

# Morgan Stanley Twentieth Annual Asia Pacific Summit

18 November 2021

Singapore Exchange



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# Who we are

# International multi-asset exchange group

Headquartered in AAA-rated Singapore, we are an international multi-asset exchange focused on expanding the strengths of our platform and services for our clients

- Asia's most international, multi-asset exchange – Operating equity, fixed income, currency and commodity markets
- Diversified exchange group with a global distribution network – present in 15 major cities<sup>1</sup> globally
- High Operating and EBITDA margins of 50% and 59% respectively in FY2021
- EPS of 41.6 cents and Operating cash flow of 51.7 cents per share
- Total dividend of 32.0 cents per share
- Systemically Important Financial Infrastructure (SIFI)



**Rated Aa2, highest credit rating assigned to any exchange group in the world by Moody's<sup>2</sup>**

Re-affirms the strong credit fundamentals of SGX and clearing houses, and reinforces our risk management value-proposition to customers

# Our Customers and Partners Recognise the Value that We Bring

SGX has established a strong brand recognition through winning multiple awards for consecutive years



# Four business and client units

Four business and client units covering the entire exchange value chain from listing, trading, clearing, post-trade, depository and data services

## Fixed Income, Currencies and Commodities (FICC)

- Fixed Income Listing & Trading
- Trading & Clearing of Pan-Asian currency and commodity derivatives



## Equities

- Equity Listings
- Trading & Clearing of Pan-Asian equity index derivatives, cash equities, ETFs, Structured Warrants, REITs, DLCs, etc.
- Delivery, Settlement and Custody of securities



## Data, Connectivity and Indices (DCI)

- FICC and Equities market data
- API and Co-location connectivity
- Development and bespoke calculation of indices



## Global Sales and Origination (GSO)

- Nine international offices and specialist sales teams



# SGX's strategy captures opportunities from macro trends



Low interest rate environment



Inflation concerns



Sustainability and climate change



Electronification of OTC markets



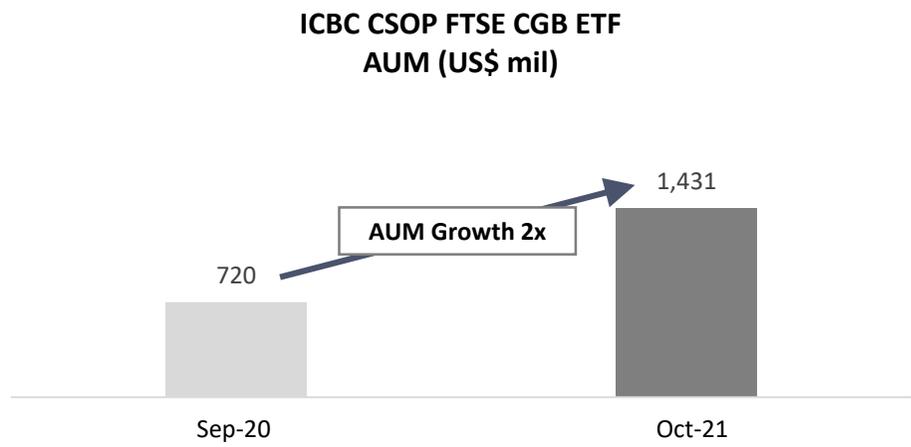
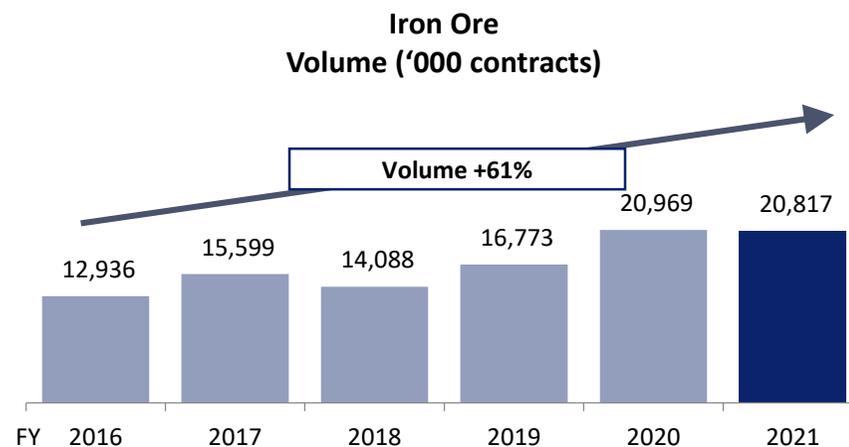
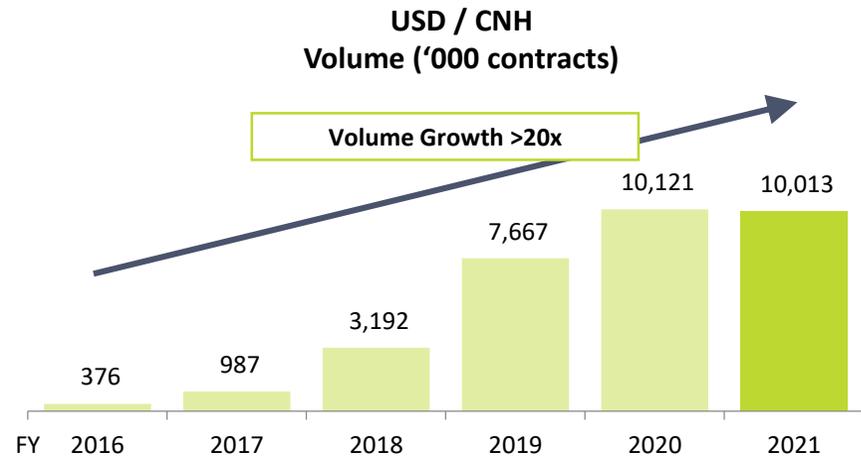
Growth of passive investing



Asia leads in global growth

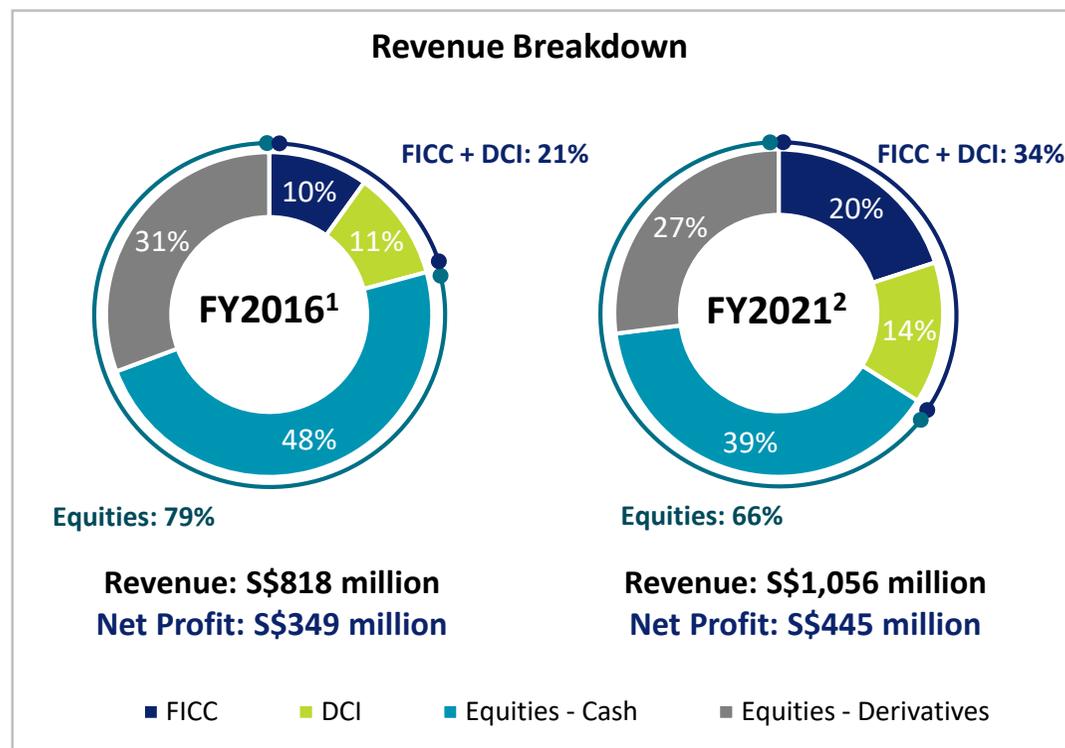
# Multi-asset platform coverage of China

- Offer customers a wide range of opportunities to access China across all time-zones
- Our customers benefit from capital efficiencies through margin offsets



# SGX occupies an investment 'sweet spot'

- Diversified Revenue Streams
- FICC and DCI accounted for 34% of total revenue for FY2021, up from 21% for FY2016
- Combination of strong core businesses, exciting growth engines and emerging opportunities

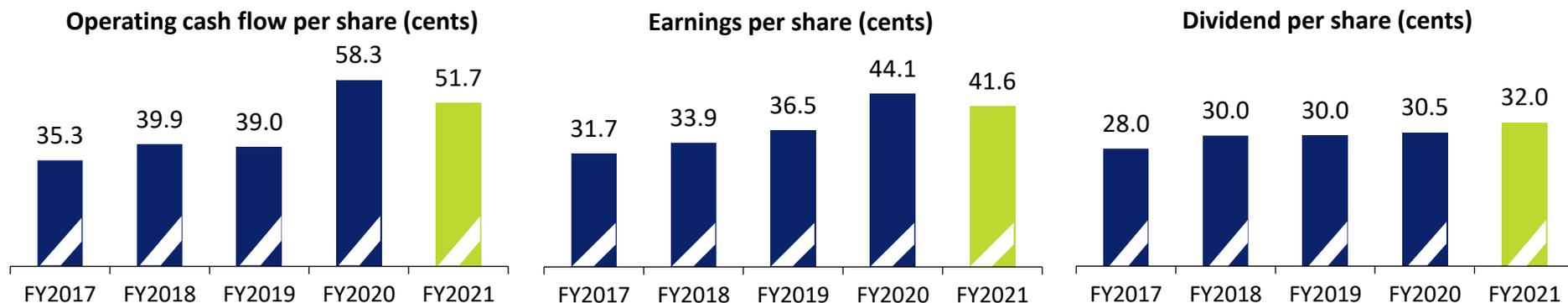


\*ECN Recognised Market Operator (RMO) License pending

# Robust financials

- Track record of delivering growth and shareholder returns
- Capacity to further invest and grow given our strong balance sheet, healthy leverage ratios, and strong cash flows

	FY2017	FY2018	FY2019	FY2020	FY2021
Revenue (\$ million)	801	845	910	1,053	1,056
EBITDA (\$ million)	460	486	524	656 <sup>1</sup>	625 <sup>1</sup>
EBITDA margin	57%	58%	58%	62%	59%
Operating profit (\$ million)	402	425	461	566	531
Operating profit margin	50%	50%	51%	54%	50%
Net profit (\$ million) attributable to SGX	340	363	391	472	445
Gross Debt to EBITDA (x) <sup>2</sup>	-	-	-	0.6	0.9



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

# Fixed Income, Currencies and Commodities (FICC)

# Driving the digitalisation of fixed income capital markets across issuance, custody, depository and trading

Asia's most global and diversified listing venue



 MARKETNODE Fixed Income end-to-end infrastructure

## 10 announced global banking partners



## 3 announced tech partners



Enhancing liquidity and execution in the Asian bond market for global clients



- Diverse participant base across Asia Pacific, UK, Switzerland and the Middle East
- Advanced technology and rich analytics
- General Counterparty solution for competitive trade execution and increased operational efficiency

# Largest and fastest growing currency futures exchange in Asia

Currencies

## Size of Market



- Largest financial market globally with US\$6.6 trillion traded OTC daily
- Asian NDFs is a US\$153 billion market that has potential to be futurised
- Regulatory trends favour shift to on-exchange clearing

## Singapore



- Largest FX center in Asia Pacific, third largest globally
- US\$633 billion traded OTC daily
- Leading global trading venue for key Asian currencies

## SGX



- Diverse Asian currency suite of 24 currency futures and 3 options contracts
- >80% market share in USD/CNH and > 60% market share in INR/USD
- Notional on-exchange FX ADV of US\$6.0B in FY21
- Innovative FlexC FX futures feature

### Key SGX Highlights

**24**

Futures

**3**

Options

Diverse Asian FX suite

**119%**

Total Volume – CAGR  
Nov 13 – Jul 21

**US\$11.4Bn**

Open Interest value  
(Jul 2021)

**~US\$1.4T**

Notional value up 8.9% y-o-y traded in 2020

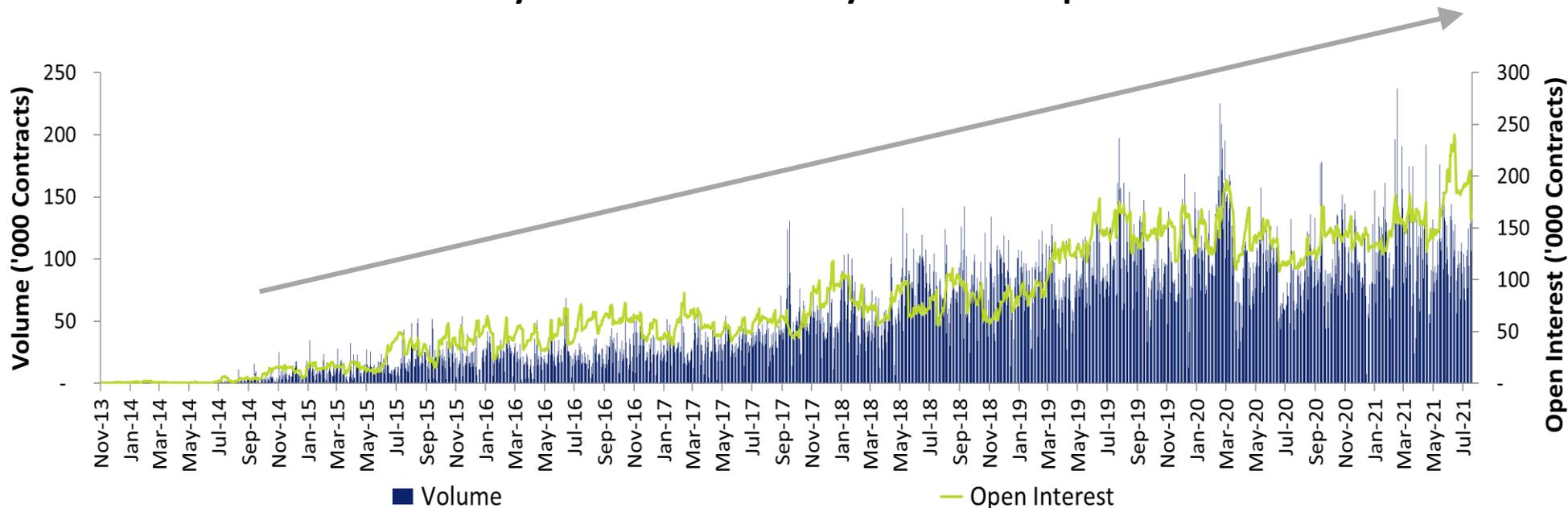


Expanding Network

# Rapidly growing FX futures business

119% volume CAGR since November 2013

## SGX Currency Futures – Total Daily Volume & Open Interest



Asia's Best FX Exchange & Clearing House – by FX Week (2018 to 2021)

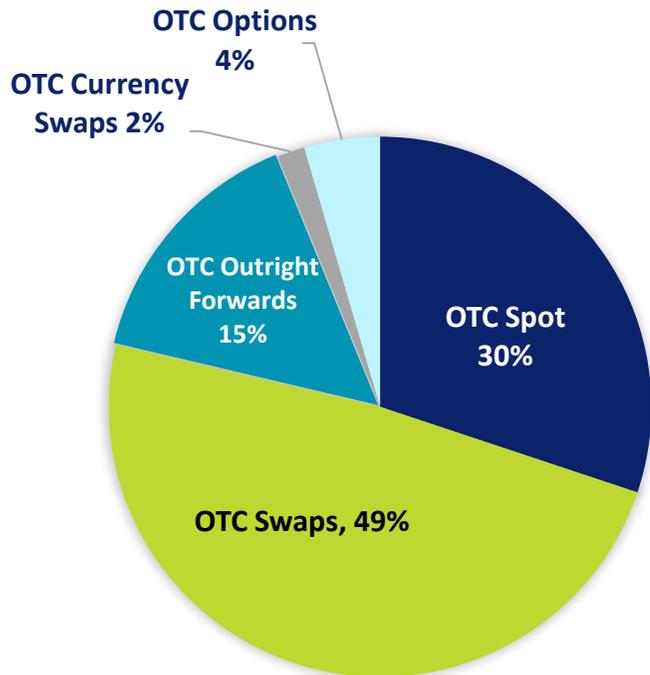


Best FX Exchange & Clearing House – by FX Markets (2018 to 2021)

# BidFX provides SGX opportunity to target a larger OTC FX market

OTC FX Trading in 2019: US\$6.6 trillion traded daily  
 Exchange-traded FX derivatives 2019: US\$0.16 trillion traded

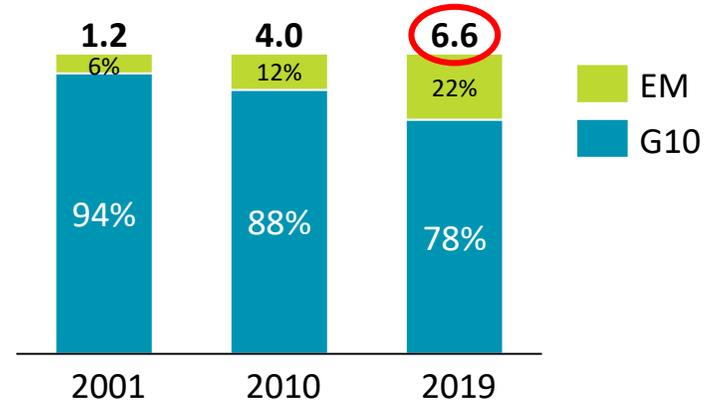
## Global OTC FX Trading in 2019 – by instrument type



## Synergistic opportunities from BidFX’s strengths:

- Asian NDF
- G10 Spot & Swaps
- International footprint

## OTC FX: Increasing growth of EM currencies<sup>1</sup> US\$ Trillion ADV, 2001-2019



Source: BIS Triennial Central Bank Survey 2019 and SGX estimates

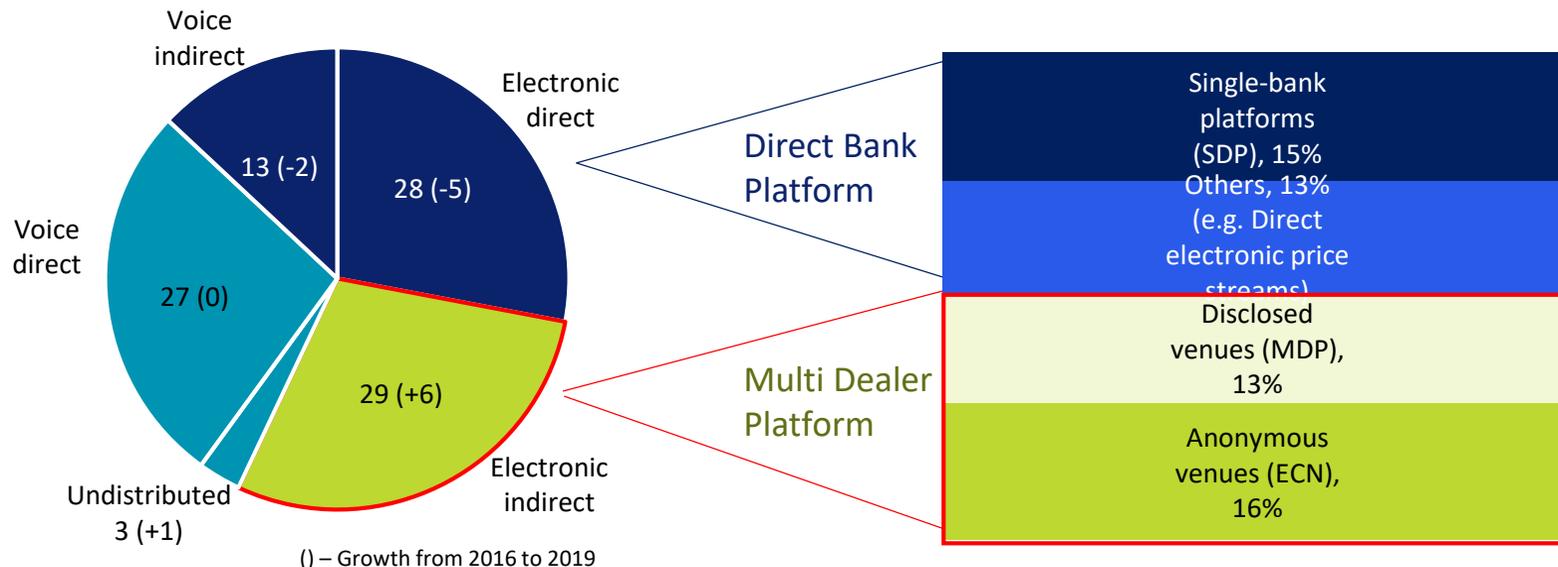
# Potential to capture greater electrification of FX market

BidFX is positioned as a buy-side Multi-Dealer Platform (MDP), which has gained 6% share since 2016

Breakdown of FX volumes by Execution Methods  
Percentage shares in total turnover

Broad voice and electronic execution methods (%)

Breakdown of electronic execution methods (%)



( ) – Growth from 2016 to 2019

100%= ADV US\$6.6 Trillion

**SDP:** Single Dealer Platform, individual bank proprietary trading which only allows clients to trade with the bank

**MDP:** Multi-Dealer Platform, electronic venue (usually 3<sup>rd</sup> party) for clients to access liquidity from many banks

**ECN:** “Electronic Communication Network” that automatically matches buy and sell orders on an anonymous basis and provides direct access to market participants. It resembles the ‘exchange’ trading model

# SGX's vision is to bring together three distinct FX opportunities

## FX Futures

SGX is largest and most liquid FX derivatives exchange in Asia



### Marketplace

Connecting ALL investors to trade FX Futures & Options based on best available bid-ask quotes from multiple participants

**Anonymous**  
**ALL TO ALL**

**Addressable Market**  
ADV: US\$160 billion

## OTC FX

Pivot to OTC FX with **Multi-Dealer Platforms and FX Pricing and Risk Engine** – BidFX and MaxxTrader



### Workflow Solution

Connecting buy-side to many sell-side for trading OTC FX on a 'disclosed' basis

**Disclosed**  
**Dealer to Dealer to Client**

**Addressable Market**  
ADV: US\$850 billion

Set up a primary OTC FX **Electronic Communication Network** anchored in Singapore

Target launch:  
4Q 2021

### Marketplace

Connecting ALL Institutional firms to trade OTC FX based on best available bid-ask quotes from multiple market participants

**Anonymous**  
**ALL TO ALL**

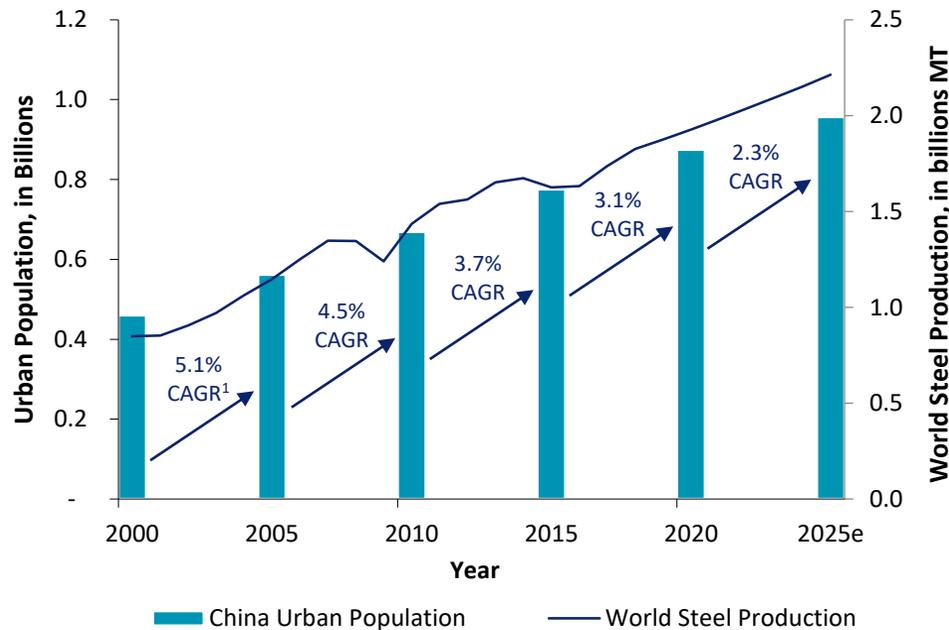
**Addressable Market**  
ADV: US\$1 trillion

**Build an Integrated FX Offering combining FX Futures and OTC FX offering**

# Extensive Suite Of Commodities Products

- Complements Singapore's commodities hub status
- Demand for industrial commodities set to continue amid sustained urbanisation

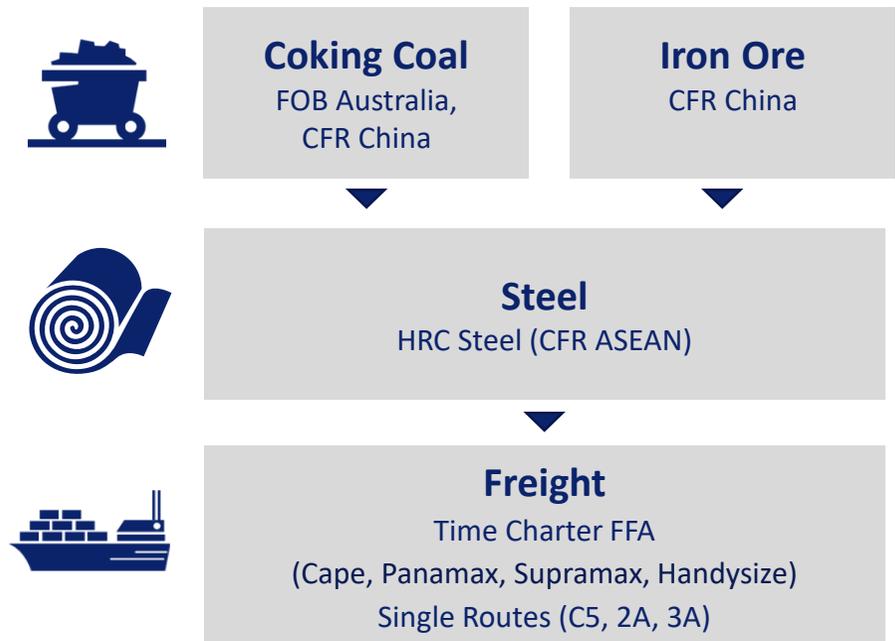
**Urbanisation and Steel Production**



Source :  
 UN Population Division, <https://population.un.org/wup/DataQuery/>  
 Steel production statistics: World Steel Association

<sup>1</sup> CAGR in chart relates to growth of China's Urban Population

## Price-Discovery Centre For The Steel Value Chain



 **Baltic Exchange** Maritime Indices

# The leading offshore Iron Ore risk management hub

	Size of Market 	Singapore 	SGX 
<b>Iron Ore</b>	<ul style="list-style-type: none"> <li>▪ Largest in the metal market by tonnage</li> <li>▪ Notional value of &gt;US\$115B traded annually in the physical market</li> <li>▪ Asia's first truly global commodity, with China a major consumer</li> <li>▪ Increasing financialisation of Iron Ore</li> </ul>	<ul style="list-style-type: none"> <li>▪ Leading merchant hub for commodities houses with ~140 metals and mineral companies</li> <li>▪ Include top iron producers e.g. Vale, Rio Tinto, BHP Billiton</li> </ul>	<ul style="list-style-type: none"> <li>▪ Global pricing and risk management centre</li> <li>▪ Cleared 1.1 billion MT of iron ore in FY2021</li> <li>▪ Offers a complete iron ore suite: 58% Fe, 62% Fe, 65% Fe, lump Fe</li> <li>▪ Steel value chain incorporating coking coal and freight</li> </ul>
	<b>Key SGX Highlights</b>		

**1.1 billion MT**

cleared in FY2021

**> 99%**

market share of international iron ore volumes cleared

**Fe 65%**

New high-grade Fe futures contract

**1.5x**

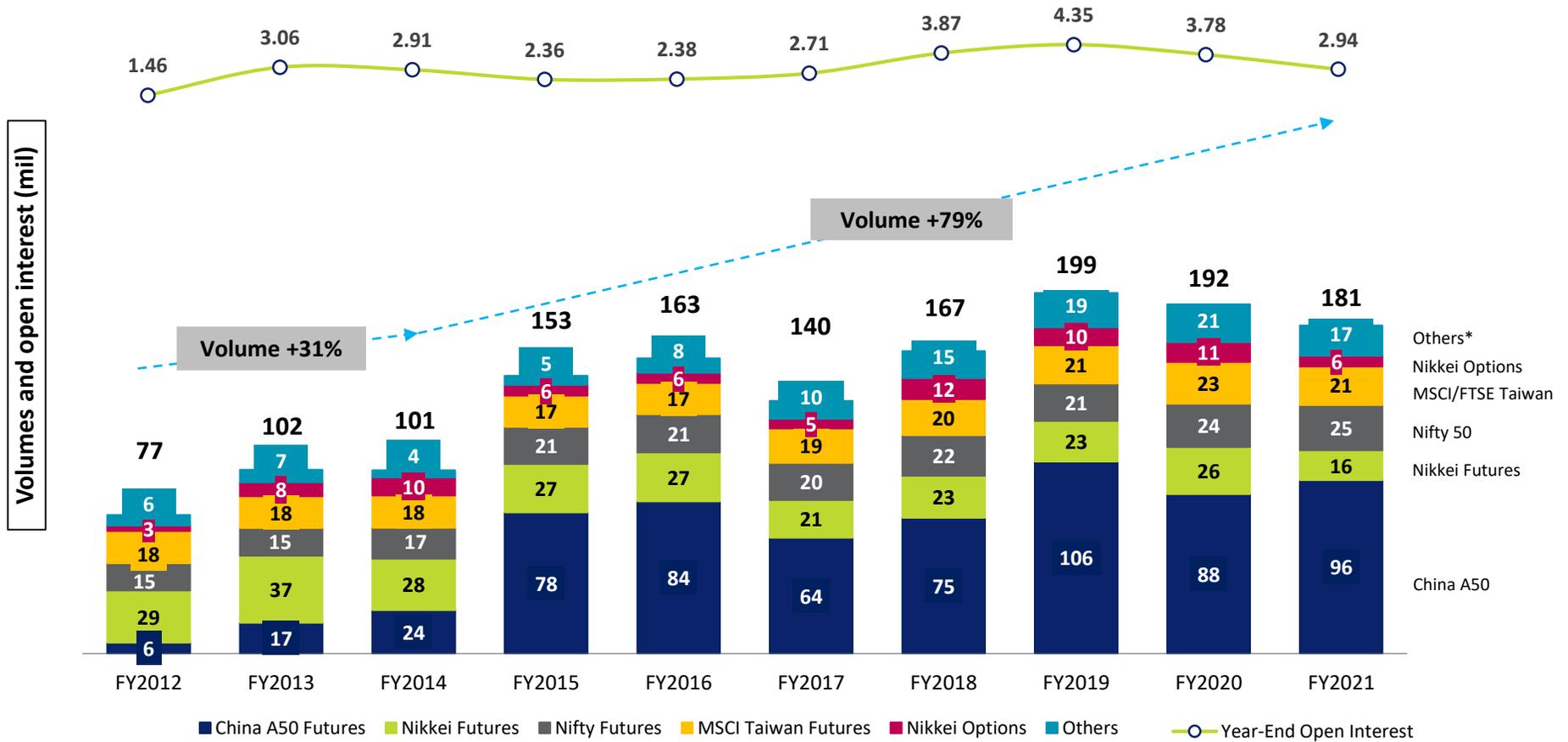
of paper to physical ratio

**Potential to grow**

# Equities (Derivatives and Cash)

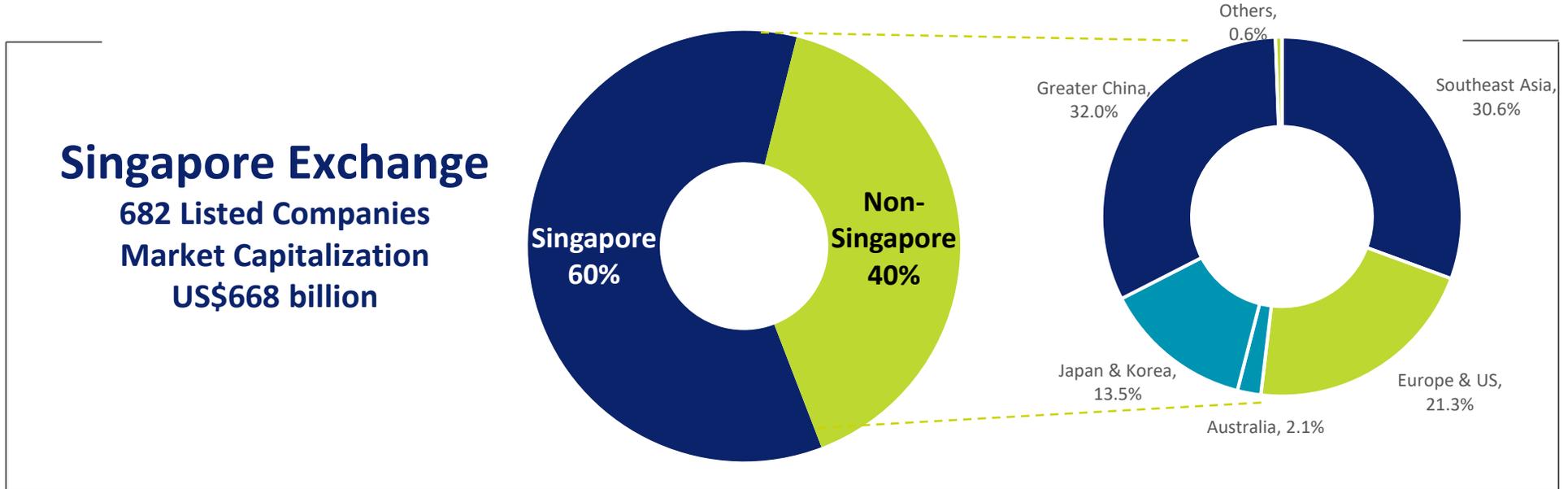
# Rapidly growing offshore market for Asian Equity Derivatives

Multi-asset exchange, offering a broad range of Asian access and risk management solutions

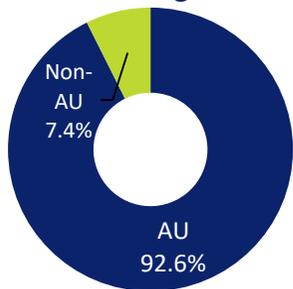


# SGX is the Most International Exchange

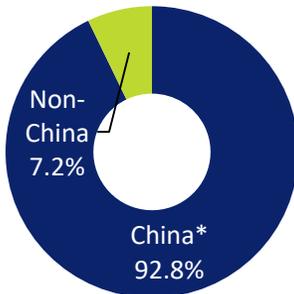
Around 40% of total market cap of companies listed on SGX are overseas companies



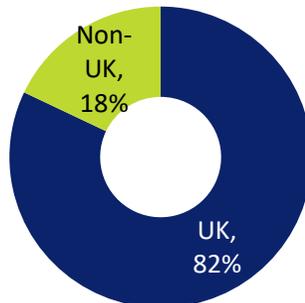
**Australia Securities Exchange**



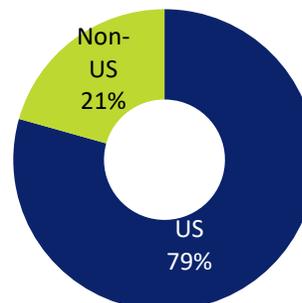
**Hong Kong Stock Exchange**



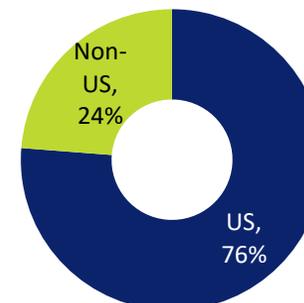
**London Stock Exchange**



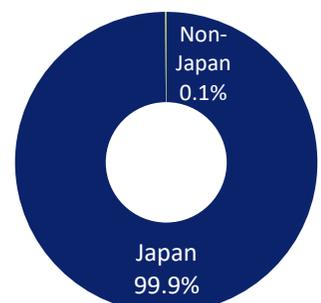
**NASDAQ**



**New York Stock Exchange**



**Tokyo Stock Exchange**



\*Note: Greater China includes Hong Kong, Taiwan and Mainland China companies

# Top Sectors on SGX

## Consumer



PE: 18x

- Includes food & beverage, retail and others
- 133 companies with market cap of US\$54 billion

## Technology



PE: 26x<sup>^</sup>

- Includes technology hardware & equipment, digital, semiconductor and telecommunications services companies. Other businesses include media, clean tech and engineering.
- 80 companies with market cap of US\$59 billion

## Healthcare



PE: 72x

- Full range of companies from pharmaceuticals, healthcare services to medical devices technology
- 38 companies with market cap of US\$90 billion

## Maritime, Offshore Services & Energy



PE: 25x

- Asia's largest cluster of listed companies
- 61 companies and 2 business trusts with market cap of US\$20 billion

## Commodities



PE: 20x

- Includes Agri-commodities, Mineral & Oil & Gas Companies
- 34 companies with market cap of US\$33 billion

## Real Estate

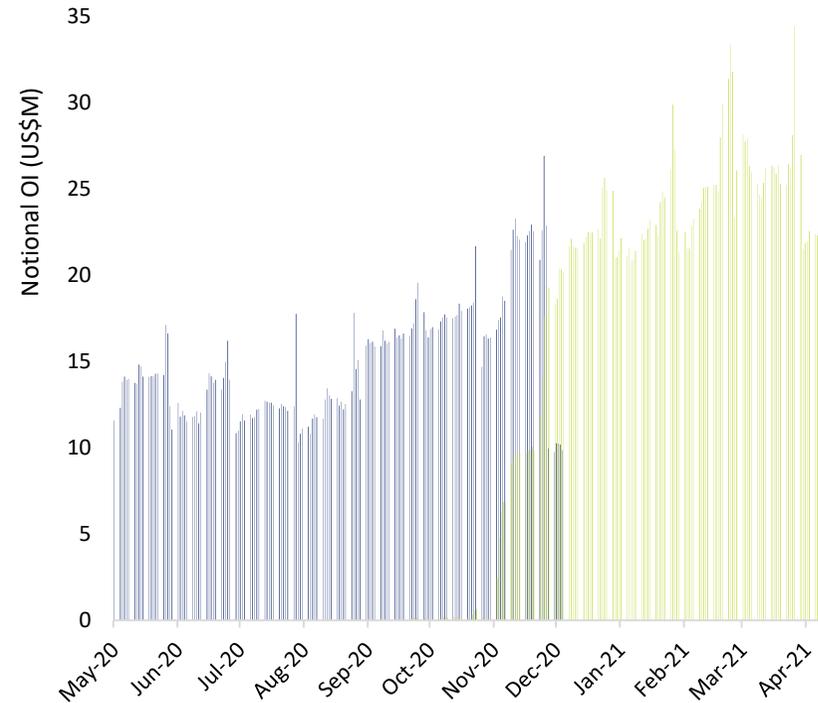
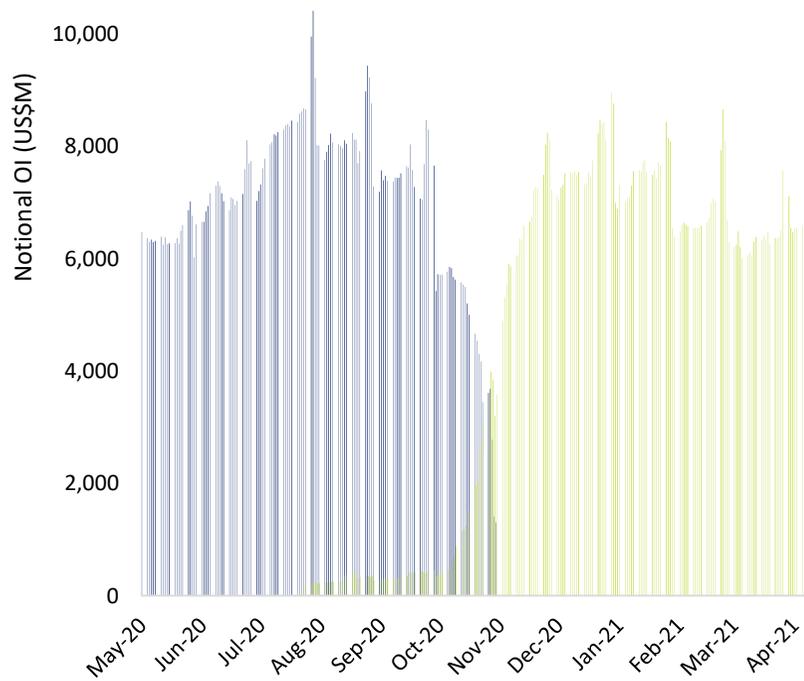


PB: 1.0x

- Asia's broadest range of real estate companies and property trusts covering global real estate assets
- 103 real estate companies and property trusts with market cap of US\$142 billion

# Successful execution of the world's first liquidity switch

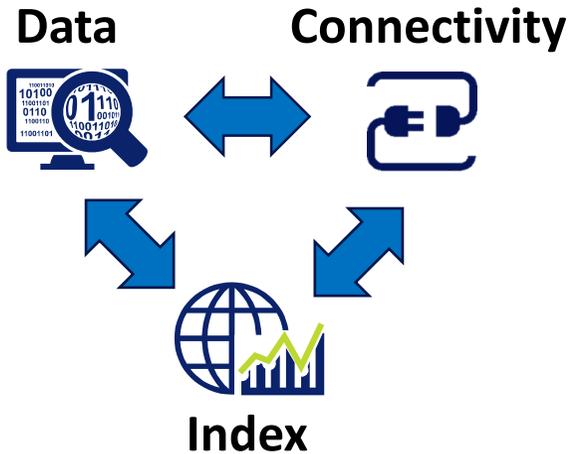
Powerful network effects and portfolio effects : SGX platform, clients and intermediaries



# Data, Connectivity and Indices (DCI)

# Delivering Market Solutions to Investors

Growth strategies reinforces across businesses



## Enabling Market Participants

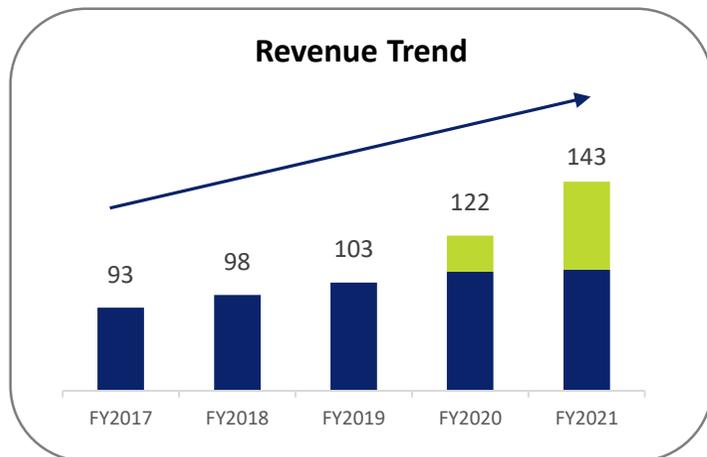
- Highly dynamic technology driven services
- Serving participants ranging from investors, traders, data redistributors, order management system providers, network service providers, etc

## Subscription business

- Non-transactional, recurring revenue
- Able to achieve over 95% renewal revenue
- Stable CAGR organic growth of 4%<sup>1</sup>, or 11% with acquisition

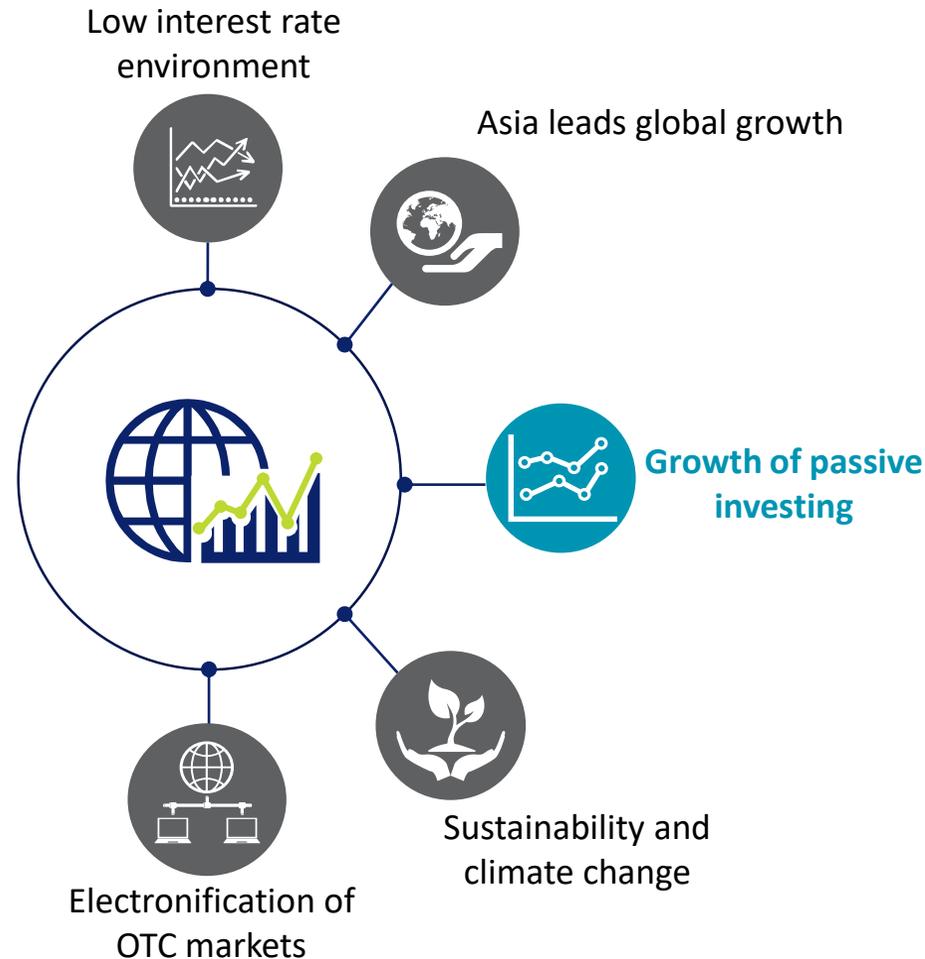
## Content, Channel and Compute Growth Strategy

- Equities and FICC pan-Asia relevant content
- Delivering optimal 3Cs for different investment strategies
- Continuous innovation drives new demands

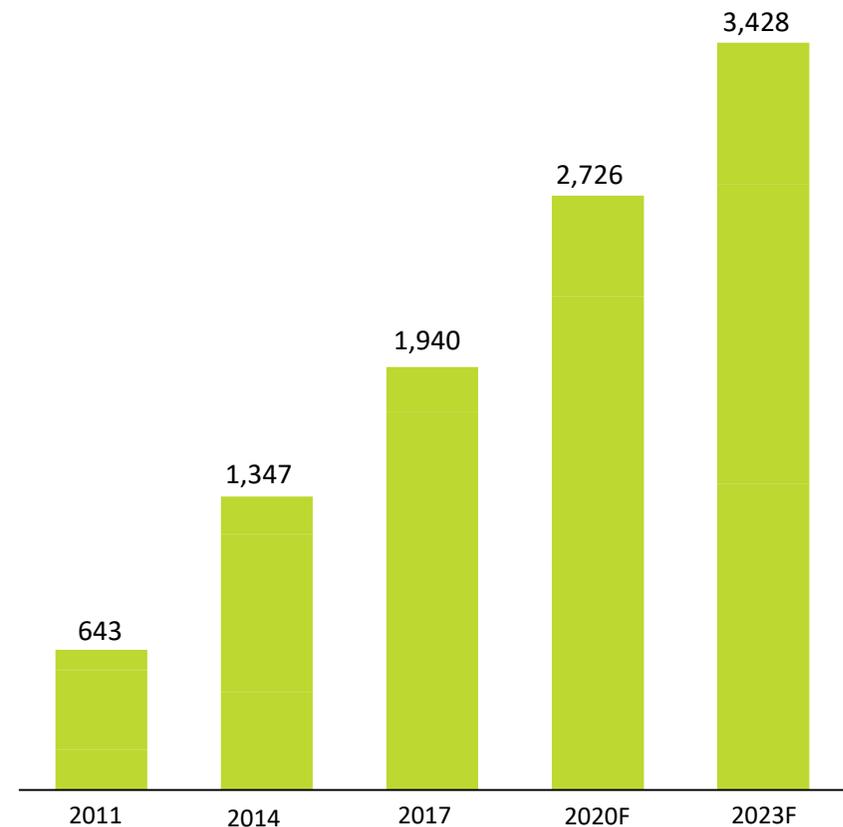


# Index investing and the 'Smart Beta' market

Factor investing has seen significant growth in recent years, with assets using smart beta and factor-based strategies forecast to reach US\$2.7 trillion by 2020<sup>1</sup>, and there is further room for growth



Global Factor & Smart Beta AUM (USD billion)<sup>1</sup>

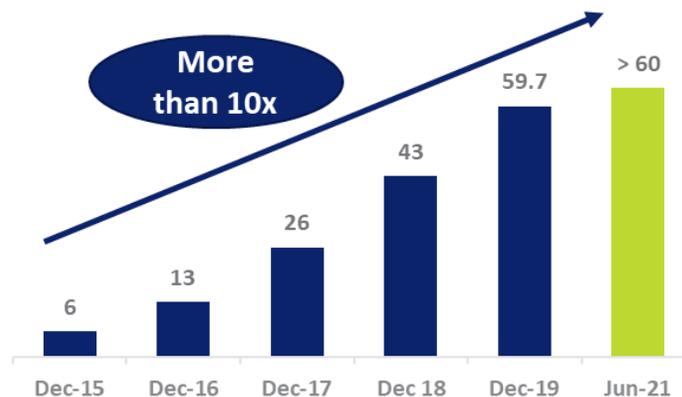


# An Attractive Opportunity To Broaden SGX's Index Offering Through The Fast-growing Smart Beta Index Space



- Established in 2012 by EDHEC-Risk Institute Asia
- Award winning 'Smart Beta' index firm which develops, produces and promotes multi- and single-factor indices
- Robust quantitative research in equity portfolio construction and risk control
- HQ in Singapore; offices in France, UK and US
- Asset owner-focused client base in Europe and North America

Scientific Beta Assets Under Replication (US\$ bn)



- ✓ High priority growth area for SGX
- ✓ Well-positioned in a high-growth market
- ✓ Financially attractive
- ✓ Brings unique capabilities to our Index business
- ✓ Exciting product innovation opportunities
- ✓ Strong potential linkages with SGX's product platform

# Scientific Beta's New Pillar of Growth

## Adding ESG/Climate solutions to Smart Beta Pillar

- Extending expertise that correspond to two major concerns for investors:
  - Smart beta, and more particularly factor investing
  - ESG, and particularly climate investing
- Since acquisition, accelerated investments in the area of climate investing as part of the SGX Sustainable Exchange strategy
- Devoting more than 40% of its R&D investment to climate investing and more than 45% of its assets under replication refer to indices with an ESG or climate flavour
- Launched Climate Impact Consistent index series in April 2021 for Asset Owners to fulfill Net-Zero impact investing commitments

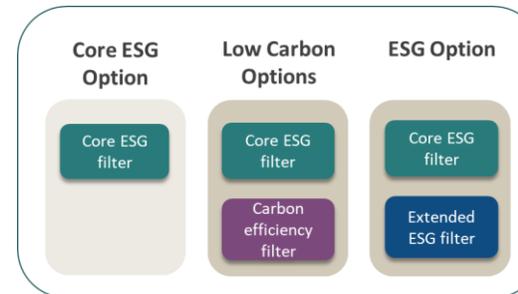
### Smart Factor Indices

Scientific Beta's smart factor indices provide robust exposure to long-term rewarded factors, good diversification of unrewarded risks, and ESG/Low Carbon options to enable a consistent and effective investor engagement policy.

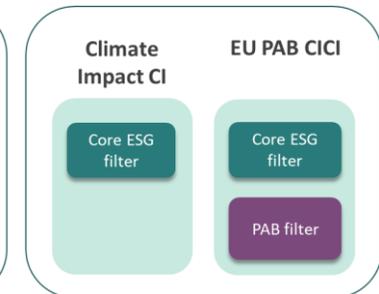
### ESG/Climate Indices

Scientific Beta's indices with pure climate objectives allow climate exclusions and weightings to be combined in order to translate corporate climate alignment engagement into portfolio decisions.

#### Existing offerings for Multifactor indices

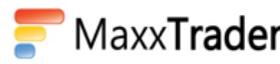


#### Launched April 2021



# Other Information

# SGX's investment portfolio in financial technology, data and platforms augments our multi-asset class exchange

Equities		Fixed Income	FX	Commodities	Freight
 <p>Private Markets – Pre-IPO funding raising help create a pipeline for public market capital raising on SGX</p>	 <p>Investment network offering equity and credit research and investor relations services, linking institutional investors with research analysts and corporates</p>	 <p>Fast-growing electronic fixed income trading platform in the US, specialised in corporate bonds.</p>	 <p>Provides an FX post trade platform as a middle and back office utility based on Distributed Ledger Technology (DLT)</p>	 <p>Physical commodity electronic marketplace to produce Asia-centric commodity indices and derivatives in partnership with the Zall Group and GeTS</p>	 <p>Operates as a price discovery platform for container, sea and airfreight with potential to be a global spot trade execution venue and index provider (FBX)</p>
 <p>Regulated tokenised fundraising and trading venue for digital assets, including asset-backed security tokens</p>	 <p>Marketnode JV - APAC first exchange-led digital asset venture focused on capital markets workflows through smart contracts and DLT</p>	  <p>XinTru JV - Trumid XT, an electronic bond trading platform to enhance liquidity and execution in the Asian bond market</p>	  <p>FX electronic trading solution which serves buy-side and sell-side OTC FX customers, with plans to build an OTC FX Electronic Communication Network (ECN)</p>	 <p>JV to develop indices for onshore China steel pricing with a leading domestic online pricing and intelligence service. Support SGX's expansion of iron ore complex</p>	<p><b>Index</b></p>  <p>Independent index provider specialising in smart beta strategies, with expertise in factor-based and risk-managed solutions</p>

**Sustainability**   Global carbon exchange and marketplace that aims to scale the voluntary carbon market

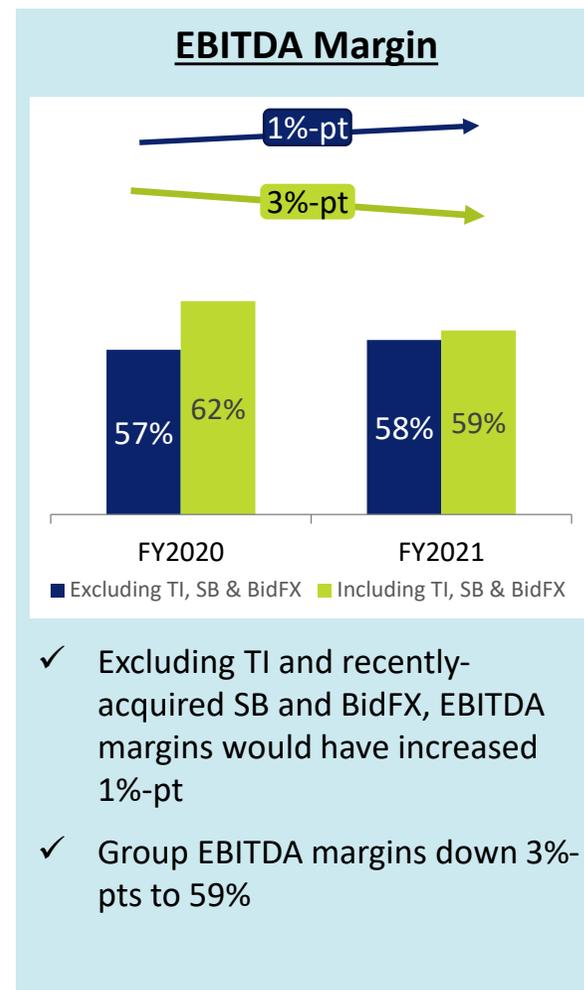
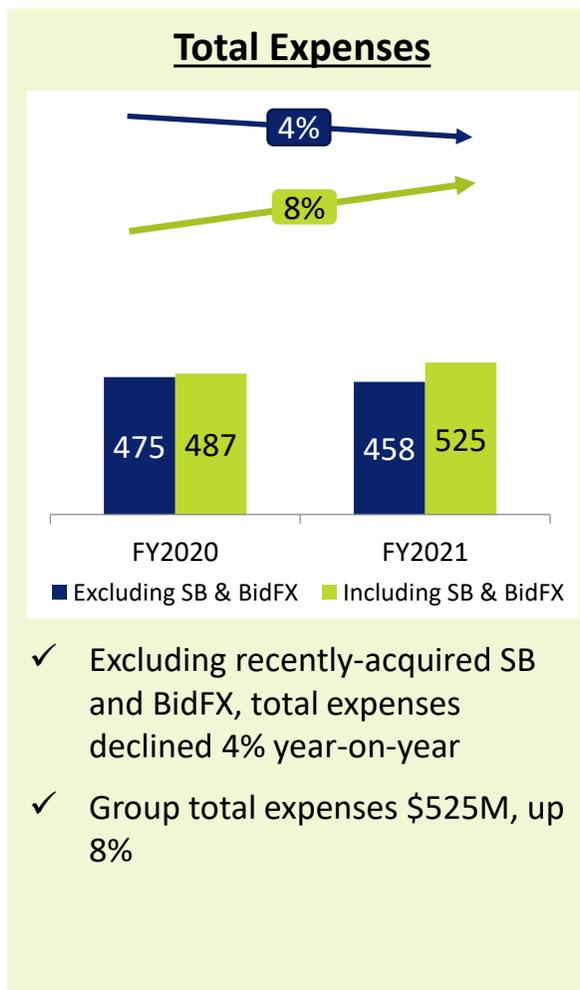
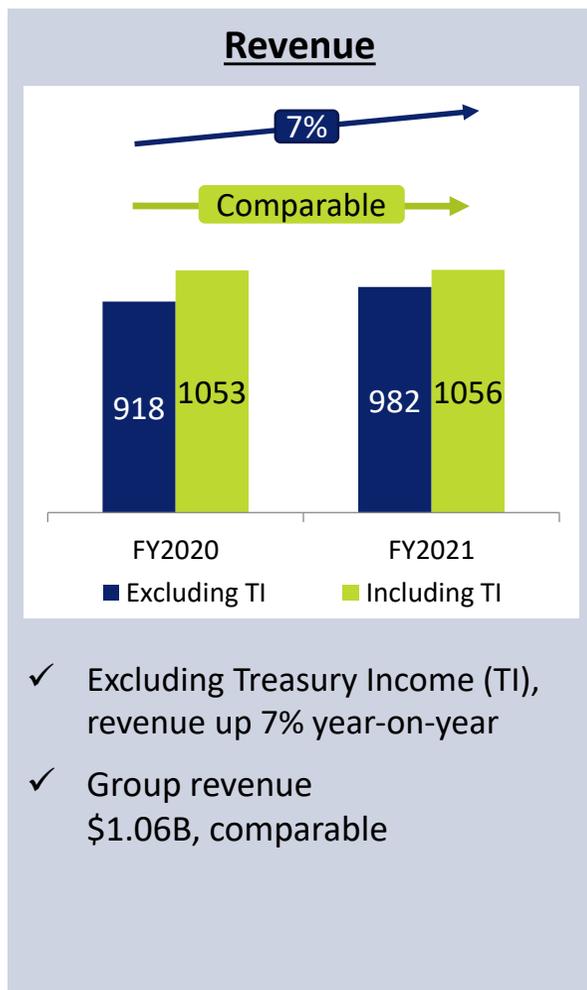
Joint-venture    Acquisition    Minority Investments

# Acquisition considerations and principles

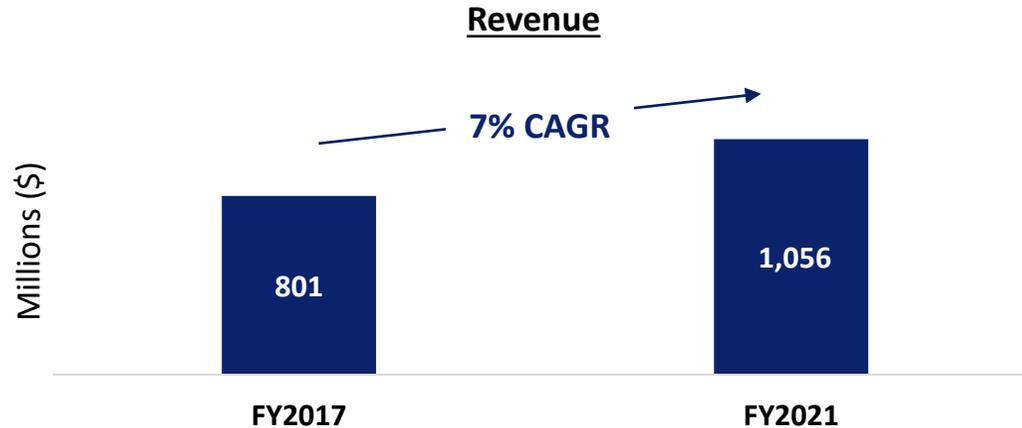
Considerations	General Guiding Principles
 <b>Strategic Fit</b>	<ul style="list-style-type: none"><li>• Gain capabilities to augment current offering</li><li>• Expand and deepen client relationships</li><li>• Position SGX for fast growing business segments</li></ul>
 <b>Financial Metrics</b>	<ul style="list-style-type: none"><li>• 3-year pro forma revenue CAGR &gt; 10%</li><li>• Cash EPS accretive within 3 years of acquisition</li><li>• IRR &gt; SGX's WACC</li><li>• Key synergies to be fully realized within 3 years of acquisition</li></ul>
 <b>Capital Structure</b>	<ul style="list-style-type: none"><li>• Maintain SGX's strong implied investment grade rating</li></ul>
 <b>Partnerships</b>	<ul style="list-style-type: none"><li>• Majority stake preferred</li></ul>

# FY2021 Highlights

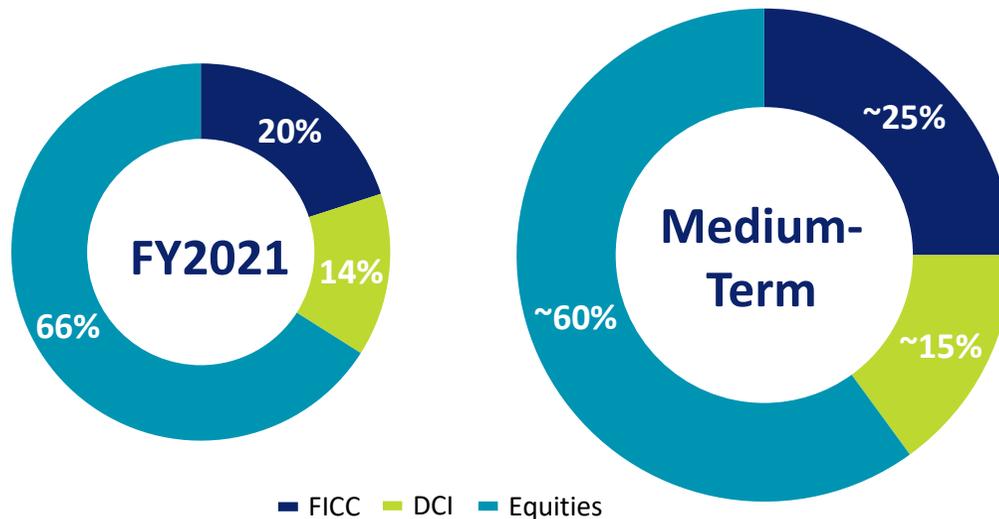
Strong underlying performance, continued investments in growth, disciplined in cost management



# Delivering Revenue Growth

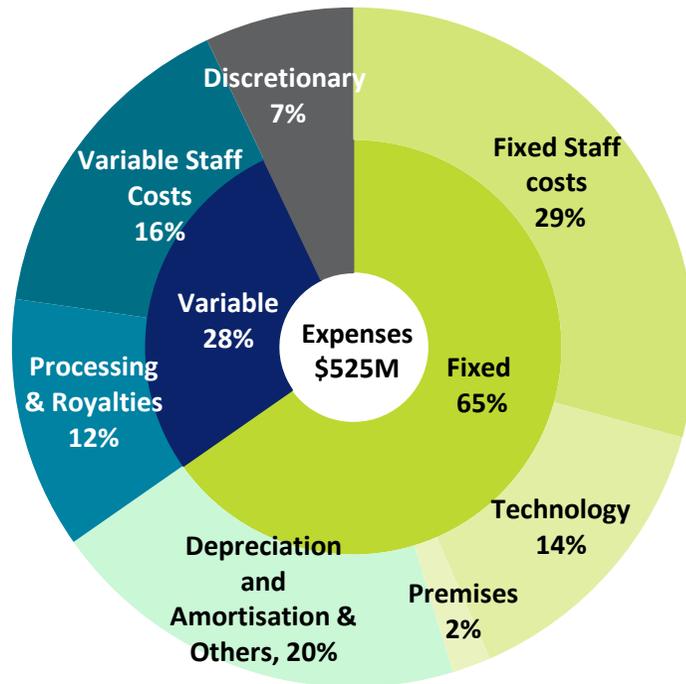


- Revenue growth of 7% CAGR historically
- Medium term Revenue CAGR<sup>1</sup> of high single-digit



- In the medium term, our revenue mix is anticipated to be FICC 25%, Equities 60%, DCI 15%
- Contribution from Scientific Beta and BidFX revenues will grow beyond their current 6%

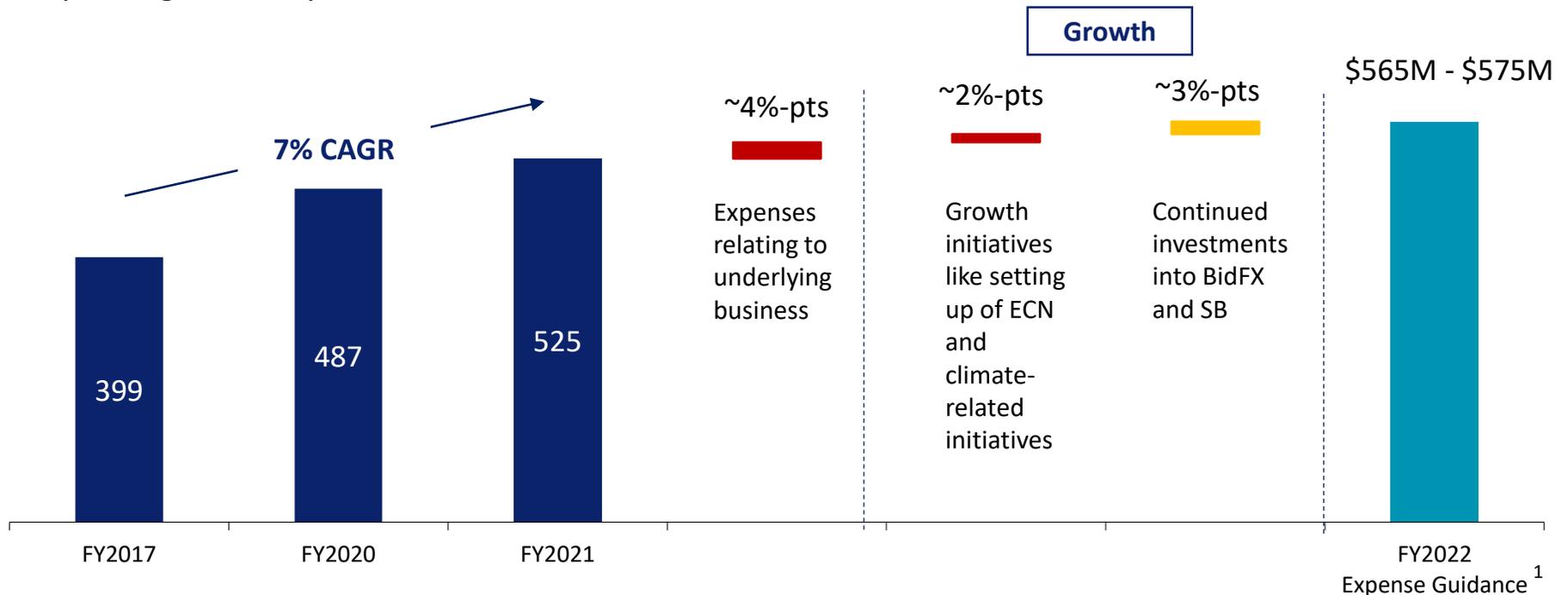
# FY2021 Expense Breakdown



- **Fixed costs – 65%**
- **Variable costs – 28%**
  - Variable staff cost increase in line with profitability
  - Processing & Royalties expenses are volume-related
  - Royalties are recovered as revenues under licence fees
- **Discretionary costs – 7%**

# Expense for FY2022 expected to be \$565M-\$575M

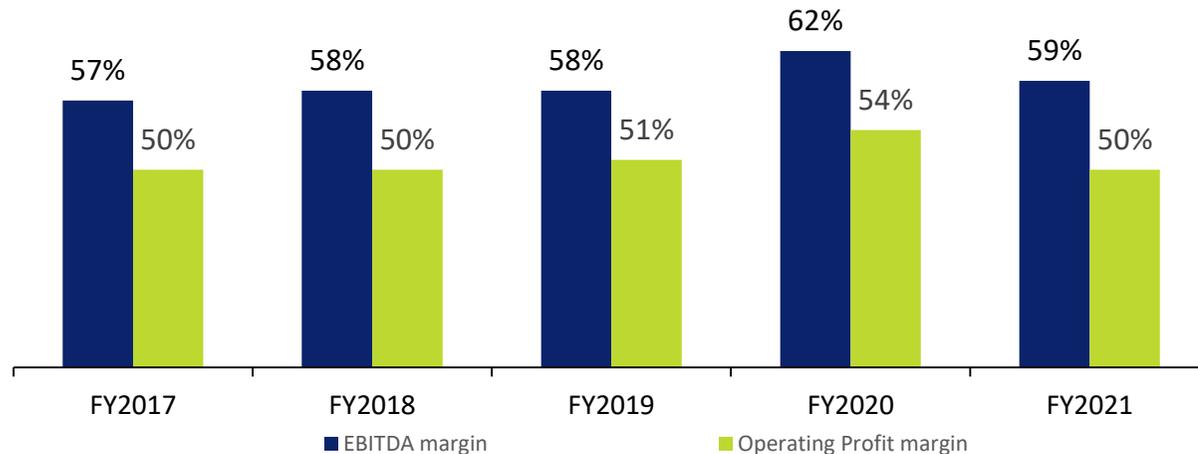
- Excluding SB and BidFX, underlying expense CAGR (FY2020-22) expected to be ~1.5%
- More than 50% of FY2022 increase in expenses will be for near-term investments in growing our business
  - Include setting up of FX ECN, climate-related initiatives, and continued investments in SB and BidFX
- FY2022 expense guidance excludes MaxxTrader acquisition, which is expected to close in 2Q FY2022
  - Expect to add a further ~\$25M to FY2022 expenses on an annualised basis
- Expense growth expected to moderate in the medium-term



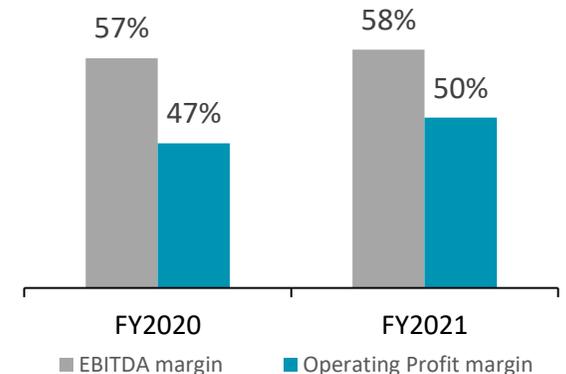
# Underlying business continues to deliver operating leverage

- Excluding Treasury Income, SB and BidFX, EBITDA and operating profit margins would have increased by 1%-pts and 2%-pts, respectively
  - FY2021 EBITDA margin of SB and BidFX combined was 37%<sup>1</sup>
- Overall EBITDA and operating profit margins expected to be higher in the medium term as we build scale

**EBITDA and Operating Profit margins**



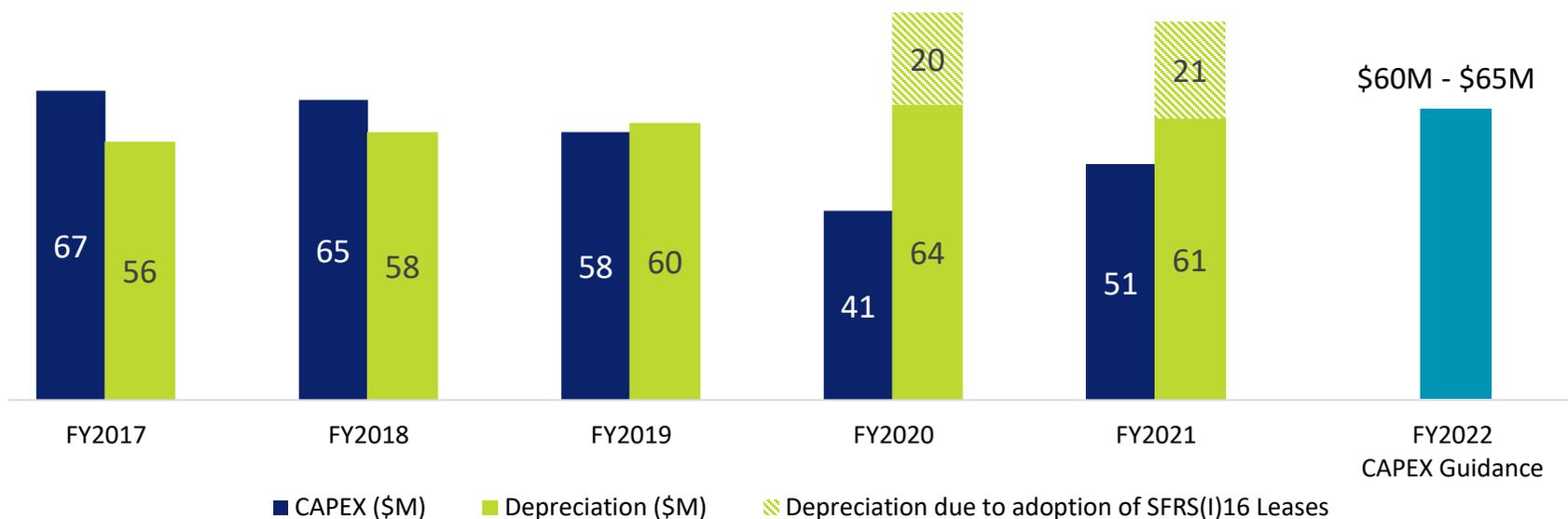
**EBITDA and Operating Profit margins  
(Excluding TI, SB & BidFX)**



# CAPEX to support our growth ambitions

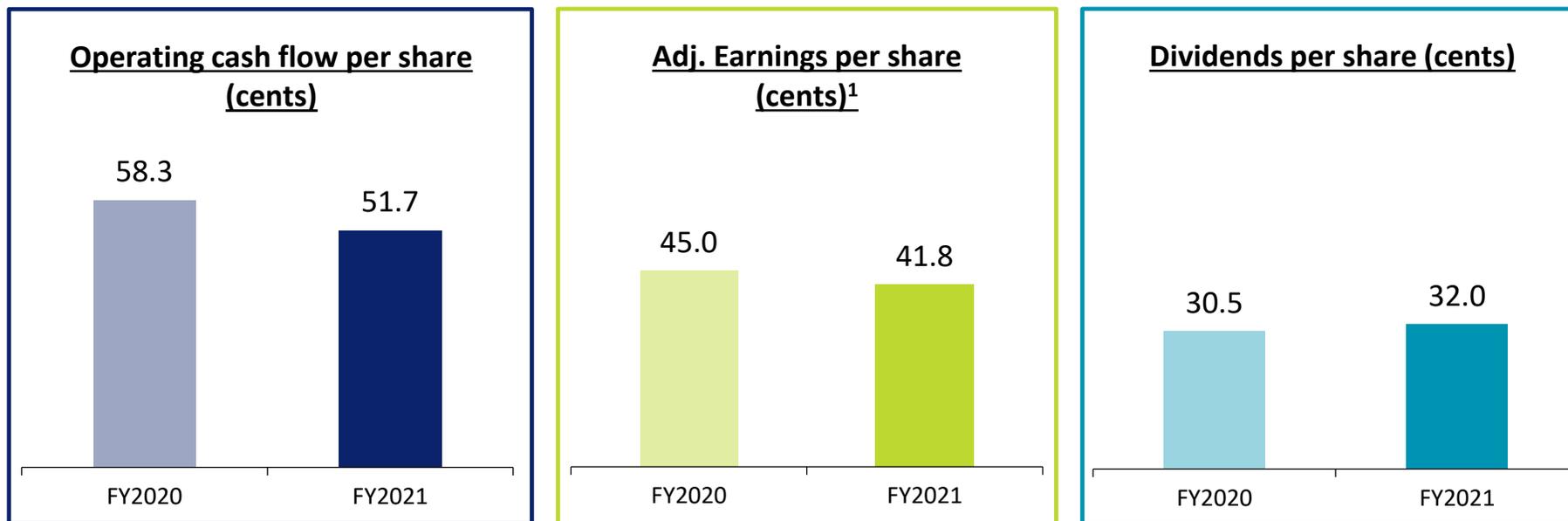
- FY2021 CAPEX of \$51M was mainly to upgrade our Titan OTC platform, digitalise retail investor services, modernise our infrastructure, and infrastructure setup for BidFX
- FY2022 CAPEX is expected to be between \$60M-\$65M as we invest in resilience, digitalisation of our Fixed Income and FX markets, and partnership initiatives

CAPEX and Depreciation<sup>1</sup>



# Delivering shareholder returns

- Final quarterly dividend of 8.0 cents per share, bringing total dividend for FY2021 to 32.0 cents, an increase of 5% from FY2020



# Appendix

- Sustainability
- Cross margining example
- Shareholder profile
- FY2021 Business Update

# Our vision: A leading capital and trading hub enabling sustainable finance and credible transitions with end-to-end products, solutions and ecosystem



## In the Ecosystem

Be a positive influence and foster collaboration and partnerships to provide data, tools, resources and connecting stakeholders to drive industry discussions.



## As a Company

Demonstrate leadership in sustainability e.g. SGX as a company will adopt TCFD from FY2021 reporting, currently setting science based targets for GHG emissions.



## As a Business

Offer ESG solutions and support capitalizing on our assets, expertise and capabilities:

- Equity
- GSSS Bonds
- Indices (incl. Scientific Beta)
- Commodities (incl. Baltic Exchange, HeveaConnect)
- New horizon projects (Climate Impact X, new products)



## As a Regulator

Guide market on sustainability-related disclosures and ensure that all investors are able to access decision-relevant data.

# Growing sustainable and credible transition products and solutions

## SGX FIRST: Future In Reshaping Sustainability Together

Fixed Income	Equities	Indices	Commodities	Equity derivatives
<ul style="list-style-type: none"> <li>▪ <b>#1 Green Bond Listing Venue in Asia</b> with <b>50% market share</b> of Asian Issuances in the last 12 months</li> <li>▪ <b>Top 5 Green Bonds marketplace globally</b> with <b>8% share market share</b></li> <li>▪ <b>WIP:</b> Database and digitalization, support for sustainability linked &amp; transition bonds</li> </ul> 	<ul style="list-style-type: none"> <li>▪ Provision of <b>ESG Ratings</b> of Listcos</li> <li>▪ Vice-Chair of <b>TCFD</b> &amp; future guidance</li> <li>▪ <b>WIP:</b> Key reporting indicators tool, further productisation on climate, green and ESG</li> </ul> 	<ul style="list-style-type: none"> <li>▪ Strong <b>thematic and proprietary capabilities</b></li> <li>▪ ESG screening and low carbon/ESG/climate risk filters               <ul style="list-style-type: none"> <li>- <b>Scientific Beta ESG &amp; Climate Impact Consistent Index (CICI)</b></li> <li>- <b>iEdge SG ESG Leaders Index</b></li> <li>- <b>iEdge SG ESG Transparency Index</b></li> </ul> </li> </ul> 	<ul style="list-style-type: none"> <li>▪ <b>Climate Impact X:</b> carbon exchange and market place</li> <li>▪ Greener commodities contracts – <b>65% Iron Ore futures</b>, IMO-compliant Low Sulphur Fuel Oil (LSFO) futures and Methanol derivatives</li> <li>▪ <b>RECs market offerings</b> as part of the PowerSelect platform</li> <li>▪ Baltic Exchange: <b>Low Sulphur</b> route pricing supporting IMO 2020 agenda</li> <li>▪ HeveaConnect</li> </ul> 	<ul style="list-style-type: none"> <li>▪ Complete <b>ESG Futures shelf</b> in regional derivatives               <ul style="list-style-type: none"> <li>- <b>SGX FTSE Emerging ESG Index Futures</b></li> <li>- <b>SGX FTSE Emerging Asia ESG Index Futures</b></li> <li>- <b>SGX FTSE Asia ex Japan ESG Index Futures</b></li> <li>- <b>SGX FTSE Blossom Japan Index Futures</b></li> </ul> </li> </ul> 

# Leading the way in sustainability to build a resilient future

- Our sustainability vision is to be a **leading capital and trading hub enabling sustainable finance and credible transitions** with end-to-end products and solutions
- **First Asian exchange to commit to 1.5°C-aligned science-based emission reduction targets**

## Corporates and investors are embarking on a decarbonisation path<sup>1</sup>

- 1 Measure** carbon footprint, and understand key risks and opportunities
- 2 Set** emission reduction targets
- 3 Reduce** absolute emissions footprint
- 4 Neutralise** unavoidable residual emissions
- 5 Compensate** Year-on-Year (“YoY”)
- 6 Disclose** progress

## ... leading to new opportunities



**Debt financing**  
**Equity financing**

- GSS bonds<sup>2</sup>
- Infrastructure/decarbonisation funds



**Renewable energy**  
**certificates / Carbon**  
**credits**

- EMC PowerSelect platform
- Climate Impact X



**Investment**

- Climate Impact Consistent Indices
- Derivatives
- Exchange traded funds and other products

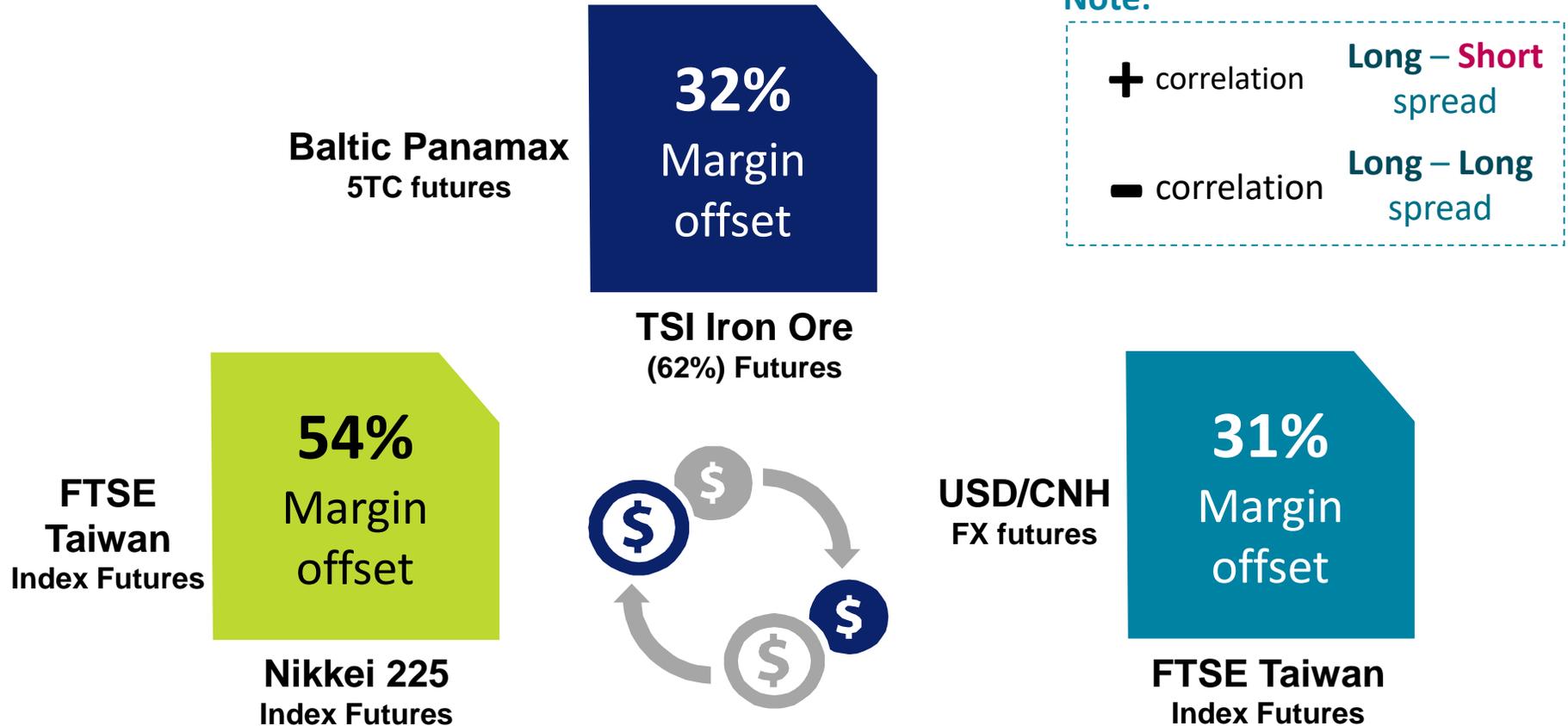


**ESG Data solutions**

- Nasdaq Sustainable Bond Network partnership
- ESG data portal

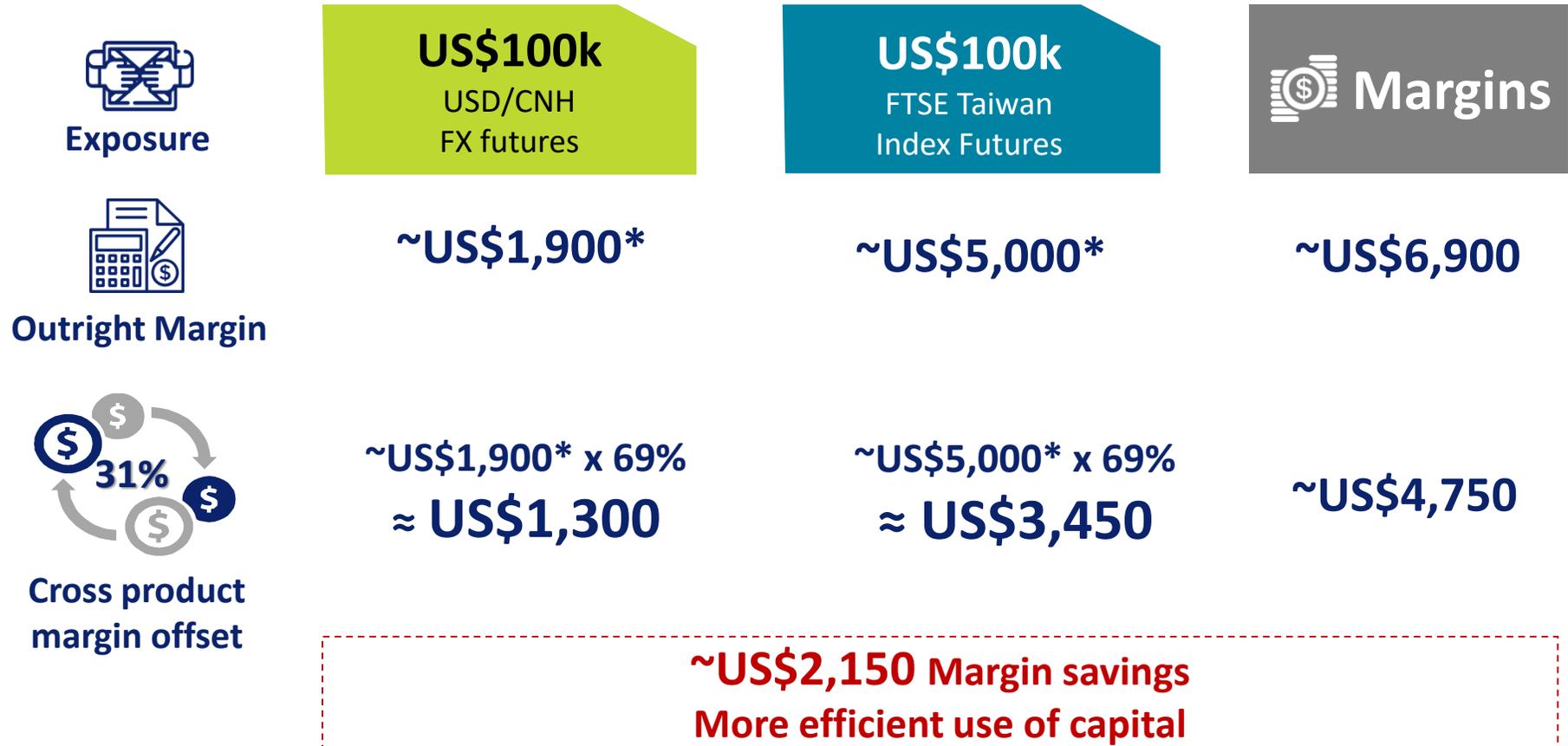
# Cross margining efficiencies

Correlated products, margin netting efficiencies



# Cross margining example

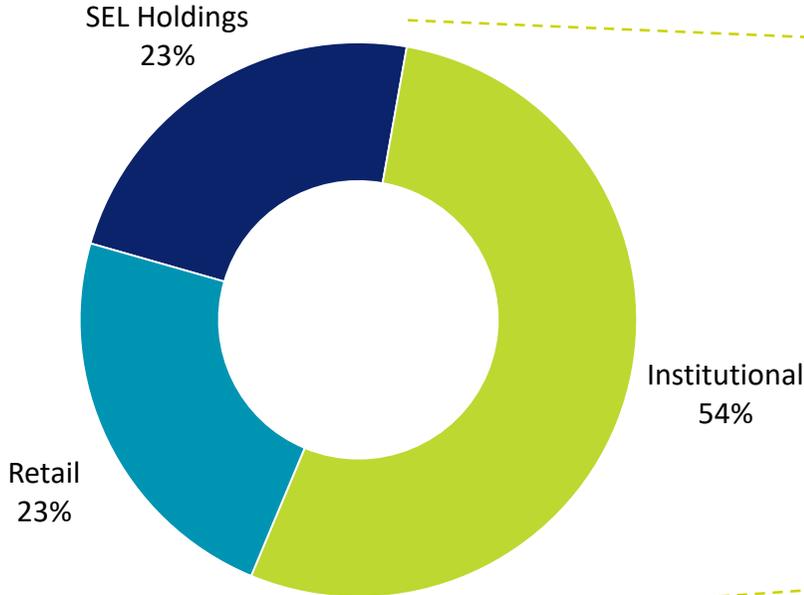
More exposure with the same amount of margins



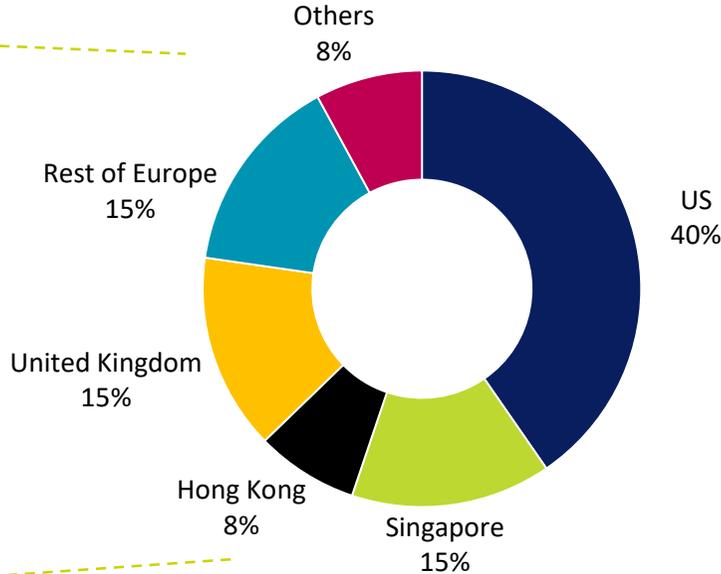
# SGX shareholders' profile

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

**SGX Shareholder Composition<sup>1</sup>**



**Institutional Shareholding by Geography**

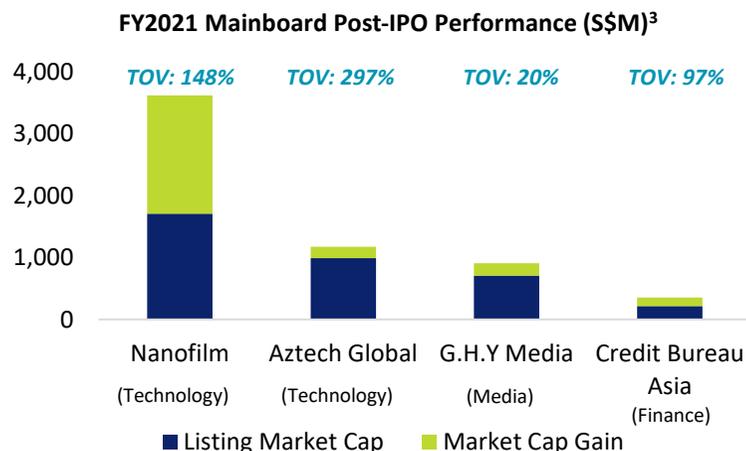


# Enhancing the quality of cash equities market

- Non-REITs listings in FY2021 displayed sustained post-IPO performance
- Record year for ETFs, with AUM<sup>1</sup> nearing S\$10B; new China-themed and fixed income ETFs<sup>2</sup>

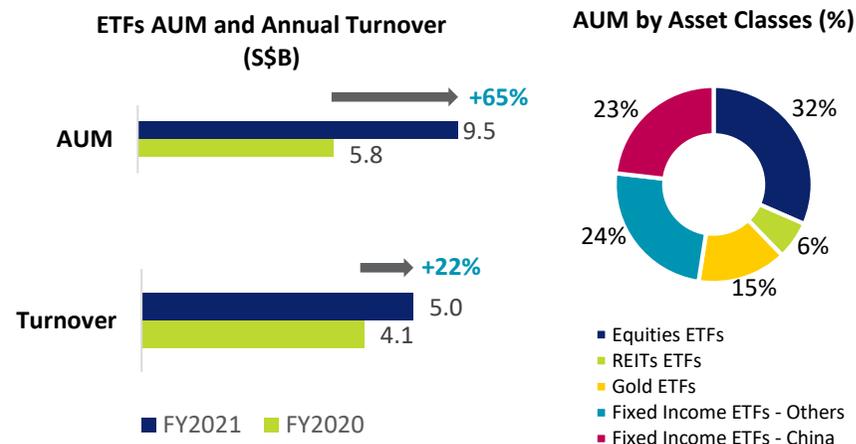
## Meet diverse capital raising needs

- Spectrum of industries
- Different pathways to listing



## Broaden investment offering

- Multi-asset
- Multi-geography



## Expand participant groups

- Market makers and active traders
- Singapore and regional investors

## Provide new and enhanced post-trade services

- Electronic Corporate Actions
- Securities Lending & Borrowing enhancement

# Becoming Asia's largest integrated FX platform

- Significant FX volume at US\$75B average daily volume (ADV)<sup>1</sup>
- Further invest in setting up a FX Electronic Communication Network (ECN) to scale our FX franchise; targeted launch by end CY2021

## SGX is largest and most liquid FX derivatives exchange in Asia

### 1 Exchange of choice

- Best FX exchange in Asia at FX Market Awards 2020
- Best Exchange for FX at FX Markets eFX Awards 2020
- Open interest and volume records

### 2 Broadening product shelf

- USD/SGD and KRW/USD full-sized futures
- USD/INR quanto futures and options
- USD/CNH mini futures

## Expanding to OTC FX



- Enhanced system workflow and new functionalities for key client segments; new innovative products
- Growth in client acquisition in APAC and EMEA



- Leading provider of FX pricing and risk solutions for sell-side institutions, and a multi-dealer platform for buy-side clients
- Global client and dealer franchisee
- Positive momentum with ADV > US\$17B (January - June 2021)

# Expanding solutions from Asia's only global index provider

- Bespoke index solutions and ESG products gathering momentum
- Accelerate new product development through Scientific Beta's research pedigree

## Enabling scalable growth with IP-based offerings

### Smart Factor Indices

Scientific Beta's smart factor indices provide robust exposure to long-term rewarded factors, good diversification of unrewarded risks, and ESG/Low Carbon options to enable a consistent and effective investor engagement policy.

SB assets under replication (AUR) > US\$60 billion<sup>1</sup> and growing

### ESG/Climate Indices

Scientific Beta's indices with pure climate objectives allow climate exclusions and weightings to be combined in order to translate corporate climate alignment engagement into portfolio decisions.

New *Climate Impact Consistent Indices* add to existing ESG offerings for multifactor indices

### Thematic indices



*iEdge-CNBC China Growth Economy Index*



*SB Equity inflation indices*  
and more...

### Regional distribution

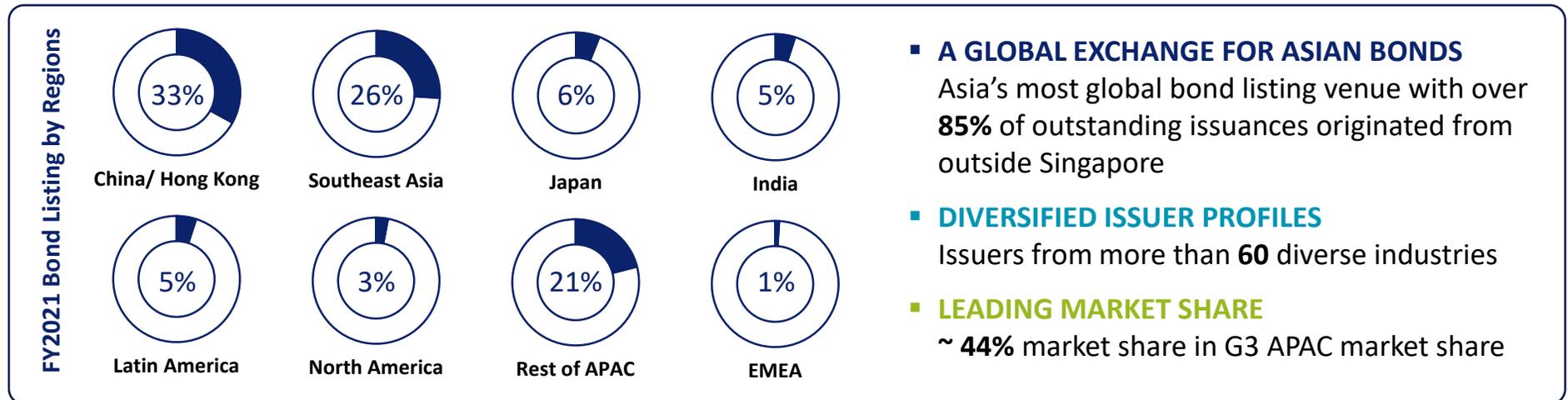
- Unlock customer segments beyond asset owners to include ETF issuers, private banks and investment banks with SGX's client footprint
- Launch ETFs and structured products based on index solutions

### Custom indices and calculations

- Continued strong demand for 3rd party custom index calculation; supported by in-house calculation platform

# Developing digital fixed income marketplace covering full lifecycle

- Wide geographical diversity of bond listings
- Develop end-to-end digital fixed income marketplace for enhanced workflow and customer experience



## Digital primary workflows



JV for digital asset primary issuance, post trade and asset servicing

## Global access to Asian ESG bond data



East-West data partnership with Nasdaq Sustainable Bond Network covering Green, Social, Sustainability fixed income securities

## Global access to Asian bonds



JV to enhance liquidity / execution in the Asian bond trading market via Trumid XT

## Digital post-trade



Partnerships to strengthen post-trade connectivity with global CSDs / ICSDs for Singapore-based settlement

# Thank You

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