

Rosenblatt Global Exchange Leader Conference

Loh Boon Chye, Chief Executive Officer

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Singapore Exchange



Who we are

About SGX

- Established in 1999 from the merger of the Stock Exchange of Singapore and Singapore International Monetary Exchange; listed on SGX mainboard in 2000.
- A diversified exchange group that runs key market infrastructure including the Singapore securities market and a pan-Asian derivatives exchange covering all major asset classes.



Anchored in Singapore, Asia's only AAA-rated economy



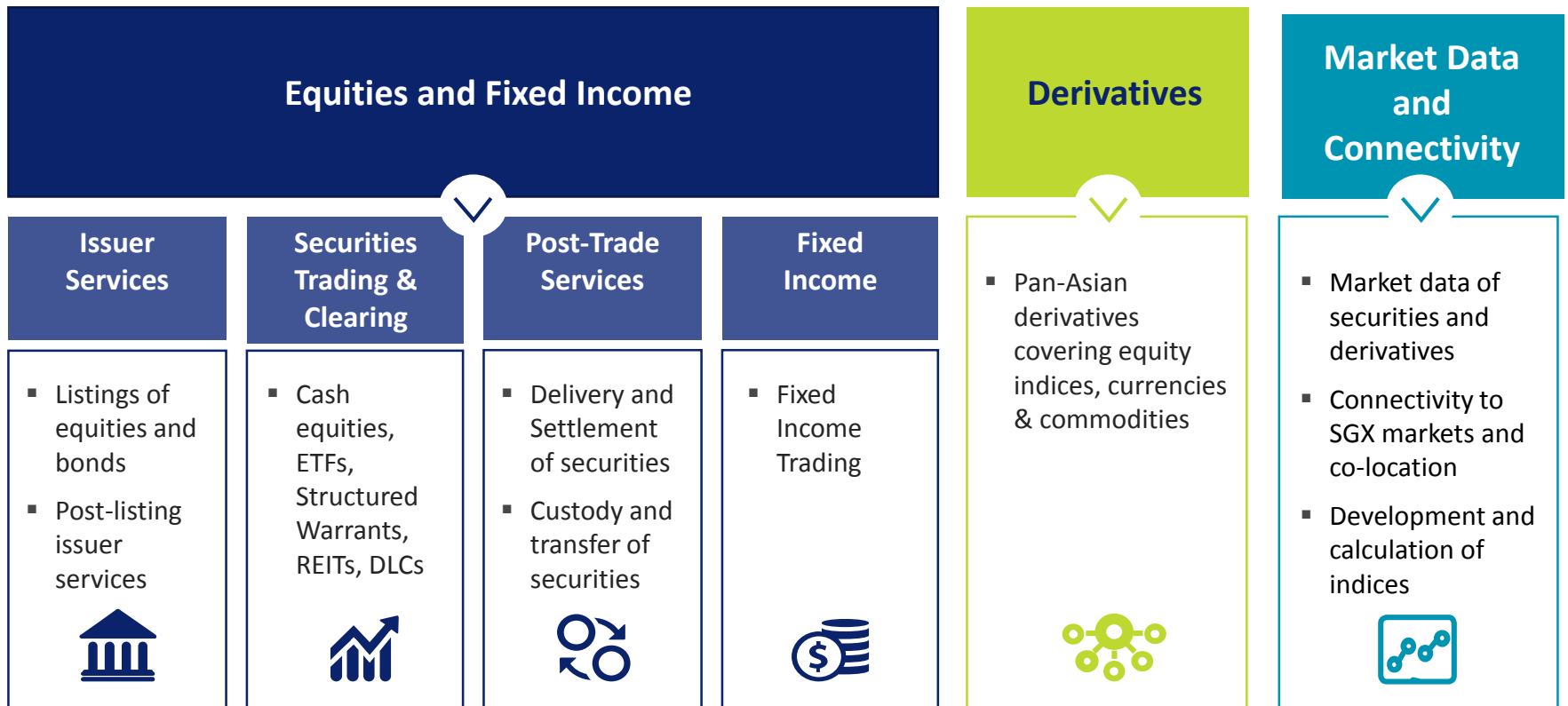
Strong cash-flow and high operating margin



Consistent and growing dividends of 30 cents per share in FY2018 and 28 cents for the preceding 5 years

3 Main Business Lines

- Three business units covering the entire exchange value chain, resulting in diversified and resilient revenue streams.



FY2018 Results

Financial Year 2018 Highlights

- Record Revenue of \$845M; Net profit of \$363M, at 10-year high
- Securities traded value up 12% to \$314B. Record Derivatives traded volume, up 20% to 198M contracts
- Dividend per share – 30 cents, up 2 cents per share; Earnings per Share – 33.9 cents

Revenue

- \$845M
- Up 5%

Expenses

- \$420M
- Up 5%

Operating Profit

- \$425M
- Up 6%

Net Profit

- \$363M
- Up 7%

Securities Trading

- \$314B total traded value
- Up 12%

Derivatives Trading

- 198M contracts
- Up 20%

Earnings Per Share

- 33.9 cents
- Up 7%

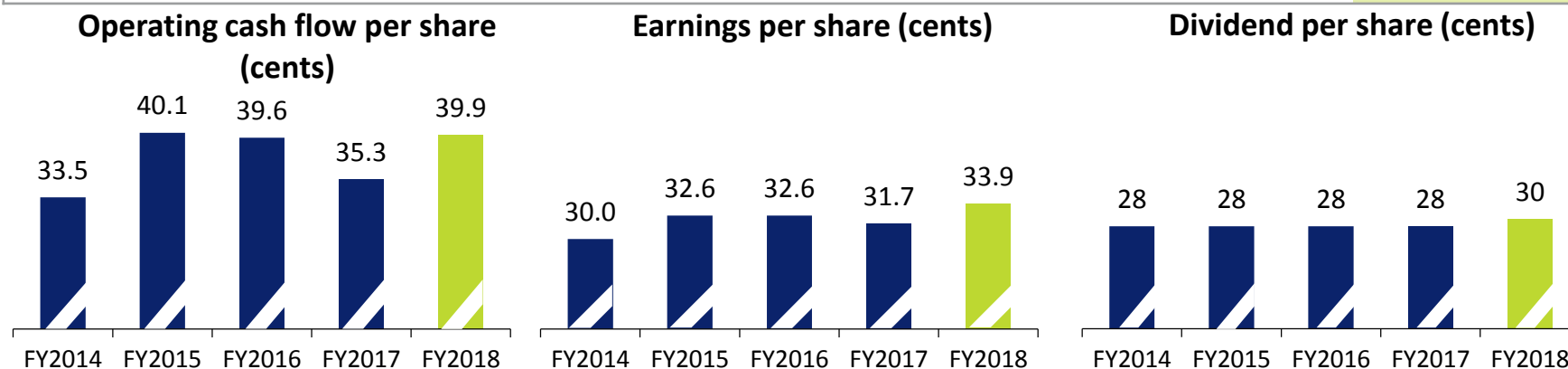
Dividend Per Share

- 30 cents
- Up 2 cents

Key Financial Indicators

- High operating profit margin of 50%
- ROE of 34%

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|-------------------------------|--------|--------|--------|--------|--------|
| Revenue (\$ million) | 686 | 779 | 818 | 801 | 845 |
| Operating profit (\$ million) | 371 | 402 | 409 | 402 | 425 |
| Operating profit margin | 54% | 52% | 50% | 50% | 50% |
| Net profit (\$ million) | 320 | 349 | 349 | 340 | 363 |
| Return on equity | 35% | 37% | 36% | 34% | 34% |



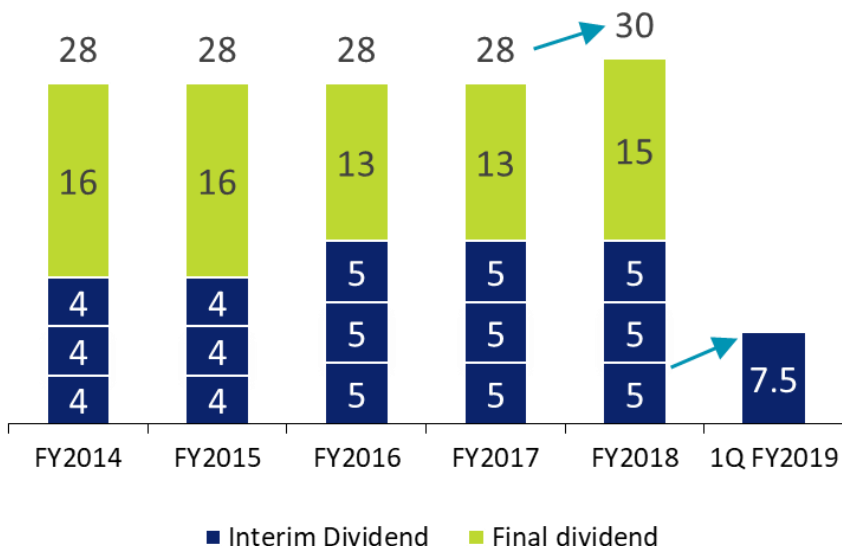
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

Revised Dividend policy to support growth

- Aims to provide sustainable and growing returns for shareholders

5 Year Dividend History

Dividend per share (cents)



¹ Previous dividend policy: For each financial year, the Board aims to pay, as dividend, an amount which is no less than (a) 80% of the annual net profit after tax; or (b) 20 cents per share, whichever is higher.



Aims to pay a sustainable and growing dividend over time, consistent with the company's long-term growth prospects. Dividends will be paid on a quarterly basis and will be at the discretion of the Board¹



Provides flexibility to balance dividend payments with the need to retain earnings to support growth



From FY2019, we aim to pay a higher dividend of 7.5 cents per share each quarter, up 2.5 cents (50%) from 5 cents per share



Shareholders will receive returns earlier. Potential growth in dividends when SGX performs well

Our Focus

FY2019 Strategic Priorities and beyond



- Expand FX product suite
- Enhance Bond Trading Platform
- Develop SGX Cargo and Freight franchise

- Strengthen overseas presence in U.S. and London
- Grow our base of buy-side clients (AM, HFT & PTG)

- Enter into collaborative agreements to grow cross-border flows and enhance service capabilities



Building a Multi-asset exchange – FX Futures

FX

Size of Market



- US\$5.1 trillion traded daily
- Asian NDF, excluding CNH, is a \$73 billion DAV market with the potential to be futurised
- Largest off-exchange (OTC) market globally
- Regulatory trends favour shift to on-exchange trading

Singapore



- US\$500 billion traded daily
- Largest FX center in Asia Pacific, third largest globally
- Leading global trading venue for key Asian currencies

SGX



- 21 currency futures and options contracts
- >70% market share in USD/CNH and > 40% market share in INR/USD
- Calendar year-to-date¹ Notional volume traded of US\$478 B, up 139% over the same period in 2017.

Total Notional Values up to Date

US\$1.40Tn

Aggregate notional value traded since launch (Nov 2013 to Aug 2018)

US\$6.34Bn

Open Interest value (Aug 2018)

Key Highlights

Fastest Growing
232%

Total Volume - CAGR

Nov 13 – Aug 18

Growing number of Participants
89.8%

Number of Participants - CAGR

Nov 13 – Aug 18

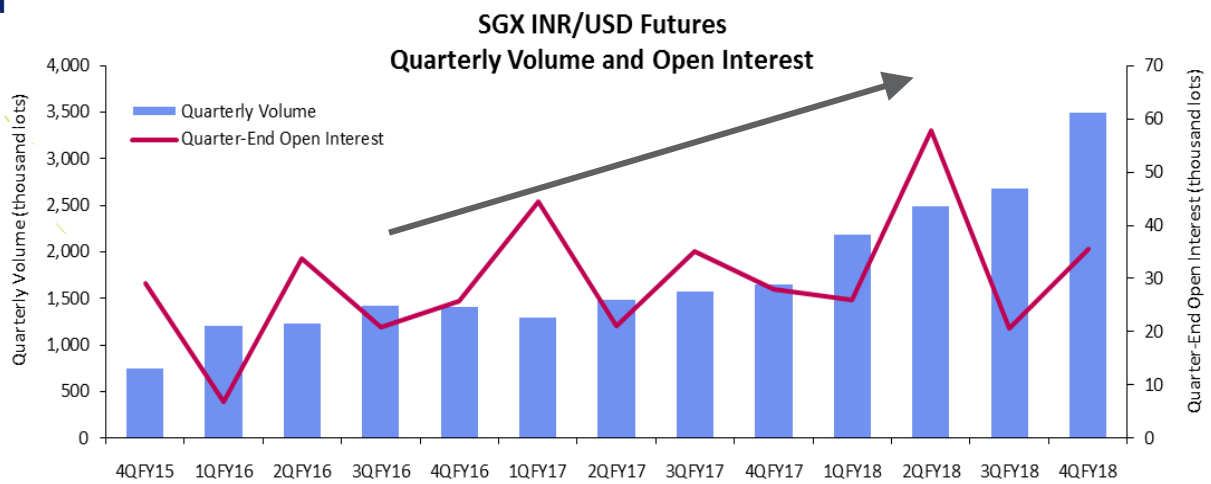
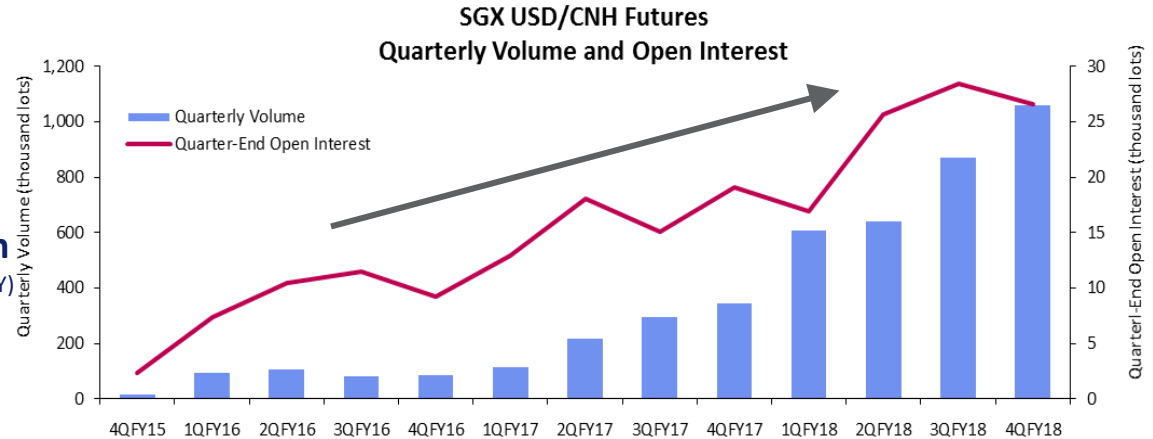
Most diverse Asian FX
19

Futures

2

Options

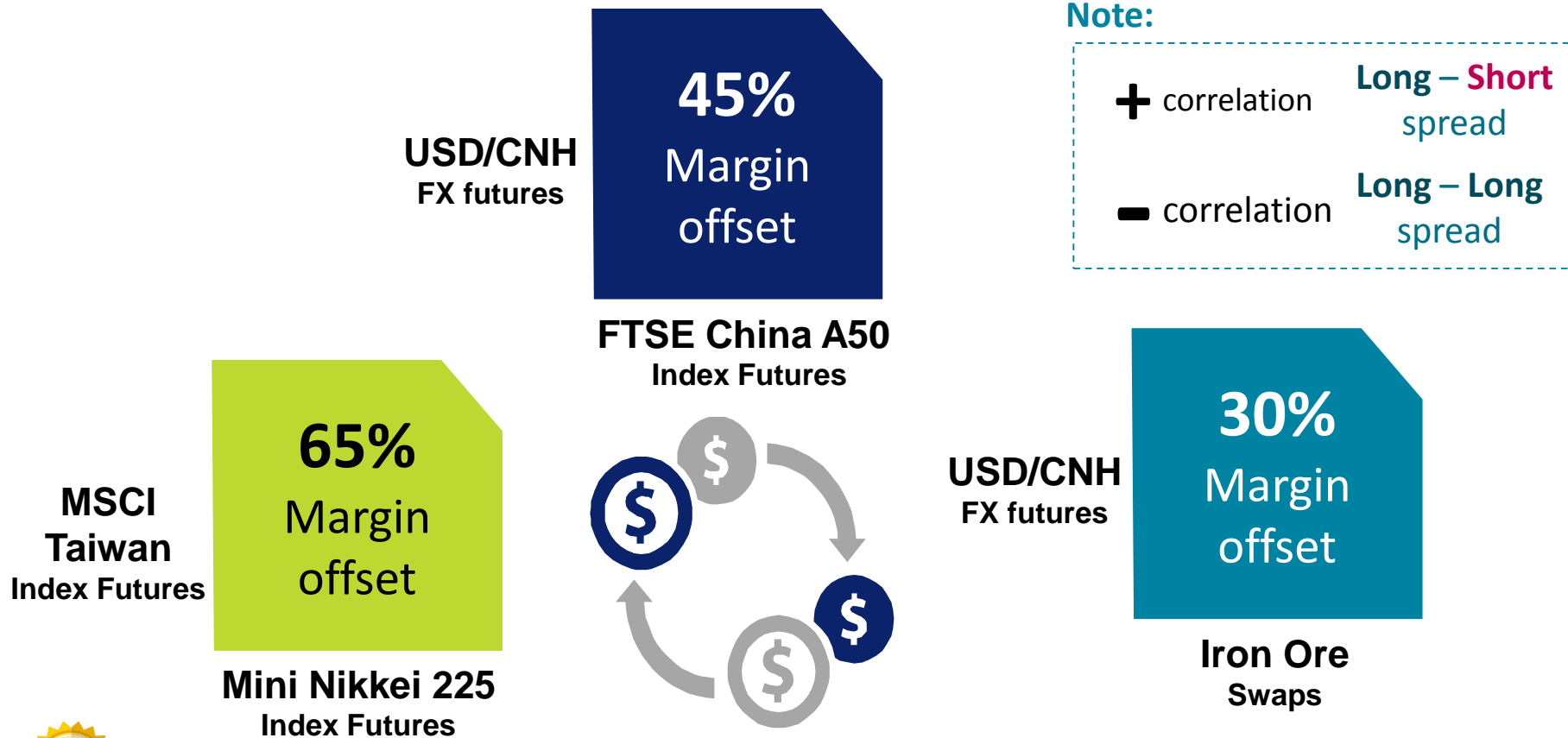
Building a Multi-asset Exchange – Liquid FX Futures



▪ Asia's Best FX Exchange & Clearing House – by FX Week (2018)

Building a Multi-asset Exchange – Cross Margining Efficiencies

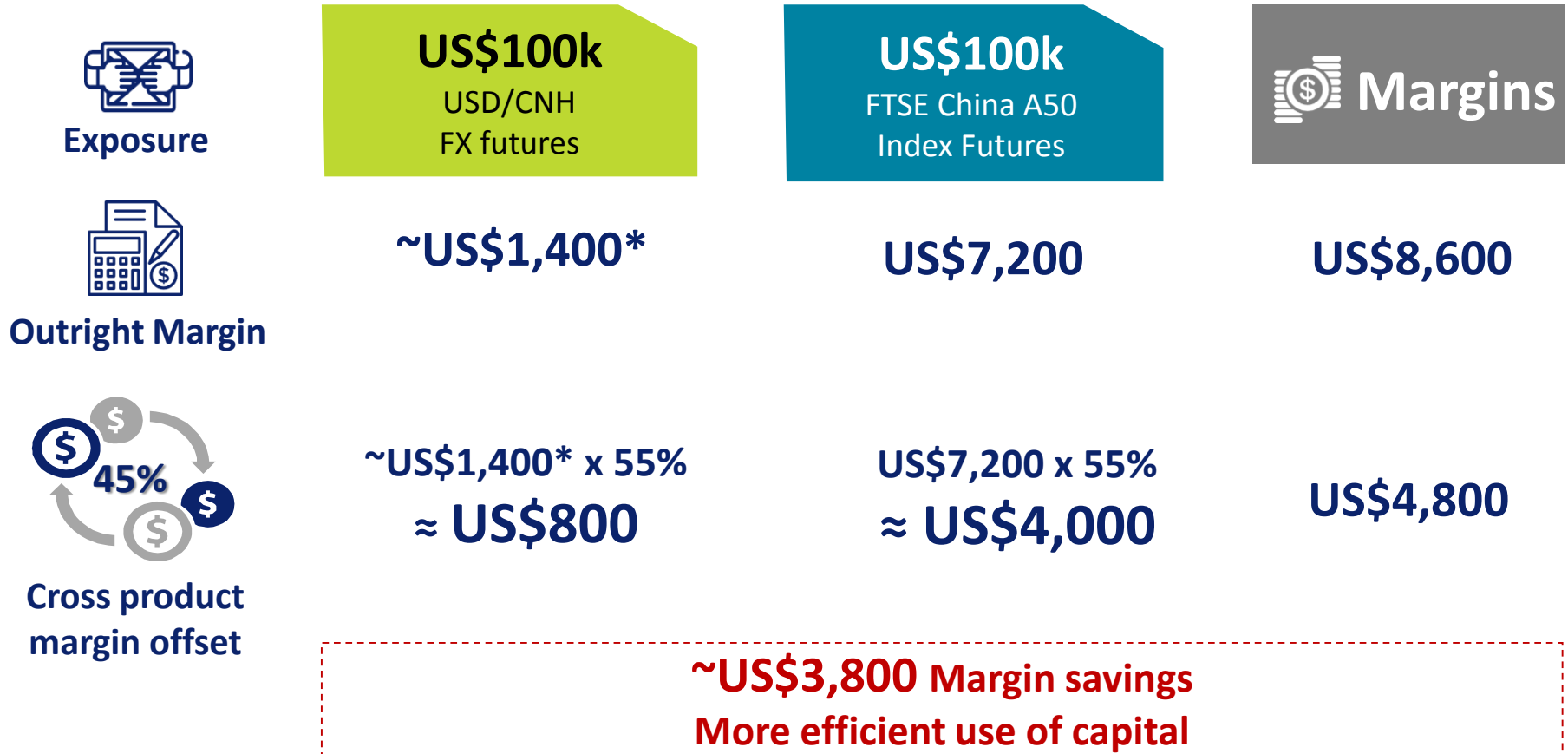
- Correlated products, margin netting efficiencies



- Derivatives Exchange of the Year - by Asia Risk for fifth consecutive year in 2018.

Building a Multi-asset Exchange – Cross Margining Example

- More exposure with the same amount of margins



Building a Multi-asset Exchange – The Digital Freight Marketplace

Mission: Fortify The Baltic Exchange, leverage **SGX cargo & freight** franchise, and **invest strategically** in market infrastructure & data.



Offer **full-stack digital services** in spot price discovery, matching & trading, and post-trade risk management.

Dominate a new **multi-modal asset class of freight** - wet & dry bulk, container & air

Thank You

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