



Sandler O’Neill Global Exchange and Brokerage Conference

June 4, 2014



Member SIPC www.sipc.org





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.



Agenda

I. Company Overview

- Our business today
- Diversified enterprise
- Our three key differentiators
- Comparative growth
- Financial strength

II. Appendix

- Cost comparison
- Best execution
- Competition charts
- Brokerage growth charts
- Recognized industry leader



Our Business Today

Our company began as a market maker in 1977.

We launched our brokerage business in 1993.

Today, brokerage accounts for **87%**⁽¹⁾ of Group pretax income.

- **We are the largest U.S. electronic broker** *as measured by revenue trades*
- **Broad global reach:** *Access to 100+ markets in 23 countries*
- **Recognized industry leader** – *Barron's #1 electronic broker 3 years straight*
- **Highly automated business model** - *\$1.2M revenue per employee* ⁽¹⁾

252,000

customer
accounts ⁽³⁾

\$5.2B

equity
capital⁽³⁾

582,000

daily avg revenue
trades ⁽²⁾⁽³⁾

60%

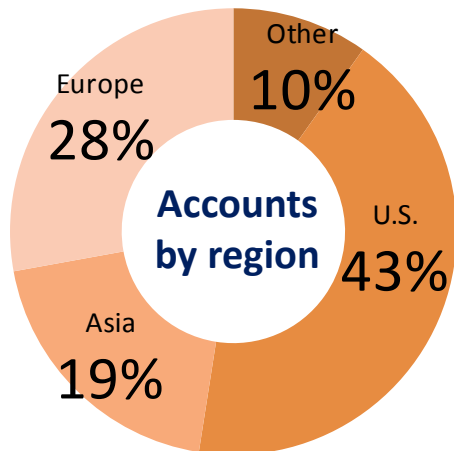
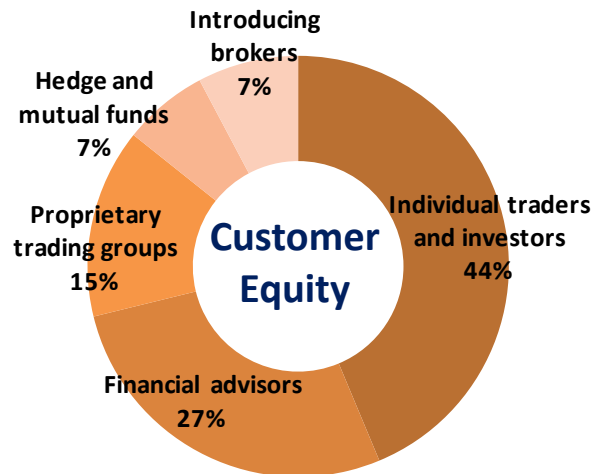
brokerage
pretax profit⁽³⁾

16%

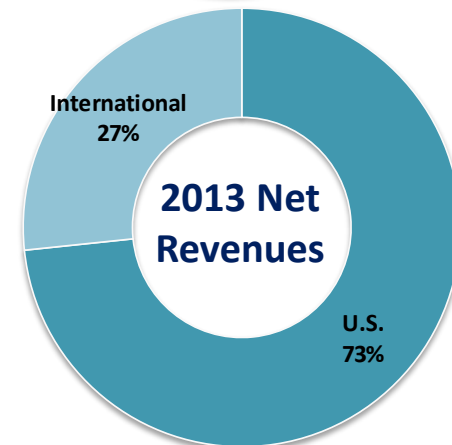
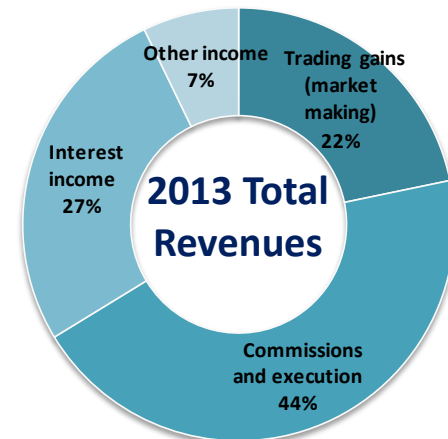
YoY ⁽³⁾
account growth



Diversified Enterprise



Our customers reside in 190+ countries





Our Three Key Differentiators

Low Cost & Best Execution

- Low execution costs:
 - Stocks \$.0005 to \$.005/share
 - Options \$.075 to \$.70 /contract ⁽¹⁾
- Margin rates range from .5% to 1.59% ⁽¹⁾
- IB's achieves the industry's best price improvement because we do not sell or internalize customer order flow ⁽¹⁾

Breadth of Product

- Customers can trade on 100+ market centers in 23 countries and 20 currencies.
- Electronic market access to stocks, options, futures, forex, bonds, funds, ETFs and CFD's from a single IB Universal Account TM.

Superior Trading Technology

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



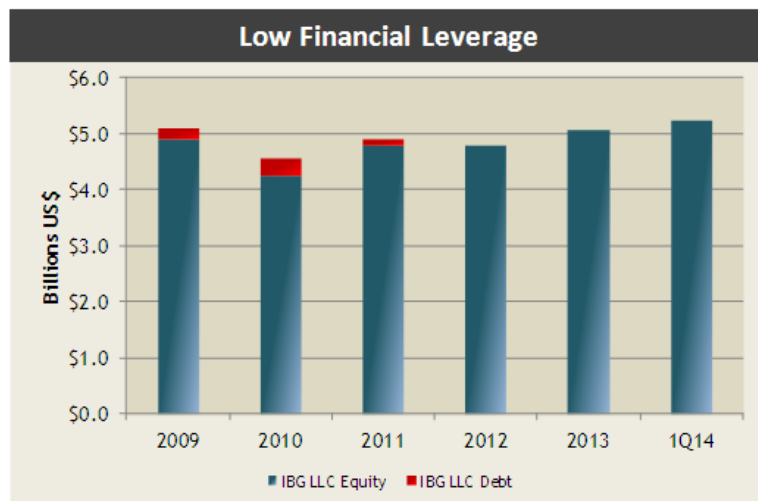
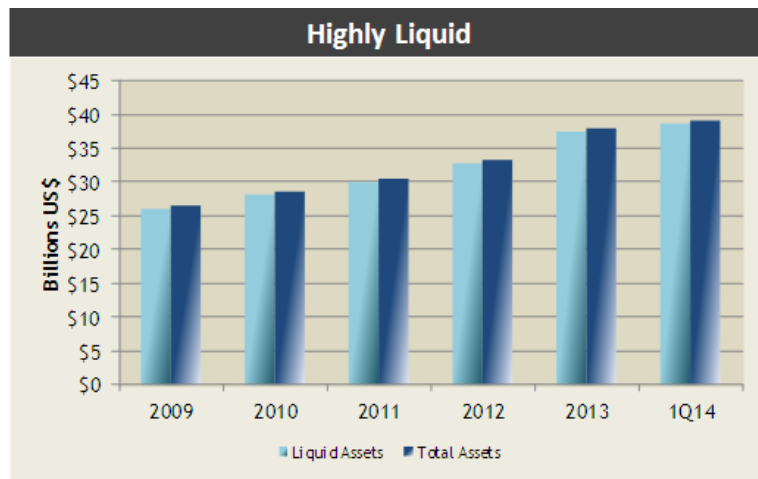
Market Leading Growth in 2014

	Customer Accounts		Total DARTs		Customer Equity		Equity per Account	
	2H 2013	1H 2014*	2H 2013	1H 2014*	2H 2013	1H 2014*	2H 2013	1H 2014*
IBKR	7%	10%	-10%	33%	22%	13%	15% \$191K	2% \$194K
ETFC	1%	3%	8%	15%	19%	3%	20% \$57K	- \$57K
SCHW	-1%	2%	-2%	9%	10%	4%	11% \$199K	2% \$202K
AMTD	2%	2%	2%	17%	14%	6%	12% \$97K	3% \$100K

*1H 2014 projected based on average growth through Apr 2014



Financial Strength



Solid balance sheet

- Mar. 31, 2014 - \$39 billion total assets, 98.9% liquid
- Low financial leverage

Distributing capital from market making segment

- Quarterly dividend of \$0.10/share started June 2011 (represents ~10% post-tax return of MM capital)
- Special dividends paid: \$1.00 in Dec. 2012; \$1.79 in Dec. 2010

S&P Credit Ratings Comparison¹:

S&P Credit Ratings Comparison ¹		
Broker Dealer	Rating	Outlook
JPMorgan Chase & Co.	A	Negative
Interactive Brokers	A-	Stable
Bank of America Corporation	A-	Negative
Citigroup Inc.	A-	Negative
Goldman Sachs	A-	Negative
Merrill Lynch & Co., Inc.	A-	Negative
Morgan Stanley	A-	Negative
Jefferies	BBB	Stable



Appendix



Low Commissions and Financing Rates

*Rated Lowest Margin Rates and Low Cost Broker
10 years in a row by Barron's*

U.S. Margin Loan Rates Comparison					U.S. Commission Rates Comparison		
	\$25K	\$200K	\$1.5M	\$3.5M	100 Shares	1 Stock Option	1 E-mini S&P 500 Future
Interactive Brokers[†]	1.59%	1.34%	0.96%	0.73%	\$1.00	\$1.00	\$0.85
E-Trade	7.94%	6.14%	3.89%	3.89%	\$7.99	\$8.74	\$2.99
Fidelity	7.575%	6.575%	3.750%	3.750%	\$7.95	\$8.70	N/A
optionsXpress	8.25%	7.00%	6.00%	6.00%	\$8.95	\$12.95	\$3.50
Schwab	8.00%	6.875%	6.25%	6.00%	\$8.95	\$9.70	N/A
TD Ameritrade	8.50%	7.25%	6.25%	6.25%	\$9.99	\$10.74	\$2.25
thinkorswim	8.50%	7.25%	6.25%	6.25%	\$9.99	\$10.74	\$2.25

Interactive Brokers has lower commission rates for larger volumes and comparable rates worldwide.

Services vary by firm.



Forex – Our Customers are More Profitable

Percentage of profitable and unprofitable accounts as reported to the NFA - Q1 2014

	% Profit	% Loss	Total Accounts	Spread Markups
Interactive Brokers	43.1%	56.9%	24,035	NO
OANDA	42.2%	57.8%	20,341	YES
FXDD	34.3%	65.7%	4,629	YES
ILQ	32.6%	67.4%	921	YES
Gain Capital	33.4%	66.6%	10,819	YES
IBFX/TradeStation	34.6%	65.4%	7,992	YES
FXCM	33.0%	67.0%	22,226	YES
CitiFX	42.0%	58.0%	632	YES
MB Trading	27.4%	72.6%	3,274	YES

Data provided by forexmagnates.com, includes the impact of any commissions

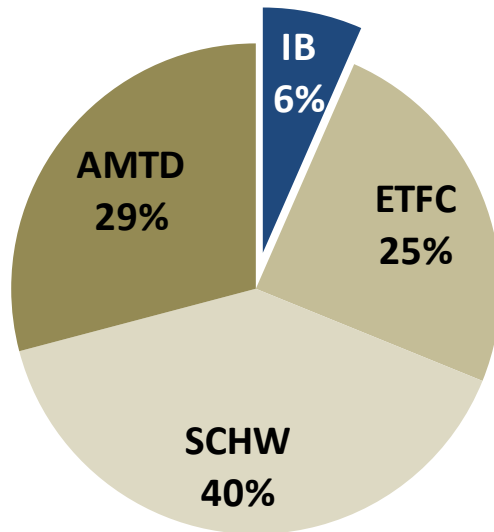
Everybody says they provide best executions but only one can be best and only we can prove it.

The same philosophy and technology that enables our clients to achieve superior forex trading results also drives our clients' trading and investing of stocks, options, futures, and bonds worldwide on over 100 market centers.

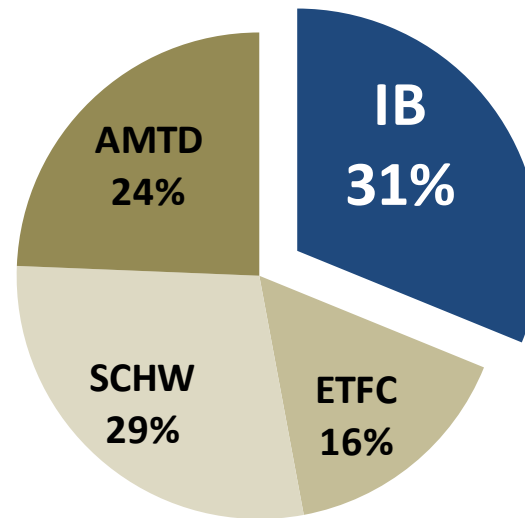


Effect of Low Margin Rates

Dec. 2007
Total - \$29 Billion



Mar. 2014
Total - \$46 Billion





Best Price Execution

The IB SmartRoutingSM Advantage

Net Dollar Price Improvement vs. Best Bid/Offer⁽¹⁾ – 2nd Half 2013

	IB Price Advantage*, better than the Industry by:
US Stocks (per 100 shares)	\$0.23
US Options (per contract)	\$0.20
European Stocks (per 100 shares)	€1.22

⁽¹⁾ **Net \$ Improvement per Share Definition:**

((# of Price Improved Shares * Price Improvement Amount) -
 (# of Price Disimproved Shares * Price Disimprovement
 Amount)) / Total Number of Executed Shares

*For more information visit
www.interactivebrokers.com

➤ Unlike other routers, IB SmartRoutingSM dynamically routes and re-routes all or parts of the order for optimal execution.

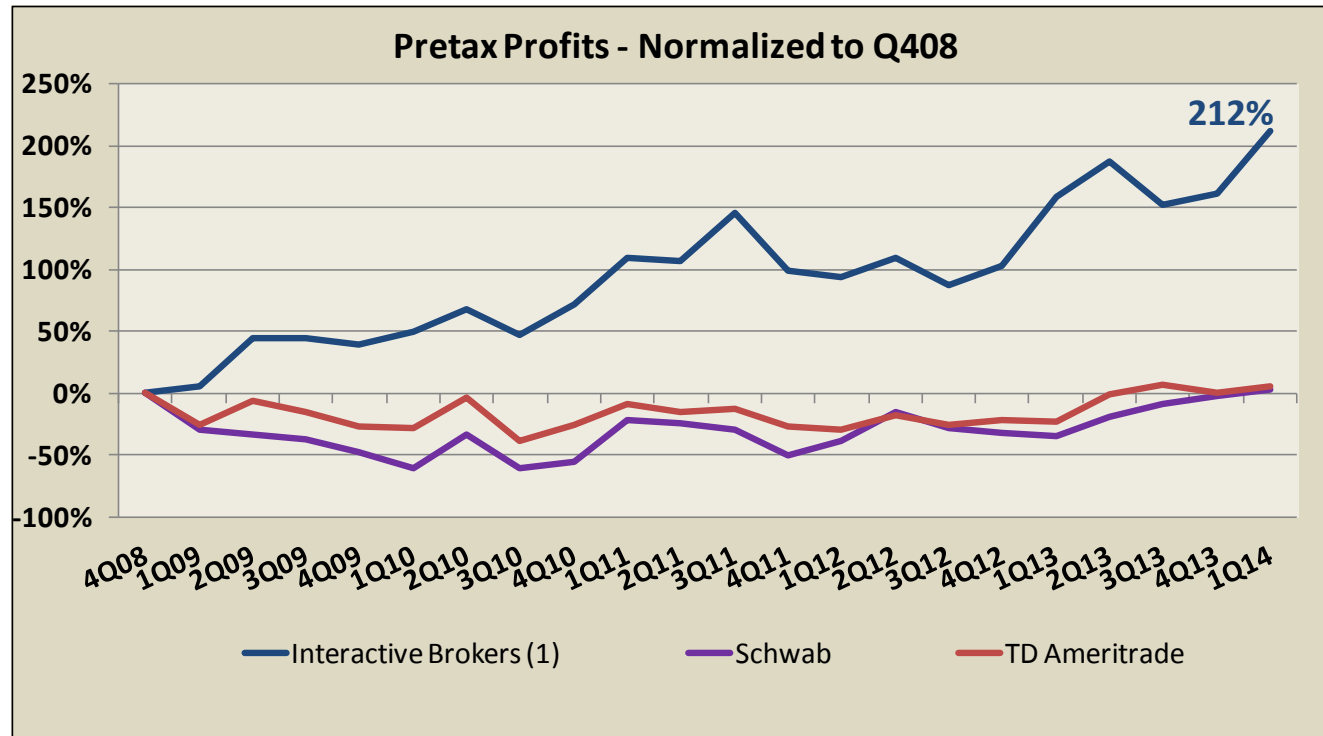
➤ We do NOT sell order flow to internalizers.

➤ Transaction Auditing Group, Inc., (TAG), a third-party provider of transaction analysis, has determined that Interactive Brokers' U.S. stock and options price executions and European stock price executions were significantly better than the industry during 2013.



Comparative Growth

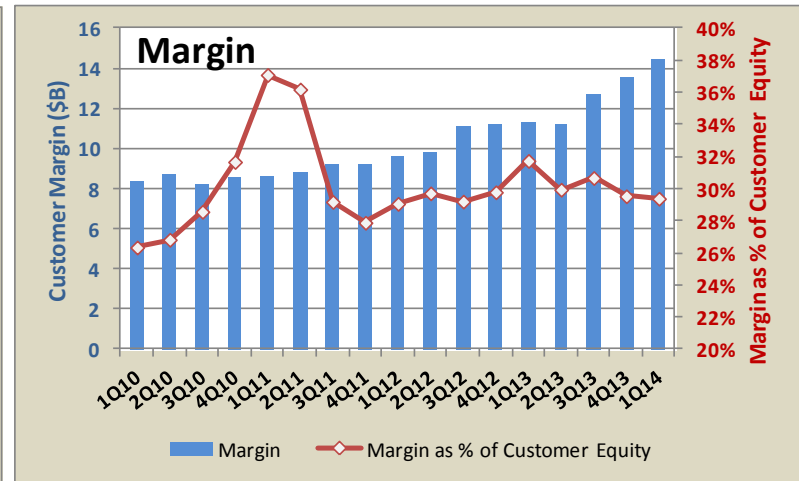
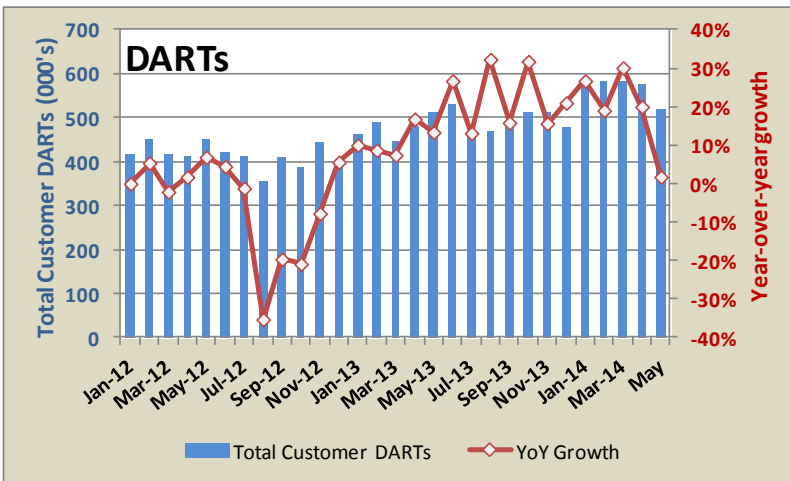
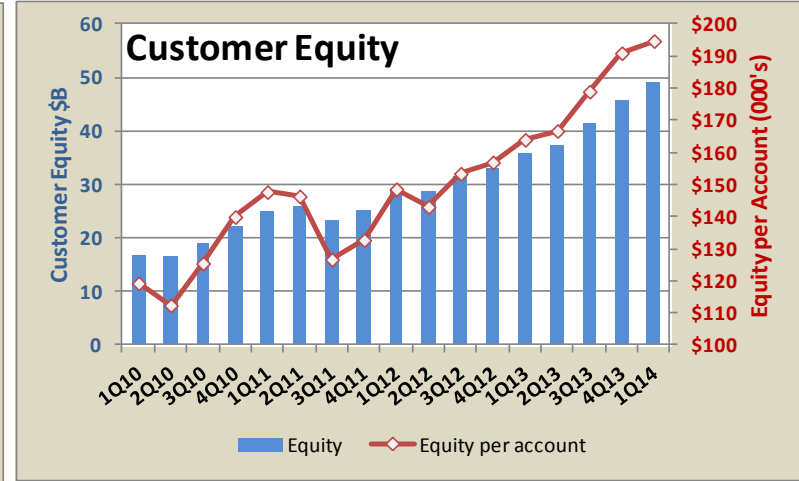
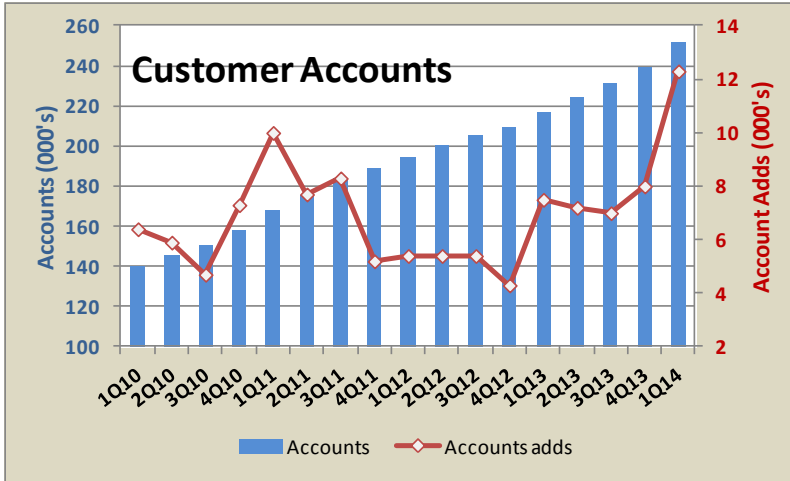
Strong progress towards our goal of being the largest broker by profits



¹Brokerage segment only
4Q13 excludes unusual item (\$64M Singapore loss)

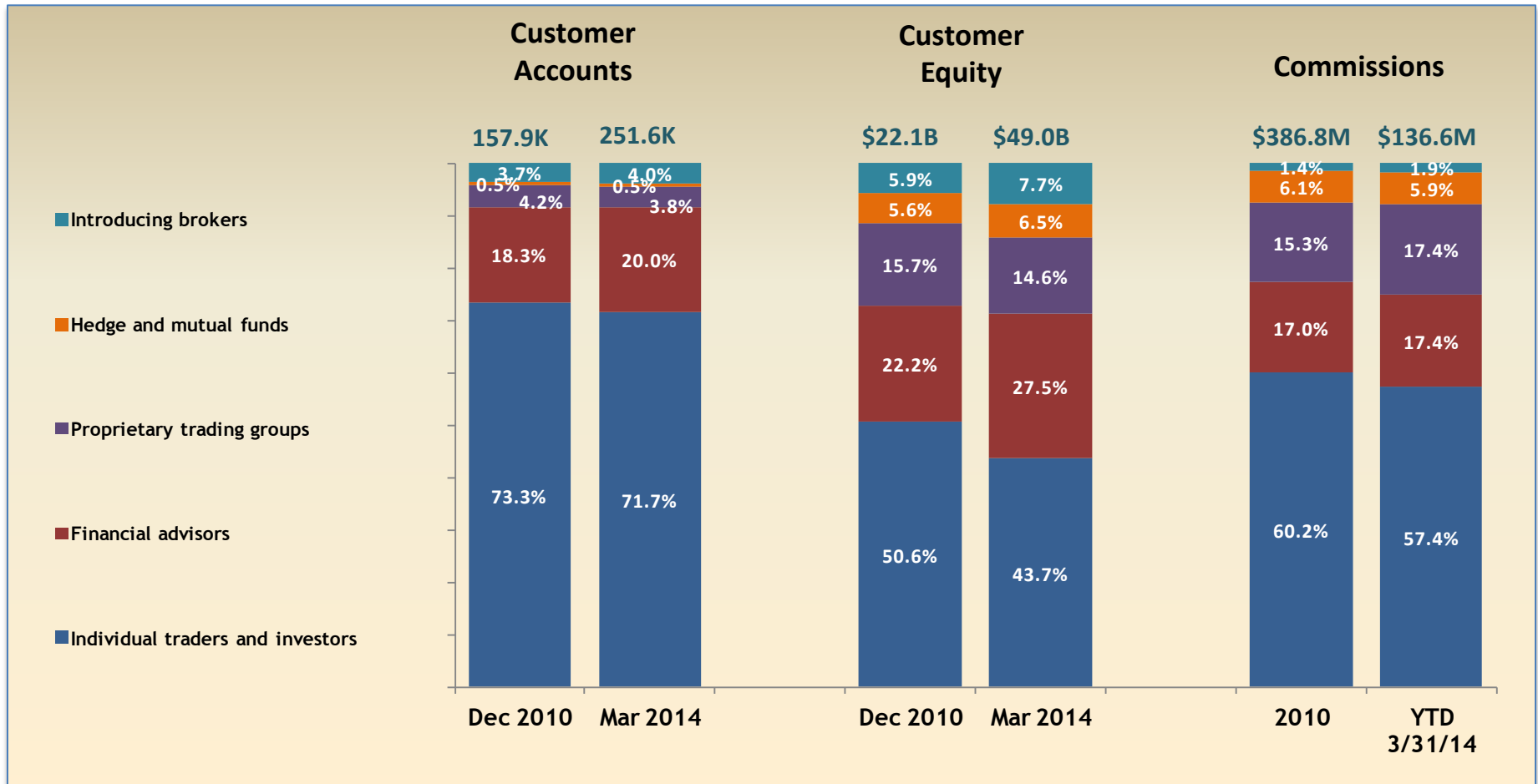


Brokerage growth



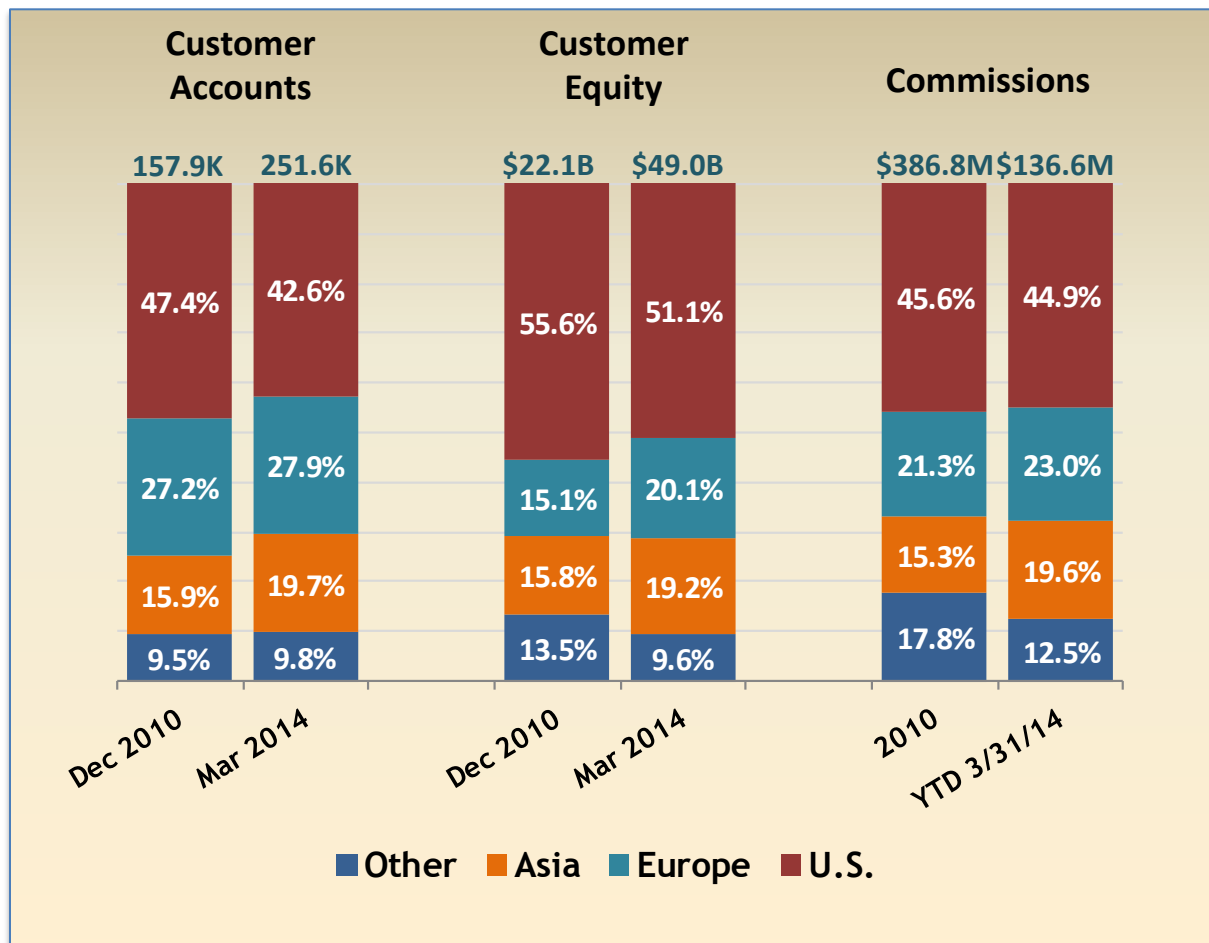


Customer Segment Shift





Customer Geographic Shift





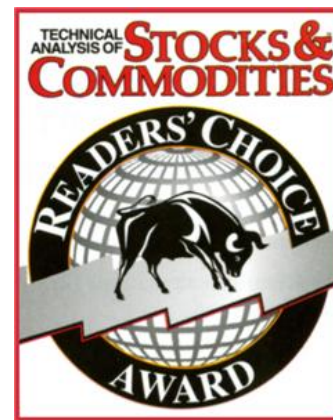
Recognized Industry Leader

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

Rated - BEST ONLINE BROKER, AGAIN!
FOR THE THIRD YEAR IN A ROW!

by BARRON'S 2014

- Best for Options Traders
- Best Trading Experience & Technology
- Best for International Traders
- Best Range of Offerings
- Best for Frequent Traders
- Best Portfolio Analysis & Reports
- Low Cost for 10th consecutive year
- Best Overall



- Winner 2014 Stock Brokerage
- Winner 2014 Futures Brokerage
- Winner 2014 Forex Brokerage
- 1st Runner Up 2014 Institutional Platform
- 1st Runner Up 2014 Options Analysis Software



- Winner 2014 "Best Broker-Dealer Overall"
- Winner 2014 "Best Broker-Dealer Options"

* Supporting documentation for any claims and statistical information will be provided upon request. For additional information see www.interactivebrokers.com/compare.