

Meeting with Investors

Investor Relations

June 2017

Singapore Exchange



SGX – Our Value Proposition

Liquidity

The world's most liquid offshore market for Asian Derivatives

Access

The only single-point access to a broad suite of Asian markets such as China, India, Taiwan, Japan & Singapore in Equities, Commodities & FX

The only venue for exposure to China and India outside their respective home markets

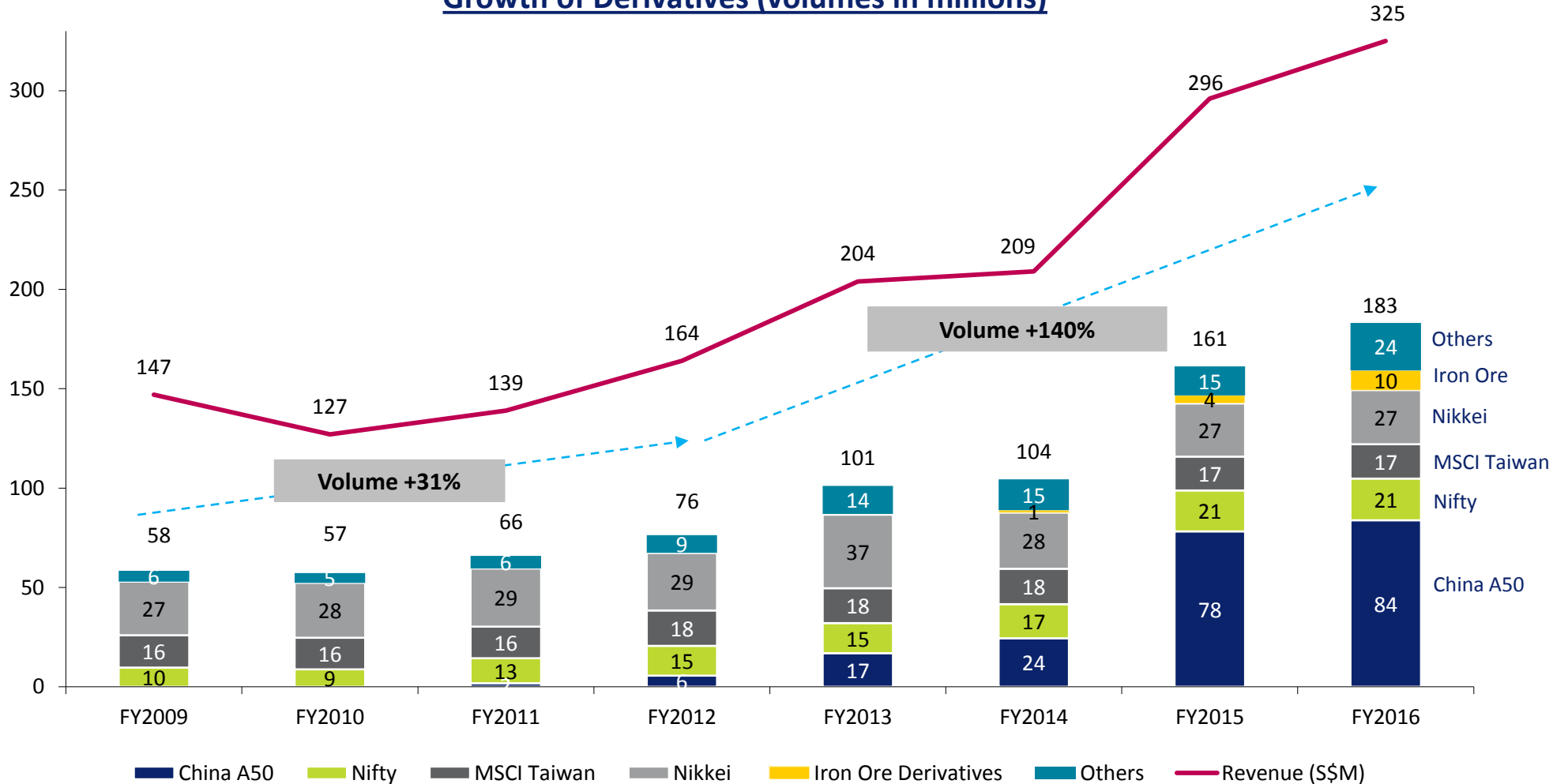
Price Discovery

The only price discovery centre for the steel manufacturing supply chain - Iron Ore, Coking Coal, Freight, and maritime route indices

An established and international Securities market built on a strong foundation for capital raising and price discovery

World's most liquid offshore market for Asian Derivatives

Growth of Derivatives (volumes in millions)



The only liquid offshore access to China and India

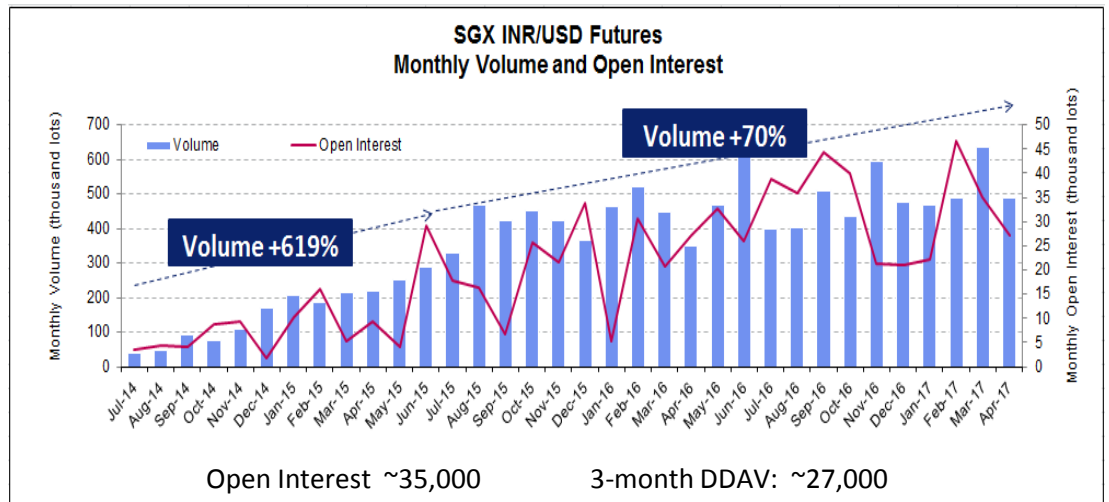
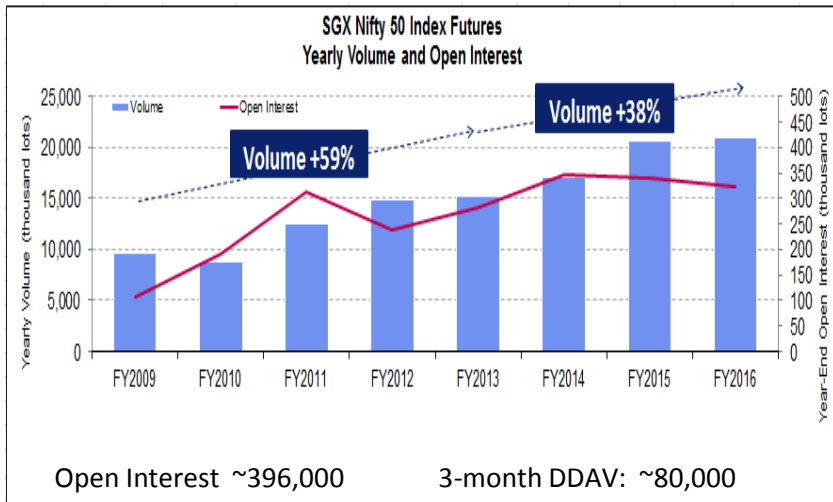
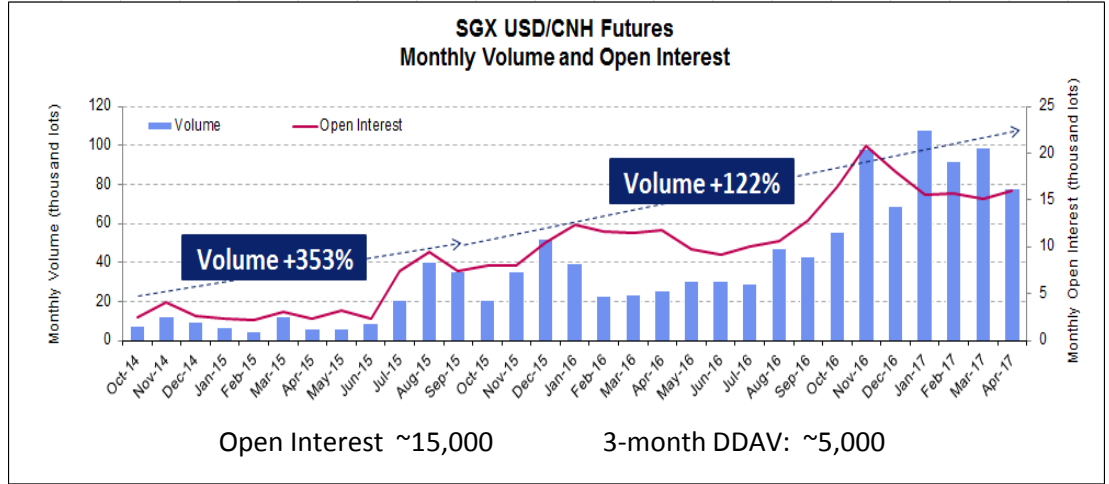
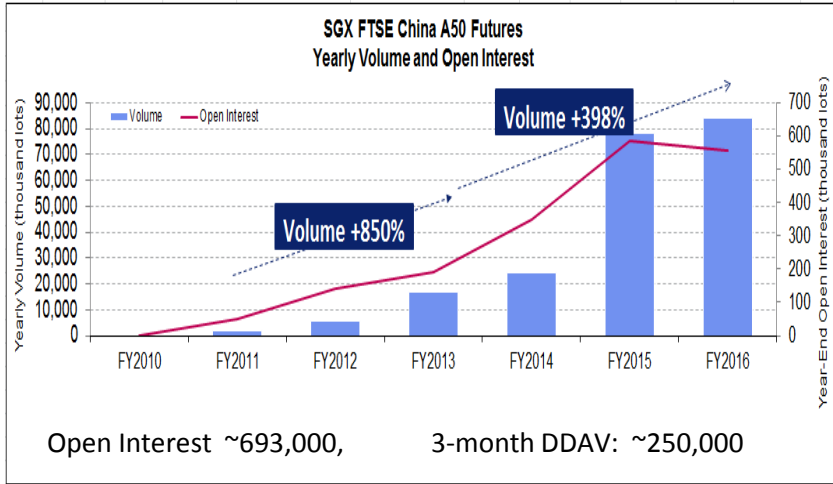
China	
Equity Index Futures	SGX FTSE China A50
Equity Index Futures and Options	MSCI China
FX futures	USD/CNH, CNY/USD, CNY/SGD, EUR/CNH, SGD/CNH
Commodities, Futures, Swaps, Options	Iron Ore

India	
Equity Index Futures & Options	SGX Nifty 50 SGX Nifty IT SGX Nifty CPSE SGX Nifty Bank SGX Nifty Midcap 50
Equity Index Futures	SGX MSCI India
FX futures, options, forwards	INR/USD

Our Platform

- New Integrated Trading and Clearing System offering low-latency high-throughput and enhanced risk controls and system safeguards
- Round-the-clock trading
- Delivering Asia's broadest range of listed derivatives across China, Japan, India, Taiwan and ASEAN
- Efficient client connectivity by putting together an ecosystem of users trading and clearing on-exchange or OTC
- Capital efficiency through the netting of margins

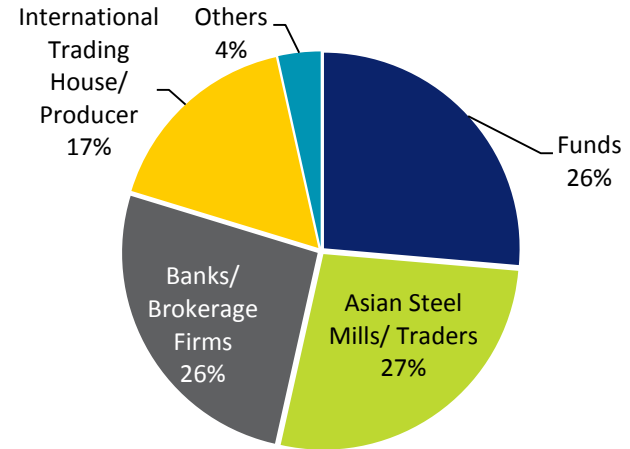
Access to Liquid Chinese and Indian Markets



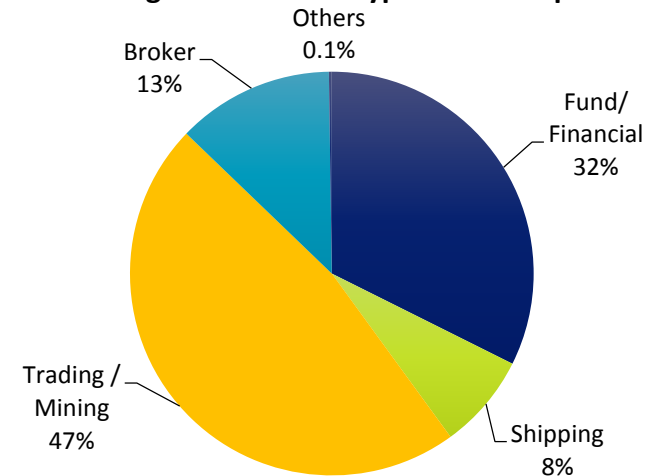
Price-Discovery Centre for the Steel Manufacturing Value Chain



SGX Iron Ore Derivatives Customer Segments

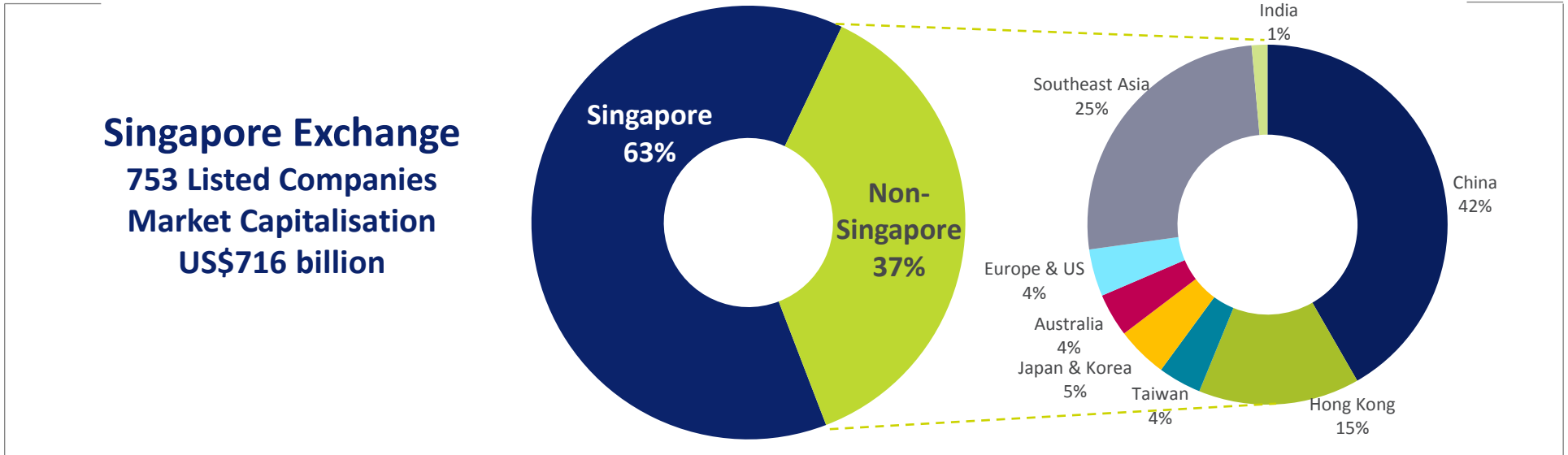


SGX Freight Derivatives Types of Participants

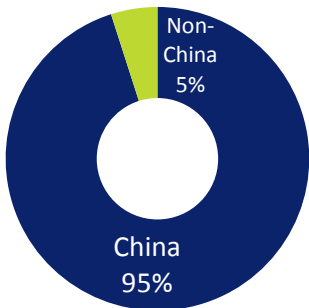


SGX is the Most International Exchange

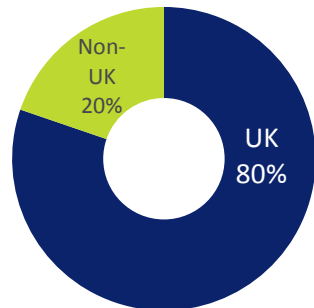
Nearly 40% of all companies listed on SGX are overseas companies



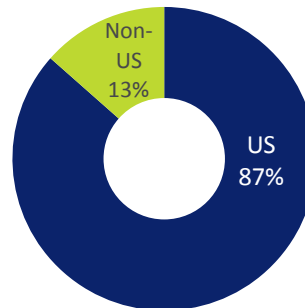
Hong Kong Stock Exchange



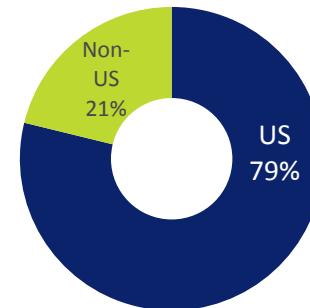
London Stock Exchange



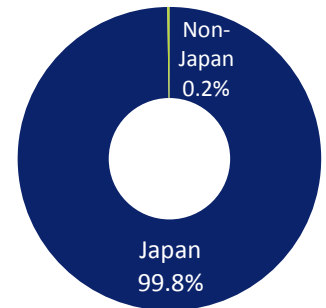
NASDAQ



New York Stock Exchange



Tokyo Stock Exchange

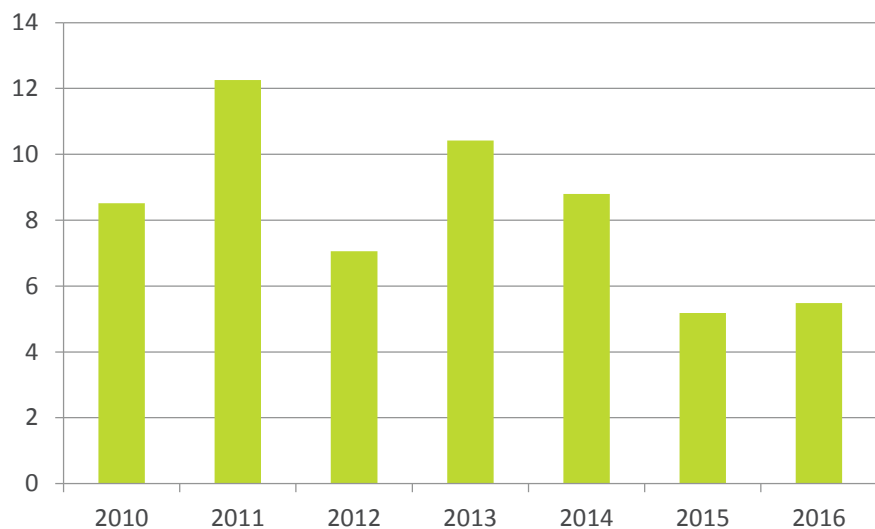


Source: World Federation of Exchanges and Companies' website (Feb 2017), Singapore Exchange (Mar 2017)

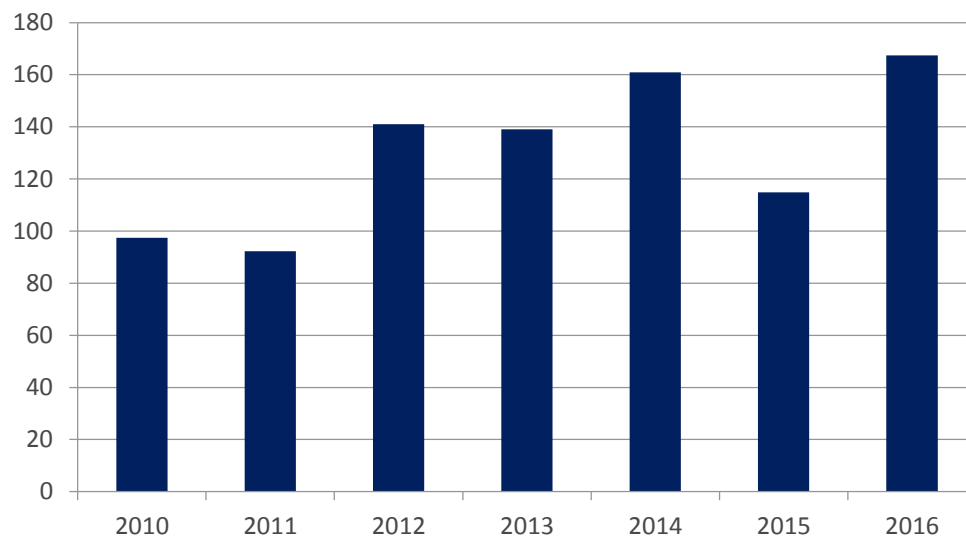
SGX is a Deep Market for Capital Raising

- Equity and debt markets raised a total of US\$173 billion in 2016
- We have > 2,200 listed bonds by 800 issuers from 35 countries with total outstanding of US\$600 billion

Equities Funds Raised (US\$ billion)



Bonds Funds Raised (US\$ billion)



	2010	2011	2012	2013	2014	2015	2016
No. of Equity Listings	40	31	26	32	41	19	19
No. of Bond Issues	245	257	345	465	521	395	522

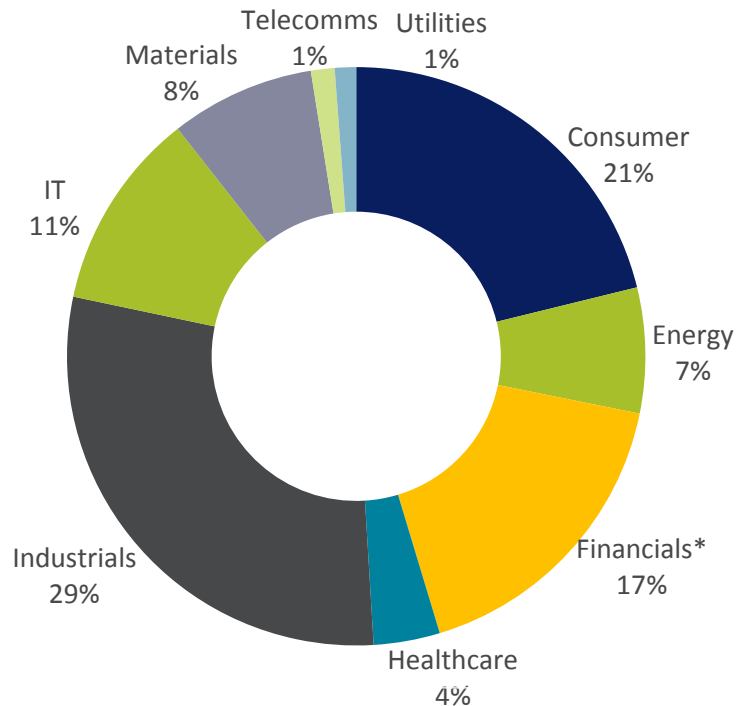
Source: Singapore Exchange (Dec 2016)

Diversity of Industries on SGX

Listed companies from diverse sectors

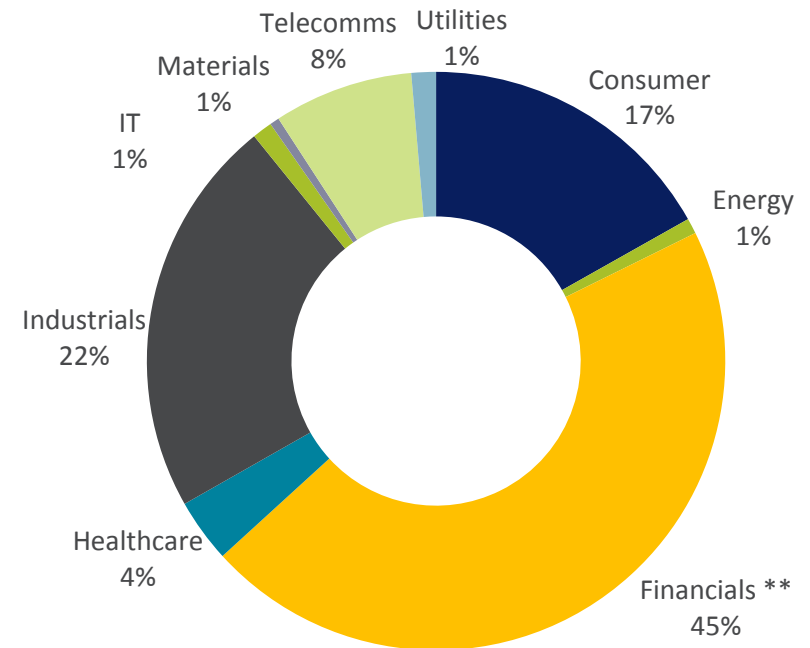
Breakdown by Number of Companies

753 companies in total



Breakdown by Market Capitalisation

US\$716 billion in total



Note: * Real Estate accounts for 13% of the 753 companies

** Real Estate accounts for 18% of the total market capitalisation of US\$716B

Source: Singapore Exchange & Bloomberg (Mar 2017)

Key Sectors on SGX in our Securities Market

Consumer

PE: 20x



- Includes agri-commodities, food & beverage and retail
- 153 companies with market cap of US\$113 billion

Technology

PE: 16x



- Includes information & communications technology, medical technology and financial technology
- 78 companies with market cap of US\$59 billion

Healthcare

PE: 46x



- Full range of companies from pharmaceuticals, healthcare services to medical devices technology
- 34 companies, 2 REITs and 1 Trust with market cap of US\$34 billion
- 10-fold increase in market cap over last 10 years

Maritime & Offshore Services

PE: 21x*



- Asia's largest cluster of listed companies
- 55 companies and 3 business trusts with market cap of US\$26 billion

Mineral, Oil and Gas

PB: 2.9x



- Companies in exploration, development and production of mineral or oil & gas
- 26 companies with market cap of US\$2.6 billion

Real Estate

PB: 0.9x



- Asia's broadest range of real estate companies and property trusts covering global real estate assets
- 96 real estate companies and property trusts with market cap of US\$132 billion

Note: * Based on limited pool of companies
Source: Bloomberg & Singapore Exchange (Mar 2017)

Strategic Priorities

1. Diversify our business mix

2. Increase activities in our Securities market

3. Optimize cost and resources

Priority 1: Diversify our business mix



Commodities

- Solidify our lead in Iron Ore clearing, trading and price formation
- Build Steel value chain: Baltic, Coking Coal, Freight Forwards
- Energy complex: LNG and Thermal Coal



FX

- Scale up strong current positions INR and CNH Futures
- Launch new Asian currencies (KRW, MYR, IDR, PHP)
- Size of Prize: Singapore is the largest FX center in AsiaPac & 3rd largest globally with daily turnover >US\$500 billion



Fixed Income

- Take BondPro to critical mass of participants and trading activity
- Size of Prize: Offshore G3 bond market is US\$1 trillion
- Global Institutional investors in Singapore



International presence

- China: go deeper with local clients for Derivatives and Securities
- USA / UK: grow footprint with large institutional and trading groups

Priority 2: Increase activities in our Securities market



Listings

- Grow IPOs and bond listings
- Build momentum in Technology sector
- Increase ASEAN outreach



New product launches*

- Pipeline of product innovation targeting both Retail and Institutional investors



Market participation

- New market-makers/Liquidity Providers
- Stronger segment marketing to Corporates, Institutional Investors and Retail customers



Technology platform upgrades

- New Post Trade System delivery

Priority 3: Optimize cost and resources



Processes

- Streamline and digitize



Capital expenditure

- Core platform reinvestment cycle nearing completion
- Continue investment in resilience and platform upgrades



Cost base

- Maintain tight discipline

Financials

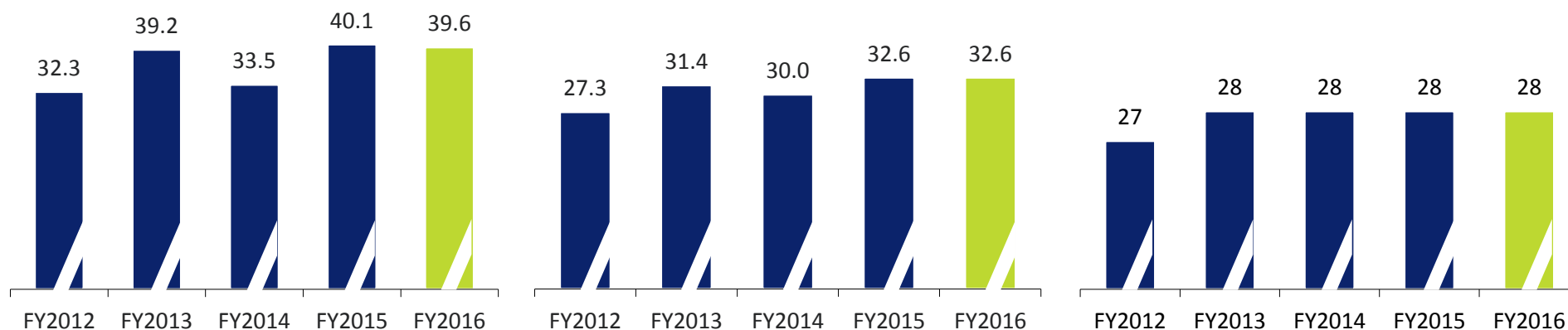
Financial Performance: Key Indicators (Recent years)

	FY2012	FY2013	FY2014	FY2015	FY2016
Revenue (\$ million)	647	714	686	779	818
Operating profit (\$ million)	363	413	371	402	409
Operating profit margin	56%	58%	54%	52%	50%
Net profit (\$ million)	292	336	320	349	349
Return on equity	35%	39%	35%	37%	36%
Earnings per share (cents)	27.3	31.4	30.0	32.6	32.6
Dividend per share (cents)	27	28	28	28	28

Operating cash flow per share (cents)

Earnings per share (cents)

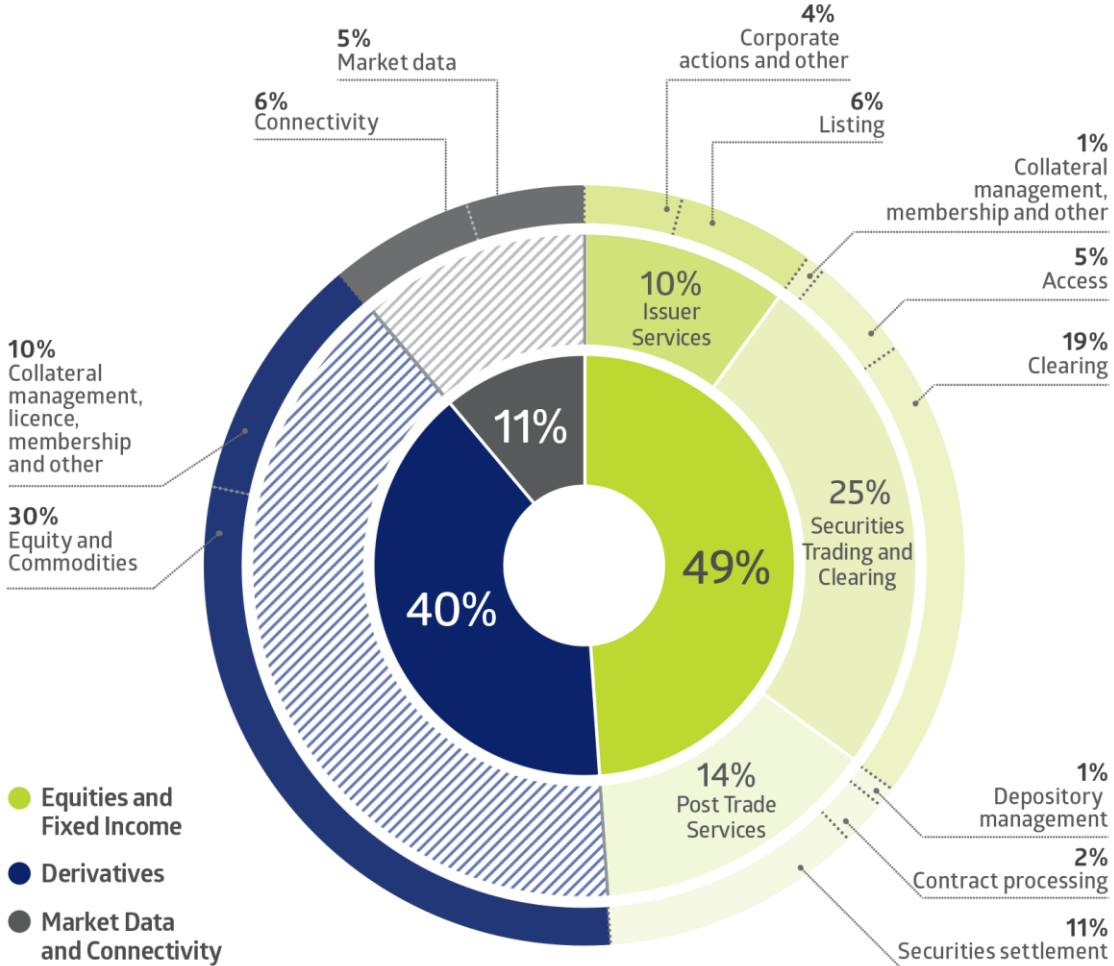
Dividend per share (cents)



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

Contribution by Business Units

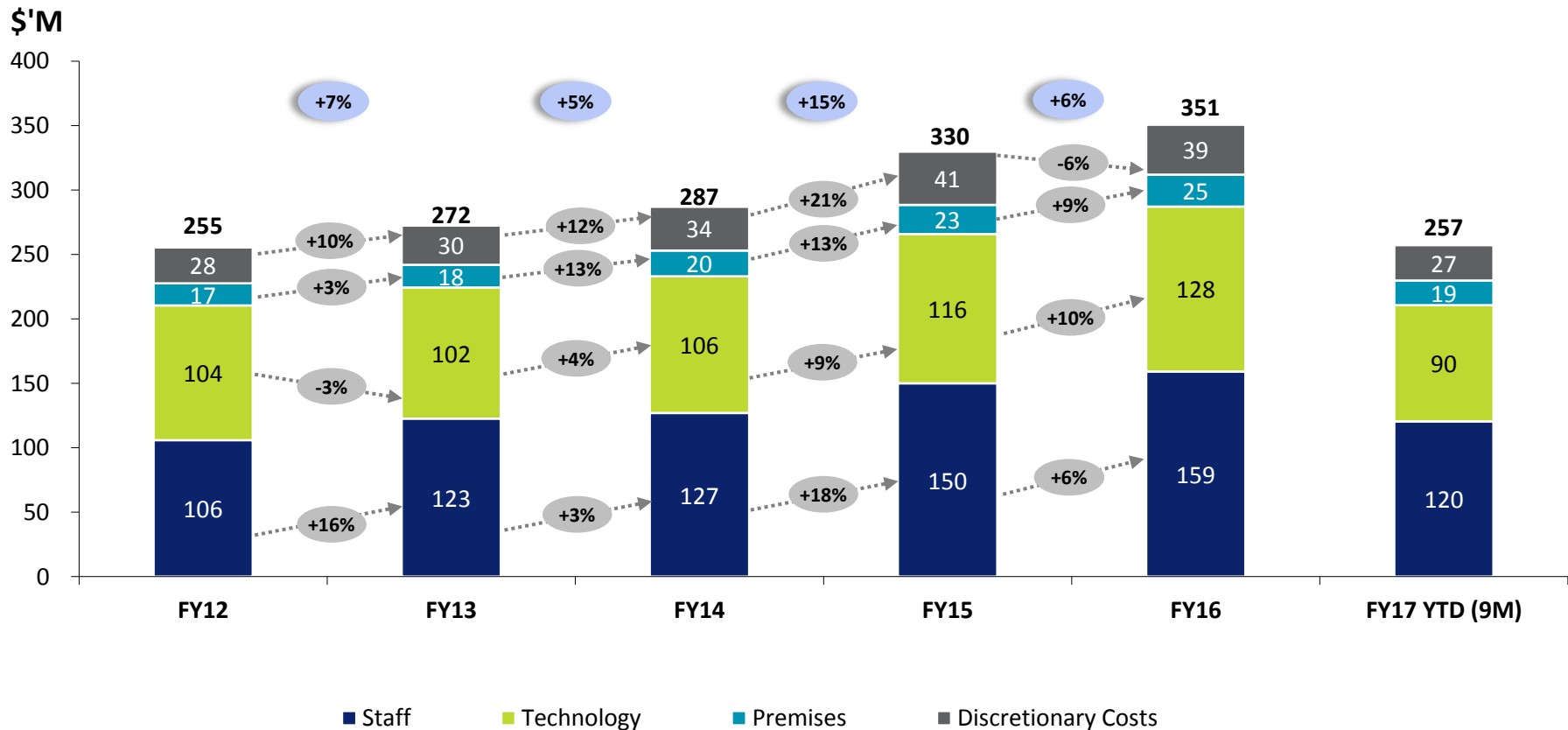
FY2016 Revenue Contribution



Cost discipline and investing in growth

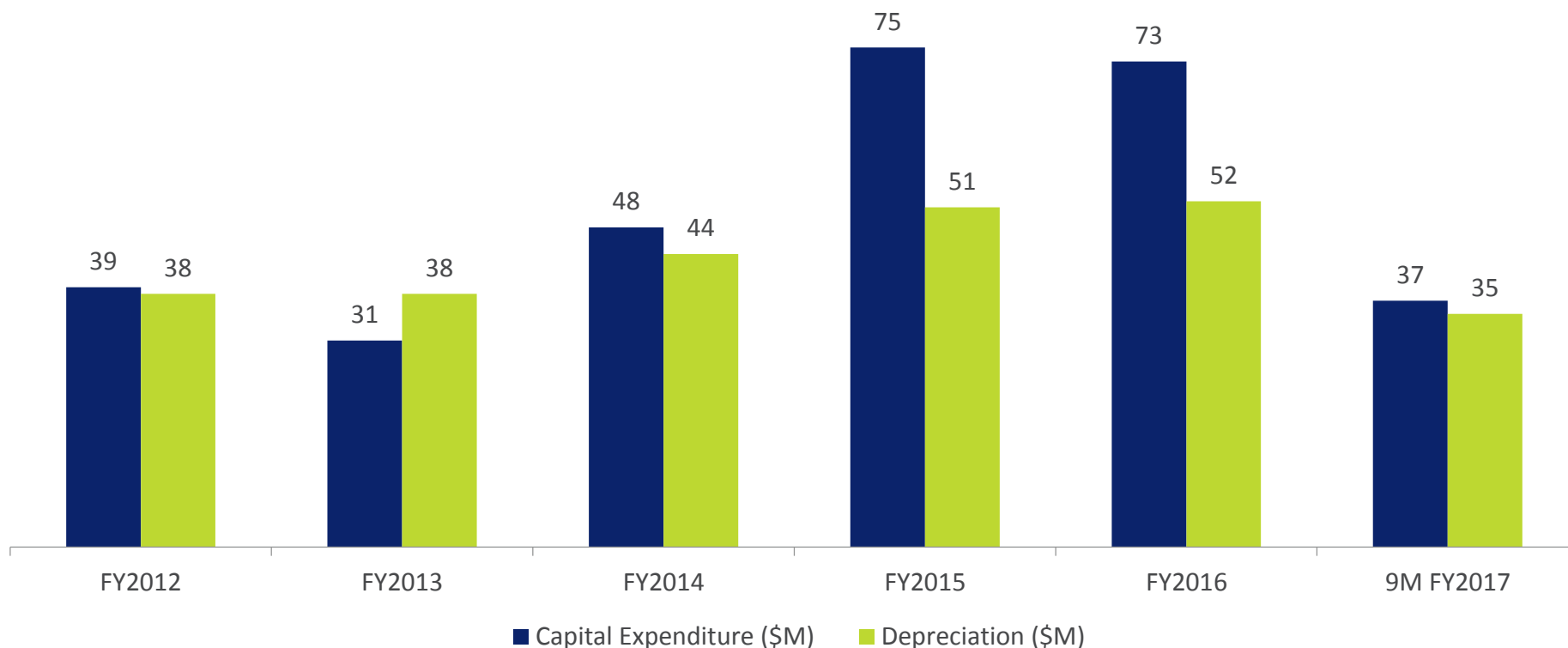
- Our focus has been on improving our platform, expanding distribution, and ensuring operational resiliency.
- Our operating jaw has been improving – We saw a positive jaw of 2% for the third quarter and a flat 9M YTD jaw.

Operating Expenses, excluding volume-related Processing & Royalties



Technology CAPEX and Depreciation: Annual Trend

- FY2016 investments mainly for on-going development of a new post-trade system and the upgrading of Derivatives trading and clearing platform
- Year-to-date FY2017 investments were mainly for the migration to a new secondary data centre, enhancements to our securities post-trade system, and improvements in operational resiliency.
- Technology-related capital expenditure for FY2017 is expected to be between \$65M and \$70M.



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

Appendix: Background

Singapore Exchange (SGX)

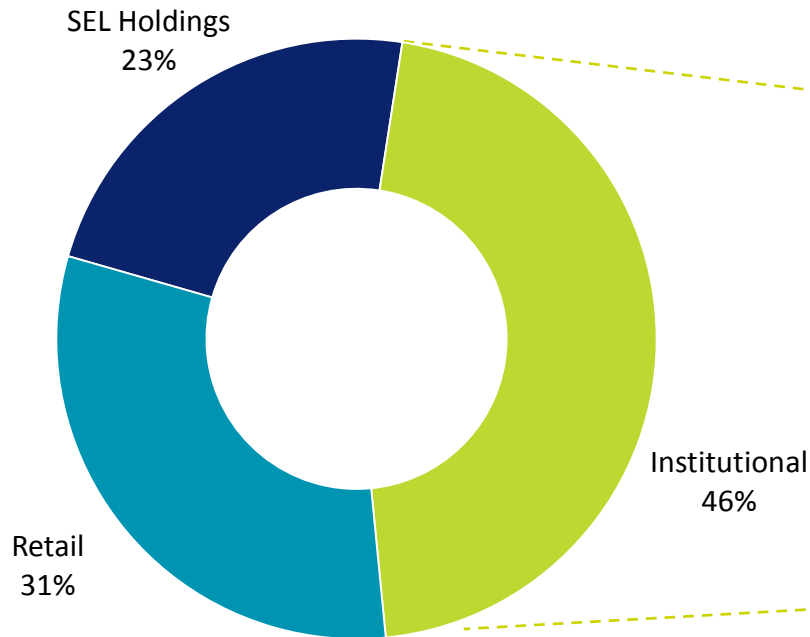
A diversified exchange group that runs key market infrastructure including the Singapore stock market and a pan-Asian derivatives exchange

- Formed in 1999 from the merger of the Stock Exchange of Singapore & Singapore International Monetary Exchange; listed in 2000
- Vertically and horizontally integrated, with products covering all major asset classes
 - Cash equities, ETFs, REITs, Structured Warrants
 - Equity Index Futures & Options
 - Commodities Futures in Iron Ore, Rubber, Coking Coal, LNG ...
 - FX Futures in major currencies
- Strong cash-flow with debt-free balance sheet poised for future growth
- Consistently high dividend
 - Dividend yield of 3.8%
 - Payout ratio of 86%
- Anchored in Singapore, Asia's only triple AAA-rated economy

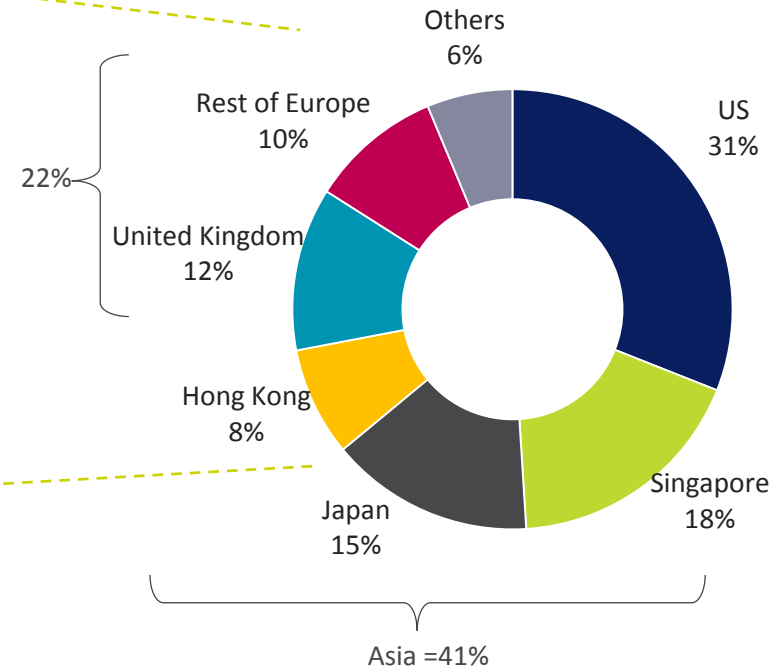
SGX Shareholders' Profile

Broad shareholding base with domestic retail shareholders, as well as domestic and international institutions

SGX Shareholder Composition¹



Institutional Shareholding by Geography



¹ As of March 2017

International Footprint

Anchored in Singapore with global reach, serving a diverse set of international clients seeking Asian opportunities



Key Clients

- **Sell-side participants** - Clearing & Trading Members and partner brokers who act as agents to clients.
- **Interdealer brokers** - Facilitate execution of business between clients of our Members
- **Corporate trade clients** - Use our derivative products for hedging their risks e.g. Steel Mills; Insurance firms; Oil companies ...
- **Corporate Finance partners** - Facilitate issuers that seek to raise capital on our exchange platforms
- **Institutional investors** – Including funds that invest in our market for various investment needs e.g. hedging, income, growth ...
- **Proprietary Trading Groups** – Companies that trade on markets using their own capital. Examples include market-makers and liquidity- providers.

Strategic Positioning

1



International Listing Platform

The largest stock market in Southeast Asia, with a market capitalisation exceeding S\$900 billion. More than 40% of our listed companies are based outside Singapore; more than 70% of revenue booked by top 30 index stocks originates from businesses outside of Singapore

2



Pan-Asia Derivatives Exchange

The world's most liquid offshore market for the benchmark equity index derivatives of China, India, Japan, Taiwan and ASEAN; we are also the leading price discovery venue for iron-ore and rubber derivatives; offers a full suite of Asian FX futures

3

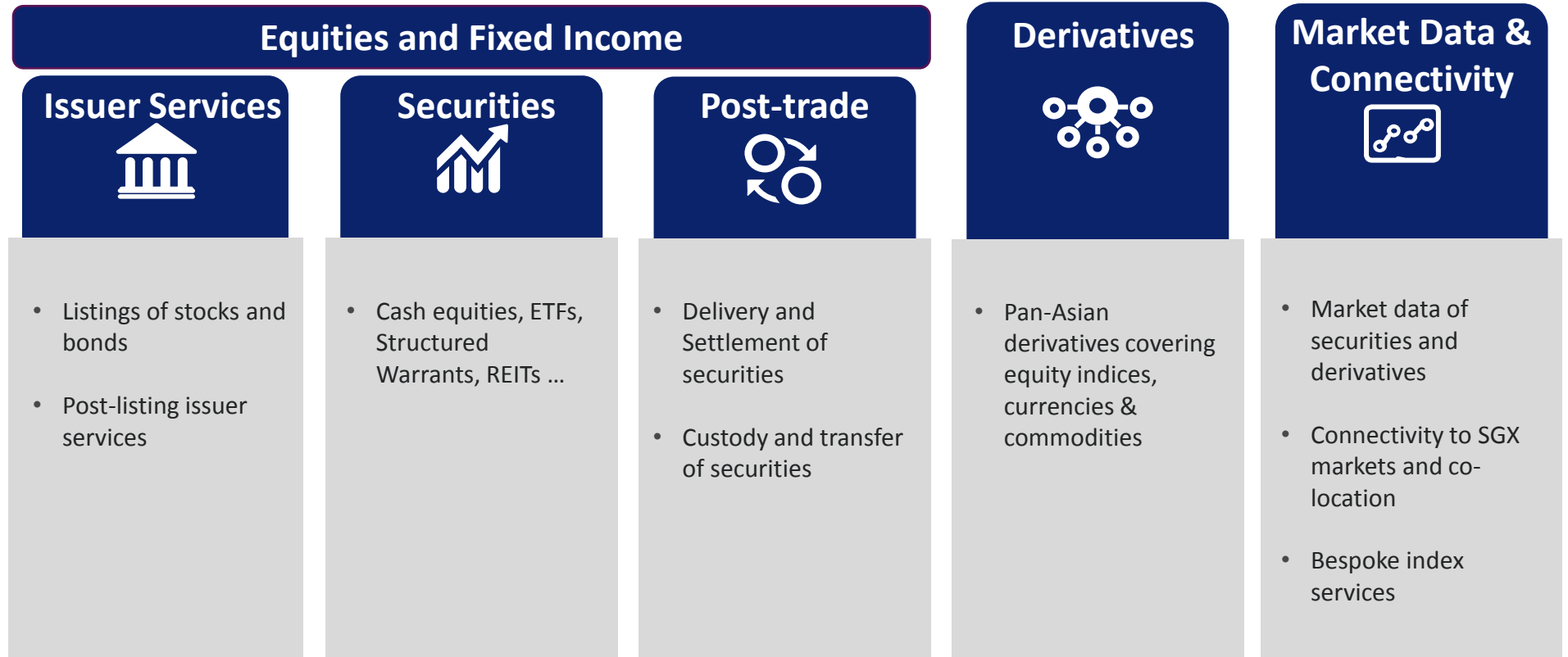


A Premier Risk Management Venue

One of the first exchanges globally to adopt the Principles for Financial Market Infrastructure (PFMI) and is certified as a Qualifying Counterparty under the Basel III framework

Business Model

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



International Distribution – Singapore, Beijing, Shanghai, Mumbai, Hong Kong, Tokyo, London

Recent Key Successes and Milestones

FY2014

- Expanded into new asset class with launch of FX futures
- Launched SGX Stock Facts
- Acquired EMC

FY2015

- Record volumes for China A50 future and iron ore derivatives
- Launched bespoke index services
- Added FX futures including SGD/CNH and CNY/SGD

FY2016

- Launched Singapore Liquefied Natural Gas (SLNG) index
- Launched SGX Bond Pro*
- Launched MSCI China and Nifty sector futures

FY2017

- Acquired the Baltic Exchange
- Record single-day volume for USD/CNH on 5 Jan 2017 of 11,049 contracts

*Asia's first on-exchange bond trading platform

Recent Awards



October 2016 - Derivatives Exchange of the Year

October 2016 - Derivatives Exchange of the Year



November 2016 - Asia Exchange of the Year

May 2017 – Financial Metals Service Provider of the Year



Thank You

Singapore Exchange

Beijing • Hong Kong • London • Mumbai • Shanghai • Tokyo

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