Robinhood Markets, Inc. Q3 2026 Earnings Call Transcript

Robinhood Participants

- Vladimir Tenev, Chairman and Chief Executive Officer
- Shiv Verma, Chief Financial Officer
- Chris Koegel, Vice President, Corporate Finance and Investor Relations
- Matt Greco, Investor Relations Manager

Other Participants

- Bubba Wallace, 23XI Racing, NASCAR Driver
- Devin Ryan, Citizens, Analyst
- Steven Chubak, Wolfe Research, Analyst
- Michael Cyprys, Morgan Stanley, Analyst
- Ben Budish, Barclays, Analyst
- Patrick Moley, Piper Sandler, Analyst
- Brian Bedell, Deutsche Bank, Analyst
- Gav Blaxberg, WOLF Financial, Finance Content Creator
- James Yaro, Goldman Sachs, Analyst
- Dan Dolev, Mizuho, Analyst
- David Smith, Truist, Analyst
- Dr. Roy, Crossroads, Finance Content Creator
- Adam Frisch, Evercore, Analyst
- Ramsey El-Assal, Cantor Fitzgerald, Analyst
- Ed Engel, Compass Point, Analyst
- John Todaro, Needham, Analyst
- Andrew Harte, BTIG, Analyst
- Alex Markgraff, KeyBanc, Analyst
- Ken Worthington, JP Morgan, Analyst

Matt Greco

Thank you to everyone for joining Robinhood's Q3 2026 Earnings Call, whether you're tuning in to the live stream or are here with us in Menlo Park.

With us today are Chairman and CEO Vlad Tenev, CFO Shiv Verma, and VP of Corporate Finance and Investor Relations Chris Koegel. Vlad and Shiv will offer opening remarks and then open the call to Q&A. During the Q&A portion of the call, we'll answer questions from the audience, which includes institutional research analysts, finance content creators who may hold an ownership position in Robinhood, and both institutional and retail shareholders.

As a reminder, today's call will contain forward-looking statements. Actual results could differ materially from our current expectations, and we may not provide updates unless legally required. Potential risk factors that could cause differences, including regulatory developments that we continue to monitor, are

described in the press release we issued today, the earnings presentation, and our SEC filings, all of which can be found at investors.robinhood.com.

Today's discussion will also include non-GAAP financial measures. Reconciliations to the GAAP measures we consider the most directly comparable can be found in the earnings presentation.

With that, please welcome Vlad.

Vladimir Tenev

Alright. Thank you guys for coming. This is awesome, and it's great to see so many people in person. We're back at our headquarters in sunny Menlo Park. So, thank you again for being on this journey with us and showing up in person and to everyone watching remotely.

So, as you probably know, at Robinhood, we have a singular goal. We believe in ownership. We want to make everyone an owner, and we think that broad ownership is actually essential to a free, stable, and prosperous society. In order to execute on this vision, we have our three-part strategy.

To recap that - the first part - we want to build the number one active trader platform. So, we want to allow customers to own any tradable asset. And really, an active trader should feel like they're at a disadvantage trading elsewhere. We'll have more about that later.

Second strategic arc - number one in wallet share for the next generation. So, we want to build our customers' financial home - and not just for them, but for their families as well.

Then the third, number one global financial ecosystem. So, take the ownership that we've been able to deliver and grow in the US and expand it everywhere around the world.

In Q3, we made a lot of progress. Our product velocity continued across each of these three arcs, and we saw strong business and financial results.

So, for active traders, again, the idea is if you're an active trader, you're at a disadvantage trading elsewhere. So, what have we done for active traders? Last month, we held our third annual HOOD Summit event in Houston, Texas and we launched not one, not two, but 17 new products and new services to our customers. So, I'll hit a couple of highlights.

Agentic trading, which is near and dear to my heart - literally, I'm wearing the vest right now - our agentic offerings have really increased in scope over the course of the year.

If you remember, we started with our MCP, which has grown quite well. And now we've got agentic trading directly in the app so you no longer need to use your external tool like your Claude Code or Codex. You can do it within the app. And we've also allowed customers to extend their MCP connectivity to Robinhood Legend. So Robinhood Legend is now in scope for our MCP connectors as well.

We're just continuing to make it easier for anyone to trade on our platform, whether it's you directly or your agent. And while we're still very early in the in-app capabilities and the harness tooling, we've been seeing really strong early adoption across the entire suite of agentic products. So, customers have over $250 million in agentic accounts. Remember, this is - the accounts start at zero, so you have to make a choice to move money into them.

And we look at the adoption curves, both across usage and trading, and they're sort of following an accelerating curve, which gets us very excited about the future of these products. And as we continue to add more asset classes, more features, those curves appear to be steepening.

Next, perpetual futures. We became the first US broker to offer what we call true perpetual futures. These are perpetuals powered by our global derivatives exchange, Bitstamp, and they settle continuously around the day, with 15-minute settlement.

We're also working on adding earnings contracts to our prediction markets hub. I think this will be particularly relevant for this audience because they'll allow you to trade EPS and revenue on individual companies as well as KPIs that are company-specific.

And of course - something I've been very excited about for quite some time - we announced 24/7 equity trading that will be coming to Robinhood later this year. And again, this is something - I think we'll be the first to offer this as well. And these are just a few of the many items we've shipped, so there's a lot more and I encourage you all to check out the full keynote on YouTube or X, if you haven't already.

So, let's move to wallet share. A couple of things that I'd like to highlight here. Trump Accounts achieved a really important milestone in Q3 - auto enrollment. So, as we said before, we've got nearly 70 million children in the US under the age of 18 that are eligible for the Trump Accounts. And now, the US Treasury has opened accounts for all of them - for all these children. And because of the generous gift from Michael and Susan Dell through their foundation, 25 million of those children already had $250 invested for them by the Dell Foundation.

So, we're excited about this initiative. It's one of those things where it's just been snowballing and we're doing more so there's just a ton of roadmap ahead. One of the things I'm particularly excited about is I think it can become the default vehicle for philanthropic giving in this country. And we're already seeing the beginnings of that with the Dells, but also the other donors. And we don't really have a great default option. I think Trump Accounts can become that, so we're going to be doing more there in partnership with BNY and the US government.

We're also continuing to make progress with Robinhood Gold, which today is one of the largest paid membership programs in consumer finance in the US. So, a couple of years ago, we set out to completely revamp our Gold product. And what we wanted to do is put something in Gold for our mass market customer, so that you didn't have to be an active trader to benefit from Gold. And I think we've been able to achieve that.

So, in this quarter, Robinhood Gold reached 5 million subscribers. We see it really paying off - we see it paying off. We've got 5 million Gold subscribers, and that's up over 30% year-over-year and it's a 4x increase from when we began the journey to revamp the Gold program just about four years ago.

So, that gets us to about an 18% overall Gold adoption rate when you look at our customer base, but 40% if you look at in-quarter. So, of the customers that joined Robinhood in-quarter - much higher adoption - and that's really great to see because then we see a path as we continue to grow, Gold will just continue to increase.

And I think there's actually much more room to grow. Our big bets for growing the Gold value proposition are banking and credit. And those are still, despite getting to large scale, not generally available yet. So there's still limited release.

And we've been really investing in more integration points. So, things like easy sign up for banking and Gold Card if you're signing up for Robinhood, contextual upsells so that we detect when banking and credit is going to be appropriate for you when you're using the Robinhood app, and kind of putting it there. So, we think we've got plenty of room to run. These can become even more meaningful drivers of higher Gold adoption.

Finally, let me get to global financial ecosystem. On July 1 - just a few months ago - we launched the Robinhood Chain Mainnet. And in its first quarter, it was already a top five chain by volume and revenue. So far, we've seen over $100 billion in DEX volume. So, it's $100 billion in decentralized exchange trading volume and over $50 million in chain fees.

DeFi perpetuals - an interesting, innovative product - have seen solid growth on the chain as well. So, in recent weeks, we've been seeing DeFi perpetuals volume of over $1 billion per day on the chain. So, it's clear, customers have demand for these tokenized assets onchain. And we not only believe we're building Robinhood Chain to be the best place to own and trade all these tokenized assets, of course, starting with Stock Tokens and perpetuals, but expanding much broader from that.

We're also expanding our brokerage infrastructure globally, and we're excited to announce that we received authorization from the Dubai Financial Services Authority to launch Robinhood in the region. This will broaden our international footprint even further.

The product velocity that you've been seeing and the focus on the customer experience have led to really strong business results. Market share continues to grow, up double digits year-over-year for each of the main assets - equities, options, crypto, and margin as well. Revenues grew 12% year-over-year to a record $1.4 billion. Adjusted EBITDA, that's up 9%, a record of over $800 million.

And then, Net Deposits, $16 billion in-quarter. And with a strong start to Q4, which Shiv will talk more about, we have already exceeded our annual goal of 20% Net Deposit growth, and that's with two months left to go. So, we're pleased with the strong results for our customers and for our business. We're pushing hard to make Robinhood your financial superapp.

So, with that, I'll ask Shiv to come up. How are you doing, sir?

Shiv Verma

Doing alright. Alright. So, thank you, Vlad. Before we get into the results, I just wanted to share three big takeaways from Q3.

First, as Vlad said, the core business is firing on all cylinders. This led to our highest quarter ever for both revenue and adjusted EBITDA. And really great to see Total Platform Assets were nearly $400 billion. And on top of that, we set new records for equities, options, event contracts and margin. So, going well all around.

Second, our product [velocity] is driving a more diversified business. We're now up to 14 cylinders that have reached $100 million or more of annualized revenue as Rothera, our prediction markets exchange, hit this number in just its first full quarter of operations. So, it's really nice to see Rothera is going well.

And then, finally, we drove another quarter of strong growth, profitability and scale. We're a Rule of 80 company, but at our scale of over $5.5 billion of annualized revenue. So, we remain disciplined on expenses even while investing for growth, which is fantastic to see.

So, let's get to our Q3 results - and all of these will be compared to a year ago.

So, revenues were up 12% to a record $1.4 billion. And this was driven by strong growth in both new products, and existing products as well. Transaction revenues were a record, as trading volumes were new highs across equities, options and margin. Each of these was up around 50% year-over-year, and this was on market share gains. And event contracts continue to scale really nicely. This was up 7x year-over-year. Additionally, the Robinhood Chain, in its first quarter of adoption, saw really strong usage, as Vlad mentioned before. So, that was another driver of transaction revenue in the quarter.

And then, on NIM, or net interest revenues, really strong growth in margin, credit card book, and Robinhood Banking, and these grew to new record balances. And our total interest-earning assets on the platform also hit new highs. So, really nice to see both transaction revenue and the interest-earning assets do well.

And then, finally, in other revenues, as Vlad shared before, Gold subscribers reached a new all-time high of over [5] million subs, which is great to see. And then, additionally, as we continue to build and expand the Trump Accounts for customers, that generated some additional revenue as well.

And so, while revenues grew to a quarterly record, we also [stayed] disciplined on costs. And so, Adjusted Operating Expenses and SBC was managed to $664 million. This was managed within our prior outlook range. And again, as we're investing for growth, we're still being really, really disciplined on our expenses.



And our productivity also continues to do really well. So, in this quarter, we hit revenue per employee of nearly $2 million, which would be a new record. So, we're shipping for customers, but we're also doing it in our lean and disciplined way.

And then finally, as we look ahead to Q4, while we plan to continue making growth investments - in particular on the Trump Accounts - we're also controlling our expenses and have driven more efficiencies across our business. So, as we do that, we're going to lower the top end of our prior outlook range by $25 million. We now expect full year Adjusted Operating Expenses and SBC to be between $2.675 billion and $2.75 billion. And this is $13 million lower at the midpoint versus our prior outlook.

So, you put them together - really strong top line growth, expense discipline - and this led to a strong quarter of profitability. So, adjusted EBITDA was a record $808 million. This is up 9% year-over-year. And adjusted EBITDA margin continues to be strong at 57% in Q3.

EPS for the quarter was $0.51. Now, this includes minus $0.07 of mark-to-market impact on investments that we hold. And so, as we talk about EPS, we're continuing to expand our business into investments. One of them is Robinhood Ventures.

And as we launch more and more of these products, we're now seeing some non-operating movements on all these investments. So, we're introducing Adjusted EPS. And this is to just better reflect our core operating profitability before any gains or losses on investments or some of these other non-operating items.

But at the same time, we're going to remain accountable for all of our regular ongoing costs. So, we're still including normal-course SBC in our Adjusted EPS. As I've said before many times, share count and the denominator matters.

And so, you put it all together, in Q3, Adjusted EPS was $0.60. Moving forward, we hope that investors find this a useful measure of our core profitability in the business.

Another area I wanted to touch upon is prediction markets. We believe it's really early innings for the asset class, and we're investing to be a leader in the space. We're constantly improving the in-app experience. We now have a vertically integrated exchange, Rothera. And as I mentioned before, it's off to a great start. Additionally, we also announced a recent partnership with Crypto.com and OG.com. Now, this is really exciting for both our customers, but also for our business and shareholders.

It's really important for us that customers have a best-in-class selection with consistent pricing across the exchanges. And with these partnerships, it now allows us to do that.

But additionally, with no cash outlay, we received an initial 1% equity ownership stake in Crypto.com and OG.com, and we have the ability to earn up to 10% ownership depending on how much we partner together in the years to come.

So, before we move to Q&A, I just wanted to give a little bit about how Q4 looks to start following a record Q3.

October Net Deposits are over $13 billion in the month - great to see - and that includes $6 billion of the Dell family gift to Trump Accounts, as Vlad mentioned earlier. And this brings our total year-to-date Net Deposits to over $68 billion. This is already a new annual record and north of our 20% growth target with just a few months - with still a few months to go left in the year.

And then, compared to Q3, average daily volumes for equities, options, and crypto are off to a good start, and are about 5% lighter relative to the really strong Q3. And then, event contract ADVs are already up about 10% to start the quarter.

So, stepping back, it was great to see another strong quarter in Q3, and we're really excited about our momentum entering Q4. And as we've shared before, our financial North Star remains the same - maximize earnings per share and free cash flow per share for shareholders over time.

Alright, Chris, Vlad, should we take some questions?

Chris Koegel

Alright. Thank you, Shiv.

Vladimir Tenev

Let's do it.

Chris Koegel

For the Q&A session, we'll start by answering shareholder questions from SAY Technologies. And after the SAY questions, we'll turn to live questions from our audience, and then go to the dial-in queue. So, I'll kick it off with our first question from SAY, which comes from Bo Xin.

Vladimir Tenev

Bo Xin, how are you doing?

Chris Koegel

Okay. I think we've lost Bo. So, Bo asked, how is the expansion into banking going and when will features such as the Zelle replacement arrive?

Vladimir Tenev

It's a great question. So, I thought rather than talking about it, I'll actually just show you. I try not to launch new products during earnings, but I thought since we have a crowd here, I might as well give you a little bit more.

By the way, before I get into it, I do want to say one thing about banking as it pertains to our superapp vision. So, one of the things we've been tracking for a really long time is what the top bank withdrawal destinations for our brokerage business have been. So, these are the top institutions that people actually move money from brokerage into banking. And for the longest time, it's been, kind of, the expected big banks, not a huge surprise there.

But as we've started to roll out Robinhood Banking, we've actually seen Robinhood Banking climbing up the list. In this quarter, for the first time, Robinhood Banking became the number one withdrawal destination for Robinhood brokerage customers. This is actually even before it's generally available - so, it is the number one bank that customers withdraw money to by dollars, which I think is quite amazing.

And obviously, we love this because that money is not leaving the Robinhood ecosystem, it just stays in people's accounts. And I think it's one major proof point that customers are choosing Robinhood for their totality of their financial needs. They're coming in, they're direct depositing their paycheck, they have their checking and savings account.

Of course, they move money to invest and trade. They do their spending with [Gold Card] and now [Platinum Card]. So, increasingly, you don't really have to leave Robinhood because we offer best-in-class services across the board.

Now, one thing that people have been asking about is peer-to-peer payments. And of course, we didn't want to just do, like, a regular add-on, bolt-on, peer-to-peer payments feature. We wanted to make it really, really nice. So, if you guys are ready, I can share my screen.

So, this is Robinhood Banking - I blurred out my balances. This is the new design, by the way. We've updated it to have the liquid glass UI. So, there's a button on the bottom right, which is kind of your overall transaction action button.

And if you open that, you see there's this new send money feature. So, Matt, can I send you – would you accept a few dollars from me?

Matt Greco

Sure - yeah. And I'll know how much you like me based on how much you send.

Vladimir Tenev

Okay, good. You'll know. I like you a moderate amount.

So, it's just as simple as that. I'll send Matt - who's been doing a great job - from our Investor Relations team, $5 from my joint checking account. Okay. And you can put a little message here. Of course, this is my favorite one.

And so, check this out. So, I'm going to send it via text. One of the really annoying things about peer-to-peer payments - I don't know if you guys have experienced this - but you know you want to use an app and the person you send money to doesn't have it, which creates this moment of friction. I don't want them to have to install anything. And then, they'll ask you, can you send it this way? Can you do it with one of the competitors, and then you have to install it. Anyway, we've gotten rid of all of that. And Matt, if you - did you get it?

Matt Greco

I got the text.

Vladimir Tenev

Okay. If you want to show - so, there it is. He just taps on it and you can accept money with Apple Pay or Google Pay without even having a Robinhood Banking account, which is pretty awesome, if you think about it.

Of course, it gives us an opportunity to upsell Robinhood Banking - which is just a really clean experience, for those of you that have tried it - but you don't have to have it. You can just get it right into your Apple Pay. So, you don't have to worry about that friction of the recipient of the funds.

So right now, still in limited release. If Matt sends money to someone, you'd get it. But yeah, you should expect to see us rolling this out much more broadly in the coming weeks. And just another reason why everything, we think, can be better on Robinhood, if you do more and more of your - if you run more of your financial life through us.

Shiv Verma

Who needs Zelle, right?

Vladimir Tenev

Yeah. I mean, legacy technology. I think we can do better if we build everything in an integrated fashion.

Chris Koegel

Alright. Great demo. So, the next question is from Marcus M., who asks, how is global expansion going, and what countries are next?

Vladimir Tenev

Yeah. So, I'll field that one. So, when Shiv and I were coming up with our plan and we thought, well, what can Robinhood be in 10 years? We called it our third arc global financial ecosystem. Our vision - and I think this is backed up by how big these markets are and also sort of like wealth accumulation, people outside the US keep getting wealthier - our vision is that over the long run, more than half of our business should be outside the US. And cut another way, more than half should be institutional.

And what we didn't anticipate is products like Robinhood Chain, right? And we said Robinhood Chain, already in-quarter, got out of the gate really quick with $100 billion in DEX volume and $50 million of chain fees, right?

And if you think about how much - and then, we're actually continuing to invest, frankly - the growth of the chain and associated ecosystem and the Wallet surprised and sort of was higher than our expectations.

And so now, we're spending a lot of time investing in how to make that even bigger, how to support the community. We know we've been hearing from a lot of builders that we could be doing more to support the community. And I think you should expect to see us really ramp that up because we want to make it the best developer ecosystem as well as the best global onchain community.

So yeah, you should expect to see us ramping the investment because you just don't see growth of a new ecosystem like this. It's an uncommon thing. I mean, a lot of chains have launched over the past few months that have just had not nearly - like, an incomparably small level of traction compared to this. So, we're doubling down on that.

And, of course, as I mentioned earlier, we're expanding into MENA with our Dubai license. And we did get in-principle approval from MAS to expand into Singapore, and that'll be our Southeast Asia, APAC hub, which we're very excited about. And, by the way, we're continuing to get deeper in our more established markets of EU and UK. UK now has crypto and brokerage in the same offering. So, it's getting to parity. And you've seen us actually increasing our download share and getting more traction there.

So, it's - I would say, Shiv, I don't know if you would disagree - I think for a while our international business was sort of like a future - very far off into the future when we expected to see meaningful contributions. But we're starting to see that accelerate, and I'm seeing the most traction I have. So, I feel probably the best that I've ever felt. And we're accelerating so much in momentum there.

Shiv Verma

No, I agree. We built a 10-year plan. It's nice to see the seeds coming. And also, Canada, you forgot to mention that as well.

Vladimir Tenev

Yeah. Canada with the crypto business through the WonderFi acquisition there, for sure. So, pretty soon, we'll have Robinhood all over the world.

Chris Koegel

Alright. Our next question comes from a special guest. You may have seen him driving the Robinhood neon car during the last two NASCAR seasons. Three-time Cup Series race winner and driver of the number 23 Toyota for 23XI Racing, Bubba Wallace.

Bubba Wallace

Are there any new major products planned for 2027 that could increase Robinhood's revenue?

Vladimir Tenev

No easy questions, Bubba. You're just getting right into it. Yeah. And by the way, it was fun watching Bubba compete at the Las Vegas Motor Speedway a couple of weeks ago. Hot - I don't know how he does that for so long.

So, I would say one of the things that I think people find attractive about Robinhood as a business is that it's a financial compounder, right? Even if you look at the core business of equities, options, crypto, margin, we're continuing to gain in market share.

We get more customers, those customers get wealthier as they get older. The market appreciation adds to that. So, all of this is leading to Total Platform Assets this quarter of about $400 billion. And I don't think it will be long before we're talking over half a trillion and, knock on wood, into the trillions, right? So, just the core brokerage business and the crypto business have been remarkably strong.

But we're not just being complacent and seeing we have a strong core business. We're moving at incredible pace, not just adding all of the products and features that our competitors have, but also, I think, just leading the industry across a couple of major domains.

I mentioned the agentic trading earlier. I think agentic trading - I don't think there's really another game in town in terms of financial companies that are really investing in agentic trading and making that a first-class experience. So, I think we're at the very beginning there and we're just continuing to invest in making the product experience really, really good.

We've talked a lot about prediction markets. I'll also throw in perpetual futures. I mean, we're super early into that. A lot of companies announced plans to offer these new assets. But we announce and then we ship and we roll out. We're seeing strong traction. That's another asset class where we expect to be the leader and gain market share.

On the wallet share front, you've heard me talk about Trump Accounts. Robinhood Ventures is another one where it's just - other companies aren't really doing this where they're trying to go after the vision of

democratizing private markets for retail investors. So, we have RVI, RVII shipped, and you should expect even more. I mean, we are just - we're really investing because we think it's important and it's a big business opportunity, a new category that I think we can own.

And then, of course, long term in the global financial ecosystem, tokenization and Robinhood Chain and Robinhood Wallet are unique products where it just really feels like we've got the tiger by the tail. So, those are kind of several areas, not just one, where we think we can surprise to the upside with the product bets that we're making.

Chris Koegel

Alright. Thank you, Vlad. That concludes our SAY Technology questions. And now, I'd like to go to questions from our live audience.

Vladimir Tenev

Hey there.

Audience Member

I know you've got active trading and you've got the Strategies side of things. What are you doing to focus on the middle ground of customers who just kind of want to deposit and forget about it?

Vladimir Tenev

Yeah. That's a great question. Actually, that's one thing I forgot to mention. I think Robinhood Strategies, which is our passive digital advice product, so over $2 billion in assets, it's been growing really quickly year-over-year.

I think it's a bit of a dark horse just because we launched so many things and I think the active trading products tend to get a lot more attention and mindshare, but we have all these amazing passive products, Strategies being one of them, that provides a best-in-class experience.

So, we've been continuing to add things to the product suite. We have a - we have this tool, Smart Income, which is part of Robinhood Strategies, where you basically can just really easily - with a slider - just slide your time horizon and risk tolerance and it'll tell you what the expected return for your investments would be. And then, the idea is you just put money in there, you drop money into that account, and it's a complete set-it-and-forget-it product.

And then, I think we've got some things - like, that team has ambitious plans. There's a bunch of things that we're working on to make that even better. So, suffice it to say, Strategies isn't staying still. I think that's – it's a dark horse product. I think it's one that could surprise people in the coming year.

Chris Koegel

Alright. Thank you, Vlad.

Audience Member

Hey, guys. Thanks for doing this. We've been really impressed by the product velocity and traction at Robinhood, the 14 cylinders over $100 million. Can you speak to how many products your power users engage with versus your average user? And what would it mean for your business if you're able to convert the majority of your customers into power users?

Vladimir Tenev

Yeah. I mean, that's a great question. We look at this internally quite a bit and we sort of see that, basically, the more products that someone uses - and once you get up to three or four products in the Robinhood ecosystem - the average revenue per user and the engagement just continues to increase with three or four products being really kind of the sweet spot.

It also - we can cut it by asset classes. A lot of people come to us to trade equities or crypto first. But then, if you look at the customers that trade equities, crypto, options, futures, and prediction markets, the revenue and the engagement with the platform really increases.

And we've been making a lot of investments. Maybe those of you that use Robinhood have been seeing our work there in just making the app more coherent and more discoverable. This was something I mentioned in the last earnings call. We have more work to do because we have all these products, how can we make sure that the app is coherent and that you understand what we're about?

Well, I think you're starting to see some of that progress because of our shared services, including social, search, home. I think we're doing a much better job in kind of surfacing relevant content to you.

I think the focus has been on making sure prediction markets works really well. Because we're kind of doing a unique thing, like, combining this new asset class with other tools that are sort of personal finance centered. But, I think you'll see us continue to invest in personalization, in making it easy to discover things in - subject to all the rules and regulations - being able to surface relevant content to customers. And I think that's another area where we're best in class and continuing to get better.

Shiv Verma

If you want to look in terms of how big it could be, I think Gold is the best way to see it. So, Gold, we don't view it as a subscription product, we view it as a loyalty product.

And what you see is a customer comes for something - it doesn't matter whether it's an equity, an option, a crypto, an event contract - they discover Gold, they then use more products, they then deposit more, they engage more, they trade more.



And so, for how big it could be, it's great. We have 5 million customers. It's only an 18% attach rate and, you know, about 40% plus adopt it when they first come in. But there's still a large runway ahead of that.

Chris Koegel

All right. Thank you. Next question?

Audience Member

What is Robinhood's strategy for educating customers about active trading products like perpetual futures or agentic trading?

Vladimir Tenev

Yeah. I think that what we really try to do is make the products themselves understandable and clear within the app. And I think with our various learning modules and tools, we've done a really good job at taking advantage of the limited real estate of the app and giving people the information they need at the time that they onboard without too much of the fluff and filler.

Now, as we expand into the agentic products, and actually one of the reasons I'm excited about agentic trading and our investments there, is that a lot of our customers are using that as an education tool because these AI agents are really good.

If you just ask them, hey, explain this to me, what is a wheel strategy or what is a - what is an option, like, what are the typical options trades? You can say, hey, I have this plan, this point of view. Can you break down - give me like the top three ways to capitalize on that.

So, I think there is strong potential, and we're actually seeing a lot of customers doing this - of just explaining things, not even just placing the trade or fully trading autonomously. Although we're pushing ahead in that direction, too. But just taking some of this complexity and kind of breaking it down for the customer.

So, yeah, the plan is really each interface has somewhat different affordances. On mobile, it's really about how do you clearly articulate what the functionality is, what it's for, how do you make it so that, with as few taps as possible, you can actually do what you want to do as a customer.

Web, I think you have a little bit more of like real estate to browse. And I think agentic lends itself to a back and forth, which is difficult with all of the interfaces. But yeah, I mean, we're making a ton of progress on all of these simultaneously.

And I think the other thing we recognize is we do - I mean, we do produce some first-party educational content, video and so forth. But we also want to make it easier for you to discover all of the great content that's out there.

So, I mean, there's just so many content creators and influencers that are making YouTube videos and they're quite entertaining. So, one of the things we've been trying to do is can we make it easier for you to get some of those things in the right way through the experience too.

Shiv Verma

We also have Robinhood Social as well, where you can learn from the community and each other. So, just another surface for customers to talk to each other.

Vladimir Tenev
Yeah. And that's a great point. I think I'm much more bullish on our ability to surface third-party, user-generated content to you because we just have many more passionate people that can make it.

So, some of the content on Robinhood Social that we're seeing is actually, like, very deep investment analysis, and we've been working hard giving people more tools to share charts, share different data sources. And yeah, I think we like what we're seeing there. So, we're going to do even more.

Chris Koegel

Alright. Any other questions from the audience?

Audience Member

Does Robinhood plan to get into exchange funds like cash and Titan? There is a lot of money that's locked in into other brokerages, which you don't want to sell. So, having the ability to trade without selling can be a very big upside for Robinhood.

Vladimir Tenev

Yeah. And I talked a little bit about Robinhood Strategies, and I think, certainly, helping customers with concentrated positions to diversify and handle that in a tax-efficient way is something that we've been looking very carefully into.

And the other thing is a lot of these products that are offered by the incumbents have really high minimum requirements. So, of course, whenever we see that, we ask ourselves, is there an opportunity to create a really, really nice product and make it available to lots of people?

Chris Koegel

Alright. Any other questions from the audience? Okay.

With that, let's move to the Zoom Q&A. So, I think the first question we have today is from Devin Ryan from Citizens.

Devin Ryan

Hey, Vlad. Hey, Shiv. How are you? Good to see you, guys.

Shiv Verma

Doing well.

Vladimir Tenev

Good to see you, Devin.

Devin Ryan

A question on Robinhood Chain, and obviously, great to see early traction there. Also appreciate it benefited from some congestion in late August and September, which helped gas fees. So, maybe seeing some normalization in fees there.

But volumes have been still pretty resilient. So, my question is really just how should we be thinking about the financial opportunity over time, and really, what we should be looking for to drive maybe that next real inflection in activity?

I know you mentioned perpetuals gaining traction, so maybe that's one example, but is it just more products being developed? You have mentioned Robinhood can do things to support the chains, love to hear about that. And then, just bigger picture, too. Can monetization improve over time without making the chain less competitive? Thanks.

Vladimir Tenev

Yeah. I mean, I'll start. Maybe you can hit your thoughts on monetization. So, another thing we look at for the chain that gets us so excited is developer activity.

So, I think last time I checked, we were number one in onchain developer activity. And so, developers are actually coming to Robinhood Chain because they see the traction that we've had and they're making a bet that this is kind of the ecosystem that they want to invest in for their activities.

And I think at the end of the day, the ecosystem is actually going to be driven by the developer activity. People haven't had very much time to build sophisticated onchain applications yet. So, that's why I think in the first instance, the applications that you've seen are relatively simple launch pads and linked pools and things of that nature. And people are working on really interesting things now that are more complex, that connect Stock Tokens with crypto assets and technology.



And just sort of imagine, if you take a stock token and make it fully programmable just like software, what can you do? I mean, can you have tokenized options contracts, for example? Can you have products that we haven't seen before? So, that's why we want to invest in the developer ecosystem.

I think it's interesting - the whole fees and congestion and revenue. When Johann, who's our crypto GM, and I talk about this, basically, we both agree that the most important thing to prioritize is a great experience for our users.

So, I don't really want to be in the business of charging high fees for on-chain usage. What I'd rather do is gain market share, make the developers choose us as the best chain, and give them more products. And I think we have a pretty clear roadmap for what first-party products we need.

Yeah, the idea is anything that you can trade on Robinhood in the US, wherever possible should be made available in onchain versions for our international customers. So, it's more Stock Tokens, but then expanding to other asset classes and making sure that these things become like Lego building blocks that developers can incorporate into their onchain applications.

And since we offer the primitives, one of the reasons Stock Tokens have been so successful is people know that Robinhood stands behind them and that makes it much more likely that they trust them in their applications than just some third party.

So, we're going to continue to execute on that. And I think the way we're tracking long-term sustainability is we obviously like to see DeFi TVL go up, but we're specifically looking at Stock Token TVL, making sure that's on a healthy trajectory and we have a path there because I think our differentiator with the chain and what's been working well for us is real-world assets. So, we should expect to see real-world assets adoption just continue to increase.

Shiv Verma

Yeah. On monetization, the only piece I'll add is, it is about $50 million gross revenue in the quarter, we shared the schedule before, we share some of with Arbitrum, that was about 50%.

So, even on a net basis, about $25 million or $100 million annualized. We didn't call it a cylinder just yet. We want to give it more time to bake. You should expect in a normalized environment, it's probably a couple of basis points on notional values, what we monetize.

But as Vlad said, the team is not goaled on revenue at this point. It's growing TVL, making developers happy, growing Stock Tokens. If we do that, a couple of basis points could add up to a really large number over time.

Vladimir Tenev

Yeah. And I know for the developers out there, they - we have a lot of passionate Robinhood Chain developers that are working on projects. Just be confident that we're talking about what we can do for

the community. And I think you'll see - since it caught us by surprise, we've had to like staff up a team here - I think you'll see a lot more for us supporting builders in the near future.

Chris Koegel

Great. Thank you, Vlad and Shiv. Our next question is from Steven Chubak at Wolfe.

Steven Chubak

Hi. Good afternoon. Thanks for taking my question.

Vladimir Tenev

Hey, Steven.

Steven Chubak

So, I wanted to ask on the Net Deposit growth, which I know, seasonally, 3Q tends to be a touch lighter and I'm really evaluating this KPI on a core basis. But as the denominator has grown larger, you've been getting - running a little bit below that 20% target.

And just wanted to get a better sense as to - as we unpack some of the building blocks, how much of that 20% is expected to come from new account growth or new store growth versus same store growth? And specifically, I wanted to get a better sense as you continue to expand internationally, how those efforts could potentially help close the gap?

Shiv Verma

So, as we said before, we target 20% annualized and we gave some October color on the call. We have already surpassed that. So, we're just through October. We've already done over the $68 billion last year and it surpassed our growth target.

Now, as you mentioned, it will not be linear. There was some higher growth in Q2 and then it came down a little bit in Q3. But we have said over and over again, I don't over-index in any one month, any one week, and any one quarter. But on an annualized basis, we are still seeing the business compound. The best driver of Net Deposits is just new products. And so, as we keep shipping new product velocity, customers come, they adopt us more and they continue to deposit more.

In terms of new store sales versus existing customers, it is both. More recently, it's been a little bit more of the existing customers. We got a lot of customers very, very fast in the prior years. And now, as we ship new products, we're gaining share of wallet and they're starting to trust us more. As we've said before, though, we are starting to turn the dial to try to accelerate net funded accounts again.



And so, Q3 was similar to Q1. Q2, we saw a nice bump-up because of some market backdrop and there were a couple IPOs in there as well. But, big picture, our existing customers are still using us for more and we think we have some great products next year that should also drive the top of funnel.

Vladimir Tenev

Yeah. And I'd also add to that, we've been pushing pretty hard on Trump Accounts, making that a great product. You'll see this - this isn't just an app - it's going to be increasingly an ecosystem.

So, we're plugging in employers. And now, employers will be able to fund Trump Accounts on behalf of their employees. And then, we're going to be plugging in donors. Donors are kind of done on a one-off basis now. But you can imagine, if you're a corporate donor or a wealthy philanthropic individual, we'll make it really easy and delightful to go into the Trump Accounts.

We're already seeing meaningful Net Deposit impact on that. And I think that it can be much, much bigger. A lot of people are aligned in having that be a bigger number.

And we think that we have an opportunity, of course, if we continue to serve these customers very well, as we expect to, for those to be compounding assets. What was the number? 70 million, 25 million funded by Michael and Susan Dell alone. I mean, if we serve these customers well, over time, I think a large portion should be Robinhood customers.

Chris Koegel

Alright. Thank you for that, Vlad and Shiv. So, the next question is from Michael Cyprys of Morgan Stanley.

Michael Cyprys

Great. Thanks for taking the question. I just wanted to ask about peer-to-peer payments that you just launched here on the call here. I was hoping you could expand on your vision for this new offering.

How do you see this contributing in the coming years, including perhaps a funnel for new client acquisition, maybe even revenue monetization? So, if you could talk about your expectations there and how you see this ramping? Thank you.

Vladimir Tenev

Yeah. I mean, where we started was really just - we had a lot of customers saying that they want to send money to their friends via the question asked or asked about Zelle or other things, can we make that a little bit easier?



And then, we thought, well, what's the most simple, seamless thing we could do where you don't even have to enter anything? You could just send money via text. And I think we've delivered that experience. If you want to, sending money from Robinhood is as easy as texting someone.

So, the first thing we're looking for as we roll this out is, are our existing customers using it? Is it solving their problem? And I think once we've got that, by its very nature, the product should be viral, right?

As they continue to send money to their friends, if they use it, then we have to make a compelling case for that recipient if they don't already have Robinhood to enter that ecosystem. But that gives us another opportunity, another potential touch point to get them as customers.

Chris Koegel

Alright. Thank you, Vlad. The next question is from Alex Markgraff at KeyBanc.

Vladimir Tenev

No Alex.

Chris Koegel

Alright. We may have lost Alex. The next question is from Ben Budish at Barclays.

Ben Budish

Hey, good evening and thank you for taking my question.

Vladimir Tenev

Hey, Ben.

Benjamin Budish

Hey. One for Shiv on the expenses. So, the number for the quarter came in, I think, a bit lower than what we're expecting. Your full year guide was lower just a little bit. Curious if you could talk about the moving parts. I know there's some timing of Trump expenses that are expected to come in, in the back half.

And curious what you can share on the run rate into 2027. I know you're not giving guidance there yet. Obviously, the Trump expenses may be non-recurring and you've kind of talked before about sort of like, a lower-single-digit growth rate for existing businesses. But on top of that, there are new initiatives. So, curious if you could talk a bit about the near-term moving pieces and how we should think about the run rate going into next year? Thank you.

Shiv Verma

Yeah. Great question. So, what I'm really excited about is even with all the new products we're shipping, we're still staying lean and disciplined. As you mentioned, we lowered our outlook by $25 million at the top end. In Q4 specifically, there were a couple things that we're rolling out that we're investing in.

First, we're doing even more for the Trump Accounts. So, you should expect some more expenses there. Second is the credit card. We're continuing to scale the credit card, both [Gold Card] and [Platinum Card]. So, there'll be some investments there. And then, lastly, we're in the middle of annual planning right now, but there's a couple items we got really excited for. And so, we pulled those forward and we start to make a couple investments there.

For Trump Accounts specifically that you asked about, for the full year, I shared earlier that we expect it to be about a $100 million investment. It's still roughly going to be in that range for the full year. And so, there were some timing things throughout the quarter, but that's what I would expect.

For next year, it is early and we're going to finish our planning process and we'll come back in January and February and share the full plan. So, nothing to share on that yet. But as Vlad said, it is going really well. They're asking us to do more. And so, I would expect that we'll be continuing to invest there.

And then, in terms of our overall philosophy, very similar to prior years. As we go through planning, we're asking each of the teams to be more efficient in those core businesses. We take those efficiencies and we reinvest it. We have so much more to do, as you've seen. And so, it'll be very, very similar to prior years.

Chris Koegel

Alright. Thank you, Shiv. The next question is from Patrick Moley at Piper Sandler.

Patrick Moley

Yeah. Thanks, guys. Thanks for taking the question. I have one on Crypto.com and OG.com. You now own equity in two prediction market venues while running your own exchange with Susquehanna. How do you reconcile the routing decisions between the different venues and what is the strategic logic of holding stakes and competitors to Rothera? Thanks.

Vladimir Tenev

Yeah. Maybe I can start. We want to give our customers the best prediction markets experience and we want them to have choices, too. I don't think we can send all of our flow to one venue. So, we think that the combination of Rothera and Crypto.com is just what positions us well to actually serve our customers well, have great execution quality and have broad coverage of all of the assets that our customers want to trade.

Maybe you can take the financials.

Shiv Verma

Yeah. As Vlad mentioned, it is good to have a resilient and a second exchange. What you should expect is Rothera will be our primary exchange and Crypto.com/OG.com will now be our main second exchange and we'll be getting off most of our competitors. By the end of the year into early next year, you should expect the vast majority of our flow goes through both of those.

From the financial standpoint, what we're doing now is, in addition to sending them flow, we're also becoming owners. And so before, we were sending our flow to other exchanges and we weren't getting any financial incentives because of that.

There's no conflicts to be clear. A product is listed on a particular exchange. It depends on where you can get a product experience. So there's no routing like equities or options. They're not inter-loopable. You have to list it on either Rothera or either Crypto.com.

But now in addition to getting a great customer experience, we can also provide a little bit of monetization for shareholders. So, that's why we're super excited to both build and get a great product experience for customers, but now also having some financial upside for shareholders as well.

Chris Koegel

Alright. Thank you. The next question is from Brian Bedell at Deutsche Bank.

Brian Bedell

Hey, guys. I hope all is well. Thanks for taking the question. If I can ask a two-parter.

One, just the timing of company KPIs for launching those now that Cboe has final approval for that.

And then, secondly, Shiv, if you could just talk about a little bit more color or give a little bit more color on the October volumes to-date. I think you said down 5% on equity, options, and in crypto. If you could just sort of maybe bifurcate between those areas and any comments on take rate in crypto. I know that tends to move around a lot.

Shiv Verma

Sure. So, on the KPIs, we were actually just talking with the GMs this morning, Steve Quirk and Johann. They're both coming very soon. And so, the teams are hard at work on and we're getting the final approvals. We announced them at HOOD Summit. So you should expect them in the near term. We're just waiting for all the approvals to come through, but we're ready to go and excited for customers.

In terms of the October color - and so, as a reminder, Q3 was a record quarter. So, everything was our highest quarter ever for equities, options and margin. And so, great to see in October for equities and

options and crypto, they're within [around] 5%. And so, I kind of grouped them all together, but they're all trending to similar levels. And early in the quarter, call it, within 5% of the high watermark in Q3.

And then, I called out event contract specifically, because that was a little bit different and up about 7 times year-over-year. And so starting to see some more increase there.

On take rate, what we're seeing to start the quarter is that spreads were a little bit tighter. And so, we'll see where the full quarter shakes out, but early indications are spreads are a little bit tighter and we'll see how it plays out for the next two months.

Chris Koegel

Great. All right. The next question is from Gav Blaxberg from WOLF Financial.

Vladimir Tenev

Gav.

Gav Blaxberg

Hey. How is it going, Vlad and Shiv? Great to see you, guys. I'm going to go into an area that I don't think has been discussed too much yet, and that is Robinhood Social. Talked with you about this, Vlad. I've been power-using the platform. Love it. Spending probably an hour-plus a day on there. And I'm talking to more people and people are like, well, what are the plans for this? What's the goals? How does this create revenue? How does this drive things for the platform and create shareholder value?

And I would just love to hear also how it's being prioritized and balanced with so many other things going on. Building out a social media is no small undertaking. And so I want to hear some of the vision for this and how this is ultimately going to lead to revenue generation and increasing shareholder value?

Vladimir Tenev

How have you been liking it? Any critical feedback? Anything we could be doing better?

Gav Blaxberg

Oh, I've been chatting with [the team] and given a ton of pieces of feedback. And also trying to talk to the other power users and connect with them and get pieces of feedback. I think it's continuing to progress really nicely there. Certainly - listen, if you want a feedback session at some point, I'll give it to you. But I don't know if that's the best use of your time right now.

Vladimir Tenev

Yeah. That's good. Yeah. You don't want to do that too much at earnings. No, he's a tough customer.

Yeah. Look, I think that the reason we get excited about Robinhood Social is because, yeah, I mean, frankly, I believe that it's the best way to learn rather than - which way am I most bullish on, Robinhood producing all the content that teaches people how to invest and gives them all the tools, or am I more bullish on 28 million customers and those customers using our product and bringing the best ideas that they find from everywhere in the world to us? So, definitely the latter.

And yeah, I think if done well, we can just surface really good content for our customers that they can use to learn new things and we're already seeing, kind of, a community form around this. So I mean, we've got a lot to do. We've just made it so that people can share things outside of the platform, and we've continued to also increase the type of content that you can share on Social. It started out with just trades, but now you can share P&L. You can share charts. You can do your portfolio. We have the creator offering.

Also, creators, a lot have been asking about creator monetization. So, that's something we'll obviously want to look into. And I think at that point, yeah, it becomes a business line for us.

But as of now, I think we're thinking about it in the context of the broad Robinhood experience and we think that if we do a really, really good job, it just gives people one more reason to not just do the execution of the trade on Robinhood but just stay in Robinhood for getting the idea and the context behind the trade.

Chris Koegel

Alright. Thank you, Vlad. The next question is from James Yaro at Goldman Sachs.

James Yaro

Thanks for taking the question. I was hoping you might be able to just update us on your Robinhood strategy - your Rothera strategy - at this point. How do you plan to generate market share gains? And maybe you could speak to the pricing strategy at this point. And then maybe finally, maybe just an update on how you're thinking about adding other FCMs to the platform beyond just the HOOD brokerage?

Vladimir Tenev

Yeah. That's a great question. And again, we're a significant equity holder in Rothera, us and SIG, but we're not actually operating Rothera ourselves. I mean, of course, hopefully they like to - hope Tom and team do listen to us occasionally on retail, but it's like an independent business.

Yeah. And so I don't want to speak too much about their strategy for getting FCMs, though I know they're highly motivated. And I think Rothera could become the default neutral gateway for FCMs because a lot of the other prediction market venues, they have their first-party offerings where they are trying to acquire customers while they're offering a service to others.



And I think when we talk to a lot of other FCMs, they don't like the idea and the potential conflict of some of their providers also operating a first-party business.

So, I think the great thing about Rothera for any FCMs that want to connect to it is that it's purely working with FCMs. So you don't have to worry about your provider also competing with you in the marketplace.

And at least from our standpoint, we have been investing a lot in the non-sports contracts. You saw us announce KPI prediction markets. We've been seeing a lot of growth in the crypto contracts and commodities.

And I think that over time, we see an opportunity in integrating this financial - I think we can own the financial category because that's like a unique advantage we have. And Rothera can support just more sophisticated financial contracts and be a leader there, because I think we're less excited about doing what everyone else is doing, which is just all sports all the time, because I think that's rapidly going to get commoditized and is just frankly a little bit less differentiated from my standpoint.

Shiv Verma

Yeah. And the two things I'll add there. On the non-sports side, if you look in the quarter, about 30% was non-sport and that was up from 15% the quarter before. So, as Vlad said, we're starting to see adoption across some of these other asset classes, which was great to see.

On the pricing side, we're really excited that our pricing is now official. But we lowered pricing for customers when we bought Rothera. And what we did is we made a dynamic pricing model. And so what we heard from customers was if you were trading something in the wing relative to the center, you actually pay a higher take rate.

And so, yeah, instead of just increasing monetization, what we decided to do is redo the pricing model. We made it dynamic. We listen to customers, but we didn't impact our take rate because we were able to share some with them and take some of that back.

And then on top of that, we made it even better with Gold. We talked a lot about Gold. But now, if you're a Robinhood customer and you're a Gold member, you also get even better pricing as well. So a couple of different things all going on there at the same time.

Vladimir Tenev

Yeah. And if you look at the experience, those of you that trade prediction markets on Robinhood, you can see we've really done a nice job just refining the experience, having like specific modules for different types of prediction markets.

The midterms hub, in particular, I think just looks amazing. So, it's not just if you want to trade them, but just as a way to explore and find what's likely to happen through the midterms. I think we've done a really, really nice job in the 15-minute up and down markets on crypto have been looking good. So yeah, I think you can see the chiseling that's happening on the product to make it even more usable.

Chris Koegel

Alright. Thank you. The next question comes from somebody right off a plane, Dan Dolev from Mizuho.

Vladimir Tenev

Dan Dolev.

Dan Dolev

Hey, Vlad. Hey, Shiv. How are you?

Vladimir Tenev

Are you in the airport?

Dan Dolev

I'm in Munich.

Vladimir Tenev

Oh, nice.

Dan Dolev

I just got back from Israel en route to New York today. Great results as always. We've done some work, and I'm very interested in perpetual futures. It sounds like you guys are headed to something really big there. And I think we're getting a lot of questions on it. I just want to know, like, how big do you think this one could be? Because it sounds like it's a huge opportunity here. So, would love to get some more color on that. Thank you.

Vladimir Tenev

Yeah. I mean, I think that if you look at the leaders in perpetual futures, perpetual futures is a huge market by volume, with daily volumes in the billions. In fact, some of the platforms globally have tens of billions in daily perps volume.

And then we saw even on Robinhood Chain, which again is just a couple months old, we're seeing over $1 billion notional in onchain perps. So I see no reason why our offering can't get to a similar, if not greater scale than the DeFi offering as time goes on.

Chris Koegel

All right. The next question is from David Smith at Truist.

David Smith

Hey, good afternoon.

Shiv Verma

Hello.

Vladimir Tenev

Hey, David.

David Smith

Could you flesh out a little bit more about what you're seeing in terms of the drivers on take rates as 3Q came in lighter than a lot of us were expecting? And it sounded like that the clients continued to start the fourth quarter. Sure, it differs across the asset class, but is this a mix issue on the user front or on the sub-asset class front, trade sizes, volumes, other dynamics? What would you point to there?

Shiv Verma

Yeah. I'm happy to take this one. So, on equities, it's usually a mix shift between single names and ETFs and it also depends on what the spreads are. Options is also similar. It depends on what the [volatility] is and also the spreads. And then, are they trading more index options? Are they trading more single names? Is it more indices? That tends to be a bigger drive-through there.

On crypto, the main driver was our Robinhood Earn, our stablecoin product. So that product is doing great and now has over $500 million of assets there. But because it's stablecoin, we monetize it less than the normal platform. So, that's what drove it down. If you take out the stablecoin, it was basically similar to the quarter before in the same ZIP code. So, that was the main driver there.

And then ECs, as I mentioned, we updated our pricing. And so, it'll depend on what the customers are trading. Are they trading in the money line? Are they trading at the wing, so they're using Robinhood Gold? And so that's why we saw it moving a little bit.

So, I would say each of them is a little bit different and that what we were seeing in October is, at the start, they're similar to what we saw and maybe a touch lighter. Spreads are a little bit tighter. But again, it's about three weeks into the quarter. And so, we'll see where the full quarter shakes out.

Chris Koegel

Great. Thank you. The next question is from Dr. Crossroads.

Dr. Roy

Hey, guys. Thanks for taking my call. I just wanted to ask, given that you've given us last year some information regarding the impact rate cuts and we're in a very different situation with rate hikes, I'm wondering if it's going to be a similar impact on the ecosystem. I believe you guided for a negative $50 million impact for each rate cut on net interest income, especially now that banking is a part of your ecosystem and also credit cards are a meaningful part as well.

Vladimir Tenev

Remember, by the way, it was like a year ago, everyone was like, what's your business going to do? You've done so well in a high rate environment with all this interest income, how will you survive in a low rate environment? And now, it's funny. Every couple of years, it's like the question reverses. Oh, you've been doing so well with these declining rates. How are you - now rates are going to go up again. Good to see you, by the way. I hope you're doing well.

Shiv Verma

The first thing we like, as Vlad said, is the business is diversified. So, some products do well in a low rate environment, such as the trading products, and others do better in a higher interest rate environment, such as the NIM products. The actual math is for every 25-basis-point hike or decline, it's about a 1.5% change to revenue. So all else being equal, if the Fed hikes another 25 basis points, that should be a lift.

The really simple math is we have about $80 billion of interest-earning assets. About half of that, $40 billion, is interest-sensitive assets, because the sweep program and a few other things [aren't] interest-sensitive. So, 25 basis points and $40 billion is about $100 million of a change. And then $100 million on about a $5.5 billion to $6 billion run rate gets you to about that 1.5%.

So, big picture, though, we like being diversified and a rate hike is a tailwind. But regardless of the rate environment, we've got a business that does well in both of them.

Chris Koegel

Thank you, Shiv. The next question is from Adam Frisch from Evercore.

Adam Frisch

Hey, guys. Good afternoon and thanks for taking my question. I wanted to follow up a little bit on Net Deposit growth and actually monthly actives as a percentage of fully funded. Both were a little weaker this quarter.

So, I'd appreciate some color on what drove that in the quarter, if we should be aware of any new or incremental initiatives you're thinking about or enacting already to reverse that or it's just a 90-day period that isn't necessarily indicative of the overall trends and what you're seeing so far in 4Q? Thank you.

Shiv Verma

Yeah. I would say it's more the latter. We don't over-index in any one month or quarter, and the best way to see it is October. As we mentioned, October was already a record of over $13 billion of Net Deposits and ADVs were very similar or just a touch lighter than what we saw on a record Q3. And so, things are going to move around.

There's the timing of when we launch new products. There's timing of when promos happen. There is some seasonality. There are macro events. There's the IPO market. So, all those come together. But if you look at it on an annualized basis or if you just look at October alone, already seeing really healthy engagement across trading and Net Deposits.

Chris Koegel

Alright. Thank you, Shiv. The next question is from Ramsey El-Assal at Cantor.

Ramsey El-Assal

Alright. Thanks so much for taking my question tonight. I wanted to ask if you could elaborate a little bit, Vlad, on the rationale for the Ripple partnership. How's that going to benefit you, guys? I know there's a few different dimensions there. Internal treasury operations, also external-facing benefits for Bitstamp, et cetera. Where do you see the greatest near-term opportunity and just sort of if you could expand a little bit on the overall strategic rationale? Thanks.

Vladimir Tenev

Yeah. I mean, yeah, I think, I like Brad and the team at Ripple and I think that we were excited to do more business together. I think that there's a lot of ways in which we offer complementary things and we're never afraid to get more integration into - I think more integration, more products, more selection for the Robinhood ecosystem, both in the app and in chain is just strictly better. And I think we kind of bring complementary things to the table with their institutional business and our more retail-oriented business.

In fact, today is another example of this. Ondo integrating into Robinhood Chain. Now, Ondo also has tokenized products, but our thought is, well, we want our chain to be the best home of tokenized products. They don't need to be our own. And in fact, it's important for us to just make sure everyone

has an equal opportunity to list on our chain and on our properties for our customers, because that just leads to the best product.

So, of course, we would like our own first-party products to always be used, but they also have to be better than the competition.

Chris Koegel

Alright. Thank you, Vlad. The next question is from Ed Engel at Compass Point.

Ed Engel

Hey. Thanks for taking my question. I guess how are you thinking about bringing stock tokens onshore in the US after the SEC's innovation exemption? And then, is there anything regulatory-wise in your radar that might unlock private stock tokens that you announced last year?

Vladimir Tenev

Yeah. That's a great question. Something we've been very passionate about. For private companies, we basically have two bets. One being Robinhood Ventures, which is in the form of fund products in the US, and then stock tokens overseas, where we have the ability to tokenize individual companies.

And in a sense, through our - what we benefit from - these two things help each other, because with Robinhood Ventures, we have relationships with companies. We've been investing in a lot of companies. We have an active pipeline. And a lot of those companies actually inquire about what tokenization is. And can they join and we have the relationships and we've been a leader in the space.

So, I would say we have a path to doing it overseas. We know how to do it. We've demonstrated the technology and the capability. So, it's just a question of getting all the regulatory stuff in place. But we do intend to launch these products overseas.

Now, when it comes to, in the US, for private stocks specifically, there's another layer to it, which is the accreditation requirements. And so, we are working hard to find a path that satisfies the current accreditation requirements and also leads to a great customer experience. I think Robinhood Ventures is an example of this in the construct of funds. But, of course, a lot of customers want exposure to individual names as well. And so, we're working hard to do that within the constraints.

As far as the innovation exemption goes, I think it's a really positive step. We're supportive of it. We think that, obviously, the US needs to be a leader in this new technology. I do think more needs to be done to give people a little bit of certainty, because as we talk to customers, I think the uncertainty of what happens in five years is likely to be an impediment to putting serious assets onto this technology.

So, I still think some rulemaking or legislation is going to be necessary, even though, of course, it's a positive step. We'll hope to have more to share on our own US tokenization plans in the near future.

Chris Koegel

Alright. Thank you, Vlad. The next question is from John Todaro at Needham.

John Todaro

Hey, guys. Good to see you. And thanks for taking my question. I was hoping we could just get some commentary on maybe the health of the retail trader within equities. In particular, AI stocks have come down quite a bit in the last several weeks and many of those were trafficked in quite a bit by retail. So just wondering if we can get any commentary there on engagement post the sell-off.

Shiv Verma

Yeah, I'm happy to take this one. Engagement continues to be really strong. I mean, the best way to see that is through the ADVs and through Net Deposits. And both of those were incredibly strong in the start of October.

And so, as we said before, our customers, they tend to be younger. They tend to be techno-optimists. They tend to be technology-forward. They use sell-offs as a buying opportunity.

And so when you saw a sell-off in AI stocks or in chip makers or in semis, our customers leaned in and continued to buy more. On down days, we tend to see some of our strongest net buying. But the best metrics I would look at are just Net Deposits and ADVs, and both of those were really strong in the start of October.

Chris Koegel

Alright. Thank you, Shiv. The next question's from Andrew Harte from BTIG.

Andrew Harte

Hey. Thanks for taking my question. Shiv, you talked about turning up the dial a bit on top of funnel. Just wondering if you can share some details on the strategy there and any traction you've seen?

And then a bit of a follow up on the MAU question. I realized it's kind of just one period. But in the past year, we've been in that 13 million to 14 million user range on MAUs. Just curious, anything you can do there to try to drive that number higher as well? Thanks.

Shiv Verma

Yeah. Could you repeat what was the first part of the question, apologies, before the MAU?

Andrew Harte

Anything on top of funnel that you're doing? And then a similar question, but how to increase the MAU number as well?

Shiv Verma

Yeah. On the top of funnel, there's two things. First is product and the second is marketing.

What we've been focusing on this year is primarily product. We've been testing a tiny bit on marketing, but we haven't done it yet. But if you look at a lot of the things that Vlad shared, whether it was P2P or banking or other products, we think those can be pretty meaningful drivers.

So we're making some investments and we pulled some of that forward, too, to make them and develop them this year and you'll see them launch in 2027. But the big drivers are generally just products and a little bit of marketing.

On MAUs, the honest answer is we don't goal on it. The teams are goaled on are our customers engaged? Are they using the platform? Are they trusting us or are they depositing? All of those are incredibly helping.

Now, this is an output metric. It's going to move around a little bit with the market. As I mentioned before, it could be seasonal. It could be the macro. It's what they're doing. Everything we're seeing is customers are incredibly healthy. And if they're depositing more and they're engaging more, they're using more of our products, we call that a win and then MAUs are just going to move around.

Vladimir Tenev

Yeah. And I think longer term, we have some bets that we're working on. I think obviously, having the opportunity to serve upwards of 70 million children with the Trump Accounts and serving as the broker and the initial trustee of the program with BNY I think it's a big opportunity for us to just be in front of the next generation there.

We've also been thinking about how to invest - I mean, we have custodial accounts, which have been a nice addition to the platform - but how can we actually invest in getting customers as they're even younger and build an even better experience, because we're starting to see some smoke there?

So, yeah, I think that in the next year, we're going to be making several bets that, yeah, I believe will just - not just increase top-of-funnel net-funded account growth, but also MAU growth. I mean, the two are sort of high-level interconnected. So, you should see those move and that's outside of marketing and outside of, I think, the long-term opportunity of serving as the trustee of the Trump Accounts initiative. Oh, you're muted.

Andrew Harte

Can you hear me?

Vladimir Tenev

Now you're back. Yeah.

Andrew Harte

I told you last quarter, my son was about to be born. And I signed him up and I can confirm it was a very easy onboarding process for his Trump Account. So, well done there.

Vladimir Tenev

Oh, thank you. That warms my heart. Hopefully, you'll have many more.

Shiv Verma

Also, you could see if your employer will match you now and get a little bit more for your son in there as well.

Vladimir Tenev

Yeah.

Andrew Harte

Yeah. Good call.

Chris Koegel

Alright. The next question is from Alex Markgraff at KeyBanc.

Alex Markgraff

Hey, guys. Thanks for taking my question. It sounds like things are going quite well in banking. I certainly appreciate the withdrawal destination data point that you shared.

What should we be looking for to determine when the products are in a state that warrants more sort of intentional marketing efforts or when you're ready to pour fuel on the fire, so to say? Thanks.

Vladimir Tenev

Yeah. That's a good question. That's going to be tied with the general availability of the product.

So right now, you kind of have to be a Robinhood brokerage customer to be eligible for banking, which essentially means there's no like independent onboarding - sorry, my hair makes this tough - no independent onboarding yet in the banking app. Of course, we do intend to roll that out. And once we have independent onboarding, then that unlocks the possibility of performance marketing, which will be a new capability of ours because now, we're marketing multiple things.

So, we're still early, but I think we've got a great team on the marketing side and we're going to be investing more in the capability. But we do believe that banking will actually give growth to brokerage and not just the other way around. So this is just - yeah just greenfield opportunity for us, which will also impact net funded account growth and MAUs.

Shiv Verma

And banking is a little different than the credit card. So credit card, we're rolling out more deliberately because you have to get the unit economics right. You have to get the credit risk right.

Banking is just like any of the other products that we launch. You make sure that customers like it. You fix their pain points once you find product market fit. So, it'll be much more akin to a regular software product relative to the credit card, which took a little bit longer to roll out.

Vladimir Tenev

Yeah. And I'd also add that it's a little bit more of a predictable compounder because the trading products, there is a dependence on the market and seasonality. But banking people just receive their paychecks. They spend. They're in the ecosystem week in, week out, which counterbalances the trading business quite nicely.

Chris Koegel

Alright. And finishing strong here, our next question is from Ken Worthington at JP Morgan.

Ken Worthington

Hi. Good afternoon. Thanks for the last licks here. I'm keeping it sort of high-picture. ARPU doubled over the last two years due to a roadmap of new products and new cross-selling.

How do you see ARPU evolving from here? And if I pick an ARPU figure like $300, do you see if this is feasible? And given all that you've got going on, what does Robinhood need to get right to get to a figure like that?

Vladimir Tenev

Yeah. I think that's an interesting question. I mean, the reason I'm reluctant to just give you our ARPU goal is I think we also think there's a lot of opportunity to grow customers and grow down-market. I

mean, if we get more younger customers - you could see, for example, ARPU decreasing, but the total size of the customer base increasing dramatically.

I mean, particularly, depending on how you count Robinhood Chain users and international customers, as we continue to put our foot on the gas of international expansion. Which, I think we're still in the relatively early days, I mean, we crossed 1 million international customers, but not hard to imagine that itself growing exponentially on the way to the majority of our customers being international over the long run.

So, it's a complicated optimization of our existing customers continuing to get more valuable, get wealthier, and their ARPU should be continuing to increase. But there's going to be a counterbalancing effect of us just getting plenty of more customers from international markets and who are younger.

Shiv Verma

Yeah. A couple of things I'll add there. ARPU is an output metric, so we actually don't goal teams on that. We goal them on market share and then ROI. And what we've said before is we believe Robinhood can 10x from here.

And so, you can take any metric you want, whether that's revenue, Net Deposits, et cetera. The highest predictor and correlation to revenue is just Net Deposits. So, if we keep gaining Net Deposits, if our customers keep trusting us, whether that's new Funded Customers, whether that's an existing customer trusting us with more, that's how you grow the business and that's how you grow revenue.

ARPU is going to grow wherever it's going to go, but again, that's not what we goal on. We just goal on market share and giving a great customer experience.

Chris Koegel

Alright. Well, that concludes the Q&A portion of the call. Vlad, would you like to make any closing comments?

Vladimir Tenev

Yeah. I just want to tell you guys, again, thank you for being here for those of you in person and also those of you watching remotely.

We're building a community here, not just customers, but also shareholders, investors, retail and institutional, had some content creators on the call, and you should know that we are far from done and we are not complacent.

And the roadmap just continues to be incredibly full. So, rolling out all the things from HOOD Summit and a bunch of other things in the hopper to make this your financial superapp, and to deliver the power

of ownership to people worldwide. So, thank you for being with us on the journey, and thank you for listening and bearing the heat.