



# 2024 Annual Results Analyst Presentation

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**HKEX**  
香港交易所

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## Agenda

01 | 2024 Key Highlights

02 | HKEX Group Financial Review

03 | Business and Strategic Update

04 | Appendix



# 2024 Key Highlights

## Record full year financial results

Revenue and other income

**Q4 2024: HK\$6.4b (+31% YoY, +19% QoQ)**

**FY 2024: HK\$22.4b (+9% YoY)**

## Continued strategic progress

### Build on our China strength

- Relaxation of **ETF eligibility criteria under Stock Connect** took effect (Jul 2024)
- Announced China Government & Policy Bank Bonds accepted as **collateral for Northbound Swap Connect** (Dec 2024), effective Jan 2025

### Enhance market vibrancy

- Launched **Weekly Stock Options**, first ever in Asia (Nov 2024)
- Concluded **Reduction of Minimum Spreads** (Dec 2024), implementing around mid-2025
- Consultation on **IPO Price Discovery & Open Market Requirements** optimisation (Dec 2024)

### Explore new adjacent businesses

- Launched **HKEX Virtual Asset Index Series & Hang Seng HKEX Stock Connect China Enterprises Index** (Nov 2024)
- Launched **HKEX Data Marketplace**, new web-based data platform (Dec 2024)

### Build future-ready technology & operations

- Announced in-house development of **Orion Derivatives Platform** (Apr 2024)
- Announced enhancements to **Orion Cash Platform** (Dec 2024), to be launched in phases from mid-2025



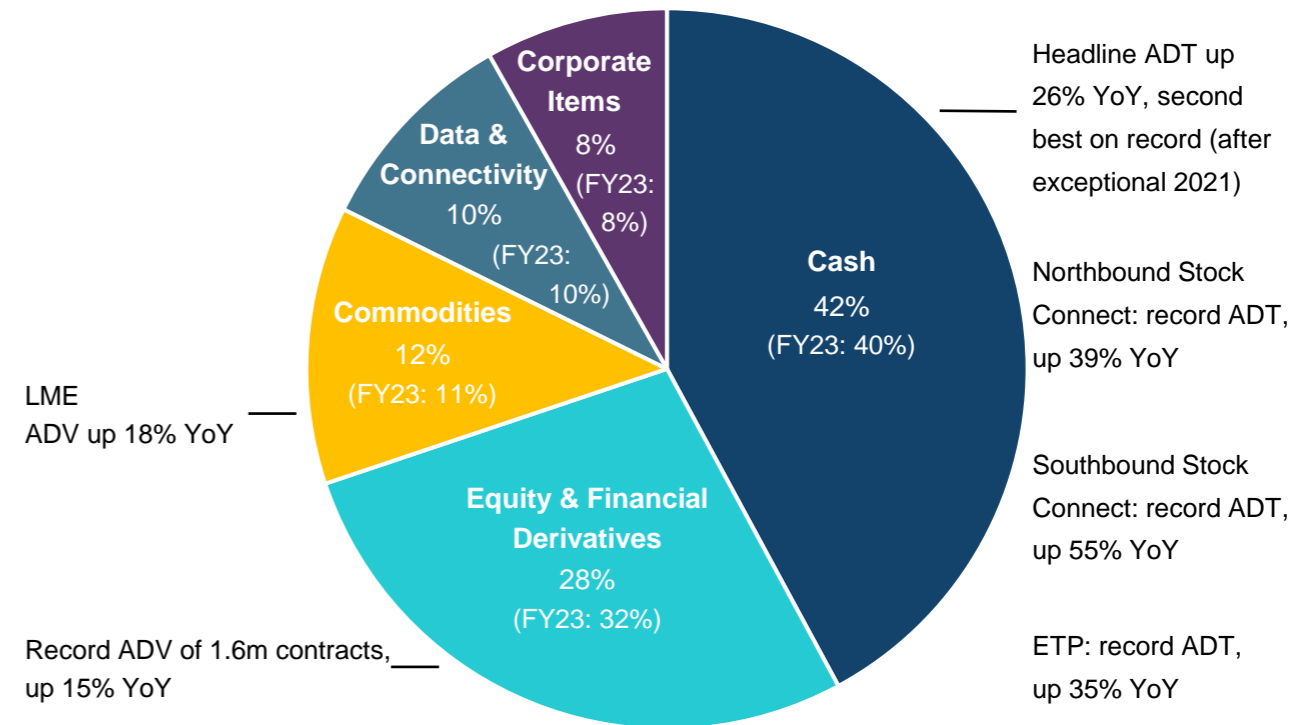
Profit attributable to shareholders

**Q4 2024: HK\$3.8b (+46% YoY, +20% QoQ)**

**FY 2024: HK\$13.1b (+10% YoY)**

## Diversification delivering results

**FY2024 Revenue breakdown<sup>(1)</sup>**



1. % may not add up due to rounding



# HKEX Group Financial Review



# Record quarterly revenue and Q4 profit; Best-ever annual revenue and profit, driven by robust trading volumes

## Core business revenue<sup>(2)</sup>

Q4 2024: HK\$6.0b (↑33% YoY)  
FY 2024: HK\$20.6b (↑9% YoY)

## Revenue and other income<sup>(3)</sup>

Q4 2024: HK\$6.4b (↑31% YoY)  
FY 2024: HK\$22.4b (↑9% YoY)

## EBITDA

Q4 2024: HK\$4.7b (↑44% YoY)  
FY 2024: HK\$16.3b (↑10% YoY)

## PAT

Q4 2024: HK\$3.8b (↑46% YoY)  
FY 2024: HK\$13.1b (↑10% YoY)

## EPS

Q4 2024: HK\$2.99 (↑46% YoY)  
FY 2024: HK\$10.32 (↑10% YoY)

## Dividend per share (DPS)

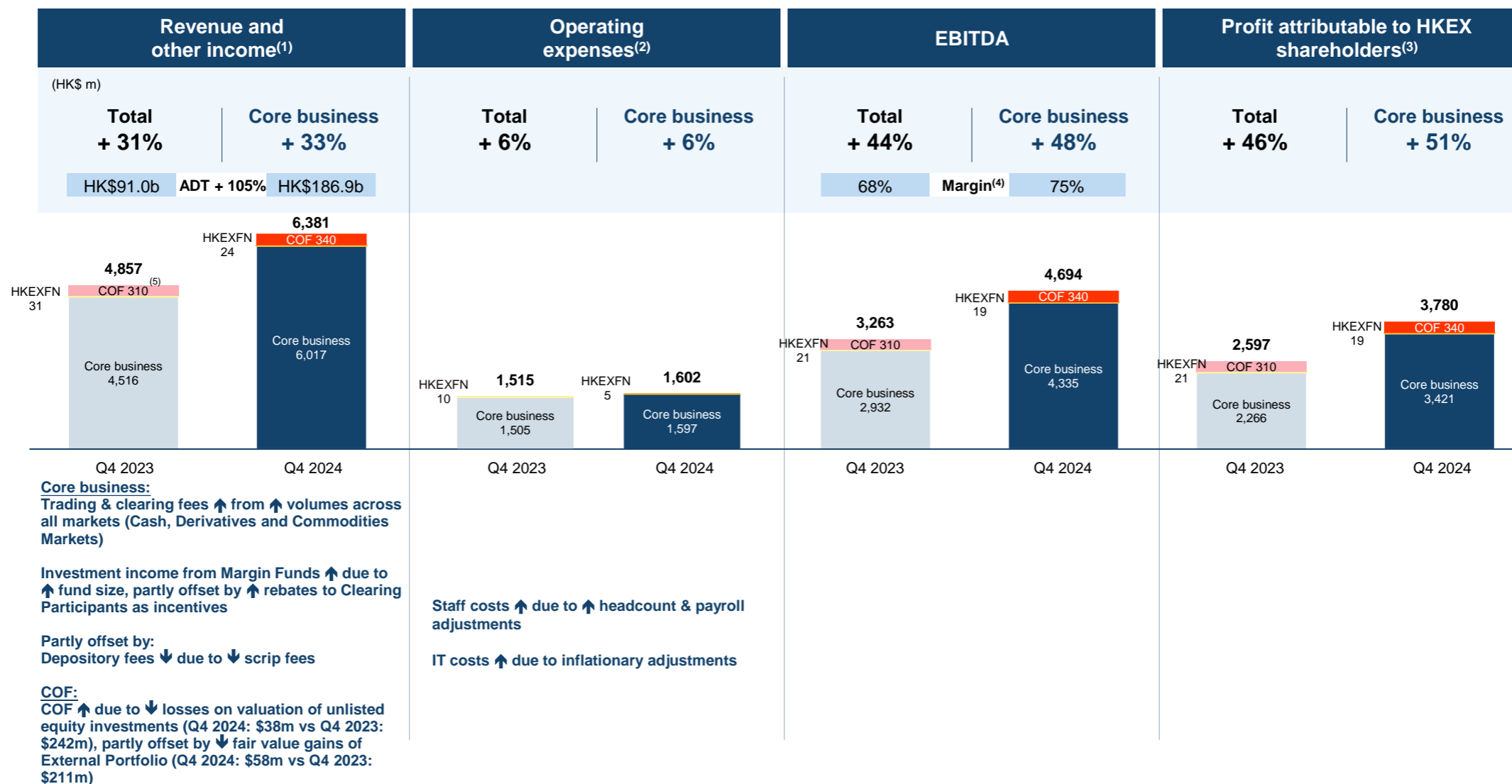
1st interim : HK\$4.36 (paid)  
2nd interim: HK\$4.90 (↑25% YoY)  
Full Year : HK\$9.26 (↑10% YoY)



1. All percentage changes are computed based on amounts reported in financial statements  
2. Core business revenue represents total revenue and other income, excluding net investment income of Corporate Funds and donation income of HKEX Foundation (HKEXFN)  
3. Represents gross revenue and other income before deducting transaction-related expenses

Q4 2024 vs Q4 2023

# Profit rose 46% on vibrant Cash Market and record Northbound and Southbound Connect volumes

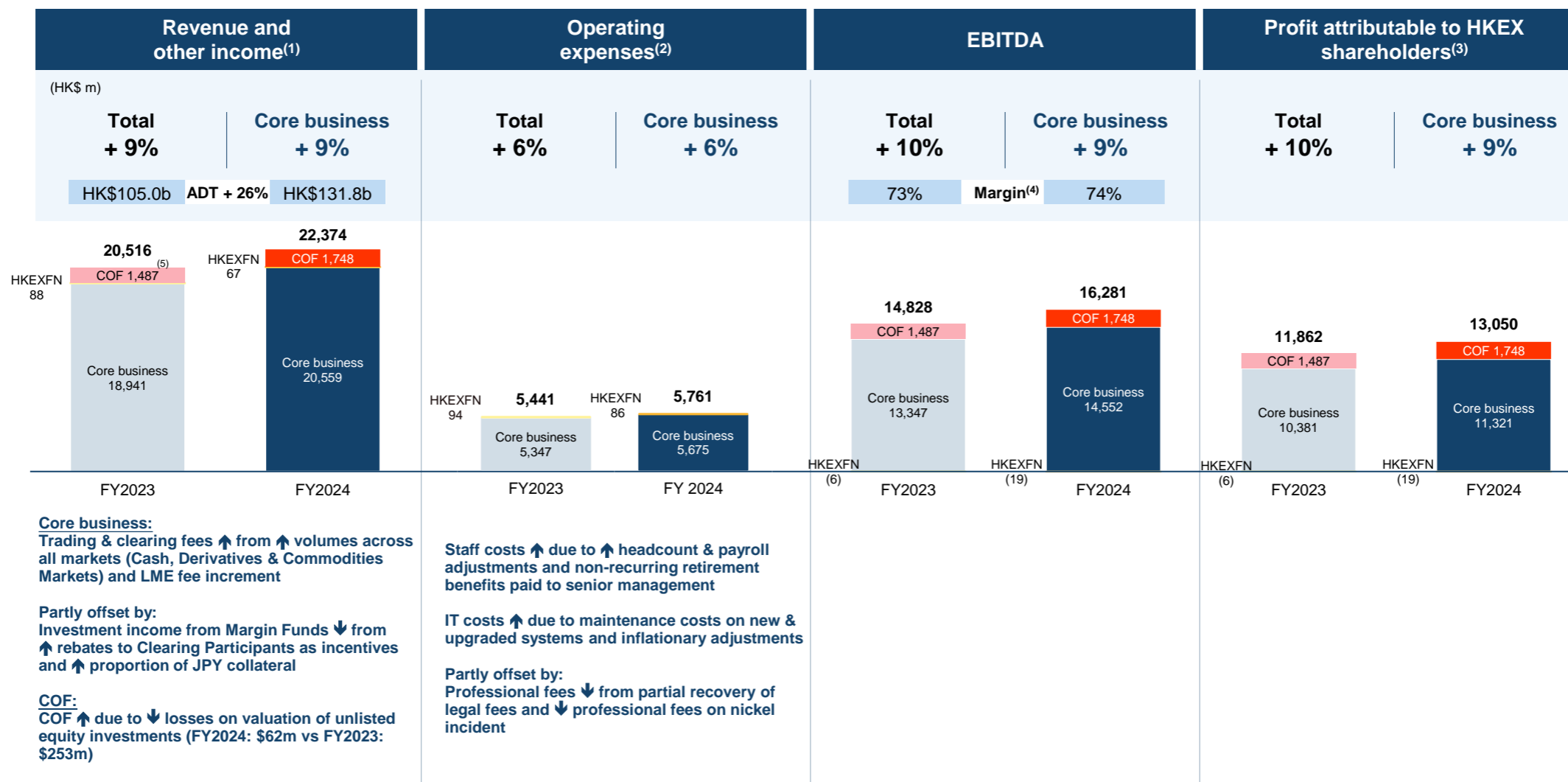


1. Represents gross revenue and other income before deducting transaction-related expenses (Q4 2024: \$85m; Q4 2023: \$79m)
2. Excludes transaction-related expenses, depreciation & amortisation, finance costs and share of results of joint ventures
3. For the purpose of this presentation, tax impact of COF is not considered when calculating the PAT attributable to COF
4. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses
5. COF represents net investment income of Corporate Funds



FY2024 vs FY2023

# Best-ever revenue and profit on higher volumes in Cash, Derivatives and Commodities Markets



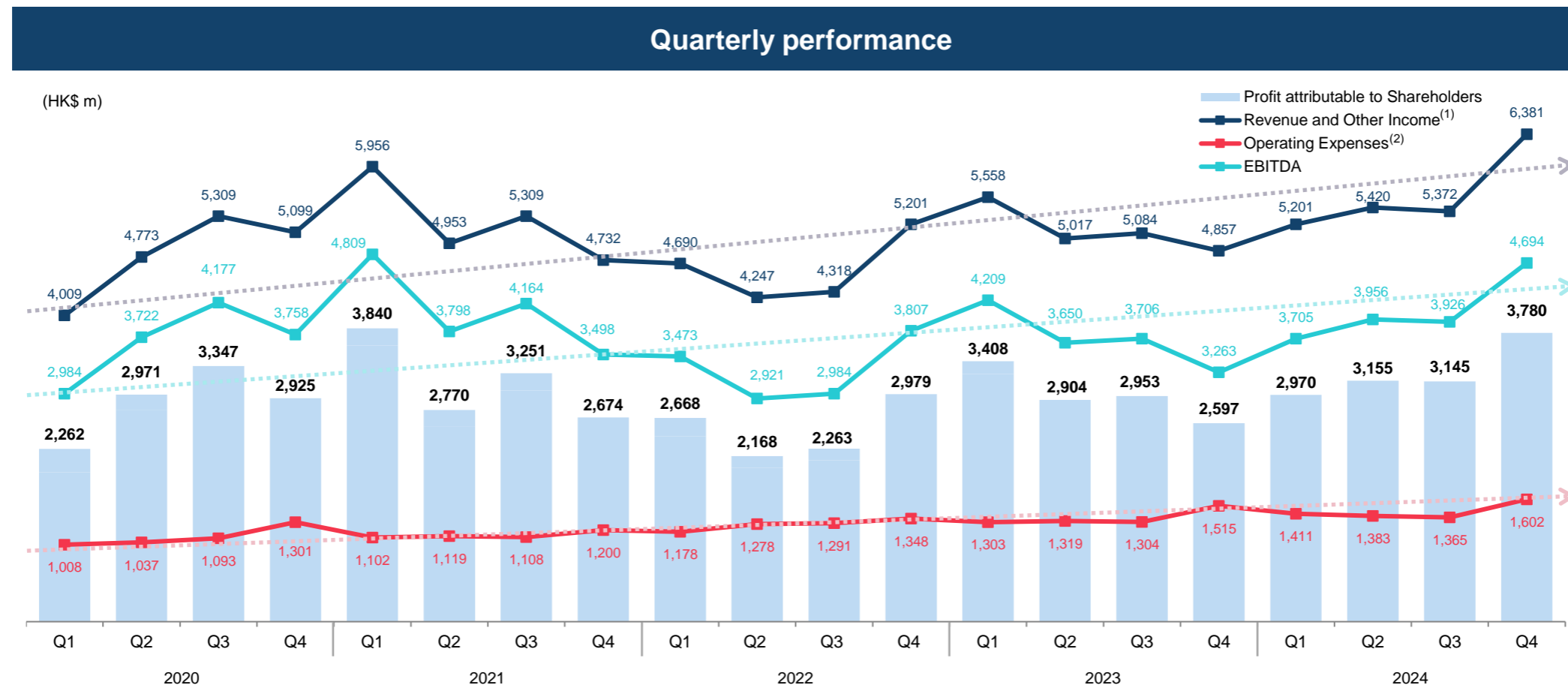
1. Represents gross revenue and other income before deducting transaction-related expenses (FY2024: \$332m; FY2023: \$247m)
2. Excludes transaction-related expenses, depreciation & amortisation, finance costs and share of results of joint ventures
3. For the purpose of this presentation, tax impact of COF is not considered when calculating the PAT attributable to COF
4. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses
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## Quarterly performance

# Q4 2024 performance above historical trendline, supported by the vibrant Cash Market



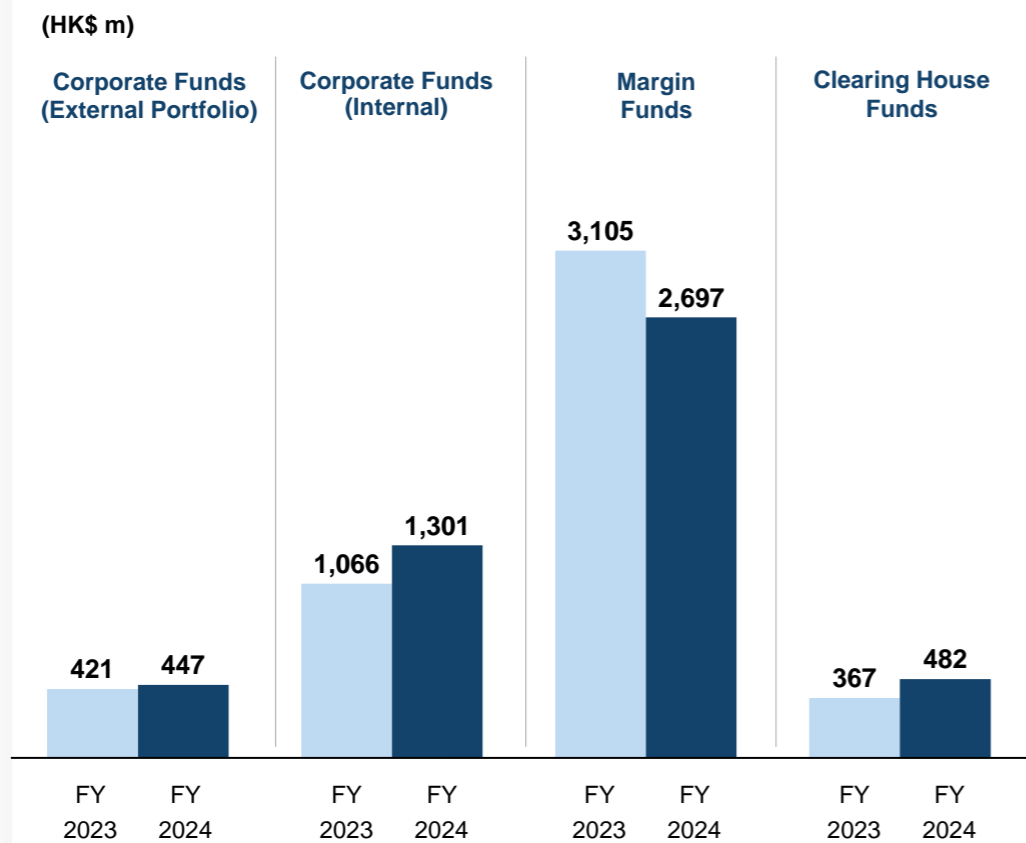
1. Represents gross revenue and other income before deducting transaction-related expenses
2. Exclude transaction-related expenses, depreciation & amortisation, finance costs, share of results of joint ventures, and certain exceptional costs
3. Dotted trend lines are illustrative and do not constitute a forward forecast

## Net investment income (NII) – FY2024 vs FY2023

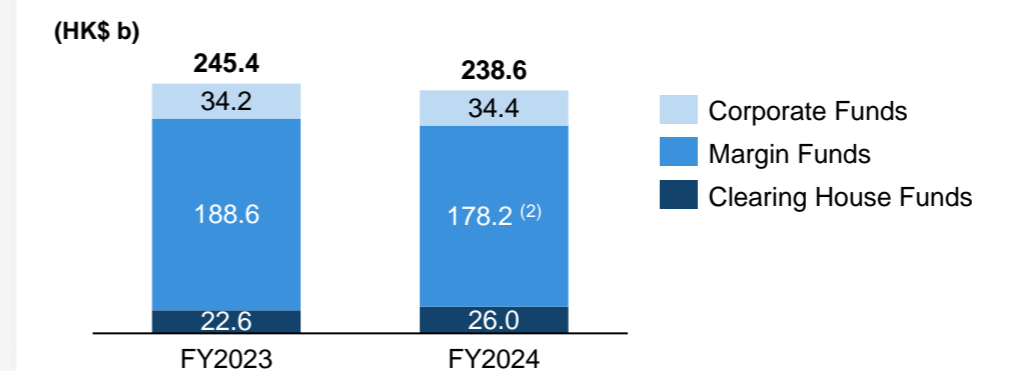
# NII & aggregate average fund sizes remained stable

FY2024: HK\$4,927m (FY2023: HK\$4,959m)

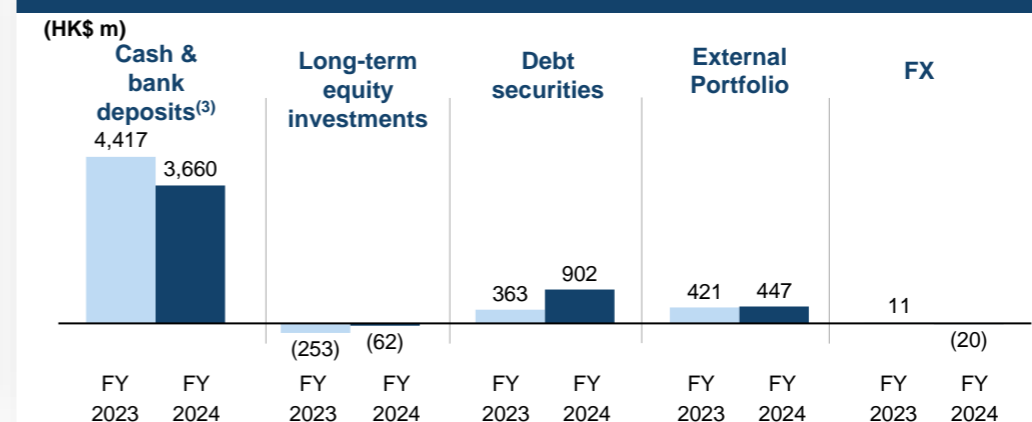
### Net investment income by funds



### Average fund size



### Net investment income by category of investments



**FY2024 External Portfolio gains up 6% YoY**

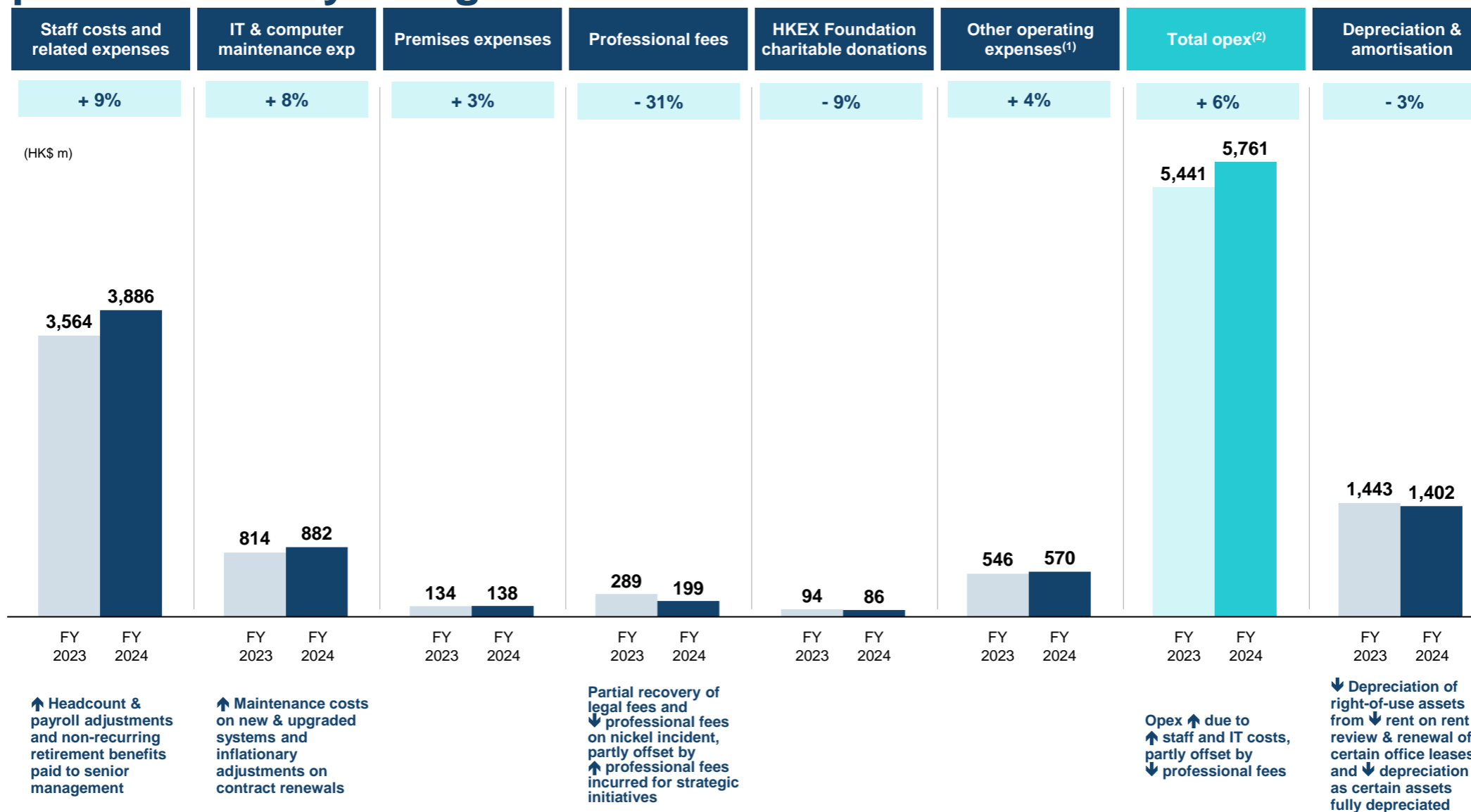
**Margin Funds NII down 13% YoY in FY2024 due mainly to increased incentives to attract volumes and increased proportion of JPY collateral**

1. Margin Funds and Clearing House Funds of LME Clear are mainly invested in overnight reverse repurchase investments, where high quality assets are held against such investments as collateral. In Hong Kong, Clearing House Funds are predominantly kept overnight or invested in Exchange Fund Bills issued by the Hong Kong Monetary Authority due to regulatory requirements. For Margin Funds, a certain proportion of the funds are kept overnight to meet withdrawal requests from Clearing Participants (approximately 29% as at 31 Dec 2024), a certain proportion is invested in investment grade debt securities with maturity of over 12 months (approximately 6% as at 31 Dec 2024) and the remaining funds are invested in debt securities and time deposits with maturity of up to 12 months (weighted original maturity of 10 months as at 31 Dec 2024)
2. FY2024 Margin Funds dropped due to the decrease in LME Clear Margin Funds (FY2024: \$69.1b; FY2023: \$79.6b)
3. Includes foreign exchange swaps



## Operating expenses and depreciation & amortisation – FY2024 vs FY2023

# Opex up 6% due mainly to prudent control, lower professional fees and partial recovery of legal fees from nickel incident



1. Includes product marketing and promotion expenses  
 2. Excludes transaction-related expenses, depreciation & amortisation, finance costs, and share of results of joint ventures

# Business and Strategic Update

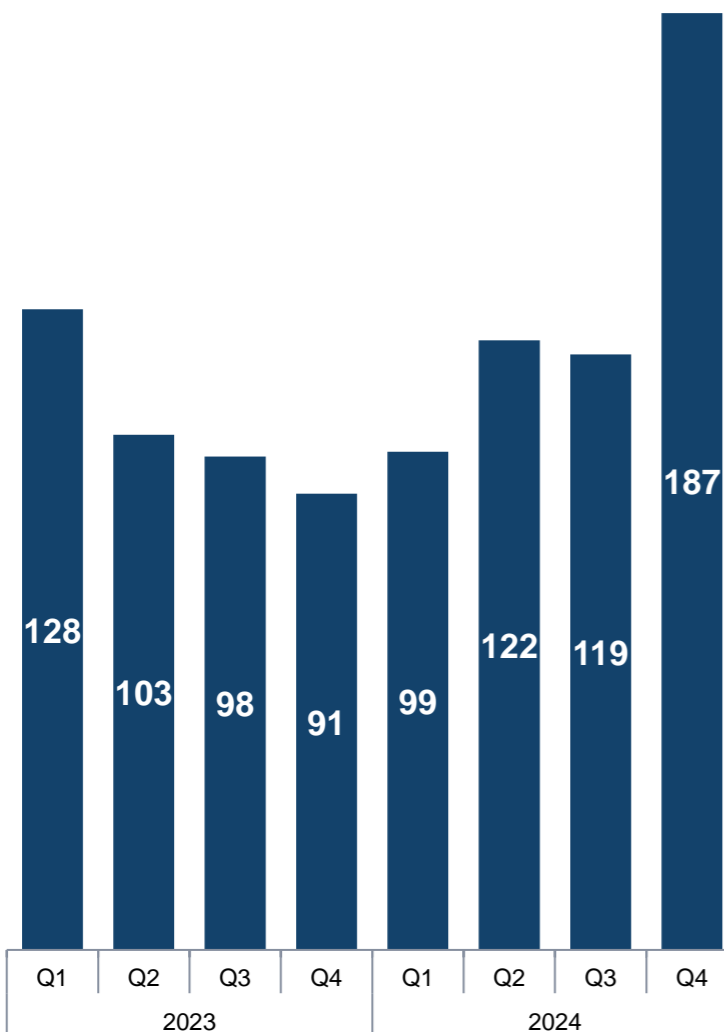


# Strong performance in 2024

★ : record high in 2024

## Cash Market demonstrated resilience

Average Daily Turnover (ADT)  
Value (HK\$ b)



## Strategic diversification continues to pay off

### ★ Derivatives

Record high ADV of 1.6m contracts  
(up 15% YoY)

### LME

ADV 664,000 lots  
(up 18% YoY)

## Connect programmes going from strength to strength

### ★ Stock Connect

Revenue HK\$2.7b (up 24% YoY). **Record high**  
for both NB ADT of RMB150.1b (up 39% YoY)  
& SB ADT of HK\$48.2b (up 55% YoY)

### ★ Bond Connect<sup>(1)</sup>

**Record high** NB ADT of RMB41.6b  
(up 4% YoY)

### ★ ETF Connect<sup>(1)</sup>

**Record high** NB ADT of RMB2.0b,  
SB ADT HK\$2.4b

### Swap Connect<sup>(2)</sup>

ADT of RMB15b

## 2H 2024 IPO fundraising more than five times that of 1H 2024

### IPO Funds Raised<sup>(3)</sup>

71 listings with HK\$88.0b funds raised  
(up 90% YoY)



Source: HKEX

1. Bond Connect was launched in Jul 2017 while ETF Connect was launched in Jul 2022
2. With the significant contribution from Swap Connect that was launched in May 2023, OTC Clear's clearing volume reached a record high of US\$1,199b in 2024 (up 142% YoY)
3. In Sep 2024, HKEX welcomed Midea Group Co. Ltd., which raised over HK\$30b, marking HK's largest IPO since Feb 2021, Asia's largest and the world's second-largest IPO in 2024



# New products, microstructure enhancements and expanded client engagement drive continued robust growth of derivatives

## Execution of key market development initiatives

### Product Launch (2024 ADV)

#### HS TECH Index Suite

- 2020: Futures (118.7k)
- 2021: Options (3.8k)
- 2022: Futures Options (2.6k)

#### Weekly Options

- 2019: HSI (15.4k) & HSCEI (3.5k)
- 2024: HS TECH Index (0.8k)
- 2024: 10 single stocks (59.5k)

#### MSCI Suite

- 2020: Asia & Emerging Markets (12.3k)<sup>(1)</sup>
- 2021: China A50 Connect (14.5k)

### Microstructure Enhancements

#### Self-Match Prevention

- 2019: Launched
- 2024: New enhanced services

#### Trading Days / Hours

- 2022 & 2024: Holiday Trading<sup>(2)</sup>
- 2022: Trading hours extension for MSCI products

#### Severe Weather Trading

- 2024: Implemented

### Expanding Sales Coverage

#### New Office Opening

- 2023: New York & London

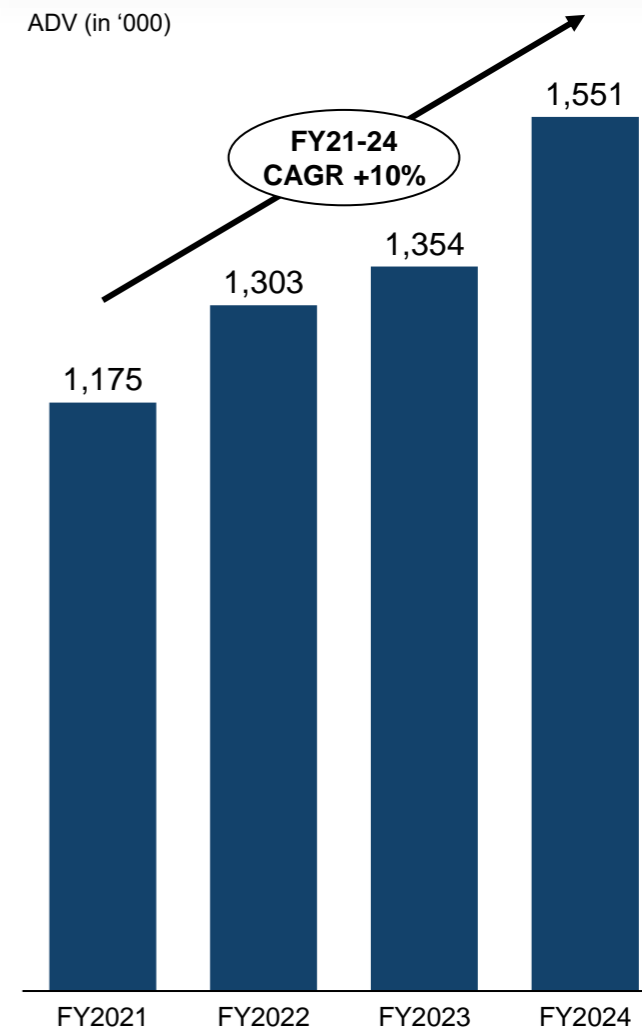
### Incentive Programmes

#### USD/CNH & MSCI Futures

- 2024: Cash Liquidity Provider Incentive, Cash Active Trader & Open Interest Growth programmes

## Derivatives ADV hits fresh record

ADV (in '000)



Source: HKEX

1. ADV includes MSCI AC Asia ex Japan NTR Index Futures which was launched in 2018
2. Derivatives Holiday Trading for 44 non-HKD denominated MSCI products in 2022 and additional 9 currency futures & options contracts in 2024

# Strong strategic progress in 2024

## Build on our China strength

- Connect programmes' enhancement and expansion
- Integrate China strategy across business
- Creating more China opportunities for investors

- REITs inclusion in Stock Connect announced (Apr)
- Swap Connect enhancements implemented (May)
- ETF Connect eligibility relaxation took effect (Jul)
- Swap Connect collateral expansion announced (Dec)

## Explore new adjacent businesses

- Expand to adjacencies beyond the core
- Take measured risks to build new businesses
- Leverage on data

- HKEX Virtual Asset Index Series launched (Nov)
- Hang Seng HKEX Stock Connect Index launched (Nov)
- HKEX Data Marketplace launched (Dec)



## Enhance market vibrancy

- Provide a liquid and vibrant marketplace
- Grow product, client and issuer ecosystems
- One-stop shop for investors

- Severe Weather Trading implemented (Sep)
- Minimum spreads reduction consultation concluded (Dec)
- IPO Price Discovery & Open Market Requirements optimisation consultation (Dec)

## Build future-ready technology & operations

- Unlock operational efficiencies and new business opportunities
- Address evolving client preferences and expectations

- In-house development of ODP<sup>(1)</sup> announced (Apr)
- Enhancement of OCP<sup>(2)</sup> announced (Dec)
- Technology for Cash market clearing & settlement platform T+1 ready by end 2025



1. Orion Derivatives Platform  
2. Orion Cash Platform

# Looking ahead

- **The market vibrancy in 2024 once again reinforced Hong Kong's position as a leading international financial centre.** With the renewed enthusiasm from September 2024, we saw a number of fresh all-time records across our Cash and Derivatives markets. This in turn helped HKEX report its highest-ever annual revenue and profit.
- **Hong Kong's IPO market activity continues to gain traction following a sharp rise in IPO fundraising volumes in 2H 2024,** with many new applications filed, including those of a number of A-share companies.
- **LME recorded strong growth in 2024, driven by volume growth and higher fees.** The addition of Hong Kong as a warehouse location will further solidify LME's global connectivity, linking the international market participants to the metals hubs of Mainland China.
- **We are cautiously optimistic in our 2025 outlook, though macro uncertainties persist.** There has been renewed interest in trading and IPOs in Hong Kong so far in the year, but geopolitical and economic headwinds remain, and could contribute to more volatility in global markets.
- **Internally managed investment income in 2025** will continue to be impacted by likelihood of further interest rate cuts, while the derisking of our External Portfolio at the end of 2024 should reduce volatility on HKEX earnings going forward. Higher amortisation from launch of new LME trading platform, as well as new tax rules, will also weigh on HKEX earnings this year.
- **We remain steadfast in our commitment to further enhancing the vibrancy, resilience and competitiveness of our markets.** In coming months, we look forward to implementing **Phase 1 of the minimum spreads reduction**, the publication of a **white paper on an optimal settlement cycle for Hong Kong**, as well as the conclusions to the consultation on **optimising IPO Price Discovery**. These are important steps that will help us continually futureproof our business.







Thank you



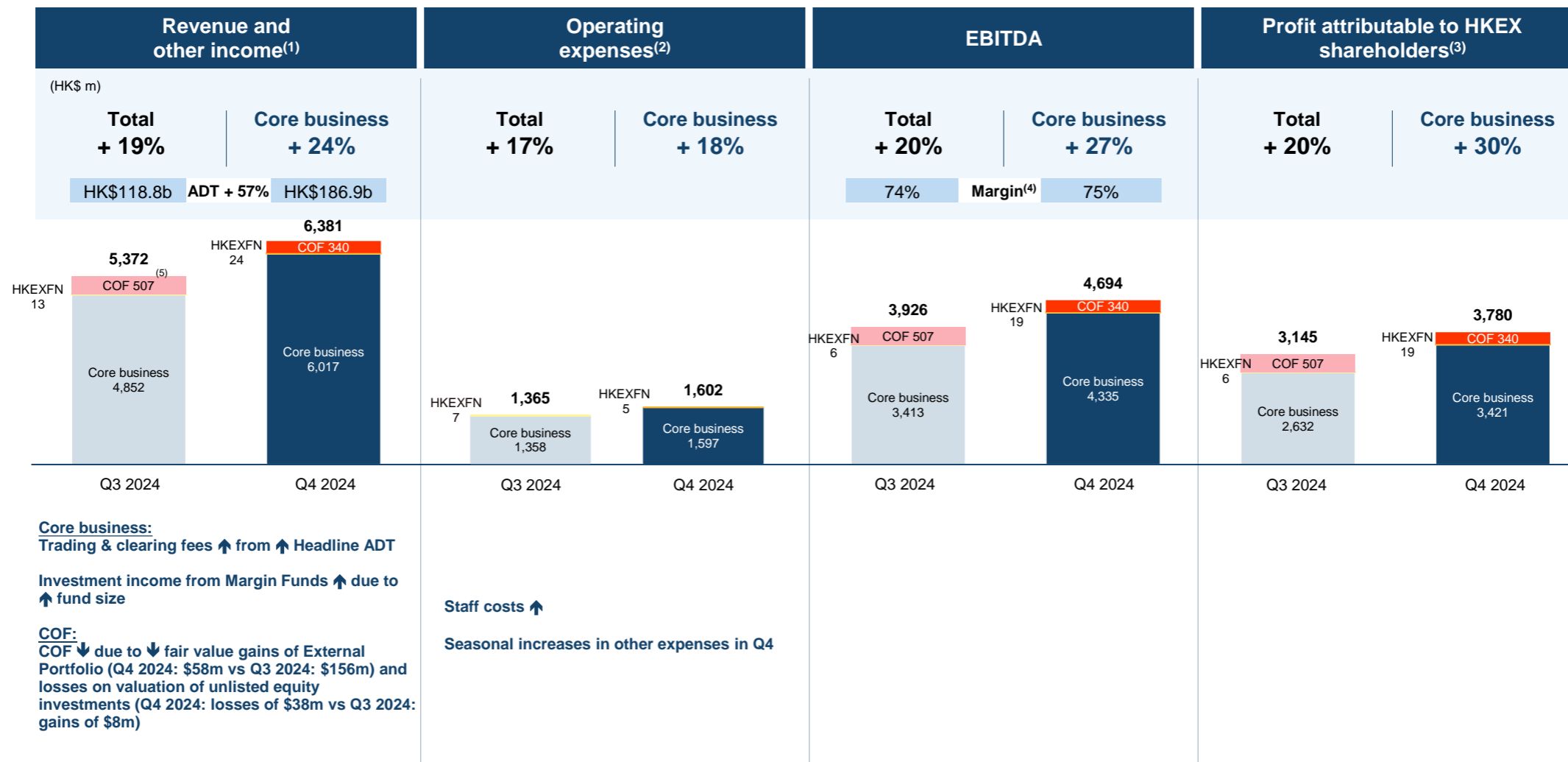
# Appendix





Q4 2024 vs Q3 2024

# Record quarterly revenue and Q4 profit driven by surge in volumes in Cash and Derivatives Markets



1. Represents gross revenue and other income before deducting transaction-related expenses (Q4 2024: \$85m; Q3 2024: \$81m)
2. Excludes transaction-related expenses, depreciation & amortisation, finance costs and share of results of joint ventures
3. For the purpose of this presentation, tax impact of COF is not considered when calculating the PAT attributable to COF
4. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses
5. COF represents net investment income of Corporate Funds

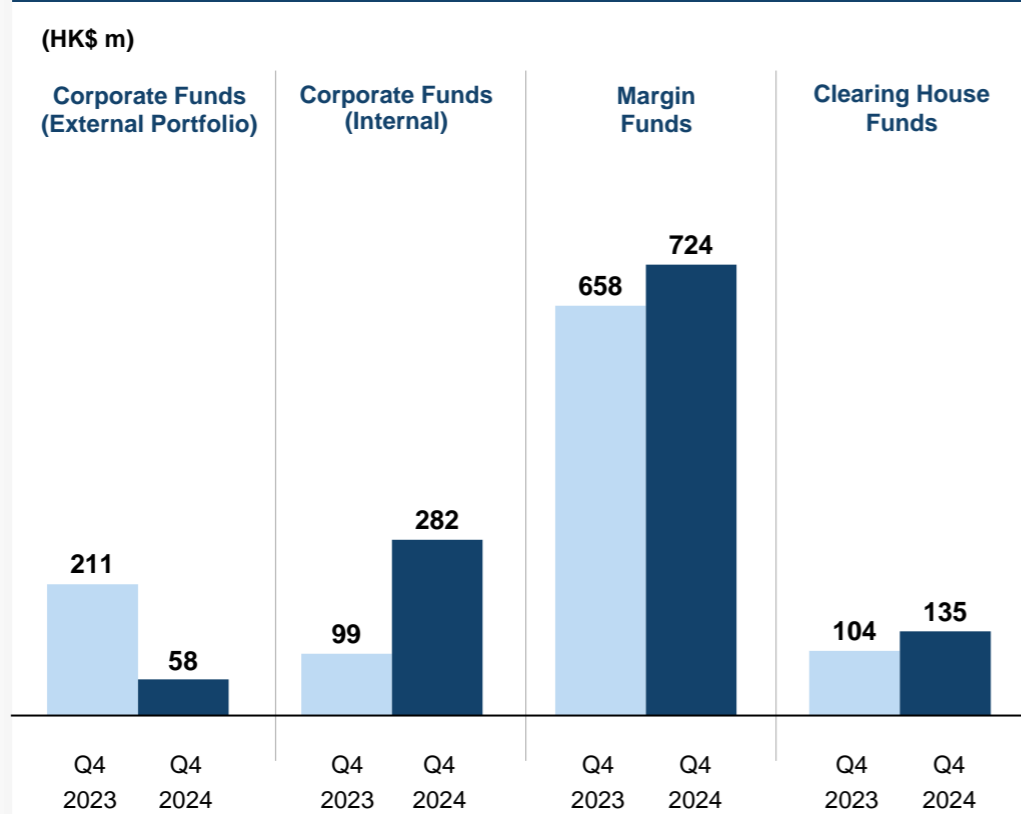


## Net investment income (NII) – Q4 2024 vs Q4 2023

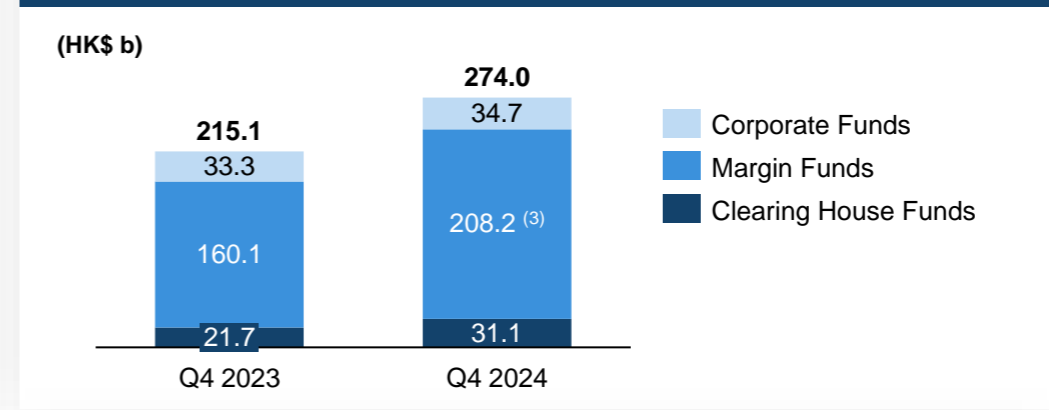
# NII mainly driven by higher Margin Fund size

Q4 2024: HK\$1,199m (Q4 2023: HK\$1,072m)

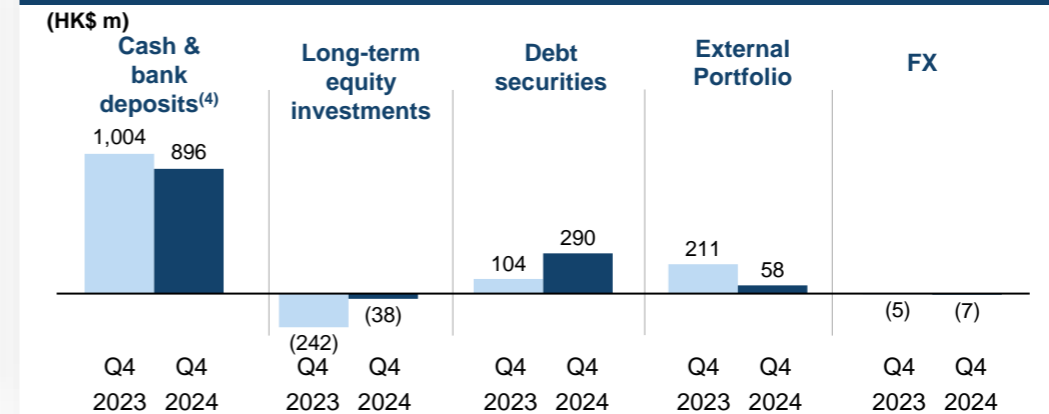
### Net investment income by funds



### Average fund size



### Net investment income by category of investments



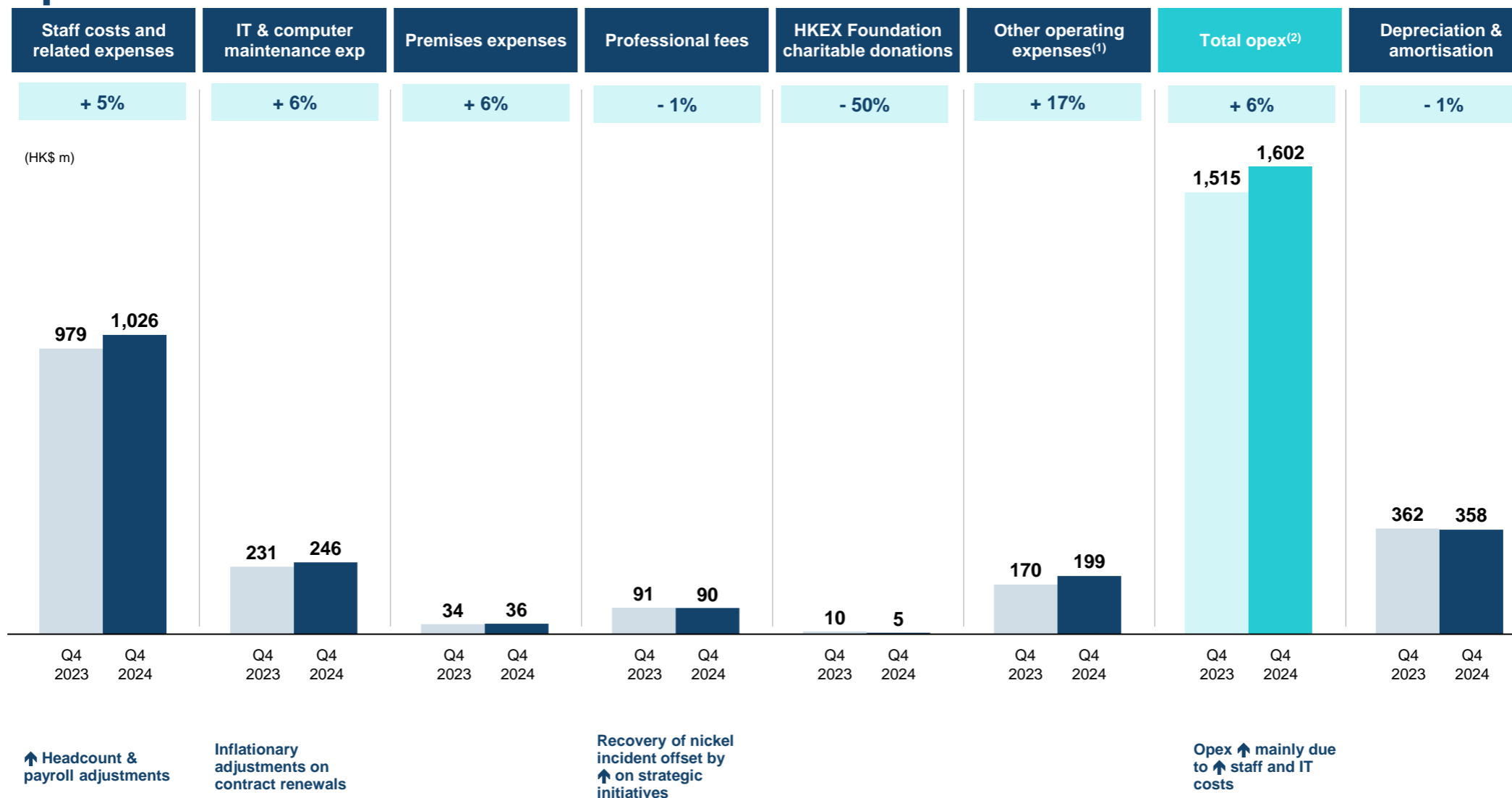
**Q4 2024 External Portfolio gains \$58m (Q4 2023: \$211m)**  
**Margin Funds NII up 10% YoY in Q4 2024 mainly due to ↑ fund size**

- Financial figures on this slide are computed based on financial figures disclosed in FY2024 and YTD Q3 2024 results announcements
- Margin Funds and Clearing House Funds of LME Clear are mainly invested in overnight reverse repurchase investments, where high quality assets are held against such investments as collateral. In Hong Kong, Clearing House Funds are predominantly kept overnight or invested in Exchange Fund Bills issued by the Hong Kong Monetary Authority due to regulatory requirements. For Margin Funds, a certain proportion of the funds are kept overnight to meet withdrawal requests from Clearing Participants (approximately 29% as at 31 Dec 2024), a certain proportion is invested in investment grade debt securities with maturity of over 12 months (approximately 6% as at 31 Dec 2024) and the remaining funds are invested in debt securities and time deposits with maturity of up to 12 months (weighted original maturity of 10 months as at 31 Dec 2024)
- Q4 2024 Margin Funds increased mainly due to the increase in Margin Funds of HK Clearing Houses (Q4 2024: \$141.2b; Q4 2023: \$94.6b)
- Includes foreign exchange swaps



## Operating expenses and depreciation & amortisation – Q4 2024 vs Q4 2023

# Opex up 6% reflecting prudent investments in talent, infrastructure and operational excellence



1. Includes product marketing and promotion expenses  
 2. Excludes transaction-related expenses, depreciation & amortisation, finance costs, and share of results of joint ventures

# Financial highlights – Income Statement

| (HK\$ m, unless stated otherwise)                                 | FY2024        | FY2023        | YoY Change |
|---|---------------|---------------|------------|
| <b>Results</b>  |               |               |            |
| Revenue and other income  | 22,374        | 20,516        | 9%         |
| Less: Transaction-related expenses                                | (332)         | (247)         | 34%        |
| <b>Revenue and other income less transaction-related expenses</b> | <b>22,042</b> | <b>20,269</b> | <b>9%</b>  |
| Operating expenses  | (5,761)       | (5,441)       | 6%         |
| <b>EBITDA</b>   | <b>16,281</b> | <b>14,828</b> | <b>10%</b> |
| Depreciation and amortisation                                     | (1,402)       | (1,443)       | (3%)       |
| <b>Operating profit</b>   | <b>14,879</b> | <b>13,385</b> | <b>11%</b> |
| Finance costs and share of results of joint ventures              | (26)          | (53)          | (51%)      |
| <b>Profit before taxation</b>                                     | <b>14,853</b> | <b>13,332</b> | <b>11%</b> |
| Taxation  | (1,698)       | (1,351)       | 26%        |
| Profit attributable to non-controlling interests                  | (105)         | (119)         | (12%)      |
| <b>Profit attributable to HKEX shareholders</b>                   | <b>13,050</b> | <b>11,862</b> | <b>10%</b> |
| <b>Capex</b>  | <b>1,517</b>  | <b>1,381</b>  | <b>10%</b> |
| <b>Basic earnings per share (HK\$)</b>                            | <b>10.32</b>  | <b>9.37</b>   | <b>10%</b> |
| <b>Headline ADT on the Stock Exchange (HK\$ b)</b>                | <b>131.8</b>  | <b>105.0</b>  | <b>26%</b> |



# Performance by operating segment

| HK\$ m  | Cash           | Derivatives  | Commodities    | Data and Connectivity | Corporate Items | Group FY2024   | Group FY2023   |
|---|----------------|--------------|----------------|-----------------------|-----------------|----------------|----------------|
| <b>Revenue and other income</b>                                   | <b>9,422</b>   | <b>6,204</b> | <b>2,788</b>   | <b>2,126</b>          | <b>1,834</b>    | <b>22,374</b>  | <b>20,516</b>  |
| <i>% of Group Total</i>   | <i>42%</i>     | <i>28%</i>   | <i>12%</i>     | <i>10%</i>            | <i>8%</i>       | <i>100%</i>    | <i>100%</i>    |
| Less: Transaction-related expenses                                | (9)            | (323)        | -              | -                     | -               | (332)          | (247)          |
| <b>Revenue and other income less transaction-related expenses</b> | <b>9,413</b>   | <b>5,881</b> | <b>2,788</b>   | <b>2,126</b>          | <b>1,834</b>    | <b>22,042</b>  | <b>20,269</b>  |
| <b>Operating expenses</b>   | <b>(1,244)</b> | <b>(891)</b> | <b>(1,214)</b> | <b>(434)</b>          | <b>(1,978)</b>  | <b>(5,761)</b> | <b>(5,441)</b> |
| <b>EBITDA</b>   | <b>8,169</b>   | <b>4,990</b> | <b>1,574</b>   | <b>1,692</b>          | <b>(144)</b>    | <b>16,281</b>  | <b>14,828</b>  |
| <i>% of Group Total</i>   | <i>50%</i>     | <i>31%</i>   | <i>10%</i>     | <i>10%</i>            | <i>(1%)</i>     | <i>100%</i>    | <i>100%</i>    |
| <i>EBITDA margin<sup>(1)</sup></i>                                | <i>87%</i>     | <i>85%</i>   | <i>56%</i>     | <i>80%</i>            | <i>N/A</i>      | <i>74%</i>     | <i>73%</i>     |
| Depreciation and amortisation                                     |                |              |                |                       |                 | (1,402)        | (1,443)        |
| Finance costs   |                |              |                |                       |                 | (114)          | (135)          |
| Share of results of joint ventures                                |                |              |                |                       |                 | 88             | 82             |
| <b>Profit before taxation</b>                                     |                |              |                |                       |                 | <b>14,853</b>  | <b>13,332</b>  |

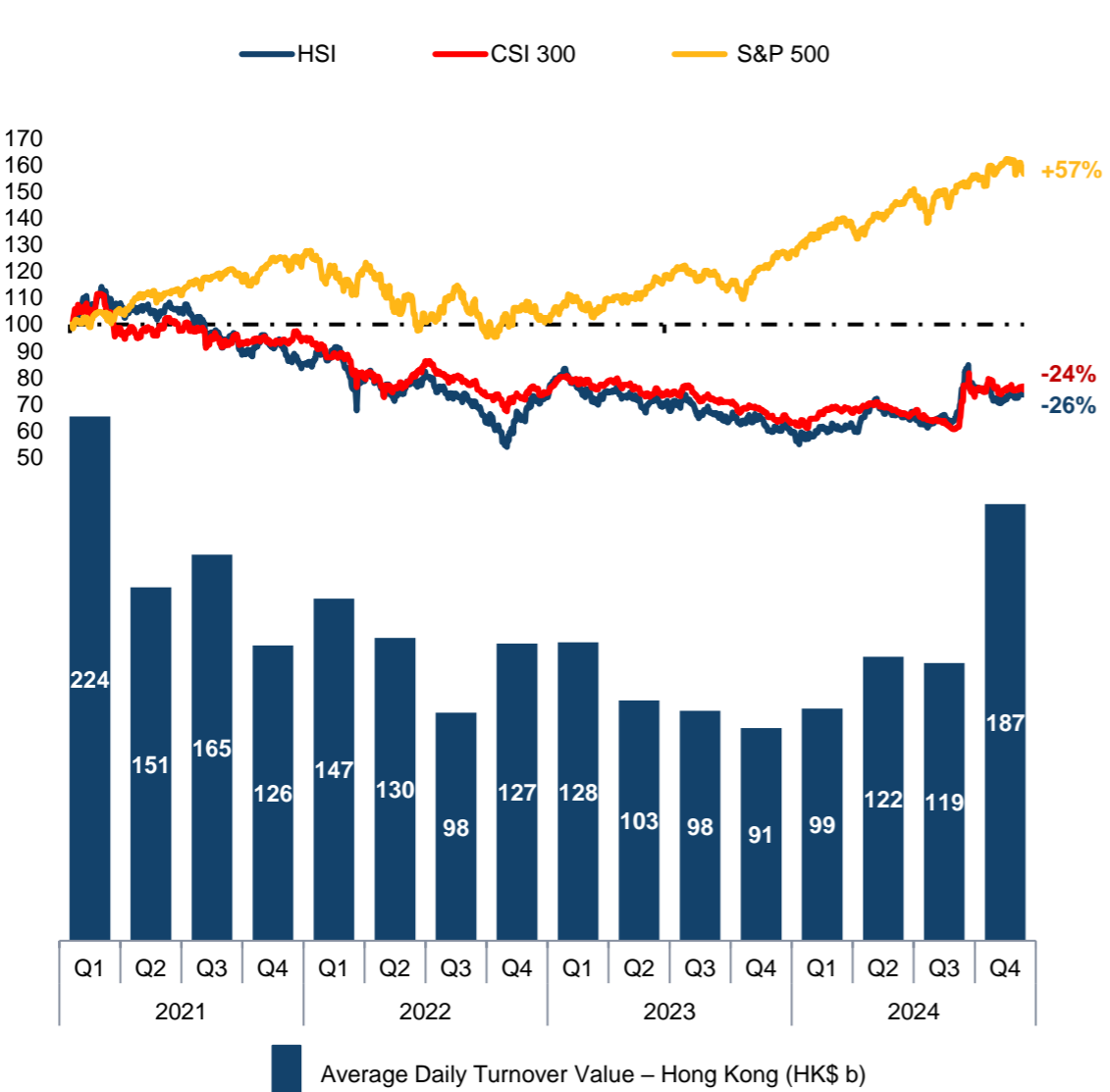


1. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses  
2. % may not add up due to rounding



# Global indices and key market data performance

## Global market comparison



## Key market indicators (Q1 2023 – Q4 2024)

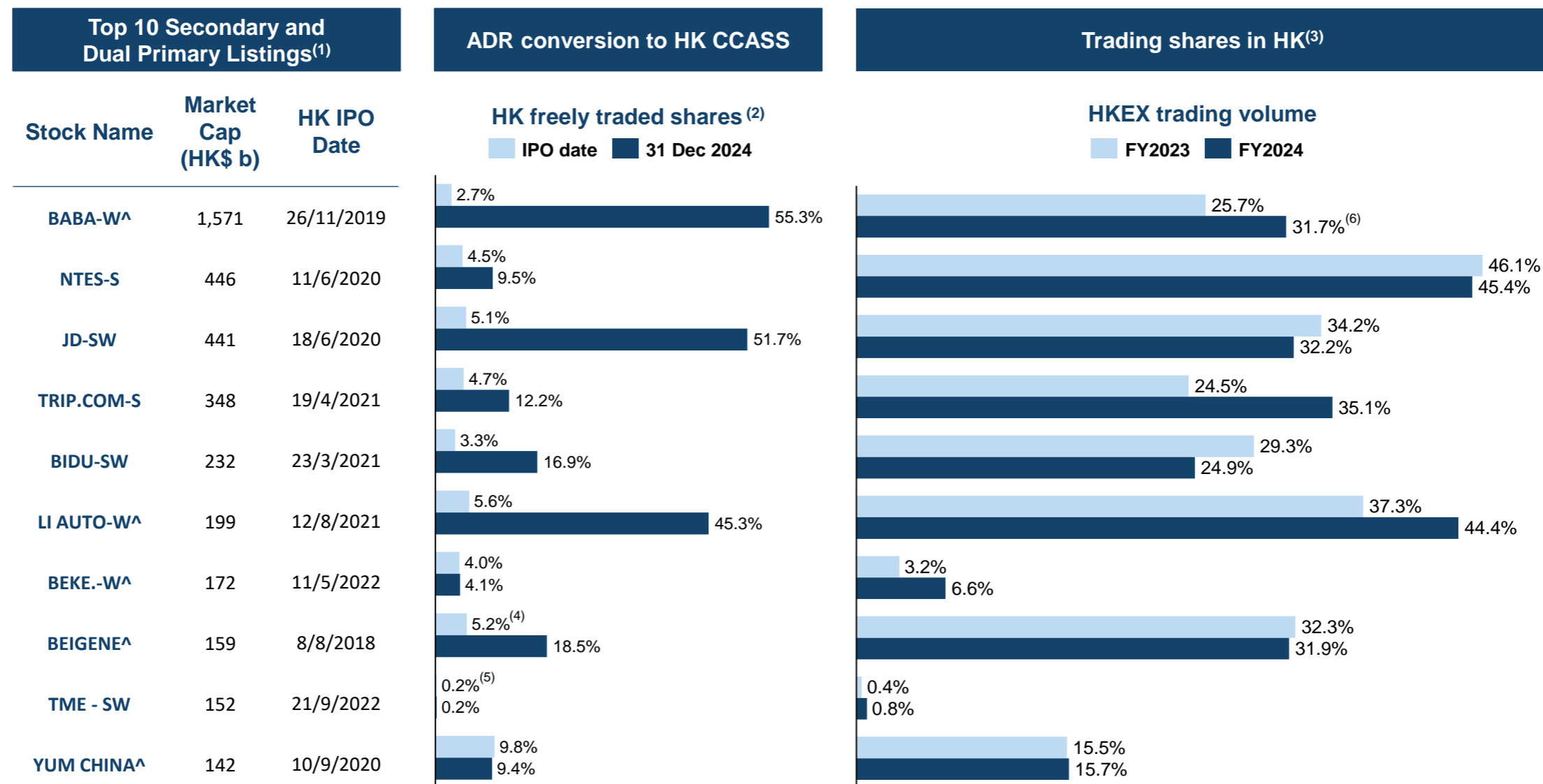
|                                 | Q1 23 | Q2 23 | Q3 23 | Q4 23 | Q1 24 | Q2 24 | Q3 24               | Q4 24 |
|---------------------------------|-------|-------|-------|-------|-------|-------|---------------------|-------|
| Derivative ADV ('000 contracts) | 1,418 | 1,316 | 1,336 | 1,343 | 1,500 | 1,565 | 1,482               | 1,654 |
| NB ADT (RMB b)                  | 97.0  | 122.5 | 106.1 | 108.4 | 133.0 | 127.3 | 110.3               | 231.0 |
| LME ADV ('000 lots)             | 503   | 574   | 548   | 623   | 659   | 730   | 642                 | 628   |
| No. of IPOs                     | 18    | 15    | 14    | 26    | 12    | 18    | 15                  | 26    |
| IPO funds raised (HK\$ b)       | 6.7   | 11.2  | 6.7   | 21.7  | 4.8   | 8.6   | 42.2 <sup>(1)</sup> | 32.4  |



Source: HKEX, Bloomberg

1. In Sep 2024, HKEX welcomed Midea Group Co. Ltd., which raised over HK\$30b, marking HK's largest IPO since Feb 2021, Asia's largest and the world's second-largest IPO in 2024

# Continuous ADR conversion while trading migration moderated from China concept homecoming except Alibaba (converted to Primary)



Source: HKEX, FactSet, Bloomberg, as at 31 Dec 2024 ^Dual Primary Listing

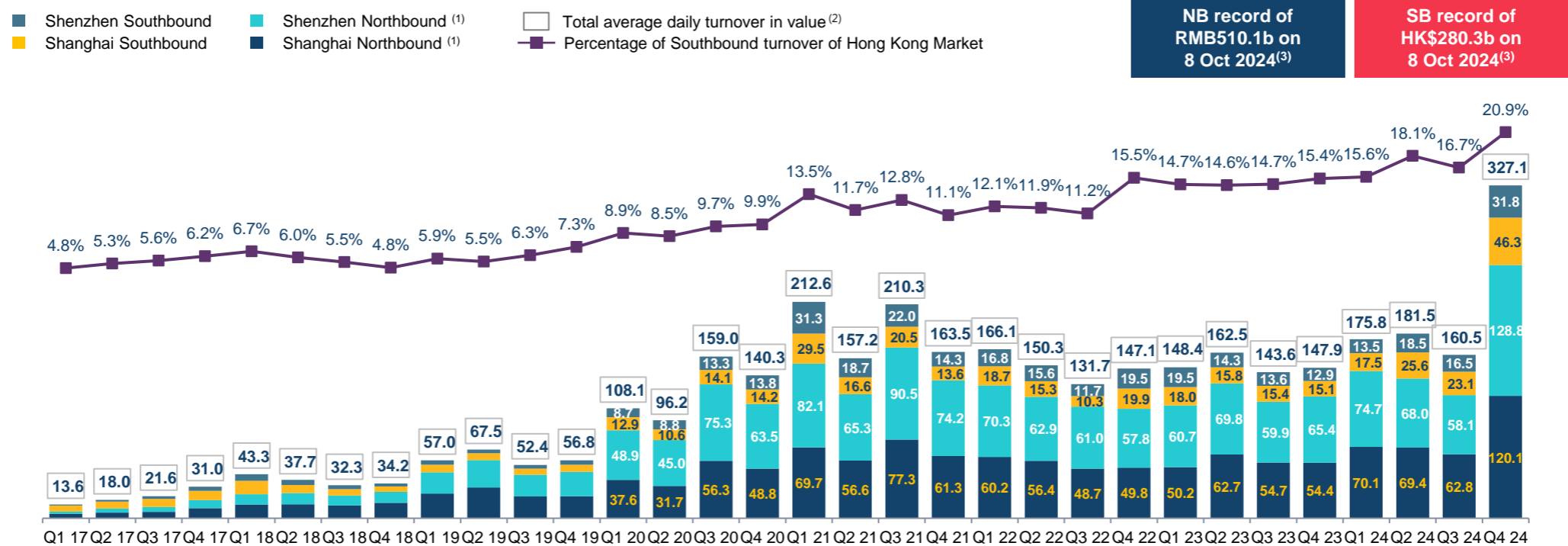
1. Ranked by market cap
2. Based on total CCASS balance deducting the balance of main custodian bank as reference
3. Trading shares in US via various exchanges which include Nasdaq, NYSE, NYSE Arca, FINRA ADF and others. (FINRA ADF is an equity trading facility created by a self-regulatory organization FINRA. The ADF provides members with a facility for the display of quotations, the reporting of trades, and the comparison of trades such as dark pool trading)
4. HK freely traded shares of Beigene (6160.HK) on its IPO date is not available and the earliest data available is as at 14 Jan 2022
5. HK freely traded shares of TME (1698.HK) on its IPO date is not available and the earliest data available is as at 9 Apr 2023
6. Converted to Dual Primary Listing in Aug 2024



# Stock Connect – trading trends

Stock Connect generated revenue of HK\$2,744m in FY2024 (up 24% YoY)

## Stock Connect average daily turnover in value (HK\$ b)



Stock Connect NB and SB Trading ADT reached RMB231.0b (up 113% YoY) and HK\$78.1b (up 179% YoY) respectively in Q4 2024

## Stock Connect revenue contributed 12% of the Group's total revenue and other income in FY2024 (FY2023: 11%)

Source: HKEX, SSE and SZSE data

1. Northbound (NB) trading is conducted in RMB; the NB figures in the chart are converted to HKD based on the month-end exchange rate
2. Includes buy and sell trades. May not add up due to rounding
3. As at 31 Dec 2024

