

FY2014 Financial Results

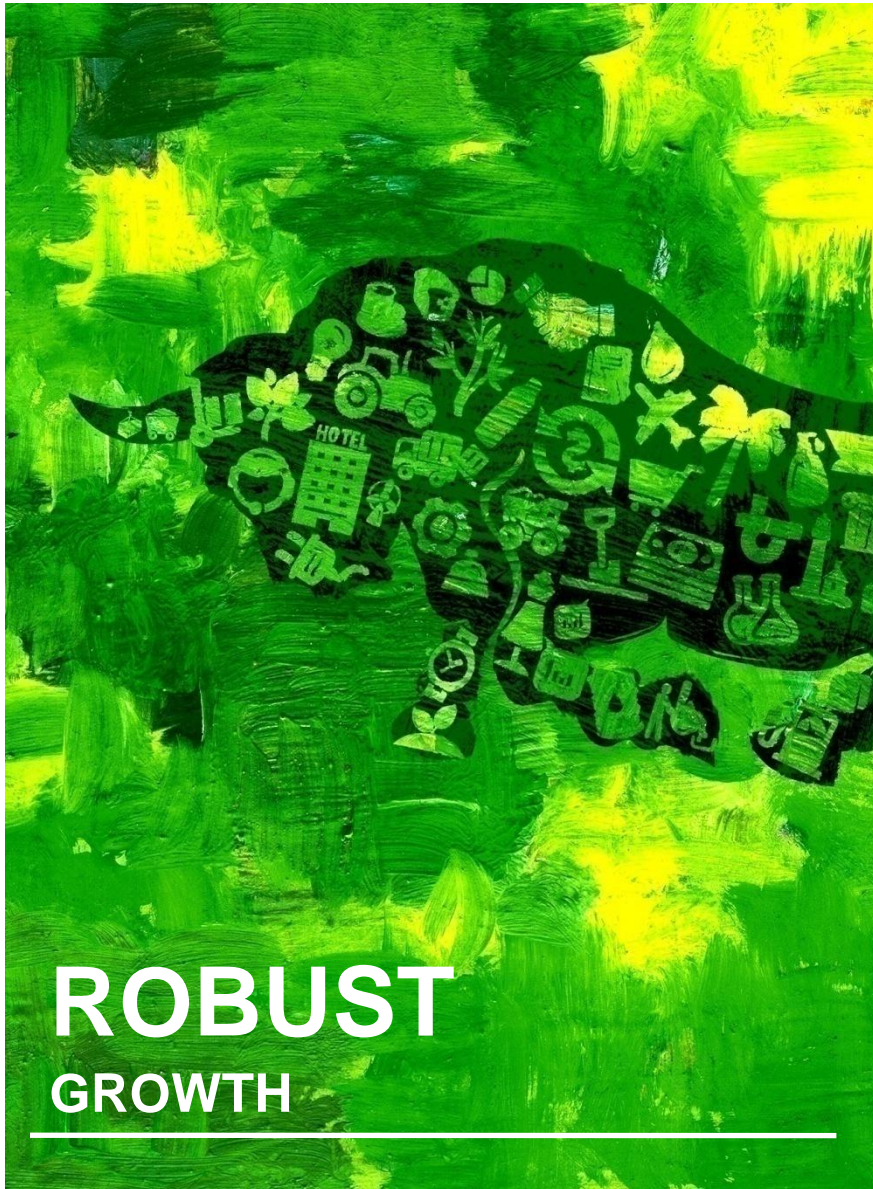
Analysts and Media Briefing

29 January 2015

Dato' Tajuddin Atan
Chief Executive Officer

Rosidah Baharom
Director, Corporate Services

- KEY HIGHLIGHTS AND MARKET PERFORMANCE
- FOCUS AREA AND STRATEGY
- FINANCIAL REVIEW
- CONCLUSION
- APPENDICES



- Key Highlights
- Financial Trends
- Securities Market Overview
- Derivatives Market Overview
- Islamic Market Overview
- Dividends

Key Highlights

Best performance in 6 years; PATAMI up 15%



2014 Achievements

Growing financial strength

- PATAMI of RM198 Mil, up 15% from 2013.
- Cost to Income ratio improved from 48% in 2013 to 46% in 2014.
- ROE recorded a significant increase from 21% in 2013 to 25% in 2014.
- Proposed final dividend of 18 sen per share.

Reaching out to retail

- Bursa MKTPLC
- Investors conference / educational program - 9 conferences and 5 Educational programs
- Youth outreach - 6 programs

Expanding product range

- FPOL and enhanced FMG5
- MyETF MSCI Malaysia Islamic Dividend
- 3rd Government Guaranteed DINB ETBS

Building a sustainable marketplace

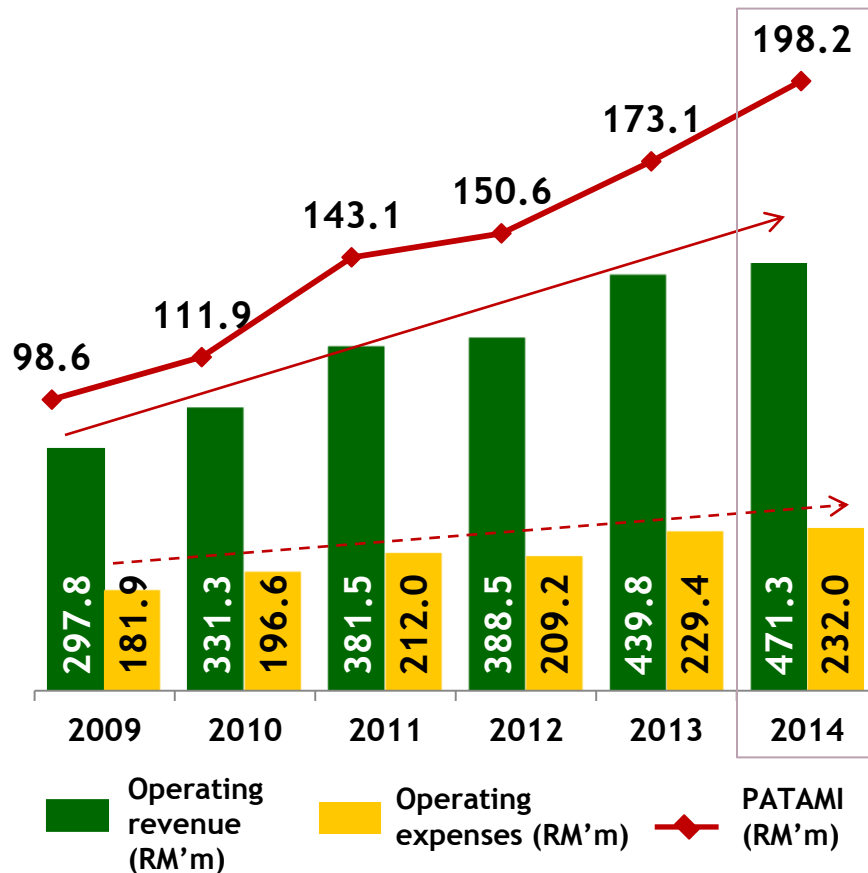
- ESG Index - FTSE4Good Bursa Malaysia (F4GBM)
- Regulatory Outreach Programme - 62 sessions

Financial Trends

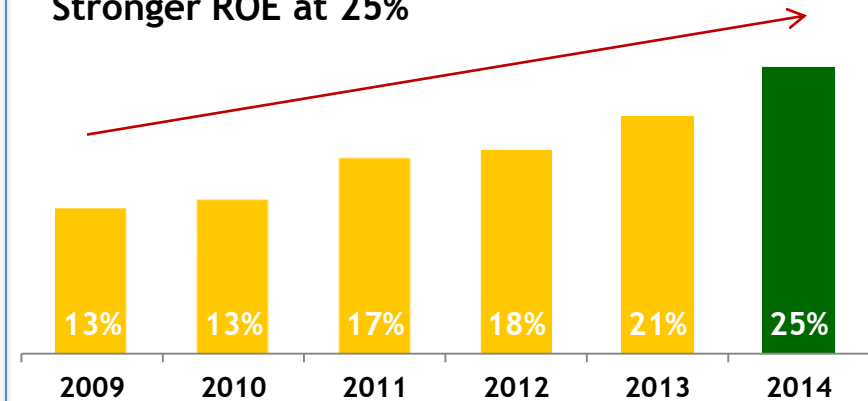
Trending at the right direction



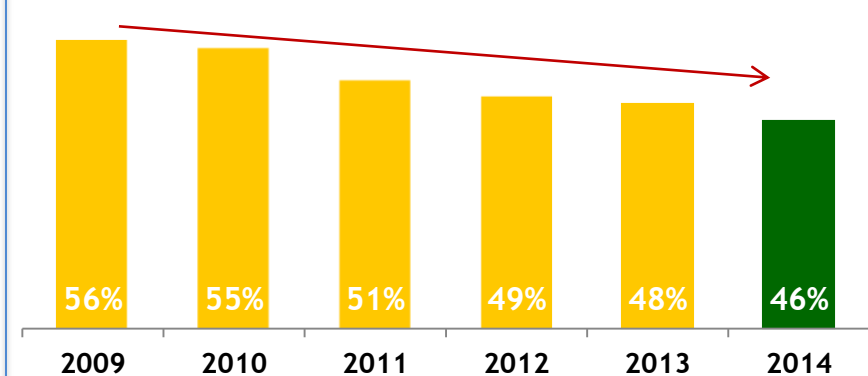
Growing revenue and profits; managed expenses



Stronger ROE at 25%



Improving cost to income ratio



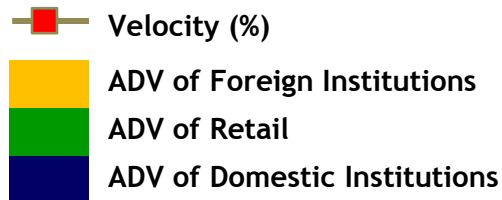
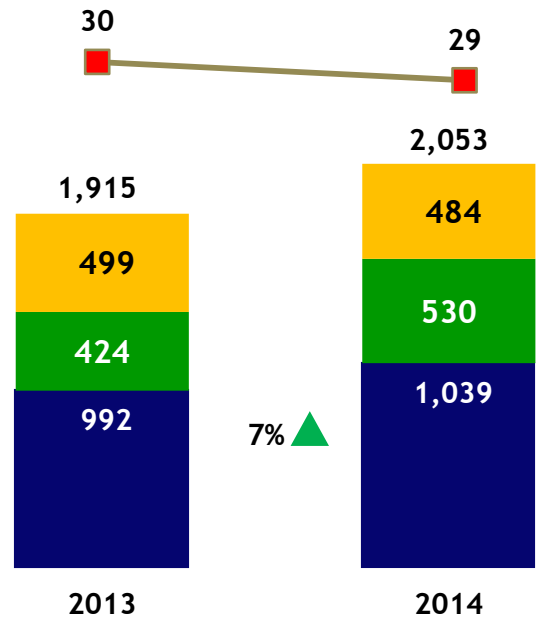
- PATAMI grew 77% from 2010, with 2014 being the highest notwithstanding current market challenges.
- Highest ROE attributable to strong growth in profit and effective capital management.
- Continuous improvement in cost to income ratio, contributed by steady revenue growth and cost management.

Securities Market Overview

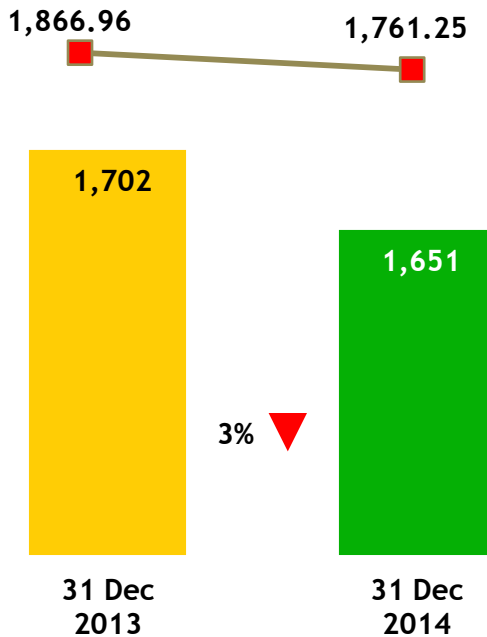
Active retail participation; robust secondary market fund raising



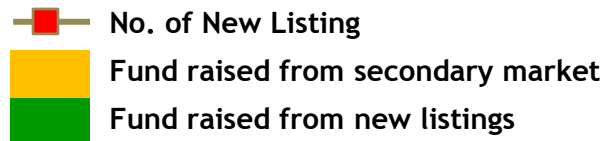
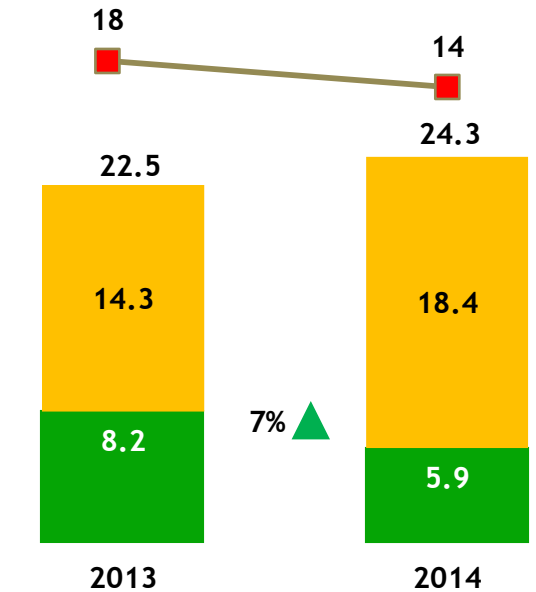
Average Daily Value (OMT) (RM mil)



Market Capitalisation (RM bil)



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



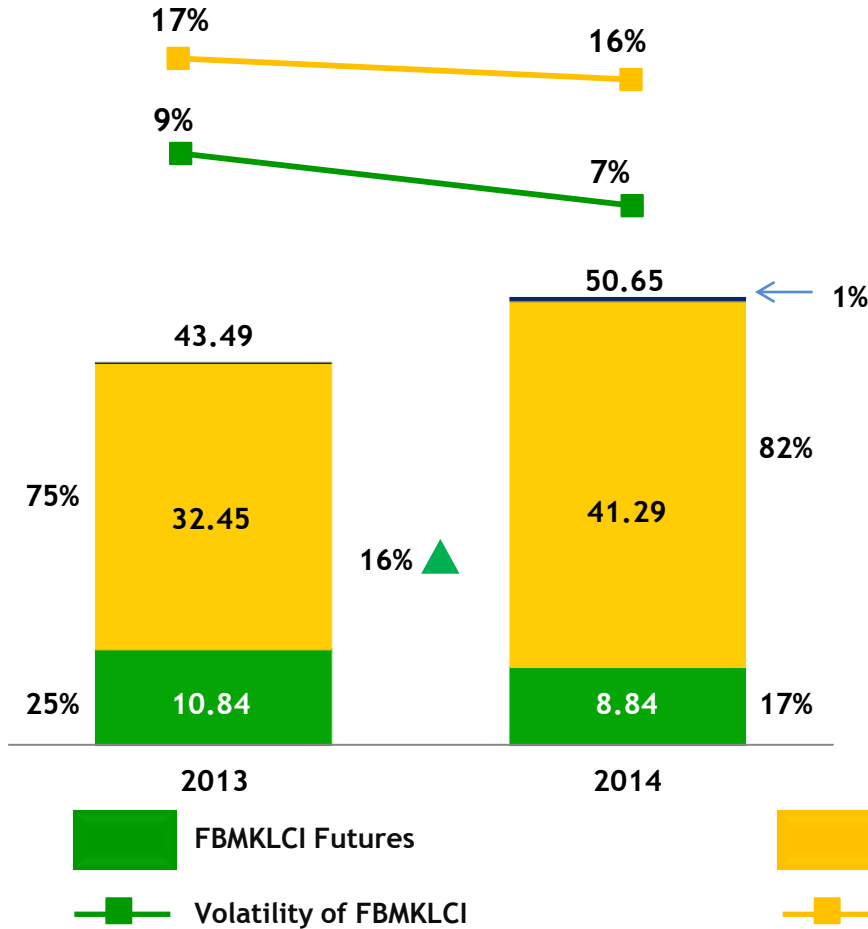
- Higher ADV mainly due to higher retail participation, as a result of our continuous active outreach efforts.
- Higher fund raised contributed by higher secondary market activities and structured warrants listing.

Derivatives Market Overview

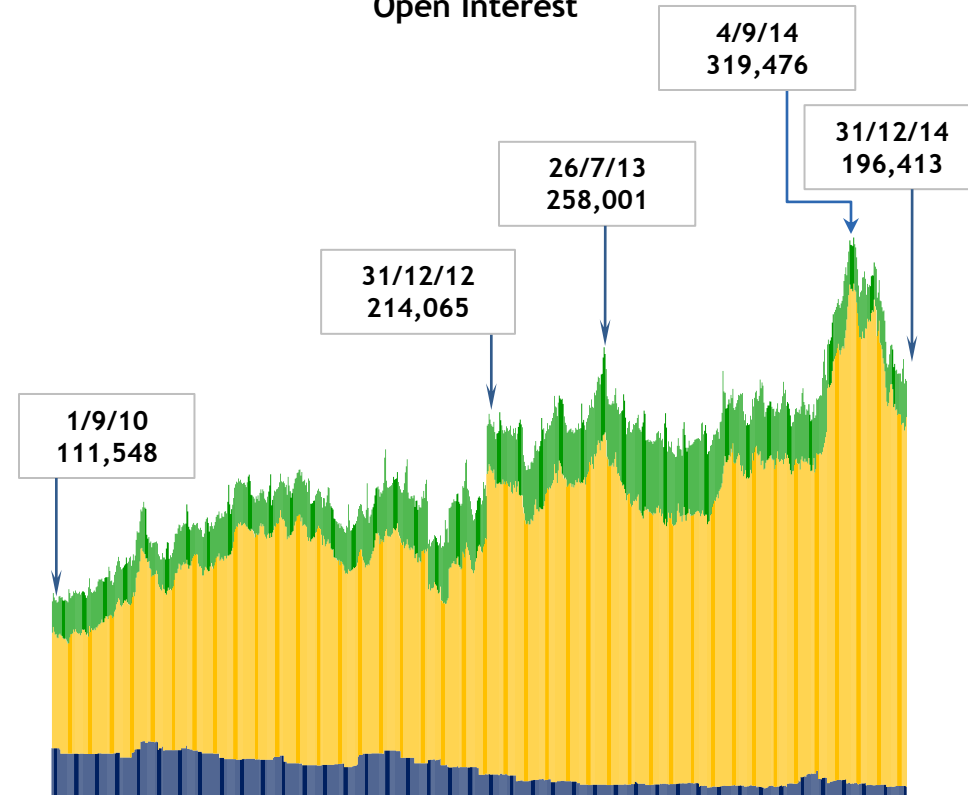
ADC surpassed 50,000 contracts



Average Daily Contracts ('000) and Volatility



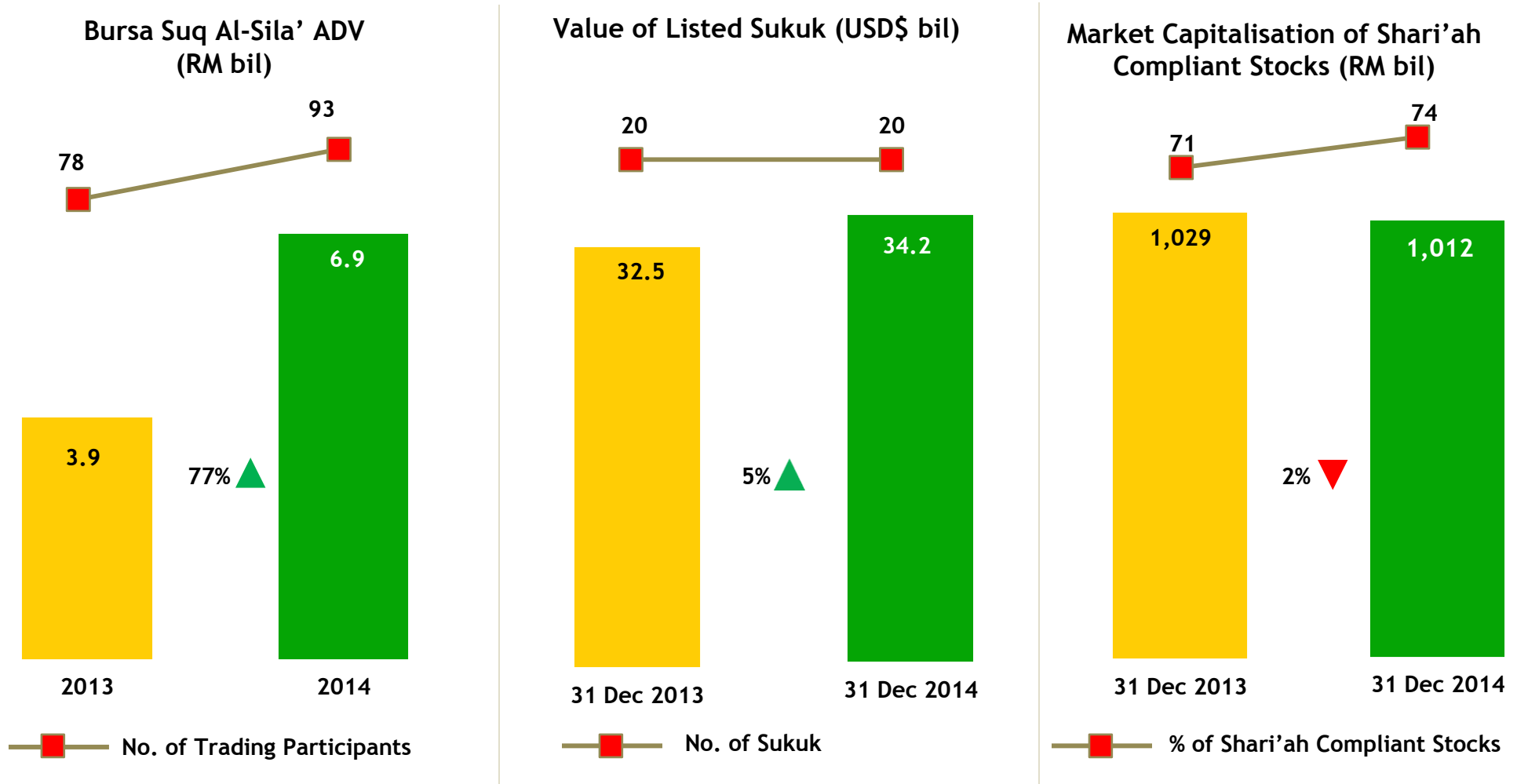
Open Interest



- ADC hit all time high of 50,654 contracts in 2014.
- FCPO contracts traded grew by 27% due to uncertainty of CPO prices.

Islamic Market Overview

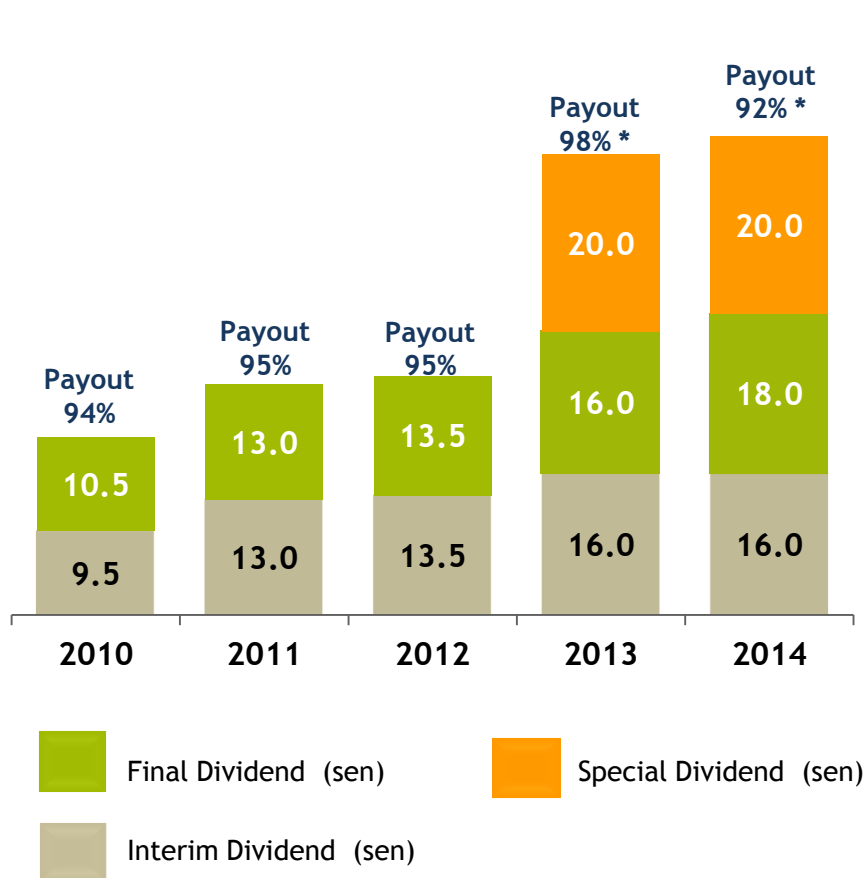
Strong growth in BSAS trading driven by conversion to Murabahah deposits



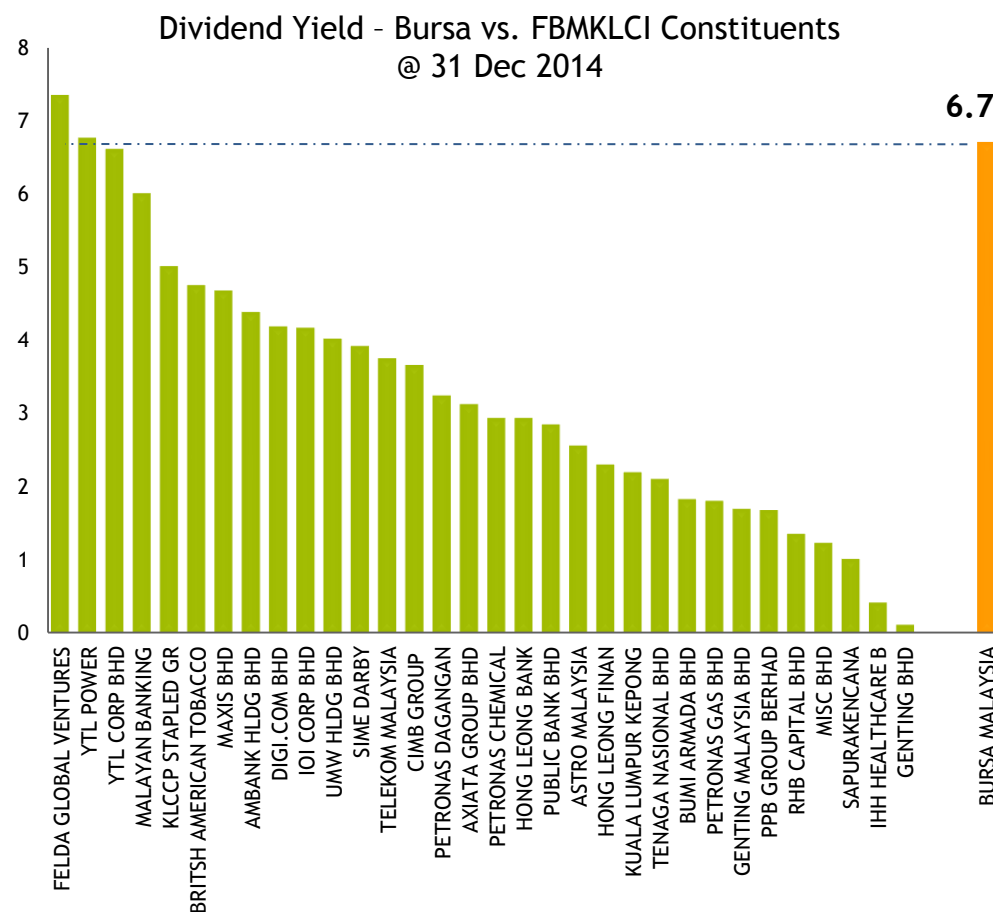
- Higher BSAS ADV due to continuous promotion, resulting in conversion of bank deposits to Murabahah, and higher sukuk issuance that trade through BSAS trading platform.

Dividends

High payout to shareholders

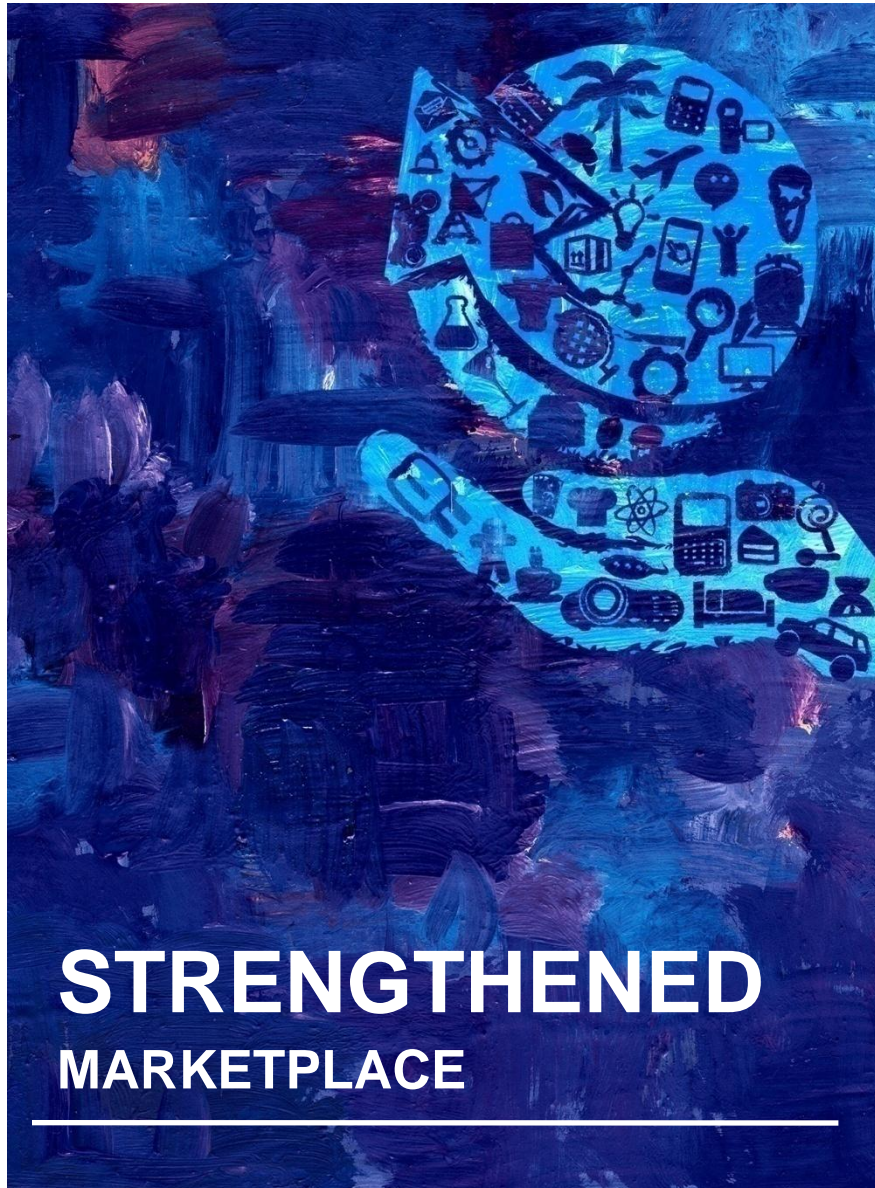


* Exclude special dividends



Source: Bloomberg and Bursa Malaysia

- Approved final dividend of 18 sen. The entitlement and payment dates for the final dividend are 3 April 2015 and 16 April 2015 respectively.
- One of the highest dividend yield stock. Dividend yield improved from 6.3% in 2013 to 6.7% in 2014.

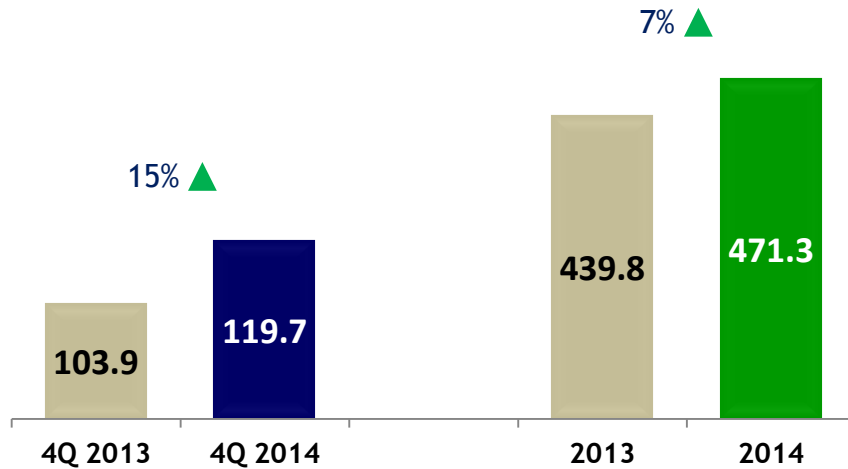


- Financial Snapshot
- Operating Revenue
- Operating Expenses

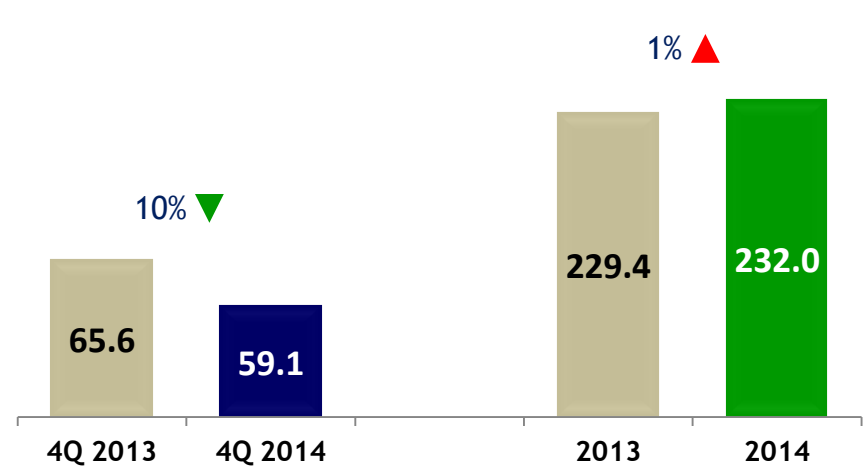
Financial Snapshot

Strong performance with cost optimisation

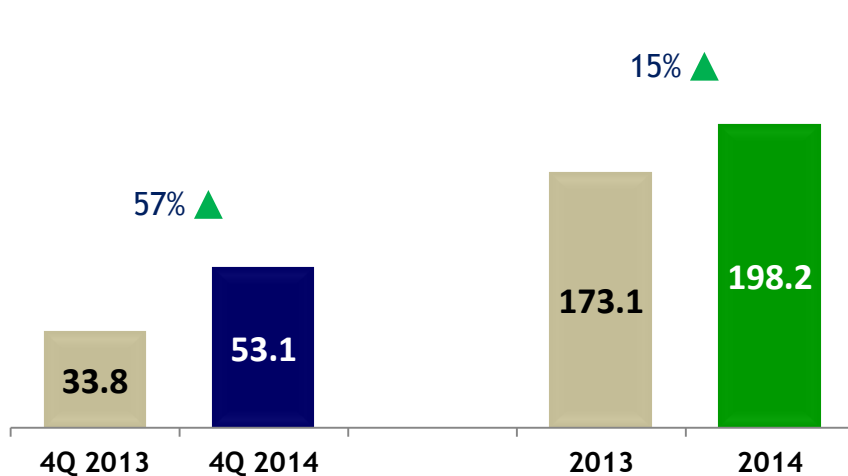
Operating revenue (RM mil)



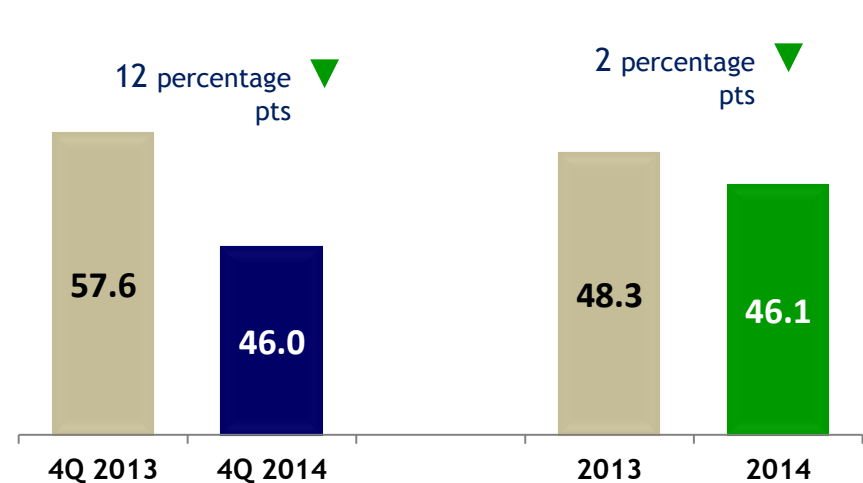
Operating expenses (RM mil)



PATAMI (RM mil)

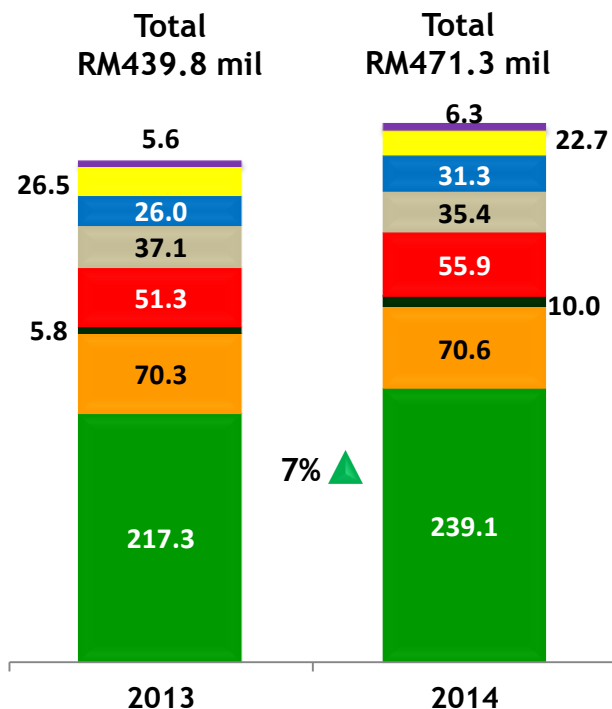


Cost-to-income (%)

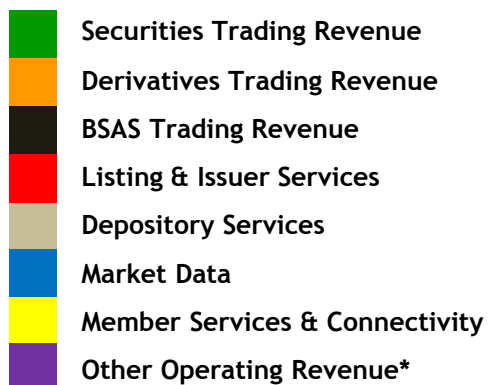
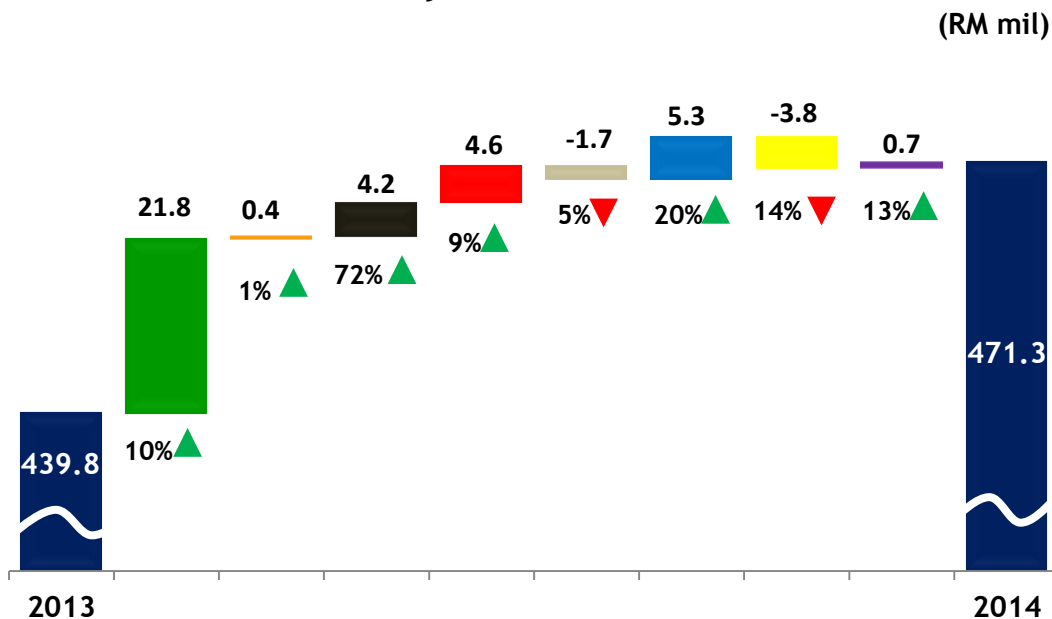


Operating Revenue

Revenue boosted by active retail trading in securities market

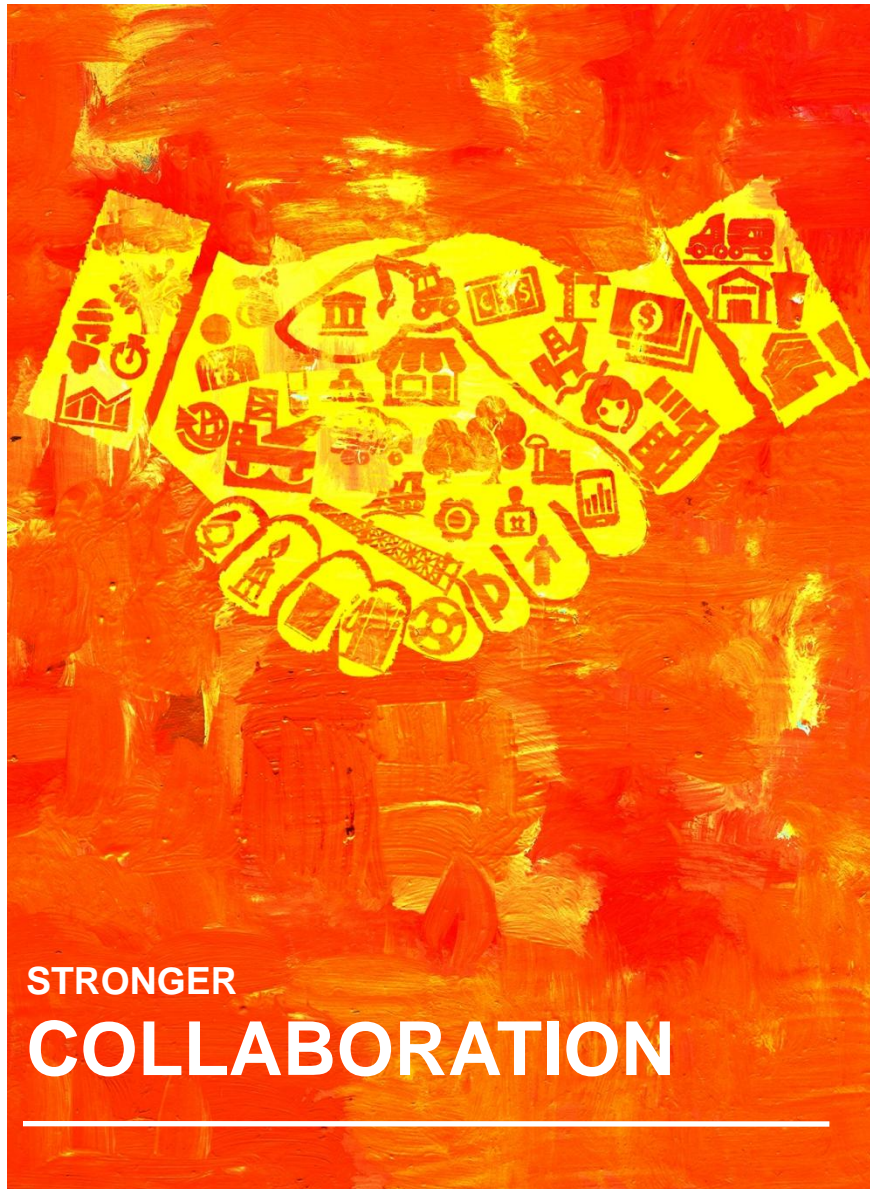


Growth contribution by revenue streams:



- Growth in securities trading revenue mainly contributed by higher trading participation from domestic institutions and retail investors.
- Marginal increase in derivatives trading revenue (16% increase in derivatives volume) due to lower guarantee and collateral management fees.
- Growth in BSAS trading revenue mainly contributed by higher domestic participation.
- Growth in listing and issuer services revenue due to higher number of new structured warrant listings and higher number of corporate exercises in 2014.
- Higher market data revenue due to introduction of new information packages and commencement of market data charges to brokers.
- Lower revenue from member services and connectivity due to lower broker services fee and a revision in Bursa access fee structure.

Note* - Other Operating Revenue mainly includes conference & exposition income



- Focus Area
- 2014 Milestones and Key Highlights

Focus 1: Value Extraction



Focus 2: Build for the Future



SI
1

Create a More
Facilitative
TRADING
ENVIRONMENT

SI
2

Facilitate More
TRADABLE
ALTERNATIVES

SI
3

Reshape
MARKET
STRUCTURE &
FRAMEWORK

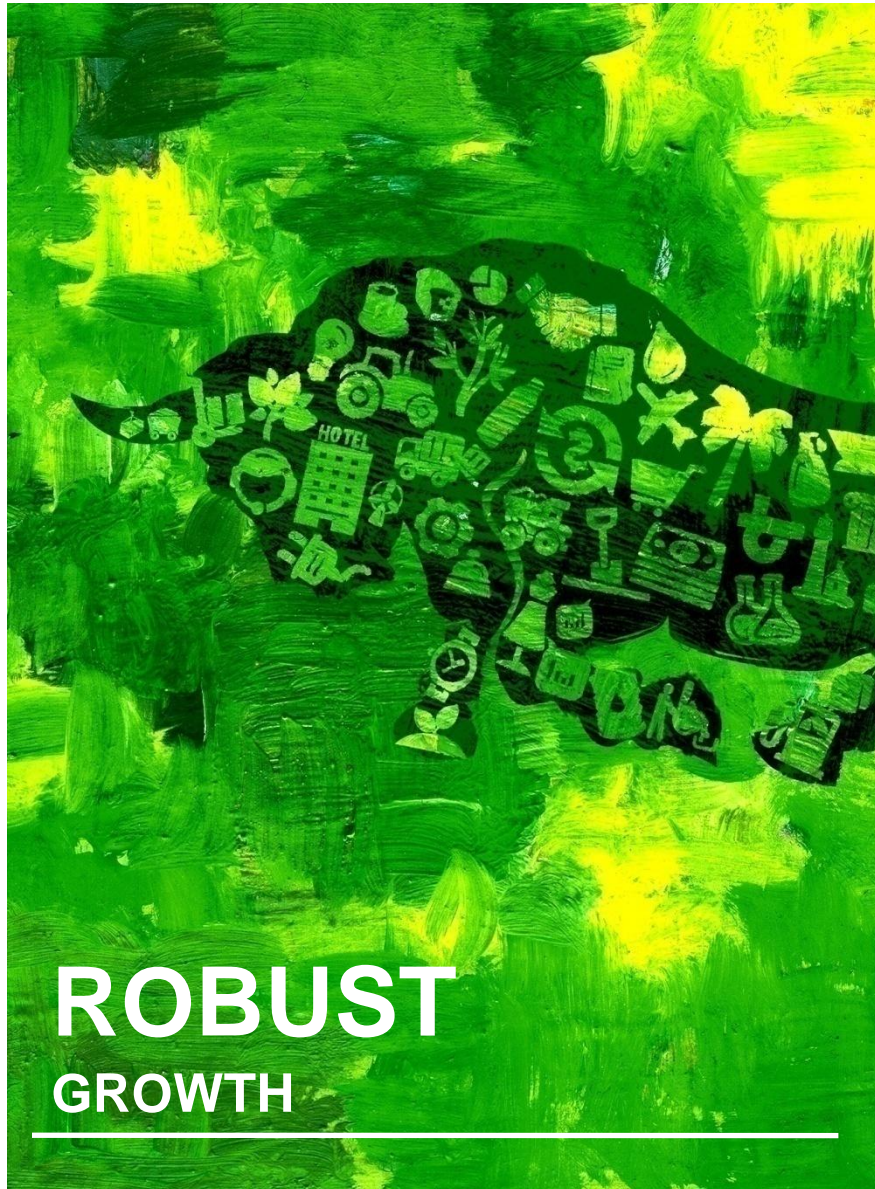
SI
4

REGIONAL
MARKETPLACE
with Global Access
(Centre of ASEAN)

2014 Milestones and Key Highlights



Q1	Q2	Q3	Q4
<p>20 Feb Collaborative arrangement between Bursa Malaysia and Saudi Stock Exchange (Tadawul)</p>	<p>28 Apr Launch of BURSAMKTPLC - Everyone's market-in-the-pocket</p>	<p>22 Jul Introduced new guide for Independent Advisers</p>	<p>28 Nov Bursa Malaysia Recognised as Approved foreign derivatives exchange by Taiwan Regulator</p>
<p>5 Mar Increase in eligible securities allowed in RSS & SBL from 171 to 218</p>	<p>16 Jun Launch of USD Denominated Refined Bleached Deodorised Palm Olein Futures Contract</p> <p>28 Jun First Gold & Precious Metals Price Outlook Symposium</p>	<p>13 Aug Brokers Awards Appreciation Night honoured deserving brokers for their 2013 achievements</p> <p>22 Aug Introduced ASEAN Post Trade Services</p> <p>10 Sep Inaugural ETF-SBL Conference</p>	<p>1 Dec</p> <ul style="list-style-type: none"> i. Implemented Straight Through Processing to enable seamless registration process for registering Dealer's reps, Futures Brokers Reps and Directors of Brokers ii. Launch of Enhanced 5-Year Bond Futures (FMG5) <p>18 Dec Issuance of Regulatory Framework to accord flexibility for client account Opening</p> <p>22 Dec Introduced Environmental, Social and Governance (ESG) Index - FTSE4Good Bursa Malaysia (F4GBM)</p> <p>30 Dec Issuance of findings of Corporate Governance Disclosures in Annual Reports</p>



- **Market Recognition**
- **Fair and Orderly Market**
- **Moving Forward**

Market Recognition

Our market is internationally benchmarked



Malaysia ranked by:



4th among 148
countries for Strength
of Investor Protection



5th among 189
countries for Investor
Protection



2nd among 6
ASEAN countries in
Corporate Governance
(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 5
CG Overall Recognition
and
Exemplary AGM Minutes

Bursa will ensure continuous efforts in maintaining a fair and orderly market. We put in place measures and have achieved the following:

1) Operations

- 100% uptime for both securities and derivatives trading system
- Conducted industry wide BCP exercises for the Derivatives and Securities markets. All tests were successfully completed.

2) Technology

- To improve cyber security, we added another level of protection by subscribing to the SOC (Security Operations Centre) services.

3) International standards

- Securities Market - Observed all of IOSCO Principles for Financial Market Infrastructures (IOSCO Principles) except Principle 6 - Equity margining which is currently been worked on.
- Derivatives Clearing - Observed all relevant IOSCO Principles.

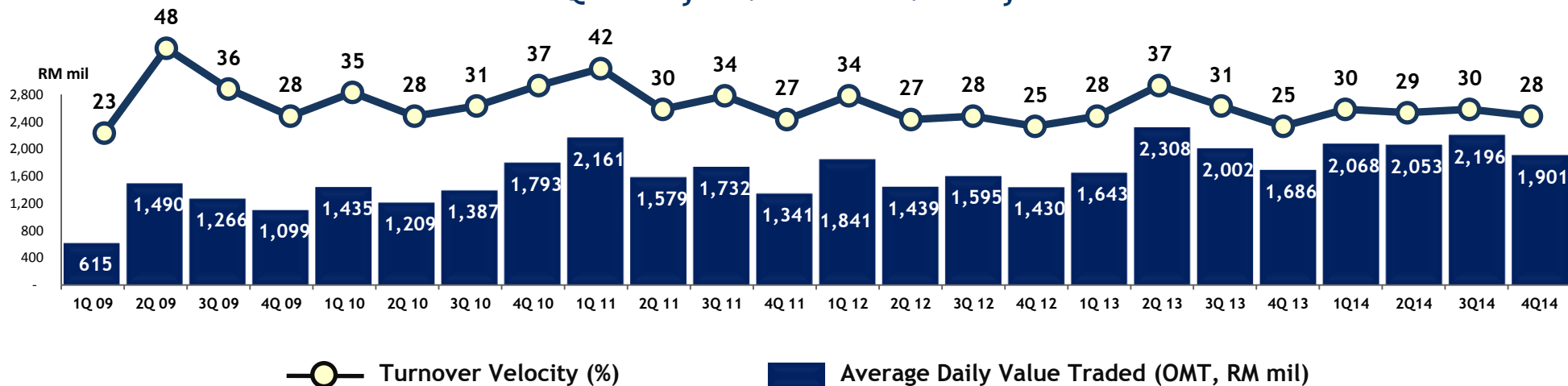
- ❑ We expect 2015 to continue to be a challenging year where global markets remain volatile. Broadly, Malaysia will have to continue managing the impact of these external factors whilst staying on course to becoming a sustainable and developed economy by 2020.
- ❑ From a market perspective, this will also include having to face greater regional competition as well as navigate the impact of changing regulatory requirements.
- ❑ The Exchange remains cautiously optimistic as Malaysia has a proven track record being a tenacious and resilient market arising from the strength of our investor protection and corporate governance framework that has been built over the years. These factors will continue to support the growth agenda in the market whilst maintaining market confidence and integrity.
- ❑ Going forward, Bursa Malaysia will continue to build a sustainable market by leveraging on our leadership in the Islamic market and our new ESG Index to strengthen our presence in ASEAN.

Thank you

Q&A

Securities Market Trading Activity

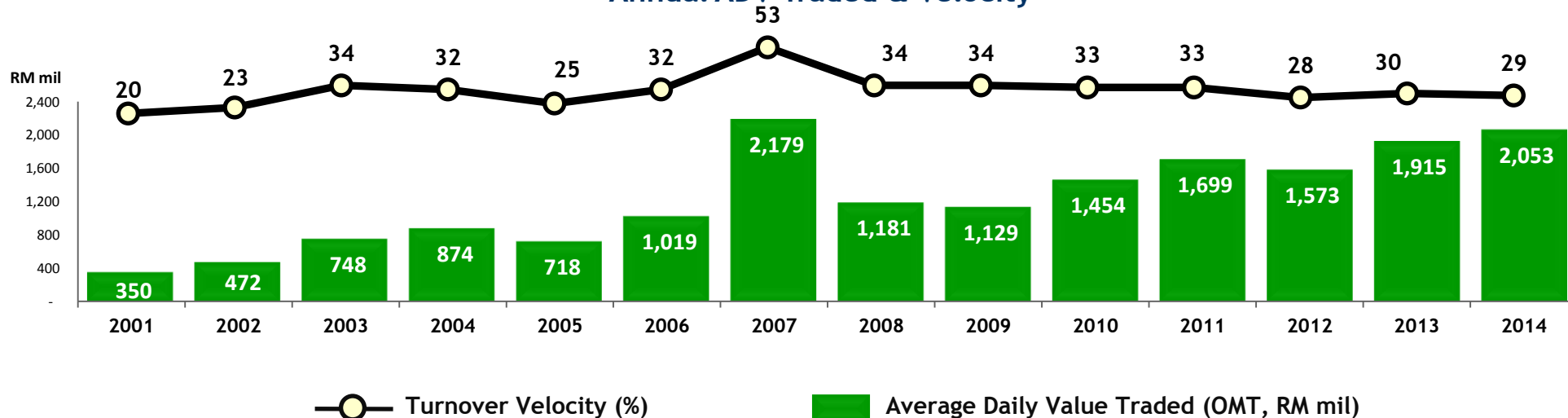
Quarterly ADV Traded & Velocity



○ Turnover Velocity (%)

■ Average Daily Value Traded (OMT, RM mil)

Annual ADV Traded & Velocity

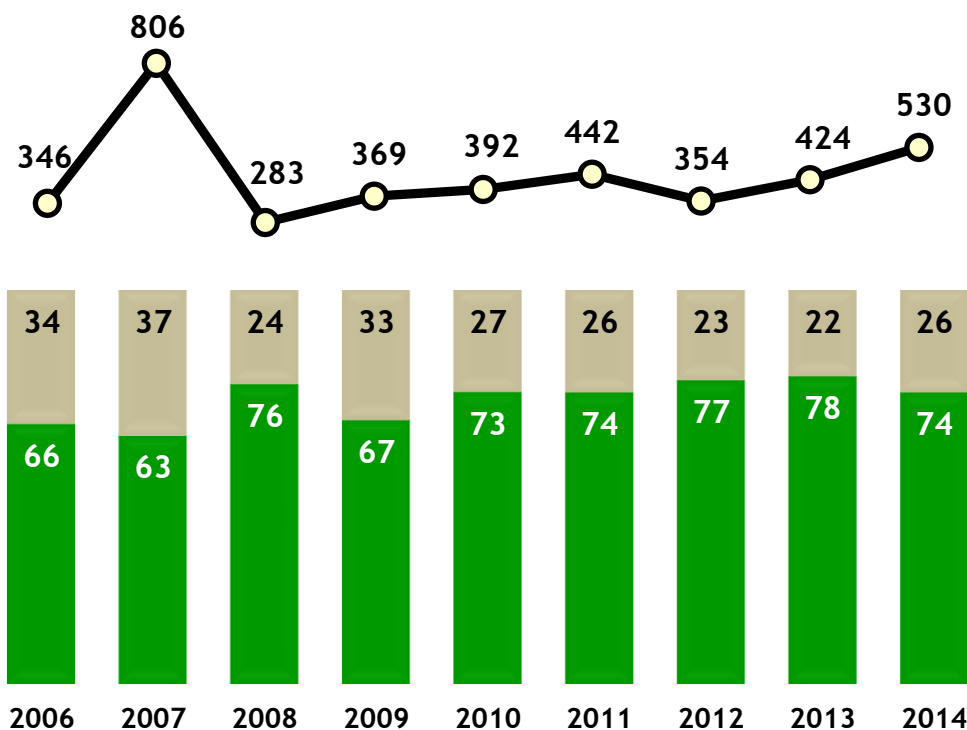


○ Turnover Velocity (%)

■ Average Daily Value Traded (OMT, RM mil)

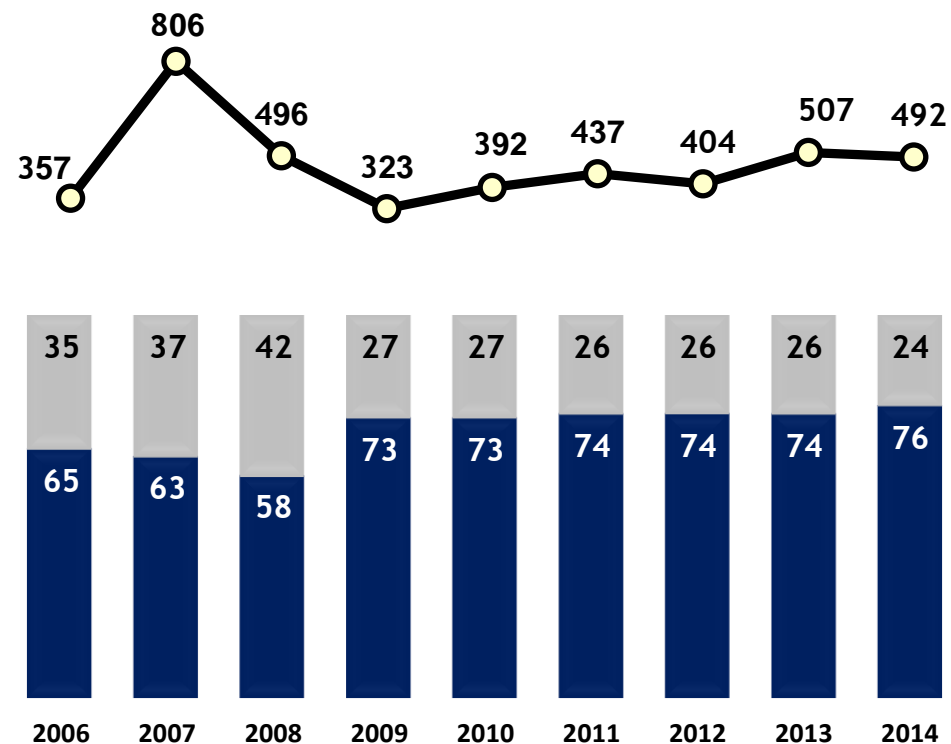
Securities Market Trading Participation

Retail vs Institutions



Retail ADV Traded (RM mil)
 Retail (%)
 Institutions (%)

Foreign vs Local



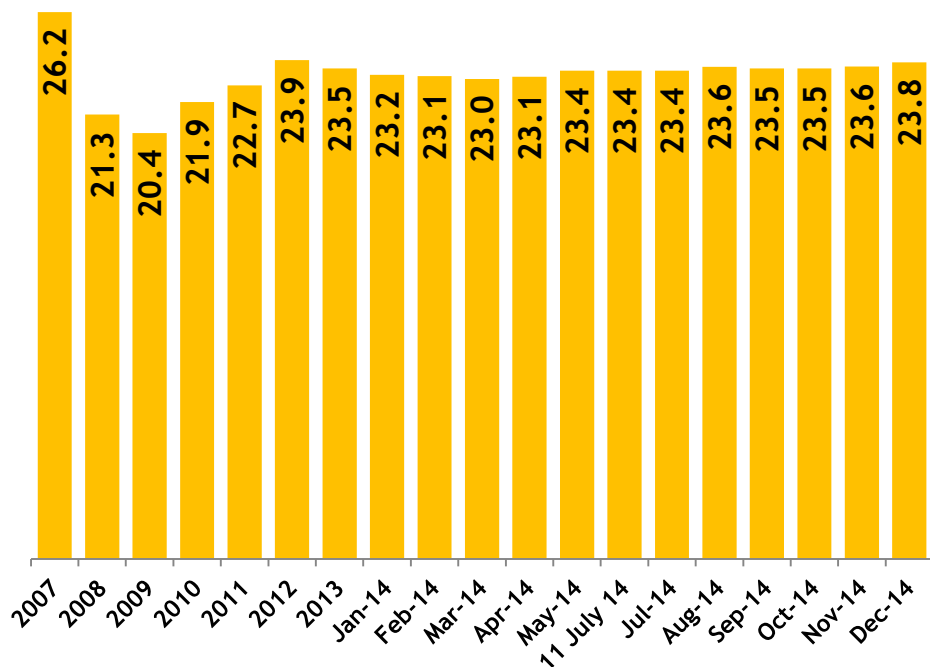
Foreign ADV Traded (RM mil)
 Foreign (%)
 Local (%)

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

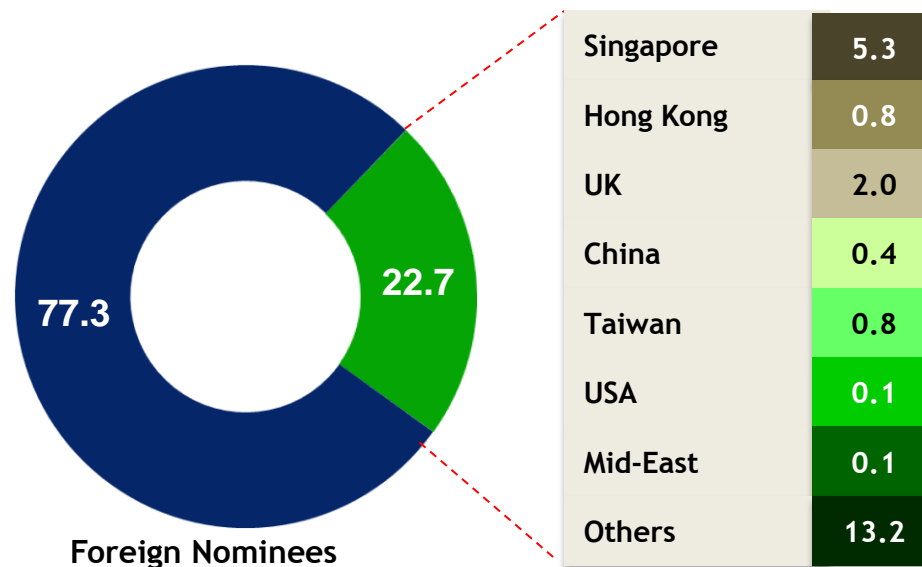
Securities Market Foreign Ownership

Based on Market Capitalisation
(as at month end)

(%)

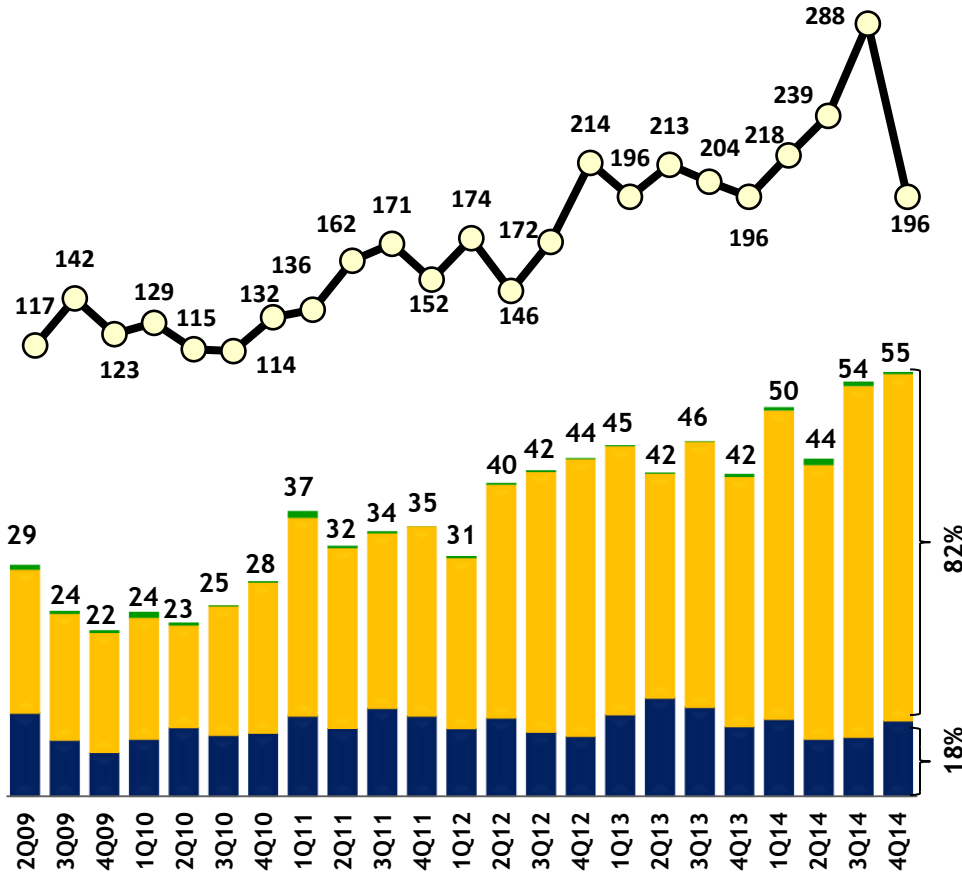


Foreign Ownership by Nationality (%)

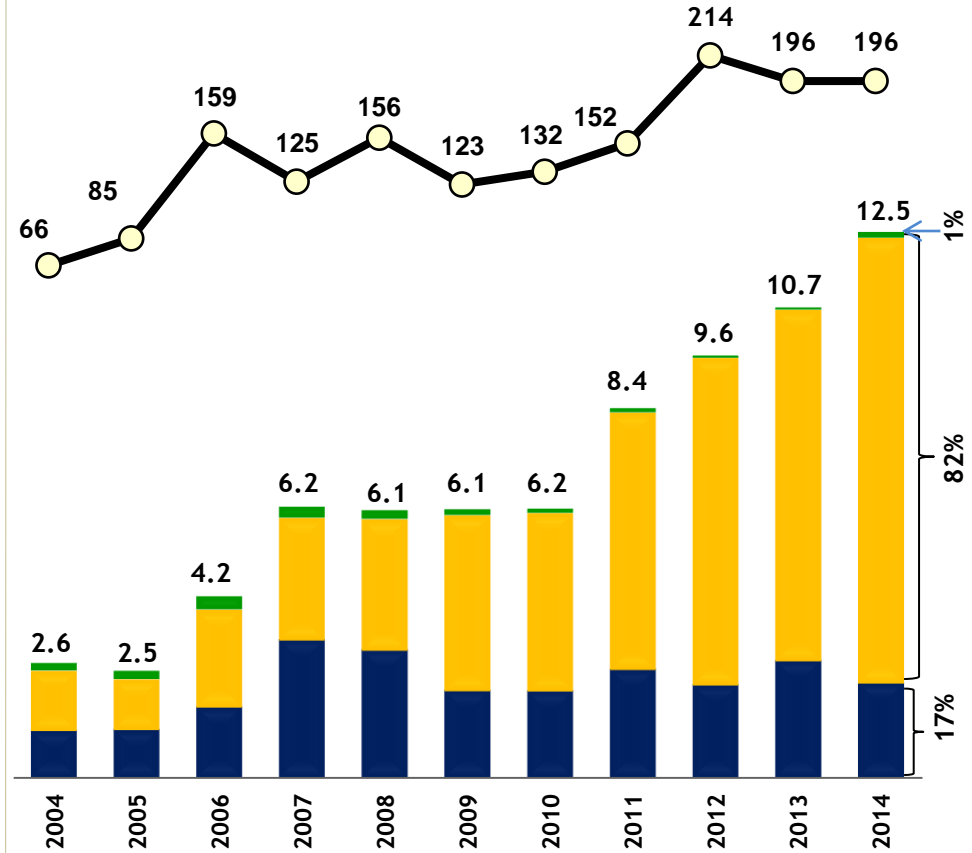


Derivatives Market Activity

Quarterly (Average Daily Contracts '000)



Total Annual Contract (Mil)



○— Open Interest ('000)

■ Others

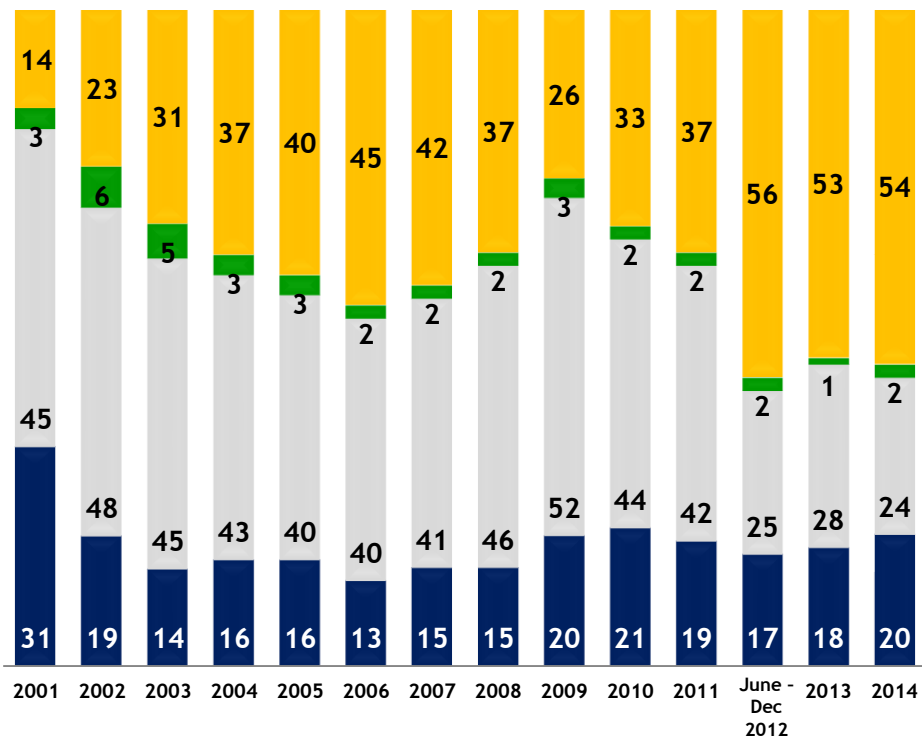
■ Crude Palm Oil Futures

■ FMBKLCI Futures

Derivatives Market Demography

FKLI

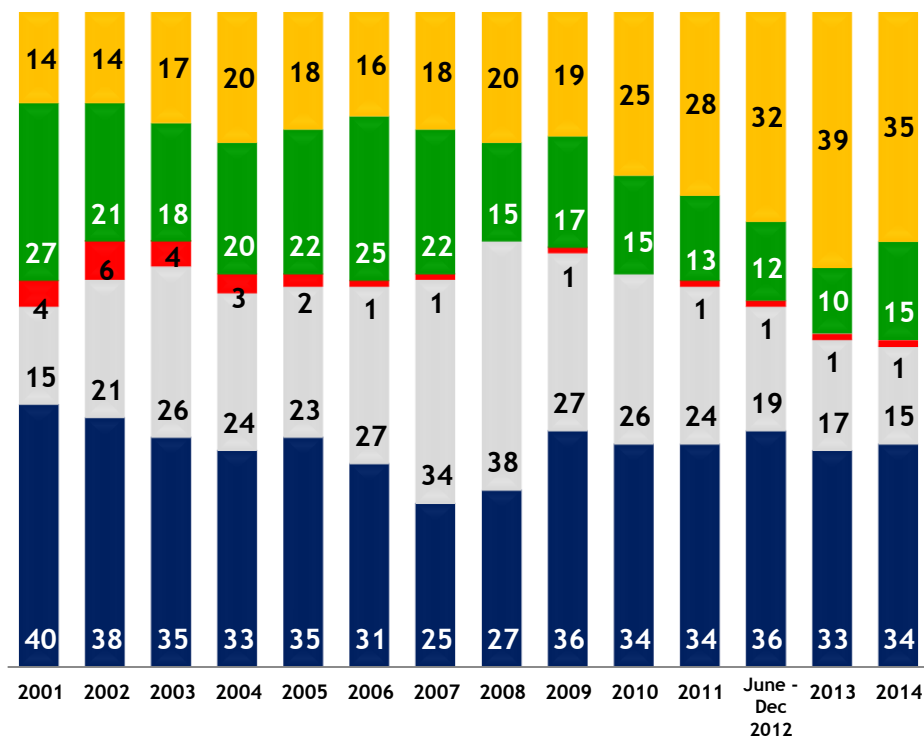
(%)



■ 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

