

**Analyst** Ben Jones  
**Website** <https://benjonesinvestments.com/>  
**Email** [ben@benjonesinvestments.com](mailto:ben@benjonesinvestments.com)  
**Date** 21/01/2026

**Ticker** IBKR (Nasdaq)  
**Price** USD 71.51  
**Sector** Broker, Financials  
**Website** <https://investors.interactivebrokers.com>



Interactive Brokers (IBKR) is an electronic brokerage firm based in the US, with clients in 200 countries across the globe. They offer trade execution and clearance services across 160 exchanges for over 4.4 million institutional and retail accounts.

## FY 2025 earnings

USD millions	FY 2025	FY 2024	% change
Client equity (USD bn)	780	568	37.3%
Client accounts (millions)	4.40	3.34	31.8%
Net interest income	3,563	3,148	13.2%
Commissions revenue	2,149	1,697	26.6%
Revenue	6,205	5,185	19.7%
Operating income	4,771	3,695	29.1%
Net income	4,357	3,407	27.9%
EPS common shareholders	2.22	1.73	28.3%
Operating margin	76.9%	71.3%	5.6%
Equity	20,472	16,597	23.3%
RoE (annualised)	21.3%	20.5%	0.8%

## Quarterly Results Trend



## Financial Highlights

- Client accounts grew 31.8% YoY and client equity grew 37.3% YoY.
- Revenue grew at 19.7% YoY driven by both higher net interest income (NII) and commissions. Commission revenue increased 26.6% to \$2.15bn on higher customer trading volumes with NII up 13% YoY. We generally expect NII growth to broadly follow client equity growth but risk appetite through margin loans and rate movements can have some impacts. Going forward, we still expect to see IBKR generate NII of approximately 0.50% of client equity.

- Customer trading volume in options, futures and stocks increased 27%, 22% and 16% respectively.
- Operating margins hit a record high at 76.9%. This is an extraordinary result, and whilst the marginal cost of revenue generation can be close to 0, we would expect that growth in tech personnel and infrastructure required to continue business growth will limit operating margins to little higher than where they are now.
- Commission revenue and fees were both lower since the SEC fee rate was reduced to zero in May 2025. The impact is small but will be reflected in slightly lower commission revenues and slightly lower transaction fees in operating costs. For context, SEC fees were \$20m in Q3 2024 and \$24m in Q1 2025.
- Other fees and services increased 4% to \$291m, led by higher payment for order flow from options exchange mandated-programs and higher FDIC sweep fees, offset by a reduction in risk exposure fees.
- Overnight trading volumes increased 76% YoY, largely driven by Asian investors accessing US markets during their own trading day.
- Customer margin loans increased 40% YoY, with risk appetite from clients remaining fairly firm. However, the increase is proportionate to the growth in client equity and keeps the risk profile to IBKR in line with last year.
- Balance sheet remains strong with \$19m of short-term borrowings and \$0 long-term debt against \$20.5bn of equity.

## Operational Highlights

- IBKR expanded their predictor market offering (ForecastEx) to over 10,000 forecast contracts. ForecastEx traded 286 million pairs in Q4, up from 15 million pairs in Q3.
- IBKR launched new tax-efficient savings accounts in 2025, including in Sweden (ISK), Japan (NISA) and Canada (FHSA).
- IBKR launched Connections: a new tool that allows investors to connect different investment themes and ideas across the market. It uses known data to link competitors to equities, or hedging options, or macro themes related to stocks, as examples.
- Market access was expanded to Brazil, Taiwan, UAE and Slovenia in 2025.
- Clients can now fund their accounts using stablecoin, making cross-border funding easier.
- IBKR launched a visa debit card to enable customers to pay with card directly from their IBKR accounts.
- New features and updates were added to IBKR desktop and IBKR mobile; new AI-powered investment theme tools were added, and investor education courses were translated to more languages.
- IBKR's prime broker offering rose to number 4 in the Preqin hedge fund rankings; behind GS, MS and JPM. Their improving prime broker offering will help unlock large hedge fund and real money accounts.
- IBKR was added to the S&P 500 for the first time.

## Management Comments

- Chairman and Founder Thomas Peterffy remains optimistic that client account growth can continue above 30% annually for the foreseeable future. IBKR has used minimal advertising in the past to achieve their growth and it remains a potential tool going forward.
- CEO Milan Galik mentioned that the pipeline for introducing brokers remains strong globally and predictor markets also provide a continued growth opportunity. That said, IBKR has seen good growth universally – across large accounts, small accounts, active accounts, inactive accounts, retail, professional and institutional.
- Management estimates that a 25bps reduction in the Fed Funds rate will have a \$77m negative impact on net interest income, all else equal.

- IBKR will engage in M&A if opportunities present themselves. However, they currently see no targets at an attractive price.

## Ben Jones Investments Outlook

- Revenue is a function of client equity, and as long as IBKR can continue to deliver exceptional client equity and client account growth, they will continue to deliver exceptional revenue and net income growth. Account and client equity growth of 40% YoY is superb, and compounds on a 24% client account CAGR since 2008, and 30% client equity CAGR since 2008.
- IBKR can provide the highest rates on cash, lowest rates on margin loans, and among the lowest commissions, all while maintaining operating margins above 75%.
- IBKR have a wide moat as a low-cost broker. If any competitor attempted to compete on cash and margin rates, they would go under. This is because IBKR employ a low-touch, low-cost, highly electronic approach to brokerage. Major competitors (other brokers like Charles Schwab, Fidelity or large investment banks) all offer a high-touch service at a higher price point. These are essentially two different business models, and nobody competes effectively with IBKR in the low-touch space.
- IBKR can also compete effectively in the high-touch space via white labelling. Essentially high-touch brokers outsource execution to IBKR while focusing on value-add services like wealth management, financial advice, research or pension advice.
- Given the wide moat in the low-touch brokerage space, we think IBKR can consistently generate annual double-digit growth in client equity and client accounts.
- IBKR have \$757bn in client equity despite the global securities markets being worth an estimated \$290tn – that's 0.3% of the market. Securities markets will continue to grow, and we believe IBKR are more than capable of picking up market share.
- IBKR's new prime broker offering will help attract large hedge fund and real money accounts. Their major advantage over incumbent investment banks is cost, the drawback (for now) is 'too big to fail' status. That said, if IBKR can continue to grow at such elevated rates, 'too big to fail' status can one day be achieved.
- New markets including the predictor market and crypto offer further growth opportunities.
- IBKR are returning capital to investors via dividends. We would like to see share buybacks prioritised given growth potential and current valuation. Share buybacks have been shunned over management's concerns around stock liquidity given the float is about 25% of the business. Chairman Thomas Peterffy owns nearly all the remaining 75%. We think there is scope to repurchase stock without damaging liquidity.