

Singapore Exchange Nineteenth Annual General Meeting

20 September 2018

Nineteenth Annual General Meeting

Kwa Chong Seng
Chairman

Nineteenth Annual General Meeting

Loh Boon Chye

CEO

Delivering on our priorities in FY2018

**A Year of
Notable
Performance**

**Highest
revenue of
S\$844.7M
since listing
in 2000**

**Highest
profit of
S\$363.2M in 10
years**

**Highest
annual
dividend of
30 cents
per share
in 10 years**

**Strategic
Priorities**

**Grow Asset Classes and
Geographies**



**Advance our
Securities Market**



**Optimise Resources
and Control Costs**



FY2019 Strategic Priorities

Market Outlook



Build A Multi-Asset Exchange



Grow International Presence



Widen Partnerships & Networks

Increase breadth and depth of our Equities market



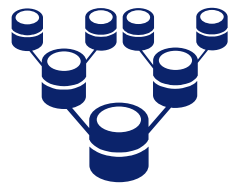
Partners



Products



Global investors



Ecosystem



Meet new funding needs of companies

- Enhance pipelines through strategic partnerships



Digitise equities market offerings

- Better serve diversity of customer needs



New post trade
system

New web
experience

Ramp up our Fixed Income business



Global marketing



DCM products



SGX Bond Pro participants

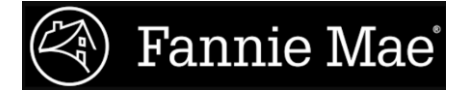


SGX Bond Pro platform



Strengthen Asia's largest debt securities platform

- Continued increase of overseas bonds listings



Offer new asset class to investors

- Giving investors access to private equity (PE) via bonds



Scale up with strategic investments

- Strategic investments in a fast-growing electronic trading platform for corporate bonds in the US



Entrench position as Asia's largest Derivatives exchange



SGX Titan OTC Pro



Product shelf



Virtual steel value chain



International industry awards



Innovate products and platforms

- OTC meets exchange traded products - SGX FlexC Futures
- Partner innovative companies to bridge physical and financial markets, improve efficiencies across the value chain



Grow overseas clientele across asset classes

- Robust global demand for SGX's risk management products due to strong investment flows in and out of Asian emerging markets
- Extend product range to meet diverse client needs

Pursue opportunities in Data and Index businesses



**Proprietary
indices**



**Expanded
distribution**



**New data
development**



**Advanced
technology**



Grow SGX Index Edge globally

- Expanded team in London to support clients ex-Asia
- Develop a proprietary custom (end-of-day) index calculation engine
- Continue to launch thematic indices with leading partners



Tap on increase in demand for data

- Introduce new reference data feed - data sets on SGX-listed issuers and securities, as well as financial statements of issuers
- Continued growth in data licences and demand for co-location services

Digital Freight - a new asset class and 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.

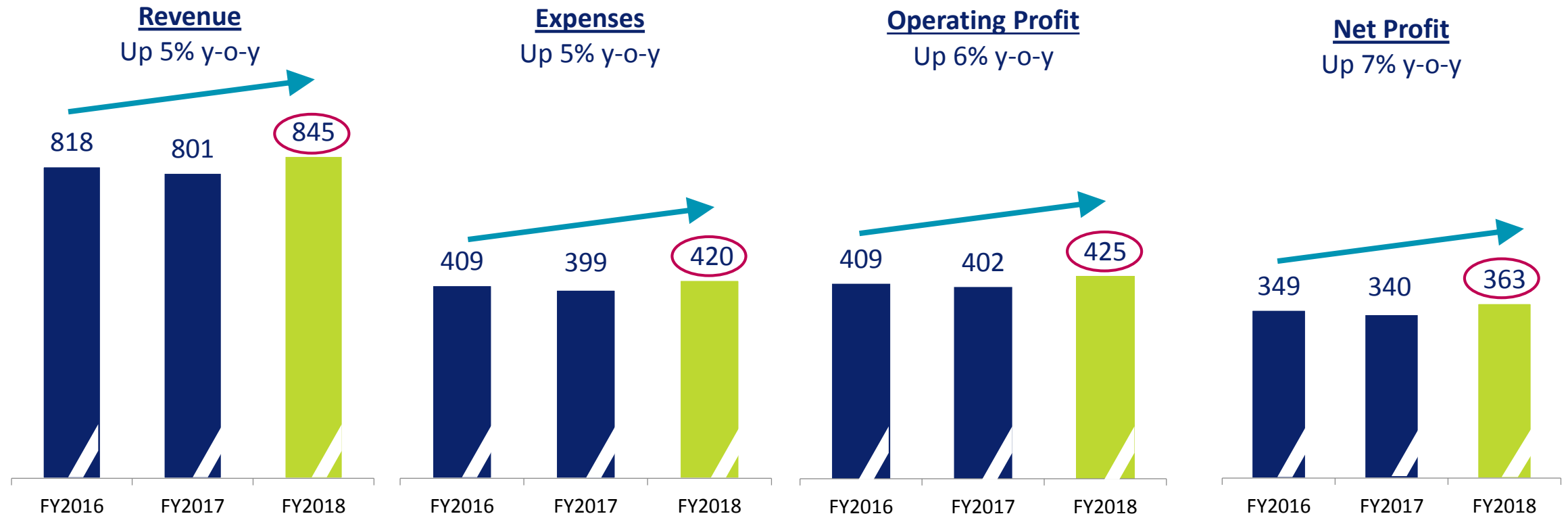
Dominate a new multi-modal asset class of freight – wet & dry bulk, container & air.

Financial Performance

Chng Lay Chew
CFO

Highest revenue since listing in 2000

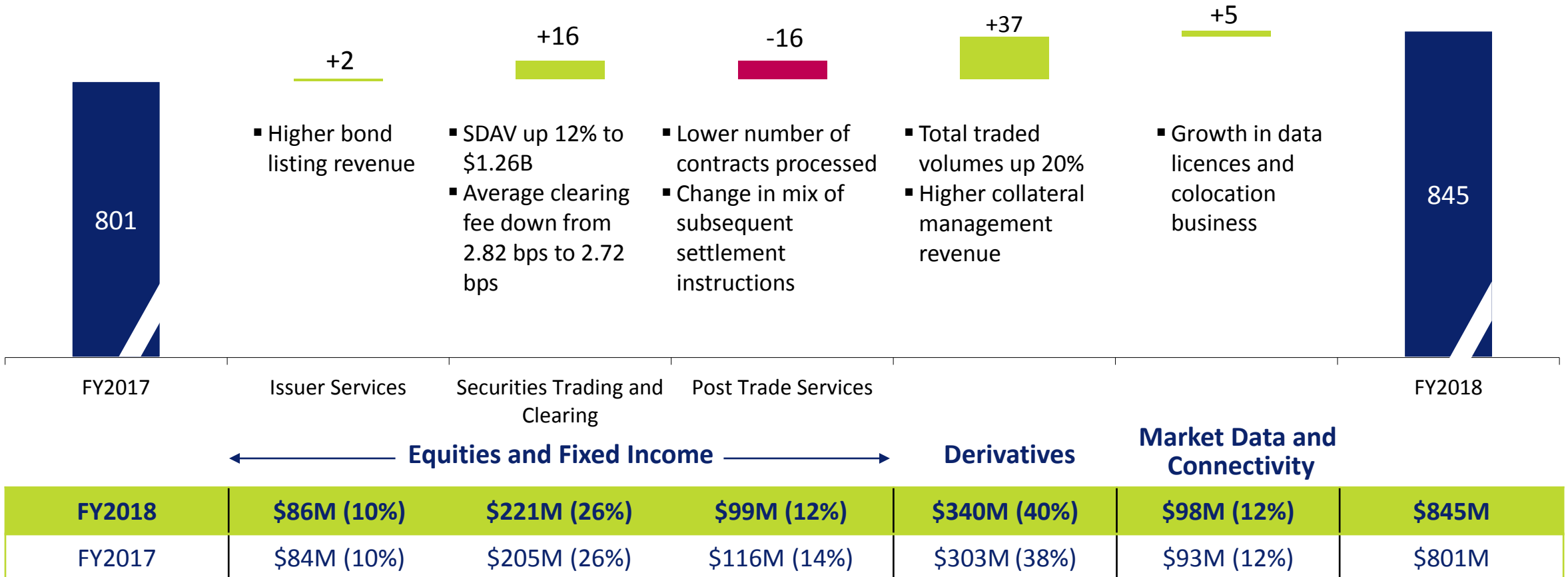
- Revenue of \$845M , up 5%
- Expenses up 5%
- Net profit of \$363M, up 7%



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

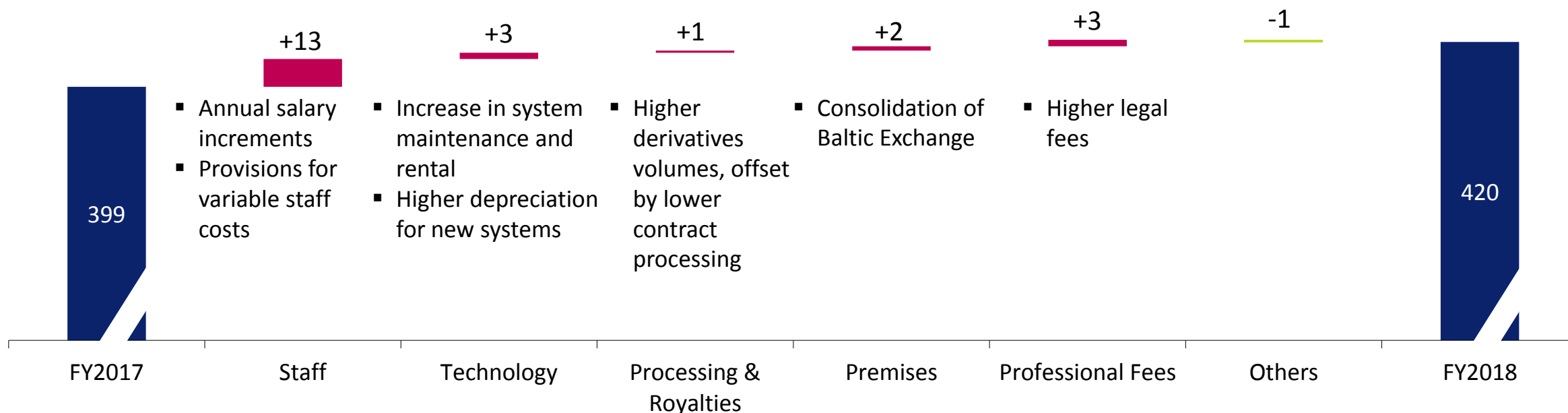
Higher revenues across all three businesses

- Equities & Fixed Income revenue of \$407M, up 1%
- Record Derivatives volumes and revenue of \$340M, up 12%
- Record Market Data & Connectivity revenue of \$98M, up 5%



Disciplined expenditure to support growth

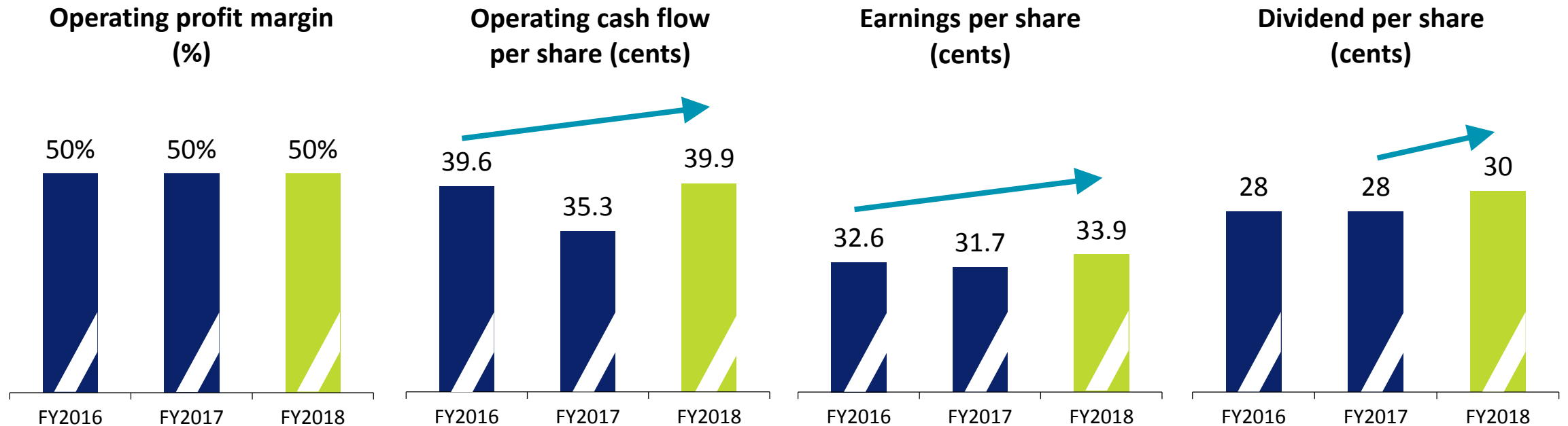
- Built staff capabilities in business and technology
- Implemented securities post-trade system and enhanced fixed income trading capabilities
- Profile of expenses – Fixed costs 67% , variable costs 25%, discretionary costs 8%



| | | | | | | | |
|---------------|---------------------|---------------------|--------------------|-------------------|-------------------|-------------------|---------------|
| FY2018 | \$176M (42%) | \$127M (30%) | \$46M (11%) | \$28M (7%) | \$13M (3%) | \$30M (7%) | \$420M |
| FY2017 | \$162M (41%) | \$124M (31%) | \$45M (11%) | \$27M (7%) | \$10M (3%) | \$31M (8%) | \$399M |

Continued strong key financial indicators

- High operating profit margin of 50%
- Strong cash flows
- Annual dividend up 2 cents to 30 cents per share



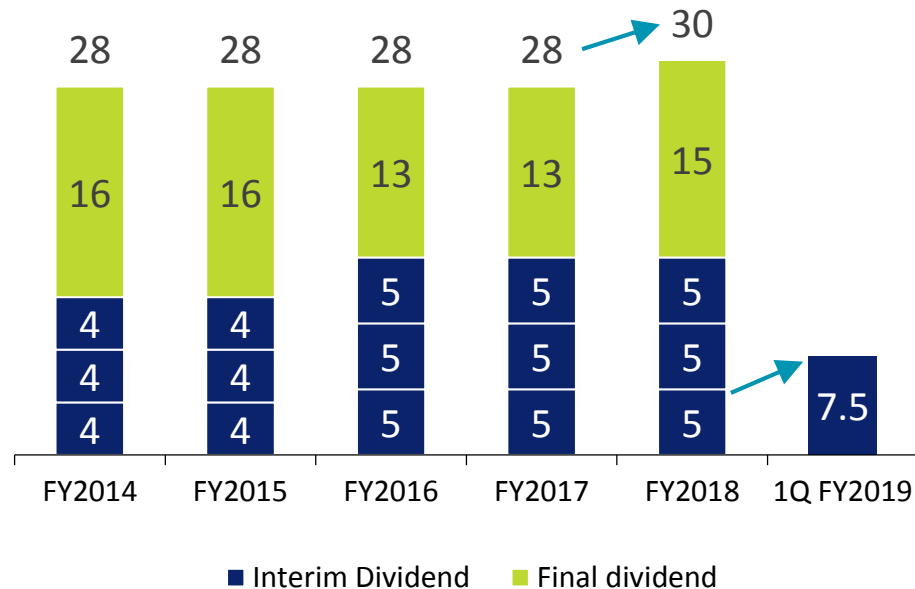
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

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



Revision from dividend policy based on a percentage of net profit to one based on absolute amount. This 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 have more certainty to receive dividends earlier. Potential for future growth in absolute dividend amounts

Thank you

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Singapore Exchange Nineteenth Annual General Meeting

20 September 2018

Meeting Procedures

Ding Hui Yun

Company Secretary

Electronic Voting: How To Use Your Handset



When invited to vote:

Press **1** to vote **FOR**

Press **2** to vote **AGAINST**

If you have made a mistake simply
press **1** or **2** again to vote
– this will overwrite your previous choice

To cast a split vote, please go to the split
vote desk next to registration

Test Resolution

“ The weather is good. ”

Singapore Exchange Nineteenth Annual General Meeting

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Ordinary Resolution 1: Routine Business

To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2018 and the Auditor's Report thereon.



See Annual Report on:

- Directors' Statement ([Page 94](#))
- Independent Auditor's Report ([Page 104](#))
- Statements of Comprehensive Income ([Page 108](#))

Ordinary Resolution 2: Routine Business

To declare a final tax exempt dividend of 15 cents per share for the financial year ended 30 June 2018.



See Annual Report on:

- Notes to the Financial Statements
 - Dividends ([Page 145](#))

Ordinary Resolution 3(a): Routine Business

To re-elect Mr Kevin Kwok, who will be retiring by rotation under Article 97 of the Constitution of the Company and who, being eligible, offers himself for re-election as a director of the Company.



Non-Executive and
Independent Director

 **See Annual Report on:**

- Mr Kwok's biodata ([Page 18](#))
- Notice of Annual General Meeting
 - Explanatory Notes ([Page 173](#))

Ordinary Resolution 3(b): Routine Business

To re-elect Mr Loh Boon Chye, who will be retiring by rotation under Article 97 of the Constitution of the Company and who, being eligible, offers himself for re-election as a director of the Company.



Executive and
Non-Independent Director


See Annual Report on:

- Mr Loh's biodata ([Page 16](#))
- Notice of Annual General Meeting
 - Explanatory Notes ([Page 173](#))

Ordinary Resolution 4: Routine Business

To approve the sum of S\$930,000 to be paid to the Chairman as director's fees, for the financial year ending 30 June 2019.



See Annual Report on:

- Notice of Annual General Meeting
 - Explanatory Notes ([Page 173](#))

Ordinary Resolution 5: Routine Business

To approve the sum of up to S\$1,600,000 to be paid to all directors (other than the CEO) as directors' fees for the financial year ending 30 June 2019.



■ **See Annual Report on:**

- Notice of Annual General Meeting
 - Explanatory Notes ([Page 173](#))

Ordinary Resolution 6: Routine Business

To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company and to authorise the directors to fix its remuneration.



See Annual Report on:

- Independent Auditor's Report ([Page 104](#))

Ordinary Resolution 7: Special Business

That Mr Ng Wai King be and is hereby appointed as a director of the Company pursuant to Article 103 of the Constitution of the Company.



See Annual Report on:

- Mr Ng's biodata ([Page 21](#))
- Notice of Annual General Meeting
 - Explanatory Notes ([Page 174](#))



Non-Executive and
Independent Director

Ordinary Resolution 8: Special Business

That Mr Subra Suresh be and is hereby appointed as a director of the Company pursuant to Article 103 of the Constitution of the Company.



See Annual Report on:

- Mr Suresh's biodata ([Page 21](#))
- Notice of Annual General Meeting
 - Explanatory Notes ([Page 174](#))



Non-Executive and
Independent Director

Ordinary Resolution 9: Special Business

To approve the proposed Share Issue Mandate.



See Annual Report on:

- Notice of Annual General Meeting
 - Explanatory Notes ([Page 174](#))

Ordinary Resolution 10: Special Business

To approve the proposed Share Purchase Mandate.



See Annual Report on:

- Notice of Annual General Meeting
 - Explanatory Notes ([Page 175](#))
- Further details are set out in the Letter to Shareholders dated 28 August 2018

Ordinary Resolution 11: Special Business

To approve the proposed SGX Restricted Share Plan.



See Annual Report on:

- Notice of Annual General Meeting
 - Explanatory Notes ([Page 175](#))
- Further details are set out in the Letter to Shareholders dated 28 August 2018

Reminder

Please return the **Handset** and **Smartcard** to the ushers as you leave the Ballroom.



Thank you

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FY2018 fee structure and proposed fee structure for FY2019

| | FY2018 | FY2019 | Increase |
|--------------------------------------|-----------|-----------|-----------|
| Basic Fee – Member | S\$55,000 | S\$75,000 | S\$20,000 |
| Audit Committee – Chairman | S\$40,000 | S\$55,000 | S\$15,000 |
| Audit Committee – Member | S\$30,000 | S\$40,000 | S\$10,000 |
| Risk Management Committee – Chairman | S\$30,000 | S\$55,000 | S\$25,000 |
| Risk Management Committee – Member | S\$20,000 | S\$40,000 | S\$20,000 |
| Other Committee – Chairman | S\$30,000 | S\$40,000 | S\$10,000 |
| Other Committee – Member | S\$20,000 | S\$25,000 | S\$5,000 |
| Meeting Attendance Fee | S\$1,500 | Nil | Nil |



See Annual Report on:

- Notice of Annual General Meeting - Explanatory Notes ([Page 174](#))