

All data utilised is  
publicly available

# Q1 2017 KEY REVENUE ANALYSIS

**HKEX**  
香港交易所

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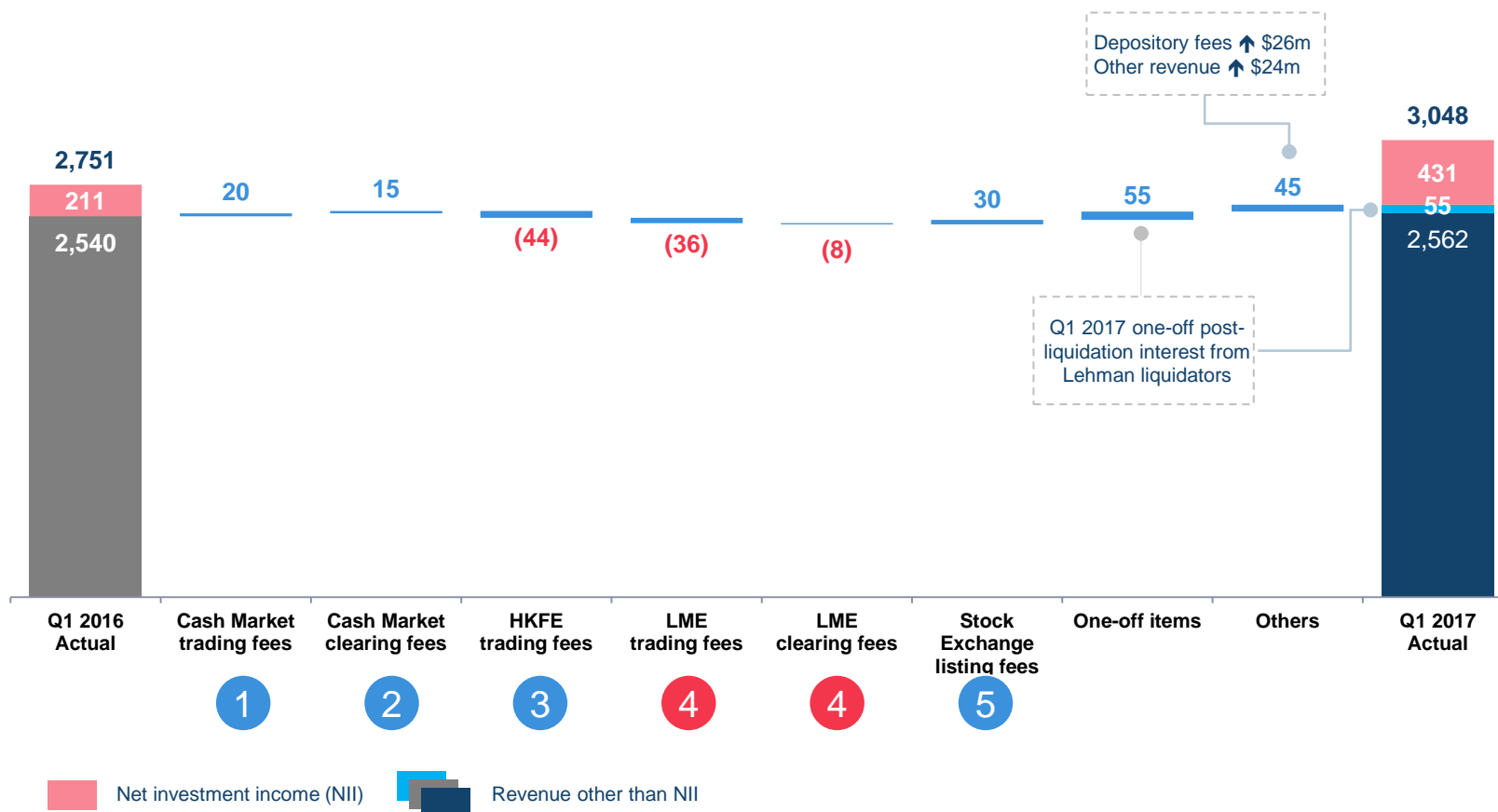
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# Revenue movement Q1 2017 vs Q1 2016

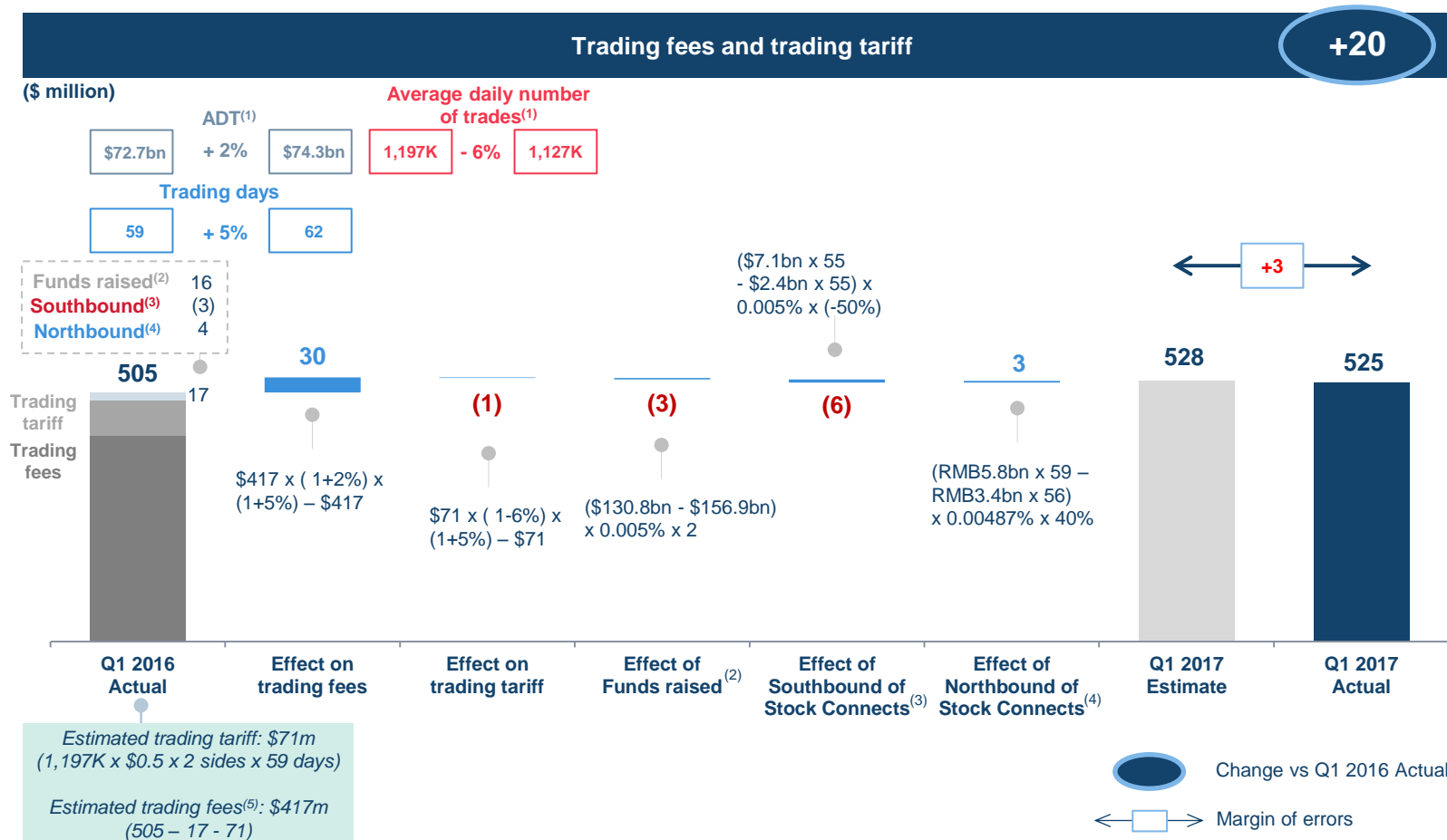
## Total revenue and other income

(\$ million)



# Cash Market trading fees 1

Estimate based on volume change



**Cash Market trading fees and trading tariff move closely with changes in total value of trades and number of trades**



(1) For Stock Exchange trades (including DWs, CBBCs and warrants), excluding stock options.

(2) Funds raised x 0.005% x 2 (Funds raised - 1Q 2017: \$130.8bn; 1Q 2016: \$156.9bn)

(3) 50% of Southbound (SB) trading fees is shared with Shanghai/Shenzhen Stock Exchange.

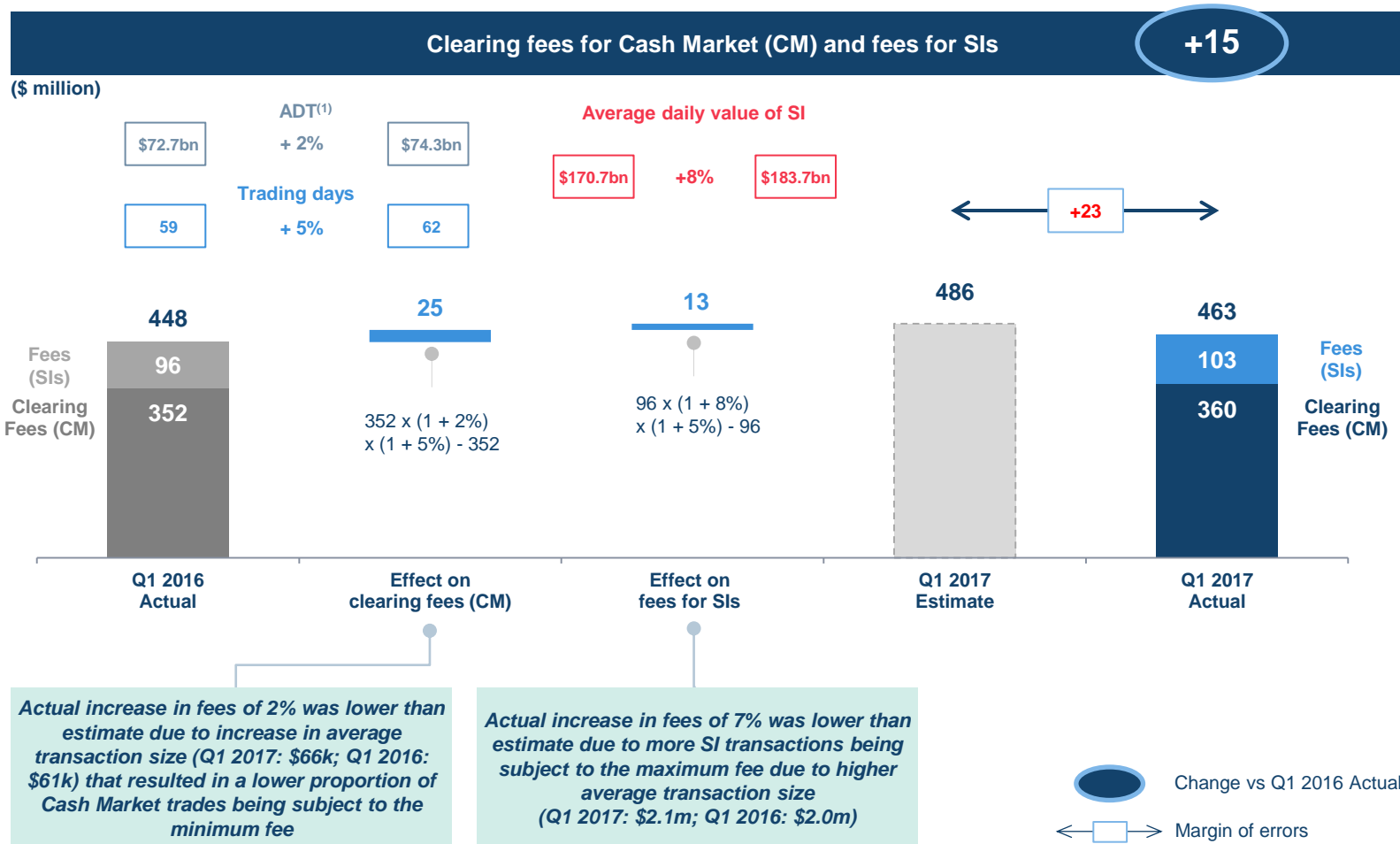
ADT of SB x no. of trading days x 0.005% x 50% (SB ADT: Q1 2017: \$7.1bn; Q1 2016: \$2.4bn; No. of trading days: Q1 2017 & 2016: 55 days)

(4) Northbound (NB) trading fees: ADT of NB x no. of trading days x 0.00487% x 40% (NB ADT: Q1 2017: RMB5.8bn; Q1 2016: RMB3.4bn; No. of trading days: Q1 2017: 59 days; Q1 2016: 56 days)

(5) Excluding trading fees arising from funds raised and Stock Connects

## Cash Market clearing fees <sup>2</sup>

Estimate based on volume change



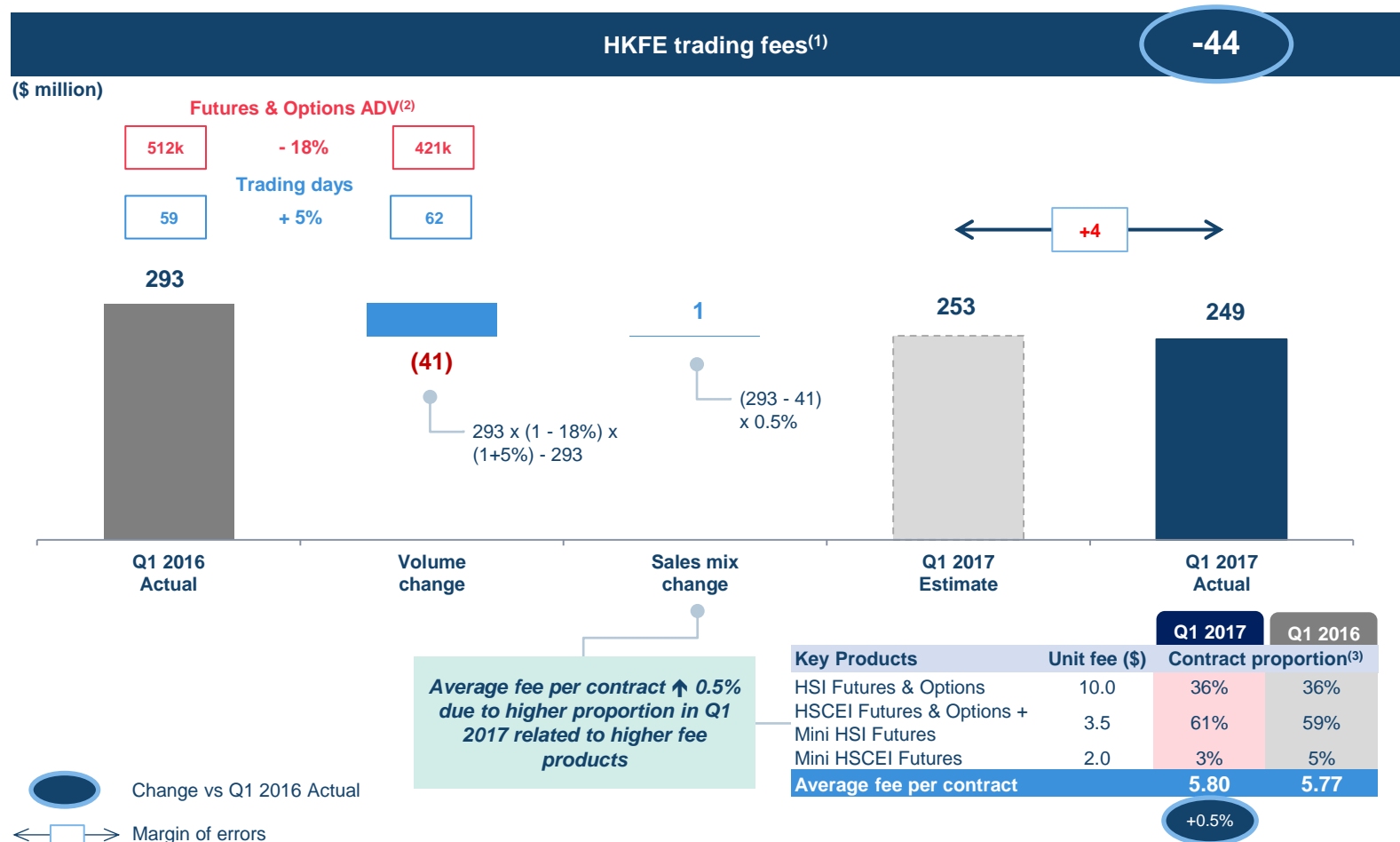
Clearing fees and SI fees move with total value of trades and total value of SIs but are also impacted by transaction sizes of the trades/SIs. In general, if the average transaction size increases, it will have a negative impact on the clearing fees and vice versa

(1) For Stock Exchange trades (including DWs, CBBCs and warrants), excluding stock options



## HKFE trading fees 3

Estimate based on volume and sales mix change



**HKFE trading fees generally move with the total number of contracts traded and average fee per contract**

(1) Includes trading fees allocated to the Clearing segment

(2) For Futures Exchange trades only (ie, excluding stock options traded on the Stock Exchange)

(3) Calculated based on % of total contracts of key products (ie, HSI Futures & Options, HSCEI Futures & Options and Mini HSI & HSCEI Futures)

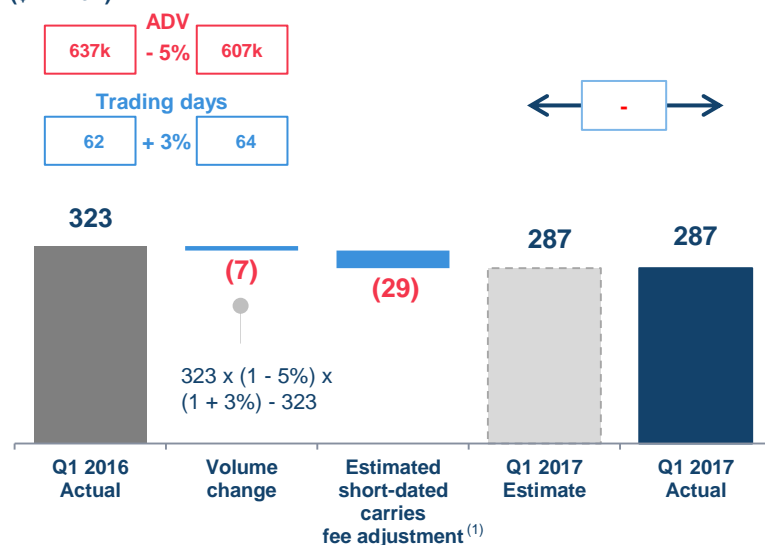


## LME trading and clearing fees 4

Estimate based on volume change and short-dated carry fee reduction

### LME trading fees -36

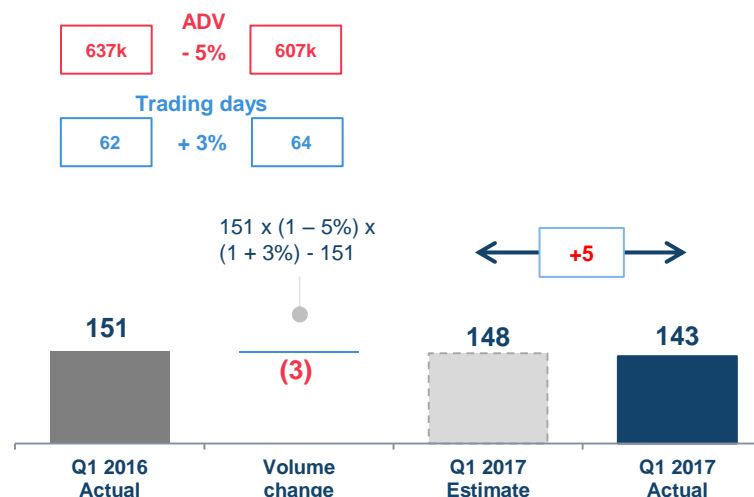
(\$ million)



Estimated based on comparing Q4 2016 fee (\$298m) with Q1 2016 fee (\$323m)<sup>(1)</sup>, adjusting for total volume of contracts (Q1 2016: 39.5m; Q4: 40.1m), and calculating Q1 2017 impact by adjusting Q1 2017/Q4 2016 volume (Q1 2017: 38.9m)

$$(298 \times 39.5/40.1 - 323) \times 38.9/39.5$$

### LME clearing fees -8



Change vs Q1 2016 Actual

Margin of errors

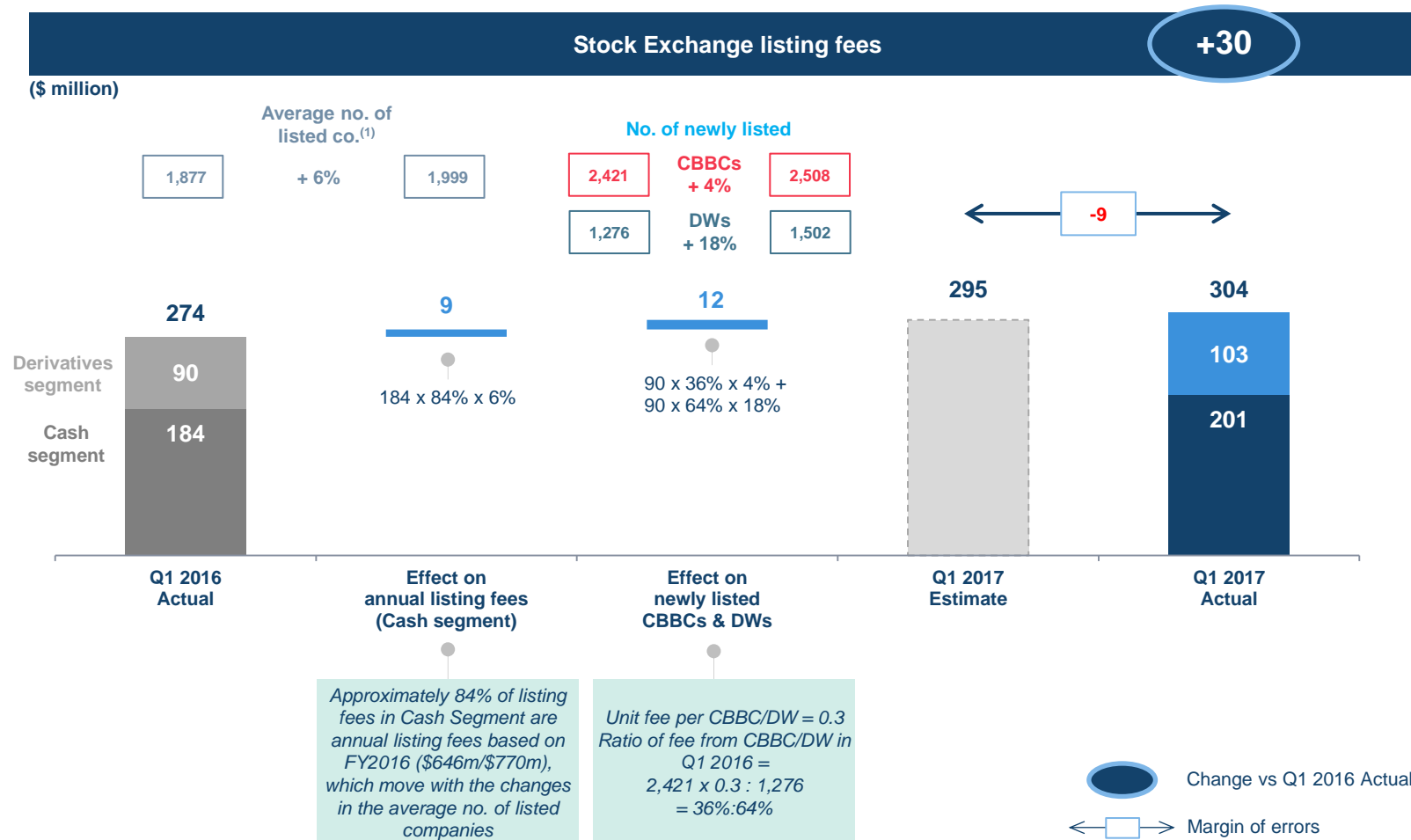
LME and LMEC fees move with total number of contracts traded. Since September 2016, LME fees were reduced by short-dated carries fee adjustments.

(1) Fee changed effective from 1 September 2016.



# Stock Exchange listing fees 5

Estimates based on no. of listed companies and newly listed DWs/CBBCs



**Stock Exchange listing fees move closely with changes in no. of listed companies and newly listed DWs/CBBCs.**

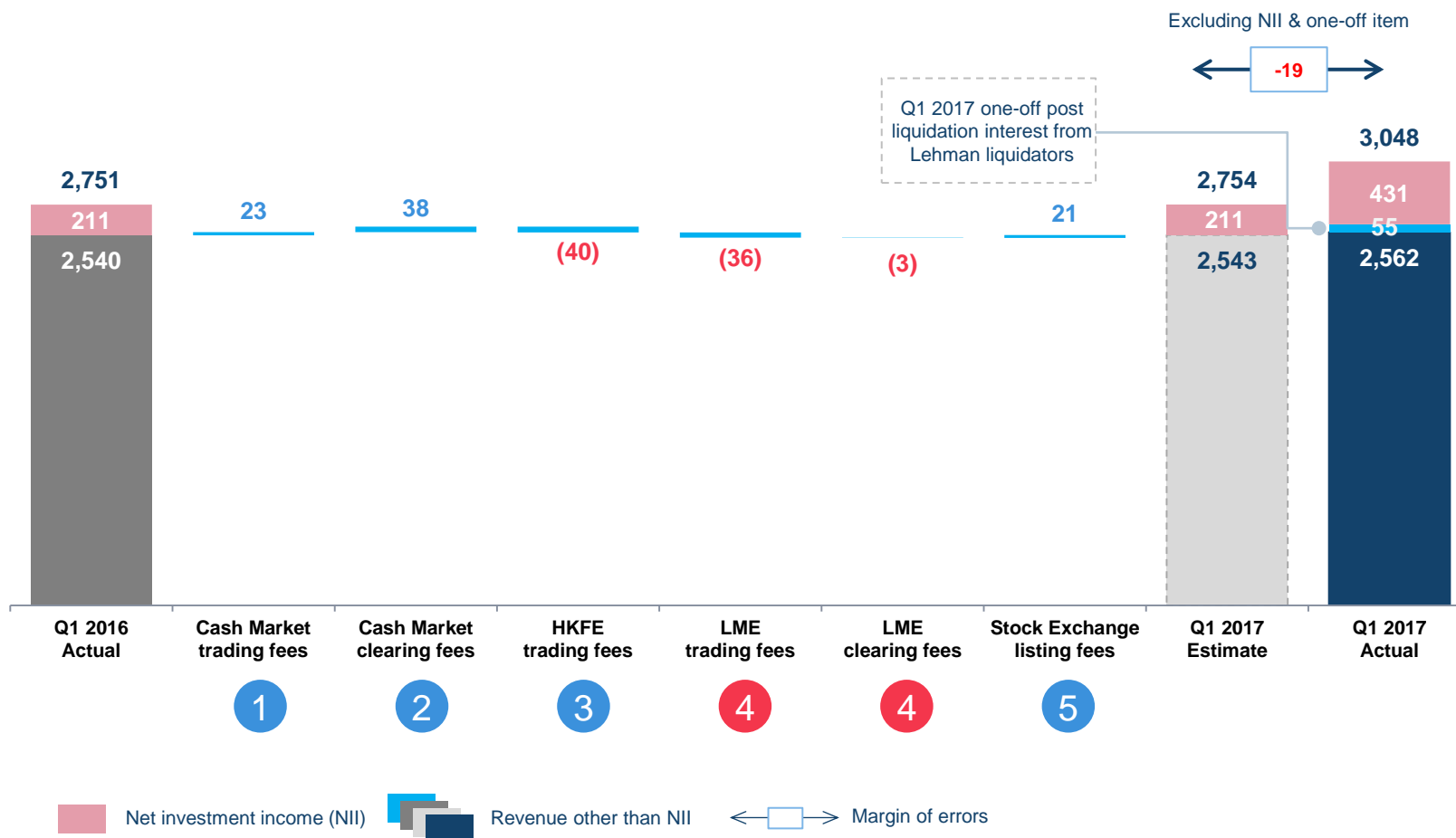
(1) Average number of listed companies represents the average number of listed companies at month end



# Estimate of Q1 2017 revenue

## Total revenue and other income

(\$ million)



Margin of errors for revenue estimates (excluding NII & one-off item) approximately \$19m or 1%

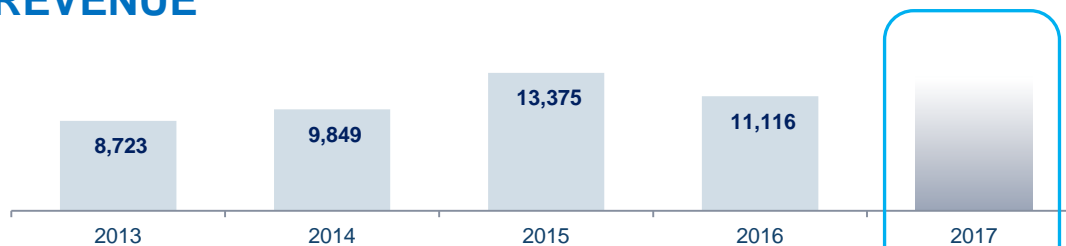


## EBITDA margin

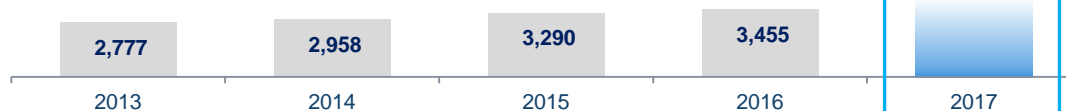
EBITDA margin generally moves in the same direction with revenue

(\$ million)

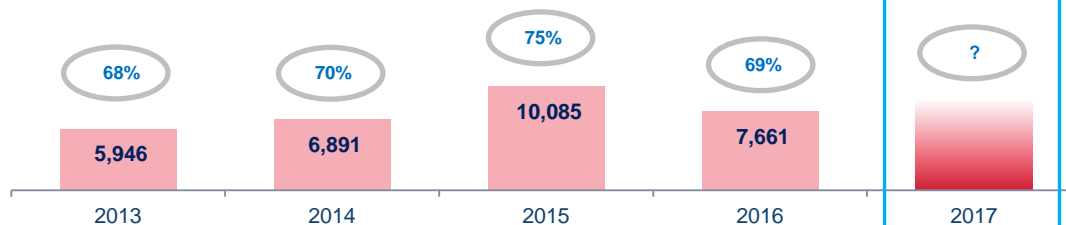
### REVENUE



### OPEX



### EBITDA



A significant proportion of opex is fixed in nature

If revenue comes under pressure, non-critical projects may be deferred and costs control measures will be implemented to try to maintain an overall EBITDA margin in the region of 65% - 70% (Q1 2017: 73%)

○ EBITDA margin

