

# 3Q FY2016 Analyst and Media Briefing

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

20 April 2016

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# Agenda

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Third Quarter FY2016 Highlights

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Questions & Answers

# Third Quarter FY2016 Highlights

## Revenue

- \$206M
- Up 3%

## Expenses

- \$103M
- Up 7%

## Operating Profit

- \$103M
- Unchanged

## Net Profit

- \$89M
- Up 1%

## Earnings Per Share

- 8.3 cents
- Up 1%

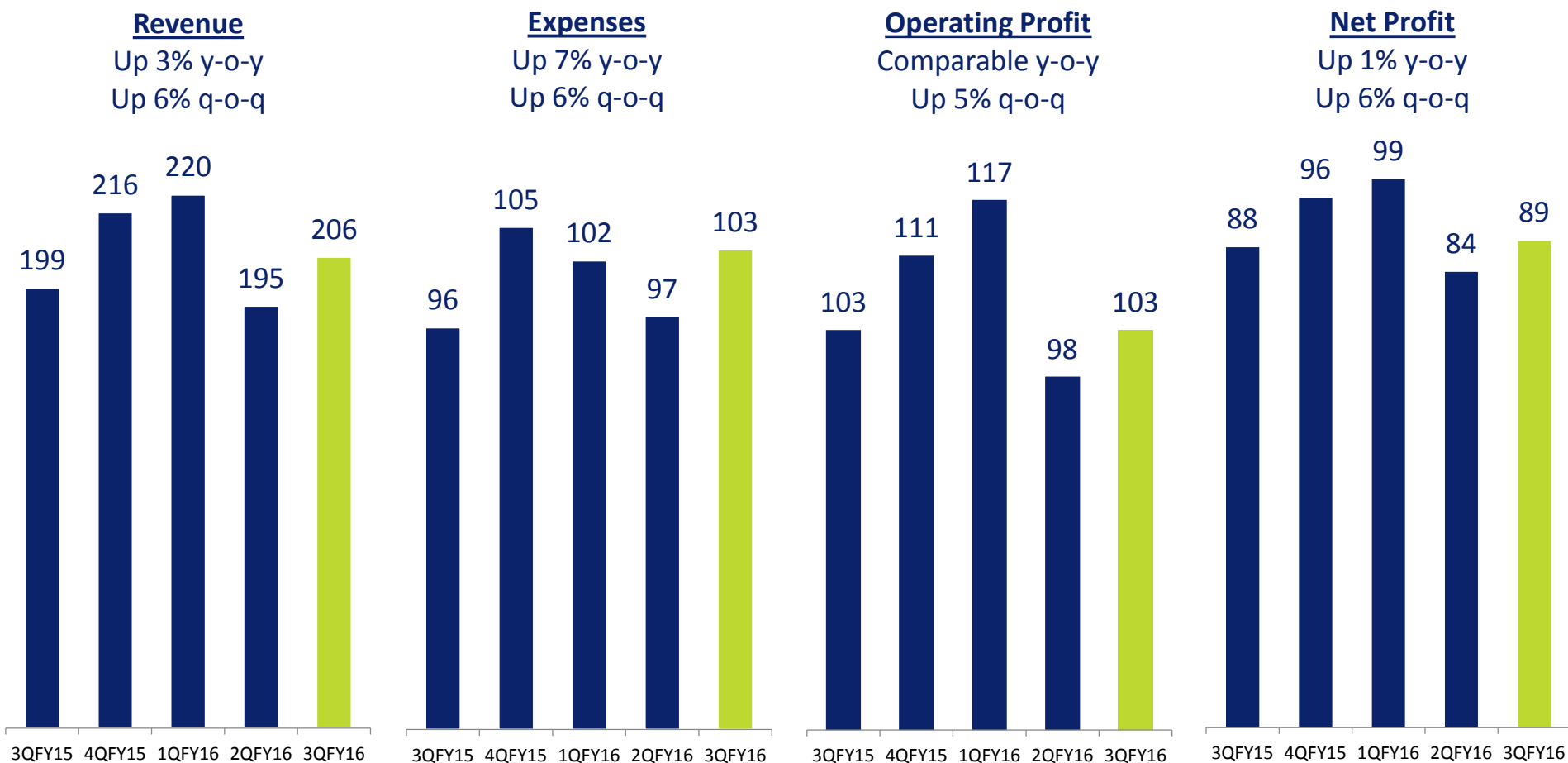
- Resilient performance despite challenging market conditions
  - Year-to-date revenue up 10% to \$620M; expenses up 11% to \$303M
  - Year-to-date NPAT up 8% to \$272M with EPS of 25.4 cents
- Securities revenue up 4% with increased market activities
  - SDAV increased 5% to \$1.2B and total traded value increased 5% to \$75B
  - 4 new equity listings compared with 2 listings a year earlier
- Derivatives revenues up 3% on higher volumes
  - Total volumes increased 24% to 49M contracts
  - Strong performance by SGX FTSE China A50 Index futures, Japan Nikkei 225 and iron ore contracts

# Financial Performance

Chng Lay Chew, Chief Financial Officer

# Financial Performance: Quarterly Trend

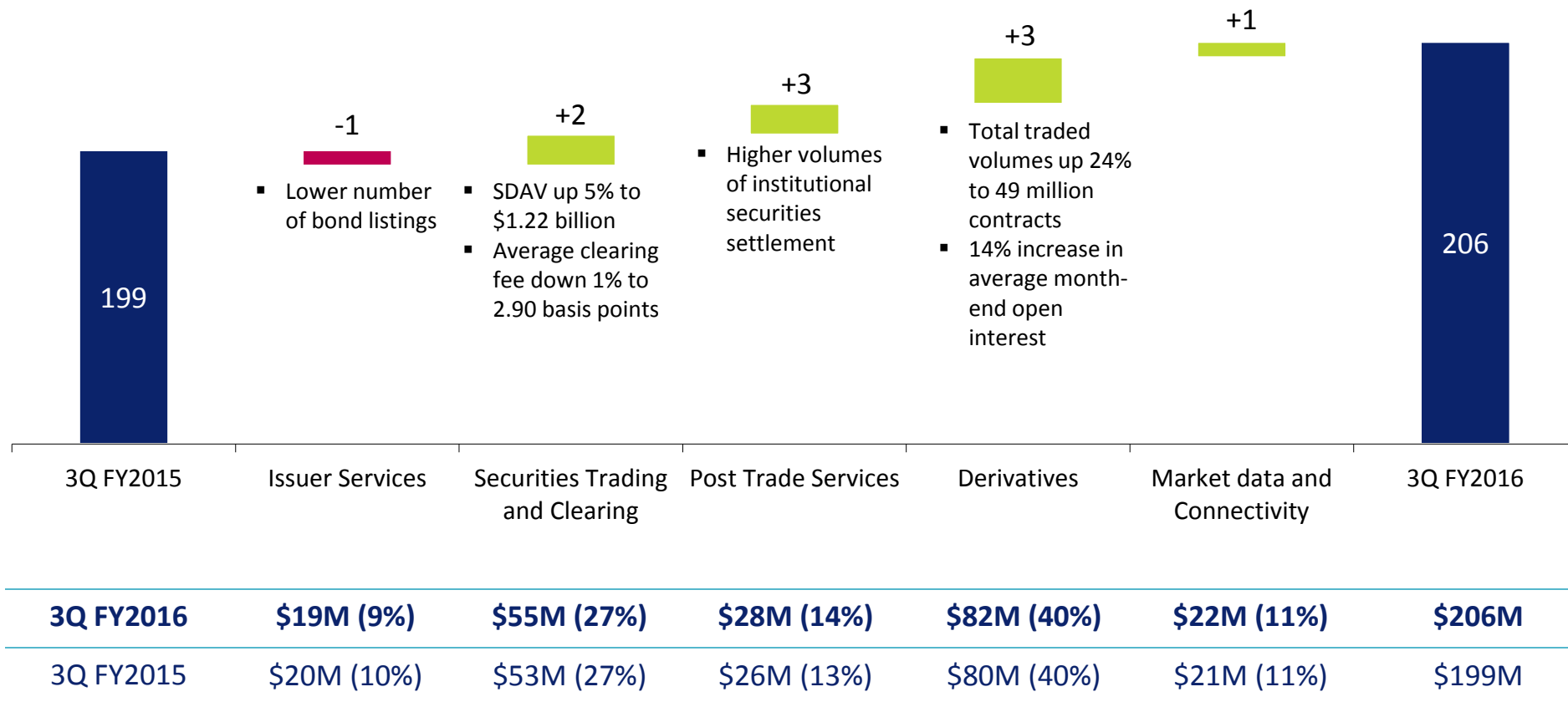
Net profit of \$89 million, up 1% from a year earlier



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

# Financial Performance: Revenue, Year-on-Year

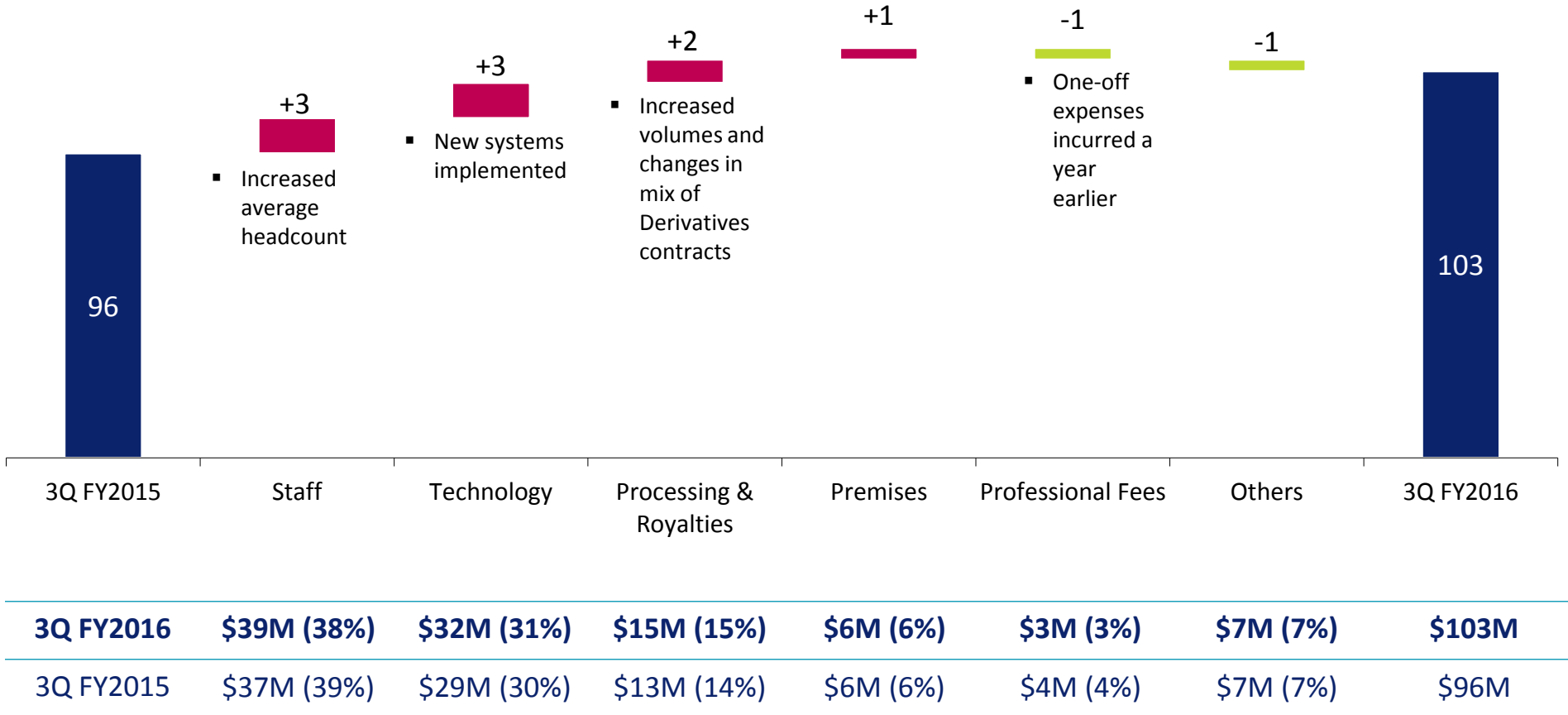
Revenue of \$206 million, up 3% from a year earlier



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# Financial Performance: Expenses, Year-on-Year

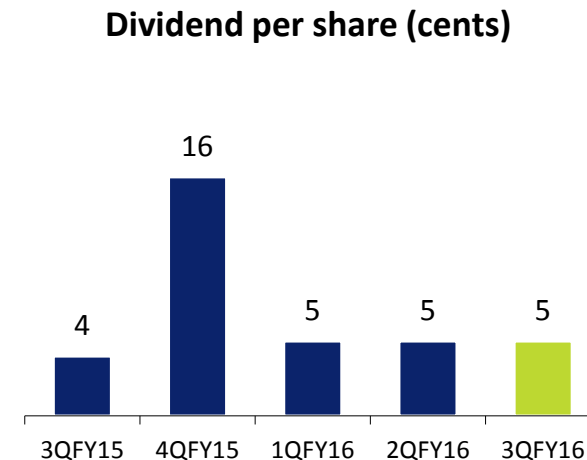
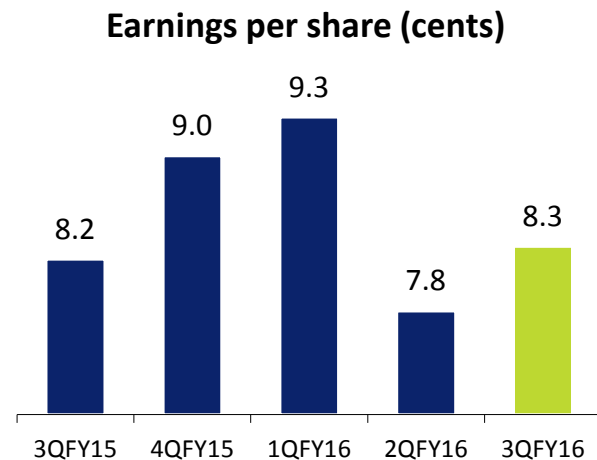
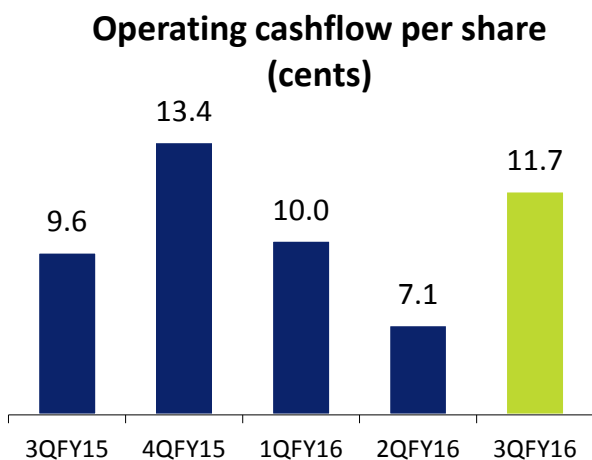
Expenses of \$103 million, up 7% from \$96 million a year earlier



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# Financial Performance: Key Indicators

	3Q FY2015	4Q FY2015	1Q FY2016	2Q FY2016	3Q FY2016
Revenue (\$ million)	199	216	220	195	206
Operating profit (\$ million)	103	111	117	98	103
Operating profit margin	52%	51%	53%	50%	50%
Return on equity	38%	37%	45%	43%	41%
Earnings per share (cents)	8.2	9.0	9.3	7.8	8.3
Dividend per share (cents)	4	16	5	5	5



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# Business and Regulatory Update

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

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# Business Update

Resilient performance despite challenging market conditions

- Issuer Services** >
  - Revenue down 5% to \$19 million with 4 new listings and 78 new bond issues
  - Total funds raised down 19% to \$38 billion
- Securities Trading and Clearing** >
  - Revenue up 4% to \$55 million with 5% increase in traded value to \$75 billion
  - SDAV up 5% following higher levels of market activity
- Post Trade Services** >
  - Revenue up 10% to \$28 million with settlement revenue up 10% following higher volumes of institutional securities settlement
- Derivatives** >
  - Revenue up 3% to \$82 million with total volumes up 24%
  - Increased volumes primarily from SGX FTSE China A50 Index futures, Japan Nikkei 225 and iron ore contracts
- Market Data & Connectivity** >
  - Revenue up 3% to \$22 million
  - Increase primarily from continued growth of colocation services

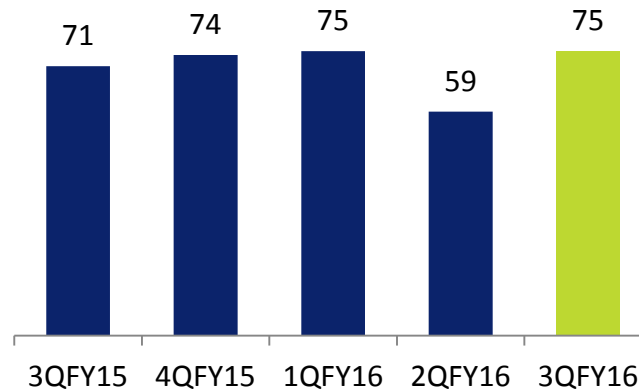
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# Business Update

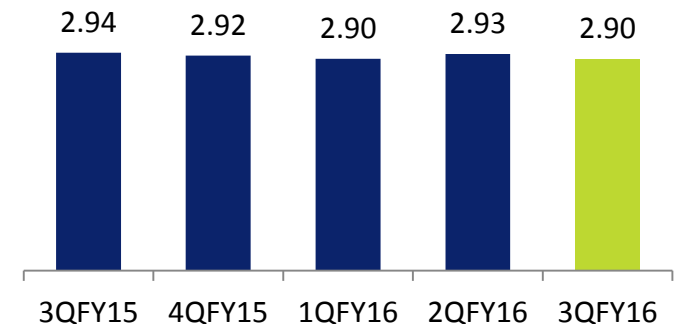
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Securities total value traded (\$b)



Average Clearing Fee (bps)



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# Business Update

Resilient performance despite challenging market conditions

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Securities Trading and Clearing

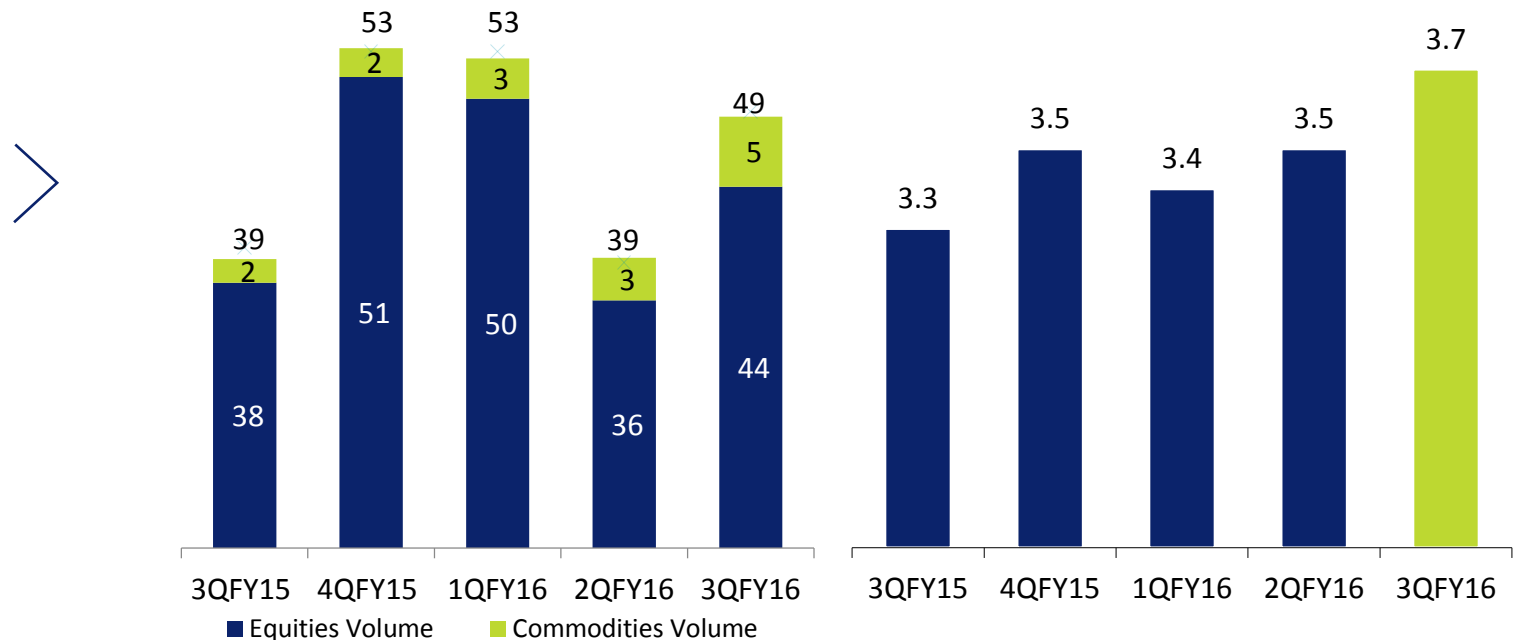
Post Trade Services

Derivatives

Market Data & Connectivity

**Total Derivatives Volume  
(m contracts)**

**Average month-end Open Interest  
(m contracts)**



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# Business Update

## Resilient performance despite challenging market conditions

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# Regulatory Update

- Launched online calendar for listed companies to indicate their tentative AGM dates together with the Chartered Secretaries Institute of Singapore.
- Invited public feedback on a number of proposed requirements including:
  - Introduction of mandatory sustainability reporting on a ‘comply or explain’ basis
  - The allocation of 10% of Mainboard IPO shares for retail investors
  - The alignment of Listing Rules with the Companies Act including the electronic transmission of notices and documents to shareholders including annual reports
- Refined the implementation of MTP in response to feedback
- Publicly reprimanded one listed company for breaching the Listing Rules, and issued two ‘Trade with Caution’ alerts.

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# Outlook

Our results this quarter reflect higher levels of market activities, as market participants react and adjust to the recent changes in benchmark interest rates and volatile commodity prices. We expect competition to increase and global market conditions to remain volatile.

We will continue to execute our growth strategy and focus on managing costs.

We expect FY2016 operating expenses to come in at the lower end of our previously announced guidance of between \$415 million and \$425 million.

Technology-related capital expenditure is expected to be between \$70 million and \$75 million, unchanged from our previous guidance.

# Questions and Answers



**Thank You**

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