

2Q FY2016 Analyst and Media Briefing

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

20 January 2016

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Second Quarter FY2016 Highlights

Revenue

- \$195M
- Unchanged

Expenses

- \$97M
- Up 4%

Operating Profit

- \$98M
- Down 4%

Net Profit

- \$84M
- Down 3%

Earnings Per Share

- 7.8 cents
- Down 3%

- Resilient performance despite challenging market conditions
- Securities market activities declined from a year earlier
 - SDAV decreased 11% to \$0.9 billion and total traded value decreased 9% to \$59.5 billion
 - 5 new listings raising \$0.4 billion compared with 14 listings raising \$0.7 billion a year earlier
 - Total funds raised decreased 25% to \$38 billion
- Derivatives revenue up 1% on higher interest income earned on collateral balances
 - Total volumes decreased 2% to 39 million contracts
 - 34% decline in the volumes of the Japan Nikkei 225 futures and options
 - Continuing growth in commodities contracts with Iron Ore volumes up 121%

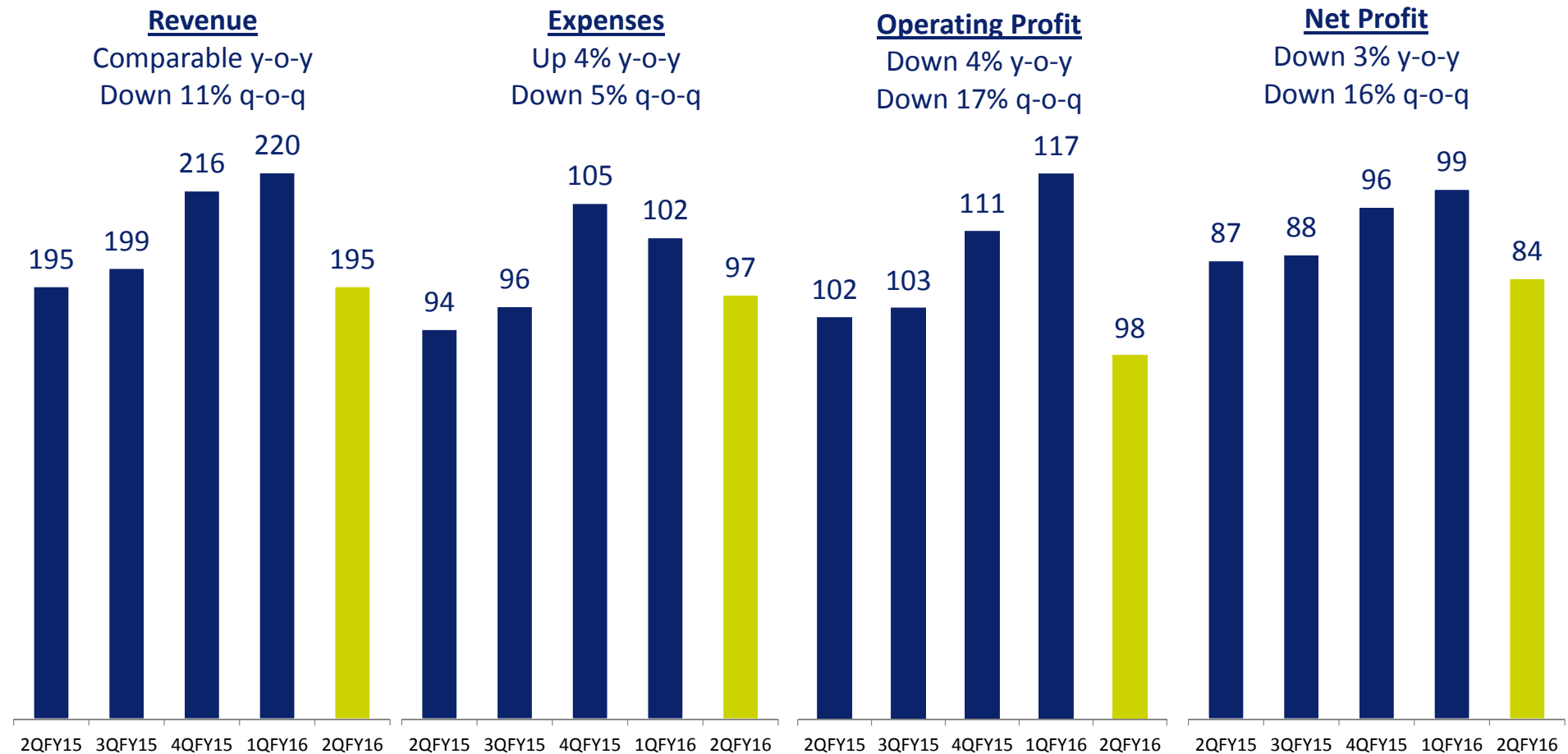
Financial Performance

Chng Lay Chew, Chief Financial Officer

Financial Performance: Quarterly Trend

Net profit of \$84 million, down 3% from a year earlier

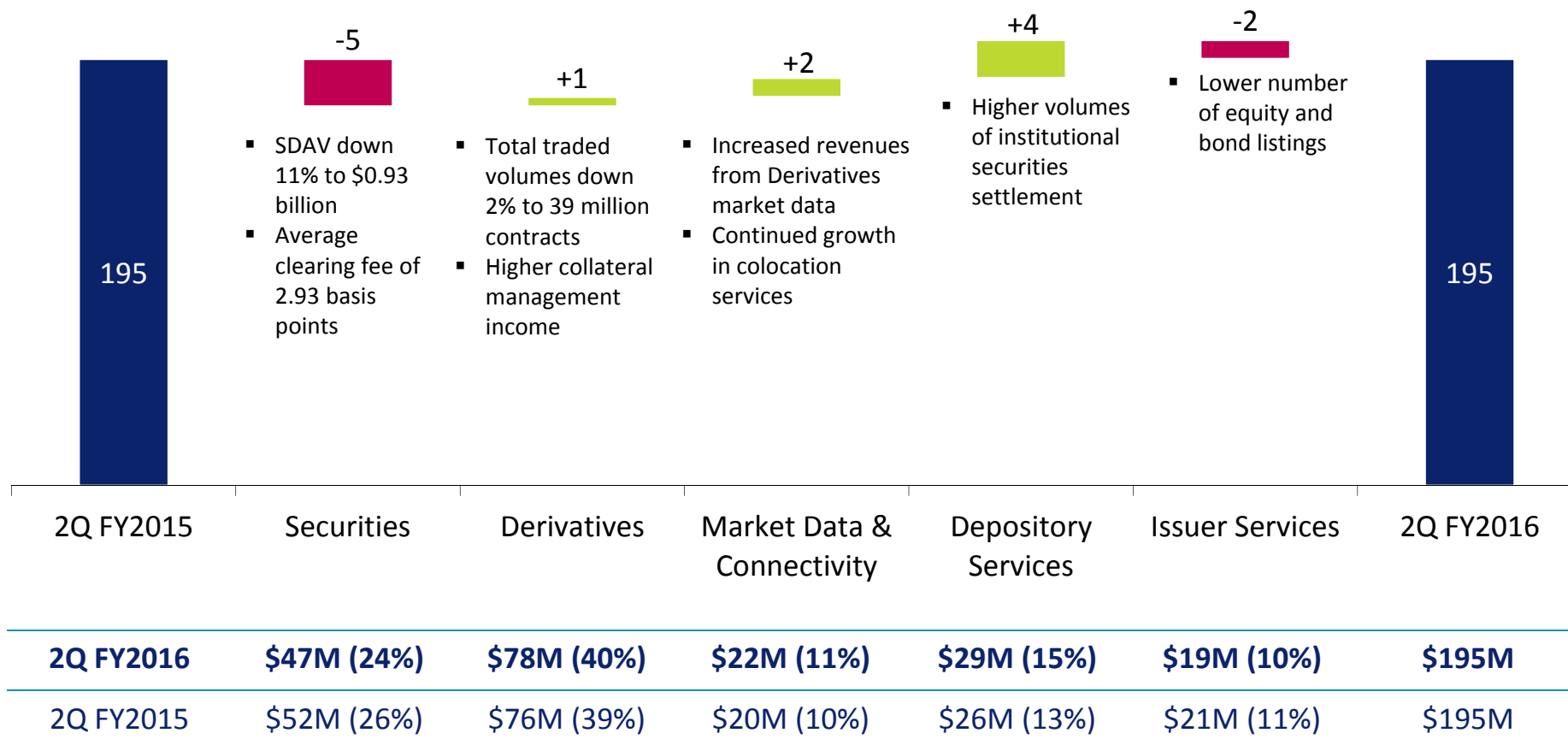
1H FY2016 net profits of \$183 million, up 11% from a year earlier



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

Financial Performance: Revenue, Year-on-Year

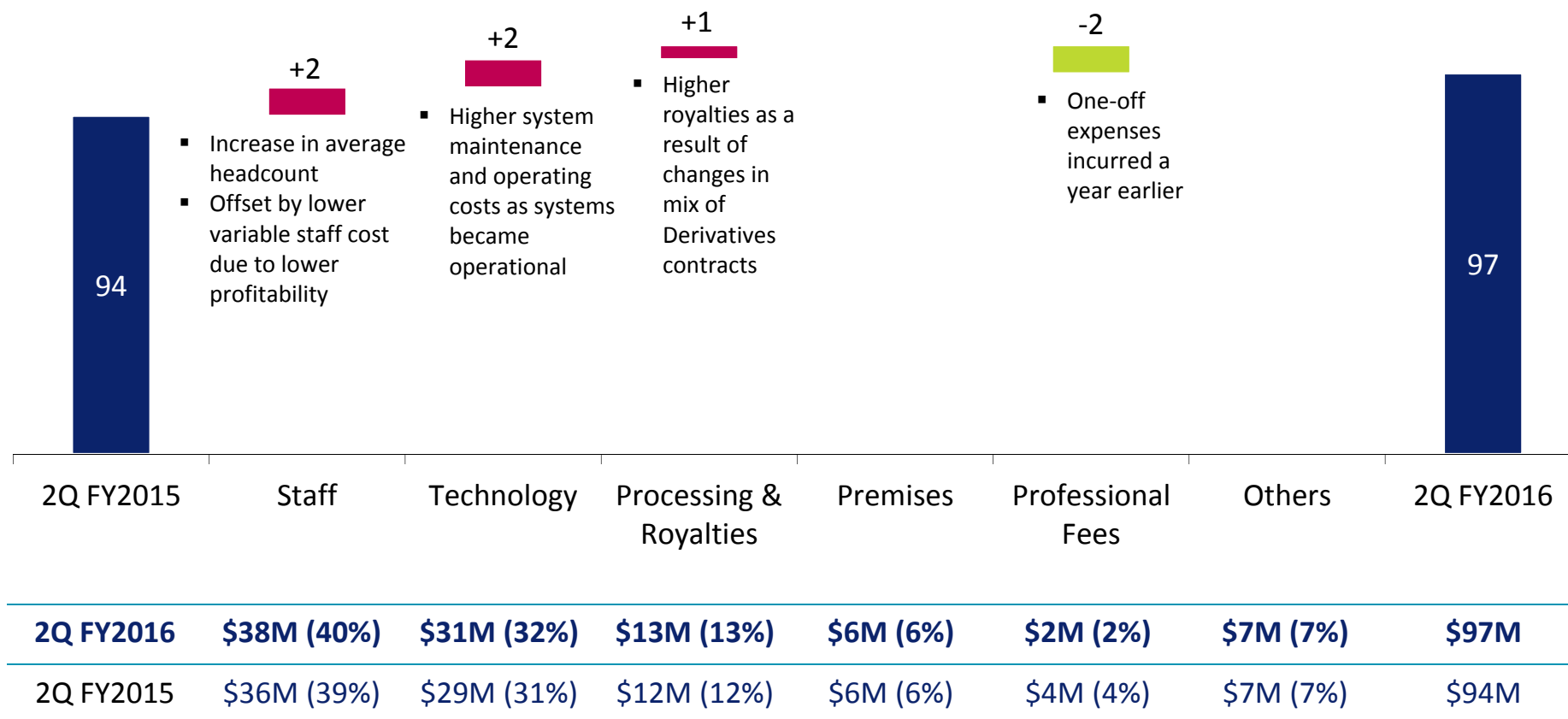
Revenue of \$195 million, unchanged from a year earlier



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Financial Performance: Expenses, Year-on-Year

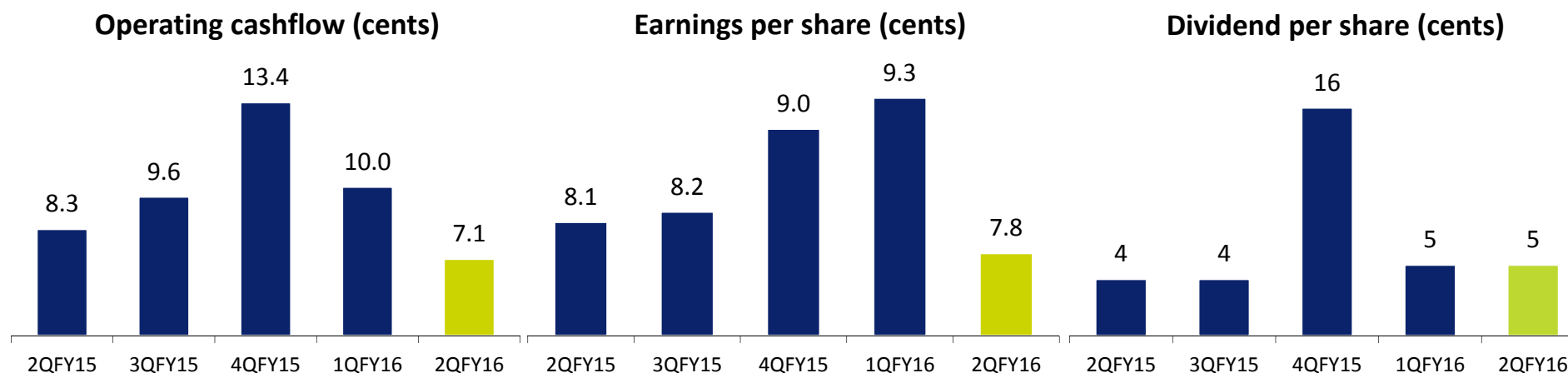
Expenses of \$97 million, up 4% from \$94 million a year earlier



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Financial Performance: Key Indicators

	2Q FY2015	3Q FY2015	4Q FY2015	1Q FY2016	2Q FY2016
Revenue (\$ million)	195	199	216	220	195
Operating profit (\$ million)	102	103	111	117	98
Operating profit margin	52%	52%	51%	53%	50%
Return on equity	39%	38%	37%	45%	43%
Earnings per share (cents)	8.1	8.2	9.0	9.3	7.8
Dividend per share (cents)	4	4	16	5	5



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Business and Regulatory Update

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

Business Update

Resilient performance despite challenging market conditions

- Securities** >
 - Revenue down 10% to \$47 million with 9% decrease in traded value to \$59 billion
 - SDAV down 11% following a decline in market activity
- Derivatives** >
 - Revenue up 1% to \$78 million on total traded volumes of 39 million contracts
 - Volumes for Iron Ore increased 121% to 2.6 million contracts
- Market Data and Connectivity** >
 - Revenue up 8% to \$22 million
 - Growth from increased derivatives market data sales and colocation
- Depository Services** >
 - Revenue up 14% to \$29 million with settlement revenue up 16% following increased number of institutional settlement instructions
- Issuer Services** >
 - Revenue down 8% to \$19 million with 5 new listings and 73 new bond issues
 - Total funds raised down 25% to \$38 billion

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Business Update

Resilient performance despite challenging market conditions

Securities



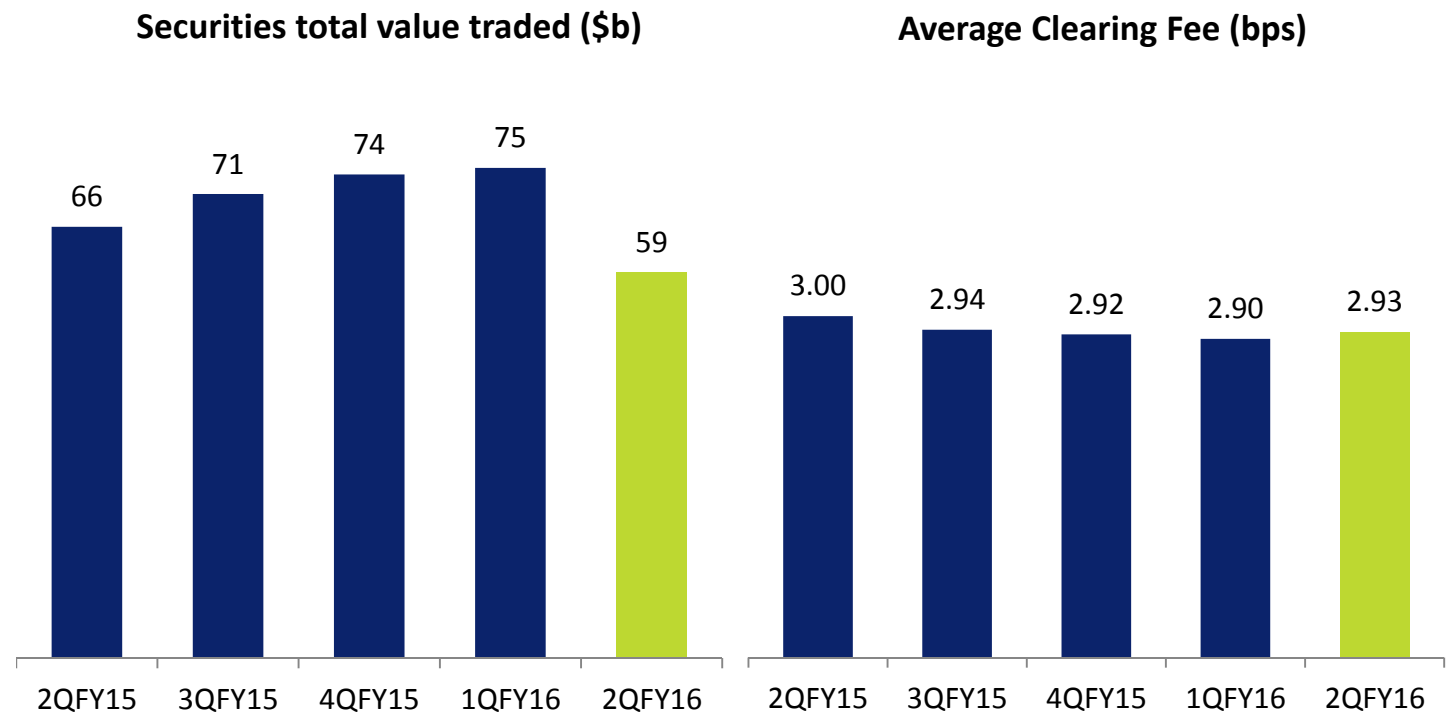
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Derivatives

Market Data and Connectivity

Depository Services

Issuer Services



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Derivatives



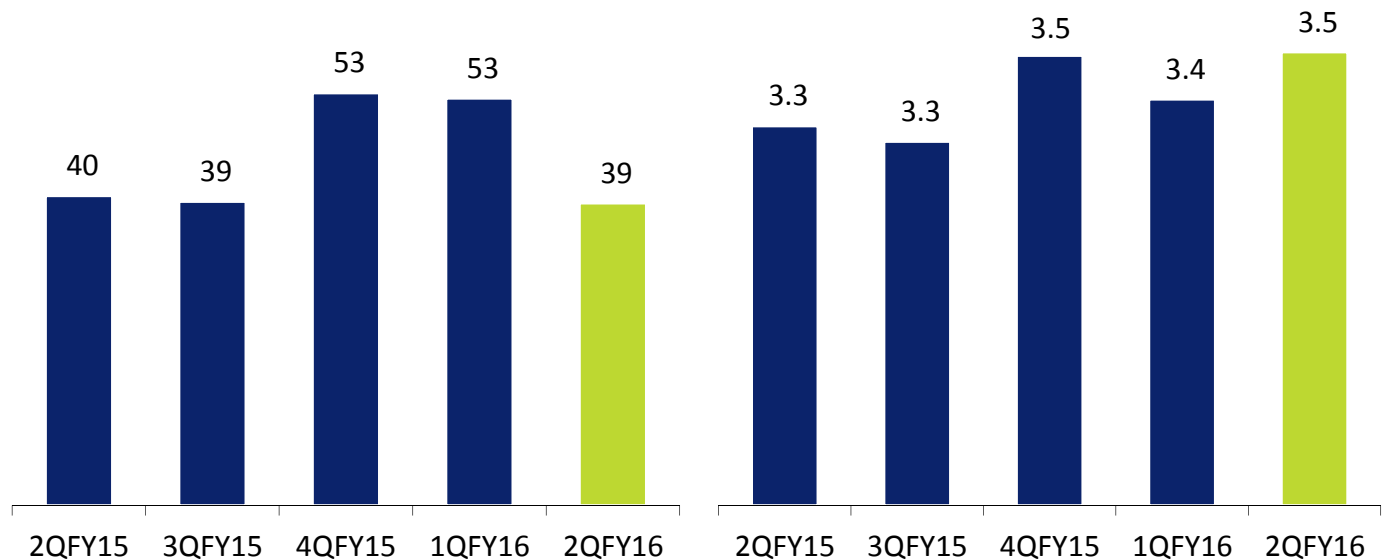
Total Derivatives Volume
(m contracts)

Average month-end Open Interest
(m contracts)

Market Data and
Connectivity

Depository Services

Issuer Services



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Regulatory Update

- Launched review of Mainboard companies' compliance with CCG
- Introduced regulatory initiatives and rule changes in response to market feedback
 - Extended the review of companies' compliance with the Minimum Trading Price requirement
 - Refined our approach to "Trade with Caution" alerts
 - Implemented additional safeguards for the trading of newly consolidated shares
 - Extended the privy list requirement from only certain significant transactions to all material transactions
 - Published on our website, for the first time, case studies of private disciplinary actions, guidelines for Catalist sponsors and a toolkit to aid companies in common corporate actions
- Publicly reprimanded two listed companies for rule breaches

Outlook

Our results this quarter reflect persistent weak market sentiment. The outlook for global markets remains uncertain as market participants adjust to the recent change in US interest rate policy, slower growth in China and volatile commodity prices.

While we have successfully launched a number of new initiatives this past quarter, including SGX Bond Pro, their initial contribution to business performance will be marginal. We remain committed to our long term growth strategy.

We are focused on managing our costs, and operating expenses for FY2016 are now expected to be between \$415 million and \$425 million. This is lower than the previously announced range of between \$425 million and \$435 million.

Technology-related capital expenditure is now expected to be between \$70 million and \$75 million, lower than the previously announced range of between \$75 million and \$80 million, as we re-prioritise our projects.

Questions and Answers

Thank You

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