



SECURITIES AND  
FUTURES COMMISSION  
證券及期貨事務監察委員會

## Financial Review of the Securities Industry

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For the half year ended 30 June 2025

## Executive summary

In the first half of 2025 (H1 2025), the total net profits of all securities dealers and securities margin financiers<sup>1</sup> in Hong Kong increased 14% to \$28.9 billion<sup>2</sup> from \$25.3 billion in the second half of 2024 (H2 2024). Compared to the previous six-month period, the total value of transactions rose 22% from \$81.1 trillion to \$99.2 trillion.

### Net profits of all securities dealers and securities margin financiers

In general, major revenue streams maintained stable growth:

- net commission income from securities dealing, futures and options (F&O) dealing, leveraged foreign exchange trading (LFET) and virtual assets (VA) dealing<sup>3</sup> and gross interest income increased 4% from \$34.0 billion in H2 2024 to \$35.4 billion in H1 2025, where:
  - net securities commission income was up 23% from \$11.1 billion to \$13.6 billion. The increase was in line with that in the total value of transactions; and
  - net commission income from dealing in other products was up 20% from \$1.9 billion to \$2.3 billion;
- income from advisory services and underwriting and placing of securities remained solid, amounting to \$13.4 billion, where the decrease (\$0.3 billion) in underwriting income was offset by the increase (\$0.5 billion) in income from advising on corporate finance;
- asset management-related fee income was down 19% from \$21.8 billion in H2 2024 to \$17.6 billion in H1 2025. Notwithstanding, the amount of assets under the securities dealers' management increased from \$11.8 trillion as of the end of December 2024 to \$13.0 trillion as of the end of June 2025. The decrease in income was primarily due to the timing of fee recognition – in particular performance fee income – which was accounted for in December 2024 but not in H1 2025; and
- other income, including management fees charged on group companies and net profit on proprietary trading, decreased slightly by 1% from \$51.9 billion in H2 2024 to \$51.4 billion in H1 2025.

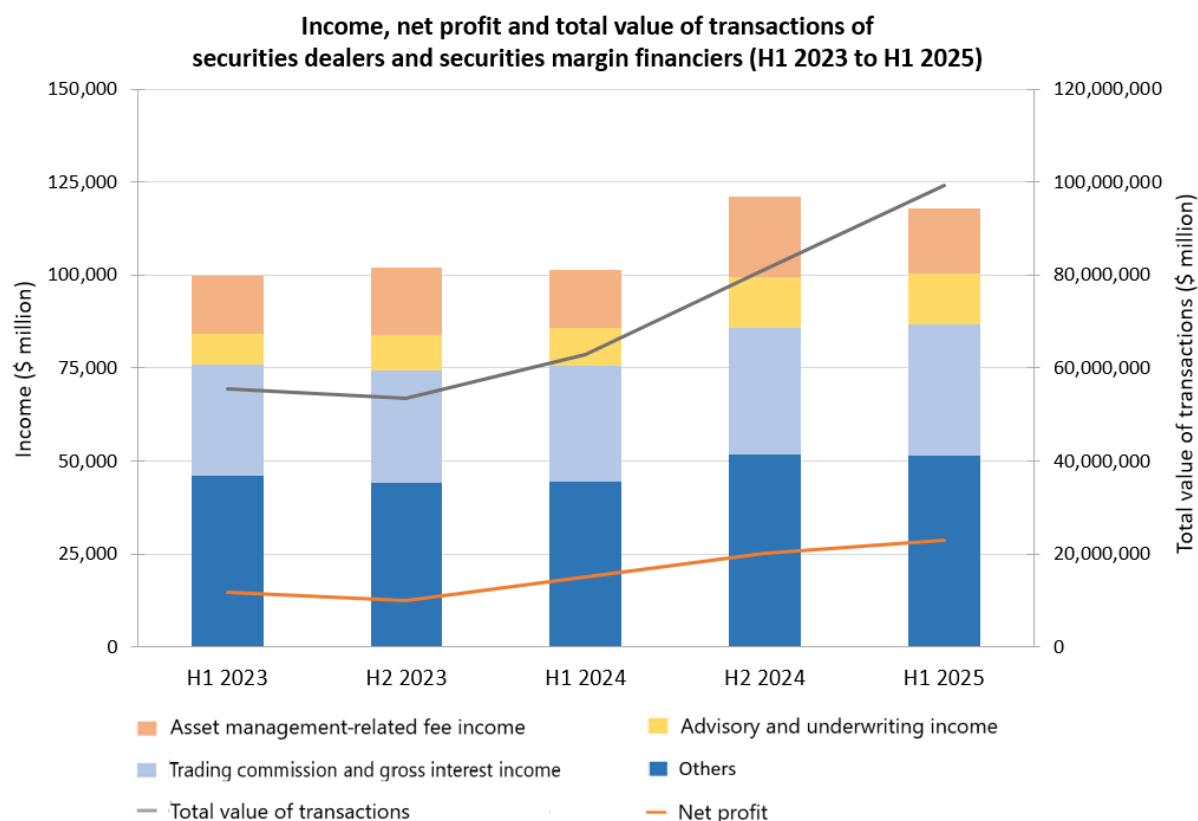
The total net profits were bolstered by lower overheads and interest expenses, which was down 7% from \$95.8 billion in H2 2024 to \$89.0 billion in H1 2025. Amongst other things, interest expense decreased 11% from \$7.7 billion in H2 2024 to \$6.9 billion in H1 2025.

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<sup>1</sup> Securities dealers and securities margin financiers refer to corporations licensed for dealing in securities or securities margin financing. Both Stock Exchange of Hong Kong Limited (SEHK) participants and non-SEHK participants are included unless otherwise specified.

<sup>2</sup> Unless otherwise stated, the figures provided in this report are denominated in Hong Kong dollars.

<sup>3</sup> The total reported commission income from VA dealing in H1 2025 was \$127.9 million. This reflected an increase of \$0.5 million compared to H2 2024.



### Net profits of SEHK participants

Average daily turnover on SEHK during the first half of 2025 reached a record high of \$240.2 billion<sup>4</sup>, up 89.4% from \$126.8 billion in the previous six months. As of 30 June 2025, the Hang Seng Index closed at 24,072, up 20% from its close at the end of 2024.

In respect of SEHK participants, brokerages in Categories A, B and C (please see remark 2a in Table 2) reported total net profits of \$5.7 billion, \$7.4 billion and \$2.5 billion, respectively. The net profits of all SEHK participants totalled \$15.6 billion, up 34% from the previous six months. Notably, the net profits of Category C brokers increased by 104%.

### Number of active clients

As of 30 June 2025, the number of active clients (as defined in remark 1b in Table 1) of all securities dealers and securities margin financiers totalled 4.8 million, up 9% from 31 December 2024. The top five securities dealers accounted for about half of all active securities clients in Hong Kong.

### Outstanding margin loans

As of 30 June 2025, outstanding margin loans totalled \$170.6 billion, slightly down 4% from 31 December 2024, whilst average collateral coverage (as defined in remark 1a in Table 1) was 4.7 times. The 20 largest providers of securities margin financing collectively accounted for 84% of the industry's total outstanding margin loans.

<sup>4</sup> Source: Hong Kong Exchanges and Clearing Limited.

## Statistical information and financial position of securities dealers and securities margin financiers/ SEHK participants

Table 1 below summarises the statistical information and financial position of securities dealers and securities margin financiers. Table 2 summarises the financial performance of the three categories of SEHK participants for the half year ended 30 June 2025.

<b>Table 1 Statistical information and financial position of securities dealers and securities margin financiers</b>		
	<b>30/6/2025</b>	<b>31/12/2024</b>
Total number of securities dealers and securities margin financiers	1,414	1,397
Total number of active cash clients <sup>1b</sup>	1,814,604	1,857,740
Total number of active margin clients <sup>1b</sup>	2,974,831	2,546,405
	<b>30/6/2025</b>	<b>31/12/2024</b>
<b>Balance sheet (\$ million)</b>		
Cash in hand and at bank <sup>1c</sup>	774,075	635,332
Amounts receivable from margin clients	170,626	177,193
Amounts receivable from clients and other dealers arising from dealing in securities	371,038	215,701
Proprietary positions	77,752	67,974
Other assets	482,414	417,802
<b>Total assets</b>	<b>1,875,905</b>	<b>1,514,002</b>
Amounts payable to clients and other dealers arising from dealing in securities	1,076,226	775,133
Total borrowings from financial institutions	41,276	30,812
Short positions held for own account	2,585	1,005
Other liabilities	228,349	205,613
Total shareholders' funds	527,469	501,439
<b>Total liabilities and shareholders' funds</b>	<b>1,875,905</b>	<b>1,514,002</b>

**Table 1 Statistical information and financial position of securities dealers and securities margin financiers (cont'd)**

	Six months to 30/6/2025	Six months to 31/12/2024
<b>Profit and loss (\$ million)</b>		
Total value of transactions <sup>1d</sup> (+22%)	99,239,907	81,105,142
<i>Trading commission and interest income (+4%)</i>	<i>35,381</i>	<i>34,018</i>
Net securities commission income (+23%)	13,582	11,075
Net commission income arising from F&O dealing, LFET and VA dealing (+20%)	2,280	1,895
Gross interest income (-7%)	19,519	21,048
<i>Advisory and underwriting income (+0%)</i>	<i>13,431</i>	<i>13,424</i>
Income from advising on securities and/or futures (-4%)	4,628	4,812
Income from underwriting and placing of securities (-4%)	6,770	7,079
Income from advising on corporate finance (+33%)	2,033	1,533
<i>Asset management-related fee income (-19%)</i>	<i>17,624</i>	<i>21,834</i>
<i>Other income (-1%)</i>	<i>51,459</i>	<i>51,919</i>
Management fees charged on group companies (-7%)	28,371	30,612
Net profit on proprietary trading (+47%)	2,660	1,805
Other income (+5%)	20,428	19,502
<b>Total income (-3%)</b>	<b>117,895</b>	<b>121,195</b>
Total overheads and interest expense (-7%)	(89,011)	(95,854)
<b>Net profit (+14%)</b>	<b>28,884</b>	<b>25,341</b>

**Remarks:**

- 1a. Average collateral coverage represents the number of times the aggregate market value of securities collateral deposited by margin clients covers the total amount of margin loans due from these clients on a given date on an industry-wide basis:

<u>As at 30/6/2025</u>	<u>As at 31/12/2024</u>
4.7 times	3.9 times

- 1b. Active clients refer to clients for whom a licensed corporation is required to prepare and deliver monthly statements of account in respect of the relevant reporting month in accordance with the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (Cap. 571Q).
- 1c. Cash in hand and at bank includes \$522,887 million in trust monies held on behalf of clients (31/12/2024: \$405,156 million).
- 1d. Total value of transactions includes trading in equities, bonds and other securities in Hong Kong and overseas.

Source: Monthly financial returns submitted to the Securities and Futures Commission by licensed corporations licensed for dealing in securities or securities margin financing in accordance with the Securities and Futures (Financial Resources) Rules (Cap. 571N).

**Table 2 Financial performance of SEHK participants<sup>2a</sup> by category for the half year ended 30 June 2025 (\$ million)**

	Category A		Category B		Category C		All SEHK Participants	
	H1 2025	H2 2024	H1 2025	H2 2024	H1 2025	H2 2024	H1 2025	H2 2024
Total value of transactions <sup>2b</sup>	51,546,052	41,034,984	25,696,242	20,366,970	6,319,999	8,030,669	83,562,293	69,432,623
Net securities commission income	2,711	2,204	5,648	4,355	2,471	2,305	10,830	8,864
Net commission income arising from F&O dealing, LFET and VA dealing	1,104	801	420	355	119	416	1,643	1,572
Gross interest income	4,131	3,980	9,817	10,760	3,445	3,892	17,393	18,632
Income from advising on securities and/or futures	-	-	903	938	240	254	1,143	1,192
Income from underwriting and placing of securities	14	9	1,742	1,359	1,886	2,953	3,642	4,321
Income from advising on corporate finance	220	65	192	270	79	58	491	393
Asset management income	42	27	25	(10)	279	309	346	326
Management fees charged on group companies	4,114	3,681	3,039	3,278	1,451	2,017	8,604	8,976
Net profit/(loss) on proprietary trading	(6)	135	1,629	1,002	135	(510)	1,758	627
Other income	3,670	2,983	1,773	1,237	2,010	2,111	7,453	6,331
<b>Total income</b>	<b>16,000</b>	<b>13,885</b>	<b>25,188</b>	<b>23,544</b>	<b>12,115</b>	<b>13,805</b>	<b>53,303</b>	<b>51,234</b>
Salary and staff benefits	(1,928)	(1,806)	(4,364)	(4,388)	(3,121)	(3,723)	(9,413)	(9,917)
Other overheads and interest expense	(8,374)	(7,093)	(13,374)	(13,706)	(6,485)	(8,850)	(28,233)	(29,649)
<b>Net profit</b>	<b>5,698</b>	<b>4,986</b>	<b>7,450</b>	<b>5,450</b>	<b>2,509</b>	<b>1,232</b>	<b>15,657</b>	<b>11,668</b>

**Remarks:**

2a. SEHK participants are classified into Categories A, B and C on the basis of their monthly turnover on SEHK. Category A participants refer to the top 14 brokers by market turnover, Category B participants refer to those ranked 15th to 65th and the remainder is grouped under Category C.

2b. The total value of transactions includes trading in equities, bonds and other securities in Hong Kong and overseas.

Source: Monthly financial returns submitted to the Securities and Futures Commission by SEHK participants in accordance with the Securities and Futures (Financial Resources) Rules (Cap. 571N).

Disclaimer: The objective of this paper is to provide summary financial data for interested parties to use for benchmarking, research analysis or other purposes. Observations made here should not be taken as definitive market commentaries.