



## 3Q 2012 Financial Performance

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19 October 2012

# Highlights & Market Performance

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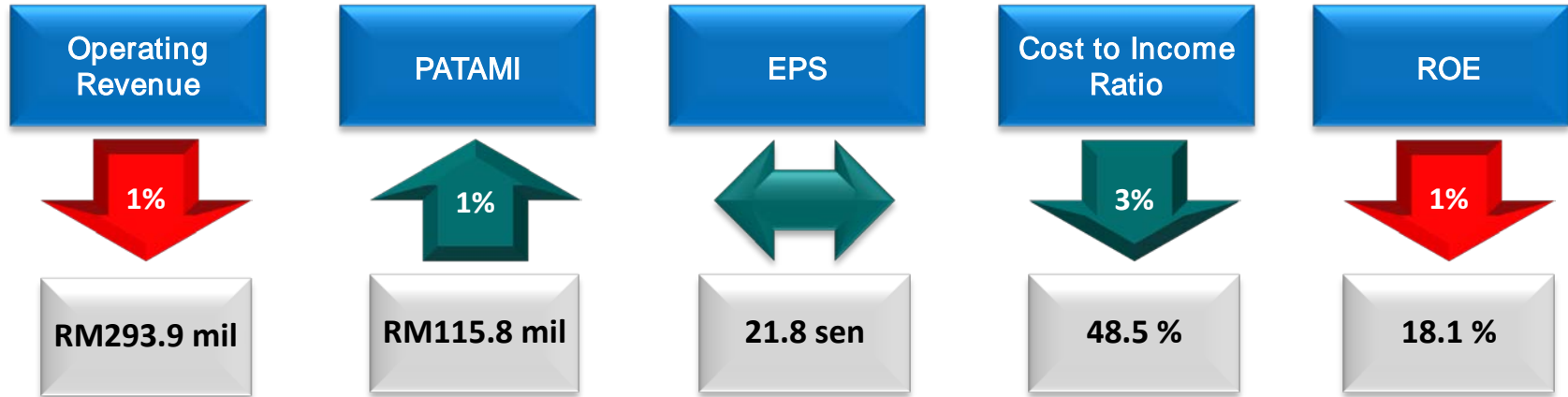
We remain accessible



# Financial Highlights

Sustaining momentum through growth in stable revenue, derivatives and Islamic markets

## Y-o-Y comparison

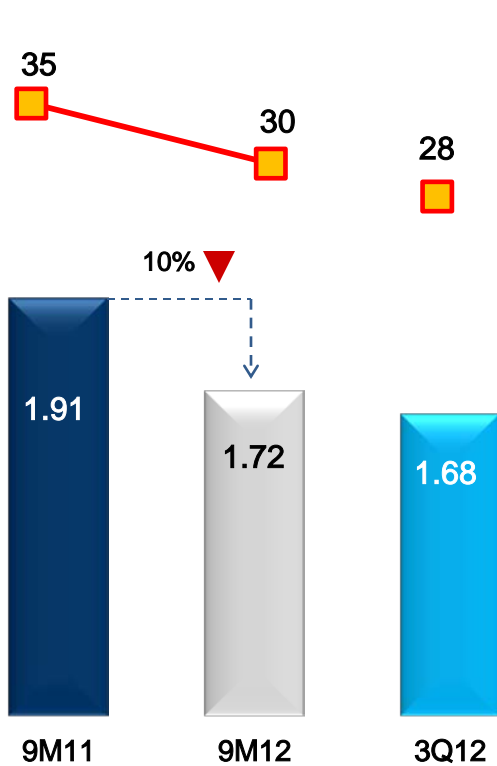


- 9M12 Operating Revenue decreased by 1% Y-o-Y due to the decrease of securities trading revenue impacted by the weak global economy.
- Improvement of 9M12 PATAMI and Cost to Income Ratio due to increase in stable revenue and lower expenses.

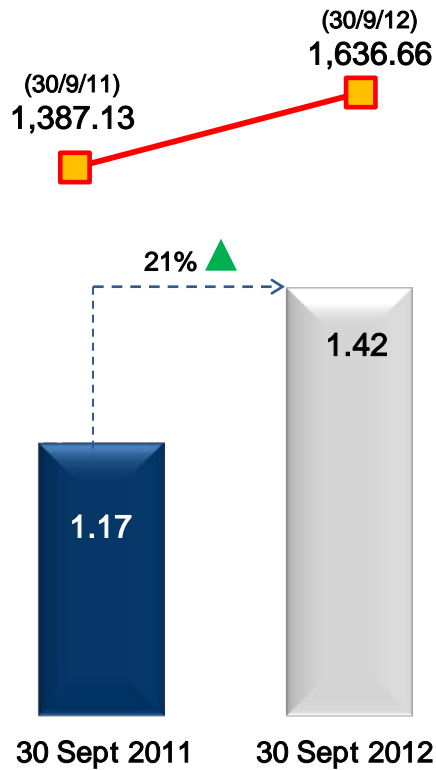
# Securities Market Overview

FBMKLCI hits a new high of 1,663 on 9 October 2012

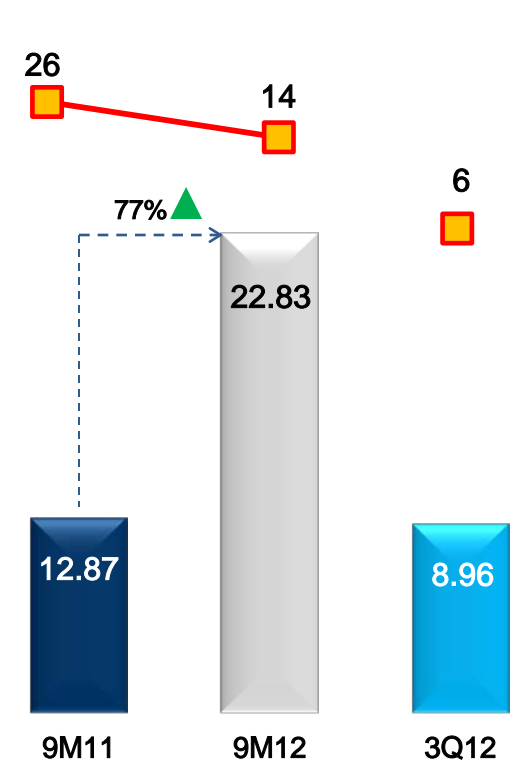
Average Daily Value (RM billion)



Market Capitalisation (RM trillion)



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



Velocity (%)

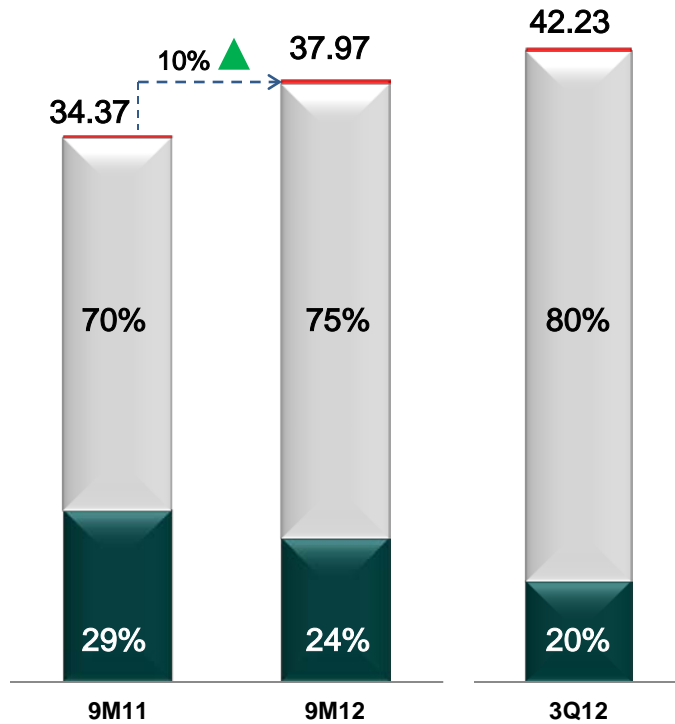
FBMKLCI

No. of New Listing

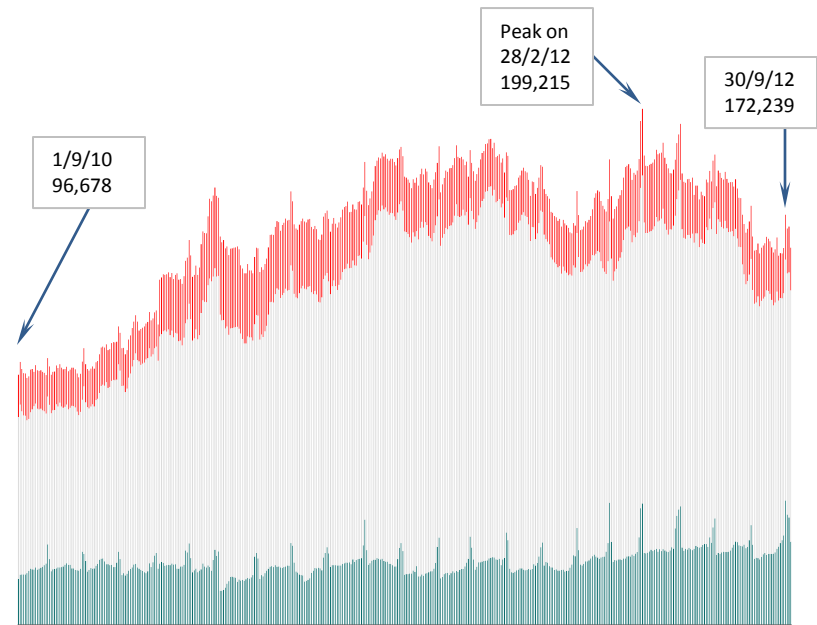
# Derivatives Market Overview

Volatility drives interest in FCPO to the new height

Average Daily Contracts (000')



Open Interest since Migration to Globex®



Others



Crude Palm Oil Futures

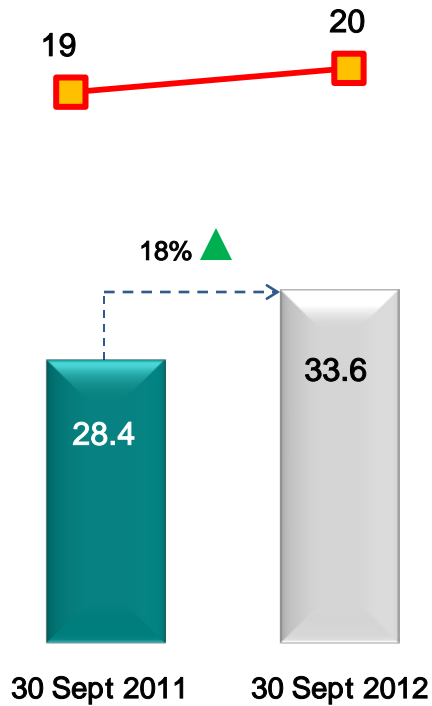


FMBKLCI Futures

# Islamic Market Overview

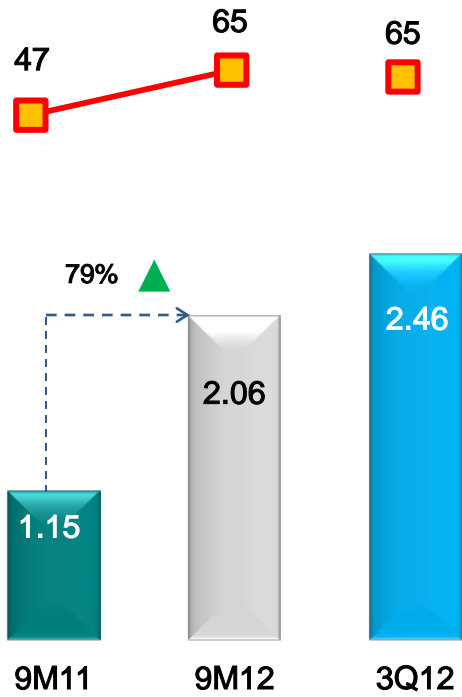
Bursa Suq Al-Sila' gaining momentum & growth is on track

Sukuk Listing (USD\$ bil)



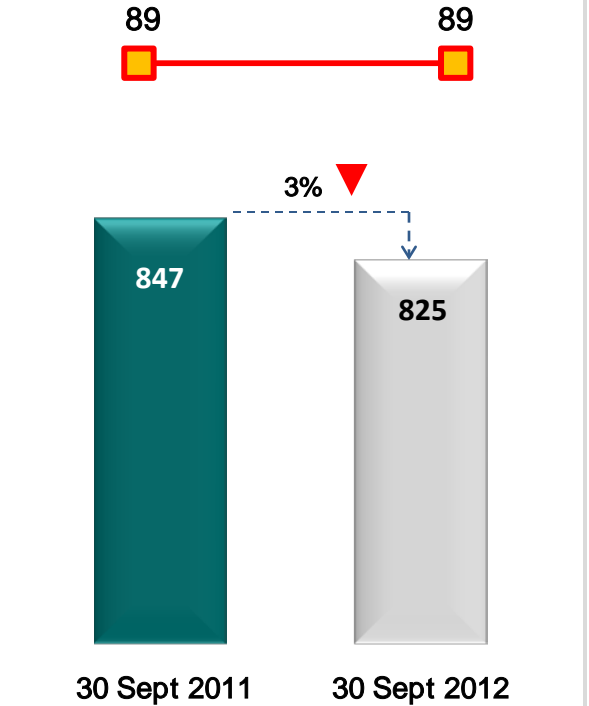
 No. of Sukuk

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



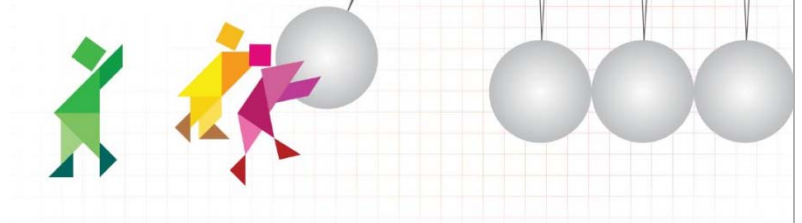
 No. of Trading Participants

Number of Shari'ah Compliant Stocks



 % of Shari'ah compliant Stocks

We are a progressive Exchange

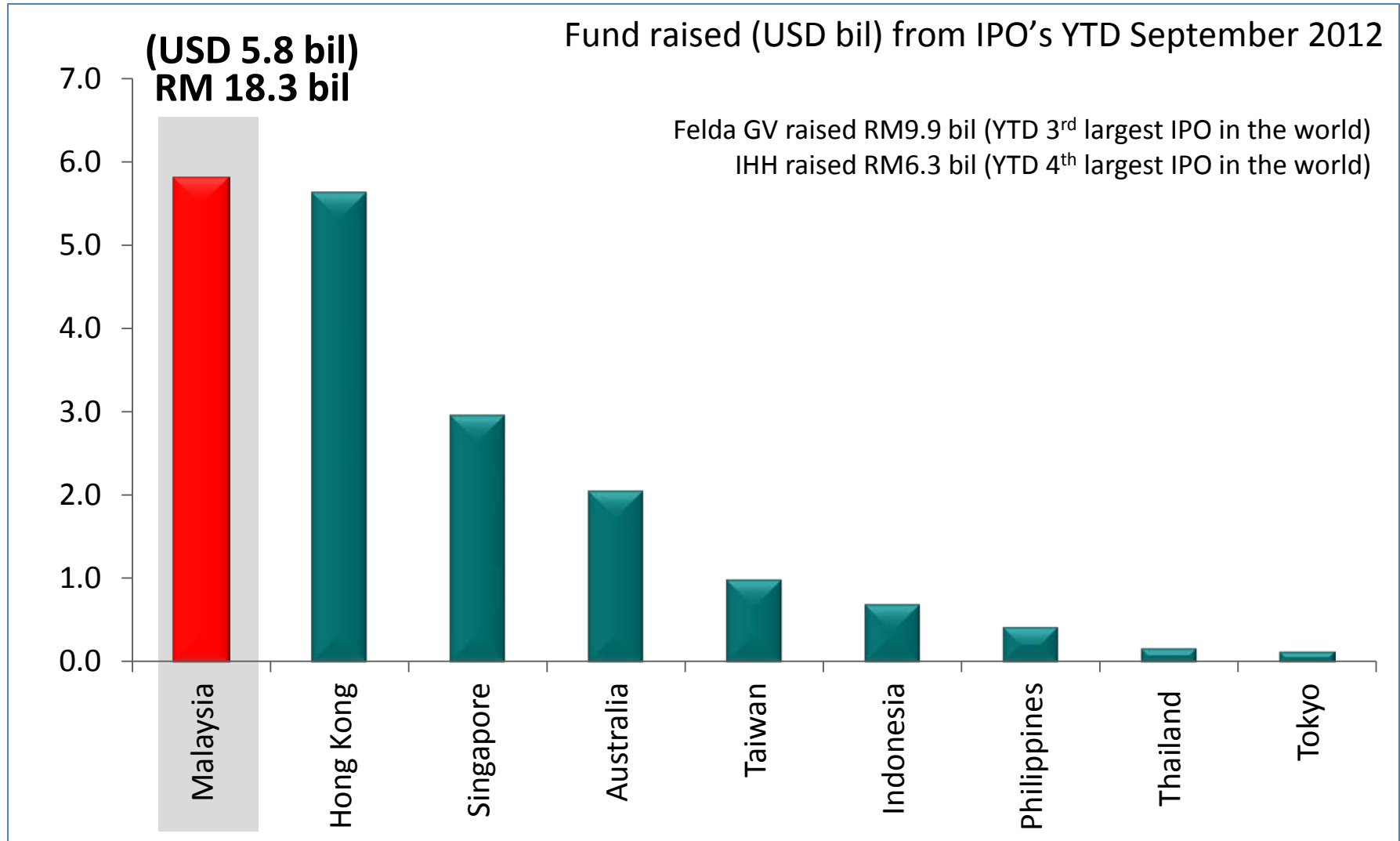


## DEVELOPMENT & STRATEGY

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# Remaining Attractive

## Strong IPO activities with large listings



Source: WFE



# ASEAN Trading Link Went Live

Connecting You to 3 ASEAN Exchanges for a Start

ASEAN  
Trading Link



**Malaysia, Singapore & Thailand**  
are linked now



**USD1.4** trillion market capitalisation,  
70% of Asean market cap



**2,254** listed companies

### CG Rating – By Asia Corporate Governance Association

- ▶ Malaysia has significantly improved its ranking from 6th to 4th place out of 11 countries in Asia.
- ▶ Bursa Malaysia as a listed company is included in the list of "Top 50 CG ranking of mid/small caps in Asia Pacific (< US 10b market cap)
- ▶ Comments from the report on Malaysia includes:
  - Significant progress on our PLCs' CG Culture – companies taking more interest in improving CG practices;
  - Has consistently increased in CG scores;
  - Have well-established eco-systems supporting director training and board development - far more advanced and/or independent than China, Japan, Korea or Taiwan;
  - Improvements in CG rules over the past two years;
  - Both financial and non-financial reporting standards have improved. Non-financial reporting standards got a boost because of various Bursa initiatives i.e. Business Sustainability Programme for Malaysian corporate and Corporate Disclosure Guide;
  - Increase in enforcement actions against brokers, listed companies and their directors;

# Our Strategic Intents

Aligning Q3 initiatives with our strategy

## BUILDING A COMPETITIVE MARKETPLACE

### FOUR STRATEGIC INTENTS

SI 1

Create a More Facilitative  
TRADING ENVIRONMENT

- ▶ New Bursa Malaysia Website
- ▶ Central Matching System Enhancement for Straight Through Processing
- ▶ BTS New Trading Features
- ▶ eCash payment framework
- ▶ Bursa Malaysia Derivatives won two awards:
  - Best Technology Innovation by an Asian Exchange
  - Runner up for the Asian Derivatives Exchange of the Year

SI 2

Facilitate More  
TRADABLE ALTERNATIVES

- ▶ Options on CPO Futures (OCPO)

# Our Strategic Intents

Aligning Q3 initiatives with our strategy

## BUILDING A COMPETITIVE MARKETPLACE

### FOUR STRATEGIC INTENTS

SI 3

Reshape  
MARKET STRUCTURE &  
FRAMEWORK

- ▶ Dual Licensing Fast Track Programme
  - Eligibility requirement further ease with minimum years experience reduced from 10 to 5 years

SI 4

REGIONAL MARKETPLACE  
with Global Access  
(Centre of ASEAN)

- ▶ ASEAN Link

# Plans To Grow Our Business

Ongoing initiatives to build a competitive market place

Facilitate More  
**TRADABLE ALTERNATIVES**

Reshape  
**MARKET STRUCTURE &  
FRAMEWORK**



ETFs

Exchange  
Traded Bonds /  
Sukuk

New  
Surveillance  
System

# Financial Review

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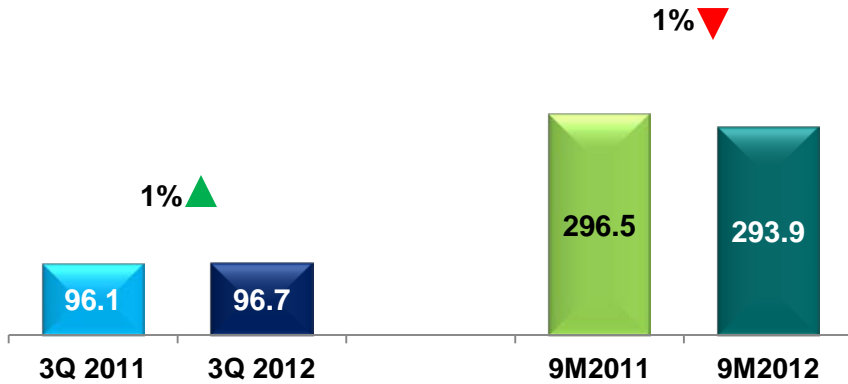
We believe in being responsible



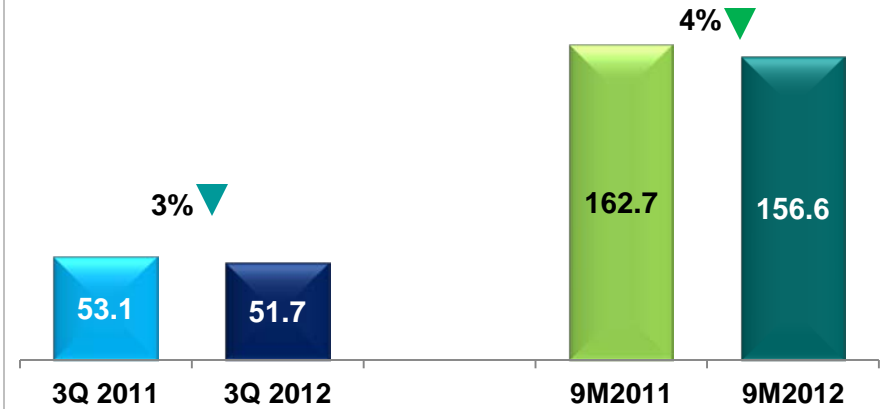
# Financial Snapshot

Remained resilient

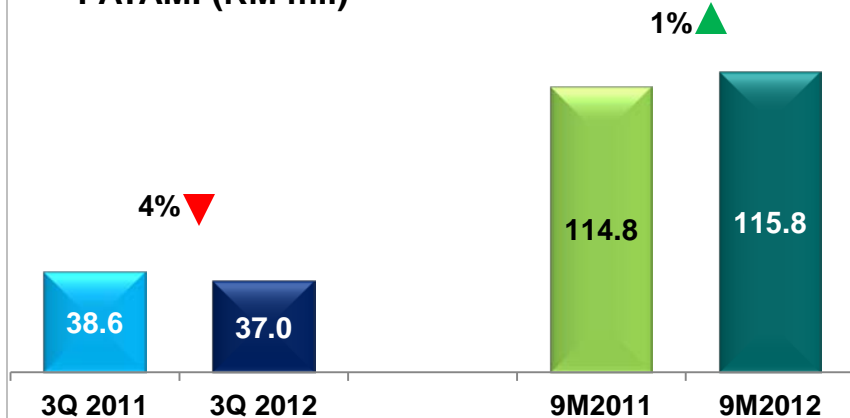
Operating revenue (RM mil)



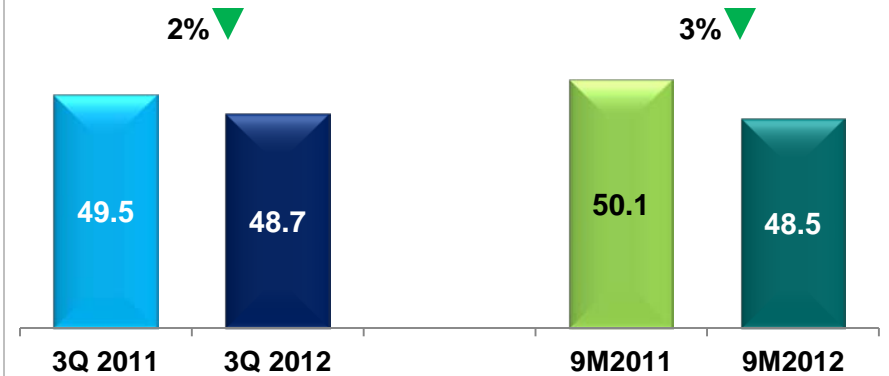
Operating expenses (RM mil)



PATAMI (RM mil)



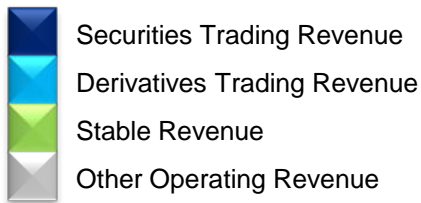
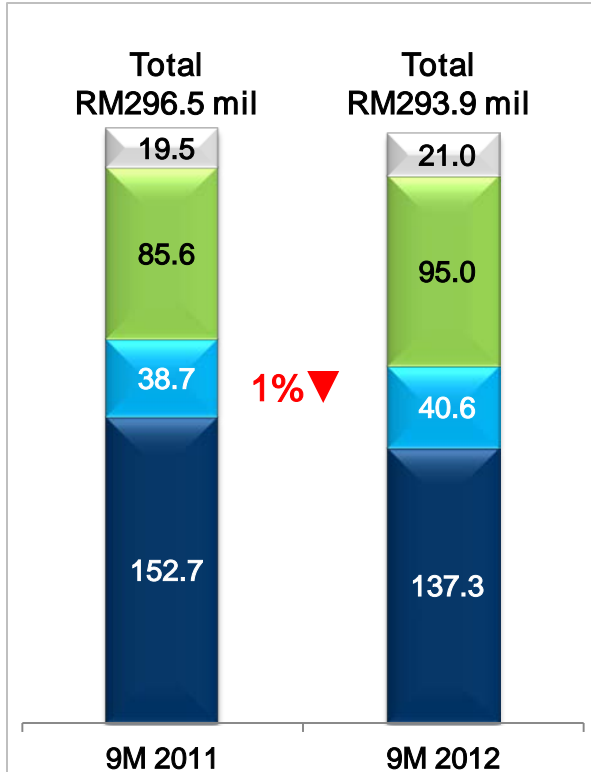
Cost-to-income ratio (%)



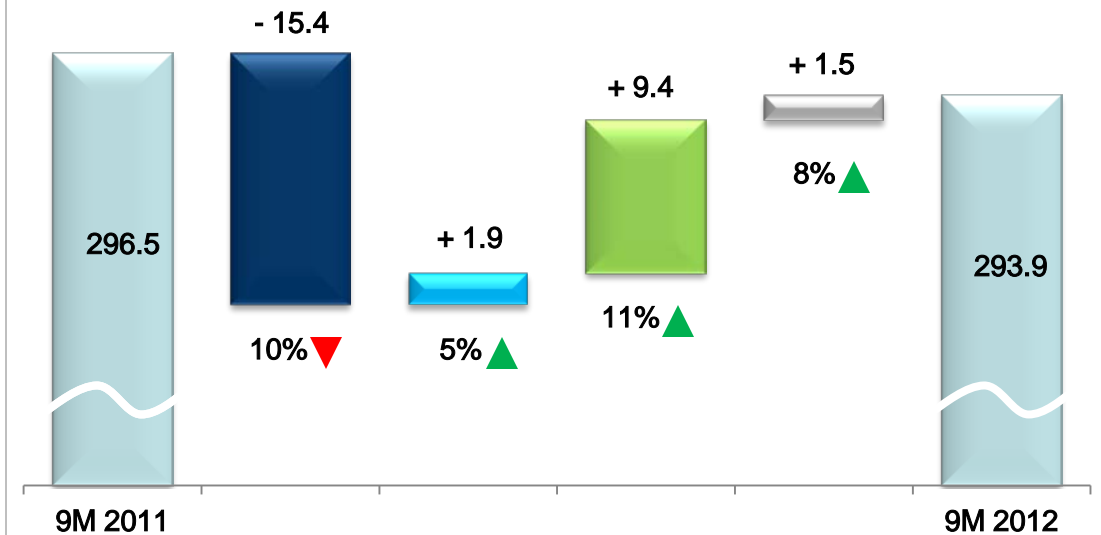
# Operating Revenue

Growth in other revenues offset impact of decline in securities trading revenue

(RM mil)



## Growth contribution by revenue streams:



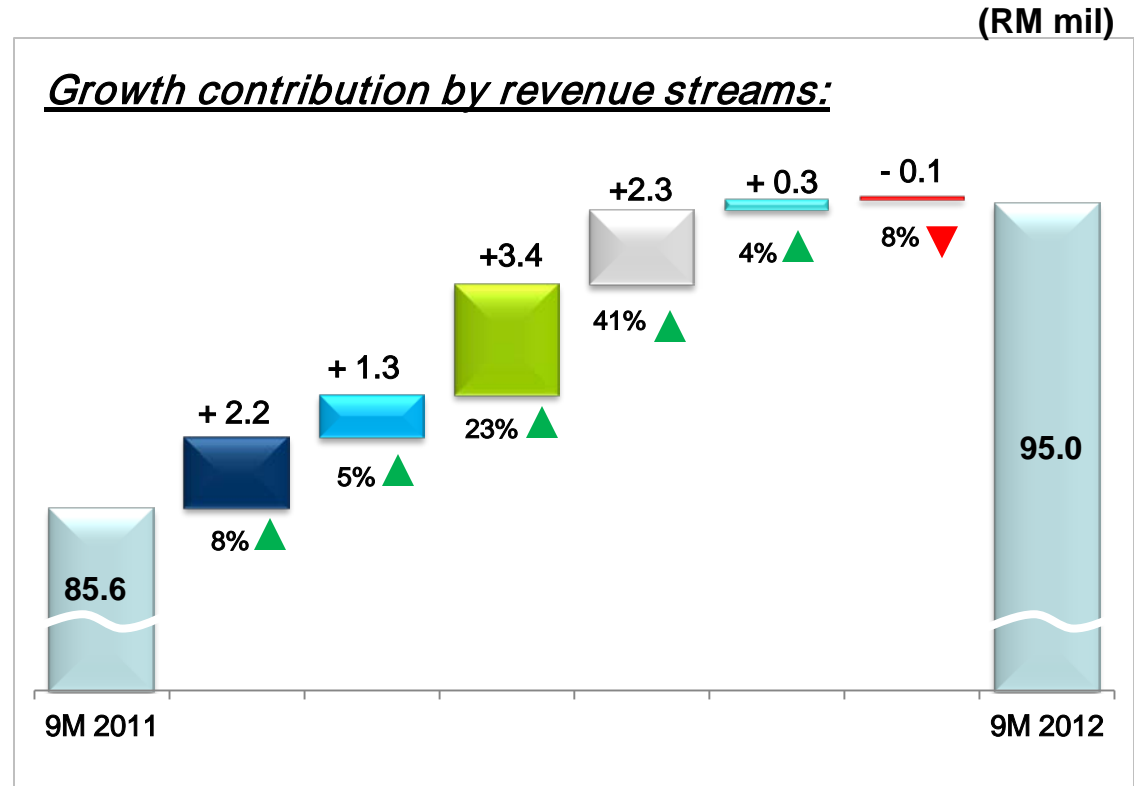
## Commentaries

- Drop in securities trading revenue caused by lower ADV of RM1.72 bil compared to RM1.91 bil in 9M11.
- Increase in derivatives trading revenue attributed to a higher contracts traded of 6.95 mil from 6.32 mil in 9M11.
- Increase in stable revenue due to higher listing fees, depository services fee, information sales and access fees.



# Stable Revenue

## Recorded healthy growth



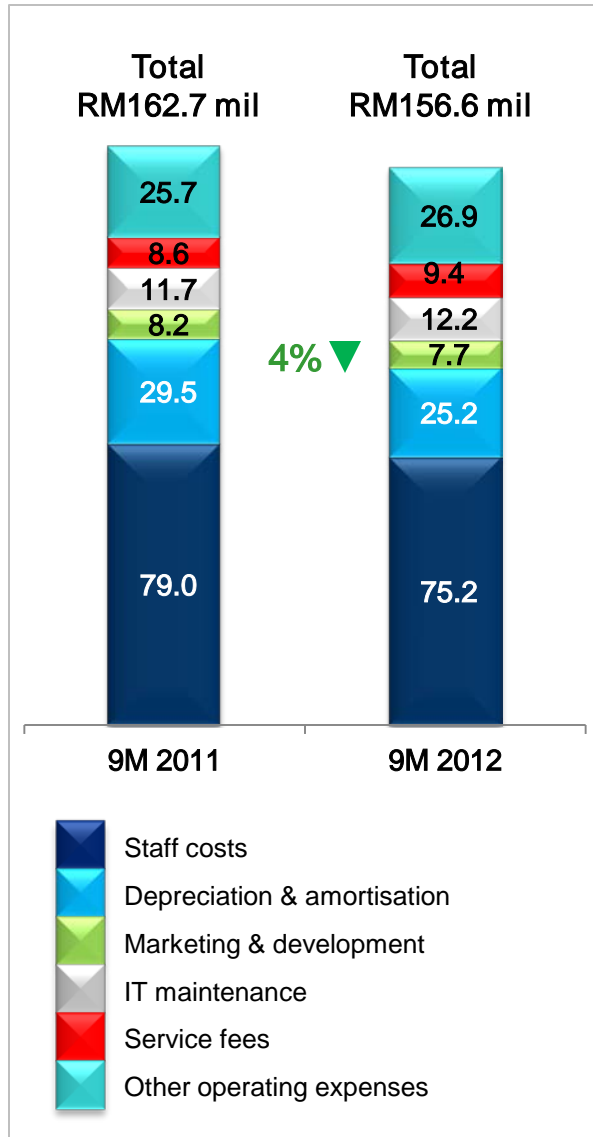
### Commentaries

- Listing fees increased due to higher number of structured warrants.
- Depository services fee increase due to larger IPOs.
- 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 access subscribers.

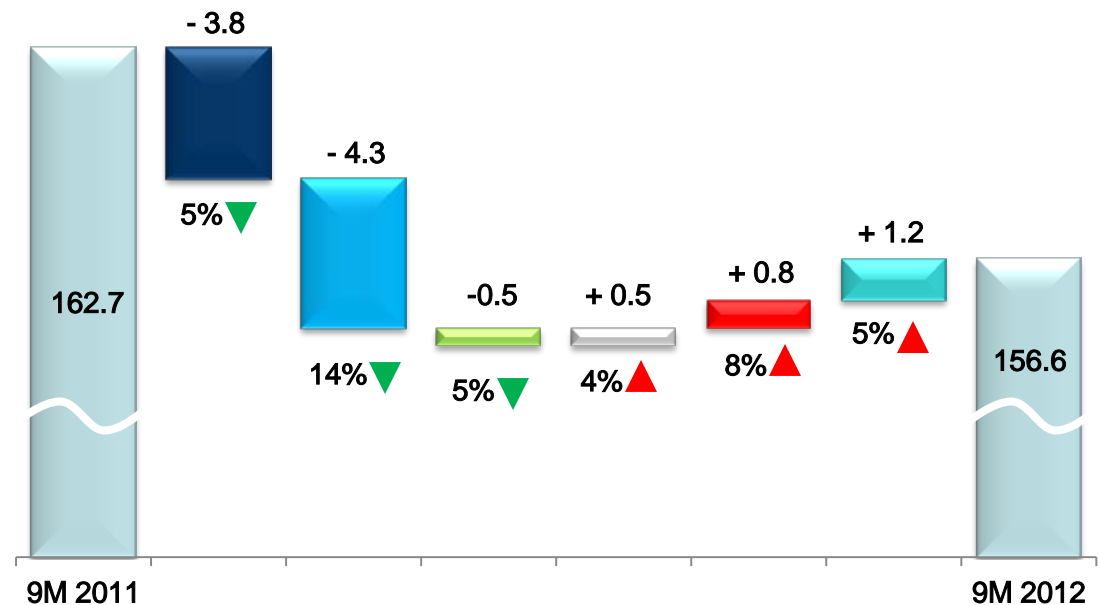
# Operating Expenses

Managed, in light of economic environment

(RM mil)



## Movement of expenses:



## Commentaries

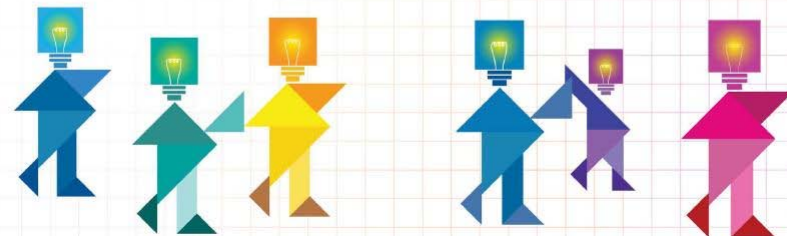
- Reduction in staff costs due to movement in headcount.
- Lower depreciation and amortisation as certain IT assets were fully depreciated.
- Increase in service fees as a result of increase in derivatives trade volumes in 9M12 compared to 9M11.
- Increase in other operating expenses due to higher professional fees.

# Prospects & Targets

Prospects & Targets

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We continue to innovate



# Prospects and Targets

## Securities Market

- ▶ Despite the increasing challenging external environment, we expect the country's economic prospects and business fundamentals to remain satisfactory, supported by the various Government stimulus measures and interest spurred by the listing of large IPOs.
- ▶ National Budget 2013 will continue to sustain our country's domestic demand and economic growth, and is supportive of the capital market growth. The announcement of incentives for ETBS will further stimulate trading and creating greater liquidity for these new products. New business trust structure will add to the diversity of product offerings.

## Derivatives Market

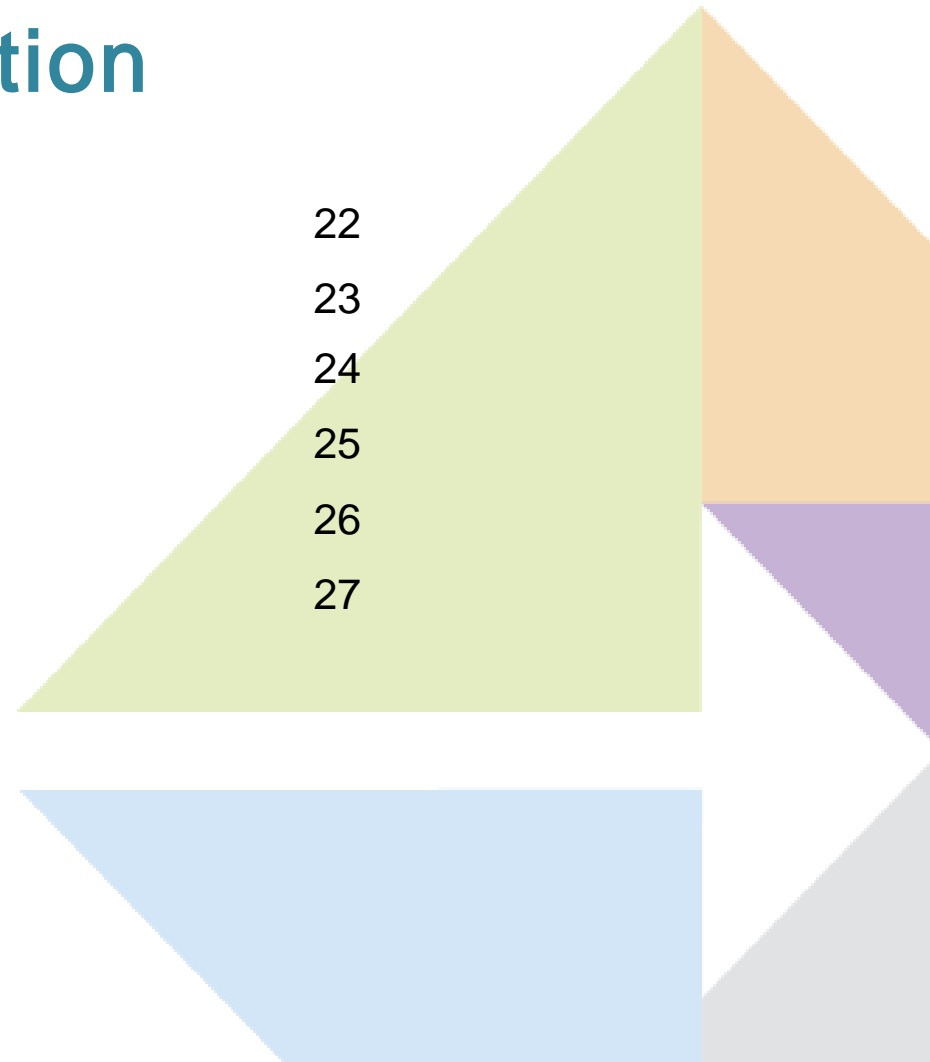
- ▶ Continue to widen our distribution channels and educate the domestic marketplace.
- ▶ Global outreach to expand visibility and accessibility of the Malaysian derivatives market in the international marketplace.
- ▶ Expected to continue to benefit from the volatility and uncertainty seen in global commodities and securities markets for the balance of the year.

## Targets

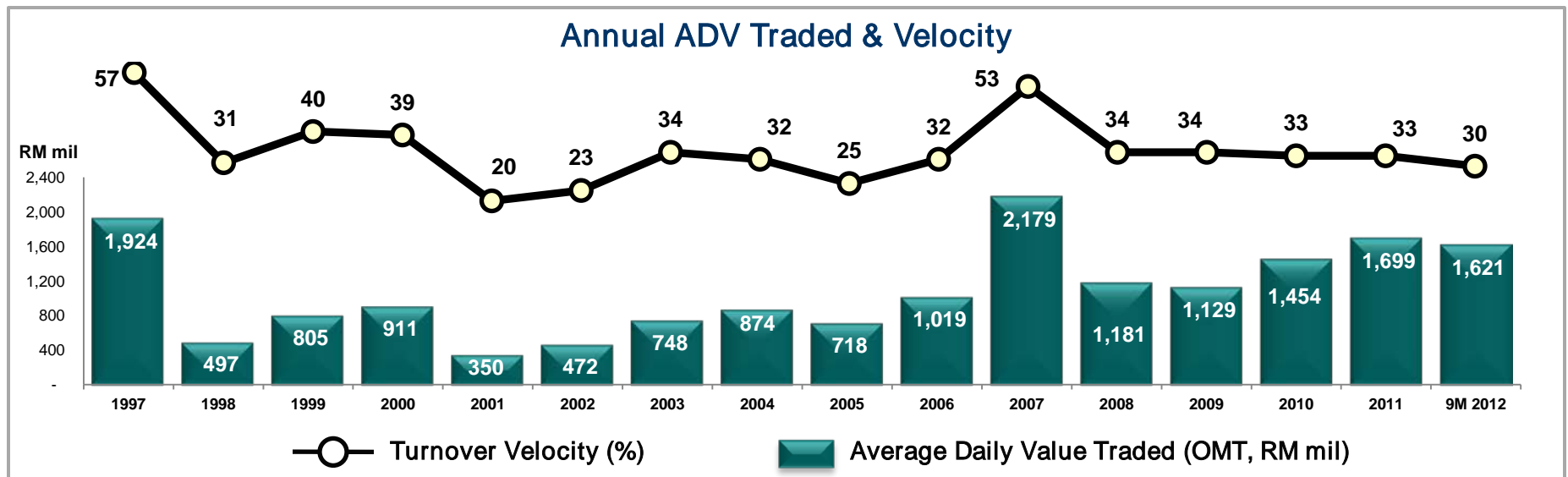
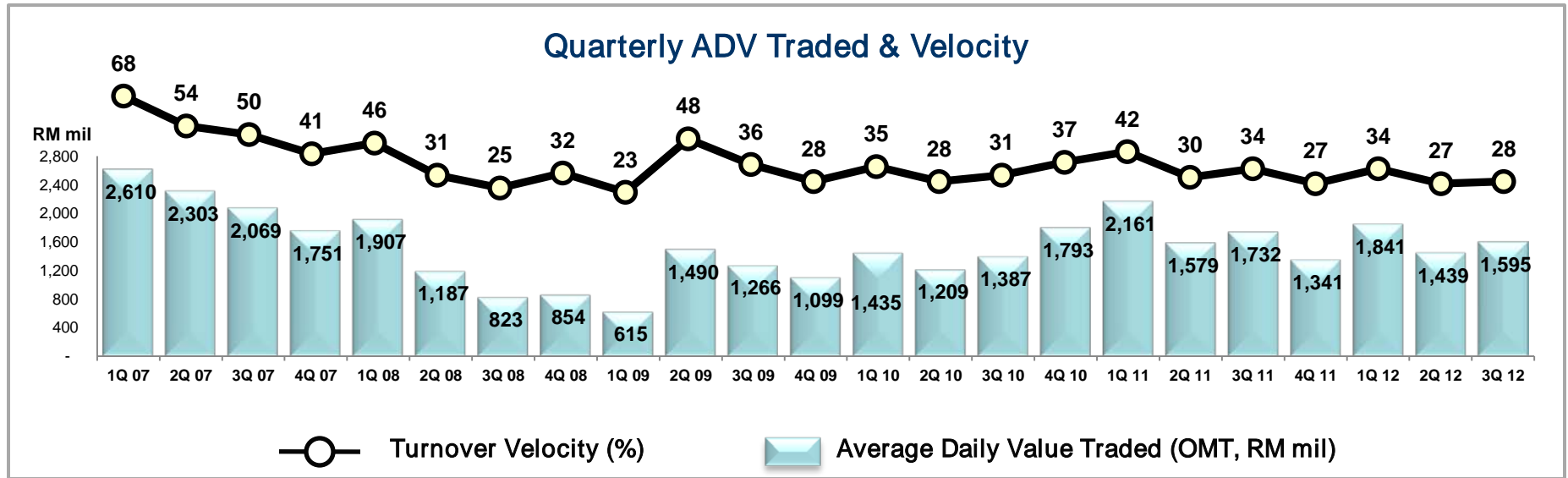
- ▶ The Board is cognisant of the impact of the global economic climate and anticipated that it will be a challenge to achieve all the mid-term targets of Bursa. Nevertheless, we will continue to build our competitiveness and address the needs of our capital market to achieve our long-term goals.

# Additional Information

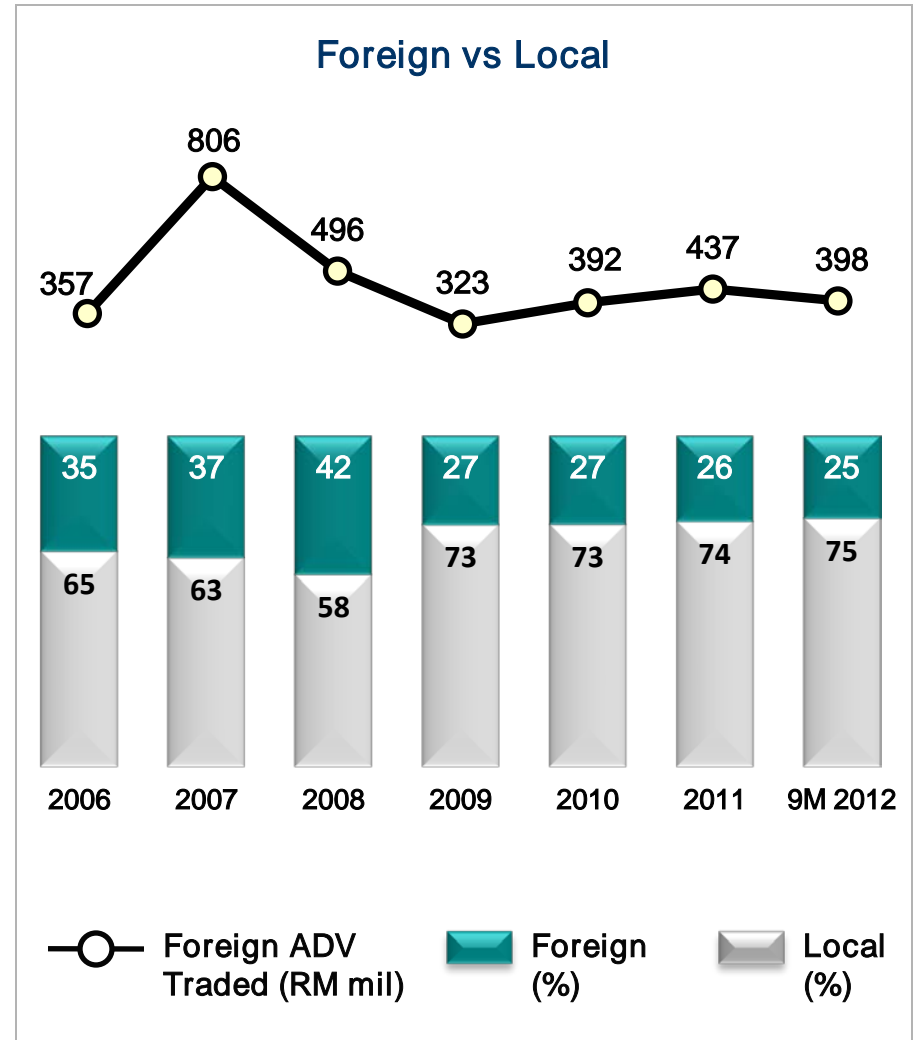
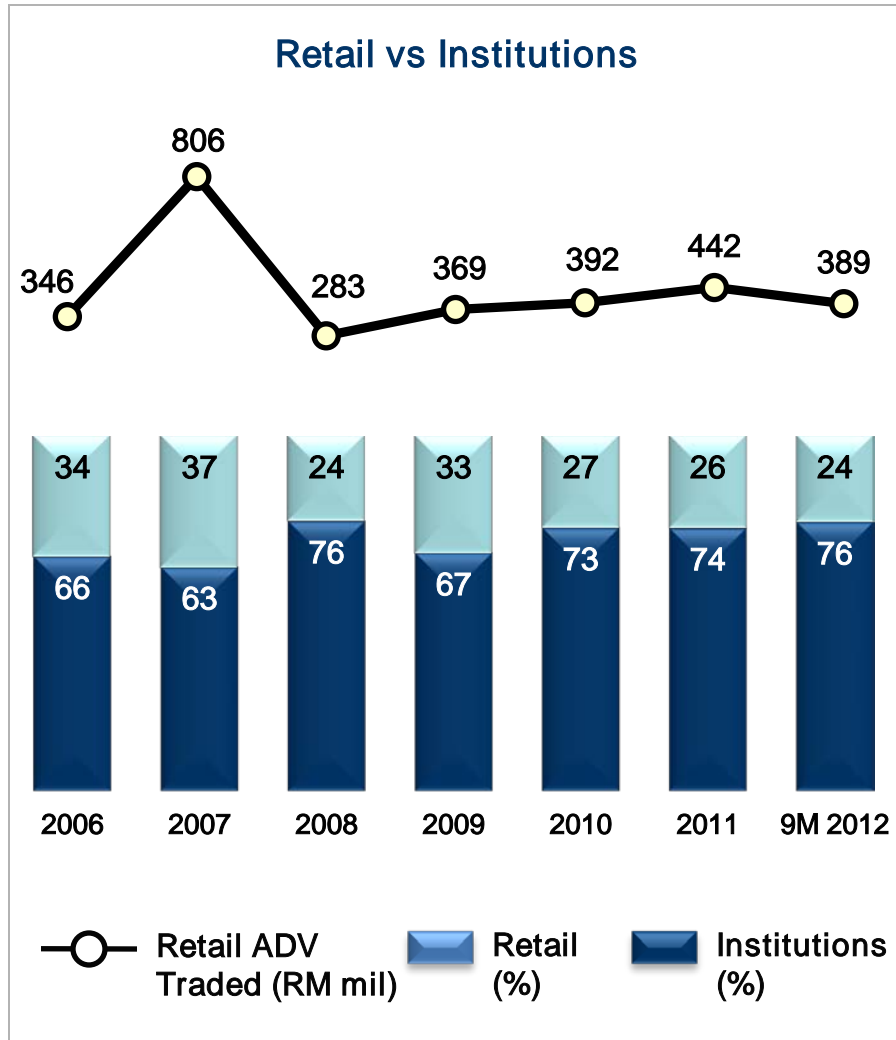
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# Securities Market Trading Activity

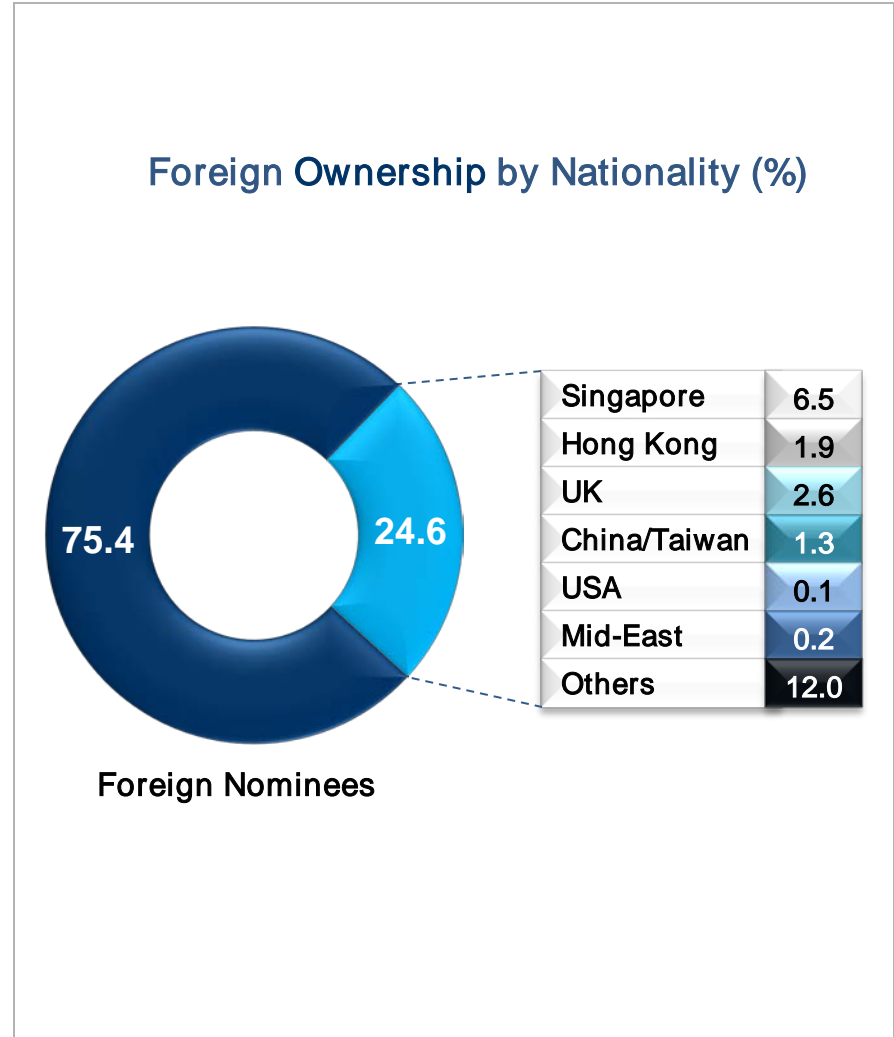
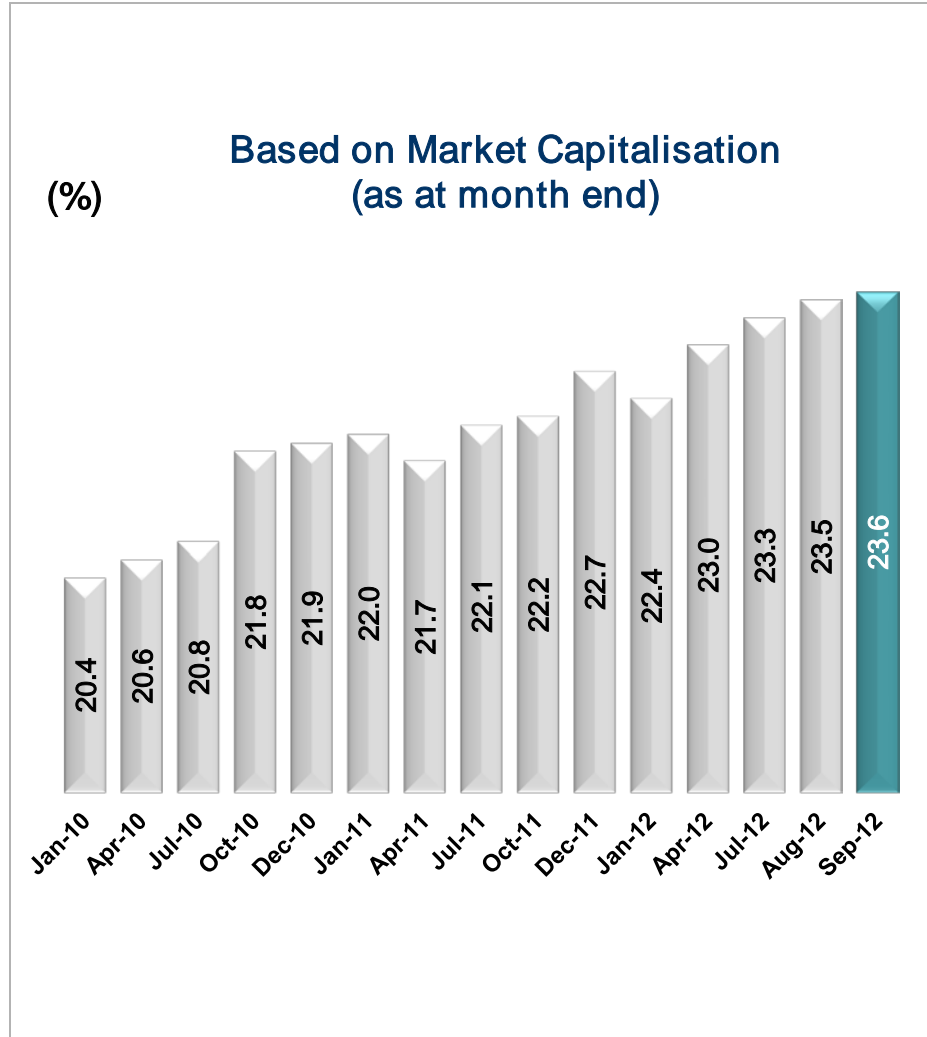


# Securities Market Trading Participation



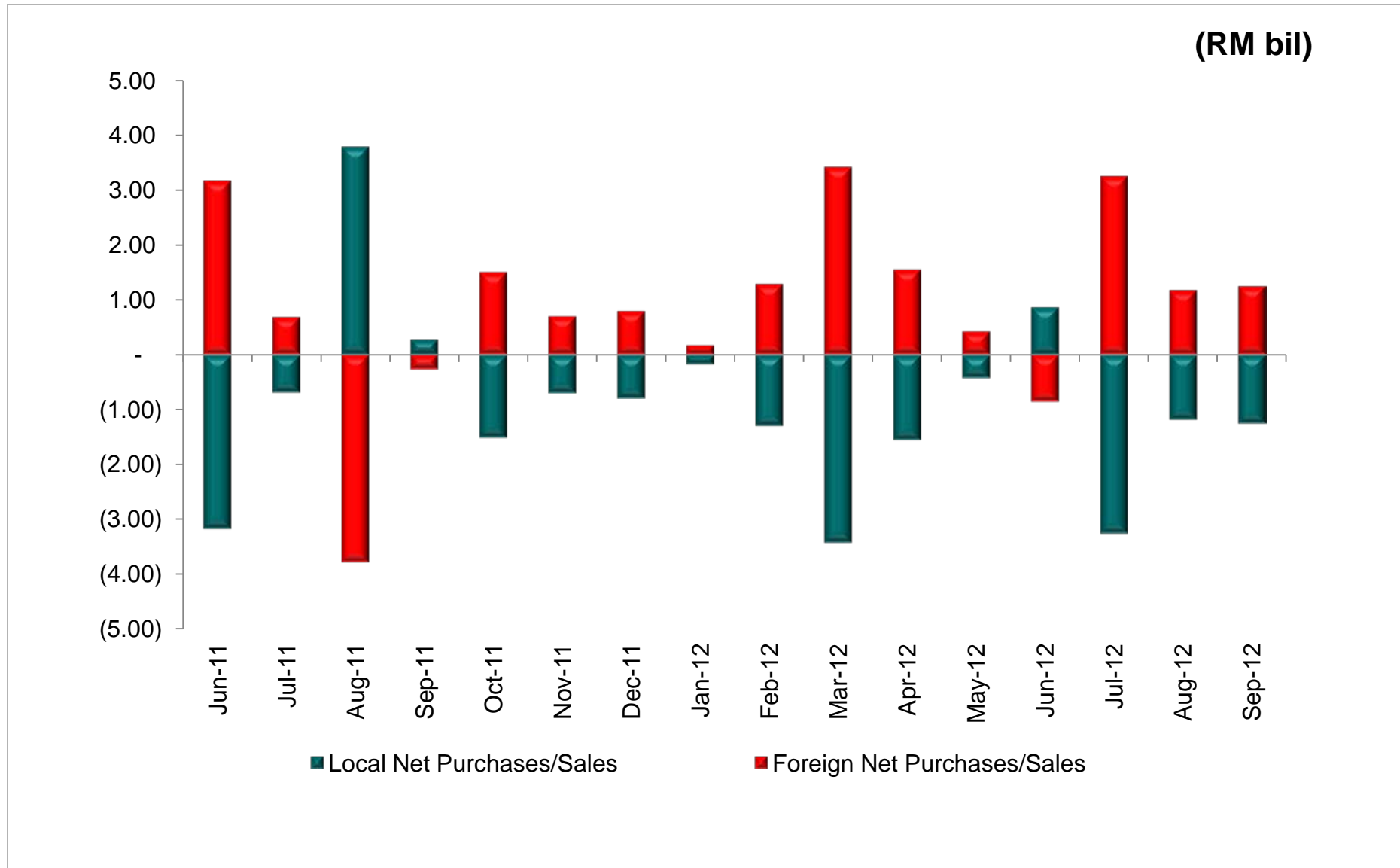
From 2006 to 2009, the statistics were based on Brokers' submission. From 2010 onwards statistics were based on Bursa's internal system.

# Securities Market Foreign Ownership

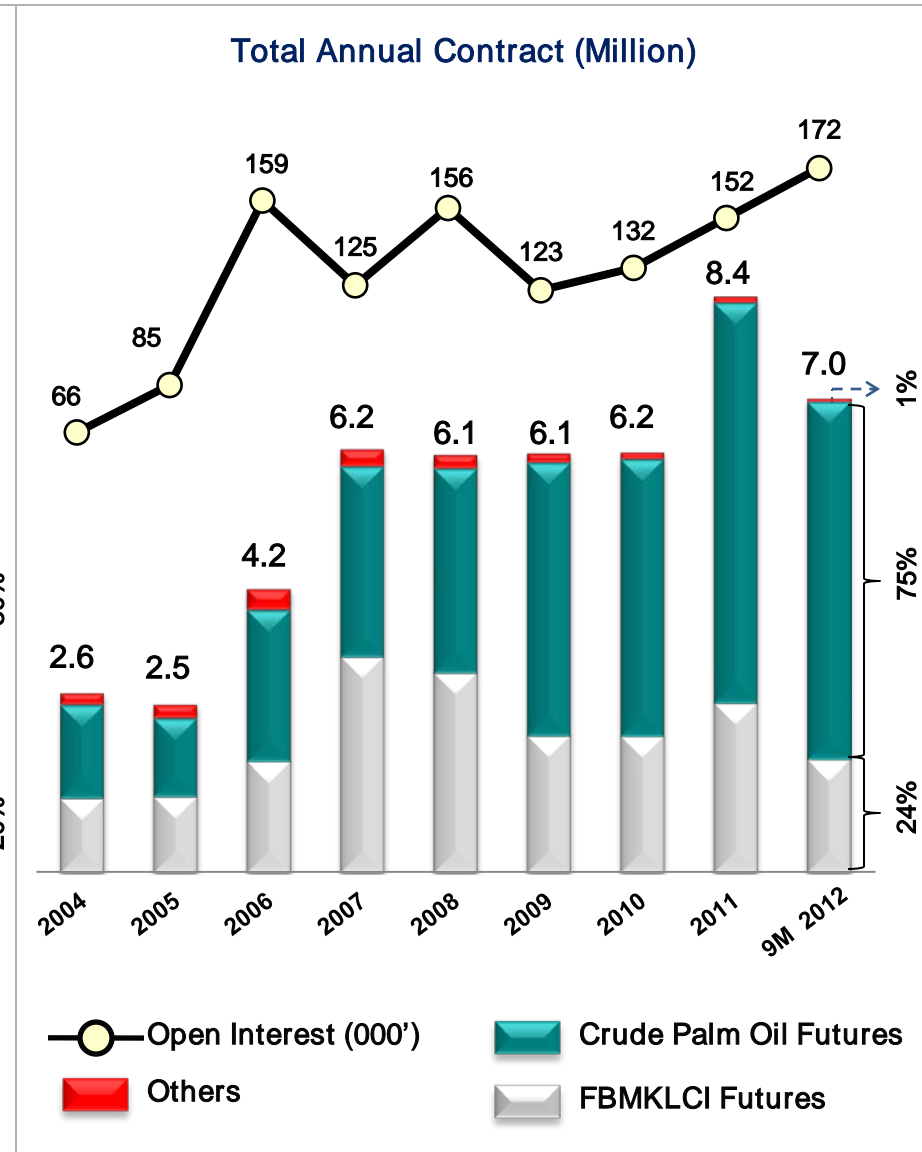
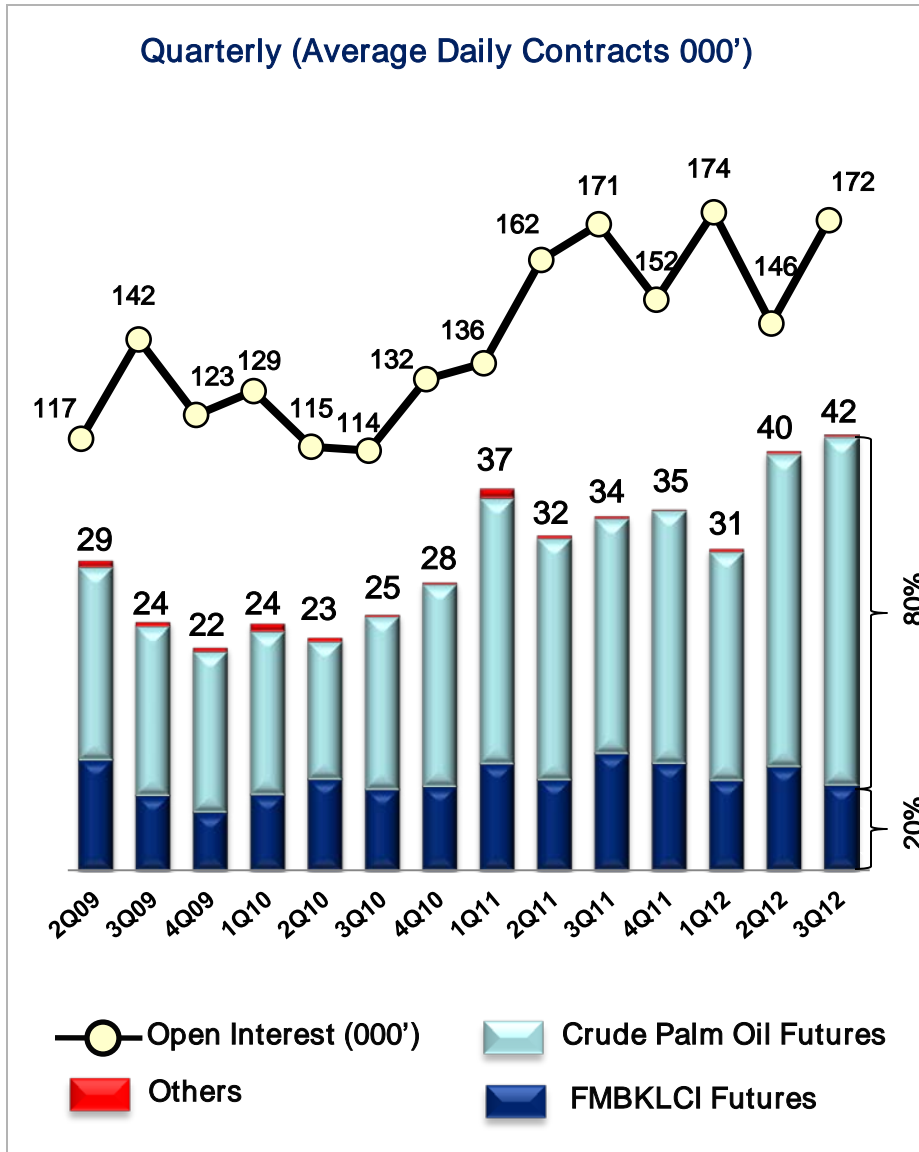




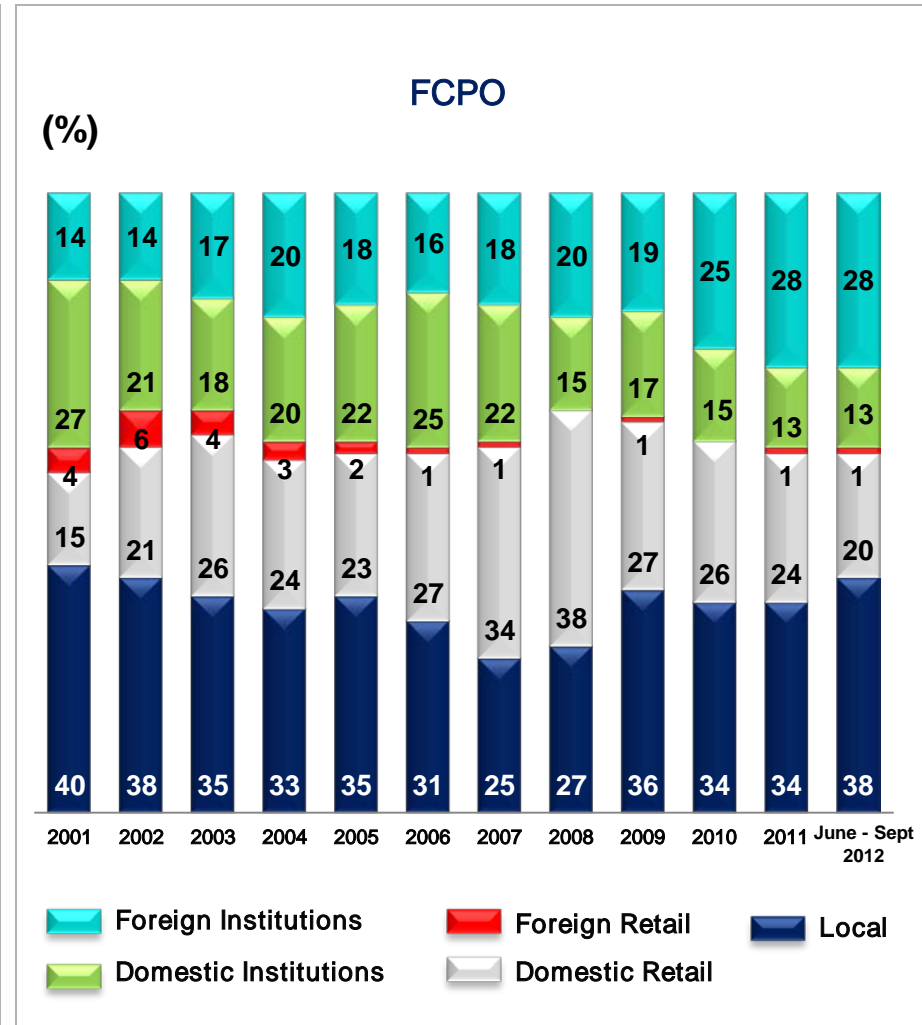
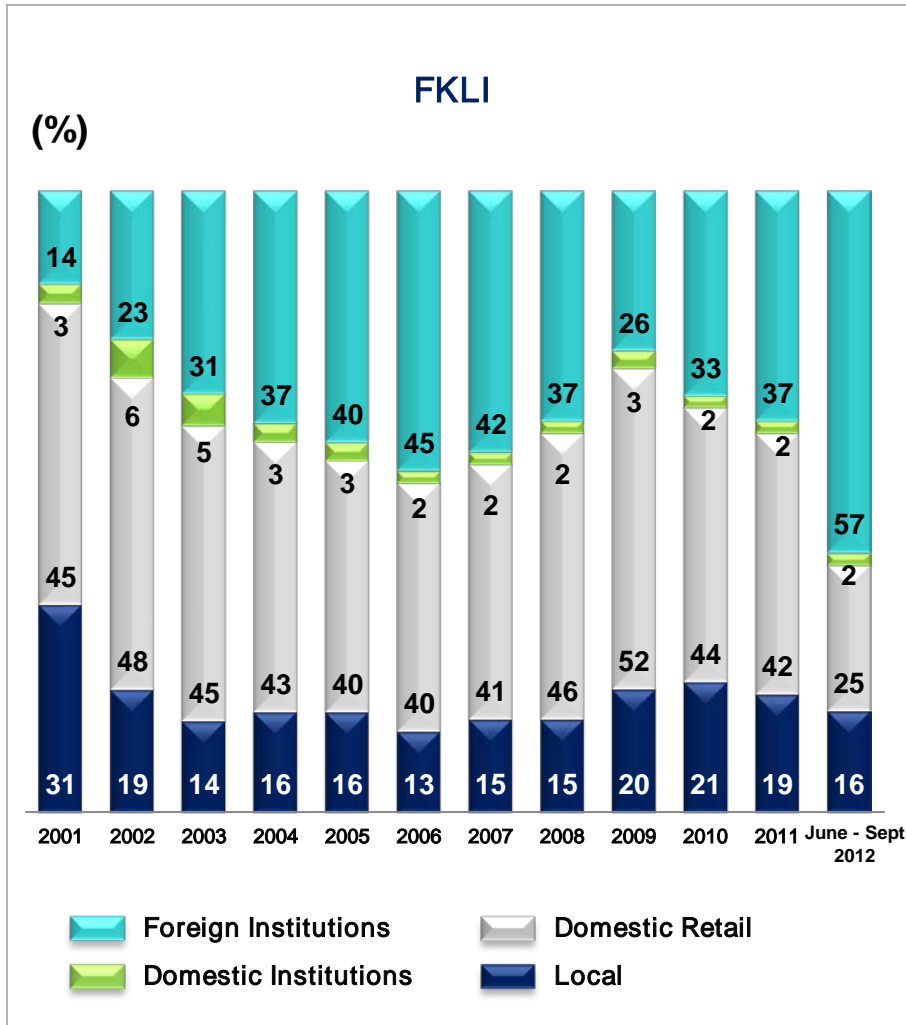
# Positive Foreign Inflows



# 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.

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