

FY2015 Financial Results: Analyst & Media Briefing

2 February 2016

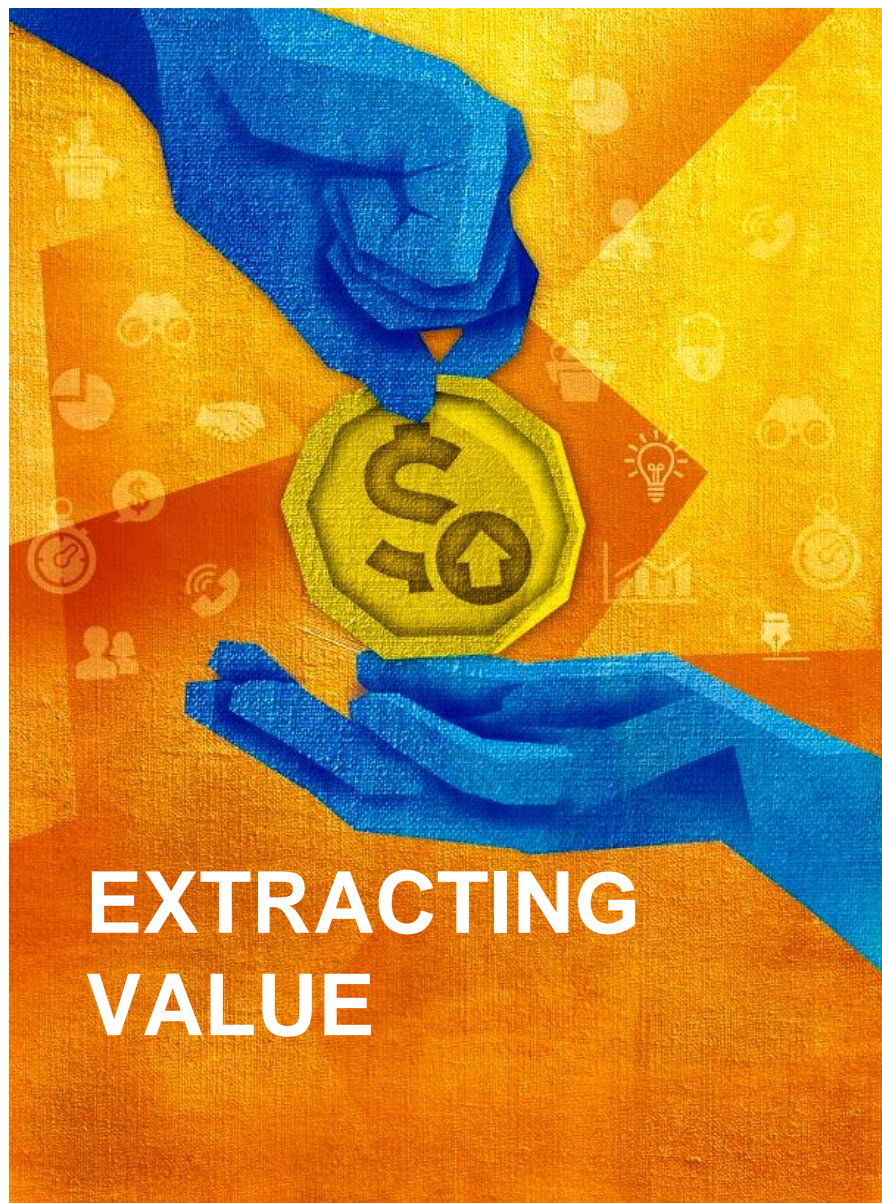
Datuk Seri Tajuddin Atan
Chief Executive Officer

Rosidah Baharom
Chief Financial Officer



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- KEY HIGHLIGHTS & MARKET PERFORMANCE
- FINANCIAL REVIEW
- FOCUS AREAS
- CONCLUSION
- APPENDICES



- Financial Highlights
- Financial Trend
- Securities Market Overview
- Derivatives Market Overview
- Islamic Capital Market Overview
- Dividends

Financial Highlights for FY2015

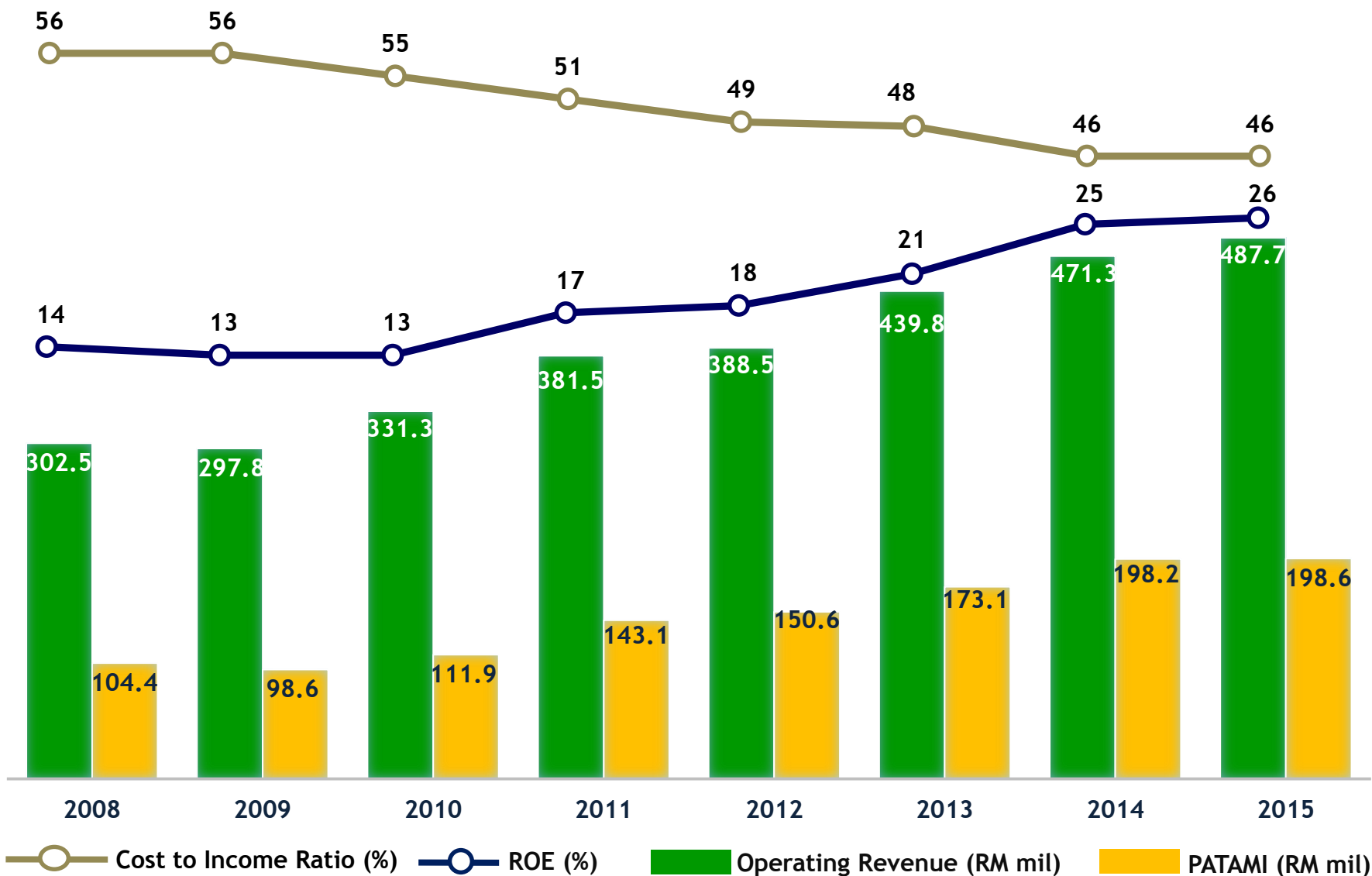
Strong financial performance despite challenging environment



Financial Items	2015	2015 vs. 2014	4Q 2015	4Q 2015 vs. 4Q 2014
Operating Revenue (RM million)	487.7	▲ 3.5%	125.2	▲ 4.6%
Operating Expenses (RM million)	239.7	▲ 3.3%	65.0	▲ 10.1%
PATAMI (RM million)	198.6	▲ 0.2%	50.6	▼ 4.8%
EPS (sen)	37.2	↔	9.5	▼ 5.0%
Cost to Income Ratio (%)	46	↔	48	▲ 2 percentage points
Annualised ROE (%)	26	▲ 1 percentage point	26	▼ 4 percentage points

Financial Trend

Continuous improvement in all the key indicators for the last 8 years

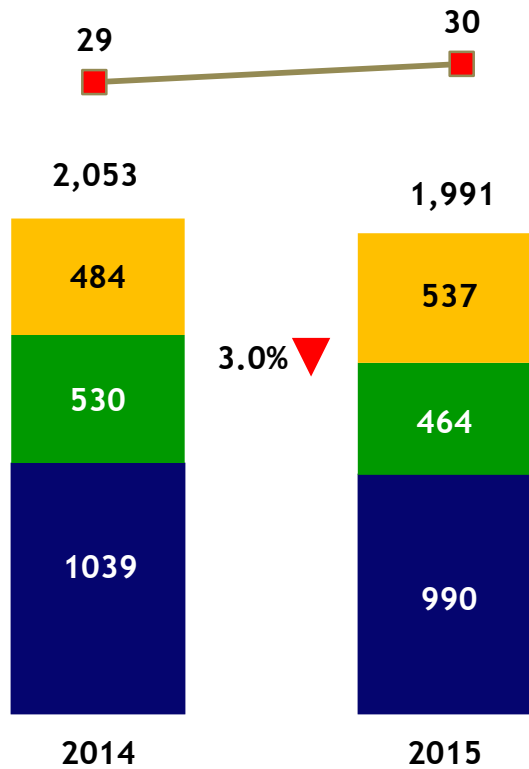


Securities Market Overview

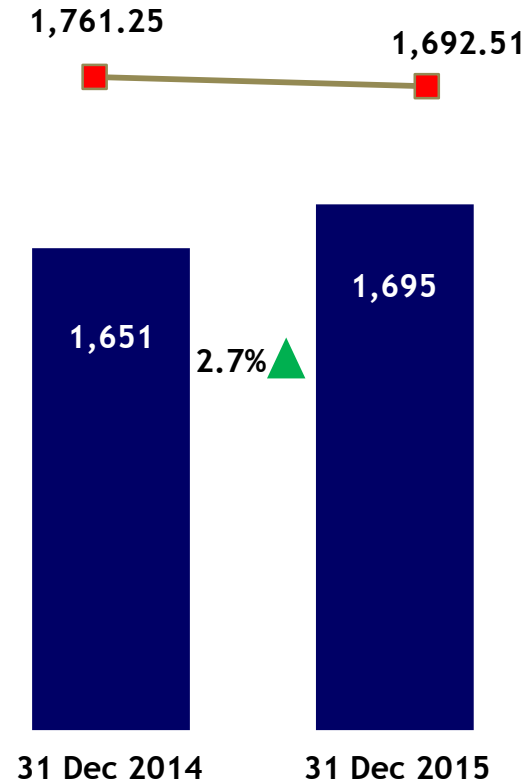
Active foreign participation; Top destination in ASEAN for fund raising



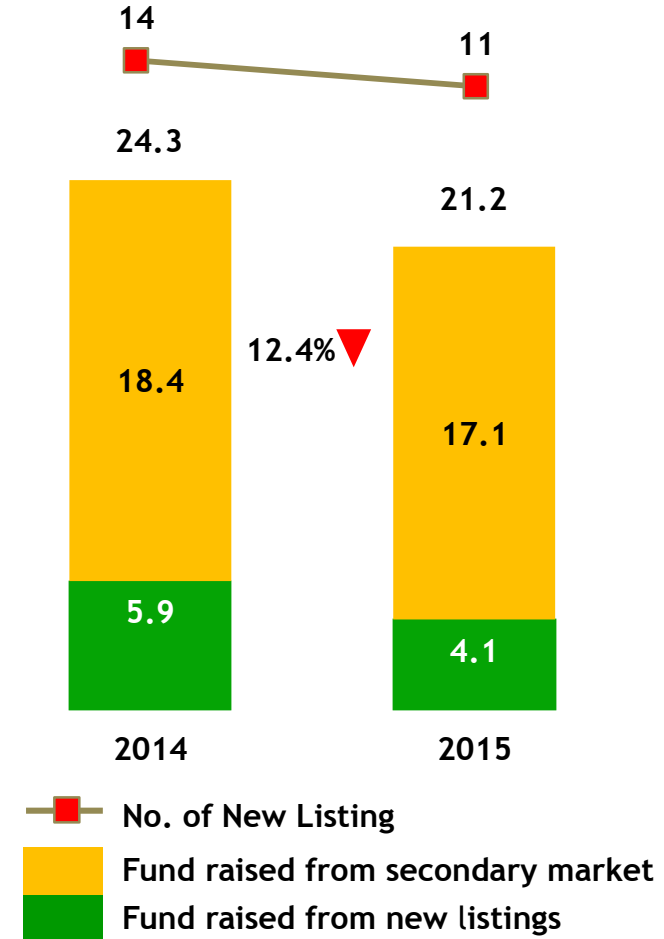
Average Daily Value (OMT)
(RM mil)



Market Capitalisation (RM bil)



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



Velocity (%)
 ADV of Foreign Institutions
 ADV of Retail
 ADV of Domestic Institutions

FBMKLCI
 Market Capitalisation

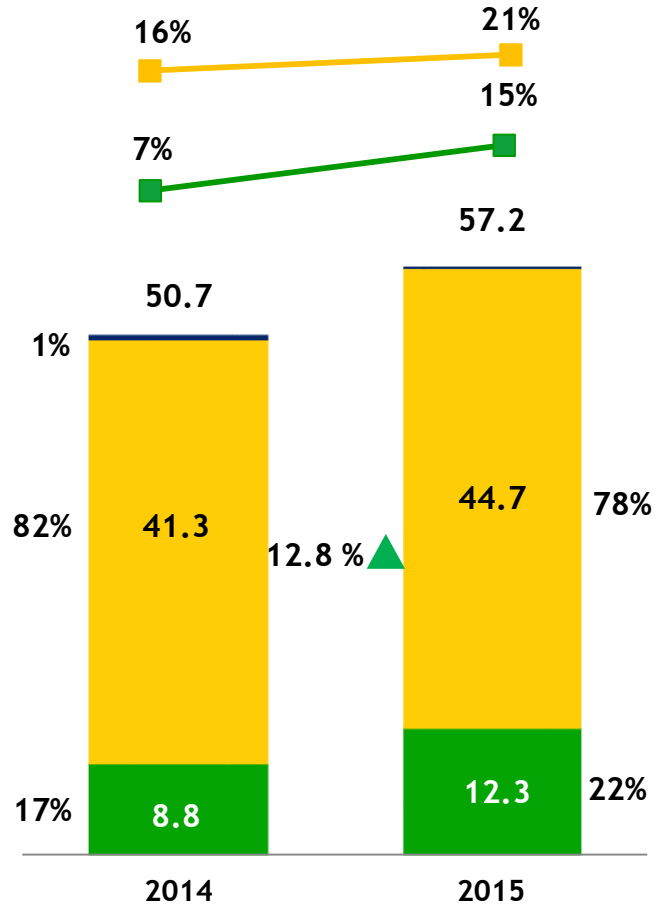
No. of New Listing
 Fund raised from secondary market
 Fund raised from new listings

Derivatives Market Overview

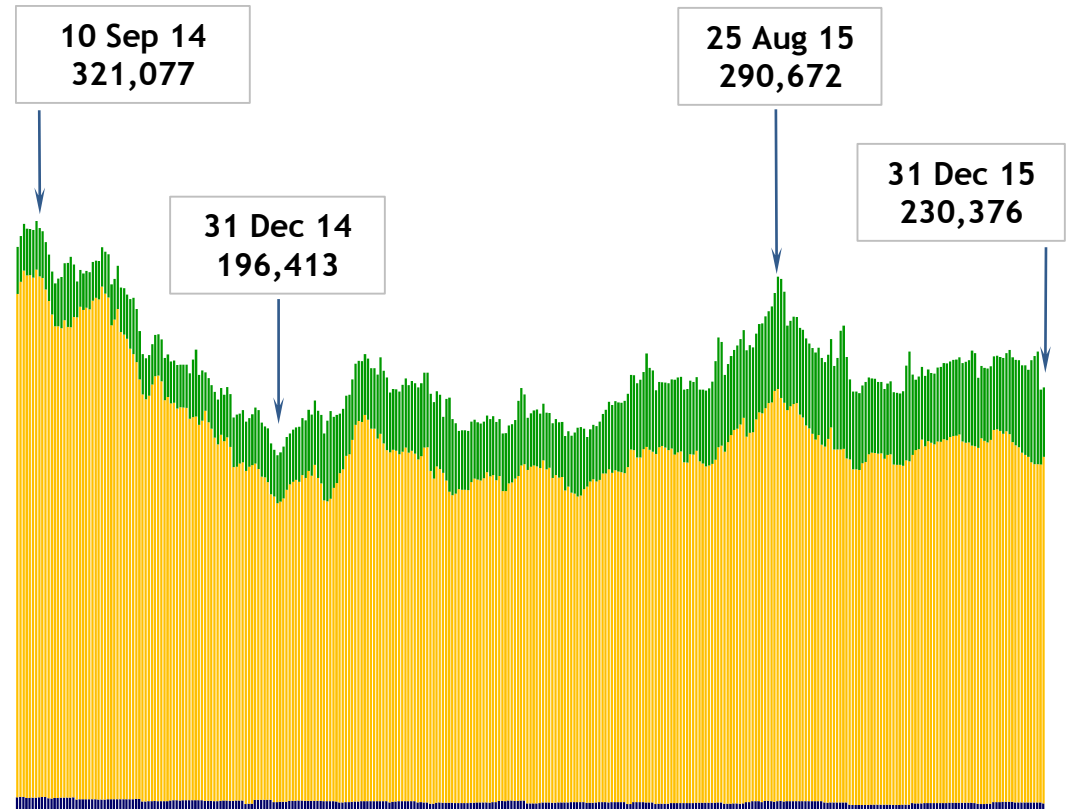
ADC lifted by volatility in CPO prices & FBM KLCI



Average Daily Contracts ('000) & Volatility



Open Interest (No. of contract)



■ FBMKLCI Futures
—■— Volatility of FBMKLCI

■ Crude Palm Oil Futures
—■— Volatility of Crude Palm Oil Prices

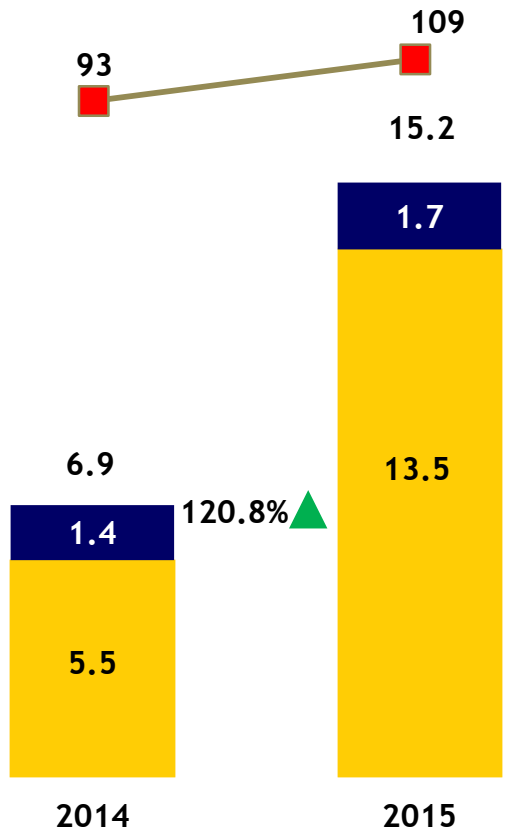
■ Others

Islamic Capital Market Overview

Strong growth in BSAS trading driven by the conversion to Murabaha deposits & growing interest in tenor based pricing

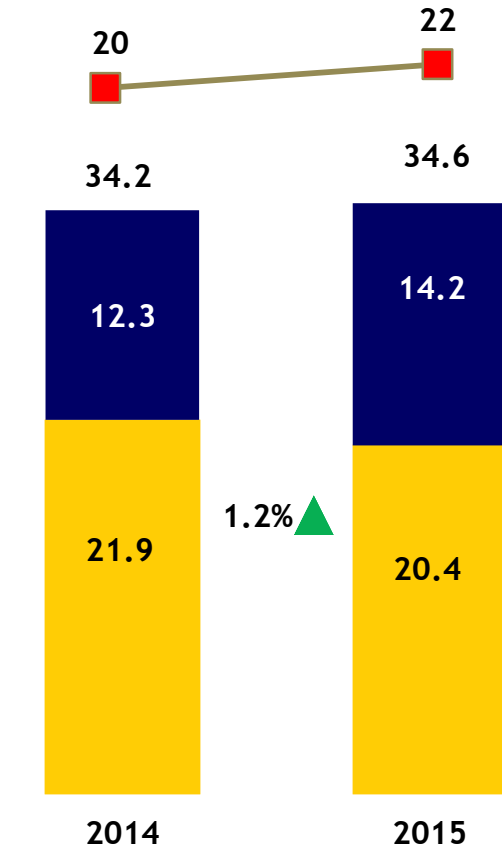


Bursa Suq Al-Sila' ADV (RM bil)



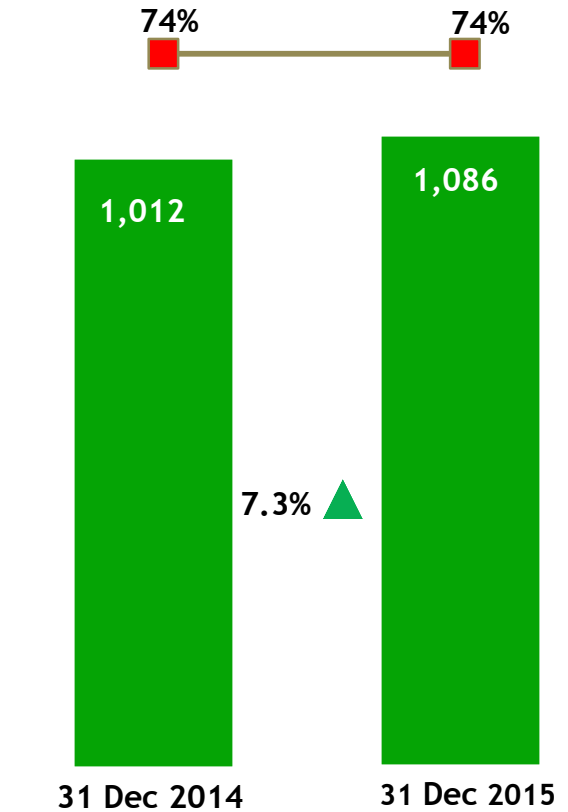
■ No. of Trading Participants
■ Domestic ■ Foreign

Value of Listed Sukuk (USD\$ bil)



■ No. of Sukuk
■ Domestic ■ Foreign

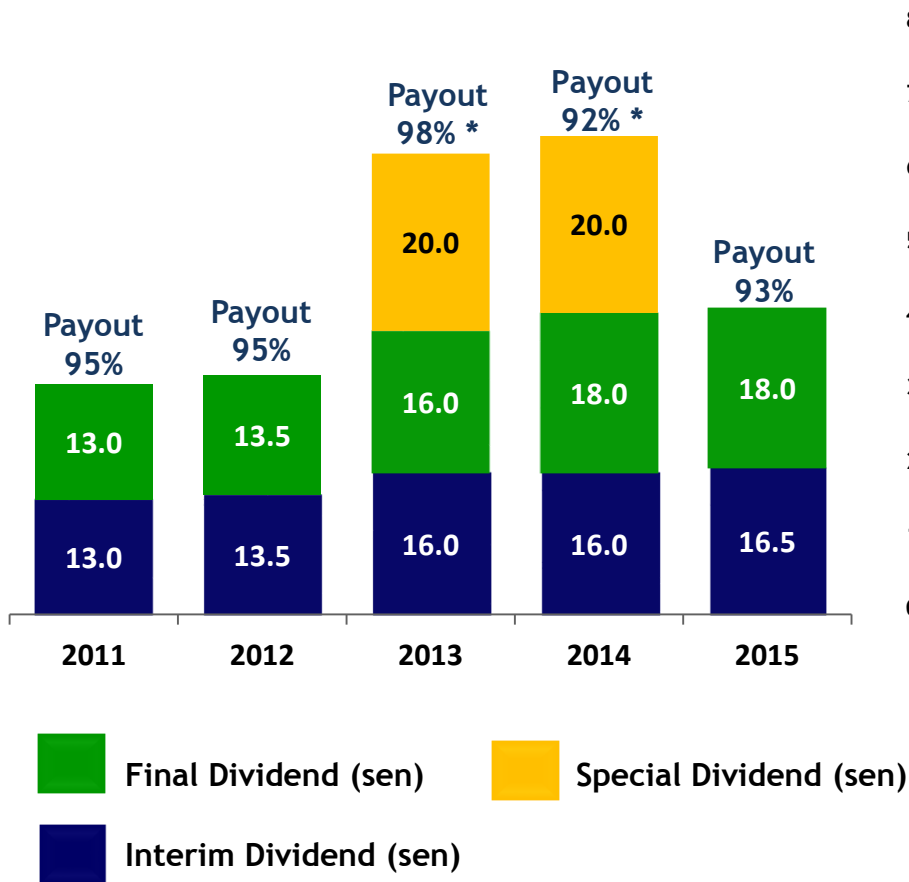
Market Capitalisation of Shariah Compliant Stocks (RM bil)



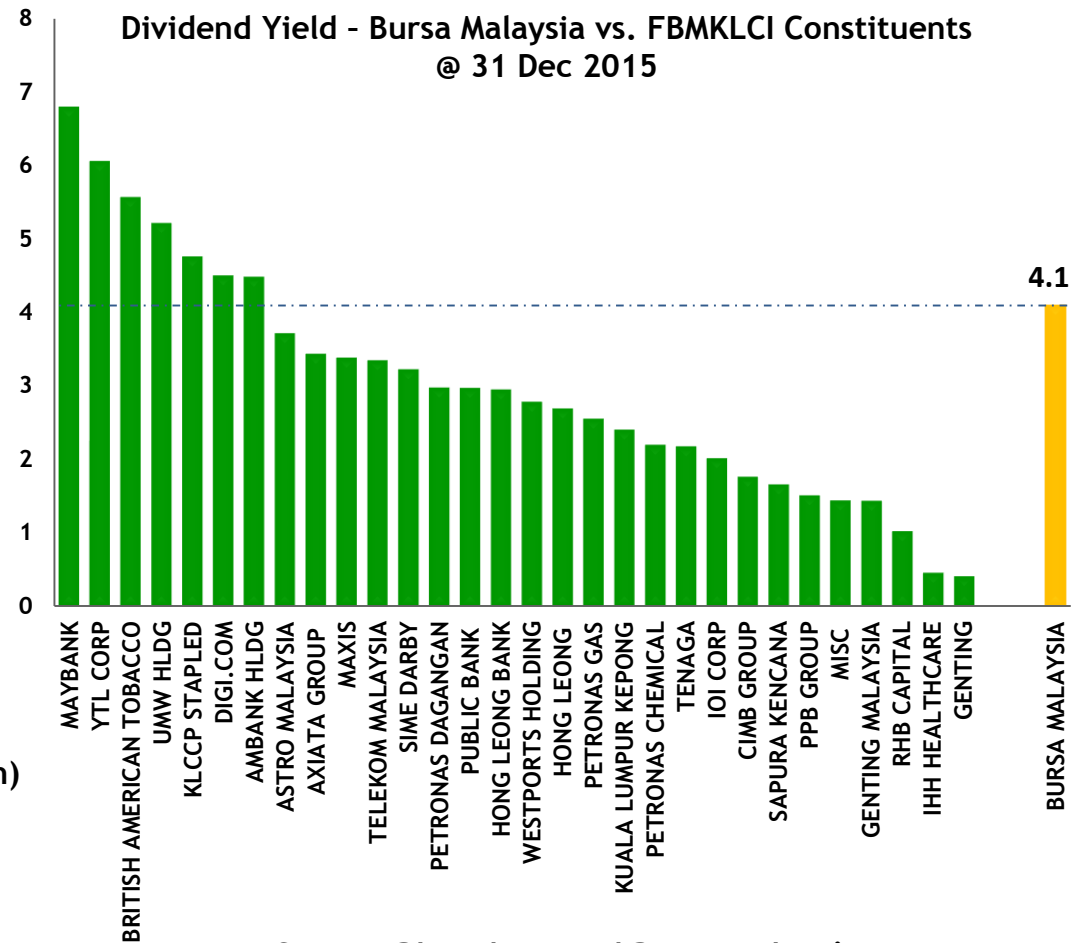
■ No. of Shariah Compliant Stocks (%)
■ Market Capitalisation of Shariah Compliant Stocks

Dividends

Maintained high dividend payout to shareholders



* Exclude special dividend



Source: Bloomberg and Bursa Malaysia

Proposed final dividend of 18.0 sen. The entitlement and payment dates for the final dividend are 5 April 2016 and 18 April 2016 respectively.



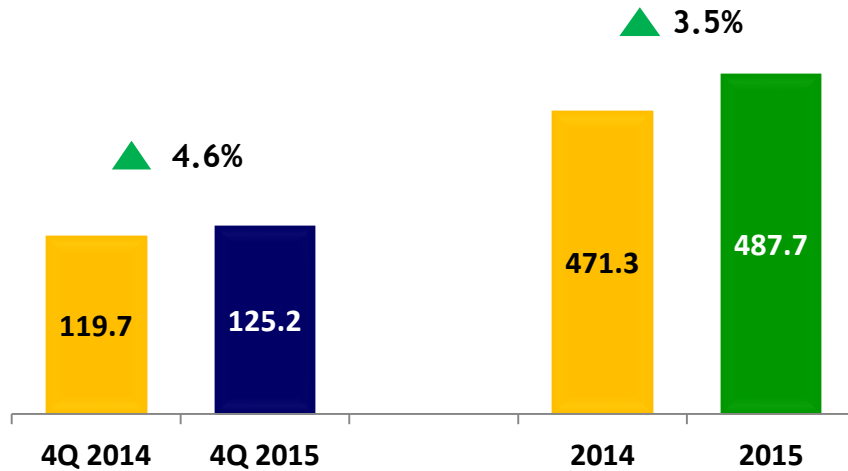
- Financial Snapshot
- Operating Revenue
- Operating Expenses

Financial Snapshot

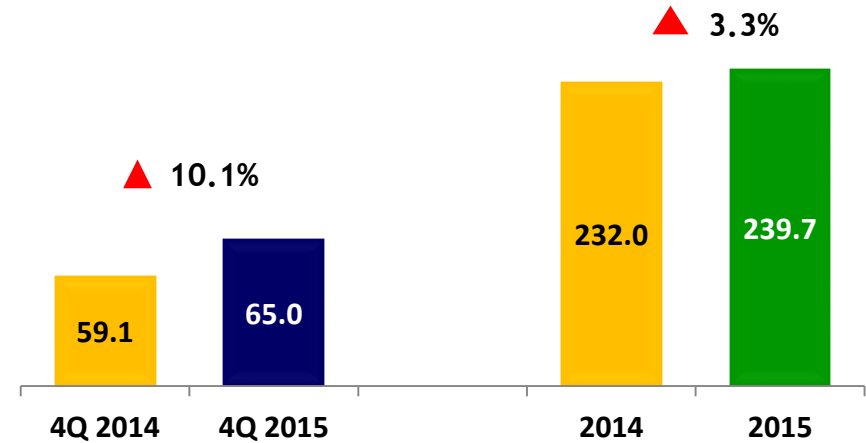
Strong performance



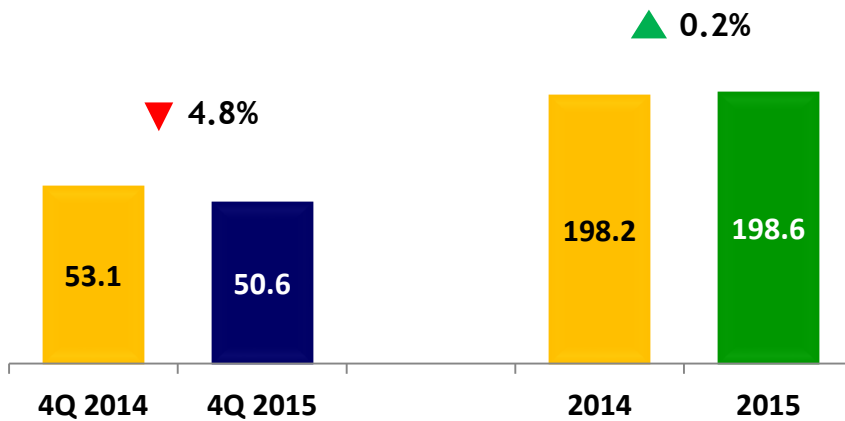
Operating revenue (RM mil)



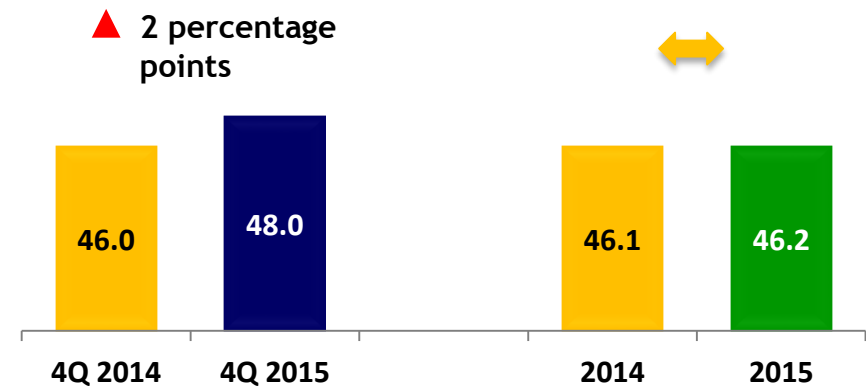
Operating expenses (RM mil)



PATAMI (RM mil)

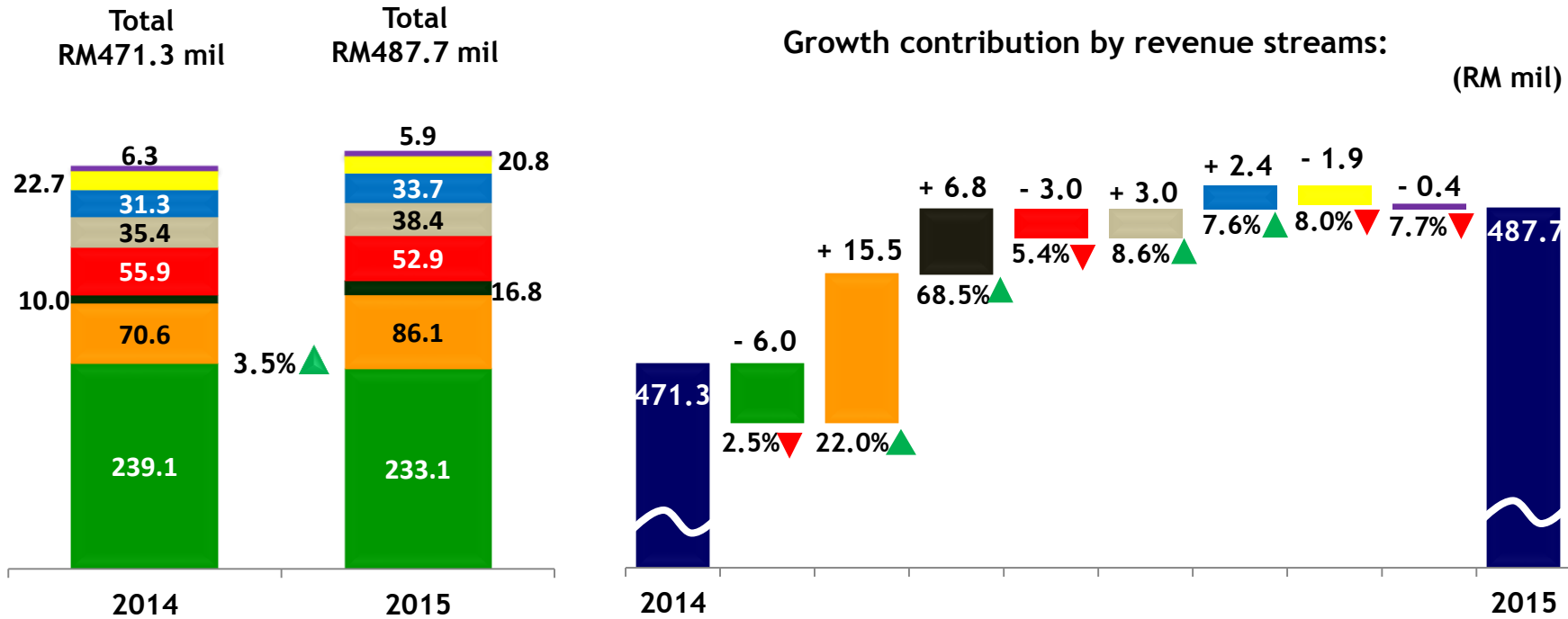


Cost to Income (%)



Operating Revenue

Growth contributed by higher trading in Derivatives and BSAS



- Securities trading revenue decreased mainly due to lower trading participation by retail investors and domestic institutions.
- Derivatives trading revenue increased mainly contributed by higher trade fees, guarantee fees and collateral management fees earned.
- BSAS trading revenue increased due to higher conversion of deposits to Murabaha, as well as growing interest in tenor based pricing.
- Market data revenue increased due to higher number of subscribers.

Note* - Other operating revenue mainly includes conference & exposition income

Operating Expenses

Marginal increase in cost

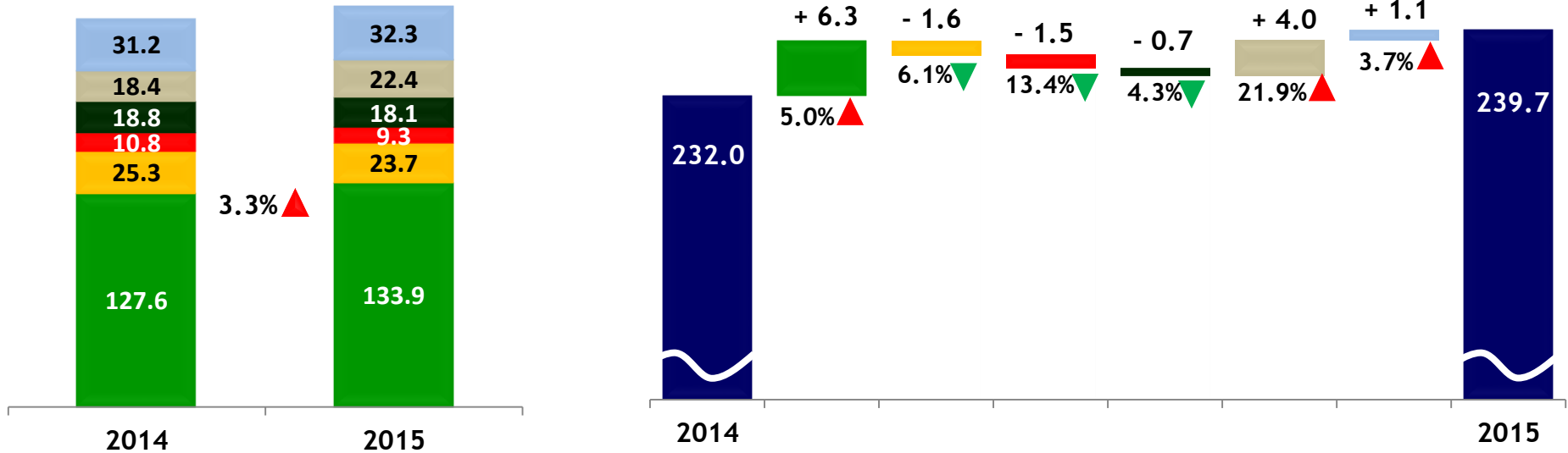


Total
RM232.0 mil

Total
RM239.7 mil

Movement of expenses:

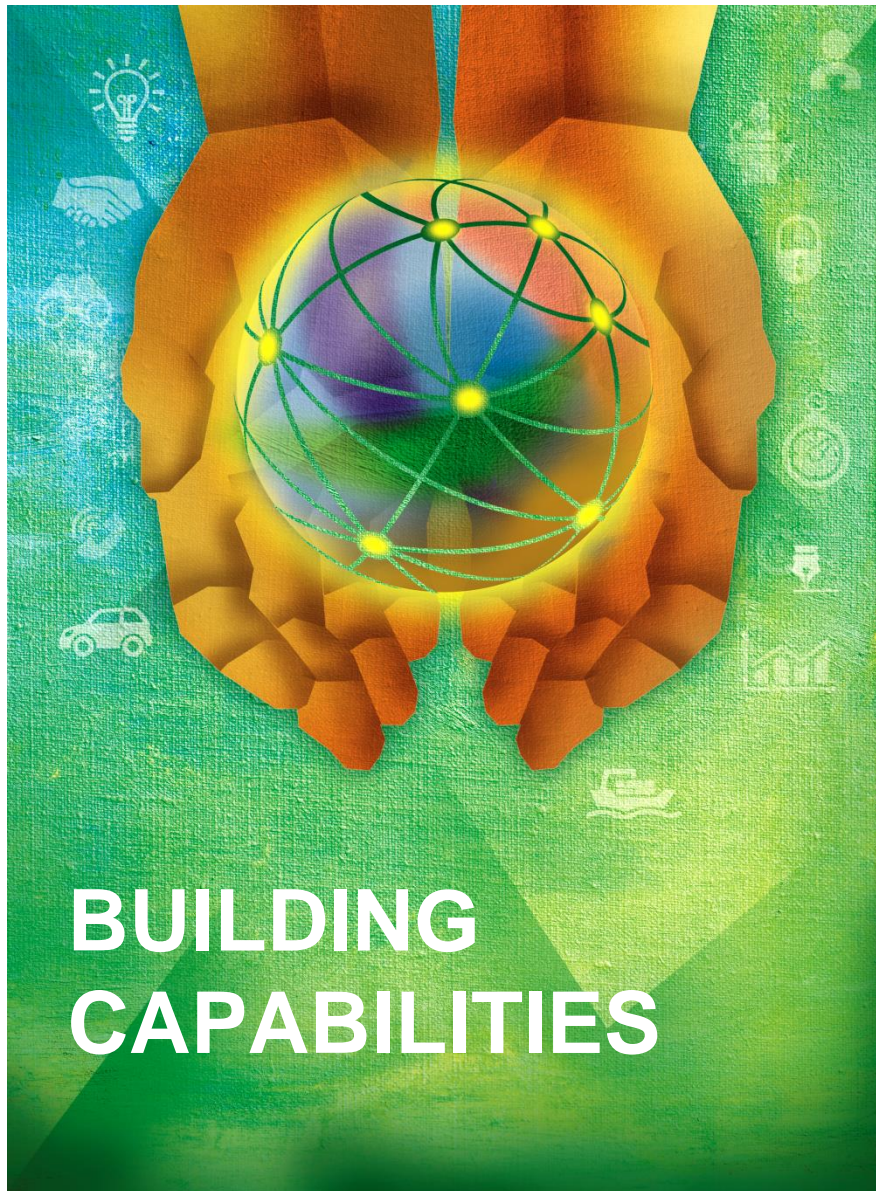
(RM mil)



- Staff costs
- Depreciation & amortisation
- Marketing & development
- IT maintenance
- Service fees
- Other operating expenses^

- Staff costs increased with performance reward.
- Depreciation and amortisation reduced with the retirement of the Derivatives Order Management System in 2014.
- Service fees increased as a result of higher derivatives trading volume in 2015.

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



- Focus Areas & Strategic Intent
- Highlights of 2015 Initiatives

Focus Areas & Strategic Intent

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)

SI 1

Create a More Facilitative
TRADING ENVIRONMENT

- Launched e-Services ie New Bursa Link and Online listing enquiry service
- Issued guidance on rebate on commission for equities brokers

SI 2

Facilitate More
TRADABLE ALTERNATIVES

- Introduced new call and put warrants over foreign indices
- Introduced new ETF:
 1. MyETF MSCI SEA Islamic Dividend
 2. MyETF Thomson Reuters Asia Pacific ex-Japan Islamic Agribusiness

SI 3

Reshape
**MARKET STRUCTURE &
FRAMEWORK**

- Enhancement of ACE market framework
- Signed Sustainable Stock Exchanges' commitment to promote sustainable performance
- Launched Sustainability Framework Reporting Guide and Toolkits for PLCs

SI 4

REGIONAL MARKETPLACE
with Global Access
(Centre of ASEAN)

- Obtained US CFTC approval to attract US-based commodity traders into our Derivatives Market via direct market access.
- Bursa Malaysia and Dalian Commodity Exchange Sign Collaboration Agreement on Product Research & Development



- Ensuring Fair & Orderly Market
- Market Recognition
- Awards & Ranking
- Global Partnerships & Recognition
- The Values That We Create
- Moving Forward

Bursa continues efforts in ensuring fair and orderly market. We put in place measures and have achieved:

1) Operations

- 100% uptime for Securities, Derivatives and BSAS trading systems
- Conducted industry wide BCP exercises for the three (3) markets. All tests were successfully completed.

2) Technology

- Awarded Information Security Management System Certificate of ISO 27001 by Cyber Security Malaysia

3) International standards

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

Market Recognition

Our market is internationally recognised

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)

Awards and Ranking

Our Exchange is internationally recognised



Bursa Malaysia ranked by:



Best Emerging Exchange of the year 2015



Best Islamic Exchange 2015 for Bursa Suq Al-Sila' performance



Best Interbroker For Islamic Transaction Award on Bursa Suq Al-Sila'



Excellence Award for Top CG & Performance (Overall)

Merit Award for CG Disclosure



Gold For Innovative BursaMKTPLC Educational Campaign CELEB.TRADR

Silver For Influences Under Financial Services

Silver For BursaMKTPLC under Financial Services Category

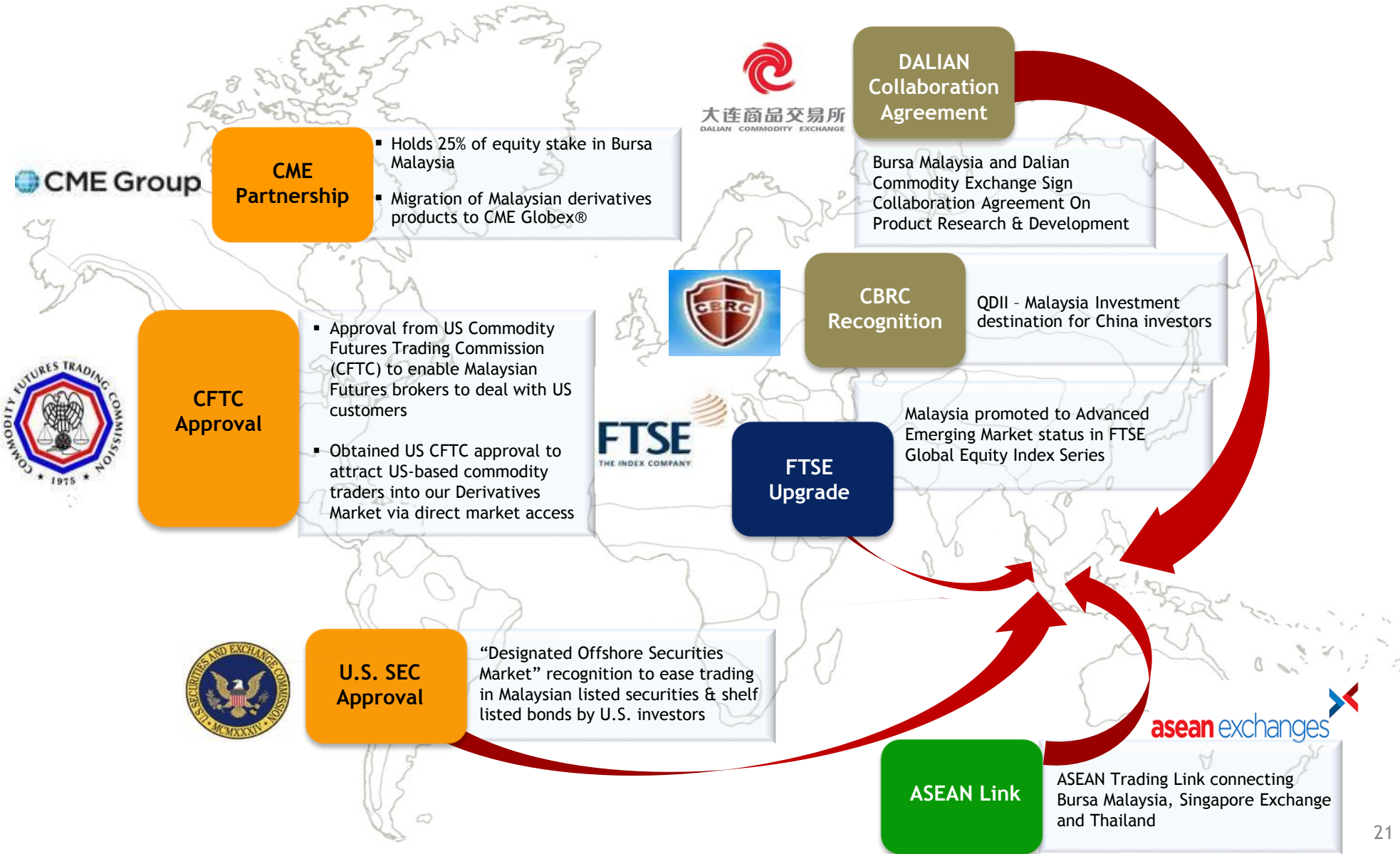


ASEAN **Top 5** Public-Listed Company

ASEAN **Top 50** Public-Listed Company

Top 3 Domestic Public-Listed Company Malaysia

Global Partnerships & Recognition



- ✓ **A DIVERSE AND RESILIENT MARKET:** As one of the largest stock markets in ASEAN, we are responsible for creating a resilient market on the back of quality PLCs and a sustainable market ecosystem.
- ✓ **GLOBAL BENCHMARKS FOR CPO:** As a leading market for Crude Palm Oil (“CPO”) contracts, Bursa Malaysia is the global benchmarks for CPO settlement price.
- ✓ **EFFECTIVE FUNDRAISING CHANNELS:** A deep and vibrant pool of liquidity has made Bursa Malaysia the top ASEAN destination for fundraising for the fourth (4th) consecutive year.
- ✓ **FRONT RUNNER IN THE GLOBAL ISLAMIC CAPITAL MARKET:** Our expertise in Islamic Finance has made us a leading specialist and front runner in the global Islamic capital markets.
- ✓ **EXPOSURE TO ASEAN:** As home to some of ASEAN’s largest companies with operations throughout the region, Bursa Malaysia is steadily reaching its goal of becoming ASEAN’s multinational marketplace.
- ✓ **INVESTOR PROTECTION:** Bursa Malaysia protects its investors via a sound regulatory framework which has been recognised by international observers.

SECURITIES MARKET

- The Securities Market is expected to remain challenging, and market volatility to continue, with global and domestic factors such as policy statements, overall financial results of the public listed companies and strength of the Malaysian Ringgit continuing to affect market performance.
- Foreign and domestic institutions will continue to be major market contributors, whilst the Exchange will continue to intensify initiatives to attract retail players into the market.

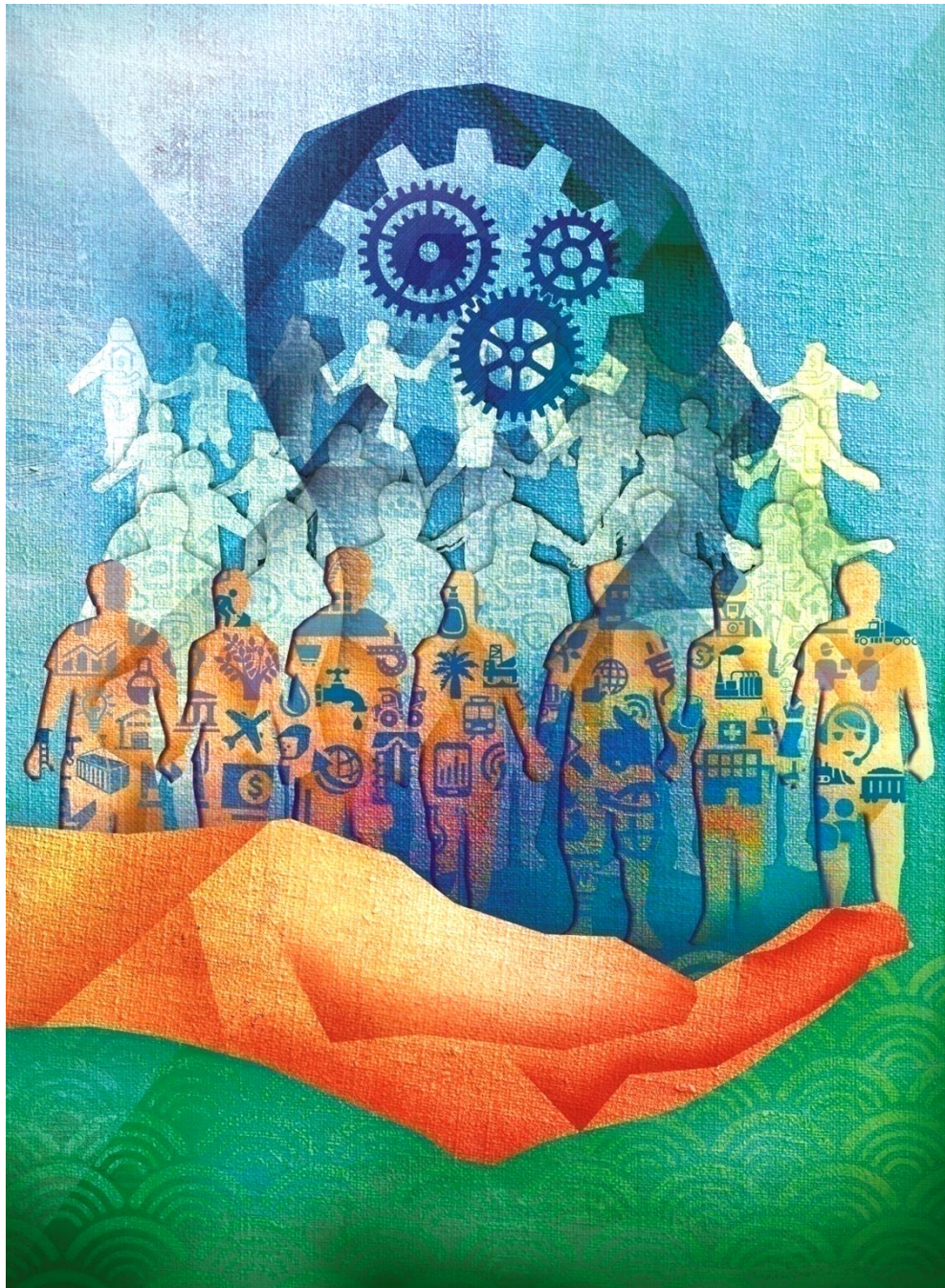
DERIVATIVES MARKET

- Volatility in commodity prices and FBM KLCI will further spur activities in our Derivatives Market.

ISLAMIC CAPITAL MARKET

- The adoption of Murabaha contracts in the domestic market for liquidity management, and tenor based pricing, will continue to encourage Bursa Suq Al- Sila' (BSAS) transactions.

Notwithstanding the global economic uncertainty, we remain focused in developing our markets and products offered, as well as intensifying our outreach activities, whilst managing expenses, to facilitate a sustainable performance.



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Q&A



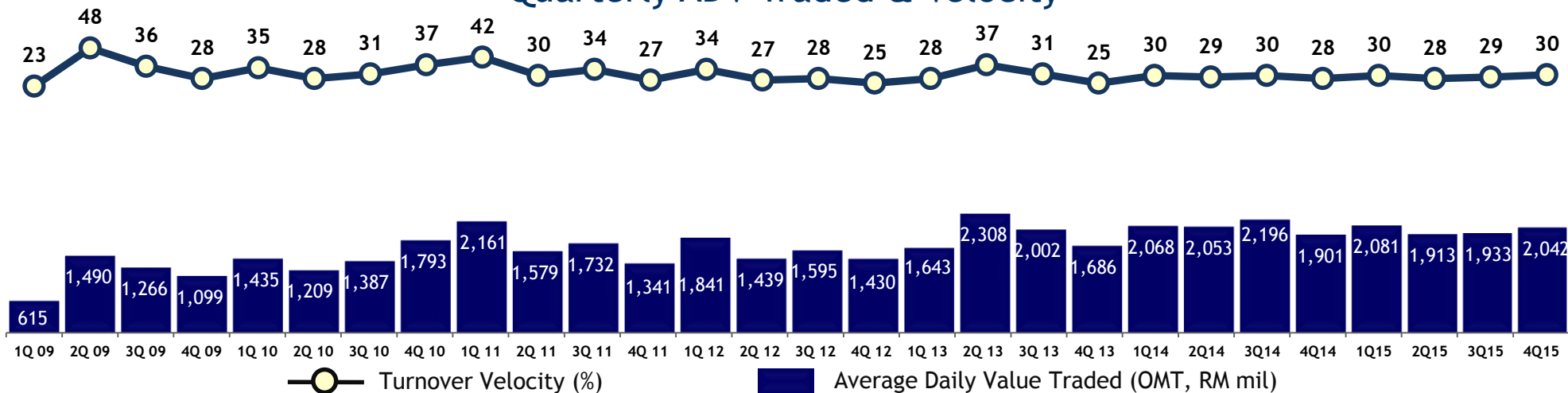
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APPENDICES

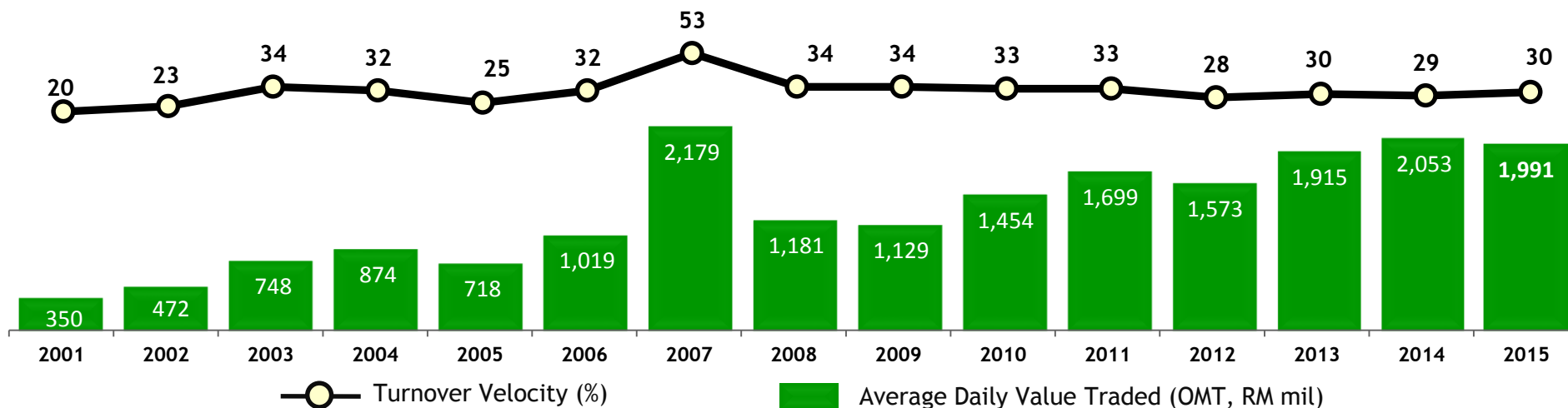
- Securities Market Trading Activity
- Securities Market Trading Participation
- Securities Market Foreign Ownership
- Foreign Inflow/Outflow
- Derivatives Market Activity
- Derivatives Market Demography
- Islamic Capital Market Activity

Securities Market Trading Activity

Quarterly ADV Traded & Velocity



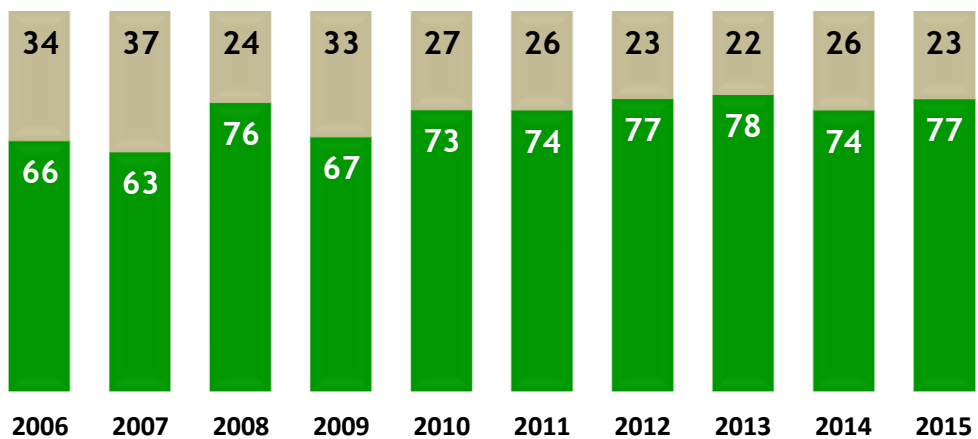
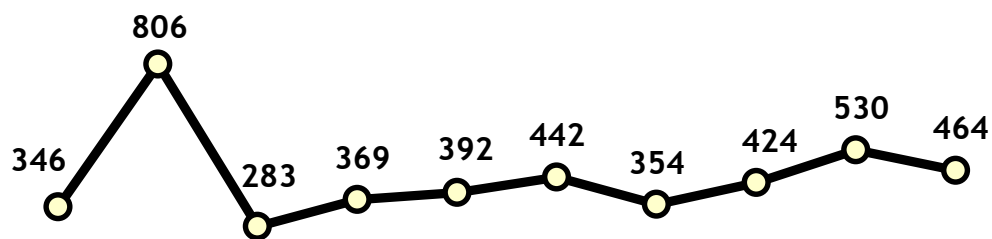
Annual ADV Traded & Velocity



Securities Market Trading Participation

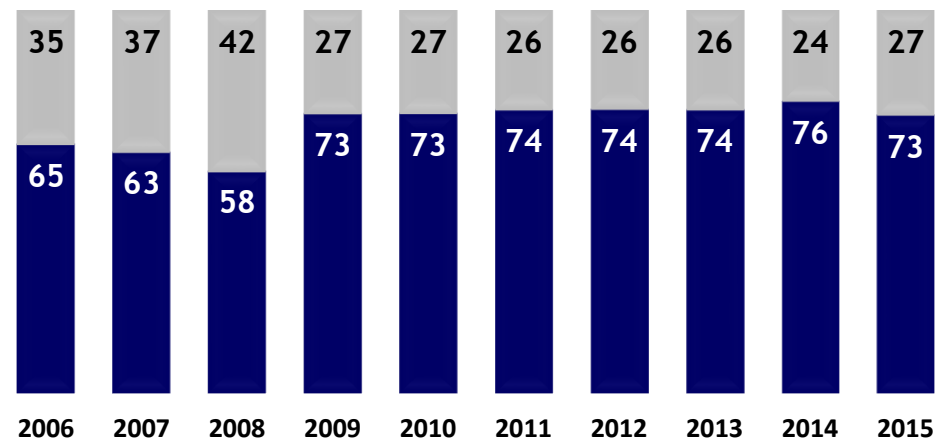
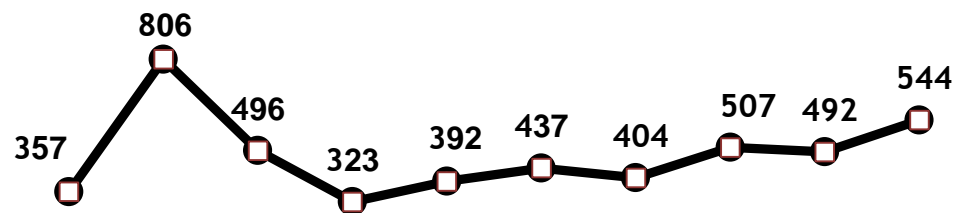


Retail vs Institution



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

Foreign vs Local

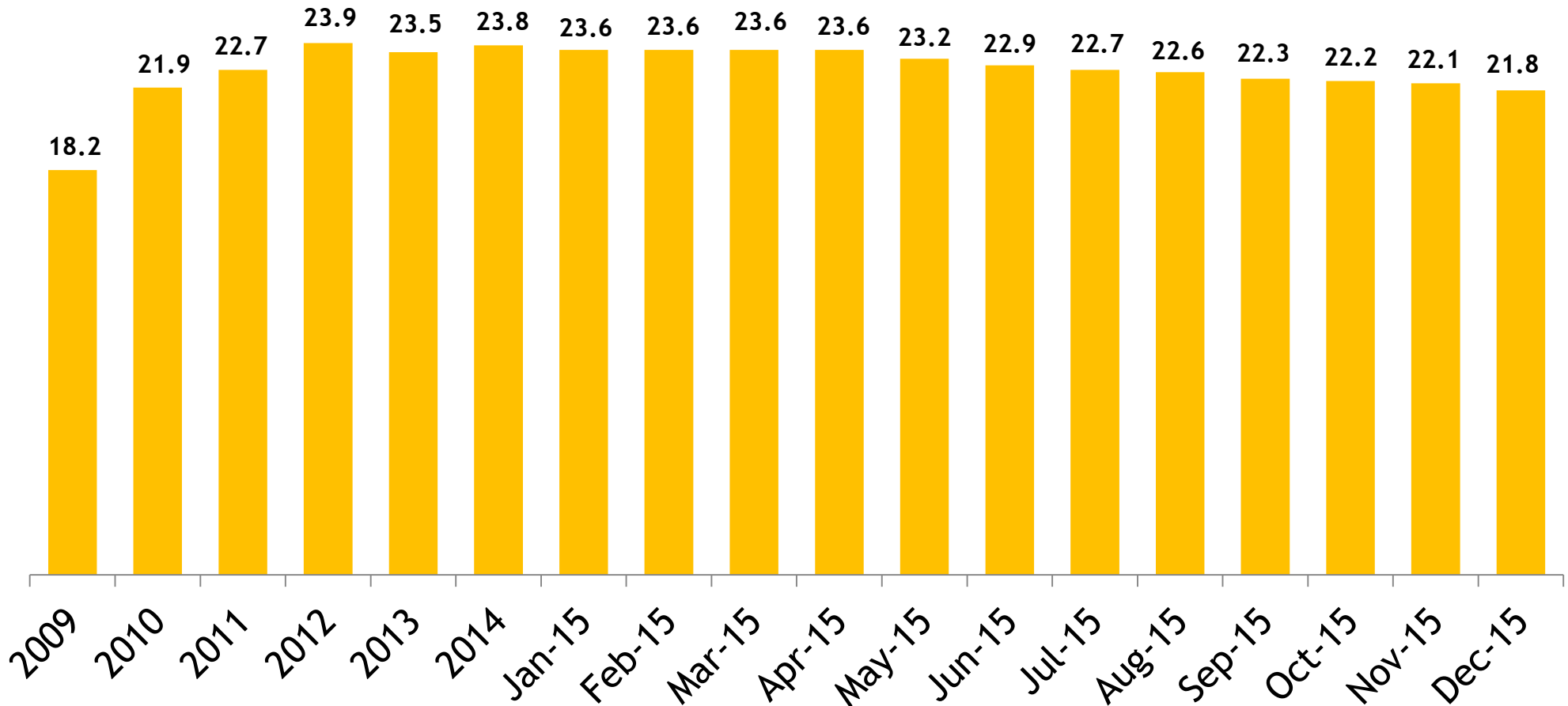


○ Foreign vs Local ADV Traded (RM mil) ■ Foreign (%) ■ Local (%)

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

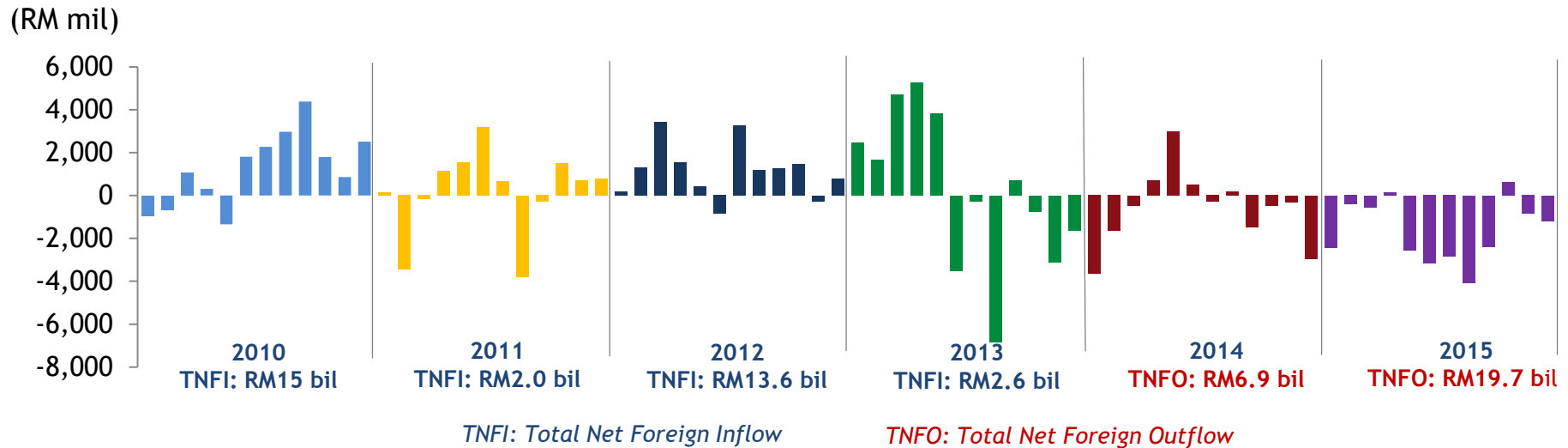
Securities Market Foreign Ownership

Based on Market Capitalisation (%)

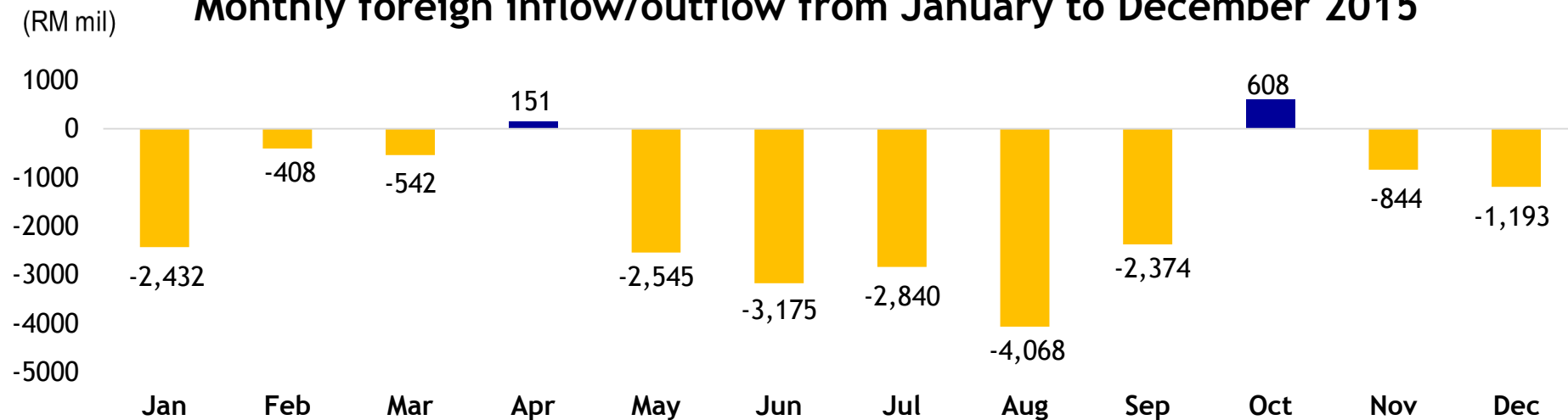


Foreign Inflow/Outflow

Monthly foreign inflow/outflow from 2010 to 2015

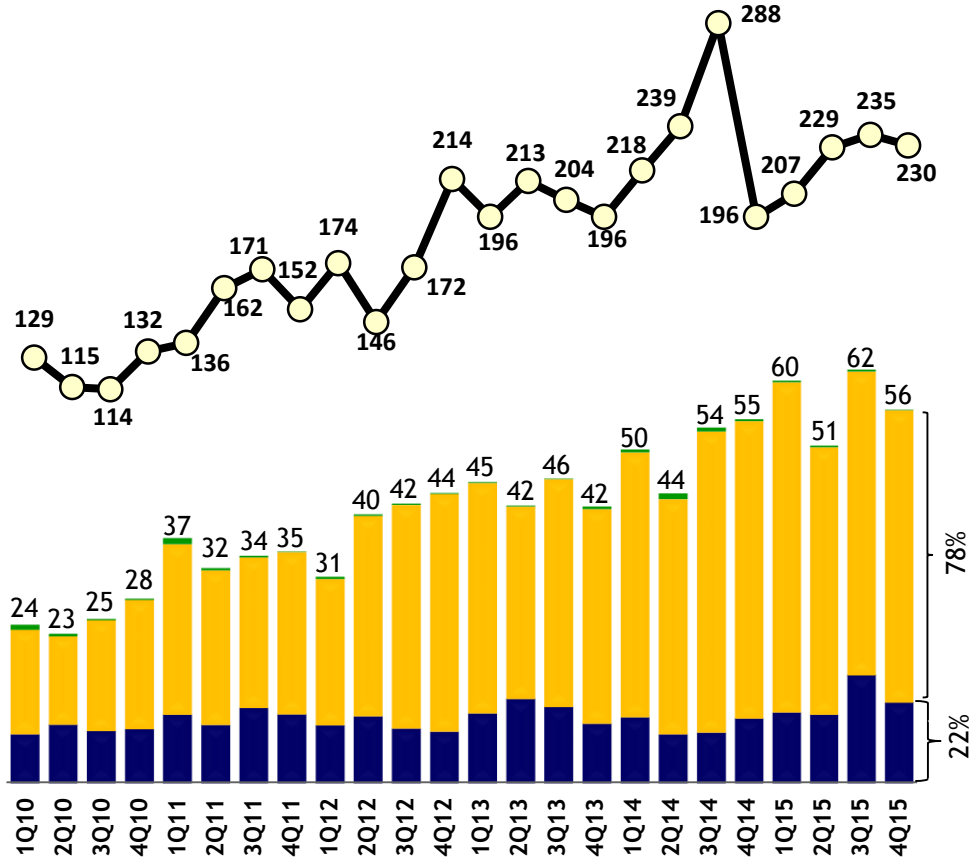


Monthly foreign inflow/outflow from January to December 2015

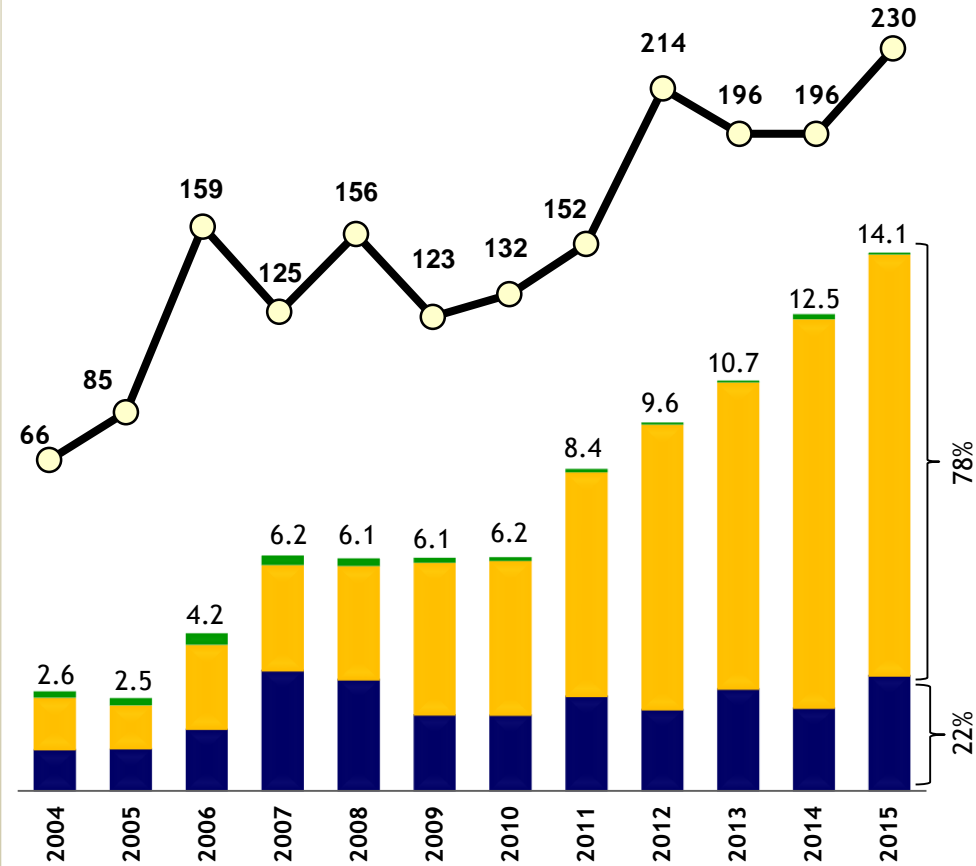


Derivatives Market Activity

Quarterly Average Daily Contracts ('000)



Total Annual Contract (mil)



○— Open Interest ('000)

■ Others

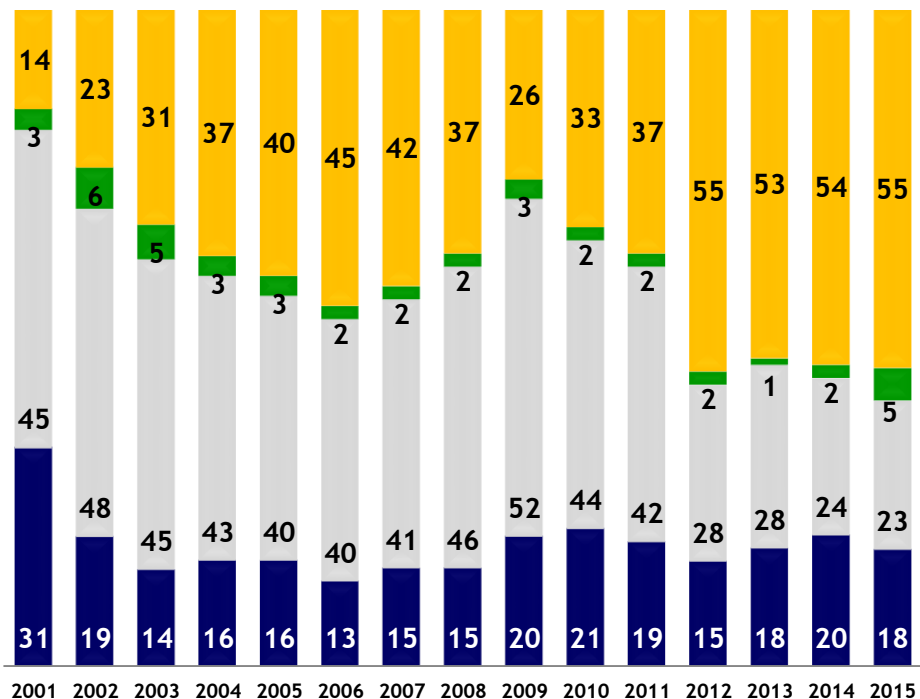
■ Crude Palm Oil Futures

■ FMBKLCI Futures

Derivatives Market Demography

FKLI

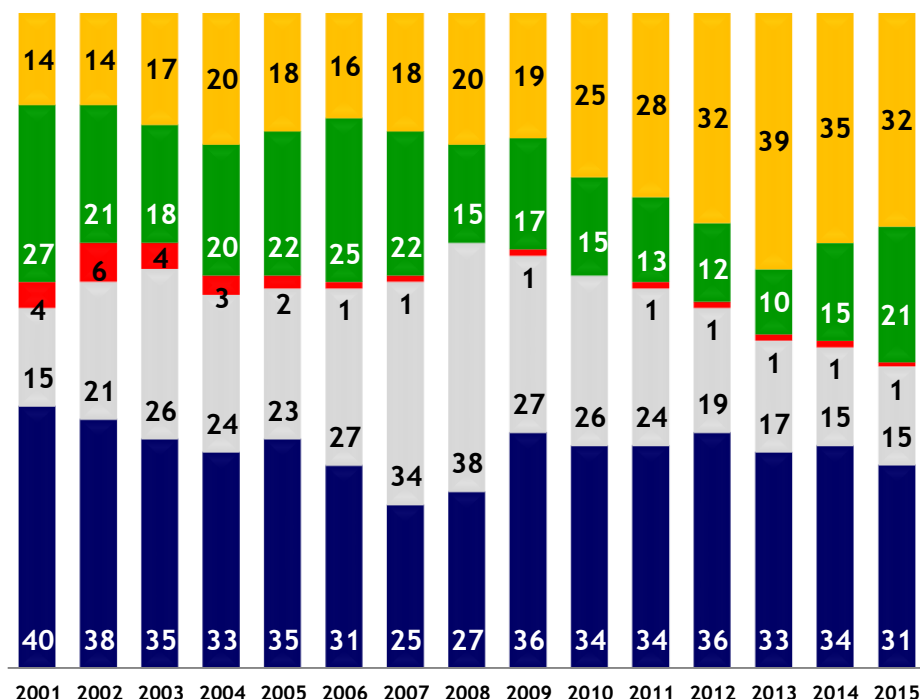
(%)



■ Foreign Institutions ■ Domestic Retail
■ Domestic Institutions ■ Local

FCPO

(%)

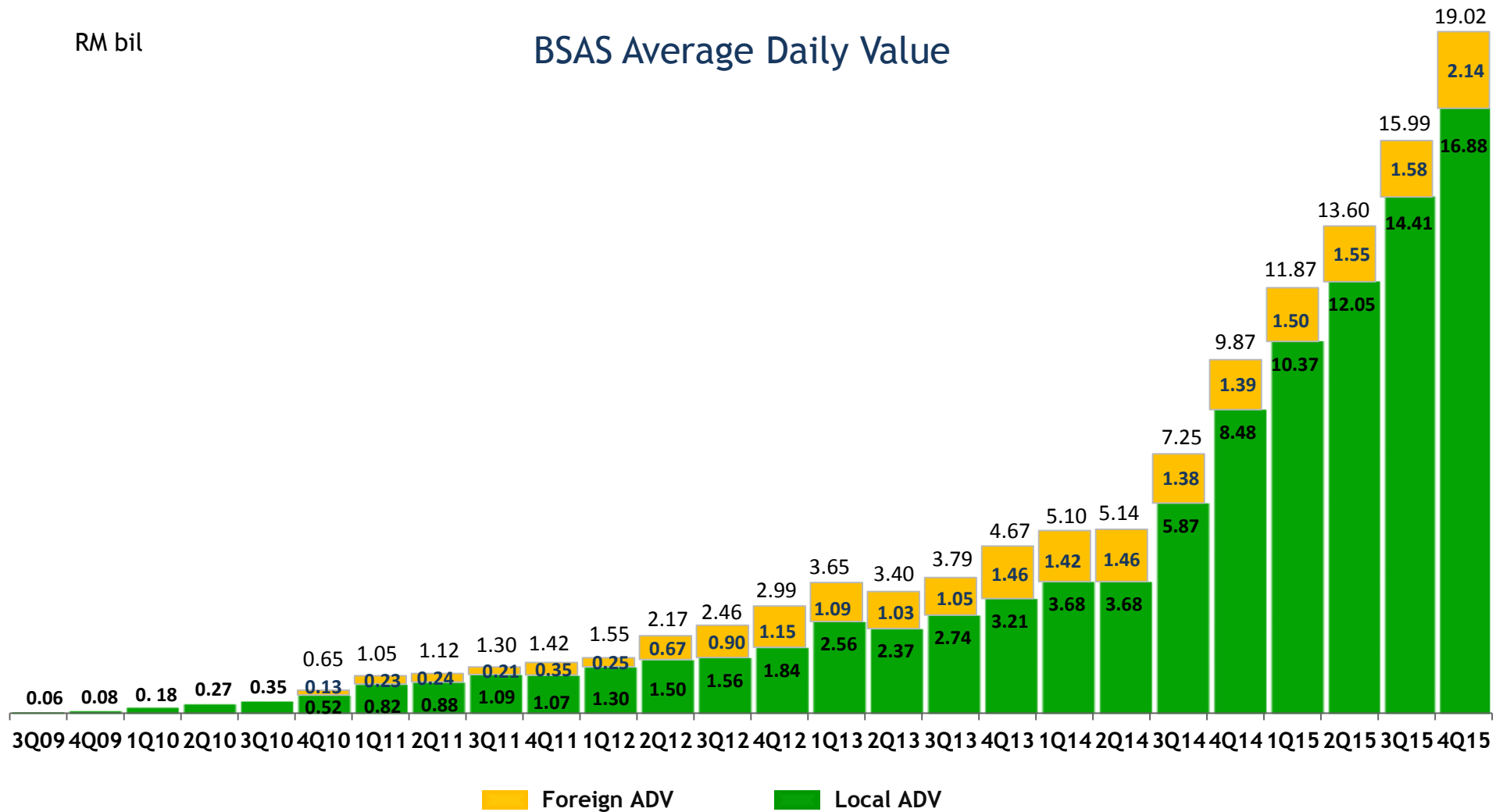


■ Foreign Institutions ■ Foreign Retail ■ Local
■ Domestic Institutions ■ Domestic Retail

Islamic Capital Market Activity

RM bil

BSAS Average Daily Value



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A solid red horizontal bar at the bottom of the page, containing faint, semi-transparent icons of various financial and business symbols like a pie chart, a bar chart, a house, and a person.