



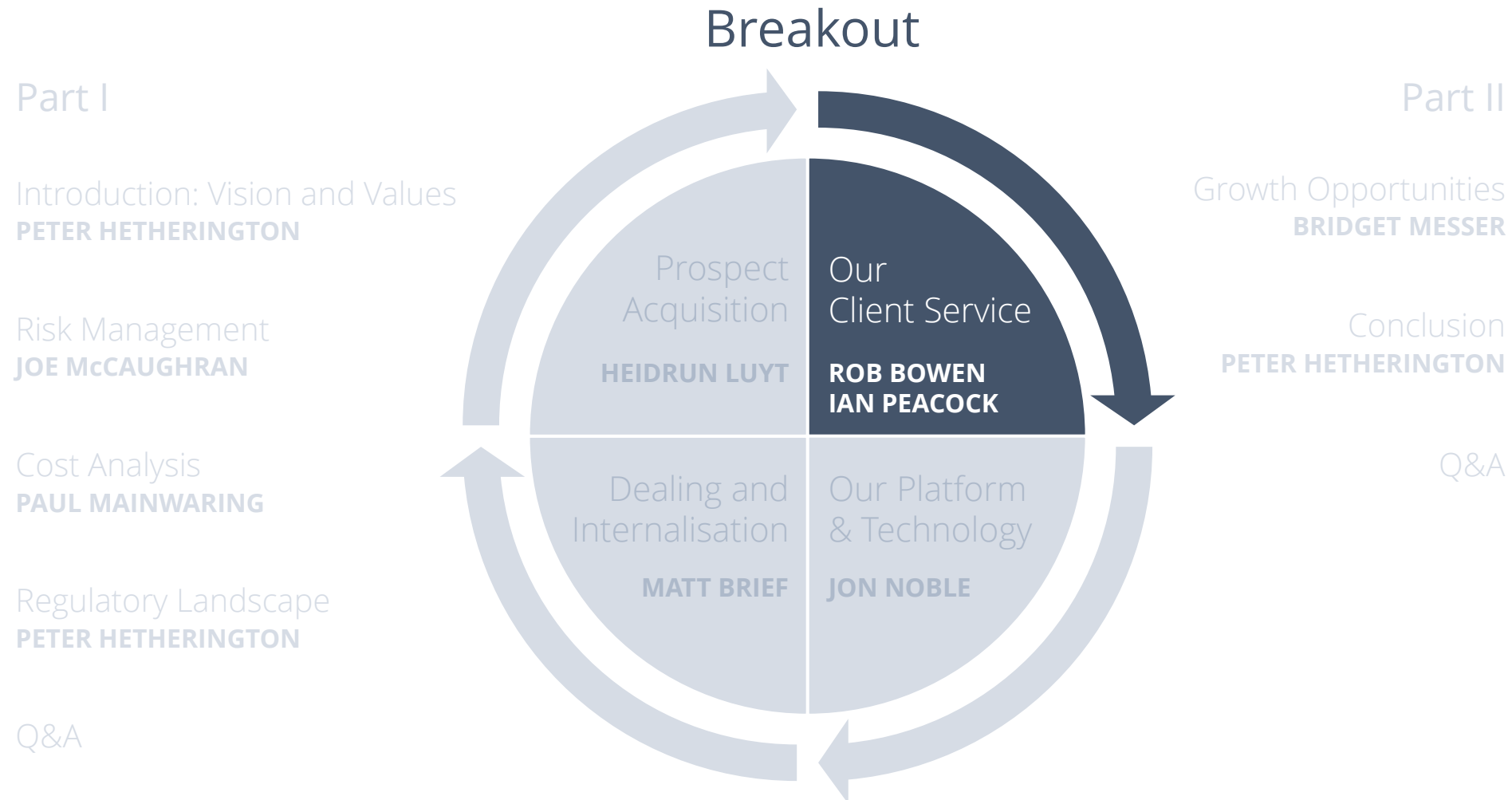
Our Client Service

Capital Markets Day

May 2018

Breakout

Our Client Service



Building long standing relationships with valuable clients

APPROPRIATE AND VALUABLE

Demand for our products is huge, however we only on-board applicants for whom our products are **appropriate**

EFFICIENT ONBOARDING

For the appropriate applicants, we combine cutting edge **technology** with a **human** touch to ensure our on-boarding process is efficient and to minimise fallout

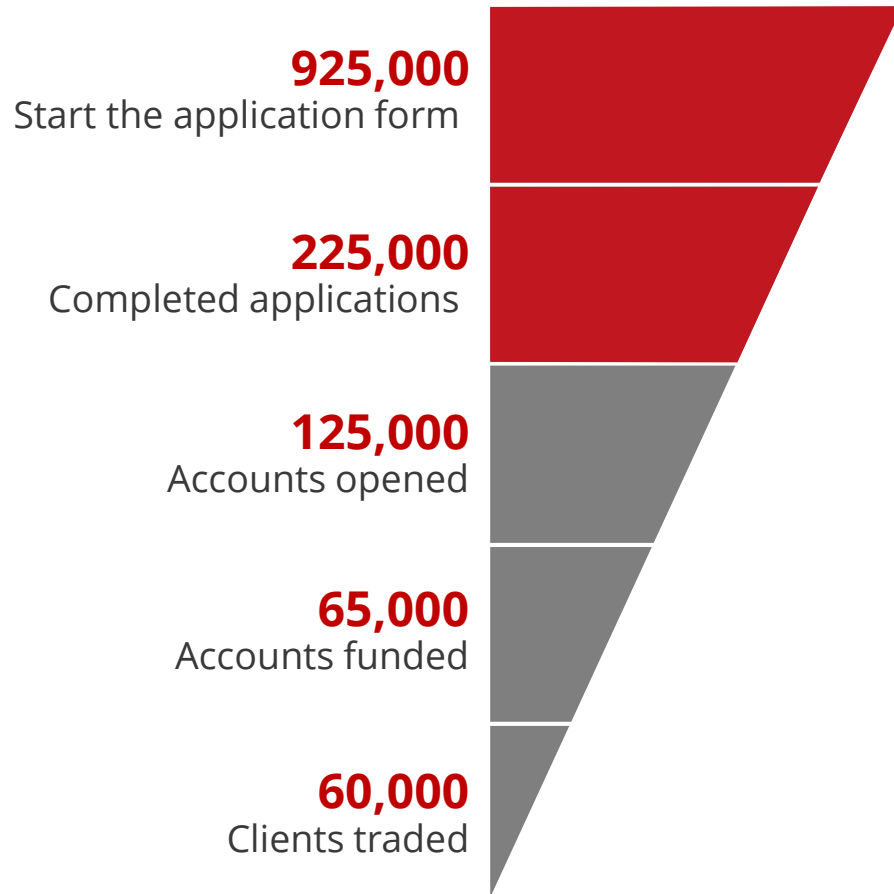
CLIENT SCORE

We use an internally generated client score to identify our **highest value** clients, and use this to offer an appropriate service

THIS FOCUS...

... results in us having the **highest value clients** and **the best rates of retention** in our industry

Huge demand for our product, but we only onboard appropriate clients

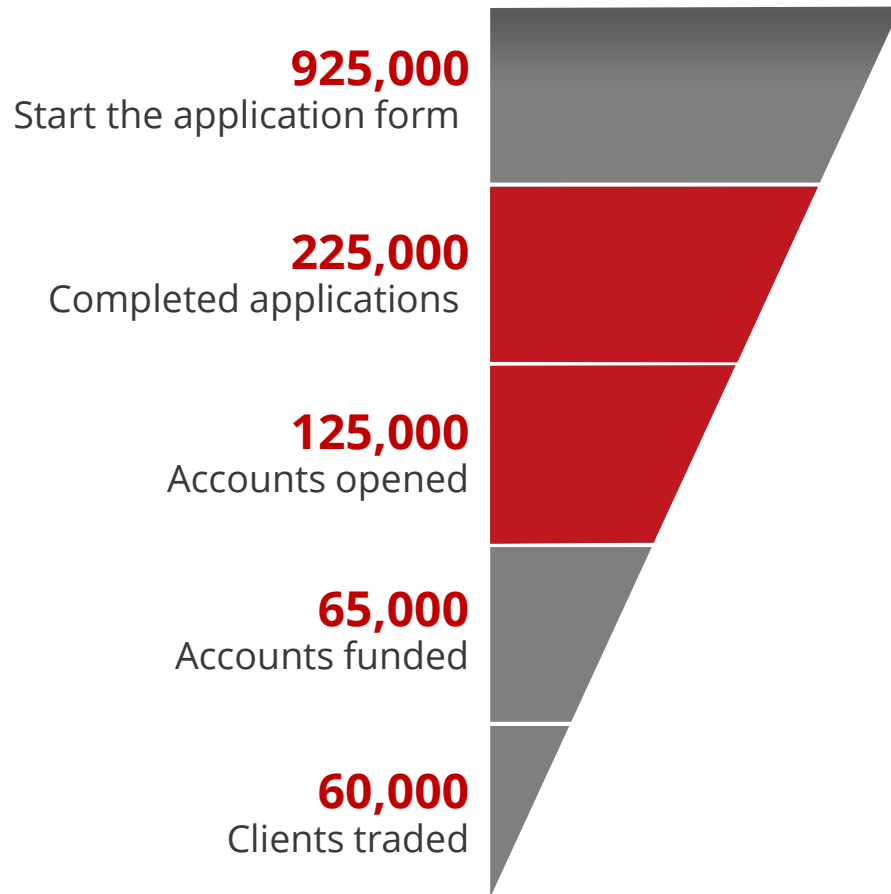


We want clients who understand our products and the associated risk

FIRST HURDLE: RISK WARNINGS AND SIGNPOSTING

- 1 Risk warnings and signposting in the form as to the complexity of our products mean this is the biggest point of fallout
- 2 Reduces operational burden and increases flow of **committed potential clients**

We onboard appropriate clients

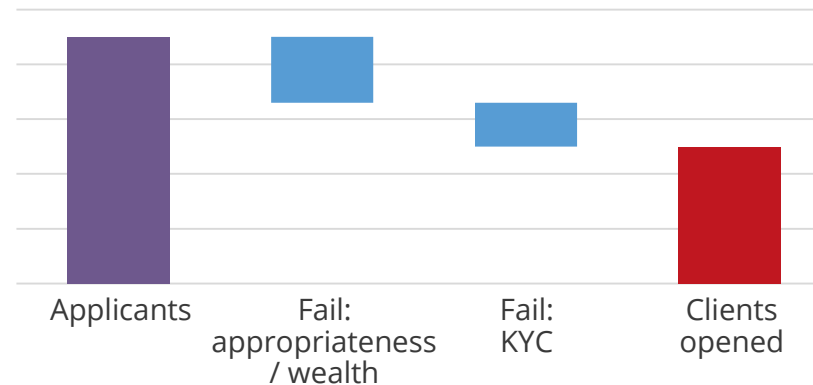


SECOND HURDLE: WEALTH AND APPROPRIATENESS

- Knowledge and experience
- Wealth
- KYC

Why do we do this?

To ensure we onboard a wealthy client base, who are aware of the risks associated with trading and who are more likely to be sustainable clients in the future



Efficient onboarding driven by Technology and People

Minimising fallout amongst our appropriate applicants to maximise value

Technology

- Electronic ID verification (EIDV)
- Document upload tools
- Process



FinScan

experian

GBG



EQUIFAX

People

- 60+ people in our KYC centres of excellence: South Africa, India and Poland
- 24/7 cover
- Challenging SLAs, but the main priority is Regulatory compliance
- Critical in geographies where EIDV is not available

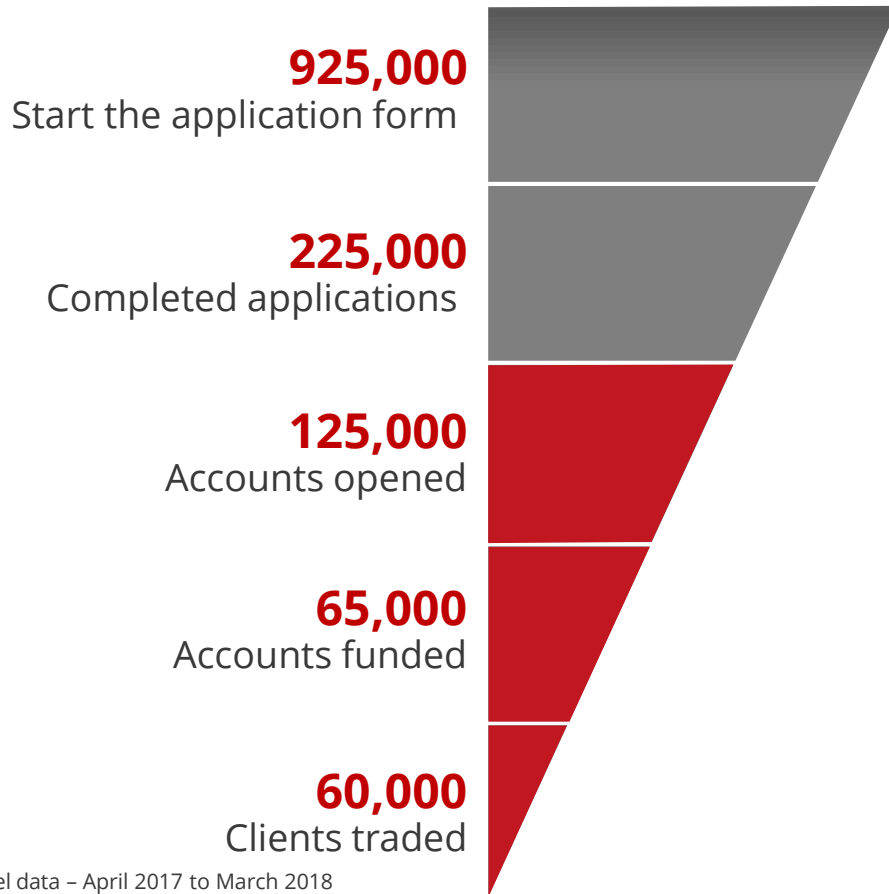


Know Your Customer



The human element is key to building long and valuable relationships

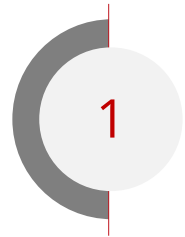
We have a sales team of 70+ people based in 13 countries across the globe



- Meaningful interactions to drive conversion
- We use client scores to prioritise high value
- This local team builds relationships over the phone, in person and through seminars

Our valuable clients choose to commit to IG because of our strong local presence, with staff in an office local to them

In summary



DEMAND

Huge, growing demand for our products



EFFICIENCY

Our onboarding process for those clients is efficient, ensuring we minimise fallout



APPROPRIATE CLIENTS

We only onboard appropriate clients who understand our products to focus on maximising future value

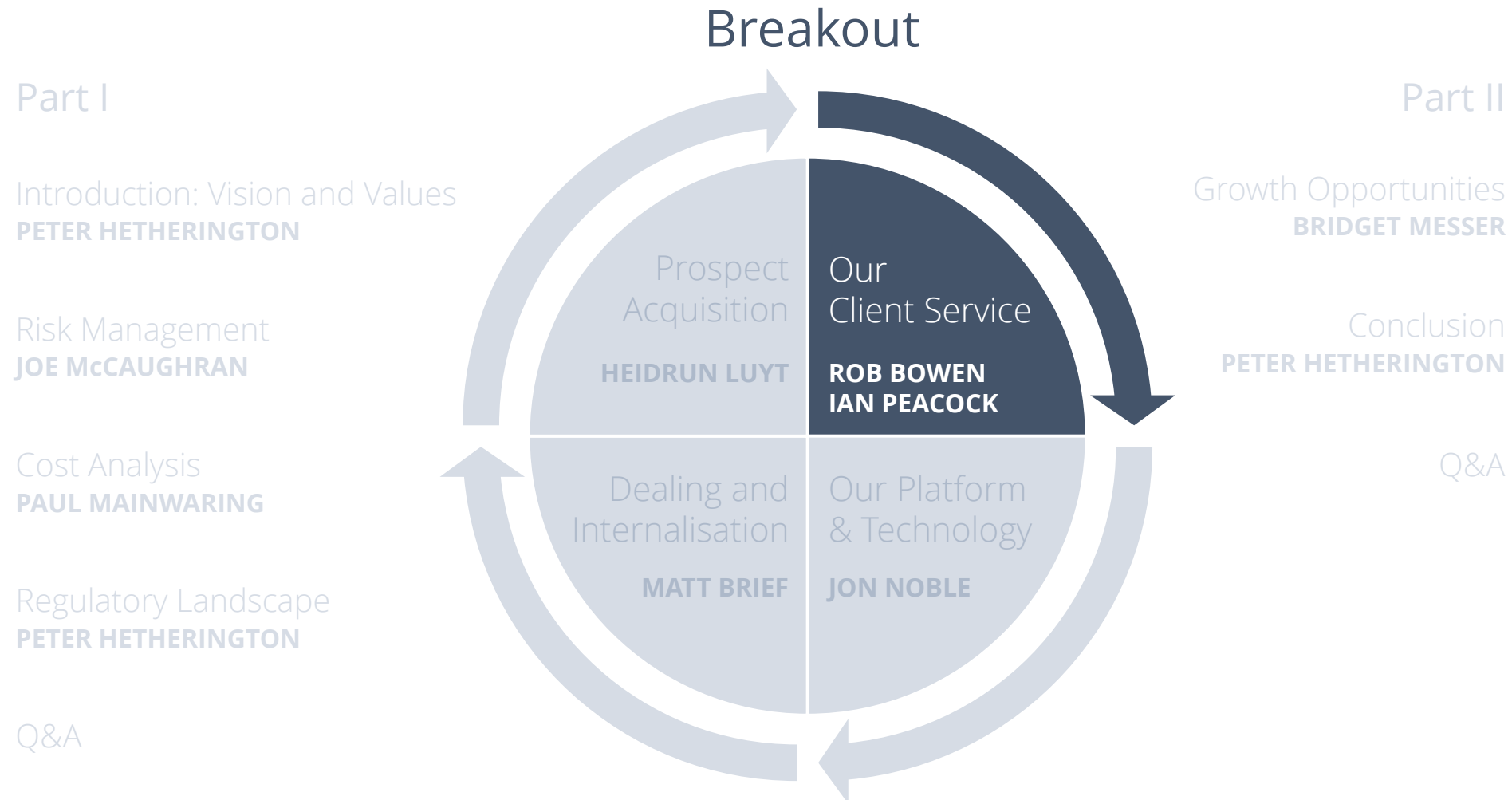


RELATIONSHIPS

We employ a human element to build relationships and increase trust and future retention

Breakout

Our Client Service



How do we prioritise our clients

Client Score

- Value and data driven
- We on-board 4,000 clients / month
- Objective to identify valuable accounts early
- 20 data scientists examine all known variables
- Regression analysis & predictive analytics

Output

- Dynamic lifelong client score (1-8)
- Machine learning based algorithm
- To prioritise value and shape our service organisation

Parameter	Description
1	*****
2	*****
3	*****
4	*****
5	Application Score
6	*****
7	Location
8	*****
9	First deposit amount
10	*****
11	*****
12	*****
13	*****
14	*****
15	*****
16	*****


Our Service Matrix

Transactional & Commercial

Client Score	1,2,3	4,5,6	7	8
No clients	120,000	15,000	7,500	7,500
% of clients	80%	10%	5%	5%
% of revenue	10%	10%	12%	68%
% of tasks	67%	15%	8%	10%
Conversion Strategy	Digital	CRR	High Touch Premium Team	Personal Client Manager (PCM)
Service Strategy	Admin -> low cost operational centre	Core proactive Trading Services	High Touch Premium Team	Personal Client Manager
Nature of support	Written & Self service	High Touch One Stop	High Touch Premium Team	Personal Client Manager
Size of Team	50	75	20	55
SLA (phone / written)	60s, 8hr	20s, 2hr	10s, 1hr	10s, 1hr

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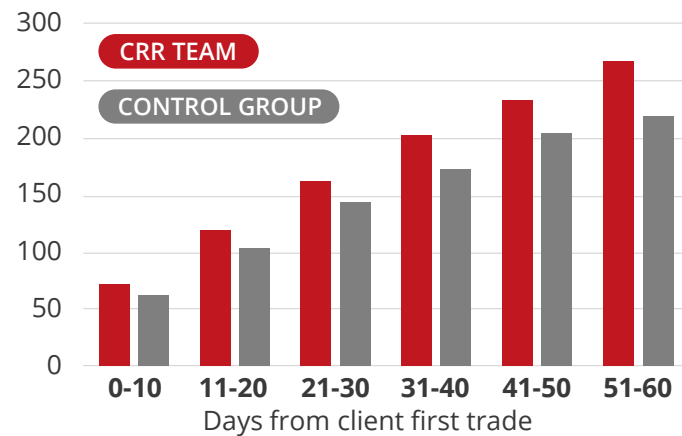
CRR CONVERSION • RETENTION • REACTIVATION

Purpose

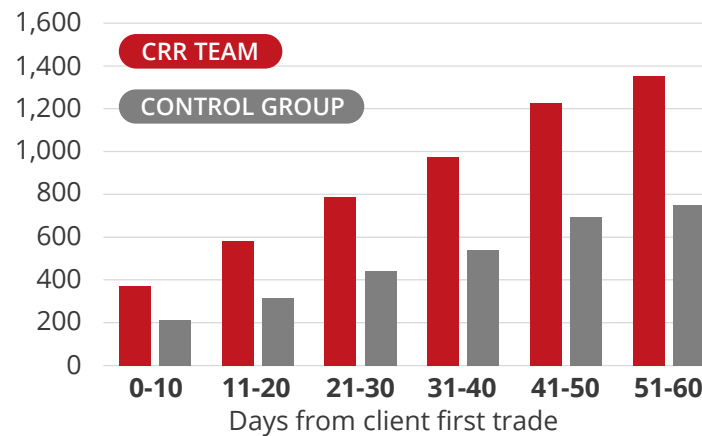
- Dedicated high touch team with clear purpose
- To surfacing and develop value through
 - Knowledge & Education
 - Tools and Systems
 - Risk Management
 - Confidence
- 80% out performance from the control group

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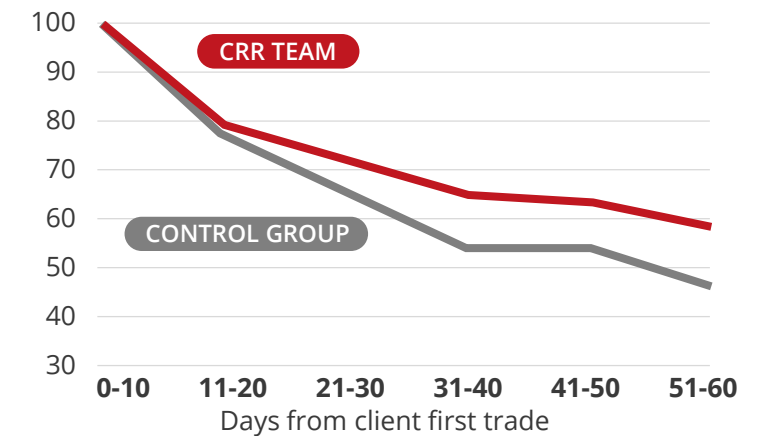
CUMULATIVE TRADES BY CLIENT



CUMULATIVE REVENUE PER CLIENT (£)



CLIENT RETENTION (% of clients still active)



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Premium Client Management

Premium Client profile

- 7,500¹ or top 5% of clients globally by revenue
- They account for 68% of group revenue
- They trade on average over 4,000 times a year
- They average £44k revenue per annum
- They are extremely engaged
- They have a cycle
- They are not static

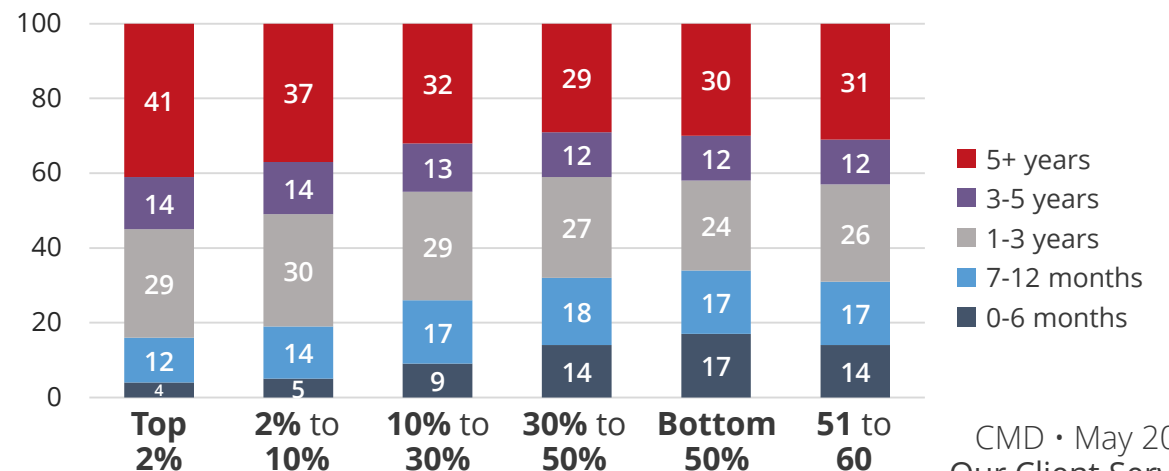
**Highest value client base in the industry
with considerably lower attrition**

¹Based on OTC leverage traders active in FY17

PCM Purpose

- Engage:**
- Multi Local Structure
 - Meet and connect 5000 clients annually
- Empower:**
- Support and bring together
 - Build confidence
- Retain:**
- Custom service. Curate and target
 - 55% revenue generated from clients > 3yrs

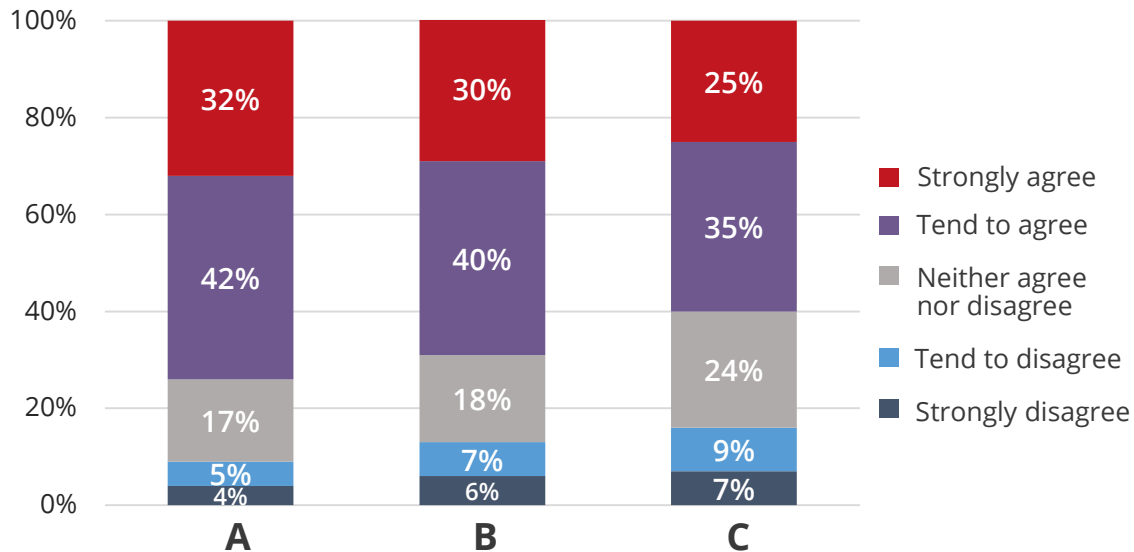
CLIENT RETENTION BY VALUE (%)



Client Outcomes

WHY DO THEY TRADE?

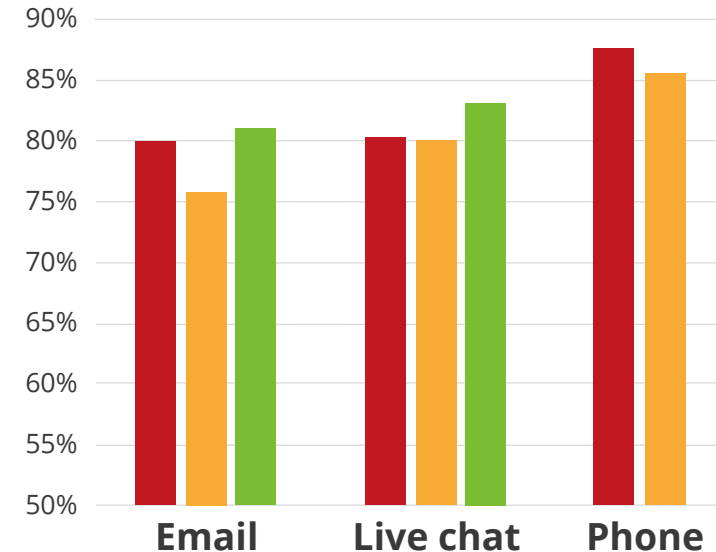
How strongly do you agree with the following statements regarding financial spread betting / CFD trading? Among all traders (n=3,850)



- A** I value the opportunity leverage offers me to make large returns
- B** The satisfaction of getting it right on a winning trade is one of the main reasons I enjoy trading
- C** I enjoy the intellectual challenge of speculation on which way the markets will turn

CUSTOMER SATISFACTION

How do you rate IG?



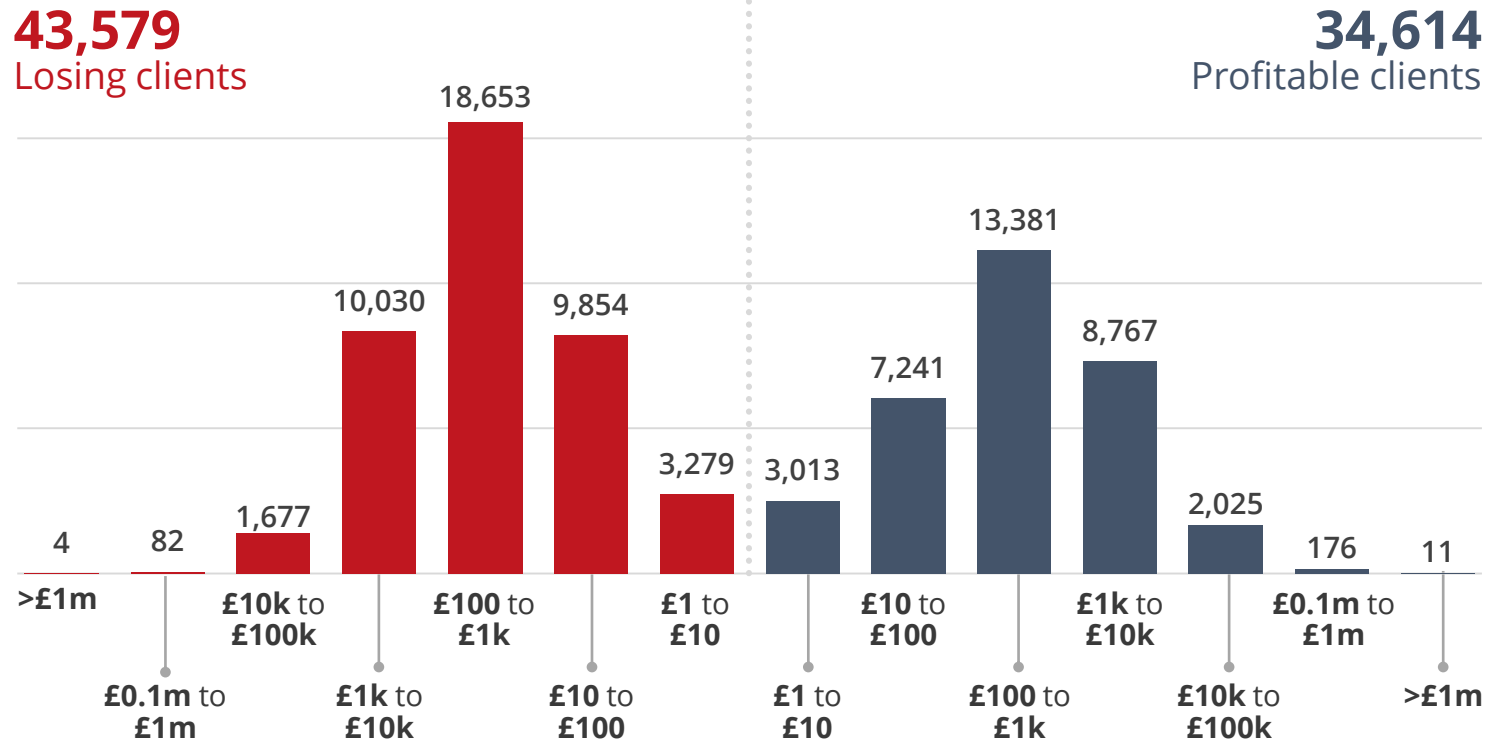
- Red Contact Group;**
Top 10% of the client base
- Amber Contact Group;**
11th-20th percentiles of the client base
- Green Contact Group;**
bottom of the client base

Client Outcomes

How much are they winning or losing ?

HOW MUCH ARE THEY WINNING AND LOSING?

(No. of clients – April 2018)





CHAMPION THE CLIENT

Our **PURPOSE** is to empower informed, decisive, adventurous people to access opportunities in the financial markets