

# **BURSA MALAYSIA BERHAD**

## **Q1 2009 FINANCIAL RESULTS**

*17 April 2009*



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# Financial Results Snapshots

(RM)	Q109	Q108	▲%	Q408	▲%
Operating Revenue (mn)	54.4	91.0	(40)	63.4	(14)
Operating Expenses (mn)	42.2	43.8	(4)	47.8	(12)
Profit After Tax (mn)	15.5	42.1	(63)	13.5	15
Earnings Per Share (sen)	2.9	8.0	(64)	2.6	12

## Commentary

- Lower revenue mainly due to a decrease in trading revenue from the securities market.

## Performance Ratios

( % )	Q109	Q108 ▲%	Q408 ▲%
Annualised Return on Equity	8.4	21.0 (60)	7.5 12
Operating EBITDA Margin	39.5	56.8 (31)	34.4 15
Net Profit Margin	24.2	41.5 (42)	19.0 27
Stable Revenue + Derivatives Income: Total Operating Expenses	76.1	88.0 (14)	71.3 7

### Commentary

- Lower ratios mainly due to lower trading revenue from the securities market.

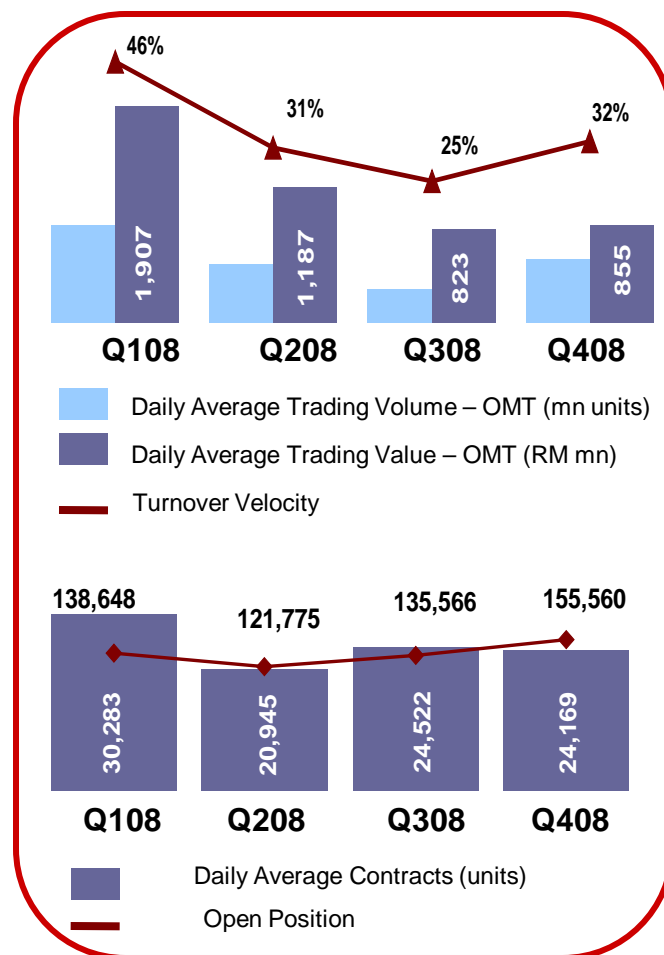
# Operating Drivers

*Equities Performance Impacted By Weak Investors Sentiment  
Derivatives Performance Remained Steady*

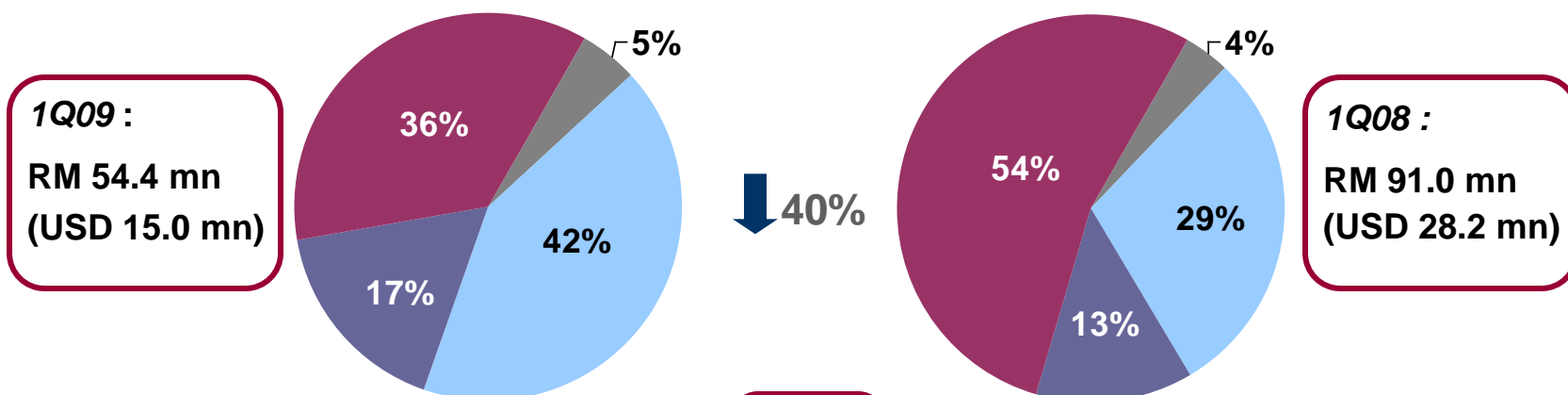
SECURITIES	Q109	Q108	▲%	Q408	▲%
Velocity (%)	23	46	(50)	32	(28)
Market Capitalisation (RM bn)	662	952	(31)	664	(0.3)
Daily Average Trading Value OMT+DBT (RM bn)	0.7	2.0	(66)	0.9	(22)





  

DERIVATIVES	Q109	Q108	▲%	Q408	▲%
Daily Average Contracts (RM mn)	23,862	30,283	(21)	24,169	(1)



# Operating Revenue



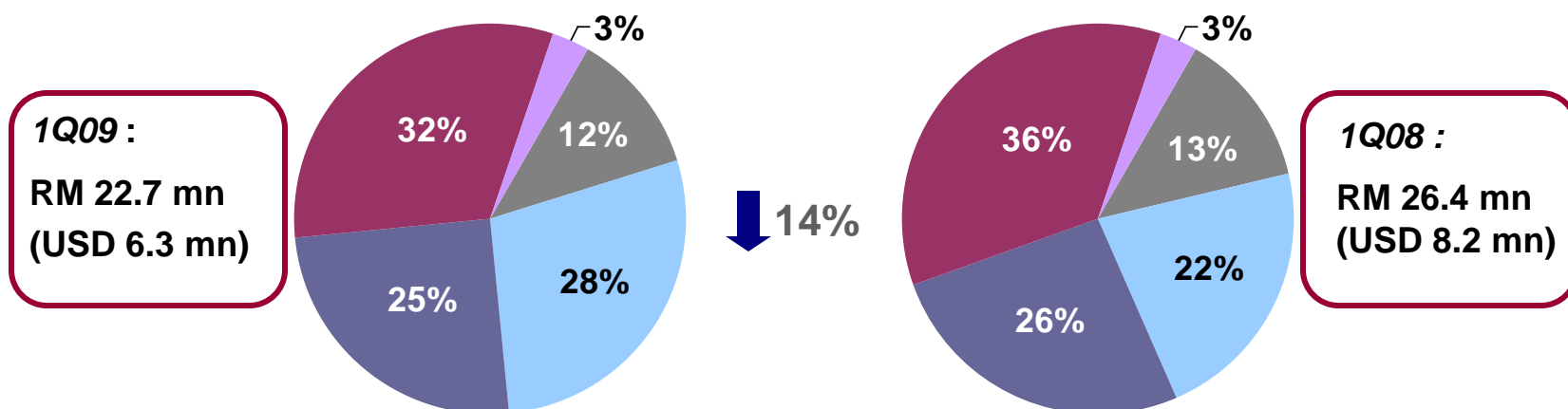
RM mn	Q109	Q108	▲%	Q408	▲%
 Trading Revenue (Equities)	19.5	48.9	(60)	25.9	(25)
 Trading Revenue (Derivatives)	9.3	12.2	(24)	10.3	(10)
 Stable Revenue	22.7	26.4	(14)	23.8	(5)
 Other Operating Revenue*	2.9	3.5	(17)	3.4	(15)






\* Other Operating Revenue mainly comprises the haircut on interest earned from participants' contributions & collaterals, and perusal & processing fees

## 1Q09 vs 1Q08 Commentary

- Lower equities trading revenue mainly due to the continuing global financial crisis and economic uncertainties.
- FCPO trades remained stable while FKL1 contracts dropped 42% in 1Q09.
- Stable revenue decreased mainly due to lower annual listing fees, impacted by lower market capitalisation.
- Lower other operating revenue following lower perusal and processing fees due to lower numbers of corporate exercises.

# Stable Revenue



RM mn	Q109	Q108	▲%	Q408	▲%
 Listing Fees	7.5	9.5	(21)	8.4	(12)
 Depository Services	5.6	6.9	(19)	5.0	12
 Information Services	6.3	5.9	7	6.4	(2)
 Broker Services*	2.7	3.4	(21)	3.4	(21)
 Participants' Fees**	0.7	0.7	-	0.7	-

\* Broker Services comprises of Data Comm equipment rental income from a fixed monthly rate

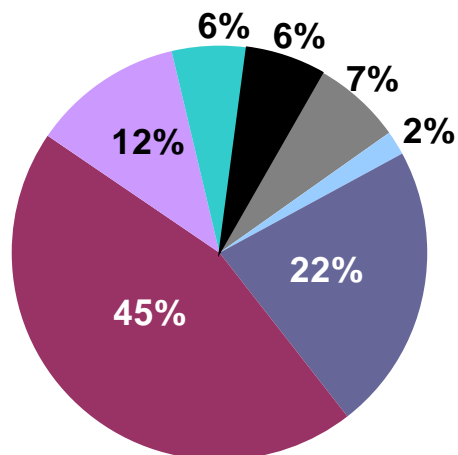
\*\* Participants' Fees comprises of application/admission/initial/registration fees, participants' subscriptions and renewal fees

## 1Q09 vs 1Q08 Commentary

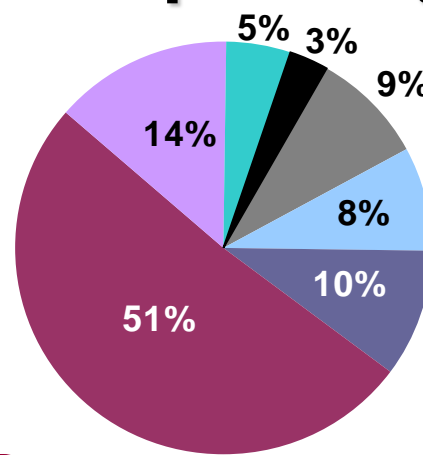
- Lower listing fees due to lower annual listing fees, impacted by lower market capitalisation.
- Lower depository fees due to fewer corporate exercises.
- Lower broker services fees due to phasing out of older network equipments at broker sites.

# Operating Expenses

**1Q09 :**  
**RM 42.2 mn**  
**(USD 11.6 mn)**



↓ 4%



**1Q08 :**  
**RM 43.8 mn**  
**(USD 13.6 mn)**

RM mn	Q109	Q108	▲%	Q408	▲%
Staff Costs	18.8	22.5	(17)	20.9	(10)
Depreciation & Amortisation	9.2	4.5	104	6.2	48
Market Development	1.1	3.5	(69)	6.7	(84)
IT Maintenance	3.0	3.7	(19)	4.2	(29)
Professional Fees	2.5	1.2	108	3.1	(19)
Building Management Costs	2.5	2.2	14	3.0	(17)
Other OPEX *	5.1	6.2	(18)	3.7	38

\* Other OPEX comprises administrative expenses, CDS consumables, conference expenses, etc.

## 1Q09 vs 1Q08 Commentary

- Lower staff costs due to nil ESOS expenses and lower bonus provisions.
- Lower IT maintenance costs due to the on-going IT consolidation exercises.
- Higher depreciation and amortisation due to implementations of IT systems i.e. BTS and ETP.

# Capital Management

*As at 31 March 2009*

	RM mn	USD mn
<b>Financial Resources Available for Use</b>	<b>431</b>	<b>118</b>
<b>Shareholders' Funds</b>	<b>748</b>	<b>204</b>
<b>Capital Expenditure</b>	<b>7</b>	<b>2</b>

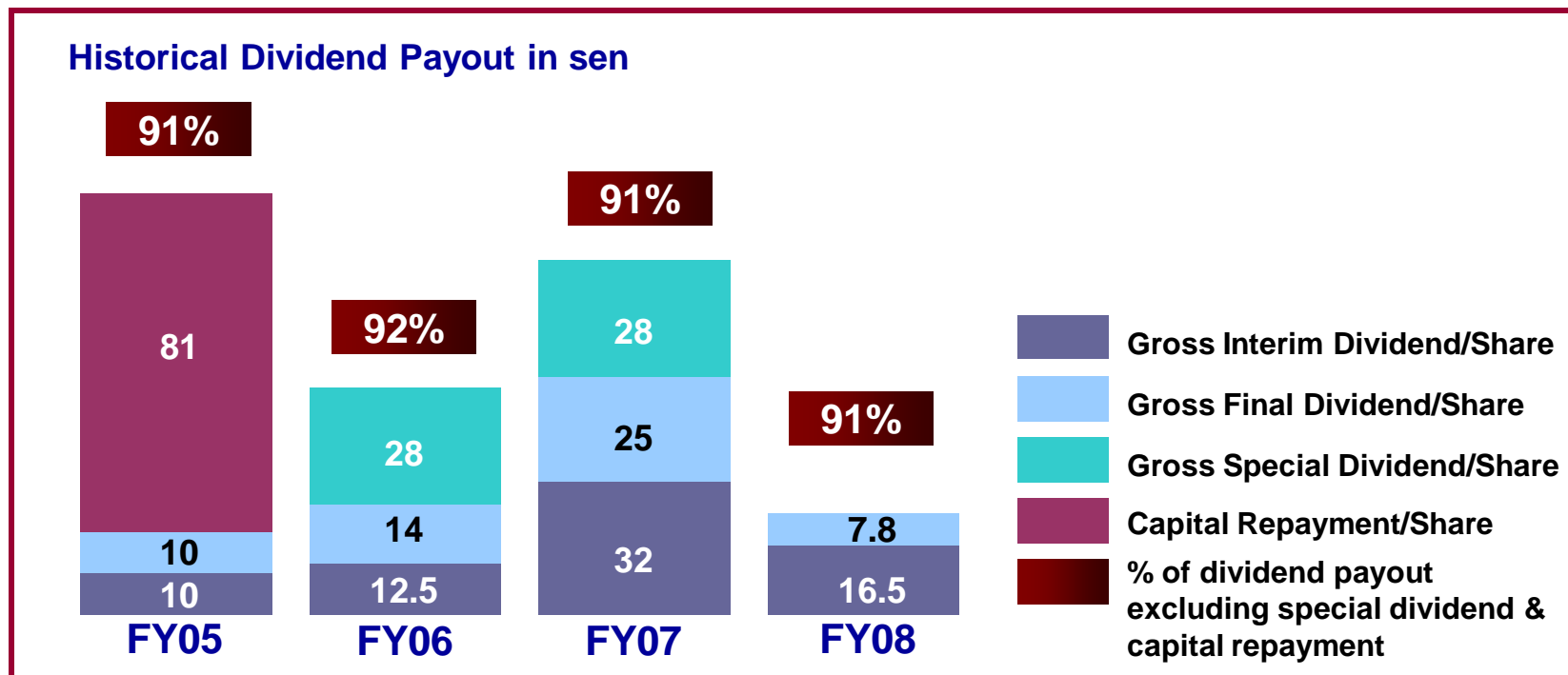
## *Commentary*

- Total CAPEX budgeted for 2009 is RM85.5 million.
- The Company has sufficient financial resources to cover its CAPEX, CGF commitment and working capital. Excess cash will be conserved amidst market uncertainties.
- Aim to cut budgeted operating expenses and capital expenditure by 15%.



# Dividend Payout > 90%

*Maximising Value to Shareholders*



**Total Shareholders' Return since listing till 15 April 2009**

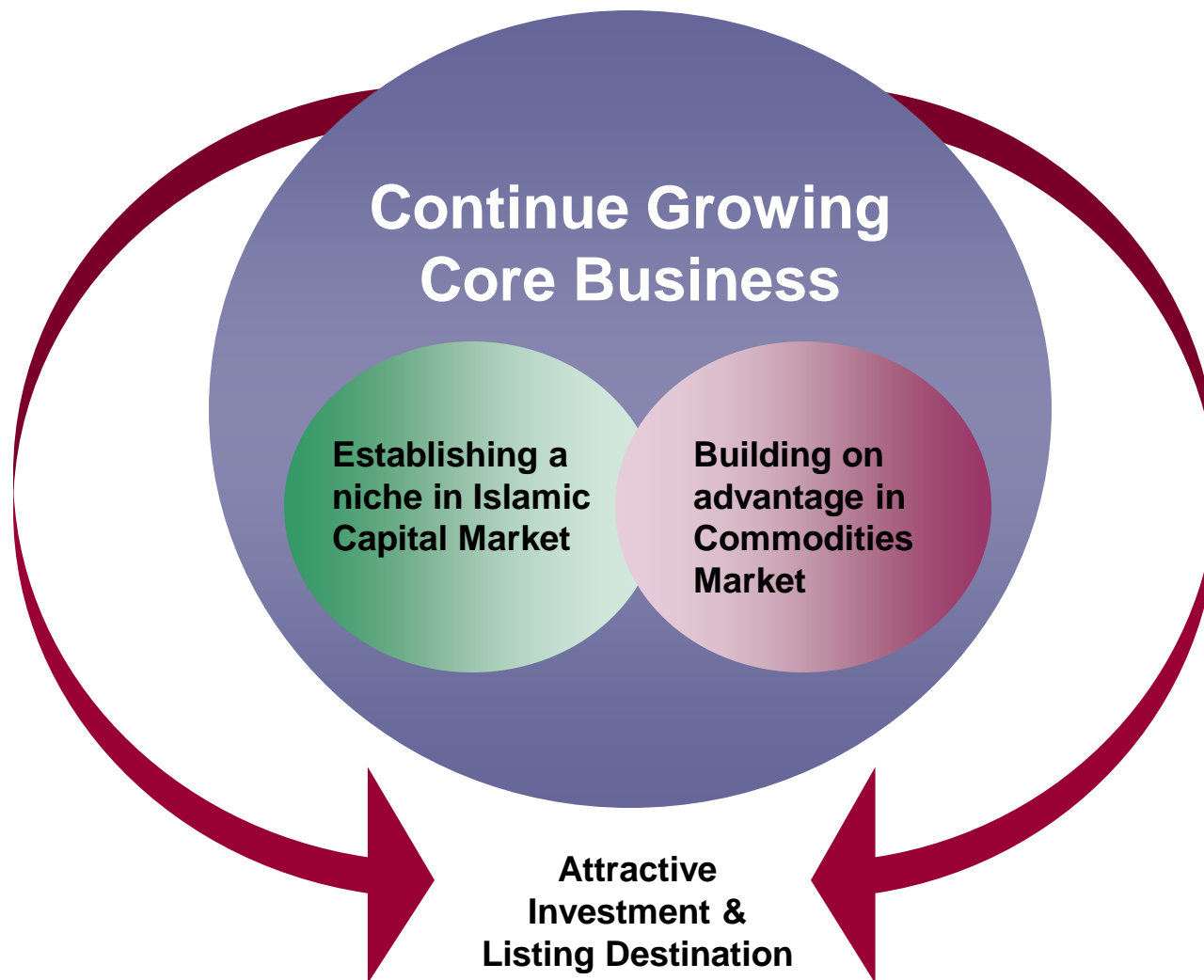
**172%**

**Share price performance from 1 January 2009 to 15 April 2009**

**17%**



# Business Direction

*2009-2011 Focus*



# Key Focus and Initiatives

IMPROVING ACCESSIBILITY	NEW PRODUCTS & SERVICES	STRENGTHENING LIQUIDITY	INTERNATIONALISING MARKETS
Direct Market Access Derivatives	Islamic Products ( i-ETFs & i-Reits )	Continued Retail Education	KLCI Conversion to FTSE
Entry of 3 New Derivatives Trading Participants	Electronic Trading Platform	Market Making Framework	Multicurrency Securities Framework
Bursa Trade Securities	USD Crude Palm Oil Futures	Streamlining of Boards	Approval from Commodity Futures Trading Commission, US
Direct Market Access Equity	New Rules for Listing of Sukuk / Debt Securities	Restructuring of minimum bids/spread size	Asean Link
New licenses for 3 foreign brokers (1 approved)	Thematic Indices	More Proprietary Day Traders	
	* Bursa Commodity House		
	Multicurrency ETFs		
	New Index Linked Products		

 Launched  
 In The Pipeline

\* Previously referred to as Commodity Murabahah House

# Building on Our Strength

## Establishing a Niche in the Islamic Capital Market


IMPROVING ACCESSIBILITY	NEW PRODUCTS & SERVICES	STRENGTHENING LIQUIDITY	INTERNATIONALISING MARKETS
Direct Market Access Derivatives	<b>Islamic Products ( i-ETFs &amp; i-Reits )</b>	Continued Retail Education	KLCI Conversion
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	<b>* Bursa Commodity House</b>		
	Multicurrency ETFs		
	New Index Linked Products		

\* Previously referred to as Commodity Murabahah House

# Building on Our Strength

## *Building on Advantage in the Commodities Market*

IMPROVING ACCESSIBILITY	NEW PRODUCTS & SERVICES	STRENGTHENING LIQUIDITY	INTERNATIONALISING MARKETS
Direct Market Access Derivatives	Islamic Products ( i-ETFs & i-Reits )	Continued Retail Education	KLCI Conversion
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	Bursa Commodity House		
	Multicurrency ETFs		
	New Index Linked Products		

 Commodities Market Initiatives

\* Previously referred to as Commodity Murabahah House

## Securities Market

- ➡ **The securities market is expected to be challenging due to the continuing global financial crisis and economic uncertainties.**
- ➡ **Government's stimulus measures are expected to help mitigate the adverse impact of global economic crisis on the domestic economy.**
- ➡ **The recent smooth transition of the country's leadership is expected to augur well for the Malaysian Capital Market.**

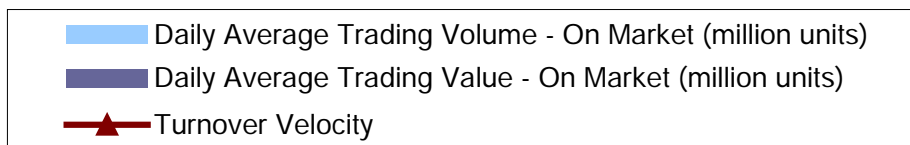
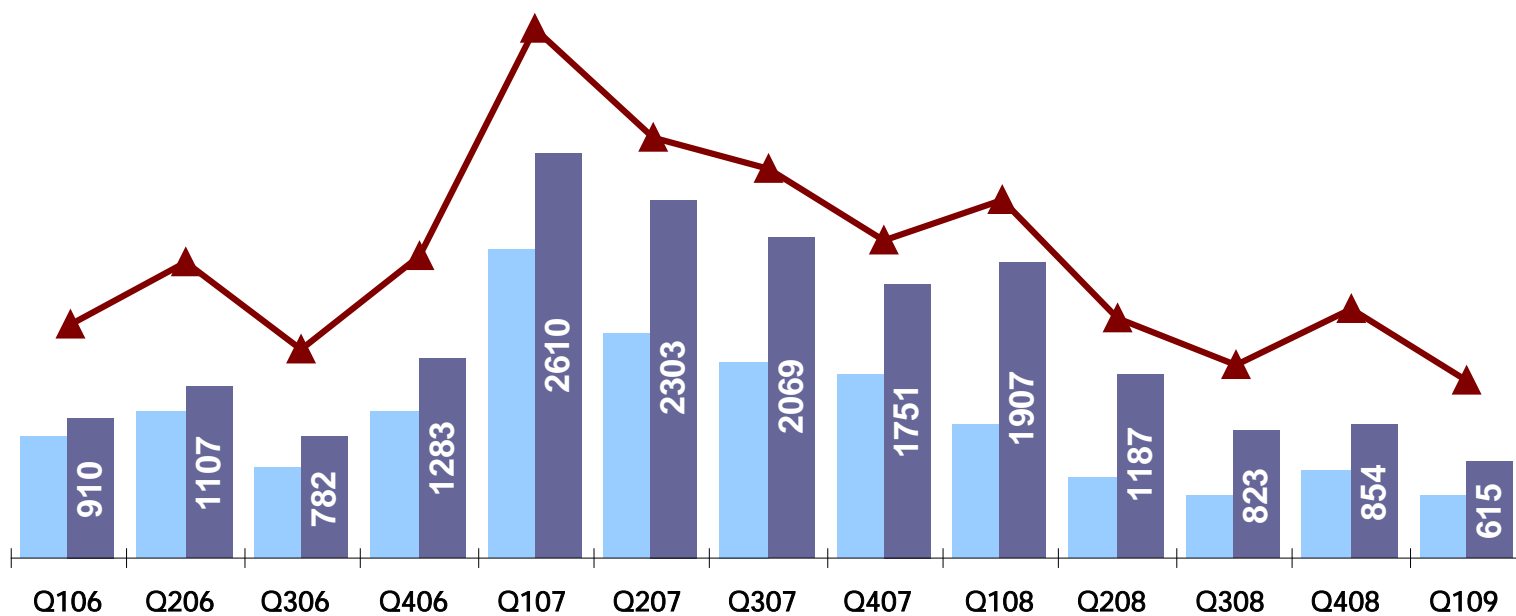
## Derivatives Market

- ➡ **FKLI and FCPO are expected to continue as key revenue drivers.**
- ➡ **Interest in FCPO is expected to continue throughout the year with interest in FKLI to continue being driven by the sentiments on the securities market.**
- ➡ **Derivatives volume traded via DMA grew in 1Q09, the growth trend is expected to continue.**

## additional information

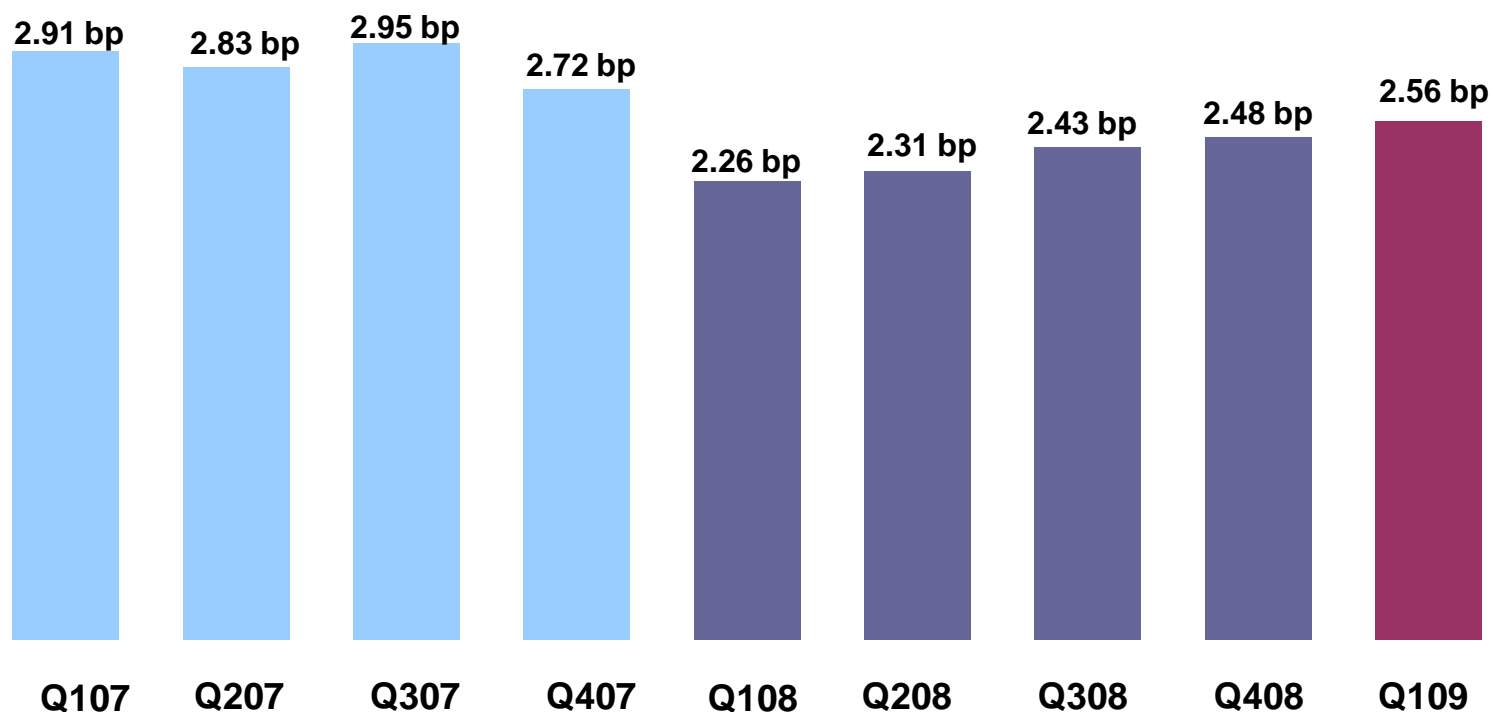
- + quarterly velocity 17
- + effective clearing fee rate 18
- + our market and product diversity 19
- + Bursa's velocity target (mid-term) : 60% 20
- + sustained foreign trading reflects market resilience 21
- + 2 leading derivatives products, FKLI & FCPO 22
  - + market foreign ownership 23
  - + retail participation 24
- + derivatives market demography, FKLI 25
- + derivatives market demography, FCPO 26
  - + quarterly derivatives activity 27

# Quarterly Velocity





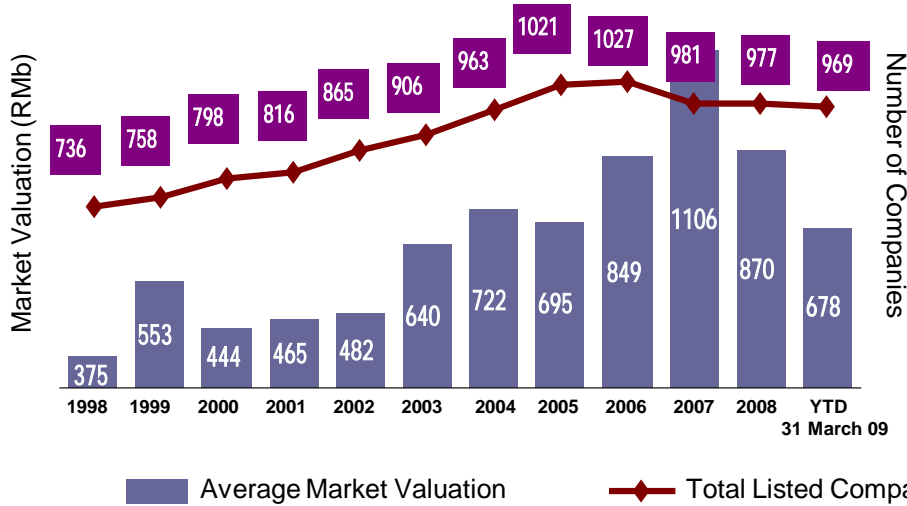
# Effective Clearing Fee Rate



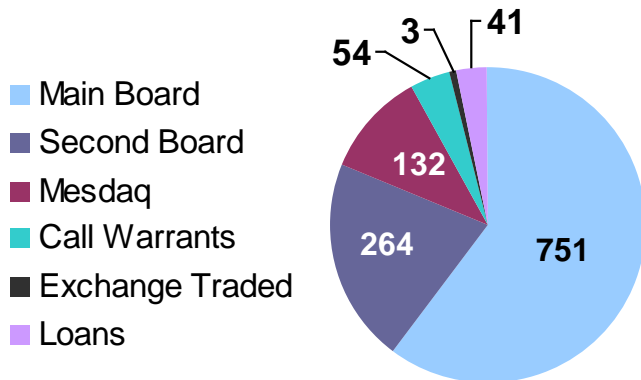
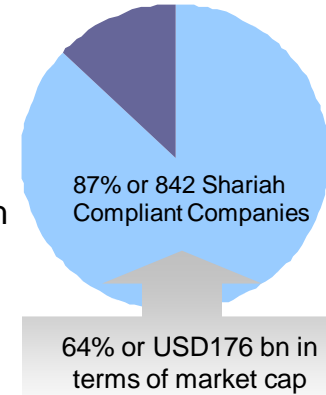
**Note** : Clearing Fee revised to 0.03% (capped at RM1,000) effective 1 Jan 08 from 0.04% (capped at RM500)

# Our Market and Product Diversity

Market Valuation & Listed Companies

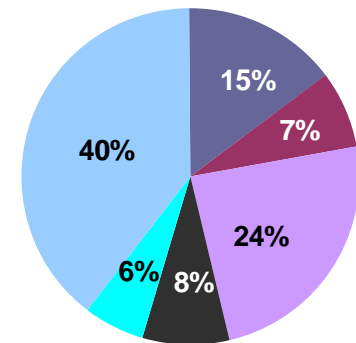


- Shariah Compliant
- Non- Shariah Compliant



No. of Counters Listed: 1,245

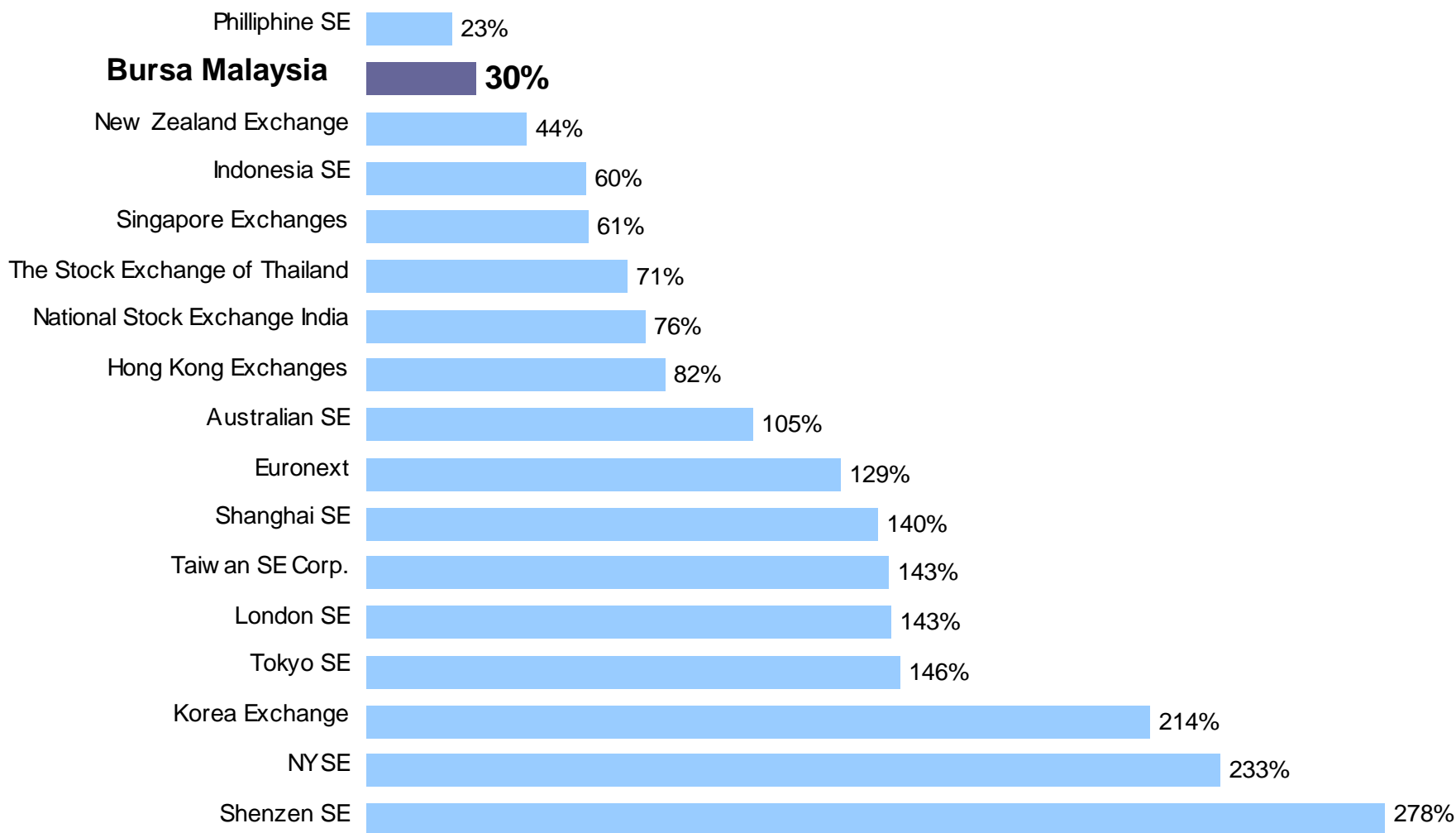
- Palm Oil
- Oil & Gas
- Finance
- Telcos
- Leisure/Gaming
- Others



Major sectors by Market Cap

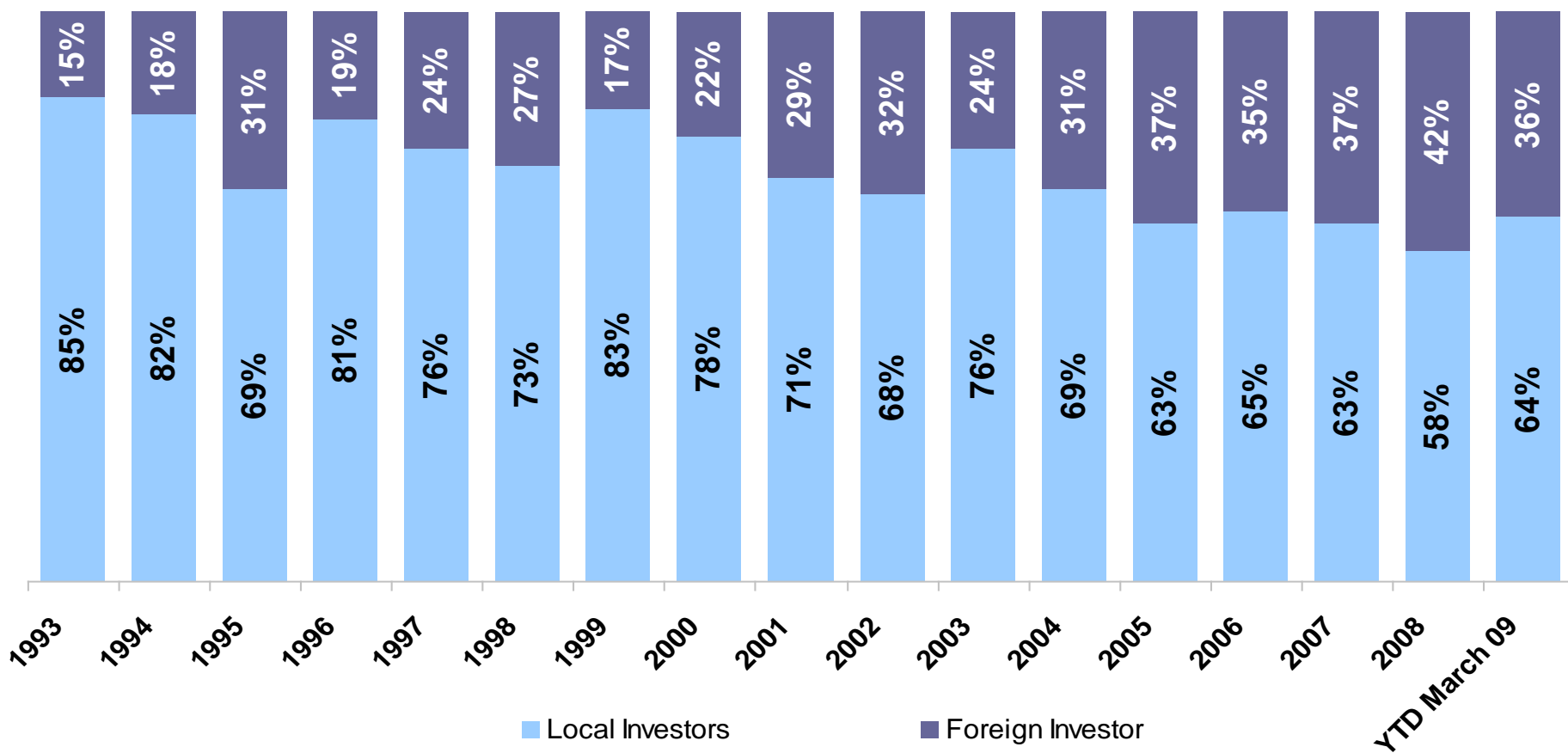
# Bursa's Velocity Target (Mid-term): 60%

*Turnover Velocity For The Past 12 Months To March 2009*

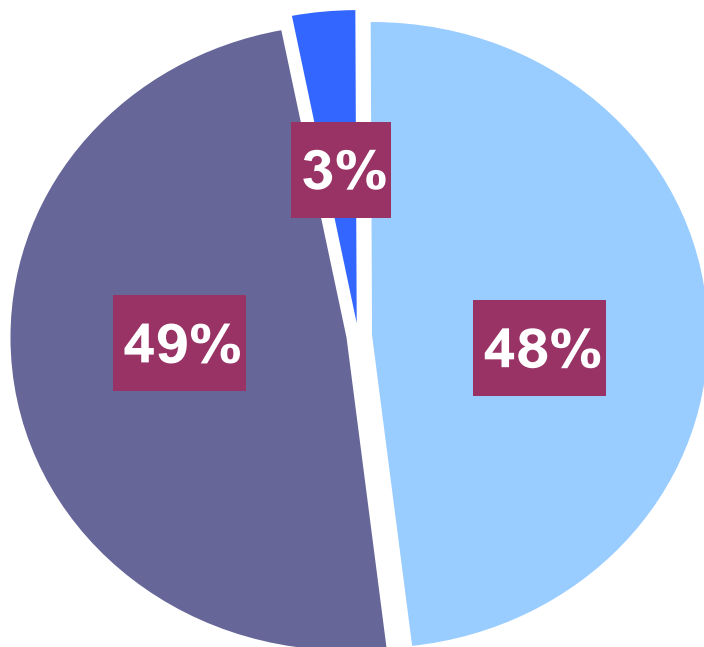


# Sustained Foreign Trading Reflects Market Resilience

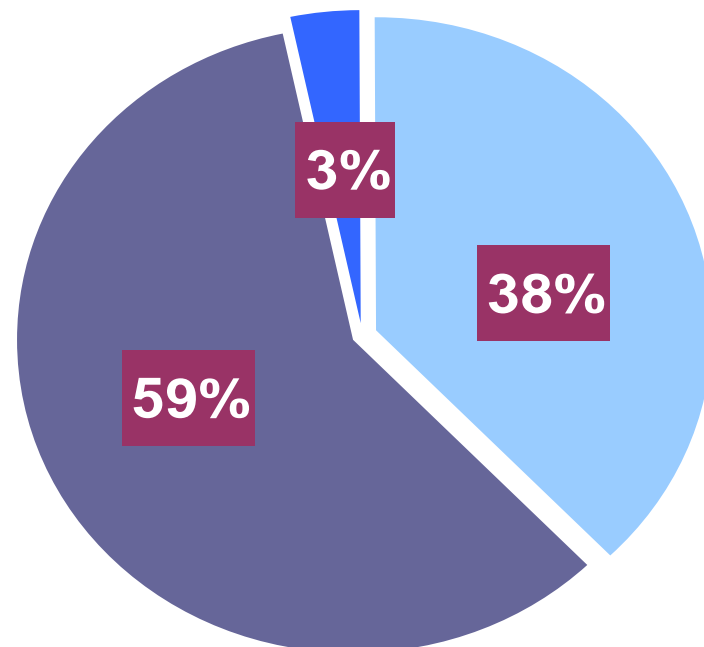
Breakdown of trading (by value) 1993 to March 2009



## 2 Leading Derivatives Products, FKLI & FCPO



Total contracts traded in 2008 = 6.1 mn



Total contracts traded in Q109 = 1.4 mn

- Crude Palm Oil Futures (FCPO)
- KL Composite Index Futures (FKLI)
- 3-Month Kuala Lumpur Interbank Offered Rate Futures (FKB3)

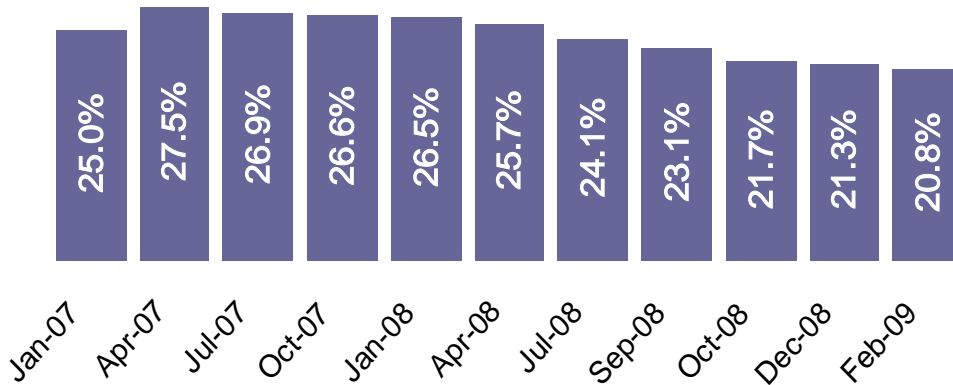
# Market Foreign Ownership

Malaysian and Foreign Shareholdings @ 31 March 2009 = **21.0%**

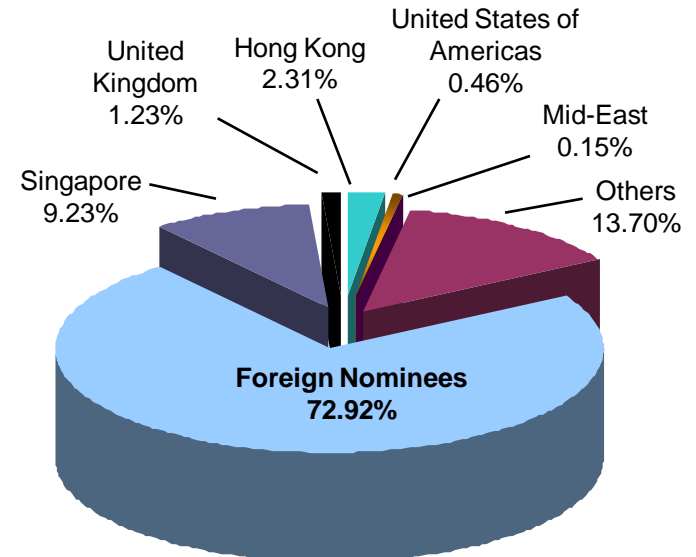
Items		March 2009				
		Total Shareholdings (Units-Bn)	%	Total Market Value (RM-Bn)	%	
1	Foreigners	Direct Holdings	17.6	4.23	33.4	<b>5.12</b>
	Foreign Nominees*	47.4	11.39	103.2	<b>15.83</b>	
2	Malaysians	351.0	84.38	515.5	79.05	
3	Total securities immobilised in CDS	416.0	100.00	652.1	100.00	

Note : Foreign Nominees reflect shares owned by foreigners but held via Authorised Nominee Companies incorporated in Malaysia.

Foreign Ownership for selected months



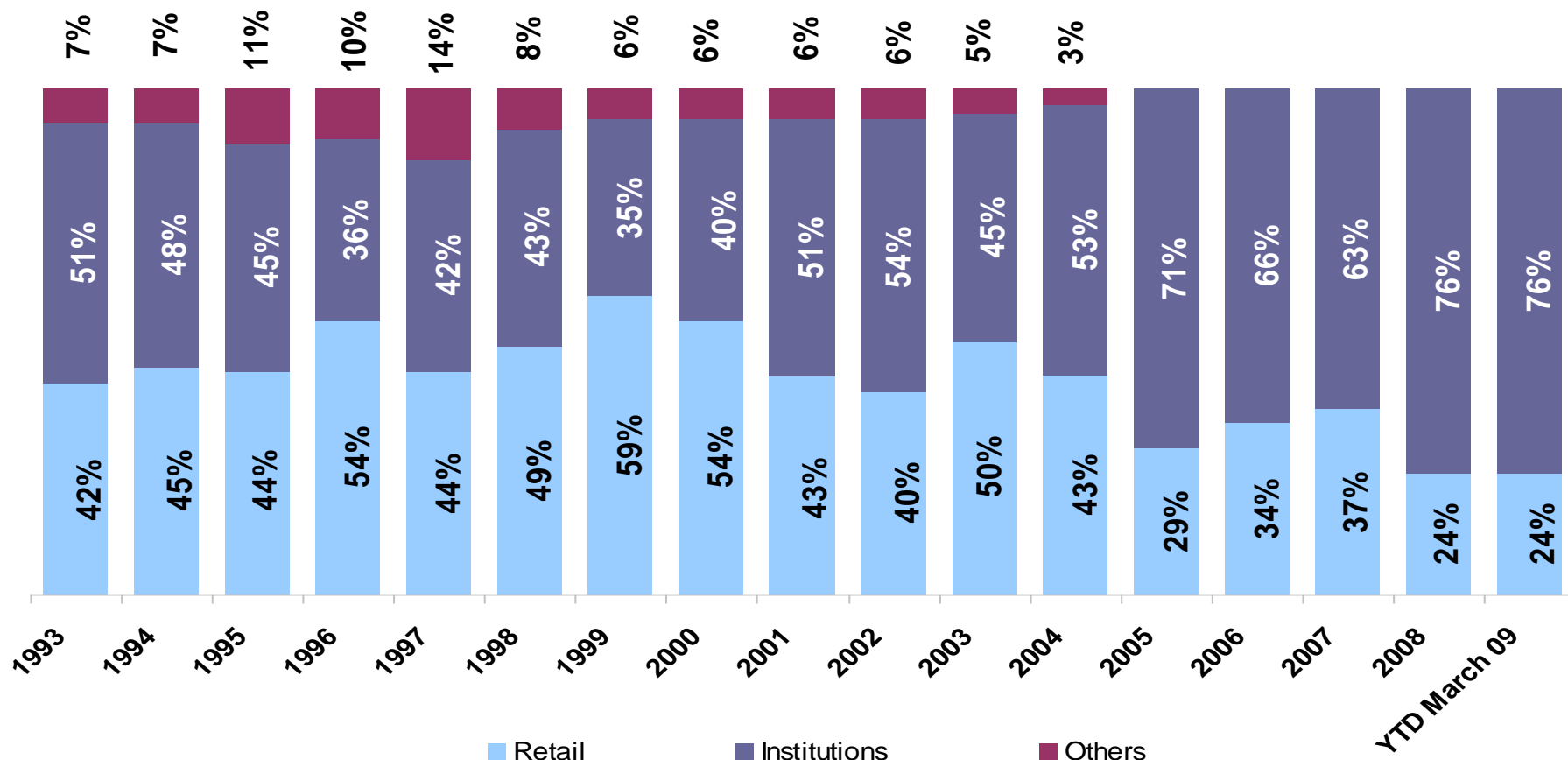
Foreign Shareholdings by Nationality for Selected Countries as at 31 March 2009



# Retail Participation

*Drop In Retail Volume Due To Weak Investors' Sentiment*

**Breakdown of trading (by value) 1993 to March 2009**

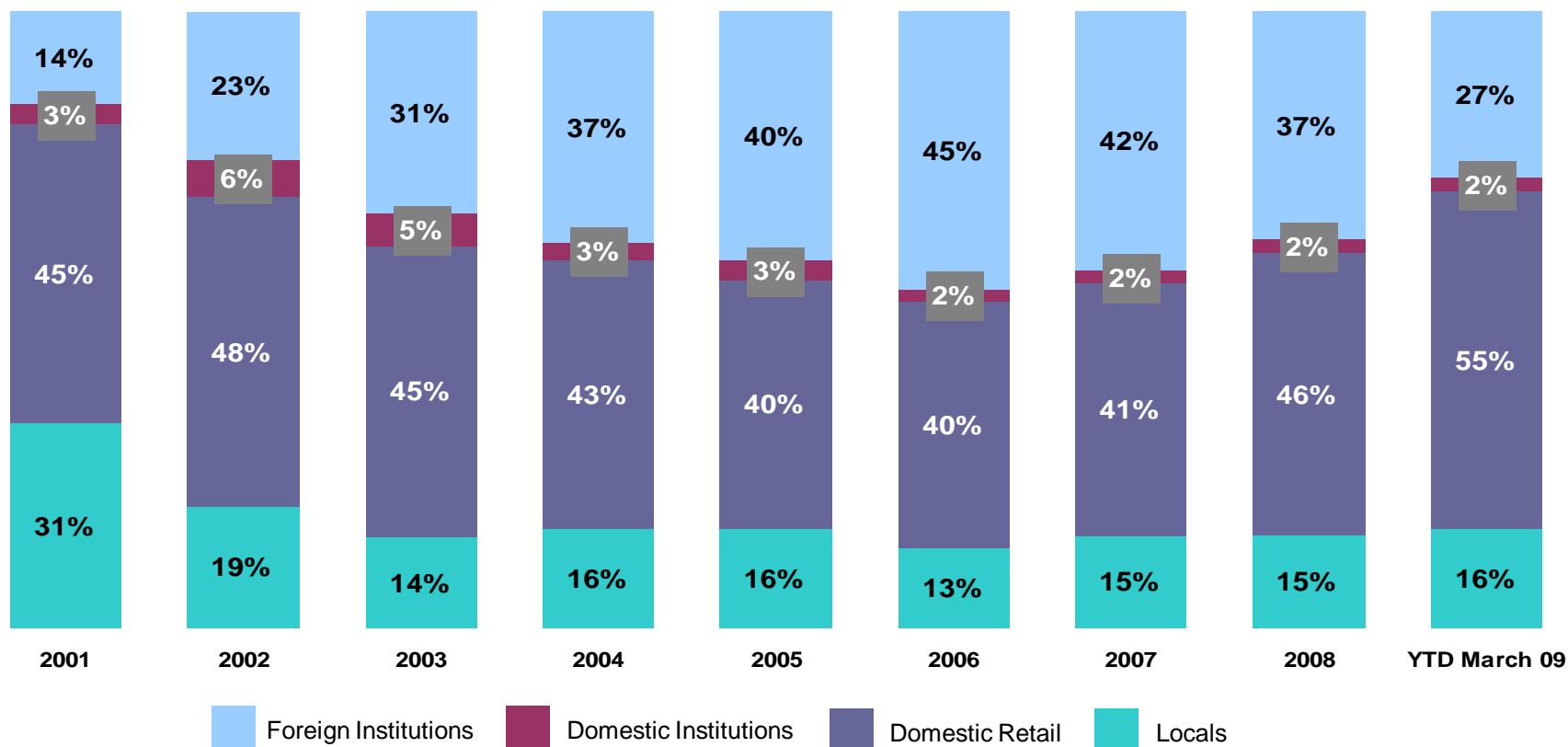


"Others"- refers to trades conducted for accounts not belonging to individuals/ institutions. Definitions of investors' type clarified in 2004, hence reducing the type of investor falling under "others" category.

# Derivatives Market Demography

FKLI

## KLCI Futures



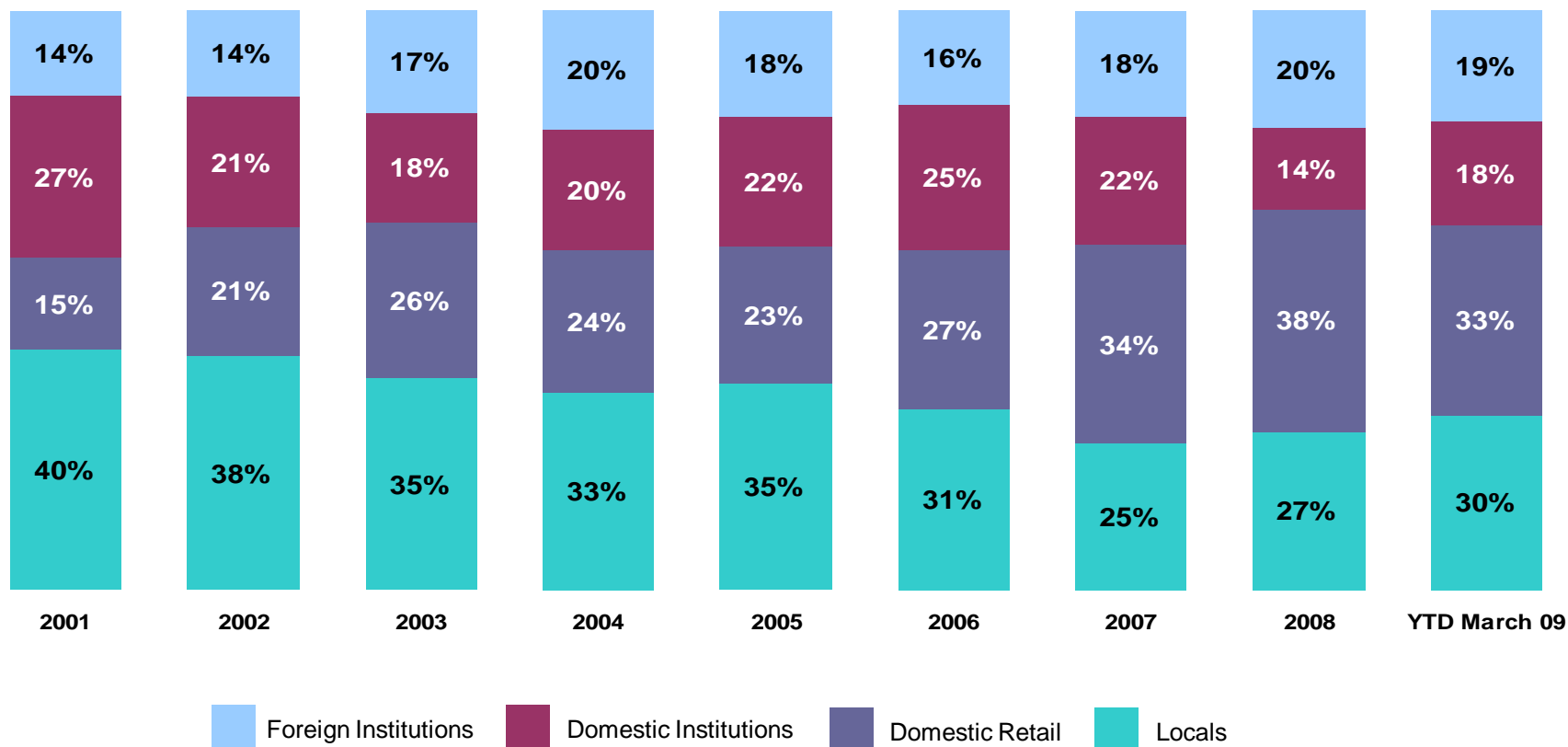
\* Local - A local participant is an individual who has been admitted as a participant in accordance with The Rules, registered with SC and has the right to trade for himself - all futures contracts listed on the Derivatives Exchange.



# Derivatives Market Demography

## FCPO

### FCPO Futures



\* 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.

# Quarterly Derivatives Activity

