

Schroders

2012 H1 results

Data Pack



Schroders

August 2012 | For professional investors only. This material is not suitable for retail clients

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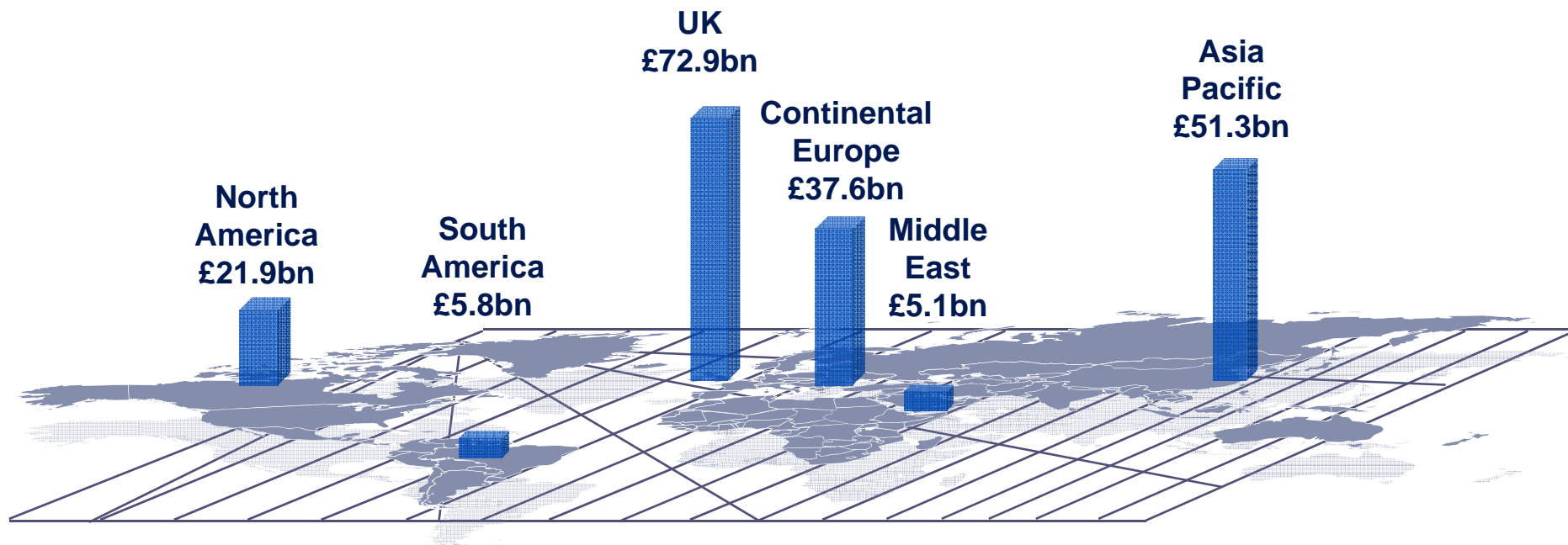
Assets under management (AUM)

£194.6 billion at 30 June 2012

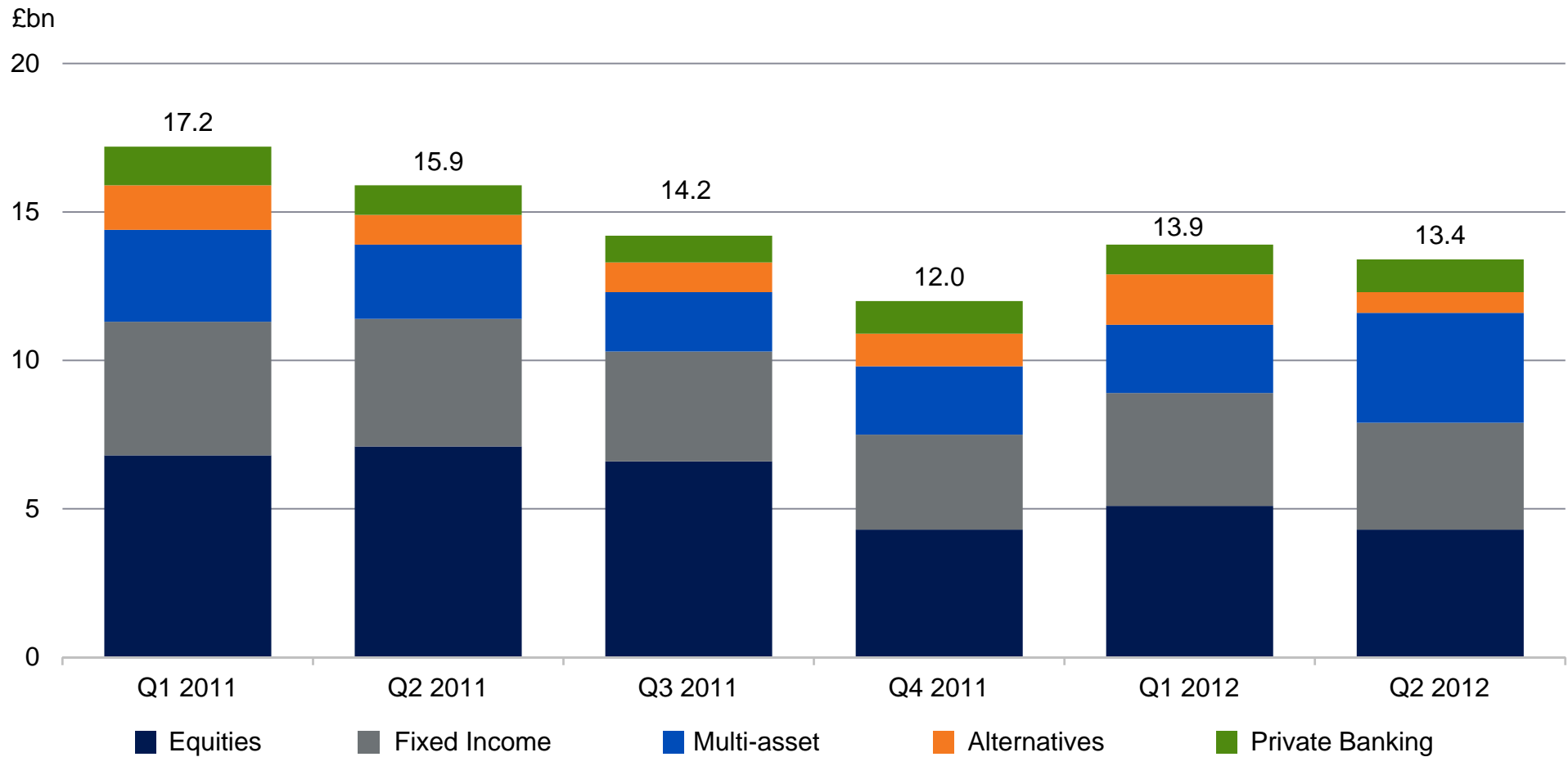
£bn	Asset Management		Private Banking	Total
	Institutional	Intermediary		
31 December 2011	108.4	62.9	16.0	187.3
Net flows	1.9	1.0	(0.2)	2.7
Investment returns	3.0	1.4	0.2	4.6
30 June 2012	113.3	65.3	16.0	194.6

Regional diversification of AUM

65% of revenues outside UK

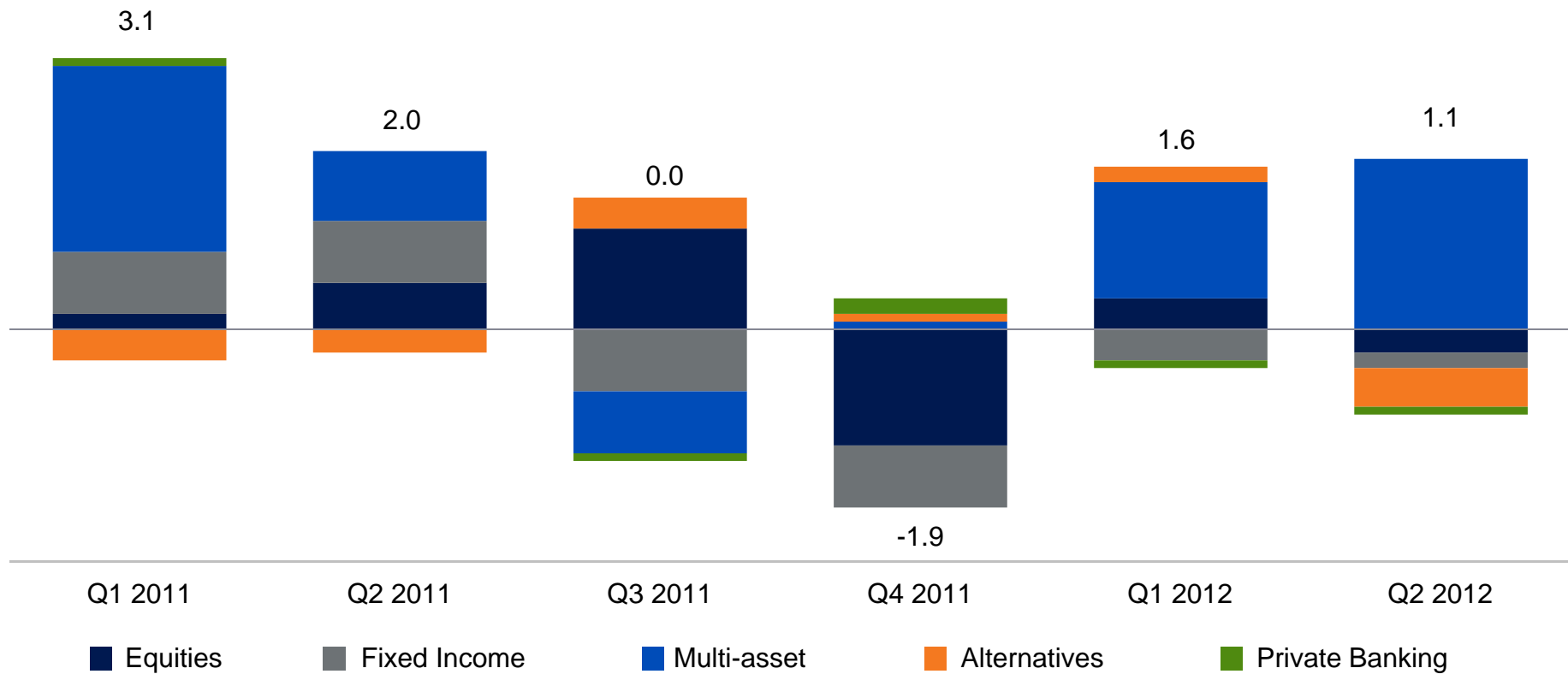


Gross sales



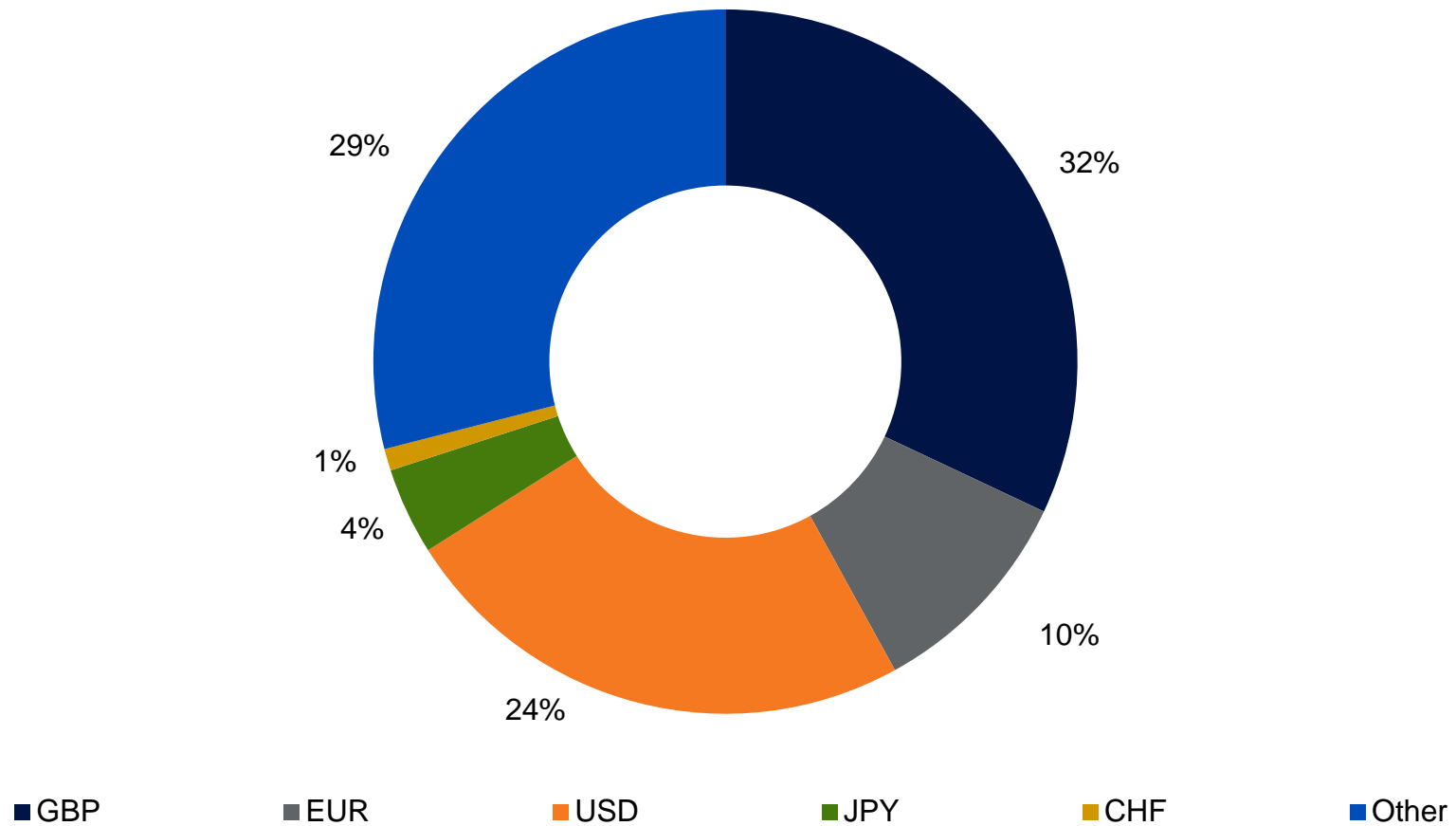
Net inflows

£bn



Currency profile of AUM

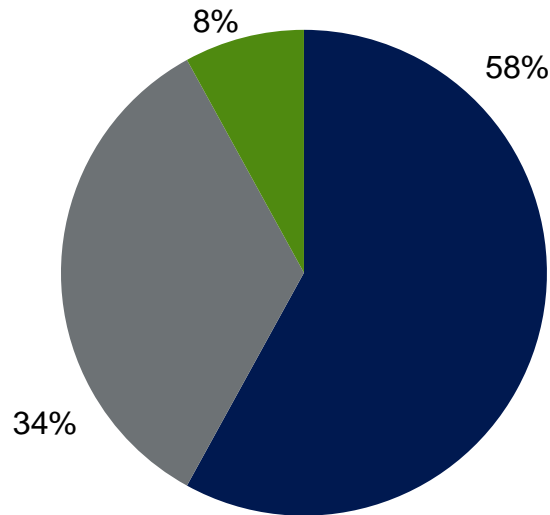
Assets under management £194.6 billion



Total AUM by channel, region and product

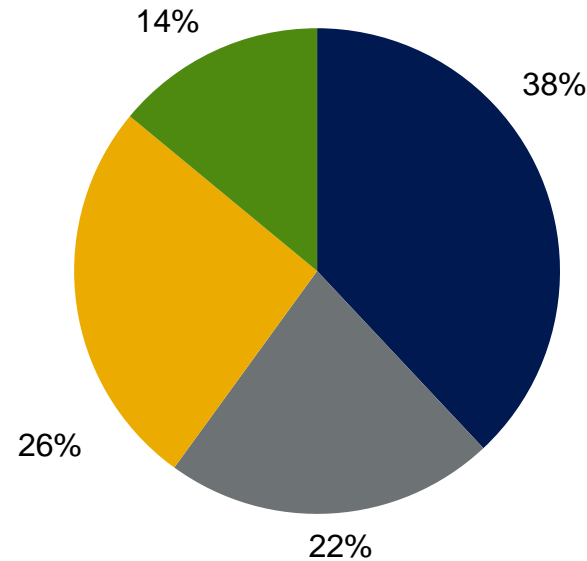
Assets under management £194.6 billion

By channel



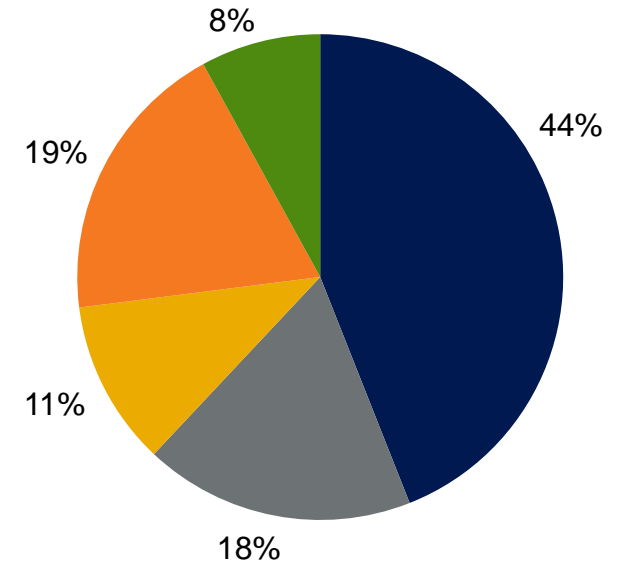
- Institutional
- Intermediary
- Private Banking

By region



- UK
- Continental Europe*
- Asia Pacific
- Americas

By product

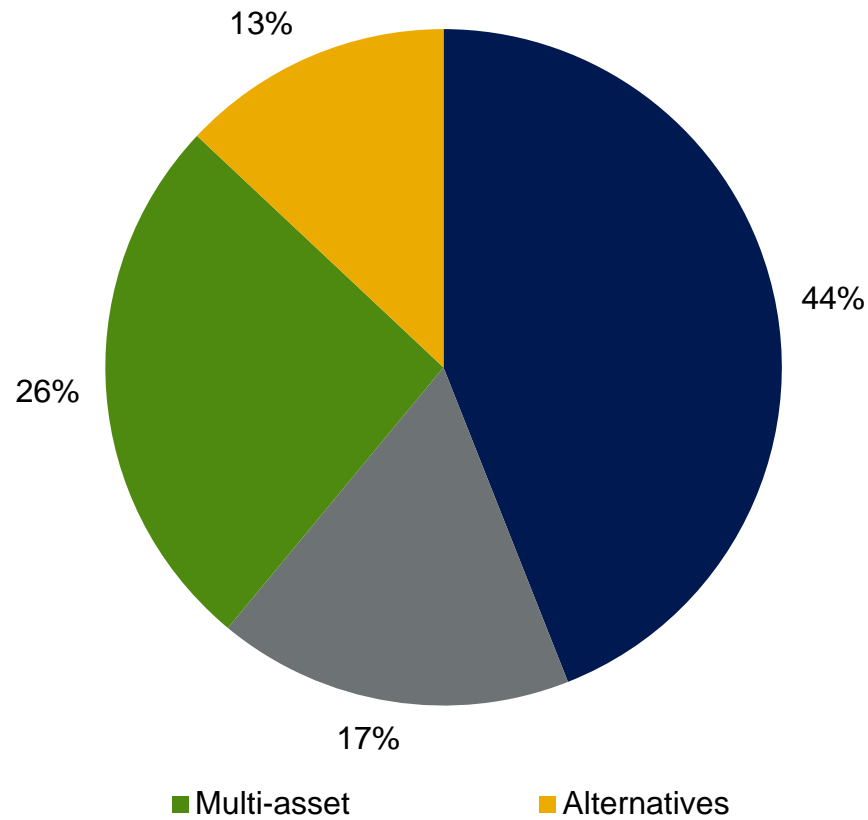


- Equities
- Fixed Income
- Alternatives
- Multi-asset
- Private Banking

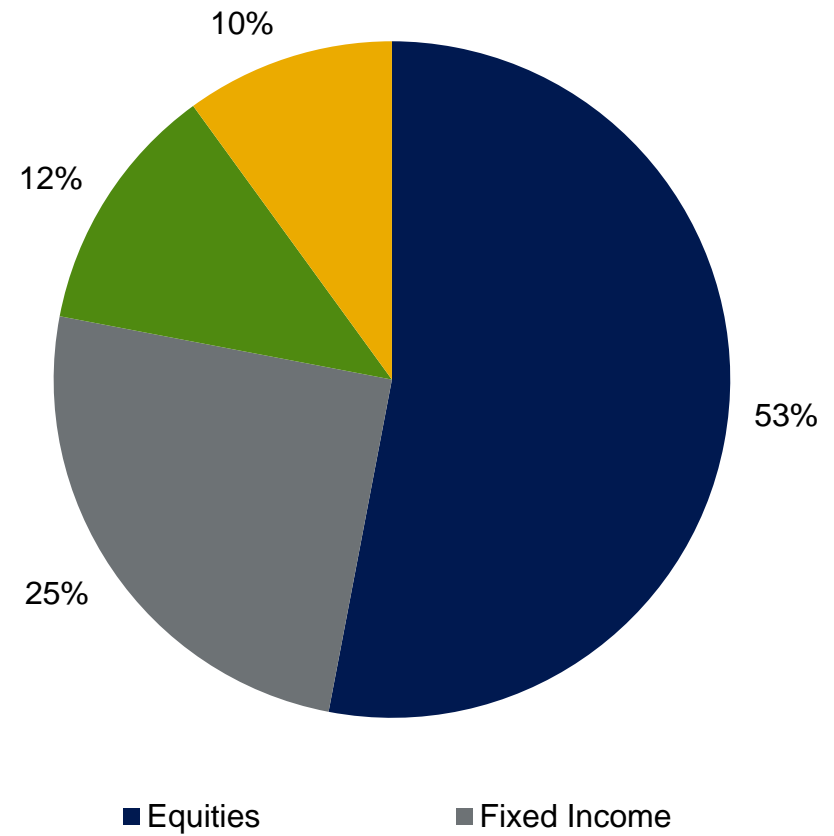
* Including Middle East
By client domicile

Asset Management AUM by channel and product

Institutional AUM £113.3bn

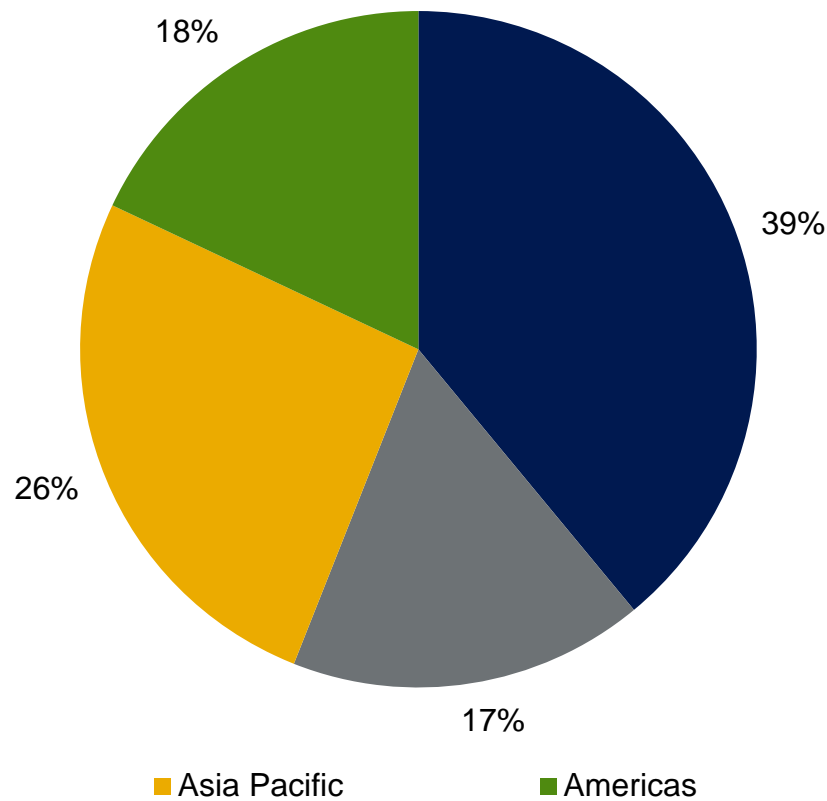


Intermediary AUM £65.3bn

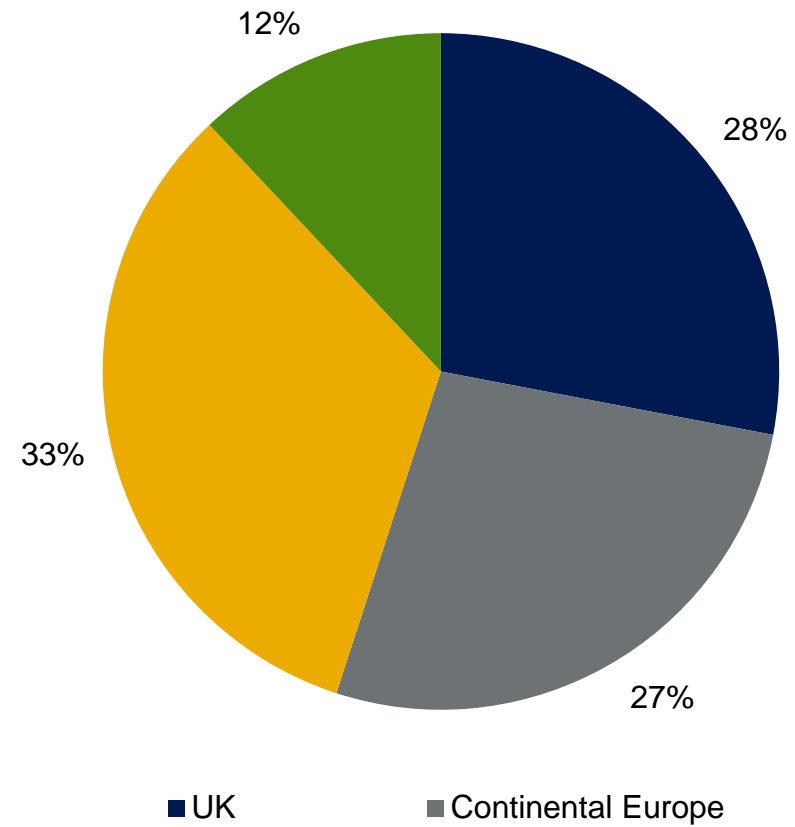


Asset Management AUM by channel and region

Institutional AUM £113.3bn



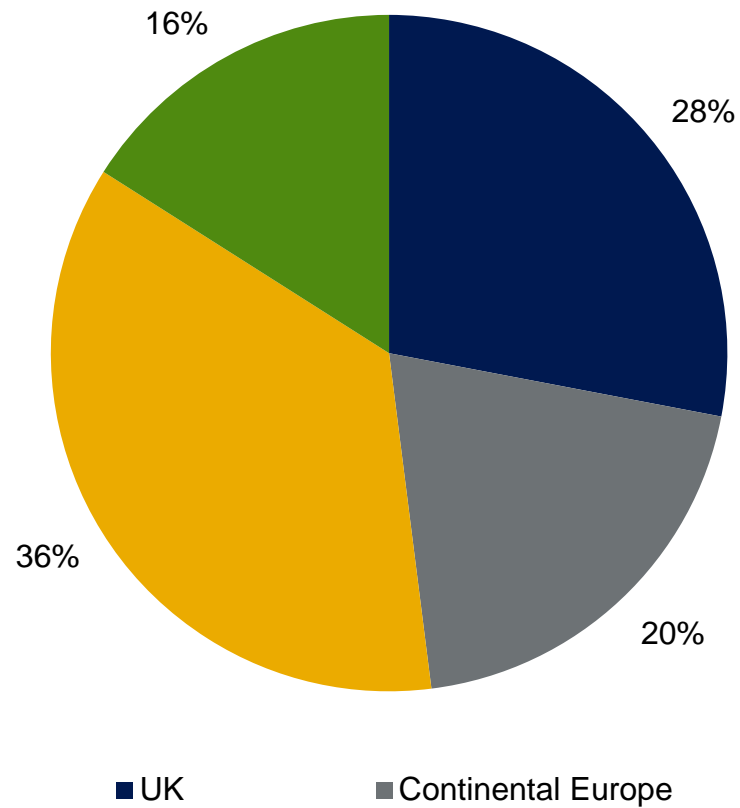
Intermediary AUM £65.3bn



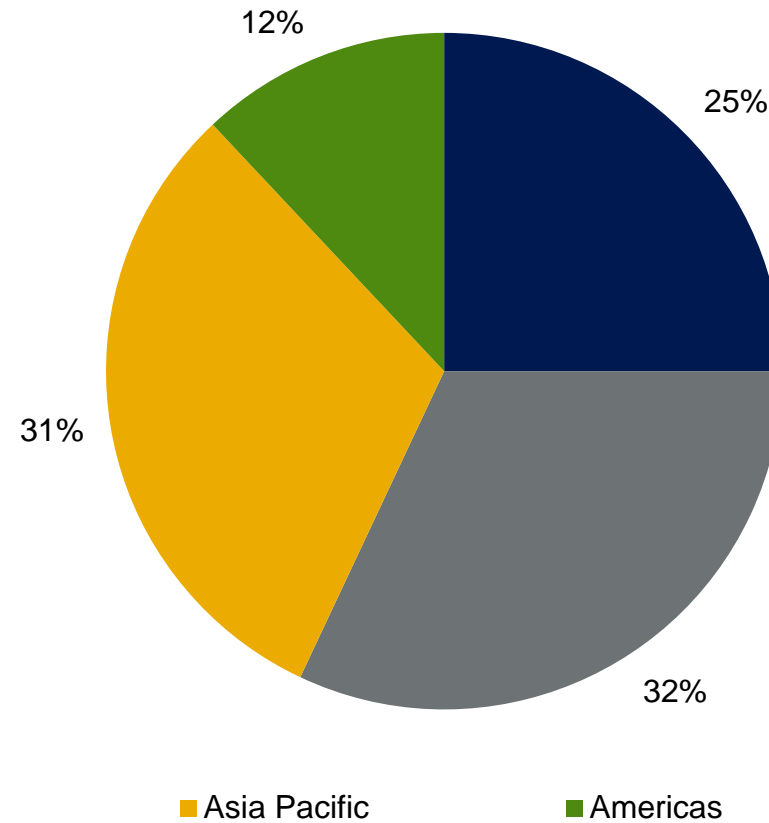
By client domicile

Asset Management AUM analysis

Equities AUM £84.8bn



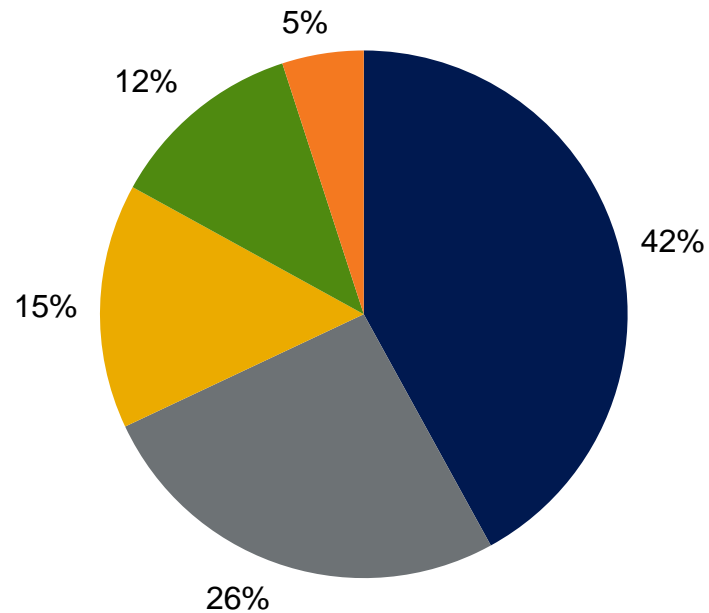
Fixed income AUM £35.1bn



By client domicile

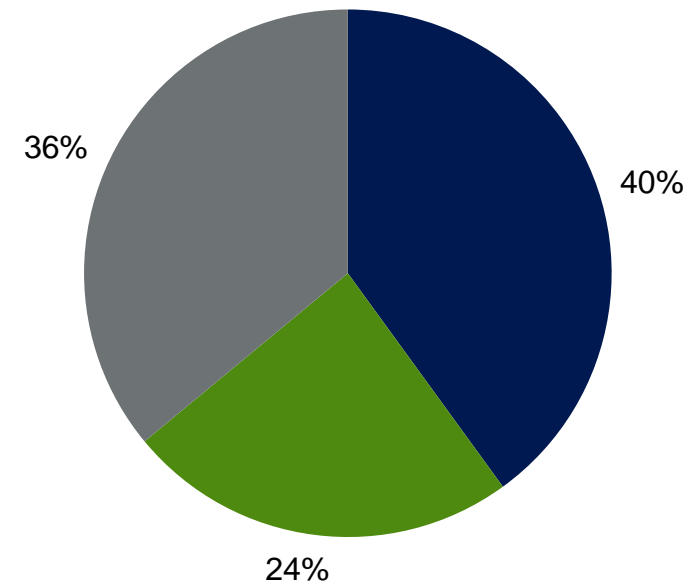
Asset Management AUM analysis

Alternatives AUM £21.6bn



- Property
- Commodities
- Emerging market debt
- Funds of hedge funds
- Private equity funds of funds

Multi-asset AUM £37.1bn



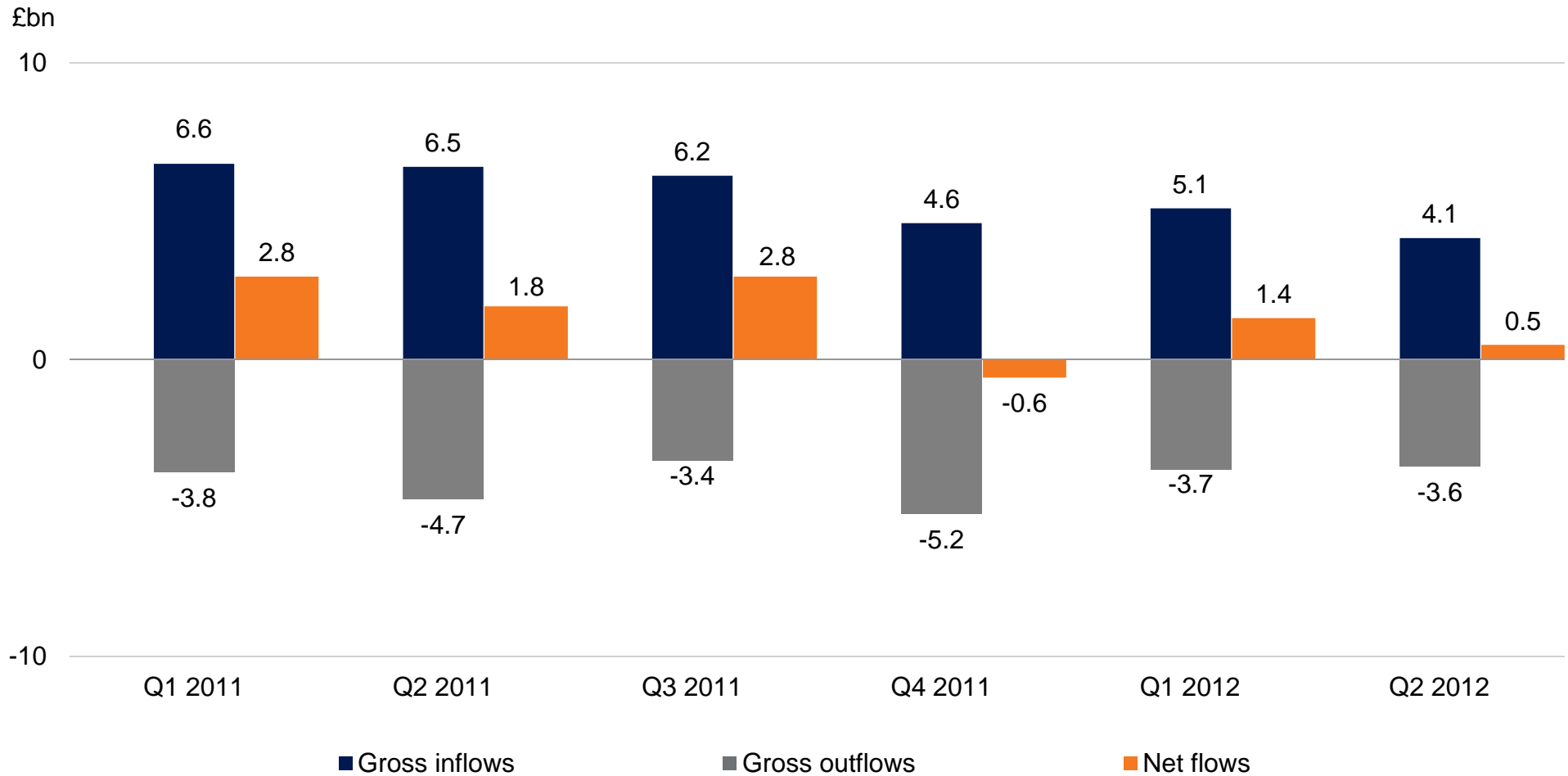
- UK multi-asset
- Liability-driven investment
- Other multi-asset

Asset Management business flows

£bn	H1 2011			H1 2012		
	Inflows	Outflows	Net	Inflows	Outflows	Net
Institutional	13.1	(8.5)	4.6	9.2	(7.3)	1.9
Intermediary	17.7	(17.3)	0.4	16.0	(15.0)	1.0
Total Asset Management	30.8	(25.8)	5.0	25.2	(22.3)	2.9

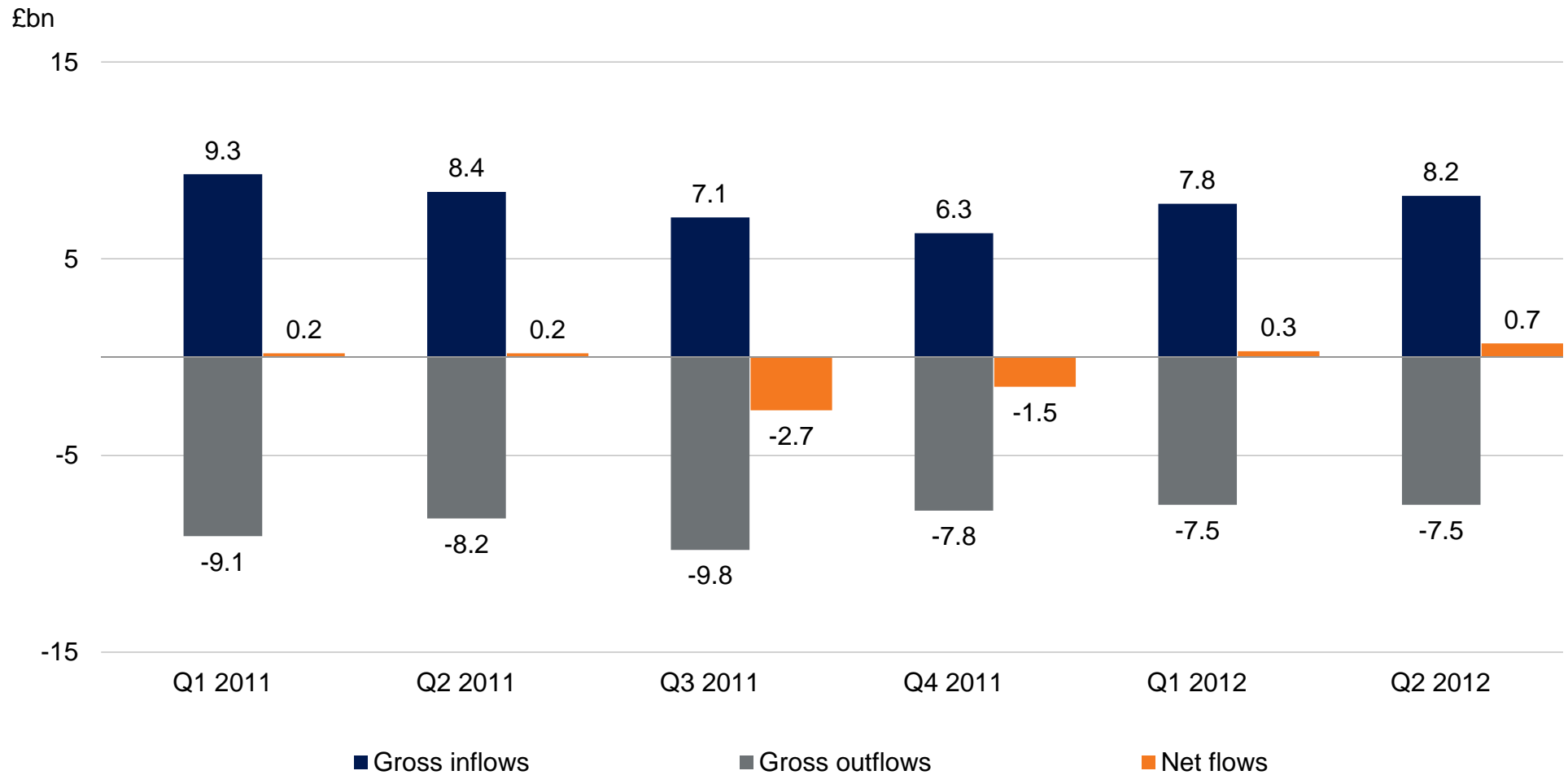
Institutional

Assets under management: £113.3bn (31 Dec 2011: £108.4bn)



Intermediary

Assets under management: £65.3bn (31 Dec 2011: £62.9bn)



Net revenue and margins – Asset Management

Asset Management net revenue £491.0 million (H1 2011: £534.6 million)

	H1 2011	H1 2012
Average AM AUM – £bn	184.6	179.0
AM net revenue on average AM AUM	58bps	55bps
AM performance fees – £m	13.8	10.1
AM performance fees on average AM AUM	1bps	1bps
AM costs – £m	335.2	319.0
AM costs on average AM AUM	36bps	36bps
AM operating profit – £m	199.4	172.0
AM operating profit on average AM AUM	22bps	19bps

Income and cost metrics for the Group

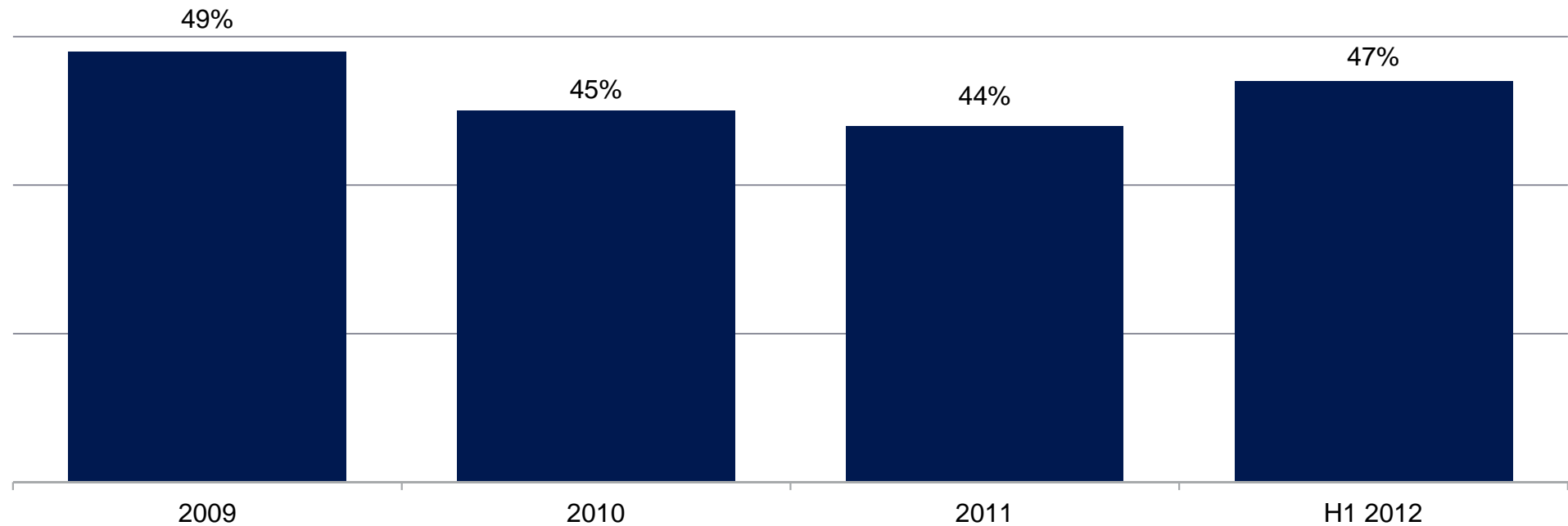
	FY 2011	H1 2012
Compensation cost: operating revenue ratio	44%	47%
Bonus: pre-bonus operating profit	39%	38%
Cost: net revenue ratio	66%	69%
Return on average capital (pre-tax)	22%	18%
Return on average capital (post-tax)	17%	14%

- 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

* Adjusted by the Remuneration Committee for allowable and disallowable revenues

Key performance indicators

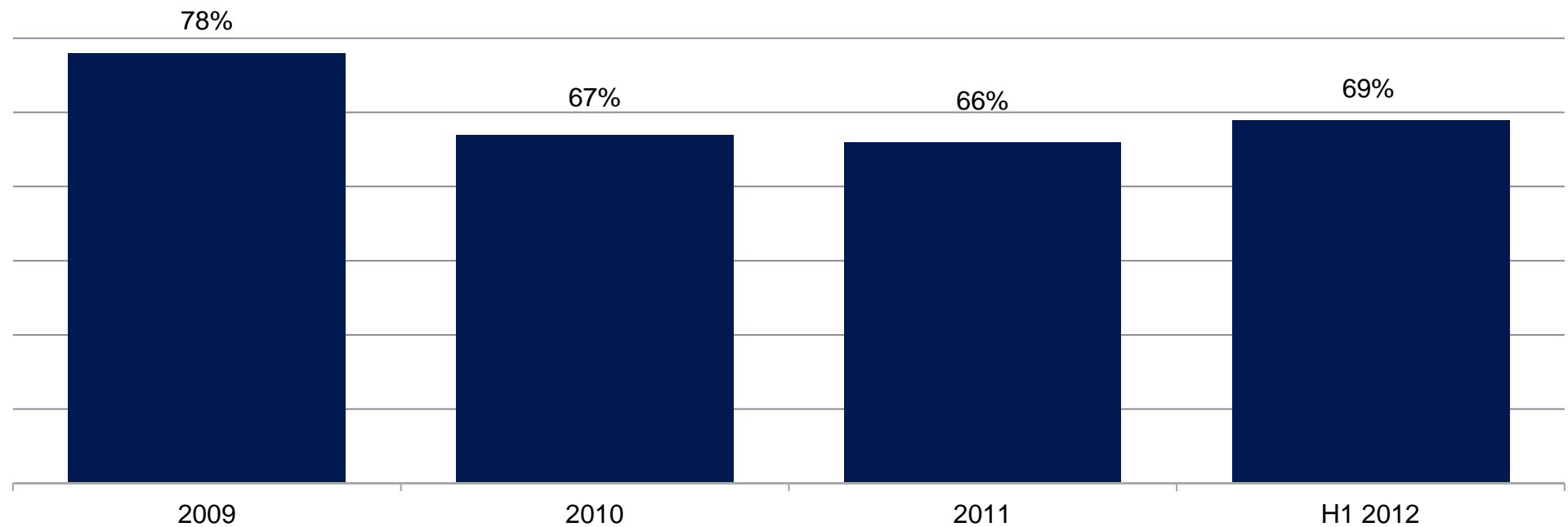
Compensation cost: operating revenue ratio



Total Group compensation costs divided by Asset Management and Private Banking net revenues adjusted by the Remuneration Committee for allowable and disallowable revenues. 2009 figures exclude exceptional items

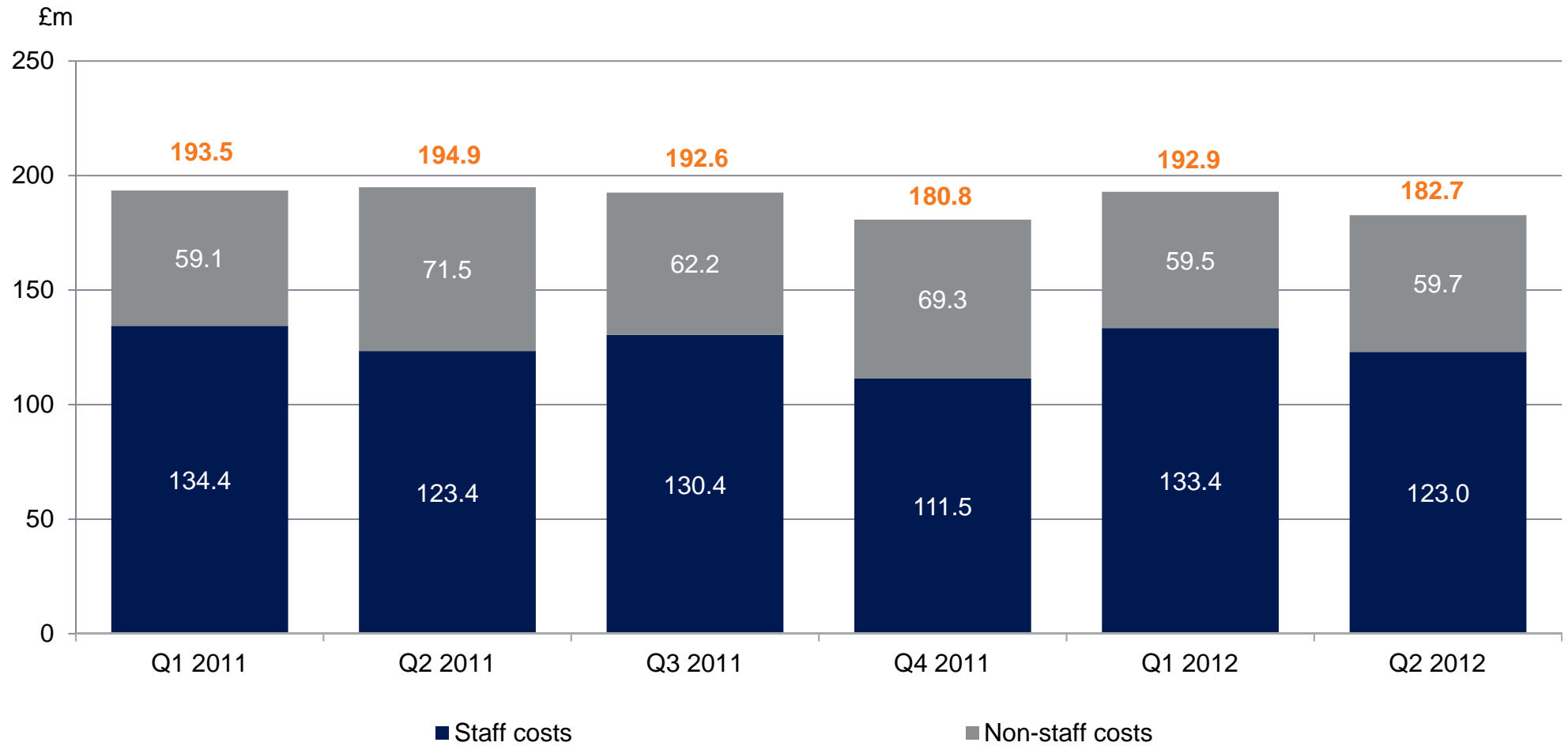
Key performance indicators

Cost: net revenue ratio

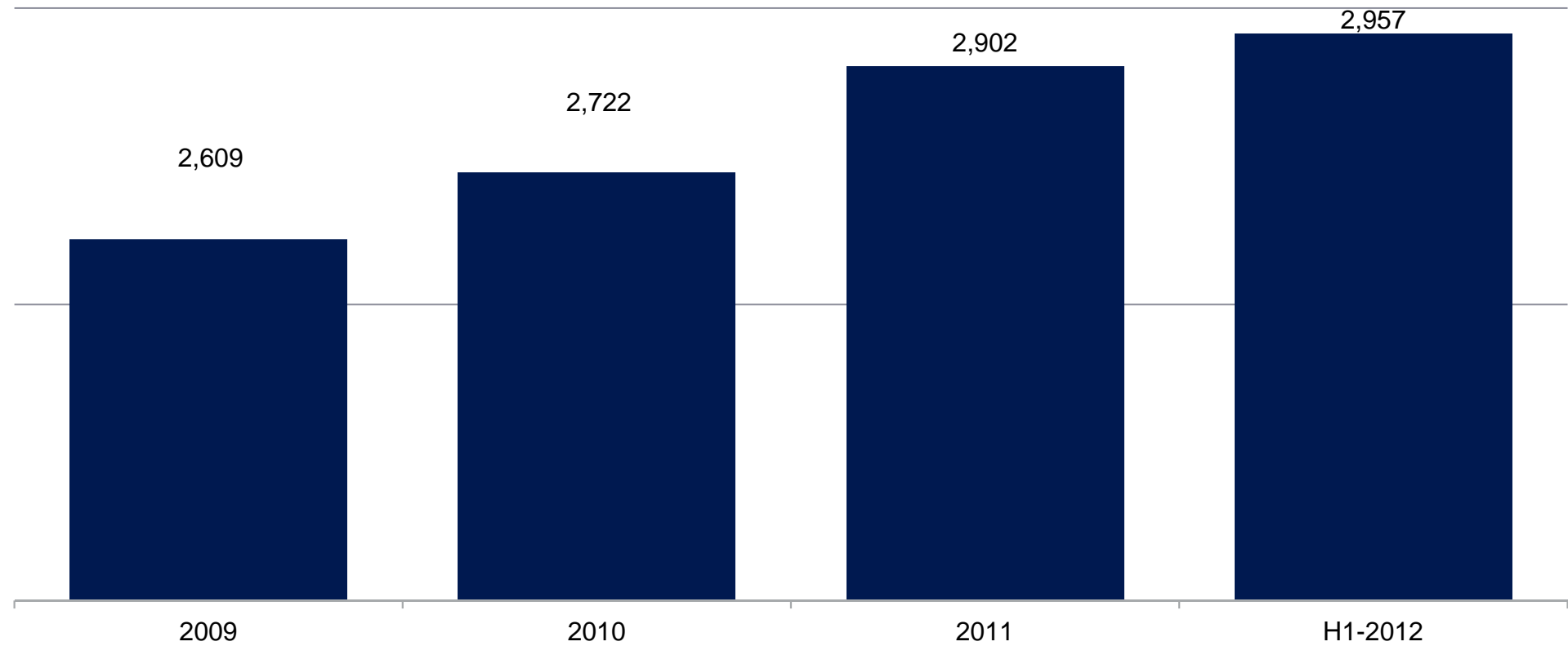


Total Group costs divided by net revenue
2009 figures exclude exceptional items

Total costs



Headcount



Income statement progression

Asset Management profit before tax

£m	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Institutional	108.5	117.2	109.4	118.4	120.0	113.0
Intermediary	152.7	156.2	147.4	131.7	130.8	127.2
Net revenue	261.2	273.4	256.8	250.1	250.8	240.2
Costs	(165.3)	(169.9)	(166.6)	(156.7)	(164.2)	(154.8)
JVs and associates	1.6	2.6	2.5	–	2.0	1.3
Net finance (charge)/income	(0.2)	(0.3)	–	0.2	–	(0.1)
Asset Management profit	97.3	105.8	92.7	93.6	88.6	86.6

Income statement progression

Private Banking profit before tax

£m	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Net revenue	30.1	27.9	29.3	27.0	27.1	25.5
Costs	(23.4)	(22.3)	(22.6)	(22.2)	(20.7)	(19.7)
Doubtful debt charges	–	–	–	–	–	(1.8)
Private Banking profit	6.7	5.6	6.7	4.8	6.4	4.0

Income statement progression

Group segment (loss)/profit before tax

£m	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Net revenue	(0.7)	1.3	4.3	(8.1)	4.8	(4.4)
Costs	(3.4)	(4.1)	(3.4)	(1.9)	(8.0)	(6.4)
JVs and associates*	(0.6)	(1.2)	(1.8)	(1.1)	(0.1)	(0.4)
Net finance income	4.5	4.5	3.1	2.7	3.8	2.5
Group (loss)/profit	(0.2)	0.5	2.2	(8.4)	0.5	(8.7)

*Schroder Ventures Investments Limited only

Balance sheet

£m	31 Dec 2011	30 Jun 2012
Intangible assets including goodwill	144.1	141.9
Other non-current assets	774.2	711.5
Current assets	4,321.3	4,462.5
Assets backing unit-linked liabilities	8,645.2	9,193.7
Total assets	13,884.8	14,509.6
Non-current liabilities	510.3	439.4
Current liabilities	2,827.7	2,938.0
Unit-linked liabilities	8,645.2	9,193.7
Total liabilities	11,983.2	12,571.1
Net assets	1,901.6	1,938.5
Total equity*	1,901.6	1,938.5

*Includes non-controlling interests Jun 2012: £0.4m (Dec 2011: £0.2m)

Movement in capital

£m	2012
Opening balance	1,901.6
Profit before tax	177.4
Net fair value movement arising from AFS financial assets	7.6
Exchange differences on translation of foreign operations after hedging	(8.9)
Tax	(40.3)
Other transactions with owners	(98.9)
Closing balance	1,938.5

Forward-looking statements

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These 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. Without limitation, any statements preceded 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.

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