

In this report we provide information on the business activities of IG Markets Limited and IG Index Limited in the countries in which they operate. This includes details of turnover, employee numbers, the profits generated and the tax paid in each country, alongside a brief explanation of the business they undertake.

The disclosures presented intend to comply with the provisions of the regulations in respect of these two entities within the scope of CRD IV:

COUNTRY	NUMBER OF EMPLOYEES	TURNOVER £000	PROFIT BEFORE TAX £000	CASH TAX PAID £000	PUBLIC SUBSIDIES £000
IG MARKETS LIMITED⁽¹⁾					
United Kingdom	-	253,312	116,157	20,300	-
Elimination of overseas branches included in United Kingdom	-	(29,378)	(3,162)	-	-
	-	223,934	112,995	20,300	-
Singapore	30	11,281	4,887	760	-
Germany	19	6,056	835	242	-
France	17	6,280	722	178	-
Italy	13	4,372	503	194	-
Spain	14	4,756	531	190	-
Netherlands	8	2,660	150	14	-
Sweden	9	2,858	210	18	-
Norway	5	1,542	92	25	-
Ireland	6	637	68	-	-
Luxembourg	2	217	51	5	-
IG Markets Limited total	123	264,593	121,044	21,926	-
IG INDEX LIMITED					
United Kingdom	864	187,982	104,940	18,299	-
Ireland	6	1,096	5	18	-
IG Index Limited total	870	189,078	104,945	18,317	-

(1) The Company is exempt under s400 of the United Kingdom's Companies Act 2006 from preparing group financial statements because they have been included in the 2016 consolidated financial statements of IG Group Holdings plc, a company incorporated in the United Kingdom. Some of these figures will not agree to the figures in the statutory financial statements of IG Markets for the year ended 31 May 2016 as they are on a consolidated basis.

COUNTRY	DESCRIPTION OF ACTIVITIES	
IG MARKETS LIMITED		
United Kingdom	We offer contracts for difference ("CFDs") and execution only share dealing to retail and corporate clients. We hedge unmatched trades including those for other Group companies, as considered appropriate, to ensure we are not unacceptably exposed to material losses. We also provide an IT platform, brokering and market risk services to other Group companies. IG Markets Limited also provides marketing and sales support to local clients through the activity of the branches described below.	IG Markets Limited
	Financing	IG Finance 9 Limited
Singapore	We trade as principal and market maker for foreign exchange and contracts for difference	IG Asia Pte Limited
Germany	Marketing and sales support	IG Markets Limited – German Branch
France	Marketing and sales support	IG Markets Limited – French Branch
Italy	Marketing and sales support	IG Markets Limited – Italian Branch
Spain	Marketing and sales support	IG Markets Limited – Spanish Branch
Netherlands	Marketing and sales support	IG Markets Limited – Dutch Branch
Sweden	Marketing and sales support	IG Markets Limited – Swedish Branch
Norway	Marketing and sales support	IG Markets Limited – Norwegian Branch
Ireland	Marketing and sales support	IG Markets Limited – Irish Branch
Luxembourg	Marketing and sales support	IG Markets Limited – Luxembourg Branch
IG INDEX LIMITED		
United Kingdom	We run a spread betting business and hedge the market risk associated with bets and trades with a Group company, as considered appropriate, to ensure we are not unacceptably exposed to material losses.	IG Index Limited
Ireland	Marketing and sales support	IG Index Limited – Irish Branch

EXPLAINING THE NUMBERS ABOVE

COUNTRY

In most cases, we have determined which country to report activity under by looking at country of tax residence. Where activities are carried on by the entities that are not themselves subject to tax (for example certain branches), then we have considered other factors such as the location of management and employees, the jurisdiction in which the majority of revenues are generated, and the country of establishment of the entity's parent.

DESCRIPTION OF ACTIVITIES

We are also required to publish the nature of our activities in each country, and have classified our activities as CFDs, spread betting, share dealing, and marketing and sales support. That disclosure is included within the 'description of activities' column, together with our explanation of any matters of interest.

TURNOVER

Turnover gives an indication of the size of our business in each country. Some of these numbers need to be treated with care as technical requirements in the way these figures are prepared means there is an element of double counting. Profits generated in one country and then paid to the UK as a dividend for example, will be counted both within the originating country and UK figures. Adjustments have been made to eliminate any double counting.

PROFIT BEFORE TAX

These numbers are accounting profits. As with the turnover figures, these numbers include some double counting which has been eliminated.

CASH TAX PAID

This column shows the total corporation tax actually paid in each country in the year ended 31 May 2016. Most of the taxes paid in any given year will not relate directly to the profits earned in that year.

NUMBER OF EMPLOYEES

This column shows the calculated annual average number of the employees based on weighted average monthly average figures.

PUBLIC SUBSIDIES

No public subsidies have been received in the year by IG Markets Limited or IG Index Limited.



Independent auditors' report to the Directors of IG Markets Limited and IG Index Limited

We have audited the accompanying schedule of IG Markets Limited and IG Index Limited for the year ended 31 May 2016 ("the schedule"). The schedule has been prepared by the directors based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Directors' Responsibility for the schedule

The directors are responsible for the preparation of the schedule in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the schedule, and for such internal control as the directors determine is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the country-by-country information in the schedule as at 31 May 2016 is prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Basis of Preparation and Restriction on Distribution

Without modifying our opinion, we draw attention to the 'Explaining the numbers above' section, which describes the basis of preparation. The schedule is prepared to assist the directors to meet the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result, the schedule may not be suitable for another purpose.

Our report is intended solely for the benefit of the directors of IG Markets Limited and IG Index Limited. We do not accept or assume any responsibility or liability to any other party save where terms are agreed between us in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
15 September 2016
London, United Kingdom