

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): April 18, 2023

Interactive Brokers Group, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-33440
(Commission File Number)

30-0390693
(I.R.S. Employer Identification Number)

One Pickwick Plaza, Greenwich, Connecticut 06830
(Address of Principal Executive Offices) (Zip Code)

(203) 618-5800
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class

Trading Symbol

Name of the exchange on which registered

Class A common stock, par value \$.01 per share

IBKR

The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On April 18, 2023, Interactive Brokers Group, Inc. (the “Company”) issued a press release reporting its financial results for the first quarter ended March 31, 2023. A copy of the press release is furnished as Exhibit 99.1 to this report and incorporated herein by reference. All of the information furnished in this report (including Exhibit 99.1 hereto) shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and unless expressly set forth by specific reference in such filings, shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filings.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 [Press Release dated April 18, 2023.](#)

104 Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL Document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 18, 2023

INTERACTIVE BROKERS GROUP, INC.

By: /s/ Paul J. Brody
Name: Paul J. Brody
Title: Chief Financial Officer, Treasurer
and Secretary

INTERACTIVE BROKERS GROUP ANNOUNCES 1Q2023 RESULTS

— — —

GAAP DILUTED EPS OF \$1.42, ADJUSTED¹ EPS OF \$1.35 GAAP NET REVENUES OF \$1,056 MILLION, ADJUSTED NET REVENUES OF \$1,015 MILLION

GREENWICH, CONN, April 18, 2023 — Interactive Brokers Group, Inc. (Nasdaq: IBKR), an automated global electronic broker, announced results for the quarter ended March 31, 2023.

Reported diluted earnings per share were \$1.42 for the current quarter and \$1.35 as adjusted. For the year-ago quarter, reported diluted earnings per share were \$0.74 and \$0.82 as adjusted.

Reported net revenues were \$1,056 million for the current quarter and \$1,015 million as adjusted. For the year-ago quarter, reported net revenues were \$645 million and \$692 million as adjusted.

Reported income before income taxes was \$761 million for the current quarter and \$720 million as adjusted. For the year-ago quarter, reported income before income taxes was \$394 million and \$441 million as adjusted.

Financial Highlights

(All comparisons are to the year-ago quarter.)

- Commission revenue increased 2% to \$357 million on record contract volumes in futures and larger average trade sizes in options and futures, tempered by lower customer stock trading volume.
- Net interest income increased 126% to \$637 million on higher benchmark interest rates and customer credit balances.
- Other income increased \$58 million to a gain of \$19 million. This increase was mainly comprised of \$39 million related to our U.S. government securities portfolio, all of which matures within three months, and \$19 million related to our currency diversification strategy.
- Reported pretax profit margin was 72% for the current quarter and 71% as adjusted. For the year-ago quarter, reported pretax margin was 61% and 64% as adjusted.
- Total equity of \$12.2 billion.

The Interactive Brokers Group, Inc. Board of Directors declared a quarterly cash dividend of \$0.10 per share. This dividend is payable on June 14, 2023, to shareholders of record as of June 1, 2023.

¹ See the reconciliation of non-GAAP financial measures starting on page 9.

Business Highlights

(All comparisons are to the year-ago quarter.)

- Customer accounts increased 21% to 2.20 million.
- Customer equity decreased 4% to \$343.1 billion.
- Total DARTs² decreased 19% to 2.05 million.
- Cleared DARTs decreased 17% to 1.85 million.
- Customer credits increased 4% to \$96.6 billion.
- Customer margin loans decreased 18% to \$39.4 billion.

Effects of Foreign Currency Diversification

In connection with our currency diversification strategy, we base our net worth in GLOBALs, a basket of 10 major currencies in which we hold our equity. In this quarter, our currency diversification strategy increased our comprehensive earnings by \$20 million, as the U.S. dollar value of the GLOBAL increased by approximately 0.17%. The effects of the currency diversification strategy are reported as components of (1) Other Income (gain of \$1 million) and (2) Other Comprehensive Income (gain of \$19 million).

Conference Call Information:

Interactive Brokers Group, Inc. will hold a conference call with investors today, April 18, 2023, at 4:30 p.m. ET to discuss its quarterly results. Members of the public who would like to listen to the conference call should register at <https://register.vevent.com/register/B1c01d49ab32cf4e9899e9034f6068f3f2> to obtain the dial-in details. The number should be dialed approximately ten minutes prior to the start of the conference call. The conference call will also be accessible simultaneously, and through replays, as an audio webcast through the Investor Relations section of the Interactive Brokers web site, www.interactivebrokers.com/ir.

About Interactive Brokers Group, Inc.:

Interactive Brokers Group affiliates provide automated trade execution and custody of securities, commodities and foreign exchange around the clock on over 150 markets in numerous countries and currencies, from a single unified platform to clients worldwide. We service individual investors, hedge funds, proprietary trading groups, financial advisors and introducing brokers. Our four decades of focus on technology and automation has enabled us to equip our clients with a uniquely sophisticated platform to manage their investment portfolios. We strive to provide our clients with advantageous execution prices and trading, risk and portfolio management tools, research facilities and investment products, all at low or no cost, positioning them to achieve superior returns on investments. For the fifth consecutive year, Barron's ranked Interactive Brokers #1 with 5 out of 5 stars in its March 25, 2022, Best Online Brokers Review.

Cautionary Note Regarding Forward-Looking Statements:

The foregoing 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 in this release are based upon information available to the Company on the date of this release. 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.

For Interactive Brokers Group, Inc. Investors: Nancy Stuebe, investor-relations@ibkr.com or Media: Rob Garfield, media@ibkr.com.

² Daily average revenue trades (DARTs) are based on customer orders.

INTERACTIVE BROKERS GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended March 31,	
	2023	2022
	(in millions, except share and per share data)	
Revenues:		
Commissions	\$ 357	\$ 349
Other fees and services	43	53
Other income (loss)	19	(39)
Total non-interest income	419	363
Interest income	1,347	332
Interest expense	(710)	(50)
Total net interest income	637	282
Total net revenues	1,056	645
Non-interest expenses:		
Execution, clearing and distribution fees	95	71
Employee compensation and benefits	128	111
Occupancy, depreciation and amortization	24	22
Communications	9	8
General and administrative	36	38
Customer bad debt	3	1
Total non-interest expenses	295	251
Income before income taxes	761	394
Income tax expense	61	28
Net income	700	366
Net income attributable to noncontrolling interests	552	293
Net income available for common stockholders	\$ 148	\$ 73
Earnings per share:		
Basic	\$ 1.44	\$ 0.74
Diluted	\$ 1.42	\$ 0.74
Weighted average common shares outstanding:		
Basic	102,958,660	98,226,147
Diluted	104,042,571	99,224,776

INTERACTIVE BROKERS GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended March 31,	
	2023	2022
	(in millions, except share and per share data)	
Comprehensive income:		
Net income available for common stockholders	\$ 148	\$ 73
Other comprehensive income:		
Cumulative translation adjustment, before income taxes	5	(10)
Income taxes related to items of other comprehensive income	-	-
Other comprehensive income (loss), net of tax	5	(10)
Comprehensive income available for common stockholders	<u>\$ 153</u>	<u>\$ 63</u>
Comprehensive earnings per share:		
Basic	<u>\$ 1.48</u>	<u>\$ 0.65</u>
Diluted	<u>\$ 1.47</u>	<u>\$ 0.64</u>
Weighted average common shares outstanding:		
Basic	102,958,660	98,226,147
Diluted	104,042,571	99,224,776
Comprehensive income attributable to noncontrolling interests:		
Net income attributable to noncontrolling interests	\$ 552	\$ 293
Other comprehensive income - cumulative translation adjustment	14	(31)
Comprehensive income attributable to noncontrolling interests	<u>\$ 566</u>	<u>\$ 262</u>

INTERACTIVE BROKERS GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)

	March 31, 2023	December 31, 2022
	(in millions)	
Assets		
Cash and cash equivalents	\$ 3,214	\$ 3,436
Cash - segregated for regulatory purposes	24,354	25,167
Securities - segregated for regulatory purposes	36,987	31,781
Securities borrowed	5,306	4,749
Securities purchased under agreements to resell	6,699	6,029
Financial instruments owned, at fair value	383	485
Receivables from customers, net of allowance for credit losses	39,491	38,760
Receivables from brokers, dealers and clearing organizations	1,666	3,469
Other assets	1,369	1,267
Total assets	\$ 119,469	\$ 115,143
Liabilities and equity		
Liabilities		
Short-term borrowings	\$ 10	\$ 18
Securities loaned	10,719	8,940
Financial instruments sold but not yet purchased, at fair value	190	146
Other payables:		
Customers	94,897	93,195
Brokers, dealers and clearing organizations	369	291
Other payables	1,051	938
	96,317	94,424
Total liabilities	107,236	103,528
Equity		
Stockholders' equity	3,001	2,848
Noncontrolling interests	9,232	8,767
Total equity	12,233	11,615
Total liabilities and equity	\$ 119,469	\$ 115,143

Ownership of IBG LLC Membership Interests	March 31, 2023		December 31, 2022	
	Interests	%	Interests	%
IBG, Inc.	102,999,265	24.5%	102,927,703	24.5%
Noncontrolling interests (IBG Holdings LLC)	316,609,102	75.5%	316,609,102	75.5%
Total IBG LLC membership interests	419,608,367	100.0%	419,536,805	100.0%

INTERACTIVE BROKERS GROUP, INC. AND SUBSIDIARIES
OPERATING DATA

TRADE VOLUMES:
(in 000's, except %)

Period	Cleared Customer Trades	% Change	Non-Cleared Customer Trades	% Change	Principal Trades	% Change	Total Trades	% Change	Avg. Trades per U.S. Trading Day
2020	620,405		56,834		27,039		704,278		2,795
2021	871,319	40%	78,276	38%	32,621	21%	982,216	39%	3,905
2022	735,619	(16%)	70,049	(11%)	32,863	1%	838,531	(15%)	3,347
1Q2022	212,818		20,671		9,225		242,714		3,915
1Q2023	180,261	(15%)	15,369	(26%)	8,187	(11%)	203,817	(16%)	3,287
4Q2022	165,769		14,923		7,358		188,050		3,009
1Q2023	180,261	9%	15,369	3%	8,187	11%	203,817	8%	3,287

CONTRACT AND SHARE VOLUMES:
(in 000's, except %)

TOTAL

Period	Options (contracts)	% Change	Futures ¹ (contracts)	% Change	Stocks (shares)	% Change
2020	624,035		167,078		338,513,068	
2021	887,849	42%	154,866	(7%)	771,273,709	128%
2022	908,415	2%	207,138	34%	330,035,586	(57%)
1Q2022	245,343		53,570		97,406,991	
1Q2023	247,508	1%	55,197	3%	75,522,066	(22%)
4Q2022	229,441		51,519		75,713,964	
1Q2023	247,508	8%	55,197	7%	75,522,066	(0%)

ALL CUSTOMERS

Period	Options (contracts)	% Change	Futures ¹ (contracts)	% Change	Stocks (shares)	% Change
2020	584,195		164,555		331,263,604	
2021	852,169	46%	152,787	(7%)	766,211,726	131%
2022	873,914	3%	203,933	33%	325,368,714	(58%)
1Q2022	234,790		52,728		95,990,985	
1Q2023	239,038	2%	54,577	4%	74,562,384	(22%)
4Q2022	221,855		50,773		74,353,901	
1Q2023	239,038	8%	54,577	7%	74,562,384	0%

CLEARED CUSTOMERS

Period	Options (contracts)	% Change	Futures ¹ (contracts)	% Change	Stocks (shares)	% Change
2020	518,965		163,101		320,376,365	
2021	773,284	49%	151,715	(7%)	752,720,070	135%
2022	781,373	1%	202,145	33%	314,462,672	(58%)
1Q2022	212,628		52,264		92,860,481	
1Q2023	209,605	(1%)	53,957	3%	72,041,499	(22%)
4Q2022	194,962		50,326		71,924,864	
1Q2023	209,605	8%	53,957	7%	72,041,499	0%

¹ Includes options on futures.

PRINCIPAL TRANSACTIONS

Period	Options (contracts)	% Change	Futures ¹ (contracts)	% Change	Stocks (shares)	% Change
2020	39,840		2,523		7,249,464	
2021	35,680	(10%)	2,079	(18%)	5,061,983	(30%)
2022	34,501	(3%)	3,205	54%	4,666,872	(8%)
1Q2022	10,553		842		1,416,006	
1Q2023	8,470	(20%)	620	(26%)	959,682	(32%)
4Q2022	7,586		746		1,360,063	
1Q2023	8,470	12%	620	(17%)	959,682	(29%)

¹ Includes options on futures.

CUSTOMER STATISTICS

Year over Year	1Q2023	1Q2022	% Change
Total Accounts (in thousands)	2,195	1,809	21%
Customer Equity (in billions) ¹	\$ 343.1	\$ 355.9	(4%)
Cleared DARTs (in thousands)	1,845	2,234	(17%)
Total Customer DARTs (in thousands)	2,054	2,522	(19%)
Cleared Customers			
Commission per Cleared Commissionable Order ²	\$ 3.16	\$ 2.57	23%
Cleared Avg. DARTs per Account (Annualized)	214	321	(33%)
Consecutive Quarters	1Q2023	4Q2022	% Change
Total Accounts (in thousands)	2,195	2,091	5%
Customer Equity (in billions) ¹	\$ 343.1	\$ 306.7	12%
Cleared DARTs (in thousands)	1,845	1,689	9%
Total Customer DARTs (in thousands)	2,054	1,889	9%
Cleared Customers			
Commission per Cleared Commissionable Order ²	\$ 3.16	\$ 3.15	0%
Cleared Avg. DARTs per Account (Annualized)	214	206	4%

¹ Excludes non-customers.

² Commissionable Order - a customer order that generates commissions.

INTERACTIVE BROKERS GROUP, INC. AND SUBSIDIARIES
NET INTEREST MARGIN
(UNAUDITED)

	Three Months Ended March 31,	
	2023	2022
	(in millions)	
Average interest-earning assets		
Segregated cash and securities	\$ 59,679	\$ 43,287
Customer margin loans	39,303	47,141
Securities borrowed	4,868	3,467
Other interest-earning assets	9,777	8,211
FDIC sweeps ¹	2,428	2,219
	<u>\$ 116,055</u>	<u>\$ 104,325</u>
Average interest-bearing liabilities		
Customer credit balances	\$ 95,802	\$ 84,394
Securities loaned	8,571	11,089
Other interest-bearing liabilities	1	12
	<u>\$ 104,374</u>	<u>\$ 95,495</u>
Net interest income		
Segregated cash and securities, net	\$ 603	\$ 7
Customer margin loans ²	477	149
Securities borrowed and loaned, net	88	110
Customer credit balances, net ²	(653)	9
Other net interest income ^{1/3}	125	8
Net interest income ³	<u>\$ 640</u>	<u>\$ 283</u>
Net interest margin ("NIM")	<u>2.24%</u>	<u>1.10%</u>
Annualized yields		
Segregated cash and securities	4.10%	0.07%
Customer margin loans	4.92%	1.28%
Customer credit balances	2.76%	-0.04%

¹ Represents the average amount of customer cash swept into FDIC-insured banks as part of our Insured Bank Deposit Sweep Program. This item is not recorded in the Company's consolidated statements of financial condition. Income derived from program deposits is reported in other net interest income in the table above.

² Interest income and interest expense on customer margin loans and customer credit balances, respectively, are calculated on daily cash balances within each customer's account on a net basis, which may result in an offset of balances across multiple account segments (e.g., between securities and commodities segments).

³ Includes income from financial instruments that has the same characteristics as interest, but is reported in other fees and services and other income in the Company's consolidated statements of comprehensive income. For the three months ended March 31, 2023 and 2022, \$3 million and \$1 million were reported in other fees and services, respectively. For the three months ended March 31, 2023 and 2022, \$0 million and \$0 million were reported in other income, respectively.

INTERACTIVE BROKERS GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(UNAUDITED)

	Three Months Ended March 31,	
	2023	2022
	(in millions)	
Adjusted net revenues¹		
Net revenues - GAAP	\$ 1,056	\$ 645
Non-GAAP adjustments		
Currency diversification strategy, net	(1)	18
Mark-to-market on investments ²	(40)	29
Total non-GAAP adjustments	(41)	47
Adjusted net revenues	<u>\$ 1,015</u>	<u>\$ 692</u>
Adjusted income before income taxes¹		
Income before income taxes - GAAP	\$ 761	\$ 394
Non-GAAP adjustments		
Currency diversification strategy, net	(1)	18
Mark-to-market on investments ²	(40)	29
Total non-GAAP adjustments	(41)	47
Adjusted income before income taxes	<u>\$ 720</u>	<u>\$ 441</u>
Adjusted pre-tax profit margin	71%	64%

	Three Months Ended March 31,	
	2023	2022
(in millions)		
Adjusted net income available for common stockholders¹		
Net income available for common stockholders - GAAP	\$ 148	\$ 73
Non-GAAP adjustments		
Currency diversification strategy, net	-	4
Mark-to-market on investments ²	(10)	7
Income tax effect of above adjustments ³	2	(2)
Total non-GAAP adjustments	(8)	9
Adjusted net income available for common stockholders	<u>\$ 140</u>	<u>\$ 82</u>

Note: Amounts may not add due to rounding.

	Three Months Ended March 31,	
	2023	2022
(in dollars)		
Adjusted diluted EPS¹		
Diluted EPS - GAAP	\$ 1.42	\$ 0.74
Non-GAAP adjustments		
Currency diversification strategy, net	(0.00)	0.04
Mark-to-market on investments ²	(0.09)	0.07
Income tax effect of above adjustments ³	0.02	(0.02)
Total non-GAAP adjustments	(0.07)	0.09
Adjusted diluted EPS	<u>\$ 1.35</u>	<u>\$ 0.82</u>
Diluted weighted average common shares outstanding	104,042,571	99,224,776

Note: Amounts may not add due to rounding.

Note: The term “GAAP” in the following explanation refers to generally accepted accounting principles in the United States.

¹ Adjusted net revenues, adjusted income before income taxes, adjusted net income available for common stockholders and adjusted diluted earnings per share (“EPS”) are non-GAAP financial measures.

- We define adjusted net revenues as net revenues adjusted to remove the effect of our currency diversification strategy and our net mark-to-market gains (losses) on investments².
- We define adjusted income before income taxes as income before income taxes adjusted to remove the effect of our currency diversification strategy and our net mark-to-market gains (losses) on investments.
- We define adjusted net income available to common stockholders as net income available for common stockholders adjusted to remove the after-tax effects attributable to IBG, Inc. of our currency diversification strategy and our mark-to-market gains (losses) on investments.
- We define adjusted diluted EPS as adjusted net income available for common stockholders divided by the diluted weighted average number of shares outstanding for the period.

Management believes these non-GAAP items are important measures of our financial performance because they exclude certain items that may not be indicative of our core operating results and business outlook and may be useful to investors and analysts in evaluating the operating performance of the business and facilitating a meaningful comparison of our results in the current period to those in prior and future periods. Our currency diversification strategy and our mark-to-market on investments are excluded because management does not believe they are indicative of our underlying core business performance. Adjusted net revenues, adjusted income before income taxes, adjusted net income available to common stockholders and adjusted diluted EPS should be considered in addition to, rather than as a substitute for, GAAP net revenues, income before income taxes, net income attributable to common stockholders and diluted EPS.

² Mark-to-market on investments represents the net mark-to-market gains (losses) on investments in equity securities that do not qualify for equity method accounting which are measured at fair value, on our U.S. government and municipal securities portfolio, which are typically held to maturity, and on certain other investments, including equity securities taken over by the Company from customers related to losses on margin loans.

³ The income tax effect is estimated using the statutory income tax rates applicable to the Company.