

Sandler O’Neill Global Exchange and Brokerage Conference 2016

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The Singapore Exchange (SGX)

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

- ❑ Established in 1999 as a result of the demutualization and merger of the Stock Exchange of Singapore, Singapore International Monetary Exchange and Securities Clearing and Computer Services; listed on the SGX mainboard in 2000
- ❑ Vertically and horizontally integrated, with products and services covering the entire exchange value chain, and across all major asset classes
- ❑ Strong cash-flow with debt-free balance sheet poised for future growth
- ❑ Anchored in Singapore, Asia's only triple AAA-rated economy
- ❑ Consistently high dividend payout ratio and dividend yield
- ❑ Market capitalization of US\$6 billion, 10th largest listed exchange group globally

Geographical Footprint

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



Key Clients

- **Domestic and regional issuers** looking to raise capital in Singapore, the leading Asian financial centre
- **Investors and asset managers** seeking growth opportunities in Asia
- **Global long-only and hedge funds** with Asia mandates, making use of SGX-listed derivatives to manage portfolio risks and/or take directional views across all key Asian markets
- **Professional market makers, liquidity providers and other proprietary trading firms**

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

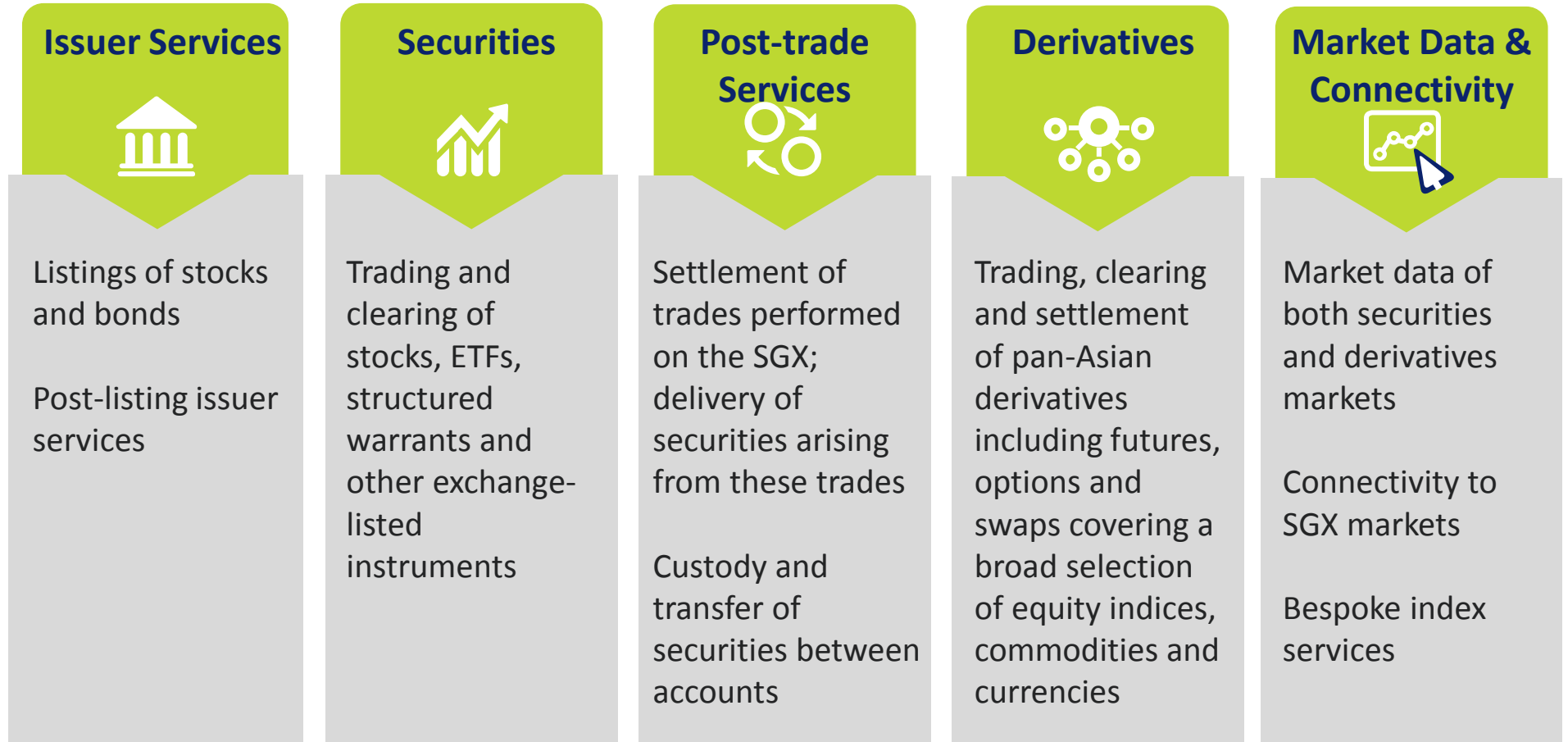


A Premier Risk Management Venue

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

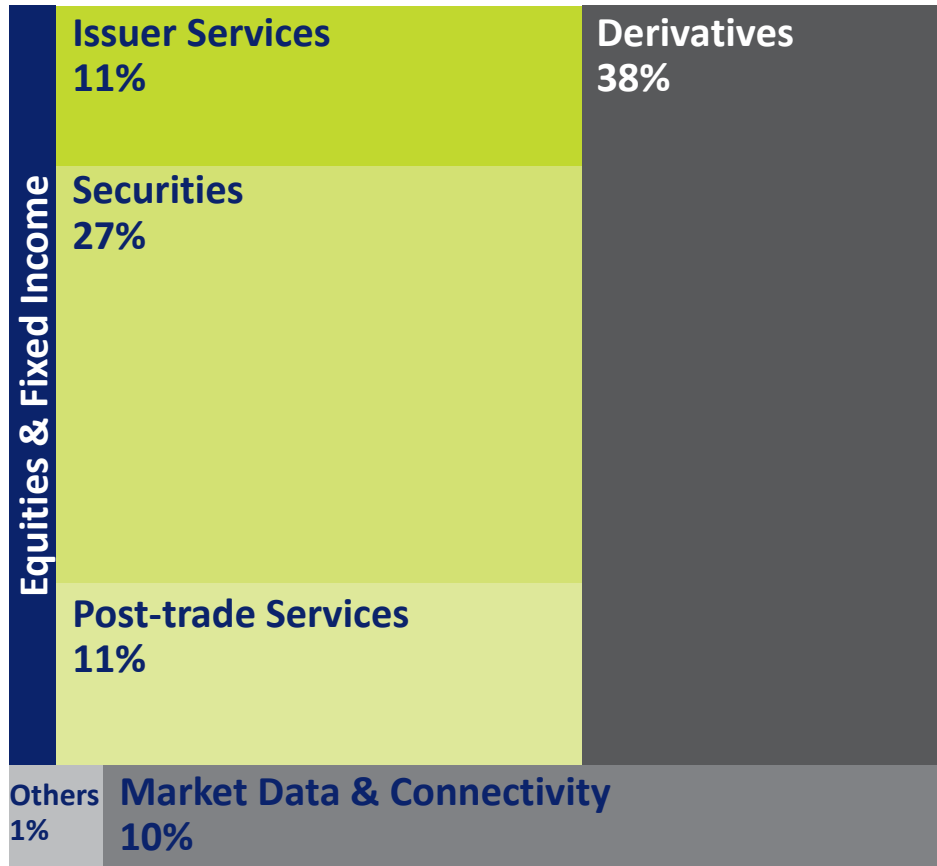
Business Model: Overview

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

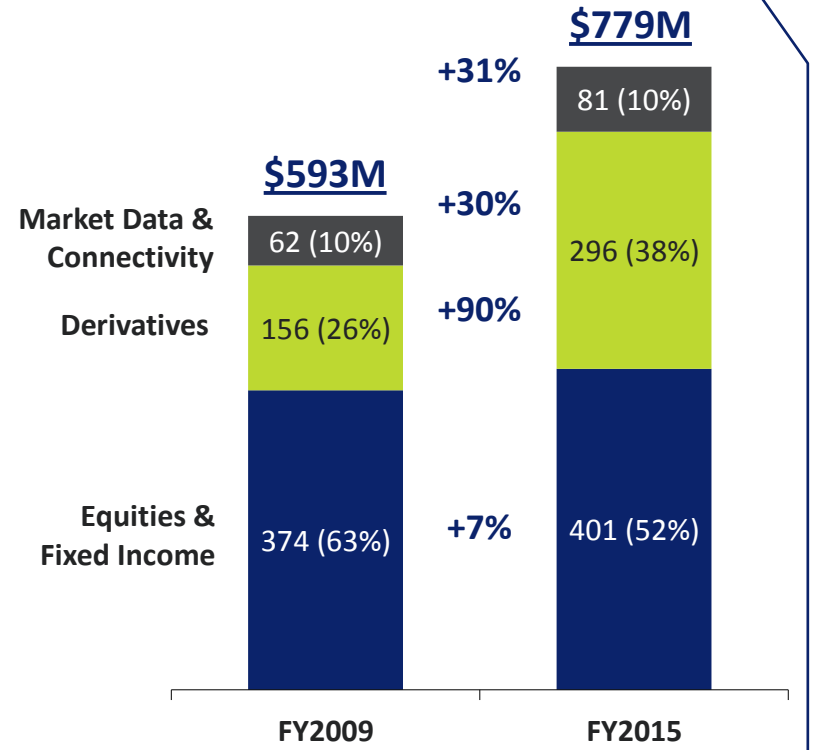


Business Model: Diversified Revenue Streams

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



Change in revenue contributions between FY2009 and FY2015 (\$M)



Recent Key Successes and Milestones

FY2013

- Among first exchanges globally to adopt Principles for Financial Market Infrastructure (PFMI) regulatory standards

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 to date

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

*Asia's first on-exchange bond trading platform

Strategic Priorities

1. Expand Liquidity of Equities Market

- Improve market microstructure
- Deepen geographical and sectorial reach

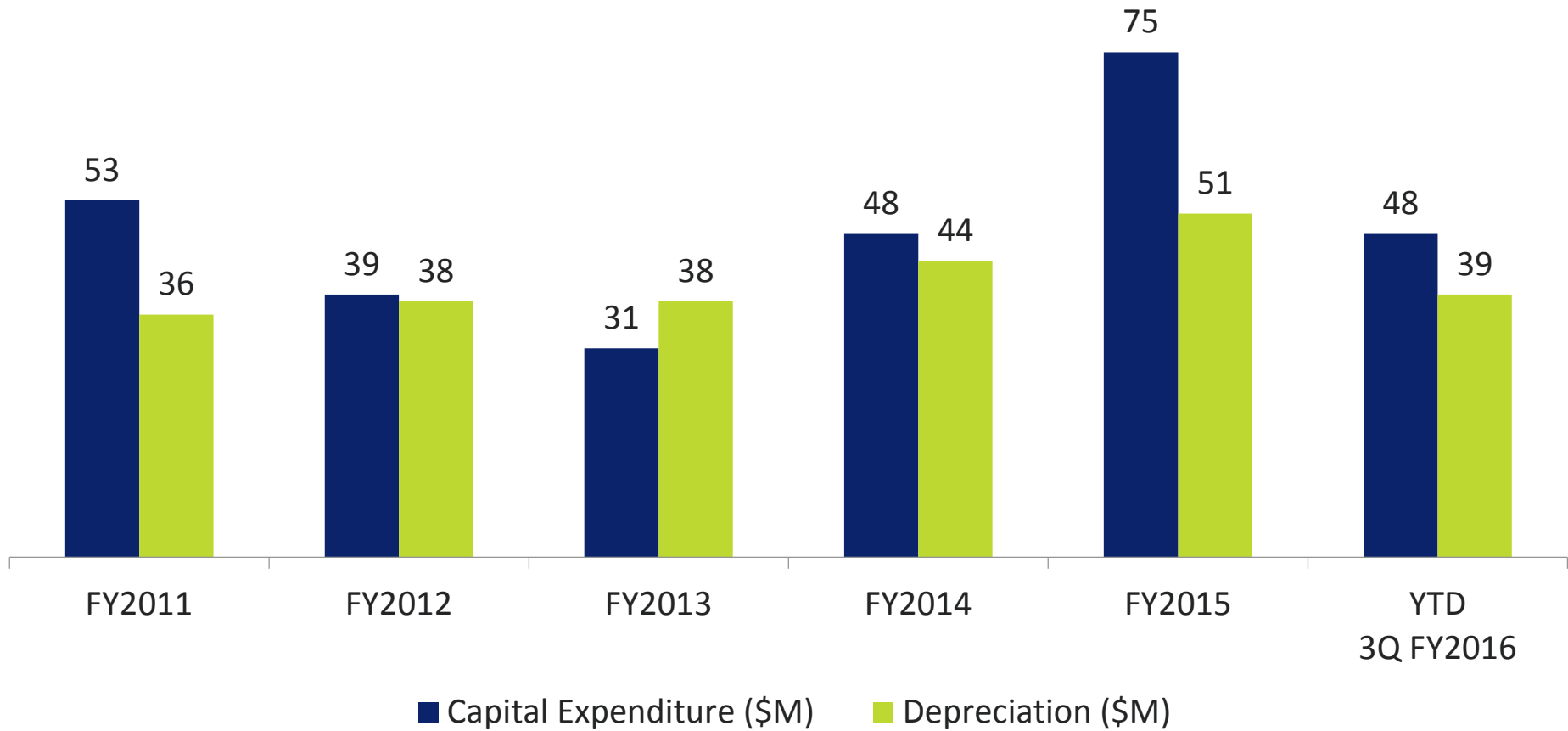
2. Diversify Business Mix

- Grow market for FX futures
- Develop secondary market for fixed income
- Grow market data and index businesses

3. Maintain cost discipline

Technology CAPEX and Depreciation Trend

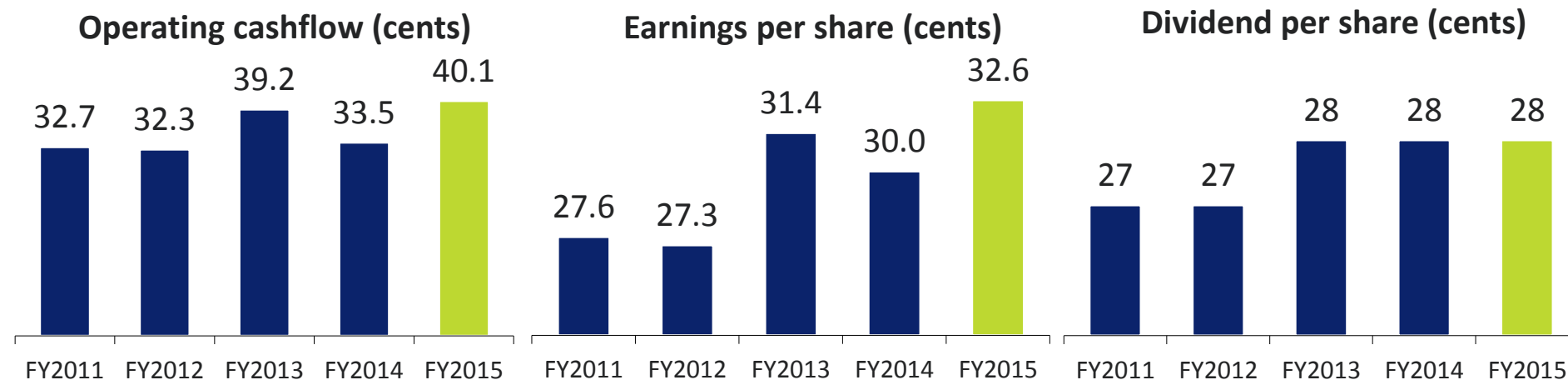
Increased investments into technology-related projects reflecting commitment to enhance capabilities in support of long-term growth



Key Financial Indicators Trend

High margin business model with strong financial performance

	FY2011	FY2012	FY2013	FY2014	FY2015
Revenue (\$ million)	661	648	715	687	779
Operating profit (\$ million)	374	364	414	372	402
Operating profit margin	57%	56%	58%	54%	52%
Return on equity	36%	35%	39%	35%	37%
Earnings per share (cents)	27.6	27.3	31.4	30.0	32.6
Dividend per share (cents)	27	27	28	28	28



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

Year-to-date 3Q FY2016 Performance

Revenue

- \$620M
- Up 10%

Expenses

- \$303M
- Up 11%

Operating Profit

- \$317M
- Up 9%

Net Profit

- \$272M
- Up 8%

Earnings Per Share

- 25.4 cents
- Up 8%

- **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
- **Equities and Fixed Income revenue up 4% with increased market activities**
 - ❑ SDAV increased 6% to \$1.1B and total traded value increased 5% to \$209B
- **Derivatives revenues up 19% on higher volumes**
 - ❑ Total volumes increased 30% to 141M contracts
 - ❑ Strong performance by FTSE China A50 Index futures, Japan Nikkei 225 and iron ore contracts

Outlook

3Q2016 results reflected higher levels of market activities as participants react and adapt to interest rate changes and volatile commodities 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

The SGX Investment Highlights

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

- ❑ Multi-asset exchange that is both horizontally and vertically integrated, with products and services covering all the major asset classes in the Asian time zone
- ❑ Five main business lines providing diversified revenues and resilient earnings
- ❑ Strong cash-flow with debt-free balance sheet poised for future growth
- ❑ Anchored in Singapore, Asia's only triple AAA-rated economy, and positioned to capture Asian growth opportunities
- ❑ Consistently high dividend payout ratio and dividend yield

Appendix

Singapore Exchange (SGX)

Diversified exchange group offering single-point access into Asia across all key asset classes: equities, commodities, FX and fixed income



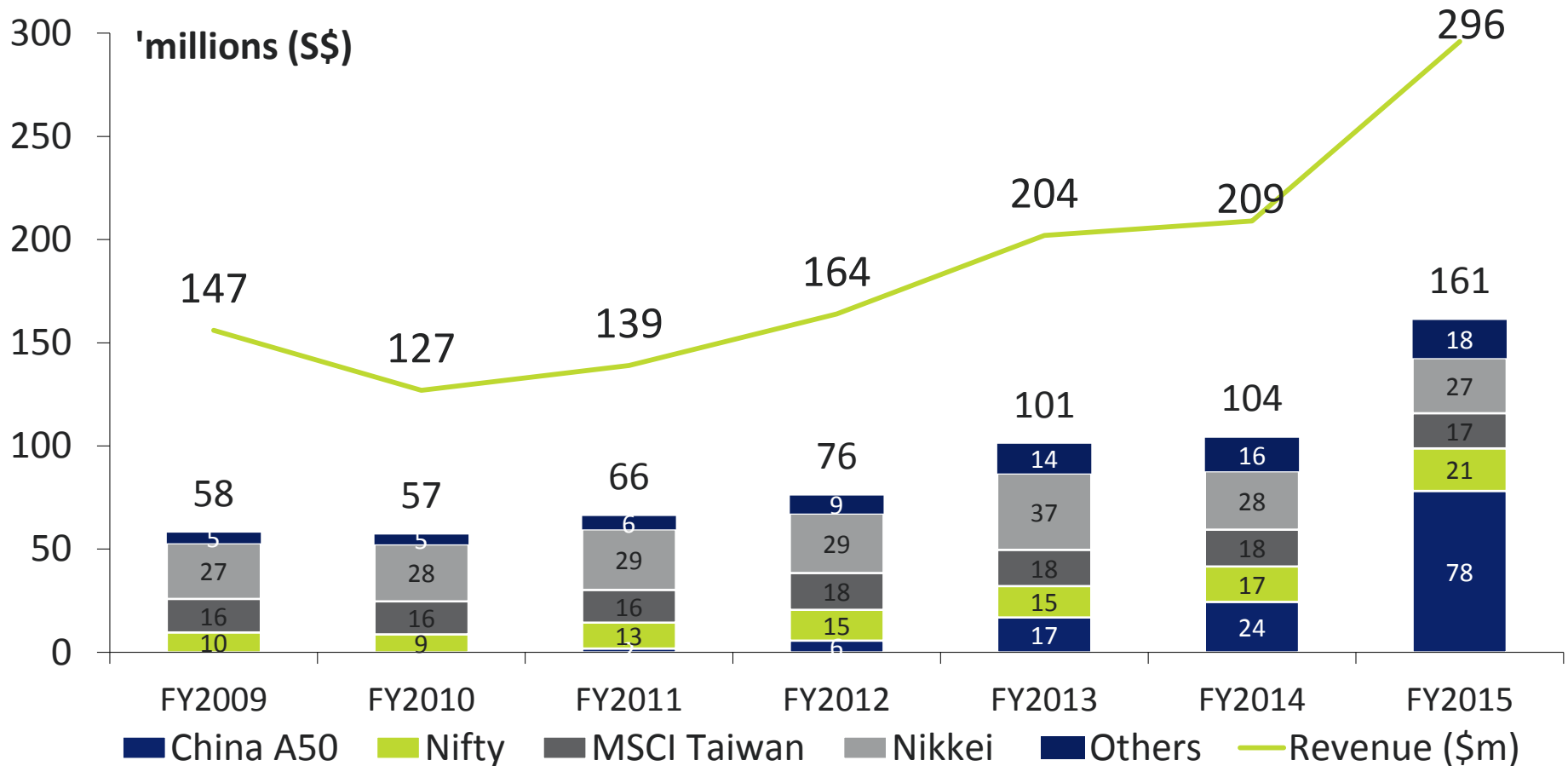
Products and Services

Vertically and horizontally integrated exchange group, with products and services covering all major asset classes in the Asian time zone

	Equities	Equity Indices	Commodities	Currencies	Fixed Income
Listing and Issuer Services	<ul style="list-style-type: none"> • Stocks • REIT and trusts • ETF • Warrants 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Listed bonds in multi currencies from global and regional issuers
Trading	<ul style="list-style-type: none"> • Listed equities 	<ul style="list-style-type: none"> • Derivatives on equity indices of major Asian economies 	<ul style="list-style-type: none"> • Iron ore derivatives • Rubber derivatives • FFA futures • Coking coal futures • Electricity futures 	<ul style="list-style-type: none"> • Futures on currency pairs including USD/INR and USD/CNY 	<ul style="list-style-type: none"> • Fixed income trading
Clearing					<ul style="list-style-type: none"> • Conceptualising
Post-trade	<ul style="list-style-type: none"> • Central depository of Singapore stock market 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • In development 	<ul style="list-style-type: none"> • Conceptualising
Market Data & Connectivity	<ul style="list-style-type: none"> • Real-time and historical pricing data of SGX Securities and Derivatives markets • Market access and connectivity • Co-location • Index services 				

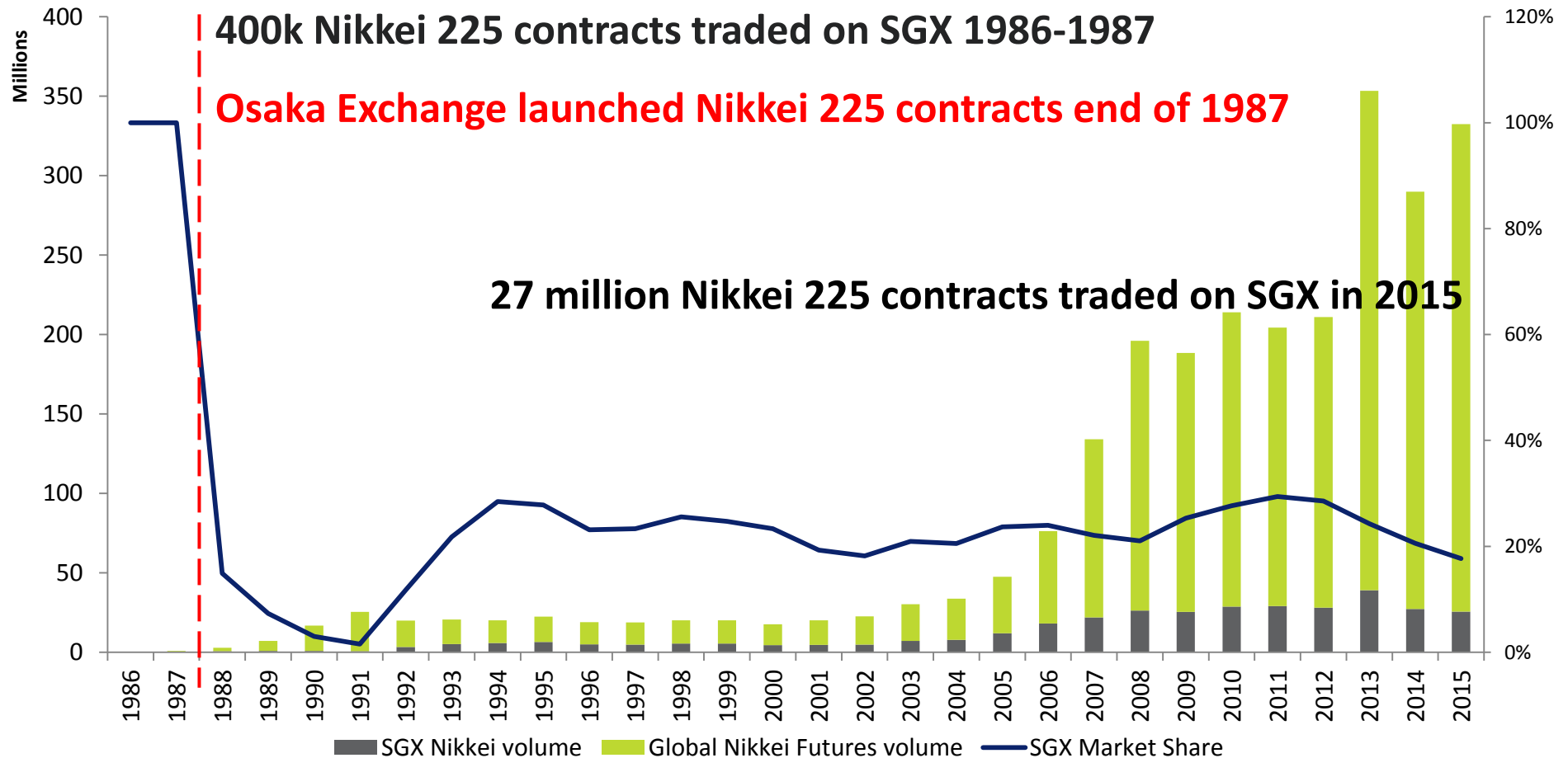
Growth of SGX Derivatives

Derivatives revenue increased 90% from FY2009 following success in growing liquidity pool for pan-Asian product suite



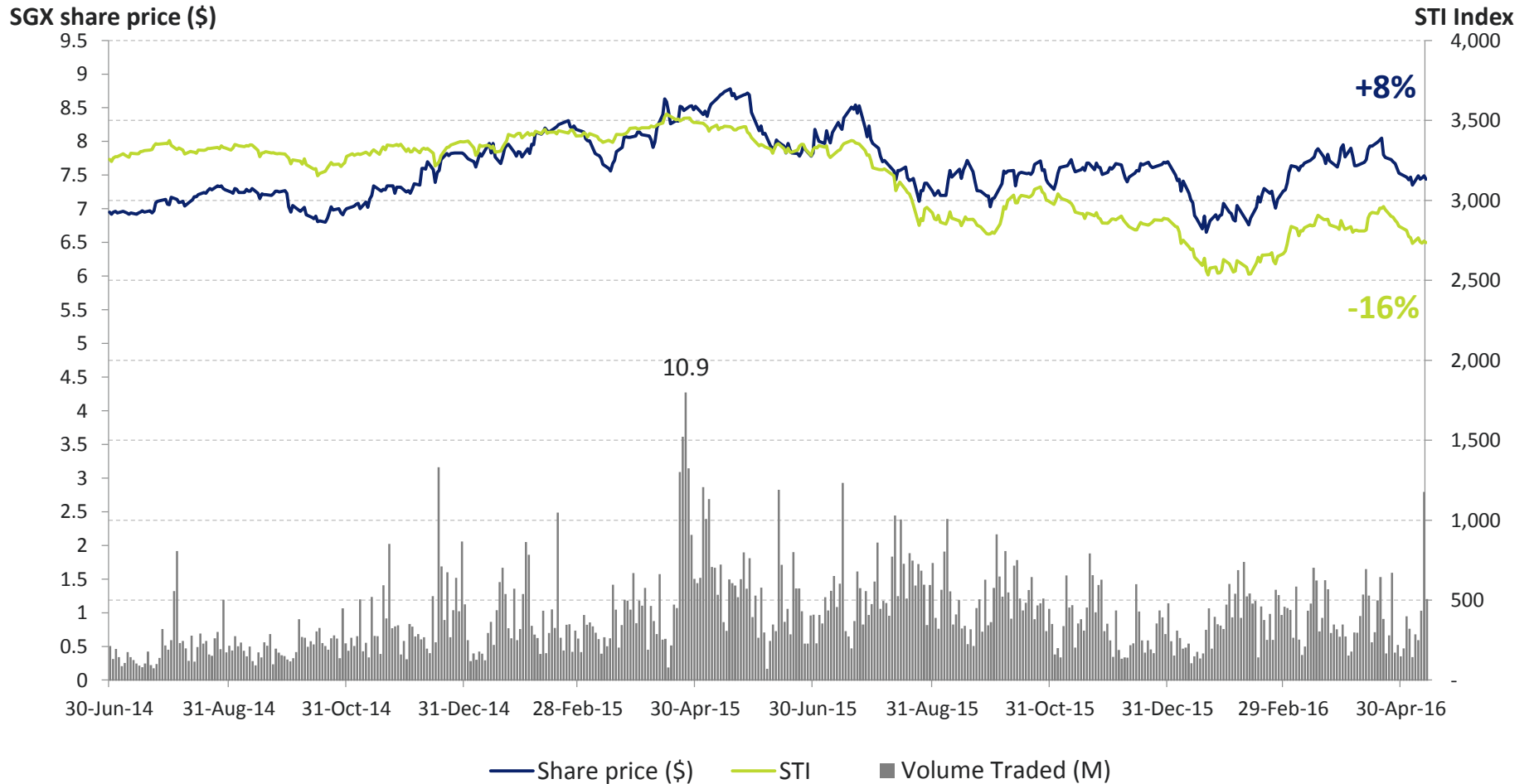
Historical Performance: Nikkei 225 Derivatives

Offshore price discovery and risk management offered by SGX complements onshore trading in domestic exchanges



Share Price and Volume Traded: FY2015 to Present

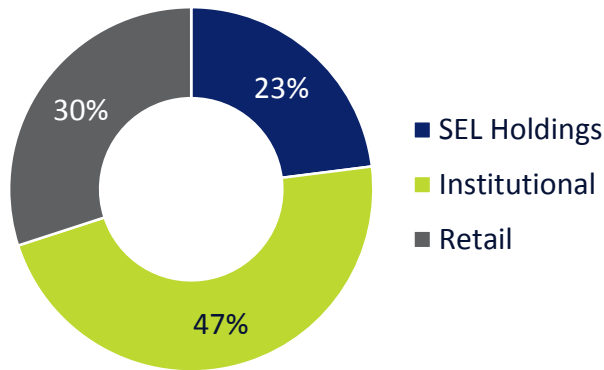
Resilient share price performance despite volatile market conditions



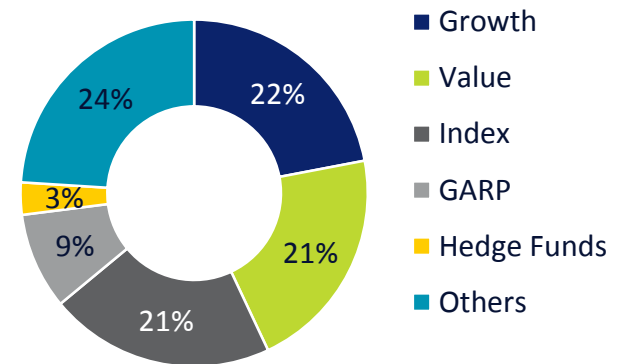
Shareholding Profile

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

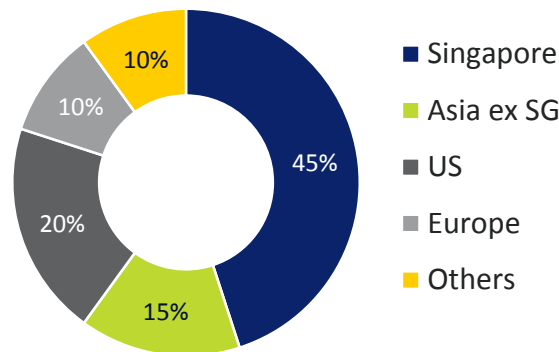
Total Shareholder Composition



Institutional Shareholding by Style



Shareholding by Geography



Thank You

Singapore Exchange

London ▪ Tokyo ▪ Beijing ▪ Hong Kong ▪ Mumbai

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