



Interactive Brokers Group Investor Presentation

First Quarter 2019



Disclaimer



The following information contains certain forward-looking statements that reflect the Company's current views with respect to certain current and future events and financial performance. These forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the Company's operations and business environment which may cause the Company's actual results to be materially different from any future results, expressed or implied, in these forward-looking statements. Any forward-looking statements are based upon information available to the Company on the date of this presentation. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any statements expressed or implied therein will not be realized. Additional information on risk factors that could potentially affect the Company's financial results may be found in the Company's filings with the Securities and Exchange Commission.

Who we are, Where we are going



We began as a market maker in 1977.

We used this technology and knowledge of markets to launch our brokerage business in 1993.

Today We Are:

- **One of the largest U.S. electronic brokers** as measured by DARTs.
- **Fastest organically-growing, publicly-traded U.S. electronic broker** as measured by client accounts and client equity.
- **Broad global reach** – Access to over 120 markets in 31 countries.
- **Seamless access to products worldwide** – Trade stocks, options, futures, commodities, FX and fixed income in up to 23 currencies.
- **Highly efficient, scalable business model** – \$1.4M net revenue / employee ⁽⁴⁾ ⁽⁵⁾.

623,000

Client
Accounts ³

\$7.4B

Equity
Capital ³

848,000

DARTs ^{1,2}

64%

Brokerage Pretax
Margin ^{1,4}

21%

YoY³ Account
Growth

(1) 1Q19 (2) DARTs are based on client orders (3) 3/31/19 (4) Excludes MtM on US Treasuries, one-time gains and currency diversification (5) Trailing twelve months to 3/31/19

Strong Balance Sheet



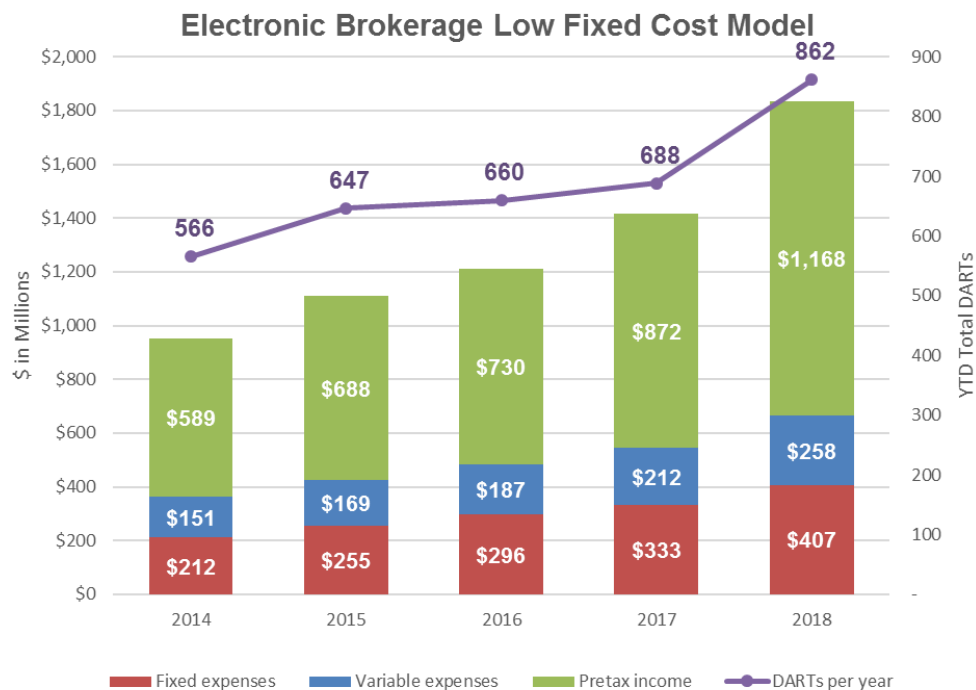
We maintain a strong and growing balance sheet

	At March 31, 2014	At March 31, 2019
Long-term debt	\$0	\$0
Total equity	\$5.2 billion +\$2.5 billion in dividends distributed	\$7.4 billion + \$4.0 billion in dividends distributed
Excess regulatory capital	\$3.3 billion	\$5.9 billion
Public shares	55 million 14%	75 million 18%
Private ownership	<u>347 million 86%</u>	<u>339 million 82%</u>
Total	402 million 100%	414 million 100%



Automation allows IB to be the lowest cost processor in our industry

- Majority of senior management are software engineers
- From account opening through the entire transaction lifecycle, our processes are automated
- As a result, we were able to execute, clear and settle 848,000 trades per day in 1Q19, across multiple product classes and in multiple currencies, at over 120 market centers in 31 countries with 1,458 (1Q19) employees
- Automated, real-time risk management

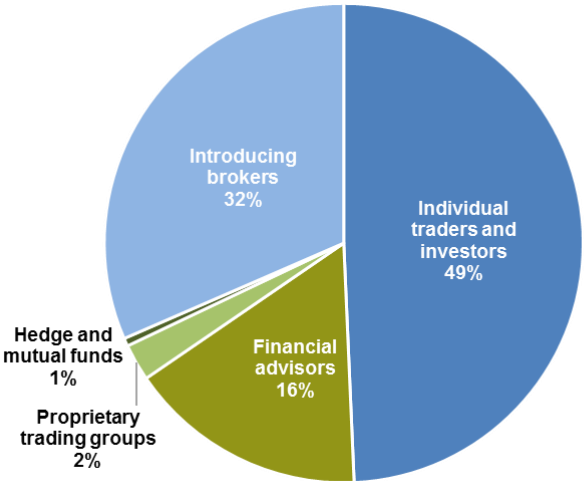


Diversified Enterprise



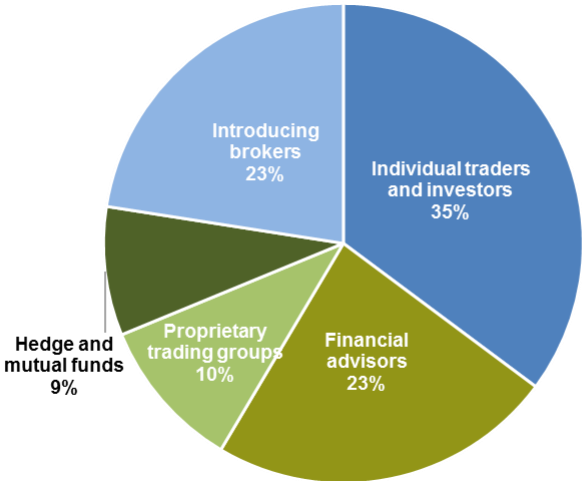
**Brokerage
Accounts**

623K



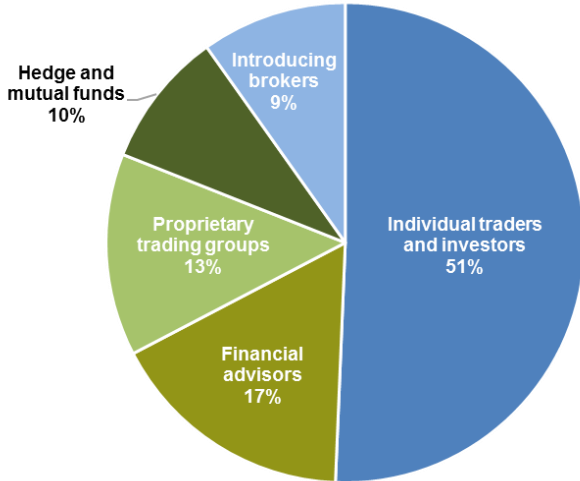
**Brokerage
Client Equity**

\$148B



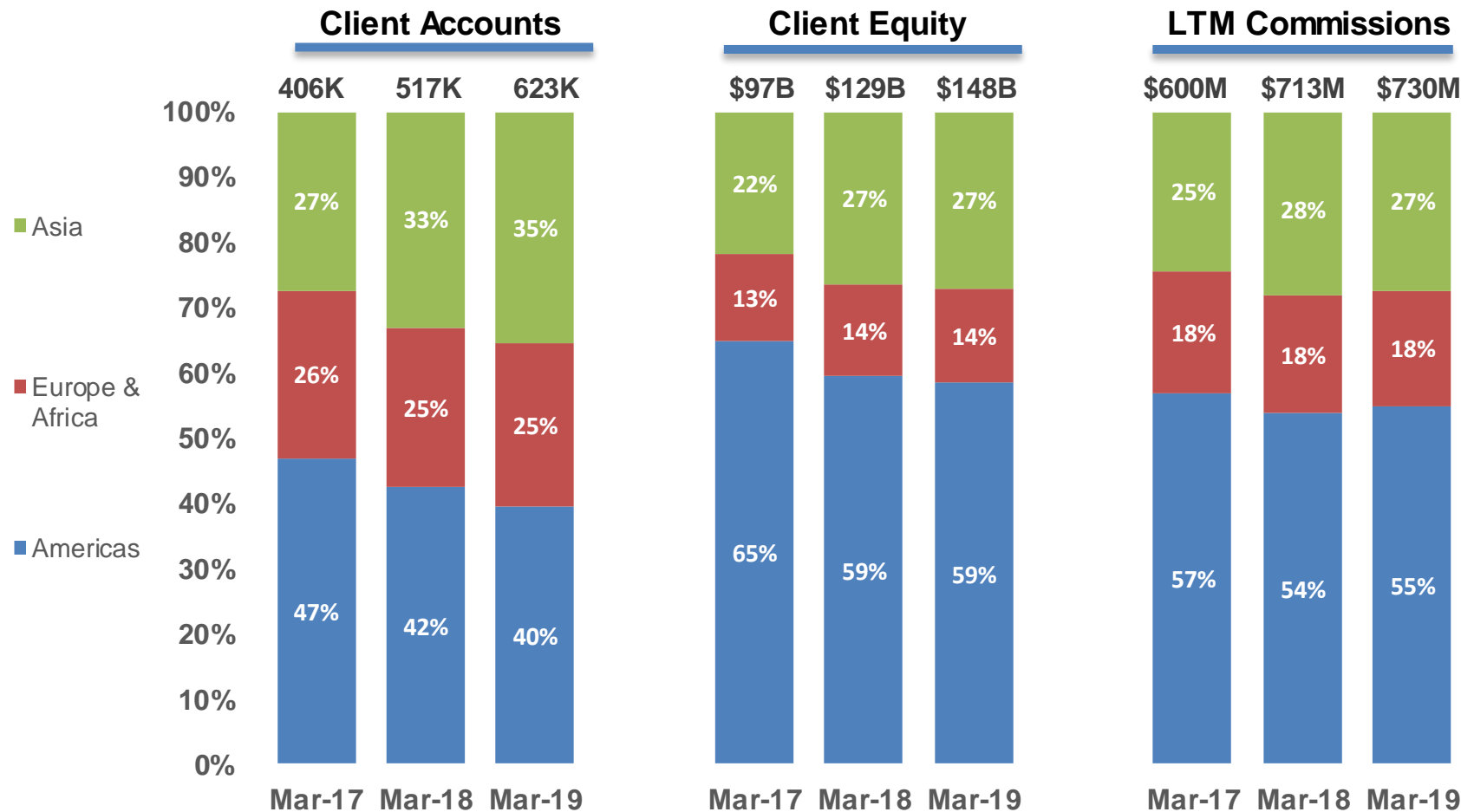
**Brokerage
Year To Date
Commissions by Client**

\$173M

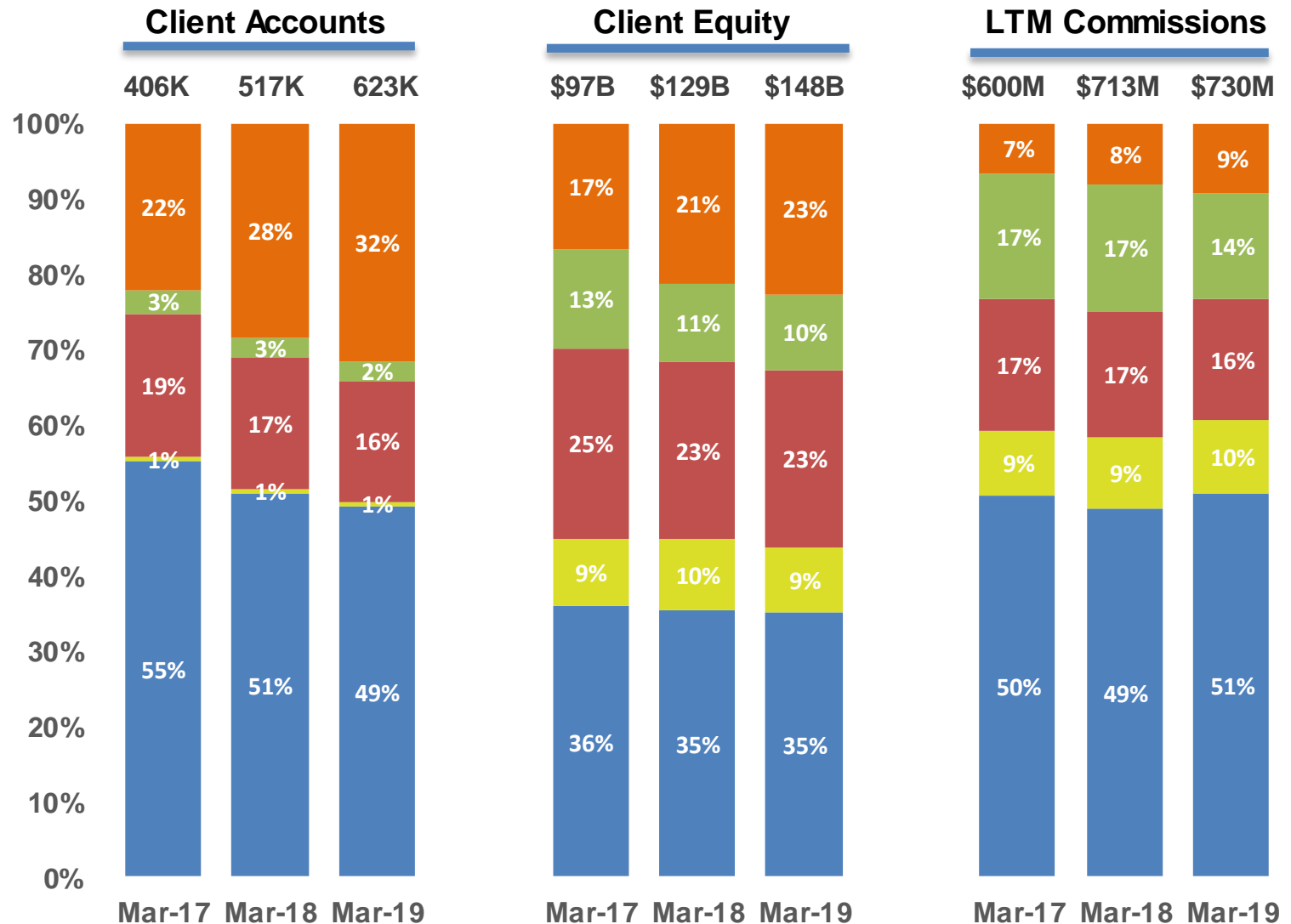


As of March 31, 2019

Geographic Distribution



Client Segment Distribution



Our Competitive Strengths



Low Cost & Best Execution

- Low execution costs: Starting rates decrease with higher volume tiers
 - U.S. Stocks \$0.0005 to \$0.0035 per share
 - U.S. Options \$0.15 to \$0.70 per contract¹
- U.S. margin interest tiers range from 2.7% to 3.9%.²
- IBKR's Smart Order Router is designed to achieve best price execution by routing directly to market centers. We do not sell client order flow.³
- IHS Markit, a third-party provider of transaction analysis, determined that IBKR's U.S. stock price executions were \$0.52 per 100 shares better than the industry's.³

Breadth of Product

- Clients can trade on over 120 market centers in 31 countries and up to 23 currencies
- Seamless electronic market access to stocks, options, futures, forex, commodities, bonds, funds and ETFs from a single IB Universal Account[®]

Superior Trading Technology

- Sophisticated market-maker designed technology
- Multiple desktop and mobile trading platforms
- Advanced trading tools
- 60+ order types and algos
- API solutions

(1) For more information see ibkr.com/commissions

(2) As of May 6, 2019. See ibkr.com/interest

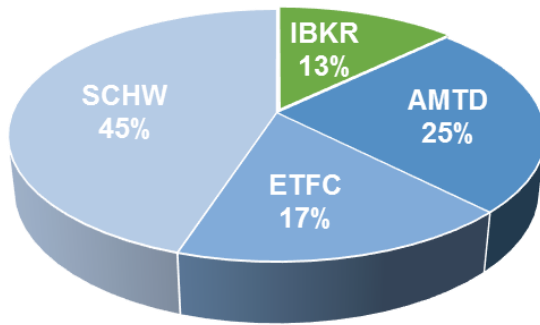
(3) See ibkr.com/bestexecution

Effect of IBKR's Low Margin Rates



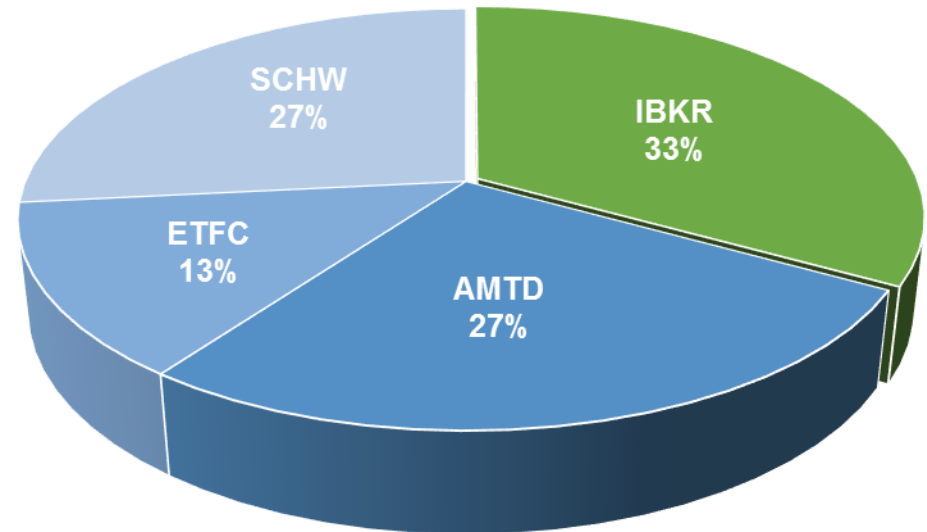
March 2009

E-Broker margin loans = \$14 billion



March 2019

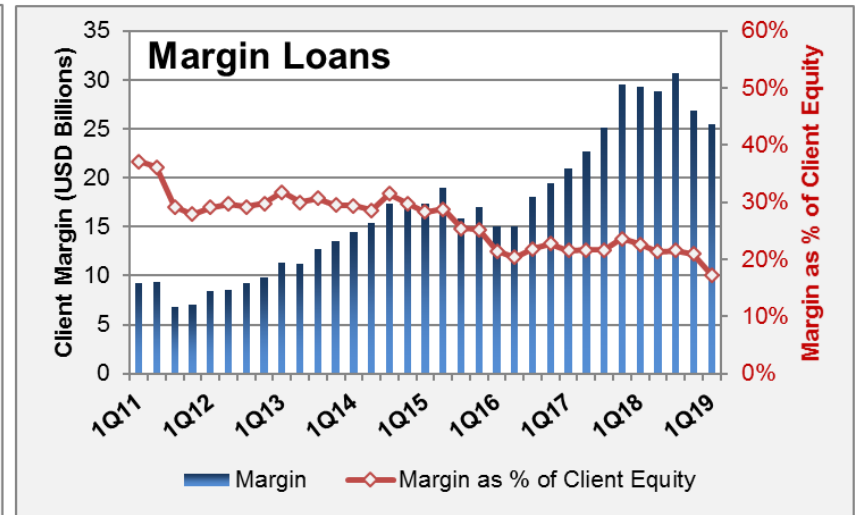
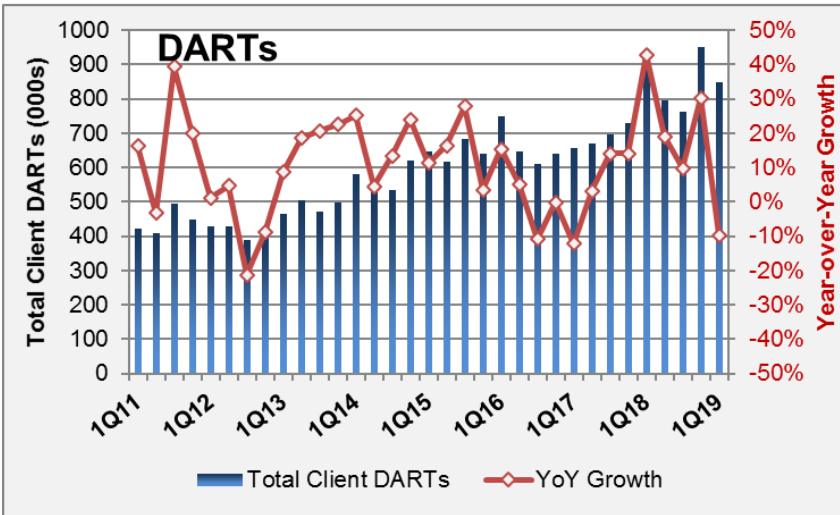
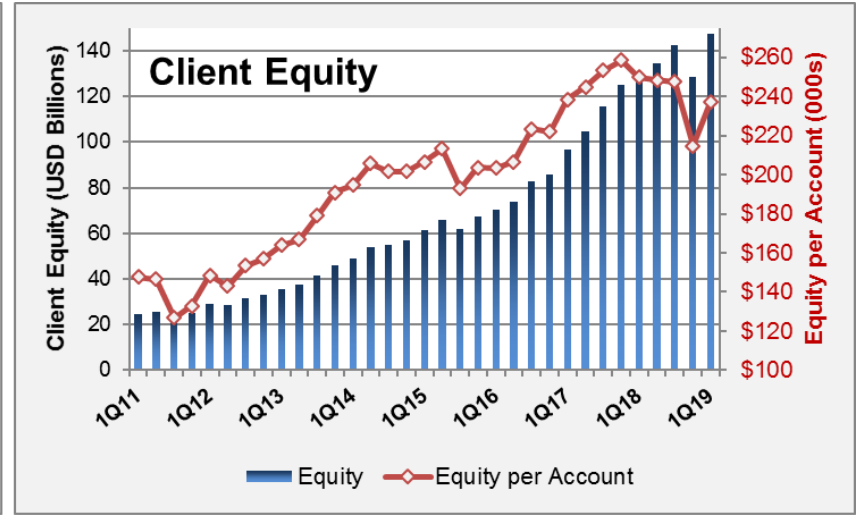
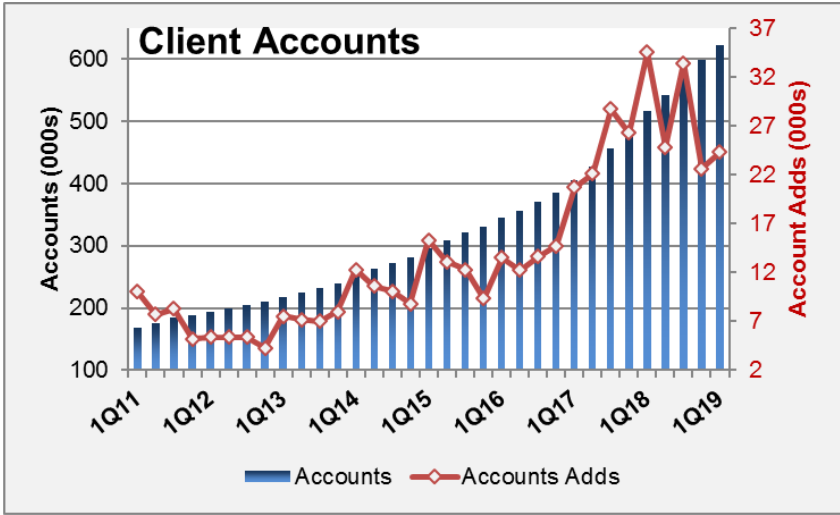
E-Broker margin loans = \$77 billion



E-Brokers defined as IBKR, AMTD, SCHW, and ETFC

Brokerage Expansion

Market leading growth in every key metric



Competition Metrics



	IBKR		ETFC ¹		AMTD ²		SCHW	
	1Q2019	3-year Change	1Q2019	3-year Change	1Q2019	3-year Change	1Q2019	3-year Change
1Q19 Brokerage Metrics (in thousands)								
Number of accounts ³	623	81%	5,089	43%	11,763	74%	11,787	19%
Client equity (in billions) ⁴	\$148	111%	\$341	64%	\$1,297	82%	\$3,585	40%
Average commission per DART (actual)	\$3.68	-5%	\$7.17	-34%	\$7.01	-40%	\$7.19	-37%
Average client equity per account	\$237	16%	\$67	14%	\$110	5%	\$304	17%
Total DARTs	848	13%	279	74%	860	69%	418	27%
DARTs per account (actual, annualized)	311	-39%	14	-39%	18	-3%	9	7%
Number of employees	1,458	31%	4,105	14%	9,515	62%	20,000	28%
Trailing 12 Months' Financials (\$ in millions)								
Revenues per employee	\$1.4		\$0.7		\$0.6		\$0.5	
Compensation per employee (in thousands)	\$196		\$161		\$136		\$164	
Total pretax profit ⁵	\$1,192		\$1,476		\$2,658		\$4,824	
Pretax profit margin ⁵	63%		51%		46%		46%	

(1) E*Trade bought Trust Co. of America and 1 million Capital One accounts, 2018

(2) Ameritrade bought Scottrade, 2017

(3) E*Trade and Charles Schwab are brokerage accounts only

(4) Charles Schwab's client equity includes all client assets

(5) Interactive Brokers pretax profit is adjusted for currency diversification, one-time gains and Treasury marks-to-market

Cost Comparison



Rated as “Low Cost Broker” 18 years in a row by Barron’s¹

US Margin Loan Rates Comparison²

Commission Rates Comparison³

	\$25K	\$300K	\$1.5M	\$3.5M	Equity Trades	Option Trades	Futures Trades
E-Trade	10.50%	9.00%	7.50%	7.50%	\$6.95	\$6.95 base + \$0.75 per contract	exchange & regulatory fees plus \$1.50
Fidelity	9.32%	8.07%	5.50%	5.50%	\$4.95	\$4.95 base + \$0.65 per contract	NA
Interactive Brokers²	3.90%	3.56%	3.26%	3.02%	\$2.34	\$0 base cost + \$0.68 per contract	exchange & regulatory fees plus \$0.25 - \$0.85
Schwab	9.32%	8.07%	NA	NA	\$4.95	\$4.95 base + \$0.65 per contract	exchange & regulatory fees plus \$1.50
TD Ameritrade	10.25%	8.75%	8.00%	8.00%	\$6.95	\$6.95 base + \$0.75 per contract	exchange & regulatory fees plus \$2.25

¹ Low Cost Broker 2002 through 2019 according to Barron’s “Annual Best Online Brokers - “Best Online Brokers of 2019.” For additional information, see ibkr.com/awards. Barron’s is a registered trademark of Dow Jones & Co. Inc.

² IBKR calculates the interest charged on margin loans using the applicable rates for each interest rate tier listed on its website. For additional information, see ibkr.com/interest

³ Rates were obtained on May 6, 2019 from each firm’s website and are subject to change without notice. Services vary by firm. The IBKR commission rates shown for equity and option trades are the average of the client commissions for trades executed in April 2019 and are subject to minimums and maximums as shown on the IBKR website. For more information, see ibkr.com/compare

Integrated Investment Management from One Account



EARN

Earn Market Rate Interest on idle cash balances and earn income on securities by lending out fully paid shares.

Directly deposit your paycheck and instantly earn high interest.¹

Use our Insured Bank Deposit Sweep Program

to get up to \$2.75 million of SIPC and FDIC insurance on the cash in your accounts, and still earn the same market rate interest.

BORROW

Borrow against your account whenever needed at our extremely low, market-based rates.

SPEND

Spend using our Bill Pay to pay any expense, or use our Debit Mastercard to make purchases anywhere.

INVEST

Invest in stocks, options, futures, commodities, forex and fixed income on over 120 global exchanges at low cost.²

- 1) Credit interest as of 5/6/2019. USD credit interest is paid on balances over USD 10,000 in securities accounts. For more information, see ibkr.com/interest.
- 2) According to Barron's "Annual Best Online Brokers - "Best Online Brokers of 2019." For complete information, see ibkr.com/info.

Security and Confidence



Financial Strength

- **Strong and growing balance sheet**, with \$7.4 billion equity capital and no debt
- \$1.2 billion in pre-tax profit in 2018

Security

- **Real-time margining system** risk-manages all client accounts continuously
- **Automated controls** allow us to provide the highest level of client asset protection

Client Data

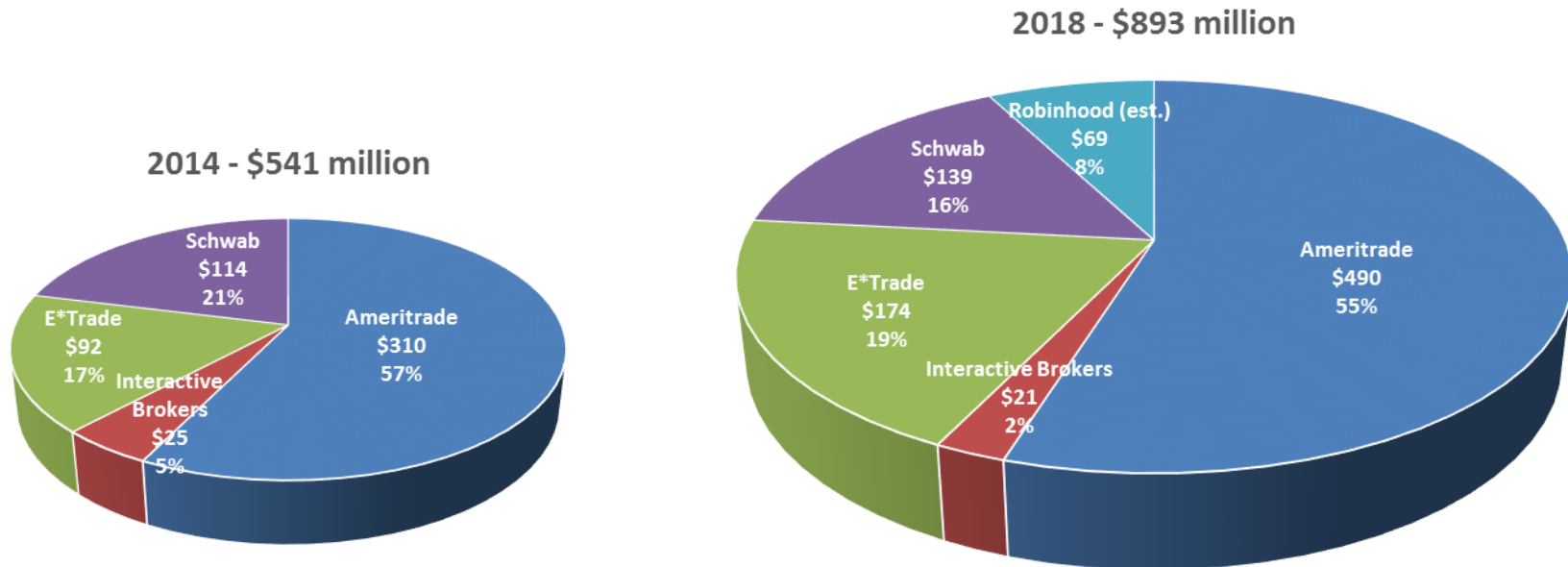
- **Secure Login System** allows clients to trade and manage their accounts in a protected environment
 - Two-factor authentication to confirm identity at point of login
 - Mobile App uses IB Key, our two-factor security system that includes Fingerprint and Face ID in place of a physical device
- **Encrypted communications** for sensitive client data

No Selling of Customer Order Flow



- For most brokers, PFOF has become a large component of revenues.
- IBKR does not disadvantage clients by selling their order flow.

Payment for Order Flow – by e-Broker*



* Interactive Brokers' PFOF is not from selling orders to high frequency traders, but solely from exchanges offering compensation for orders that provide or take liquidity and that give customers an improved price on their order. Robinhood estimate from Alphacution Research.

Recent Enhancements and New Products



Portfolio Checkup – PortfolioAnalyst now lets you combine data from your IBKR account with held-away accounts for a complete portfolio view. This includes our new Portfolio Checkup, a powerful analytics tool for understanding the health of your complete portfolio. Assets held anywhere, including at banks and managers, can be uploaded and the entire client financial portfolio analyzed.



Mutual Fund/ETF Parser – the Parser categorizes the individual component stocks within mutual funds and ETFs. Customers can get an accurate, granular picture of their overall exposure to asset classes, industry sectors, and companies.



SYEP in Canada – Interactive Brokers Canada clients participating in our Stock Yield Enhancement Program can now earn extra income by lending Canadian fully-paid shares as part of the program.



Introductions to More than Capital

Interactive Brokers clients can reach hundreds of thousands of individual and institutional investors worldwide, and find service providers among the over 1,500 listed that can help grow their businesses.

Investing	Research	Technology	Administration	Business Development
Advisors	Research	Software Vendors	Administrators	Advertising Firms
Hedge Funds	Education & Coaches	Programming Consultants	Auditing Firms	Business Analysts
Money Managers	News Feeds		Compliance Firms	Careers
Brokers	Trading Publications		Legal Firms	Corporate Access Providers
			Tax Firms	

Recognized Industry Leader

IB's multiple trading platforms, extensive suite of advanced trading tools, algos and order types continue to earn awards, year after year.

BARRON'S

2019 Barron's Awards¹:

Interactive Brokers was Rated #1 – Best Online Broker
Rated 4.5 for Best for Mobile Traders
Rated 5 for Best for International Traders
Rated 4.5 for Best for Frequent Traders

2019 Investopedia Awards:

Best Overall
Best for Low Costs
Best for International Trading
Best for Options Trading



StockBrokers.com

2019 Stockbrokers.com Awards:

Rated #1 for Commissions and Fees
Rated #1 for Offering of Investments
Rated #1 for Active Trading
Rated #1 for Professional Trading

2019 ForExBrokers.com Awards:

Rated #1 for Professionals



INVESTOR'S BUSINESS DAILY®

2019 Investor's Business Daily Awards:

Rated #1 for Low Commissions and Fees
Rated #1 for Mobile Trading Platform/Apps
Rated #1 for Range of Products
Rated #1 for Website Security

2019 NerdWallet Awards:

Best for Active Investors



HFM WEEK

2019 HFM Week US Hedge Fund Services Awards:

Best Mobile Application

2019 HFM Week European Hedge Fund Services Awards:

Best Prime Broker – Technology