35th Annual General Meeting

29 March 2012
Welcome Remarks
By The Chairman,
Tun Mohamed Dzaiddin Haji Abdullah
Resolution 1

To receive and adopt the Audited Financial Statements for the year ended 31 December 2011 and Reports of the Directors and Auditors thereon.
35th Annual General Meeting

Presentation to Shareholders
29 March 2012

By: Dato’ Tajuddin Atan, CEO
AGENDA

- MARKET PERFORMANCE
- BUSINESS REVIEW & STRATEGY
- FINANCIAL REVIEW
- OUR TARGETS & CONCLUSION
Market Performance

Securities Market
- Securities Market Overview 4
- Securities Market Trading Participation 5

Derivatives Market
- Derivatives Market Overview 6
- Derivatives Market Activity 7

Islamic Market
- Islamic Market Overview 8

Peers Comparison 9

We remain accessible
Securities Market Overview

FBMKLCI hits all time high at 1,594.74 on 8 July 2011

Average Daily Value (ADV) & Velocity

- ADV (OMT+DBT)
  - RM mil
  - 2010: 1,574
  - 2011: 1,788
  - YTD 29 Feb 2012: 2,069

- Velocity
  - 33%
  - 36%
  - 14%↑

Market Capitalisation & FBMKLIC

- Market Cap RM bil
  - 2010: 1,275
  - 2011: 1,285
  - YTD 29 Feb 2012: 1,316

- FBMKLIC
  - 1,518.91
  - 1,530.73
  - 1,569.65

IPO Activity

- No. of IPO
  - 2010: 29
  - 2011: 28
  - YTD 29 Feb 2012: 2
  - 55%↓

Fund Raised for IPO & Secondary Market RM mil

- 2010: 32,965
- 2011: 14,950
- YTD 29 Feb 2012: 933
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.

Retail vs Institutions

Foreign vs Local
Derivatives Market Overview
Derivatives Contract Scaling New Heights

Average Daily Contract Traded (ADC)
- 2010: 24,817
- 2011: 34,474
- YTD 29 Feb 2012: 31,098

Foreign vs Domestic ADC
- 2010: Foreign (6,739), Domestic (18,079)
- 2011: Foreign (10,716), Domestic (23,759)

Retail vs Institutional ADC
- 2010: Retail (9,639), Institutional (15,179)
- 2011: Retail (14,146), Institutional (20,329)

Open Interest
- @ 31 Dec 2010 & 2011 @ 29 Feb 2012
- 2010: 9,639
- 2011: 14,146

Average Daily Contract Traded (ADC)
- 2010: 132,151
- 2011: 152,419
- YTD 29 Feb 2012: 181,177

Foreign vs Domestic ADC
- 2010: Foreign (31%), Domestic (69%)
- 2011: Foreign (59%), Domestic (41%)

Retail vs Institutional ADC
- 2010: Retail (34%), Institutional (66%)
- 2011: Retail (34%), Institutional (66%)

YTD 29 Feb 2012
- Retail: 31,098
- Institutional: 17,461
Derivatives Market Activity

Total Contract Traded Annually (Million)

- Open Interest (000’s)
  - Crude Palm Oil Futures
  - FBMKLCI Futures
  - Others

Year | Total Contract Traded | Crude Palm Oil Futures | FBMKLCI Futures | Others |
--- | --- | --- | --- | --- |
2004 | 66 | 2.6 | 1.2 | 2.8 |
2005 | 85 | 2.5 | 2.0 | 0.5 |
2006 | 159 | 4.2 | 1.0 | 1.2 |
2007 | 125 | 6.2 | 0.8 | 5.4 |
2008 | 156 | 6.1 | 0.8 | 5.3 |
2009 | 123 | 6.1 | 0.8 | 5.3 |
2010 | 132 | 6.2 | 0.8 | 5.4 |
2011 | 152 | 8.4 | 0.8 | 7.6 |
YTD (2012) | 181 | | | |

28% 70%
Islamic Market Overview
BSAS Gaining Momentum

Sukuk Listing

Bursa Suq Al-Sila'

Bursa Suq Al-Sila'
### Peers Comparison FY2011

#### Asian Index Growth %

Source: World Federation Exchanges (WFE)

#### Asian Market Capitalisation Growth %

Source: World Federation Exchanges (WFE)

#### Dividend Yield %

Source: Bloomberg

#### Velocity %

Source: World Federation Exchanges (WFE)
We are a progressive Exchange

Business Review & Strategy

2011-2013 Strategic Direction 11
Our Strategic Intents 12
Business Highlights 13
Our Priorities for 2012 - 2013 14 - 15
Improved Ratings & Standard in 2011 16
2011-2013 Strategic Direction

COMPETITIVE & VIBRANT MARKET

Five Strategic Thrusts

1. Revitalise the market
2. Improve the ecosystems
3. Improve efficiency & productivity
4. Internationalise the market
5. Development of world class workforce

Enablers

PRIMARY FOCUS ON SECURITIES, DERIVATIVES & ISLAMIC MARKETS

RIGHT PEOPLE

SOUND REGULATORY FRAMEWORK

APPROPRIATE TECHNOLOGIES
Our Strategic Intents

BUILDING A COMPETITIVE MARKETPLACE

FOUR STRATEGIC INTENTS

Create a More Facilitative TRADING ENVIRONMENT
Facilitate More TRADABLE ALTERNATIVES
Reshape MARKET STRUCTURE & FRAMEWORK
REGIONAL MARKETPLACE with Global Access (Centre of ASEAN)

MALAYSIA’S MOST ADMIRED PLC
(A High Performance Organisation)
## Business Highlights

### 1H 2011

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE’s Index</td>
<td>Elevation to Advanced Emerging market status in FTSE’s Index.</td>
</tr>
<tr>
<td>MSCI indices</td>
<td>Malaysia’s market weightage across MSCI indices increased. MSCI Emerging Market Index increased from 2.9% to 3.2%.</td>
</tr>
<tr>
<td>CFTC</td>
<td>CFTC allows US clients to buy or sell FKLI.</td>
</tr>
</tbody>
</table>

### 2H 2011

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dual-Licensing</td>
<td>Fast track dual licensing and admit additional licensee to enhance distribution channel and accessibility of Derivatives offerings.</td>
</tr>
<tr>
<td>PDTs</td>
<td>PDTs increased to 58 from 36 – enhance liquidity in securities market.</td>
</tr>
<tr>
<td>New Indices</td>
<td>Introduced Industrial, Supersector and Sector indices to provide investors with a comprehensive set of tools for in-depth analysis of the Malaysian stock market.</td>
</tr>
<tr>
<td>Negotiated Large Trade Facility</td>
<td>Bursa Malaysia Derivatives introduces negotiated large trade facility.</td>
</tr>
<tr>
<td>Corporate Disclosure Guide</td>
<td>Introduce CD guide aim at elevating the standards of disclosure.</td>
</tr>
<tr>
<td>Practical Guide to Listing</td>
<td>To assist SMEs on their journey and life as a listed company.</td>
</tr>
</tbody>
</table>
Our Priorities for 2012-2013 (i)
Holistic Improvements Towards Vibrant Markets

**Securities Market**
Increasing overall vibrancy/visibility of the market and enhancing velocity

**Derivatives Market**
Liberalising access to the market and offering of new, attractive products

**Islamic Market**
Building Bursa as a centre of Islamic equities and expansion of foreign client base

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**Focus Area**

1. Revamp Participantship structure – Bring in new Market Entrants
2. Direct Market Access enabling US clients to trade directly through GLOBEX®
3. Expand Distribution Channel – Improve internet penetration, increase number of dual licencees & Local Participants and encourage set up of branch and trading kiosks
4. Launch new derivatives products

1. Build an informed retail investor base and promote greater retail market participation
2. Facilitate and promote wider products across institutional and retail segments
3. Explore strategic business collaboration

1. Expanding client base – foreign & domestic
2. Enhanced shari’ah compliant offerings
Our Priorities for 2012-2013 (ii)

Focus Area

Information Technology
1. Enhance trading system infrastructure and features whilst streamlining access to the market
2. Implemented the new Derivatives Clearing System with multi asset-class, time-zone and currency capabilities

Manpower
1. Developing and retaining world class workforce

Regulatory
1. Revamp Listing Requirement to adopt a principles and market based approach, to remove redundant rulings and to improve the readability.
2. Strengthen the level of ‘self-regulation’ of intermediaries
3. Enhance efficiency through automation of key processes
Improved Country Ranking & Standard in 2011

- **World Bank**: 4th Amongst 183 Countries For Investor Protection

- **World Economic Forum**: Ranked 4th Amongst 142 Countries for Strength of Investor Protection and ranked 9th for Efficacy of Corporate Boards

- **Asian Sustainability Rating**: 3rd Amongst 10 Most Developed Asian Countries to provide Companies' Strategic Sustainability View to Stakeholders

- **MSWG**: The MCG Index had increased to 66.9 points from 66 points in 2010 and 64.4 points in 2009
Financial Review

FY 2011 Financial Highlights  
Profit & ROE Trend  
Dividends

We believe in being responsible
Commendable Results Despite Challenging Year

- Supported by the nation’s strong fundamentals, robust domestic demand as well as the governments various initiatives for the economy and capital market, Bursa Malaysia managed to deliver a good set of results despite the difficult overall market conditions globally in 2011.

- PATAMI increased by 29% to RM146 million in 2011, due to higher revenue and better cost management.

- Cost to income ratio improved by 7% from 55% in 2010 to 51% in 2011. Excluding the licence fees paid to CME for the trading of products on Globex®, operating cost increased merely 4% in 2011.
Profit & ROE Trend
Positive uptrend of PATAMI and ROE

* Excluding capital gain of RM76 million from the disposal of 25% equity stake in Bursa Malaysia Derivatives
Dividends
Surpassing 75% payout policy

<table>
<thead>
<tr>
<th>Year</th>
<th>Final Dividend (Single Tier) in sen</th>
<th>Interim Dividend (Single Tier) in sen</th>
<th>Interim Dividend, Net (Franked) in sen</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>9.0</td>
<td>5.0</td>
<td>3.8</td>
</tr>
<tr>
<td>2010</td>
<td>10.5</td>
<td>9.5</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>13.0</td>
<td>13.0</td>
<td></td>
</tr>
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</table>
Our Targets & Conclusions

Midterm KPIs 22
Awards and Accolades in 2011 23
Prospect & Conclusion 24

We continue to innovate
## Midterm KPIs

<table>
<thead>
<tr>
<th>PROFITABILITY</th>
<th>2011 ACHIEVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average PAT growth rate of at least 20% p.a. over the next 3 years.</td>
<td>Recorded 31% growth in 2011 PAT.</td>
</tr>
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### PROFITABILITY

#### 1. SECURITIES

- Growth in Average Daily Value (ADV) traded p.a. to be at par with the leading listed exchanges in the region.

  - Bursa’s ADV growth = 14% ; 3 other listed exchanges ADV growth = -4%.

  - Bursa has outperformed other regional listed exchanges in terms of growth in 2011 ADV.

#### 2. DERIVATIVES

- 50,000 Average Daily Contract (ADC) by 2013.

  - Bursa achieved 34,474 or 39% growth in 2011 ADC.
Awards and Accolades in 2011

MALAYSIAN CG INDEX AWARDS BY MSWG
- Distinction Award
- Special Transparency Award

THE ISLAMIC BUSINESS & FINANCE AWARDS
- Outstanding Contribution Award

INVESTOR RELATIONS AWARDS
- Outstanding Corporate Governance in Asia-Pacific
- Best Online Annual Report in Asia-Pacific
- Investor Relations Website in Asia-Pacific - Bronze Award
- Best Ranked Corporate Governance by Industry (Financials)
Prospect & Conclusion

2011 in Brief

• Despite the debt crises in the U.S. and Europe and their impact on markets across the globe, Bursa Malaysia demonstrated its resilience and tenacity through increased participation by both foreign and local investors.

• 2011 saw improvements in both trading volume and value, with the FBMKLCI outperforming most regional markets.

2012 Prospect & Conclusion

• In 2012, we aim to further improve on 2 fronts; market accessibility and product offerings.

• With the global market uncertainty expected to prevail this year, we expect our 2012 financial performance to at least mirror that of, if not better than, 2011.
Thank you
Report of the Auditors

Presentation by Cik Gloria Goh, partner from Messrs Ernst & Young
Resolution 1

To receive and adopt the Audited Financial Statements for the year ended 31 December 2011 and Reports of the Directors and Auditors thereon.
To approve payment of final dividend of 13 sen per share under single-tier system in respect of the financial year ended 31 December 2011.

Entitlement date: 4 April 2012

Payment date: 17 April 2012
To re-elect the following Directors who retire by rotation in accordance with Article 69 of the Company’s Articles of Association and who being eligible offer themselves for re-election:

(1) Dato’ Tajuddin bin Atan
(2) Dato’ Saiful Bahri bin Zainuddin
(3) Encik Ong Leong Huat @ Wong Joo Hwa
Resolution 3

Re-election of Dato’ Tajuddin bin Atan
Resolution 4

Re-election of Dato’ Saiful Bahri bin Zainuddin
Resolution 5

Re-election of Encik Ong Leong Huat @ Wong Joo Hwa
Message From Datin Paduka Siti Sa’diah
Resolution 6

To re-elect Tan Sri Datuk Dr. Abdul Samad bin Haji Alias who retires in accordance with Article 76 of the Company’s Articles of Association and who being eligible offers himself for re-election.
Resolution 7

To approve the payment of Directors’ fees amounting to RM90,000 per annum for the Non-Executive Chairman and RM60,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2011.
Resolution 8

To appoint Messrs. Ernst & Young as Auditors of the Company for the financial year ending 31 December 2012 and to authorise the Board of Directors to determine their remuneration.
Resolution 9

To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129(6) of the Companies Act 1965:
Resolution 9

“That Tun Mohamed Dzaiddin bin Haji Abdullah, a Public Interest Director who retires pursuant to Section 129(2) of the Companies Act 1965 be and is hereby reappointed as Director of the Company to hold office until the conclusion of the next annual general meeting of the Company.”
ANY OTHER BUSINESS