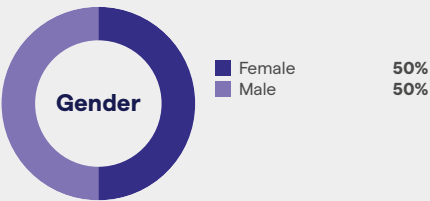
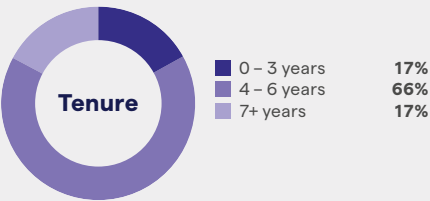


I am pleased to present the report of the Board Risk Committee for the financial year ended 31 May 2025, to share with you our activities during the year and how we have discharged our responsibilities.



Jonathan Moulds
Chair of the Board Risk Committee

Committee overview



Meetings and membership

	Meetings attended
Jonathan Moulds (Chair)	7/7
Andrew Didham	7/7
Wu Gang	7/7
Sally-Ann Hibberd	7/7
Susan Skerriitt	7/7
Marieke Flament (became member in September 2024)	4/4

- Six independent Non-Executive Directors currently comprise our Board Risk Committee (the Committee). Their biographies can be found on pages 52-54
- The Board Risk Committee met seven times during the year, including joint meetings with the Audit Committee and Remuneration Committee in September 2024 and May 2025, respectively. You can find full details of attendance at Committee meetings on the table on page 57
- The Board Chair, CEO, CFO, Chief Risk Officer (CRO), Chief Compliance Officer (CCO) and the Global Head of Internal Audit are standing attendees at meetings

FY25 Key focus areas

- Implementation and monitoring of Consumer Duty requirements across UK operations, ensuring compliance with the new regulatory framework and its implications for product governance and customer outcomes
- Comprehensive review of ICARA documentation and processes, including business model risk assessments, operational risk scenarios, and regulatory capital projections to meet evolving FCA requirements
- Ongoing integration of tastytrade and Freetrade operations into Group risk management frameworks, with focus on credit risk controls and alignment of risk reporting across the enlarged business
- Enhanced oversight of operational and market risk management, including technology resilience, business continuity planning, and assessment of credit exposures during periods of heightened market volatility. Overseeing increases to the Group’s market risk limits for equity and indices products, as part of the recalibration of the Group’s market risk appetite

Chair’s overview

Our Committee continues to work proactively and constructively with the Risk and Compliance team, holding them to account to ensure we uphold the highest standards for our clients and our business. We remain focused on the key current and emerging risks faced by our business, and this focus is reflected throughout our Committee agenda and deliberations.

As a Committee, we have seen that the business continues to demonstrate sound risk management and internal control and we have no material concerns to report. We have seen limited manifestation of risk during FY25, although we continue to be alert to developments and maintain our vigilance. Management’s risk reporting remains well aligned to the key risks facing the business through our Risk Taxonomy and Key Risk Indicators which are set in the Board-approved Risk Management Framework and the Risk Appetite Statement. We review and recommend both documents to the Board, with our most recent comprehensive review conducted in May 2025. There is more information on our Risk Management Framework in the Risk section on pages 41-46.

We continue to closely monitor and inform our risk and compliance oversight in response to changes in the regulatory landscape, not only in the UK but globally. The Committee has spent considerable time discussing the integration of tastytrade operations into our Group risk management framework, particularly following the credit risk events during the significant but short-lived market volatility spike in August 2024. We worked closely with management to implement enhanced controls including auto liquidation capabilities, improved margin requirements, and strengthened overnight monitoring. While these events were not material from a Group perspective, they provided valuable insights into the importance of maintaining consistent risk standards across

all our operations. We have continued to challenge management to apply a more global lens to risk and compliance reporting to reflect the increasingly global shape and nature of our business, and management has responded positively with much of our Group-wide reporting and documentation evolving accordingly throughout FY25.

We continue to be pleased with how management has prepared the ICARA and the Wind-Down Plan. The outcome of the FCA's supervisory review on our inaugural ICARA was positive, culminating in a significant reduction of the Group's regulatory capital requirements. I commend the team's hard work in achieving such an excellent outcome, which demonstrates the maturity of our risk assessment processes and the quality of our regulatory engagement.

Consumer Duty implementation has been another area of focus, and we are pleased with how this regulation has been integrated into our periodic reporting. Andrew Didham has served as our liaison with the regulator on Consumer Duty matters. Regular reports and dashboards now incorporate Consumer Duty metrics and client outcome measures, which fed into the first annual Consumer Duty report we reviewed during the year. This demonstrates our commitment to delivering good outcomes for retail clients while positioning us well for future product launches and regulatory developments.

The Committee has expanded its oversight to encompass new areas of risk during FY25. We received comprehensive reporting on climate risks and will continue to monitor this area on an ongoing basis as environmental considerations become increasingly material to our business. We also received detailed analysis of the risk implications and opportunities presented by Artificial Intelligence, and we will continue to monitor management's response to these technological developments, ensuring appropriate controls are implemented alongside commercial innovation.

Several significant operational projects required our attention from a risk perspective. We closely monitored the Data Centre Migration project, ensuring sufficient risk mitigation was in place throughout the transition. We also oversaw enhancements to our Value-at-Risk modelling capabilities, working with external consultants to develop more sophisticated market risk management tools that will support our strategic growth objectives while maintaining prudent risk controls.

Our collaboration with Internal Audit has continued to strengthen, with regular third-line reporting and assurance focused on the Risk Management Framework. We are pleased to report continued improvements as our risk processes become further embedded across the organisation. Management has developed an Assurance Map to capture assurance activity across all three lines of defence, which we monitor in conjunction with the Audit Committee to ensure comprehensive oversight.

We maintained our practice of holding a joint meeting with the Audit Committee to review and discuss matters common to both Committees. During this session, we examined financial, capital and liquidity projections for the ICARA, received updates on Risk Acceptance processes, and reviewed technology-related risks including privileged access management and infrastructure migration projects.

We also held a joint meeting with the Remuneration Committee to examine matters of mutual interest. During this meeting, we undertook a comprehensive review of remuneration risks and received an update on the Control Function Scorecards Outturn, which explained the assessment process and outcomes for the Risk and Compliance functions.

The year saw important changes in our executive leadership, including a transition in the Chief Risk Officer role. Sarah Gore

Langton commenced maternity leave during the year, and we welcomed David Goodchild as Interim Chief Risk Officer to provide continuity of leadership for the Risk function. The Committee carefully considered this interim arrangement and concluded that it would not compromise the independence or effectiveness of the Risk function. We look forward to Sarah's return from maternity leave and are grateful to David for his capable stewardship of the Risk team during this transitional period.

During the year, the Committee benefited from a helpful level of cross-Committee membership, with Andrew Didham, Susan Skerritt, and Wu Gang all being Audit Committee members.

Looking ahead, we remain committed to constructively challenging management while holding them to account for maintaining robust risk management and internal control frameworks. Our focus will be on ensuring these frameworks remain fit for purpose and capable of supporting the Group's strategic ambitions as we continue to grow and evolve in an ever-changing risk landscape. The Committee is well positioned to provide effective oversight while supporting management in achieving their objectives within our established risk appetite.

Role of the Board Risk Committee

The Committee's principal responsibilities are to:

- Provide oversight and advice to the Board in relation to current and potential future risk exposures and future risk strategy including how we determine our risk appetite and tolerance, and how we consider the current and prospective macroeconomic and financial environment
- Review the design and implementation of risk management policy and measurement strategies

- Conduct a risk assessment of any proposed strategic transaction, focusing on implications for the risk appetite and risk tolerance of the Group, taking independent external advice where appropriate
- Consider and regularly review our risk profile relative to current and future strategy and risk appetite, identifying any risk trends, material regulatory changes, concentrations or exposures, and any requirement for policy change
- Carry out a robust assessment of our emerging and principal risks
- Review the ICARA and Wind-Down Plan and recommend them to the Board
- Monitor effectiveness of the financial crime framework and receive an annual report from the Money Laundering Reporting Officer on the operation and effectiveness of IG's Anti-Money Laundering and Countering Terrorist Financing controls
- Oversee management's implementation of the FCA's Consumer Duty regulation
- Periodically review the design of the Group's corporate insurance cover against current and future risks and review the insurance renewal terms to recommend to the Board
- Provide advice to the Remuneration Committee on the alignment of the Remuneration Policy to risk appetite and annually review remuneration-related risks
- Recommend the targets and outcomes for discretionary remuneration for Risk and Compliance functions
- Monitor the adequacy and effectiveness of resources within Risk and Compliance functions

The Terms of Reference of the Committee were last reviewed in May 2025 and are available on our website.

Main activities during the financial year

Risk Management Framework (RMF), including the Risk Appetite Statement (RAS)

- Received periodic reporting from Internal Audit on their opinion on the RMF in September 2024 and March 2025
- Reviewed and recommended updates to the RMF and RAS for Board approval in May 2025, including proposed amendments to Key Risk Indicators

Current and Emerging Risks

- Reviewed reporting on current and emerging risks facing the business in March 2025 and May 2025, including cyber risk, AI adoption opportunities, and macro factors driving market volatility
- Monitored the impact of accelerating competitive pressure and platform resilience challenges

ICARA and Wind-Down Plan

- Reviewed management's preparations for the ICARA and Wind-Down Plan in November 2024
- Recommended the ICARA and Wind-Down Plan for Board approval in December 2024
- Reviewed ICARA scenarios including forward-looking stress tests and operational risk assessments in September 2024 and May 2025
- Considered AI risks in ICARA operational risk scenarios as part of forward-looking stress testing requirements

Operational Risk

- Received an annual Risk Acceptance Update in September 2024
- Reviewed periodic updates on Operational Risk in November 2024 and May 2025, monitoring financial loss trends and operational risk events
- Monitored operational risk during organisational changes and the transition to divisional structure

Other Risk Matters

- Received updates on tastytrade credit risk controls following the August 2024 volatility event, including implementation of auto-liquidation and enhanced margin requirements
- Considered updates on the Data Centre Migration project to ensure sufficient risk mitigation was in place
- Reviewed VaR Model Development and Opportunities in March 2025, including working with Forvis Mazars consultants
- Received updates on cryptocurrency hedging developments and approach in March 2025
- Recommended market risk limit increases for equity indices from £200m to £300m to support Return to Volume initiatives

Remuneration Matters

- Recommended the Risk and Compliance Scorecard for FY25 to the Remuneration Committee in July 2024
- Recommended CRO Risk Adjustment conclusions in July 2024
- Reviewed Control Function Scorecards Outturns in May 2025

Effectiveness of Risk Management and Internal Control Framework

- Recommended the CRO's annual assessment of the effectiveness of the Risk Management and Internal Control Framework to the Audit Committee and the Board in May 2025

Consumer Duty

- Approved the first Annual Report on Consumer Duty in July 2024 following implementation of FCA regulation
- Monitored management's integration of the FCA's Consumer Duty metrics into periodic reporting and dashboards

Financial Crime

- Received Financial Crime updates including Market Abuse and AML updates in November 2024 and throughout the year
- Recommended the MLRO Report to the Board in May 2025

Product Governance

- Reviewed UK Product Governance updates including Consumer Duty implementation in November 2024
- Received Premium Client Management Risk Review updates in July 2024 and November 2024

Other Compliance Matters

- Reviewed the Compliance Management Framework in May 2025 following the transition to divisional business model
- Recommended the UK Compliance Monitoring Plan to the Board in May 2025
- Received global regulatory updates covering developments in the UK, US, and internationally in March 2025
- Monitored regulatory changes and implementation, particularly Technology and Resilience requirements in September 2024

Operational Resilience

- Received reporting on technology and operational risk developments, including the dissolution of the Information Security team and realignment of responsibilities between Technology and Risk functions

Culture

- Reviewed the Risk Awareness Culture Dashboard in November 2024, noting the evolution to show variance per office and region under the divisional structure

Insurance

- Reviewed the adequacy of our Global Insurance Programme and recommended the annual renewal proposal for Board approval in March 2025, including consideration of cyber insurance coverage

AI and Cryptocurrency

- Received reporting on AI opportunities and risks, including efficiency gains in customer servicing and manual processes, while monitoring management's measured approach to implementation with proportionate risk controls
- Reviewed cryptocurrency hedging developments and coin selection framework, approved the simplification of exposure limits and delegation to Executive Risk Committee, and monitored the onboarding of additional custodians to support business scaling

Committee evaluation

An evaluation of Committee performance was undertaken this year in line with the Committee's Terms of Reference. You can find details of the Board Performance Review process, outcome and the actions on pages 70-71. On the Committee-specific questions, the review found that the Committee had the right combination of skills, experience and knowledge. Its reporting to the Board was found to be effective and it performed, and was chaired, effectively during the year. Scores were high, and there were no Committee-specific actions from the review as a result.



Jonathan Moulds

Chair of the Board Risk Committee
23 July 2025

Priorities for the year ahead

- Continued oversight of operational and technology risk management through internal and regulatory change, while identifying opportunities to enhance our technology risk management capabilities
- Ongoing oversight of the risks and opportunities associated with AI technology and cryptocurrency in conjunction with the full Board, balancing innovation with prudent risk management as the Company continues to consider and implement new tools and products
- Working with the business to optimise the Return to Volume model and support strategic growth initiatives while maintaining appropriate risk controls
- Embedding climate and sustainability risk oversight following the assumption of responsibilities from the Sustainability Committee to ensure comprehensive environmental risk management