

Chair's Statement



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Mike McTighe
Chair



The Group has had an exceptional year, both in terms of the record performance delivered and the strategic progress made. I am extremely proud of the ongoing transformation of the business, and I am confident we are ideally placed to take advantage of the opportunities ahead.

The acquisition of tastytrade, Inc. (tastytrade) during the year provided a step-change towards achieving our diversification strategy, while the sale of North American Derivatives Exchange, Inc. (Nadex) and Small Exchange Inc. (Small Exchange) exemplifies our focus on areas where we see significant room for growth.

Our clear purpose and strategy has guided our decision making in the year, including the formalisation of our Capital Allocation Framework, which includes our pledge to donate the equivalent of 1% of post-tax profits to charitable causes each year from 2022 to 2025, subject to Board approval.

Record performance

The record performance is particularly pleasing given the exceptional activity levels seen during the pandemic. We differentiate ourselves by the quality of our clients, and this in turn differentiates our results.

We are able to continually attract and retain these high-quality clients for three key reasons: our product offering, trade execution and client service. Our ever-growing client base continues to find opportunities to trade, and this underpins our business growth.

Performance in some of our regions such as the US, Japan and our pan-European multi-lateral trading facility brings diversification and offers significant strategic growth opportunities.

Focus on capital stewardship

Over the course of the last 12 months, the Board has been focused on responsible capital stewardship, balancing regulatory capital and liquidity requirements, the need for investment in the future growth of the business, and returns to shareholders.

As a result, in addition to the comprehensive debt refinancing completed during the year, we have established a new Capital Allocation Framework which clearly sets out the basis on which the Board will make capital allocation decisions. In the framework, we have stated our new policy of an regular distributions of around 50% of adjusted profit after tax.

In accordance with this new framework, we also announced our intention to return surplus capital to

shareholders via the repurchase of ordinary shares up to an aggregate purchase price of up to £150 million. We aim to substantially complete this buyback programme within FY23.

We will continue to ensure that we hold sufficient capital resources for regulatory purposes and to support business growth, though we will avoid holding excess capital in the business.

Continuing to strengthen our leadership

During the year, we welcomed Susan Skerritt (appointed to the Board in July 2021) as a Non-Executive Director. Susan is an established Non-Executive Director and a US resident, and brings significant financial markets experience of working with US-based companies and regulators. That experience and local knowledge is already proving invaluable as we increase our focus on the US. Susan is a member of both the IG North American Board (IGNA) and the IG Group Holdings (IGGH) Board Risk Committee.

In support of the acquisition of tastytrade, the Board has taken the opportunity to review the governance arrangements in the US to optimise oversight and support of the US companies by the wider Group. Having taken soundings from our external advisers, the Board concluded that a North American Board was appropriate, re-purposing a pre-existing Board to

focus in particular on governance, regulation and compliance.

Supporting our people

The past couple of years have undoubtedly been a very challenging time for many, due to several factors including the global pandemic, followed by conflict in Ukraine.

Our people have again proven their dedication and commitment to our business, our clients, and society. Collectively, we have taken many steps to address these challenges, both for our employees and for the communities in which we operate. This has been a combination of ESG programmes through our Brighter Future Fund and employee assistance programmes. In turn, our employees have also stepped up and provided support to those facing undue hardships, which has been incredibly moving and inspiring. We will continue with these endeavours as part of our holistic aim to remain a good corporate citizen.

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Mike McTighe
Chair
20 July 2022