

Futu Holdings (FUTU US)

3Q earnings a strong beat, driven by resilient net asset inflows and NII recovery

Futu posted a strong set of 3Q results with non-GAAP net income surging 137%/25% YoY/QoQ to HK\$3.3bn on top of a high base, significantly beating market consensus of HK\$2.6-2.7bn. 3Q25 gross profit doubled YoY to HK\$5.6bn, leading to the highest GPM of 87.6% since 2Q23. The strong topline growth was driven by 1) sequentially increased trading volumes to HK\$3.9tn that supported brokerage commission income growth of 90.6% YoY in 3Q25; 2) a rebound in net interest income amid the HIBOR recovery in 3Q25 and sustained strong demands for hard-to-borrow securities' lending business; and 3) other income (+113% YoY) including higher fund distribution, IPO subscription service charge and FX income. Total client assets grew 78.8%/27.4% YoY/QoQ to HK\$1.24tn driven by robust net asset inflows (~HK\$89bn) and significant MTM appreciation on clients' asset holdings (*CMBI est: HK\$177bn*). The number of new funded accounts reached 254k in 3Q25, up 65%/25% YoY/QoQ, contributing to a cumulative 720k in 9M25 and implying 90% of the annual 800k target. In 3Q25, overseas geographic footprint was more balanced with the mix of funded accounts from overseas markets reaching 54% vs. 46% from Hong Kong & the Mainland. Looking ahead, we expect the broker's overseas expansion to be in steady progress, with operating leverage and crypto increments to bring upside to topline growth. We raise our TP to US\$228 to bake in the uplifted FY25E-27E earnings estimates of US\$75.8/79.1/89.3 per ADS, implying 24x/23x FY25E/26E P/E. Maintain BUY.

■ **3Q highlights:** 1) **Total client assets** reached HK\$1.24tn in 3Q25, up 79%/27% YoY/QoQ driven by robust growth of average client AUM and new funded accounts. Specifically, mark-to-market gains on client asset holdings contributed two-thirds of increments (*CMBI est: HK\$177bn*), supported by strong net asset inflows (*CMBI est: HK\$89bn*). 2) **New funded accounts** increased by 65%/25% YoY to 254.3k in 3Q, with improved geographic presence where Hong Kong and Malaysia's new paying clients accounted for one-half of total and other major markets contributed 5%-15%. Hong Kong led in new client additions for the fourth consecutive quarter, thanks to the outperforming stock market and robust IPO pipeline. Cumulative new funded accounts arrived at 720k by 9M25, reaching 90% of the year-start 800k annual target. Total funded accounts rose 43%/9% to 3.13mn by 9M25, with the mix of overseas markets further enhanced to 54% (vs. 2Q25: 51%, *CMBI est*). 3) **Total trading volume** surged 105%/9% YoY/QoQ to HK\$3.9tn, with a noticeable trend shifting to HK stocks turnover in 3Q, which made up 31% of total volume at HK\$1.19tn, up 2.4x/43% YoY/QoQ, the highest since 2Q23. US stocks turnover was broadly flat at HK\$2.6tn in 3Q25 with clients preferring US tech and crypto names. 4) **NII** was doubled/up 35% YoY/QoQ to HK\$2.57bn, thanks to the rise of interest income (+79%/+33% YoY/QoQ) on the back of a rebounded HIBOR and sustained strong demand for the hard-to-borrow securities lending business. Mgmt. mentioned in call that the latest interest rate sensitivity to a 25bps rate cut amounts to a HK\$7mn decline in pre-tax profit, translating into 0.6%-0.7% of our FY25/26E pre-tax estimates, largely intact in our view. 5) **WM balance** was HK\$175.6bn in 3Q25, up 81%/8% YoY/QoQ, staying robust at 14.2% of total client asset balance. 6) **Crypto trading:** crypto trading capabilities further strengthened. By 3Q25, Futu's crypto trading volume surged 161% QoQ to HK\$74.6bn (*CMBI est*), with daily turnover likely exceeding US\$100mn, per our estimate (vs. max. US\$40mn in July 2025). Crypto AuC increased 90% QoQ to HK\$7.6bn (*CMBI est*), equal to 0.6% of client AUM in 3Q25. 7) **Airstar Bank:** Futu increased its stake in Airstar Bank to 68.4% in 9M25 (prev. 44.1%), and became the bank's controlling shareholder. Following this capital injection, the bank will be consolidated into the Group's financial statements, for which mgmt. projected that in the next 2-3 years, the bank would remain in an investment phase, and its net loss would exert limited impact to the Group's overall profitability. 8) **New repurchase program:** Futu announced a new share repurchase program worth up to US\$800mn of ADS effective in a 24-month period till end-2027.

■ **Risk-reward remains attractive.** The ADR is trading at 17x/16x FY25E/26E P/E, attractive compared to the peers average of 30x/27x. We think the broker's current valuation remains undemanding with its 3yr forward ROE at above 26% vs. a peer

BUY (Maintain)

Target Price	US\$228.00
(Previous TP)	US\$226.00)
Up/Downside	35.9%
Current Price	US\$167.74

China Financials

Nika MA

(852) 3900 0805

nikama@cmbi.com.hk

Stock Data

Mkt Cap (US\$ mn)	188,121.5
Avg 3 mths t/o (US\$ mn)	190.9
52w High/Low (US\$)	199.04/74.81
Total Issued Shares (mn)	1121.5

Source: FactSet

Shareholding Structure

Hua Li	36.3%
Entities affiliated with Tencent	20.4%

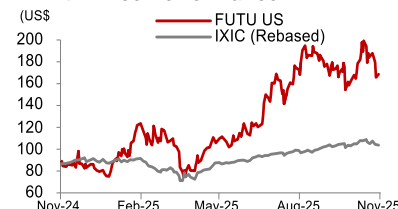
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	2.6%	3.7%
3-mth	-0.5%	-5.4%
6-mth	53.0%	31.1%

Source: FactSet

12-mth Price Performance



Source: FactSet

Auditor: PwC

Related reports:

1. Futu Holdings (FUTU US) - [Marketing feedback: short-term views mixed; 3Q EPS upside to reinforce long-term convictions](#), Oct 28, 2025

2.. Futu Holdings (FUTU US) - [Pioneered one-stop financial services platform to ride on crypto advancements; Initiate BUY](#), Oct 14, 2025

group average of 20% ([Fig.2](#)). We revise up our FY25E-27E earnings estimates per ADS to US\$75.8/79.1/89.3 (up 11%/5%/4%) to reflect the stronger-than-expected 3Q results, and lift our TP to US\$228 per ADS based on probability-weighted method of DCF and a target P/E multiple, which corresponds to 24x/23x FY25E/26E P/E.

■ **Catalysts:** 1) updates on the HK VATP license approval by year-end or early 2026; 2) improved geographic presence with overseas market penetration quickly ramping up; 3) breakthroughs on new market entry and regulatory license approvals related to crypto trading business; and 4) robust net asset inflows amid rising volatilities, etc.

■ **Downside risks:** 1) easing sentiment and sharp corrections on the US/HK stock markets; 2) the extent and pace of the Fed pivot fell short of expectations; 3) crypto license progress slower than expected, etc.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Adjusted net profit (HK\$ mn)	4,570	5,768	11,016	11,554	13,060
EPS (Reported) (HK\$)	30.6	38.9	75.8	79.1	89.3
Consensus EPS (HK\$)	n.a	n.a	69.4	78.8	88.3
P/E (x)	42.8	33.5	17.1	16.6	14.7
P/B (x)	7.6	6.7	4.8	3.8	3.0
ROE (%)	18.8	20.7	31.9	25.0	22.3

Source: Company data, Bloomberg, CMBIGM estimates

3Q25 key metrics snapshot

(HK\$ mn, %)	1Q25	2Q25	3Q25	QoQ%	YoY%
Brokerage commission income	2,310	2,579	2,914	13.0%	90.6%
Interest income	2,070	2,288	3,045	33.1%	79.2%
Other income	314	444	444	0.0%	113.0%
Total revenue	4,695	5,311	6,403	20.6%	86.3%
Brokerage commission expenses	(144)	(161)	(161)	0.0%	97.2%
Interest expenses	(469)	(378)	(474)	25.5%	14.6%
Processing and servicing costs	(136)	(133)	(159)	20.0%	22.7%
Total Costs	(749)	(671)	(794)	18.3%	27.0%
Gross profit	3,946	4,640	5,609	20.9%	99.5%
Research and development expenses	(386)	(442)	(574)	29.9%	49.3%
Selling and marketing expenses	(459)	(429)	(586)	36.5%	86.3%
General and administrative expenses	(415)	(425)	(545)	28.3%	43.1%
Operating expenses	(1,260)	(1,296)	(1,705)	31.5%	57.9%
Operating profit	2,685	3,344	3,904	16.8%	125.5%
Other income/(expense)	(21)	(168)	(35)	-79.4%	-73.6%
Income before tax	2,665	3,176	3,870	21.8%	141.9%
Income tax	(491)	(580)	(633)	9.2%	166.5%
Share of profit/(Loss) from equity method investments	(31)	(24)	(19)	-17.6%	-55.2%
Net income/(losses)	2,143	2,573	3,217	25.1%	143.9%
Net income/(losses) to shareholders	2,145	2,574	3,228	25.4%	144.3%
Non-GAAP net income	2,217	2,660	3,312	24.5%	136.9%
Key operating metrics:					
Quarterly new paying clients (k)	261.8	204.0	254.3	24.7%	64.8%
No. of paying clients (k)	2,673	2,877	3,131	8.8%	42.6%
Total client assets (HK\$ bn)	830	974	1,240	27.3%	78.8%
Daily average client assets (HK\$ bn)	790.4	895.6	1100	22.8%	85.4%
Avg. client assets per paying client (HK\$ mn)	0.31	0.34	0.40	17.0%	25.4%
Total trading volume (HK\$ bn)	3,213	3,590	3,900	8.6%	104.8%
US stocks	2,250	2,700	2,600	-3.7%	69.9%
HK stocks	916	834	1,190	42.8%	242.2%
Trading velocity of client assets (x)	19.4x	19.1x	16.6x	(2.5)	2.7
Blended commission rate (bps)	7.2bps	7.2bps	7.5bps	0.3	(0.5)
HK trading volume (HK\$bn)	14,564	14,261	18,613	30.5%	148.6%
Futu's market share in HK stock market (%)	3.14%	2.92%	3.20%	0.3 bps	0.9 bps
US trading volume (US\$bn)	44,028	49,808	42,298	-15.1%	12.8%
Futu's market share in US stock market (%)	0.33%	0.35%	0.39%	0.0 bps	0.1 bps
MFSL balance (HK\$bn)	50.3	51.4	63.1	22.8%	55.4%
MSFL balance as % of total client assets	6.1%	5.3%	5.1%	-0.2pct	-0.8pct
WM asset balance (HK\$bn)	139.2	163.2	175.6	7.6%	80.5%
WM balance as % of total client assets	16.8%	16.8%	14.2%	-2.6pct	0.1pct
Client idle cash (HK\$bn)	88.2	105.3	127.6	21.2%	92.1%
Client idle cash as % of total client assets	10.6%	10.8%	10.3%	-0.5pct	0.7pct

(HK\$ mn, %)	1Q25	2Q25	3Q25	QoQ%	YoY%
Client acquisition costs (CAC, HK\$ 000')	1.75	2.10	2.30	9.5%	13.1%
IPO and IR clients	498	517	561	8.5%	21.7%
Key financial metrics:					
Gross margin (GPM)	84.0%	87.4%	87.6%	0.2pct	5.8pct
Operating margin (OPM)	57.2%	63.0%	61.0%	-2.0pct	10.6pct
Net margin (NPM)	45.7%	48.5%	50.4%	1.9pct	12.0pct
Effective tax rate (ETR)	18.4%	18.3%	16.4%	-1.9pct	1.5pct
ROA	5.1%	5.4%	5.8%	0.4pct	1.8pct
ROE	29.4%	32.4%	37.0%	4.6pct	17.9pct
Assets/Equity (financial leverage, x)	5.8x	6.0x	6.3x	0.4	1.6
Assets/Equity (excl. client funds, x)	2.9x	2.7x	2.7x	0.0	0.3

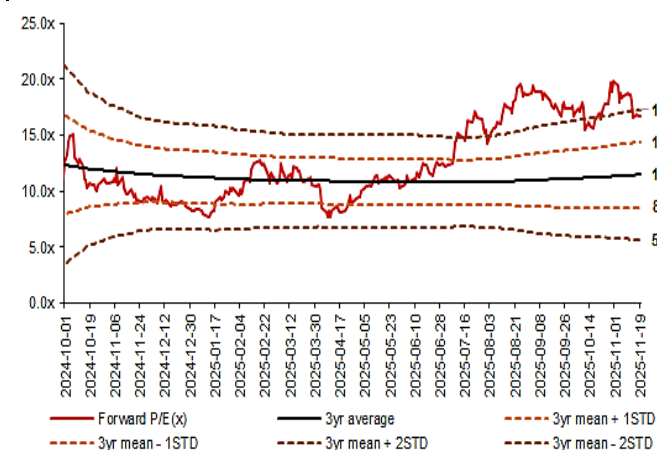
Source: Company data, CMBIGM

Peers' comp table of P/E(x) in FY25E-28E vs. Futu Holdings

Company	Ticker	Last price (LC)	2025E	2026E	2027E	2028E
Up Fintech Holdings	TIGR US	9.09	11.3x	10.6x	8.7x	7.3x
Robinhood Markets Inc.	HOOD US	114.30	57.1x	46.3x	41.1x	40.1x
Interactive Brokers	IBKR US	63.27	30.0x	27.4x	25.3x	21.5x
Charles Schwab	SCHW US	92.28	19.2x	16.4x	13.9x	12.1x
East Money	300059 CH	24.49	32.3x	28.6x	25.6x	24.0x
Median			30.0x	27.4x	25.3x	21.5x
Mean			30.0x	25.9x	23.0x	21.0x
Futu Holdings Ltd.	FUTU US	178.38	17.1x	16.6x	14.7x	13.0x
Discount vs. peers (%)			-43%	-40%	-42%	-40%

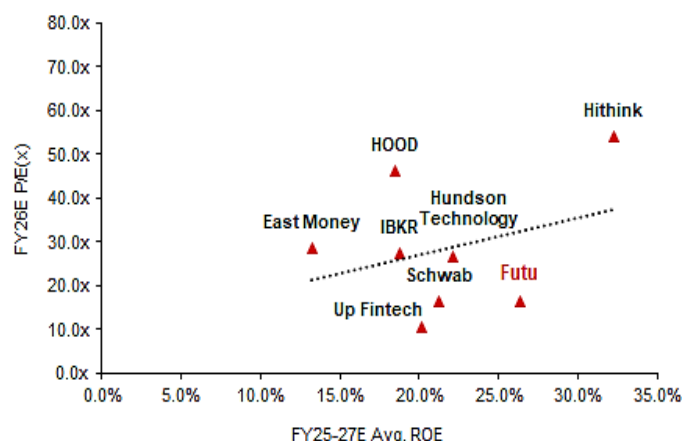
Source: Bloomberg, CMBIGM | Note: stock price data as of market close on 18 Nov 2025. FY25-28E EPS estimates of Up Fintech, Robinhood, Interactive Brokers, Charles Schwab, and East Money are quoted from Bloomberg consensus as of 18 Nov 2025.

Fig 1: Futu's P/E(x) valuation trading band



Source: Wind, CMBIGM estimates

Fig 2: Futu's FY26E P/E(x) and ROE vs. peers



Source: Bloomberg, CMBIGM estimates

Note: The estimates of Futu's peer companies quoted from Bloomberg consensus.

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (HK\$ mn)						
Revenue	7,614	10,008	13,590	22,018	23,915	26,933
Cost of goods sold	(996)	(1,536)	(2,445)	(3,105)	(3,728)	(4,228)
Gross profit	6,618	8,472	11,145	18,913	20,187	22,705
Operating expenses	(3,049)	(3,465)	(4,523)	(5,648)	(6,662)	(7,447)
Selling expense	(896)	(710)	(1,409)	(1,685)	(1,410)	(1,335)
Admin expense	(931)	(1,313)	(1,620)	(1,958)	(2,590)	(3,072)
R&D expense	(1,222)	(1,441)	(1,494)	(2,005)	(2,663)	(3,039)
Operating profit	3,569	5,007	6,622	13,265	13,525	15,258
Other income	(210)	33	(86)	(223)	0	0
Pre-tax profit	3,359	5,041	6,535	13,041	13,525	15,258
Income tax	(414)	(748)	(998)	(2,270)	(2,299)	(2,594)
Others	(18)	(13)	(104)	(91)	(68)	(76)
Net profit	2,927	4,281	5,443	10,705	11,194	12,629
Adjusted net profit	3,131	4,570	5,768	11,016	11,554	13,060

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (HK\$ mn)						
Cash & equivalents	5,029	4,938	11,688	12,103	18,620	25,644
Cash held on behalf of clients	50,685	44,369	68,640	128,860	151,094	175,643
Restricted cash	1	1	1	2	2	2
Receivables	9,829	10,148	22,843	39,700	45,472	52,106
Loans and advances	26,713	32,547	49,714	58,135	72,606	89,372
Prepaid assets	29	55	63	120	146	178
ST bank deposits	6	6	5	5	5	5
Other current assets	809	3,383	2,949	5,447	5,648	5,857
Right-of-use assets	197	224	253	151	74	29
Long-term investments	240	239	573	585	609	633
Other non-current assets	965	1,227	2,026	3,300	3,434	3,573
Total assets	94,503	97,136	158,757	248,408	297,710	353,043
Amounts due to related parties	53	69	79	112	112	112
Payables	69,177	64,654	117,174	190,274	225,456	264,963
Lease liabilities	211	238	277	592	592	592
Securities purchased under agreements to repurchase	0	0	2,575	1,223	1,223	1,223
Accrued expenses	1,706	1,939	4,937	5,067	5,941	6,907
Long-term borrowings	2,481	5,652	5,702	11,539	13,520	15,675
Other non-current liabilities	14	12	8	32	33	35
Total liabilities	73,641	72,564	130,752	208,838	246,877	289,505
Share capital	0	0	0	0	0	0
Retained earnings	7,079	11,361	14,653	25,348	36,507	49,094
Other reserves	13,782	13,208	13,358	13,854	13,854	13,854
Total shareholders' equity	20,862	24,569	28,011	39,203	50,361	62,949
Minority interest	0	3	(7)	367	471	589
Total equity and liabilities	94,503	97,136	158,757	248,408	297,710	353,043

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (HK\$ mn)						
Net change in cash	(3,576)	(6,408)	31,021	60,636	28,863	31,366
Cash at the beginning of the year	59,292	55,716	49,308	80,329	140,853	169,923
Cash at the end of the year	55,716	49,308	80,329	140,965	169,717	201,290
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	86.9%	84.7%	82.0%	85.9%	84.4%	84.3%
Operating margin	46.9%	50.0%	48.7%	60.2%	56.6%	56.7%
Adj. net profit margin	41.1%	45.7%	42.4%	50.0%	48.3%	48.5%
Return on equity (ROE)	14.0%	18.8%	20.7%	31.9%	25.0%	22.3%
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E (x)	64.3	42.8	33.5	17.1	16.6	14.7
P/B (x)	9.3	7.6	6.7	4.8	3.8	3.0
EV/EBITDA (x)	47.2	31.7	24.6	12.7	12.2	10.7

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report. Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

CMBIGM Ratings

BUY : Stock with potential return of over 15% over next 12 months
HOLD : Stock with potential return of +15% to -10% over next 12 months
SELL : Stock with potential loss of over 10% over next 12 months
NOT RATED : Stock is not rated by CMBIGM

OUTPERFORM : Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM : Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.