



## 1H 2012 Performance

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**18 July 2012**

Dato' Tajuddin Atan, CEO  
Nadzirah Abdul Rashid, CFO

# AGENDA

- ▶ Highlights
- ▶ Market Performance
- ▶ Strategy
- ▶ Financial Review
- ▶ Conclusions



We are a progressive Exchange

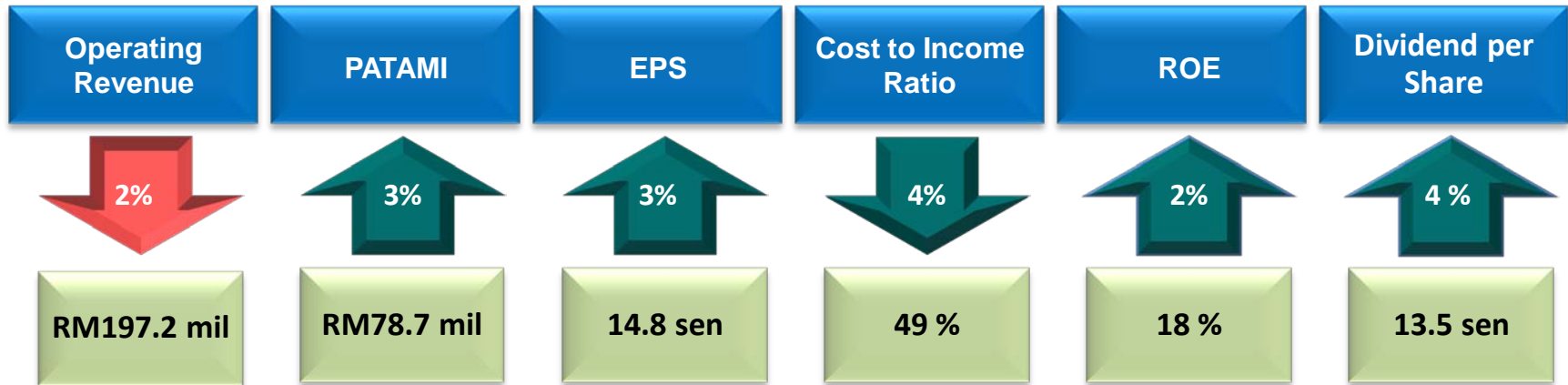


# Highlights

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# Financial Highlights

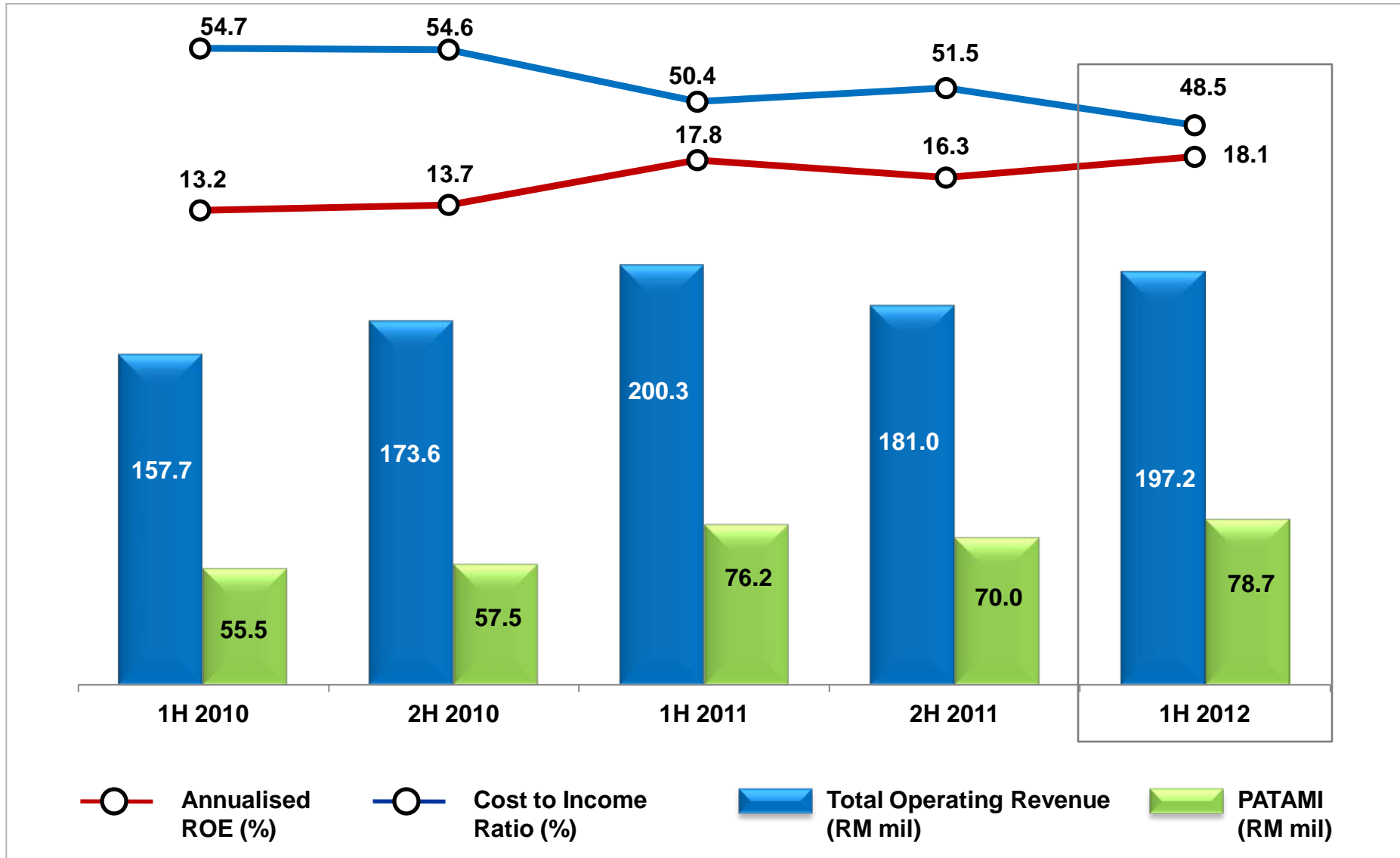
Sustained performance despite weak global economy



- 1H12 Operating Revenue decreased by 2% as compared to 1H11 mainly due to the decrease of securities trading revenue impacted by the weakened global economy.
- 1H12 PATAMI improved by 3% compared to 1H11 due to reduction of cost.
- Interim dividend of 13.5 sen with the payout ratio of 91%.

# Key Financials Trend

Highest PATAMI in the past 3 years



# Market Performance

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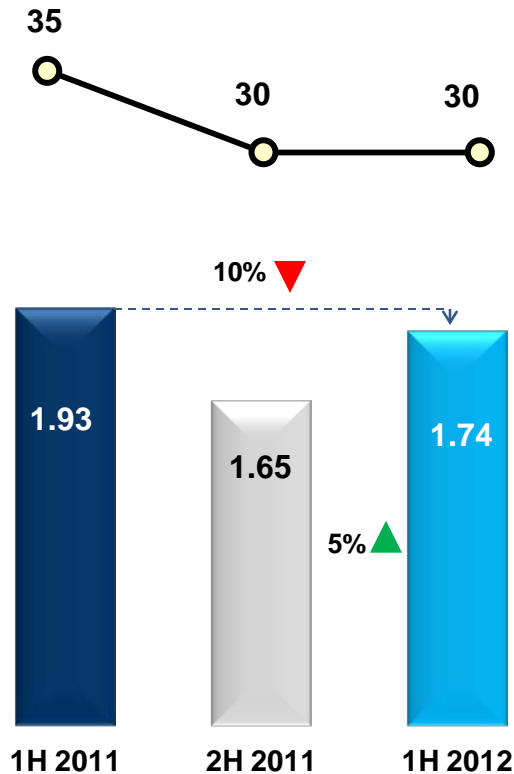
We remain accessible



# Securities Market Overview

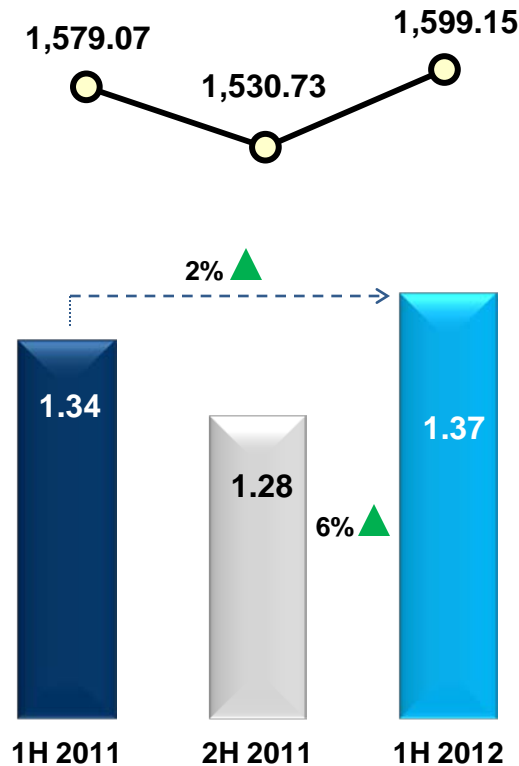
FBMKLCI hit new high of 1,639 on 17 July 2012

Average Daily Value (RM billion)



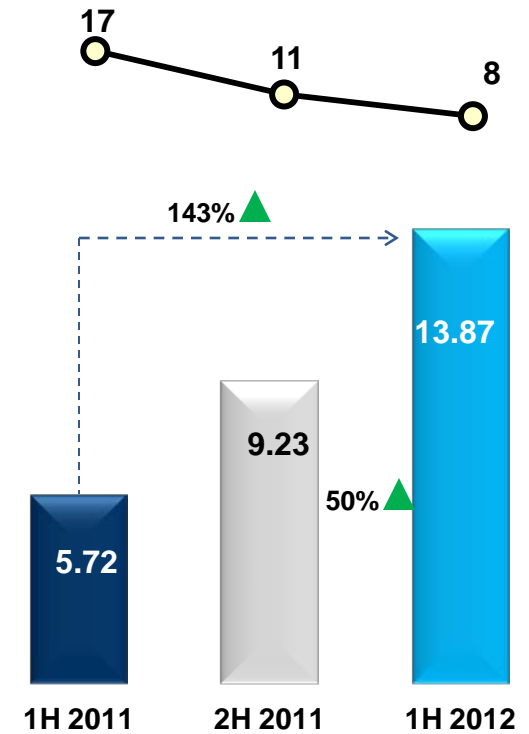
—○— Velocity (%)

Market Capitalisation (RM trillion)



—○— FBMKLCI

Fund Raised for New Listing & Secondary Market (RM billion)

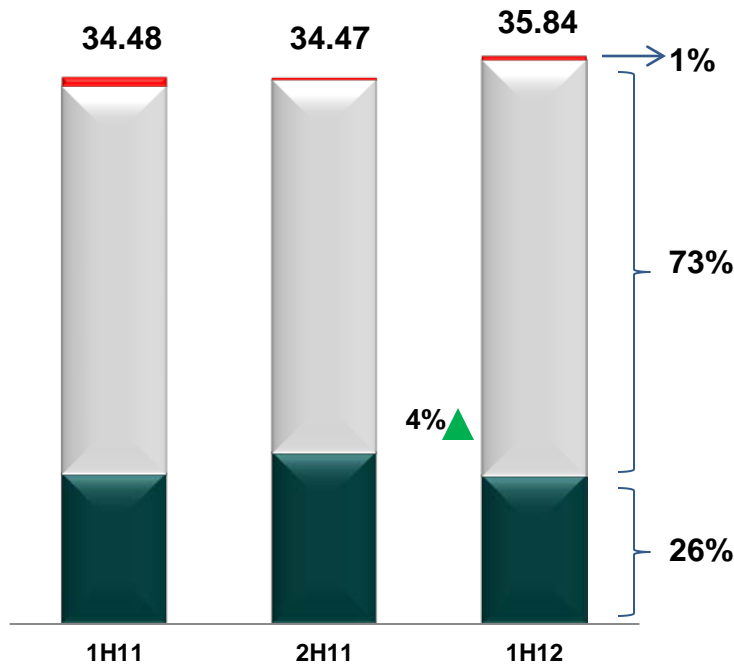


—○— No. of New Listing

# Derivatives Market Overview

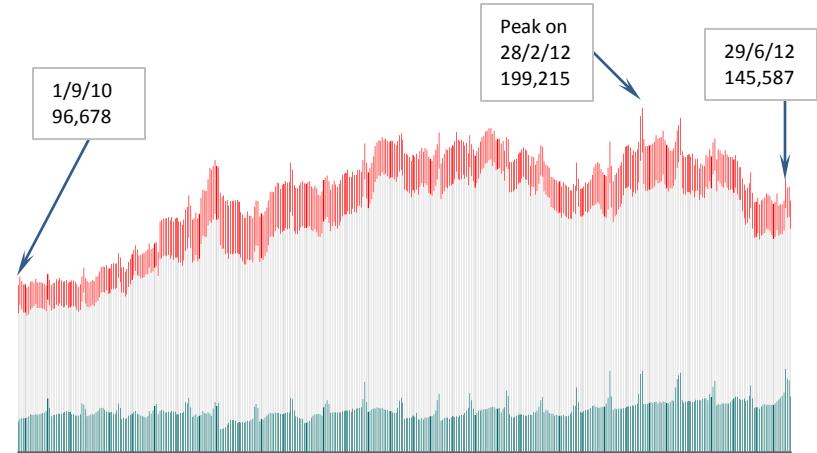
## Sustained interest in ADC

Average Daily Contracts (000')

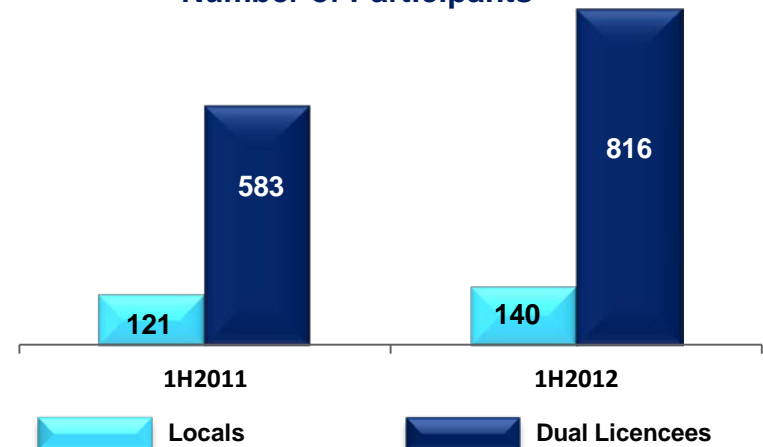


- Others
- Crude Palm Oil Futures
- FMBKLCI Futures

Open Interest since Migration to Globex®



Number of Participants

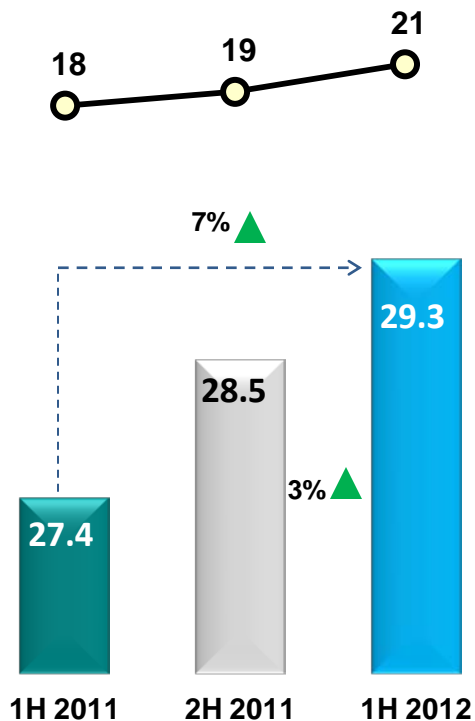




# Islamic Market Overview

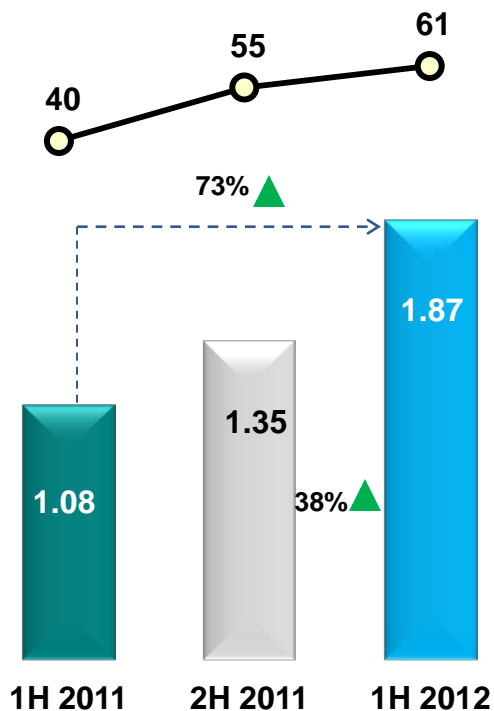
Bursa Suq Al-Sila' gaining momentum & growth on track

Sukuk Listing (USD\$ bil)



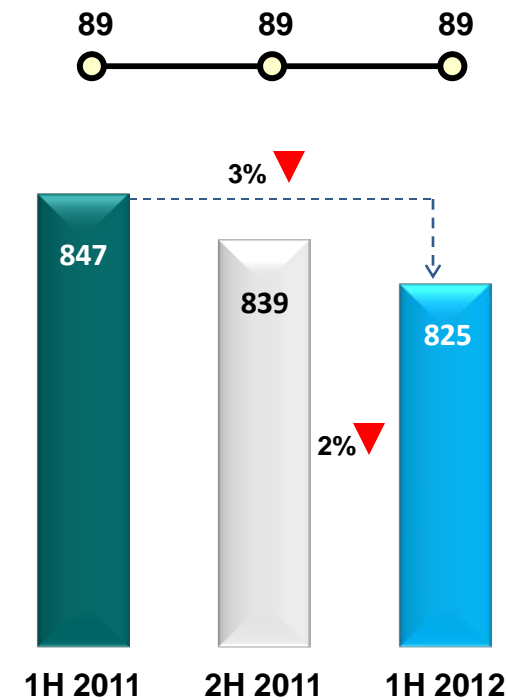
○ No. of Sukuk

Bursa Suq Al-Sila' ADV Commodity Traded (RM bil)



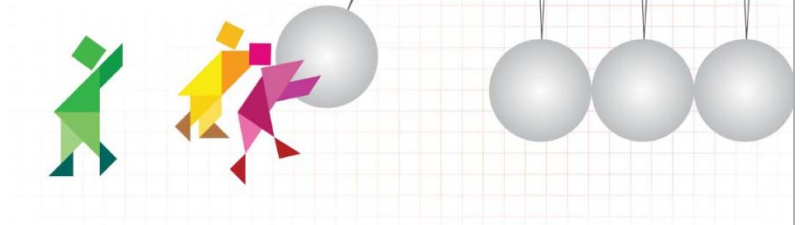
○ No. of Trading Participants

Number of Shari'ah Compliant Stocks



○ % of Shari'ah compliant Stocks

We are a progressive Exchange

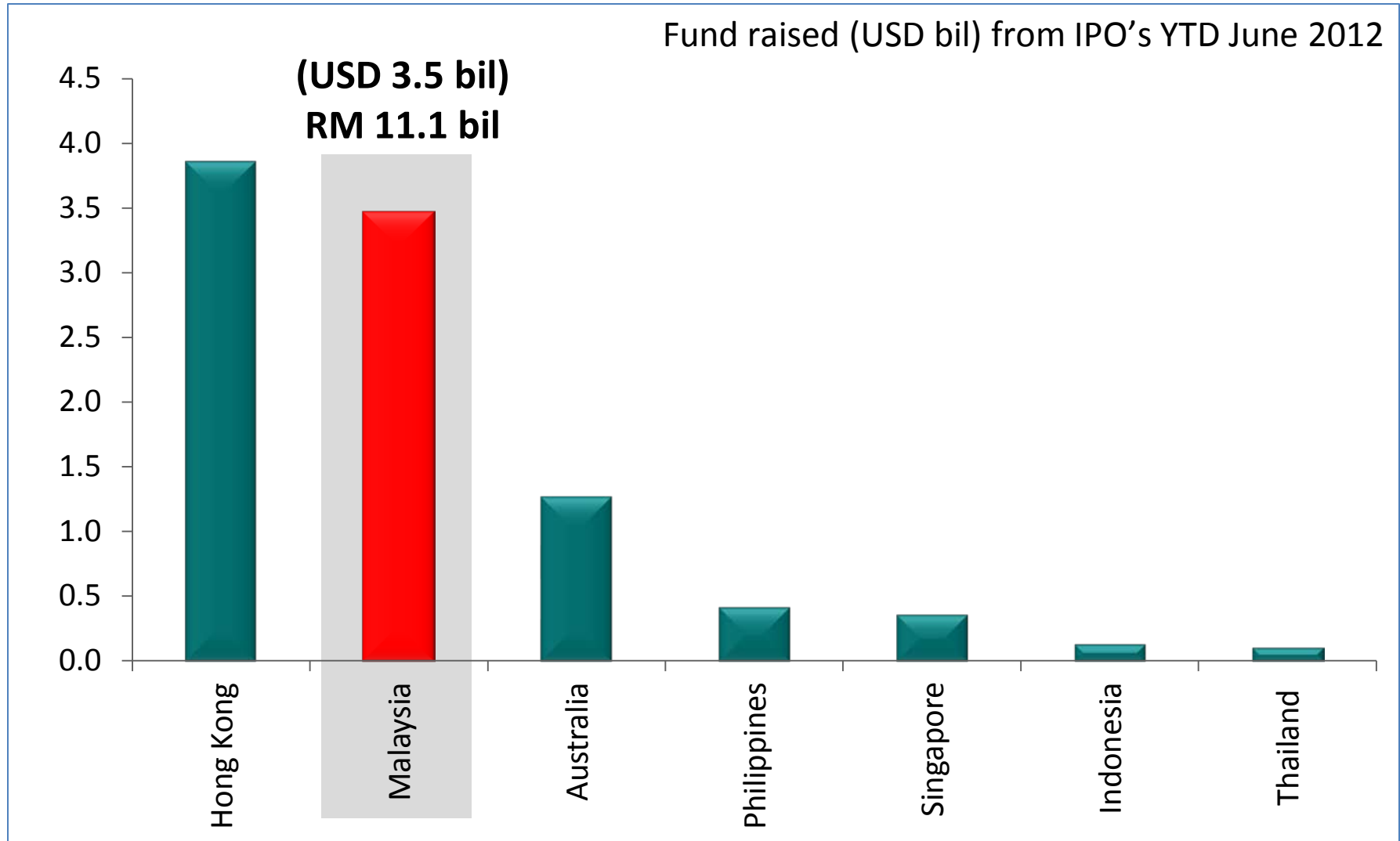


## DEVELOPMENT & STRATEGY

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# Remaining Attractive

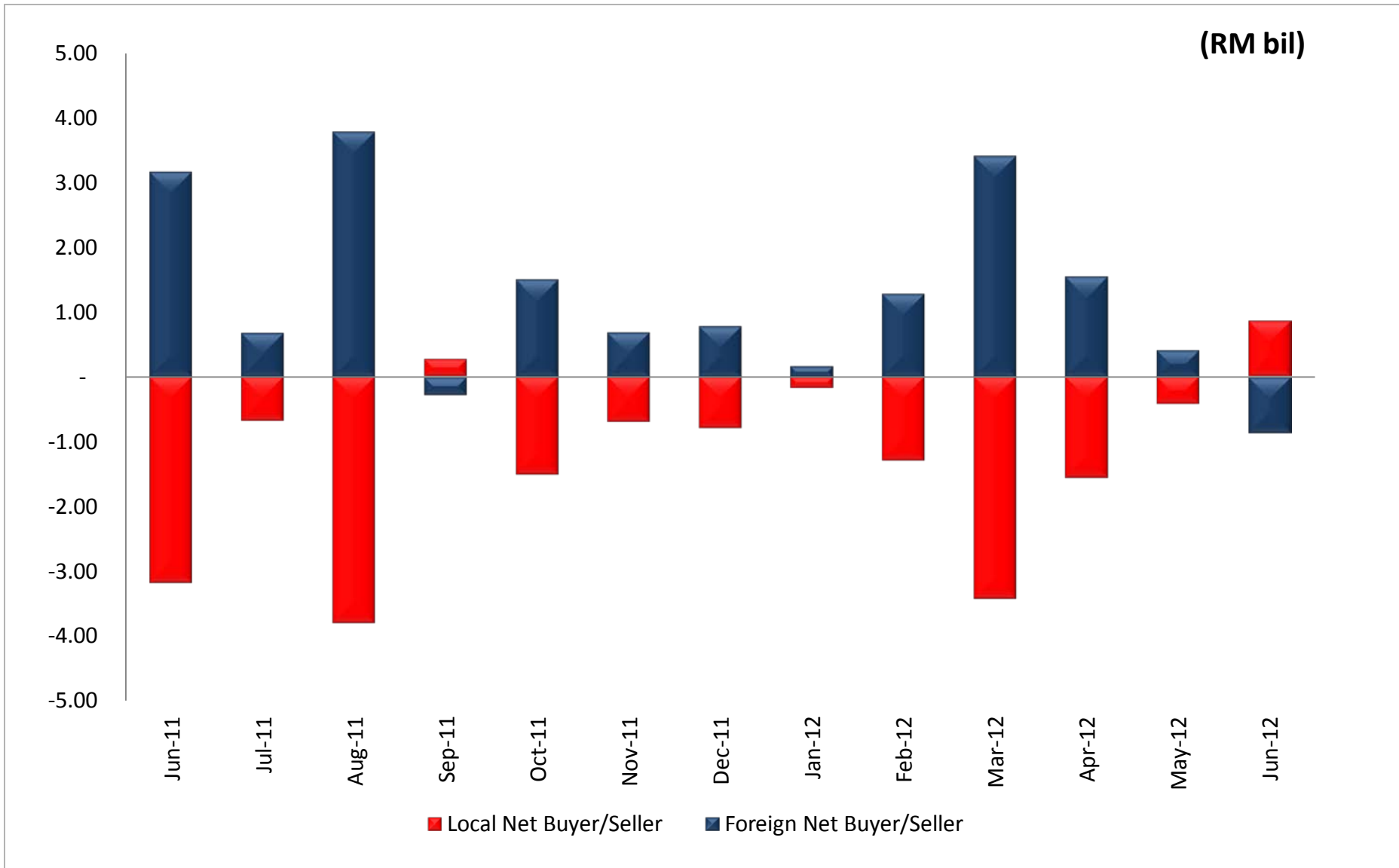
Healthy IPO activities with Felda listing raising RM9.9 bil in June 2012



Source: WFE

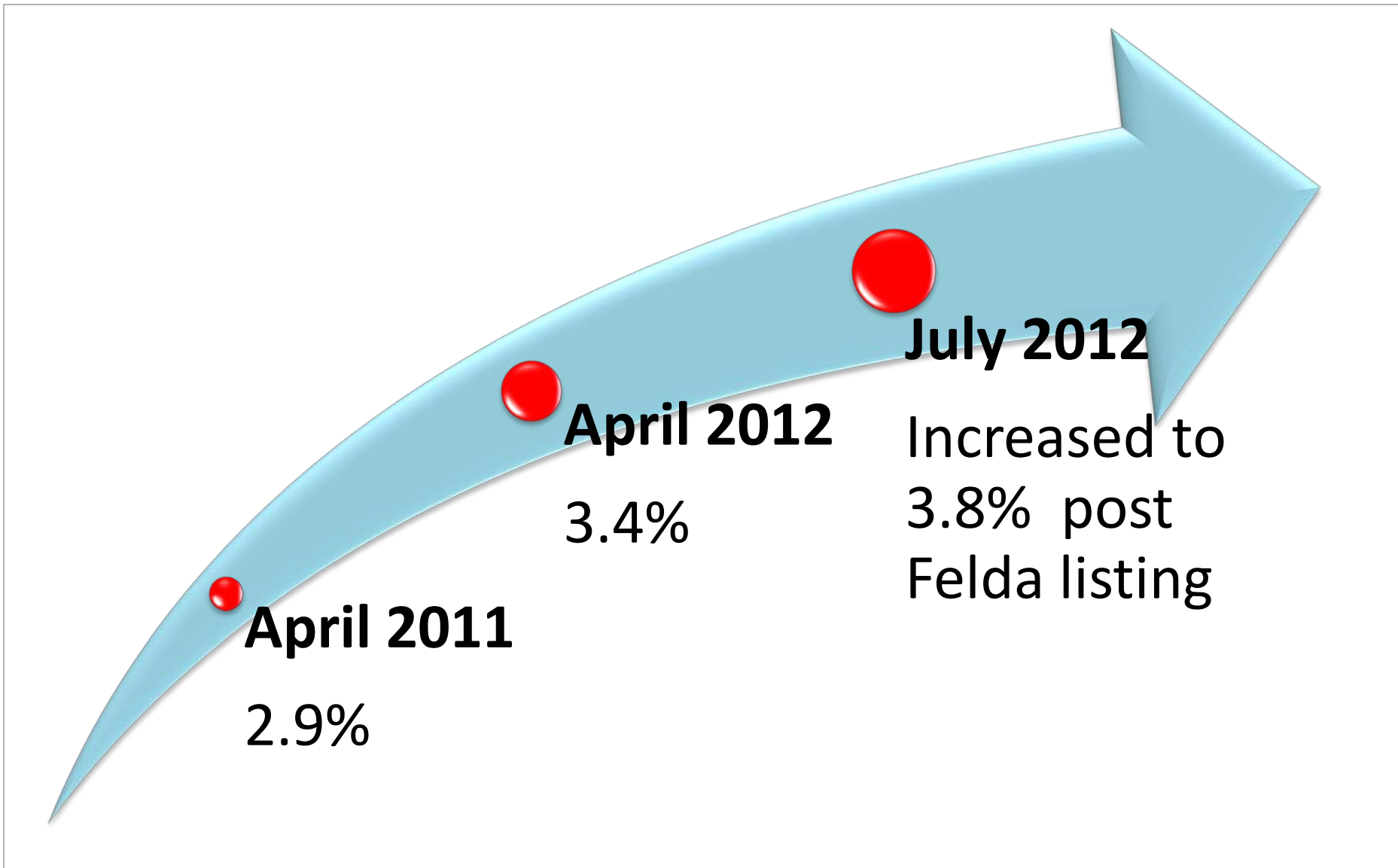
# Positive Foreign Inflows

Foreign investors were net buyers for eight months till May 2012



# Increasing Weight in MSCI

Malaysia's weight in the MSCI Asia Pacific Ex Japan Index is on the rise



# Our Strategic Intents

Aligning initiatives with our strategy

## BUILDING A COMPETITIVE MARKETPLACE

### FOUR STRATEGIC INTENTS

#### SI 1

Create a More  
Facilitative **TRADING  
ENVIRONMENT**

- ▶ New Derivatives Clearing System
- ▶ SBL Enhancement – facilitate selling of loaned securities before recalling
- ▶ CDS Straight Through Processing
- ▶ Central Matching System Enhancement for Straight Through Processing
- ▶ BTS New Trading Features

#### SI 2

Facilitate More  
**TRADABLE  
ALTERNATIVES**

- ▶ Bursa Suq Al-Sila' Expanded Commodity Offering with RBD Palm Olein
- ▶ Revamped Options on Index Futures (OKLI)
- ▶ Options on CPO Futures (OCPO)

# Our Strategic Intents

Aligning initiatives with our strategy

## BUILDING A COMPETITIVE MARKETPLACE

### FOUR STRATEGIC INTENTS

SI 3

Reshape **MARKET & STRUCTURE & FRAMEWORK**

- ▶ Introduce Referral Agent Activities
- ▶ Ease of Local Participants entry requirements for Derivatives trading
- ▶ Ease restrictions for establishment branches/kiosks for Futures Brokers

SI 4

**REGIONAL MARKETPLACE**  
With Global Access  
(Centre of ASEAN)

- ▶ ASEAN Exchanges

# Plans To Grow Our Business

Priorities and initiatives in place to build a competitive market place



Create a More Facilitative **TRADING ENVIRONMENT**

Facilitate More **TRADABLE ALTERNATIVES**

Reshape **MARKET STRUCTURE & FRAMEWORK**

**REGIONAL MARKETPLACE** with Global Access (Centre of ASEAN)

Maintaining competitiveness in trading technology

Introducing more tradable alternatives for investors

Balanced and facilitative regulatory framework

Growing regional retail investment



BTS Replacement

Exchange Traded Bonds

Reduced turnaround time & cost of compliance

ASEAN Exchanges & ASEAN Link



# Our Regulatory Outcomes

Enhanced efficiency and standards while maintaining orderly market

## Efficient Capital Raisings

- ▶ Efficient time to market for issuance approvals of listings, on average we took 1 – 13 days, comparable to Hong Kong and Singapore.

## Improved Standard of Governance and Disclosures of PLCs

- ▶ Timely issuance of quarterly reports by PLCs with **99.62%** adherence to time stipulation.
- ▶ Enhanced disclosures in Quarterly Reports, arising from LR amendments, in the areas of:
  - ✓ ‘analysis of performance’ with adherence rate of **94.3%** by PLCs
  - ✓ ‘disclosure of component in cash flows’ with adherence rate of **95.5%** by PLCs
  - ✓ ‘additional disclosure in income statement’ with adherence rate **86.4%** by PLCs

## Rule Development

- ▶ Issued 20 rule amendments in various areas relating to product offerings, services and market integrity.

## Orderly Market

- ▶ Effectively managed all trading concerns noted.

# Financial Review

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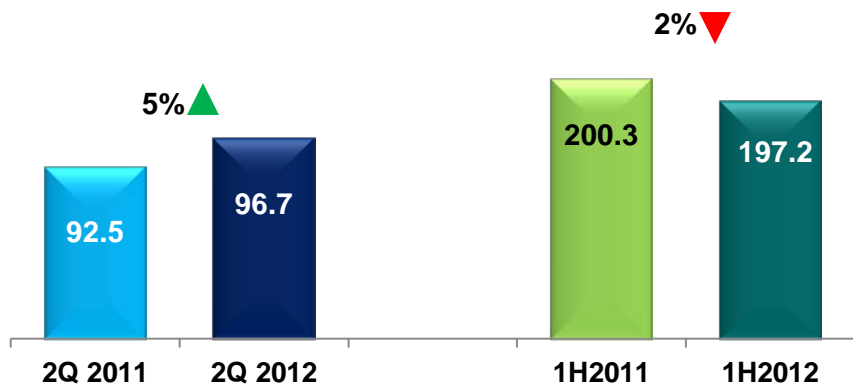
We believe in being responsible



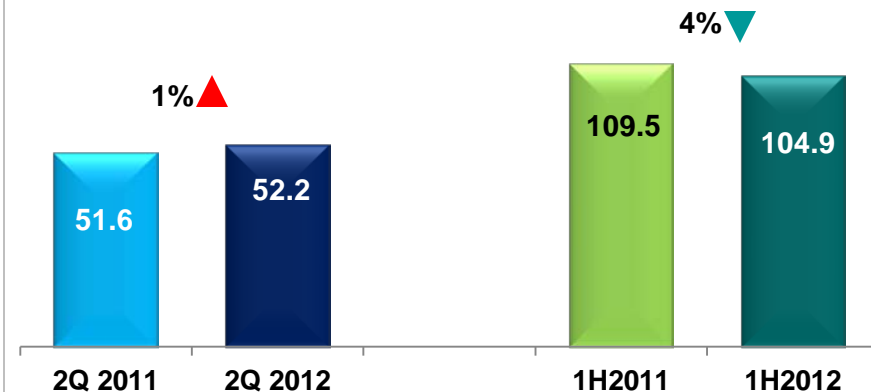
# Financial Snapshot

## Improved financial performance

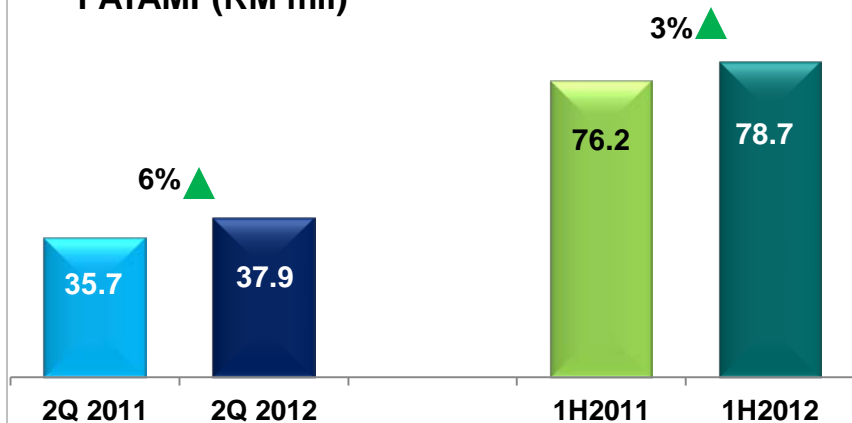
### Operating revenue (RM mil)



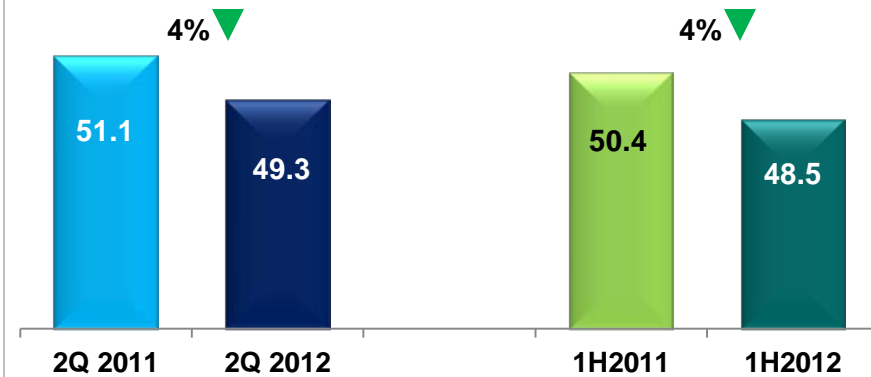
### Operating expenses (RM mil)



### PATAMI (RM mil)



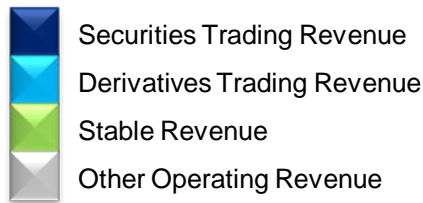
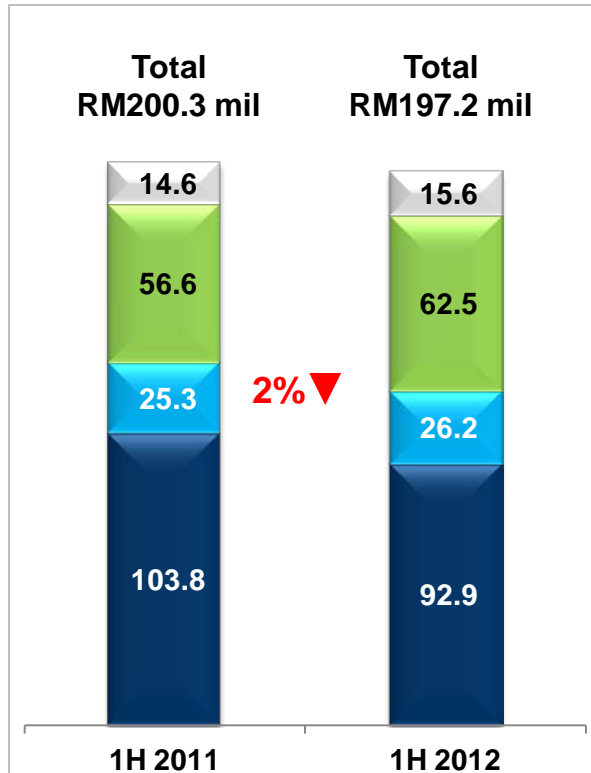
### Cost-to-income ratio (%)



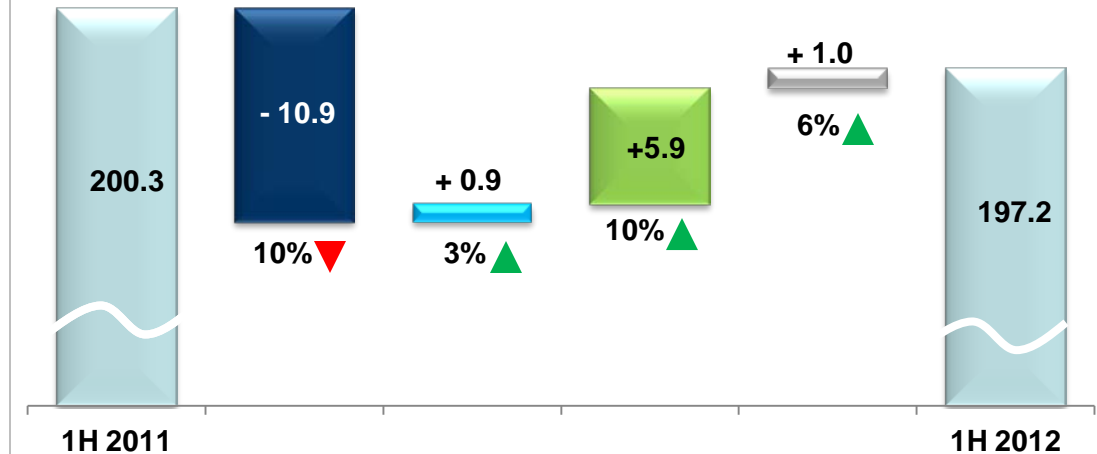
# Operating Revenue

Trading revenue dropped resulting from global economic conditions

(RM mil)



## Growth contribution by revenue streams:



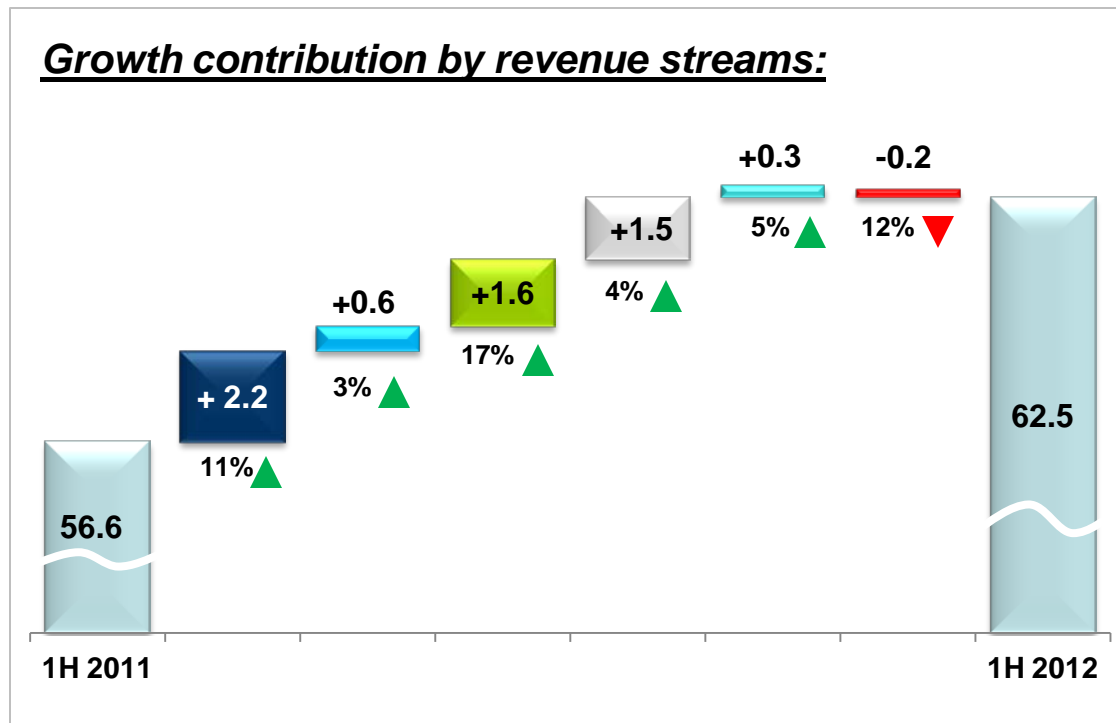
## Commentaries

- Securities trading revenue decreased due to lower ADV of RM1.74 bil in 1H12 compared to RM1.93 bil in 1H11.
- Derivatives trading revenue increased marginally due to higher ADC of 36,000 in 1H12 compared to 34,000 in 1H11.
- Stable revenue increased due to higher listing, market data and access fees.

# Stable Revenue

Increase in stable revenue contributed by new listings

(RM mil)



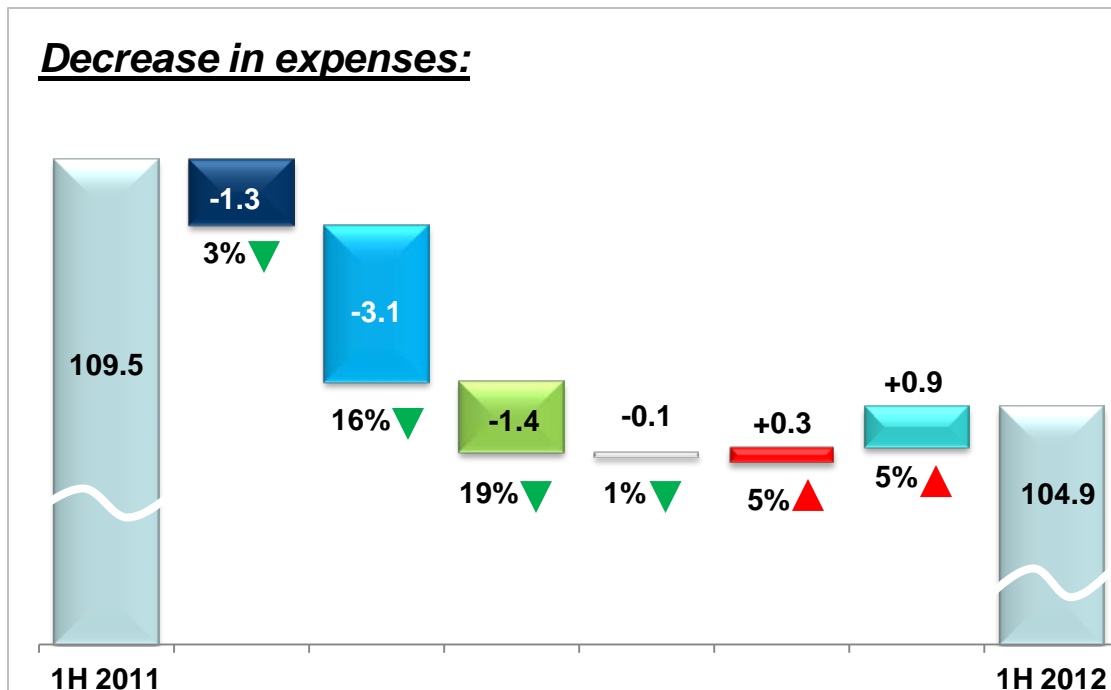
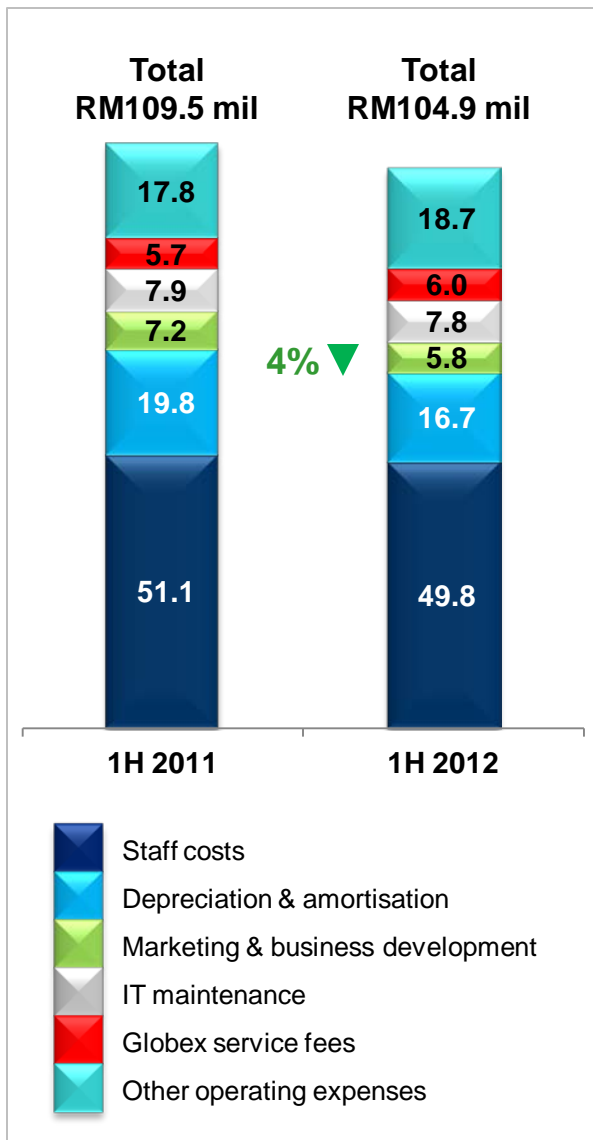
## Commentaries

- Listing fees increased due to larger IPOs and higher number of structured warrants.
- Information services fee increased as a result of a revision of rates in January 2012.
- Higher access fees due to higher number of direct market subscribers.

# Operating Expenses

Relatively stable

(RM mil)



## Commentaries

- Lower staff costs due to reduction in number of employees.
- Lower depreciation & amortisation due to fully depreciated assets by the end of 2011.
- Lower marketing & business development expense due to refinement of developmental focus.

# Conclusions

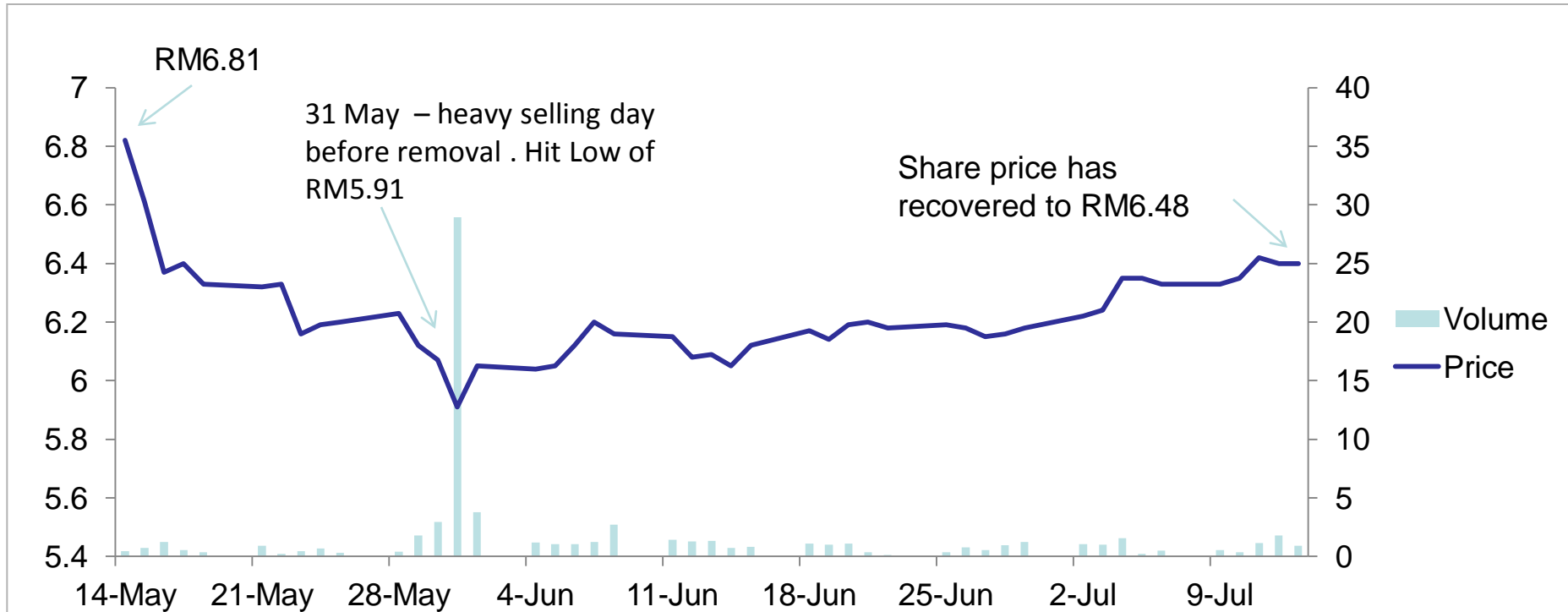
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We continue to innovate



# MSCI RECLASSIFICATION

Bursa's fundamentals unchanged



- ▶ Bursa was reclassified from MCSI's Mid Cap Index to Small Cap Index
- ▶ Selling pressure as foreign funds exited, but fundamentals of Bursa unchanged
- ▶ Share price misaligned, but has recently recovered to RM6.48
- ▶ Bursa now a larger player in the Small Cap Index



# Conclusion

Watch this space

## We remain focused

- ▶ To address competition and eliminate market friction
- ▶ To be a competitive marketplace
- ▶ To shape Bursa Malaysia as a high performance organisation

## We are stepping up our game

- ▶ Implementation of initiatives aligned under the 4 strategic intents driven by our Business Transformation Programme will spur growth in the capital market



## 1H 2012 Financial Results

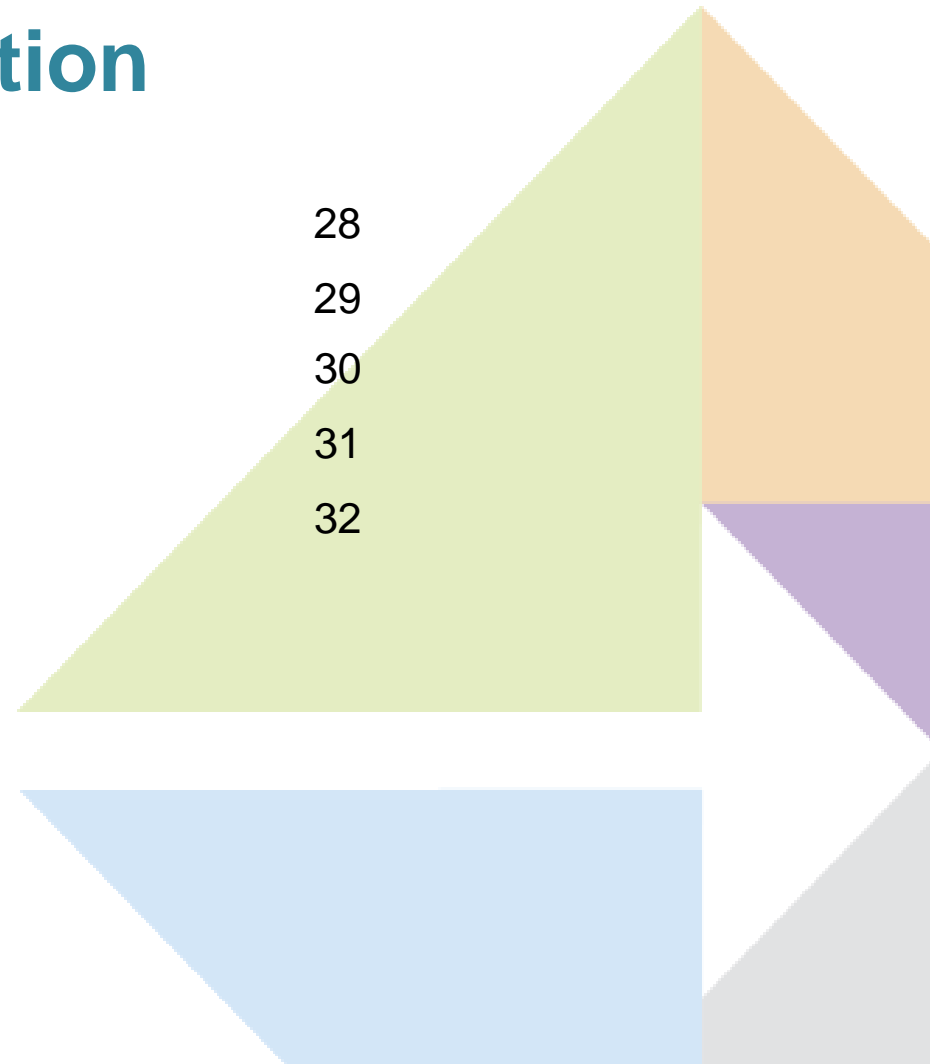
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18 July 2012

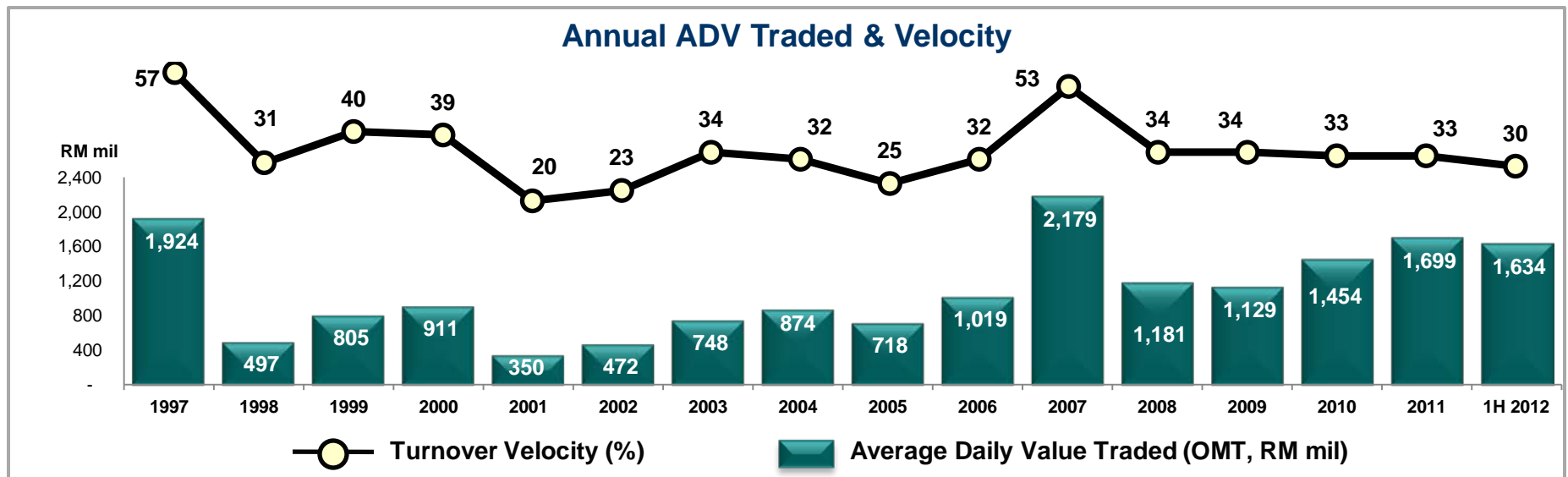
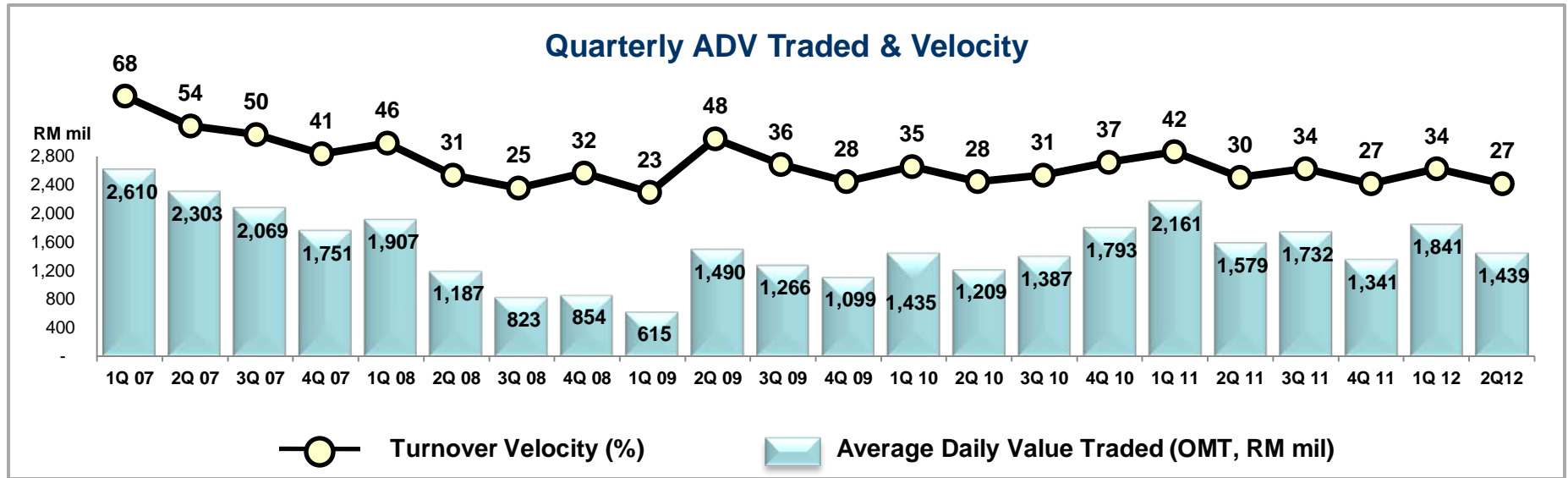
**Thank you**  
**Q & A**

# Additional Information

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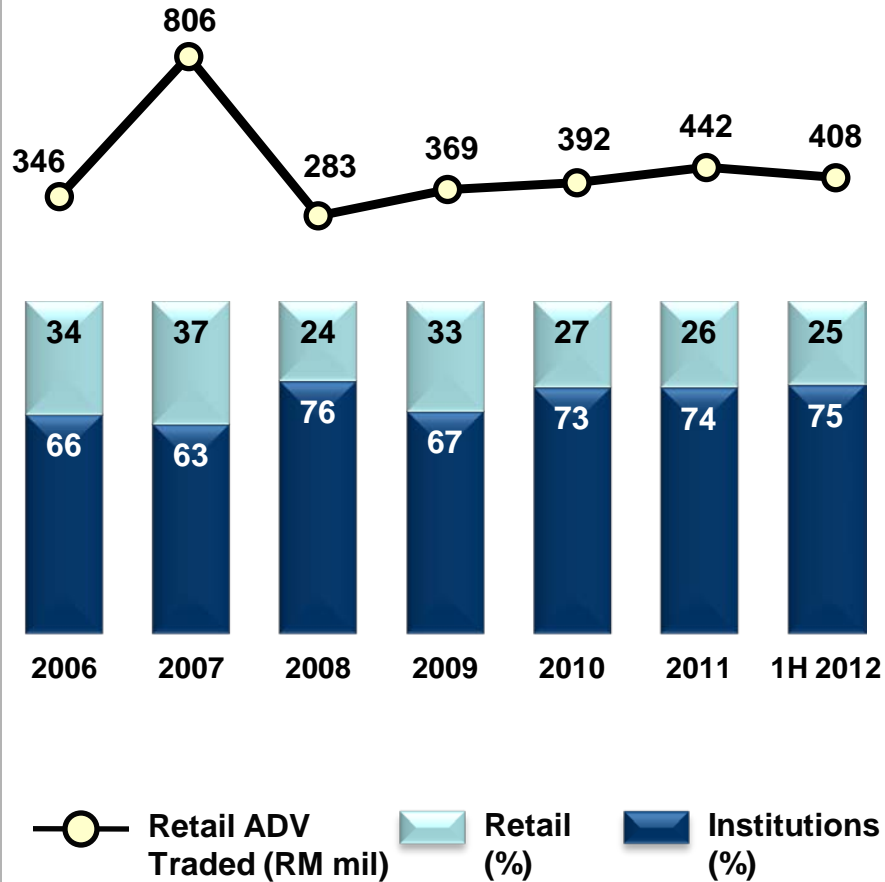


# Securities Market Trading Activity



# Securities Market Trading Participation

### Retail vs Institutions

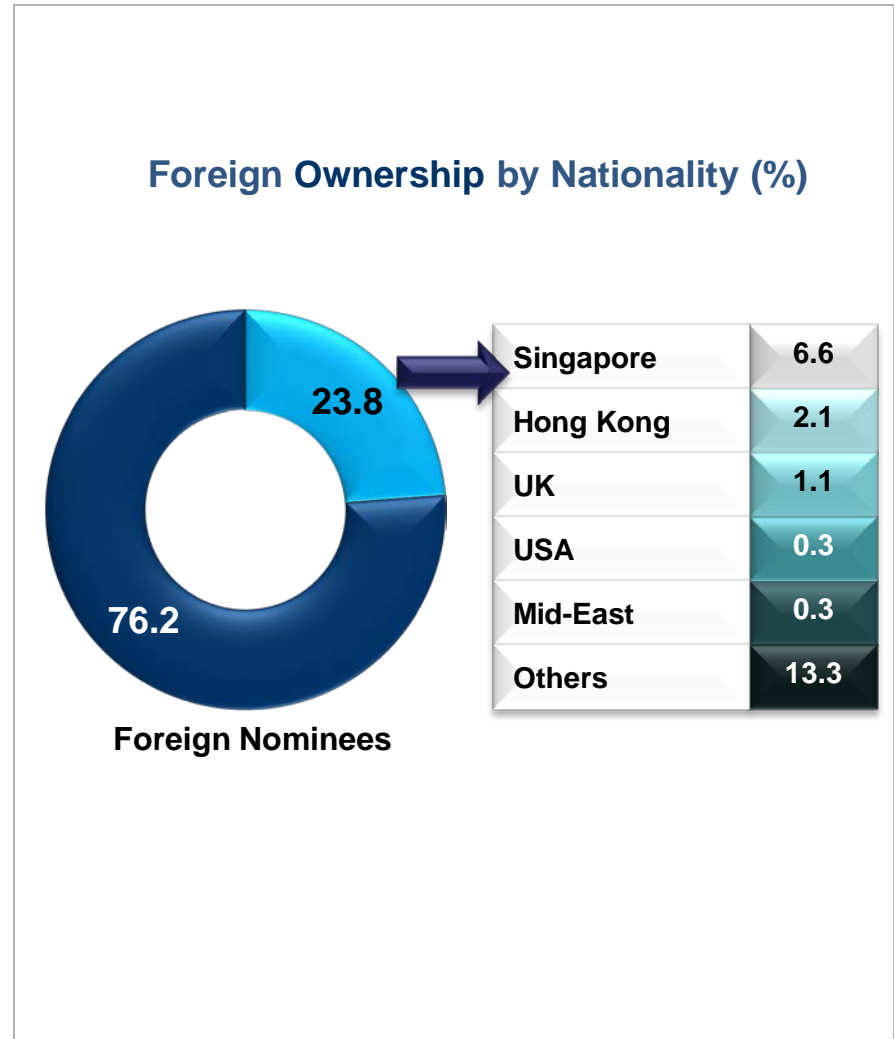
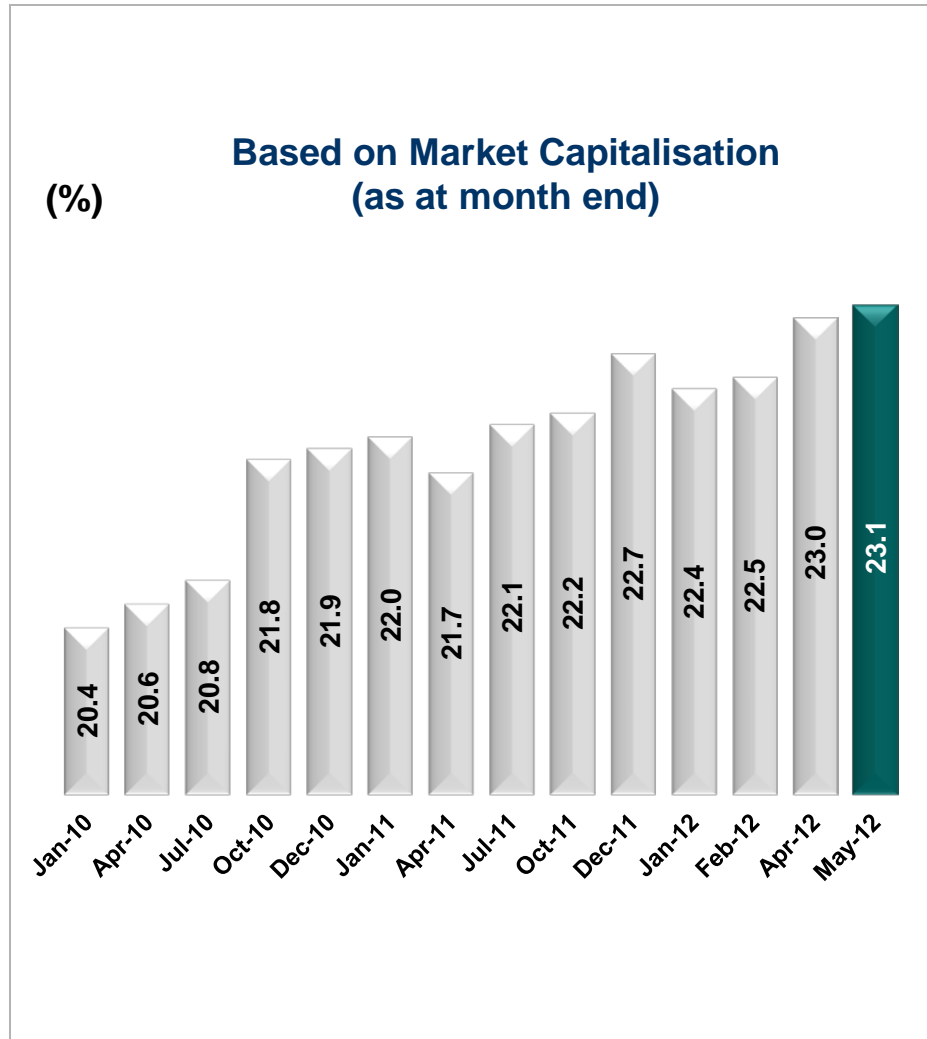


### Foreign vs Local

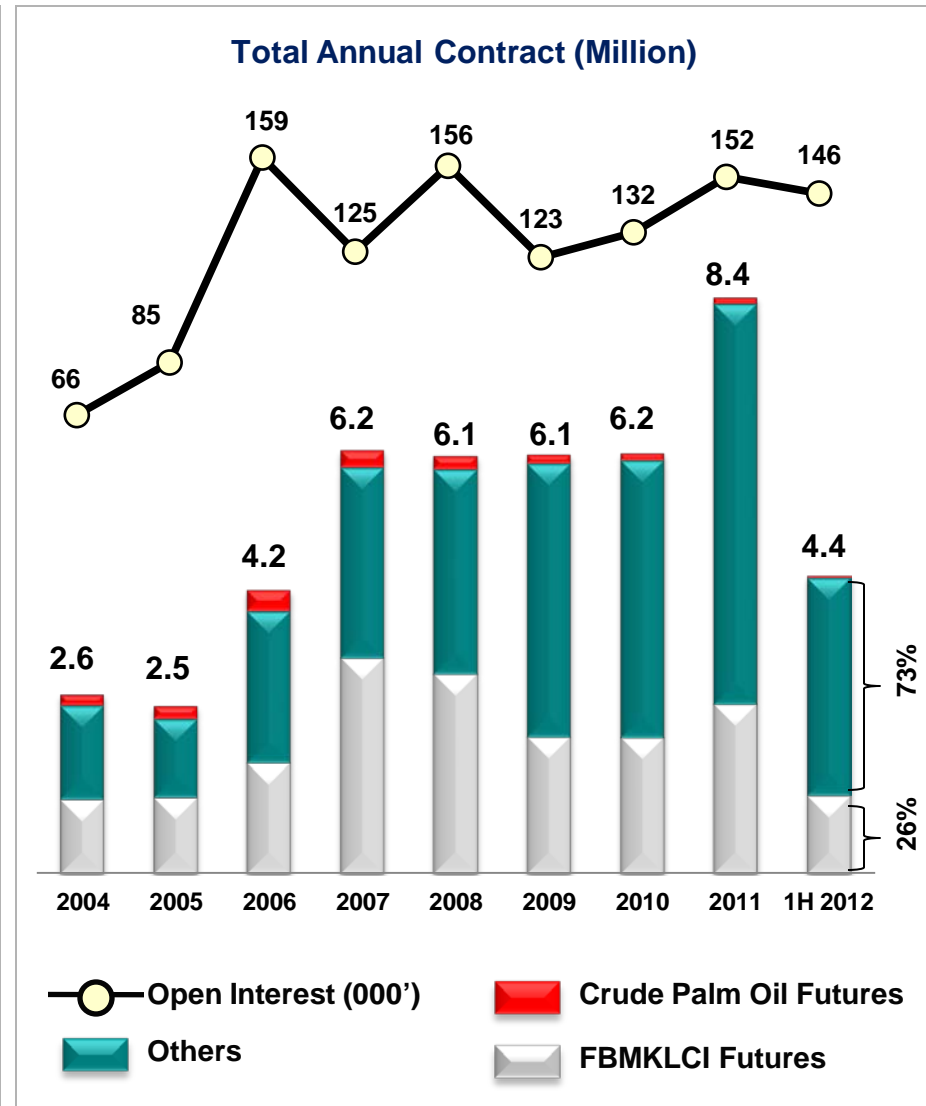
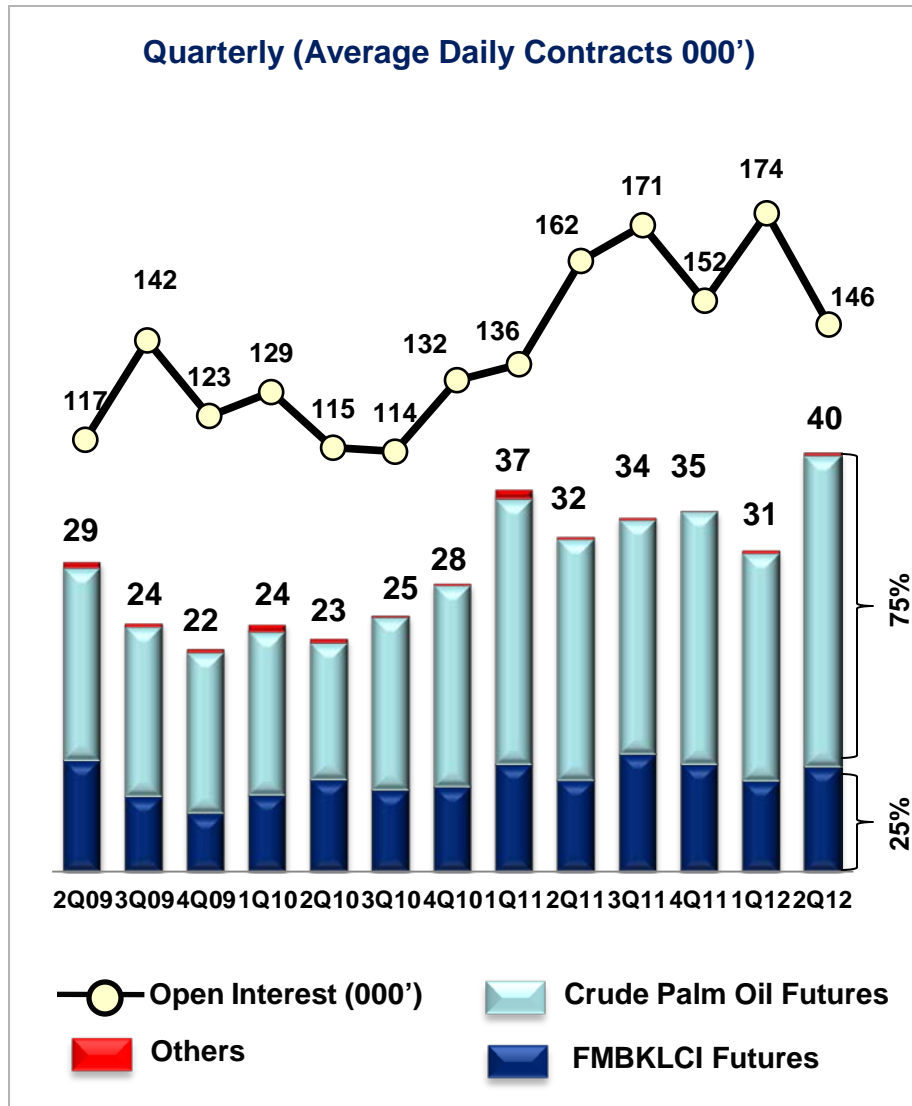


From 2006 to 2009, the statistics were based on Brokers' submission. From 2010 onwards statistics were based on Bursa's internal system.

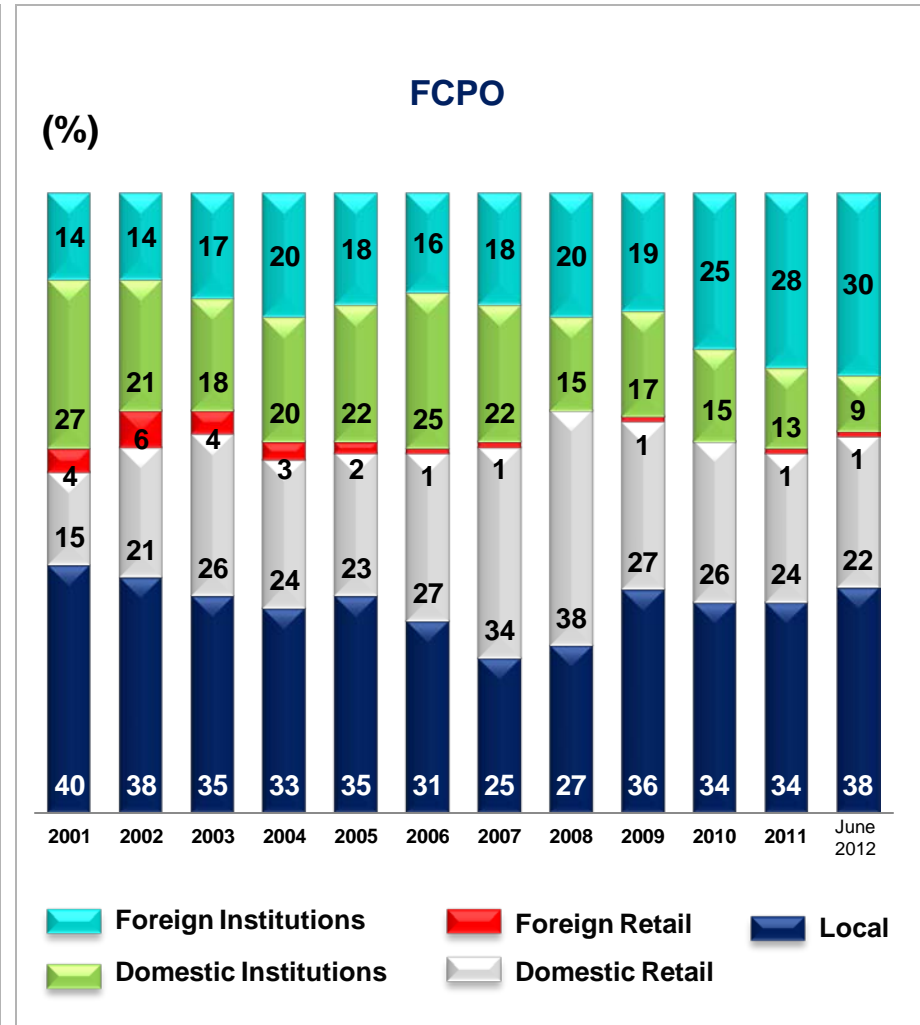
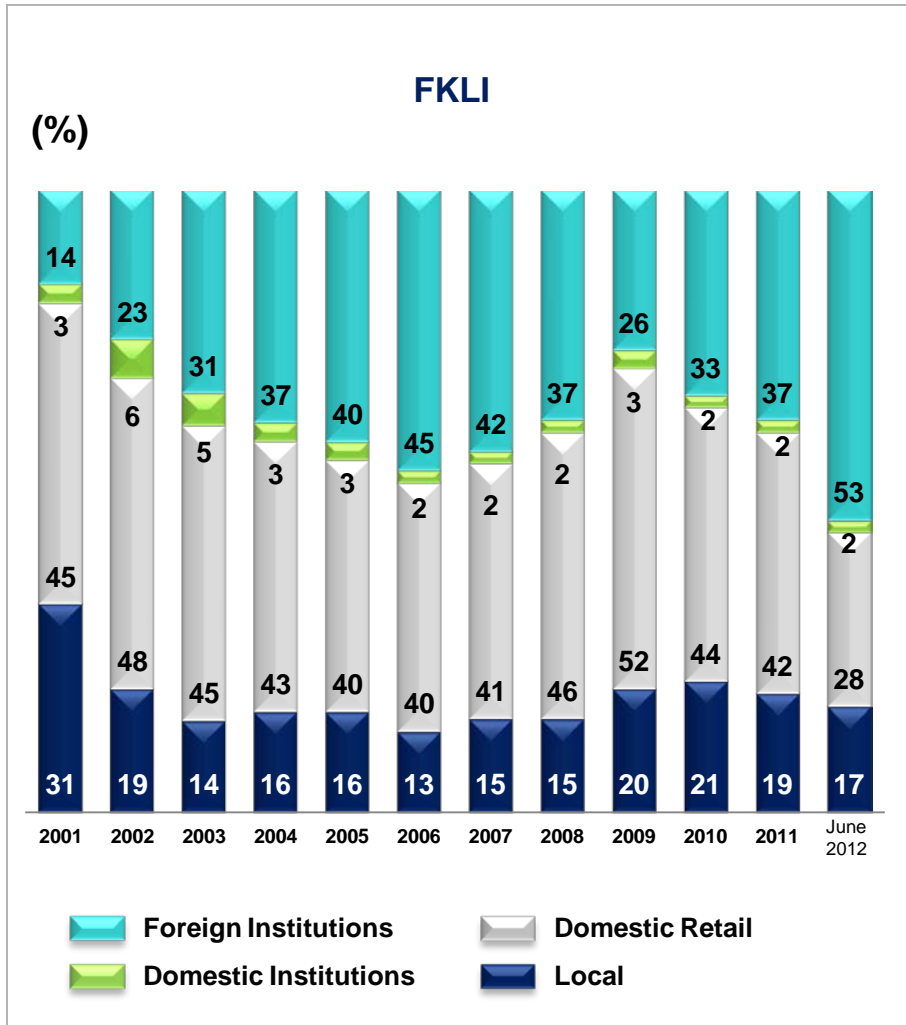
# Securities Market Foreign Ownership



# Derivatives Market Activity



# Derivatives Market Demography



\* Local - A local participant is an individual who has been admitted as a participant in accordance with The Rules, registered with SC and has the right to trade for himself - all futures contracts listed on the Derivatives Exchange.



## INVESTOR RELATIONS CONTACT INFORMATION

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