

# Futu Holdings (FUTU US)

## Pioneered one-stop financial services platform to ride on crypto advancements; Initiate BUY

Futu Holdings Limited (FUTU US) is a leading tech-driven financial services platform with global geographic exposure across eight markets to provide clients with trading, wealth management, market data and information and corporate services based on its one-stop *Futubull* and *Moomoo*. Its superior user experience is key to break into a new market and win paying clients from traditional brokerage, while the underlying technology infrastructure which consistently renovates, enriches this moat. We view progressive market expansions and increments of crypto and wealth management product supply as key drivers to enhance net asset inflow and thus earnings stability. In FY25E-28E, we estimate the broker's total revenue/non-GAAP net income to rise at a 12%/14% CAGR, driven by strong momentum in client acquisition and net asset inflows combined with improving operating efficiency. We initiate BUY with target price of US\$224 based on probability-weighted valuation of DCF and a target P/E(x), which implies 26x/23x FY25/26E P/E, still at a 26% discount vs. global peers. We expect this discount to narrow, alongside expanding overseas market contributions.

- **Strategic market entry amplifies synergies.** Futu is the largest retail broker in HK and expands its operation into seven overseas markets across the United States (US, 2018), Singapore (SG, 2021), Australia (AU, 2022), Japan (JP, 2023), Canada (CA, 2023), Malaysia (MY, 2024) and New Zealand (NZ, 2025). By leveraging existing markets' brand equity, product and marketing experience, and execution capabilities, Moomoo is able to rapidly ramp up rollouts for market share gains and improve operating leverage. Operating margin rose from 17.7% in FY19 to 48.7% in FY24, and further enhanced to 63.0% in 2Q25, up 13.0pct from year-start. Moomoo MY recorded the fastest sequential growth of funded accounts among all markets, where we expect it made up a 10% mix by 2Q25. In May, Moomoo NZ was launched in a high ROI with synergies of Moomoo AU.
- **Four pillars underpin a flywheel of earnings growth.** Futu has developed into four key pillars of business including securities brokerage, margin financing and securities lending, wealth management, and corporate services. Brokerage sets the ground for client acquisition and earnings growth, given the broker's gene in retail. We see robust client acquisition and AUM growth at 70%/62% CAGR in FY16-24, driving trading volume up at a 58% CAGR within the period. In 2Q25, new funded accounts rose to 466k, reaching 58% of the 800k full-year guidance. Wealth management serves as an earnings anchor amid heightened volatilities, for which the penetration to client AUM rallied to 16.8% by 2Q25. In FY22-24, brokerage income/interest income/other income grew at 23%/44%/50% CAGR.
- **Gaining grounds in AI/crypto advancement.** Futu is on track building a crypto-related infrastructure to bridge the gap of crypto and finance world on a one-stop profile. In 2Q25, crypto asset balance on the platform reached HK\$4bn, up 40% QoQ with maximum daily trading volume of US\$40mn in July, per mgmt. We estimate that crypto asset under custody made up 0.3%-0.4% of client AUM in 1Q/2Q25, which contributed 0.4%-0.5% of the period revenue ([Table17A](#)). We expect Futu's crypto asset under custody (AuC) to scale up to 8%-10% of client AUM in FY27E, and generate an additional revenue of HK\$2.4-3.1bn ([Table18](#)).
- **Initiate BUY with TP of US\$224.** Our target price is derived from a probability-weighted method of DCF and a target P/E, which implies 26x/23x FY25/26E P/E. We like Futu for its diversified earnings exposure, robust client AUM growth, and enriching AI/crypto matrix. The stock is trading at 19x/17x FY25/26E P/E, which is undemanding vs. peers and we expect its solid fundamental to boost re-rating.

### Earnings Summary

| (YE 31 Dec)                   | FY23A | FY24A | FY25E | FY26E  | FY27E  |
|-------------------------------|-------|-------|-------|--------|--------|
| Adjusted net profit (HK\$ mn) | 4,570 | 5,768 | 9,898 | 11,065 | 12,588 |
| EPS (Reported) (HK\$)         | 30.6  | 38.9  | 67.8  | 75.5   | 85.8   |
| Consensus EPS (HK\$)          | n.a   | n.a   | 66.3  | 75.0   | 85.2   |
| P/E (x)                       | 41.2  | 32.2  | 18.7  | 16.8   | 14.8   |
| P/B (x)                       | 7.4   | 6.5   | 4.8   | 3.7    | 3.0    |
| ROE (%)                       | 18.8  | 20.7  | 28.9  | 24.5   | 22.1   |

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Initiate)**

**Target Price** US\$224.00  
**Up/Downside** 41.3%  
**Current Price** US\$158.50

### Non-banking Financials

**Nika MA**  
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### Stock Data

|                          |              |
|--------------------------|--------------|
| Mkt Cap (US\$ mn)        | 177,758.8    |
| Avg 3 mths t/o (US\$ mn) | 145.1        |
| 52w High/Low (US\$)      | 194.74/74.81 |
| Total Issued Shares (mn) | 1121.5       |

Source: FactSet

### Shareholding Structure

|                                  |       |
|----------------------------------|-------|
| Hua Li                           | 36.3% |
| Entities affiliated with Tencent | 20.4% |

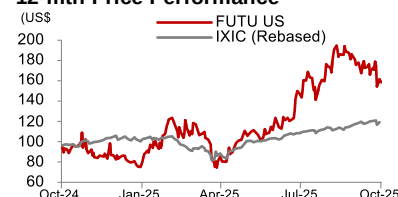
Source: HKEx

### Share Performance

|       | Absolute | Relative |
|-------|----------|----------|
| 1-mth | -12.3%   | -12.9%   |
| 3-mth | 8.6%     | -0.3%    |
| 6-mth | 89.3%    | 41.4%    |

Source: FactSet

### 12-mth Price Performance



Source: FactSet

**Auditor: PricewaterhouseCoopers**

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## Investment Thesis

### Strategic market entrance amplifies cross-market synergies

Futu is the largest retail broker in HK built with the brand *Futubull*, and expands its operation into seven overseas markets across the United States (2018), Singapore (2021), Australia (2022), Japan (2023), Canada (2023), Malaysia (2024) and New Zealand (2025) under the brand *Moomoo*. Since 2020, Futu has been accelerating its global expansion to regions of affluent mass population, high internet penetration rate and stock trading preferences. By leveraging existing markets' brand equity, product experience and execution capabilities, Moomoo is able to grow rapidly for market share gains. The Group's operating margin rose from 17.7% in FY19 to 48.7% in FY24, and further lifted to 63.0% in 2Q25, up 15.7pct YoY/ 5.8pct QoQ, thanks to improved operating leverage. We expect this edge to sustain as Futu enters more markets in proximity, with alike user demands and infrastructure to be utilized.

Futu's success in HK laid a solid foundation for the Group, and HK remains a firm foothold, of which average client asset balance outpaces that of others, and the number of funded accounts makes up about one-third of the Group's total (*CMBI est*), with an aim to reach 40% penetration in the medium term, per mgmt. Moomoo MY marked the fastest sequential growth of paying clients among all markets, where we expect it comprised 10% of Group's paying clients as of 1H25. In May 2025, Moomoo NZ was launched in synergies of localized product experience and brand equity of Moomoo AU, suggesting a high ROI diversification.

### Four pillars of business reinforce a flywheel of earnings growth

Futu has developed into four pillars of business over years, including securities brokerage, margin financing and securities lending (MFSL), wealth management (WM), and corporate services. Securities brokerage sets the ground for client acquisition and Group's earnings profile, given the company's gene in retail, which reinforces a cycle from serving individuals to institutions. In FY22-24, brokerage commissions/interest income/other income lifted at a 23%/44%/50% CAGR, with number of funded accounts growing at 27% CAGR. Brokerage and interest income collectively made up 90%-95% of revenue, boosting the solid uptrend.

For brokerage, we see robust client acquisition and AUM growth with the number of funded accounts and total client asset balance rising at a 70%/62% CAGR in FY16-24. In 2Q25, new funded accounts arrived at 466k, achieving 58% of the 800k annual target. We expect the broker likely to surpass this bullish mgmt. guidance, given 1) new market entrance (i.e. Moomoo NZ in May 2025), 2) enriched product suites (i.e. structured notes, crypto pairs, etc.), 3) HK/US markets' upbeat sentiments likely to sustain amid the Fed pivot in 2H25E. We project Futu's trading volume to marginally increase in 3Q25E, on back of favourable net asset inflows and steadily increasing funded accounts. In 1H25, the broker's net asset inflows almost doubled year-over-year, bolstering the total client assets to a record high of HK\$974bn, up 68%/17% YoY/QoQ. Looking forward, we expect the broker to focus more on average client AUM growth than that of funded accounts from a longer term perspective. In FY25-27E, we forecast total client assets to reach HK\$1,098/1,296/1,485bn respectively.

For wealth management, we see the business as a second growth curve of earnings, given its enhancement to asset acquisition and stable earnings, despite rising market volatilities. In FY19-24, wealth management balance spiked at 79% CAGR to HK\$110.9bn, and further jumped to HK\$163.2bn as of 1H25, up 104%/17% YoY/QoQ. The penetration of WM asset balance to client asset balance recorded at 16.8% in 2Q25, up 3.0pct/flat YoY/QoQ, which leaves ample headroom for further growth, in our view. Driven by robust net asset inflows and sustained customer retention, we anticipate the WM asset balance to grow at a 16.5% CAGR in FY25-28E. Fund distribution income surged at a 112% CAGR in FY19-24 to HK\$447mn, due to the escalation of WM asset balance (FY19-24 CAGR: 79%) and a take rate of 0.5%-0.6%. We estimate the revenue mix to reach 7.5% in FY28E (vs. 2Q25: 4.6%).

Margin financing and securities lending has gained promising interest income over the past three years, making up 25%-30% of total revenue, thanks to the uptrend of interest rate and increasing client asset balance. We expect the MFSL balance to steadily grow with client AUM, yet the annualized yield could be affected by 1) the interest rate cycle; and 2) investor sentiments. In FY21-24, MFSL interest income increased at an 18.6% CAGR with

MFSL balance improved at an 18.9% CAGR to HK\$50.9bn by FY24, equivalent to 6.8% of total client assets. The yield of margin financing was relatively stable at ~6%, given its fixed pricing structure. Looking into 2H25E, we expect the downtrend of interest rate resulting from the Fed pivot could lead to limited impact to interest income from MFSL, as a lower financing cost could spur investor sentiment, and enhance client asset balance as an offset.

Corporate services have developed on the basis of retail client expansion. Under the brand of *Futu I&E*, the broker could leverage retail investors' likes and insights to gain tractions from corporate clients for their IPO distributions, public relations and ESOP solution services, and deepen a closed-loop for both individuals and corporates. We expect the IPO boom in HK and improving sentiments on A+H listing to accelerate Futu's IPO subscription and underwriting income within the year. According to *AIPO*, Futu Securities (HK) topped in rankings among Chinese and Fintech brokerage securities in HK, with a monthly turnover of HK\$241.8bn in 1-8M25, indicating a share of 3.70% in terms of total transaction volumes.

## Upbeat on the rise of crypto advancements to boost earnings outlook

Futu is on track building a crypto-related infrastructure to tap into this thriving spot trading market on its one-stop profile *Futubull* and *Moomoo*. It has so far launched regulated crypto trading services in HK (Aug 2024), Singapore (Aug 2024), and the US (Jun 2025). We see meaningful revenue contribution from this emerging service in the long term, as the broker increases crypto adoption and bridges the gap to traditional finance amid regulatory clarity.

In HK, Futu launched crypto trading services under the upgraded Type 1 License granted by the SFC in Aug 2024, obtained the virtual asset trading platform (VATP) license through the Group's subsidiary crypto exchange Panthertrade (Hong Kong) Ltd. in Jan 2025, and introduced BTC/ETH/USDT/SOL trading and deposit/withdrawal services from May to Aug 2025. The VATP (i.e. crypto exchange) license is in the Phase II evaluation period, which the mgmt. expects to gain a full-license access no later than 1H26E. In Singapore, Moomoo SG was the first licensed digital brokerage for providing regulated crypto trading services approved by the MAS in July 2024, ahead of other ASEAN peers. In the US, Moomoo Crypto was launched in June 2025, with a rollout of over 30 mainstream tokens' spot trading services via a collaboration with Coinbase. We expect this extension of spot crypto trading, and potential staking and crypto derivative services in future could strengthen the broker's earnings outlook through 1) expanding commission rate; 2) enhancing conversion of paying clients to crypto natives; and 3) broadening services to exchange business, real world asset and stablecoins, etc. to accelerate net asset inflow alongside improving on-chain efficiency.

The take rate for crypto transaction is 8bps/10bps/49bps in HK/SG/US market respectively, higher than that of cash equities for HK/SG/US-listed stocks at 3bps/8bps/commission free. Despite a higher fee rate, we think Futu's crypto pairs' trading services are appealing to retail investors vs. the fee structure of conventional crypto exchanges, i.e. Coinbase charging the spot trading fee for small volumes (<US\$1k monthly) at 60bps for makers and 120bps for takers; and Bybit charging the starting fee by 10bps for both makers and takers.

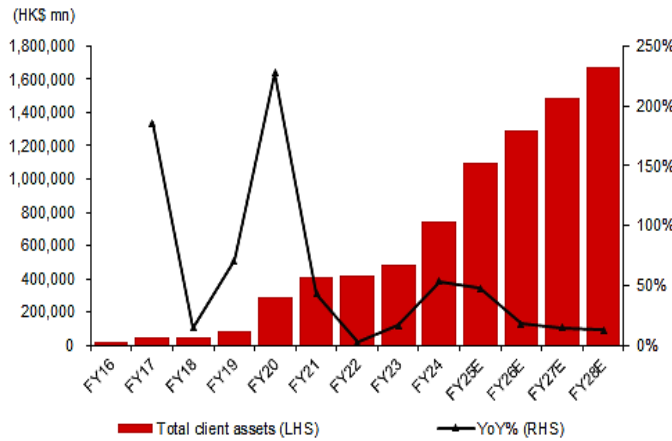
As regulatory clarity advances in HK and the US, we see significant monetization potential from both client asset balance and revenue perspectives. Over a mid to long-term prospect, we expect Futu to stand out as a universal account solution provider to consolidate clients' capabilities alongside cross-asset management. In addition, Futu's participation in Airstar Bank (~44% Futu's holding) could expand its lineup to the HKD fiat-referenced stablecoins.

Given the R-A-C-E strategy, Futu will navigate its digital journey via 1) **RWA** infrastructure building, by providing traditional wealth management asset class with on-chain access; 2) **Advanced** technology development, to promote asset liquidity and safety alongside arising AI adoptions; 3) **Conversion** of paying clients to crypto natives; and 4) **Exchange** business, to empower the establishment of crypto ecosystems. In 2Q25, crypto asset balance on the platform reached HK\$4bn, up 40% QoQ per mgmt., with the maximum daily trading volume achieving US\$40mn in July 2025. Based on these figures, we estimate that the crypto asset under custody (AuC) contributed 0.3%-0.4% of client AUM in 1Q/2Q25 ([Table.17A](#)), which added 0.4%-0.5% of the period revenue. Although crypto trading services now comprising

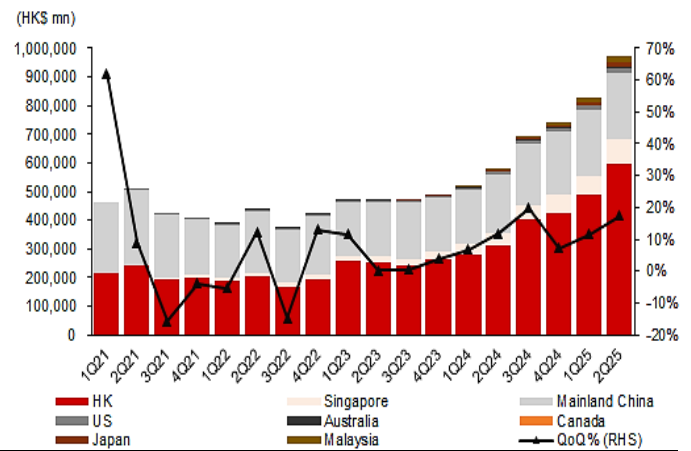
less than 1% of client AUM and revenues, we expect the crypto AuC to scale up in FY27E to 9% of total client assets, and generate an additional revenue of HK\$2.4-3.1bn ([Table.18](#)).

## Key Charts

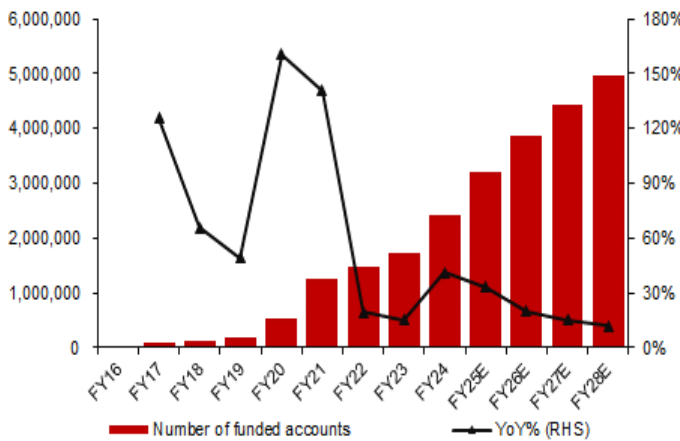
**Fig 1: Total client asset balance & YoY% (FY16-28E)**



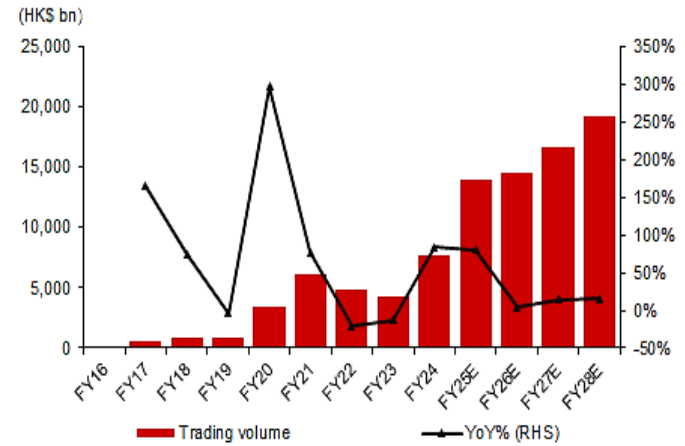
**Fig 2: Client asset mix by operating markets (%)**



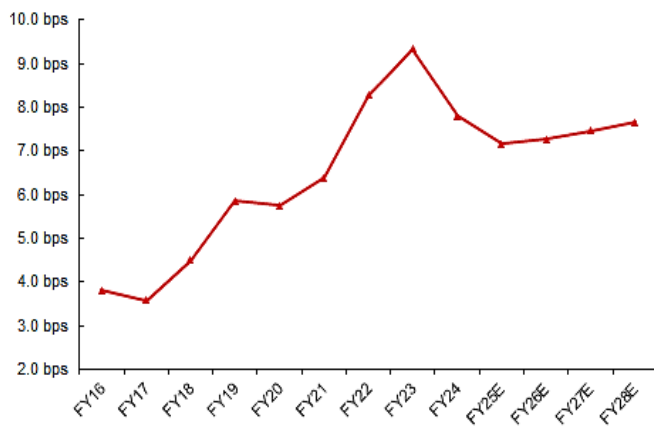
**Fig 3: No. of funded accounts & YoY% (FY16-28E)**



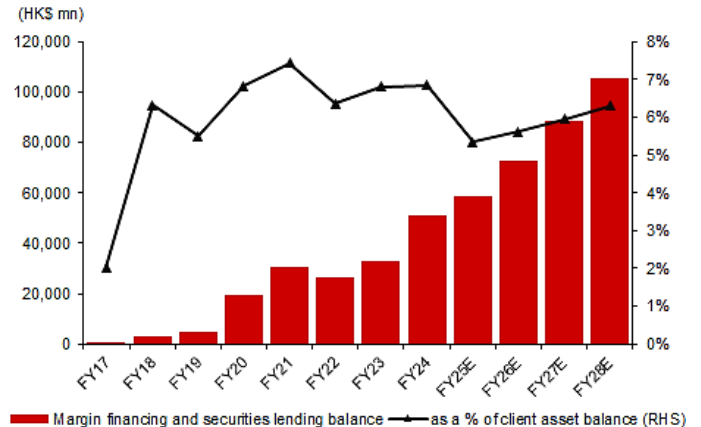
**Fig 4: Total trading volume & YoY% (FY16-28E)**



**Fig 5: Blended commission rate (annualized, bps)**



**Fig 6: MFSL balance & as a % of total client assets**

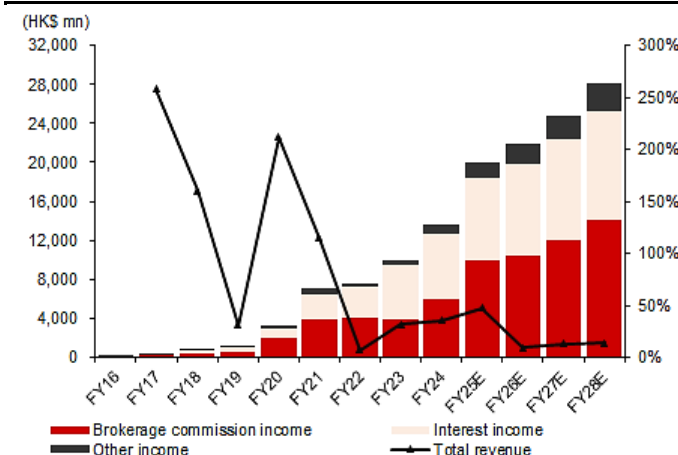


## Pioneered one-stop profile accelerating growth potential

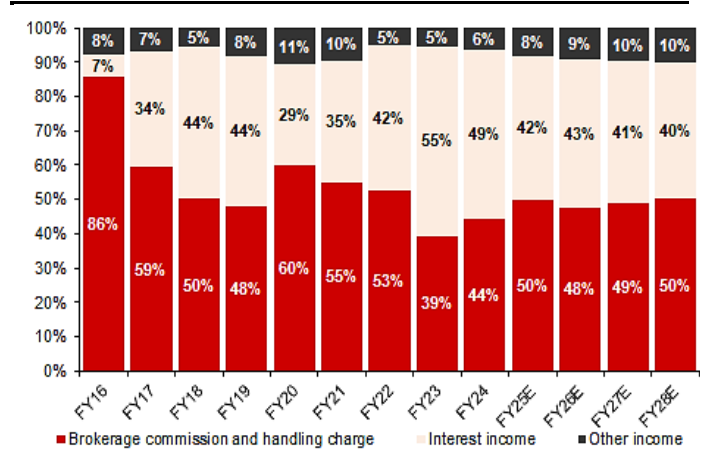
Futu Holdings Limited ("Futu") is a well-rounded online financial services platform, founded in 2012 as an online securities brokerage service provider, and expanded to a leading one-stop financial services platform which integrates trading, wealth management, market data and information, social collaboration and communities, as well as corporate services. The Group has entered into eight overseas markets across Hong Kong (2012), the United States (2018), Singapore (2021), Australia (2022), Japan (2022), Canada (2023), Malaysia (2024) and New Zealand (2025), and acquired more than 100 licenses around the globe to provide clients with a comprehensive suite of asset trading, margin financing and securities lending, fund distribution, and cross-asset investments based on its digitized app *Futubull* and *Moomoo*. In FY24, total number of users amounted to 25.1mn, up 16.2% YoY, of which 2.4mn were funded accounts, implying a 9.6% conversion rate. Client asset balance surged 53.1% YoY to HK\$743bn in FY24, driven by strong net asset inflows and mark-to-market appreciation alongside improving sentiment. With strategic global expansion targeting clear client profile, we project Futu's total client assets to advance at a 15% CAGR in FY25-28E.

Futu is able to maintain a promising topline uptrend amid market fluctuations evidenced by total revenue rising at a 67% CAGR in FY19-24. Of which, brokerage business sets ground for client acquisition and earnings advancement, interest income leverages the uptick of interest rate cycle, and fund distribution income drives a second growth curve of earnings despite cyclicity on back of resilient asset acquisition and client retention. In FY25-28E, we expect total revenue to rise at a 12% CAGR, driven by sustained strong momentum in net asset inflow and non-GAAP net income to lift at a 14% CAGR, given operating leverage.

**Fig 7: Futu's total revenue and YoY% (FY16-28E)**

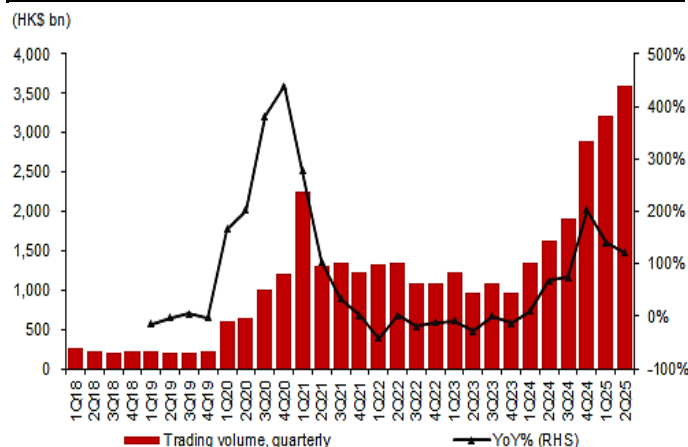


**Fig 8: Futu's total revenue mix (FY16-FY28E)**

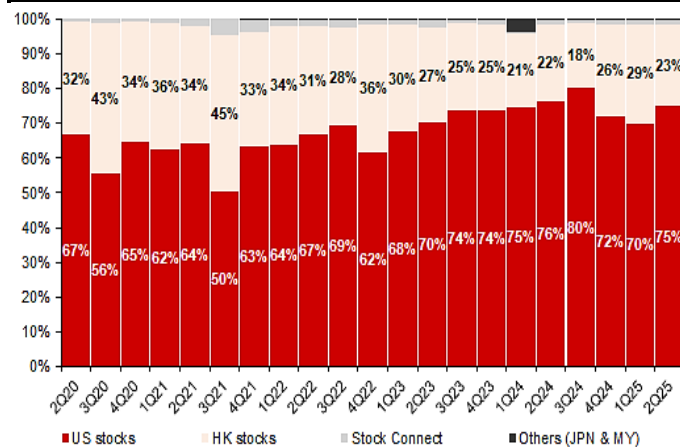


Brokerage commission and handling charge income grew at a 64% CAGR in FY19-24, with sustained momentum leading to a sequential uptick in 1Q/2Q25 by 12.3%/11.6% QoQ to HK\$2.6bn as of end 1H25. The accelerating outcome was driven by higher trading volumes of US and HK stocks, up 30%/11% from year-start, raising the Group's total trading volume to a record high of HK\$3.59tn by 1H25. Blended commission rate steadily enhanced from 3.6bps to a peak of 9.3bps in FY23, and then normalized to 7.2bps in 2Q25. We expect the rate to steady at 7-7.5bps, with potential upside for an integration of crypto-related services.

Looking into 2H25E, we look positive on a sequential increase of trading volume as a result of robust net asset inflows and a rebound of investor risk appetites amid improving liquidity given an interest rate downtrend cycle. In Aug 2025, Futu introduced Solana retail trading and Solana deposit/withdrawal services in HK, which could boost retail sentiment and drive growth of average daily turnover (ADT) and new funded accounts on the platform, in our view. By 1H25, the broker has accomplished 58% of its annual target of 800k new funded accounts (466k), with overseas markets (excl. HK/mainland) accounted for >50% by 2Q25. HK and Malaysia collectively contributed over 50% of new funded accounts in 2Q25, which we expect this trend to resume in 2H25, given the boom of HK IPO and refinancing markets.

**Fig 9: Trading volume (Q) and YoY% (1Q18-2Q25)**

Source: Company data, CMBIGM

**Fig 10: Trading volume mix by stock-listed markets**

Source: Company data, CMBIGM

Interest income soared at a 70% CAGR in FY19-24 as the fastest growing source of revenue, driven by a three-year interest rate hiking cycle and expanding total client assets. In 2Q25, interest income stayed robust despite a sharp HIBOR decline by lifting 44%/11% YoY/QoQ to HK\$2.3bn (43% mix). This was driven by the increasing interest income from securities lending and borrowing business and idle cash, due to resilient demands for hard-to-borrow stocks and increasing cash balance amid heightened uncertainties. In the past three years, interest income from bank deposit and margin financing and securities lending business have constituted over 95% of total interest revenue, of which bank deposit interest income is more sensitive to a rate cycle change than that of MFSL thanks to its fixed pricing.

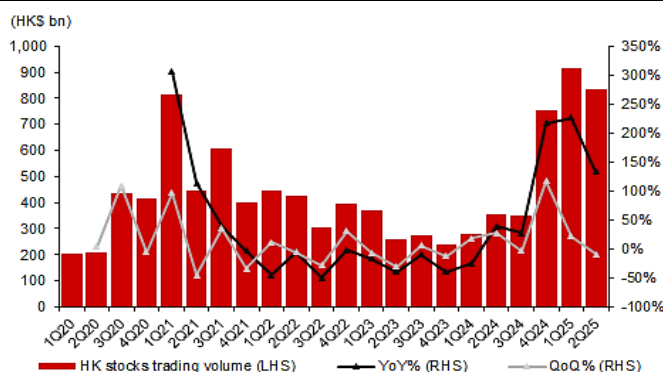
Strong net asset inflows and lower risk appetites amid market pullback could boost balance of idle cash, and thus expanding the interest-earning assets to offset a drop in interest rate. Looking ahead, we expect interest income to remain comparatively stable in 2H25E overall, as the 3M HIBOR rebounded to above 3% in 3Q-to-date, and the Fed's rate cut could exert limited impact to profitability (CMBI est). Per mgmt., a 25bps rate cut could result in HK\$8-10mn decline in monthly pre-tax profit, which translates into 0.8%-1.0% drop compared to our projected pre-tax earnings in FY25E. The robust print of 2Q25 proved the broker's active management on interest-earning assets, whilst maintaining high client engagement.

Fund distribution income elevated at a 112% CAGR in FY19-24 driven by the boom of wealth management asset balance, which escalated at a 79% CAGR during the period. Since the inception in 2019, Futu Money Plus has gained tractions from retail investors by providing tools to invest their idle cash into diverse product suites, i.e. money market funds (Cash Plus), equity/bond funds, financial management plans, bonds and structured products, etc. with zero redemption cost, fund security, and operating flexibility. We expect this segment to draw a second growth curve of Futu's earnings over the long run, as it could strengthen client and asset acquisitions. In 2Q25, wealth management accounted for 16.8% of client AUM, up 1.8pct from year-start/stable QoQ. Take rate edged up from 0.4% to a range of 0.5%-0.7%, implying Futu's strengthening bargaining power against upstream asset managers. An enriching fund product matrix could also add value to take rate uptick.

## Global footprint positioned to a cross-market diversification

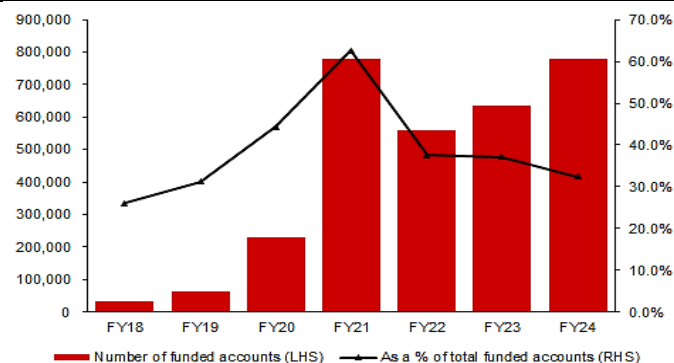
In HK, Futu is the largest retail securities broker in terms of trading volume. By FY24, trading volume for securities listed on the Hong Kong Stock Exchange (HKEx) totalled HK\$32.4tn, up 27.1% YoY with Futu's implied HK trading volume share amounting to 3.26% (CMBI est). In Aug 2025, Futu's share of turnover further ticked up to 3.70%, per *AiPO*. HK remains a firm foothold for Futu, of which the average client asset balance outpaces that of other overseas markets, edging up the Group's average client AUM. The number of funded accounts in HK comprises around one-third of the Group's total, which aims to reach 40% penetration over a medium term (CMBI est). In 2Q25, HK has remained the top contributor of Group's new funded accounts for three consecutive quarters, which underpins its largest contributions to total client asset mix to around 60% by our estimates. We expect that HK will continue to be a driving force of client and asset acquisitions, given its enriching crypto trading services introduced in Aug 2024; and the launch of crypto exchange business upon license approval of virtual asset trading platform could deepen the edge on net asset inflow.

**Fig 11: HK stocks trading volume & YoY%/QoQ%**



Source: Company data, CMBIGM

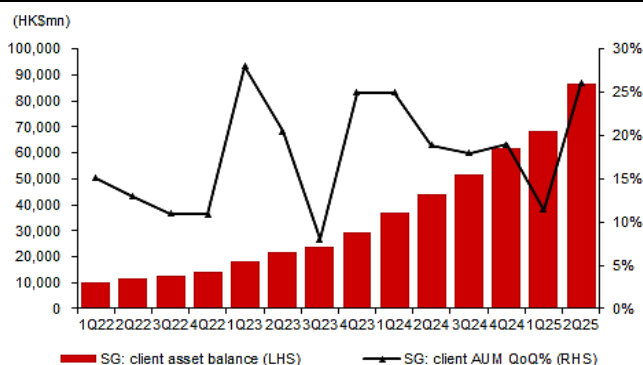
**Fig 12: Futu HK number of funded accounts & mix%**



Source: Company data, CMBIGM estimates

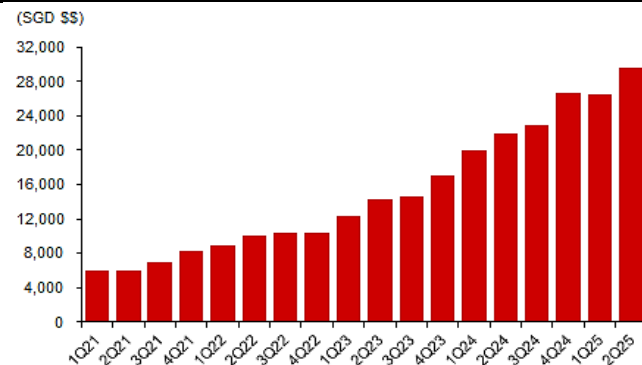
In SG, Moomoo SG was the first digital broker granted with license to provide crypto trading services by the MAS in July 2024, ahead of peers across ASEAN markets. With three years of operations, Moomoo SG has accumulated one million users by April 2024, raising the user penetration among Singapore resident population to 25% (CMBI est). This success in Singapore market paves way for expansions to Malaysia and other ASEAN markets, where a wealth pool of tech-savvy retail investors reside in. As of 2Q25, Moomoo SG's total client asset rose 26% QoQ, sustaining a double-digit increasing streak for seven consecutive quarters, with average client AUM of SGD30k (CMBI est). We expect Moomoo SG's client AUM growth to be driven by robust demands for wealth management products, i.e. money market funds, for which the Cash Plus, a product that offers liquidity and competitive returns for idle cash, caters to local investor preferences on a flexible cash management and stable income streams. In 2Q25, wealth management asset balance surged 105%/17% YoY/QoQ to HK\$163.2bn implying 16.8% of client AUM, and 29% regarding number of paying clients.

**Fig 13: Moomoo SG client asset balance & QoQ%**



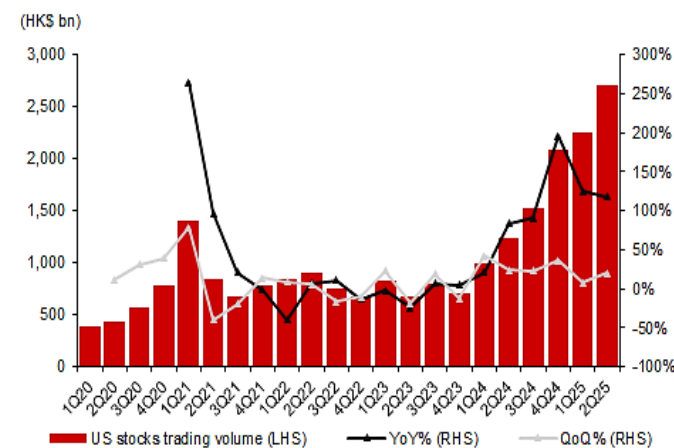
Source: Company data, CMBIGM

**Fig 14: Moomoo SG's average client AUM, 1Q21-2Q25**

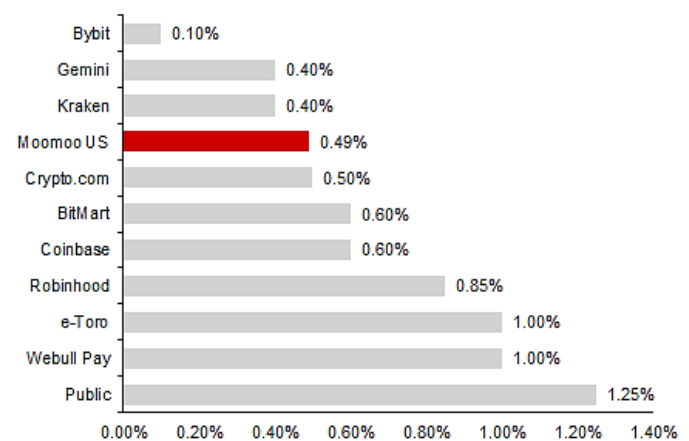


Source: Company data, CMBIGM estimates

In the US, there are four indirect wholly-owned subsidiaries including 1) Moomoo Financial Inc. (MFI), 2) Futu Clearing Inc. (FUTC), 3) Moomoo Crypto Inc. (MCI), and 4) Moomoo Technologies Inc. (MTI) to provide a chain of services incl. brokerage, clearing, settlement, assets custody, cryptocurrency trading and app services maintenance, etc. We regard the Correspondent Clearing BD license granted by SEC and FINRA in 2019 and a self-clearing system as key breakthroughs of Moomoo entering to the commission-free and competitive US brokerage industry. In May 2025, Moomoo Crypto was launched with a debut of 30+ mainstream tokens' trading services for a zero-commission and 0.49% transaction fee. This trading cost is much lower than that of major peers, i.e. Robinhood's 0.85%, Webull Pay's 1.0% and Public's 1.25%, which could propel client acquisition alongside product ramp-up in our view. Looking ahead, despite intense industry competitions in the US, we anticipate Moomoo to gain ground with expanding product suites and effective marketing campaigns.

**Fig 15: US stocks trading volume & YoY%/QoQ%**


Source: Company data, CMBIGM

**Fig 16: Moomoo US crypto trading transaction fee**


Source: Company websites, CMBIGM

Note: For exchanges that adopt tiered pricing and make-taker model for spot crypto trading fee, we quote the maximum fee rate under the maker side to indicate the fee structure.

Since 2022, Moomoo has accelerated global expansions across Australia, Japan, Canada, Malaysia and New Zealand. In these markets, Moomoo started by offering a commission-free trading service of US- and locally-listed securities among overseas Chinese population to quickly ramp up shares and capture the users' mindsets, followed by targeted marketing campaigns to broaden client base to local communities. Given improving functionalities and advanced product offerings, Moomoo is capable of deepening its moat on user experience.

Among overseas markets, Moomoo Malaysia marks the fastest sequential growth in new funded accounts by focusing on young and tech-savvy population, who contribute to a high turnover, yet lower average client AUM. We estimate that average client AUM of Moomoo MY to be 20%-25% of the Group's level, and the penetration of funded accounts amounted to 10% of total, contributing to a share of total client asset balance at a low single-digit level as of 2Q25 (CMBI est). Moomoo Japan steadily grew in new funded accounts given strong brand equity as a go-to brokerage for US stock trading in the Japanese market. In 2Q25, Moomoo JP launched US options trading, following the fractional shares trading function launched in 1Q25, enhancing Moomoo JP's US stock trading-related product capabilities. Although Japan's retail brokerage market is consolidated among two local securities firms SBI and Rakuten Securities (>80% share), we think Moomoo JP could edge on advanced US stock trading and Robo-advisory to win new funded accounts against local competitors.

## Riding on tailwinds of an increasing TAM of crypto adoption

Buoyed by regulatory clarity and a wide adoption by institutional investors, crypto market capitalization almost doubled to US\$3.4tn in 2024 from US\$1.7tn a year ago, with the spot trading volume accelerating to US\$18tn, more than doubled from that of 2023, representing over four times of HK stock market trading value of US\$4.2tn in 2024. In HK, the SFC rolled out a regulatory roadmap (“A-S-P-I-Re”) for virtual assets in Feb 2025, encompassing fields of crypto brokerage, virtual asset trading platforms (VATP), and stablecoins, etc. which opened up an opportunity window for crypto investment on compliant platforms in our view.

Futu is among the first batch of regulated financial institutions in HK and SG to tap into this rapidly-growing spot crypto trading market. In HK, Futu completed an upgrade of brokerage primary license (Type1) through Futu Securities International (HK) Limited in July 2024, and a VATP license via the Group’s Panthertrade (Hong Kong) Ltd. in Jan 2025. In June 2024, Futu invested HK\$440mn to Airstar Bank (44.1% Futu’s holding), one of the digital banks in HK engaging in the HKMA’s stablecoin issuer sandbox through a partnership with JINGDONG Coinlink. In SG, Moomoo SG was the first licensed digital broker for providing crypto trading services granted by the MAS in July 2024. Looking ahead, we think Futu will prioritize on improving the build-up of crypto ecosystem in HK, by leveraging a strong client base and brand equity to capture synergies with diverse product mix for competitive pricing.

Once the evaluation for VATP license is completed, the Group’s two licensed entities in HK can help Futu establish a closed-loop ecosystem ahead of major peers, deepening its moat to compete against traditional brokerage firms, which solely apply for the Type 1/4/9 license upgrade, and crypto pure-players. So far, 47 institutions have upgraded the Type 1 license, of which 39 are brokerage firms ([Appendix F](#)). 11 VATPs have obtained the license so far, whereas only two (HashKey & OSL, [Appendix E](#)) have officially commenced operations. From a longer-term perspective, we see significant growth potential for Futu’s crypto wallet share penetration and client acquisitions, given HK and SG being the two largest and most mature markets on Futu’s client AUM, reaching >65% of the Group’s total by our estimates.

In the near term, we expect Futu to primarily monetize from spot crypto trading commission, and then develop into a wide array of revenue streams from stablecoins, crypto derivatives, and margin trading, etc. alongside the progress of regulation and licensing across markets.

We expect the spot crypto trading monetization by 1) increasing number of funded accounts that hold cryptocurrencies, i.e. crypto penetration to total client assets, which can be driven by expanding current brokerage client base to pure-play crypto natives, and raising crypto adoption from existing retail and professional clients; 2) higher trading velocity, which can naturally benefit from significant token price volatilities; for which we see the crypto market’s trading velocity (measured by trading volume divided by average market cap) was 6-7x that of HK stocks and 4-5x that of US stocks in FY24 and 3) a more promising commission rate. The take rate for crypto transactions were 8bps/10bps in HK/SG markets, and 49bps in US market, higher than that of cash equities charging by 3bps/8bps, and zero. Additionally, we regard that on-chain staking income can be expected once regulatory approvals follow suit.

Globally, we see the inclusion of spot crypto trading to revenue contributions has achieved in models of internet brokers, i.e. Robinhood making on average 15% revenue from crypto trading services in the past three years, despite quarterly fluctuations on the asset price. In 4Q24/1Q25, Hood’s crypto revenue mix jumped to 35%/27%, propelled by a record price performance and strong crypto demands. We see Hood’s crypto asset under custody (AuC) rallied from a mix of 2.9% in FY19 to 18.2% in FY24, with the first three years quickly scaling up from US\$415mn to US\$22bn. Looking ahead into the next three years, we believe this meaningful revenue contribution could take place in Futu as it accelerates on infrastructure, product offerings and a full-set of licensing. We project the spot crypto trading business to generate HK\$2.4-3.1bn incremental revenues in FY27E, based on our assumption that the crypto penetration, in terms of total client AUM, amounting to a range of 8%-10% by then.

Per mgmt., the average daily turnover (ADT) of crypto on Futu’s platforms increased from US\$35mn in 4Q24, to a maximum of US\$40mn in 2Q25 ([Table.17A](#)). Although the ratio is running lower than 1% of current stock trading volumes, we project the scale to accelerate

on back of economies of brokerage business to US\$156-199bn by FY27E, implying 7%-9% of then brokerage trading volumes. We expect spot crypto trading to generate HK\$2.4-3.1bn additional revenues by FY27E, based on assumptions of 1) Futu's crypto penetration to client AUM at 8%-10%; 2) spot trading velocity (20.0x, 20% premium vs. equities); and 3) a 20bps take rate. The amount implies 10%-13% of total non-crypto revenues in FY27E.

For crypto penetration, we refer to Hood's development on crypto AuC growing from a mix of 2.9% in FY19 to stabilize around 13%-15% since FY22. We expect Futu to enjoy at least similar rising momentum, given 1) its more diverse crypto rollouts in three markets, i.e. HK, SG and the US (vs. Hood: only in the US); 2) a clearer global regulatory environment (i.e. HK passed the Stablecoins Bill in May; and the US House passed the three crypto-related bills in July 2025); 3) an expanding affluent and high-net-worth (HNW) investor base in Asia who aim to accumulate crypto exposure; and 4) a clear-cut R-A-C-E strategy delivered by the mgmt. to thrive on Futu's crypto ecosystems. We assume the crypto AuC penetration of Futu to reach 8%-10% of total client AUM by FY27E, from which 70% is for spot trading.

For trading velocity, considering the nature of high price volatilities, we project Futu's crypto trading velocity to land at a 20% premium of cash equities by FY27E, not as aggressive as a broad-based market level, as we consider the majority of high velocity transactions could be made by institutional traders and professional investors, rather than retail clients. Per *CoinGecko*, the crypto market trading velocity was approx. 700% in FY24, with BTC/ETH's velocity at 430%/850%, significantly outpacing that of US/HK stock markets at 110%-160%.

For take rates, Futu now charges 8bps/10bps commissions for HK/SG investors and 49bps for US investors, edging on a competitive pricing strategy for share gains. To compare, Interactive Brokers (IBKR US, NR) charges 20-30bps for spot crypto trading in HK, and HashKey Exchange charges 29bps for retail clients. We think Futu will progressively raise its take rate to an industry average level of 20bps in FY27E, as crypto ecosystem improves.

**Table 17. Estimates on Futu's revenue contribution from crypto spot trading service**

| (HK\$ bn, % unless otherwise stated)           | FY27E        |              |              |
|------------------------------------------------|--------------|--------------|--------------|
| <b>Client asset balance, non-crypto</b>        | <b>1,485</b> | <b>1,485</b> | <b>1,485</b> |
| HK                                             | 626          | 626          | 626          |
| SG                                             | 307          | 307          | 307          |
| US                                             | 69           | 69           | 69           |
| <b>Total (HK+SG+US)</b>                        | <b>1,003</b> | <b>1,003</b> | <b>1,003</b> |
| <b>Crypto Asset under Custody (Crypto AuC)</b> | <b>87.2</b>  | <b>99.2</b>  | <b>111.4</b> |
| % eligible client assets                       | 8.0%         | 9.0%         | 10.0%        |
| Spot trading crypto balance (assume 70%)       | 61.0         | 69.4         | 78.0         |
| <b>Total client assets, incl. crypto</b>       | <b>1,572</b> | <b>1,584</b> | <b>1,596</b> |
| Trading velocity, non-crypto (x)               | 16.7x        | 16.7x        | 16.7x        |
| Trading velocity, crypto (x)                   | 20.0x        | 20.0x        | 20.0x        |
| <b>Crypto spot trading volume</b>              | <b>1,223</b> | <b>1,391</b> | <b>1,562</b> |
| as a % of FY27E est. stock trading volume      | 7.4%         | 8.4%         | 9.4%         |
| <b>Implied ADV (US\$ mn)</b>                   | <b>429</b>   | <b>488</b>   | <b>549</b>   |
| Crypto spot trading take rate (bps)            | 20           | 20           | 20           |
| <b>Spot crypto commission income</b>           | <b>2.45</b>  | <b>2.78</b>  | <b>3.12</b>  |
| as a % of FY27E est. non-crypto total revenue  | 9.9%         | 11.2%        | 12.6%        |

Source: CMBIGM estimates

Note: Key assumptions are marked in red.

We did not factor in the HK\$2.4-3.1bn incremental revenue in FY27E to our current model, as the abovementioned key assumptions still subject to more detailed guidance ([Table.17](#)). The crypto trading value-add could fluctuate on changes of crypto wallet shares, trading velocity and take rate, which are largely affected by market sentiments and pricing strategy.

**Table 17A. Estimates on Futu's crypto AuC, trading volume and turnover vs. brokerage**

| Operating metrics                         | 1Q25        | 2Q25        |
|-------------------------------------------|-------------|-------------|
| Crypto AuC (HK\$ mn)                      | 2,857       | 4,000       |
| Total client assets (HK\$ mn)             | 829,800     | 973,900     |
| <b>as a % of client asset</b>             | <b>0.3%</b> | <b>0.4%</b> |
| Daily crypto trading volume (US\$ mn)     | 28.6        | 40.0        |
| Crypto trading volume (HK\$ mn)           | 20,186      | 28,574      |
| Stock trading volume (HK\$ mn)            | 3,212,892   | 3,590,444   |
| <b>as a % of stock trading volume</b>     | <b>0.6%</b> | <b>0.8%</b> |
| Spot crypto trading commission (bps)      | 10.0        | 10.0        |
| Spot crypto trading revenue (HK\$ mn)     | 20.2        | 28.6        |
| <b>as a % of non-crypto total revenue</b> | <b>0.4%</b> | <b>0.5%</b> |

Source: Company data, CMBIGM

Note: We adopt the maximum daily crypto trading volume for estimate of 2Q25.

Beyond spot trading, we expect Futu to expand its product offerings to crypto ETFs' and tokens' staking services in near future, in particular for that on the Ethereum (ETH) network. According to data from the Block, the ETH staking reward rate ranges from 2% to 4%, with nearly 29% of its circulating supply (over 34 million) had been staked as of 1H25. Coinbase now has ~30% of ETH's market cap staked on its platform, with an annual percentage yield (APY) at 1.97%. We believe Futu will apply for the staking approval once it completes the evaluation period of VATP license, as the launch of this on-chain staking mechanism could not only amplify revenue streams, but also enhance clients' asset stickiness to the platform.

On 7 April 2025, HK SFC set out the staking guidance for licensed VATPs and virtual asset funds on provisions of staking services and staking engagements. VATPs are required to obtain a written approval from the SFC before launching a staking business. So far, in HK, HashKey and OSL have received approvals to provide spot Ethereum ETF staking, among which HashKey shares 10% of staking rewards for participation. In Futu's case, we assume 30% of staking-eligible crypto assets to be staked and an average APY of 4%, taking into consideration of new tokens to be added. Staking revenues can derive from a function of the balance of assets staked, average staking reward rate and Futu's share in participation. Based on our assumption of 8%-10% crypto AuC penetration by FY27E, we project HK\$90-120mn revenue to be made, translating to 0.4%-0.5% of then non-crypto revenue forecast.

**Table 18. Estimates on Futu's revenue contribution from on-chain staking service**

| (HK\$ bn, % unless otherwise stated)                 | FY27E        |              |              |
|------------------------------------------------------|--------------|--------------|--------------|
| Crypto AuC                                           | 87.2         | 99.2         | 111.4        |
| % eligible client assets                             | 8.0%         | 9.0%         | 10.0%        |
| <b>Staking-eligible crypto AuC</b>                   | <b>26.2</b>  | <b>29.8</b>  | <b>33.4</b>  |
| % asset staked                                       | 30%          | 30%          | 30%          |
| <b>Crypto assets staked</b>                          | <b>7.8</b>   | <b>8.9</b>   | <b>10.0</b>  |
| Annual percentage yield (APY %)                      | 4.0%         | 4.0%         | 4.0%         |
| Futu's share in staking services (%)                 | 30.0%        | 30.0%        | 30.0%        |
| <b>Staking revenue</b>                               | <b>0.09</b>  | <b>0.11</b>  | <b>0.12</b>  |
| <b>as a % of FY27E est. non-crypto total revenue</b> | <b>0.38%</b> | <b>0.43%</b> | <b>0.49%</b> |

Source: CMBIGM estimate

Note: Key assumptions are marked in red.

As the moat of crypto ecosystem deepens, we expect to see advanced network effects on Futu to benefit from synergies across markets for a well-rounded revenue diversification. We view crypto revenue contribution as a long-term structural driver for Futu to address on this growing TAM of crypto adoption in Asia and the US. Given improving regulatory clarity, investors are now looking for attractive stock convictions to ride on crypto earnings upside, which we think Futu could be a key beneficiary with its undemanding valuation (19x FY25E P/E) ([Fig.128](#)). Current valuation does not bake in the crypto earnings upside, in our view.

Apart from spot crypto trading, we are upbeat on Futu's earnings outlook from the equity investment in Airstar Bank (44.1% Futu's staking), and potential stablecoin-related custody services, on-chain staking, crypto derivatives and margin finance, etc., which could enrich its revenue streams from traditional brokerage and hedge against industry cyclicalities to macro headwinds. At this stage, we do not include any revenue projection from stablecoin custody services, crypto derivatives' trading, or margin loans' interest income to our model, as they are still at an early stage of development in reliance on changing regulatory regime.

## Steam ahead in a share gain narrative amid franchise expansion

### Hong Kong: The backbone of Futu's business contributing 1/3 of funded accounts

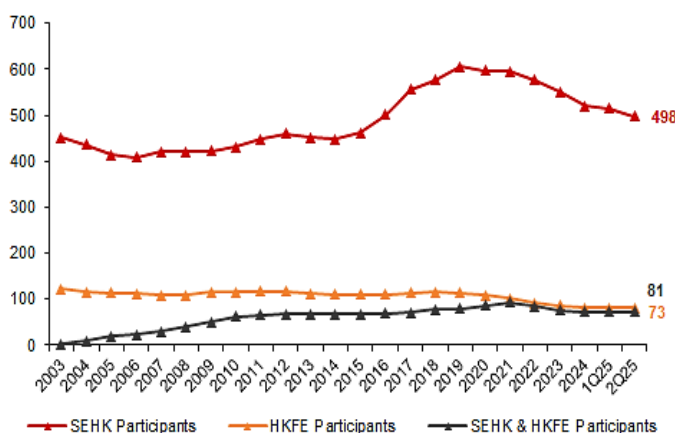
As a global financial hub, Hong Kong enjoys reputable capital market proposition to nurture and thrive a well-rounded ecosystem, which helps promote a rapid expansion of brokerage industry. By Jun 2025, there were 498 licensed corporations of Hong Kong Stock Exchange (SEHK) and 81 licensed corporations of Hong Kong Futures Exchange (HKFE), featuring a highly competitive market landscape. Futu is the largest retail broker in HK, with its market share on total trading turnover to 3.70% of market total in August 2025, according to AiPO.

We see Futu's competitive edge on a full suite of licenses, superior user experience, and a reputable brand equity to win new funded accounts alongside competitive commissions. Futu Securities International (HK) now holds the Type 1/2/3/4/5/7/9 licenses issued by SFC ([Appendix C](#)), to provide services including securities trading, margin finance and securities lending, asset management, and corporate services. In July 2024, Futu Securities obtained the uplift of Type 1 license to provide virtual asset dealing services on *Futubull* platform, and the Group's subsidiary PantherTrade was granted with the VATP license in Jan 2025.

In HK, SEHK participants are grouped into Category A, B, and C, with each group indicating the brokers' ranking at 1-14<sup>th</sup>/15<sup>th</sup>-65<sup>th</sup>/after 65<sup>th</sup> by their monthly market turnover on SEHK. Futu Securities has maintained its top-level position within Category A for over three years, being the one-and-only digital broker in HK ranking in top 10 ([Fig.21](#)). According to HKEx, the market share of stock exchange participants in Category A (Position 1-14) amounts to 65%-70%, while the shares of participants in Category B (Position 15-65) and Category C (Position >65) range at 25%-30% and 0%-5%, based on their monthly turnover. As of Aug 2025, the shares of brokers in category A, B and C was 71.7%/24.6%/3.6% ([Fig.20](#)). Given this, we can see that although the brokerage securities industry in HK attracts global capital and market participants, total market turnover is consolidated to the Top 14 broker-dealers.

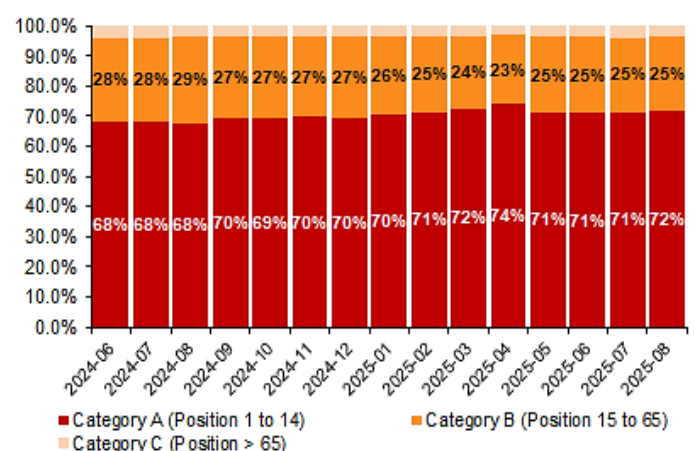
Futubull now provides HK/US/JP/A-share/SG-listed stocks trading with a comparatively low commission rate versus peers in HK. The commission for trading HK/A-share/JP/SG-listed stocks and ETFs is 3bps/3bps/8bps/8bps respectively, and US\$0.0049/share for US stocks and ETFs ([Fig.23](#)). When it compares to peers, we see digital pure-players enjoy significant low price advantages vs. traditional local brokerage (i.e. Bright Smart), and the deep-pocket financial institutions (i.e. BOCI, HSBC). While within the digital batch, smaller-sized brokers as Hafoo and Webull charge slightly lower than Futu for HK-listed stock and A-share trading ([Fig.24](#)), which could be their pricing strategy to attract new clients and boost turnover. Yet, Futu wins from a more diverse product matrix by providing JP and SG-listed stock and ETF with a much more competitive commission rate (8bps) than those giant peers (80-100bps).

**Fig 19: No. of licensed corporations (LC) in HK**



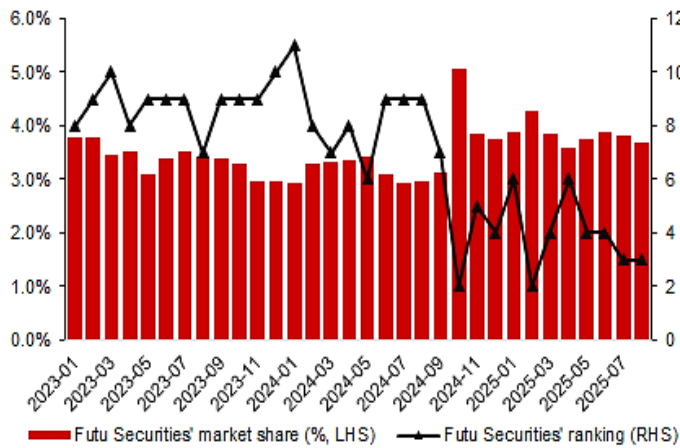
Source: SFC, CMBIGM

**Fig 20: SEHK participants' market share by turnover**



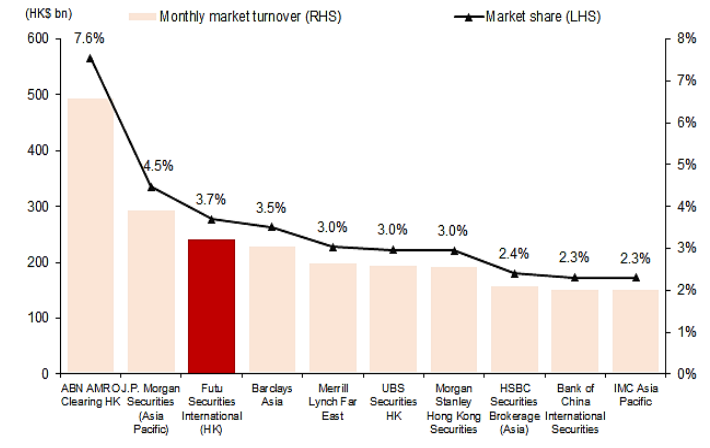
Source: HKEx, CMBIGM

Fig 21: Futu Securities' market share and rankings



Source: Tradego Fintech and CMBIGM | Note: The market share of Futu Securities International (HK) is calc. in terms of monthly market turnover.

Fig 22: Top 10 HK brokers' turnover in August 2025



Source: Tradego Fintech and CMBIGM

Fig 23: Futubull's stock and ETF trading commission rates and platform fees

| Type of fees | HK Stocks/ETFs             | US Stocks/ETFs                               | JP Stocks/ETFs              | Northbound A-share/ETFs    | SG-listed shares/ETF        |
|--------------|----------------------------|----------------------------------------------|-----------------------------|----------------------------|-----------------------------|
| Commission   | 0.03%<br>(min HK\$3/order) | US\$0.0049 per share<br>(min US\$0.99/order) | 0.08%<br>(min JPY 80/order) | 0.03%<br>(min RMB 3/order) | 0.08%<br>(no minimum limit) |
| Platform fee | HK\$15/order               | US\$0.005 per share<br>(min US\$1/order)     | JPY 180/order               | RMB 15/order               | SGD 2.5/US\$2/HK\$15        |

Source: Company website, CMBIGM

Fig 24: HK brokerage peers' stock and ETF trading commission rates and platform fees

| Products                | Fee types    | TIGR                                    | Bright Smart                           | Hafoo                                  | Webull                                 | Valuable Capital           | BOC International             | HSBC                                     |
|-------------------------|--------------|-----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------|-------------------------------|------------------------------------------|
| HK Stocks/ETFs          | Commission   | 0.029%<br>No minimum limit              | 0.0668%<br>min<br>HK\$50/RMB50/US\$6.5 | 0.025%<br>Min HK\$5/order              | 0.02%<br>Min HK\$2/order               | 0.03%<br>Min HK\$3/order   | Varied by clients             | 0.25%<br>Min HK\$100                     |
|                         | Platform fee | HK\$15/order                            | -                                      | HK\$15/order                           | HK\$13/order                           | HK\$15/order               | -                             | -                                        |
| US Stocks/ETFs          | Commission   | US\$0.0049 /share<br>Min US\$0.99/order | 0.1%<br>Min US\$8/order                | US\$0.0049/share<br>Min US\$0.99/order | US\$0.0045/share<br>Min US\$0.89/order | US\$0.0049/share           | 1.0%<br>min US\$25            | 0.8%<br>Min US\$60                       |
|                         | Platform fee | -                                       | -                                      | US\$0.005/share<br>Min US\$1/order     | US\$0.0045/share<br>Min US\$0.89/order | US\$0.99 per share         | -                             | US\$5/month<br>(waived until 31/12/2025) |
| JP Stocks/ETFs          | Commission   | -                                       | 0.0668%<br>Min JPY 300/order           | -                                      | -                                      | -                          | 1.0%<br>min JPY 5000          | 0.8%<br>Min JPY 20,000                   |
|                         | Platform fee | -                                       | -                                      | -                                      | -                                      | -                          | JPY 3000/order                | -                                        |
| Northbound A-share/ETFs | Commission   | 0.03%<br>Min RMB 3/order                | 0.01%<br>Min RMB 50/order              | 0.025%<br>Min RMB 5/order              | 0.02%<br>Min RMB 2/order               | 0.01%<br>(min RMB 5/order) | 1.0%<br>Min RMB 100           | 0.25%<br>Min HK\$100                     |
|                         | Platform fee | RMB 15/order                            | -                                      | RMB 15/order                           | RMB 15/order                           | RMB 15/order               | -                             | -                                        |
| SG Stocks/ETFs          | Commission   | 0.08%<br>No minimum limit               | 0.08%<br>Min SGD 5/order               | -                                      | -                                      | -                          | 1.0%<br>Min SGD 80/<br>US\$50 | 0.8%<br>Min SGD 75/<br>US\$60/HK\$500    |
|                         | Platform fee | SGD 2.5/US\$2/HK\$15                    | -                                      | -                                      | -                                      | -                          | 0.0325%/order                 | -                                        |

Source: Company websites, CMBIGM | Note: we quote the stock trading commission rates and platform fees only for orders made from electronic system.

## SG: Highly regulated market with strong demands for wealth management products

The Singapore's stock market, led by Singapore Exchange (SGX), is a pivotal financial hub in Southeast Asia being widely viewed as a safe harbour for global wealth management. In 1H25, the nation's household net assets reached US\$3.2tn with a year-over-year rise of 8.0% ([Fig.26](#)), of which financial assets and residential property asset making up 56%/44%. Listed shares steadily contribute 4%-5% of household assets in Singapore, which we think this exposure will continuously grow on the back of a government-led equity market reform (i.e. [a comprehensive set of measures to strengthen Singapore's equities market](#)). We are upbeat on improving liquidity and broadening fund inflows to Singapore's local stock market underpinned by an unprecedented [SGD5bn capital injection from the MAS in Feb 2025](#). Moomoo SG, one of the digital brokerage participants, could ride on the upside of SG-listed stocks' re-rating driven by a set of policy-led measures amidst broadly improving sentiment.

Securities market turnover in Singapore runs lower than other major Asian markets, i.e. HK and Japan, possibly due to its highly concentrated stocks of state-invested and asset-heavy companies. In 1H25, total trading value of SGX-listed stocks was US\$174bn, up 22% YoY, vs. SEHK's US\$3.7tn and Tokyo Stock Exchange (TSE)'s US\$4.5tn. Despite a smaller size, SG's securities market landscape is rather fragmented, having in total 3,591 financial institutions licensed by the MAS. If taking into account of financial institutions that hold the same license as of Moomoo SG, 206 firms are holding the Capital Market Services License (CMSL), and 210 companies are owning the Major Payment Institution (MPI) License as of July 2025. We think this highly-regulated securities market in Singapore implies intense competition among market participants to win shares against peers for trading commission.

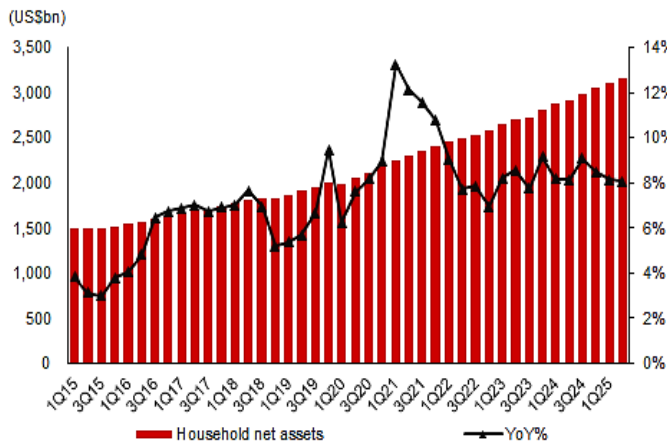
To break down Singapore's household financial assets, we notice that currency & deposits (30%-40%) and Central Provident Fund (CPF, ~30%) comprise the majority of the holdings. For allocation in shares and securities, unit trusts & investment funds (UTIF) accelerated to a share of >45%, outpacing the mix of listed shares (40-45%) and unlisted shares (10%-15%) ([Fig.30](#)). By 1H25, currency & deposits, shares & securities, life insurance, central provident funds (CPF), and pension funds each accounted for 34.2%/17.8%/15.2%/32.0%/0.8% respectively ([Fig.31](#)); while listed shares/unlisted shares/UTIF made up 43%/11%/46% of total shares & securities ([Fig.33](#)). These figures reflect that most Singaporean households, if not all, favour investments of low-risk, flexible and passively managed by institutions in return for a stable income stream. Accordingly, we think Moomoo SG's wealth management product suites of Income Plus, Cash Plus, and Fund Plus catering to localized preferences by managing clients' idle cash for competitive returns, will drive resilient growth in client AUM. By 2Q25, Futu's wealth management asset balance surged 105% YoY to HK\$163bn, of which a significant proportion could be contributed by SG market in our view.

Moomoo SG provides SG/US/JP/HK stock and ETF and US option trading with competitive fee rates against peers. The commission for trading SG/US/JP/HK stock & ETF is 3bps (1-year free)/0bps/0bps/3bps (30-day free) respectively ([Fig.25](#)), vs. TIGR's 3bps, IBKR's 8bps, and traditional banks' and brokers' (i.e. CGS International, Phillip Securities, KGI, OCBC) 20bps-30bps ([Fig.34](#)). We believe this low-price strategy could help Moomoo SG gain tractions from retail investors, with a compounding effect on wealth management asset accumulation. In addition to stock trading, margin rates and contract fee for US options are significantly lower than key players, auguring well for Moomoo's strengths in pricing power.

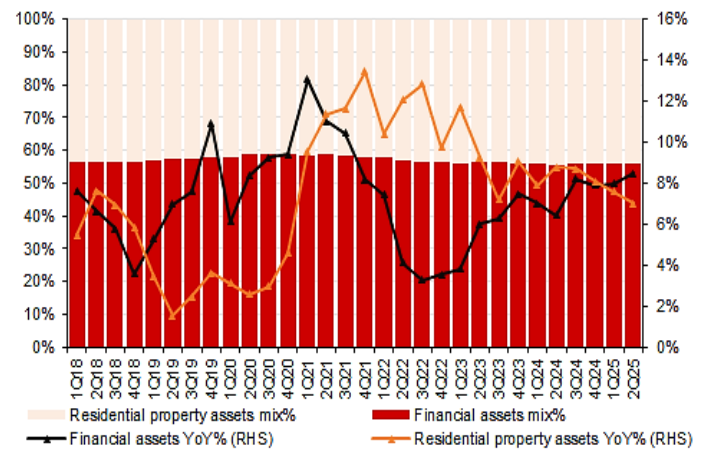
**Fig 25: Moomoo SG's stock and ETF trading commission rates and platform fees**

| Type of fees | US Stocks/ETFs           | SG Stocks/ETF                           | JP Stocks/ETFs | HK Stocks/ETFs                           | Northbound A-share/ETFs                  |
|--------------|--------------------------|-----------------------------------------|----------------|------------------------------------------|------------------------------------------|
| Commission   | 0.00%<br>(lifetime free) | 0.03% (1-year free)<br>min \$0.99/order | 0.00%          | 0.03% (30-day free)<br>(min HK\$3/order) | 0.03% (30-day free)<br>(min RMB 3/order) |
| Platform fee | US\$0.99/order           | 0.03%<br>min US\$0.99/order             | 0.00%          | HK\$15/order                             | RMB 15/order                             |

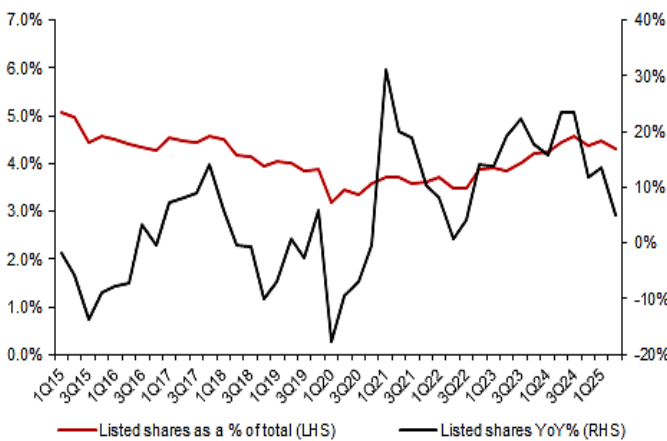
Source: Company website, CMBIGM

**Fig 26: Singapore household net worth and YoY%**

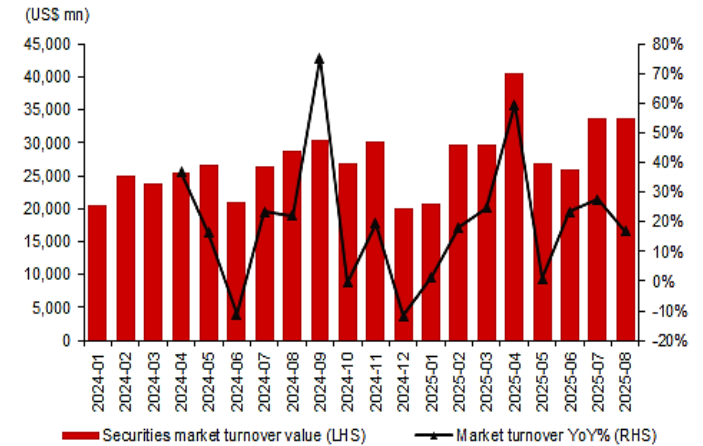
Source: Singapore Department of Statistics, CMBIGM

**Fig 27: Singapore household total asset mix (%)**

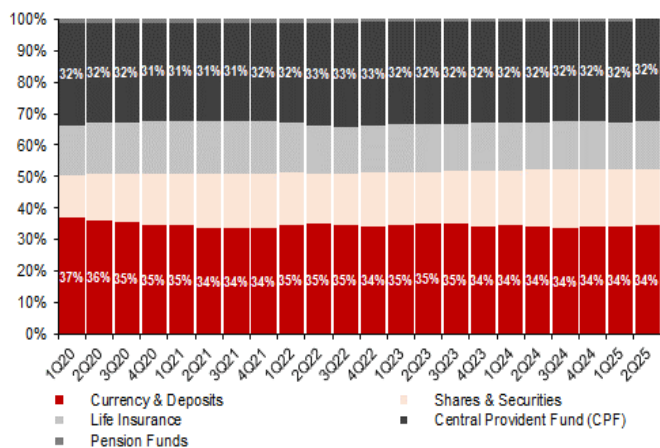
Source: Singapore Department of Statistics, CMBIGM

**Fig 28: Listed shares as a % of total household assets**

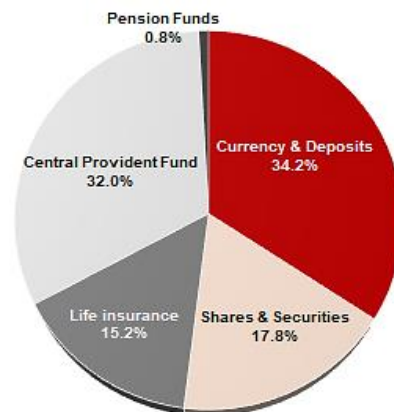
Source: Singapore Department of Statistics, CMBIGM

**Fig 29: SGX securities monthly turnover and YoY%**

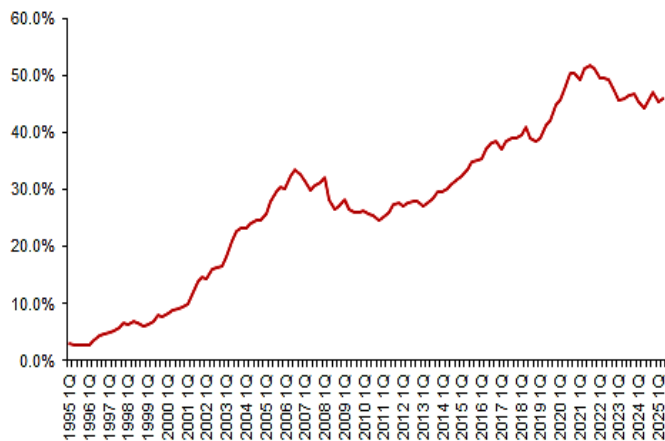
Source: SGX, CMBIGM

**Fig 30: Singapore households' financial assets mix%**

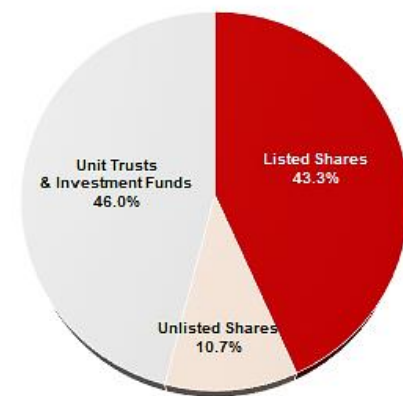
Source: Singapore Department of Statistics, CMBIGM

**Fig 31: SG households' financial asset mix%, 1H25**

Source: Singapore Department of Statistics, CMBIGM

**Fig 32: Unit Trust & Investment Fund as a % of Shares**

Source: Singapore Department of Statistics, CMBIGM

**Fig 33: SG household Shares & Securities mix, 1H25**

Source: Singapore Department of Statistics, CMBIGM

**Fig 34: SG brokerage peers' stock and ETF trading commission rates and platform fees**

| Products                | Fee types        | TIGR                                   | IBKR                                 | Webull                                    | CGS International                         | Phillip Securities                 | KGI Securities              | OCBC                       |
|-------------------------|------------------|----------------------------------------|--------------------------------------|-------------------------------------------|-------------------------------------------|------------------------------------|-----------------------------|----------------------------|
| SG Stocks/ETFs          | Commission       | 0.03%<br>Min SGD 0.99/order            | 0.08%<br>Min SGD 2.5/order           | 0.025% (1-year free)<br>Min SGD 0.8/order | 0.18%<br>Min SGD18/order                  | 0.08%<br>No minimum limit          | 0.275%<br>Min SGD 25/order  | 0.275%<br>Min SGD 25/order |
|                         | Platform fee     | 0.03%<br>min SGD 1/order               | -                                    | 0.025%<br>Min SGD 0.8/order               | -                                         | -                                  | -                           | -                          |
| US Stocks/ETFs          | Commission       | US\$ 0.005/share<br>Min US\$0.99/order | US\$ 0.005/share<br>Min US\$1/order  | 0.025%<br>Min US\$0.5/order               | 0.18%<br>Min US\$18/order                 | US\$3.88 (flat)                    | 0.30%<br>Min USD 20/order   | 0.30%<br>Min US\$20/order  |
|                         | Platform fee     | US\$ 0.005/share<br>Min US\$1/order    | -                                    | -                                         | -                                         | -                                  | -                           | -                          |
| JP Stocks/ETFs          | Commission       | -                                      | 0.08%<br>Min JPY 80/order            | -                                         | -                                         | -                                  | 0.50%<br>Min JPY 2500       | 0.30%<br>Min JPY3000/order |
|                         | Platform fee     | -                                      | -                                    | -                                         | -                                         | -                                  | -                           | -                          |
| HK Stocks/ETFs          | Commission       | 0.03%<br>Min HK\$7/order               | 0.08%<br>Min HK\$18/order            | 0.03%<br>Min HK\$12/order                 | 0.18%<br>Min HK\$88/order                 | 0.08%<br>min HK\$30                | 0.25%<br>Min HK\$ 100/order | 0.25%<br>Min HK\$150/order |
|                         | Platform fee     | 0.03%<br>Min HK\$8/order               | -                                    | -                                         | -                                         | -                                  | -                           | -                          |
| Northbound A-share/ETFs | Commission       | 0.03%<br>Min RMB 7/order               | -                                    | 0.02%<br>Min RMB 12/order                 | 0.25%<br>Min RMB 88/order                 | -                                  | 0.35%<br>Min RMB 150/order  | 0.25%<br>Min RMB 80/order  |
|                         | Platform fee     | 0.03%<br>Min RMB 8/order               | -                                    | -                                         | -                                         | -                                  | -                           | -                          |
| AU Stocks/ETFs          | Commission       | 0.03%<br>Min AUD 2/order               | 0.08%<br>(min AUD 6/order)           | -                                         | -                                         | -                                  | 0.50%<br>Min AUD 50-125     | 0.75%<br>Min AUD 70/order  |
|                         | Platform fee     | 0.07%<br>Min AUD 6/order               | -                                    | -                                         | -                                         | -                                  | AUD 35                      | -                          |
| Margin rate             | Annualized Yield | US stocks: 4.8%<br>HK stocks: 6.8%     | US stocks: 6.83%<br>HK stocks: 3.75% | US stocks: 6.53%<br>HK stocks: 4.17%      | 6.88% first 18 days<br>9.88% post 18 days | US stocks: 5.8%<br>HK stocks: 6.8% | -                           | -                          |
| US options              | Commission       | US\$0.35/contract                      | \$0.65/contract                      | \$0.55/contract                           | 0.18%<br>min US\$18/order                 | 0.18%<br>min US\$15/order          | -                           | -                          |

Source: Company websites, CMBIGM

## US: The rise of commission-free trading has reshaped the brokerage battlefield

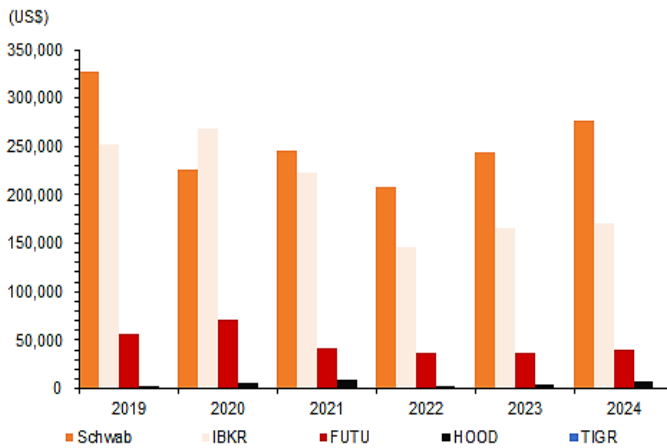
The US securities market is the largest and most liquid capital markets around the globe, with its total market capitalization surpassing US\$60tn (~50% of global stock market) as of FY24, according to *World Federation of Exchanges* (WFE). The stock market is dominated by three exchanges: The New York Stock Exchange (NYSE), NASDAQ, and CBOE Global Markets, which contribute ~60% of total US market trading volume. Mega-cap tech stocks, i.e. the Magnificent 7, had a combined market cap of roughly US\$18bn in FY24, making up ~30% of overall US stock markets. In 2024, the AI-driven tech rallies had surged indices to record highs, which strengthened global capital inflows from institutions and retail investors.

According to *SIFMA*, US retail investors comprised 18% of total stock turnover in FY24, up from roughly 10% a decade ago. The retail flow has maintained a significant role in financial markets, and in particular shifted upward post-pandemic. Internet brokers, which target the needs of US retail investors have secured their positions in an era of digitalization and zero-commission trading in our view, given emergence of platforms like Robinhood (HOOD US, NR) pioneering a model of payment for order flow (PFOF) in early 2015. In 2018, traditional deep-pocket institutions suchlike J.P. Morgan, Charles Schwab, and Fidelity Investments followed suit to slash trading commissions into zero, leading to arrival of this commission-free trading era in the US market. In 2020-2024, the market thrived into consolidations, i.e. Charles Schwab acquired TD Ameritrade in 2019, and evolved into new business models as brokers shifting to PFOF and subscription services for considerations of retail demands.

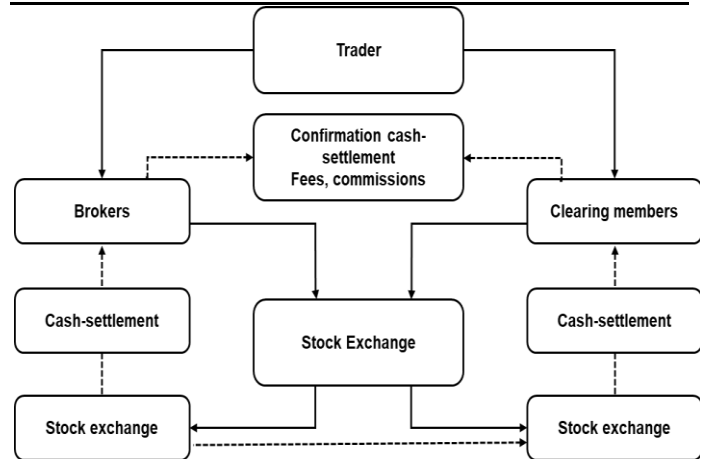
Moomoo US entered the US market in 2018 as a quick mover by tapping into the young and tech-savvy population and then expanding to a nationwide investor base. In 2019, Futu Clearing Inc., the Group's wholly-owned subsidiary, obtained a clearing license granted by the US Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA), allowing the company to provide a full suite of clearing, settlement, and custody services to clients and other introducing brokers within the US. The Correspondent Clearing Broker-Dealer license has entitled Moomoo to become one of limited number of brokers (120/3600) that owned self-clearing capability. Despite competitive dynamics, we expect Moomoo US to gain market shares by continuously expanding its product offerings, i.e. Moomoo Crypto's rollout in June 2025, and ramping up targeted marketing campaigns.

By sifting through market players, we categorize the US brokerages and asset managers into three types: 1) PFOF retail brokers that hinge on high trading volumes, i.e. Robinhood; 2) comprehensive juggernauts, which integrate services of brokerage, asset management, and research advisory, etc., represented by Charles Schwab and Fidelity Investments; and 3) online discount brokers, i.e. IBKR, targeting low-tier and price-sensitive customer base with low commission, global market access and advanced proprietary trading toolkits. IBKR and Schwab have accumulated a higher level of average client AUM ([Fig.35](#)) than others. We think Futu is able to carve out a niche share of market by addressing on Hood's pinpoint of retail user experience, and IBKR's advanced trading infrastructure and analysis toolkits.

In FY24, Futu's average client asset balance amounted to HK\$310k, of which the average client AUM in US amounted to HK\$38k by our estimates. In 2Q25, average client AUM rose to HK\$338k driven by strong net asset inflows and favourable mark-to-market appreciation. US market contributed robust new funded accounts in 2Q25, with total number of options trader and the number of contracts traded hitting a record high per mgmt. We believe there is still ample headroom for Moomoo Financial to penetrate across US markets as the broker expanded crypto trading services to most of states in June following the launch in May 2025. The platform fee for crypto trading on Moomoo US is 49bps, with zero commission ([Fig.37](#)), more competitive than Hood's 85bps and Webull Pay's 100bps.

**Fig 35: Futu vs. peers' average client AUM in the US**

Source: Bloomberg, company data, and CMBIGM

**Fig 36: Clearing and settlement mechanism in the US**

Source: Company data, CMBIGM

**Fig 37: Moomoo US's vs. peers' stocks, options, margin & crypto trading commission rates**

| Products          | Type of fees     | Moomoo US                 | Robinhood                                                   | Webull/<br>Webull Pay     | Charles<br>Schwab<br>(Online) | E*Trade           | IBKR                                  |
|-------------------|------------------|---------------------------|-------------------------------------------------------------|---------------------------|-------------------------------|-------------------|---------------------------------------|
| US<br>Stocks/ETFs | Commission       | \$0.0                     | \$0.0                                                       | \$0.0                     | \$0.0                         | \$0.0             | US\$0.005/share<br>Min US\$1.0/max 1% |
|                   | Platform fee     | \$0 (limit offer)         | \$0.0                                                       | \$0.0                     | \$0.0                         | \$0.0             | \$0.0                                 |
| US Options        | Contract fee     | US\$0.5/contract          | Non-gold:<br>US\$0.5/contract<br>Gold:<br>US\$0.35/contract | US\$0.5/contract          | US\$0.65/contract             | US\$0.65/contract | US\$0.65/contract<br>Min US\$1/order  |
| Margin rate       | Annualized yield | US stocks: 6.80%          | US stocks: 5.75%                                            | US stock: 8.74%           | US stocks: 12.58%             | US stock: 13.20%  | US stocks: 6.83%                      |
| Crypto            | Commission       | \$0.0                     | \$0.0                                                       | \$0.0                     | n.a                           | n.a               | \$0.0                                 |
|                   | Platform fee     | 0.49%<br>No minimum limit | 0.85%<br>Min US\$0.01/order                                 | 1.00%*<br>Min US\$1/order | n.a                           | n.a               | 0.2%-0.3%<br>Min US\$2.25/max 1%      |

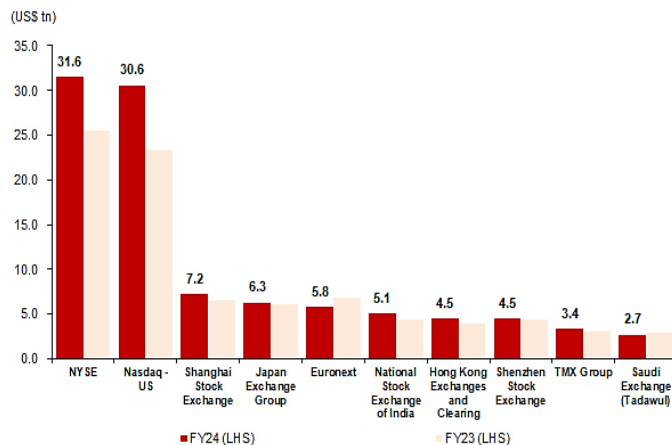
Source: Company websites, CMBIGM

Note: Webull moved its crypto trading to a separate app named *Webull Pay*, in response to avoiding potential litigation between the SEC and platforms as Binance and Coinbase; \*Webull Pay's crypto fee on platform implies a spread mark-up of 100bps on either side of a trade.

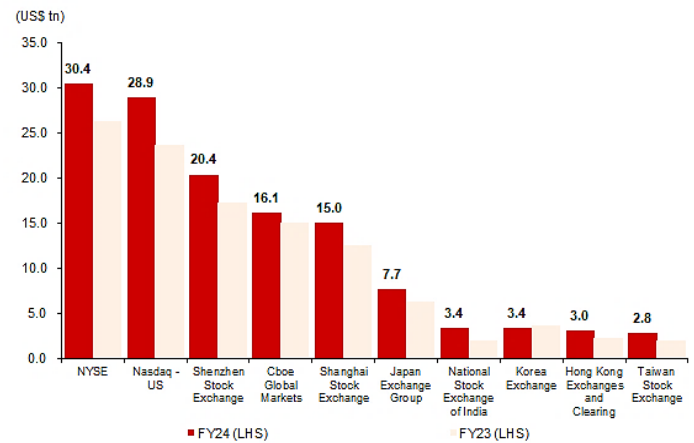
## Japan: CR5's earnings close to half of industry total; Moomoo edges in US securities

Japan's securities market ranks top among developed economies on the back of its globally fourth-ranking GDP size and a long history of financial markets. As of the end of 2024, total market capitalization of companies listed on the exchange of Japan Exchange Group (JPX) amounted to US\$6.31tn, ranking fourth among the world's key exchanges ([Fig.38](#)). Annual trading volume (electronic order) reached US\$7.68tn in FY24, marking the stock market as the most active markets following major exchanges in the US and China, per WFE ([Fig.39](#)).

**Fig 38: JPX ranked 4<sup>th</sup> by market capitalization in FY24** **Fig 39: JPX ranked 6<sup>th</sup> by total trading value in FY24**



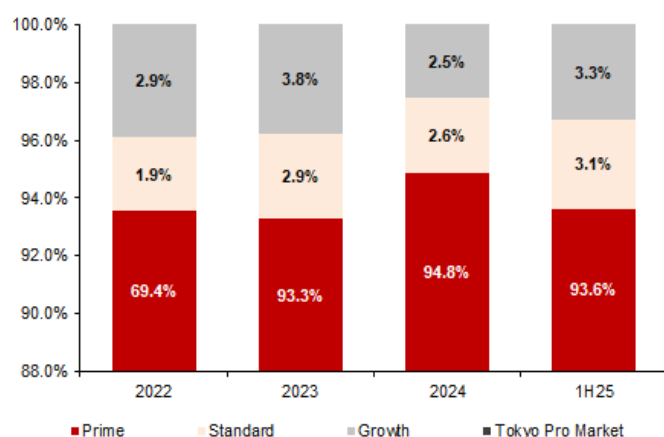
Source: WFE, CMBIGM



Source: WFE, CMBIGM

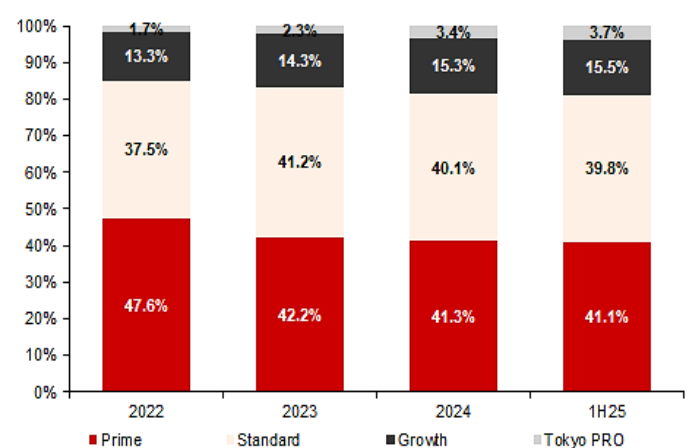
In Japan, the secondary stock trading market is primarily led by the Tokyo Stock Exchange (TSE), which contributed ~90% of the nation's listed shares market capitalization. The TSE is divided into three major market segments, the Prime Market (for large-scale blue-chip companies), the Standard Market (for mid-sized established companies), and the Growth Market (for high-growth SMEs), with each segment's trading value accounting for 94%/3%/3% of total by 1H25 ([Fig.40](#)). In 1H25, there were 3,948 listed companies (excl. five foreign companies) on the Tokyo Stock Exchange, of which the Prime/Standard/Growth/Tokyo Pro segment contributed 41%/40%/16%/4%, respectively ([Fig.41](#)). Market capitalization of the Prime/Standard/Growth segment was 96%/3%/1% as of 1H25. The heavy concentration of stocks on the Prime (>90%) indicates a hierarchical structure of Japan's securities market.

**Fig 40: Trading value of listed shares on TSE by market**



Source: Japan Exchange Group, CMBIGM

**Fig 41: No. of listed companies on the TSE by market**

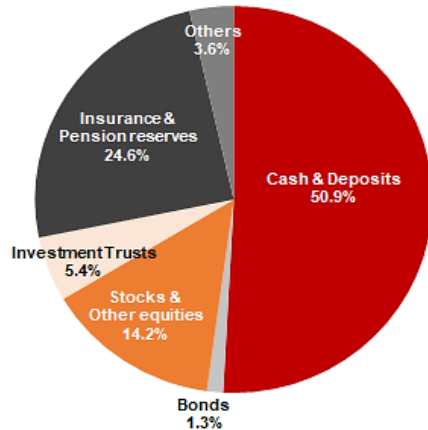


Source: Japan Exchange Group, CMBIGM

Households in Japan held a record 2.2 quadrillion yen of financial assets as of FY23, with ~51% held in cash and deposits and 21% in equities, investment trusts, and debt securities according to the JSDA ([Fig.42](#)). To incentivize investments and boost participation in stock market, the new Nippon Individual Savings Account (NISA), a tax-exempt scheme for small investments, was introduced in January 2024, as part of the government's plan to double

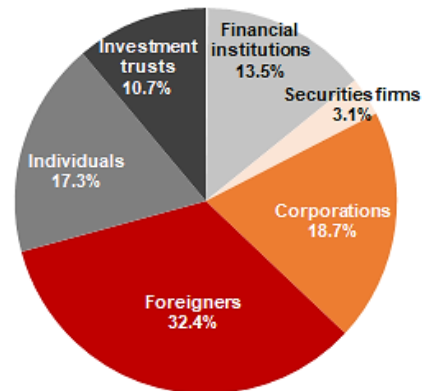
household asset-based income. Since then, investments in NISA accounts have rapidly expanded, with the NISA purchase amount rising by JPY 6.2tn as of end-Mar 2024 ([Fig.44](#)).

Foreign and institutional investors dominate in Japan's stockholding. According to the JPX, shareholdings by market value comprised foreigners (32.4%, +0.6pct), financial institutions excl. investment, pension trusts and insurance firms (13.5%, -0.3pct), corporations (18.7%, -0.6pct), individuals (17.3%, +0.4pct), and investment trusts (10.7%, +0.3pct) as of FY24 ([Fig.43](#)). By Mar 2024, 271 securities firms have been registered as members of the Japan Securities Dealers Association (JSDA), which could be categorized into major securities firms (i.e. the Top Five), online trading securities firms (i.e. SBI, Rakuten), and foreign-affiliated securities under FSA's oversight, and securities under the Local Finance Bureau.

**Fig 42: Japan's household financial assets composition**


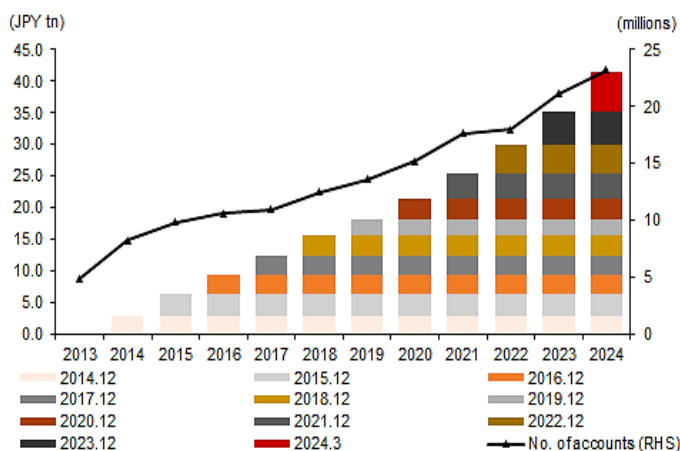
Source: JSDA, CMBIGM

Note: The data of household financial assets is quoted by 2023.

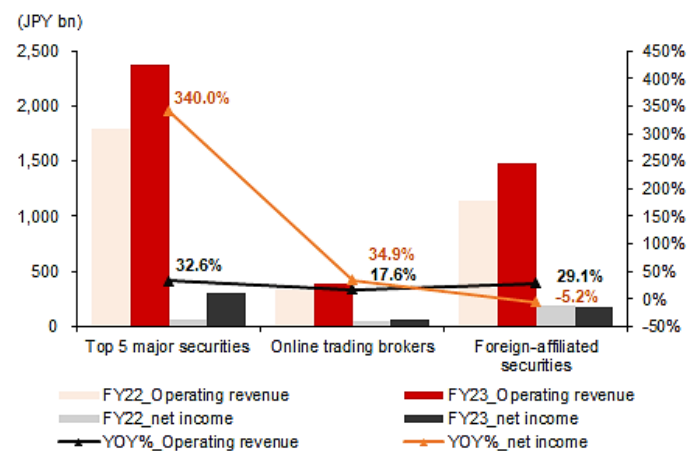
**Fig 43: Investor composition in stockholdings in FY24**


Source: Japan Exchange Group, JSDA, and CMBIGM

Japan's securities market is marked for a high concentration to the top five brokerages, i.e. Nomura, Daiwa, SMBC Nikko, Mitsubishi UFJ Morgan Stanley, and Mizuho. Unlike investor composition, total number of foreign brokers dropped to 9 in 2023 from 52 in 2000, per JSDA. Although online retail brokers have rapidly developed in recent years, the top five securities firms still dominate in the industry's total earnings. In 2023, the operating revenue and net income of the top five brokerages comprised 44%/46% of industry's total, vs. online brokers' 7%/10% ([Fig.45](#)), according to JSDA. At the meanwhile, revenue and net income growth of the top five was 33%/3.4x YoY, outpacing that of industry average (+30%/+99%). Commissions made up the largest proportions of total revenues (>50%), of which the top five and online brokers' commissions each comprising 25%/64% of total as of end of FY23.

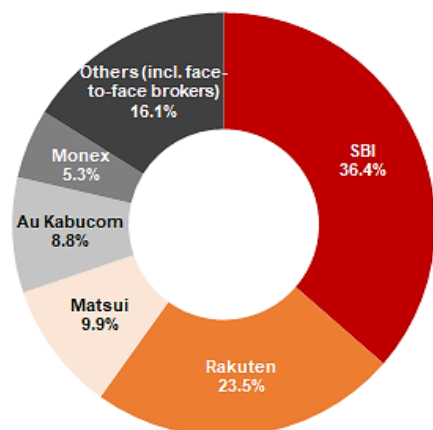
**Fig 44: The new NISA's cumulative purchase amount**


Source: JSDA, CMBIGM | Note: The old NISA scheme was dated from January 2014 to December 2017.

**Fig 45: High revenue/profitability penetration to Top 5**


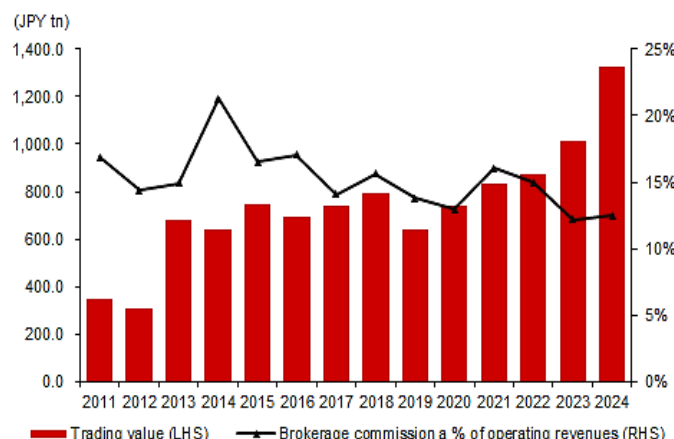
Source: JSDA, CMBIGM

For retail trades, the stock trading value is highly concentrated in online brokers. According to SBI report of 2020, the five online brokers, including SBI Securities, Rakuten Securities, Monex, Au Kabucom Securities and Maisui comprised 84% of total individual stock trading value in FY19 ([Fig.46](#)). In Sep 2023, SBI and Rakuten introduced commission-free trading for Japanese stocks, which reshaped Japan's brokerage industry competitive landscape. Since then, the brokerage commission as a percentage of operating revenue has flattened at a low-teen level across the industry, according to data from the JSDA as shown in [Fig.47](#).

**Fig 46: Share of Individual stock trading value (%)**


Source: SBI company report of 2020, TSE, CMBIGM

Note: Total individual stock trading value or individual margin trading value of the 1st and 2nd sections of the Tokyo and Nagoya Stock Exchange, including trading values of ETFs and REITs.

**Fig 47: Brokerage commission % flattened to low teens**


Source: JSDA, CMBIGM

Note: The fiscal year of Japanese companies started from April (current year) to March (next year); figures for fiscal year ended Mar 2024 were on a preliminary report basis.

Moomoo entered Japan in Sep 2023, with an initial offering of US stock trading by giving access to 7,000 US stocks, which appealed to local investors for account opening and fund inflows. In Jan 2024, Moomoo JP introduced trading services for the new NISA scheme, followed by the launch of Japanese stock trading in Mar 2024. In 1H25, Moomoo rolled out the US fractional shares trading, and US options trading subsequently. We see upside for Moomoo JP by deepening its moat on US securities trading capabilities, and increase retail penetration through enhanced new product offerings and effective low-price strategies, i.e. Moomoo's 12bps (or 13.2bps with tax) for US stock trading, vs. Rakuten, SBI, and Monex's 45bps (or 49.5bps with tax), as in [Fig.48](#). Option trading could be another key differentiator.

**Fig 48: Moomoo JP's vs. peers' stock and ETF trading commission rates and platform fees**

| Products       | Type of fees | Moomoo Japan | Rakuten Securities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | SBI Securities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Monex Securities                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------|--------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| JP Stocks/ETFs | Commission   | 0            | JPY 0 (NISA scheme)<br>Zero course: JPY 0<br>Super discount course:<br>JPY 55 (Order <JPY 50k);<br>JPY 99 (Order <JPY 100k);<br>JPY 115 (Order <JPY 200k);<br>JPY 275 (Order <JPY 500k);<br>JPY 535 (Order <JPY 1mn);<br>JPY 640 (Order <JPY 1.5mn);<br>JPY 1013 (Order <JPY 30mn);<br>JPY 1070 (Order >JPY 30mn);<br>Daily flat rate course:<br>JPY 0 (Order < JPY 1mn);<br>JPY 2,200 (Order <JPY 2mn);<br>JPY 3,300 (Order <JPY 3mn),<br>then JPY 1,100 for additional JPY 1mn<br>(Tax included) | JPY 0 (NISA scheme)<br>Zero revolution: JPY 0<br>Super discount course:<br>JPY 55 (Order <JPY 50k);<br>JPY 99 (Order <JPY 100k);<br>JPY 115 (Order <JPY 200k);<br>JPY 275 (Order <JPY 500k);<br>JPY 535 (Order <JPY 1mn);<br>JPY 640 (Order <JPY 1.5mn);<br>JPY 1013 (Order <JPY 30mn);<br>JPY 1070 (Order >JPY 30mn);<br>Promotional plan:<br>JPY 0 (Order < JPY 1mn);<br>JPY 1,238 (Order <JPY 2mn);<br>JPY 1,691 (Order <JPY 3mn),<br>then JPY 295 for additional JPY 1mn<br>(Tax included) | JPY 0 (NISA scheme)<br>Per transaction plan:<br>JPY 55 (Order <JPY 50k);<br>JPY 99 (Order <JPY 100k);<br>JPY 115 (Order <JPY 200k);<br>JPY 275 (Order <JPY 500k);<br>JPY 535 (Order <JPY 1mn);<br>JPY 640 (Order <JPY 1.5mn);<br>JPY 1013 (Order <JPY 30mn);<br>JPY 1070 (Order >JPY 30mn);<br>Daily flat fee plan:<br>JPY 550 (Order < JPY 1mn);<br>JPY 2,750 (Order <JPY 3mn);<br>JPY 5,500 (Order < JPY 6mn),<br>then JPY 2,750 for additional JPY 3mn<br>(Tax included) |
|                |              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                |              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                |              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

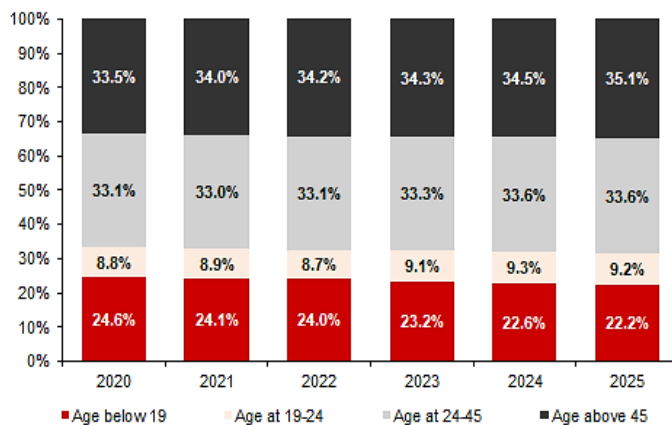
| Products       | Type of fees     | Moomoo Japan                                                                                                                                                                                                                                                                                                                  | Rakuten Securities                                        | SBI Securities                                                     | Monex Securities                                                                                                                                   |
|----------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| US Stocks/ETFs | Commission       | <b>JPY 0 (NISA scheme);</b><br><b>Basic course:</b><br><b>0.12% (0.132% incl. tax)</b><br>(max \$22 incl. tax);<br><b>Advanced course:</b><br>Transaction fee:<br><b>\$0.00539/share (incl. tax)</b><br>(min \$1.08/order incl. tax)<br>System usage fee:<br><b>\$0.0055/share (incl. tax)</b><br>(min \$1.1/order incl. tax) | <b>0.495%</b><br>(min \$0/order, max \$22/order)          | <b>0.45% (0.495% incl. tax)</b><br>(min \$0/order, max \$22/order) | <b>0.45% (0.495% incl. tax)</b><br>(min \$0/order, max \$22/order)                                                                                 |
|                |                  |                                                                                                                                                                                                                                                                                                                               |                                                           |                                                                    |                                                                                                                                                    |
| JP Options     | Commission       | <b>0.05% or 0.055%(incl. tax)</b><br>(min JPY 44 incl. tax)                                                                                                                                                                                                                                                                   | <b>n.a</b>                                                | <b>n.a</b>                                                         | <b>n.a</b>                                                                                                                                         |
|                | System usage fee | <b>JPY 0</b>                                                                                                                                                                                                                                                                                                                  | <b>n.a</b>                                                | <b>n.a</b>                                                         | <b>n.a</b>                                                                                                                                         |
| US Options     | Commission       | <b>\$0.33/order (incl. tax)</b>                                                                                                                                                                                                                                                                                               | <b>n.a</b>                                                | <b>n.a</b>                                                         | <b>n.a</b>                                                                                                                                         |
|                | System usage fee | <b>\$0.28/order (incl. tax)</b><br>(min \$2.19/order incl. tax, for less than 7 tickets)                                                                                                                                                                                                                                      | <b>n.a</b>                                                | <b>n.a</b>                                                         | <b>n.a</b>                                                                                                                                         |
| Margin rate    | Annualized yield | <b>US stocks: 4.50% (buyers)</b>                                                                                                                                                                                                                                                                                              | <b>US stocks: 4.50% (buyers)</b>                          | <b>US stocks: 4.50% (buyers)</b>                                   | <b>US stocks: 4.50% (buyers)</b>                                                                                                                   |
|                | Trading fee      | <b>Basic course:</b><br><b>0.12% (0.132% incl. tax)</b><br>(max \$22 incl. tax);<br><b>Advanced course:</b><br>Transaction fee:<br><b>\$0.00539/share (incl. tax)</b><br>(min \$1.08/order incl. tax)<br>System usage fee:<br><b>\$0.0055/share (incl. tax)</b><br>(min \$1.1/order incl. tax)                                | <b>0.33% incl. tax</b><br>(min \$0, max \$16.5 incl. tax) | <b>0.33% incl. tax</b><br>(min \$0, max \$16.5 incl. tax)          | <b>Per transaction plan:</b><br>JPY 99 (Order <JPY 100k);<br>JPY 148 (Order <JPY 200k);<br>JPY 198 (Order <JPY 500k);<br>JPY 385 (Order >JPY 500k) |

Source: Company websites, CMBIGM

## Malaysia: Rapidly expanding new funded accounts with contributions to high turnover

Malaysia features a young and tech-savvy investor demographic, with population aged less than 45 proportioning to 65% of total 34.2mn population by July 2025 per government stats. Among which, population aged 19-24 comprised 9.2% of total (Fig.49). Chinese ethnicity group accounted 20% of total population, with the group of aged below 45 comprising 57% of all Chinese in Malaysia as of July 2025. This demographic structure implies a favourable condition for internet brokers, like Moomoo, to penetrate among young generation investors and Chinese communities with increasing acceptance to digitalization and online investing.

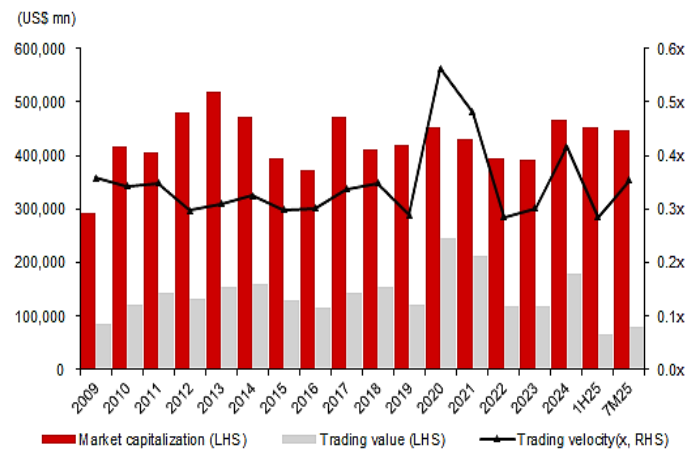
**Fig 49: Malaysia's population demographic by age**



Source: The Department of Statistics Malaysia (DOSM), Government of Malaysia, CMBIGM

Note: Data is quoted as of end July 2025.

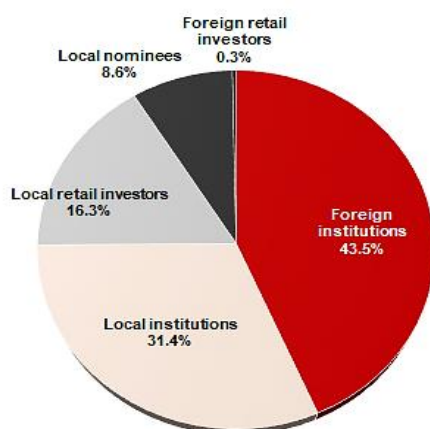
**Fig 50: MY stocks' market cap, trading value & velocity**



Source: Bursa Malaysia, CMBIGM

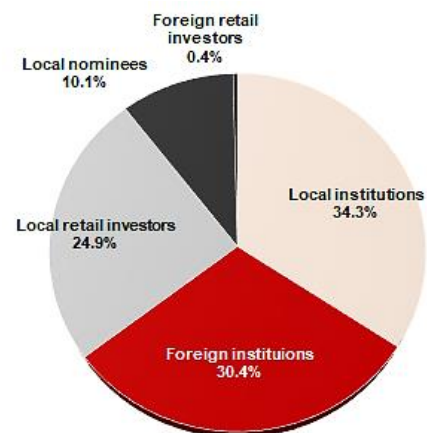
Foreign institutions composed the largest proportions of securities trading value in Malaysia by 1H25, making up 43.5% of market's total MYR 40.8bn trading value, according to Bursa Malaysia (Fig.51). Local retail investors made up 16.3%/24.9% of total securities market's trading value and volume as of 1H25. In FY24, there were 2.2mn active Central Depository System's (CDS) accounts out of total 3.5mn CDS accounts, marking an active penetration rate of 63% (Fig.53). The number of new CDS accounts opened elevated 2.1 times YoY to 486k in FY24, of which the number of new individual CDS accounts was 30.4% of total to 148k. Despite increasing retail participation in stock market, total number of CDS accounts recorded at roughly 10% of total Malaysia's population, which we think the figure potentially enjoys significant upside, alongside the exchange's debut of new retail investor campaigns.

**Fig 51: Trading value by investor composition, 1H25**

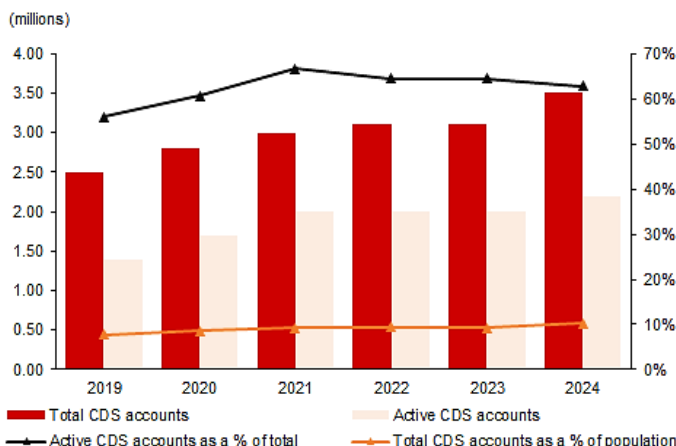


Source: Bursa Malaysia, CMBIGM

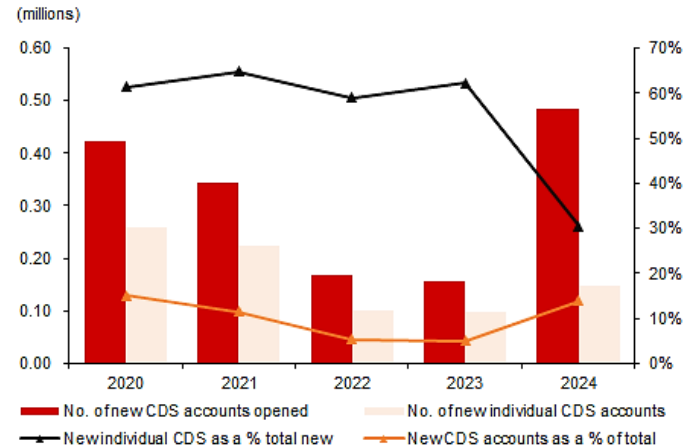
**Fig 52: Trading volume by investor composition, 1H25**



Source: Bursa Malaysia, CMBIGM

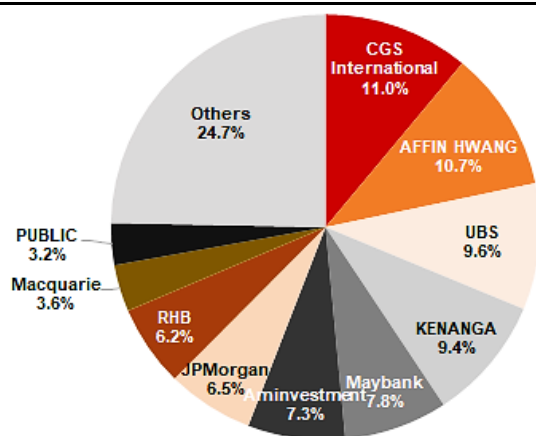
**Fig 53: Active and total number of CDS accounts (mn)**

Source: Bursa Malaysia, Integrated Annual Report (IAR), CMBIGM

**Fig 54: No. of new individual & total new CDS accounts**

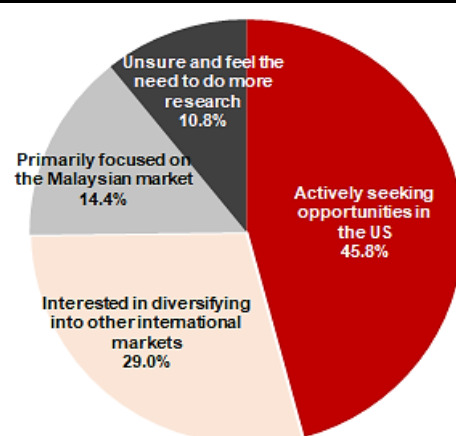
Source: Bursa Malaysia, Integrated Annual Report (IAR), CMBIGM

Among the 30 Participating Organizations listed by Bursa Malaysia Securities, the trading value concentration remained high for the CR3 (31.3%), CR5 (48.5%), and CR10 (75.3%) as of 1-7M25. Within the top 10 participants, local brokerages as CGS International, AFFIN Hwang Investment Bank, Kenanga Investment Bank, Maybank Investment Bank topped in rankings, followed by foreign brokers such as UBS, JPMorgan, and Macquarie (Fig.55). In June 2025, institutional investors took 75% of total trading value, and 65% of total trading volume per Bursa Malaysia. We regard this highly concentrated competitive landscape left room for online brokers to tap in by focusing on local investors' demands. Moomoo MY can leverage its superior user experience, brand equity, and synergies to the Singapore market.

**Fig 55: Share of Bursa Malaysia's PO by trading value**

Source: Bursa Malaysia, CMBIGM

Note: The data is quoted for 1-7M25, by Bursa Malaysia's participating organizations in terms of trading value.

**Fig 56: 2H24 SEA Retail investor sentiment survey result**

Source: Moomoo Malaysia, data quoted from "Moomoo Insight: SEA Retail Investor Sentiment Report 2024"

Note: The survey involved 1,000 retail investors evenly distributed in Singapore and Malaysia in 2024.

Moomoo MY launched business on 26 Feb 2024, followed by a rapid expansion to >30k new clients within the first week of initiation, seeing the fastest market penetration across all operating markets. In 2Q25, we estimate that Malaysia's funded accounts marked 10% of total funded accounts, thanks to its fastest sequential growth in new funded accounts. Per Moomoo's SEA Retail Investor Sentiment Report, 45.8% of surveyed Malaysian retail investors sought opportunities in the US market, and 29% of investors showed interests in diversifying portfolios by investing in international markets, i.e. Singapore, HK, and Europe; while 14.4% of respondents focusing on domestic investments due to heightened global uncertainties (Fig.56). In addition, 44.2% of surveyed respondents expected to invest in US or other international markets under the consideration of depreciation of the ringgit in 2H24.

We regard this result re-addresses the importance of securities trading platforms that can provide a suite of product offerings covering the US and international stock trading services. Moomoo offering access to MY/US/SG/HK stock trading, which could be a key beneficiary.

Regarding competitive dynamics, traditional bank-affiliated brokerages and online brokers charge a higher commission compared to cross-border retail brokers as Moomoo Malaysia, in particular for US stock trading. CGS iTrade and Maybank charge 35bps/40bps per order for US stock trading, vs. 10bps for Rakuten Trade (a JV of Kenanga Investment Bank and Rakuten Securities Inc. of Japan in 2017), higher than that of Moomoo MY's 3bps per order (Fig.57). So far, few cross-border brokers have had operations in Malaysia's stock markets.

**Fig 57: Moomoo MY's vs. Peers' stock and ETF trading commission rates and platform fees**

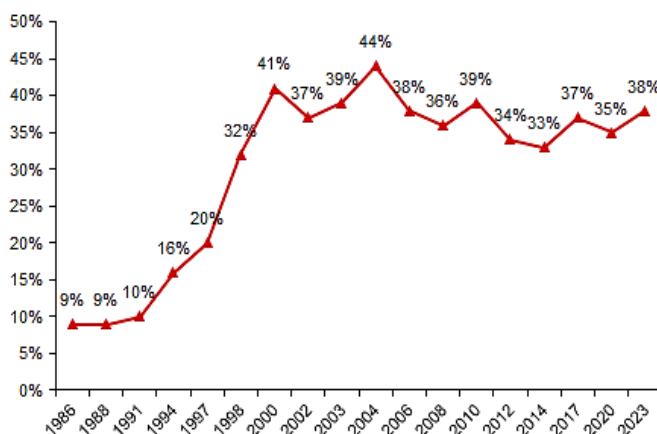
| Products                 | Type of fees | Moomoo Malaysia                                                             | IBKR                                                                                                                                                                                                                                                                                                                                        | Rakuten Trade                                                                                                                                             | CGS iTrade                                                                                         | Maybank                         | Afflin Hwang (eInvest Go)                                                                                      |
|--------------------------|--------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------------------|
| MY Stocks/ETFs           | Commission   | 0.03%/order                                                                 | 0.08%/order (order <= MYR 10mn)<br>min MYR 12/order<br>0.06%/order (order <= MYR 200mn)<br>min MYR 10/order<br>0.05%/order (order <= MYR 500mn)<br>min MYR 9/order<br>0.03%/order (order > MYR 500mn)<br>min MYR 8/order                                                                                                                    | MYR 1/order;<br>(order <= MYR 100)<br>MYR 2.88/order;<br>(order <= MYR 10k)<br>0.1%/order;<br>(order <= MYR 100k)<br>MYR 100/order;<br>(order > MYR 100k) | MYR 2.50/order<br>(order < 100 shares)<br>0.06%/order (order<br>>=100 shares)<br>min MYR 5.5/order | Max (0.1% or<br>MYR 8)/ order   | MYR 5/order;<br>(order < MYR 10k)<br>0.08%/order;<br>(order < MYR 100k)<br>0.05%/order; (order<br>>= MYR 100k) |
|                          | Platform fee | MYR 3/order                                                                 | -                                                                                                                                                                                                                                                                                                                                           | -                                                                                                                                                         | MYR 0.5/order                                                                                      | MYR 10<br>(account open<br>fee) | -                                                                                                              |
| US Stocks/ETFs           | Commission   | 0.03%/order                                                                 | Fixed plan: US\$0.005/order<br>min US\$1/order, max 1%/order<br>Tiered plan:<br>US\$0.0035/order (order <= US\$300k)<br>US\$0.002/order (order <= US\$3mn)<br>US\$0.0015/order (order <= US\$20mn)<br>US\$0.001/order (order <= US\$100mn)<br>US\$0.0005/order (order > US\$100mn)<br>min US\$0.35/order, max 1%/order                      | 0.1%/order<br>min US\$0.88/order,<br>max US\$25/order                                                                                                     | 0.35%/order<br>min MYR 70/order                                                                    | 0.40%/order<br>min US\$25/order | n.a                                                                                                            |
|                          | Platform fee | US\$0.99/order                                                              | -                                                                                                                                                                                                                                                                                                                                           | -                                                                                                                                                         | -                                                                                                  | -                               | -                                                                                                              |
| SG Stocks/ETFs           | Commission   | 0.03%/order                                                                 | Fixed plan: 0.08%/order<br>min SGD 2.5/order<br>Tiered plan:<br>0.08%/order (order <= SGD 2.5mn)<br>0.05%/order (order <= SGD 50mn)<br>0.03%/order (order <= SGD 150mn)<br>0.02%/order (order > SGD 150mn)<br>min SGD 2.5/order                                                                                                             | -                                                                                                                                                         | 0.35%/order                                                                                        | 0.40%/order                     | n.a                                                                                                            |
|                          | Platform fee | 0.05%/order<br>Min SGD 5/order                                              | -                                                                                                                                                                                                                                                                                                                                           | -                                                                                                                                                         | -                                                                                                  | -                               | -                                                                                                              |
| HK Stocks/ETFs           | Commission   | 0.03%/order                                                                 | Fixed plan: 0.08%/order<br>min HK\$18/order<br>Tiered Plan:<br>0.05%/order (order <= HK\$15mn)<br>min HK\$18/order<br>0.05%/order (order <= HK\$300mn)<br>min HK\$12/order<br>0.03%/order (order <= HK\$900mn)<br>min HK\$8/order<br>0.02%/order (order <= HK\$2bn)<br>min HK\$6/order<br>0.015%/order (order > HK\$2bn)<br>min HK\$4/order | 0.1%/order<br>min HK\$35/order                                                                                                                            | 0.35%/order                                                                                        | 0.40%/order                     | n.a                                                                                                            |
|                          | Platform fee | HK\$15/order                                                                | -                                                                                                                                                                                                                                                                                                                                           | -                                                                                                                                                         | -                                                                                                  | -                               | -                                                                                                              |
| Northbound A-shares/ETFs | Commission   | 0.03%/order                                                                 | n.a                                                                                                                                                                                                                                                                                                                                         | n.a                                                                                                                                                       | n.a                                                                                                | n.a                             | n.a                                                                                                            |
|                          | Platform fee | RMB 15/order                                                                | -                                                                                                                                                                                                                                                                                                                                           | -                                                                                                                                                         | -                                                                                                  | -                               | -                                                                                                              |
| US Options               | Commission   | US\$0 (promotion);<br>US\$0.2/Contract<br>Fixed plan:<br>US\$0.45/Contract; | IBKR Lite: US\$0.65/contract;<br>IBKR Pro: US\$0.15-0.65/contract<br>min US\$1/order                                                                                                                                                                                                                                                        | n.a                                                                                                                                                       | n.a                                                                                                | n.a                             | n.a                                                                                                            |
|                          | Platform fee | Tiered plan:<br>US\$0.25-\$0.55/<br>contract;<br>Min US\$0.99/order         | -                                                                                                                                                                                                                                                                                                                                           | -                                                                                                                                                         | -                                                                                                  | -                               | -                                                                                                              |

Source: Company websites, CMBIGM

## Australia: Bank-affiliated players dominate whilst online brokers rising to challenge

Australian securities market features a high penetration of on-exchange investors. In 2023, 7.7mn adult population, out of total 20.04mn, held investment products through a regulated stock exchange, indicating a percentage of stockholdings by Australian adult population at 38.4% ([Fig.52](#)), according to the *ASX Australian Investor Study 2023*. Among the group of on-exchange investors, 70% use online brokers to place trade orders, in reflective of a high degree of acceptance to online securities trading, vs. through IFA's 15%, and through full-service broker's 12% ([Fig.53](#)). Investors aged below 49 comprised the majority (58%) group of on-exchange investors, contributing a median size of portfolio to AUD 170k (~US\$110k) in 2023. In 1H25, total number of active online investors rose 6% YoY to 1.36mn (vs FY24: 1.33mn), driven by a return of dormant investors who captured "buy the dip" opportunities, according to the report of *Investment Trend's 2025 1H Australia Online Investing* as [Fig.54](#).

**Fig 58: % of Australian adult population in stocks**



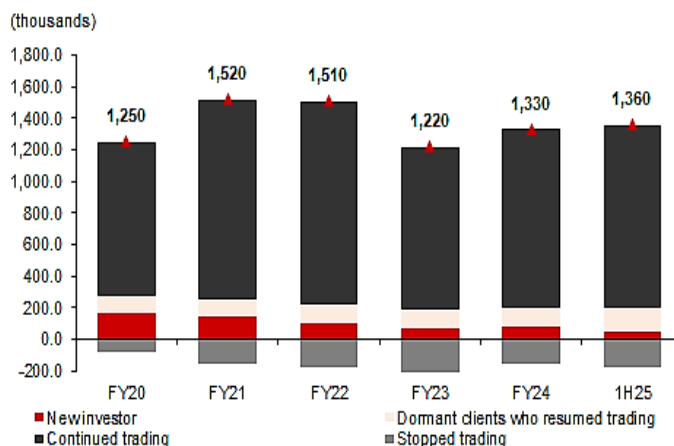
Source: ASX, CMBIGM

**Fig 59: Methods of AU investors placing trade orders**



Source: ASX, CMBIGM

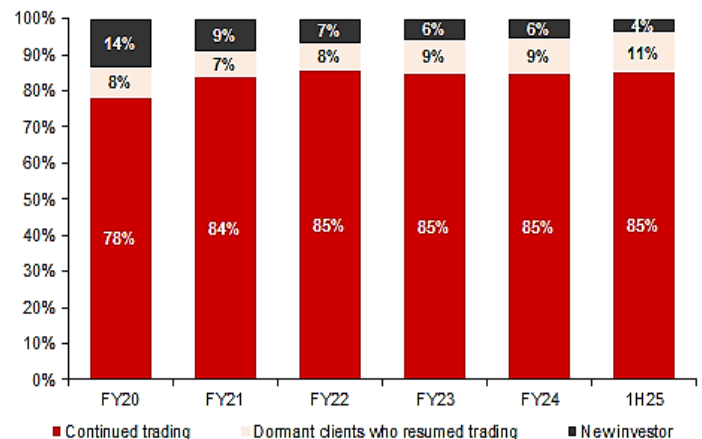
**Fig 60: % of Australian adult population in stocks**



Source: Investment Trends, CMBIGM

Note: The report is based on a survey conducted from 1 April to 18 May 2025 incl. 8,608 respondents, of which 5,588 were online investors (65%) in Australia.

**Fig 61: No. of active online investors structure mix%**



Source: Investment Trends, CMBIGM

Note: The report is based on a survey conducted from 1 April to 18 May 2025 incl. 8,608 respondents, of which 5,588 were online investors (65%) in Australia.

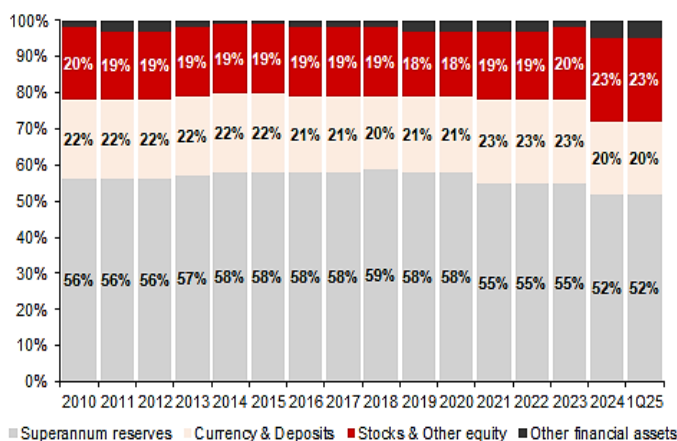
Household financial assets stabilize in structure, with shares and other equities comprising 20%-25% of total balance for years. In 1Q25, total balance of household financial assets grew to AUD 8.1tn, with a mix of superannuation reserves (>50%), shares and other equity (20%-25%) and deposits (~20%) per *Australian Bureau of Statistics*. We regard the stable mix of shares and other equity auguring well for the nation's resilient household demands for on-exchange investments ([Fig.56](#)). In recent two quarters, the mix of stock rose to 23%.

Regarding competitive dynamics, four national banks in Australia dominate the online retail brokerage market with their trading platforms that include 1) CommSec (wholly owned by the Commonwealth Bank of Australia, CBA), 2) ANZ Share Investing (now transitioned clients to CMC Markets; owned by the Australia and New Zealand, ANZ), 3) nabtrade (wholly owned by the National Australia Bank, NAB), and 4) Westpac Share Trading (wholly owned by the Westpac Banking Corp, WBC). Independent brokerages as CMC Markets, SelfWealth, and online brokers as IBKR, Moomoo and TIGR together thrive the ecosystem.

Bank-affiliated trading platforms charge higher commissions compared to other two groups, at the maximum of a fixed rate or 11-12bps for AU/US stock trading, based on order size. CMC Markets offered zero-commission trading for AU (for the first order less than AUD 1k) and US stocks (permanent), which cater to investors' trading preferences for global shares. SelfWealth charges a flat fee of \$9.50 per trade for AU and US stocks, simple yet would edge over peers only if the trade value exceeded \$5,000. Global online retail brokers, as IBKR, Moomoo and TIGR, offer a lower commission for US and AU stock trading, among which Moomoo AU wins against peers by offering a commission-free trading for US stocks (Fig.58), in our view. In terms of product offerings, Aussie brokers do not provide US stock options trading, which we think global online brokers as IBKR, Moomoo and TIGR can leverage this gap to enhance their client acquisitions and brand equity against local players.

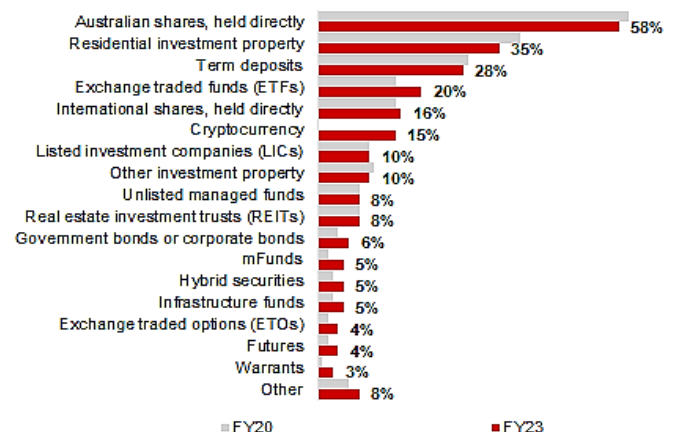
Moomoo AU obtained the Australian Financial Services License (AFSL) in Nov 2021, and entered the market in Mar 2022. We think the offering of commission-free US stock trading could enhance Moomoo's app adoption to a wider group of Aussie community. Based on ASX Australian Investor Study, 16% of investors held international shares vs.13% in 2020.

**Fig 62: Stable mix% of AU household financial assets**



Source: Australian Bureau of Statistics, CMBIGM

**Fig 63: No. of active online investors structure mix%**



Source: ASX, CMBIGM

Note: US shares take the largest proportion of international shares owned by Australia's on-exchange investors.

**Fig 64: Moomoo AU's vs. online peers' stock/ETF trading commission and platform fees**

| Products       | Type of fees | Moomoo Australia         | TIGR                                                                                                       | CMC Markets                                                                                                            | Selfwealth            | IBKR                                                                                                                                |
|----------------|--------------|--------------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| AU Stocks/ETFs | Commission   | 0.01%<br>Min AUD 1/order | AUD 3/order (flat, order <=AUD 10k)<br>or 0.03%/order (order >AUD 10k);<br>Min AUD 500/order (first)       | AUD 0 (first buy order < AUD1k)<br>Standard account:<br>Max (AUD 11, 0.1%);<br>Alpha account:<br>Max (AUD 9.9, 0.075%) | AUD 9.50/order (flat) | Fixed: 0.08%/order<br>Min AUD6/order<br><br>Tiered: AUD 0.015%-0.08%/order<br>Min AUD 1.5/order                                     |
|                | Platform fee | 0.02%<br>Min AUD 2/order | -                                                                                                          | -                                                                                                                      | -                     | -                                                                                                                                   |
| US Stocks/ETFs | Commission   | \$0                      | US\$2/order (1 <= order < 200 shares);<br>US\$0.01/share (order >200 shares);<br>1%/order (order <1 share) | \$0                                                                                                                    | US\$9.50/order (flat) | Fixed: US\$0.005/order;<br>Min US\$1/order, max 1%/order<br><br>Tiered: US\$0.0005-0.0035/order<br>Min US\$0.35/order, max 1%/order |
|                | Platform fee | US\$0.99/order           | -                                                                                                          | -                                                                                                                      | -                     | -                                                                                                                                   |

| Products                 | Type of fees | Moomoo Australia                                                     | TIGR                                                                                     | CMC Markets                    | Selfwealth          | IBKR                                                                                           |
|--------------------------|--------------|----------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------|---------------------|------------------------------------------------------------------------------------------------|
| HK Stocks/ETFs           | Commission   | 0.03%<br>Min HK\$3/order                                             | HK\$15/order (flat, order <= HK\$25k) 0.06%/order (order > HK\$25k);<br>Min HK\$15/order | Max (AUD 59.95 or 0.59%)/order | HK\$88/order (flat) | Fixed: 0.08%/order<br>Min HK\$18/order<br><br>Tiered: 0.015%-0.05%/order<br>Min HK\$4-18/order |
|                          | Platform fee | HK\$15/order                                                         | -                                                                                        | -                              | -                   | -                                                                                              |
| Northbound A shares/ETFs | Commission   | -                                                                    | RMB 15/order (flat, order <= RMB 25k) 0.06%/order (order > RMB 25k);<br>No minimum limit | -                              | -                   | -                                                                                              |
|                          | Platform fee | -                                                                    | -                                                                                        | -                              | -                   | IBKR Lite:<br>US\$0.65/contract;<br><br>IBKR Pro:<br>US\$0.15-0.65/contract<br>Min US\$1/order |
| US Options               | Fixed plan   | Commission: US\$0.1/contract;<br>Platform fee: US\$0.4/contract      | US\$3/contract (order <= 4 contracts);<br>US\$0.75/contract (order > 4 contracts)        | n.a                            | n.a                 | -                                                                                              |
|                          | Tiered plan  | Commission: US\$0.1/contract<br>Platform fee: US\$0.25-0.55/contract | US\$0.15-0.9/contract<br>Min US\$3/contract                                              | -                              | -                   | -                                                                                              |

Source: Company websites, CMBIGM

Fig 65: Bank-affiliated trading platforms' stock trading commissions and option fees

| Products                         | Type of fees | CommSec                                                                                                                                                                                                                          | NabTrade                                                                                                                                       | Westpac Share Trading                                                                                                                                         |
|----------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AU Stocks/ETFs                   | Commission   | Commonwealth Direct Investment Account or CommSec Margin Loan:<br>AUD 5/order (order <= AUD 1k);<br>AUD 10/order (order <= AUD 3k);<br>AUD 19.95/order (order <= 10k);<br>AUD 29.95/order (order <= 25k);<br>0.12% (order > 25k) | AUD 9.95/order (order < AUD 1k);<br>AUD 14.95/order (order <= AUD 5k);<br>AUD 19.95/order (order <= AUD 20k);<br>0.11%/order (order > AUD 20k) | AUD 4.95/order (order <= AUD 1k);<br>AUD 9.95 (order <= AUD 3k);<br>AUD 19.95 (order <= AUD 10k);<br>AUD 29.95 (order <= AUD 28k);<br>0.11% (order > AUD 28k) |
|                                  | Platform fee | -                                                                                                                                                                                                                                | -                                                                                                                                              | -                                                                                                                                                             |
| US Stocks/ETFs                   | Commission   | International Shares account:<br>Max(US\$5, 0.12%)<br>International Shares Plus account:<br>Max(US\$9.95, 0.20%)                                                                                                                 | US\$9.95/order (order < US\$1k);<br>US\$14.95/order (order <= US\$5k);<br>US\$19.95/order (order <= US\$20k);<br>0.11%/order (order > US\$20k) | Australian dollar wallet:<br>Max(US\$4.95, 0.11%)/order;<br>Foreign currency wallet:<br>Max(US\$9.95, 0.19%)                                                  |
|                                  | Platform fee | -                                                                                                                                                                                                                                | -                                                                                                                                              | -                                                                                                                                                             |
| HK Stocks/ETFs                   | Commission   | International Shares account:<br>Max(HK\$130, 0.40%)<br>International Shares Plus account:<br>Max(HK\$200, 0.50%)                                                                                                                | HK\$9.95/order (order < HK\$1k);<br>HK\$14.95/order (order <= HK\$5k);<br>HK\$19.95/order (order <= HK\$20k);<br>0.11%/order (order > HK\$20k) | Australian dollar wallet:<br>Max(HK\$129.95, 0.39%)/order;<br>Foreign currency wallet:<br>Max(HK\$199.95, 0.49%)                                              |
|                                  | Platform fee | -                                                                                                                                                                                                                                | -                                                                                                                                              | -                                                                                                                                                             |
| Domestic Exchange-traded Options | Commission   | Domestic exchange traded option:<br>AUD 34.95/order (order <= AUD 10k);<br>0.35% (order > AUD 10k)                                                                                                                               | Domestic exchange traded option:<br>AUD 34.95/order (order <= AUD 10k);<br>0.35% (order > AUD 10k)                                             | Domestic exchange traded option:<br>AUD 38.95/order (order <= AUD 10k);<br>0.35% (order > AUD 10k)                                                            |

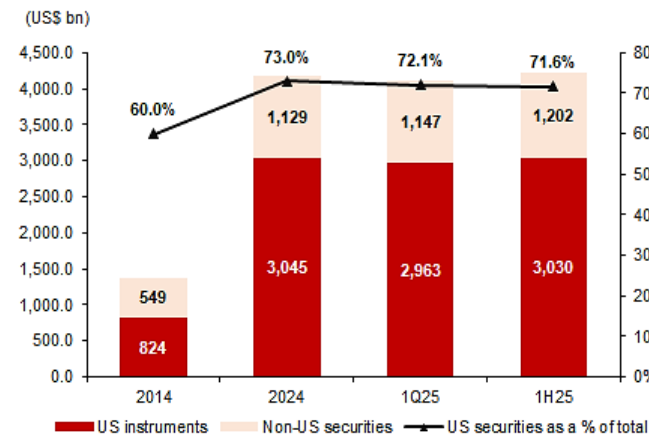
Source: Company websites, CMBIGM

Note: Australia's bank-affiliated trading platforms only provide domestic exchange-traded options, and have not yet provided services of the US/ international stock options trading.

## Canada: World-leading stock participation rate with strong preferences to US shares

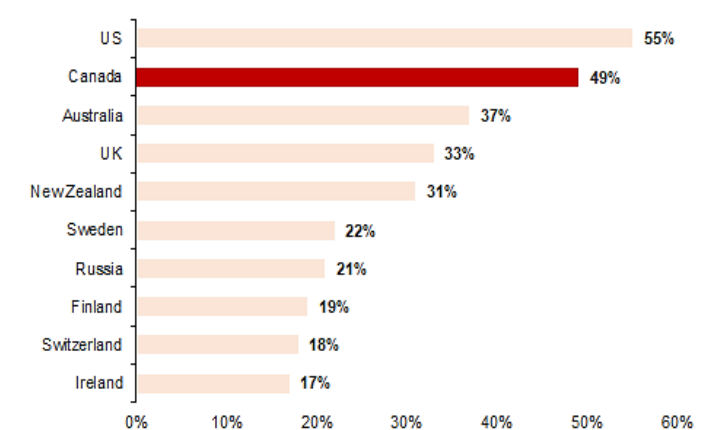
Canadian investors are strongly exposed to the US financial markets, with 71.6% of foreign securities held by Canadian investors being in the form of US instruments as of end 1H25, per *Statistics Canada*. By 2Q25, Canadian holdings of foreign securities were US\$4,232bn in terms of market value, of which the holdings of US securities reached US\$3,030bn ([Fig. 66](#)). Despite a decline of US shares holdings vs. year-start, the mix of US equity securities has remained above 70% of total foreign securities holdings for years, suggesting a strong preference of Canadian portfolio investment into the US securities market. Canadian stock participation reached 49% of total population, ranking second in the following of the US by FY24 ([Fig 67](#)) with total number of shareholders amounting to 19.1mn, per *Visual Capitalist*.

**Fig 66: Canadian foreign securities holdings and mix**



Source: Statistics Canada, CMBIGM

**Fig 67: Percentage of shareholding population, FY24**



Source: HelloSafe, Visual Capitalist, CMBIGM

Note: Data includes direct shareholding and exposure via life insurance and pension funds. The data was quoted for 32 countries based on population figures at the World Bank in 2023-2024.

According to Finder's 2023 report, 40% of Canadian investors prefer to use an online stock trading platform, among which millennials (born 1987 to 1996) bore a higher proportion to over half (53%). Regarding competitive dynamics, Canada's banking sector dominates the country's retail investment landscape with the Big Five banks (RBC, TD, CIBC, BMO and Scotiabank) taking significant proportions of the stock trading market through their online brokerage platforms. They usually charge a higher commission ranging from \$3.95 to 9.99 per trade, yet giving lower fees for high-frequency/active trading (>150 trades per quarter, [Fig. 69](#)). Independent brokers as Questrade, Qtrade, and CI Direct Trading (formerly Virtual Broker) gain tractions for provisions of specialized functionality, i.e. pre-market trading for US stocks or commission-free trading (i.e. Questrade). Cross-border internet brokers i.e. IBKR/Moomoo AU disrupting the industry by giving lower brokerage commissions for stock and option trading vs. the juggernauts, and enhance their propositions by fulfilling diverse demands, e.g. IBKR dominating the segment of professional traders, and Moomoo offering free US Level 2 data. Comparatively, Moomoo CA charges a slightly lower fee than IBKR.

Moomoo kicked off the client acquisition in Canada in Sep 2023, with a rapid expansion of average client AUM recording at double-digit sequential growth for three straight quarters in 1Q-3Q24. We look positive on Moomoo CA's edge on its significantly lower commissions (min. CAD 1.49/order for Canadian stocks and ETFs trading; and \$1.99/order for US stocks and ETFs trading) compared to traditional bank-affiliated peers (flat: CAD/US\$3.95-9.99 per order for both US and Canadian stock trading), and cross-market product offerings with more flexible margin rates (up to order size) than other local brokerages as shown in [Fig. 68](#).

Fig 68: Moomoo CA's vs. global/local brokerage peers' stock/ETF trading commission and platform fees

| Products       | Type of fees   | Moomoo Canada                                                                                                                                             | IBKR                                                                                                                                                                                                                                                                                                                | Questrade                    | CI Direct Trading                                                                                                                                                                 | Qtrade                                                                                                                                                                       |
|----------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CA Stocks/ETFs | Commission     | CAD 0.0049/share<br>Min CAD 0.49/order                                                                                                                    | Fixed: CAD 0.01/order<br>Min CAD 1/order, max 0.5%/order<br><br>Tiered:<br>CAD 0.008/order (order <= CAD 300k);<br>CAD 0.005/order (order <= CAD 3mn);<br>CAD 0.004/order (order <= CAD 20mn);<br>CAD 0.003/order (order > CAD 20mn)<br>Min CAD 1/order, max 0.5%/order                                             | \$0                          | Basic:<br>CAD 0.01/share<br>Min CAD 1.99/trade, max CAD 7.99/trade<br><br>Active trading:<br>CAD 3.99/trade (flat) (>150 trades in previous quarter)                              | Basic:<br>CAD 8.75/order<br><br>Active trading:<br>CAD 6.95/order (>150 trades in previous quarter or assets > CAD 500k)                                                     |
|                | Platform fee   | CAD 0.01/share<br>Min \$1/order, max 0.5%/order                                                                                                           | -                                                                                                                                                                                                                                                                                                                   | -                            | CIDT Dashboard: \$0;<br>CIDT Mobile: \$0;<br>PowerTrader Pro: US\$250<br><br>RealTick: US\$400 (20% handling fee mark-up);<br>ITS Trader Lite: US\$580 (20% handling fee mark-up) | -                                                                                                                                                                            |
| US Stocks/ETFs | Commission     | US\$0.0049/share<br>Min \$0.99/order                                                                                                                      | Fixed: USD 0.005/share;<br>min US\$1/order, max 1%/order<br><br>Tiered:<br>USD 0.0035 /order (order < US\$300k);<br>US\$0.002/order (order <=US\$3mn);<br>US\$0.0015/order (order <=US\$20mn);<br>US\$0.001/order (order <= US\$100mn);<br>US\$0.0005/order (order > US\$100mn)<br>Min US\$0.35/order, max 1%/order | \$0                          | Basic:<br>US\$ 0.01/share<br>Min US\$ 1.99/trade, max US\$ 7.99/trade<br><br>Active trading: US\$ 3.99/trade (flat) (>150 trades in previous quarter)                             | Basic:<br>US\$ 8.75/order;<br><br>Active trading: US\$ 6.95/order (flat) (>150 trades in previous quarter or assets > US\$ 500k)                                             |
|                | Platform fee   | US\$0.005/share<br>Min \$1/order, max 1%/order                                                                                                            | -                                                                                                                                                                                                                                                                                                                   | -                            | CIDT Dashboard: \$0;<br>CIDT Mobile: \$0;<br>PowerTrader Pro: US\$250<br><br>RealTick: US\$400 (20% handling fee mark-up);<br>ITS Trader Lite: US\$580 (20% handling fee mark-up) | -                                                                                                                                                                            |
| US Options     | Commission     | US\$0.65/contract<br>min \$1/order                                                                                                                        | US\$0.25-\$0.65/contract<br>(up to volume & premium)<br>min \$1/order                                                                                                                                                                                                                                               | US\$0.99/contract            | Basic:<br>US\$7.99 + \$1.25/contract;<br><br>Active trading:<br>US\$3.99 + \$1.25/contract; (>150 trades in previous quarter)                                                     | Basic:<br>US\$8.75 + \$0.75/contract;<br><br>Active trading:<br>US\$6.95 + \$0.75/contract; (>150 trades in previous quarter or assets > US\$500k)                           |
|                | Platform fee   | \$0                                                                                                                                                       | -                                                                                                                                                                                                                                                                                                                   | -                            | -                                                                                                                                                                                 | -                                                                                                                                                                            |
| Margin Rate    | US stocks/ USD | Tiered:<br>4.33% + 3.5% (order <= US\$100k);<br>4.33% + 3.0% (order <= US\$1mn);<br>4.33% + 2.75% (order <= US\$50mn);<br>4.33% + 2.50% (order >US\$50mn) | US stocks/USD:<br>5.83% + 0.5% to 1.5% (Up to trading value)                                                                                                                                                                                                                                                        | US stocks/USD:<br>7.50% p.a. | n.a                                                                                                                                                                               | Basic:<br>7.50% + 1.0%; (order < US\$100k);<br>7.50% + 0%; (order >= US\$100k)<br><br>Active trading:<br>7.50% + 0.5% (order < US\$100k);<br>7.50% + 0%; (order >= US\$100k) |

Source: Company websites, CMBIGM

**Fig 69: Moomoo CA's vs. Bank-affiliated platforms' stock/ETF commissions and platform fees**

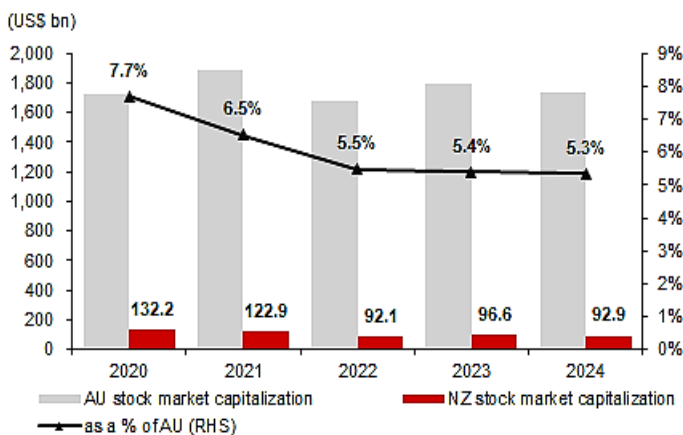
| Products       | Type of fees | Moomoo Canada                                                                                                                                                     | TD Direct                                                                                                                      | RBC Direct Investing                                                                                                           | CIBC Investor's Edge                                                                                                           | BMO                                                                                                                            | Scotia iTrade                                                                                                                                               |
|----------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CA Stocks/ETFs | Commission   | CAD 0.0049/share<br>Min CAD 0.49/order                                                                                                                            | Basic:<br>CAD 9.99/share<br><br>Active trading:<br>CAD 7.0/share<br>(>150 trades/quarter)                                      | Basic:<br>CAD 9.95/share<br><br>Active trading:<br>CAD 6.95/share<br>(>150 trades/quarter)                                     | Basic:<br>CAD 6.95/share<br><br>Active trading:<br>CAD 4.95/share<br>(>150 trades/quarter)                                     | Basic:<br>CAD 9.95/share<br><br>Active trading:<br>CAD 3.95/share<br>(>150 trades/quarter)                                     | Basic:<br>CAD 9.99/share<br><br>Active trading:<br>CAD 4.99/share<br>(>150 trades/quarter)                                                                  |
|                | Platform fee | CAD 0.01/share<br>Min \$1/order, max 0.5%/order                                                                                                                   | -                                                                                                                              | -                                                                                                                              | -                                                                                                                              | -                                                                                                                              | -                                                                                                                                                           |
| US Stocks/ETFs | Commission   | US\$0.0049/share<br>Min \$0.99/order                                                                                                                              | Basic: US\$ 9.99/share<br><br>Active trading: US\$ 7.0/share;<br>(>150 trades/quarter)                                         | Basic: US\$ 9.95/share<br><br>Active trading: US\$ 6.95/share<br>(>150 trades/quarter)                                         | Basic: US\$ 6.95/share<br><br>Active trading: US\$ 4.95/share<br>(>150 trades/quarter)                                         | Basic: US\$ 9.95/share<br><br>Active trading: US\$ 3.95/share<br>(>150 trades/quarter)                                         | Basic: US\$ 9.99/share<br><br>Active trading: US\$ 4.99/share<br>(>150 trades/quarter)                                                                      |
|                | Platform fee | US\$0.005/share<br>Min \$1/order, max 1%/order                                                                                                                    | -                                                                                                                              | -                                                                                                                              | -                                                                                                                              | -                                                                                                                              | -                                                                                                                                                           |
| US options     | Commission   | US\$0.65/contract<br>Min \$1/order                                                                                                                                | Basic:<br>US\$9.99 + US\$1.25 per contract<br><br>Active trading:<br>US\$7.00 + US\$1.25 per contract<br>(>150 trades/quarter) | Basic:<br>US\$9.95 + US\$1.25 per contract<br><br>Active trading:<br>US\$6.95 + US\$1.25 per contract<br>(>150 trades/quarter) | Basic:<br>US\$6.95 + US\$1.25 per contract<br><br>Active trading:<br>US\$4.95 + US\$1.25 per contract<br>(>150 trades/quarter) | Basic:<br>US\$9.95 + US\$1.25 per contract<br><br>Active trading:<br>US\$3.95 + US\$1.25 per contract<br>(>150 trades/quarter) | Basic:<br>US\$9.99 + US\$1.25 per contract<br><br>Active trading:<br>US\$4.99 + US\$1.25 per contract<br>(>150 trades/quarter)                              |
|                | Platform fee | \$0                                                                                                                                                               | -                                                                                                                              | -                                                                                                                              | -                                                                                                                              | -                                                                                                                              | -                                                                                                                                                           |
| Margin rates   | USD          | Tiered:<br>4.33% + 3.5%<br>(order <= US\$100k);<br>4.33% + 3.0%<br>(order <= US\$1mn);<br>4.33% + 2.75%<br>(order <= US\$50mn);<br>4.33% + 2.5% (order >US\$50mn) | US stocks/USD:<br>9.0% p.a.                                                                                                    | Basic:<br>USD: 9.25% p.a.<br><br>Royal Circle:<br>8.75% - 9.25% p.a.<br>(up to debt balance)                                   | Basic:<br>USD: 9.75% p.a.<br><br>Prime:<br>USD: 7.50% p.a.                                                                     | Basic:<br>USD: 9.25%-9.5% p.a.<br><br>Prime:<br>USD: 7.50% p.a.                                                                | Standard:<br>USD: 7.5% + 1.55% to 1.65% p.a.<br><br>iClub Gold:<br>USD: 7.5% + 1.25% to 1.50% p.a.<br><br>iClub Platinum:<br>USD: 7.5% + 1.2% to 1.25% p.a. |

Source: Company websites, CMBIGM

## New Zealand: A niche market favours in value investing; expand in synergies of Australia

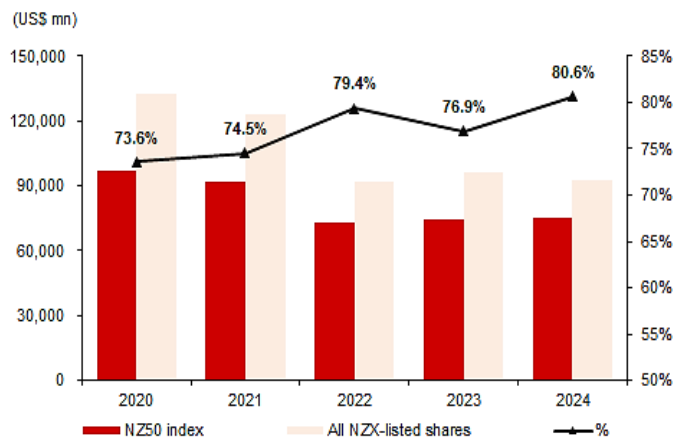
New Zealand's securities market is relatively small, yet features long-term holdings stability with resilient payout for the NZX-listed companies (normally 40%-60% earnings) and a high turnover concentration to the nation's largest 50 stocks listed on the S&P/NZX 50 index. In FY24, total market capitalization of stocks listed on the New Zealand Exchange (NZX) was US\$92.9bn, at roughly 5% that of all ASX-listed stocks, per WFE data ([Fig.70](#)). Total market capitalization of the NZX 50 index amounted to US\$74.8bn in FY24, making up 81% of the nation's total, as shown in [Fig.71](#). The index collects the most actively trading stocks in NZ.

**Fig 70: NZ stock market capitalization vs. AU market**



Source: World Federation of Exchange (WFE), CMBIGM

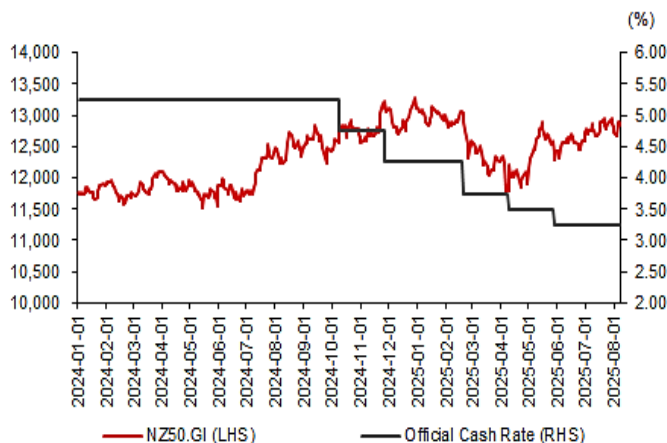
**Fig 71: Market capitalization of stocks on the NZX50**



Source: Bloomberg, the WFE, CMBIGM

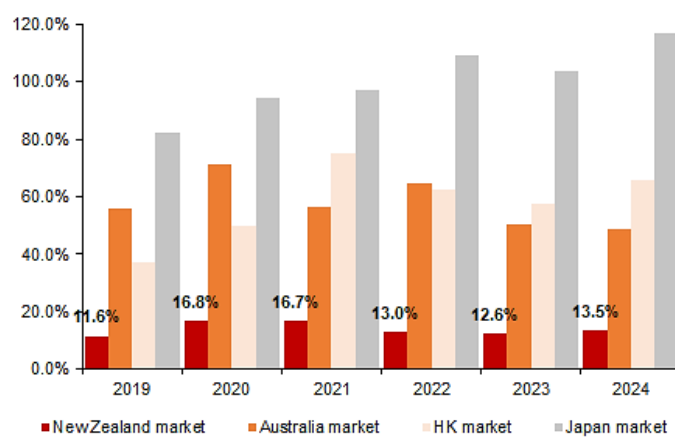
The turnover of stocks listed on the S&P/NZX 50 index outpaced that of all NZX-listed stocks to US\$36.9bn by end FY24, surging 1.18x YoY, on the backdrop of a 75bps Official Cash Rate (OCR) cut during the year ([Fig.72](#)). The New Zealand stock market features in low trading velocity, and thus poorer market liquidity compared to other major economies in the APAC, leaving it a small yet stable market for foreign investors (60%-70% of turnover) to bake in. In FY24, average trading velocity of the NZX-listed stocks was 13.5%, vs. the ASX's 48.7%, the HKEx's 65.9%, and the JPX's 117%, according to data of WFE ([Fig.73](#)).

**Fig 72: NZ stock market capitalization vs. AU market**



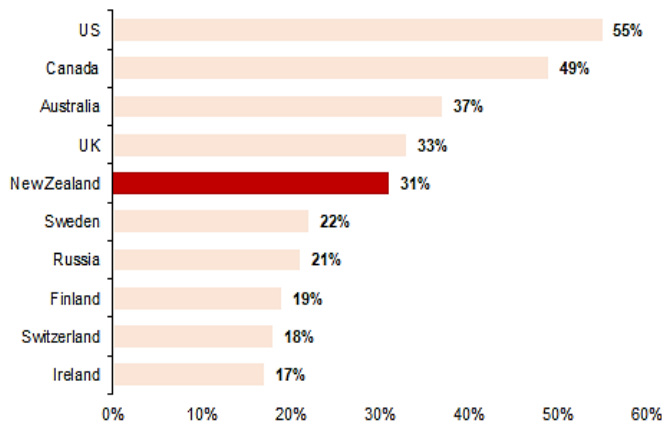
Source: Wind, Reserve Bank of New Zealand, CMBIGM

**Fig 73: Trading velocity of key stock markets in APAC**



Source: World Federation of Exchange, CMBIGM

Despite a relatively small size of population of 5.3mn, the shareholding participation rate in New Zealand remained high to above 30% in FY24, ranking sixth among total 32 surveyed markets, per statistics of *Visual Capitalist* ([Fig.74](#)). Kiwi investors mostly adopt a "buy-and-hold" strategy rather than active trading, possibly due to 1) high transaction costs (i.e. 0.3%-1.9% of trading value for domestic stocks per order), 2) a focus on high dividend payout. Most heavyweight stocks on the NZX 50 index distribute a payout of 40%-60% on average.

**Fig 74: Percentage of shareholding population, FY24**

Source: HelloSafe, Visual Capitalist, CMBIGM

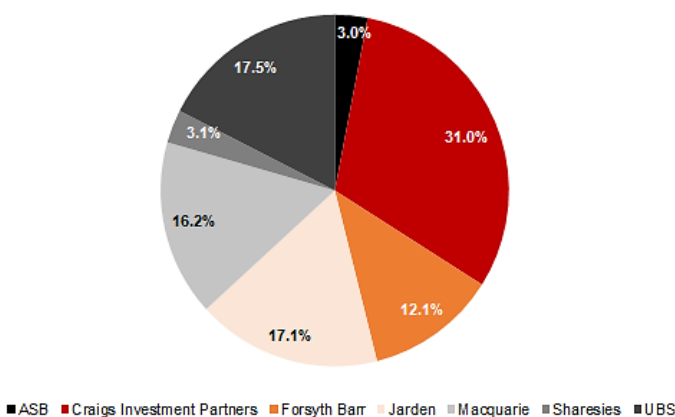
Note: Data includes direct shareholding and exposure via life insurance and pension funds. The data was quoted for 32 countries based on population figures at the World Bank at 2023-2024.

**Fig 75: Estimated dividend yield of the NZX 50 index**

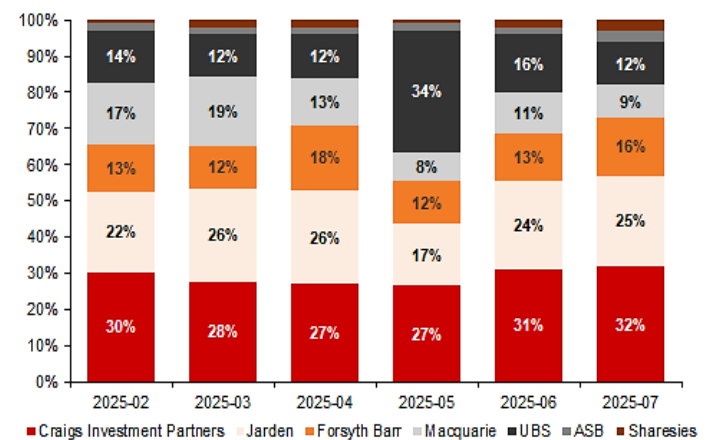
Source: Bloomberg, CMBIGM

The competitive landscape in New Zealand's securities market is alike the one in Australia, dominated by the bank-affiliated brokerages, i.e. Craigs Investment Partners (CIP), Jarden, Forsyth Barr, ASB Securities, and Macquarie etc. whilst emerging with online digital brokers as Sharesies, Tiger Trade, Hatch Invest, and Moomoo NZ, etc. According to the NZX, the participants' market shares by on-market value traded in the last six months (Feb-Aug 2025) was CIP's 31%, UBS's 18%, Jarden's 17%, Macquarie's 16%, Forsyth Barr's 12% and ASB's 3% (Fig.76), which collectively took 97%, versus the internet broker Sharesies' 3%. Considering the investor base and competitive dynamics, we think online retail brokers could edge on their low transaction costs and more efficient settlements vs. the current T+2 mechanism, backed by a solid underlying infrastructure and access to global asset trading.

Moomoo launched business in May 2025 as a newcomer to the kiwi market. The Moomoo app now offers US/AU/HK stock trading services with zero commission for US stock trading (vs. TIGR's flat US\$2/order, for orders less than 200 shares). US option trading on Moomoo is also cheaper at US\$0.5/contract (fixed), and US\$0.35-0.65/contract per month (tiered), as in Fig.78. We expect Moomoo NZ to expand trading services of NZ stocks and ETFs in future, with a suite of dividend programs catering to kiwi investors' high-yield preferences. The broker now offers a dividend reinvestment plan (DRIP), exclusively for S&P 500 stocks.

**Fig 76: NZX's participant market share by on market**

Source: NZX, CMBIGM | Note: On market value traded refers to value traded on the NZX's markets, i.e. NZX Main Board and NZX Derivatives Market, for each participant over the last 6 months (or 26 weeks).

**Fig 77: NZX's participant market share of value traded**

Source: NZX, CMBIGM

Fig 78: Moomoo NZ's vs. Peers' stock and ETF trading commission rates and platform fees

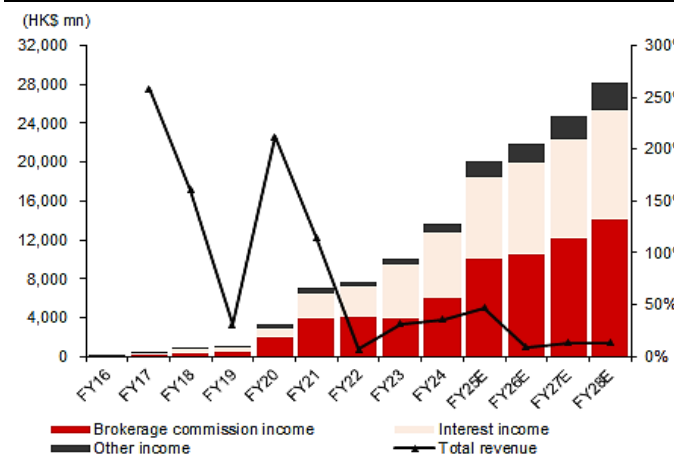
| Products       | Type of fees     | Moomoo NZ                                                                                                | Tiger Trade                                                                                                                                                          | Sharesies                      | Superhero                                                                                  | ASB Securities                                                                                             | Craigs Investment Partners (CIP)                         | Jarden (Invest Direct)                                                                                                    |
|----------------|------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| US Stocks/ETFs | Commission       | \$0                                                                                                      | US\$2/order<br>(order <= 200 shares)<br>Min (US\$0.01/share or 1%order)<br>(order > 200 shares)<br>min US\$2/order                                                   | 1.9%/order max.<br>US\$5/order | US\$2/order<br>(order <= US\$20k)<br>0.01%/order (order > US\$20k);<br>min US\$10/order    | n.a                                                                                                        | US\$1.75%/order;<br>min US\$85 or GBP 95 or EUR 90/order | Max<br>(US\$140/order, 0.6%/order)                                                                                        |
|                | Platform fee     | \$0.99 / order                                                                                           | -                                                                                                                                                                    | -                              | -                                                                                          | n.a                                                                                                        | -                                                        | -                                                                                                                         |
| NZ Stocks/ETFs | Commission       | n.a                                                                                                      | NZD 0.1%/order;<br>min NZD 2/order                                                                                                                                   | 1.9%/order max. NZD 25/order   | n.a                                                                                        | NZD 15/order<br>(order <= NZD 1k)<br>NZD 30/order<br>(order <= NZD10k)<br>0.30%/order<br>(order > NZD 10k) | NZD 1.25%/order;<br>min NZD 75/order                     | NZD 29.9/order<br>(order <= NZD 15k)<br>plus 0.2%/order<br>(order > NZD 15k)                                              |
|                | Platform fee     | n.a                                                                                                      | NZD 0.2%/order;<br>min NZD 2/order                                                                                                                                   | -                              | n.a                                                                                        | -                                                                                                          | -                                                        | -                                                                                                                         |
| AU Stocks/ETFs | Commission       | 0.02%/order<br>Min AUD 1.99/order                                                                        | AUD 5/order<br>(order <= AUD 20k);<br>0.025%/order<br>(order > AUD 20k)                                                                                              | 1.9%/order max. AUD 15/order   | AUD 2/order<br>(order <= AUD 20k)<br>0.01%/order<br>(order > AUD 20k);<br>min AUD 10/order | AUD 15/order<br>(order <= AUD 1k)<br>AUD 30/order<br>(order <= AUD10k)<br>0.30%/order<br>(order > AUD 10k) | AUD 1.50%/order<br>min AUD 90/order                      | AUD 29/order<br>(order <= AUD 30k)<br>plus 0.3%/order<br>(order > AUD 30k)                                                |
|                | Platform fee     | 0.03%/order<br>Min AUD 3/order                                                                           | -                                                                                                                                                                    | -                              | -                                                                                          | -                                                                                                          | -                                                        | -                                                                                                                         |
| HK Stocks/ETFs | Commission       | 0.03%/order<br>Min HK\$3/order                                                                           | HK\$15/order<br>(order <= HK\$25k);<br>0.06%/order<br>(order > HK\$25k)                                                                                              | n.a                            | n.a                                                                                        | n.a                                                                                                        | n.a                                                      | n.a                                                                                                                       |
|                | Platform fee     | HK\$15/order                                                                                             | -                                                                                                                                                                    | n.a                            | n.a                                                                                        | n.a                                                                                                        | n.a                                                      | n.a                                                                                                                       |
| US Options     | Commission       | US\$0.1/contract                                                                                         | Fixed:<br>US\$0.65/contract;<br><br>Tiered:<br>US\$0-\$0.8/contract;<br>min US\$1.99/order                                                                           | n.a                            | n.a                                                                                        | n.a                                                                                                        | n.a                                                      | n.a                                                                                                                       |
|                | Platform fee     | Fixed:<br>US\$0.4/contract;<br><br>Tiered:<br>US\$0.25-0.55 per contract/month;<br>min US\$0.65/contract | Fixed:<br>US\$0.3/contract;<br>Tiered:<br>US\$0.3/contract;<br>min US\$1/order                                                                                       | n.a                            | n.a                                                                                        | n.a                                                                                                        | n.a                                                      | n.a                                                                                                                       |
| Margin rate    | Annualized Yield | n.a                                                                                                      | US Stocks/USD:<br>7.33% p.a.<br>(order <= US\$100k);<br>6.83% p.a.<br>(order <= US\$1mn);<br>6.58% p.a.<br>(order <= US\$50mn);<br>6.33% p.a.<br>(order > US\$250mn) | n.a                            | n.a                                                                                        | US Stocks/USD:<br>7.10% p.a.                                                                               | n.a                                                      | US Stocks/USD:<br>2.55% p.a.<br>(order <= US\$50k)<br>2.9% p.a.<br>(order <= US\$200k)<br>3.0% p.a.<br>(order > US\$200k) |

Source: Company websites, CMBIGM

## Financial analysis and business outlook

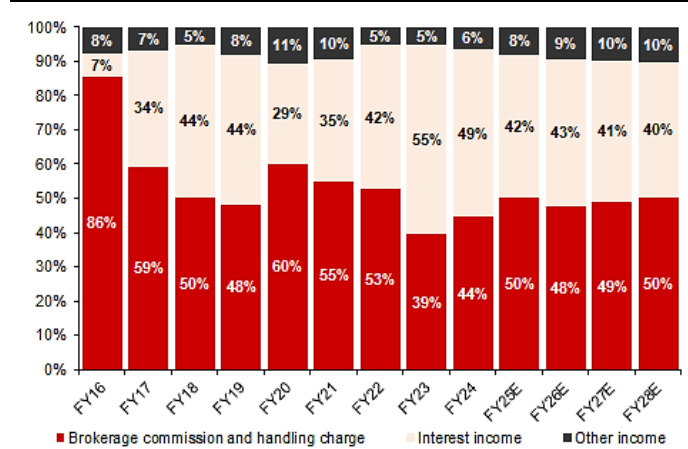
Futu has developed into four key pillars of business, including securities brokerage, margin financing and securities lending, wealth management, and corporate services. Brokerage business sets the ground for new client acquisitions and the Group's earnings profiles given the company's gene in retail, which reinforces a cycle from serving individuals to institutions. We think Futu is able to maintain a considerable increase in topline amid market fluctuations, with total revenues rising at a 67% CAGR in FY19-24. Of which, brokerage commissions and handling charges, interest income, and other income each comprised 45%/49%/7% of total revenue in FY24. Brokerage commissions and interest income made up 90%-95% of total revenues, enhancing a robust earnings uptrend. Interest income climbed from a single-digit mix to peak at 55.3% in FY23, thanks to the uptrend of interest rate cycle. Fund distribution implying the expanding wealth management business, constructs the Group's second earnings growth curve, and contributes to asset acquisition.

**Fig 79: Total revenue by business lines and YoY%**



Source: Company data, CMBIGM estimates

**Fig 80: Total revenue mix by business lines (%)**



Source: Company data, CMBIGM estimates

### A tower of strength: brokerage commission sustains resilient growth

Brokerage commission and handling charge is the mainstay of Futu's revenue composition. In FY19-24, the segment's revenue rose at a 64% CAGR to HK\$6bn as of end FY24. It comprises commission and execution fees by trading equities and equity-linked derivatives on behalf of clients (i.e. net brokerage commission income), and fees received for the HKEx transactions for clearing and settlement, subscription and dividend collection services, etc. (i.e. handling charge income). Of which, equity brokerage commission and handling charge each compose 80%/20% of the segment's earnings. To breakdown by products, securities and options trading makes up more than 90% of brokerage income, with the remainders in futures and IPO brokerages. In FY24, the mix of brokerage commission fees from securities and options trading, futures trading and IPO was 93%/7%/<1% (Fig.82). The brokerage income is a function of total trading volume and blended commission rate, for which robust client AUM growth strengthens the volume and a diverse product matrix improves the yield.

In 1H25, total trading volume amounted to HK\$3.59tn, rising 121.2.1% YoY with the volume of US stock, HK stock and others accounted for HK\$2.7tn (75%), HK\$834bn (23%), and HK\$57bn (2%). US stocks' trading volume has remained the largest contribution, which made up over 70% of total volumes since 2Q23, given the popularity of US assets in global markets. Total client assets reached HK\$974bn by 2Q25, growing 68.1% YoY and 17.4% QoQ, driven by strong net asset inflows alongside favourable mark-to-market appreciation. In 1H25, the broker's net asset inflows almost doubled YoY, thanks to the market rebounds after the US reciprocal tariffs in early April. Total number of funded accounts recorded at 2.88mn by 2Q25, lifting 41% YoY/8% QoQ respectively on top of a high base by end 1Q25.

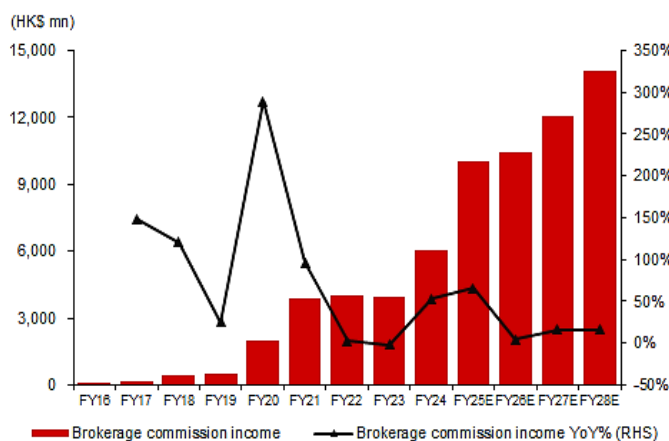
We see this momentum of new client acquisition and net asset inflows to sustain in 2H25E, to support the bullish guidance of 800k new funded accounts to be achieved by end FY25E.

In 1H25, the number of new funded accounts (466k) reached above half (58%) of the 800k annual target, and we expect the number to remain sequentially steady in 3Q25E as US/HK stock market sentiments sustained amid improving liquidity following the Fed pivot ([Fig.84](#)). Average client asset balance rose 19%/9% YoY/QoQ to HK\$338k in 2Q25, for which paying clients from overseas markets (excl. HK/mainland) contributed over half of the total, marking a highlight of cross-market expansions. Looking into 3Q25E, we expect average client AUM to marginally lift despite a high base, given the boom of HK IPO and refinancing markets alongside sustained momentum of US options trading amid heightened volatilities.

Blended commission rate grew from 4.5bps in FY18 to 7.8% in FY24, before trimming down to 7.2bps in 2Q25, due to the rise of cash equities trading since 4Q24 ([Fig.90](#)). We expect the blended yield to sustain at 7-8bps per annum, higher than that of key peers, e.g. TIGR's commission rate at 3-4bps, indicating the broker's strengths on an enriched suite of product offerings. In 2Q25, commissions from derivatives (mainly options) trading made up one-third of total brokerage revenues, which we expect the uplifting equity market volatilities could further drive up this ratio due to a higher take rate from options trading (i.e. in general 8-10 times that of cash equities). The take rates for trading HK/US stocks are 3bps/US\$0.0049 per share on Futubull, vs. the HK/US stock options at 20bps/US\$0.65 per share (for options premium above \$0.1), as shown in [Fig.23](#). Looking ahead, we expect the inclusion of cryptocurrency trading could enhance the broker's blended take rates as crypto commission charging at 8bps/10bps/49bps in HK/SG/US markets, respectively, higher than cash equities. We project the take rate for Futu's spot crypto trading to steady at ~20bps, by referring to global brokerages, i.e. IBKR (20-30bps), and crypto exchanges as HashKey at 29bps. Stock trading velocity (annualized) surpassed 20x in 4Q24, given improving HK/CN sentiment and US stock trading volume as a result of Fed's 50bps rate cut in Sep 2024.

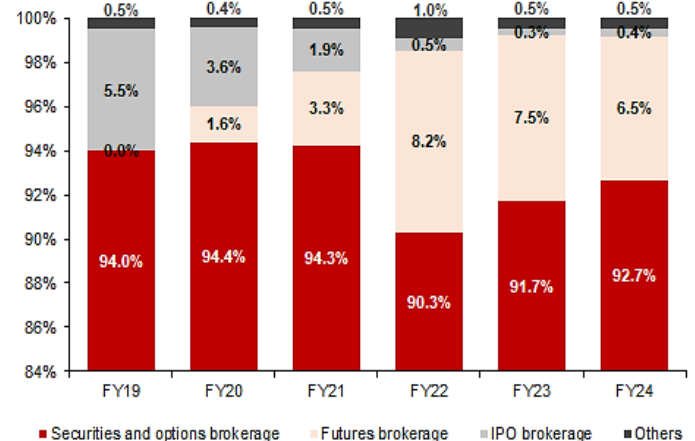
We anticipate Futu's client asset balance and trading velocity to sustain in resilient upticks, underpinned by continued strong net asset inflows and favourable mark-to-market impacts. By 30 Sep 2025, the HSI/HS TECH/S&P 500/NASDAQ Golden Dragon China index grew 12%/22%/8%/18% from end-June, of which HK/CN indices outperformed returns of 2Q25 ([Fig.91](#)). Total equities' trading value in the HKEx surged 166% YoY to HK\$14.9tn by 3Q25. Over a medium to long term, we think Futu could focus more on accelerating its average client asset balance growth than that of funded accounts amid global franchise expansions. In FY25-28E, we estimate the brokerage commission income to increase at a 12% CAGR.

**Fig 81: Brokerage commission income and YoY%**



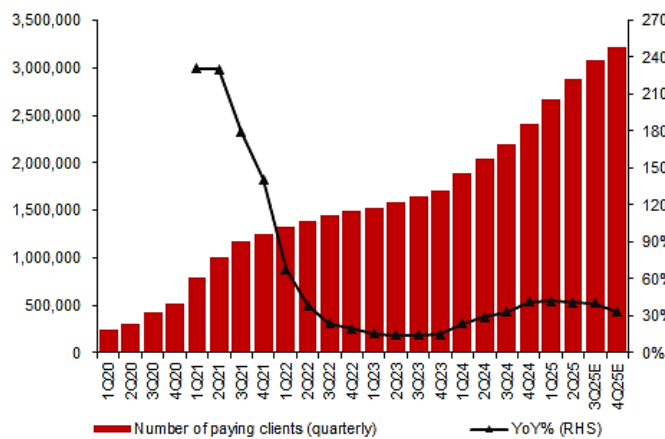
Source: Company data, CMBIGM estimates

**Fig82: Brokerage commission income by product mix**

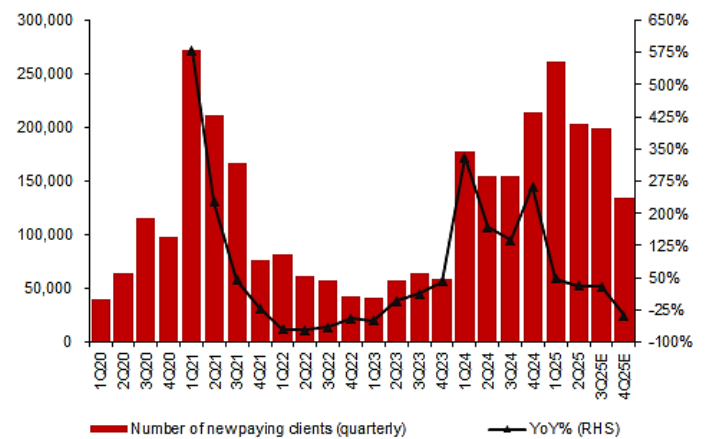


Source: Company data, CMBIGM

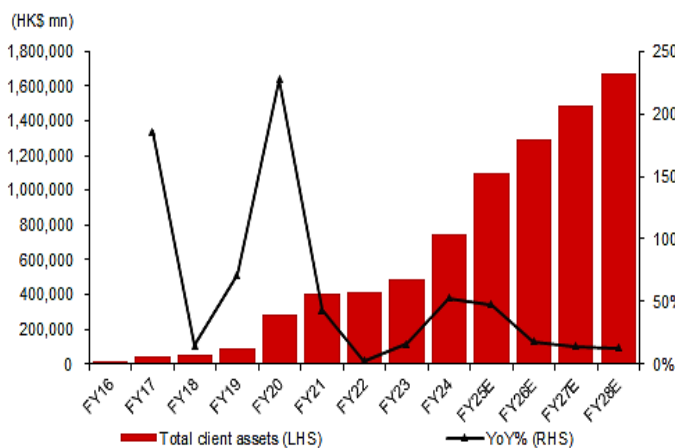
Note: Others include handling fees, i.e. dividend and equity interest collection fees, corporate action handling fees; bond brokerage commissions and ESOP handling service fees, etc.

**Fig 83: Total number of funded accounts and YoY%**

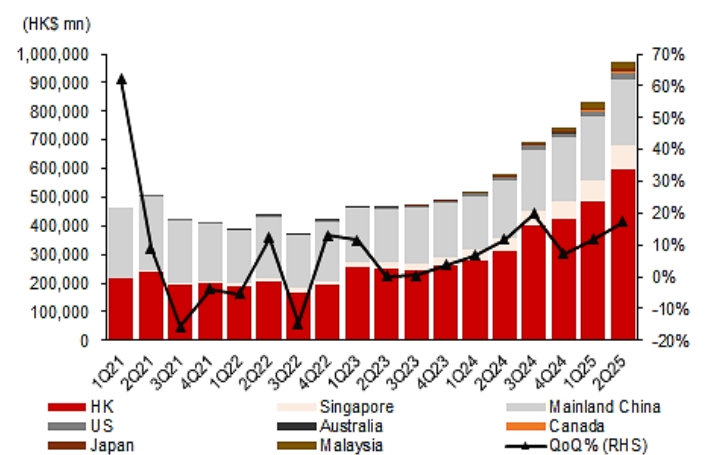
Source: Company data, CMBIGM estimates

**Fig 84: Number of new funded accounts and YoY%**

Source: Company data, CMBIGM estimates

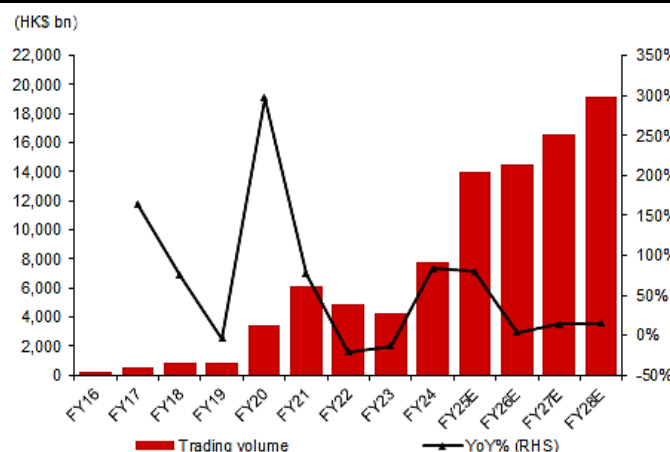
**Fig 85: Total client asset balance and YoY%**

Source: Company data, CMBIGM estimates

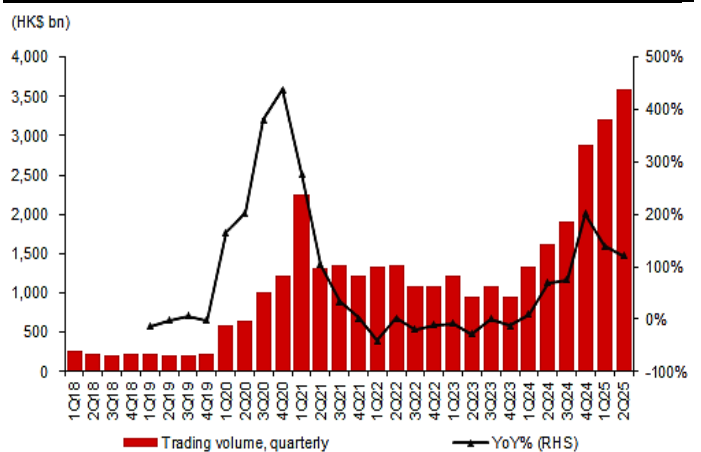
**Fig86: Total client asset balance by operating markets**

Source: Company data, CMBIGM estimates

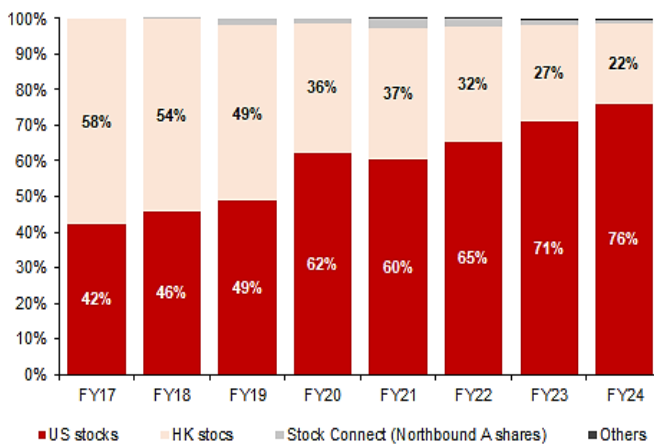
Note: Quarter-over-quarter growth implies for total client asset balance

**Fig 87: Total trading volume (annual) and YoY%**

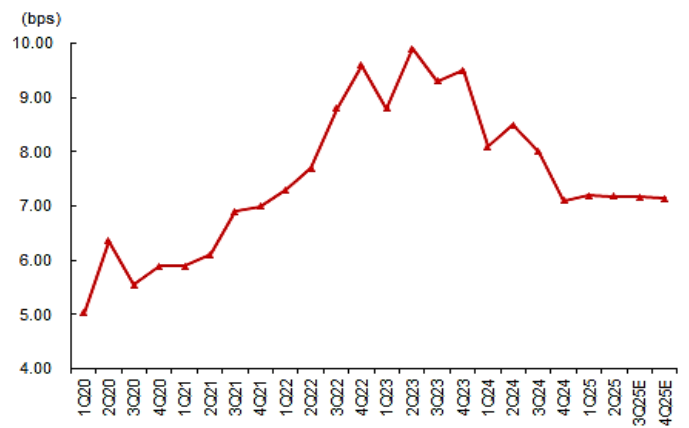
Source: Company data, CMBIGM estimates

**Fig 88: Total trading volume (quarterly) and YoY%**

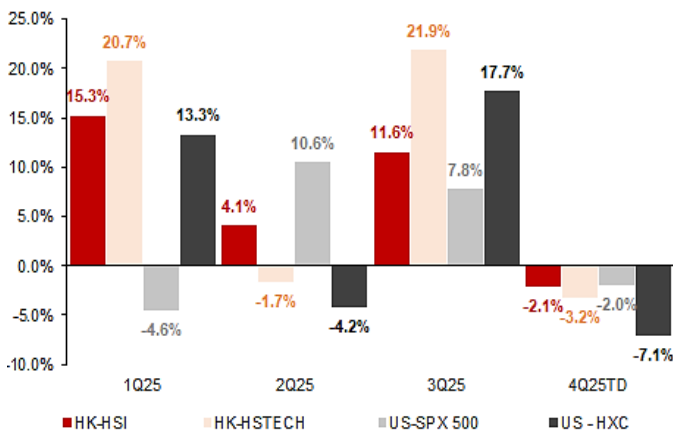
Source: Company data, CMBIGM estimates

**Fig 89: Stock trading volume by operating markets %**

Source: Company data, CMBIGM estimates

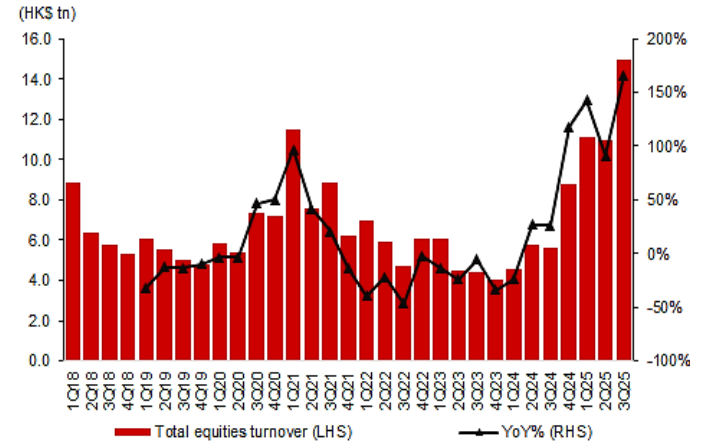
**Fig 90: Blended commission rate, annualized (bps)**

Source: Company data, CMBIGM estimates

**Fig 91: Strong US/HK stock index performance**

Source: Bloomberg, Wind, CMBIGM

Note: 4Q-yield-to-date stock index data quoted by market close on 10 Oct 2025 (Fri). The HXC index refers to the NASDAQ Golden Dragon China Index.

**Fig 92: Total trading value for stocks on the HKEx**

Source: HKEx, Wind, CMBIGM

## Solid interest income amid rate hikes with limited sensitivity to rate cut

Interest income is the second largest revenue streams of Futu, which could be affected by the Fed's interest rate policy and yield curves. In FY20, the mix of interest income dropped to 29%, as the Fed cut interest rate to zero amid the outbreak of global pandemic. In FY23, interest income surpassed brokerage commission and handling charge fees to peak at 55% in revenue mix, driven by an expanding balance of clients' idle cash amid a rate hike cycle. The broker generates interest revenues from bank deposits (i.e. clients' idle cash), margin financing and securities lending (MFSL) business, and others (mainly IPO financing, stock-pledged loan, etc.) with the mix amounted to 43%/53%/4% respectively as of FY24 ([Fig.94](#)).

For interest income from bank deposits, the broker earns from the uninvested cash balance in clients' asset accounts, namely, the idle cash, which will be collectively deposited to bank under the name of the broker's corporate accounts and thus this interest income attributes to Futu, rather than clients themselves. In FY23, interest income from bank deposits surged 152% YoY to HK\$2.5bn, making up 45% of total interest income, up by 14.1pct from FY22 amid rate hikes. In the US, Moomoo Financial started to provide Cash Sweep in November 2021 to deposit clients' idle US dollars into interest-earning bank accounts, which allowed them to earn interests on such idle cash, whilst maintaining trading availability through an automated process. We benchmark the interest rate for bank deposits to the average 3M HIBOR ([Fig.97](#)), as we estimate the majority of the balance could be derived from HK/CN paying clients' asset balance. Per mgmt., interest income from idle cash amounted to 35%-40% of total interest income as of 1Q25, driven by a strong net asset inflows and increasing cash holdings in clients' portfolio due to heightened volatilities within the quarter. The Fed pivot in 2H25E, which we expect three times of 25bps cuts, could exert limited impact on interest income from bank deposits, as the number of total funded accounts and net asset inflows remain strong, and the client cash balance could possibly edge up amid volatilities.

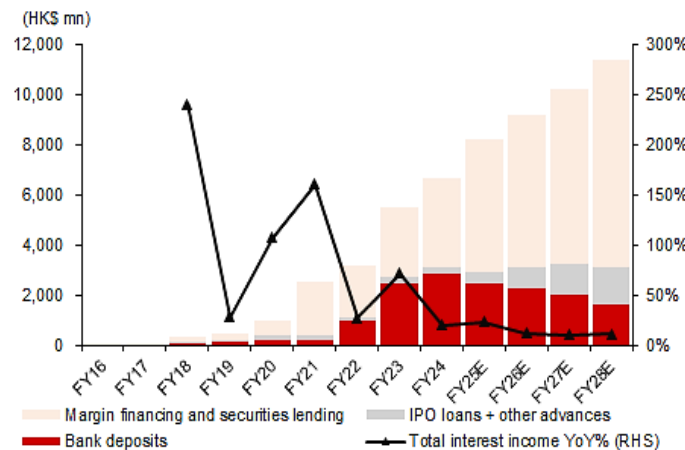
Interest income from margin financing and securities lending (MFSL) business is a function of MFSL balance and an annualized interest yield. This segment gained promising interest revenues in last four years, making up 25%-30% of total revenues ([Fig.98](#)). We expect the MFSL balance to steadily rise with client AUM growth. In 2Q25, MFSL balance reached HK\$51.4bn, equivalent to 5.3% of client asset balance. Despite a slight drop to 1Q25's ratio (down 0.8pct QoQ), we estimate the balance to maintain at a level of 5%-6% of total client assets. Annualized interest yield could be affected by investor sentiments and Fed's policy. In FY21-24, interest income from MFSL business grew at an 18.6% CAGR with the balance improved at an 18.9% CAGR to HK\$50.9bn (6.8% of total client assets) in FY24. We see the yield of margin financing stable at roughly 6% per annum, due to its fixed pricing structure. Looking into 2H25E, we expect the interest rate downtrend could, to some extent, boost investor sentiments to margin financing thanks to a lower funding cost. Historically, this was evidenced by a 2.7x YoY surge of the MFSL interest income in FY21, which made up 84% of total interest income in a zero-rate (i.e. Fed rate at 0%-0.25%) environment. We forecast interest income from MFSL business to rise at a 16% CAGR in FY25-28E ([Fig.99](#)).

Other interest earnings from IPO financing, stock-pledged loans, and other advances, etc. collectively contributed 2%-3% of total revenues in recent four years. IPO financing interest income once reached roughly 20% of total interest revenues in FY20 given the boom of HK IPOs, and then trended down to less than 1% dragged by the cooling market. We see a significant rebound in HK's IPO activities with total IPO fundraising reached HK\$182.9bn in 1-9M25 per HKEx, with a surge of over 2.3x YoY, surpassing the annual totals in each of the past three years ([Fig.106](#)). Given continued strong momentum of the HK IPO market, we expect the segment's interest income to thrive with the trend of stock market and benefit from improving market sentiments on back of rate cuts in 2H25E and beyond. We forecast other interest income to rise at an 11% CAGR in FY25-28E, making up 2%-3% of revenues.

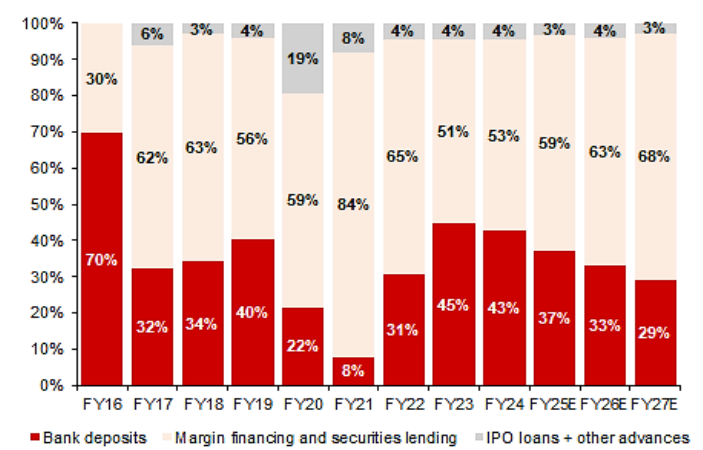
To sum up, among three primary sources of interest income generation, we think the part from MFSL business could sustain as the largest components of total interest earnings, to steadily grow with client asset AUM and a yield ranging at 5%-6% per annum, defensive to the interest rate downturn. As of FY24, the number of clients investing in margin financing jumped 27% YoY to 184k, which contributed net margin loan growth by 56% to HK\$47.8mn. Such trends were also witnessed in FY20 at the beginning of a zero-rate environment, and

margin financing interest income escalated 125% YoY given a strong client engagement, i.e. the number of MF clients jumped 245% YoY, boosting net margin loans by 345% YoY.

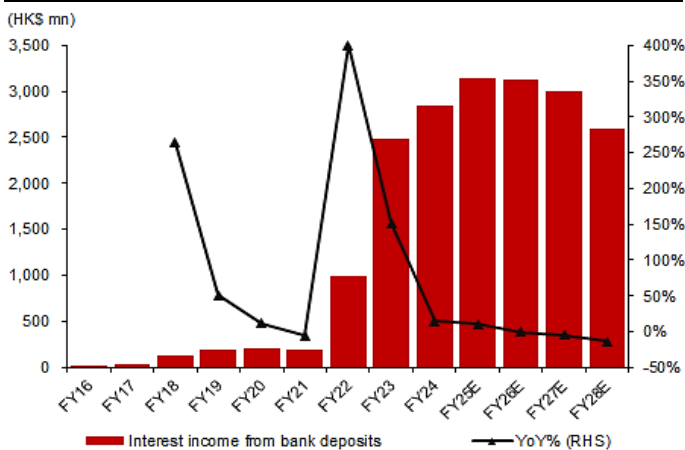
Interest income from bank deposits, on the other hand, could be more susceptible to market rate movements, thus more sensitive to changes of short-term yield curve, in our view. We expect interest earnings slowdown from bank deposits, partially offset by an increasing clients' cash balance and strong net asset inflows. Other interest income could see a rise from IPO financing, as HK IPO market sustains active sentiments. Per mgmt., a 25bps rate cut could result in HK\$8-10mn decline in monthly pre-tax income, which implies 0.8%-1.0% decrease in FY25E pre-tax operating profits, based on our estimates. Given the mix of interest-earning business, we regard the impact of Fed rate cuts to earnings is manageable.

**Fig 93: Total interest income composition and YoY%**


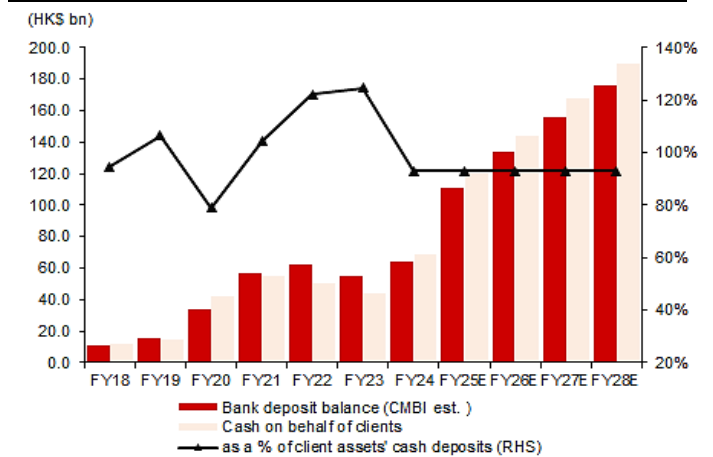
Source: Company data, CMBIGM estimates

**Fig 94: Interest revenue mix by business lines (%)**


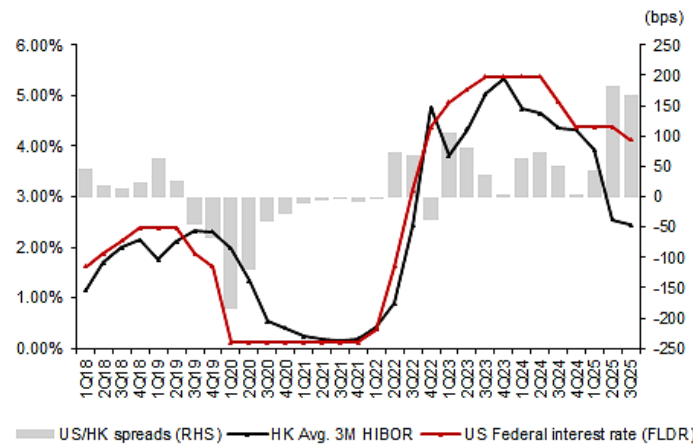
Source: Company data, CMBIGM estimates

**Fig 95: Interest income from bank deposits and YoY%**


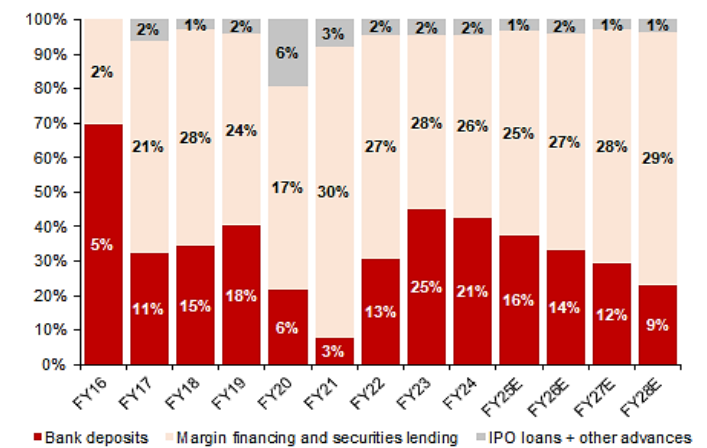
Source: Company data, CMBIGM estimates

**Fig 96: Bank deposit balance vs. cash held for clients**


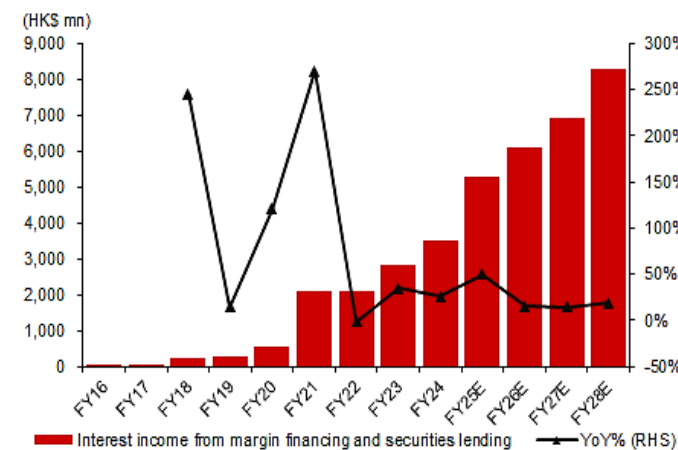
Source: Company data, CMBIGM estimates

**Fig 97: Avg. 3M HIBOR vs. US Federal rate mid-point**

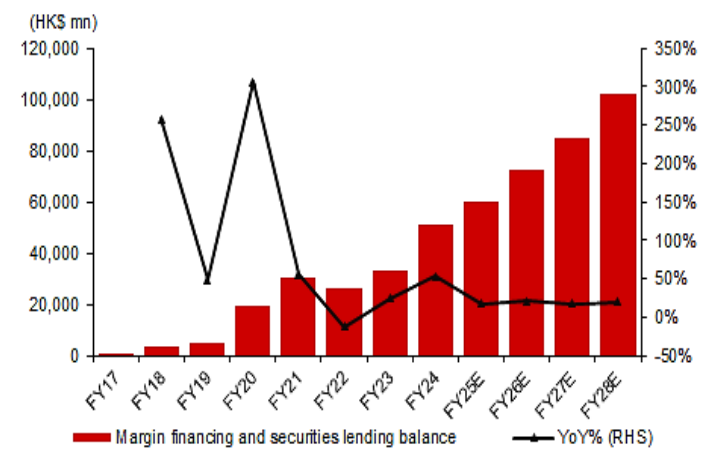
Source: Wind, Bloomberg, and CMBIGM

**Fig 98: Interest income as a % of total revenues**

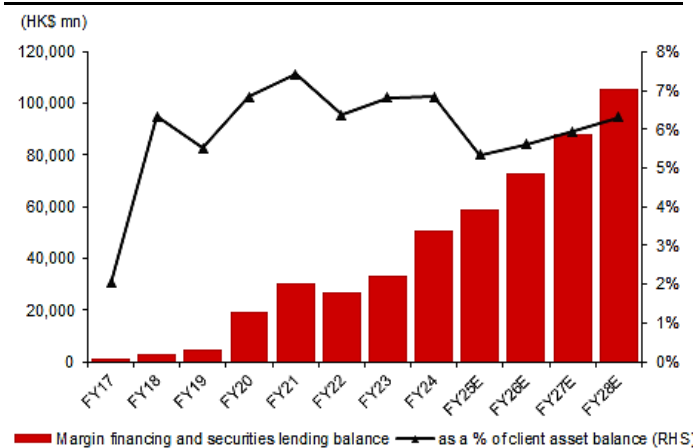
Source: Company data, CMBIGM estimates

**Fig 99: Interest income from MFSL business & YoY%**

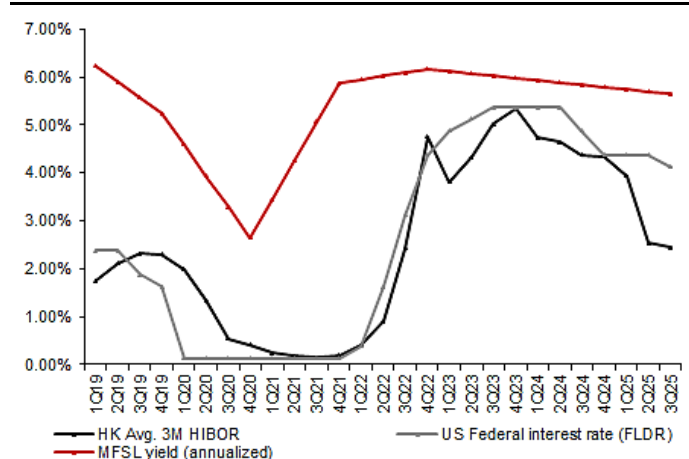
Source: Company data, CMBIGM estimates

**Fig 100: MFSL balance and YoY%**

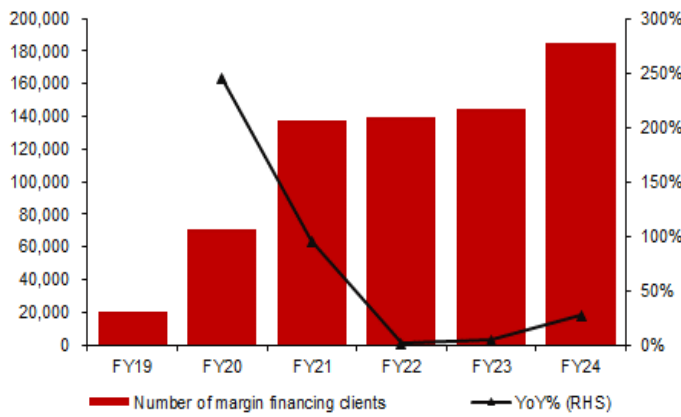
Source: Company data, CMBIGM estimates

**Fig 101: MFSL balance as a % of client asset balance**

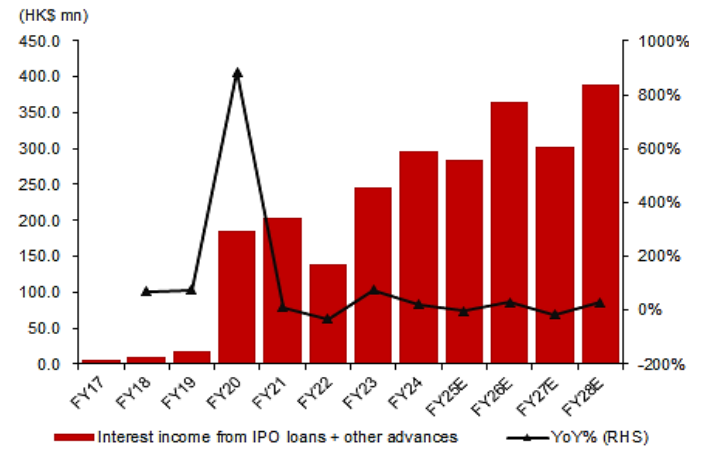
Source: Company data, CMBIGM estimates

**Fig 102: MFSL interest yield% (vs. US/HK policy rates)**

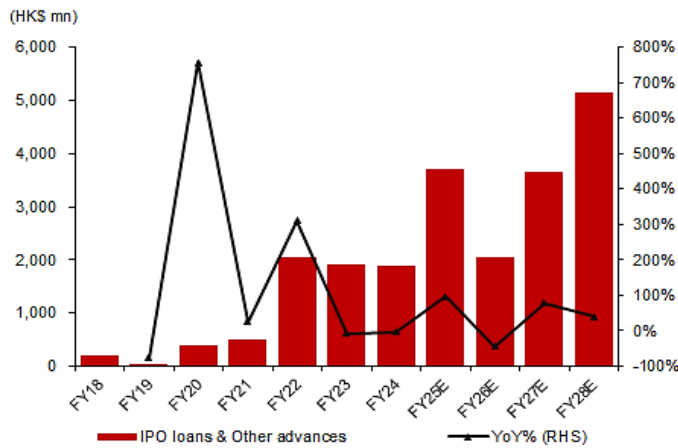
Source: Company data, Bloomberg, CMBIGM estimates

**Fig 103: No. of clients taking part in margin financing**

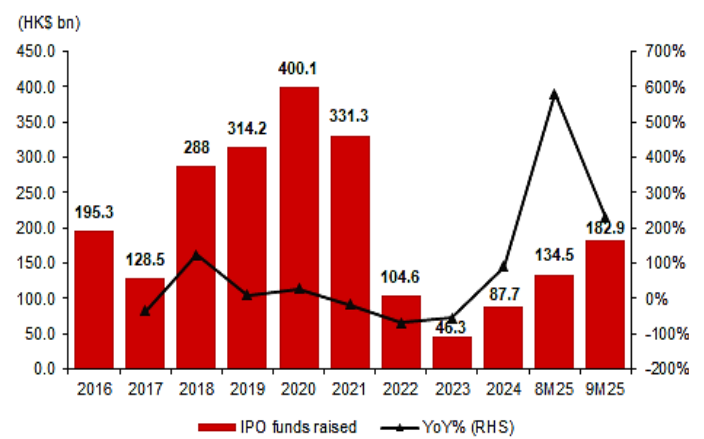
Source: Company data, CMBIGM

**Fig 104: Interest income from other advances & YoY%**

Source: Company data, CMBIGM estimates

**Fig 105: IPO loans and other advances & YoY%**

Source: Company data, CMBIGM estimates

**Fig 106: Funds raised through IPOs on the HKEx**

Source: HKEx, CMBIGM

## Wealth management constructs the second growth curve of earnings

Futu's wealth management business launched in May 2019 under the brand of Money Plus. In FY19-24, the asset under management (AUM) of the WM business spiked at a 79% CAGR to HK\$111bn, and further increased 47% HoH to HK\$163bn in 1H25, driven by robust net asset inflows to money market funds and structured notes amid heightened volatilities. The number of clients holding wealth management positions was 775k as of 1Q25, indicating a penetration of 29% ([Fig.109](#)). Client retention remains high at 98%, auguring well for the broker's customer loyalty. We regard the WM business as a second growth curve for earnings, given its nature of wealth accumulation and counter-cyclical.

From revenue perspective, the wealth management business generates income primarily through fund distribution, as the broker charges for distributing investment products of fund houses to clients, which include mutual funds (May 2019), private funds (Jun 2020), cash sweep (Nov 2021), structured notes (Jun 2022), and bond trading (Sep 2020/Feb 2023 on Futubull/Moomoo), etc., catering to clients' investment demands. Fund distribution income escalated at a 112% CAGR in FY19-24 to HK\$447mn, propelled by the elevation of wealth management balance (FY19-24 CAGR: 79%), and a stable take rate of 0.5%-0.6% (CMBI est). With enriched product suites, we forecast the WM balance to rise at a 16.5% CAGR in FY25-28E, contributing to a 28% CAGR increase in fund distribution income in the period ([Fig.107](#)). We forecast the fund distribution income mix rising to 5% in FY25E (FY24: 3.3%).

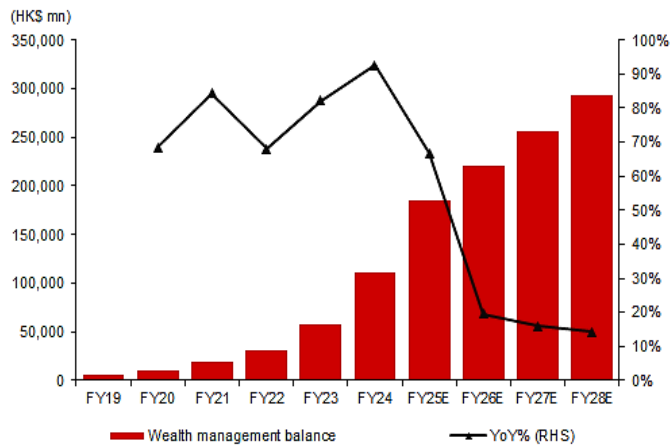
Money Plus has established partnerships with 105 global financial institutions building with a selective fund rating model to rank the top-listing funds, and place to its digitized *Futubull* and *Moomoo* platforms. The single-profile solution allows investors to manage and transfer money from their wealth management accounts to/from trading accounts on one integrated platform, largely strengthening the customer stickiness and stability of asset accumulation.

Cash Plus is another branded product in making use of clients' uninvested cash balances. It functions in ways of enhancing wealth growth and fund management flexibility. For wealth growth, Cash Plus offers USD money market funds (MMF), which enjoyed great popularity across markets given sustained appealing US treasury yields. The average one-year return of Cash Plus USD money market funds achieved a promising level of 4.5%, vs. USGB10YR yield at roughly 4.1% as of Sep 2025. For fund flexibility, Cash Plus positions can be directly used to trade stocks, subscribe to IPO shares and repayments of financing interest and FX exchange in cross-market trading, etc. Looking into 2H25E, although the Fed's pivot could narrow the yields of Cash Plus-listed money market funds, we think the impact on market attractiveness to Cash Plus could be manageable as investors' demands for stable streams of income, low-risk asset profiles, and a flexible cash management account remain strong.

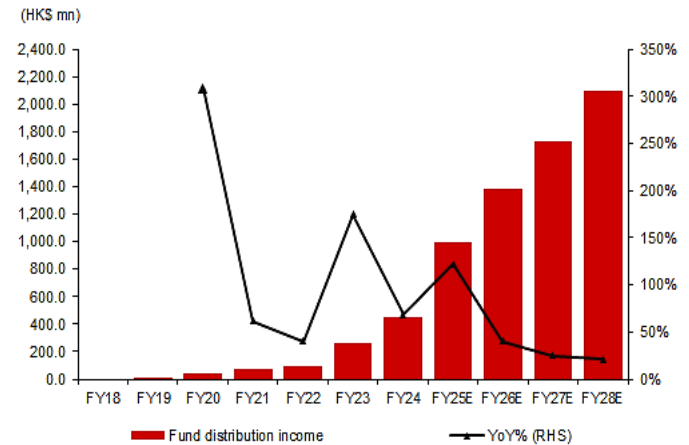
We think Moomoo SG could be the largest contributors to the rise of wealth management balance, given the nation's household investment preference on unit trusts and investment funds (UTIFs), which comprised 46% of shares & securities investments in 1H25, vs. 43% in listed shares and 11% in unlisted shares per Singapore Department of Statistics ([Fig.33](#)). Futu's wealth management product offerings continued to expand. The broker onboarded FX-linked notes in HK and Singapore, equity funds in Malaysia, and money market funds in Japan as of 1Q25. In July 2025, Futu partnered with ChinaAMC (HK) to launch the asset manager's first-series of tokenized money market fund denominated in HKD/USD/RMB.

With regards to take rates, Futu applies different fee models to each type of fund products, by mainly charging from the fund houses rather than retail investors. For mutual funds, Futu charges zero subscription fee, and share management fee based on agreed commercial terms with the fund houses. In this case, the take rate of mutual fund is performance-based, and thus lower than that of other products. For private funds, the products cover strategies of equity long/short, credits, private equity, real estate, etc., only targeting for professional investors, who would be charged for a subscription fee by the broker mostly. In addition, the broker shares management fees and incentive fees with fund houses, if the investment return exceeds the hurdle. For structured products, the broker offers products, including Decu, Sharkfin, FCN, and US treasury reverse convertible notes, to professional investors, with take rates based on subscription fees and incentive fees. For Cash Sweep, revenues can be generated from the gap between interest income earned from the broker's corporate

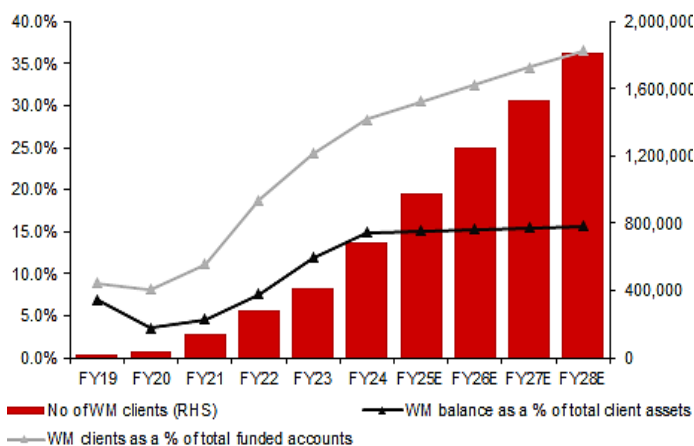
bank accounts and a pre-agreed interest income paid to clients who deposit their idle cash, plus service fees. Given Futu's role in the WM business as a fund distributor, not a provider, we think the take rate will be relatively stable in a short-to-medium term, but able to steadily increase with an expanding product suite of more structured notes and private equity funds.

**Fig 107: Wealth management balance and YoY%**

Source: Company data, CMBIGM estimates

**Fig 108: Fund distribution income and YoY%**

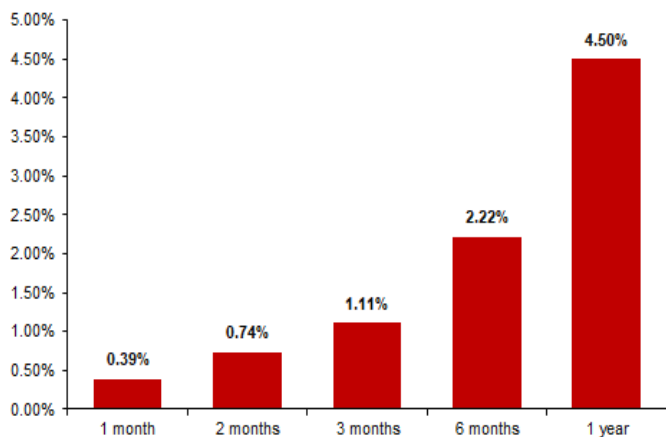
Source: Company data, CMBIGM estimates

**Fig 109: Penetration of WM asset balance and clients**

Source: Company data, CMBIGM estimates

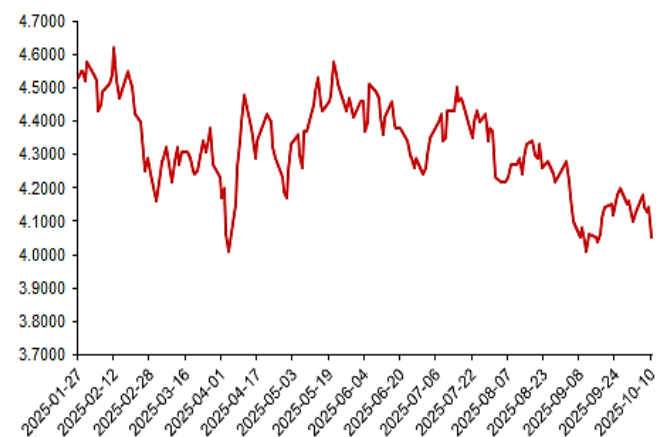
**Fig 110: Wealth management business' take rate (%)**

Source: Company data, CMBIGM estimates

**Fig 111: Cash Plus USD MMF investment return (%)**

Source: Company website, CMBIGM estimates

Note: The data quoted as of end 30 May 2025, with the assumed HK\$100,000 of WM position.

**Fig 112: The U.S. 10YR Treasury yield in FY25**

Source: Bloomberg, CMBIGM

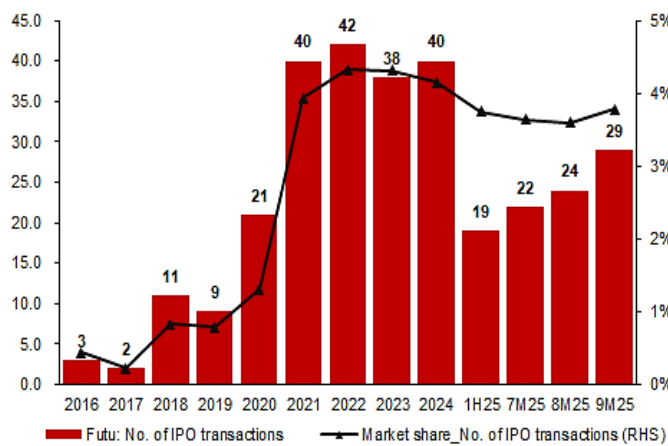
Note: Data was quoted by market close on 10 Oct 2025 (Fri).

## Corporate business reinforces the To-C model in a built-up of ecosystem

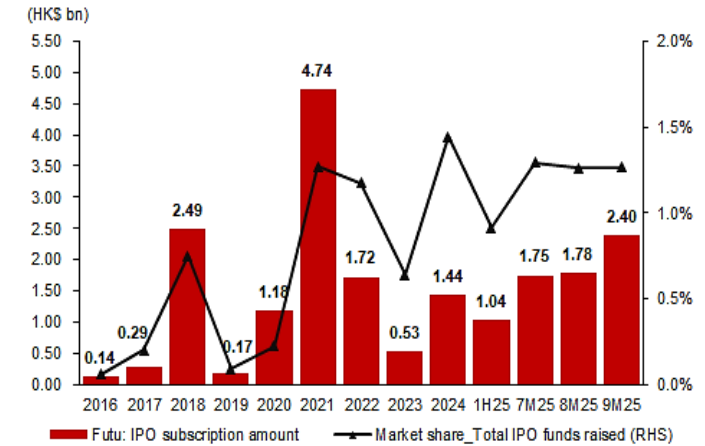
Futu launched the corporate and enterprise business in May 2019 under the brand of Futu I&E, with integrated service provisions of IPO distributions and international placements, investor relations and corporate marketing, block trade and stock reductions/repurchases, institutional trading services, and ESOP solutions. We see the corporate business ramping up along the pathway of retail client base expansion, from which the broker leverages retail demands and insights to attract corporate clients, and deepens a closed-loop from serving individuals to institutions. As of 2Q25, there were 517 IPO distribution and investor relation (IR) clients, lifting 14.6% YoY and 3.8% QoQ thanks to the HK market rally and IPO boom. The number of ESOP clients was 784 by 2Q25, rising 3.4% compared to the end of FY24.

In FY22-24, Futu was the underwriter of 42/38/40 IPO transactions representing the highest number of IPO underwritings in Hong Kong market for three consecutive years ([Fig.116](#)). In FY24, IPO subscription service charge income escalated 115% YoY to HK\$8mn, which we expect the number to further rise in FY25E, given the strong momentum in HK IPO markets and southbound capital inflows that support a self-reinforcing cycle within the year.

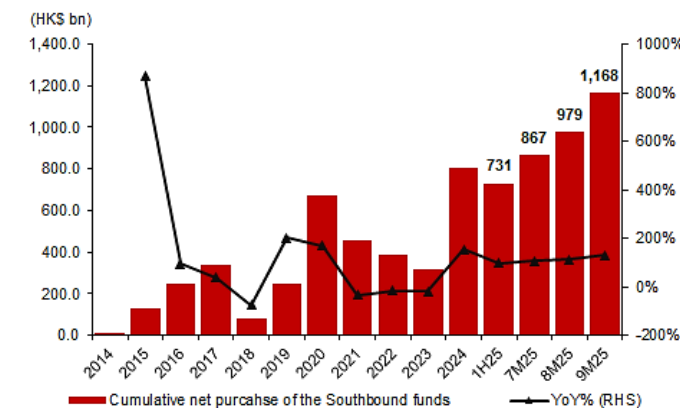
As of Sep 2025, Futu has engaged in 29 IPO transactions year-to-date resulting in a share of 3.78% ([Fig.113](#)). Total subscription amount was HK\$2.4bn, ranking sixteenth in the HK IPO market with a share of 1.27%, per data of *Wind* ([Fig.114](#)). In 1H25, the cumulative net purchase amount to the HKEx-listed stocks by the Southbound funds was HK\$731.2bn, equivalent to over 90% that of last year ([Fig.115](#)), and the amount sustainably ticked up in July and August. By Sep 2025, the cumulative net purchase amount from the southbound funds amounted to HK\$1,168bn, hitting a new record since the launch of the Stock Connect in 2014. We see this growing trend of Futu IPO subscription income corresponding to the active IPO markets, with the market's IPO funds raised totalling to HK\$182.9 bn in 1-9M25 ([Fig.106](#)), up by 2.3x YoY, and exceeding the annual totals in each of the past three years.

**Fig 113: Number of IPO underwritings & market share**

Source: Wind, Company data, CMBIGM

**Fig 114: IPO subscription amount and market share %**

Source: Wind, Company data, CMBIGM

**Fig115: The Southbound cum. net purchase amount**

Source: Wind, Company data, CMBIGM

**Fig 116: Futu's ranking on the number of IPOs**

| Year | Ranking | Futu's No. of IPOs | Market share (%) |
|------|---------|--------------------|------------------|
| 2016 | 83      | 3                  | 0.44%            |
| 2017 | 114     | 2                  | 0.23%            |
| 2018 | 34      | 11                 | 0.83%            |
| 2019 | 33      | 9                  | 0.78%            |
| 2020 | 14      | 21                 | 1.31%            |
| 2021 | 3       | 40                 | 3.93%            |
| 2022 | 1       | 42                 | 4.32%            |
| 2023 | 1       | 38                 | 4.31%            |
| 2024 | 1       | 40                 | 4.15%            |
| 1H25 | 21      | 19                 | 3.75%            |
| 7M25 | 21      | 22                 | 3.64%            |
| 8M25 | 21      | 24                 | 3.59%            |
| 9M25 | 16      | 29                 | 3.78%            |

Source: Wind, CMBIGM

Other income excluding fund distribution grew at a 42% CAGR in FY19-24 to HK\$432mn in FY24, of which currency exchange income comprised 50%-60% in FY23-24 driven by the USD appreciation. Looking ahead, we expect the To-B segment to continue steadily driving the broker's total revenue growth, and strengthening the To-C model with diverse provisions of corporate access, marketing roadshows, and direct investor interactions with the US/HK listed companies throughout the complete process of pre-IPO financing, IPO underwriting and subscription, post-IPO investor education, and corporate IR/PR solutions.

## Profitability: Improving operating leverage drives growth of the margin

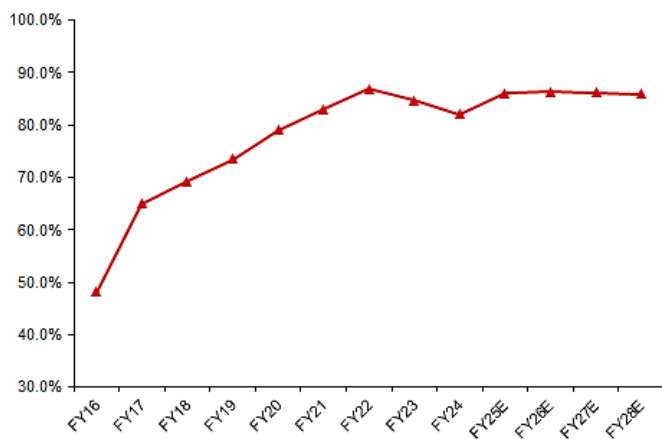
Futu's gross profit margin (GPM) has stabilized above 80% over recent years, driven by efficiency from an elevating business scale and operating leverage. Key overheads include brokerage commission and handling charge expenses, interest expenses, and processing and servicing costs, which correspond to the three main revenue sources in our view. Net margin of brokerage business, interest-earning business, and other business ranges at 90%-95%, 75%-85%, and 40%-50% (CMBI est). Interest expense has grown significantly since 3Q22, dragged by higher expenses from margin financing due to the rate hike cycle.

Operating profit margin (OPM) rose from less than 20% in FY19 to steady at roughly 50% in FY23-24. In 2Q25, the OPM rose to 63%, up 15.7pct YoY/5.8pct QoQ, driven by strong topline growth and improved operating leverage. R&D expenses used to rank as the largest components of total operating expenses, taking 40%-50% of total previously then dropped to 30%-40% in FY23-24 (Fig.119). We think the R&D investments remain important for AI and Robo-advisory services and thus maintain a mix of 35%-40% in FY25-28E (CMBI Est.).

Selling and marketing (S&M) expenses relevant to new market entrance grow with the trend of new funded accounts. In 2Q25, cost of new client acquisition (CAC) rose 20% QoQ to HK\$2,104, lower than the full-year guidance of HK\$2.5-3k, thanks to the Group's targeted marketing strategy. In the past several quarters, selling and marketing expenses surged by strong growth of new funded accounts, partially offset by a lower cost per client acquisition. Considering macro uncertainties and potentially new market entries, we are prudent on the full-year CAC target, despite quarterly fluctuations to land at roughly HK\$2,500 in FY25E.

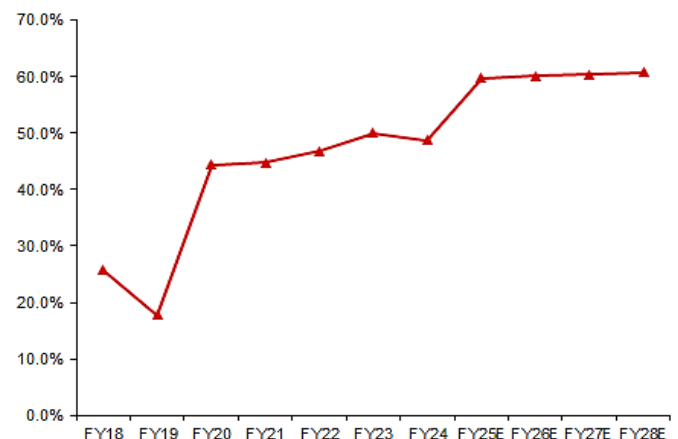
General and administrative (G&A) expenses rallied with the number of personnel in support of overseas market development. In 2Q25, total operating expenses reached HK\$1.30bn, up 20.6% YoY/2.8% QoQ, with the composition of R&D, selling and marketing, and general administrative expenses each accounting for 34%/33%/33% of total, respectively ([Fig.119](#)).

**Fig 117: Gross profit margin remains well above 80%**



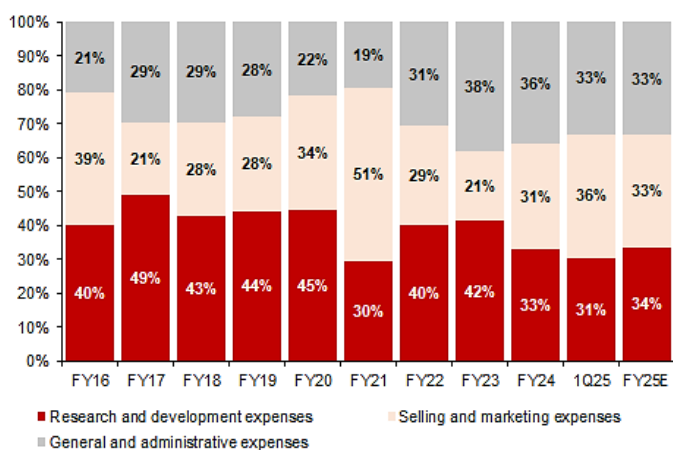
Source: Company data, CMBIGM estimates

**Fig 118: Operating margin (OPM) grows to above 60%**



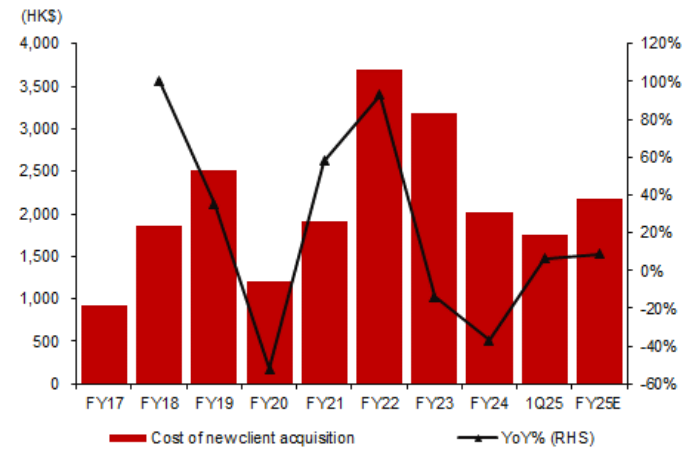
Source: Wind, Company data, CMBIGM

**Fig 119: Operating expenses composition mix %**



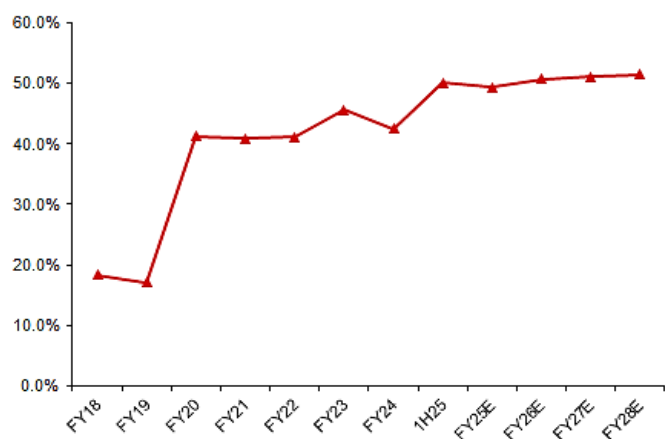
Source: Company data, CMBIGM estimates

**Fig 120: Cost of new client acquisition and YoY%**

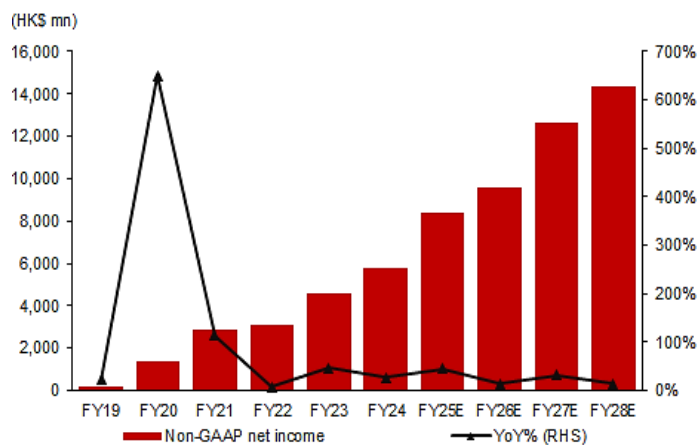


Source: Company data, CMBIGM estimates

Non-GAAP net profit margin rose from high-teens to over 40%, and achieved 50.1% as of 2Q25, up 8.7pct YoY/2.9pct QoQ, driven by the robust OPM rise. Non-GAAP net income surged at a 100% CAGR in FY19-24, indicating the broker's rapid earnings growth potential alongside sustainable profitability for over years. We project the non-GAAP net income to grow at a 14% CAGR in FY25-28E, with non-GAAP net margin steady above 50% in FY28E ([Fig.121](#)).

**Fig 121: Non-GAAP net margin (%) steadily increases**

Source: Company data, CMBIGM estimates

**Fig 122: Non-GAAP net income and YoY%**

Source: Company data, CMBIGM estimates

## Valuation

We adopt a three-stage discounted cash flow (DCF) model for valuation of Futu, and cross-read with a target P/E(x) by benchmarking to global online brokerage peers, i.e. UP Fintech (TIGR US, NR), Robinhood (HOOD US, NR), IBKR (IBKR US, NR), Charles Schwab (SCHW US, NR), and East Money (300059 CH, NR), considering the nature of industry cyclical and buoyant market sentiments for the traditional securities brokerage business.

The three-stage period that we project includes the explicit period (FY25E-FY27E), fade period (FY28E-FY34E), and terminal period (FY35E and beyond). For WACC, we assume a risk-free of 3.0%, a beta of 1.7x, a risk premium of 550bps, and a credit spread of 300bps. We assume the terminal growth of 4% considering the rapidly expanding business outlook.

We derive the target price from DCF on a base case scenario at HK\$206 ([Fig.123](#)), implying 24x/21x FY25E/FY26E P/E(x), vs. current trading multiple of FY25E 19x (as of close price at US\$158.5 on 14 Oct). The bull case and bear case price target is HK\$292/HK\$124, based on the median of major peers' FY25E (P/E) at 33.9x ([Fig.125](#)) and Futu's 3yr avg. P/E(x) plus one standard deviation (14.4x) to capture the price movement from a near-term perspective ([Fig.126](#)). Historically, we see Futu trading at a 30%-40% discount to average P/E(x) of major peers, due to a prudent stance towards the regulatory scrutiny of mainland business. We expect Futu's discount to narrow, as overseas market contributions expand.

Considering a positive outlook on inclusion of spot crypto trading, we apply a probability-weighted method with 60% for base case, and 30%/10% for bull and bear case, and derive our target price of HK\$224 ([Fig.127](#)), corresponding to 26.0x/23.3x FY25E/FY26E P/E(x).

**Fig 123: Discounted cash flow (DCF) valuation for target price on the base case scenario**

| (HK\$ mn, unless stated)    | 2025E  | 2026E  | 2027E  | 2028E  | 2029E  | 2030E  | 2031E  | 2032E  | 2033E  | 2034E  | 2035E   |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Free cash flow              | 9,895  | 11,072 | 12,613 | 14,411 | 16,202 | 18,089 | 20,052 | 22,070 | 24,155 | 26,246 | 28,310  |
| Discount period             | 0      | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10      |
| Discount factor             | 1.0000 | 0.8929 | 0.7972 | 0.7118 | 0.6355 | 0.5674 | 0.5066 | 0.4523 | 0.4039 | 0.3606 | 0.3220  |
| PV (FCF)                    | 9,895  | 9,886  | 10,055 | 10,257 | 10,297 | 10,264 | 10,159 | 9,983  | 9,756  | 9,464  | 9,115   |
| Terminal value              |        |        |        |        |        |        |        |        |        |        | 368,033 |
| PV(TV)                      |        |        |        |        |        |        |        |        |        |        | 118,497 |
| PV (Enterprise value)       |        |        |        |        |        |        |        |        |        |        | 227,628 |
| Net debt, FY25E             |        |        |        |        |        |        |        |        |        |        | 562     |
| Net equity value (HK\$ mn)  |        |        |        |        |        |        |        |        |        |        | 228,191 |
| Net equity value (US\$ mn)  |        |        |        |        |        |        |        |        |        |        | 29,070  |
| Target price per ADR (US\$) |        |        |        |        |        |        |        |        |        |        | 206.0   |

Source: CMBIGM estimates

### Key assumptions for DCF:

| Current year              | 2025  |
|---------------------------|-------|
| Perpetual growth rate (%) | 4.0%  |
| Risk free rate (%)        | 3.0%  |
| Credit spread (%)         | 3.0%  |
| Tax rate (%)              | 18.0% |
| Risk premium (%)          | 5.5%  |
| Beta (X)                  | 1.70  |
| Debt weight               | 4.2%  |
| Equity weight             | 95.8% |
| Cost of equity            | 12.4% |
| Cost of debt              | 4.9%  |
| WACC                      | 12.0% |

Source: CMBIGM estimates

Fig 124: Sensitivity analysis for Futu's discounted cash flow (DCF) valuation

|                     |      | WACC  |       |       |       |       |       |       |
|---------------------|------|-------|-------|-------|-------|-------|-------|-------|
|                     |      | 10.5% | 11.0% | 11.5% | 12.0% | 12.5% | 13.0% | 13.5% |
| Terminal growth (g) | 2.5% | 222   | 208   | 195   | 184   | 174   | 165   | 157   |
|                     | 3.0% | 232   | 216   | 203   | 191   | 180   | 170   | 162   |
|                     | 3.5% | 243   | 226   | 211   | 198   | 186   | 176   | 166   |
|                     | 4.0% | 257   | 237   | 221   | 206   | 193   | 182   | 172   |
|                     | 4.5% | 272   | 250   | 231   | 215   | 201   | 189   | 178   |
|                     | 5.0% | 290   | 265   | 244   | 226   | 210   | 196   | 184   |
|                     | 5.5% | 312   | 283   | 258   | 238   | 220   | 205   | 192   |

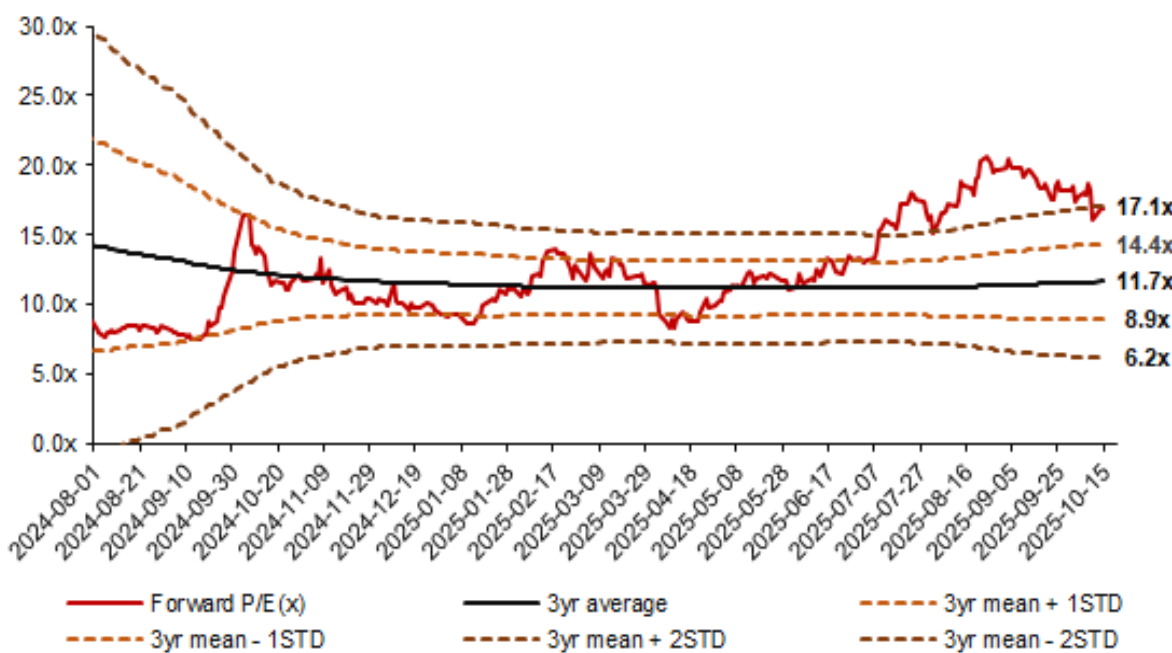
Source: CMBIGM estimates

Fig 125: Peers' comparable table of P/E(x) in FY25E-28E vs. Futu's P/E(x)

| Company                | Ticker    | Last price (LC) | 2025E  | 2026E  | 2027E  | 2028E  |
|------------------------|-----------|-----------------|--------|--------|--------|--------|
| Up Fintech Holdings    | TIGR US   | 9.37            | 11.7x  | 10.8x  | 9.0x   | 7.6x   |
| Robinhood Markets Inc. | HOOD US   | 134.95          | 75.0x  | 62.0x  | 53.8x  | 53.4x  |
| Interactive Brokers    | IBKR US   | 69.36           | 33.9x  | 31.1x  | 28.5x  | 26.0x  |
| Charles Schwab         | SCHW US   | 93.39           | 20.0x  | 17.2x  | 14.6x  | 12.7x  |
| East Money             | 300059 CH | 25.72           | 33.9x  | 30.1x  | 26.9x  | 25.2x  |
| Median                 |           |                 | 33.9x  | 30.1x  | 26.9x  | 25.2x  |
| Mean                   |           |                 | 34.9x  | 30.2x  | 26.6x  | 25.0x  |
| Futu Holdings Ltd.     | FUTU US   | 176.46          | 18.7x  | 16.8x  | 14.8x  | 13.0x  |
| Discount vs. peers (%) |           |                 | -45.8% | -45.2% | -46.2% | -48.6% |

Source: Bloomberg, CMBIGM | Note: stock price data quoted by market close on 14 Oct 2025 (Tue); FY25-28E EPS estimates of Up Fintech, Robinhood, Interactive Brokers, and Charles Schwab are quoted from the Bloomberg consensus as of 14 Oct 2025 (Tue).

Fig 126: Futu's valuation band of 3-year historical P/E(x) and standard deviation



Source: Wind, company data, CMBIGM estimates

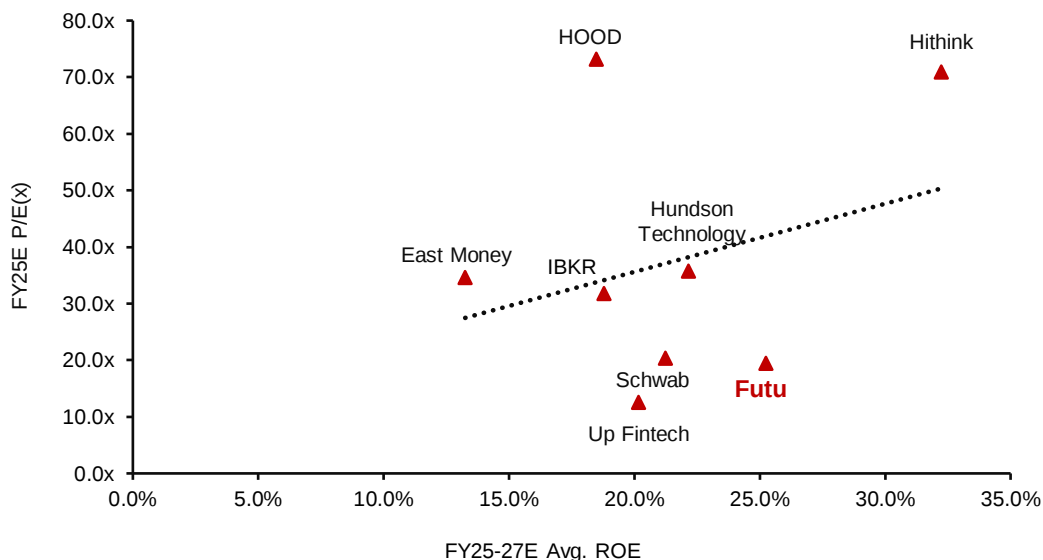
**Fig 127: Probability-weighted TP at HK\$224 which implies 26.0x/23.3x FY25E/26E P/E(x)**

|                                       | TP (US\$ per ADR) | Weight (%)   | Target P/E(x) |
|---------------------------------------|-------------------|--------------|---------------|
| Bull case                             | 292.3             | 30.0%        | 33.9x         |
| Base case                             | 206.0             | 60.0%        | 23.9x         |
| Bear case                             | 124.1             | 10.0%        | 14.4x         |
| <b>Probability-weighted TP (US\$)</b> | <b>224.0</b>      |              |               |
| Stock price (US\$) per ADS            | 158.5             |              |               |
| Upside (%)                            | 39%               |              |               |
|                                       | <b>FY25E</b>      | <b>FY26E</b> | <b>FY27E</b>  |
| <b>Implied P/E (x)</b>                | 26.0x             | 23.3x        | 20.5x         |
| Trading P/E(x)                        | 18.7x             | 16.8x        | 14.8x         |

Source: CMBIGM estimates

Note: Stock price quoted by market close on 14 Oct 2025.

Futu has solid fundamentals to underpin a valuation rebound over the long run, in our view. Compared to peers, Futu has the second highest FY25E-27E ROE at 25.2%, while its one-year forward P/E(x) is well below the peers' average, as shown in [Fig.128](#), which could enjoy ample headroom for the re-rating, in our view. The average FY25E-27E ROE for global online brokerages of IBKR, Hood and Charles Schwab records at 19.5%, while their average forward P/E(x) records at 43x/37x in FY25E/26E. For the domestic group, Hithink (300033 CH, NR) ranks the highest on the three-year forward ROE (32.2%), and yet its valuation is more demanding at 70x/57x FY25E/26E P/E. Looking ahead, we expect Futu's valuation discount against peers to trim, as overseas market contributions steadily expand.

**Fig 128: Futu's 3-year average ROE vs. FY25E P/E compared to major peers**

Source: Bloomberg, company data, CMBIGM

Note: Stock price data is quoted by market close on 14 Oct 2025. Except for Futu, all other companies' forecasts are based on Bloomberg consensus.

## Investment Risks

### ■ Concerns to CRS implementation by Chinese government to tax on PRC residents' overseas investment income that may cause existing client attrition & asset outflow

Since Mar 2025, Chinese tax authorities in Beijing, Shanghai, Jiangsu, Zhejiang and other provinces have been reported to request mainland residents who opened accounts through overseas brokerages to invest in HK and US stocks to self-declare and pay additional taxes on their overseas investment income from 2022 to 2024. The first-round inspection focused on high-net-worth households with additional tax payments ranging from RMB100k to over RMB 1mn, according to news from *Caixin*. Under the Common Reporting Standard (CRS) mechanism, overseas investment income is taxed on both capital gains and dividends, with each subject to a 20% flat rate. This action concerned the market about potential client attrition and asset outflows for cross-border brokerages, suchlike Futu and Up Fintech, due to account information exchange to local tax authorities without the clients' prior consents.

Considering that the account-opening for mainland residents to invest in HK and US stocks is defined as non-compliant by Chinese regulators, most licensed institutions i.e. Futu, have strictly followed the regulations to suspend acquisitions of new business in mainland. The tax refund notice could mainly affect trading activity of existing client base in our view, as new mainland client and asset acquisition have long been suspended since 2023. Although the mgmt. mentioned that they have not seen meaningful client attrition and asset outflow as of end 1H25, we think the regulatory uncertainties could weigh on Futu's prospective funded accounts and client AUM, as more mainland Chinese investors would consider to switch their HK/US stock investment to the Stock Connect for that 20% income tax-exempt.

### ■ Robinhood's entry to Asia via the acquisition of Bitstamp could potentially change the competitive landscape of cryptocurrency trading services in the APAC markets

Robinhood Markets Inc. (HOOD US) completed the acquisition with Bitstamp in June 2025, marking its crypto expansion worldwide and debuting the broker's market presence in Asia. By leveraging Bitstamp's over 50 active cryptocurrency licenses and client base across the EU, UK, US and Singapore, Robinhood is able to quickly build up trading infrastructure and brand trust with the Major Payment Institution (MPI) license of Bitstamp to launch its crypto business in Singapore by 2025, without starting from the scratch. Hood's entry to Singapore and subsequent strategic moves, if any, will set to influence the competitive landscape for online brokerages and crypto offerings in the APAC regions, leading to a confrontation with Futu by targeting an overlapping client base for trading HK/US stocks and cryptocurrencies.

The all-cash deal indicated Hood's sufficient fund capabilities. To gain market shares, Hood could possibly compete for fee structure to pressure on Futu's current crypto commissions of 8bps/10bps in HK/SG markets. In addition, the acquisition of Bitstamp granted Hood with immediate access to over 5,000 institutional clients, which may accelerate the introduction of institutional-grade crypto products and services beyond spot trading. Futu lies on edges of strong brand trust, deep understanding of Asian investors, and its one-stop solution of Futubull and Moomoo, while Robinhood reputes for its global liquidity access, in particular crypto offerings, which can be a key value proposition for acquiring investors in the APAC.

### ■ Ant Group acquired over 50% stake in Bright Smart Securities to enter the brokerage market in HK, which could potentially reshape the brokerage competitive dynamics

The Ant Group announced a deal to obtain 50.55% stake in Bright Smart Securities (1428 HK, NR) in April 2025, aiming to expand its fintech footprint in HK. Bright Smart Securities is a local brokerage with Type 1/2/3/4/6/7/9 licenses granted by the SFC. Upon completion of the deal, the Ant Group can operate brokerage business in HK by leveraging its Fintech advantages to compete with existing market players for a share gain narrative. Considering traditional and local business edges of Bright Smart, we think the potential battlefields could focus more on wealth management and brokerage digitalization to win shares in client base, technology innovation and financial products against major peers within the industry.

Futu, as the leading online broker in HK, could face direct competitions from the Ant-backed Bright Smart Securities on client acquisition, AUM retention and earnings share growth etc.

The strong financial backing of the Ant Group could allow for significant initial investments in digital transformation of Bright Smart Securities. Driven by synergies of Ant Group's vast user base, innovative technology capabilities, and a global brand influence, Bright Smart Securities could potentially become a competitive rival of Futu in HK's brokerage industry. In June 2025, the Group's two subsidiaries - Ant Digital Technologies and Ant International announced their plans to apply for the stablecoin issuer license in HK and Singapore, which enhanced the imaginative space for the strategic positioning of Bright Smart to benefit from the Group's virtual asset ecosystem and cross-border networks for To-B/To-C transactions.

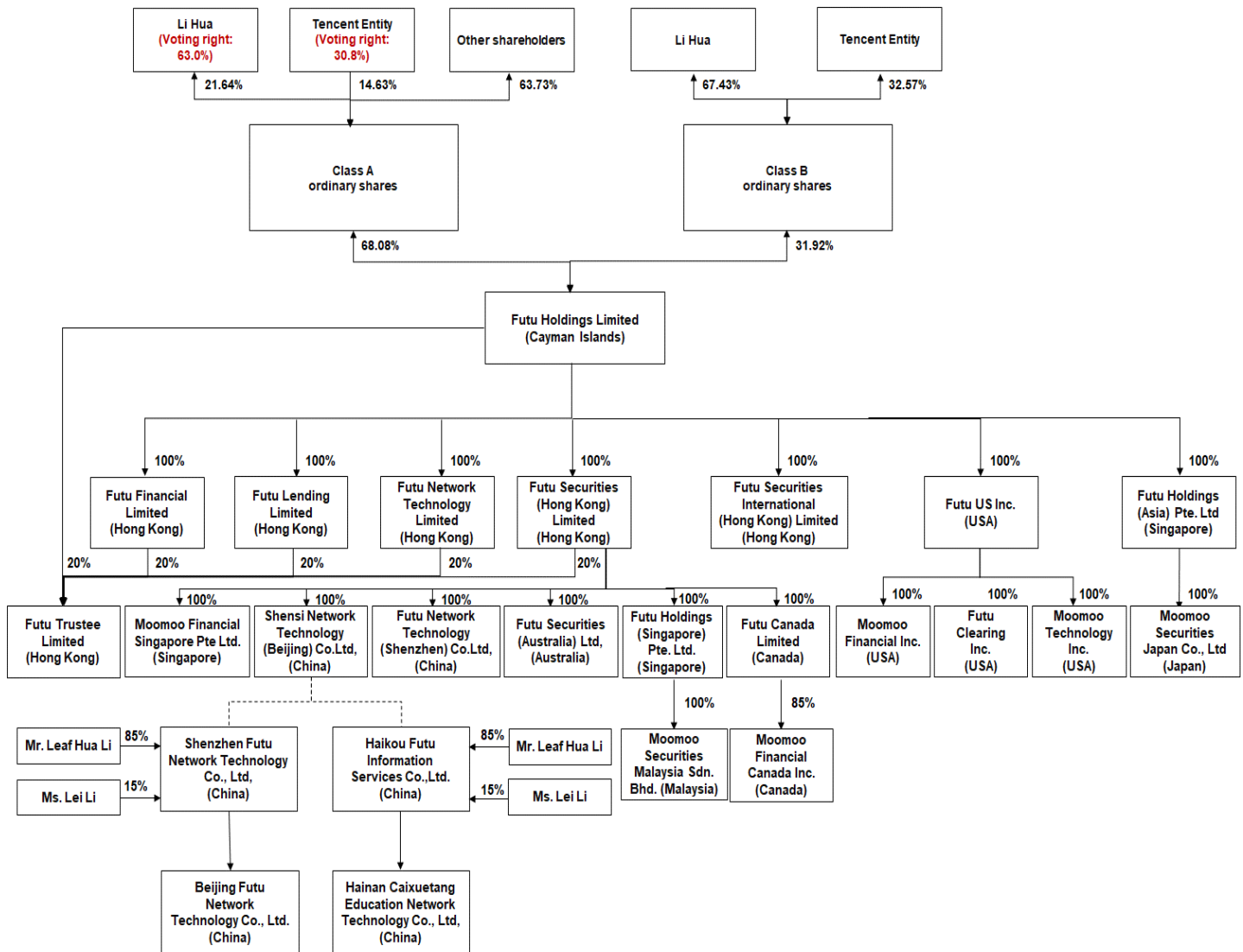
#### ■ **Market fluctuation and interest rate volatility amid uncertainties due to the Fed policy**

Given the nature of cyclicity and interest rate exposure, Futu's topline growth is exposed to stock market fluctuations and interest rate exposure to US Fed rate cycle, and HK HIBOR. In 2Q25, the HIBOR significantly dropped to close to zero, on back of enhanced liquidity from Southbound and global capital inflows due to the boom of IPO and refinancing markets, which affected the yields to compute for the broker's interest income and interest expenses. Although the HIBOR recovered in 3Q25, a prolonged interest rate decline could adversely impact the broker's interest-earning business. The risk of rising market volatilities could lead to weaker market turnover and financing demands that could drag topline growth.

#### ■ **High price volatility of cryptocurrencies could ease spot crypto trading sentiments**

Cryptocurrency price can be influenced by a mix of factors, including economic conditions, investor sentiments, technological advancements and regulatory development, etc. Recent regulatory clarity on the stablecoin issuance in HK and the US, and increasing institutional adoption of BTC and ETH shed light on a long-run value proposition for crypto holdings, and gain tractions from clients from traditional finance given the price surge of mainstream tokens YTD. However, a sharp decline in cryptocurrency price could lead to margin calls and liquidations, which would adversely impact on market sentiments and prevent new clients from taking part. Futu has launched spot crypto trading services in HK since August 2024, and expanded to Singapore and the US markets, for which the retail participation is important to enhance the broker's volume-based commissions. The high price volatility of cryptocurrencies could lower the trading volume, and reduce the broker's earnings outlook.

## Appendix A. Shareholding ownership under the WVR structure



Source: Company data, CMBIGM

## Appendix B. Principal subsidiaries and consolidated affiliated entities

| Subsidiaries                                                          | Date of Incorporation | Place of Incorporation | Ownership (%) | Principal Activities        |
|-----------------------------------------------------------------------|-----------------------|------------------------|---------------|-----------------------------|
| Futu Securities International (Hong Kong) Limited ("Futu Securities") | Apr 17, 2012          | Hong Kong              | 100%          | Financial services          |
| Moomoo Financial Inc.                                                 | Dec 17, 2015          | USA                    | 100%          | Financial services          |
| Futu Clearing Inc.                                                    | Aug 13, 2018          | USA                    | 100%          | Financial services          |
| Moomoo Financial Singapore Pte. Ltd                                   | Dec 17, 2019          | Singapore              | 100%          | Financial services          |
| Moomoo Securities (Australia) Ltd.                                    | Feb 15, 2001          | Australia              | 100%          | Financial services          |
| Moomoo Securities Japan Co., Ltd.                                     | Apr 05, 1920          | Japan                  | 100%          | Financial services          |
| Moomoo Financial Canada Inc.                                          | Aug 07, 2015          | Canada                 | 85%           | Financial services          |
| Moomoo Securities Malaysia Sdn. Bhd.                                  | Nov 22, 2021          | Malaysia               | 100%          | Financial services          |
| Futu Lending Limited                                                  | Apr 18, 2017          | Hong Kong              | 100%          | Financial services          |
| Futu Securities (Hong Kong) Limited                                   | May 02, 2014          | Hong Kong              | 100%          | Investment holding          |
| Futu Network Technology Limited                                       | May 17, 2015          | Hong Kong              | 100%          | R&D and technology services |
| Futu Network Technology (Shenzhen) Co., Ltd.                          | Oct 14, 2015          | PRC                    | 100%          | R&D and technology services |
| Shensi Network Technology (Beijing) Co., Ltd. ("ShenSi")              | Sep 15, 2014          | PRC                    | 100%          | No substantial business     |
| <b>VIE:</b>                                                           |                       |                        |               |                             |
| Shenzhen Futu Network Technology Co., Ltd. ("Shenzhen Futu")          | Dec 18, 2007          | PRC                    | 100%          | R&D and technology services |
| Haikou Futu Information Services Co., Ltd. ("Haikou Futu")            | Sep 28, 2018          | PRC                    | 100%          | R&D and technology services |

Source: Company data, CMBIGM

## Appendix C. Licenses for business operation and time of approval

| Markets   | Subsidiaries                                                        | Licenses                                                                                                                                              | Time of approval     |
|-----------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| HK        | Futu Securities International (Hong Kong) Limited                   | Type 1 for dealing in securities                                                                                                                      | Oct-2012             |
|           |                                                                     | Upgraded Type 1 license to provide Virtual Asset Dealing Service to retail and professional investors in HK                                           | Jul-2024             |
|           |                                                                     | Type 2 for dealing in futures contracts                                                                                                               | Jul-2013             |
|           |                                                                     | Type 3 for leveraged foreign exchange trading                                                                                                         | Dec-2020             |
|           |                                                                     | Type 4 for advising on securities                                                                                                                     | Jun-2015             |
|           |                                                                     | Type 5 for advising on futures contracts                                                                                                              | Aug-2018             |
|           |                                                                     | Type 7 for providing automated trading services                                                                                                       | Aug-2019             |
|           |                                                                     | Type 9 for asset management                                                                                                                           | Jul-2015             |
|           |                                                                     | Hong Kong stock exchange participant                                                                                                                  | Oct-2012             |
|           |                                                                     | Registered Mandatory Provident Fund Intermediary                                                                                                      | Aug-2020             |
| US        | Futu Insurance Brokers (Hong Kong) Limited                          | Licensed insurance broker company under the Insurance Ordinance                                                                                       | Jan-2020             |
|           | Futu Lending Limited                                                | Holder of Money Lenders License                                                                                                                       | Apr-2017             |
|           | Futu Trustee Limited                                                | Holder of Trust or Company Service Provider (TCSP) License                                                                                            | Apr-2019             |
| US        | Moomoo Financial Inc.                                               | SEC-registered broker-dealer                                                                                                                          | Dec-2015             |
|           | Futu Clearing Inc.                                                  | SEC-registered broker-dealer, a member in good standing of FINRA, a member of Depository Trust & Clearing Corporation                                 | Aug-2018             |
|           | Futu Futures Inc.                                                   | Registered futures commission merchant with the Commodity Futures Trading Commission, a member of good standing with the National Futures Association | Jul-2020             |
| Singapore | Moomoo Financial Singapore Pte. Ltd. ("Moomoo Financial Singapore") | Capital Markets Services License (CMSL)                                                                                                               | Oct-2020             |
|           |                                                                     | Major Payment Institution License (MPI) – Digital Payment Token Service                                                                               | Jul-2024             |
|           | Moomoo Trustee (Singapore) Pte. Ltd.                                | Trust company licensed by the Monetary Authority of Singapore                                                                                         | Apr-2022             |
| Australia | Moomoo Securities Australia Ltd. ("Moomoo Securities Australia")    | Australian Financial Services License (AFSL)<br>Financial Services Provider Registration (FSFR)                                                       | Nov-2021<br>May 2025 |
| Japan     | Moomoo Securities Japan Co., Ltd. ("Moomoo Securities Japan")       | Financial Instruments Business Operators (FIBO) license                                                                                               | Jun-2022             |
| Malaysia  | Moomoo Securities Malaysia Sdn. Bhd.                                | Capital Markets Services License                                                                                                                      | Nov-2021             |
| Canada    | Moomoo Financial Canada Inc.                                        | Dealer member of Canadian Investment Regulatory Organization (CIRO) and Canadian Investor Protection Fund (CIPF)                                      | Sep-2023             |

Source: Company data, CMBIGM

## Appendix D. Profile of Board of Directors of the Company

| Executive Officers              | Position                                                                         | Inception | Age | Responsibility                                                                                                                                                                                                                                                                                         | Career Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------|----------------------------------------------------------------------------------|-----------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Leaf Hua Li<br>(李华)         | Founder;<br>Chairman of the Board of Directors;<br>Chief Executive Officer (CEO) | Oct-2012  | 47  | 1) Responsible for overall strategy, research and development, business development and management;<br><br>2) Lead the technology committee for the formulation of technology development strategies, optimization of technology infrastructure, and implementation of large-scale technology projects | 1) Head of Tencent's multi-media business and innovation center;<br>2) 18th founding employee of Tencent (joined in 2000);<br>3) Early and key research and development participant of Tencent QQ;<br>4) Founder of Tencent Video and led its product design and development;<br>5) Invented over 10 international and domestic patents in Tencent;<br>6) Awarded with the "Innovative Talent Award" by Shenzhen government;<br>7) Oct 2020 - Apr 2023: Independent director of Boqii Holdings Ltd (NYSE: BQ)                                  |
| Mr. Arthur Yu Chen<br>(陈宇)      | Chief Financial Officer (CFO)                                                    | Sep-2017  | 48  | Responsible for the accounting, finance and internal controls functions, and the capital market activities of the Group;                                                                                                                                                                               | 1) 2009-2016: Director of Citigroup Global Markets Asia Ltd. for mgmt. of institutional stock;<br>2) 2005-2009: Vice president at China International Capital Corporation                                                                                                                                                                                                                                                                                                                                                                      |
| Mr. Nineway Jie Zhang<br>(张杰)   | Director<br>Legal representative and general manager                             | Oct-2014  | 49  | Responsible for overall strategy and business development of the Group                                                                                                                                                                                                                                 | Deputy head of the business department of the Shenzhen branch of China Galaxy Securities Co., Ltd. (HKEx: 6881)                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Mr. Shan Lu<br>(卢山)             | Director                                                                         | Oct-2014  | 49  | Responsible for the formulation of overall strategy of the Group                                                                                                                                                                                                                                       | 1) Current senior executive vice president of Tencent, and the president of Technology and Engineering Group of Tencent (joined in 2000);<br>2) General manager of the IM Product Division of Tencent;<br>3) Vice president of the Platform Research and Development System of Tencent;<br>4) Senior vice president of the Operations Platform System of Tencent (Mar 2008);<br>5) Director of China United Network Communications Group Co., Ltd (SHA: 600050)                                                                                |
| Mr. Vic Haixiang Li<br>(李海翔)    | Independent Director                                                             | Mar-2019  | 51  | Responsible for providing professional opinion and advice to the Board of Directors                                                                                                                                                                                                                    | 1) Founder and managing partner of VI Ventures (a boutique VC fund), and Chairman of VI Asset Management;<br>2) One of the founders and a former senior executive vice president of Tencent                                                                                                                                                                                                                                                                                                                                                    |
| Ms. Brenda Pui Man Tam<br>(谭沛雯) | Independent Director                                                             | Mar-2019  | 53  | Responsible for providing professional opinion and advice to the Board of Directors                                                                                                                                                                                                                    | 1) 2007-2016: Partner at the Beijing office of PricewaterhouseCoopers(PwC) China, and PwC Hong Kong;<br>2) 2006-2007: Senior manager at the Beijing office of PricewaterhouseCoopers(PwC) China;<br>3) 2000-2006: Audit experienced manager and audit senior manager at San Jose office of PwC LLP;<br>4) Qualified as a Certified Public Accountant (CPA) in the US(California), a fellow member of the Hong Kong Institute of Certified Public Accountants (HKICPA), and the Association of Chartered Certified Accountants (ACCA) in the UK |
| Mr. Robin Li Xu<br>(陈宇)         | Senior Vice President                                                            | Sep-2019  | 41  | Responsible for product development, operations, marketing and business growth                                                                                                                                                                                                                         | 1) 2013-2019: Vice president of the Company;<br>2) Senior product manager of Tencent responsible for online payment product development and operations                                                                                                                                                                                                                                                                                                                                                                                         |

Source: Company data, CMBIGM

## Appendix E. List of virtual asset trading platforms (VATP) by the SFC

### A. 11 licensed virtual asset trading exchanges in Hong Kong

| Index | Name of VATP operators                           | Exchange         | Parent Company                           | Date of license approval |
|-------|--------------------------------------------------|------------------|------------------------------------------|--------------------------|
| 1     | OSL Digital Securities Limited                   | OSL Exchange     | OSL Group                                | 15/12/2020               |
| 2     | Hash Blockchain Limited                          | HashKey Exchange | HashKey Group                            | 09/11/2022               |
| 3     | Hong Kong Virtual Asset Exchange Limited         | HKVAX            | HKVAX                                    | 03/10/2024               |
| 4     | Hong Kong Digital Asset EX Limited               | HKbitEX          | Taichi Capital Group                     | 18/12/2024               |
| 5     | Accumulus GBA Technology (Hong Kong) Co. Limited | Accumulus        | Accumulus Technology (Tianjin) Co., Ltd. | 18/12/2024               |
| 6     | DFX Labs Company Limited                         | DFX Labs         | Lianlian DigiTech Co., Ltd.              | 18/12/2024               |
| 7     | EXIO Limited                                     | EX.IO            | Valuable Capital Group                   | 18/12/2024               |
| 8     | Panthertrade (Hong Kong) Limited                 | PantherTrade     | Futu Holdings Limited                    | 27/01/2025               |
| 9     | YAX (Hong Kong) Limited                          | YAX              | Tiger Brokers                            | 27/01/2025               |
| 10    | Bullish HK Markets Limited                       | Bullish          | Bullish Global                           | 18/02/2025               |
| 11    | Hong Kong BGE Limited                            | BGE              | HKE Holdings                             | 17/06/2025               |

Source: SFC, CMBIGM | Note: data is quoted by Sep 2025.

### B. List of virtual asset trading platform applicants

| Index | Name of VATP operators            | Exchange         | Parent Company                          | Date of license approval |
|-------|-----------------------------------|------------------|-----------------------------------------|--------------------------|
| 1     | Victory Fintech Company Limited   | VDX              | Victory Securities (Holdings) Co., Ltd. | N/A                      |
| 2     | NewBX Limited                     | Bixin.com        | Bixin Group                             | 24/01/2024               |
| 3     | HighBlock Limited                 | bitV             | HighBlock Limited                       | 06/02/2024               |
| 4     | Foris DAX HK Limited              | Crypto.com       | Foris DAX MT (Malta) Limited            | 09/02/2024               |
| 5     | Whalefin Markets Limited          | WhaleFin         | Amber Group                             | 21/02/2024               |
| 6     | Flying Hippo Technologies Limited | Matrixport HK    | Matrixport                              | 26/02/2024               |
| 7     | Nebulas Hong Kong Limited         | Nebulas Exchange | Nebulas Group Limited                   | 25/10/2024               |
| 8     | Spark Fintech Limited             | Bybit            | Bybit Fintech Limited                   | 06/06/2025               |

Source: SFC, company websites, CMBIGM | Note: data is quoted by Sep 2025.

## Appendix F. Registered institutions for virtual asset-related activities

### A. 47 SFC registered institutions with upgrade of Type 1 license (Virtual asset dealing services)

| Index | Company/Operating platform                               | Chinese Name   | Date of Type 1 license approval |
|-------|----------------------------------------------------------|----------------|---------------------------------|
| 1     | Arta Global Markets Limited                              | 裕承环球市场有限公司     | 08 Jan 2008                     |
| 2     | Blackwell Global Securities Limited                      | 博威环球证券有限公司     | 07 Nov 2016                     |
| 3     | Boom Securities (H.K.) Limited                           | 宝盛证券(香港)有限公司   | 26 Jan 2005                     |
| 4     | CMB International Securities Limited                     | 招银国际证券有限公司     | 15 Jun 2010                     |
| 5     | Chief Securities Limited                                 | 致富证券有限公司       | 14 Mar 2005                     |
| 6     | China CIFCO Securities Co., Limited                      | 中国中期证券有限公司     | 05 Jun 2015                     |
| 7     | China-Hong Kong Connect International Securities Limited | 中港通国际证券有限公司    | 29 May 2017                     |
| 8     | DT Securities & Futures Co. Limited                      | 大田证券期货有限公司     | 01 Nov 2018                     |
| 9     | Eddid Securities and Futures Limited                     | 艾德证券期货有限公司     | 14 Dec 2016                     |
| 10    | First Shanghai Securities Limited                        | 第一上海证券有限公司     | 24 Feb 2005                     |
| 11    | Fortune (HK) Securities Limited                          | 富强证券有限公司       | 03 Nov 2003                     |
| 12    | Fosun International Securities Limited                   | 复星国际证券有限公司     | 26 Apr 2005                     |
| 13    | Funde Securities Limited                                 | 富德证券有限公司       | 14 Feb 2017                     |
| 14    | Futu Securities International (Hong Kong) Limited        | 富途证券国际(香港)有限公司 | 04 Oct 2012                     |
| 15    | GLAM Capital Limited                                     | 港利资本有限公司       | 11 Feb 2019                     |
| 16    | Golden Continent Securities Co., Limited                 | 金洲证券有限公司       | 09 Jun 2023                     |
| 17    | Guotai Junan Securities (Hong Kong) Limited              | 国泰君安证券(香港)有限公司 | 30 Mar 2004                     |
| 18    | Hafoo Securities Limited                                 | 哈富证券有限公司       | 09 Dec 2009                     |
| 19    | Interactive Brokers Hong Kong Limited                    | 盈透证券香港有限公司     | 07 Jan 2004                     |
| 20    | JMC Capital International Limited                        | 富乔鑫国际投资有限公司    | 31 Jan 2019                     |
| 21    | Kaiser Securities Limited                                | 嘉信证券有限公司       | 18 Feb 2005                     |
| 22    | LiquidityTech Limited                                    | 流动性科技有限公司      | 17 Feb 2025                     |
| 23    | Long Bridge HK Limited                                   | 长桥证券(香港)有限公司   | 01 Dec 2020                     |
| 24    | Lucky Guosheng Securities Limited                        | 幸运国盛证券有限公司     | 23 Oct 2018                     |
| 25    | Magic Compass Securities Limited                         | 摩石证券有限公司       | 12 Oct 2011                     |
| 26    | Metaverse Securities Limited                             | 元宇证券有限公司       | 24 Jun 2003                     |
| 27    | Mirae Asset Securities (HK) Limited                      | 未来资产证券(香港)有限公司 | 01 Mar 2017                     |
| 28    | Monmonkey Group Securities Limited                       | 大圣证券有限公司       | 10 Nov 2016                     |
| 29    | Nexara Asset Management Limited                          | 源创资产管理有限公司     | 14 Mar 2019                     |
| 30    | PingPong Intelligence Limited                            | 乒乓智汇有限公司       | 11 Dec 2024                     |
| 31    | Quam Securities Limited                                  | 华富建业证券有限公司     | 15 Oct 2004                     |
| 32    | Seazen Resources Securities Limited                      | 新城晋峰证券有限公司     | 28 Jan 2016                     |
| 33    | SoFi Securities (Hong Kong) Limited                      | -              | 22 Dec 2011                     |
| 34    | Solomon JFZ (Asia) Holdings Limited                      | 华赢东方(亚洲)控股有限公司 | 10 Jan 2017                     |
| 35    | South China Securities Limited                           | 南华证券投资有限公司     | 18 Jul 2008                     |
| 36    | Success Securities Limited                               | 实德证券有限公司       | 04 Jan 2005                     |
| 37    | Sunfund Securities Limited                               | 东皓证券有限公司       | 23 Jan 2017                     |
| 38    | TFI Securities and Futures Limited                       | 天凤国际证券与期货有限公司  | 14 May 2013                     |
| 39    | Tiger Brokers (HK) Global Limited                        | 老虎证券(香港)环球有限公司 | 11 Jul 2018                     |
| 40    | Valuable Capital Limited                                 | 华盛资本证券有限公司     | 14 Jul 2010                     |
| 41    | Victory Securities Company Limited                       | 胜利证券有限公司       | 29 Dec 2004                     |
| 42    | WEBULL SECURITIES LIMITED                                | 微牛证券有限公司       | 18 Feb 2019                     |
| 43    | Yunfeng Securities Limited                               | 云锋证券有限公司       | 27 Aug 2013                     |
| 44    | ZA Bank Limited                                          | 众安银行有限公司       | 20 Jan 2022                     |
| 45    | ZHONGMING SECURITIES LIMITED                             | 中铭证券有限公司       | 31 Mar 2023                     |
| 46    | Zinvest Global Limited                                   | 尊嘉证券国际有限公司     | 02 Aug 2017                     |
| 47    | Zircon Securities (HK) Limited                           | 卓锐证券(香港)有限公司   | 10 Sep 2021                     |

Source: SFC, CMBIGM | Note: data is quoted by Sep, 2025.

**B. 44 SFC registered institutions with upgrade of Type 4 license (Virtual asset advisory)**

| Index | Company/Operating platform                                      | Chinese name     | Date of Type 4 license approval |
|-------|-----------------------------------------------------------------|------------------|---------------------------------|
| 1     | AMINA (Hong Kong) Limited                                       | -                | 03 Nov 2023                     |
| 2     | CPIC Investment Management (H.K.) Company Limited               | 中国太保投资管理(香港)有限公司 | 16 Jul 2019                     |
| 3     | Chief Securities Limited                                        | 致富证券有限公司         | 14 Mar 2005                     |
| 4     | ForthTech Capital Limited                                       | -                | 02 Aug 2019                     |
| 5     | Fosun International Asset Management Limited                    | 复星国际资产管理有限公司     | 03 Nov 2021                     |
| 6     | Funde Securities Limited                                        | 富德证券有限公司         | 03 Nov 2021                     |
| 7     | GLAM Capital Limited                                            | 港利资本有限公司         | 11 Feb 2019                     |
| 8     | GPTX Investment Management Limited                              | 简坤投资管理有限公司       | 27 Feb 2024                     |
| 9     | Geometry Capital (Hong Kong) Limited                            | 几何资本(香港)有限公司     | 20 May 2024                     |
| 10    | Global Prosperity Financial Company Limited                     | 环球富盛理财有限公司       | 31 Jul 2019                     |
| 11    | Golden Continent Securities Co., Limited                        | 金洲证券有限公司         | 09 Jun 2023                     |
| 12    | Greenland (Asia) Securities Co., Limited                        | 绿地(亚洲)证券有限公司     | 18 Oct 2013                     |
| 13    | HBS (Hong Kong) Limited                                         | 好帮手(香港)有限公司      | 17 Dec 2020                     |
| 14    | HashKey Capital Limited                                         | -                | 31 Jan 2020                     |
| 15    | Hua Liang Securities Limited                                    | 华量证券有限公司         | 03 Jun 2019                     |
| 16    | L2Y Research Limited                                            | 揽月有限公司           | 20 Nov 2024                     |
| 17    | LSQ Capital Limited                                             | -                | 23 May 2022                     |
| 18    | Lighthouse Capital (HK) Financial Limited                       | 光源资本(香港)金融有限公司   | 10 Nov 2023                     |
| 19    | LiquidityTech Limited                                           | 流动性科技有限公司        | 17 Feb 2025                     |
| 20    | Metaverse Securities Limited                                    | 元宇证券有限公司         | 24 Jun 2003                     |
| 21    | MicroBit Capital Management Limited                             | 小飞资产管理有限公司       | 30 Apr 2024                     |
| 22    | MindWorks Capital Advisors Hong Kong Limited                    | -                | 26 Aug 2024                     |
| 23    | Monmonkey Group Securities Limited                              | 大圣证券有限公司         | 10 Nov 2016                     |
| 24    | Mulana Investment Management Limited                            | 木兰投资管理有限公司       | 24 Nov 2023                     |
| 25    | NEXTCORE ASSET MANAGEMENT LIMITED                               | 丰晟资产管理有限公司       | 21 May 2019                     |
| 26    | Nexara Asset Management Limited                                 | 源创资产管理有限公司       | 14 Mar 2019                     |
| 27    | Orient Asset Management (Hong Kong) Limited                     | 东方资产管理(香港)有限公司   | 18 Aug 2010                     |
| 28    | Pando Finance Limited                                           | 潘渡有限公司           | 10 May 2022                     |
| 29    | Penjing Asset Management (Asia) Limited                         | -                | 08 Jan 2020                     |
| 30    | Ping An Securities (Hong Kong) Asset Management Company Limited | 平安证券(香港)资产管理有限公司 | 10 Jun 2019                     |
| 31    | PingPong Intelligence Limited                                   | 乒乓智汇有限公司         | 11 Dec 2024                     |
| 32    | Pioneer Asset Management Limited                                | 先锋资产管理有限公司       | 09 Jan 2023                     |
| 33    | Quam Asset Management Limited                                   | 华富建业资产管理有限公司     | 28 Feb 2005                     |
| 34    | Quam Securities Limited                                         | 华富建业证券有限公司       | 15 Oct 2004                     |
| 35    | Redbridge Global Strategies Limited                             | -                | 20 Sep 2017                     |
| 36    | RuiLian Financial Group Company Limited                         | 瑞联金融集团有限公司       | 23 Jan 2017                     |
| 37    | SINOIF Asset Management Limited                                 | 中金汇理资产管理(香港)有限公司 | 02 Jan 2020                     |
| 38    | Sinohope Asset Management (Hong Kong) Limited                   | 新火资产管理(香港)有限公司   | 31 Jul 2020                     |
| 39    | Solomon Capital Management Limited                              | 瑞明资本有限公司         | 27 Dec 2019                     |
| 40    | Solomon JFZ (Asia) Holdings Limited                             | 华赢东方(亚洲)控股有限公司   | 10 Jan 2017                     |
| 41    | South China Research Limited                                    | 南华资料研究有限公司       | 13 Jan 2009                     |
| 42    | Victory Securities Company Limited                              | 胜利证券有限公司         | 29 Dec 2004                     |
| 43    | ZHONGMING SECURITIES LIMITED                                    | 中铭证券有限公司         | 31 Mar 2023                     |
| 44    | Zhongtai International Securities Limited                       | 中泰国际证券有限公司       | 13 Nov 2012                     |

Source: SFC, CMBIGM | Note: data is quoted by Sep 2025.

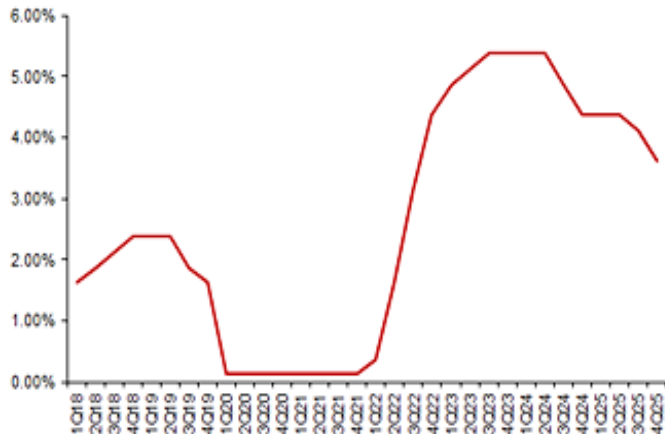
**C. 48 SFC registered institutions with upgrade of Type 9 license (Asset management)**

| Index | Company/Operating platform                           | Chinese name   | Date of Type 9 license approval |
|-------|------------------------------------------------------|----------------|---------------------------------|
| 1     | AMINA (Hong Kong) Limited                            | -              | 03 Nov 2023                     |
| 2     | Bosera Asset Management (International) Co., Limited | 博时基金(国际)有限公司   | 05 Nov 2010                     |
| 3     | Bowman and Fitzhugh Asset Management Limited         | -              | 26 Jun 2018                     |
| 4     | Ceres Asset Management Limited                       | 华夏资产管理有限公司     | 14 Jun 2007                     |
| 5     | China Asset Management (Hong Kong) Limited           | 华夏基金(香港)有限公司   | 10 Dec 2008                     |
| 6     | Da Wan Asset Management Limited                      | 大湾区资产管理有限公司    | 13 Dec 2018                     |
| 7     | Eddid Securities and Futures Limited                 | 艾德证券期货有限公司     | 06 Sep 2018                     |
| 8     | Fintech Investment Group Limited                     | -              | 26 May 2022                     |
| 9     | Fore Elite Capital Management Limited                | 前沿有理资本管理有限公司   | 14 Dec 2018                     |
| 10    | Fosun International Asset Management Limited         | 复星国际资产管理有限公司   | 03 Nov 2021                     |
| 11    | Funde Investment Management Limited                  | 富德投资管理有限公司     | 14 June 2007                    |
| 12    | GPTX Investment Management Limited                   | 简坤投资管理有限公司     | 27 Feb 2024                     |
| 13    | Geometry Capital (Hong Kong) Limited                 | 几何资本(香港)有限公司   | 20 May 2024                     |
| 14    | Greenland (Asia) Securities Co., Limited             | 绿地(亚洲)证券有限公司   | 18 Oct 2013                     |
| 15    | Harvest Global Investments Limited                   | 嘉实国际资产管理有限公司   | 16 Feb 2009                     |
| 16    | HashKey Capital Limited                              | -              | 31 Jan 2020                     |
| 17    | Hua Liang Asset Management Limited                   | 华量资产管理有限公司     | 03 Jun 2019                     |
| 18    | L2Y Research Limited                                 | 揽月有限公司         | 20 Nov 2024                     |
| 19    | Lighthouse Capital (HK) Financial Limited            | 光源资本(香港)金融有限公司 | 08 Mar 2017                     |
| 20    | MaiCapital Limited                                   | -              | 16 Aug 2018                     |
| 21    | MicroBit Capital Management Limited                  | 小飞资产管理有限公司     | 30 Apr 2024                     |
| 22    | Mission Capital Management Limited                   | 天赋资本管理有限公司     | 07 May 2020                     |
| 23    | Mulana Investment Management Limited                 | 木兰投资管理有限公司     | 24 Nov 2023                     |
| 24    | NEXTCORE ASSET MANAGEMENT LIMITED                    | 丰晟资产管理有限公司     | 21 May 2019                     |
| 25    | Nexara Asset Management Limited                      | 源创资产管理有限公司     | 14 Mar 2019                     |
| 26    | Novel Wealth Management Limited                      | 诺纬资产管理有限公司     | 12 Apr 2021                     |
| 27    | Octiv Capital Limited                                | 正奇资本有限公司       | 01 Nov 2024                     |
| 28    | Orient Asset Management (Hong Kong) Limited          | 东方资产管理(香港)有限公司 | 18 Aug 2010                     |
| 29    | Pando Finance Limited                                | 潘渡有限公司         | 10 May 2022                     |
| 30    | Pickers Capital Management Limited                   | 鹏格斯资产管理有限公司    | 30 Oct 2014                     |
| 31    | Pioneer Asset Management Limited                     | 先锋资产管理有限公司     | 09 Jan 2023                     |
| 32    | Pythagoras HK Management Company Limited             |                | 18 Aug 2025                     |
| 33    | RP Asset Management Limited                          | 瑞平资产管理有限公司     | 01 Sep 2017                     |
| 34    | Raffles Assets Management (HK) Co. Limited           | 万方资产管理(香港)有限公司 | 28 Sep 2017                     |
| 35    | Redbridge Global Strategies Limited                  | -              | 20 Sep 2017                     |
| 36    | RuiLian Financial Group Company Limited              | 瑞联金融集团有限公司     | 23 Jan 2017                     |
| 37    | Sinohope Asset Management (Hong Kong) Limited        | 新火资产管理(香港)有限公司 | 31 Jul 2020                     |
| 38    | Solomon Capital Management Limited                   | 瑞明资本有限公司       | 27 Dec 2019                     |
| 39    | Solomon JFZ (Asia) Holdings Limited                  | 华赢东方(亚洲)控股有限公司 | 16 Oct 2019                     |
| 40    | Tiantu Asset Management Company Limited              | 天图资产管理有限公司     | 17 Sep 2021                     |
| 41    | Tiger Brokers (HK) Global Limited                    | 老虎证券(香港)环球有限公司 | 26 Mar 2024                     |
| 42    | TradeMaster Securities (Hong Kong) Limited           | 淘金者证券(香港)有限公司  | 18 Aug 2016                     |
| 43    | Trend Up Investment (HK) Limited                     | 风来投资有限公司       | 25 Jan 2024                     |
| 44    | VSFG Asset Management Limited                        | 意博资产管理有限公司     | 22 Aug 2022                     |
| 45    | Vicktor Capital (Asia) Limited                       | -              | 14 Dec 2009                     |
| 46    | Victory Securities Company Limited                   | 胜利证券有限公司       | 29 Dec 2004                     |
| 47    | Yunqiao Technology Asset Management Co., Limited     | 云桥科技资产管理有限公司   | 07 Mar 2024                     |
| 48    | ZHONGMING SECURITIES LIMITED                         | 中铭证券有限公司       | 31 Mar 2023                     |

Source: SFC, CMBIGM | Note: data is quoted by Sep 2025.

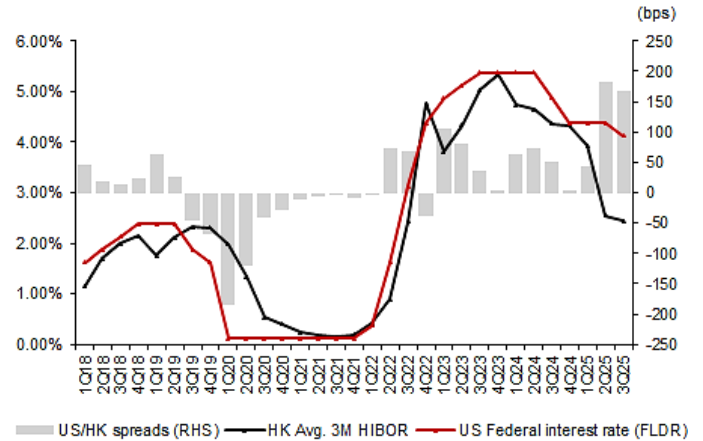
## Appendix G. Federal fund rate, 1D/3M HK HIBOR, stock turnover and FX rate

**Fig 129: Federal Fund rate (FLDR) midpoint (%)**



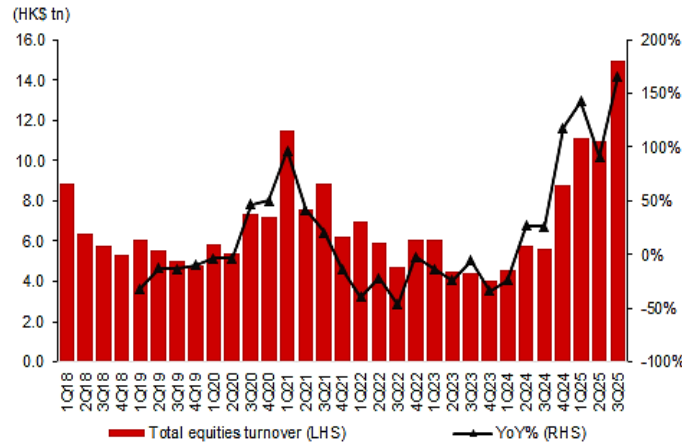
Source: Wind, CMBIGM

**Fig 130: HK's 3M HIBOR vs. US FLDR (%)**



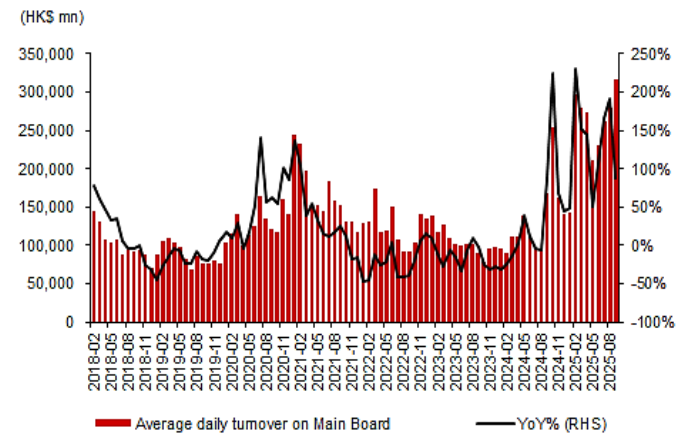
Source: Wind, CMBIGM

**Fig 131: HK total equities turnover & YoY%**



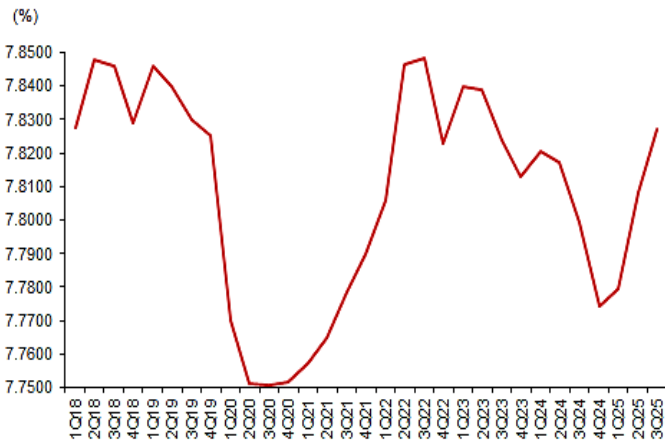
Source: HKEx, Bloomberg, CMBIGM

**Fig 132: Avg. daily turnover on Main Board & YoY%**



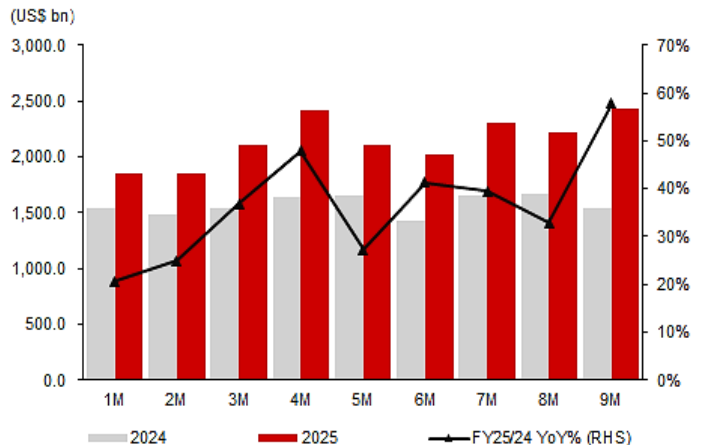
Source: HKEx, Bloomberg, CMBIGM

**Fig 133: USD/HKD exchange rate (%)**



Source: Company data, CMBIGM

**Fig 134: US stock turnover in FY24/25 & YoY%**



Source: Bloomberg, CBOE, CMBIGM

## Financial Summary

| INCOME STATEMENT    | 2022A   | 2023A   | 2024A   | 2025E   | 2026E   | 2027E   |
|---------------------|---------|---------|---------|---------|---------|---------|
| YE 31 Dec (HK\$ mn) |         |         |         |         |         |         |
| Revenue             | 7,614   | 10,008  | 13,590  | 20,055  | 21,869  | 24,717  |
| Cost of goods sold  | (996)   | (1,536) | (2,445) | (2,798) | (3,008) | (3,447) |
| Gross profit        | 6,618   | 8,472   | 11,145  | 17,257  | 18,861  | 21,270  |
| Operating expenses  | (3,049) | (3,465) | (4,523) | (5,279) | (5,753) | (6,374) |
| Selling expense     | (896)   | (710)   | (1,409) | (1,745) | (1,481) | (1,403) |
| Admin expense       | (931)   | (1,313) | (1,620) | (1,755) | (2,120) | (2,515) |
| R&D expense         | (1,222) | (1,441) | (1,494) | (1,779) | (2,152) | (2,456) |
| Operating profit    | 3,569   | 5,007   | 6,622   | 11,978  | 13,108  | 14,896  |
| Other income        | (210)   | 33      | (86)    | (189)   | 0       | 0       |
| Pre-tax profit      | 3,359   | 5,041   | 6,535   | 11,789  | 13,108  | 14,896  |
| Income tax          | (414)   | (748)   | (998)   | (2,142) | (2,359) | (2,681) |
| Others              | (18)    | (13)    | (104)   | (99)    | (97)    | (110)   |
| Net profit          | 2,927   | 4,281   | 5,443   | 9,557   | 10,658  | 12,112  |
| Adjusted net profit | 3,131   | 4,570   | 5,768   | 9,898   | 11,065  | 12,588  |

| BALANCE SHEET                                       | 2022A  | 2023A  | 2024A   | 2025E   | 2026E   | 2027E   |
|-----------------------------------------------------|--------|--------|---------|---------|---------|---------|
| YE 31 Dec (HK\$ mn)                                 |        |        |         |         |         |         |
| Cash & equivalents                                  | 5,029  | 4,938  | 11,688  | 8,833   | 14,001  | 19,927  |
| Cash held on behalf of clients                      | 50,685 | 44,369 | 68,640  | 119,790 | 144,051 | 167,966 |
| Restricted cash                                     | 1      | 1      | 1       | 8       | 8       | 8       |
| Receivables                                         | 9,829  | 10,148 | 22,843  | 33,774  | 38,538  | 43,898  |
| Loans and advances                                  | 26,713 | 32,547 | 49,714  | 55,982  | 71,293  | 87,598  |
| Prepaid assets                                      | 29     | 55     | 63      | 102     | 124     | 150     |
| ST bank deposits                                    | 6      | 6      | 5       | 5       | 5       | 5       |
| Other current assets                                | 809    | 3,383  | 2,949   | 4,197   | 4,343   | 4,494   |
| Right-of-use assets                                 | 197    | 224    | 253     | 151     | 74      | 29      |
| Long-term investments                               | 240    | 239    | 573     | 724     | 753     | 784     |
| Other non-current assets                            | 965    | 1,227  | 2,026   | 2,416   | 2,514   | 2,616   |
| Total assets                                        | 94,503 | 97,136 | 158,757 | 225,981 | 275,703 | 327,476 |
| Amounts due to related parties                      | 53     | 69     | 79      | 174     | 174     | 174     |
| Payables                                            | 69,177 | 64,654 | 117,174 | 172,511 | 209,072 | 246,279 |
| Lease liabilities                                   | 211    | 238    | 277     | 504     | 504     | 504     |
| Securities purchased under agreements to repurchase | 0      | 0      | 2,575   | 1,171   | 1,171   | 1,171   |
| Accrued expenses                                    | 1,706  | 1,939  | 4,937   | 4,108   | 4,940   | 5,760   |
| Long-term borrowings                                | 2,481  | 5,652  | 5,702   | 9,396   | 11,076  | 12,721  |
| Other non-current liabilities                       | 14     | 12     | 8       | 6       | 7       | 7       |
| Total liabilities                                   | 73,641 | 72,564 | 130,752 | 187,870 | 226,944 | 266,616 |
| Share capital                                       | 0      | 0      | 0       | 0       | 0       | 0       |
| Retained earnings                                   | 7,079  | 11,361 | 14,653  | 24,206  | 34,858  | 46,962  |
| Other reserves                                      | 13,782 | 13,208 | 13,358  | 13,919  | 13,919  | 13,919  |
| Total shareholders' equity                          | 20,862 | 24,569 | 28,011  | 38,125  | 48,777  | 60,881  |
| Minority interest                                   | 0      | 3      | (7)     | (13)    | (17)    | (21)    |
| Total equity and liabilities                        | 94,503 | 97,136 | 158,757 | 225,981 | 275,703 | 327,476 |

| <b>CASH FLOW</b>                   | <b>2022A</b>   | <b>2023A</b>   | <b>2024A</b>  | <b>2025E</b>   | <b>2026E</b>   | <b>2027E</b>   |
|------------------------------------|----------------|----------------|---------------|----------------|----------------|----------------|
| <b>YE 31 Dec (HK\$ mn)</b>         |                |                |               |                |                |                |
| <b>Net change in cash</b>          | <b>(3,576)</b> | <b>(6,408)</b> | <b>31,021</b> | <b>48,302</b>  | <b>28,103</b>  | <b>27,983</b>  |
| Cash at the beginning of the year  | 59,292         | 55,716         | 49,308        | 80,329         | 129,957        | 159,918        |
| <b>Cash at the end of the year</b> | <b>55,716</b>  | <b>49,308</b>  | <b>80,329</b> | <b>128,631</b> | <b>158,060</b> | <b>187,901</b> |
| <b>PROFITABILITY</b>               | <b>2022A</b>   | <b>2023A</b>   | <b>2024A</b>  | <b>2025E</b>   | <b>2026E</b>   | <b>2027E</b>   |
| <b>YE 31 Dec</b>                   |                |                |               |                |                |                |
| Gross profit margin                | 86.9%          | 84.7%          | 82.0%         | 86.0%          | 86.2%          | 86.1%          |
| Operating margin                   | 46.9%          | 50.0%          | 48.7%         | 59.7%          | 59.9%          | 60.3%          |
| Non-GAAP net margin                | 41.1%          | 45.7%          | 42.4%         | 49.4%          | 50.6%          | 50.9%          |
| Return on equity (ROE)             | 14.0%          | 18.8%          | 20.7%         | 28.9%          | 24.5%          | 22.1%          |
| <b>VALUATION</b>                   | <b>2022A</b>   | <b>2023A</b>   | <b>2024A</b>  | <b>2025E</b>   | <b>2026E</b>   | <b>2027E</b>   |
| <b>YE 31 Dec</b>                   |                |                |               |                |                |                |
| P/E(x)                             | 60.8           | 40.5           | 31.7          | 18.4           | 16.5           | 14.5           |
| P/B(x)                             | 8.7            | 7.2            | 6.3           | 4.7            | 3.7            | 2.9            |
| EV/EBITDA (x)                      | 45.9           | 30.8           | 23.9          | 13.6           | 12.2           | 10.7           |

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

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