

2Q FY2017 Analyst and Media Briefing

Loh Boon Chye, Chief Executive Officer
Chng Lay Chew, Chief Financial Officer
Tan Boon Gin, Chief Regulatory Officer

19 January 2017

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Second Quarter FY2017 Highlights

Revenue

- \$200M
- Up 3%

Expenses

- \$97M
- Unchanged

Operating Profit

- \$102M
- Up 5%

Net Profit

- \$88M
- Up 5%

Earnings Per Share

- 8.2 cents
- Up 6%

- Equities and Fixed Income revenue up 6%
 - SDAV increased 17% to \$1.09B and total traded value increased 17% to \$70B
 - 2 new equity listings compared with 5 listings a year earlier
- Derivatives revenues down 3%
 - Total volumes increased 5% to 41M contracts
 - Average fee per contract decreased from \$1.28 to \$1.16
- Expenses unchanged at \$97M. Excluding one-off costs related to the acquisition of the Baltic Exchange, expenses would be lower by 4% at \$94M.

Financial Performance

Chng Lay Chew, Chief Financial Officer

Financial Performance: Quarterly Trend

Net profit of \$88 million, up 5% from a year earlier and up 6% quarter-on-quarter

Revenue

Up 3% y-o-y
Up 5% q-o-q

Expenses

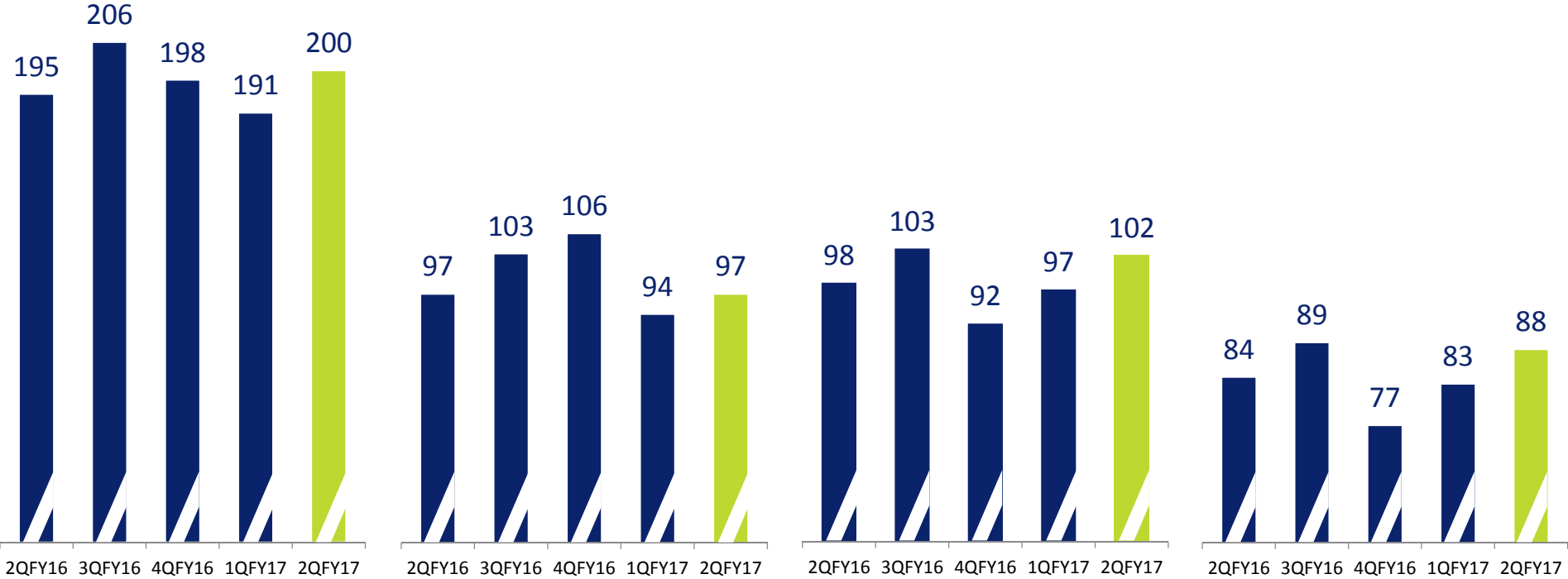
Unchanged y-o-y
Up 4% q-o-q

Operating Profit

Up 5% y-o-y
Up 5% q-o-q

Net Profit

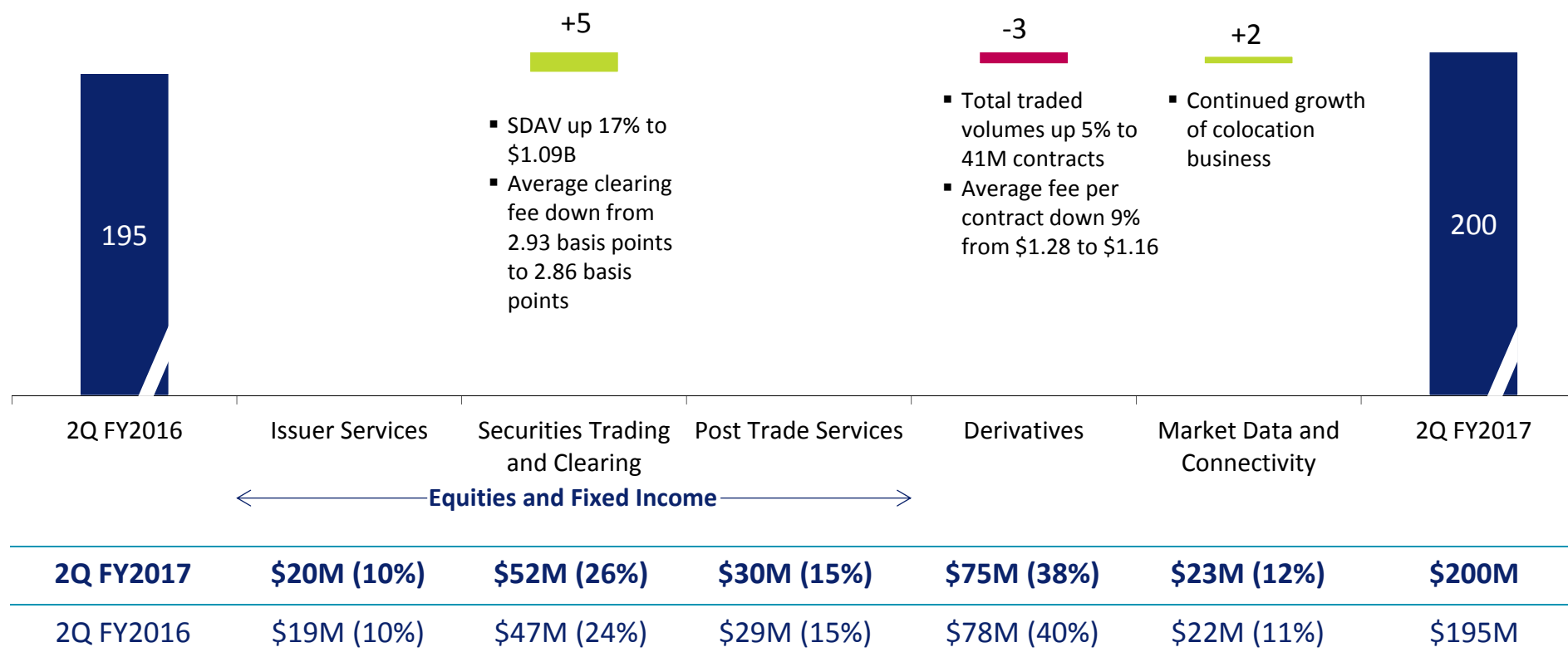
Up 5% y-o-y
Up 6% q-o-q



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

Financial Performance: Revenue, Year-on-Year

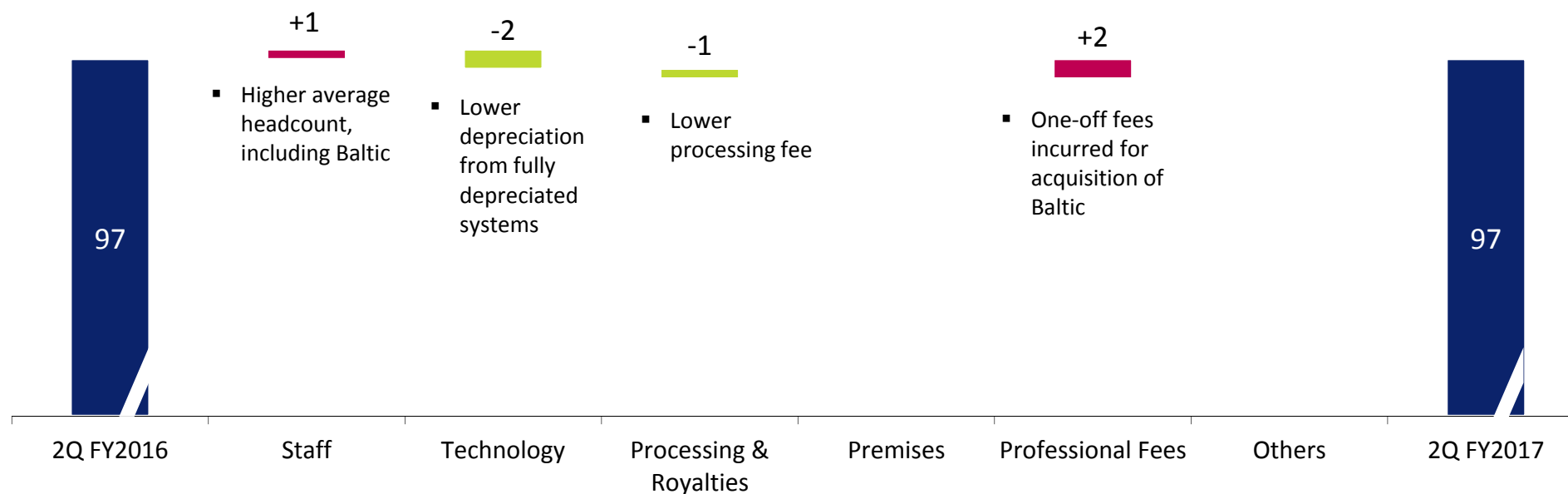
Revenue of \$200 million, up 3% from a year earlier and up 5% quarter-on-quarter



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Financial Performance: Expenses, Year-on-Year

Expenses of \$97 million, unchanged from a year earlier and higher by 4% quarter-on-quarter. Excluding one-off costs related to the acquisition of the Baltic Exchange, expenses would be lower by 4% at \$94M.



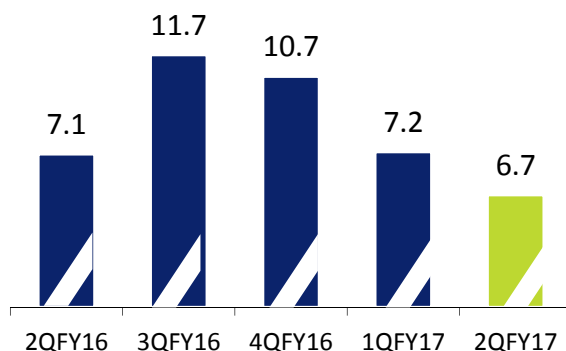
	Staff	Technology	Processing & Royalties	Premises	Professional Fees	Others	Total
2Q FY2017	\$40M (41%)	\$29M (30%)	\$11M (12%)	\$6M (7%)	\$4M (4%)	\$7M (7%)	\$97M
2Q FY2016	\$38M (40%)	\$31M (32%)	\$13M (13%)	\$6M (6%)	\$2M (2%)	\$7M (7%)	\$97M

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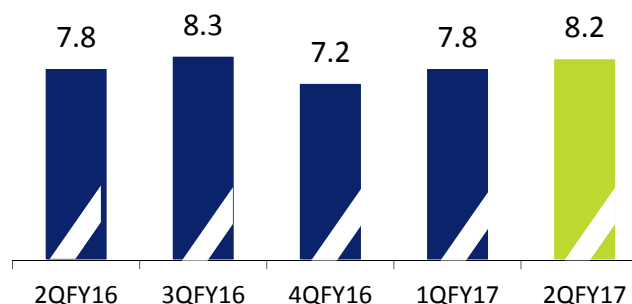
Financial Performance: Key Indicators

	2Q FY2016	3Q FY2016	4Q FY2016	1Q FY2017	2Q FY2017
Revenue (\$ million)	195	206	198	191	200
Operating profit (\$ million)	98	103	92	97	102
Operating profit margin	50%	50%	46%	51%	51%
Net profit (\$ million)	84	89	77	83	88
Return on equity	43%	41%	36%	38%	38%
Earnings per share (cents)	7.8	8.3	7.2	7.8	8.2
Dividend per share (cents)	5	5	13	5	5

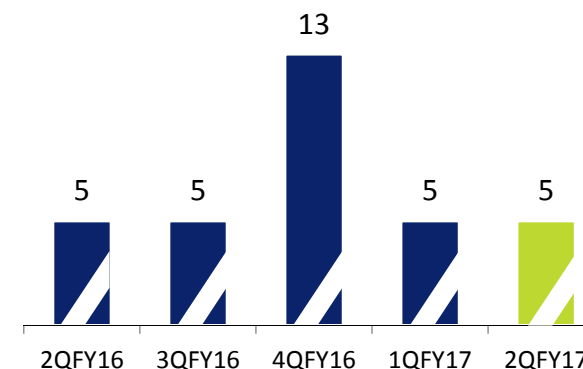
Operating cashflow per share (cents)



Earnings per share (cents)



Dividend per share (cents)



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Business and Regulatory Update

Loh Boon Chye, Chief Executive Officer
Tan Boon Gin, Chief Regulatory Officer

Business Update

Increased market activities following US election results and certainty in interest rates

EQUITIES & FIXED INCOME

Issuer Services	>	<ul style="list-style-type: none">▪ Revenue up 1% to \$20 million with 2 new listings and 204 new bond issues▪ Total funds raised increased 48% to \$92 billion
Securities Trading and Clearing	>	<ul style="list-style-type: none">▪ Revenue up 12% to \$52 million with average clearing fees lower at 2.86bps▪ SDAV increased 17% to \$1.09 billion
Post Trade Services	>	<ul style="list-style-type: none">▪ Revenue up 1% to \$30 million from an increase in securities settlements
Derivatives	>	<ul style="list-style-type: none">▪ Volumes up 5% , Revenue fell 3% to \$75 million due to lower yields and lower collateral margin balances
Market Data & Connectivity	>	<ul style="list-style-type: none">▪ Revenue up 8% to \$23 million▪ Increase primarily from continued growth of colocation services

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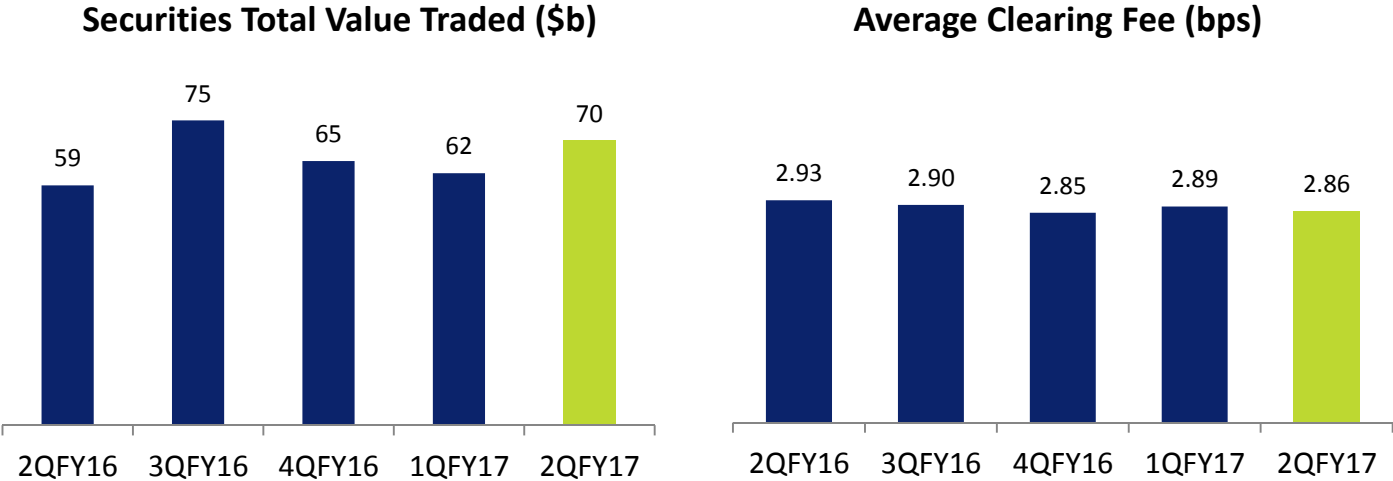
Business Update

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Securities Trading and Clearing	>
Post Trade Services	>

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Derivatives	>
Market Data & Connectivity	>



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EQUITIES & FIXED INCOME

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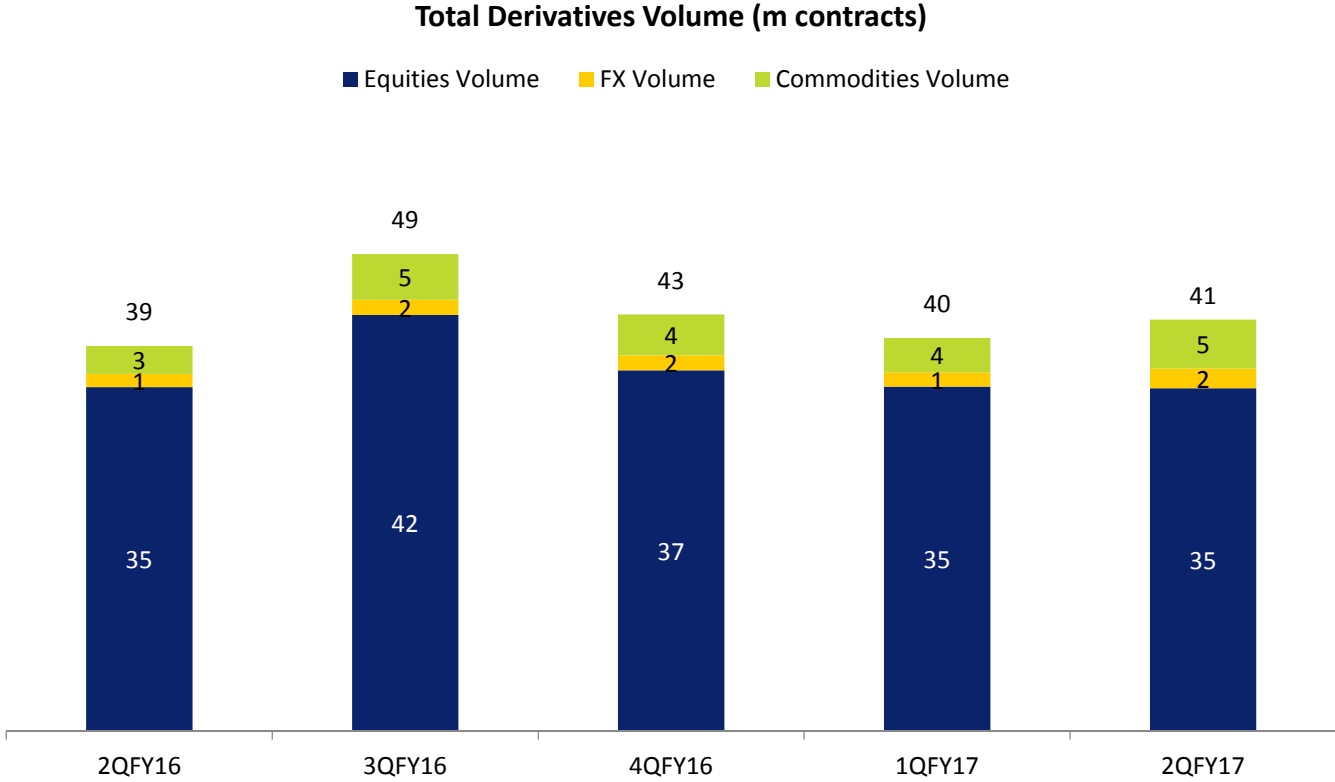
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Securities Trading and Clearing >

Post Trade Services >

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- Market Data & Connectivity**
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Regulatory Update

Key regulatory initiatives during the quarter included:

- The SGX-NUS Law roundtable on “Dual-Class Shares Structure and the Singapore context” which gathered key representatives from across the financial industry to discuss the feasibility of introducing the dual-class shares structure in the local market.
- Addition of a market capitalization test to the minimum trading price (MTP) requirement for Mainboard companies after SGX received strong support during the public consultation. The revised MTP criteria became effective 2 December 2016 and the first review of companies under the revised criteria will be on 1 June 2017.
- Public reprimand of Catalist-listed K LW Holdings Limited, and two Mainboard companies – Swiber Holdings Limited and Foreland Fabrictech Holdings Limited - for rule breaches.
- Suspension of trading in ISR Capital Limited shares to safeguard the interest of the market as there were circumstances that prevented trading in the shares on an informed basis.

Outlook

Our results this past quarter reflect higher levels of market activities compared to a year ago as the conclusion of the US Presidential Election and clarity on interest rates environment brought participants back to the market. While market sentiments have improved, uncertainty around future US policies and slowing Asian economies will influence trading activity going forward. We will continue to execute our strategy and diversify our revenues.

We remain focused on cost discipline, and operating expenses for FY2017 are now expected to be between \$405 million and \$415 million. This is lower than the previously announced range of between \$420 million and \$430 million. As previously guided, technology-related capital expenditure is expected to be between \$65 million and \$70 million.

Questions and Answers

Thank You

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