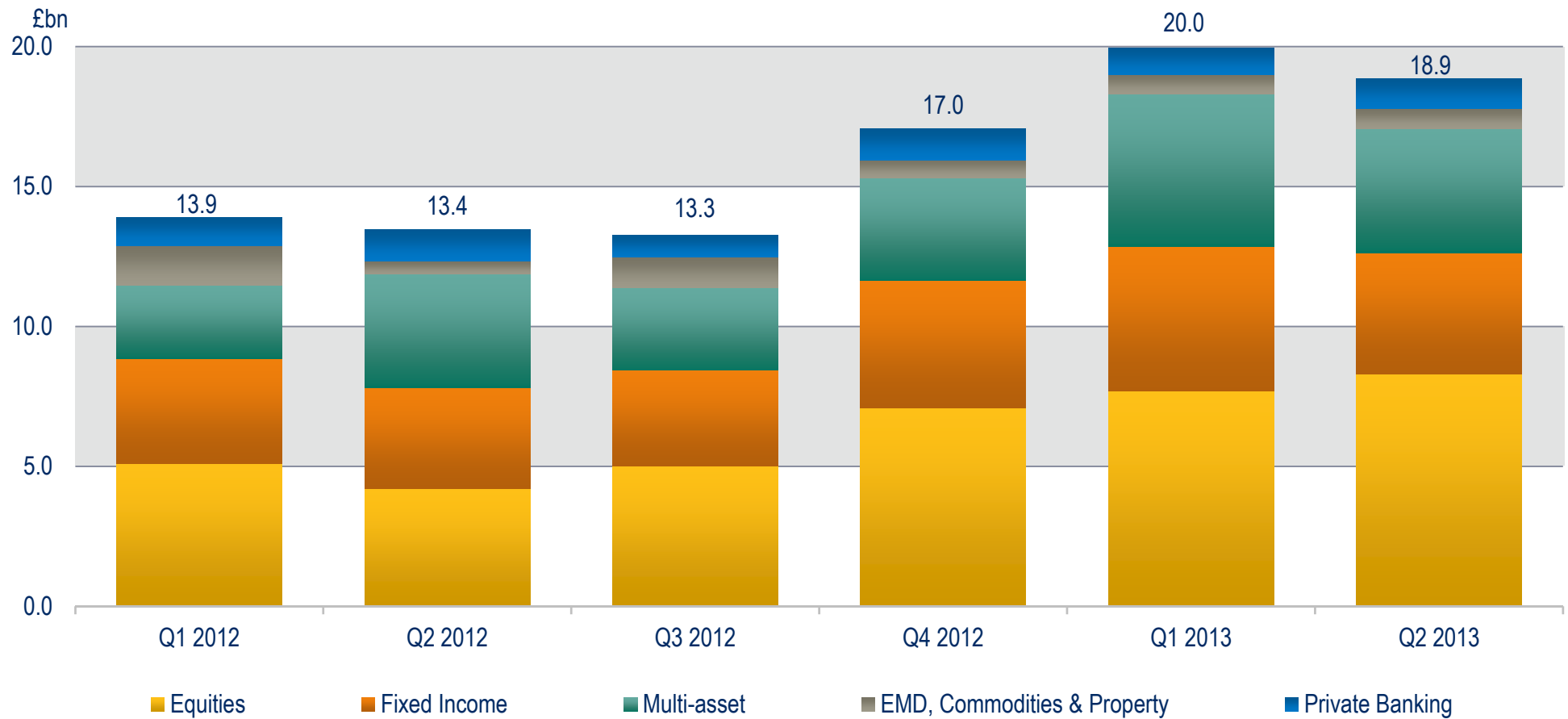
| Ebn | Asset management | | Private banking | Total |
|----------------------------|------------------|--------------|-----------------|-------|
| | Institutional | Intermediary | | |
| 31 December 2012 | 123.7 | 72.0 | 16.3 | 212.0 |
| Net flows | 2.1 | 2.7 | (0.3) | 4.5 |
| STW | 7.1 | - | - | 7.1 |
| Investment returns | 6.7 | 4.5 | 0.9 | 12.1 |
| Reported 30 June 2013 | 139.6 | 79.2 | 16.9 | 235.7 |
| | | | | |
| Cazenove Capital | - | 6.9 | 13.2 | 20.1 |
| Pro forma AUM 30 June 2013 | 139.6 | 86.1 | 30.1 | 255.8 |

Regional diversification of AUM

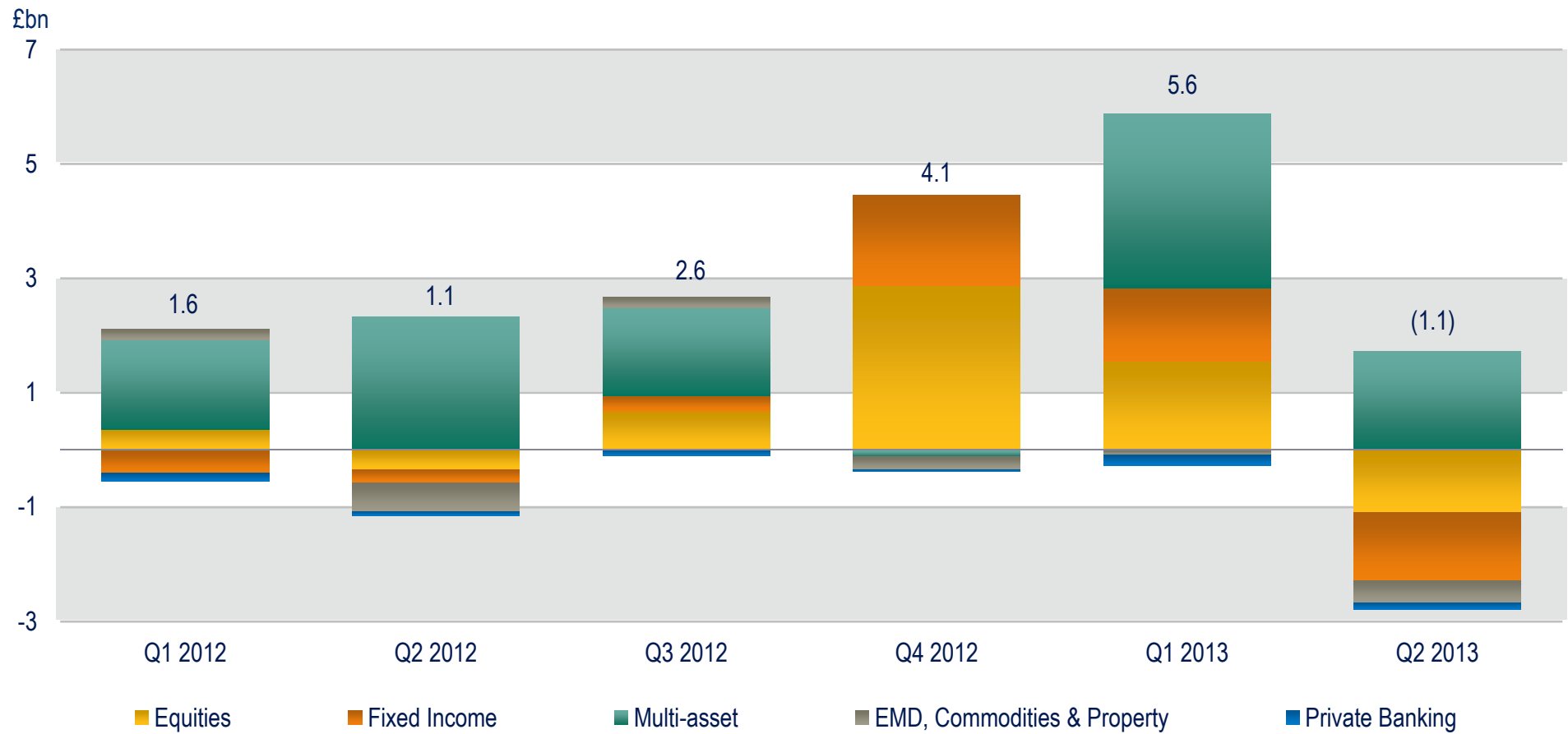
66% of revenues outside UK



Gross sales

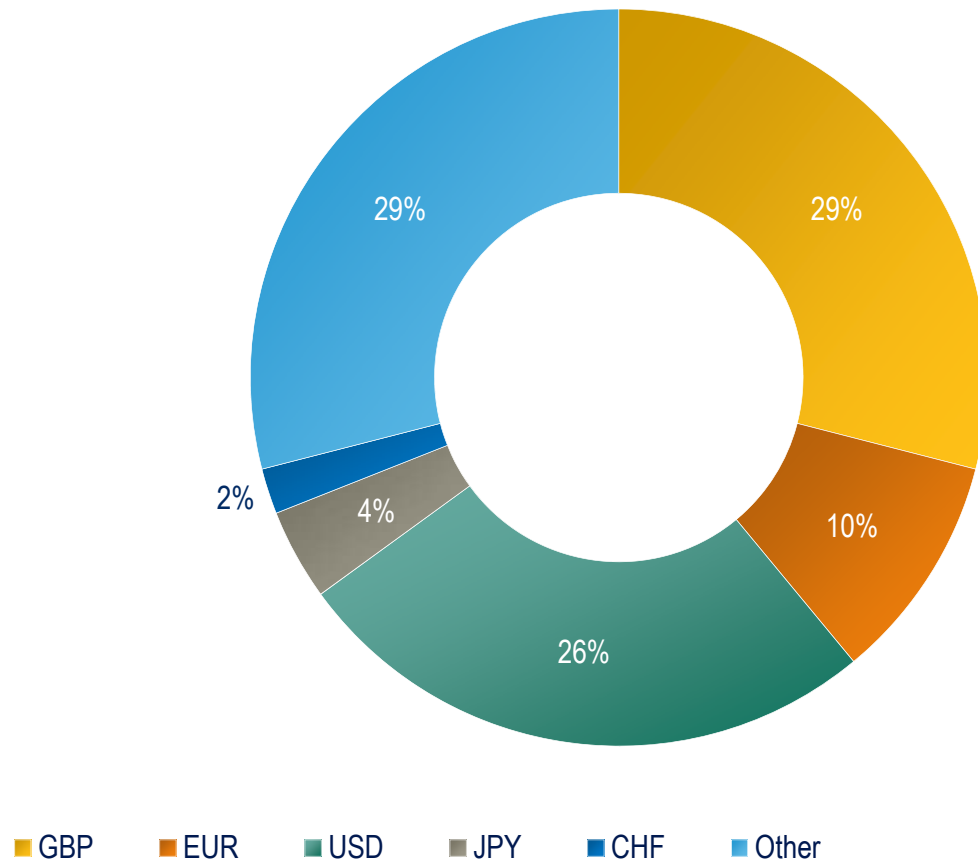


Net inflows



Currency profile of AUM

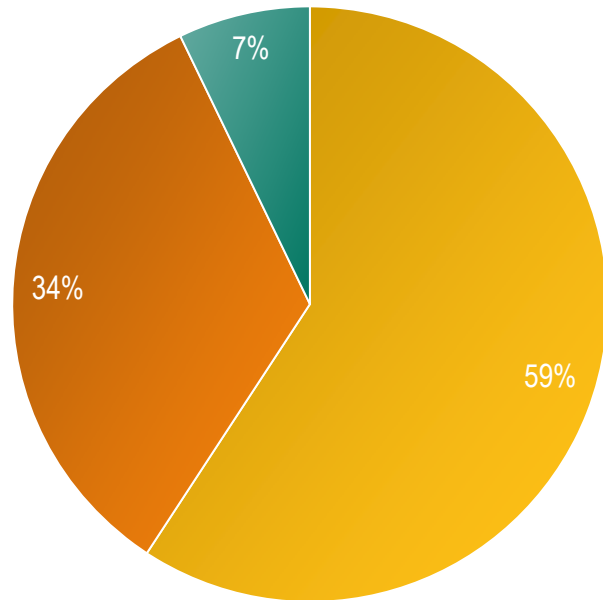
Assets under management £235.7 billion



Total AUM by channel, region and product

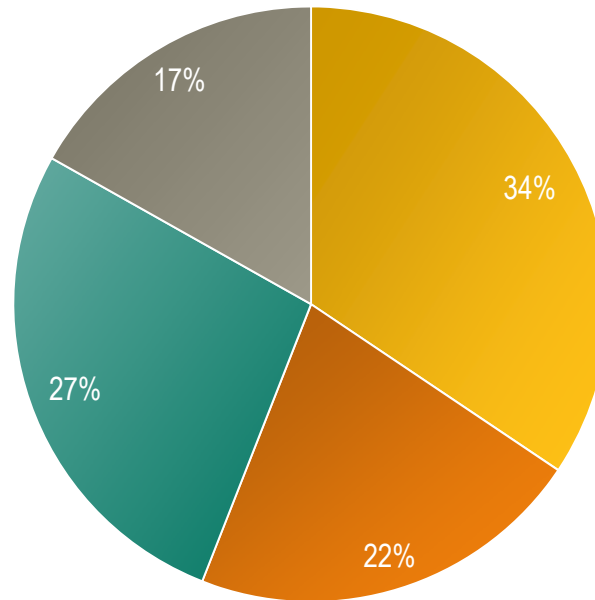
Assets under management £235.7 billion

By channel



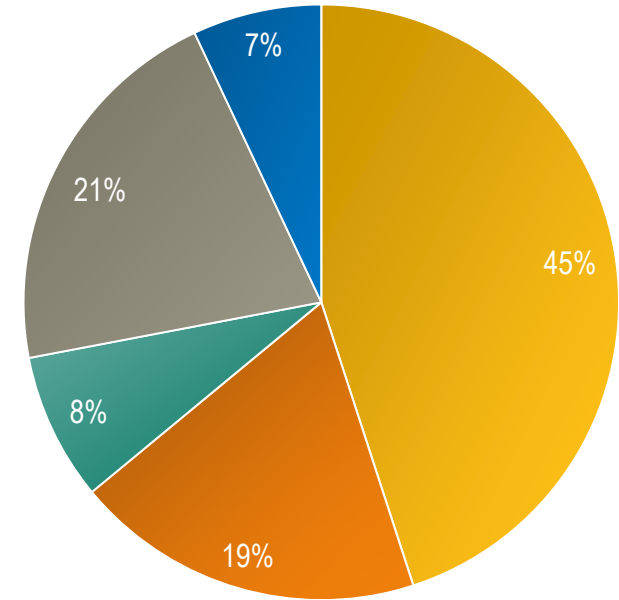
- Institutional
- Intermediary
- Private Banking

By region*



- UK
- Continental Europe**
- Asia Pacific
- Americas

By product



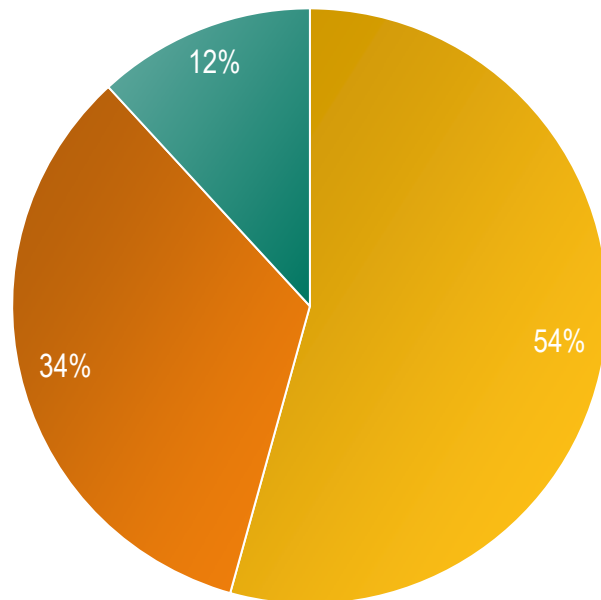
- Equities
- Fixed Income
- EMD, Commodities & Property
- Multi-asset
- Private Banking

*By client domicile
 **Including Middle East

Pro forma AUM by channel, region and product

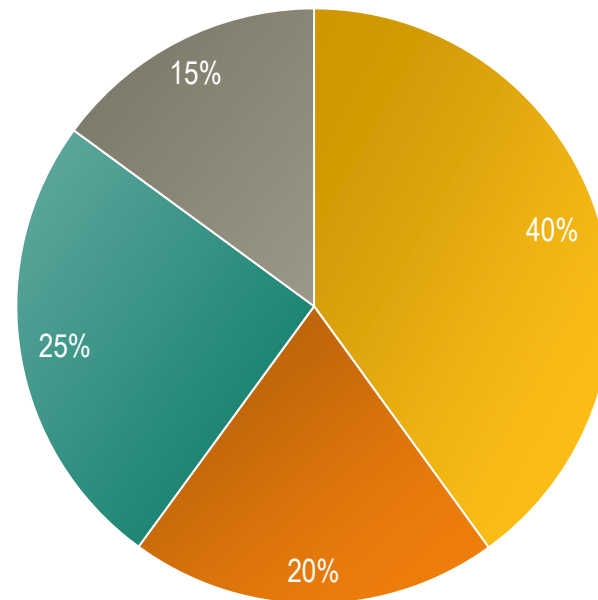
Assets under management £255.8 billion (including Cazenove Capital)

By channel



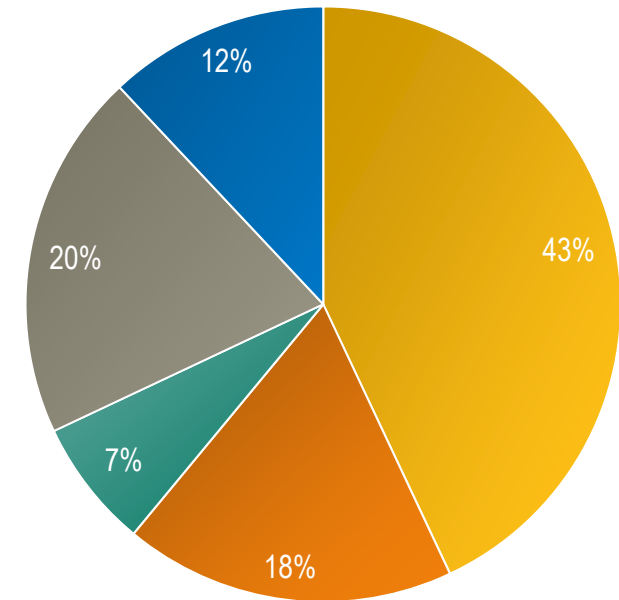
- Institutional
- Intermediary
- Private Banking

By region*



- UK
- Continental Europe**
- Asia Pacific
- Americas

By product

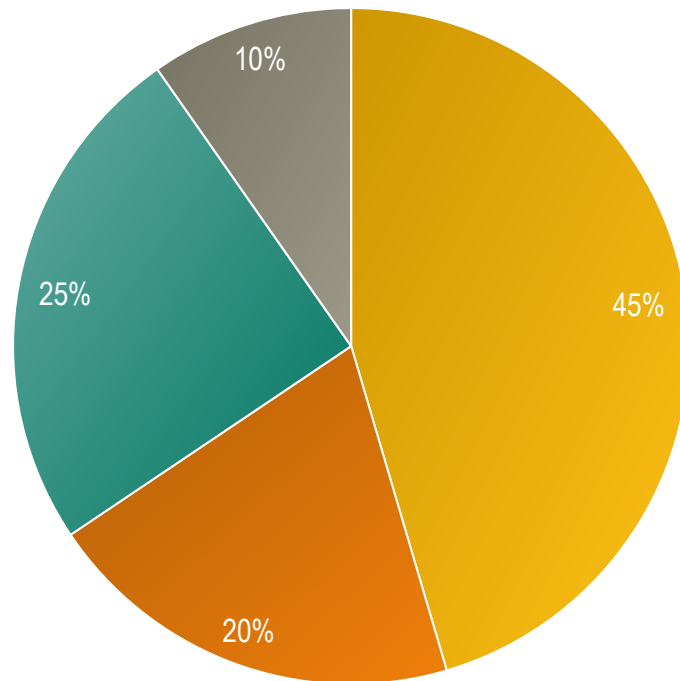


- Equities
- Fixed Income
- EMD, Commodities & Property
- Multi-asset
- Private Banking

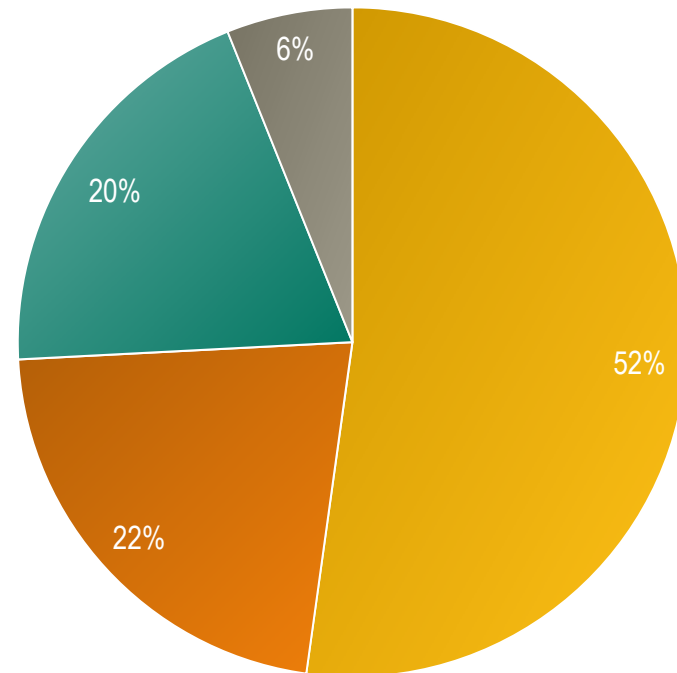
*By client domicile
**Including Middle East

Asset Management AUM by channel and product

Institutional AUM £139.6bn



Intermediary AUM £79.2bn



■ Equities

■ Fixed Income

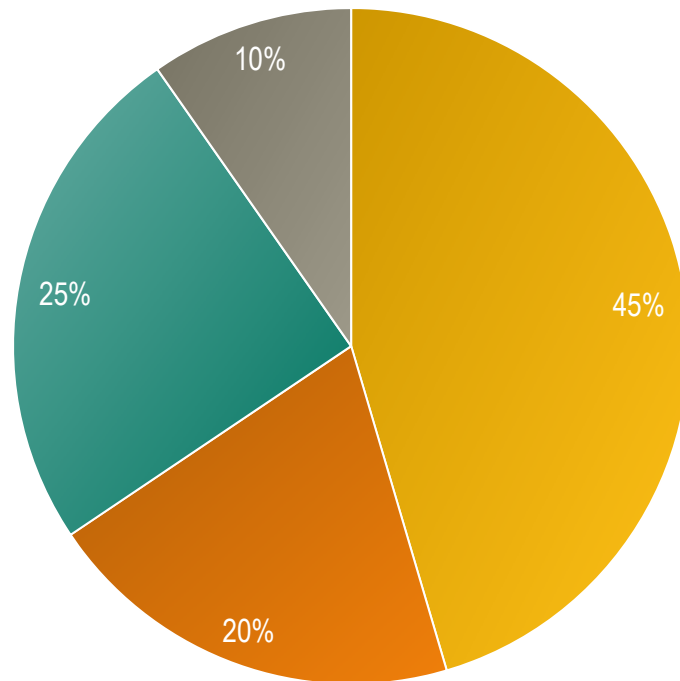
■ Multi-asset

■ EMD, Commodities & Property

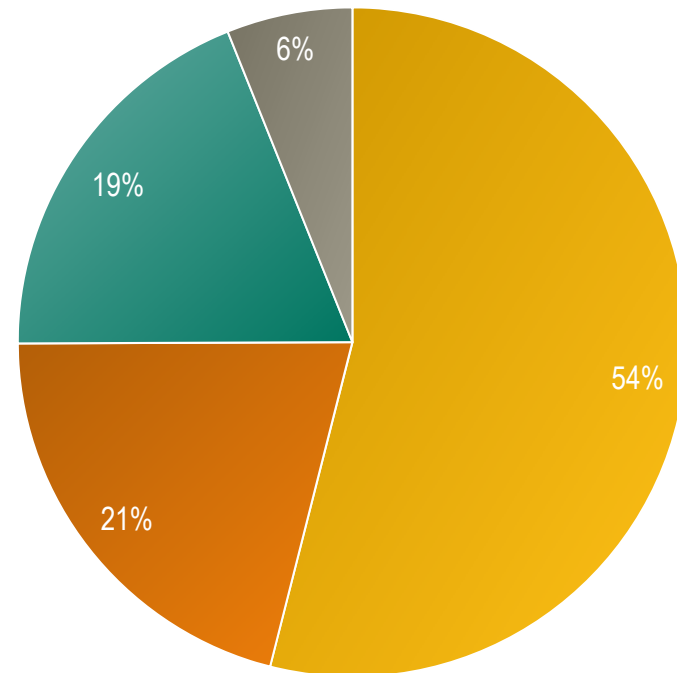
Asset Management AUM by channel and product

Pro forma for Cazenove Capital

Institutional AUM £139.6bn



Intermediary AUM £86.1bn



■ Equities

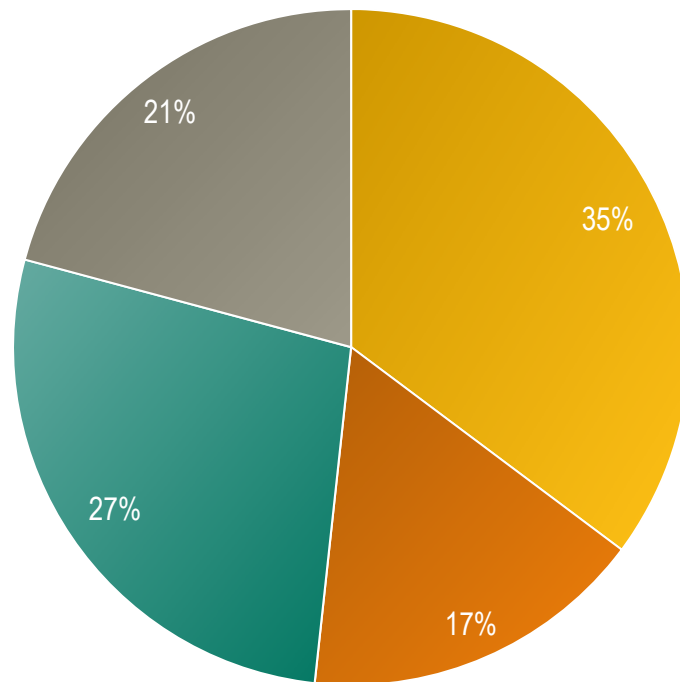
■ Fixed Income

■ Multi-asset

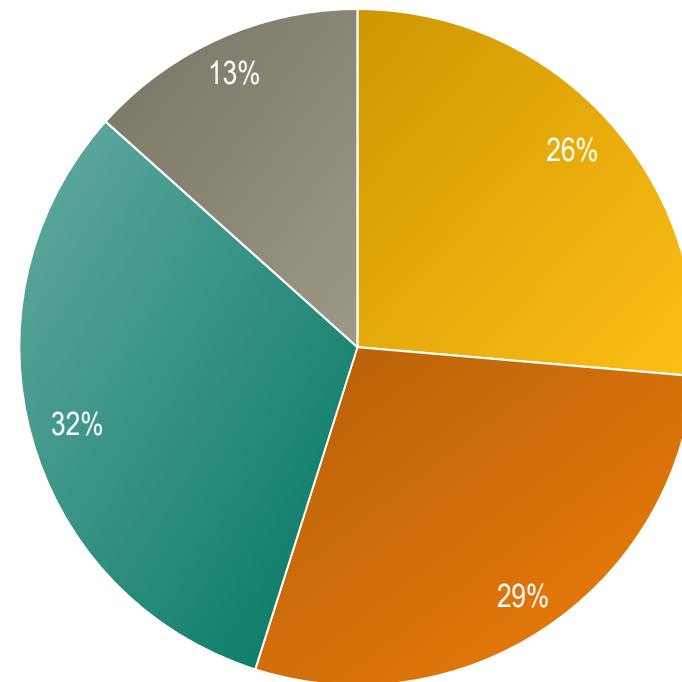
■ EMD, Commodities & Property

Asset Management AUM by channel and region*

Institutional AUM £139.6bn



Intermediary AUM £79.2bn



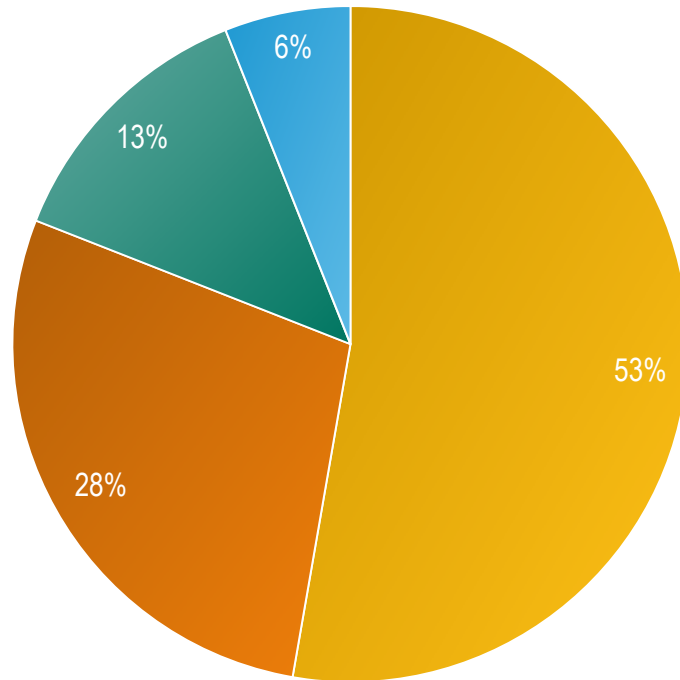
■ UK ■ Continental Europe**

■ Asia Pacific ■ Americas

*By client domicile
**Including Middle East

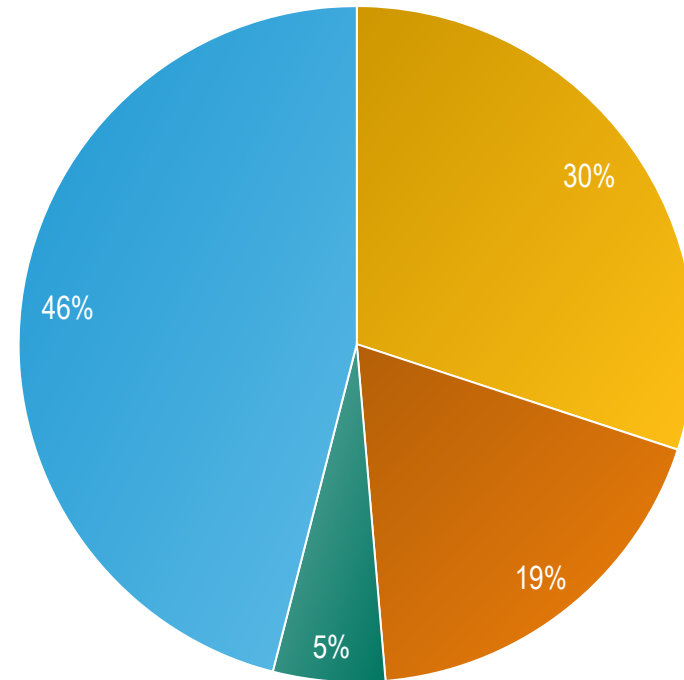
Asset Management AUM analysis

EMD, Commodities & Property AUM £18.4bn



- Property
- Agriculture and commodities
- Emerging market debt
- Private equity

Multi-asset AUM £50.1bn



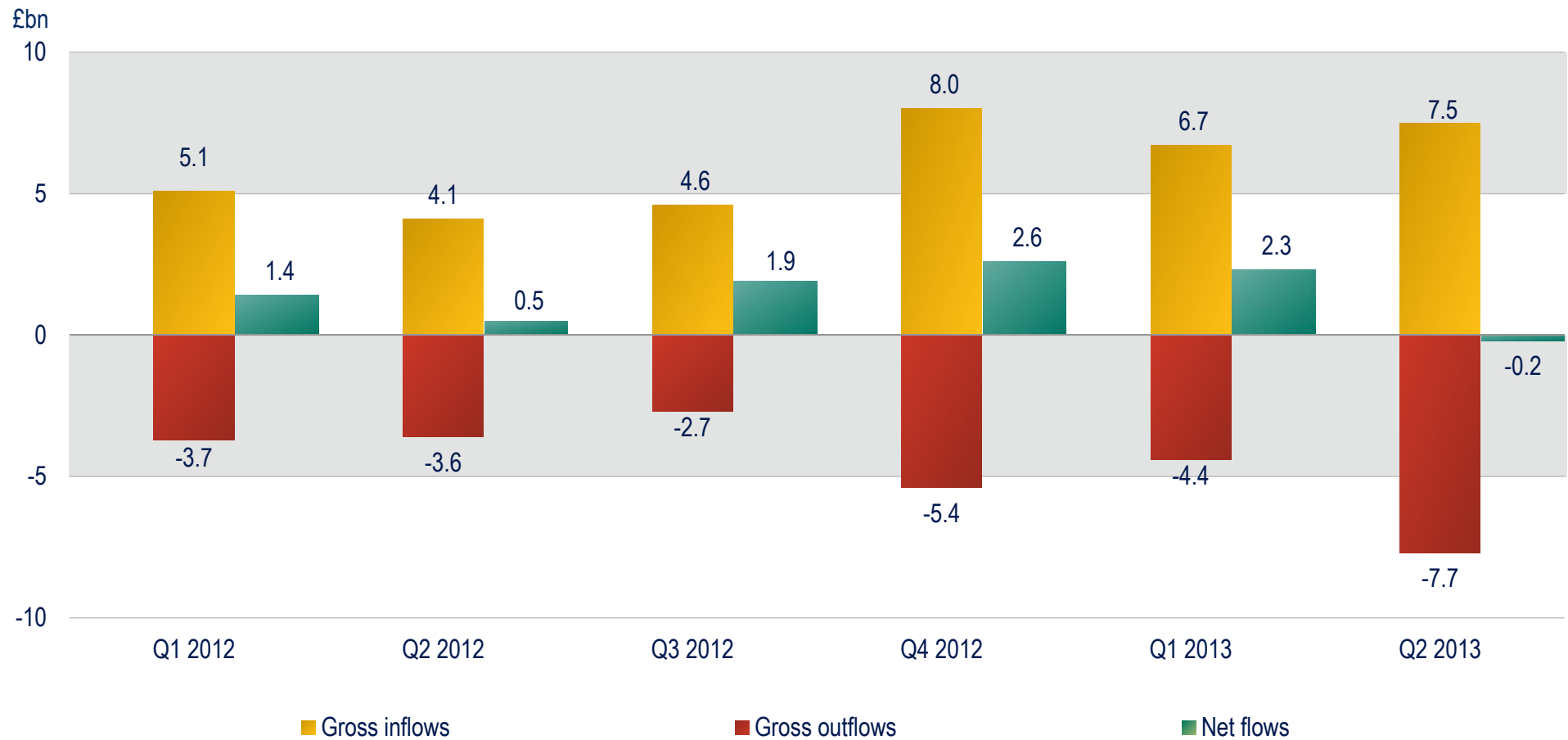
- UK multi-asset
- Liability-driven investment
- Funds of hedge funds
- Other multi-asset

Asset Management business flows

| Ebn | H1 2012 | | | H1 2013 | | |
|------------------------|---------|----------|-----|---------|----------|-----|
| | Inflows | Outflows | Net | Inflows | Outflows | Net |
| Institutional | 9.2 | (7.3) | 1.9 | 14.2 | (12.1) | 2.1 |
| Intermediary | 16.0 | (15.0) | 1.0 | 22.6 | (19.9) | 2.7 |
| Total Asset Management | 25.2 | (22.3) | 2.9 | 36.8 | (32.0) | 4.8 |

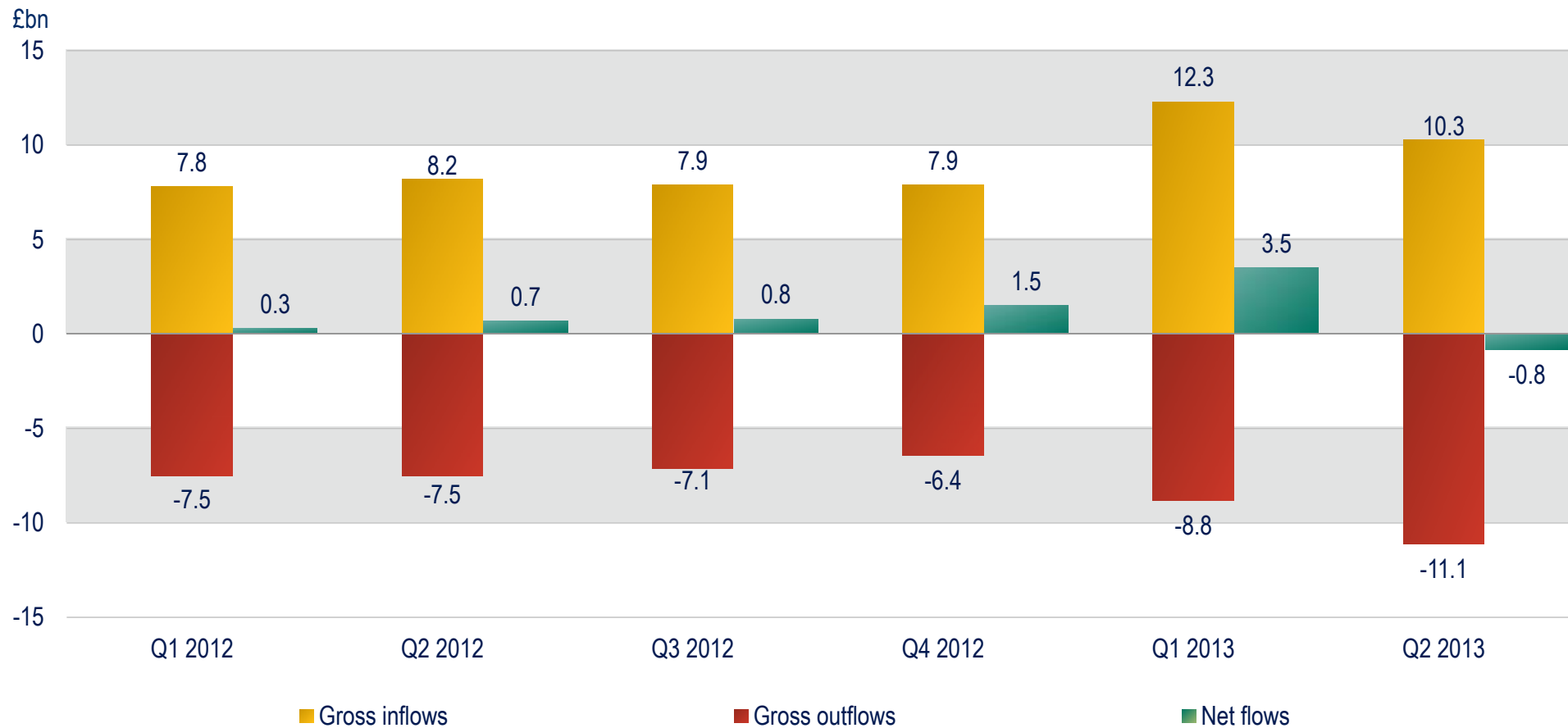
Institutional

Assets under management: £139.6bn (31 Dec 2012: £123.7bn)



Intermediary

Assets under management: £79.2bn (31 Dec 2012: £72.0bn)



Net revenue and margins – Asset Management

Asset Management net revenue £585.7 million (H1 2012: £491.0 million)

| | H1 2012 | H1 2013 |
|--|---------|---------|
| Average AM AUM – £bn | 179.0 | 213.2 |
| AM net revenue on average AM AUM | 55bps | 55bps |
| AM performance fees – £m | 10.1 | 11.8 |
| AM performance fees on average AM AUM | 1bps | 1bps |
| AM costs* – £m | 319.0 | 376.0 |
| AM costs* on average AM AUM | 36bps | 35bps |
| AM operating profit* – £m | 172.0 | 209.7 |
| AM operating profit* on average AM AUM | 19bps | 20bps |

* H1 2013 excludes exceptional costs

Income and cost metrics for the Group

| | FY 2012 | H1 2013* |
|---|---------|----------|
| Compensation cost: operating revenue ratio | 49% | 48% |
| Bonus: pre-bonus operating profit | 42% | 40% |
| Cost: net revenue ratio | 70% | 66% |
| Return on average capital (pre-tax) | 18% | 21% |
| Return on average capital (post-tax) | 14% | 17% |

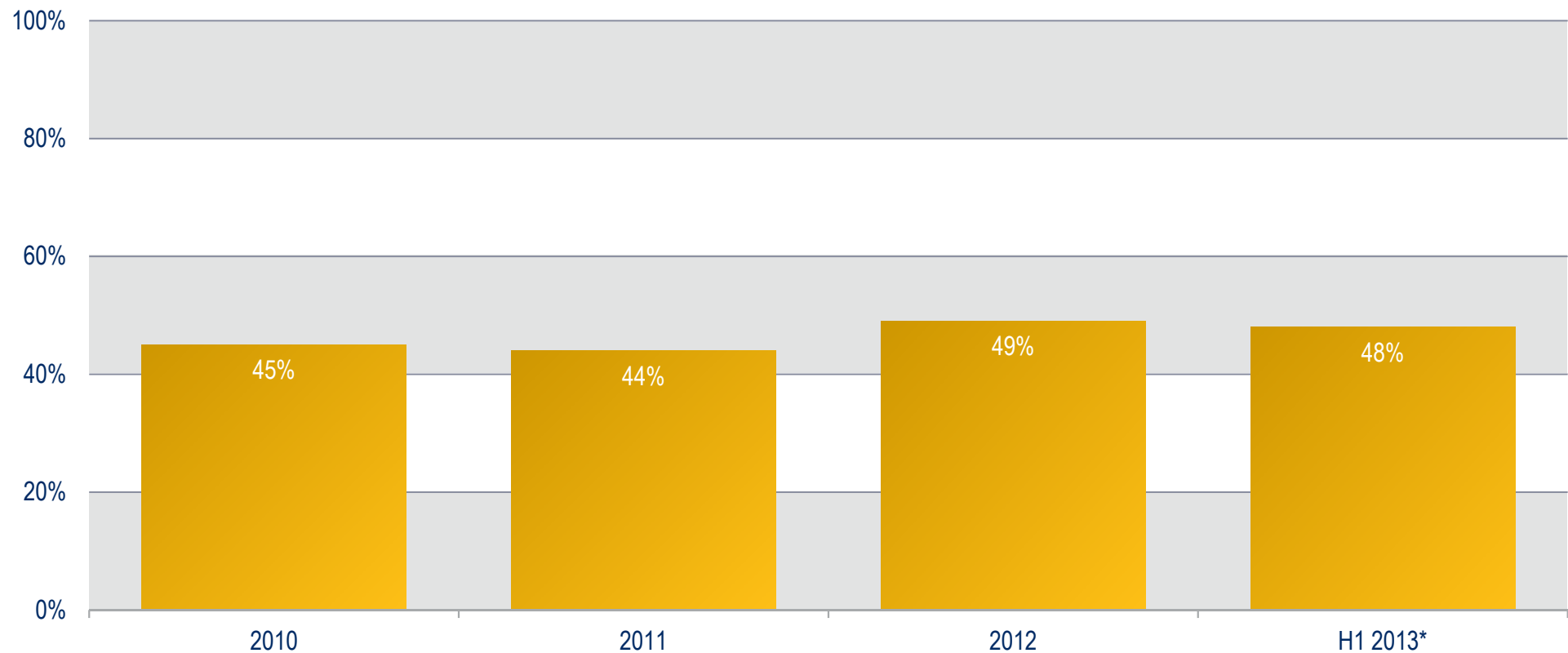
- ▶ Compensation cost: operating revenue
= total Group compensation costs divided by Asset Management and Private Banking net revenues**
- ▶ Bonus: pre-bonus operating profit
= total Group bonus divided by pre-bonus Asset Management and Private Banking profit before tax
- ▶ Cost: net revenue
= total Group costs divided by net revenue
- ▶ Return on average capital (pre-tax)
= total Group profit before tax divided by average capital
- ▶ Return on average capital (post-tax)
= total Group profit after tax divided by average capital

*H1 2013 excludes exceptional costs

**Adjusted by the Remuneration Committee for allowable and disallowable revenues

Key performance indicators

Compensation cost: Operating revenue ratio

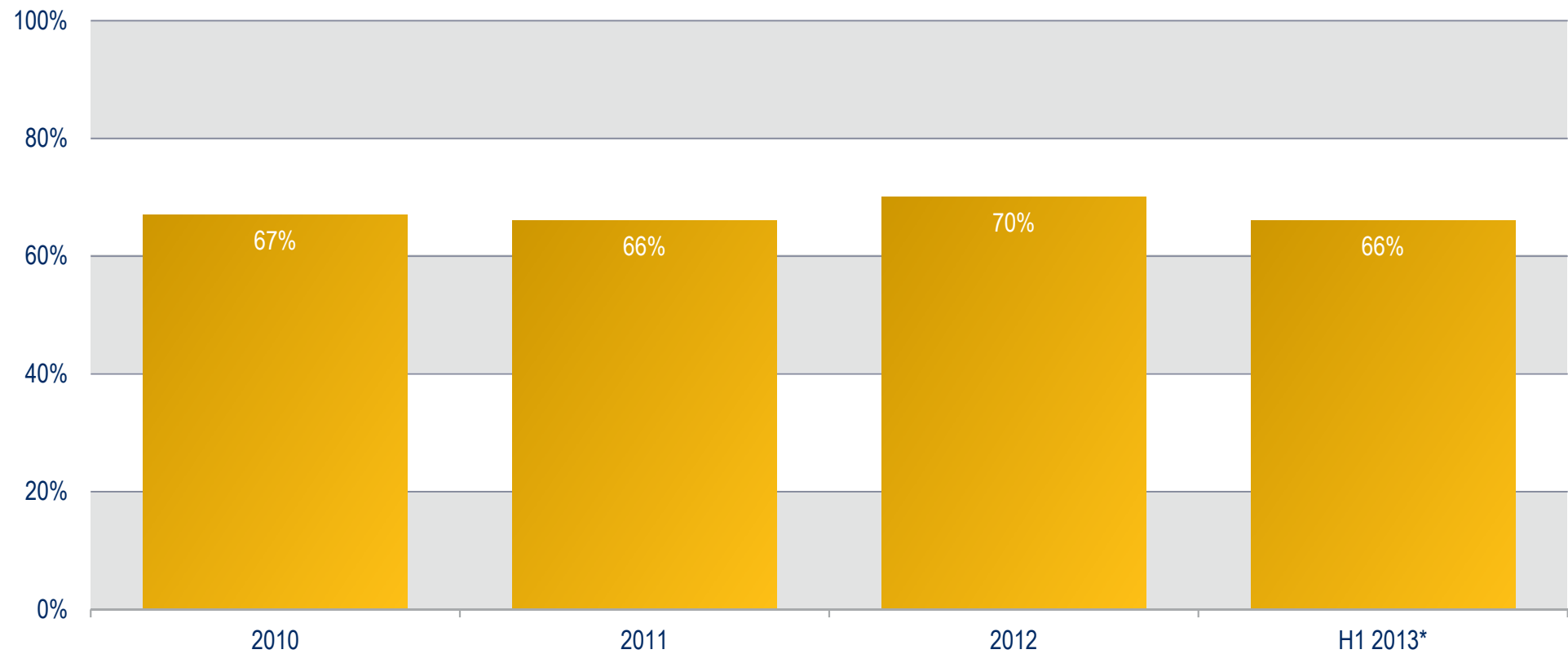


Total Group compensation costs divided by Asset Management and Private Banking net revenues adjusted by the Remuneration Committee for allowable and disallowable revenues

*H1 2013 excludes exceptional costs

Key performance indicators

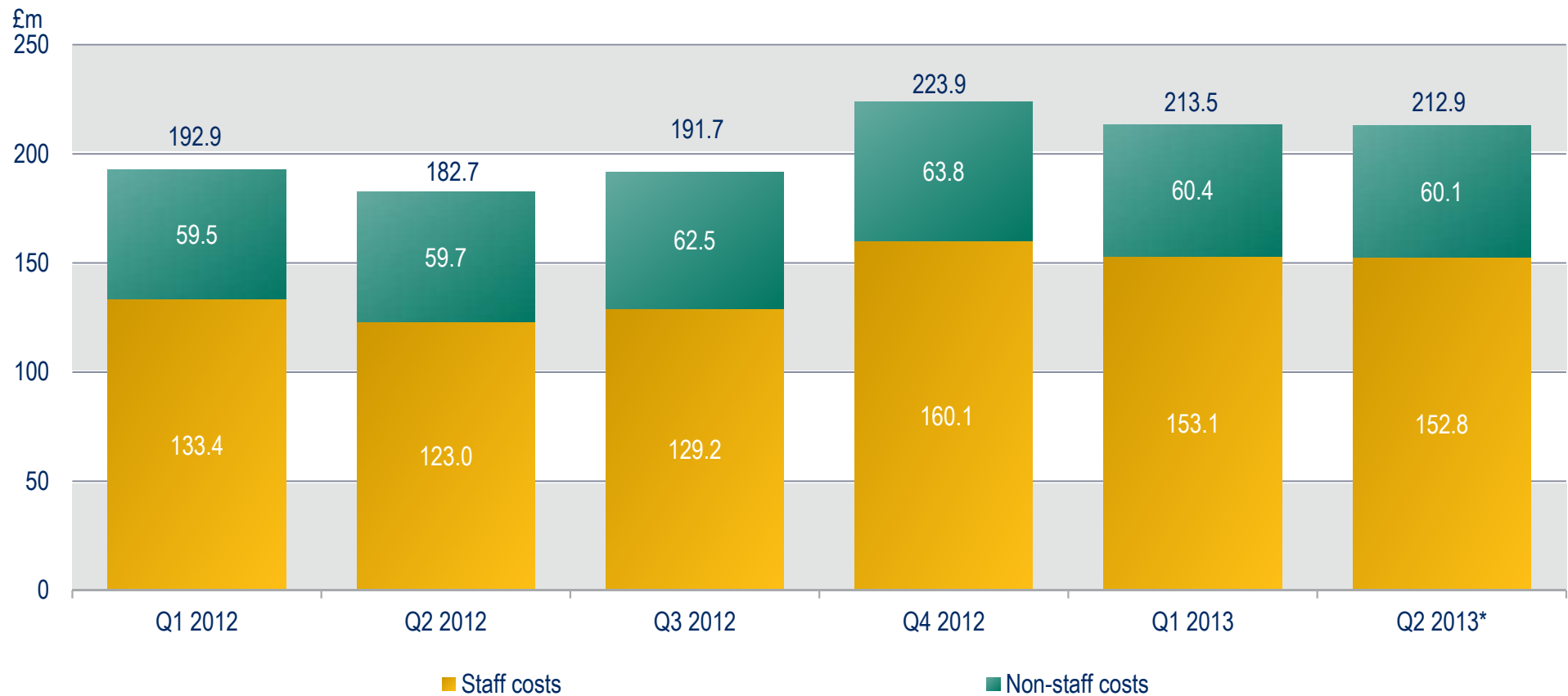
Cost: Net revenue ratio



Total Group costs divided by net revenue.

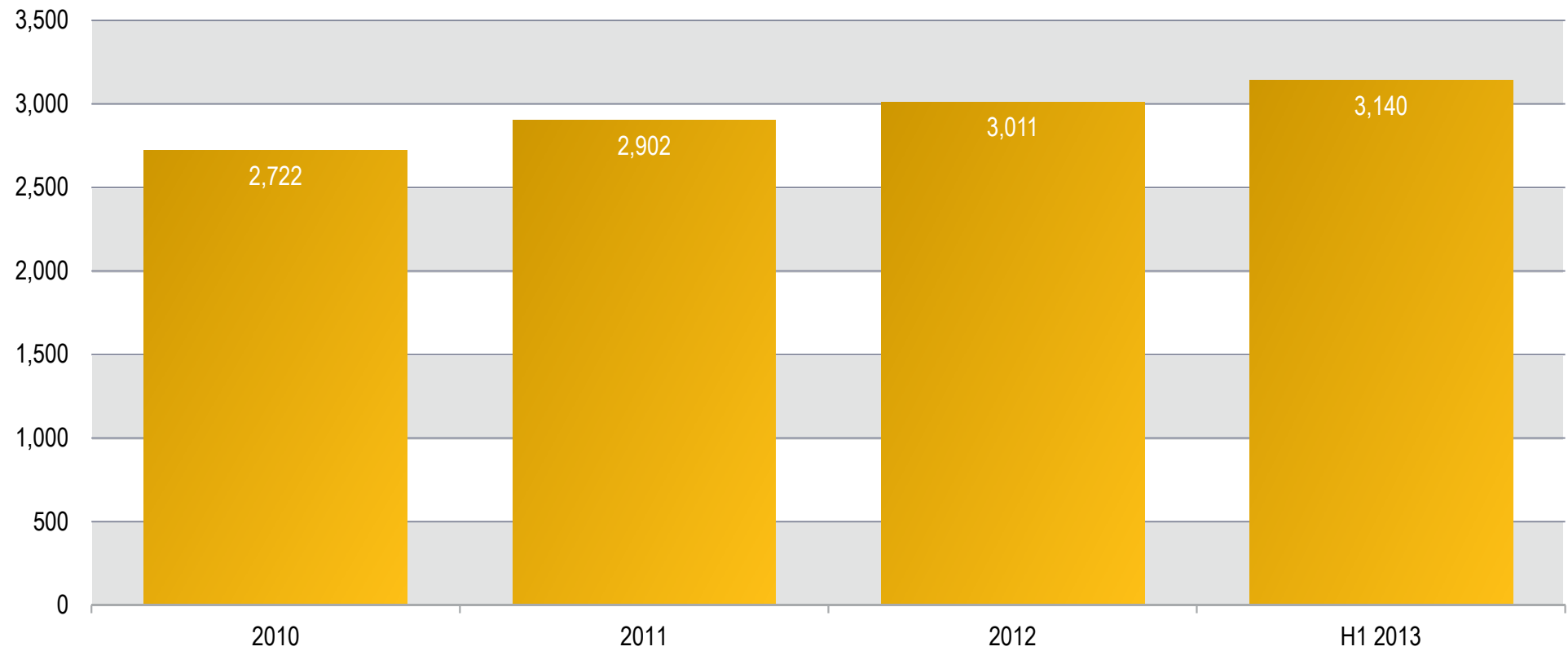
*H1 2013 ratio excludes exceptional costs

Total costs



*Q2 2013 excludes exceptional costs

Headcount



Income statement progression

Asset Management profit before tax

| £m | Q1 2012 | Q2 2012 | Q3 2012 | Q4 2012 | Q1 2013 | Q2 2013* |
|--|---------|---------|---------|---------|---------|----------|
| Institutional | 120.0 | 113.0 | 117.1 | 139.2 | 136.8 | 138.4 |
| Intermediary | 130.8 | 127.2 | 128.9 | 138.6 | 153.0 | 157.5 |
| Net revenue | 250.8 | 240.2 | 246.0 | 277.8 | 289.8 | 295.9 |
| Costs* | (164.2) | (154.8) | (161.2) | (191.2) | (186.6) | (189.4) |
| JVs and associates | 2.0 | 1.3 | 0.9 | 0.8 | 1.7 | 0.7 |
| Net finance (charge)/income | – | (0.1) | 0.1 | 0.1 | 0.3 | (0.3) |
| | | | | | | |
| Asset Management profit | 88.6 | 86.6 | 85.8 | 87.5 | 105.2 | 106.9 |
| Exceptional costs | – | – | – | – | – | (0.3) |
| Asset Management profit after exceptional items | 88.6 | 86.6 | 85.8 | 87.5 | 105.2 | 106.6 |

*Q2 2013 excludes exceptional costs

Income statement progression

Private Banking profit/(loss) before tax

| £m | Q1 2012 | Q2 2012 | Q3 2012 | Q4 2012 | Q1 2013 | Q2 2013 |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| Net revenue | 27.1 | 25.5 | 24.6 | 17.2 | 26.5 | 27.0 |
| Costs | (20.7) | (21.5) | (20.6) | (19.8) | (21.6) | (21.3) |
| | | | | | | |
| Private Banking profit/(loss) | 6.4 | 4.0 | 4.0 | (2.6) | 4.9 | 5.7 |

Income statement progression

Group segment profit/(loss) before tax

| £m | Q1 2012 | Q2 2012 | Q3 2012 | Q4 2012 | Q1 2013 | Q2 2013 |
|---|---------|---------|---------|---------|---------|---------|
| Net revenue | 4.8 | (4.4) | 5.9 | 19.4 | 6.7 | (0.8) |
| Costs* | (8.0) | (6.4) | (9.9) | (12.9) | (5.3) | (2.2) |
| JVs and associates** | (0.1) | (0.4) | 0.1 | (0.1) | (0.5) | - |
| Net financial income | 3.8 | 2.5 | 2.7 | 2.7 | 4.0 | 3.4 |
| | | | | | | |
| Group profit/(loss) | 0.5 | (8.7) | (1.2) | 9.1 | 4.9 | 0.4 |
| Exceptional costs | - | - | - | - | - | (6.0) |
| Group profit/(loss) after exceptional items | 0.5 | (8.7) | (1.2) | 9.1 | 4.9 | (5.6) |

*Q2 2013 excludes exceptional costs

**Schroder Ventures Investments Limited only

Balance sheet

| £m | 31 December 2012 | 30 June 2013 |
|--|------------------|-----------------|
| Intangible assets including goodwill | 142.1 | 180.9 |
| Other non-current assets | 729.0 | 688.1 |
| Current assets | 4,457.7 | 4,849.3 |
| Assets backing unit-linked liabilities | 9,346.3 | 10,460.3 |
| Total assets | 14,675.1 | 16,178.6 |
| Non-current liabilities | 443.3 | 377.1 |
| Current liabilities | 2,815.6 | 3,156.2 |
| Unit-linked liabilities | 9,346.3 | 10,460.3 |
| Total liabilities | 12,605.2 | 13,993.6 |
| Net assets | 2,069.9 | 2,185.0 |
| Total equity* | 2,069.9 | 2,185.0 |

*Includes non-controlling interests Jun 2013: £0.4m (Dec 2012: £0.5m)

Movement in capital

| £m | 2013 |
|---|---------|
| Opening balance | 2,069.9 |
| Profit before tax | 228.0 |
| Exceptional costs | (6.3) |
| Net fair value movement arising from AFS financial assets | (2.7) |
| Exchange differences on translation of foreign operations after hedging | 27.2 |
| Tax | (43.3) |
| Net share purchases | (35.6) |
| Share-based payments | 24.2 |
| Dividends | (80.4) |
| Actuarial gain on defined benefit pension scheme | 5.1 |
| Other | (1.1) |
| Closing balance | 2,185.0 |

Forward-looking statements

These presentation slides may contain forward-looking statements with respect to the financial condition, results of operations, strategy and businesses of the Schroders Group.

Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but they relate to events and depend upon circumstances in the future and you should not place undue reliance on them. Without limitation, any statement preceded by or followed by or that include the words 'targets', 'plans', 'believes', 'expects', 'aims' or 'anticipates' or the negative of these terms and other similar terms are intended to identify such forward-looking statements.

There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by those forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this presentation. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this presentation should be construed as a forecast, estimate or projection of future financial performance.