

FY2016 Full Year Analyst and Media Briefing

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

27 July 2016

Agenda for FY2016 Full Year Results Briefing

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Financial Year 2016 Highlights

Revenue

- \$818M
- Up 5%

Expenses

- \$409M
- Up 9%

Operating Profit

- \$409M
- Up 2%

Net Profit

- \$349M
- Unchanged

Earnings Per Share

- 32.6 cents
- Unchanged

- Consistent performance despite challenging market conditions
 - Revenue up 5% to \$818M; expenses up 9% to \$409M
 - NPAT, including an impairment charge of \$6M in our investment in the Bombay Stock Exchange, remained unchanged at \$349M
- Equities & Fixed Income revenue up 1%
 - SDAV and total traded value largely unchanged at \$1.1B and \$274B respectively
 - 21 new equity and trust listings compared with 34 listings a year earlier
- Derivatives revenues up 10% on higher volumes
 - Total volumes increased 14% to 183M contracts
 - Strong performance by SGX FTSE China A50 Index futures and Iron Ore contracts

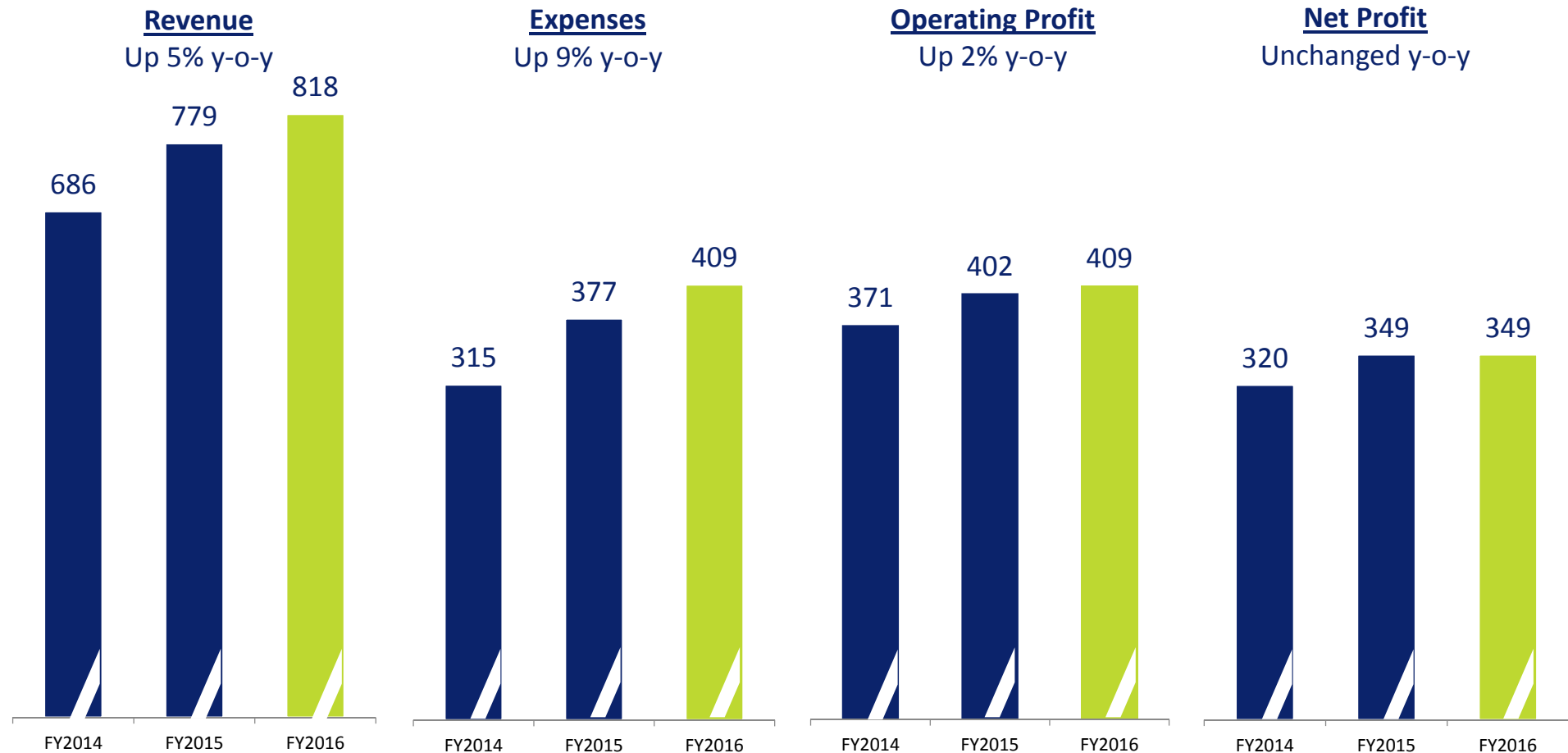
Financial Performance

Chng Lay Chew, Chief Financial Officer

Financial Performance: Annual Trend

Net profit of \$349M unchanged from FY2015

Excluding a \$6M impairment charge on investment in BSE, underlying net profit was \$355M

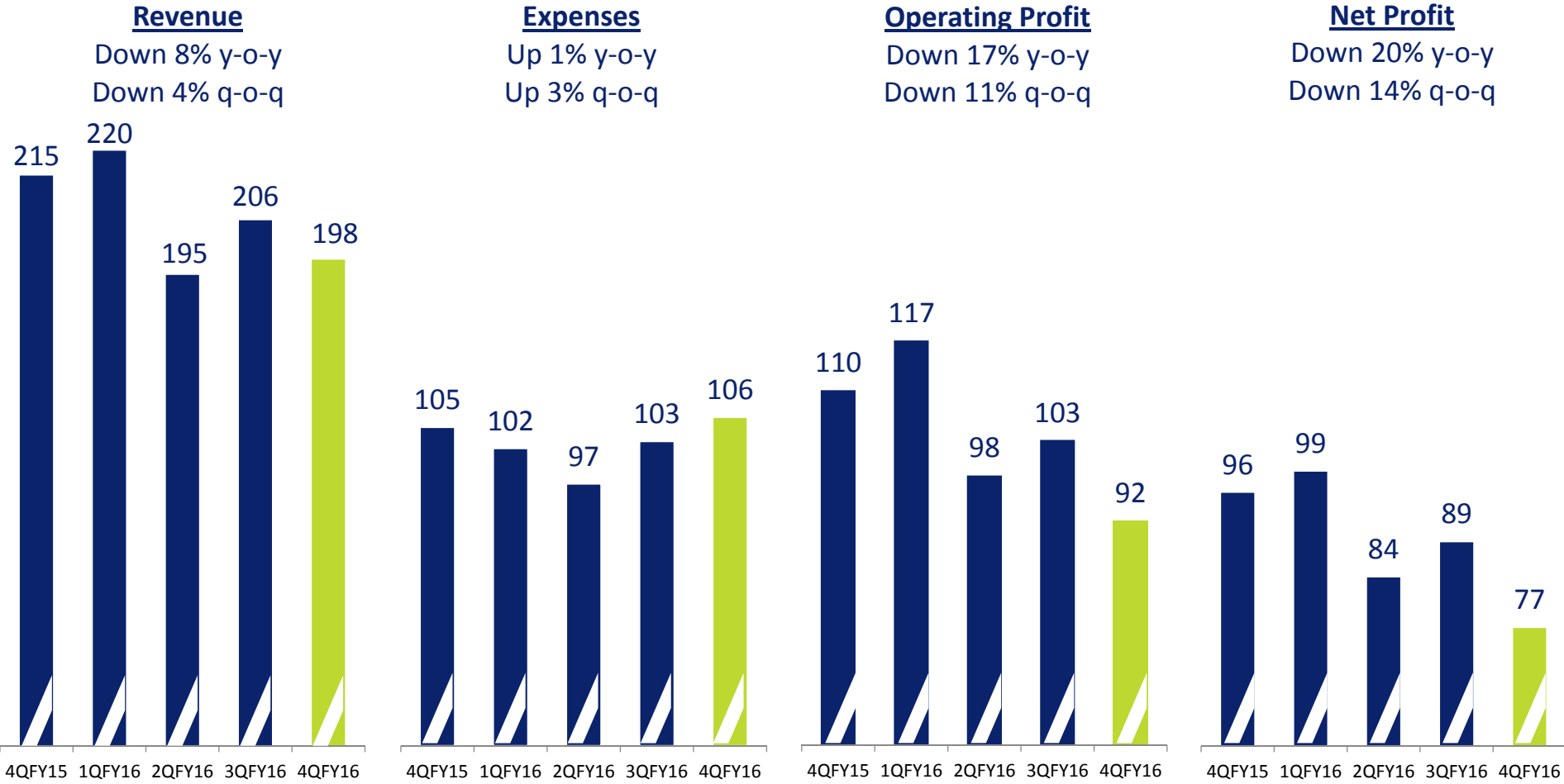


Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

Financial Performance: Quarterly Trend

Net profit of \$77M, down 20% from a year earlier

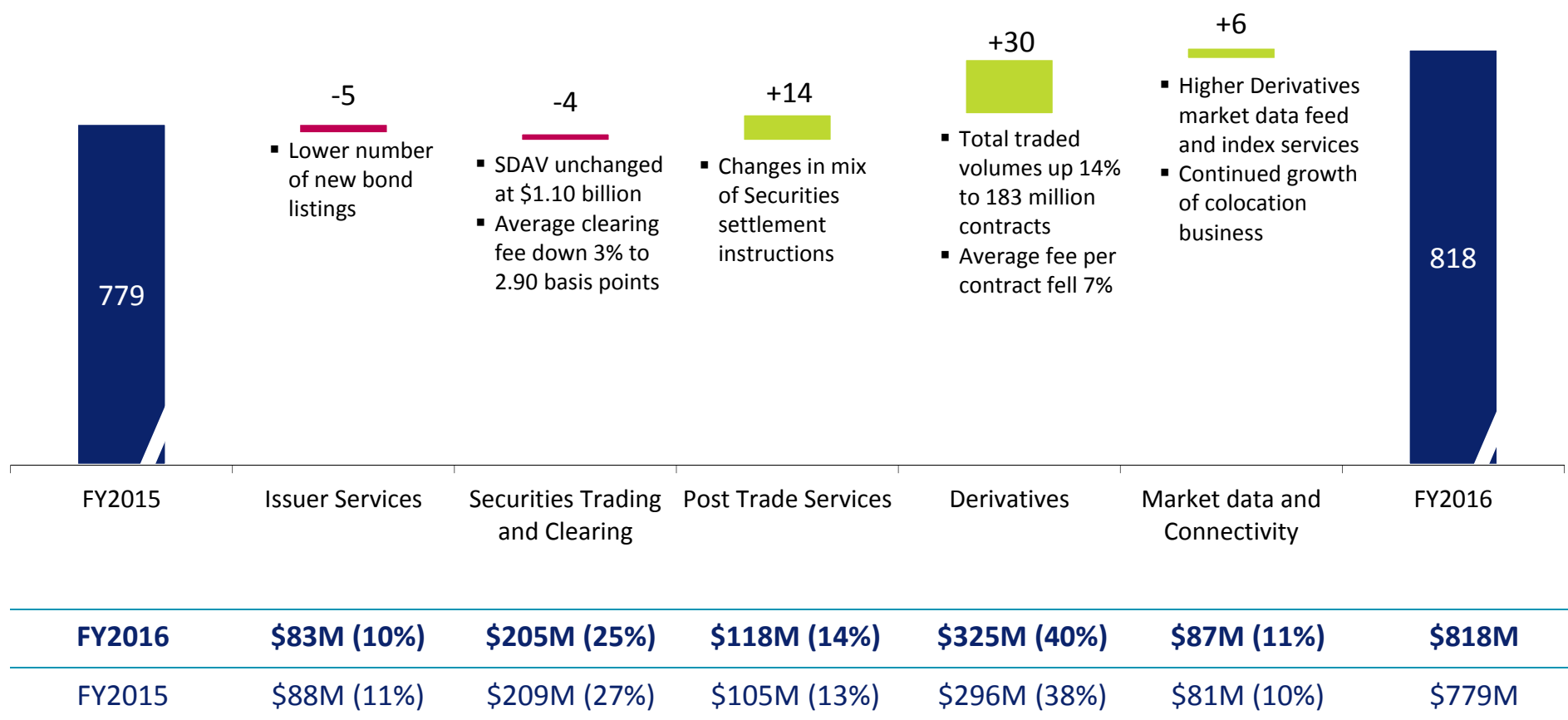
Excluding \$6M impairment charge, underlying net profit was \$83M, down 14%



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Financial Performance: Full Year Revenue, Year-on-Year

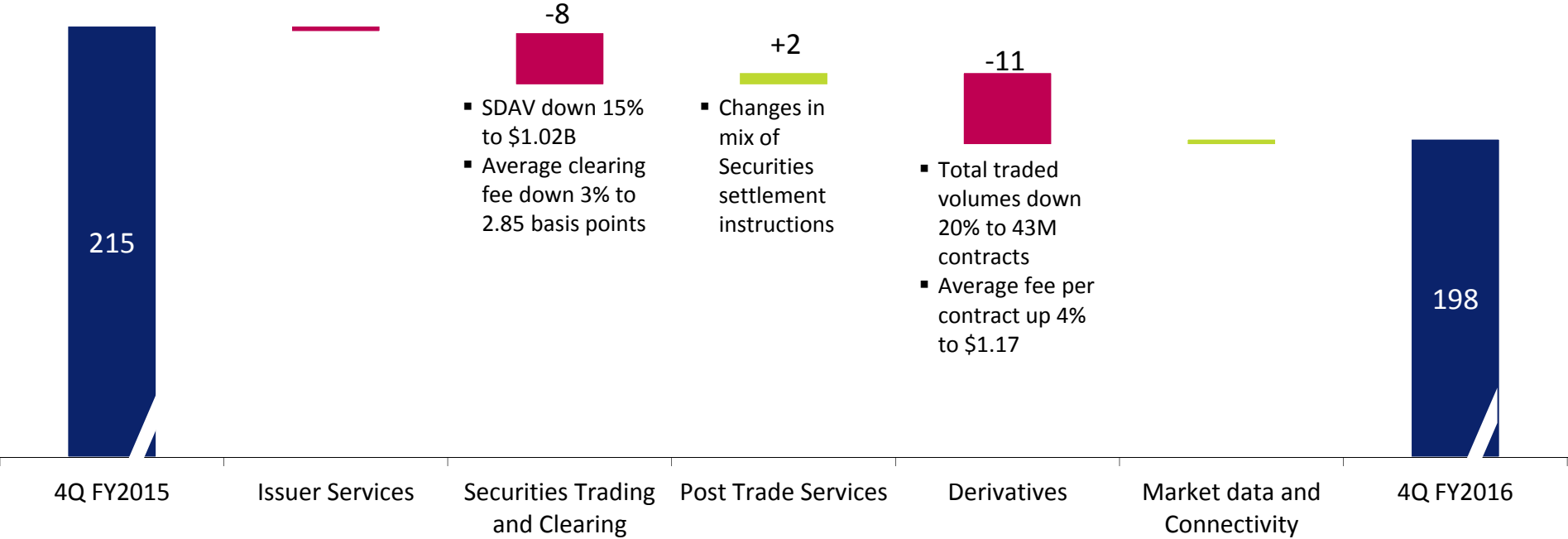
Revenue of \$818M, up 5% from \$779M a year earlier



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Financial Performance: Quarterly Revenue, Year-on-Year

Revenue of \$198M, down 8% from a year earlier

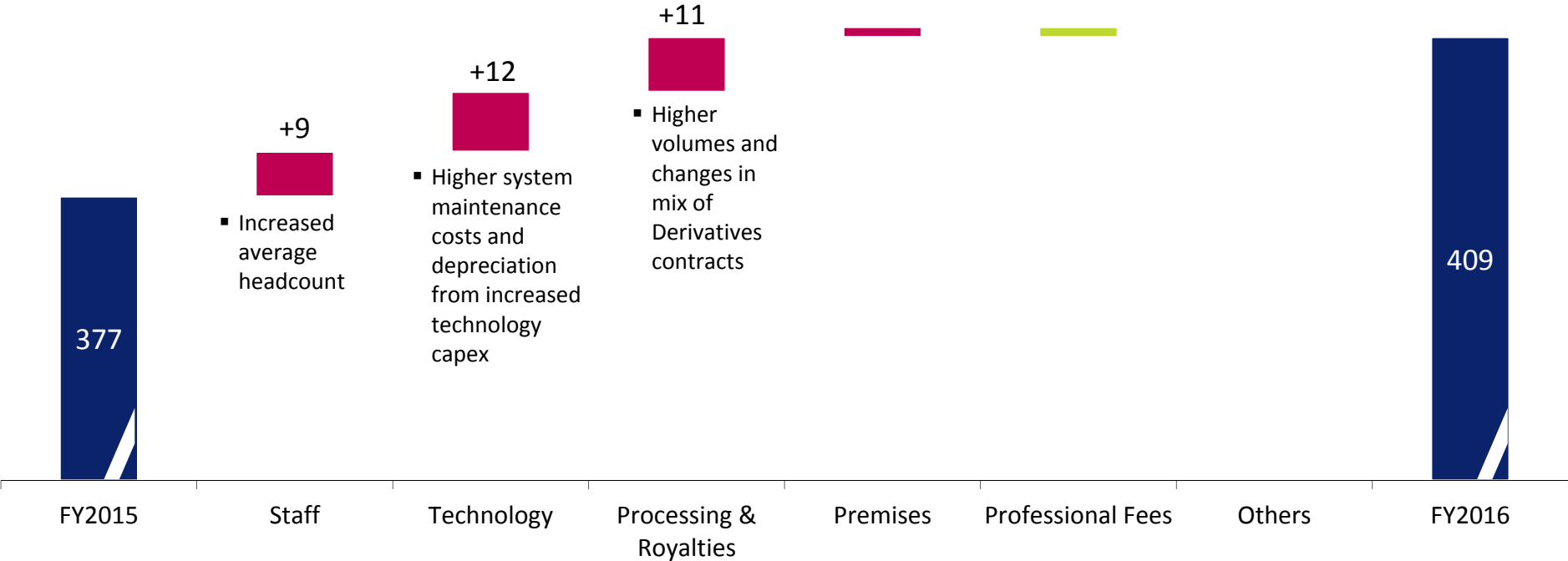


4Q FY2016	\$23M (12%)	\$48M (24%)	\$31M (15%)	\$74M (38%)	\$22M (11%)	\$198M
4Q FY2015	\$24M (11%)	\$56M (26%)	\$29M (13%)	\$86M (40%)	\$21M (10%)	\$215M

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Financial Performance: Full Year Expenses, Year-on-Year

Expenses of \$409M, up 9% from \$377M a year earlier

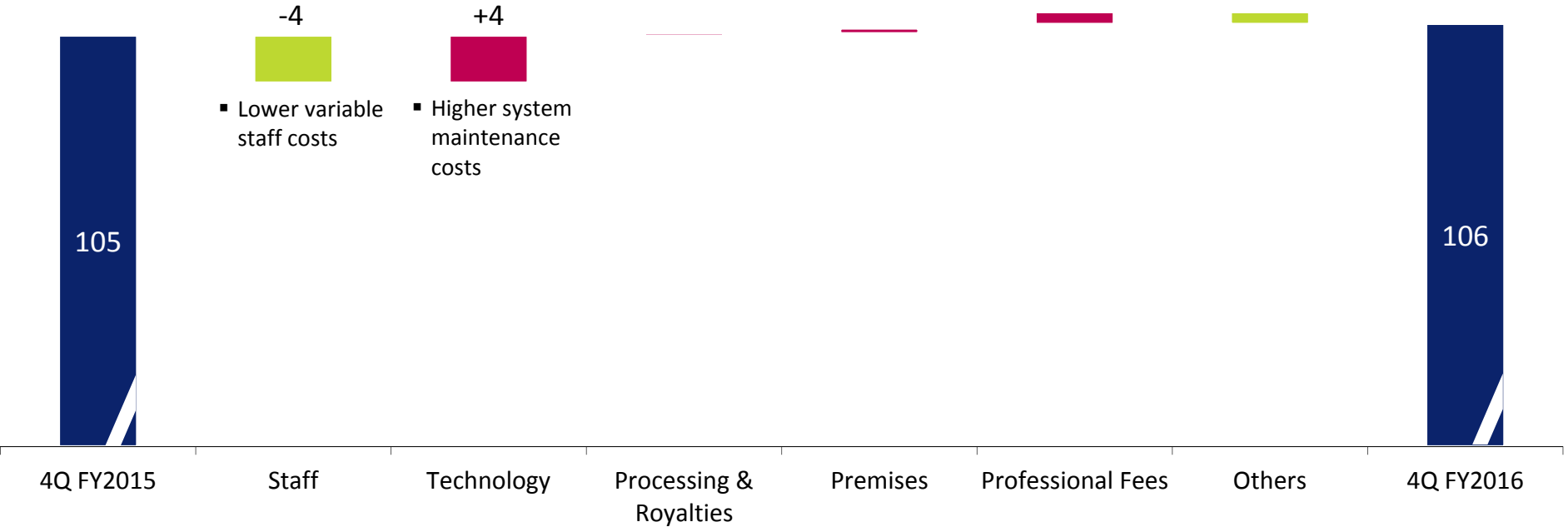


FY2016	\$159M (39%)	\$128M (31%)	\$58M (14%)	\$25M (6%)	\$11M (3%)	\$28M (7%)	\$409M
FY2015	\$150M (40%)	\$116M (31%)	\$47M (12%)	\$23M (6%)	\$13M (4%)	\$28M (7%)	\$377M

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Financial Performance: Quarterly Expenses, Year-on-Year

Expenses of \$106M, up 1% from \$105M a year earlier

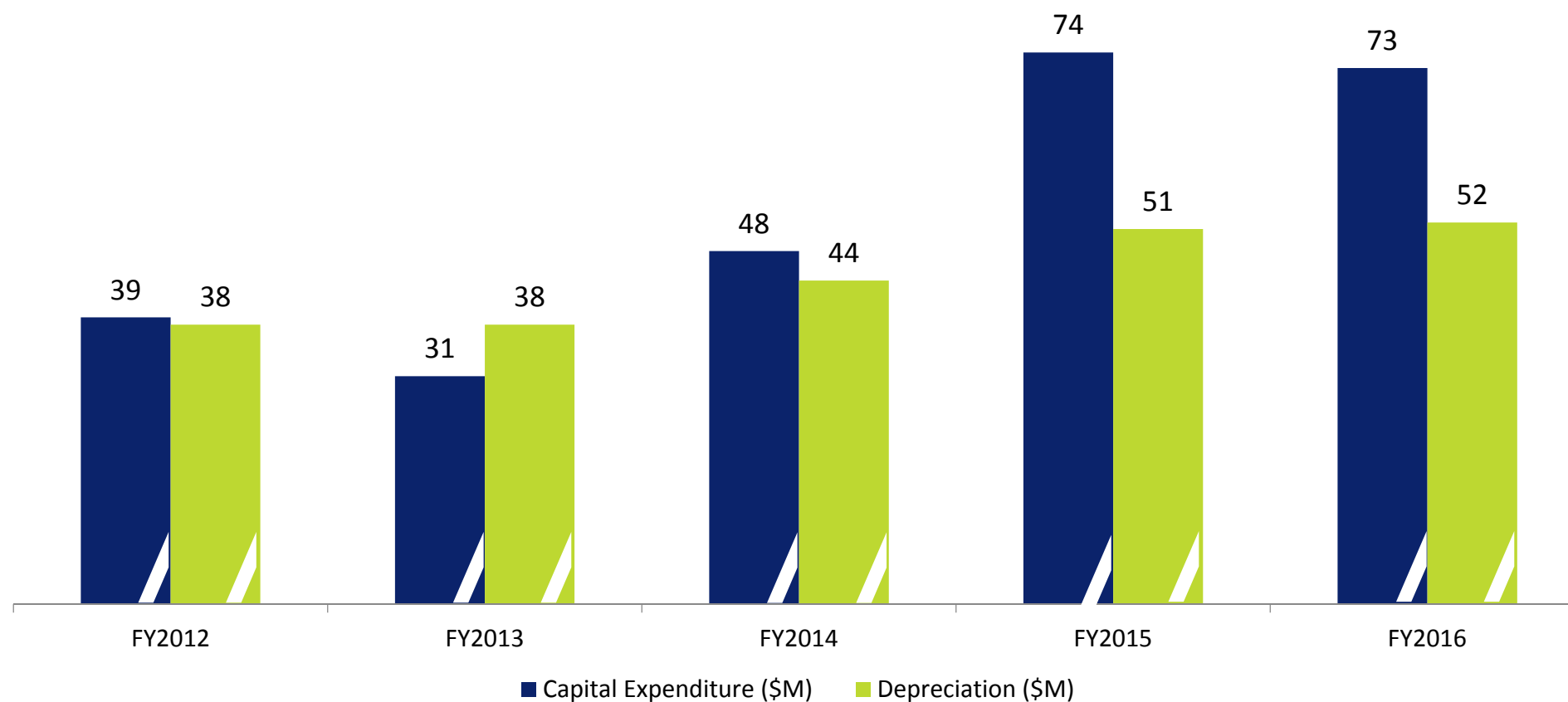


4Q FY2016	\$40M (37%)	\$34M (32%)	\$15M (14%)	\$6M (6%)	\$3M (3%)	\$8M (8%)	\$106M
4Q FY2015	\$43M (41%)	\$30M (28%)	\$15M (14%)	\$6M (6%)	\$2M (2%)	\$9M (8%)	\$105M

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Technology CAPEX and Depreciation: Annual Trend

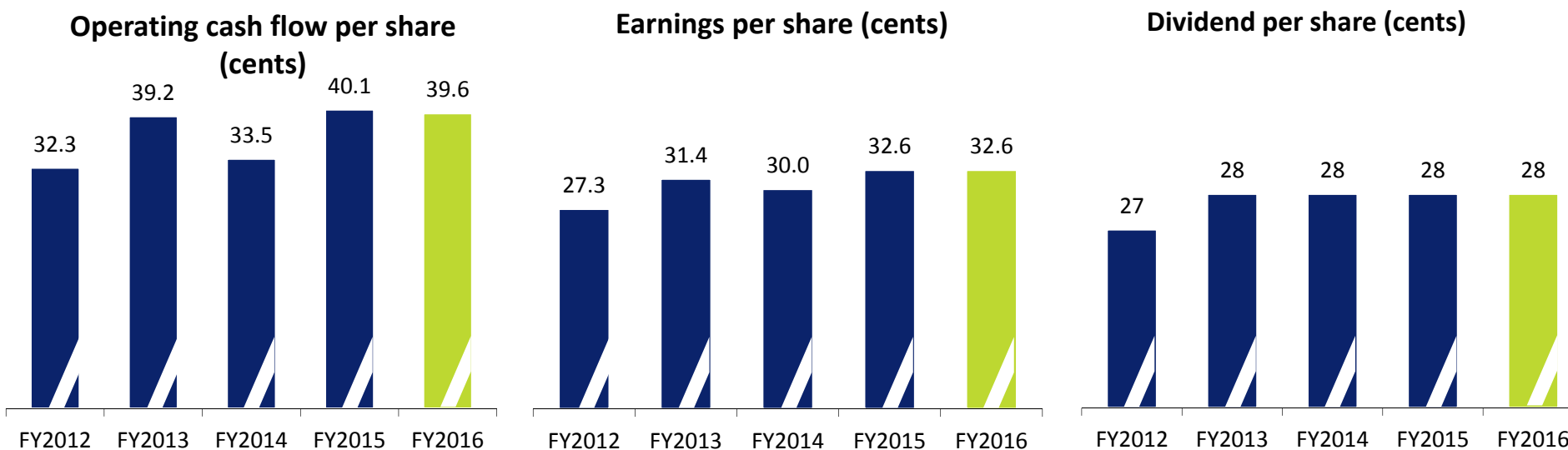
FY2016 investments mainly for on-going development of a new post-trade system and the upgrading of Derivatives trading and clearing platform



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Financial Performance: Key Indicators

	FY2012	FY2013	FY2014	FY2015	FY2016
Revenue (\$ million)	647	714	686	779	818
Operating profit (\$ million)	363	413	371	402	409
Operating profit margin	56%	58%	54%	52%	50%
Return on equity	35%	39%	35%	37%	36%
Earnings per share (cents)	27.3	31.4	30.0	32.6	32.6
Dividend per share (cents)	27	28	28	28	28



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Business and Regulatory Update

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

Business Update

Consistent performance under volatile market conditions

EQUITIES & FIXED INCOME

Issuer Services



- Revenue down 6% to \$83M with 21 new listings and 349 new bond issues
- Total funds raised down 9% to \$179B

Securities Trading and Clearing



- Revenue down 2% to \$205M following 3% decline in average clearing fees
- Total traded value and SDAV largely unchanged at \$274B and \$1.1B

Post Trade Services



- Revenue up 13% to \$118M following changes in the mix of securities settlement instructions and increase in the number of new depository accounts

Derivatives



- Revenue up 10% to \$325M with total volumes up 14%, primarily from SGX FTSE China A50 Index futures and Iron Ore contracts
- Open interest up 12% to 3.7M contracts

Market Data & Connectivity



- Revenue up 7% to \$87M, primarily due to increased revenues from Derivatives market data feed, index services and colocation services

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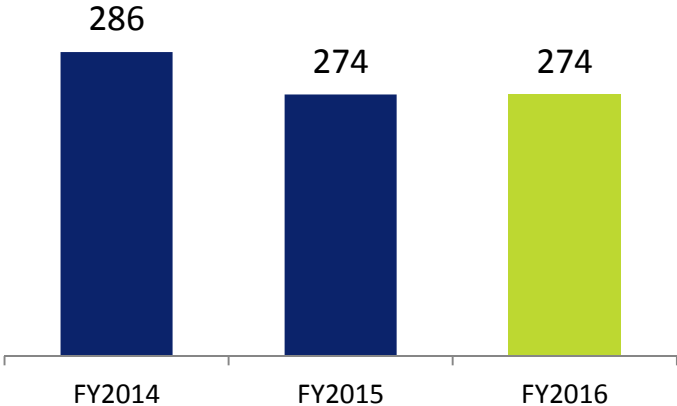
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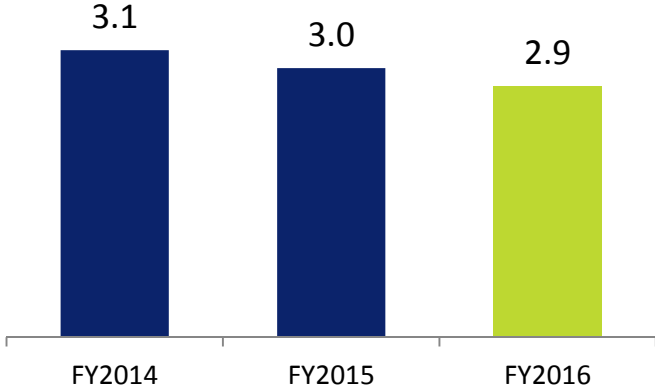


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Securities Total Value Traded (\$b)



Average Clearing Fee (bps)



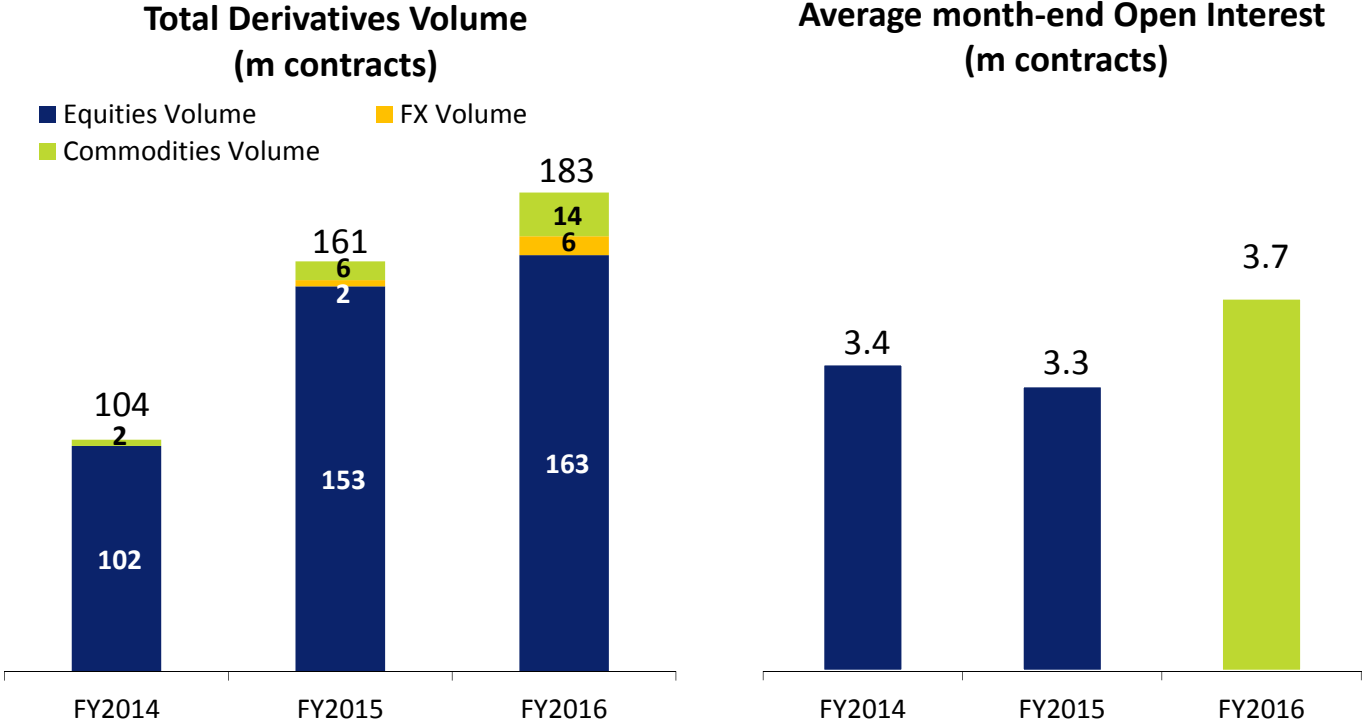
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Regulatory Update

Key regulatory initiatives during the year included:

- Established three independent Listings Committees to strengthen the listings and disciplinary process
- Improved the “Trade with Caution” alerts to make them more targeted and case-specific
- Provided retail investors with greater access to bonds through the new bond seasoning framework
- Launched a half-yearly report to provide more details on companies with shares suspended for 12 months or more
- Collaborated with industry professionals to provide input to the Association of Banks in Singapore to enhance its Listings Due Diligence Guideline
- Introduced sustainability reporting on a ‘comply or explain’ basis
- Granted extensions to companies unable to comply with the Minimum Trading Price requirement due to market conditions.
- Enlarged the scope of the name-list which companies are required to maintain

On 18 July 2016, we announced our intention to establish a subsidiary company, with its own separate Board.

Outlook

We delivered consistent performance under volatile market conditions this past year.

Economic and political uncertainties, including the decision by the United Kingdom to leave the European Union, the upcoming United States presidential election and changes in benchmark interest rates, could result in market participants adopting a cautious approach.

We remain focused on executing our strategy and delivering returns from investments made in recent years.

Whilst being disciplined in expenditure, we will continue to invest to grow our business and be more competitive. We expect full year FY2017 operating expenses to be between \$420 million and \$430 million, and technology-related capital expenditure to be between \$65 million and \$70 million.

Questions and Answers

Thank You

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