

1H2014 Financial Results

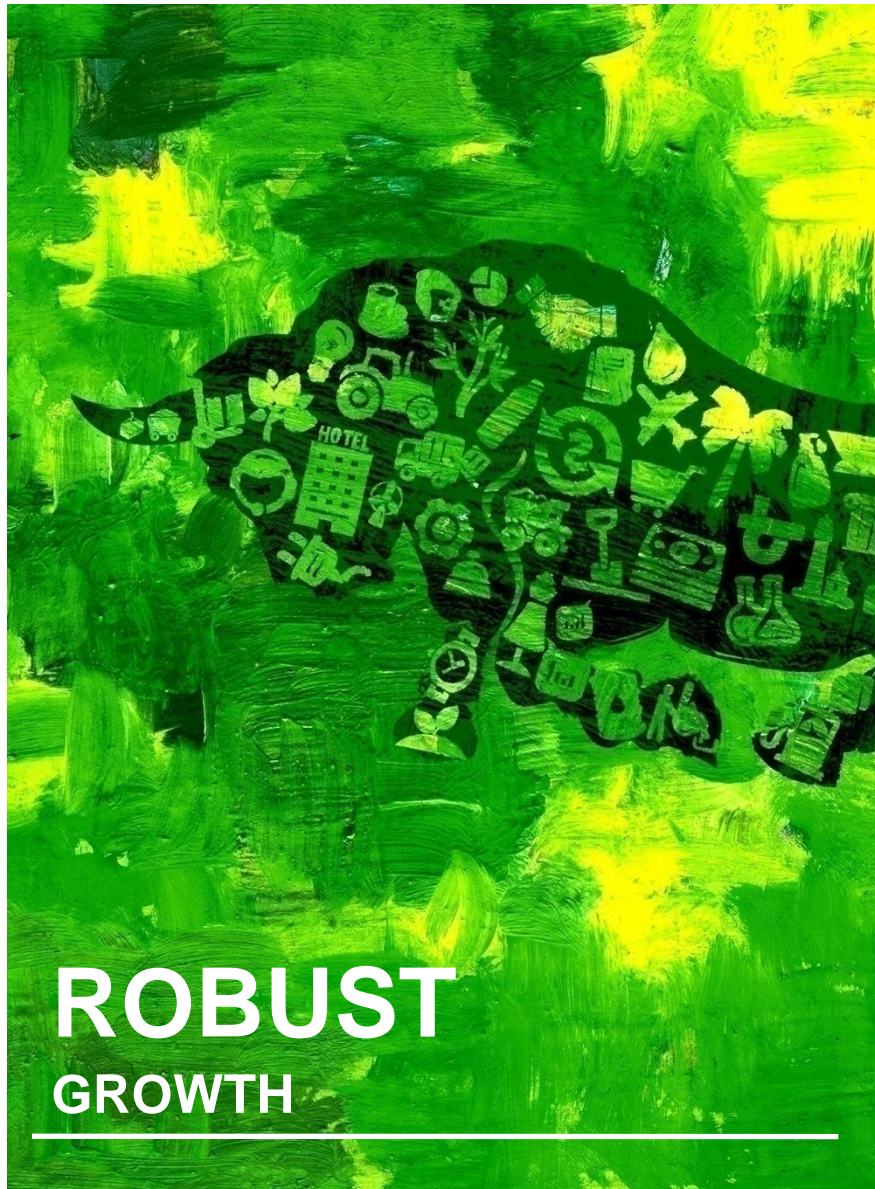
Analysts and Media Briefing

17 July 2014

Dato' Tajuddin Atan
Chief Executive Officer

Rosidah Baharom
Acting Director, Corporate Services

- FINANCIAL HIGHLIGHTS & MARKET PERFORMANCE
- FINANCIAL REVIEW
- ACHIEVEMENTS AND FOCUS AREA
- CONCLUSION
- APPENDICES



- Financial Highlights
- Half Yearly Financial Trend
- Securities Market Overview
- Derivatives Market Overview
- Islamic Market Overview

Financial Highlights for 1H2014

Sustained financial performance in comparison with 1H2013



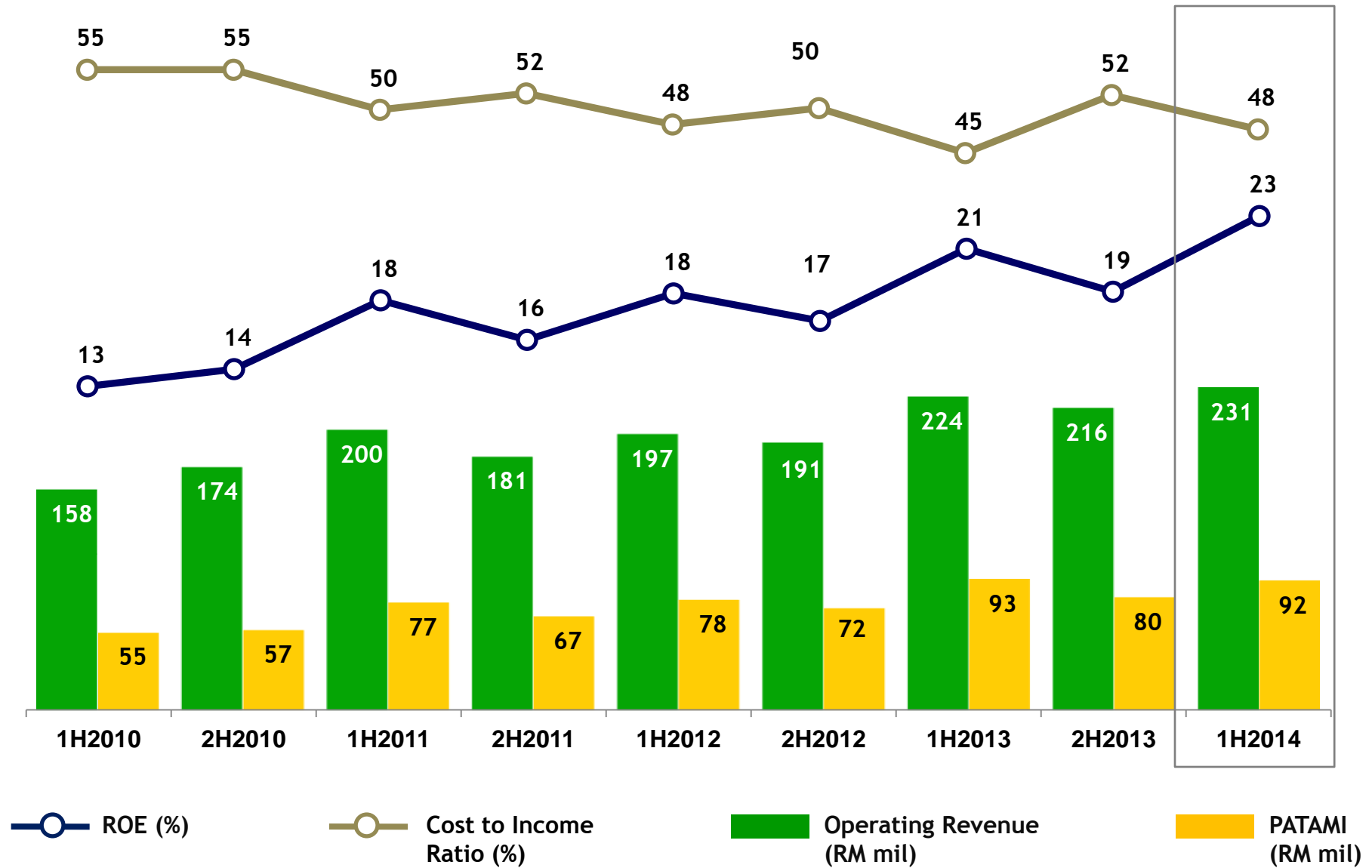
Financial Items	1H2014	1H2013	1H2014 vs. 1H2013
Operating Revenue (RM million)	230.6	223.9	+3%
Operating Expenses (RM million)	117.6	108.0	+9%
PATAMI (RM million)	92.0	93.0	-1%
EPS (sen)	17.3	17.5	-1%
Cost to Income Ratio (%)	48%	45%	+3 percentage points
Annualised ROE (%)	23%	21%	+2 percentage points
Dividends (sen):			
▪ Interim	16.0	16.0	-
▪ Special	20.0	20.0	-

1H2014 vs. 1H2013:

- Higher operating revenue for 1H2014 due to stronger performance from the securities market driven by higher retail participation.
- Higher operating expenses due to higher staff cost - additional headcount and higher performance reward.
- Interim and special dividends of 16 and 20 sen respectively.

Half Yearly Financial Trend

Highest operating revenue and ROE since 2010

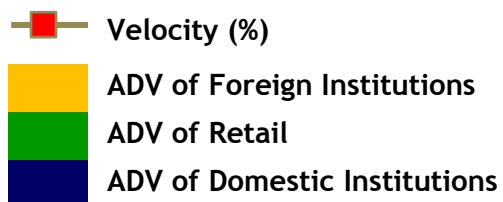
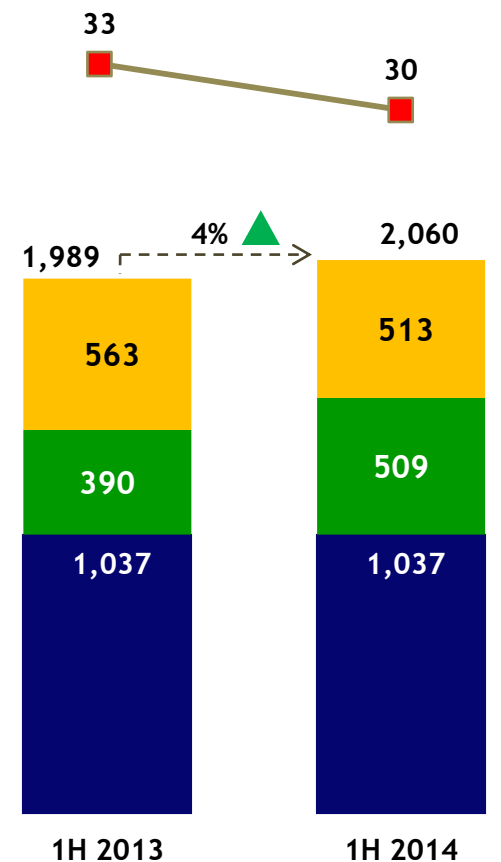


Securities Market Overview

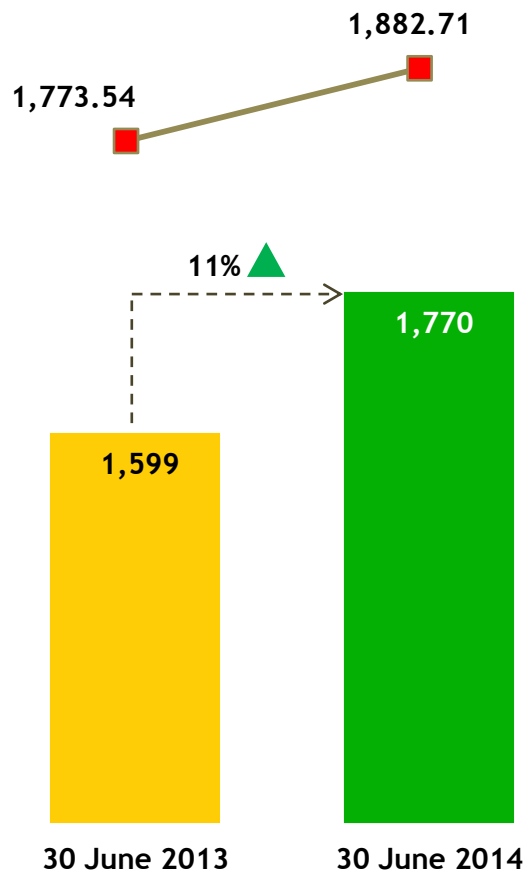
Robust secondary market fund raising activities



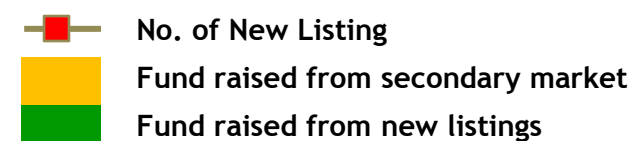
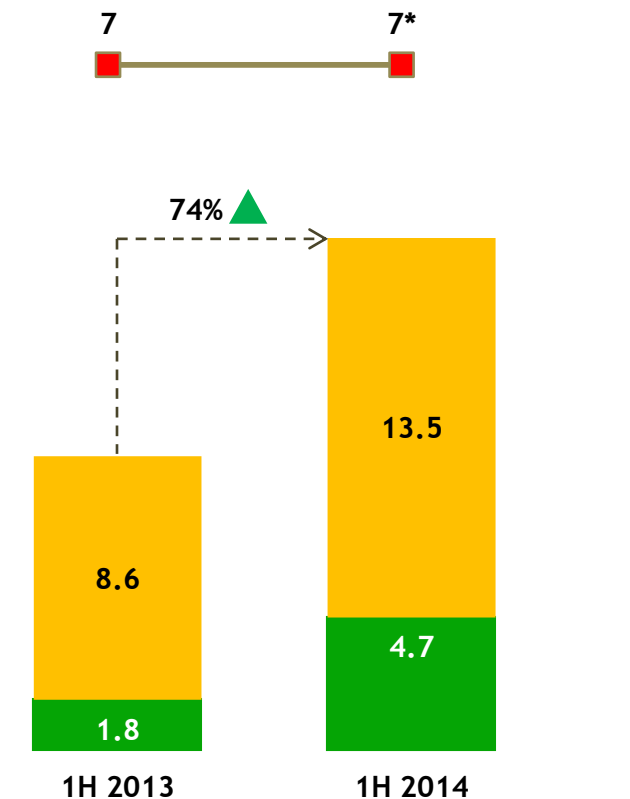
Average Daily Value (OMT)
(RM mil)



Market Capitalisation (RM bil)



Fund Raised from New Listings &
Secondary Market (RM bil)



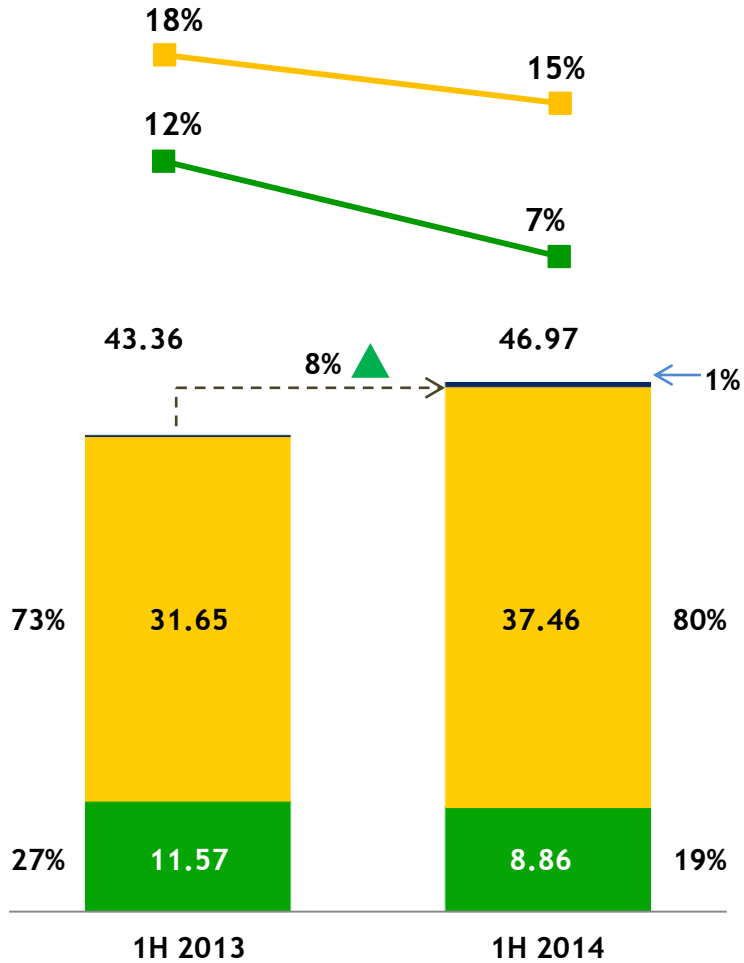
*- number includes 1 RTO

Derivatives Market Overview

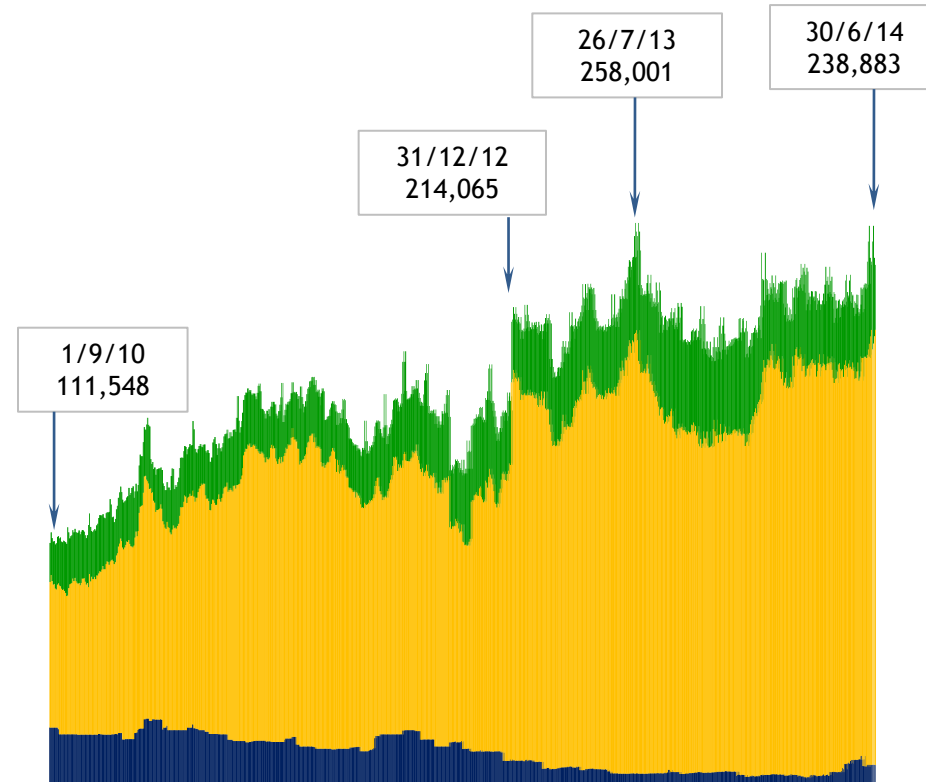
Launched FPOL and market continues to grow



Average Daily Contracts ('000) and Volatility



Open Interest



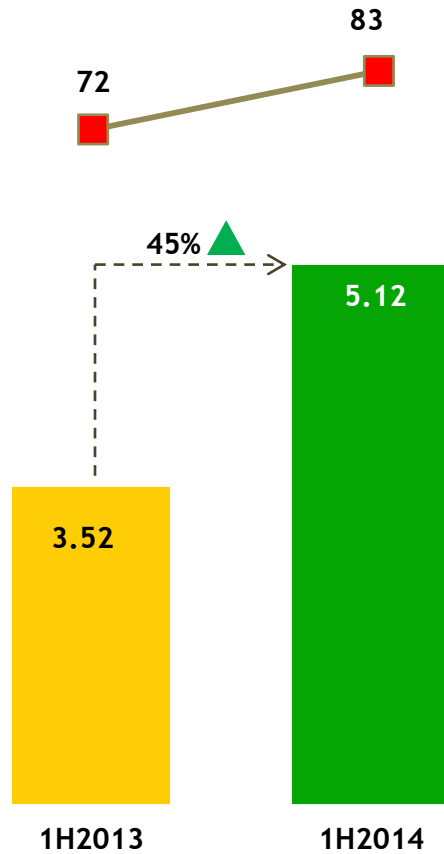
- FBMKLCI Futures
- Crude Palm Oil Futures
- Others
- Volatility of FBMKLCI
- Volatility of Crude Palm Oil Prices

Islamic Market Overview

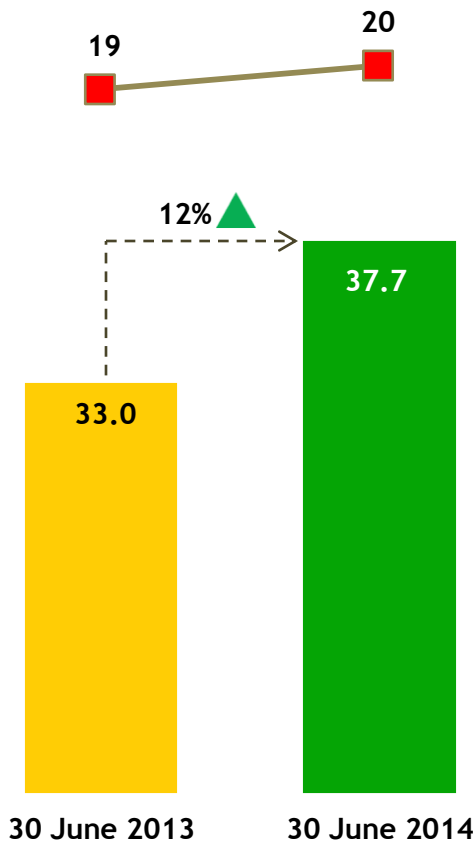
Strong growth in BSAS trading



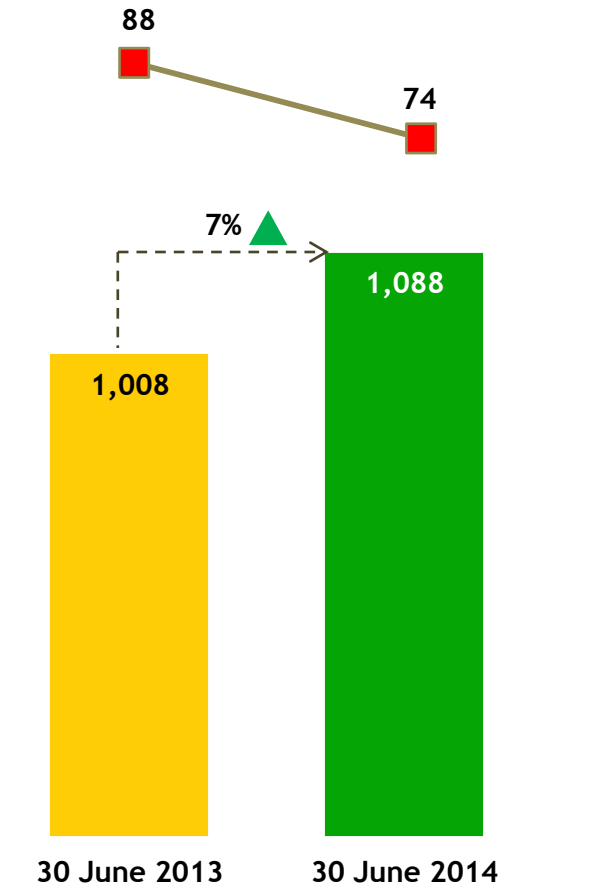
Bursa Suq Al-Sila' ADV (RM bil)



Value of Listed Sukuk (USD\$ bil)



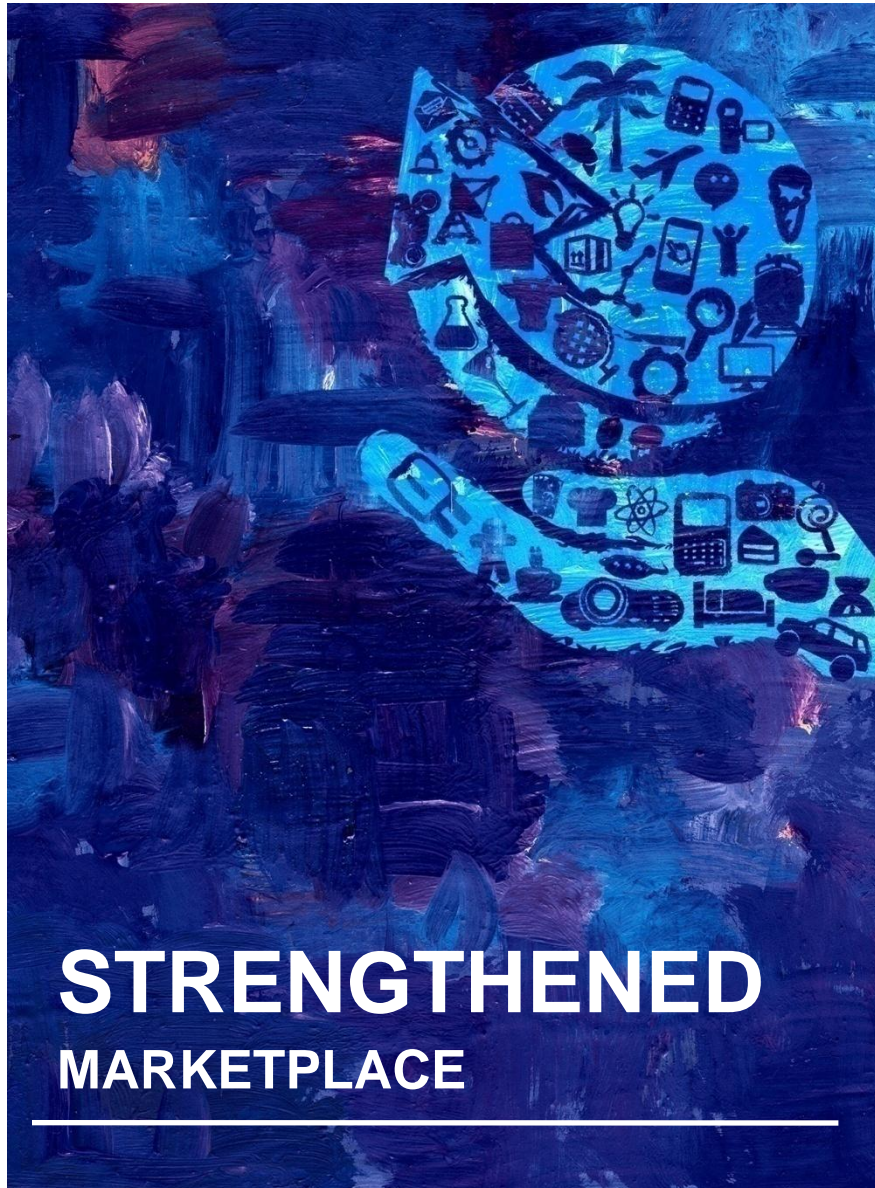
Market Capitalisation of Shari'ah Compliant Stocks (RM bil)



—■— No. of Trading Participants

—■— No. of Sukuk

—■— % of Shari'ah Compliant Stocks

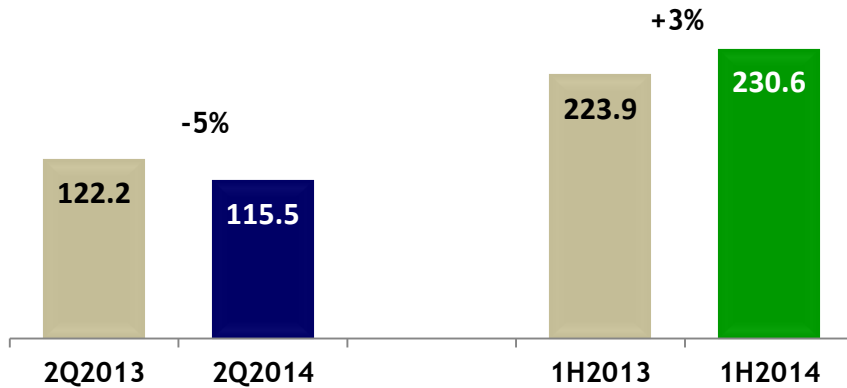


- Financial Snapshot
- Operating Revenue
- Operating Expenses
- Growing Dividends

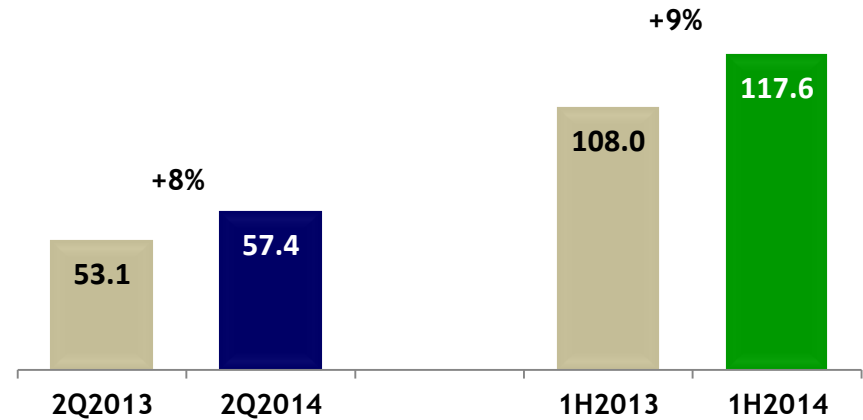
Financial Snapshot

Sustained 1st half profits

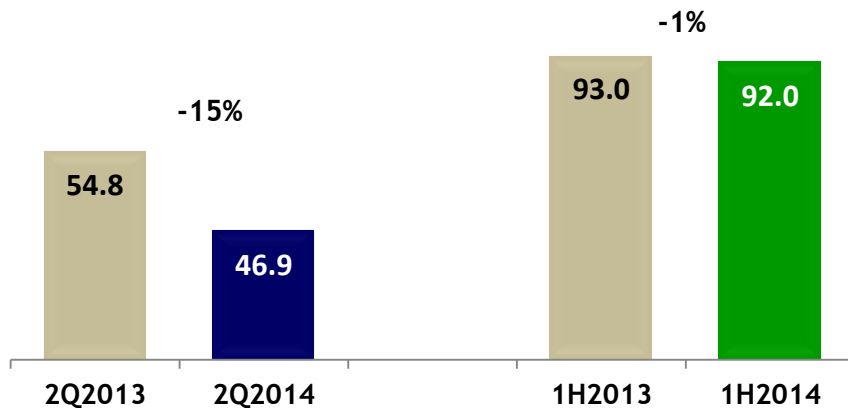
Operating revenue (RM mil)



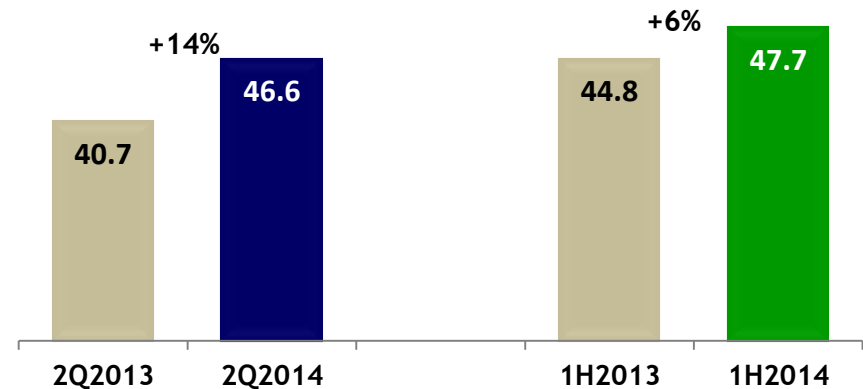
Operating expenses (RM mil)



PATAMI (RM mil)

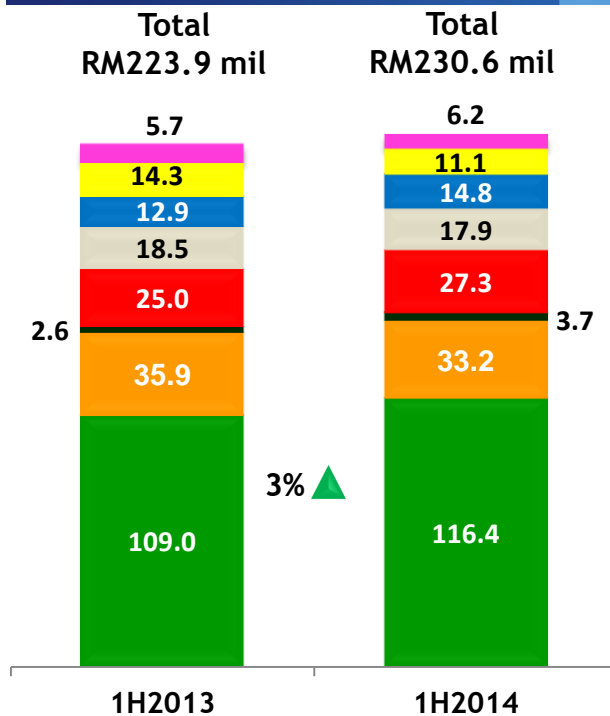


Cost-to-income (%)

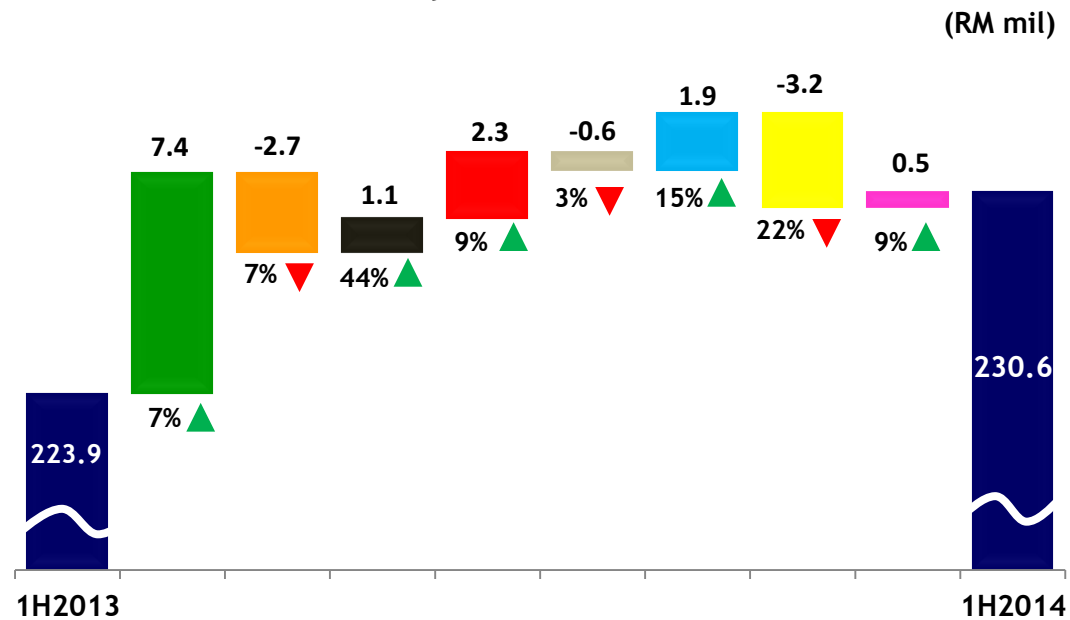


Operating Revenue

Revenue lifted by active retail trading in securities market



Growth contribution by revenue streams:

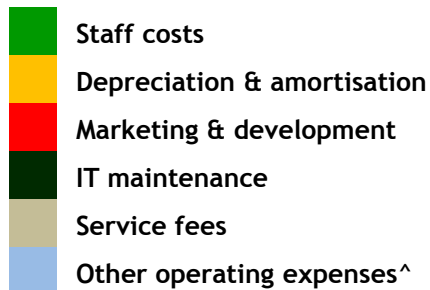
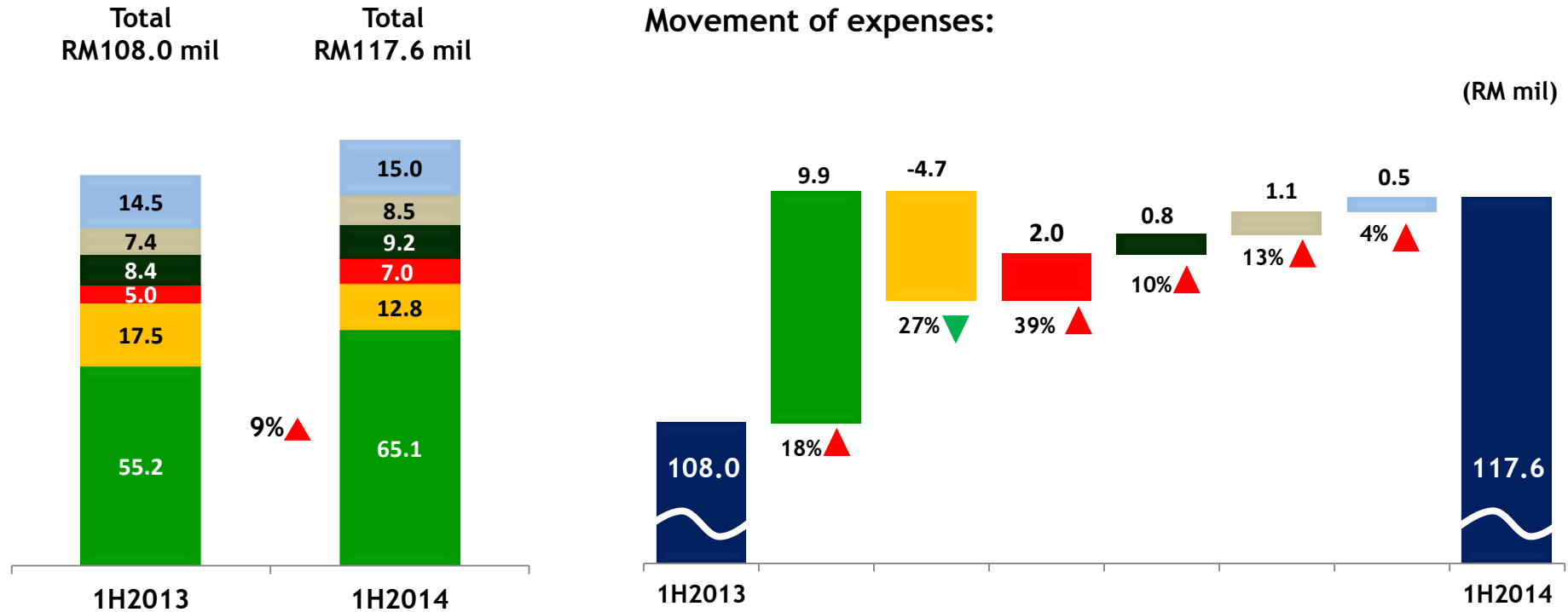


- Growth in securities market revenue contributed by higher retail participation.
- Lower derivatives trading revenue despite higher trading volume due to lower guarantee and collateral management fees.
- Growth in BSAS trading revenue contributed by higher domestic and foreign participation.
- Growth in listing and issuer services revenue due to higher number of new structured warrant listings and larger IPOs in 1H2014 compared to 1H2013.
- Higher market data revenue due to introduction of new information services.
- Lower revenue from membership services and connectivity due to lower broker services fee and a revision in Bursa access fee structure.

* - Other Operating Revenue comprises conference & exposition income

Operating Expenses

Focused investment in talent and market development

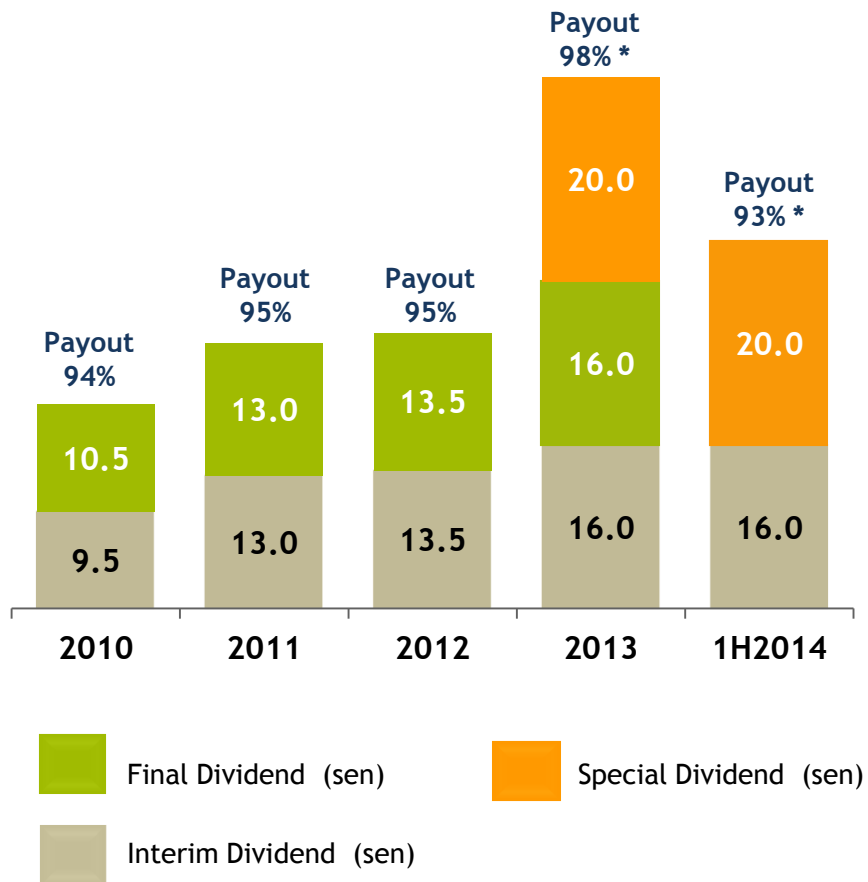


- Increase in staff costs due to additional headcount and higher performance reward in 1H2014.
- Decrease in depreciation following our technology refresh exercise, which focused on more efficient technology in terms of functionality and cost.
- Increase in marketing and development due to greater retail outreach and engagement.
- Controlled daily operating expenses.

^ - Other Operating expenses include building maintenance, administrative expenses and CDS expenses.

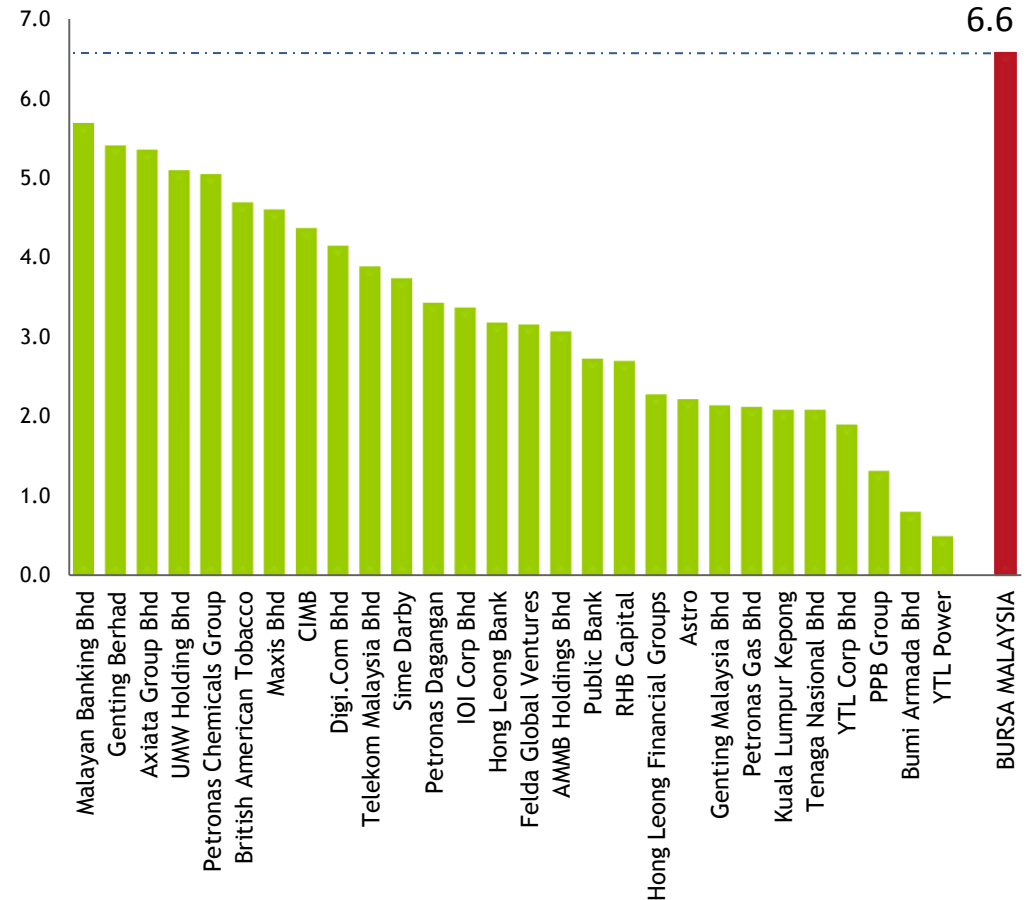
Dividends

Special dividend for our valued shareholders

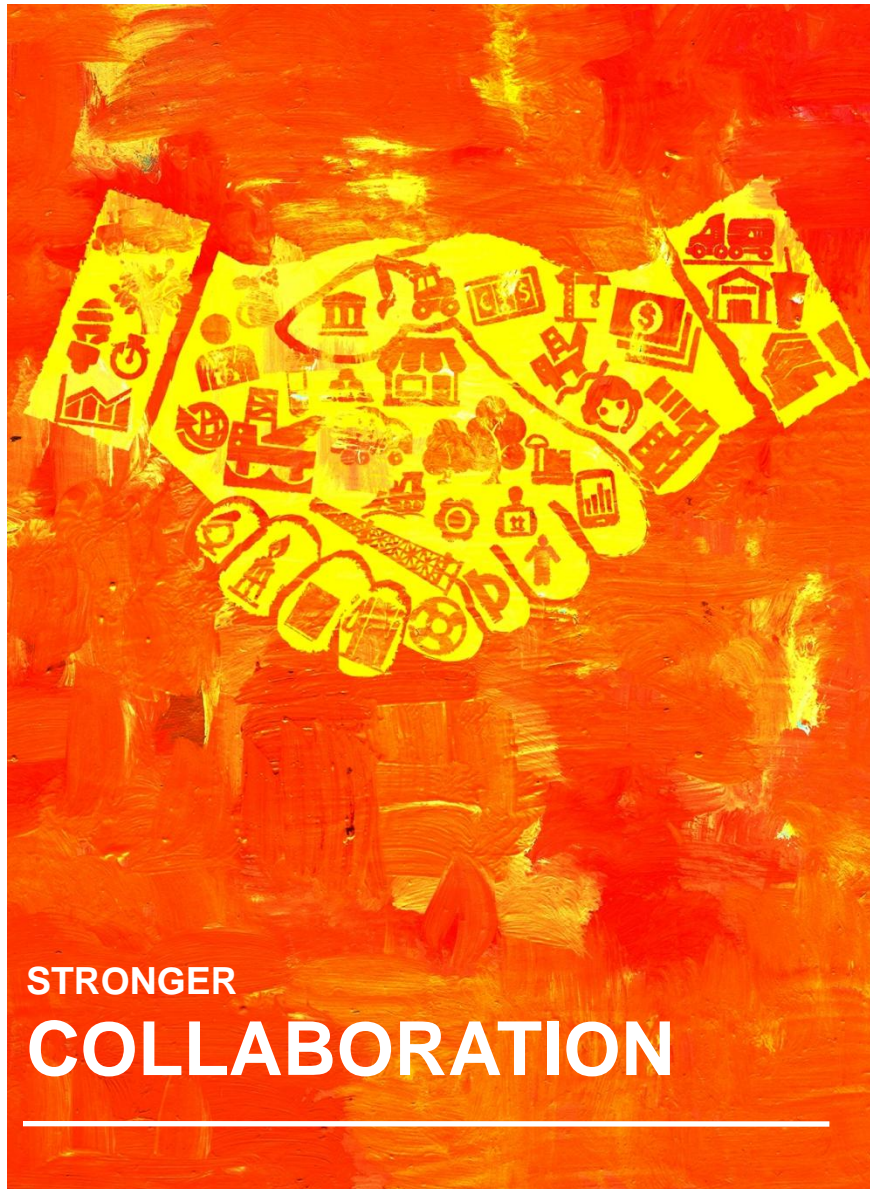


* Exclude special dividends

Dividend Yield - Bursa (2013 dividend) vs. FBMKLCI Constituents



Source: Bloomberg



- Achievements in 1H2014
- Focus Area
- Going Forward - Key Deliverables

SECURITIES MARKET

- Listing of new ETF **MyETF MSCI Malaysia Islamic Dividend**
- E-initiative to grow retail participation - with 
- Increase of available **stocks** for Securities Borrowing and Lending from 171 to **218**

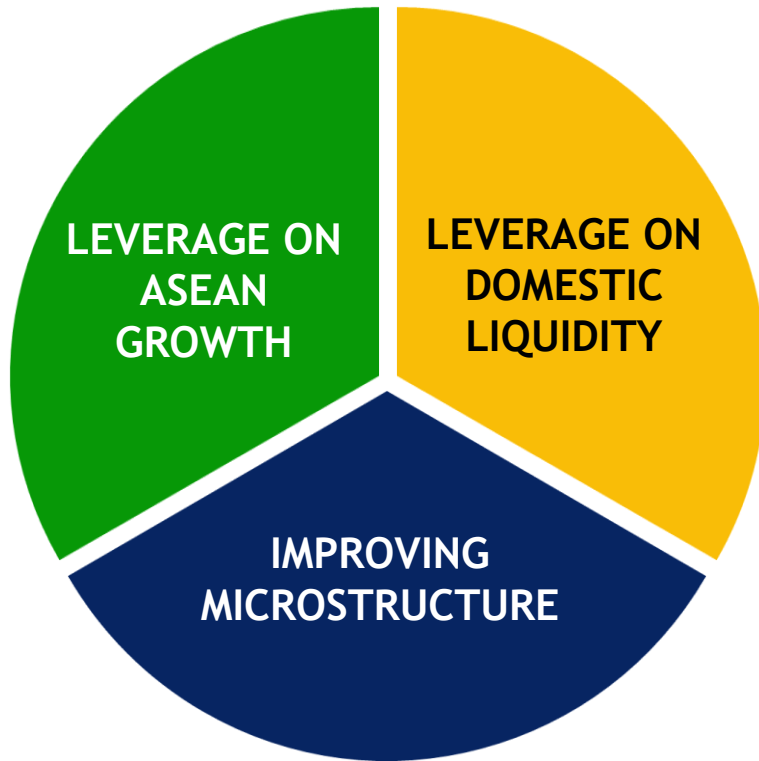
DERIVATIVES MARKET

- Introduced USD Derivatives **Refined Palm Olein Futures Contract (FPOL)**
- Introduced new **Participantship Structure for Trading Participants and Associate Participants**
- Organised first **Gold & Precious Metals Price Outlook Symposium**

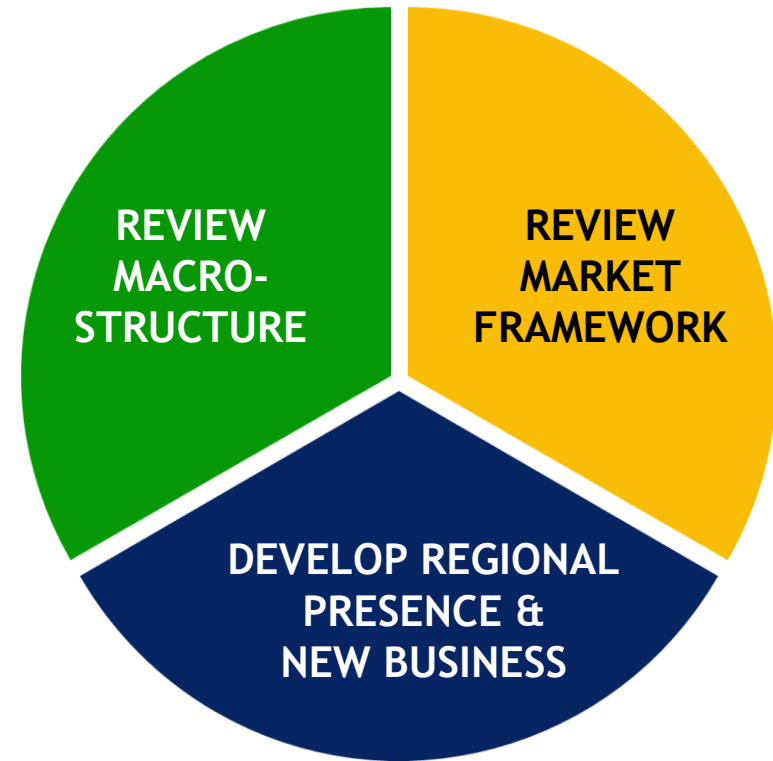
ISLAMIC MARKET

- Signed **MoU with the Saudi Stock Exchange (Tadawul)** to formalise a collaboration to develop cross border activities between both exchanges in capital market development
- Growing **BSAS** footprint by increasing **6** new participation members

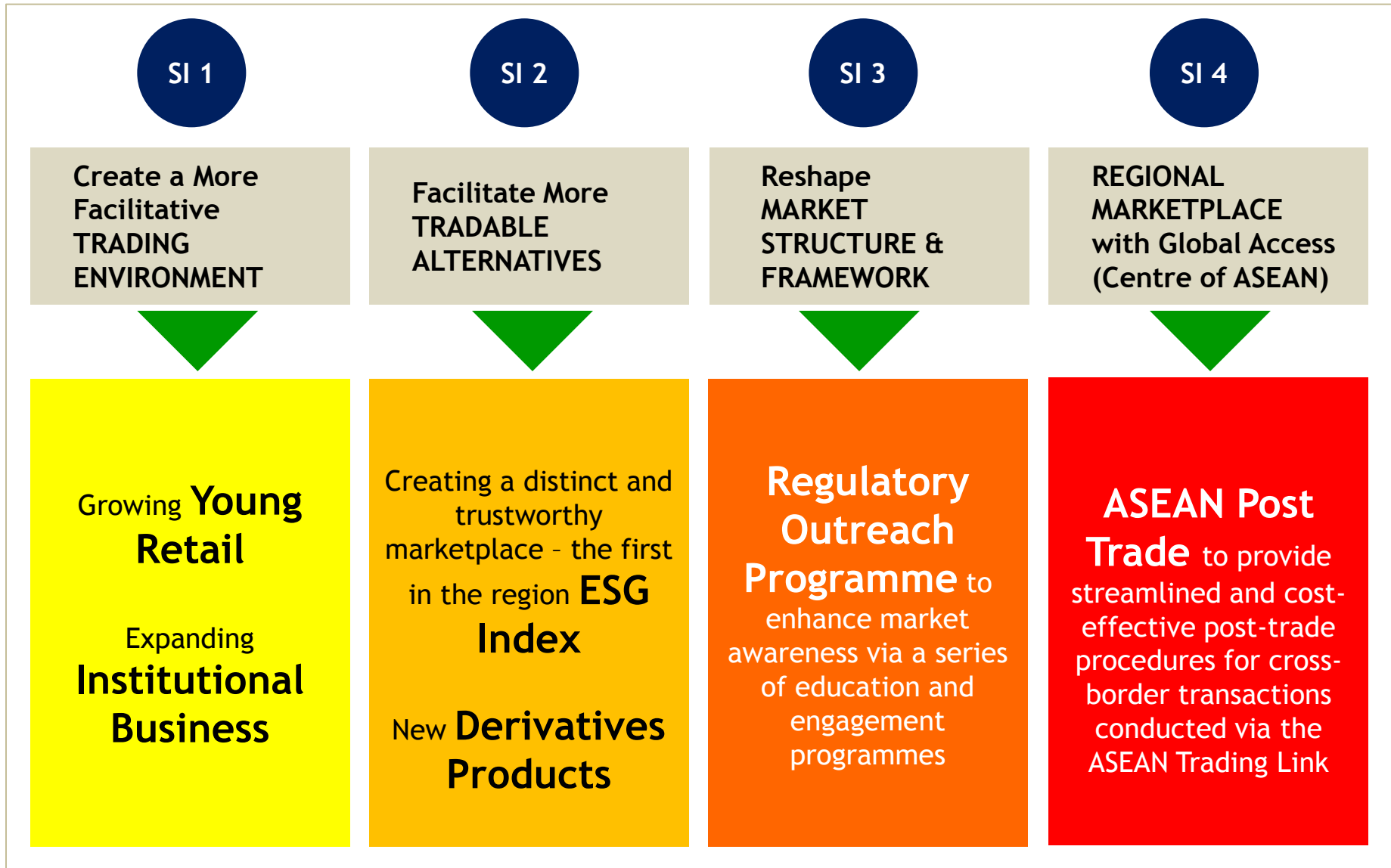
Focus 1: Value Extraction



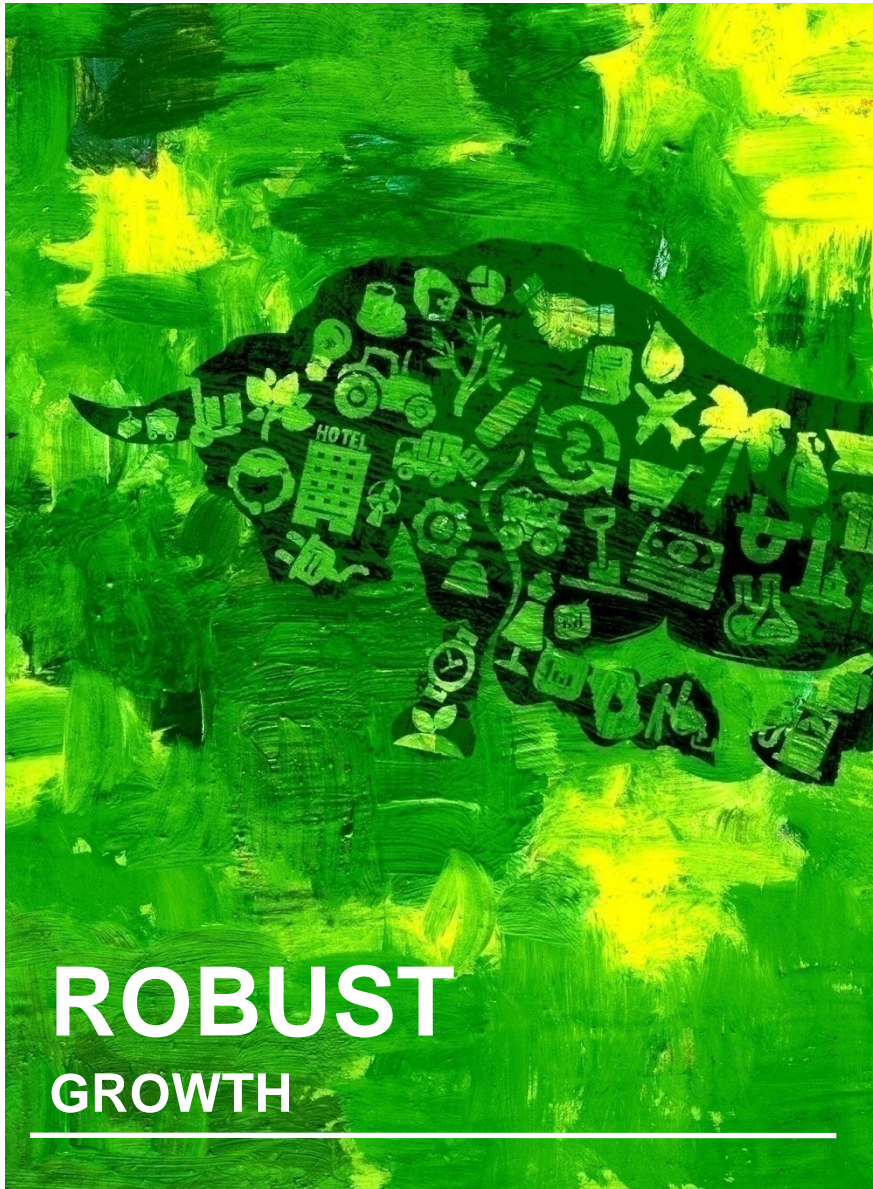
Focus 2: Build for the Future



Going Forward - Key Deliverables



Note : SI-Strategic Intent



- Market Recognition
- Conclusion

Market Recognition

Our market is internationally benchmarked



Malaysia ranked by:



4th among 148
countries for Strength
of Investor Protection

4th among 189
countries for Investor
Protection

2nd among 6
ASEAN countries in CG
assessment

12th most
competitive country
in the world
(2013:15th)

Bursa Malaysia ranked by:



**Most
Transparent**
company ahead of the Top 30
FBM KLCI constituents

Top 11
Malaysian PLCs who
scored above 90 in CG
assessment

Top 3
Corporate
Governance (CG)
Transparency
Award

Conclusion

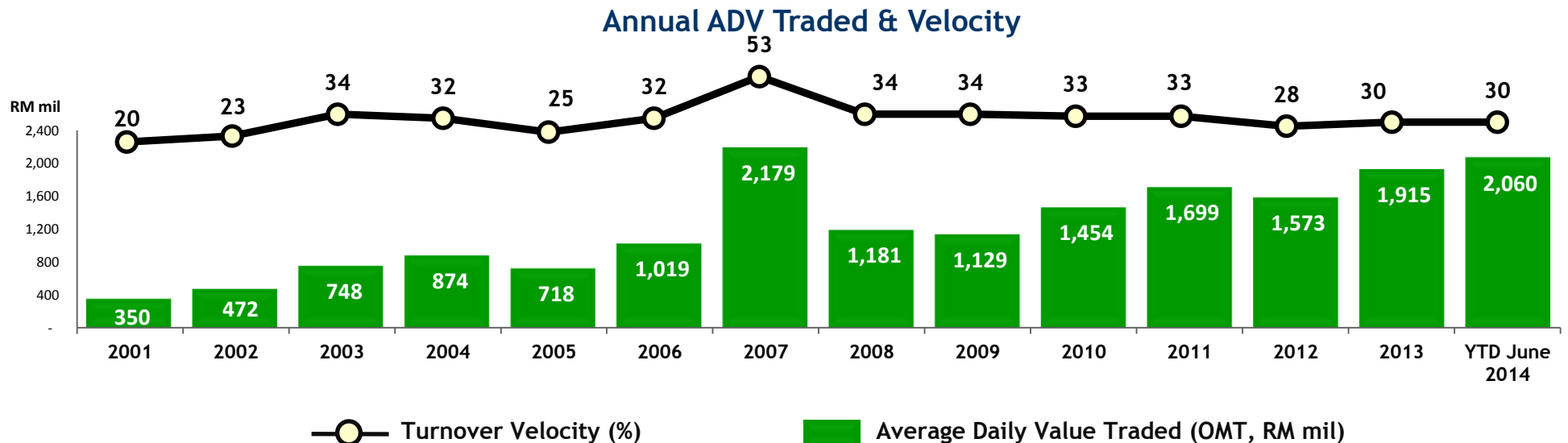
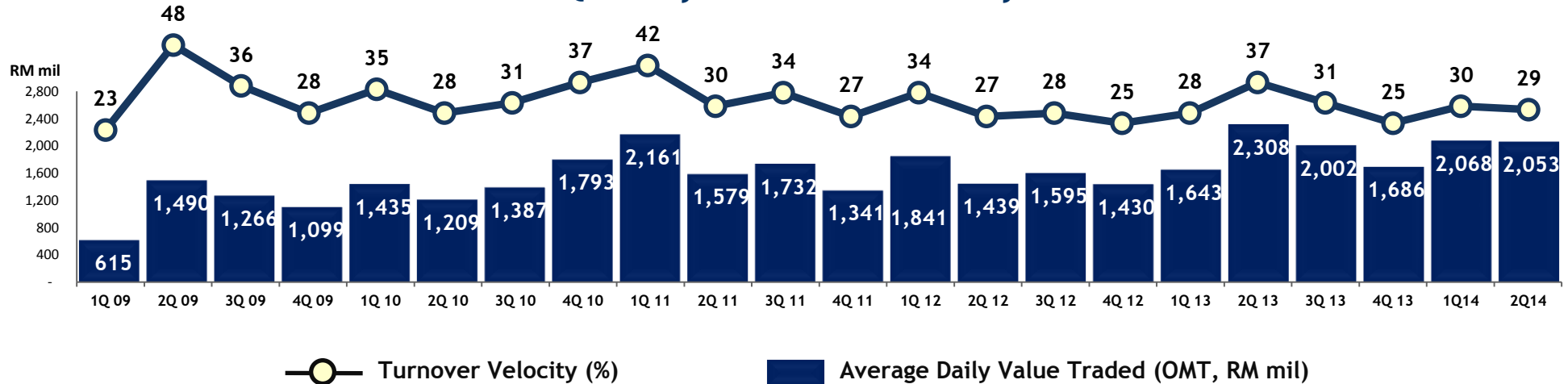
- ❑ Good half yearly financial performance. Key financial indicators:
 - ✓ Highest operating revenue since 2010
 - ✓ Highest ROE since 2010
 - ✓ Continuous monitoring of cost to income ratio
- ❑ Good performance across 3 markets. Key drivers:
 - ✓ Highest securities market ADV since 2010
 - ✓ Highest derivatives market ADC
 - ✓ Highest BSAS trading ADV
- ❑ A special dividends of 20 sen in addition to the interim dividend of 16 sen.
- ❑ We remained focus on the following:
 - Growing young retail
 - Expanding institutional participation in new markets, i.e. Japan and Australia
 - Expanding product offerings
 - Enhancing market structure
 - Strengthening Bursa Malaysia as ASEAN MULTINATIONAL MARKETPLACE

Thank you

Q&A

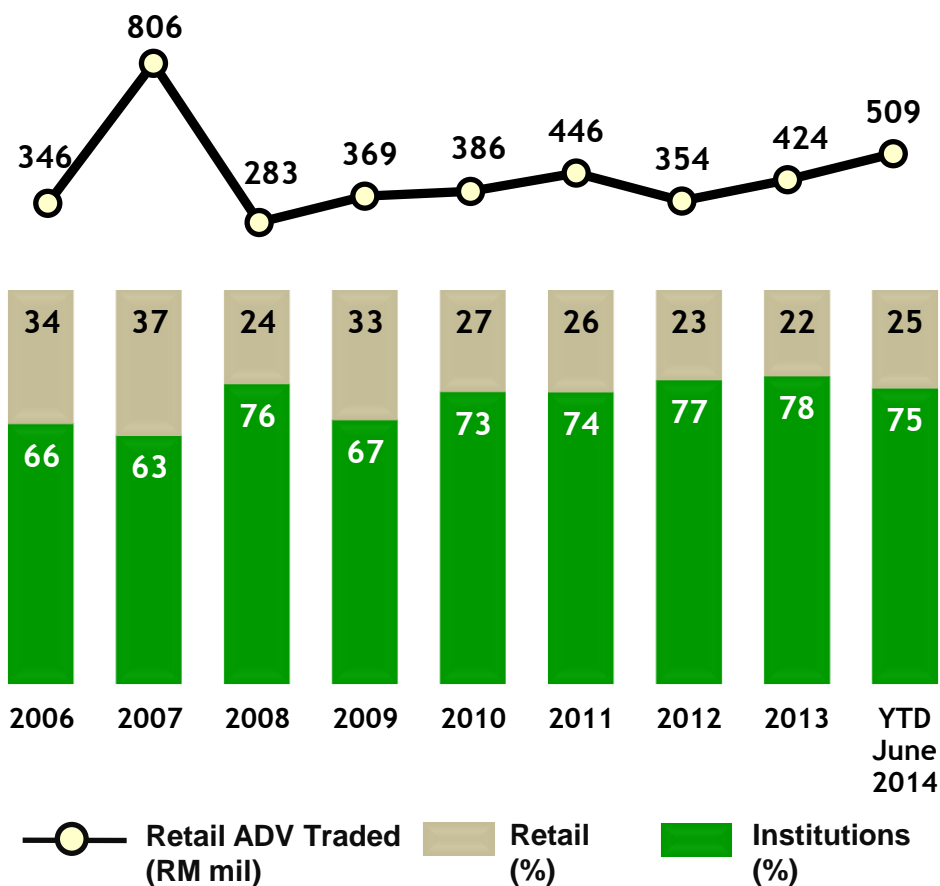
Securities Market Trading Activity

Quarterly ADV Traded & Velocity

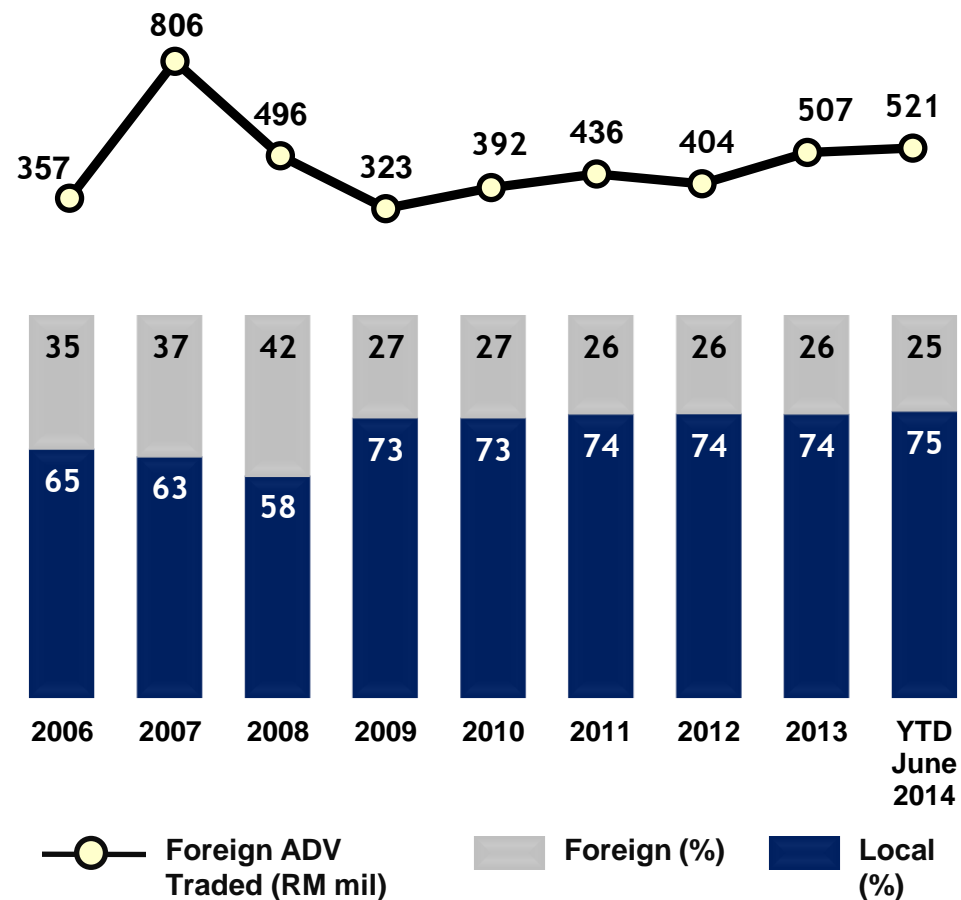


Securities Market Trading Participation

Retail vs Institutions



Foreign vs Local

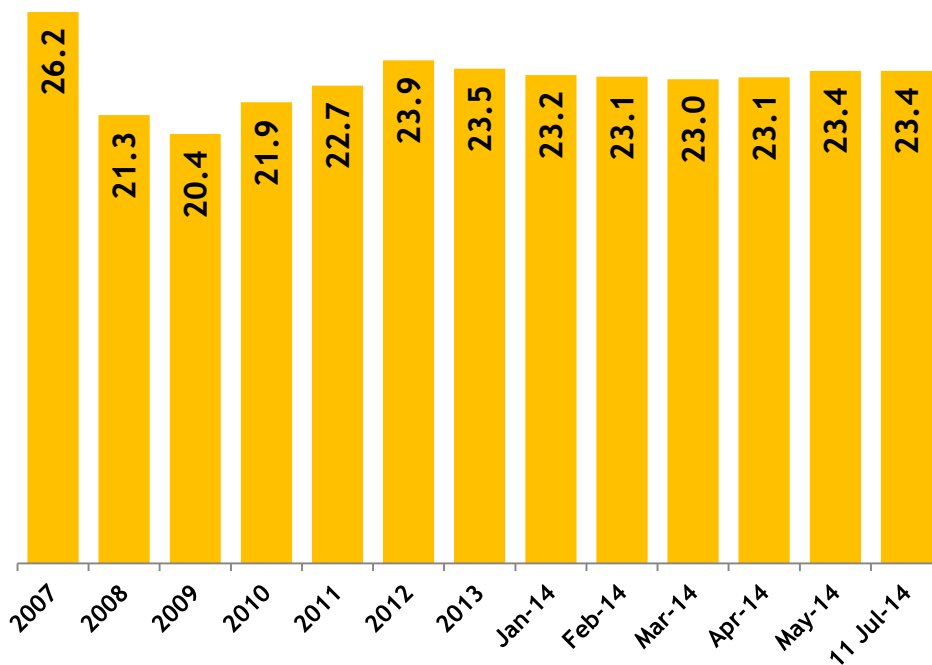


From 2006 to 2009, the statistics were based on Brokers' submission. From 2010 onwards statistics were based on Bursa's internal system.

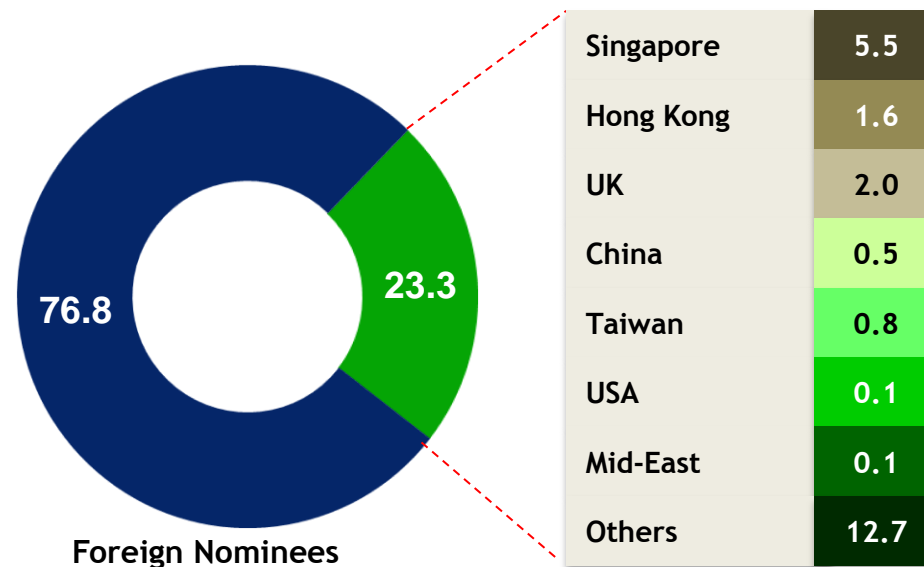
Securities Market Foreign Ownership

Based on Market Capitalisation
(as at month end)

(%)

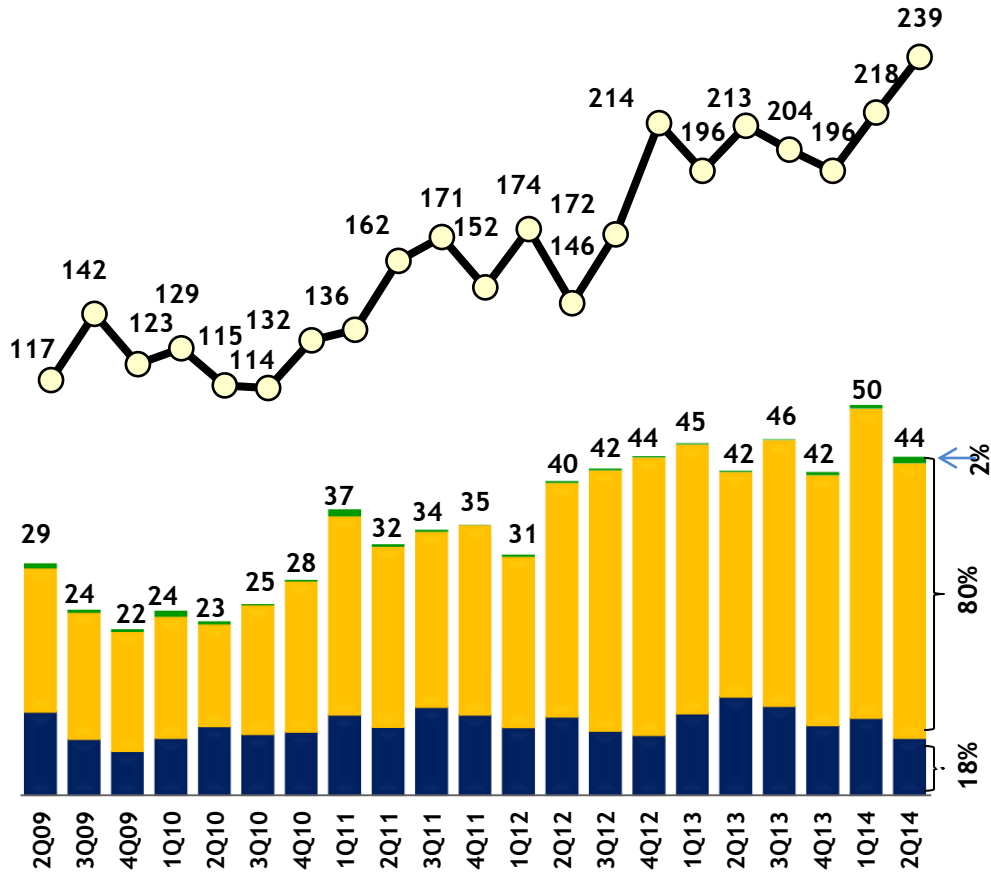


Foreign Ownership by Nationality (%)

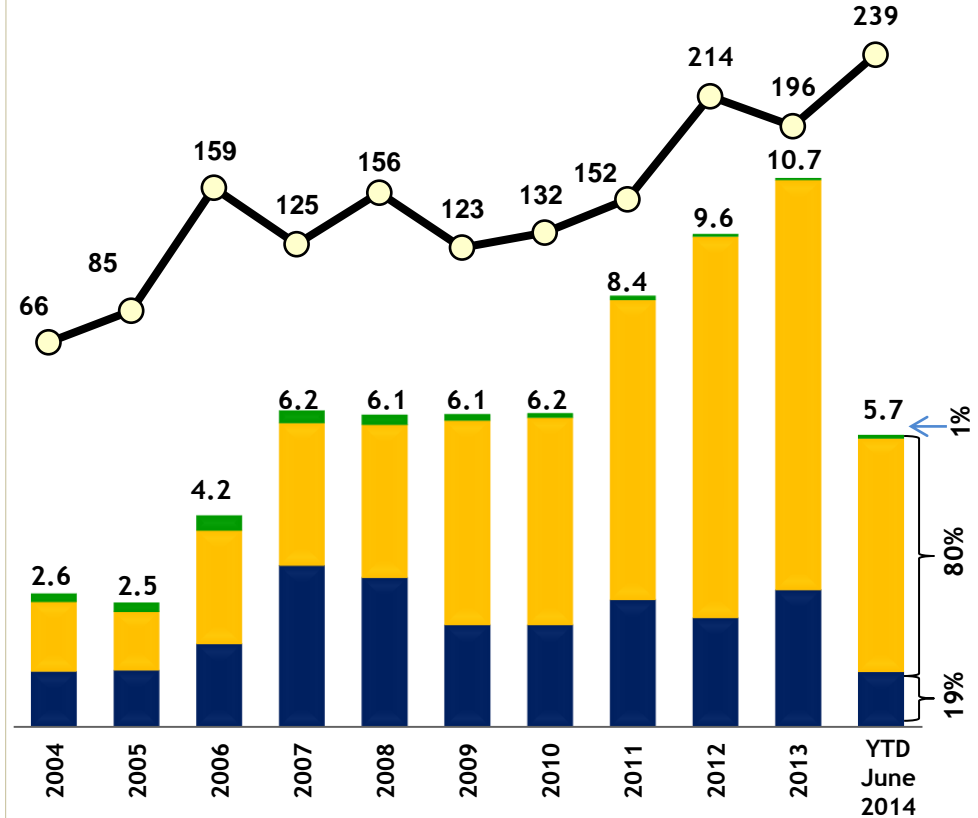


Derivatives Market Activity

Quarterly (Average Daily Contracts '000)



Total Annual Contract (Mil)



○— Open Interest ('000)

■ Others

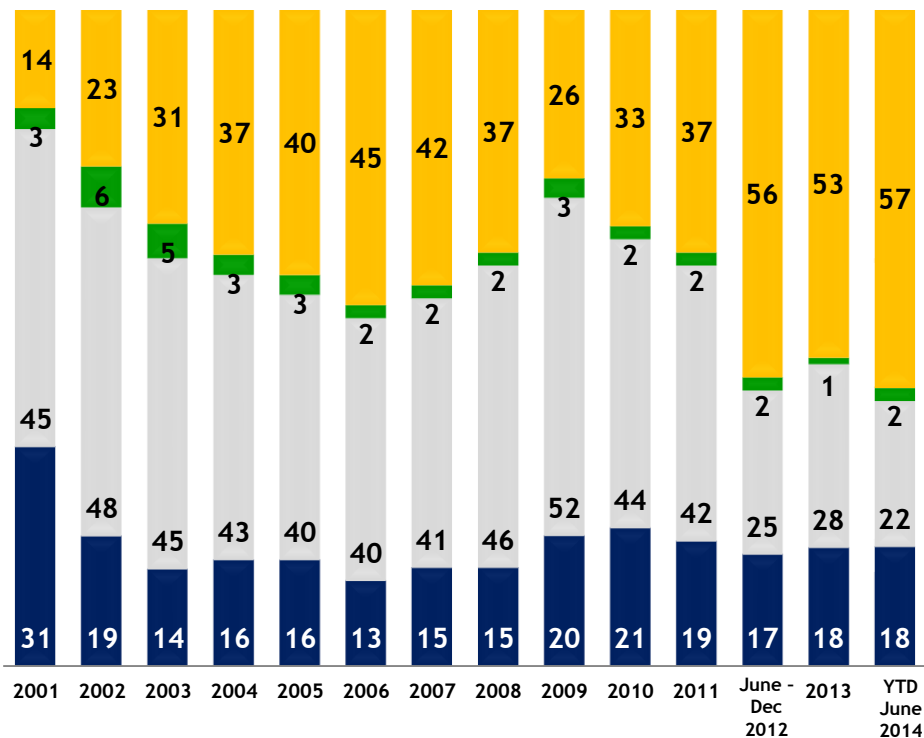
■ Crude Palm Oil Futures

■ FMBKLCI Futures

Derivatives Market Demography

FKLI

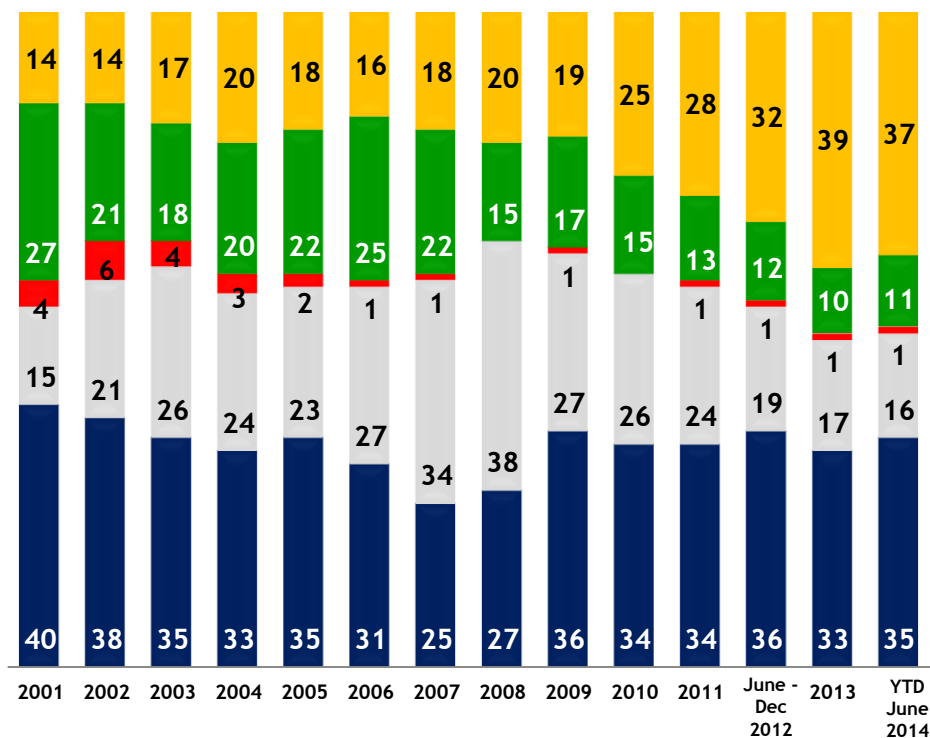
(%)



■ Foreign Institutions ■ Domestic Retail
■ Domestic Institutions ■ Local

FCPO

(%)

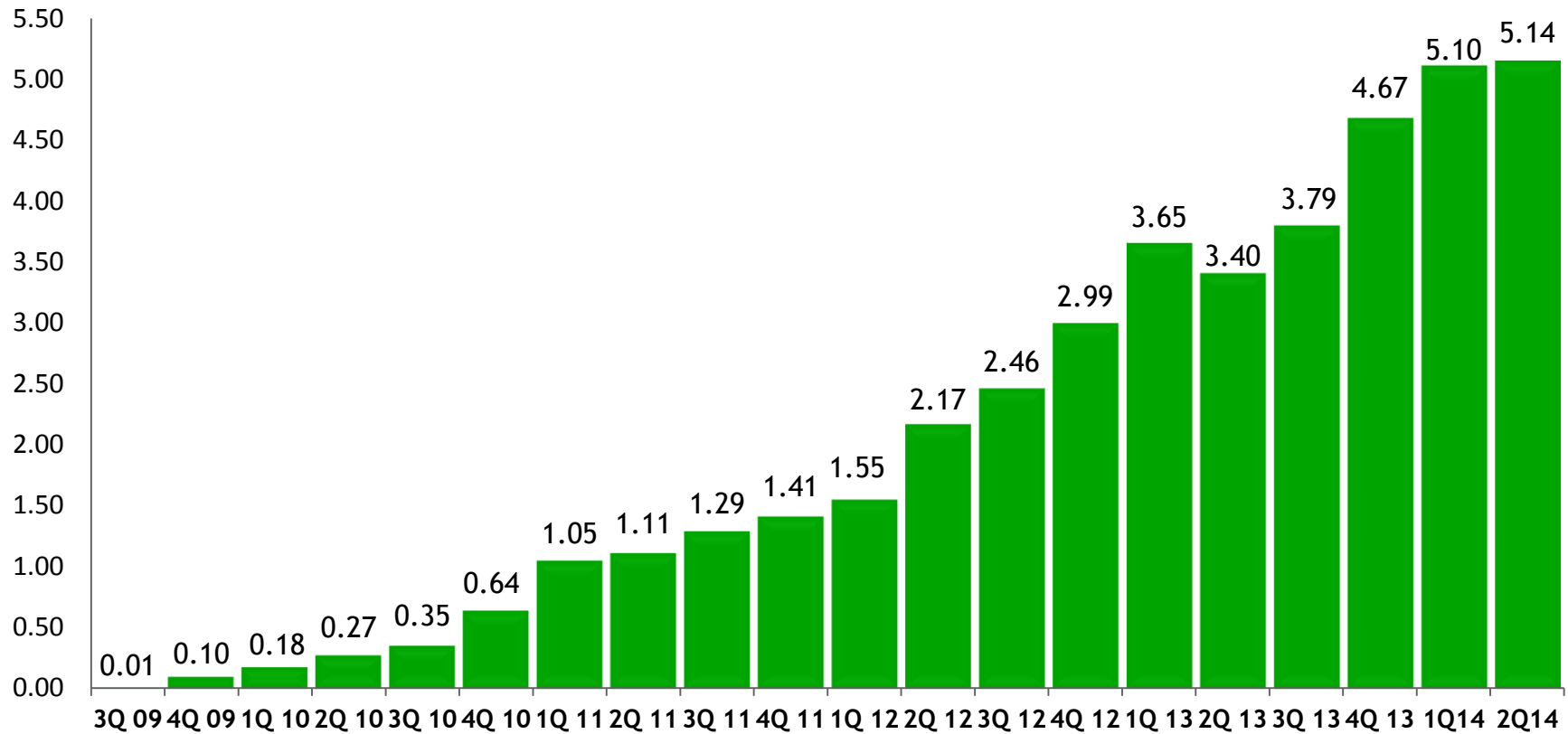


■ Foreign Institutions ■ Foreign Retail ■ Local
■ Domestic Institutions ■ Domestic Retail

Islamic Market Trading Activity

RM bil

BSAS Average Daily Value



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