



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

Financial Review of the Securities Industry

For the half year ended 30 June 2026

Executive summary

The Hong Kong securities industry recorded stronger profitability in the first half of 2026 (H1 2026), with total net profit of all securities dealers and securities margin financiers¹ rising 21% to \$51.7 billion² from \$42.8 billion in the second half of 2025 (H2 2025). The increase was primarily supported by higher market activity, as the total value of transactions rose 24% to \$149.0 trillion from \$119.7 trillion. This led to higher trading commission income and contributed to a 4% increase in total income. In addition, total overheads and interest expense decreased by 2%, providing positive operating leverage and further supporting the growth in net profit.

Net profits of all securities dealers and securities margin financiers

Total income continued to grow in the first half, up moderately by 4%. The changes in the major income streams were as follows:

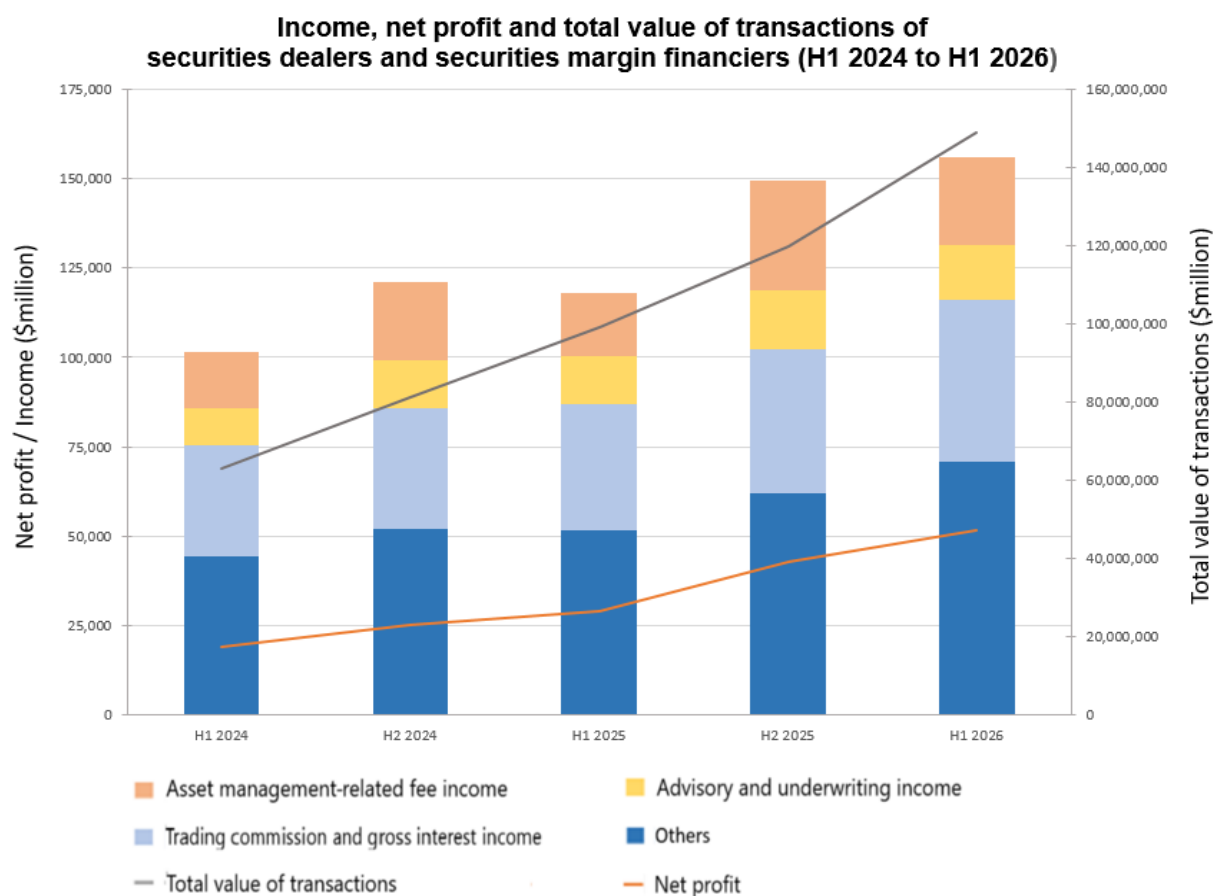
- Net commission income from securities dealing, futures and options (F&O) dealing, leveraged foreign exchange trading (LFET) and virtual assets (VA) dealing³ and gross interest income increased 13% to \$45.4 billion in H1 2026 from \$40.1 billion in H2 2025. Within this:
 - Net securities commission income was up 21% to \$20.2 billion from \$16.6 billion. The increase was broadly in line with that in the total value of transactions; and
 - Net commission income from dealing in other products was up 18% to \$2.9 billion from \$2.5 billion;
- Income from advisory services and underwriting and placing of securities decreased 6% to \$15.4 billion in H1 2026 from \$16.4 billion in H2 2025. This was driven by a \$0.9 billion decrease in income from underwriting and placing of securities and a \$0.7 billion decrease in income from advising on securities and/or futures, partially offset by a \$0.6 billion increase in income from advising on corporate finance;
- Asset management-related fee income decreased 21% to \$24.4 billion in H1 2026⁴ from \$31.0 billion in H2 2025. This was primarily due to the timing of fee recognition, particularly performance fee income, which was accounted for in December 2025 but not in H1 2026; and
- Other income, including management fees charged on group companies and net profit on proprietary trading, increased 14% to \$70.7 billion in H1 2026 from \$62.1 billion in H2 2025.

¹ 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. Some firms included in the review may be licensed for other regulated activities in addition to dealing in securities and/or securities margin financing; the financial figures presented reflect the firms' reported financial results and may include income arising from such other business activities.

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

³ The total reported commission income from VA dealing in H1 2026 was \$99.3 million. This reflected a decrease of \$15.5 million from \$114.8 million in H2 2025.

⁴ The total amount of assets under management as of 30 June 2026 was \$16.5 trillion, which increased by \$1.6 trillion from \$14.9 trillion as of 31 December 2025.



Net profits of SEHK participants

Average daily turnover on SEHK in H1 2026 reached a record high of \$283.0 billion⁵, up 9.3% from \$259.0 billion in H2 2025. As of 30 June 2026, the Hang Seng Index closed at 22,881, down 11% from its close at the end of 2025.

Net profits of all SEHK participants totalled \$23.7 billion, up 20% from H2 2025. Category B brokerages (as defined in Remark 2a in Table 2) recorded the largest percentage increase, with net profits rising by 37% to \$12.8 billion, while Category C brokerages recorded growth of 24% to \$4.5 billion. Category A brokerages, however, recorded a decrease of 5% to \$6.5 billion.

Number of active clients

As of 30 June 2026, the number of active clients (as defined in Remark 1b in Table 1) of all securities dealers and securities margin financiers totalled 5.7 million, up 10% from 31 December 2025. The top five securities dealers accounted for about half of all active securities clients in Hong Kong.

⁵ Source: Hong Kong Exchanges and Clearing Limited.

Outstanding margin loans

As of 30 June 2026, outstanding margin loans totalled \$276.3 billion, up 28% from 31 December 2025, while 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 87% of the industry's total outstanding margin loans.

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 2026.

Table 1 Statistical information and financial position of securities dealers and securities margin financiers		
	30/6/2026	31/12/2025
Total number of securities dealers and securities margin financiers	1,484	1,475
Total number of active cash clients ^{1b}	1,969,601	1,872,141
Total number of active margin clients ^{1b}	3,707,944	3,274,693
	30/6/2026	31/12/2025
Balance sheet (\$ million)		
Cash in hand and at bank ^{1c}	947,301	822,168
Amounts receivable from margin clients	276,267	216,353
Amounts receivable from clients and other dealers arising from dealing in securities	600,834	357,711
Proprietary positions	117,669	87,687
Other assets	640,667	501,776
Total assets	2,582,738	1,985,695
Amounts payable to clients and other dealers arising from dealing in securities	1,494,332	1,099,112
Total borrowings from financial institutions	58,597	38,792
Short positions held for own account	5,930	3,434
Other liabilities	411,399	284,082
Total shareholders' funds	612,480	560,275
Total liabilities and shareholders' funds	2,582,738	1,985,695

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

	Six months to 30/6/2026	Six months to 31/12/2025	% change
Profit and loss (\$ million)			
Total value of transactions ^{1d}	148,989,381	119,724,699	24%
<i>Trading commission and interest income</i>	<i>45,396</i>	<i>40,126</i>	<i>13%</i>
Net securities commission income	20,176	16,641	21%
Net commission income arising from F&O dealing, LFET and VA dealing	2,928	2,490	18%
Gross interest income	22,292	20,995	6%
<i>Advisory and underwriting income</i>	<i>15,410</i>	<i>16,430</i>	<i>-6%</i>
Income from advising on securities and/or futures	5,192	5,848	-11%
Income from underwriting and placing of securities	7,275	8,212	-11%
Income from advising on corporate finance	2,943	2,370	24%
<i>Asset management-related fee income</i>	<i>24,369</i>	<i>31,014</i>	<i>-21%</i>
<i>Other income</i>	<i>70,738</i>	<i>62,061</i>	<i>14%</i>
Management fees charged on group companies	38,311	36,049	6%
Net profit on proprietary trading	6,297	4,094	54%
Other income	26,130	21,918	19%
Total income	155,913	149,631	4%
Total overheads and interest expense	(104,244)	(106,797)	-2%
Net profit^{1e}	51,669	42,834	21%

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 30/6/2026</u>	<u>As at 31/12/2025</u>
4.7 times	4.5 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 \$655,636 million in trust monies held on behalf of clients (31/12/2025: \$568,662 million).

1d. Total value of transactions includes trading in equities, bonds and other securities in Hong Kong and overseas.

1e. The net profit reported is before tax.

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^{2a 2b} by category for the half year ended 30 June 2026 (\$ million)

	Category A		Category B		Category C		All SEHK Participants	
	H1 2026	H2 2025	H1 2026	H2 2025	H1 2026	H2 2025	H1 2026	H2 2025
Total value of transactions ^{2c}	77,108,476	63,571,311	35,482,202	28,814,260	11,093,165	13,554,124	123,683,843	105,939,695
Net securities commission income	3,210	3,521	7,944	6,219	3,919	3,819	15,073	13,559
Net commission income arising from F&O dealing, LFET and VA dealing	1,151	1,159	526	478	545	641	2,222	2,278
Gross interest income	5,375	5,398	10,754	9,985	3,851	3,714	19,980	19,097
Income from advising on securities and/or futures	0	0	1,191	1,079	225	330	1,416	1,409
Income from underwriting and placing of securities	54	10	3,864	3,861	870	1,478	4,788	5,349
Income from advising on corporate finance	197	73	266	380	121	109	584	562
Asset management-related fee income	38	24	231	40	296	278	565	342
Management fees charged on group companies	4,582	4,200	3,651	3,275	3,049	2,055	11,282	9,530
Net profit/(loss) on proprietary trading	(114)	27	3,128	1,846	350	472	3,364	2,345
Other income	5,459	4,506	1,742	1,283	1,792	2,203	8,993	7,992
Total income	19,952	18,918	33,297	28,446	15,018	15,099	68,267	62,463
Salary and staff benefits	(2,508)	(2,302)	(4,683)	(4,308)	(4,026)	(4,440)	(11,217)	(11,050)
Other overheads and interest expense	(10,965)	(9,823)	(15,827)	(14,802)	(6,525)	(7,044)	(33,317)	(31,669)
Net profit^{2d}	6,479	6,793	12,787	9,336	4,467	3,615	23,733	19,744

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. Excluding the financial performance of SEHK participants whose primary business is asset management.

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

2d. The net profit reported is before tax.

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.