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## News Release

27 July 2016

### **SGX reports FY2016 net profit of \$349 million**

Singapore Exchange (SGX) today announced net profit of \$349.0 million for FY2016, unchanged from the previous year. This included an impairment charge of \$6.0 million on SGX's investment in the Bombay Stock Exchange. Revenue was \$818.1 million, up 5%. Earnings per share was unchanged at 32.6 cents per share. The Board of Directors has proposed a final dividend of 13.0 cents per share, bringing total dividend for the year to 28.0 cents per share, unchanged from a year earlier.

Commenting on the results, Loh Boon Chye, Chief Executive Officer of SGX, said, "We delivered consistent performance under volatile market conditions this past year. As we executed our strategy, we have been disciplined in managing expenditure while making the investments needed to grow our businesses."

#### **Results Summary**

Results for Equities and Fixed Income comprise Issuer Services, Securities Trading & Clearing and Post Trade Services, which together account for close to half of total revenue.

Issuer Services revenue decreased 6% to \$82.6 million due to a decline in the number of bond and equity listings. There were a total of 21 new equity and trust listings which raised \$2.1 billion, compared to 34 raising \$2.7 billion a year earlier.

Securities Trading & Clearing posted revenue of \$205.0 million, down 2% from the previous year. Securities daily average traded value (SDAV) and total traded value remained largely unchanged at \$1.1 billion and \$274.1 billion respectively, but expanded participation from market makers and liquidity providers led to a 3% decrease in the average clearing fee to 2.9 basis points. Retail marketing efforts led to a total of 921,000 CDP accounts with holdings, a 5% increase from a year ago.

Post Trade Services reported a 13% increase in revenue to \$118.2 million, driven by Securities settlement following changes in the mix of securities settlement instructions.

Derivatives revenue was up 10% to \$325.3 million, accounting for 40% of total revenue. Equity and Commodities revenue grew 8% while collateral management, licence, membership and other revenue grew 17%.

Continued growth across majority of the derivatives contracts led to overall volumes increasing 14% to 183.1 million contracts. This increase in revenue from volume growth was partially offset by a revision in pricing and incentives for Iron Ore contracts introduced as a result of increased competition. Average month-end open interest for equities and commodities derivatives increased 12% year-on-year.

Market Data and Connectivity revenue increased 7% over the year to \$87.0 million, accounting for 11% of total revenue. Market Data revenue grew due to increased revenue from derivatives market data feed and index services, and Connectivity revenue grew due to the continued growth of our colocation business.

## **Outlook**

Mr. Loh added, “We are conscious that economic and political uncertainties, including the decision by the U.K. to leave the EU, the upcoming U.S. presidential election, and changes in benchmark interest rates, could result in market participants adopting a cautious approach. We will continue to invest to grow our business and to be more competitive.”

– End –

## **About Singapore Exchange (SGX)**

Singapore Exchange is Asia’s leading and trusted market infrastructure, facilitating the exchange of capital and ideas to create value for people, businesses and economies. As a multi-asset exchange operating equity, fixed income and derivatives markets to the highest regulatory standards, SGX is a vertically integrated business that provides listing, trading, clearing, settlement, depository and data services.

With about 40% of listed companies and 90% of listed bonds originating outside of Singapore as well as established linkages across the region and in Europe, SGX is Asia’s most international and connected exchange. Offering a full suite of derivatives products across Asian equity indices, commodities and currencies, SGX is the world’s most liquid offshore market for the benchmark equity indices of China, India, Japan and ASEAN.

The exchange was one of the first globally to adopt the Principles for Financial Market Infrastructure, the first and only central counterparty in the region to be fully approved by U.S. regulators as a Derivatives Clearing Organisation and a Foreign Board of Trade, and is recognised by European Union regulators for both securities and derivatives.

As Asia’s pioneering central counterparty, SGX is globally recognised for its risk management and clearing capabilities. In 2015, SGX was awarded Derivatives Exchange of the Year by Asia Risk, Futures and Options World and Global Capital as well as Central Counterparty (CCP) of the Year by Asia Risk. In 2016, SGX was named Exchange of the Year at the global Energy Risk Awards.

Headquartered in AAA-rated Singapore, SGX has over 700 employees including offices in Beijing, Hong Kong, London, Mumbai, Shanghai and Tokyo. For more information, please visit [www.sgx.com](http://www.sgx.com).

## Financial Highlights

<i>\$ million, except where indicated</i>	FY2016	FY2015	Change
<b>Key income statement figures</b>			
Equities and Fixed Income	405.8	401.6	1%
Derivatives	325.3	295.8	10%
Market Data and Connectivity	87.0	81.2	7%
<b>Operating revenue</b>	<b>818.1</b>	<b>778.5</b>	<b>5%</b>
Operating expenses	409.0	376.7	9%
<b>Operating profit</b>	<b>409.1</b>	<b>401.8</b>	<b>2%</b>
Other gains	5.7	7.8	(27%)
Profit before tax and share of results of associated company	414.8	409.6	1%
Tax	66.9	62.9	6%
<b>Profit attributable to equity holders - reported</b>	<b>349.0</b>	<b>348.6</b>	<b>0%</b>
Earnings per share (in cents)	32.6	32.6	-
Dividend per share (in cents)	28.00	28.00	-
<b>Key financial indicators</b>			
Revenue growth	5%	13%	
Cost to income ratio	50%	48%	
Operating profit margin	50%	52%	
Net profit margin	42%	44%	
Return on shareholders' equity	36%	37%	

Note: SGX's financial year is from 1 July to 30 June. Some numbers may be subject to rounding.

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