

# IG Group

## Empowering ambition, enabling freedom

IG Trading & Investments Limited  
IFPR disclosure FY23



<b>Overview.....</b>	<b>3</b>
1.1 Introduction.....	3
1.2 Scope and frequency of disclosures.....	3
1.3 Group structure.....	4
<b>Risk Management Objectives and Policies.....</b>	<b>5</b>
2.1. Risk Management Framework.....	5
2.2. Risk Statement from the firms governing body.....	5
2.3. Principal risks.....	5
<b>Governance arrangements.....</b>	<b>12</b>
3.1 Management accountability.....	12
3.2 Number of directorships.....	13
3.3 Diversity.....	14
<b>Own funds.....</b>	<b>15</b>
4.1 Own funds.....	15
<b>Own funds requirement.....</b>	<b>17</b>
5.1 Own funds requirement.....	17
5.2 Adequacy of own funds.....	17
<b>Remuneration policy and practices.....</b>	<b>18</b>
<b>Investment policy.....</b>	<b>18</b>
<b>Further Information.....</b>	<b>18</b>

## MAIN DISCLOSURE REQUIREMENTS

MAIN DISCLOSURE REQUIREMENTS	REFERENCE TO IFPRU RULES	PAGES
Scope of disclosure requirements	<i>MIFIDPRU 8.1</i>	3
Risk management objectives and policies	<i>MIFIDPRU 8.2</i>	511 & Annual report p48-55
Governance arrangements	<i>MIFIDPRU 8.3</i>	12-14 & Annual report p5-73
Own funds	<i>MIFIDPRU 8.4</i>	15-16
Own funds requirement	<i>MIFIDPRU 8.5</i>	16-17
Remuneration policy and practices	<i>MIFIDPRU 8.6</i>	18 & Annual report p89-118
Investment policy	<i>MIFIDPRU 8.7</i>	18

## OVERVIEW

### 1.1 INTRODUCTION

The disclosures included in this document are prepared in accordance with the Financial Conduct Authority (FCA) MIFIDPRU 8 standards.

The disclosures aim to encourage market discipline by developing a set of disclosure requirements which will allow market participants to assess key information on the firm's capital adequacy, risk assessment and control processes.

### 1.2 SCOPE AND FREQUENCY OF DISCLOSURES

#### 1.2.1 SCOPE

The disclosures are made in respect of IG Trading and Investments Limited (IG T&I) for the year ended 31 May 2023. IG T&I is a Non-SNI MIFIDPRU Investment Firm regulated by the Financial Conduct Authority (FCA).

IG T&I is a wholly owned subsidiary of Market Data Limited and its ultimate parent company is IG Group Holdings plc. References to "the Group" are to IG Group Holdings plc together with all its subsidiary undertakings which can be seen under section 1.2.3.

IG T&I was authorised by the Financial Conduct Authority (FCA) on 23 December 2021 and is classified as a Non-SNI MIFIDPRU Investment Firm. IG T&I did not commence trading activity during the year ended 31 May 2022 (FY22). The Company has notified the FCA of its plan to purchase the stock trading and investments business of IG Markets Limited, a fellow Group company. The purchase is expected to be completed in the first half of FY23.

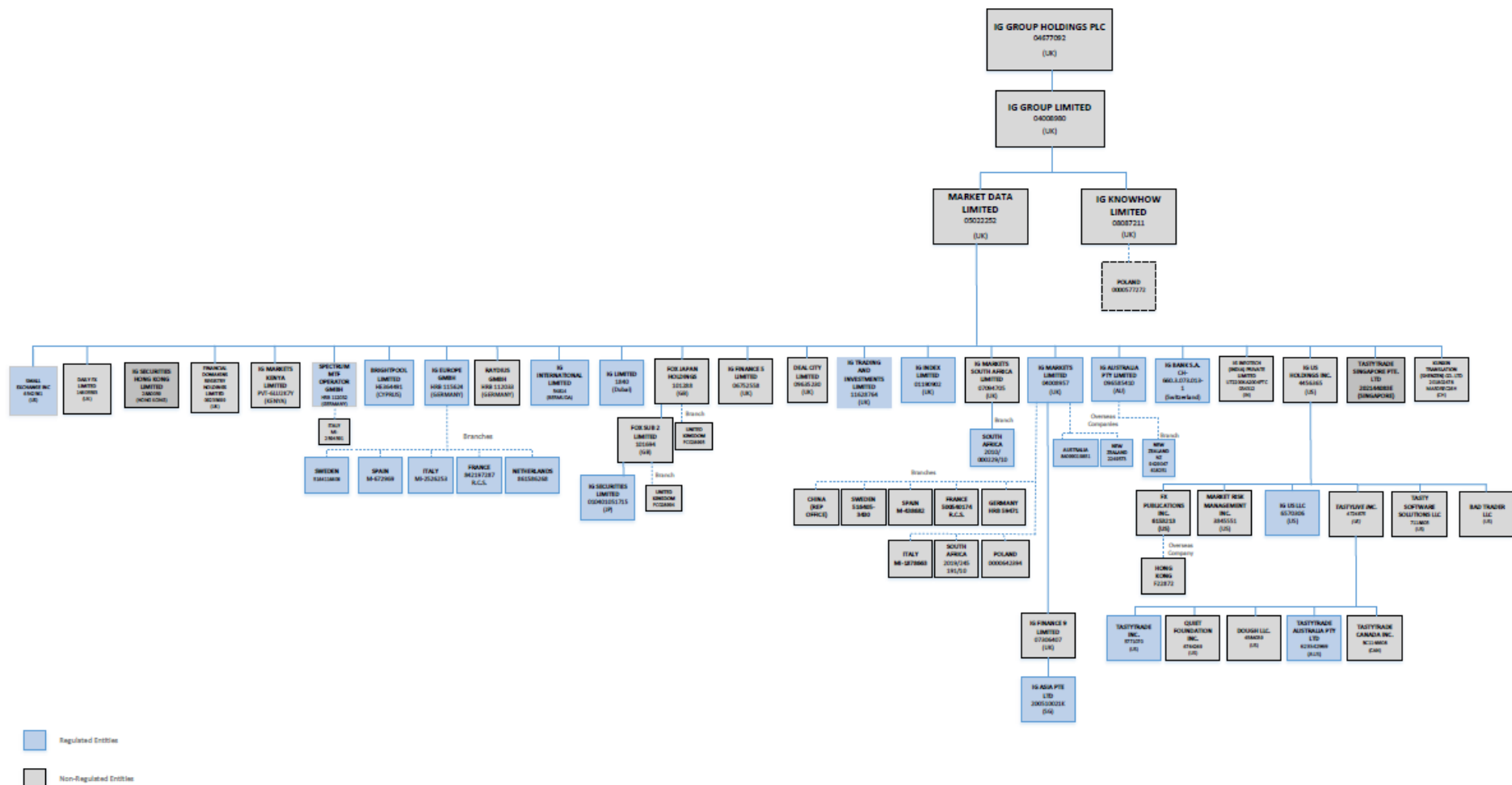
#### 1.2.2 FREQUENCY

In accordance with MIFIDPRU 8.1.7, the disclosures are made on an individual basis and published on IG's corporate website ([www.iggroup.com](http://www.iggroup.com)) on an annual basis in conjunction with the annual solvency statement submitted to the FCA in accordance with SUP 16.12.

Information is disclosed by IG T&I unless it does not apply or is considered by the Group Executive Risk Committee (ERC) as being proprietary or confidential information. In the instances where information is not being disclosed then reference is made to this fact.

The disclosures have been prepared as required under FCA MIFIDPRU 8 standards and for no other purpose. They do not constitute any form of financial statement and must not be relied upon in making any judgement about the IG T&I.

### 1.2.3 GROUP STRUCTURE AS AT 31 MAY 2023



## RISK MANAGEMENT OBJECTIVES AND POLICIES

### 2.1. RISK MANGEMENT FRAMEWORK

The Group has an established Risk Management Framework which cover all entities within the consolidated Group as shown in the Group structure 1.2.3, including IG T&I.

The Risk Management Framework:

- Identifies, measures, manages, monitors, and reports the risks faces by the business.
- Manages the risk that the Group's conduct may pose to the achievement of fair outcomes for clients, or to the sound, stable, resilient, and transparent operation of financial markets.

This framework provides the Board with assurance that the Group's risks, including the risks relating to the achievement of the Group's strategic objectives, are understood, and managed in accordance with the appetite and tolerance levels set. It provides the basis for enabling the Group's ongoing assessment, control, monitoring, and reporting of risk management.

The framework is established around the following elements:

- Risk Culture
- Risk Taxonomy
- Risk Appetite
- Risk Governance
- Risk Management.

The Board has overall responsibility for the management of risk within the Group. This includes determining the Group's risk appetite, which sets out the nature and extent of the principal risks it is willing to take in achieving its objectives and defining the standards and expectations that drive the Group's risk culture.

It also involves ensuring that the Group maintains an appropriate and effective Risk Management Framework, and monitoring performance and risk indicators to ensure that the Group remains within its risk appetite.

More information on The Group's Strategy & Risk Framework can be found in the IG Group Holdings plc's Annual Report on pages 50-55 (Strategic Report).

### 2.2. RISK STATEMENT FROM THE FIRMS GOVERNING BODY

The Groups approach to risk management, centres around its Risk Management Framework , its key to achieving its business objectives whilst the Group preserves its strong financial position, regulatory reputation and ensure good outcomes for both the clients and markets. The Board is ultimately responsible for ensuring that the Group maintains a strong risk management culture, supported by its robust Risk Management Framework.

### 2.3. PRINCIPAL RISKS

IG Group has adopted a common risk taxonomy that breaks the principal risks faced by the Group into four broad risk categories: the risks inherent in the regulatory environment, the risks inherent in the commercial environment, business model risks, and conduct and operational risk. For more

information on the Risk Management Framework and Governance see IG Group Holdings plc's Annual Report pages 50-55.

The major risks identified for IG T&I within the Group's risk taxonomy and the actions taken to mitigate these risks are summarised in the table below.

RISK CATEGORY	PRINCIPAL RISKS	MITIGATION AND CONTROLS
<p><b>Business Model Risk</b> The risk the Group faces arising from the nature of its business and business model, including market, credit and liquidity risks, and capital adequacy adherence.</p> <p><b>RISK APPETITE</b></p> <p>In pursuit of the Group’s business goals, there is an appetite for running modest levels of market risk to facilitate the high-quality instant execution of client orders while accepting that periodic credit risk losses will occur in normal business activity. The Group has very little appetite for liquidity or regulatory capital risk and ensure complete compliance with regulatory requirements.</p> <p><b>EMERGING AND EVOLVING RISKS</b> The Group monitors the emergence of significant events or topics which could, if unmanaged, have a material impact on the Group. Such matters include the war in Ukraine, trade wars, political and legislative changes and any other matters which may lead to macro market movements. Where such events or topics emerge, as a matter of course The Group considers client margin requirements, market risk limits, broker positions, and cash and capital held at each individual entity to ensure it remains within the risk appetite as the external environment and risks it faces change.</p>	<p><b>CREDIT RISK – FINANCIAL INSTITUTION</b></p> <p>The Group has exposure to many financial institutions where it holds funds as well as its hedging brokers.</p>	<ul style="list-style-type: none"> <li>➤ The Group undertakes credit reviews of financial institutional counterparties upon account opening, which is updated periodically (or ad hoc upon an event)</li> <li>➤ It’s credit exposures to each of our broking counterparties are actively managed in line with limits</li> <li>➤ The Group performs daily monitoring of counterparties’ creditworthiness.</li> </ul>
	<p><b>LIQUIDITY</b></p> <p>The risk that the Group is unable to meet its financial obligations as they fall due.</p>	<ul style="list-style-type: none"> <li>➤ Active liquidity management within the Group is central to our approach, ensuring sufficient liquidity is in the right places at the right time.</li> <li>➤ The Group conducts monthly liquidity stress tests</li> </ul> <p>It has access to committed unsecured bank facilities and debt</p>
	<p><b>CAPITAL ADEQUACY</b></p> <p>The risk that the Group holds insufficient capital to cover its risk exposures and must curtail or cease operations.</p>	<ul style="list-style-type: none"> <li>➤ The Group conducts daily monitoring of compliance with all regulatory capital requirements. With the ICARA (Internal Capital Adequacy and Risk Assessment), The Group conducts an annual capital and liquidity assessment including the application of a series of stress-testing scenarios, based against our financial projections, all of which is approved by the Board</li> </ul>



RISK CATEGORY	PRINCIPAL RISKS	MITIGATION AND CONTROLS
<p><b>Commercial Risk</b> The risk that The Group's performance is affected by adverse market conditions, failure to adopt an effective business strategy, or competitors offering more attractive products or services.</p> <p><b>RISK APPETITE</b></p> <p>There is little appetite for activities that threaten efficient delivery of any core initiatives or that can diminish our reputation, although acceptance of some strategic risk is necessary to foster innovation.</p> <p><b>EMERGING AND EVOLVING RISKS</b></p> <p>The Group closely monitors the high-inflationary environment and the UK's cost of living crisis, and the effects on client's ability to trade, supplier costs, wages, and income from interest. As a UK-headquartered firm The Group is exposed to FX rate fluctuations when transferring funds between non-UK entities.</p>	<p><b>STRATEGIC DELIVERY</b> The risk that The Group's competitive position weakens or that our profits are impacted due to the failure to adopt or implement an effective business strategy, including the risk of failing to appropriately integrate an acquisition.</p> <p><b>FINANCIAL MARKET CONDITIONS</b> The risk that The Group's performance is affected by client sensitivity to adverse market conditions, making it harder to recruit new clients and reducing the willingness of existing clients to trade</p> <p><b>COMPETITOR</b> The Group operates in a highly competitive environment and seek to mitigate competitor risk by maintaining a clear distinction in the market. This is achieved through compelling and innovative product development and quality of service, all while closely monitoring the activity and performance of its competitors.</p>	<ul style="list-style-type: none"> <li>➤ Regular strategy updates to the Board from the Executive Directors throughout the year detailing the strategic progress of the business</li> <li>➤ External consultation and extensive market research undertaken in advance of committing to any strategy to test and validate a concept</li> <li>➤ Projects managed via a phased investment process, with regular review periods, to assess performance and determine if further investment is justified</li> </ul> <ul style="list-style-type: none"> <li>➤ Review of daily revenue, monthly financial information, KPIs and regular reforecasts of expected financial performance</li> <li>➤ Forecasts used to determine actions necessary to manage performance and products in different geographical locations, with consideration given to changes in market conditions</li> <li>➤ Regular updates to investors and market analysts to manage the impact of market conditions on performance expectations</li> </ul> <ul style="list-style-type: none"> <li>➤ The Group's approach to conduct demands it put the client at the heart of its decision making. It does not engage in questionable practices, regardless of whether they would prove to be commercially attractive to clients</li> <li>➤ Ensuring that The Groups product offering remains attractive, considering the other benefits that it offers the clients, including brand, strength of technology and service quality</li> </ul>
RISK CATEGORY	PRINCIPAL RISKS	MITIGATION AND CONTROLS
<p><b>Conduct and Operational Risk</b> The risks that The Groups conduct poses to the achievement of fair outcomes for</p>	<p><b>TECHNOLOGY AND INFORMATION SECURITY</b> The risk of data loss or that the Groups operations are affected, or clients receive a degraded service or are unable to trade due</p>	<ul style="list-style-type: none"> <li>➤ Maintenance of a 24/7 Incident Management function</li> <li>➤ Security operations function with 24/7 strength-in-depth capabilities to monitor, prevent and triage cyber threats</li> <li>➤ DOS mitigation services and 24/7 incident management capabilities</li> <li>➤ Regular disaster-recovery capability testing</li> <li>➤ Capacity stress testing</li> </ul>

<p><b>consumers or the financial markets, and the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.</b></p> <p><b>RISK APPETITE</b> Operational risk is present in the normal course of business, and it is not possible, or even desirable, to eliminate all risks inherent in The Groups activities. It has no appetite for poor conduct-related events.</p> <p><b>EMERGING AND EVOLVING RISKS</b> The cyber threat landscape continues to evolve, with cyber criminals and ransomware groups constantly changing and maturing their attack methods and targets. The impact of climate change poses risks to business continuity and, therefore, potential harm to The Groups clients and people. Failure to responsibly manage the Group emissions or to mitigate the risks associated with climate change poses reputational and regulatory risks. The ongoing energy crisis in South Africa, which results in load-shedding, is a concern, with proactive steps taken by the Group to mitigate any potential impact on its clients and employees.</p>	<p>to an operational outage or system limitations. Technology threats can evolve from poor internal practices and systems or from the continuously evolving cyber landscape.</p>	<ul style="list-style-type: none"> <li>➤ The Groups Change Management and Quality Assurance functions undertake risk assessments, utilise defined maintenance windows and help deploy new products and services</li> <li>➤ The Group invests in strength-in-depth capabilities to mitigate the ever-present and changing cyber threats</li> </ul>
	<p><b>FINANCIAL CRIME</b> The risk of failing to identify and report financial crime. Inadequate oversight and client due diligence can result in clients attempting to use the Group to commit fraud or launder money, third parties trying to access client or corporate funds, or employees misappropriating funds if an opportunity arose.</p>	<ul style="list-style-type: none"> <li>➤ A mature control framework for identifying and reporting on suspicious transactions, which is designed to protect the integrity of the financial markets and provide a stable and fair-trading environment for the Groups clients</li> <li>➤ Appropriate onboarding processes for different client types and vendors with enhanced due diligence and monitoring processes where appropriate</li> <li>➤ Segregated duties within processes to ensure adequate oversight and control over internal fraud</li> </ul>
	<p><b>TRADING ISSUES</b> The risk related to any issues around the Groups internal hedging, client trading, and process for corporate actions, dividends, and stock transfers.</p>	<ul style="list-style-type: none"> <li>➤ A 24/7 approach with trading desks located in London and Australia providing 24-hour coverage. The Group applies Board-approved Market Risk Limits and operate under a robust control framework to mitigate its exposure to loss through operational risk events which may impact trading. The order execution processes not only comply with all regulatory requirements, but go over and above in filling client orders, on an asymmetrical basis, providing better than best execution</li> </ul>
	<p><b>CLIENT LIFE CYCLE MANAGEMENT</b> This is the risk related to issues in the client life cycle spanning the customer agreement, account set-up, interactions, and appropriateness of account types and product offerings.</p>	<ul style="list-style-type: none"> <li>➤ Bespoke onboarding processes ensure the Group only offers products and services to clients with sufficient means and a clear understanding of the risks involved. Regular assessments of services identified as being critical to clients to ensure their operational resiliency. Single points of failure identified, and contingency plans set in place</li> <li>➤ Complete adherence to client money and asset regulations, taking the highest standard set by the FCA in the UK and applying them worldwide where possible</li> <li>➤ The use of KPIs to monitor levels of service provided and act where needed</li> <li>➤ The Group offers a plethora of high-quality, easily accessible educational material to ensure clients can improve their understanding of our products and the financial markets – supporting their pursuit of financial freedom</li> <li>➤ The Group monitors for client behaviours which may indicate levels of vulnerability and proactively engage with them to minimise poor outcomes</li> </ul>
	<p><b>FINANCIAL INTEGRITY AND STATUTORY REPORTING ISSUES</b> The risk of production issues which could</p>	<ul style="list-style-type: none"> <li>➤ The Groups operational risk framework provides the base from which its robust control environment reduces operational risk events from manifesting</li> <li>➤ Its automated systems enable us to flex with client trading volumes</li> </ul>

	lead to untimely, incomplete, or inaccurate Financial Statements, transaction reporting, tax filing, regulatory capital, and forecasting	➤ Dedicated specialist steering committees manage and oversee niche areas, such as transaction reporting, financial crime, financial reporting and forecasting, climate responsibilities, its Internal ICARA and Annual Report production
<b>RISK CATEGORY</b>	<b>PRINCIPAL RISKS</b>	<b>MITIGATION AND CONTROLS</b>
<p><b>Regulatory Environment Risk</b></p> <p>The risk that the group faces enhanced regulatory scrutiny with a higher chance of regulatory action, or the risk that the regulatory environment in any of the jurisdictions in which we currently operate, or may wish to operate, changes in a way that has an adverse effect on its business or operations, through reduction in revenue, increases in costs, or increases in capital and liquidity requirements.</p> <p><b>RISK APPETITE</b></p> <p>The Group has no appetite to breach financial services regulatory requirements and it strive to always comply with applicable laws and regulations.</p> <p><b>EMERGING AND EVOLVING RISKS</b></p> <p>The regulatory landscape continues to evolve, and we need to react and ensure adherence to incoming regulations in a timely manner. Less well-developed regulatory frameworks, such as digital assets, are actively monitored for any changes where we may need to adapt strategic rollouts. The introduction of the FCA's Consumer Duty principle is an example of how the Group plans for change by identifying workstreams with owners who are responsible for updating steering committees on progress. The same</p>	<p><b>REGULATORY RISK</b></p> <p>The risk of investigation, enforcement, or sanction by financial services regulators. This may be driven by internal factors, such as the strength of its control framework or its interpretation, understanding, or implementation of relevant regulatory requirements. This risk can also arise from external factors, such as the current and changing priorities of our regulators' policy and supervision departments.</p>	<ul style="list-style-type: none"> <li>➤ Continuous monitoring of operations to ensure they adhere to regulatory requirements and expected standards</li> <li>➤ Continuous review of all regulatory incidents and breaches with deep dives performed on common themes</li> <li>➤ Policies and procedures are embedded across the Group with a regulatory compliant mindset</li> <li>➤ The Group operates values to always Champion the Client, whilst Raising the Bar</li> </ul>
	<p><b>REGULATORY CHANGE</b></p> <p>The risk of governments or regulators introducing legislation or new regulations and requirements in any of the jurisdictions in which the Group operates which could result in an adverse effect on its business or operations, through reduction in revenue, increases in costs or increases in capital and liquidity requirements.</p>	<ul style="list-style-type: none"> <li>➤ The Group fosters strong relationships with key regulators, with whom it actively seeks to converse to keep abreast of, contribute, to and correctly implement regulatory changes</li> <li>➤ The Group pays close regard to relevant public statements issued by regulators that may affect its industry</li> <li>➤ The Board Risk Committee receives regular reports of current and emerging risks which timeline incoming, and potential incoming, changes</li> <li>➤ The Board Risk Committee has received regular updates on UK Consumer Duty regulation, from the early consultation stage through to approval of the final implementation plan</li> </ul>
	<p><b>TAX CHANGE</b></p> <p>The risk of significant adverse changes in the way the Group is taxed. A prime example is the imposition of a financial transactions tax, which could severely impact the economics of trading and developments in international tax law.</p>	<ul style="list-style-type: none"> <li>➤ The Group monitors developments in international tax laws to ensure continued compliance and ensure stakeholders are aware of any significant adverse changes that might impact it.</li> <li>➤ Where appropriate and possible, the Group collaborates with tax and regulatory authorities to provide input on tax policy, or changes in law</li> </ul>

<p>approach will be taken with incoming DORA1, MiFID/MiFIR2 Review, EMIR3, and any other regulatory changes. Many of the concepts in the FCA's Consumer Duty, and other incoming regulations, are already practiced and well embedded; and are in line with our purpose, strategic drivers, and values such as being 'Tuned for Growth' and 'Champion the Client'. The Group welcomes their introduction and the impact that they will have on its industry.</p>		
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### 3.1. MANAGEMENT ACCOUNTABILITY

As with IG's other UK regulated entities (IG Index Limited and IG Markets Limited), the Board of IG T&I has the same Directors as IG Group Holdings plc, with Non-Executive Directors providing enhanced oversight and support for all four boards, including IG Group Holdings plc. In order for the mirror board structure to operate as efficiently as possible, the Boards have been "nested" such that just one Board meeting is held in each round of meetings for all four companies combined.

The Firm's Board and senior management believe that this existing departmental structure overseen by the Group's and Firm's Boards ensures effective and prudent management of the Firm, including the segregation of duties in the Firm and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients. The Group operates a policy framework which aims to prevent conflicts of interest from arising and places requirements on all parties connected with the Firm to identify, record, manage and disclose conflicts which arise in the course of operating the Group's business. Central to the Group's risk culture is a commitment to integrity and to principles of responsible business. This is driven by individual accountability, with defined roles and responsibilities prescribed across the Group as detailed under the Senior Managers Certification Regime in the UK. The Group operates a Three Lines of Defence Model, with segregation of responsibilities as set out on page 48 of the IG Group Holdings plc's Annual Report.

IG T&I's Board takes overall responsibility for the Firm and:

- Approves and oversees implementation of the Firm's strategic objectives, risk strategy and internal governance.
- Ensures the integrity of the Firm's accounting and financial reporting systems, including financial and operational controls and compliance with the regulatory system.
- Oversees the process of disclosure and communications.
- Has responsibility for providing effective oversight of senior management.
- Monitors and periodically assesses:
  - The adequacy and the implementation of the Firm's strategic objectives in the provision of investment services and / or activities and ancillary services;
  - The effectiveness of the Firm's governance arrangements; and
  - The adequacy of the policies relating to the provision of services to clients and takes appropriate steps to address any deficiencies.
- Has adequate access to information and documents which are needed to oversee and monitor management decision-making

The Firm ensures that the members of the management body meet the requirements of SYSC 4.3A.3R. The Firm is subject to the Senior Managers Regime ('SMR') and all members of the management body hold SMF status. The Firm has undertaken the necessary fitness and propriety test associated with the SMR (alongside additional referencing processes) to ensure each member:

- Is of sufficiently good repute;
- Possesses sufficient knowledge, skills and experience to perform their duties;
- Possesses adequate collective knowledge, skills and experience to understand the firm's activities, including the main risks;
- Reflects an adequately broad range of experiences;
- Commits sufficient time to perform their functions in the Firm; and

- Acts with honesty, integrity, and independence of mind to effectively assess and challenge the decisions of senior management where necessary and to effectively oversee and monitor management decision-making.

In accordance with MIFIDPRU 7.3R a non-SNI MIFIDPRU firm is required to establish a risk committee. However, as a result of a waiver granted by the FCA, the Committees of IG Group Holdings plc (including the Risk Committee) take the same responsibility for IG Markets Limited, IG Index Limited and IG Trading and Investments Limited. Board Committees hold meetings that cover the business of the four entities, as appropriate.

Please see the Governance Report section of IG Group Holdings plc Annual Report 2023 (pages 56-130) for further details of the governance arrangements that are applicable to IG T&I as part of the governance structure. This includes the results of the annual board effectiveness review (pages 72-73).

### 3.2. NUMBER OF DIRECTORSHIPS

The number of Executive and non-Executive directorships held by the Directors (not including IG Group Directorships) as at 31<sup>st</sup> May 2023 were as follows:

Director	Number of Non-Executive Directorships	Number of Executive Directorships
Mike McTighe	3	0
Jonathan Moulds	3	0
Rakesh Bhasin	2	0
Andrew Didham	3	1
Malcolm Le May	0	1
Sally-Ann Hibberd	2	0
Susan Skerritt	3	0
Helen Stevenson	3	1
Wu Gang	2	0
June Felix	1	0
Charlie Rozes	0	0
Jon Noble	0	0

It should note that the following are out of scope of MIFIDPRU 8.3.1 for this analysis:

- Executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives; and
- Executive and non-executive directorships held within the same group or within an undertaking (including a non-financial sector entity) in which the firm holds a qualifying holding

### 3.3. DIVERSITY

IG T&I's Board is committed to having a diverse and inclusive membership, which helps in making good decisions by having a broad range of perspectives. At the financial year end, the Board had 33.3% female representation (2022: 33.3%).

On a Group-basis, the Nomination Committee and the Board carefully considered the diversity-related reporting requirements set out in the Listing Rules and recommended by the FTSE Women Leaders

Review, which applies to IG Group Holdings Inc ('IGGH'), but has implications for the IGI Board also, given the mirror Board structure. As at 31 May 2023, the IGGH Board had not met the Listing Rules target set out under LR 9.8.6R (9) that at least 40% of our Board should be women. While the Directors are committed to a diverse organisation including the Board, the IGGH Board will continue to appoint on merit, based on the skills and experience required for membership, while considering all forms of diversity, as well as independence. The IGGH Board plans to achieve the 40% target for female representation on the Board by the end of the calendar year 2024. The Board has met the target that at least one senior position on the Board is held by a woman, and that at least one individual on the Board is from a minority ethnic background, with three ethnic-minority Directors. The Board insists on search firms presenting a diverse pool of candidates throughout the search process.

For more information on the Group's Diversity and Inclusion Policy see the ESG Report in IG Group Holdings plc Annual Report 2023 (Page 37) and the Policy is available on request.

## OWN FUNDS

### 4.1. OWN FUNDS

IG T&I's available capital resources ('adjusted own funds') are valued for the purposes of meeting minimum capital requirements, according to the IFRS balance sheet value of reserves, and according to the criteria set out in MIFIDPRU 3.

IG T&I only holds Common Equity Tier 1 items which incorporates share capital and retained earnings. The firm does not have Additional Tier 1 or Tier 2 instruments.

IG T&I deducts the following amounts from its Balance Sheet equity and reserves to arrive at the value of Adjusted Own Funds:

- Value adjustment for prudent valuation

Further detail of the Common Equity Tier 1 items can be seen in Table 1 below, how this aligns with the balance sheet in Table 2 and the main features in Table 3.

**Table 1: Composition of regulatory own funds**

Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
<b>As at 31.05.23</b>		
<b>1</b>	<b>OWN FUNDS</b>	20,660
<b>2</b>	<b>TIER 1 CAPITAL</b>	20,660
<b>3</b>	<b>COMMON EQUITY TIER 1 CAPITAL</b>	20,660
<b>4</b>	Fully paid up capital instruments	12,300      i
<b>5</b>	Share premium	-
<b>6</b>	Retained earnings	8,378      ii
<b>7</b>	Accumulated other comprehensive income	-
<b>8</b>	Other reserves	-
<b>9</b>	Adjustments to CET1 due to prudential filters	(18)
<b>10</b>	Other funds	-
<b>11</b>	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(18)
<b>12</b>	CET1: Other capital elements, deductions and adjustments	-



**Table 2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements**

	Balance sheet as in published/audited financial statements (£000's)	Cross-reference to template OF1	
<b>As at 31.05.23</b>			
<b>Current assets</b>			
1	Cash and cash equivalents	15,289	
2	Trade receivables	16,976	
3	Other receivables	15,289	
4	Prepayments	38	
		32,959	
<b>Liabilities</b>			
<b>Current liabilities</b>			
1	Trade payables	318	
2	Other payables	11,254	
3	Income tax payable	709	
		12,281	
<b>Equity</b>			
1	Share capital	12,300	i
2	Retained earnings	8,378	ii
	<b>Total equity</b>	20,678	
	<b>TOTAL EQUITY AND LIABILITIES</b>	32,959	

*\*Note IG T&I's 'regulatory scope of consolidation' is the same scope as the audited financial statements.*

**Table 3: Main features of own instruments issued by the firm**

	Features of own instruments	Cross-reference to template OF1
<b>Share capital</b>	Instrument type: Ordinary share Amount recognised in Regulatory Capital (£000's): 12,300 Nominal amount of instrument: GBP 1 Accounting Classification: Ordinary share capital	i

## OWN FUNDS REQUIREMENT

### 5.1. OWN FUNDS REQUIREMENT

In accordance with MIFIDPRU 4.3.2, IG T&I is required to maintain own funds that are at least equal to its Own Funds Requirement at all times.

The Own Funds Requirement is the greater of:

As at 31 May 2023	Amount (£000's)
Permanent minimum requirement (PMR)	750
Fixed overhead requirement (FOR)	2,052
K-factor requirement	2,903
<b>Own Funds Requirement</b>	<b>2,903</b>

IG T&I had a significant surplus of Own Funds over Own Funds Requirement throughout the year with a surplus of £17.8m at the year-end 31 May 2023.

The breakdown of the K-factor requirement is disclosed in Table 4 below.

Table 4: K-factor requirement:

As at 31.05.23

K-factor	Amount (£000's)
The sum of the K-AUM, K-CMH and K-ASA requirements	2,847
The sum of the K-DTF requirement	57
<b>Total</b>	<b>2,903</b>

\*COH, TCD, NPR is not applicable for IG T&I

### 5.2. ADEQUACY OF OWN FUNDS

In accordance to the Overall Financial Adequacy Rule (OFAR), the firm must at all times, hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

- the firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- the firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

An assessment is carried out as part of the Internal Capital Adequacy and Risk Assessment (ICARA). IG T&I calculates its own internal risk assessment of ongoing activities by identifying all risks and considering their materiality, including those that are not captured under the defined K-Factor requirements. The higher of the internal risk assessment and the funds required for an orderly wind-down is used as the Own Funds Threshold Requirement (OFTR) and Liquid Assets Threshold Requirement (LATR) which IG T&I is required to hold at any point in time to comply with the OFAR.

The ICARA assessment is produced annually or more frequently, if a there has been a material change to the business model.

The internal risk assessment once approved is monitored daily as an integral part of the Risk Management Framework. The Executive Risk Committee considers all risks that could change to IG T&I's risk profile.

IG is subject to a Supervisory Review ('SREP') by the FCA on a recurring cycle. The FCA reviews the ICARA as part of this process and may set individual guidance as a result. The individual guidance given to a firm with regards to the amount and quality of capital resources and/or liquid assets that the supervisor believes the firm should hold under the IFPRU Overall Financial Adequacy rule.

## REMUNERATION POLICY AND PRACTICES

The remuneration disclosures are published separately on IG's corporate website ([www.iggroup.com](http://www.iggroup.com)) and are also available in the Annual Report on pages 91-120.

## INVESTMENT POLICY

In accordance with MIFIDPRU 8.7.6, a firm is only required to disclose information in relation to its investment policy if the following circumstances are applied:

- Only in respect of a company whose shares are admitted to trading on a regulated market;
- Only where the proportion of voting rights that the MIFIDPRU investment firm directly or indirectly holds in that company is greater than 5% of all voting rights attached to the shares issued by the company; and
- Only in respect of shares in that company to which voting rights are attached.

As IG T&I does not meet these requirements, it is not required to disclose any information relating to the investment policy.

## FURTHER INFORMATION

Further information is available from:

**Investor Relations** at [investors@iggroup.com](mailto:investors@iggroup.com)

Certain statements in this disclosures document are forward looking. Although the Firm believes that the expectations reflected in these statements are reasonable, the Firm gives no assurance that these expectations will prove to be an accurate reflection of actual results.

Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these statements.

The Firm undertakes no obligation to update any disclosures whether as a result of new information, future events or otherwise.