

IIAC ACCVM
Investment Industry Association of Canada Association canadienne du commerce des valeurs mobilières

Q1 – 2024 IN REVIEW

INVESTMENT DEALER PERFORMANCE REPORT

Table of Contents



2024 Q1: Extending Revenue Growth into the New Year

Operating Revenues.....	3
Segmented Operating Revenues	3

Operating Revenues Reach New Levels

Industry Operating Revenue	4
Operating Revenue vs. Market Index.....	4
Industry Revenue from Commissions	5
Commission Segmentation.....	5
Industry Investment Banking Revenue.....	6
Investment Banking Revenue by Segment.....	6
Industry Trading Revenue	7
Revenue from Net Interest	7
Revenue from Net Interest vs. BoC Policy Rate.....	7
Revenue from Fees	8
Revenue from Fees by Firm Type	8
Contribution to Fees Revenue by Firm Type	8

Client Cash Holdings Hold Steady

Client Cash Holdings.....	9
---------------------------	---

Upturn in Overall Staffing

Industry Firm Count	10
Industry Employee Count.....	10
Employee Count vs. Market Index	10

Operating Revenues Segmentation

Operating Revenue by Firm Type.....	11
Operating Revenue Share by Firm Type	11
Operating Revenue within Retail Firms	12
Operating Revenue Share within Retail.....	12
Operating Revenue within Institutional Firms.....	13
Operating Revenue Share within Institutional Firms	13

Shareholders' Equity

Industry Shareholders' Equity	14
Shareholders' Equity within Firm Types.....	14

Industry Net Profit Drops, Diverges in 2024 Q1

Industry Net Profit	15
Net Profit within Firm Types.....	15

Annual Return on Equity

Annualized Return on Equity.....	16
----------------------------------	----

Regulatory Capital & Client Debt Margin Outstanding

Regulatory Capital & Client Debt Margin Outstanding.....	16
--	----

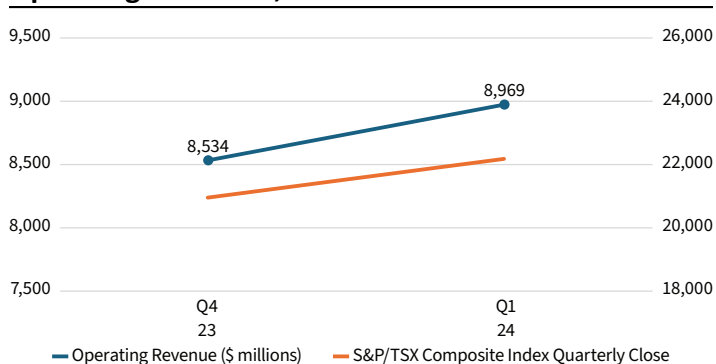
Disclaimer 17

Investment Dealer Performance

Total.....	18
Integrated Firms	19
Institutional Firms	20
Retail Firms.....	21
Domestic Institutional Firms.....	22
Foreign Institutional Firms.....	23
Retail Full-Service Firms.....	24
Retail Introducer Firms.....	25

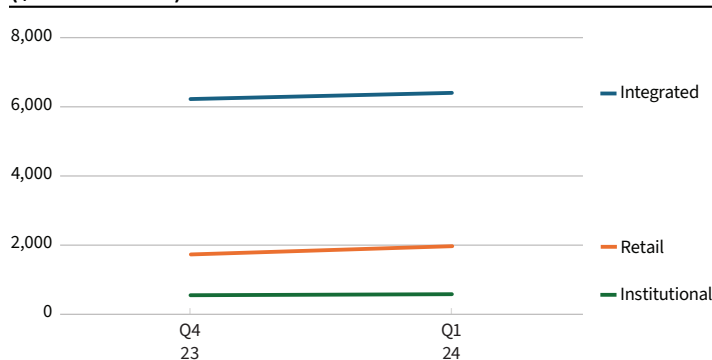
2024 Q1: EXTENDING REVENUE GROWTH INTO THE NEW YEAR

Operating Revenues, Dec 2023 – Mar 2024



Produced by the IIAC with data derived from CIRO.

Segmented Operating Revenues, Dec 2023 – Mar 2024 (\$ in millions)



Produced by the IIAC with data derived from CIRO.

Several factors contributed to the industry's strong performance in Q1 2024:

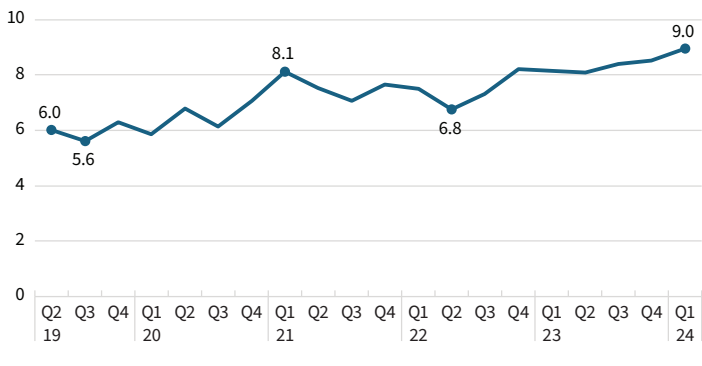
- **Inflation Slowdown:** A notable slowdown in inflation, from 3.8% in December 2023 to 2.8% in February 2024, provided a more stable economic environment for investment activities.
- **Trade Surplus Expansion:** Enhancements in trade dynamics, with Canada's trade surplus increasing to CAD 608.3 million in January 2024 and further to CAD 1,390 million in February 2024, bolstered the industry's growth prospects.¹
- **Global Market Performance:**
 - a. The NASDAQ Composite rose by 9.1%, from a December close of 15,011 to a March close of 16,379.
 - b. The S&P Euro followed suit, increasing 10.3% from a December close of €1,9901 to a March close of €2,196.
 - c. The MSCI Emerging Markets Index recorded a 1.9% increase, moving from a December close of USD \$1,024 to a March close of USD \$1,043.

As Q1 2024 came to an end, the Canadian investment industry maintained its strong recovery trajectory. The industry's adeptness at navigating economic uncertainties and leveraging market opportunities has laid a solid foundation for the coming months.

1. Statistics Canada. Table 12-10-0011-01 International merchandise trade for all countries and by Principal Trading Partners, monthly

OPERATING REVENUES REACH NEW LEVELS

Industry Operating Revenue, Apr 2019 – Mar 2024
(\$ in billions)



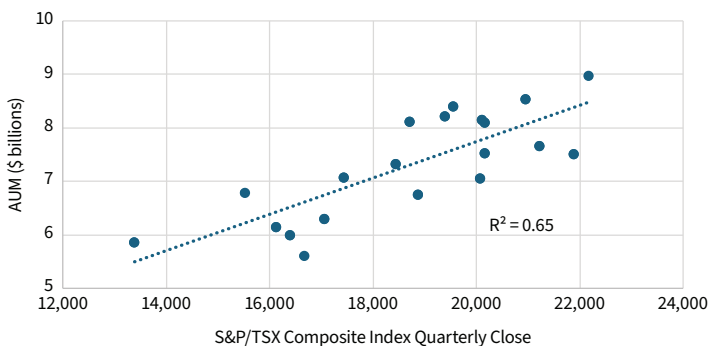
Produced by the IIAC with data derived from CIRO.

Over the last five years, the Canadian Investment Dealer Industry saw its operating revenue rise by an impressive 49.4%, increasing from \$6.00 billion in Q2 2019 to \$8.97 billion in Q1 2024. This growth corresponds to a compound annual growth rate (CAGR) of 8.4%. In comparison, the S&P/TSX Composite Index recorded a more modest increase of 35.3% over the same period, with a CAGR of 6.2%.

Despite the challenges posed by the COVID-19 pandemic, industry operating revenue surged by 44.5% from Q3 2019 to Q1 2021. This significant growth was largely driven by aggressive central bank quantitative easing (QE) measures during the crisis. However, post-peak growth has been more subdued, with a 10.4% increase from \$8.12 billion in Q1 2021 to \$8.97 billion in Q1 2024. Factors contributing to this slower growth include rising inflation, fluctuating commodity rates, and geopolitical tensions.

Year-over-year comparisons reveal a robust annual increase of 10.1%, up from \$8.14 billion in Q1 2023 to \$8.97 billion in Q1 2024, demonstrating the economy's resilience, especially in the last quarter. Additionally, the last quarter alone saw a notable 5.1% growth in operating revenue, from \$8.53 billion in Q4 2023 to \$8.97 billion in Q1 2024.

Operating Revenue vs. Market Index, Apr 2019 – Mar 2024



Produced by the IIAC with data derived from CIRO.

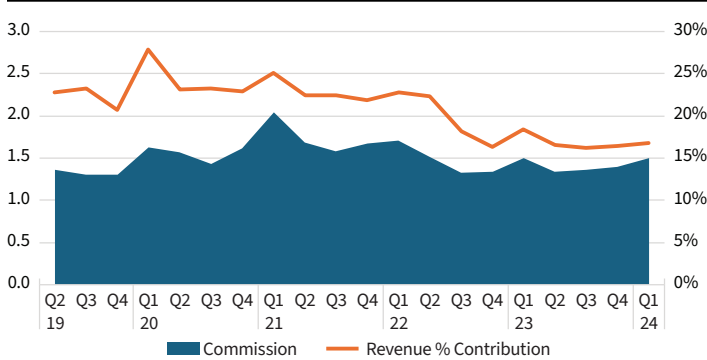
A detailed regression analysis has revealed a statistically significant positive correlation ($R^2 = 0.65$) between the performance of the market index and the industry's operating revenue. This high R^2 value indicates that 65% of the variance in operating revenue can be explained by changes in the market index, underscoring the strong relationship between these two variables.

During bullish market periods, the favorable environment created by rising market indices provides a conducive backdrop for growth in industry operating revenue. This positive correlation suggests that as the market index performs well, reflecting investor confidence and robust economic conditions, the industry's operating revenue tends to increase correspondingly.

The strong correlation also implies that external market conditions play a significant role in driving the financial performance of the industry. Factors such as investor sentiment, economic growth, and market stability, which are captured by the market index, directly influence the revenue-generating capacity of investment dealers. As market indices rise, typically driven by higher equity valuations, increased trading volumes, and greater investment activity, the industry's operating revenue benefits proportionally.

OPERATING REVENUES REACH NEW LEVELS

Industry Revenue from Commissions, Apr 2019 – Mar 2024
(\$ in billions)



Produced by the IIAC with data derived from CIRO.

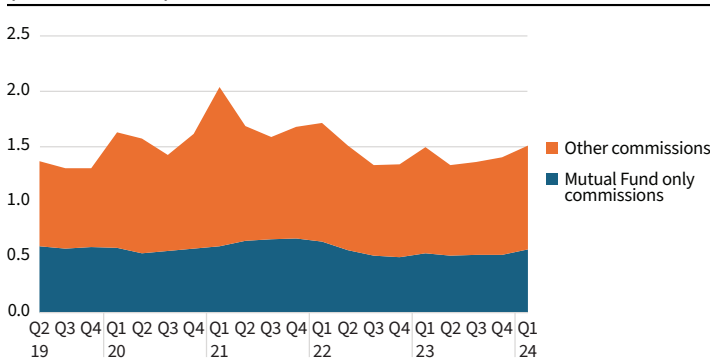
Despite the overall growth in the industry’s operating revenue over the past five years, revenue from commissions has experienced only a modest increase. Between Q2 2019 and Q1 2024, commission revenue rose by 10.0%, moving from \$1.37 billion to \$1.50 billion. This contrasts with the 49.4% increase in overall operating revenue during the same period.

The peak value of commission revenue was recorded in Q1 2021, a period marked by heightened market activity and investor engagement driven by aggressive monetary policies and the market recovery post-COVID-19 pandemic. However, since this peak, commission revenue has faced a decline of 26.2%.

On a year-over-year basis, commission revenue showed a marginal increase of 0.6%, from \$1.49 billion in Q1 2023 to \$1.50 billion in Q1 2024. This growth rate is significantly lower than the 10.1% increase observed in the industry’s overall operating revenue during the same timeframe.

The proportion of total operating revenue derived from commissions has also seen a notable decline. In Q2 2019, commissions constituted 22.8% of the industry’s operating revenue. This share peaked at 27.8% in Q1 2020, likely due to a surge in trading activity and investor engagement at the onset of the COVID-19 pandemic. However, by Q1 2024, the contribution of commissions to total revenue had decreased to 16.8%.

Commission Segmentation, Apr 2019 – Mar 2024
(\$ in billions)



Produced by the IIAC with data derived from CIRO.

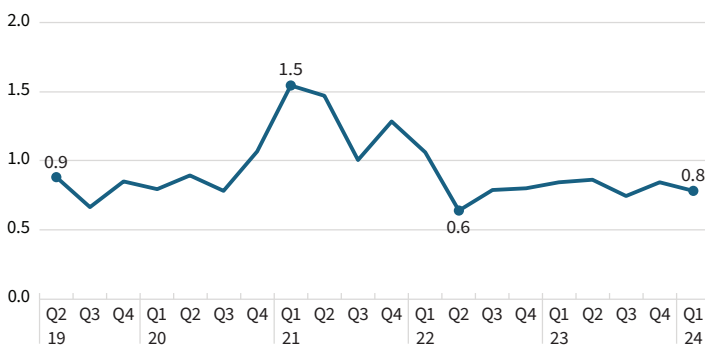
Revenue from mutual fund-only commissions experienced a decline of 4.8%, decreasing from \$599.0 million in Q2 2019 to \$570.2 million in Q1 2024. This downward trend indicates a possible shift in investor preferences away from mutual funds toward other investment vehicles or fee-based advisory services. Despite the decline, there was an annual increase of 5.9% in mutual fund-only commissions from \$538.3 million in Q1 2023 to \$570.2 million in Q1 2024.

Quarter-over-quarter, mutual fund-only commissions also showed a robust increase of 9.5%, rising from \$520.7 million in Q4 2023 to \$570.2 million in Q1 2024. In contrast, other commissions exhibited growth over the past five years. Revenue in this category increased by 21.5%, from \$768.6 million in Q2 2019 to \$934.1 million in Q1 2024.

However, an annual performance comparison reveals a more nuanced picture. Other commissions decreased by 2.4%, from \$956.7 million in Q1 2023 to \$934.1 million in Q1 2024. Nonetheless, other commissions demonstrated a quarterly increase of 6.3%, from \$878.8 million in Q4 2023 to \$934.1 million in Q1 2024.

OPERATING REVENUES REACH NEW LEVELS

Industry Investment Banking Revenue, Apr 2019 – Mar 2024 (\$ in billions)



Produced by the IIAC with data derived from CIRO.

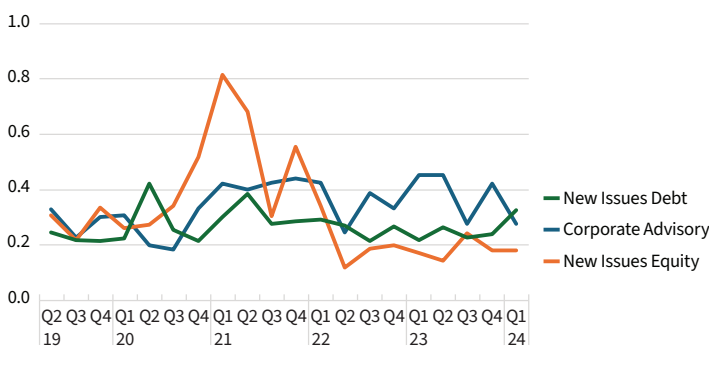
Investment banking revenue has shown a mixed performance over the past five years, reflecting the sector’s sensitivity to broader economic and geopolitical factors. While the overall industry operating revenue increased significantly during this period, investment banking revenue experienced a decline of 11.3%, falling from \$884.4 million in Q2 2019 to \$784.4 million in Q1 2024.

From Q3 2019 to Q1 2021, investment banking revenue surged by 131.8%. This period coincided with aggressive monetary policies and recovery efforts post-pandemic, creating a favorable environment for investment banking activities. However, this growth was not sustained, as the revenue began to decline due to increasing inflation, fluctuating commodity prices, and rising geopolitical tensions.

The last quarter saw a 7.3% decrease in investment banking revenue. Despite reaching its lowest point in Q2 2022, investment banking revenue has shown some recovery, increasing by 23.0% from \$638.0 million in Q2 2022 to \$784.4 million in Q1 2024.

Investment banking revenue has contributed a median of 13.0% to the overall industry revenue over the past five years. However, this contribution has fluctuated significantly, ranging from 8.7% to 19.5%. The absolute figures also exhibit considerable variation, with revenue swinging between \$638.0 million and \$1,542.2 million.

Investment Banking Revenue by Segment, Apr 2019 – Mar 2024 (\$ in billions)



Produced by the IIAC with data derived from CIRO.

Within the investment banking segment, different revenue streams have performed variably over the past five years. Revenue from new issue debt grew by 31.4% from Q2 2019 to Q1 2024. The performance of new issue debt has been relatively stable compared to other categories, indicating consistent investor interest in debt securities.

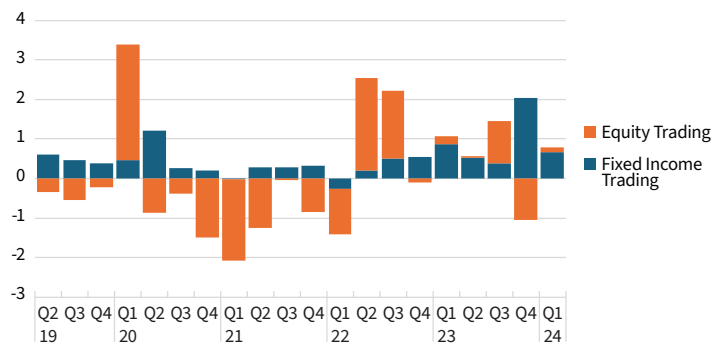
Corporate advisory fees, on the other hand, have declined by 15.4% over the same period. The quarterly performance in Q1 2024 furthers this trend, with a significant decline of 34.4% in corporate advisory fees.

Revenue from new issues equity has seen the most dramatic changes, declining by 41.3% over the past five years. Since Q2 2021, this category has suffered a steep decline of 73.4%. The high coefficient of variation² (0.58) in this category indicates significant volatility, with revenue oscillating between lows of \$121.1 million and highs of \$816.3 million. Despite a minimal quarterly increase of 0.01% in Q1 2024, new issues equity remains the most unstable revenue stream within the investment banking sector.

2. Coefficient of variation is the ratio of standard deviation to the mean.

OPERATING REVENUES REACH NEW LEVELS

Industry Trading Revenue, Apr 2019 – Mar 2024 (\$ in billions)



Produced by the IIAC with data derived from CIRO.

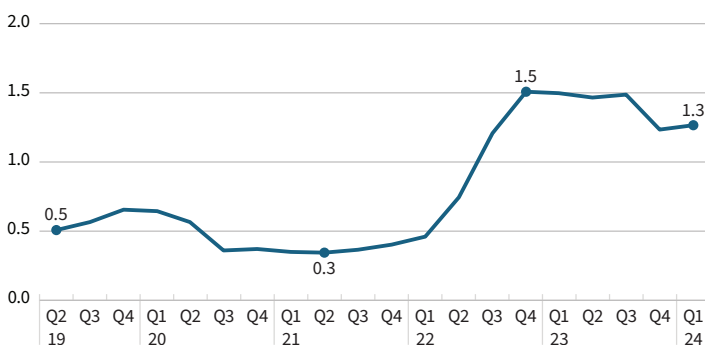
Trading revenue within the Canadian investment dealer industry has exhibited remarkable variability over the past five years. Equity trading, in particular, has shown extreme volatility, with revenue swings ranging from a loss of \$2.1 billion to a gain of \$2.9 billion. This high degree of fluctuation has resulted in equity trading losses in 13 of the last 20 quarters.

In contrast, fixed income trading has demonstrated relatively stable performance, with its revenue fluctuations spanning from a \$0.3 billion loss to a \$2.0 billion gain. This stability, along with a track record of losses in only 2 of the last 20 quarters, points to a comparatively lower risk profile for fixed income trading.

Both equity and fixed income trading revenues increased during the first half of 2020, driven by pandemic-induced market volatility.

In the latest quarter, fixed income trading revenue, which had reached its peak in Q4 2023, experienced a significant decline of 67.4%. This drop underscores the sensitivity of trading revenue to market conditions and the challenges of maintaining stability in a volatile environment.

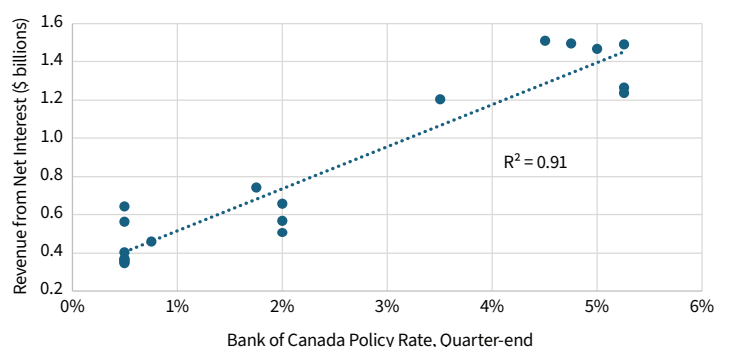
Revenue from Net Interest, Apr 2019 – Mar 2024 (\$ in billions)



Produced by the IIAC with data derived from CIRO.

Revenue from net interest has demonstrated remarkable growth over the past five years, outpacing the overall industry operating revenue growth. From Q2 2019 to Q1 2024, net interest revenue surged by 148.4%, increasing from \$0.51 billion to \$1.27 billion. Since Q2 2021, net interest revenue has grown by 264.5%, from \$0.35 billion to \$1.27 billion in Q1 2024. This period of growth aligns with the broader economic recovery and tightening monetary policies, which have led to higher interest rates.

Revenue from Net Interest vs. BoC Policy Rate, Apr 2019 – Mar 2024



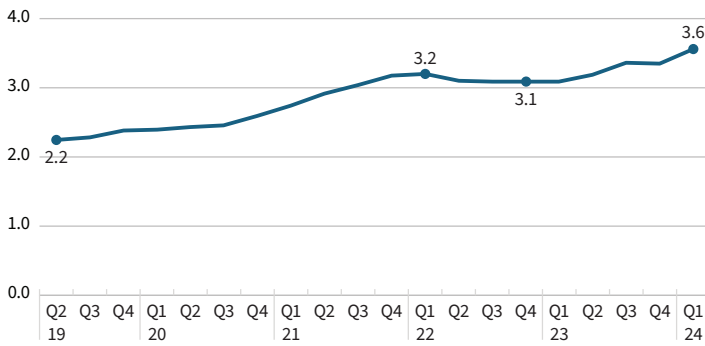
Produced by the IIAC with data derived from CIRO. Bank of Canada.

Despite a reversal of 15.0% in net interest revenue over the last two quarters, Q1 2024 still saw a 2.6% increase, indicating some resilience in this revenue stream. Net interest revenue has consistently shown an upward trend, contributing a median of 10.3% to overall industry revenue over the past five years.

The positive correlation between policy interest rates and net interest income underscores the sensitivity of this revenue stream to changes in the interest rate environment.

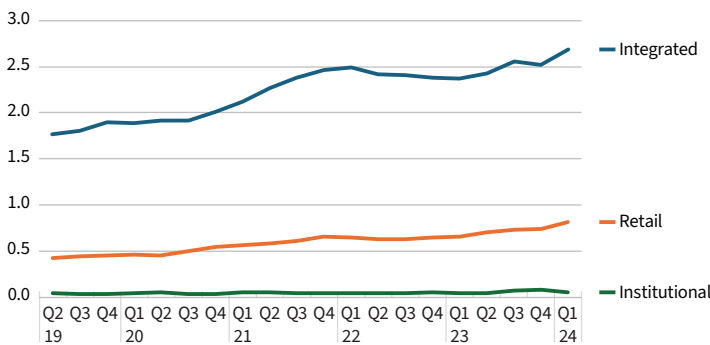
OPERATING REVENUES REACH NEW LEVELS

Revenue from Fees, Apr 2019 – Mar 2024 (\$ in billions)



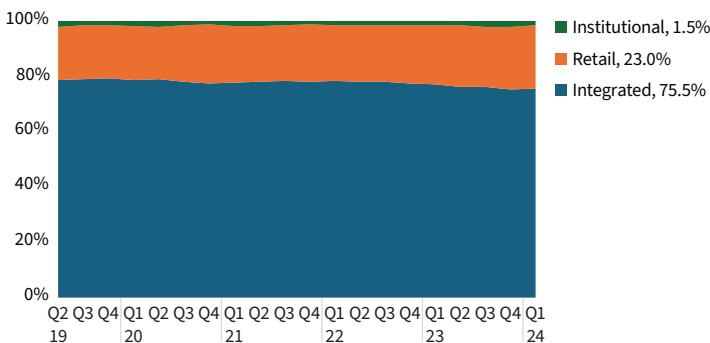
Produced by the IIAC with data derived from CIRO.

Revenue from Fees by Firm Type, Apr 2019 – Mar 2024 (\$ in billions)



Produced by the IIAC with data derived from CIRO.

Contribution to Fees Revenue by Firm Type, Apr 2019 – Mar 2024 (percent)



Produced by the IIAC with data derived from CIRO.

Fee-based revenue has been a stable and growing component of the industry’s revenue mix over the past five years. From Q2 2019 to Q1 2024, revenue from fees increased by 58.4%, rising from \$2.25 billion to \$3.56 billion. This steady growth reflects the industry’s shift towards fee-based advisory services and the increasing demand for such services from clients.

In Q1 2024, fee revenue showed a significant quarterly increase of 6.5%, growing from \$3.34 billion in Q4 2023 to \$3.56 billion. Fee revenue contributed a median of 39.6% to overall industry revenue, with contribution levels ranging from 33.7% to 39.5%.

Fee revenue has grown across all segments, with differences in performance among Retail, Integrated, and Institutional segments.

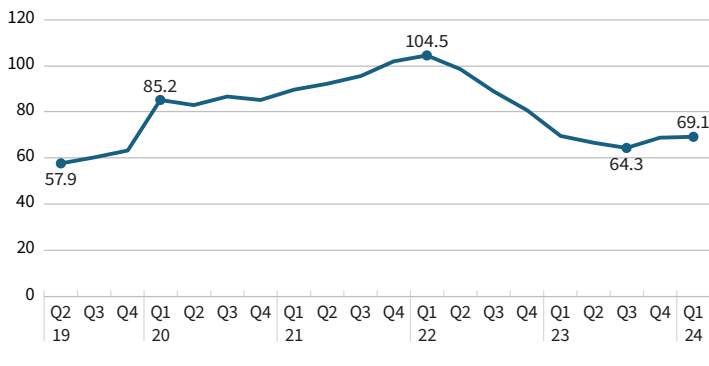
Retail has shown the most significant growth in fee revenue, with an increase of 90.4% over the past five years. In Q1 2024, the Retail segment continued its strong performance with quarterly growth of 9.6%.

The Integrated segment, which consistently contributed over 75.3% of the overall fee revenue, grew 52.0% over the past five years. This segment also saw a quarterly increase of 6.8% in Q1 2024. The Institutional segment, although showing a more modest growth of 9.3% over five years, experienced a significant decline of 31.9% in Q1 2024. The Institutional segment’s median contribution to overall fee revenue remains low at 1.6%.

Year-over-year, all segments once again show positive growth. The Institutional segment recorded significant 52.3% growth from the fourth quarter of 2022 to the fourth quarter of 2023. Retail and Integrated segments also posted growth, at 15.3% and 5.7%, respectively.

CLIENT CASH HOLDINGS HOLD STEADY

Client Cash Holdings, Apr 2019 – Mar 2024
(\$ in billions)



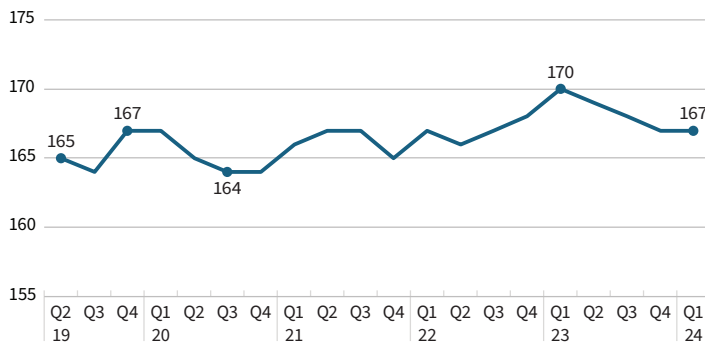
Produced by the IIAC with data derived from CIRO.

During the economic uncertainty brought on by the COVID-19 pandemic in 2020-21, there was a notable increase in client cash holdings as investors liquidated positions and moved to safer, more liquid assets. This behavior was reflected in a peak in client cash holdings at \$104.5 billion in Q1 2022.

Following this peak, client cash holdings recorded a decline, decreasing 33.9% to \$69.1 billion by Q1 2024. This decline suggests a gradual return to typical risk tolerance levels as the immediate impacts of the COVID-19 crisis waned and economic conditions stabilized. However, the last two quarters saw a 7.6% increase in cash holdings, indicating a cautious approach by investors in response to emerging economic conditions and market volatility.

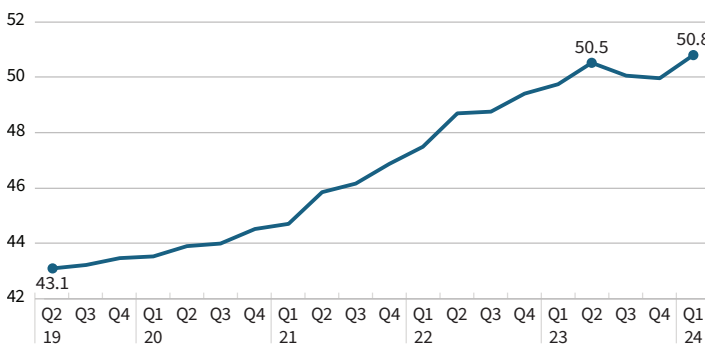
UPTURN IN OVERALL STAFFING

Industry Firm Count, Apr 2019 – Mar 2024 (individual firms)



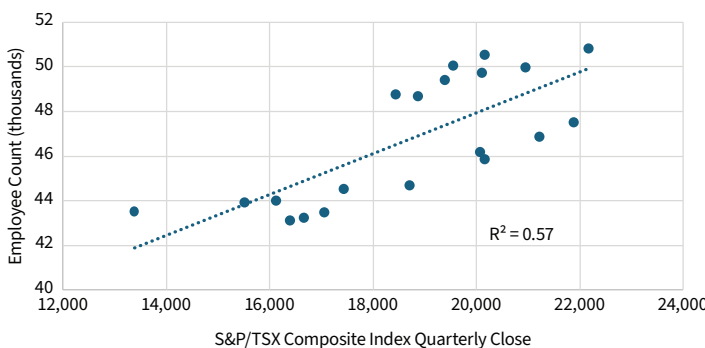
Produced by the IIAC with data derived from CIRO.

Industry Employee Count, Apr 2019 – Mar 2024 (employees in thousands)



Produced by the IIAC with data derived from CIRO.

Employee Count vs. Market Index, Apr 2019 – Mar 2024



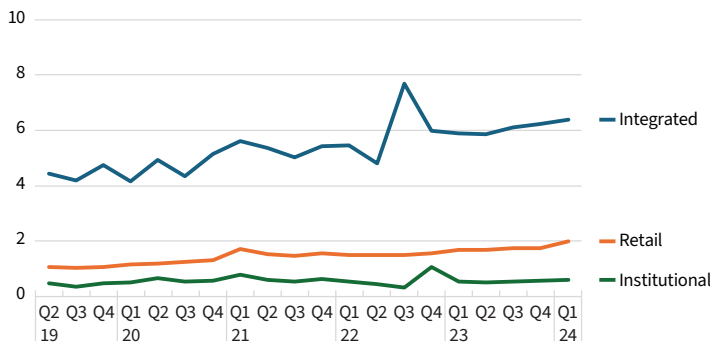
Produced by the IIAC with data derived from CIRO.

The number of employees in the industry increased by 17.9% from Q2 2019 to Q1 2024. This growth indicates a healthy expansion of the workforce in response to rising market activity and the increasing complexity of financial services. The positive correlation ($R^2 = 0.57$) between the S&P/TSX Composite Index and the number of employees in the industry further supports the notion that bullish market conditions create a conducive environment for employment growth.

In contrast, the number of firms in the industry saw only a nominal increase of 1.2% over the same period. This disparity suggests that while the industry is expanding, it is also consolidating, with existing firms growing larger and employing more staff. The increase in the average number of employees per firm reflects a trend towards greater operational scale and possibly the provision of more comprehensive services.

OPERATING REVENUES SEGMENTATION

Operating Revenue by Firm Type, Apr 2019 – Mar 2024 (\$ in billions)



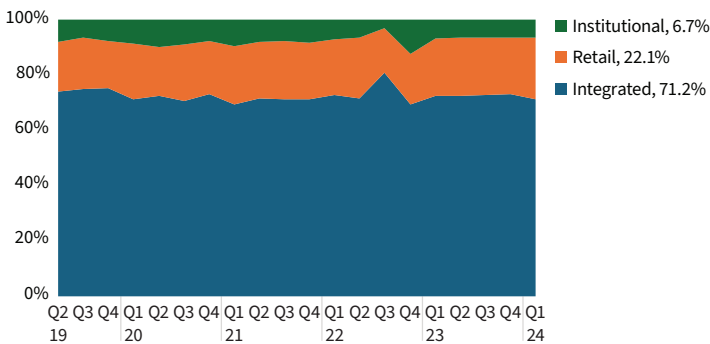
Produced by the IIAC with data derived from CIRO.

Retail firms experienced the most significant growth in operational revenue, increasing by 85.4% over the past five years. This growth is indicative of heightened participation by retail investors and the increasing popularity of direct investment platforms. Retail firms’ operating revenue continued to rise, reaching a maximum of \$1.98 billion in Q1 2024. In the last quarter, retail firms saw an impressive growth of 14.2%.

Integrated firms, which provide a combination of retail and institutional services, recorded a 43.7% increase in operational revenue over the same period. These firms benefit from diversified revenue streams and the ability to serve a broad client base. In Q1 2024, integrated firms saw a 2.7% quarterly growth, maintaining a steady upward trajectory.

Institutional firms, primarily serving large clients and institutional investors, experienced a 22.9% growth in operational revenue over the past five years. Although this growth rate is lower than that of retail and integrated firms, it still shows a positive trend. In the last quarter, institutional firms recorded a 4.3% increase in operational revenue.

Operating Revenue Share by Firm Type, Apr 2019 – Mar 2024 (percent)

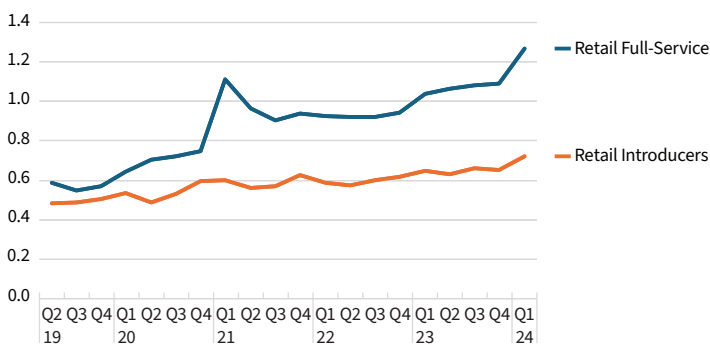


Produced by the IIAC with data derived from CIRO.

Since Q2 2019, integrated firms have accounted for a median of 72.5% of total operational revenue, highlighting their dominant position in the industry. Retail firms contributed 20.3%, while institutional firms accounted for 7.8%. Over the past five years, the revenue contribution from retail firms increased by 4.3%, pointing to a growing influence of retail investors. Conversely, contributions from integrated and institutional firms decreased by 2.9% and 1.4%, respectively.

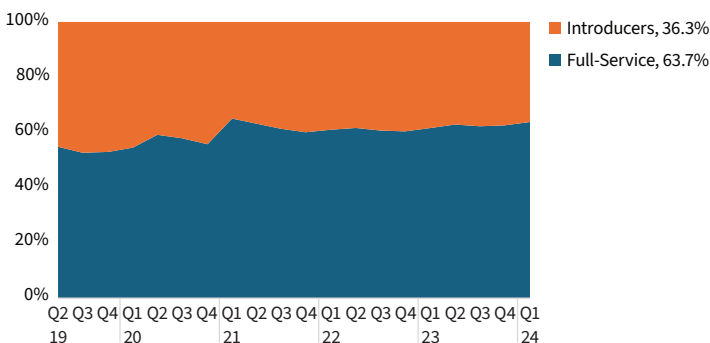
OPERATING REVENUES SEGMENTATION

Operating Revenue within Retail Firms, Apr 2019 – Mar 2024 (\$ in billions)



Produced by the IIAC with data derived from CIRO.

Operating Revenue Share within Retail, Apr 2019 – Mar 2024 (percent)



Produced by the IIAC with data derived from CIRO.

The operational revenue of retail firms has shown a significant increase over the past five years, driven by both retail full-service firms and retail introducer firms.

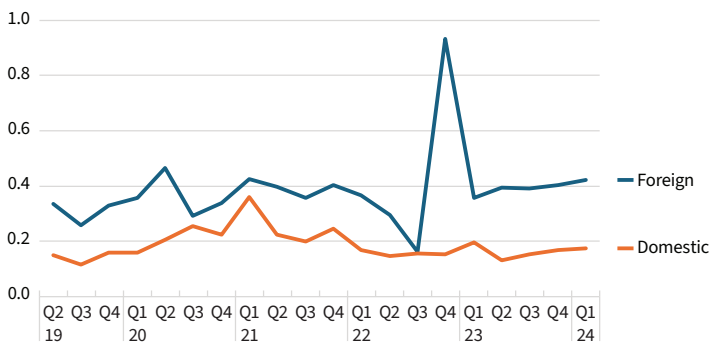
Retail full-service firms, which offer a comprehensive range of services, experienced a 115.7% increase in operational revenue, growing from \$0.59 billion in Q2 2019 to \$1.27 billion in Q1 2024. This substantial growth reflects a strong preference among retail clients for full-service offerings that provide personalized advice and a broad array of investment options. In the last quarter, these firms saw a significant growth of 16.4%, reinforcing their position as key players in the retail investment market.

Retail introducer firms, which typically provide limited services and refer clients to other institutions for execution, saw a 48.7% increase in operational revenue, rising from \$0.48 billion in Q2 2019 to \$0.72 billion in Q1 2024. Although their growth rate is lower than that of full-service firms, retail introducers still play an important role in the market by serving clients who may prefer a more basic service offering. These firms experienced a quarterly growth of 10.1% in Q1 2024.

The median revenue contribution from retail full-service firms stood at 60.8%, significantly higher than the 39.2% contribution from retail introducer firms. Over the past five years, the revenue contribution from full-service firms increased by 8.9%, while introducer firms experienced a decline in their percentage contribution.

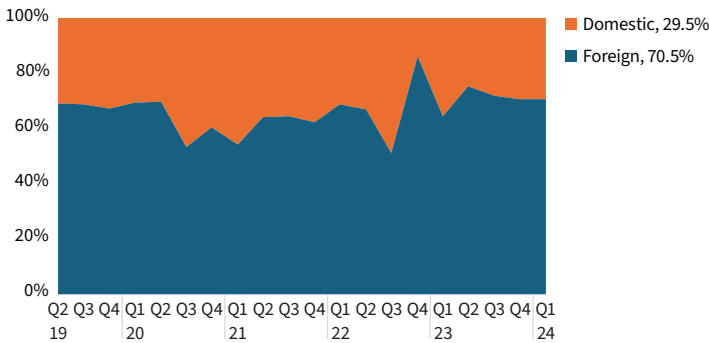
OPERATING REVENUES SEGMENTATION

Operating Revenue within Institutional Firms, Apr 2019 – Mar 2024 (\$ in billions)



Produced by the IIAC with data derived from CIRO.

Operating Revenue Share within Institutional Firms, Apr 2019 – Mar 2024 (percent)



Produced by the IIAC with data derived from CIRO.

Institutional firms, both domestic and foreign, have shown positive growth in operational revenue over the past five years.

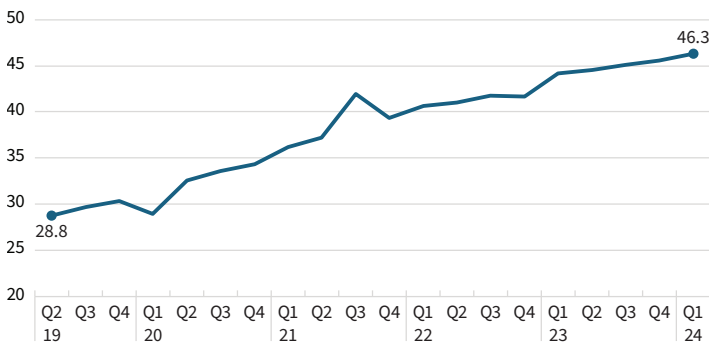
Foreign Institutional firms experienced a 25.9% increase in operational revenue, from \$0.34 billion in Q2 2019 to \$0.42 billion in Q1 2024. In the last quarter, foreign institutional firms saw a 4.5% increase in revenue, continuing their upward trend.

Domestic Institutional firms also registered growth, with operational revenue increasing by 16.3% from \$0.15 billion in Q2 2019 to \$0.18 billion in Q1 2024. While the growth rate is lower compared to their foreign counterparts, domestic firms have maintained a steady performance. They recorded a 3.9% increase in revenue in the last quarter.

The median revenue contribution from foreign institutional firms stood at 67.9%, significantly higher than the 32.1% contribution from domestic firms. This disparity underscores the prominent role of foreign institutional investors in the Canadian market and the competitive landscape faced by domestic firms.

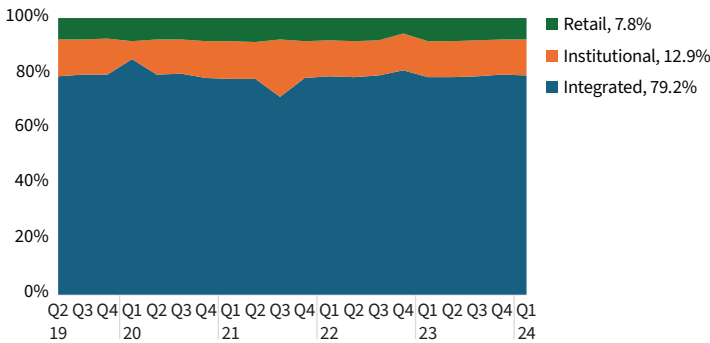
SHAREHOLDERS' EQUITY

Industry Shareholders' Equity, Apr 2019 – Mar 2024 (\$ in billions)



Produced by the IIAC with data derived from CIRO.

Shareholders' Equity within Firm Types, Apr 2019 – Mar 2024 (\$ in billions)



Produced by the IIAC with data derived from CIRO.

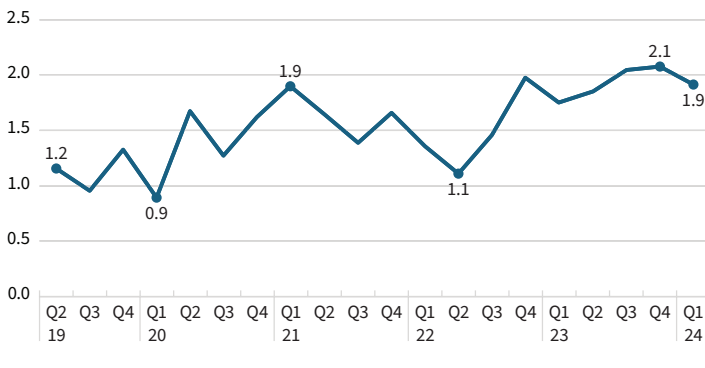
Shareholders' equity in the Canadian Investment Dealer Industry has shown a consistent upward trend over the past five years.

Shareholders' equity increased by 60.7%, from \$28.80 billion in Q2 2019 to \$46.30 billion in Q1 2024. This growth indicates strong retained earnings and capital inflows, contributing to the industry's stability and ability to invest in future growth opportunities. In the last quarter, shareholders' equity saw a 1.5% increase, continuing its positive trajectory.

All firm types exhibited growth in shareholders' equity, though at varied rates. Retail firms led the group with a 62.3% increase over the past five years, followed by integrated firms at 61.4% and institutional firms at 56.0%. Integrated firms have contributed a median of 78.9% to overall shareholders' equity, followed by institutional firms at 13.0% and retail firms at 8.2%.

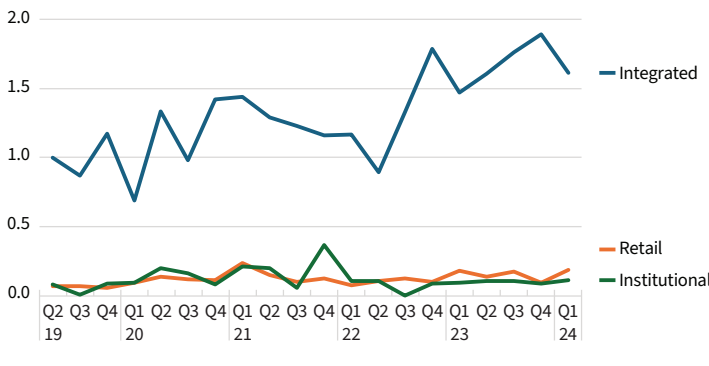
INDUSTRY NET PROFIT DROPS, DIVERGES IN 2024 Q1

Industry Net Profit, Apr 2019–Mar 2024
(\$ in billions)



Produced by the IIAC with data derived from CIRO.

Net Profit within Firm Types, Apr 2019–Mar 2024
(\$ in billions)



Produced by the IIAC with data derived from CIRO.

Despite facing significant challenges such as the COVID-19 pandemic, rising inflation, geopolitical tensions, and increasing interest rates, the Canadian Investment Dealer Industry has remained profitable over the past five years.

Net profits surged by 65.5% (CAGR of 10.6%) from \$1.16 billion in Q2 2019 to \$1.91 billion in Q1 2024. This impressive growth reflects the industry’s resilience and ability to adapt to changing market conditions. The lowest net profits were recorded in Q1 2020, at the height of the COVID-19 pandemic. However, since then, the industry has shown a significant recovery, with net profits increasing by 114.7%.

Net profits reached their peak in Q4 2023 but saw a decrease of 7.7% in Q1 2024. Despite this decline, the industry recorded a year-over-year growth of 9.4%, from \$1.75 billion in Q1 2023 to \$1.91 billion in Q1 2024. This performance underscores the industry’s ability to maintain profitability amid various economic challenges.

All firm types within the industry have remained profitable over the past five years, though their contributions and growth rates vary.

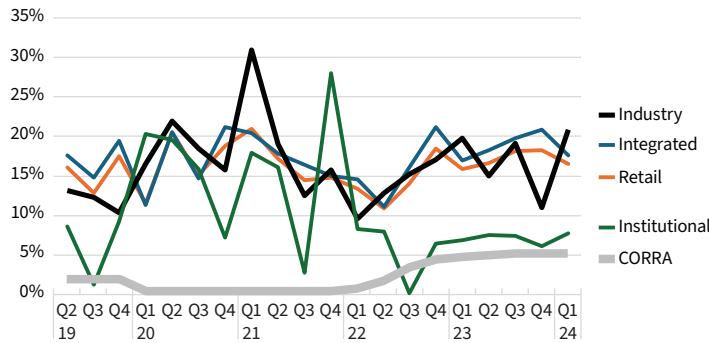
Integrated firms, which accounted for a median of 86.0% of total net profit, saw a 60.9% increase in net profits, from \$1.00 billion in Q2 2019 to \$1.61 billion in Q1 2024. Despite a significant downturn of 14.8% in the last quarter, these firms remain the primary drivers of industry profitability.

Retail firms recorded a substantial 156.5% increase in net profits over the past five years, reflecting strong growth and improved financial performance. In Q1 2024, retail firms registered a significant 93.6% increase in net profits. Institutional firms also saw a positive trend, with net profits increasing by 39.9% over the five-year period. These firms showed a 30.4% increase in net profits in the last quarter.

Institutional firms exhibited the highest variation in net profits, with lows and highs of \$2.0 million and \$365.8 million, respectively, and a coefficient of variation of 0.07. Retail and integrated firms showed less volatility, with coefficients of variation of 0.4 and 0.2, respectively.

ANNUAL RETURN ON EQUITY

Annualized Return on Equity, Apr 2019–Mar 2024 (percent)



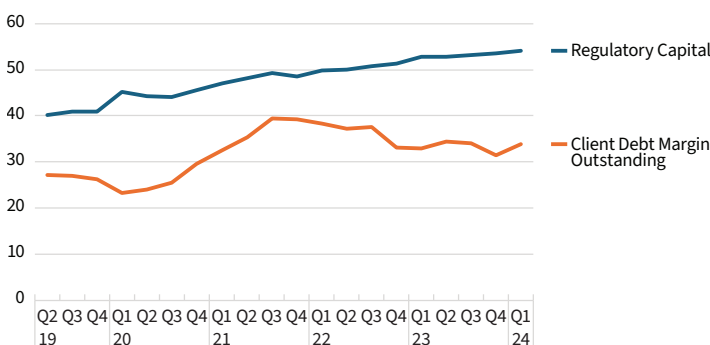
Produced by the IIAC with data derived from CIRO, Bank of Canada.

The industry has yielded a median annual return of 16.31% over the past five years, significantly higher than the CORRA median rate of 1.88%. This performance underscores the industry’s ability to generate superior returns compared to traditional interest-bearing investments.

Integrated firms, retail firms, and institutional firms have all outperformed CORRA rates, yielding median annual returns of 17.6%, 15.8%, and 7.9%, respectively. While the annual return rates for the industry and all segments have shown signs of normalization since Q4 2021, CORRA has risen from 0.50% in Q4 2021 to 5.25% in Q1 2024, reflecting increased inflation and quantitative tightening.

REGULATORY CAPITAL & CLIENT DEBT MARGIN OUTSTANDING

Regulatory Capital & Client Debt Margin Outstanding, Apr 2019–Mar 2024 (\$ in billions)



Produced by the IIAC with data derived from CIRO.

The industry has seen growth in both regulatory capital and client debt margin over the past five years, reflecting prudent financial management and growth in client activity.

Regulatory capital increased by 34.6%, from \$40.21 billion in Q2 2019 to \$54.13 billion in Q1 2024. This growth indicates that firms are maintaining robust capital buffers to meet regulatory requirements and support their operations. In the last quarter, regulatory capital grew by 1.2%, continuing its upward trend.

Client debt margin outstanding grew by 24.7%, from \$27.24 billion in Q2 2019 to \$33.96 billion in Q1 2024. This growth reflects increased borrowing by clients, likely driven by higher market activity and investment opportunities. The last quarter saw a 7.8% increase in client debt margin, indicating a resurgence in client borrowing and leverage.

DISCLAIMER

This material is not distributed or intended for investor use.

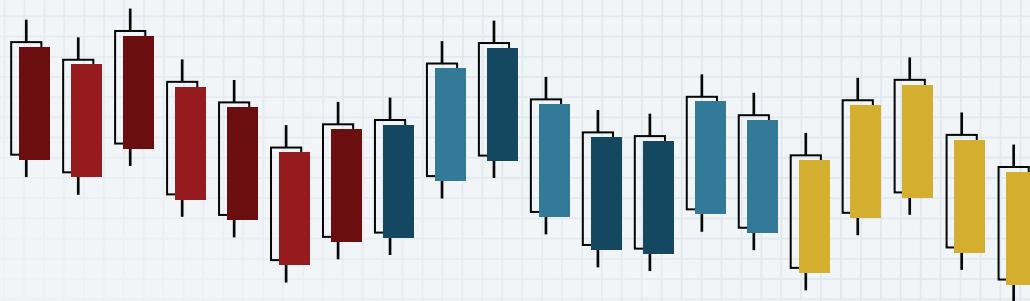
Any charts, graphs and tables included in this material are for illustrative purposes only. All data, overviews and commentaries are provided for informational purposes only and are not intended as and do not constitute financial, investment, tax, legal or other advice. Please seek professional advice for your particular situation. The Investment Industry Association of Canada (the “IIAC”) does not provide financial, investment, tax, legal or other advice.

This material is not intended to be and should not be considered an offer to sell, a solicitation of an offer to buy, or a recommendation to buy or sell.

Past performance is not a guarantee or reliable indicator of future results. Views expressed in this material are as of the quarter indicated, based on information available at that time, and may change based on economic, market or other conditions. Information contained in this material has been compiled from sources believed to be reliable, but not guaranteed, and no representation or warranty, express or implied, is made by the IIAC with respect to its timeliness or accuracy. The IIAC does not assume any duty to update any of the information in this material.

This material has not been reviewed by and is not registered with any securities or other regulatory authority.

No part of this material may be reproduced in any form, or referred to in any other publication, without the IIAC’s express written permission.



Investment Dealer Performance – Total

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Annual Year-over-Year						
	Quarters			% Change	Years				% Change		
	Q1 24	Q4 23	Q3 23	Q1/Q4	2023	2022	2021	2020	23/22	22/21	21/20
Number of Firms	167	167	168	0.0%	167	168	165	164	-0.6%	1.8%	0.6%
Number of Employees	50,810	49,958	50,065	1.7%	49,958	49,405	46,884	44,529	1.1%	5.4%	5.3%
Revenue:											
Commission	1,504	1,400	1,358	7.5%	5,588	5,888	6,981	6,240	-5.1%	-15.7%	11.9%
of which: Mutual Funds	570	521	524	9.5%	2,100	2,221	2,583	2,255	-5.4%	-14.0%	14.6%
Investment Banking	784	846	746	-7.3%	3,298	3,292	5,303	3,541	0.2%	-37.9%	49.8%
of which: New Issues Equity	181	181	242	0.0%	738	851	2,359	1,397	-13.3%	-63.9%	68.9%
New Issues Debt	325	241	227	34.9%	951	1,046	1,251	1,118	-9.0%	-16.4%	11.9%
Corporate Advisory Fees	278	424	277	-34.4%	1,608	1,395	1,693	1,026	15.3%	-17.6%	65.1%
Fixed Income Trading	663	2,035	386	-67.4%	3,829	967	882	2,120	296.0%	9.6%	-58.4%
Equity Trading	118	(1,041)	1,072	-111.3%	268	2,810	(4,189)	174	-90.5%	-167.1%	-2513.9%
Net Interest	1,266	1,234	1,488	2.6%	5,686	3,915	1,473	1,944	45.2%	165.8%	-24.2%
Fees	3,561	3,344	3,364	6.5%	12,983	12,464	11,856	9,882	4.2%	5.1%	20.0%
Other	560	451	388	24.3%	1,575	2,044	2,619	2,239	-22.9%	-22.0%	17.0%
Operating Revenue	8,969	8,534	8,394	5.1%	33,162	29,801	30,356	25,851	11.3%	-1.8%	17.4%
Operating Expenses¹	3,396	3,152	3,077	7.7%	12,401	11,867	10,973	9,946	4.5%	8.1%	10.3%
Operating Profit	3,193	3,141	3,227	1.7%	12,250	9,850	10,924	9,042	24.4%	-9.8%	20.8%
Net Profit (Loss)	1,915	2,075	2,043	-7.7%	7,720	5,902	6,343	5,451	30.8%	-7.0%	16.4%
Shareholders' Equity	46,299	45,609	45,072	1.5%	45,609	42,687	39,350	34,366	6.8%	8.5%	14.5%
Regulatory Capital	54,134	53,513	53,161	1.2%	53,513	51,270	48,488	45,552	4.4%	5.7%	6.4%
Client Cash Holdings	69,126	68,701	64,263	0.6%	68,701	80,833	102,064	85,120	-15.0%	-20.8%	19.9%
Client Debt Margin Outstanding	33,958	31,512	34,088	7.8%	31,512	33,076	39,229	29,589	-4.7%	-15.7%	32.6%
Productivity² (\$000's)	706	683	671	3.3%	662	613	661	588	8.0%	-7.2%	12.5%
Annual Return³ (%)	17	18	18	-9.1%	17	14	17	17	21.1%	-15.3%	1.2%

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholders' equity.

Integrated Firms



Firms that are national in scope and have extensive retail and institutional operations; includes dealers of the six major chartered banks.

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Annual Year-over-Year						
	Quarters			% Change	Years				% Change		
	Q1 24	Q4 23	Q3 23	Q1/Q4	2023	2022	2021	2020	23/22	22/21	21/20
Number of Firms	10	10	10	0.0%	10	10	10	10	0.0%	0.0%	0.0%
Number of Employees	30,618	30,452	30,586	0.5%	30,452	30,450	28,900	27,034	0.0%	5.4%	6.9%
Revenue:											
Commission	949	901	866	5.4%	3,584	3,771	4,452	4,081	-5.0%	-15.3%	9.1%
of which: Mutual Funds	366	340	342	7.4%	1,373	1,467	1,762	1,537	-6.4%	-16.7%	14.6%
Investment Banking	564	589	551	-4.2%	2,305	2,286	3,389	2,416	0.8%	-32.6%	40.3%
of which: New Issues Equity	103	116	176	-11.2%	472	581	1,539	899	-18.8%	-62.2%	71.3%
New Issues Debt	261	186	179	39.9%	750	833	958	879	-10.0%	-13.0%	8.9%
Corporate Advisory Fees	201	287	197	-30.1%	1,083	871	892	638	24.3%	-2.4%	39.8%
Fixed Income Trading	604	1,676	315	-64.0%	3,195	830	1,068	1,816	285.0%	-22.3%	-41.2%
Equity Trading	(326)	(1,016)	913	-67.9%	(266)	2,342	(5,936)	705	-111.4%	-139.5%	-942.5%
Net Interest	1,071	977	1,211	9.6%	4,601	3,210	1,235	1,748	43.4%	159.8%	-29.3%
Fees	2,688	2,517	2,559	6.8%	9,881	9,700	9,232	7,734	1.9%	5.1%	19.4%
Other		301	178		898	1,098	1,546	1,294	-18.2%	-29.0%	19.5%
Operating Revenue	6,386	6,220	6,103	2.7%	24,094	23,960	21,473	18,590	0.6%	11.6%	15.5%
Operating Expenses¹	2,177	2,023	2,019	7.6%	8,138	7,989	7,419	6,857	1.9%	7.7%	8.2%
Operating Profit	2,574	2,687	2,674	-4.2%	10,173	10,447	8,340	7,030	-2.6%	25.3%	18.6%
Net Profit (Loss)	1,610	1,888	1,758	-14.8%	6,720	5,176	5,119	4,428	29.8%	1.1%	15.6%
Shareholders Equity	36,684	36,223	35,547	1.3%	36,223	33,730	30,821	26,844	7.4%	9.4%	14.8%
Regulatory Capital	41,016	40,780	40,145	0.6%	40,780	38,767	35,981	33,561	5.2%	7.7%	7.2%
Client Cash Holdings	49,745	50,479	47,951	-1.5%	50,479	63,964	84,464	70,439	-21.1%	-24.3%	19.9%
Productivity² (\$000's)	834	817	798	2.1%	785	801	760	692	-2.0%	5.4%	9.8%
Annual Return³ (%)	18	21	20	-15.8%	19	16	17	17	20.1%	-8.8%	1.9%

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholders' equity.

Institutional Firms



Firms that generate most of their revenues from servicing institutional clients or through capital market operations.

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Annual Year-over-Year						
	Quarters			% Change	Years				% Change		
	Q1 24	Q4 23	Q3 23	Q1/Q4	2023	2022	2021	2020	23/22	22/21	21/20
Number of Firms	63	63	66	0.0%	63	63	63	62	0.0%	0.0%	1.6%
Number of Employees	2,127	2,154	2,210	-1.3%	2,154	2,212	2,172	2,128	-2.6%	1.8%	2.1%
Revenue:											
Commission	86	82	79	6.0%	333	386	450	471	-13.7%	-14.4%	-4.3%
Investment Banking	143	188	142	-23.9%	716	718	1,384	788	-0.3%	-48.1%	75.7%
of which: New Issues Equity	48	34	45	41.5%	147	122	474	292	20.2%	-74.2%	62.4%
New Issues Debt	31	29	29	7.8%	110	124	191	147	-11.8%	-34.9%	30.0%
Corporate Advisory Fees	63	125	68	-49.2%	459	471	718	349	-2.5%	-34.4%	106.1%
Fixed Income Trading	3	323	21	-99.1%	435	60	(285)	173	620.0%	-121.2%	-264.9%
Equity Trading	439	(11)	161	-4203.7%	540	472	1,694	(562)	14.6%	-72.2%	-401.7%
Net Interest	(153)	(75)	(58)	105.6%	(188)	(28)	(43)	17	579.5%	-36.0%	-349.3%
Fees	55	81	71	-31.9%	252	202	204	178	24.7%	-1.0%	15.0%
Other	74	(3)	48	-2872.3%	87	260	291	313	-66.5%	-10.7%	-6.9%
Operating Revenue	598	574	547	4.3%	2,198	2,379	2,613	2,301	-7.6%	-8.9%	13.5%
Operating Expenses¹	315	314	289	0.4%	1,156	1,133	1,091	1,074	2.0%	3.9%	1.5%
Operating Profit	246	212	230	16.4%	905	1,139	1,379	1,090	-20.6%	-17.4%	26.4%
Net Profit (Loss)	116	89	108	30.4%	405	308	841	547	31.4%	-63.4%	53.8%
Shareholders Equity	5,985	5,843	5,820	2.4%	5,843	5,537	5,229	4,622	5.5%	5.9%	13.1%
Regulatory Capital	8,329	8,278	8,230	0.6%	8,278	7,895	7,775	7,717	4.9%	1.5%	0.8%
Client Cash Holdings	1,367	1,357	1,369	0.7%	1,357	1,738	2,041	2,068	-21.9%	-14.9%	-1.3%
Productivity² (\$000's)	1,125	1,065	990	5.6%	1,001	1,072	1,212	1,062	-6.7%	-11.5%	14.2%
Annual Return³ (%)	8	6	7	27.3%	7	6	14	15	21.8%	-59.6%	-3.9%

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholders' equity.

Retail Firms



Firms that generate most of their revenues from servicing retail clients.

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Annual Year-over-Year						
	Quarters			% Change	Years				% Change		
	Q1 24	Q4 23	Q3 23	Q1/Q4	2023	2022	2021	2020	23/22	22/21	21/20
Number of Firms	94	94	92	0.0%	94	95	92	92	-1.1%	3.3%	0.0%
Number of Employees	18,065	17,352	17,269	4.1%	17,352	16,743	15,812	15,367	3.6%	5.9%	2.9%
Revenue:											
Commission	469	417	414	12.4%	1,671	1,731	2,079	1,689	-3.5%	-16.7%	23.1%
of which: Mutual Funds	204	180	182	13.4%	725	751	817	713	-3.5%	-8.1%	14.5%
Investment Banking	77	68	53	12.4%	277	289	530	336	-4.1%	-45.5%	57.4%
of which: New Issues Equity	30	31	22	-4.0%	119	147	345	206	-19.1%	-57.3%	67.4%
New Issues Debt	33	26	19	28.7%	91	88	102	92	3.6%	-13.5%	11.1%
Corporate Advisory Fees	14	11	12	20.8%	66	53	83	39	24.7%	-35.5%	113.9%
Fixed Income Trading	56	37	49	53.2%	199	77	99	131	159.9%	-22.7%	-24.3%
Equity Trading	5	(14)	(3)	-134.8%	(6)	(4)	52	31	53.7%	-107.2%	70.9%
Net Interest	348	332	335	4.8%	1,272	733	281	178	73.5%	161.2%	57.4%
Fees	818	746	734	9.6%	2,850	2,562	2,419	1,970	11.3%	5.9%	22.8%
Other	208	152	162	36.9%	590	686	782	632	-13.9%	-12.4%	23.7%
Operating Revenue	1,985	1,738	1,744	14.2%	6,864	6,076	6,265	4,955	13.0%	-3.0%	26.5%
Operating Expenses¹	904	816	769	10.8%	3,107	2,745	2,463	2,014	13.2%	11.5%	22.3%
Operating Profit	373	242	323	54.0%	1,170	884	1,206	922	32.3%	-26.7%	30.8%
Net Profit (Loss)	189	98	177	93.6%	596	421	626	477	41.5%	-32.7%	31.3%
Shareholders Equity	3,630	3,543	3,705	2.5%	3,543	2,396	3,300	2,900	47.9%	-27.4%	13.8%
Regulatory Capital	4,789	4,455	4,786	7.5%	4,455	4,609	4,731	4,273	-3.3%	-2.6%	10.7%
Client Cash Holdings	18,013	16,865	14,943	6.8%	16,865	15,131	15,375	12,613	11.5%	-1.6%	21.9%
Productivity² (\$000's)	440	401	404	9.7%	400	369	404	331	8.2%	-8.6%	22.1%
Annual Return³ (%)	21	11	19	88.9%	16	13	19	18	21.2%	-30.9%	7.3%

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholders' equity.

Domestic Institutional Firms



Firms that generate most of their revenues from servicing institutional clients and have their head office located in Canada.

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Annual Year-over-Year						
	Quarters			% Change	Years				% Change		
	Q1 24	Q4 23	Q3 23	Q1/Q4	2023	2022	2021	2020	23/22	22/21	21/20
Number of Firms	39	39	40	0.0%	39	37	38	37	5.4%	-2.6%	2.7%
Number of Employees	1,212	1,244	1,236	-2.6%	1,244	1,185	1,158	1,145	5.0%	2.3%	1.1%
Revenue:											
Commission	49	46	46	5.5%	187	222	284	281	-15.7%	-21.8%	1.2%
Investment Banking	55	85	54	-35.1%	303	263	614	319	15.2%	-57.1%	92.8%
of which: New Issues Equity	29	28	25	1.2%	112	102	348	181	9.6%	-70.6%	91.9%
New Issues Debt	8	11	11	-21.8%	39	35	55	42	10.0%	-35.8%	28.8%
Corporate Advisory Fees	18	46	19	-60.4%	153	126	211	95	21.1%	-40.4%	123.2%
Fixed Income Trading	8	7	3	18.9%	17	10	7	24	71.0%	42.2%	-70.4%
Equity Trading	6	4	6	55.0%	24	(8)	46	47	-385.6%	-118.1%	-1.7%
Net Interest	20	19	19	4.0%	68	23	3	(2)	197.6%	650.9%	-236.4%
Fees	18	15	15	17.3%	57	52	50	44	10.5%	4.5%	13.4%
Other	19	(8)	9	-346.4%	(8)	54	19	128	-114.2%	176.0%	-84.8%
Operating Revenue	176	170	155	3.9%	651	623	1,028	844	4.6%	-39.4%	21.7%
Operating Expenses¹	107	103	94	3.4%	396	378	373	387	4.8%	1.4%	-3.5%
Operating Profit	49	36	53	33.9%	193	192	557	372	0.6%	-65.5%	49.5%
Net Profit (Loss)	17	14	7	25.3%	24	13	402	157	87.7%	-96.8%	155.5%
Shareholders Equity	832	787	822	5.7%	787	872	884	636	-9.7%	-1.3%	38.9%
Regulatory Capital	1,152	1,143	1,117	0.8%	1,143	1,108	1,191	971	3.1%	-6.9%	22.7%
Client Cash Holdings	511	427	420	19.8%	427	449	358	336	-5.0%	25.4%	6.5%
Productivity² (\$000's)	582	546	501	6.7%	530	522	898	720	1.6%	-41.9%	24.7%
Annual Return³ (%)	8	7	3	18.5%	3	1	24	23	96.4%	-93.7%	3.9%

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholders' equity.

Foreign Institutional Firms



Firms that generate most of their revenues from servicing institutional clients and have their head office located offshore.

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Annual Year-over-Year						
	Quarters			% Change	Years				% Change		
	Q1 24	Q4 23	Q3 23	Q1/Q4	2023	2022	2021	2020	23/22	22/21	21/20
Number of Firms	24	24	26	0.0%	24	26	25	25	-7.7%	4.0%	0.0%
Number of Employees	915	910	974	0.5%	910	1,027	1,014	983	-11.4%	1.3%	3.2%
Revenue:											
Commission	38	35	33	6.7%	145	163	166	190	-11.0%	-1.7%	-12.4%
Investment Banking	88	103	87	-14.6%	413	455	770	469	-9.2%	-40.9%	64.1%
of which: New Issues Equity	20	6	20	234.5%	35	20	126	111	73.6%	-84.0%	14.1%
New Issues Debt	23	18	18	25.1%	71	89	136	105	-20.4%	-34.5%	30.4%
Corporate Advisory Fees	45	78	49	-42.6%	307	345	507	254	-11.2%	-31.9%	99.7%
Fixed Income Trading	(5)	316	18	-101.7%	418	50	(292)	149	729.6%	-117.3%	-296.2%
Equity Trading	433	(15)	155	-3005.4%	516	480	1,648	(609)	7.6%	-70.9%	-370.8%
Net Interest	(173)	(94)	(77)	84.9%	(257)	(51)	(46)	20	406.1%	9.4%	-336.4%
Fees	37	66	56	-43.1%	195	150	155	134	29.6%	-2.8%	15.5%
Other	54	5	38	953.5%	95	206	272	185	-54.0%	-24.1%	46.8%
Operating Revenue	422	404	392	4.5%	1,547	1,756	1,585	1,457	-11.9%	10.8%	8.8%
Operating Expenses¹	208	210	195	-1.0%	760	755	718	688	0.6%	5.2%	4.4%
Operating Profit	198	175	177	12.7%	711	947	822	718	-24.9%	15.2%	14.5%
Net Profit (Loss)	99	75	101	31.3%	380	295	439	389	28.9%	-32.8%	12.7%
Shareholders Equity	5,153	5,056	4,998	1.9%	5,056	4,666	4,346	3,986	8.4%	7.4%	9.0%
Regulatory Capital	7,177	7,135	7,113	0.6%	7,135	6,786	6,584	6,746	5.1%	3.1%	-2.4%
Client Cash Holdings	856	930	949	-8.0%	930	1,288	1,683	1,732	-27.8%	-23.4%	-2.8%
Productivity² (\$000's)	1,845	1,776	1,610	3.9%	1,598	1,713	1,567	1,464	-6.7%	9.4%	7.0%
Annual Return³ (%)	8	6	8	28.9%	8	7	10	11	17.0%	-37.0%	-6.9%

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholders' equity.

Retail Full-Service Firms



Firms that generate most of their revenues from servicing retail clients and have their own front and back offices.

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Annual Year-over-Year						
	Quarters			% Change	Years				% Change		
	Q1 24	Q4 23	Q3 23	Q1/Q4	2023	2022	2021	2020	23/22	22/21	21/20
Number of Firms	33	33	33	0.0%	33	34	31	30	-2.9%	9.7%	3.3%
Number of Employees	9,089	8,531	8,547	6.5%	8,531	8,344	7,852	7,091	2.2%	6.3%	10.7%
Revenue:											
Commission	286	248	247	15.2%	999	1,047	1,310	1,007	-4.5%	-20.1%	30.1%
of which: Mutual Funds	131	111	113	17.5%	447	466	514	424	-4.0%	-9.3%	21.2%
Investment Banking	56	53	35	5.9%	198	198	366	243	0.0%	-46.0%	50.9%
of which: New Issues Equity	18	20	14	-12.3%	72	83	226	128	-13.3%	-63.2%	75.9%
New Issues Debt	31	24	17	28.2%	84	82	92	86	2.8%	-10.8%	6.8%
Corporate Advisory Fees	7	9	3	-14.1%	41	32	48	28	27.5%	-32.8%	71.6%
Fixed Income Trading	43	21	39	108.0%	150	52	76	97	188.0%	-31.9%	-21.6%
Equity Trading	3	2	(4)	13.2%	6	(6)	23	10	-205.7%	-126.7%	133.9%
Net Interest	263	248	251	6.0%	943	544	220	93	73.2%	147.0%	137.1%
Fees	496	440	438	12.8%	1,685	1,490	1,403	987	13.1%	6.2%	42.2%
Other	114	73	77	55.5%	283	380	496	392	-25.6%	-23.4%	26.6%
Operating Revenue	1,265	1,087	1,082	16.4%	4,271	3,706	3,916	2,815	15.2%	-5.4%	39.1%
Operating Expenses¹	647	554	546	16.9%	2,118	1,871	1,687	1,188	13.3%	10.9%	42.1%
Operating Profit	261	173	218	50.9%	825	567	858	651	45.4%	-33.9%	31.9%
Net Profit (Loss)	132	81	123	63.6%	443	289	487	387	53.6%	-40.8%	25.9%
Shareholders Equity	2,807	2,570	2,666	9.2%	2,570	2,540	2,449	1,948	1.2%	3.7%	25.7%
Regulatory Capital	3,594	3,315	3,566	8.4%	3,315	3,500	3,732	3,082	-5.3%	-6.2%	21.1%
Client Cash Holdings	15,846	14,639	12,748	8.2%	14,639	12,489	12,585	9,290	17.2%	-0.8%	35.5%
Productivity² (\$000's)	557	510	506	9.2%	503	452	507	415	11.2%	-10.8%	22.0%
Annual Return³ (%)	19	13	18	49.7%	17	11	20	22	44.6%	-43.3%	-8.7%

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholders' equity.

Retail Introducer Firms



Firms that generate most of their revenues from servicing retail clients and typically do not have back offices (use a “carrier” firm to manage their back office).

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Annual Year-over-Year						
	Quarters			% Change	Years				% Change		
	Q1 24	Q4 23	Q3 23	Q1/Q4	2023	2022	2021	2020	23/22	22/21	21/20
Number of Firms	61	61	59	0.0%	61	61	61	62	0.0%	0.0%	-1.6%
Number of Employees	8,976	8,821	8,722	1.8%	8,821	8,399	7,960	8,276	5.0%	5.5%	-3.8%
Revenue:											
Commission	183	169	167	8.2%	671	685	769	682	-1.9%	-10.9%	12.7%
of which: Mutual Funds	73	69	69	6.6%	278	285	303	289	-2.6%	-5.9%	4.8%
Investment Banking	21	15	19	34.9%	80	91	164	94	-13.0%	-44.2%	74.2%
of which: New Issues Equity	12	11	8	11.1%	47	64	119	78	-26.6%	-46.1%	53.4%
New Issues Debt	2	1	2	37.5%	7	6	10	6	15.0%	-38.3%	75.4%
Corporate Advisory Fees	6	3	9	128.4%	25	21	35	11	20.3%	-39.1%	225.3%
Fixed Income Trading	13	16	10	-17.4%	49	25	23	34	100.6%	7.9%	-31.9%
Equity Trading	2	(17)	2	-113.0%	(12)	2	30	21	-624.3%	-92.2%	41.7%
Net Interest	85	84	83	1.3%	330	189	60	85	74.2%	213.0%	-29.3%
Fees	321	306	296	5.0%	1,165	1,072	1,017	984	8.7%	5.5%	3.3%
Other	94	79	85	19.5%	308	306	286	241	0.5%	6.8%	19.0%
Operating Revenue	720	654	662	10.1%	2,597	2,376	2,354	2,146	9.3%	0.9%	9.7%
Operating Expenses¹	257	262	224	-1.9%	988	875	776	826	13.0%	12.7%	-6.1%
Operating Profit	112	69	105	61.7%	345	317	347	271	8.9%	-8.7%	28.1%
Net Profit (Loss)	57	17	55	234.8%	153	133	139	90	15.1%	-4.2%	54.3%
Shareholders Equity	823	973	1,039	-15.5%	973	924	851	952	5.3%	8.6%	-10.6%
Regulatory Capital	1,195	1,139	1,220	4.8%	1,139	1,108	999	1,192	2.8%	10.9%	-16.1%
Client Cash Holdings	2,168	2,226	2,195	-2.6%	2,226	2,642	2,790	3,322	-15.7%	-5.3%	-16.0%
Productivity² (\$000's)	321	296	304	8.2%	299	288	303	262	3.9%	-4.9%	15.6%
Annual Return³ (%)	28	7	21	296.0%	15	15	17	10	3.3%	-12.6%	69.0%

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholders' equity.

Comment Please!



The “Investment Dealer Performance Report” is produced quarterly by the Investment Industry Association of Canada (IIAC).

We want to hear from you. Send suggestions for future editions and feedback to publicaffairs_affairespublique@iiac.ca.

