

Singapore Corporate Day

Loh Boon Chye, Chief Executive Officer
Chng Lay Chew, Chief Financial Officer

22 - 24 May 2019





Singapore Exchange



3Q FY2019 Performance

3Q FY2019 Performance

- Reflects our global position in Asian derivatives
- Equities performed in line with global and regional markets

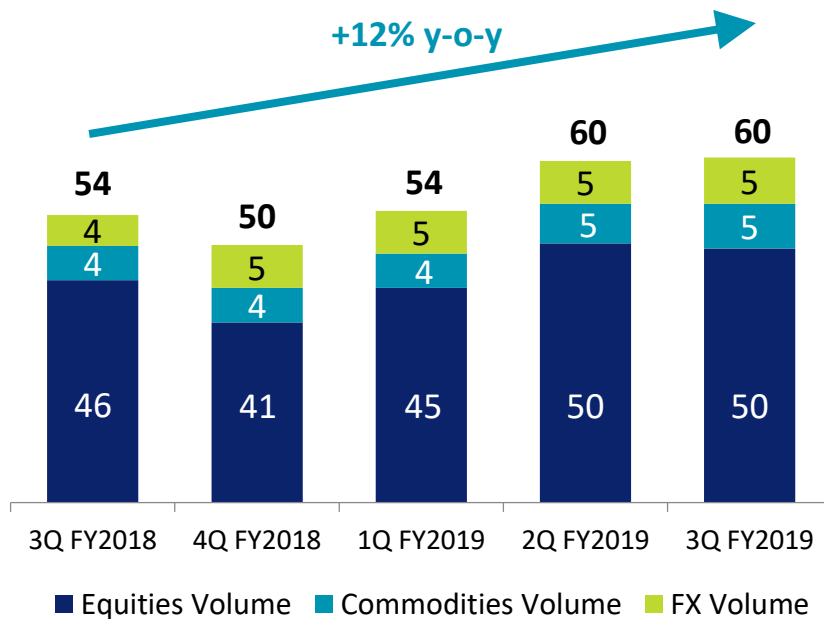
(\$ million)	3Q FY2019 Revenue	Change (y-o-y)	Revenue Contribution
Derivatives	119	 32%	52%
Equities & Fixed Income	84	 22%	37%
Market Data & Connectivity	26	 9%	11%
Total Revenue	229	 3%	100%

3Q FY2019 Derivatives

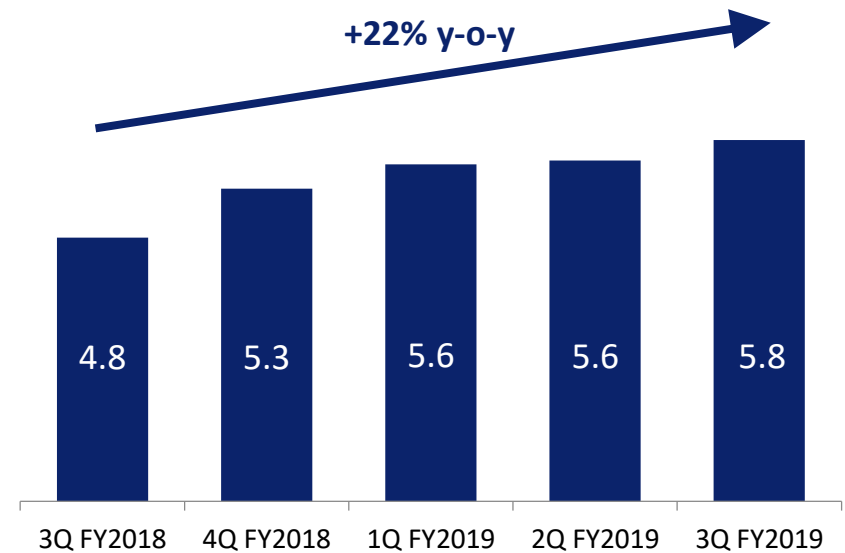
Derivatives
\$119M ↑ 32% y-o-y

- Record Derivatives volume in 3Q FY19, up 12% y-o-y
- YTD T+1 volume up 38% y-o-y; contributing 14% of total derivatives volumes
- Average open interest up 22% y-o-y

Total Derivatives Volume (M contracts)



Average Quarter-End Open Interest (M contracts)



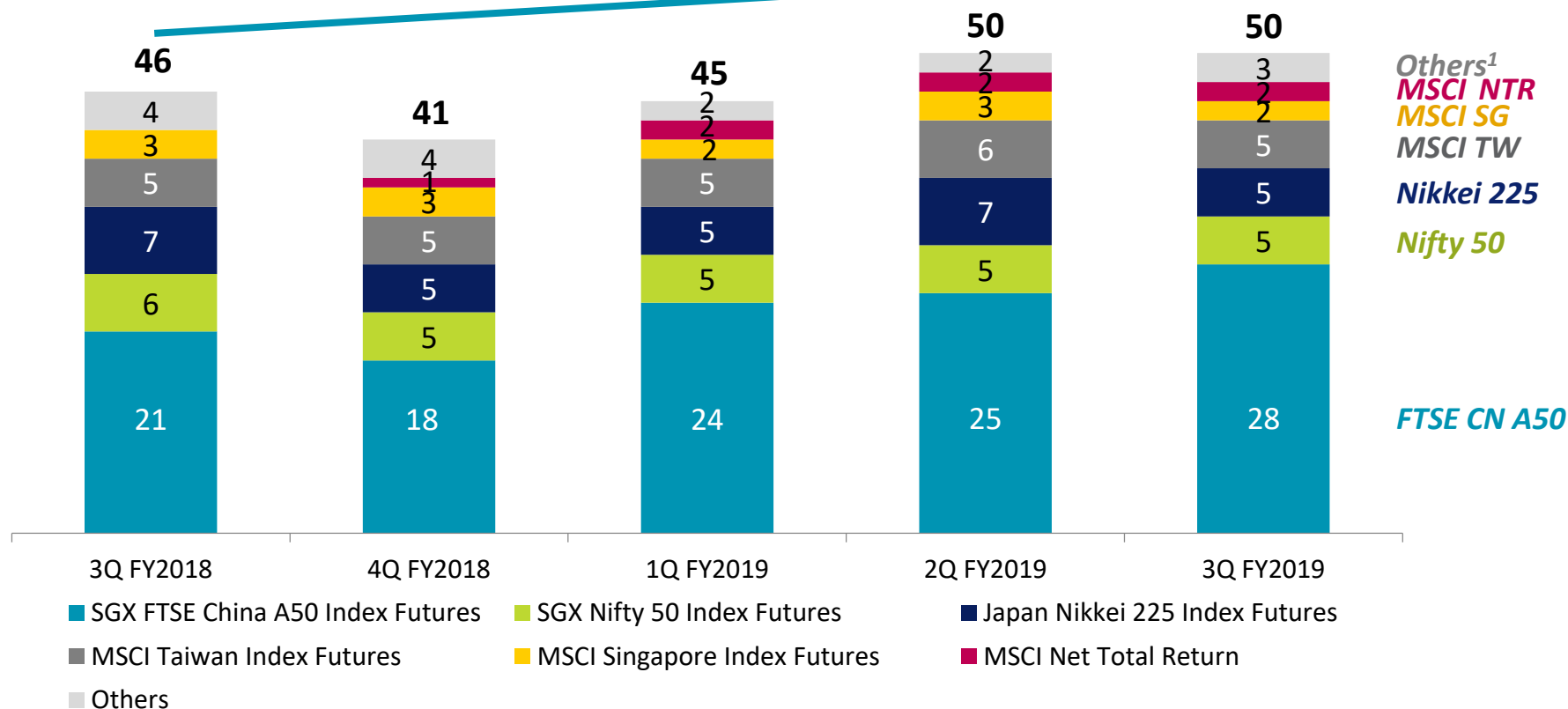
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

3Q FY2019 Derivatives – Equities

Derivatives
\$119M ↑ 32% y-o-y

- Higher trading volumes in key Equity Index contracts, up 8%
- Growth in SGX FTSE China A50 and MSCI Net Total Return index futures
- MSCI NTR Open Interest of 700k contracts; \$27 billion notional

Equity Derivatives Volume (M contracts)

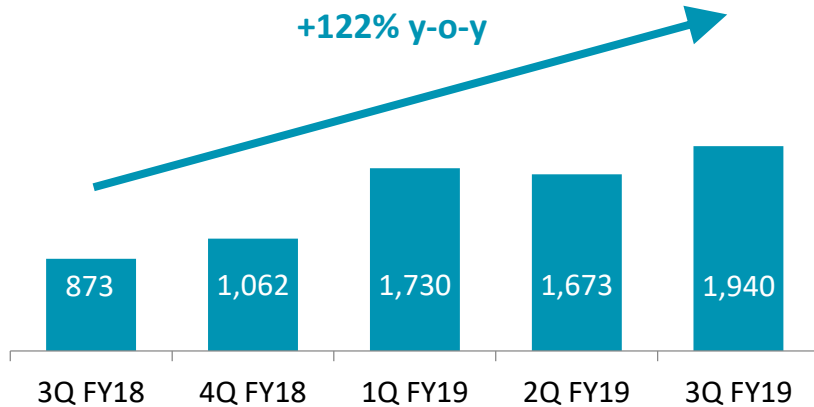


3Q FY2019 Derivatives – FX

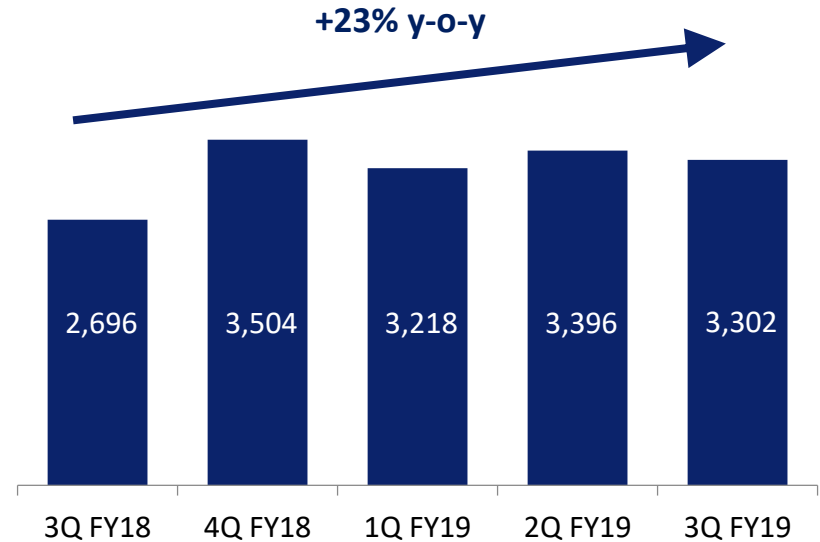
Derivatives
\$119M ↑ 32% y-o-y

- Record FX futures volume, up 48% from 3.6M to 5.4M contracts
- Largest INR and CNH futures exchange
- Strong international participation in non-Asian trading hours
- Strategic investment in BidFX

USD/ CNH Volume ('000 contracts)



INR/ USD Volume ('000 contracts)



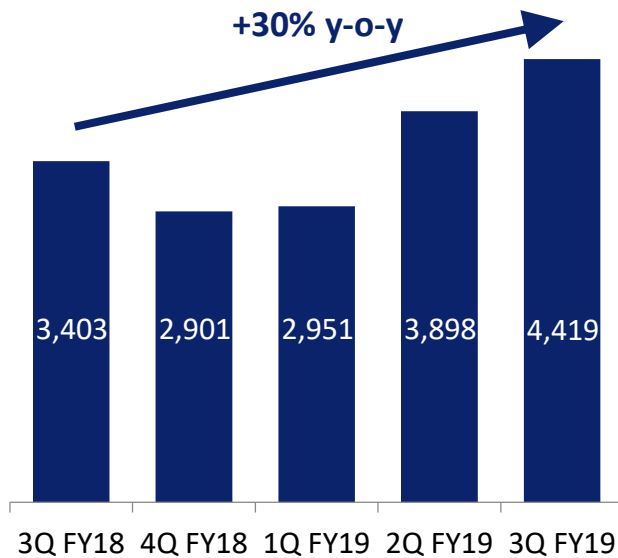
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3Q FY2019 Derivatives – Commodities

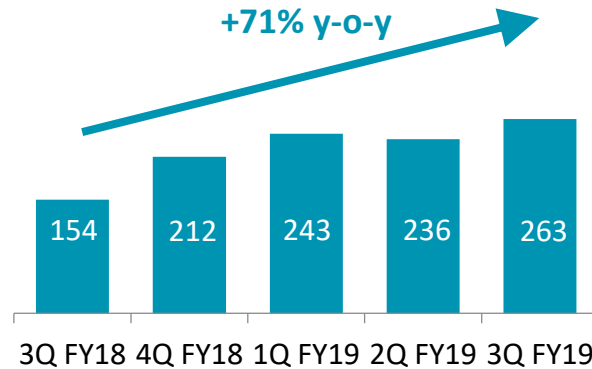
Derivatives
\$119M ↑ 32% y-o-y

- Iron Ore Derivatives volume up 30% from 3.4M to 4.4M contracts
- Supply disruptions in the iron ore market, impacting iron ore prices and freight rates
- Freight derivatives volume up 71%; Rubber futures volume up 20%

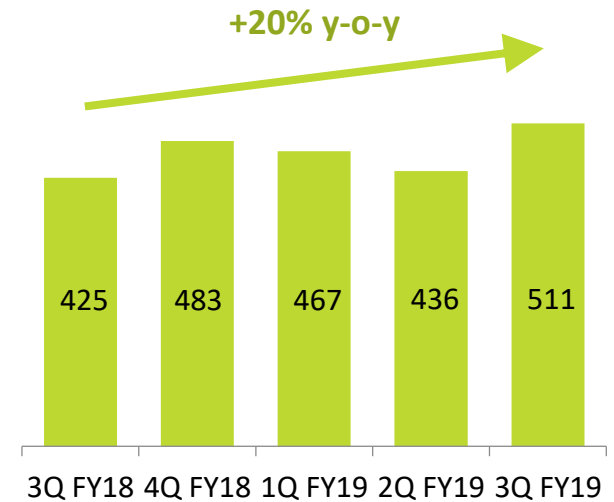
Iron Ore Derivatives Volume
 ('000 contracts)



Freight Derivatives Volume
 ('000 contracts)



Rubber Futures Volume
 ('000 contracts)



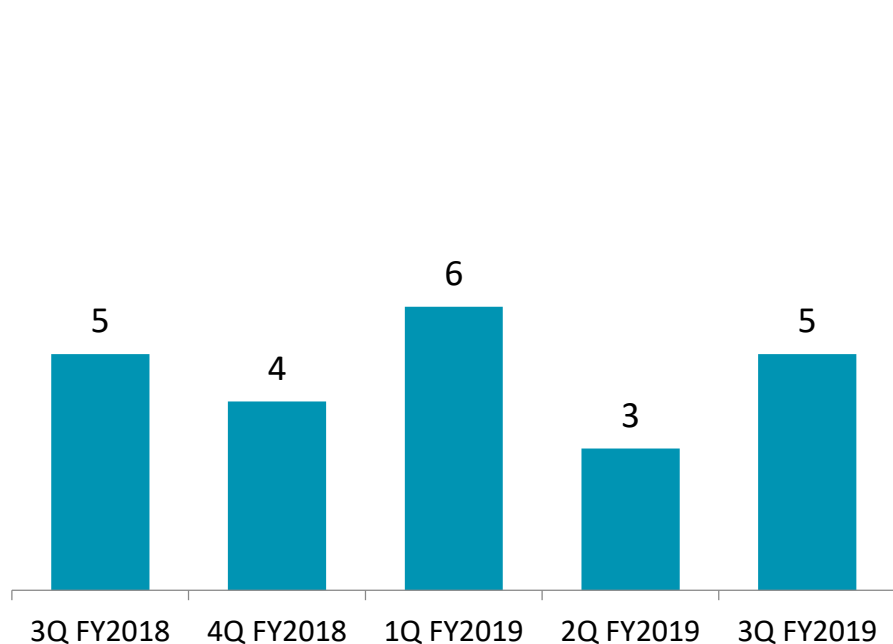
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3Q FY2019 Equities & Fixed Income – Issuer Services

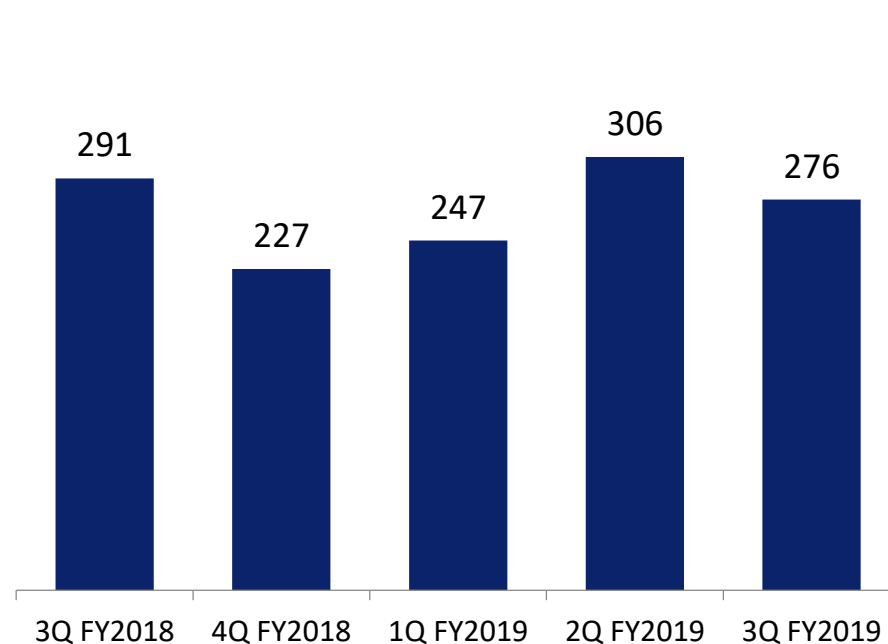
Equities & Fixed Income
\$84M ↓ 22% y-o-y

- 5 new equity listings, comparable to a year ago
- Number of new bond listings at 276

No. of New Equity Listings



No. of New Bond listings



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

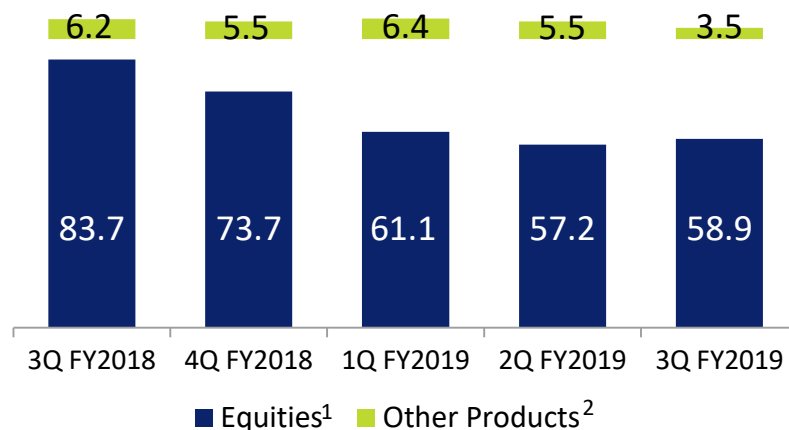
3Q FY2019 Equities & Fixed Income – Trading & Clearing

Equities & Fixed Income
\$84M ↓ 22% y-o-y

- Total traded value declined 30% y-o-y from \$90B to \$62B
- Expanded our range of single-stock daily leveraged certificates (DLC) to include more Singapore and Hong Kong companies

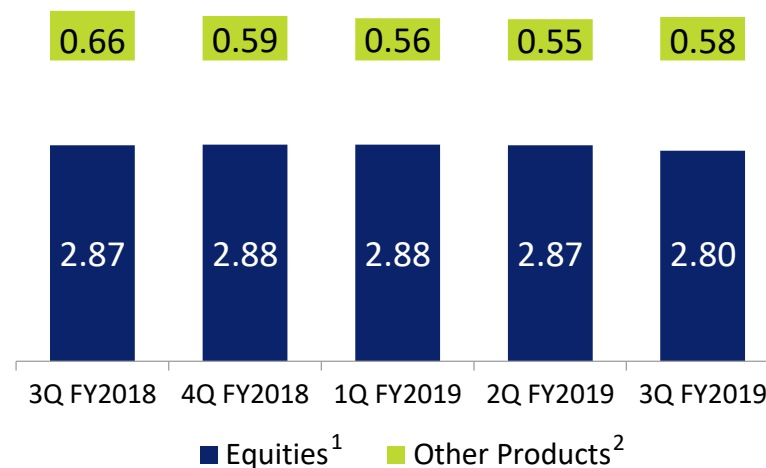
Securities Total Value Traded (\$B)

Total Traded Value	89.9	79.2	67.5	62.7	62.3
3Q FY2018	89.9	79.2	67.5	62.7	62.3



Average Clearing Fee by Products (bps)

Average yield	2.71	2.72	2.66	2.67	2.67
3Q FY2018	2.71	2.72	2.66	2.67	2.67



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

¹ Equities include ordinary shares, real-estate investment trusts and business trusts

² Other products include structured warrants, exchange-traded funds, daily leverage certificates, debt securities, and American depository receipts

3Q FY2019 Equities & Fixed Income – Post Trade

Equities & Fixed Income
\$84M ↓ 22% y-o-y

- Securities settlement revenue declined 17% from \$23M to \$19M due to:
 - Downward re-pricing of DVP guarantee fee from April 2018
 - Decline in subsequent settlement activities



- 1. Adoption of International Market Practices**
Reduced T+2 settlement cycle
- 2. Platform to build more Trading-Independent Revenue Streams**
Expand range of depository services for brokers and investors
- 3. Platform to drive digitalization initiatives**
Embark on a digitalization journey and enhancement of current CDP portal for retail investors
- 4. Increased Operational Efficiency**
Open API increases post-trade operational efficiencies

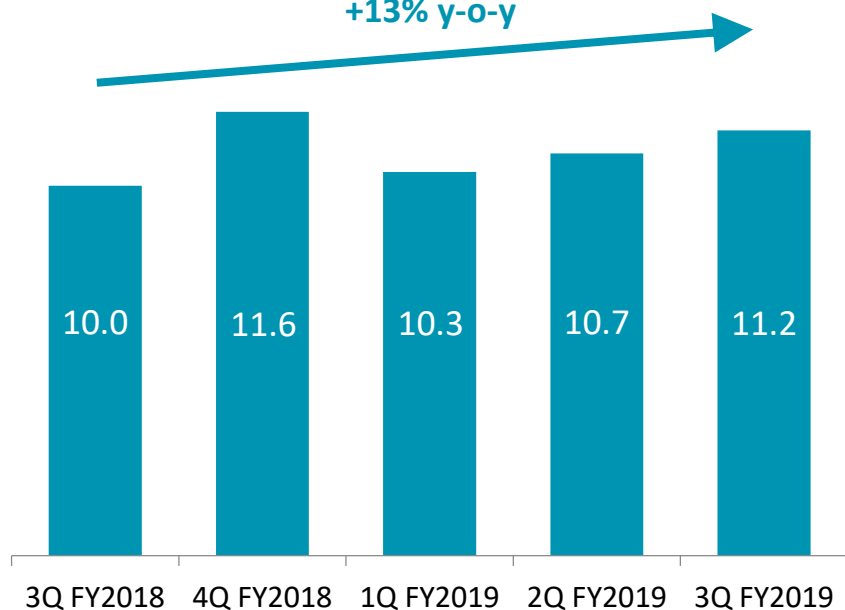
3Q FY2019 Market Data & Connectivity

**Market Data &
Connectivity**
\$26M ↑ 9% y-o-y

- Market Data revenue up 13% from higher reported data usage
- Connectivity revenue up 7% from continued growth in our colocation business and trading connections

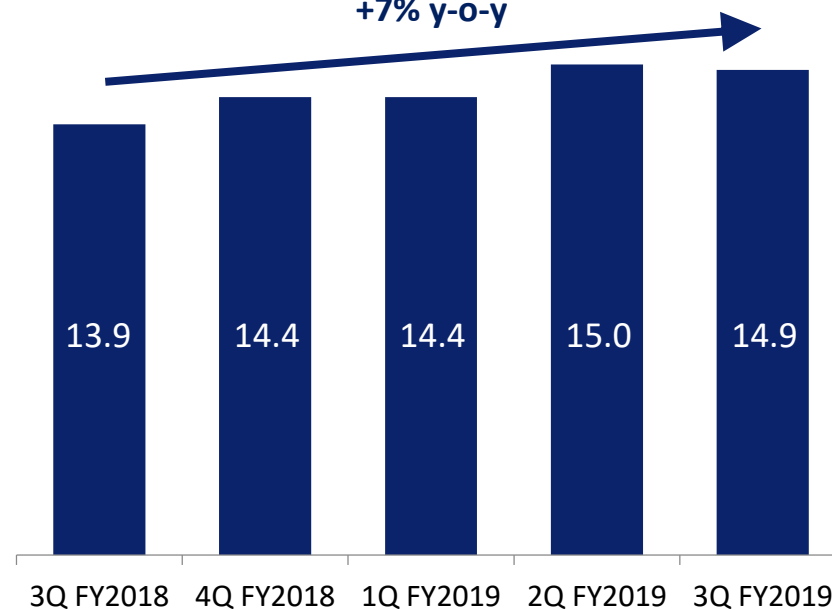
Market Data Revenue (\$M)

+13% y-o-y



Connectivity Revenue (\$M)





+7% y-o-y



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

9M YTD FY2019 Performance

- Reflects our global position in Asian derivatives
- Equities performed in line with global and regional markets
- Continued steady growth in Market Data & Connectivity

(\$ million)	YTD FY2019 Revenue	Change (y-o-y)	Revenue Contribution
Derivatives	330	 30%	50%
Equities & Fixed Income	255	 16%	38%
Market Data & Connectivity	77	 7%	12%
Total Revenue	662	 5%	100%

Who we are

Diversified, multi-asset exchange group

We are a diversified, multi-asset exchange group that runs key market infrastructures including the Singapore securities market and a pan-Asian derivatives exchange covering all major asset classes.

Derivatives Exchange of the Year

Asia Risk Awards 2018

Exchange of the Year

Energy Risk Asia Awards 2018

Best Index Provider, Asia Pacific

SRP's Asia-Pacific Awards 2018

Financial Metals Service Provider of the Year

Platts Global Metals Awards 2017

Asia Exchange of the Year

Structured Products Awards 2017

- Strong cash flow and high operating margin of 52%
- High dividends of 30 cents per share in FY2018 with payout ratio of 88%
- Return on equity of 37%
- Most liquid international market for pan-Asian listed derivatives
- Most international exchange in Asia with 45% cross-border listings

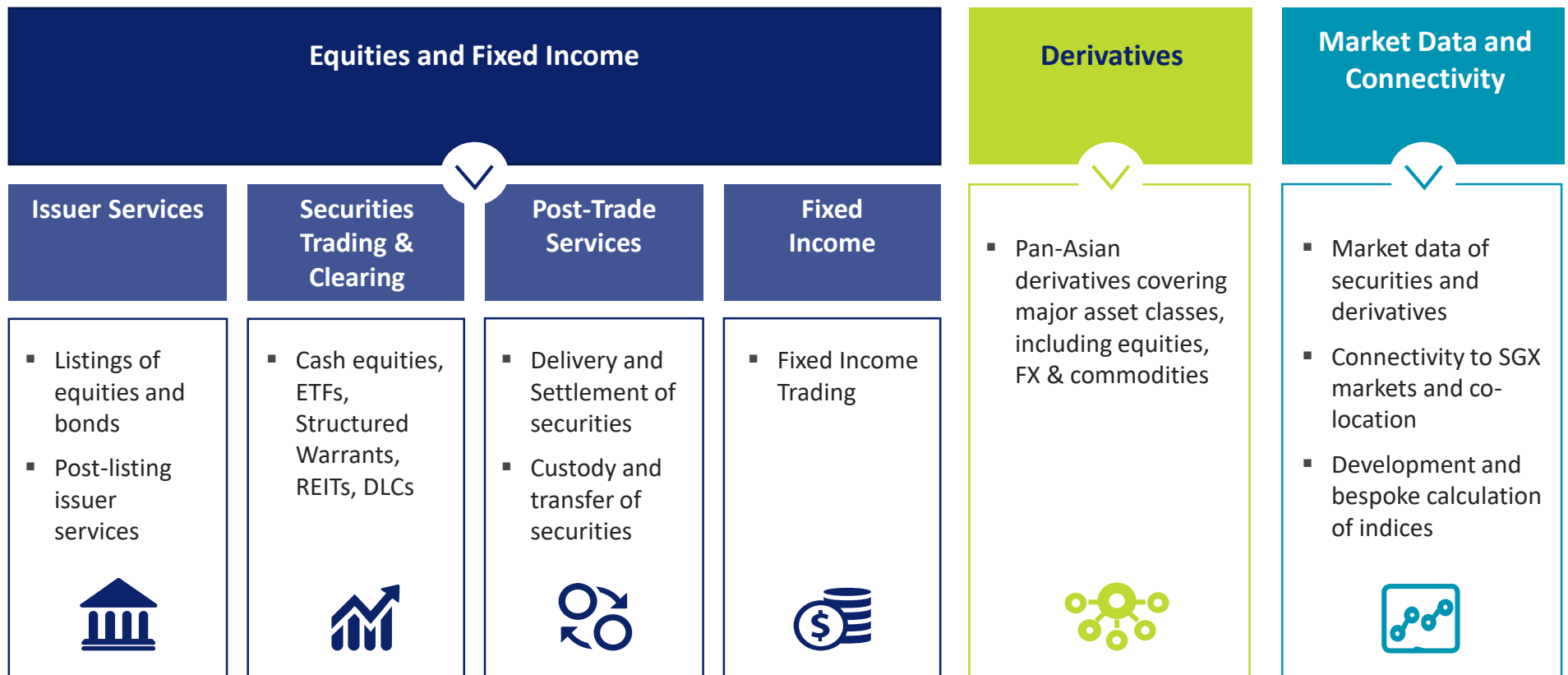


Anchored in Singapore, Asia's only AAA-rated economy

Reputation for good corporate governance, infrastructure, regulation and strength of the broader advisory ecosystem

3 Main Business Lines

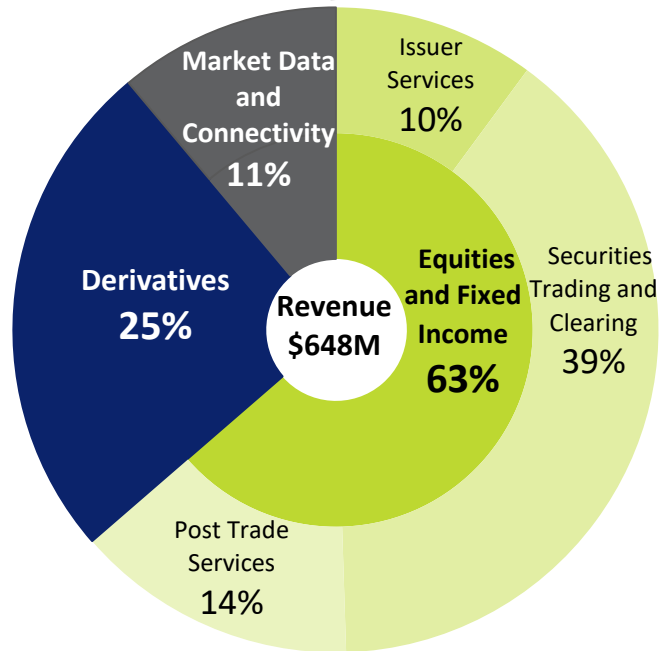
Three business units covering the entire exchange value chain, resulting in diversified and resilient revenue streams.



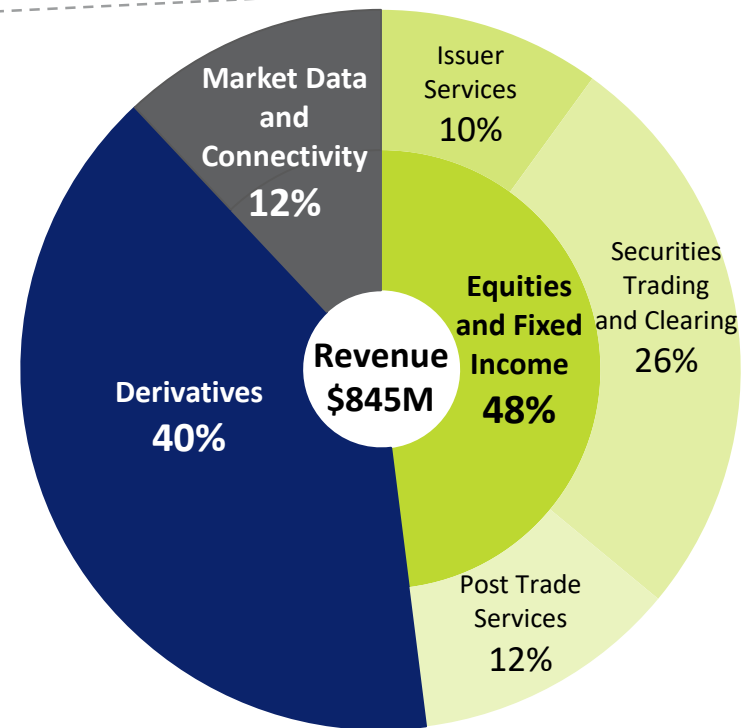
Successfully achieved growth and diversification of revenues

Revenue contribution from Derivatives grew from 25% in FY2012 to 40% in FY2018. Total revenue grew 30% during the same period.

FY2012 Revenue Breakdown



FY2018 Revenue Breakdown



Net Profit: \$292 million

Net Profit: \$363 million

Note: Numbers may be subject to rounding
Source: SGX

Our international footprint

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



Our offices:

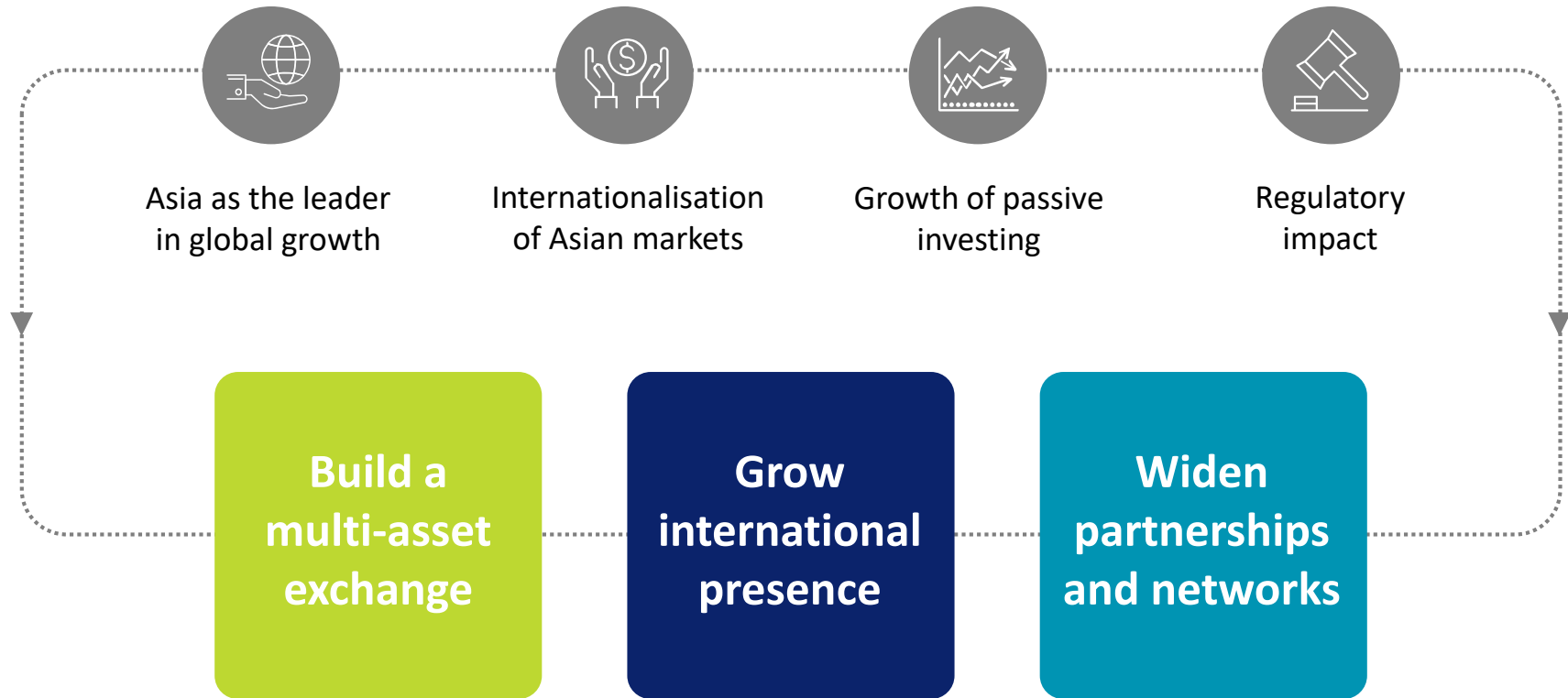
Beijing	Chicago	Hong Kong	London	Mumbai
New York	San Francisco	Shanghai	Singapore	Tokyo

Key roles of our International offices

- Engage existing clients and acquire new clients to improve liquidity (Equities, Fixed Income, and Derivatives)
- Increase memberships and listing of equity and debt instruments
- Grow existing clients and acquire new clients for connectivity, data, and index licensing services
- Our key clients include: Sell-side participants, Interdealer brokers, Corporate trade clients, Institutional investors and Proprietary Trading Groups.

Our Focus

SGX is well-positioned in an evolving industry



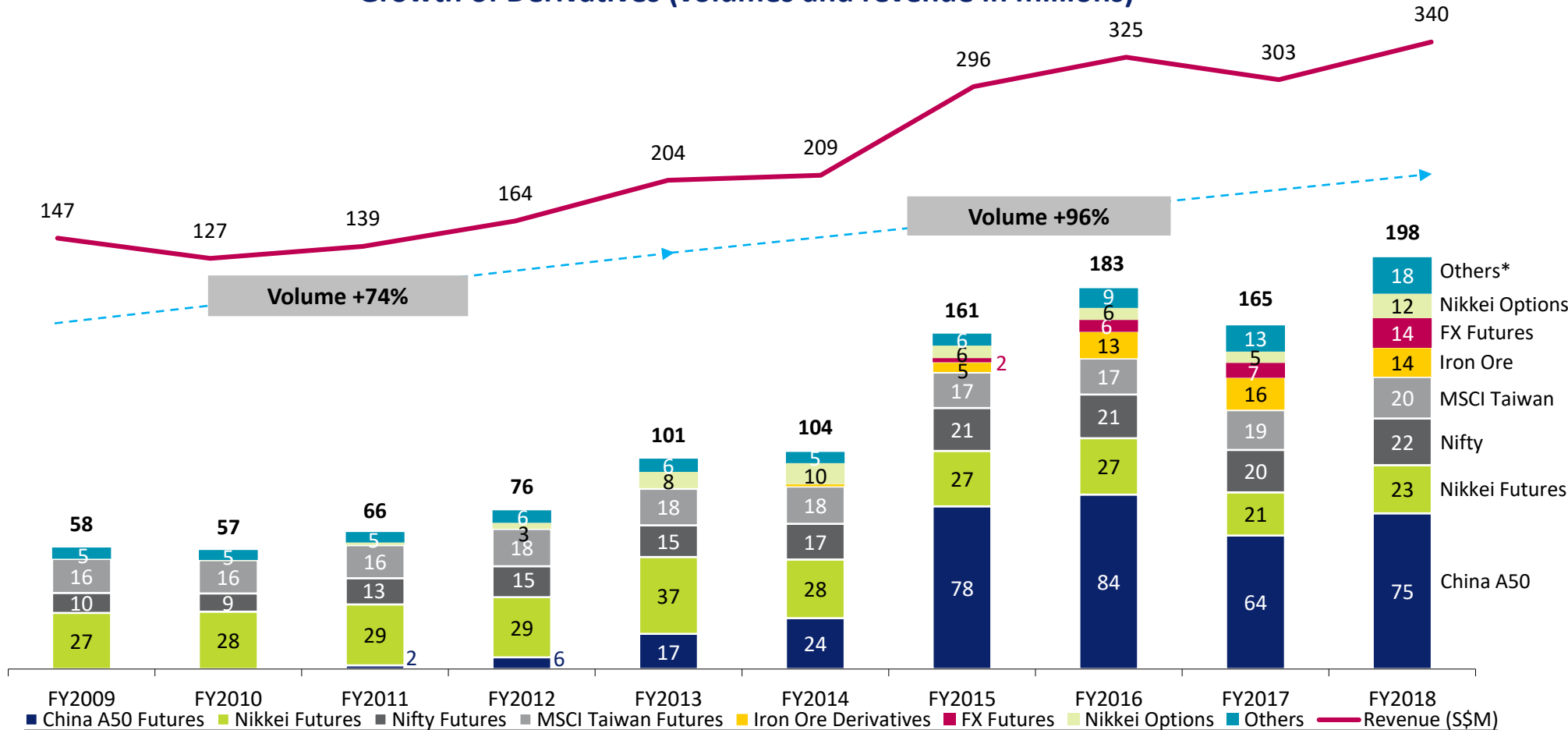
Our strengths as a Derivatives marketplace



Rapidly growing offshore market for Asian Derivatives

Multi-asset Derivatives exchange, covering a broad range of liquid Asian asset classes.

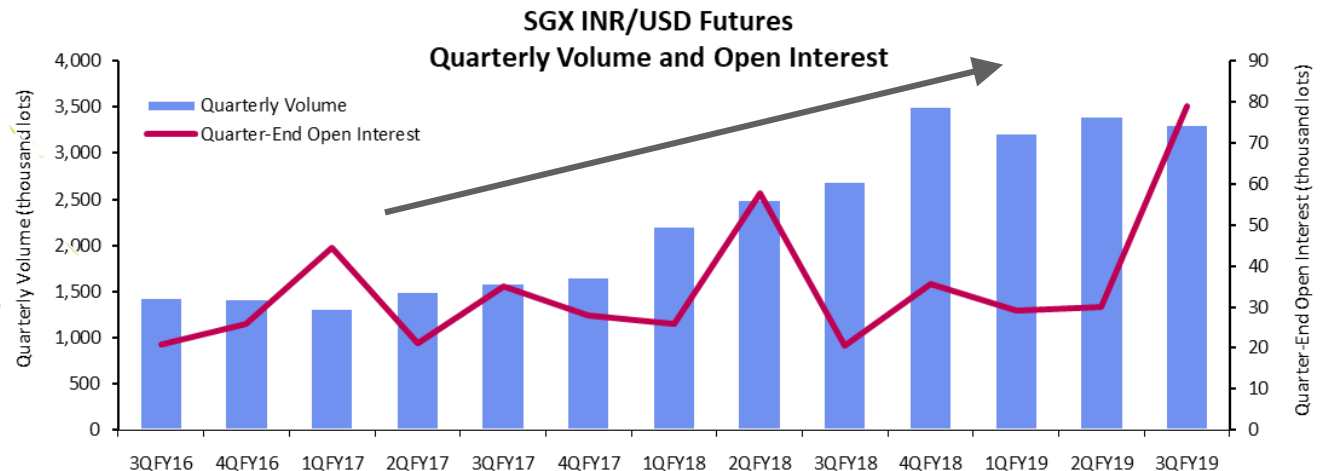
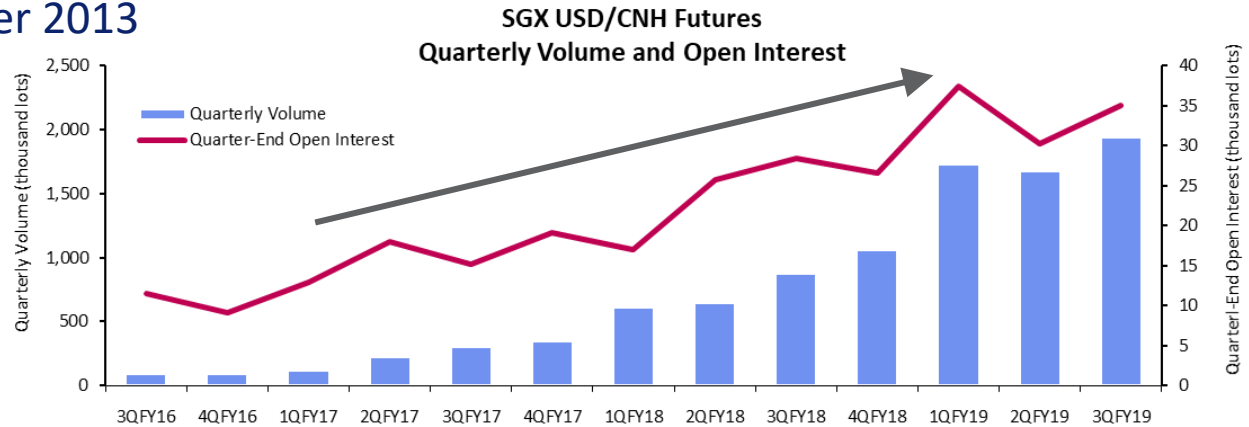
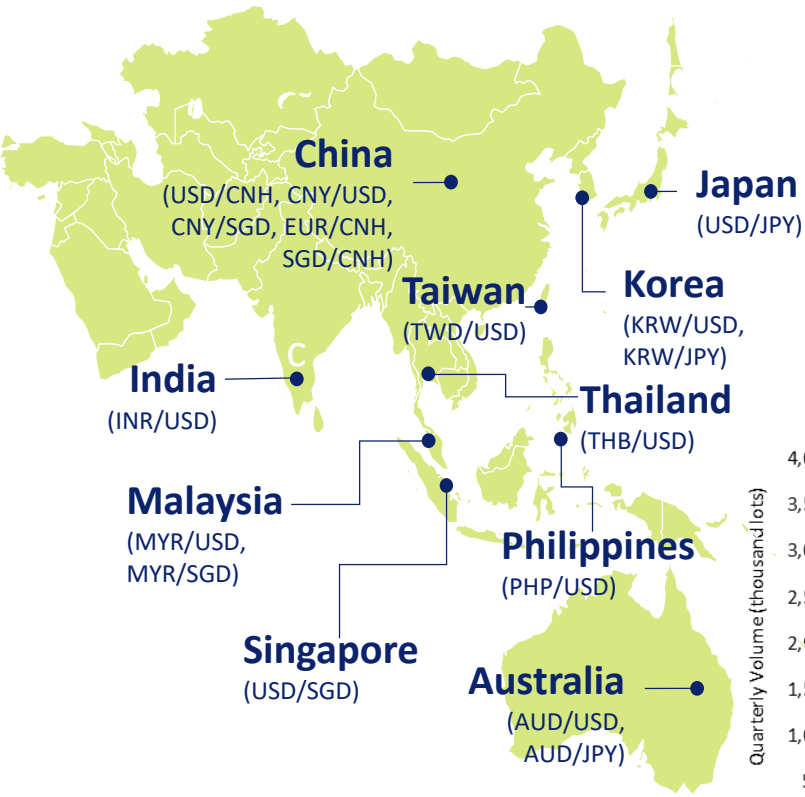
Growth of Derivatives (volumes and revenue in millions)



*Others comprise mainly MSCI Singapore Futures, FFA futures & swaps, and Rubber Futures.

FX Futures as a growth driver

>200% volume CAGR since November 2013



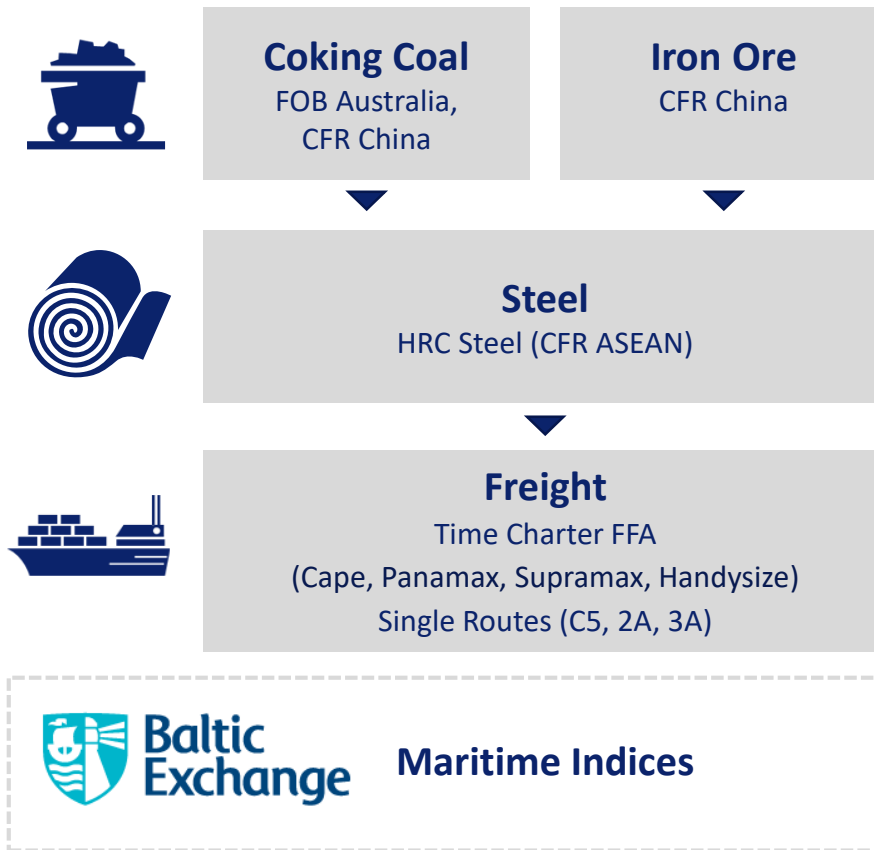
Asia's Best FX Exchange & Clearing House – by FX Week (2018)

Note: Data as at 31 March 2019

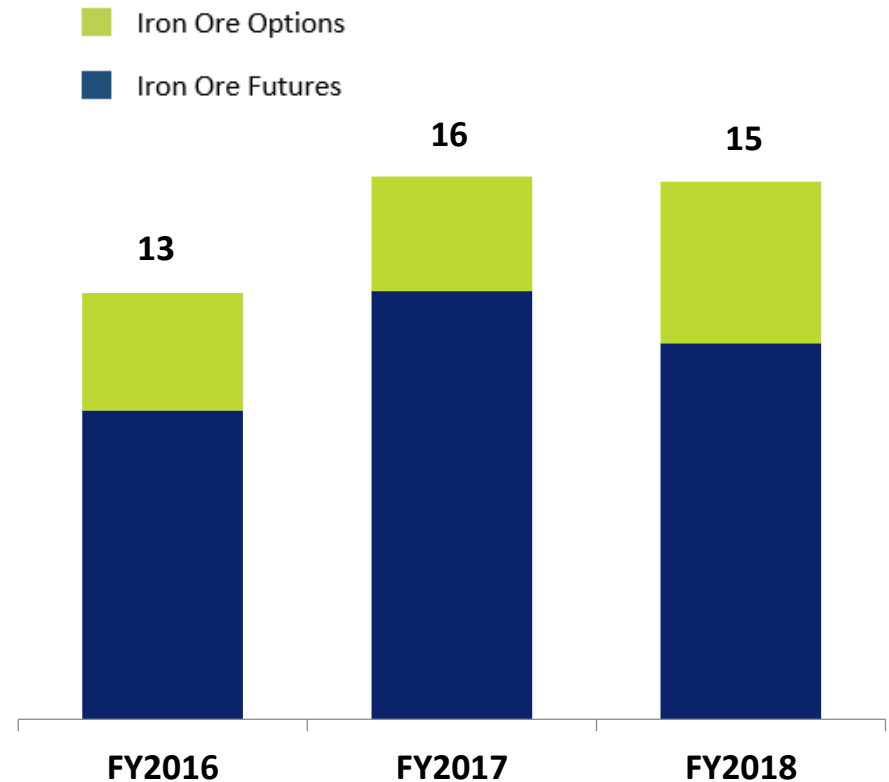
Extensive Suite Of Commodities Products

- Complements Singapore's commodities hub status




Price-Discovery Centre For The Steel Value Chain



Total Volume of Contracts Traded (M)



A leading Fixed Income listing venue

Fixed Income	Size of Market 	Singapore 	SGX 
	<ul style="list-style-type: none"> Asia (ex-Japan) bond market of US\$14 trillion Shift towards electronic trading Regulatory trends favour shift to on-exchange clearing 	<ul style="list-style-type: none"> Strong distribution network to global investor base with US\$2.4 trillion of AUM in Singapore 	<ul style="list-style-type: none"> US\$2T amount issued, with more than 5,000 listed bonds from over 50 countries in 20 currencies Launched SGX Bond Pro, an electronic platform for Bond Trading

Key SGX Highlights

>5,000 bonds

listed by 1,500 issuers from over 50 countries in 20 currencies

~40%

market share for listed G3 APAC bonds
Leading Bond listing exchange in Asia Pacific

~200

Number of customer sign-ups Nov 13 – Mar 19
SGX Bond Pro gaining traction

TRUMID

Expanding network

In the coming months



We see growing interest in Asia led by China's internationalisation

- SGX is well-positioned to address increasing demand for Asian and Asian EM risk management solutions
- Global participants will turn to our wide coverage of China access solutions to manage their portfolios
- Our FX derivatives will cater to the growing demand for currency hedging and need for capital efficiencies



We continue to broaden our product suite

- Last week, SGX introduced Asia's first derivatives based on NK 225 implied equity repo, an innovative new asset class, to address the largest securities financing market in Asia
- We will expand our Net Total Return (NTR) suite and composite index derivatives to cater to growing demand for passive investing
- We will extend our leading commodities benchmark status by launching new options on rubber contracts

Derivatives Business

Growing demand for Net Total Return Index Futures

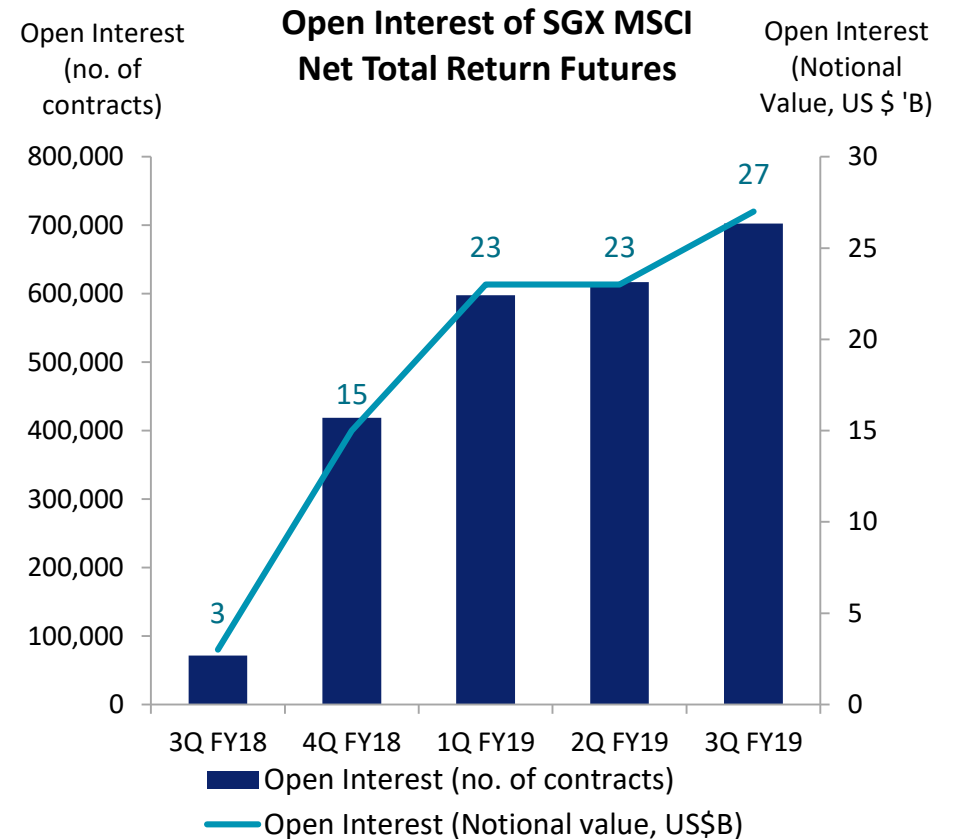
- Designed to meet increased demand for greater capital efficiency, in light of new margin requirements imposed on uncleared derivatives trades globally
- 23 SGX MSCI NTR Index Futures listed as of 3Q FY2019
- Notional open interest grew over 8X y-o-y to US\$27B, leading to higher collateral balances
- Resurgent Chinese economy and general elections in India, Indonesia, Philippines and Thailand sharpens focus on Emerging Asia



SGX is the first and only exchange in Asia to offer investors a comprehensive Net Total Return futures product suite covering Asian Emerging Markets.



The growth of SGX's MSCI NTR product suite demonstrates the growing popularity of composite index investing in Asia.



Largest INR and CNH FX futures exchange

Size of Market



FX

- US\$5 trillion traded daily
- Asian NDF, excluding CNH, is a \$73 billion DAV market with the potential to be futurised
- Largest off-exchange (OTC) market globally
- Regulatory trends favour shift to on-exchange clearing

Singapore



- US\$500 billion traded daily
- Largest FX center in Asia Pacific, third largest globally
- Leading global trading venue for key Asian currencies

SGX



- 21 currency futures and options contracts
- >70% market share in USD/CNH and > 40% market share in INR/USD
- FlexC FX futures launched in August 2018
- Investment in BidFX

Key SGX Highlights

19

Futures

2

Options

Diverse Asian
FX suite

> 200%

Total Volume –
CAGR

Nov 13 – Mar 19

>US\$5Bn

Open Interest value
(Mar 2019)

~US\$1T



Notional value traded in
2018

up 108% y-o-y



Expanding Network

The leading offshore Iron Ore risk management hub

	Size of Market 	Singapore 	SGX 
Iron Ore	<ul style="list-style-type: none"> ▪ Largest in the metal market by tonnage ▪ Notional value of >US\$115B traded annually in the physical market ▪ Asia's first truly global commodity, with China a major consumer 	<ul style="list-style-type: none"> ▪ Leading merchant hub for commodities houses with ~140 metals and mineral companies ▪ Include top iron producers e.g. Vale, Rio Tinto, BHP Billiton 	<ul style="list-style-type: none"> ▪ Global pricing and risk management centre ▪ Cleared 1.3 billion MT of iron ore in 2018 ▪ Offers a complete iron ore suite: 58% Fe, 62% Fe, 65% Fe and Lump Premium ▪ Steel value chain incorporating coking coal and freight

Key SGX Highlights

1.3 billion MT

cleared in CY2018

> 95%

market share of international iron ore volumes cleared

Fe 65%

futures contract launched in Dec 2018

1.2x

of paper to physical ratio

Potential to grow

Positioned to be the Digital Freight Marketplace

Mission: Fortify The Baltic Exchange, leverage SGX cargo & freight franchise, and invest strategically (e.g. Freightos) in market infrastructure & data.



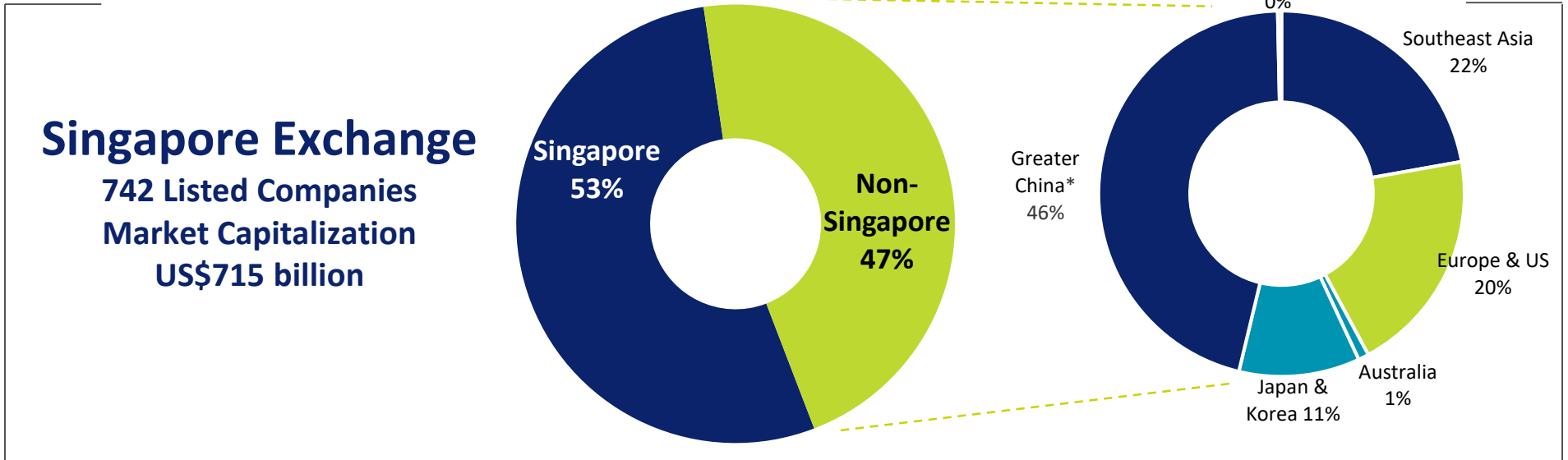
Offer **full-stack digital services** in spot price discovery, matching & trading, and post-trade risk management.

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

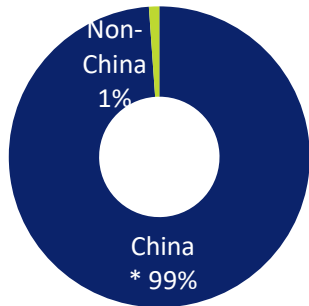
Equities & Fixed Income Business

The world's most international exchange

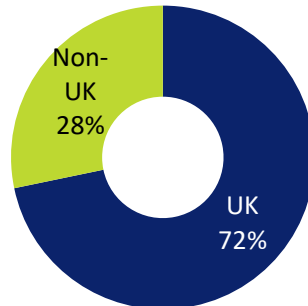
More than 45% of total market cap of companies listed on SGX are overseas companies



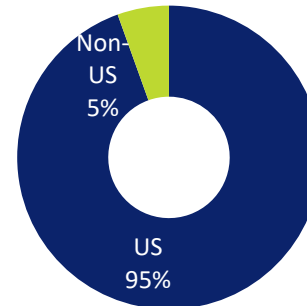
Hong Kong Stock Exchange



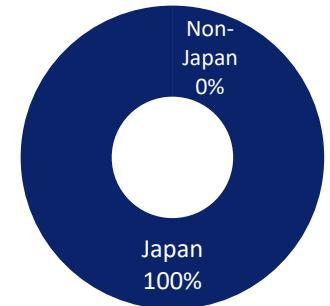
London Stock Exchange



NASDAQ



Tokyo Stock Exchange



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

Our key sectors*

Consumer



PE: 22x

- Includes food & beverage, retail and others
- 143 companies with market cap of US\$71 billion

Technology



PE: 21x[^]

- Includes technology hardware & equipment, digital, semiconductor and telecommunications services companies. Other businesses include media, clean tech and engineering.
- 86 companies with market cap of US\$63 billion

Healthcare



PE: 21x

- Full range of companies from pharmaceuticals, healthcare services to medical devices technology
- 36 companies with market cap of US\$25 billion¹

Maritime, Offshore Services & Energy



PE: 13x

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

Commodities



PE: 15x

- Includes agri-commodities and mineral & coal companies
- 33 companies with market cap of US\$28 billion

Real Estate

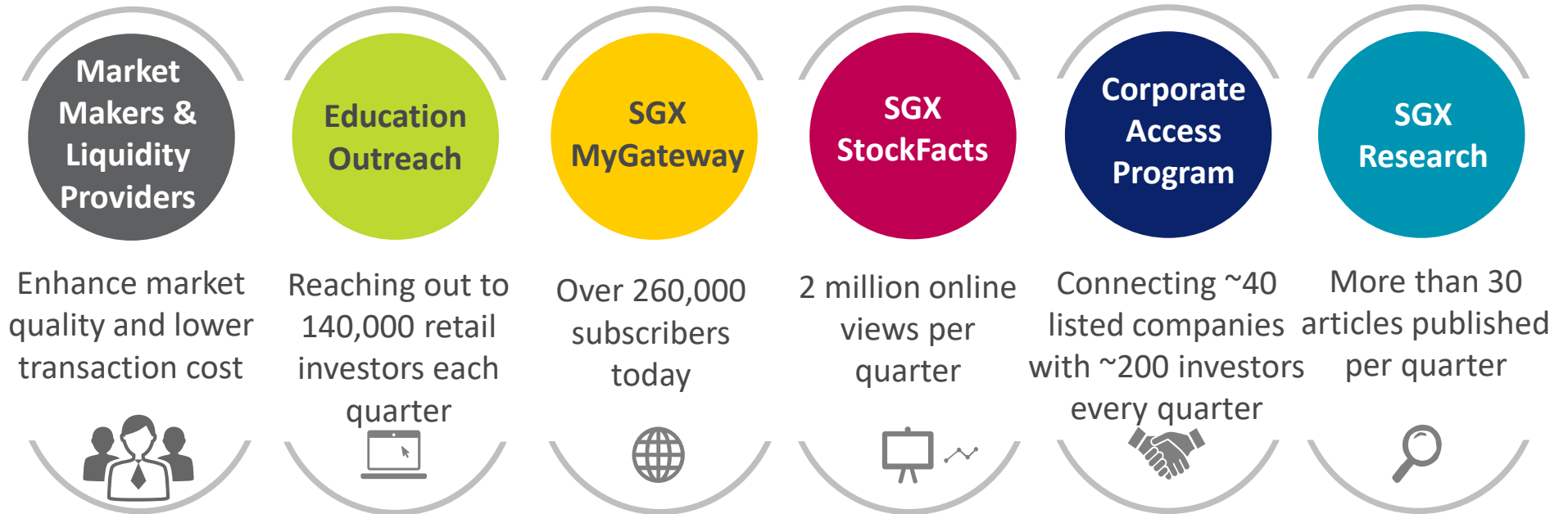


PB: 0.9x

- Asia's broadest range of real estate companies and property trusts covering global real estate assets
- 107 real estate companies and property trusts with market cap of US\$135 billion

Building liquidity and profiling our listed companies

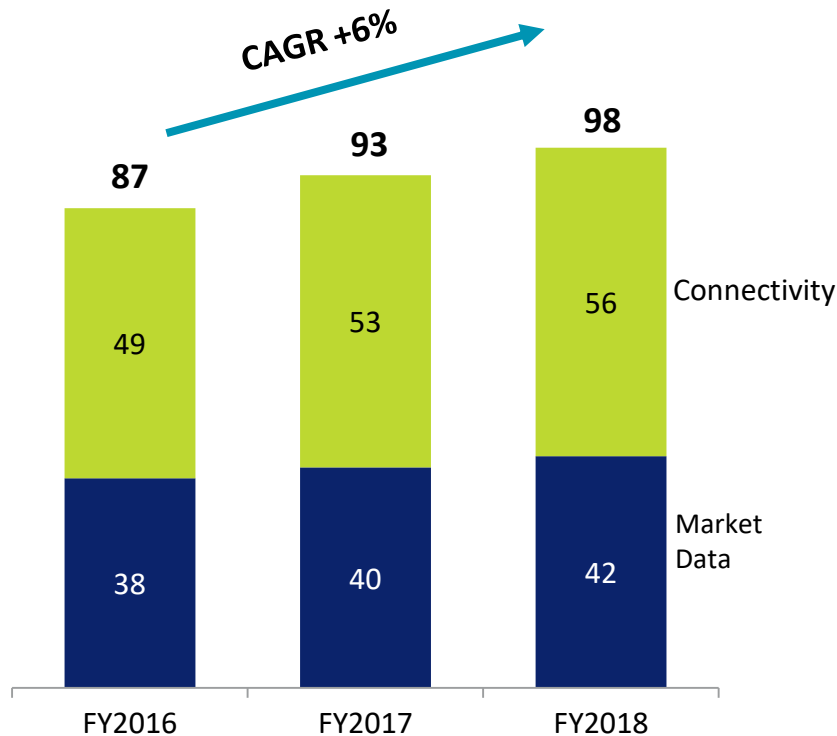
Continuing our efforts in increasing trading activity



Market Data & Connectivity Business

Overview

Market Data And Connectivity



- Market infrastructure business driven by increased use of technology in trading
- Supports Securities and Derivatives Trading:

Data: Price data, Company Announcements, Financial Indices

Connectivity: Trading system connections, Network linkages and Data center co-location

Note: Numbers may be subject to rounding.

SGX Index Edge

- Index business established to take advantage of global shift to index-based investing
- Global Exchange Traded Products (index-based) have AUM of > US\$4tn
- Index funds (unlisted) has grown >230% to > US\$ 6tn since 2007



Index Calculation Service

- Calculating for leading investment banks and asset managers
- Flexible index engine for calculating and disseminating wide variety of indices
- Strong governance framework to meet regulatory requirements
- Established capabilities in Europe



SGX Proprietary Indices

- **Domestic Indices**
 - SGX Thematic indices e.g. S-REIT 20
 - SGX Sustainability index
- **Regional Indices**
 - SGX Developed Asia Quality Dividend Index
 - SGX APAC Dividend REIT

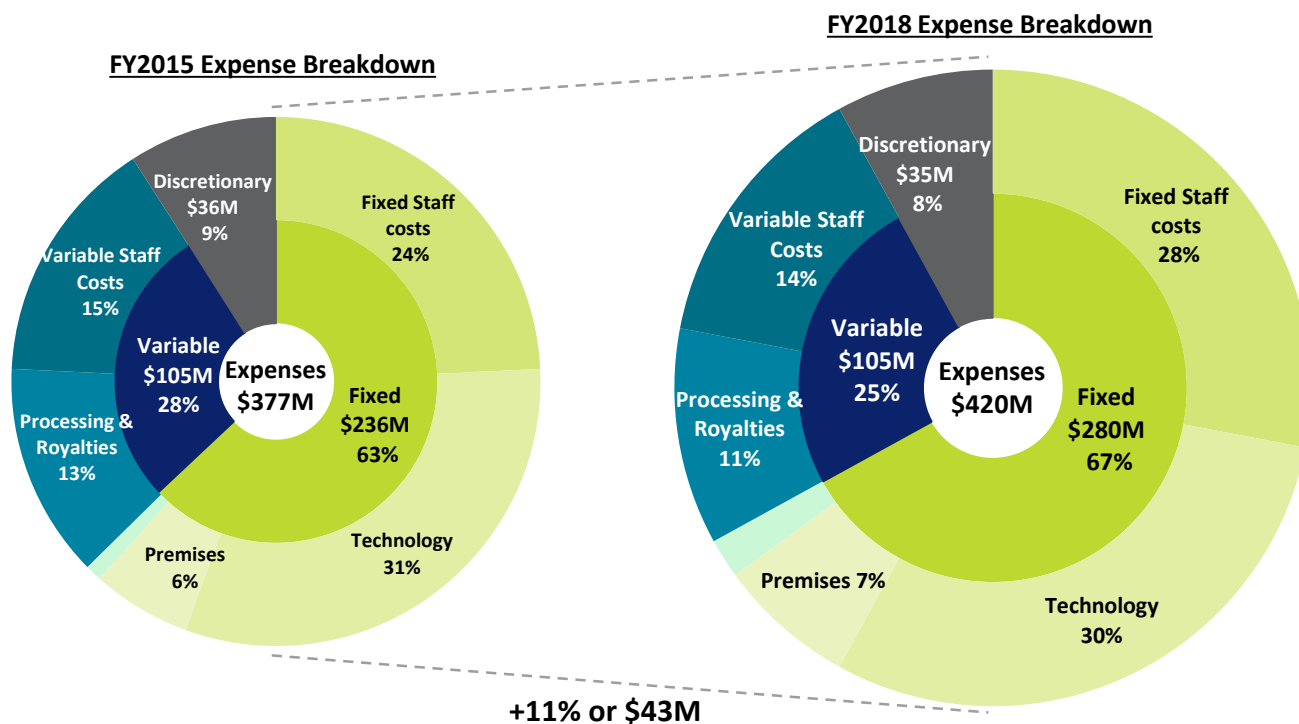


SGX Index Edge – Best Index Provider at Structured Retail Products Asia-Pacific Awards (2018)

Other Financials

Disciplined in our expenditure

- Investments in building capabilities to support growth
- FY2018 expense of \$420M , up 5% from a year ago
- FY2019 Operating Expense Guidance: \$445M to \$455M

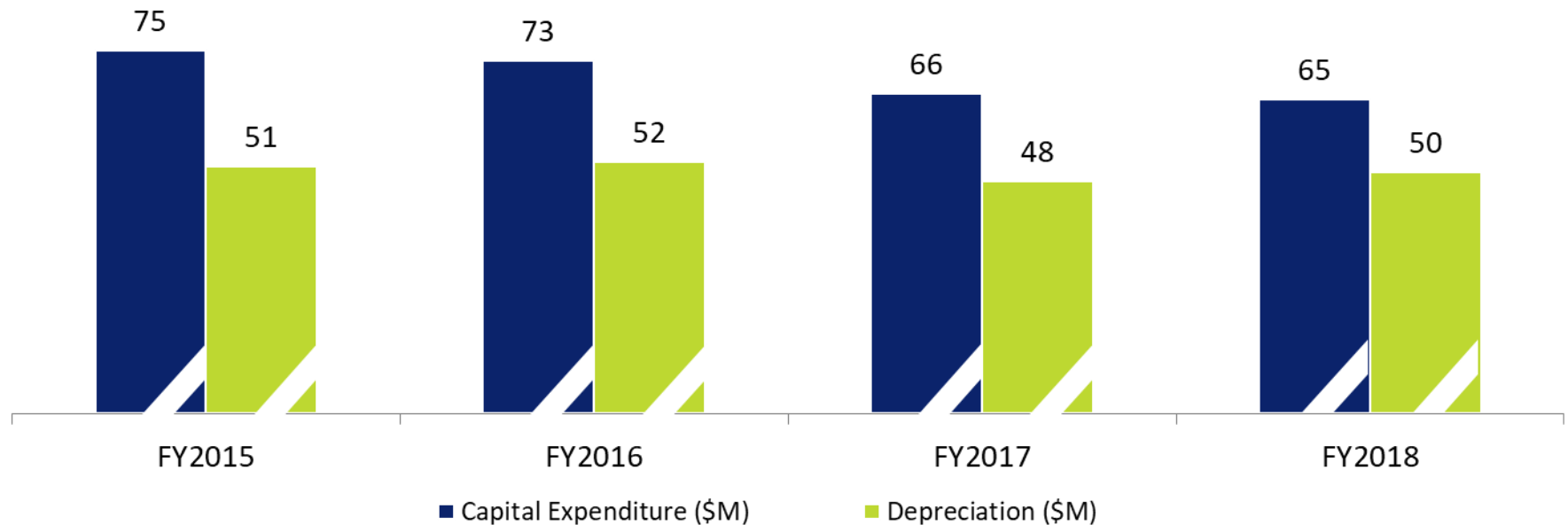


- Fixed costs – 67%
Variable costs – 25%
Discretionary costs – 8%
- Variable costs – Processing & Royalties expenses are volume-related

Note: Numbers may be subject to rounding.

Delivered new systems and platforms to support growth

- Invested in enhancing capabilities in Derivatives, Fixed Income and Post Trade
- FY2018 Technology CAPEX of \$65M, in line with guidance
- FY2019 CAPEX Guidance: \$60M to \$65M



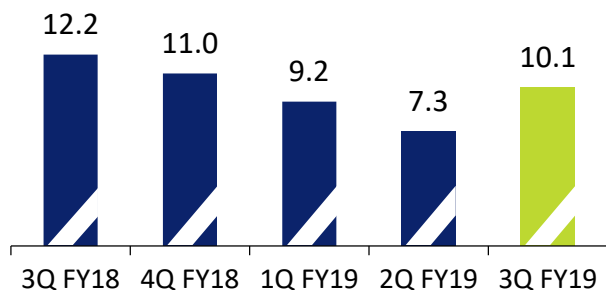
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

Key Financial Indicators (Recent quarters)

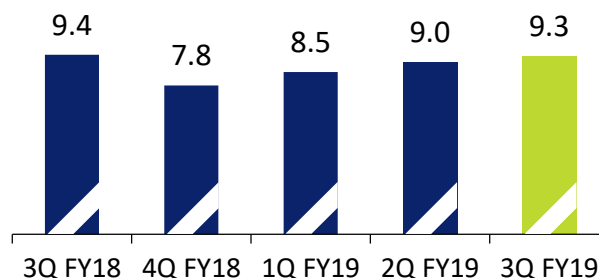
- High operating profit margin of 52%
- Quarterly dividend per share of 7.5 cents per share

	3Q FY2018	4Q FY2018	1Q FY2019	2Q FY2019	3Q FY2019
Revenue (\$ million)	222	213	209	224	229
Operating profit (\$ million)	118	98	106	114	118
Operating profit margin	53%	46%	51%	51%	52%
Net profit (\$ million)	100	84	91	97	100
Return on equity	37%	34%	39%	39%	37%

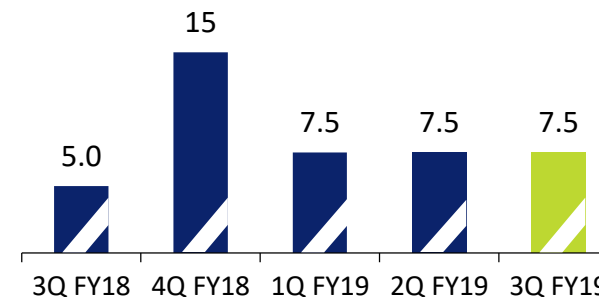
Operating cash flow per share (cents)



Earnings per share (cents)



Dividend per share (cents)

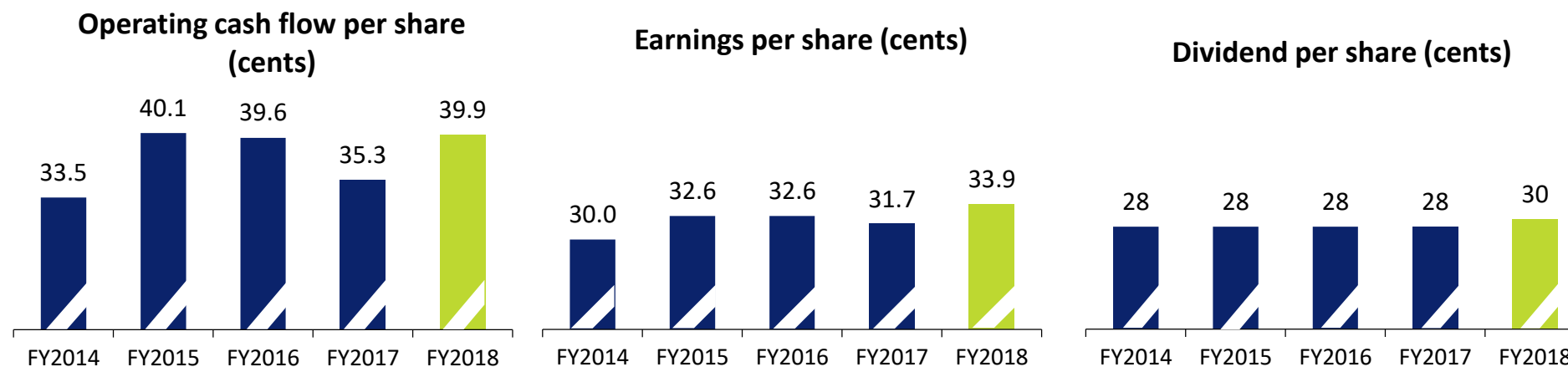


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Key Financial Indicators (Recent years)

- High operating profit margin of 50%
- ROE of 34%

	FY2014	FY2015	FY2016	FY2017	FY2018
Revenue (\$ million)	686	779	818	801	845
Operating profit (\$ million)	371	402	409	402	425
Operating profit margin	54%	52%	50%	50%	50%
Net profit (\$ million)	320	349	349	340	363
Return on equity	35%	37%	36%	34%	34%



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

Appendix

High operating margin business

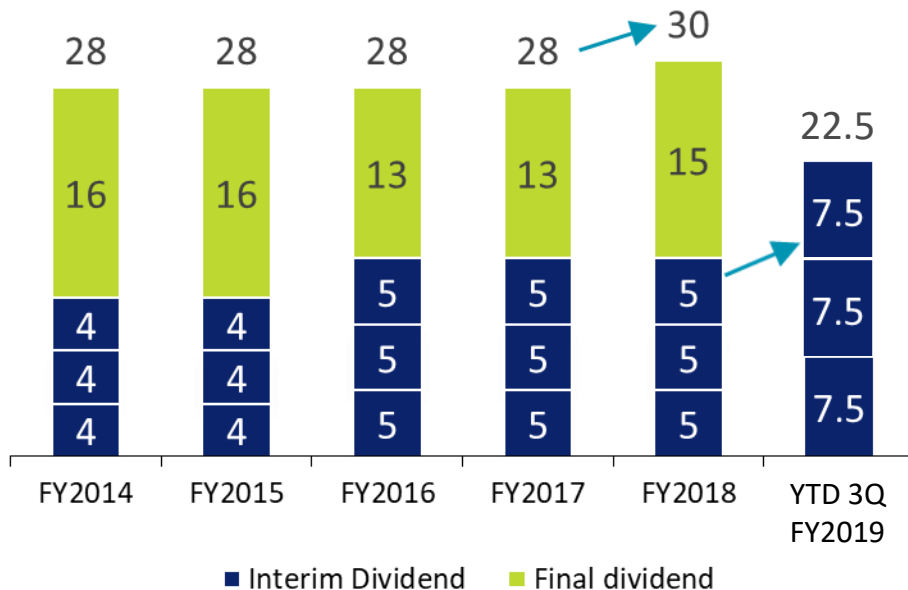
Operating Income Margin Trends			
Segment	FY2016	FY2017	FY2018
Equities and Fixed Income	55.6%	56.0%	55.1%
Derivatives	42.5%	39.7%	43.7%
Market Data and Connectivity	52.0%	58.9%	53.3%

Revised Dividend policy to support growth

Aims to provide sustainable and growing returns for shareholders

5 Year Dividend History

Dividend per share (cents)



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



Provides flexibility to balance dividend payments with the need to retain earnings to support growth



In 3Q FY2019, we paid a higher dividend of 7.5 cents per share each quarter, up 2.5 cents (50%) from 5 cents per share

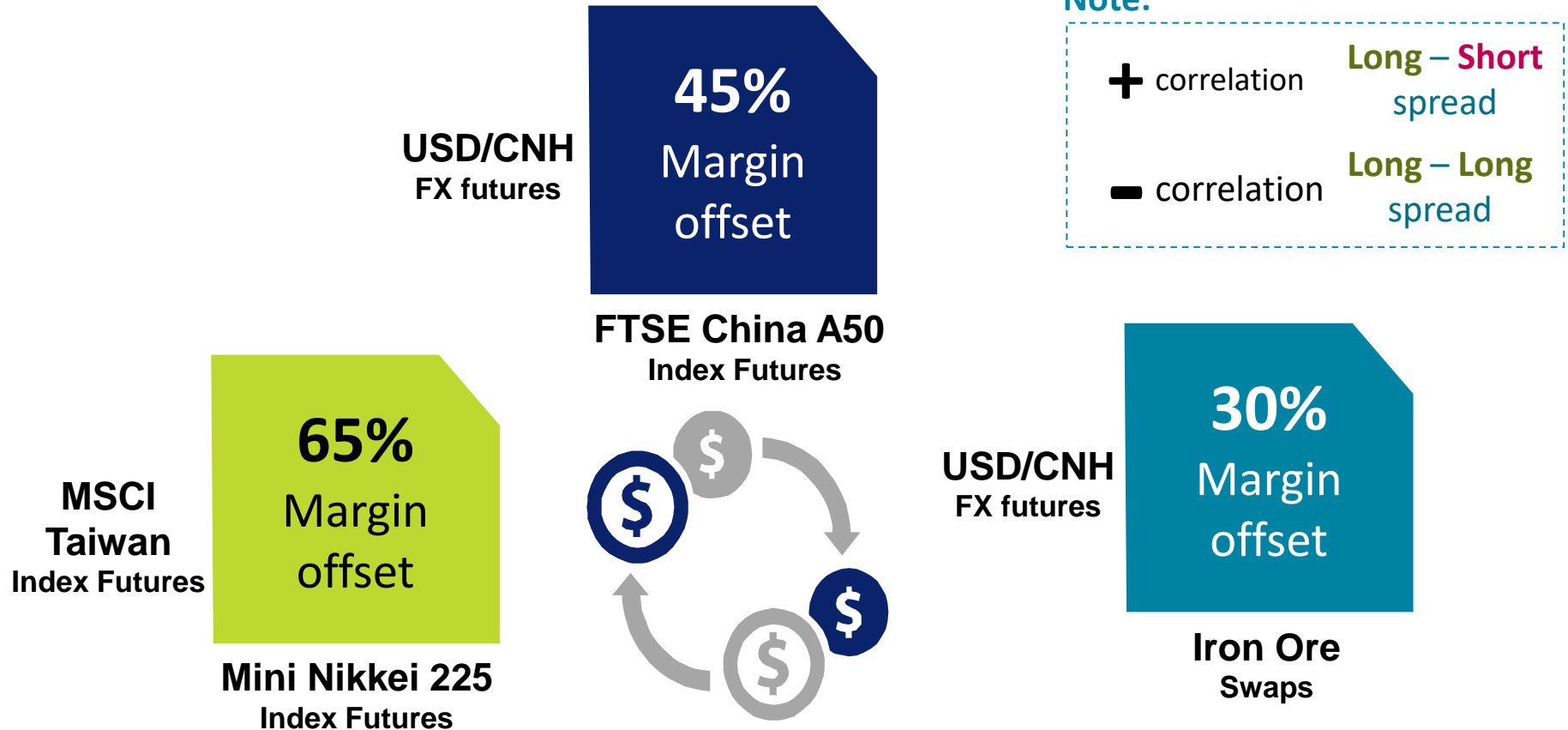


Shareholders will receive returns earlier. Potential growth in dividends when SGX performs well

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.

Cross Margining Efficiencies

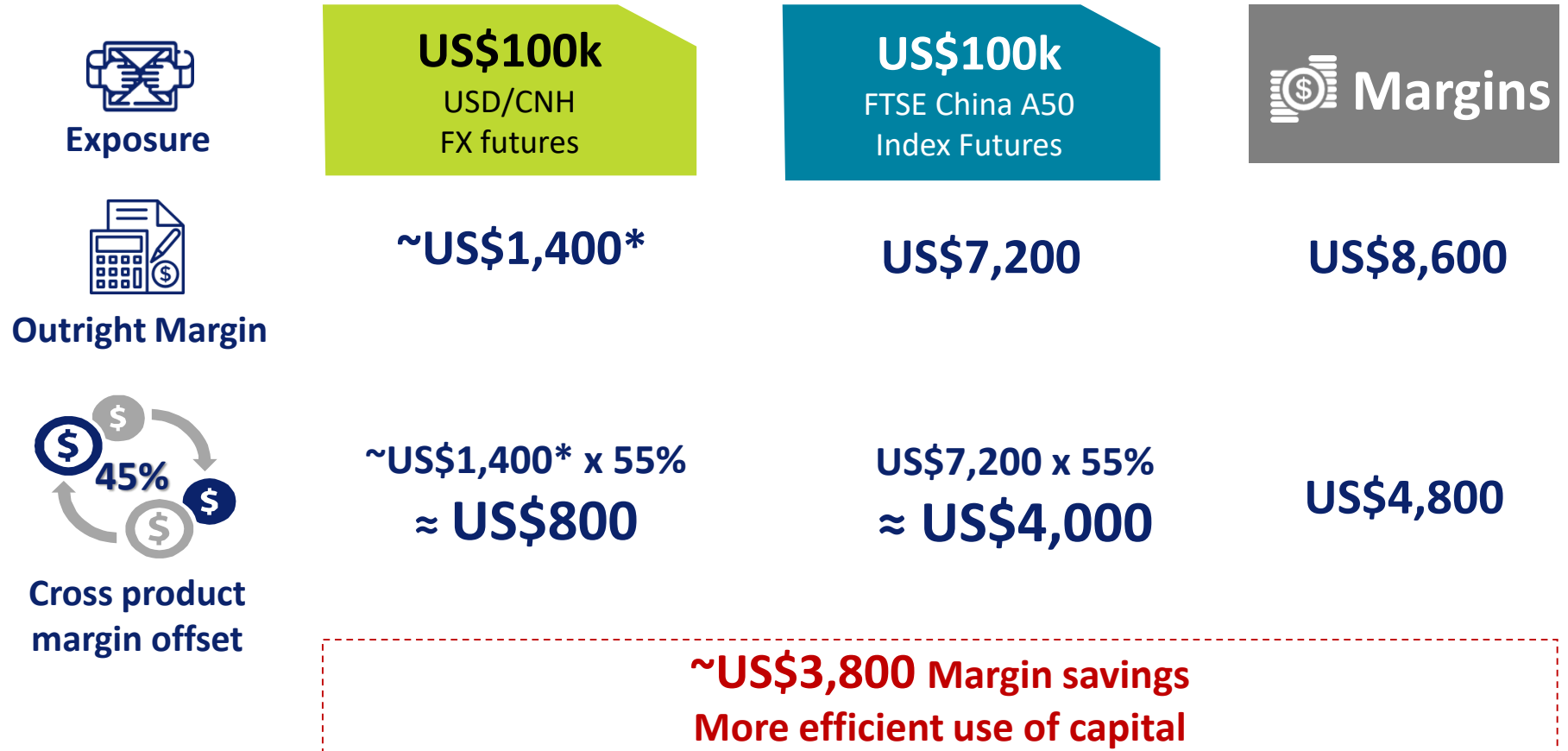
Correlated products, margin netting efficiencies



Note: Based on Margin Schedule as of 7 September, full schedule available on SGX website

Cross Margining Example

More exposure with the same amount of margins



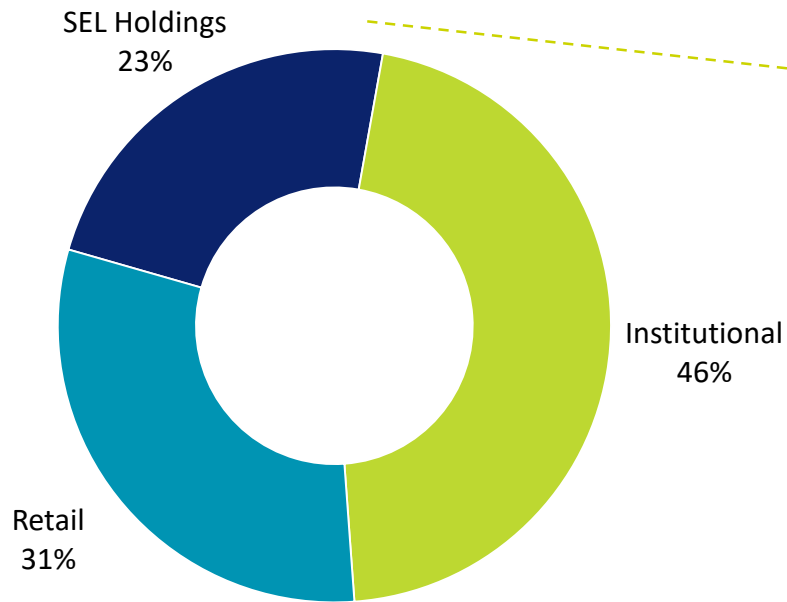
Note: Based on FX rate as of 21 September

Based on Margin Schedule as of 7 September, full schedule available on SGX website

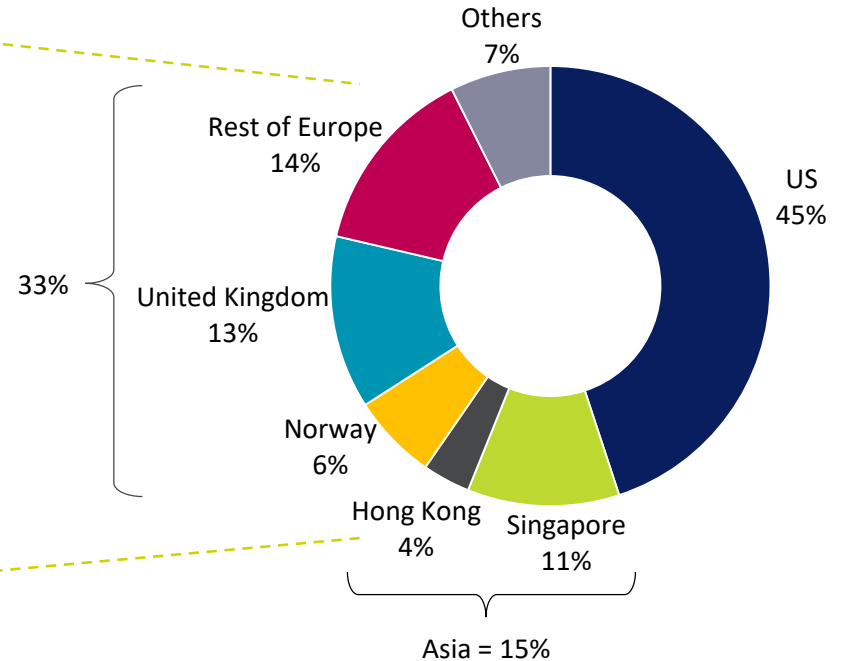
SGX Shareholders' Profile

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

SGX Shareholder Composition¹



Institutional Shareholding by Geography



Note: Numbers may be subject to rounding.
¹As at 31 March 2019

Thank You

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