

# **BURSA MALAYSIA BERHAD**

*The Preferred Investment Destination*

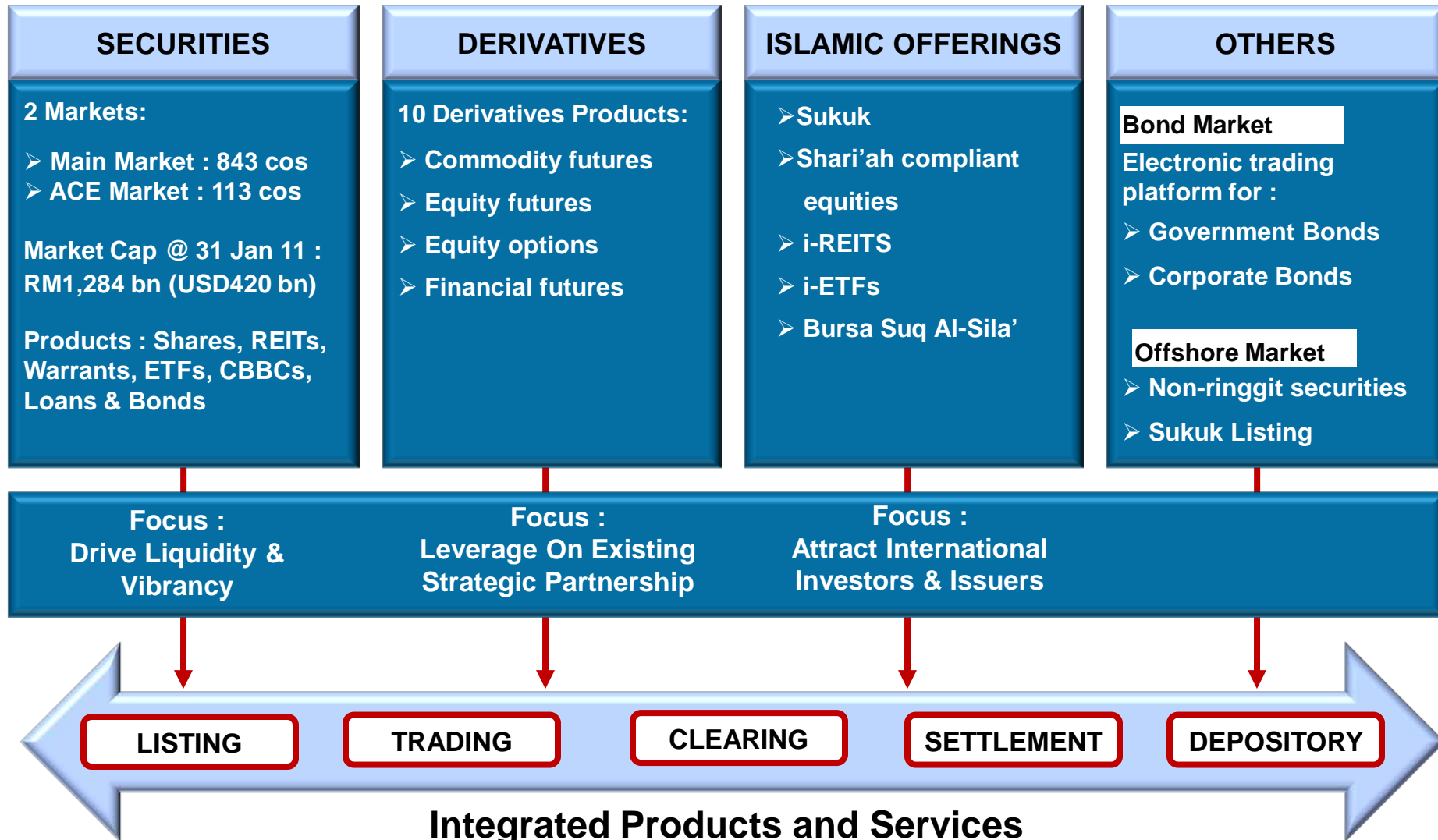
CLSA ASEAN FORUM, BANGKOK  
9-10 February 2011

Dato' Yusli Mohamed Yusoff, CEO  
Zul Mustafa, Head of Strategy Management Office



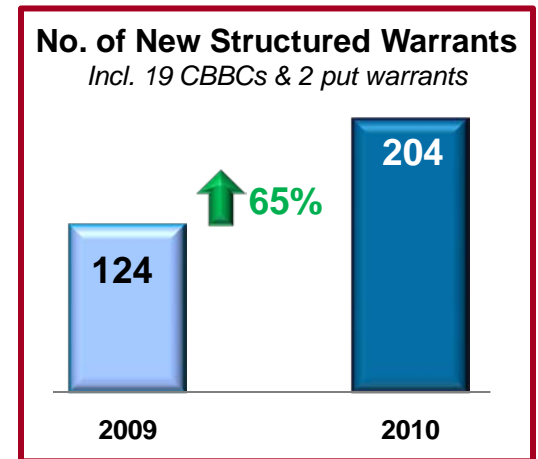
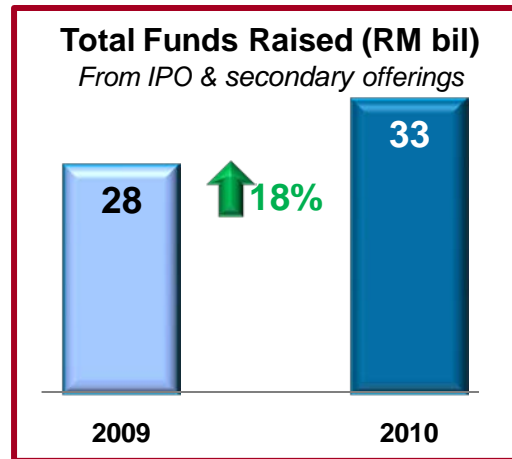
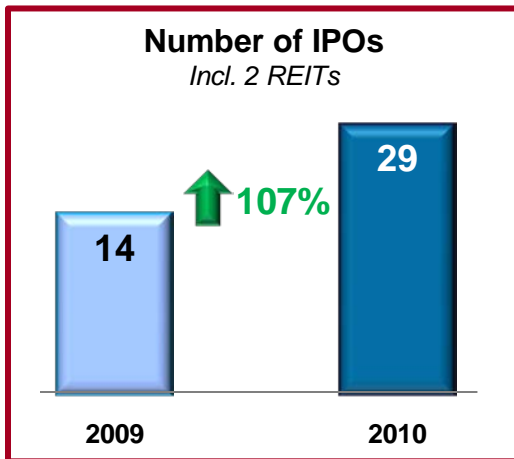
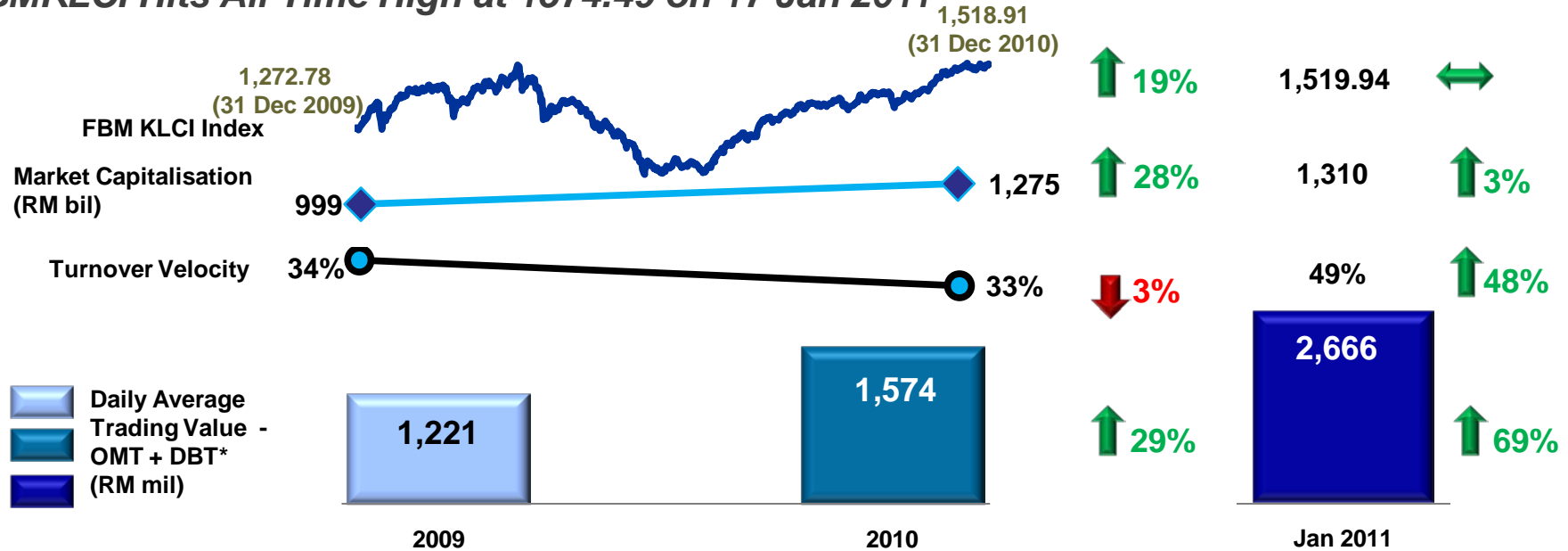
# Diversified Offerings

*Strong Niche In Islamic and Commodities*



# Our Securities Market Progressed Steadily

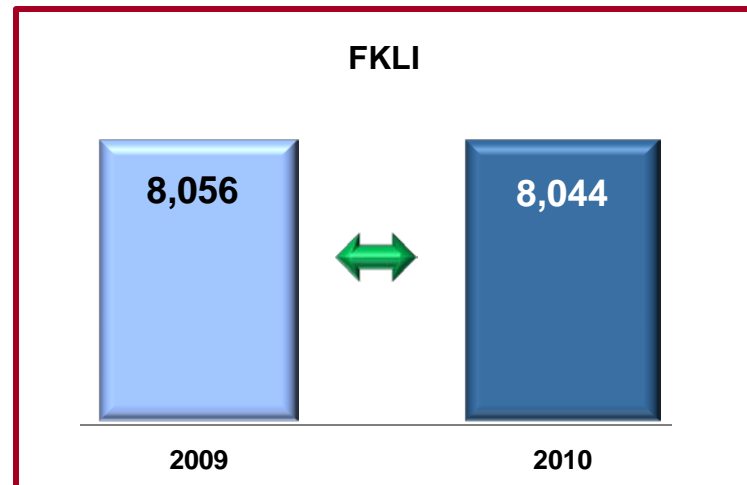
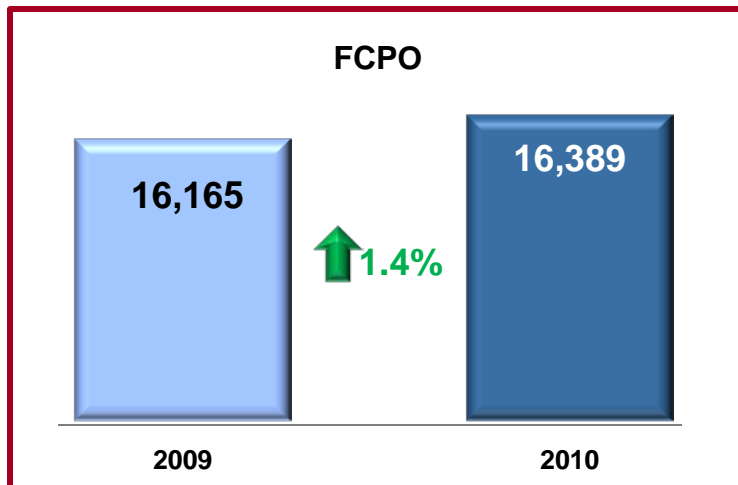
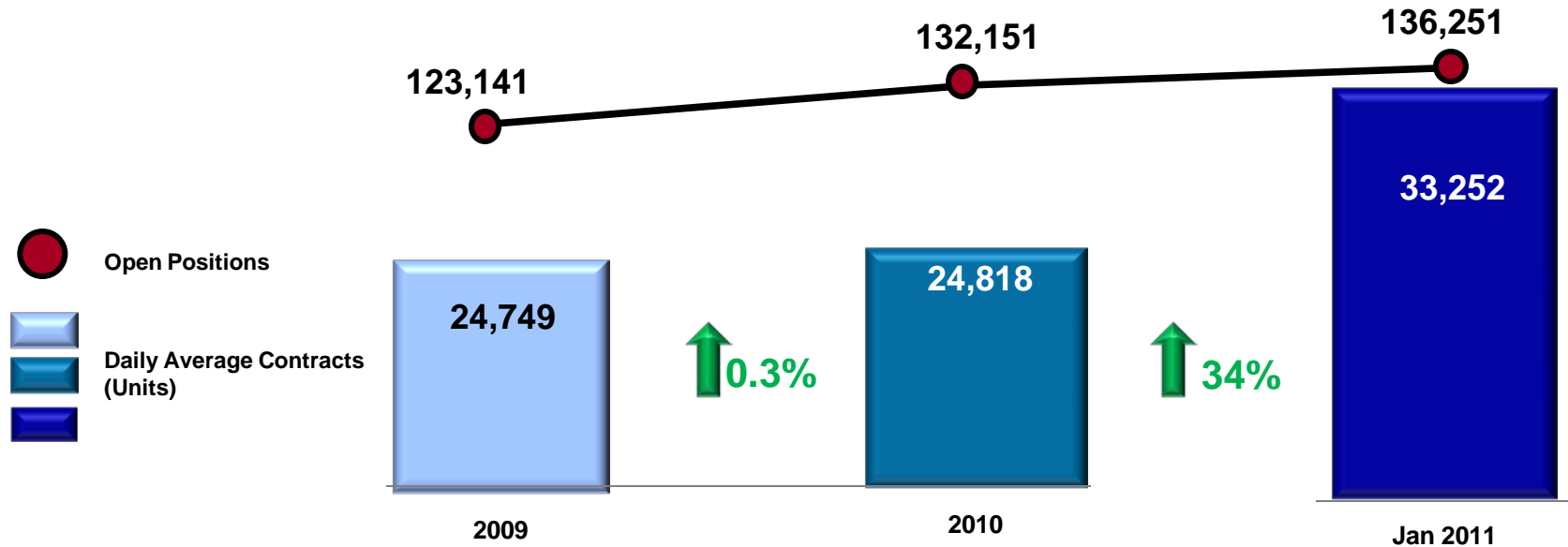
*FBMKLCI Hits All Time High at 1574.49 on 17 Jan 2011*



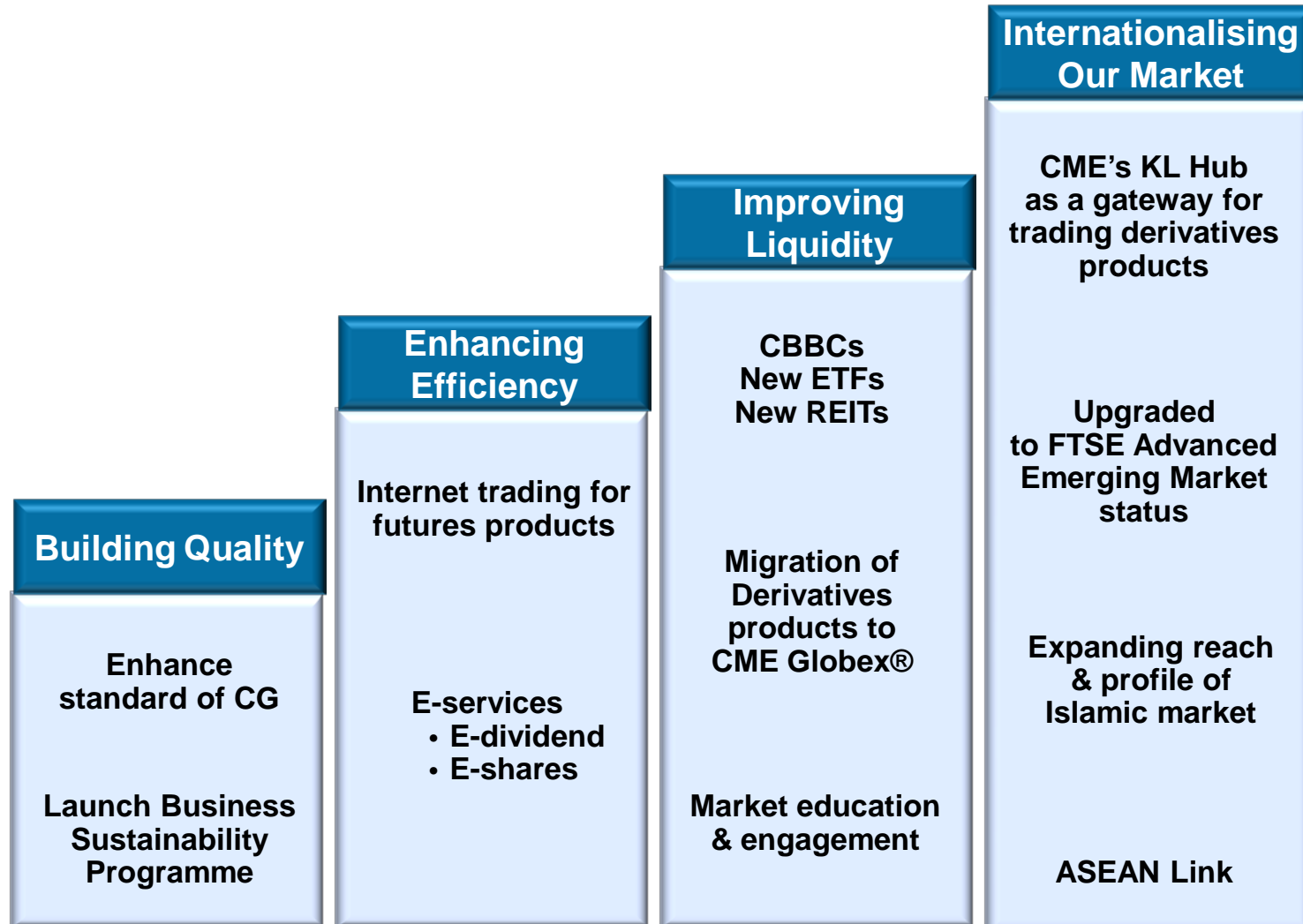
\* OMT - On Market Transaction  
 DBT - Direct Business Transaction

# Increasing Interest in the Derivatives Market

*FCPO & Total Volume Reach All Time Highs of 48,704 & 74,014 contracts on 24 Feb 2011*



# Key Development in 2010



# Global Recognition

## **CME Partnership**

**Migration of Malaysian derivatives products to CME Globex®**

## **CBRC Recognition**

**QDII – Malaysia Investment destination for China investors**

## **CFTC Approval**

**Approval from US Commodity Futures Trading Commission (CFTC) to enable Malaysian Futures brokers to deal with US customers**

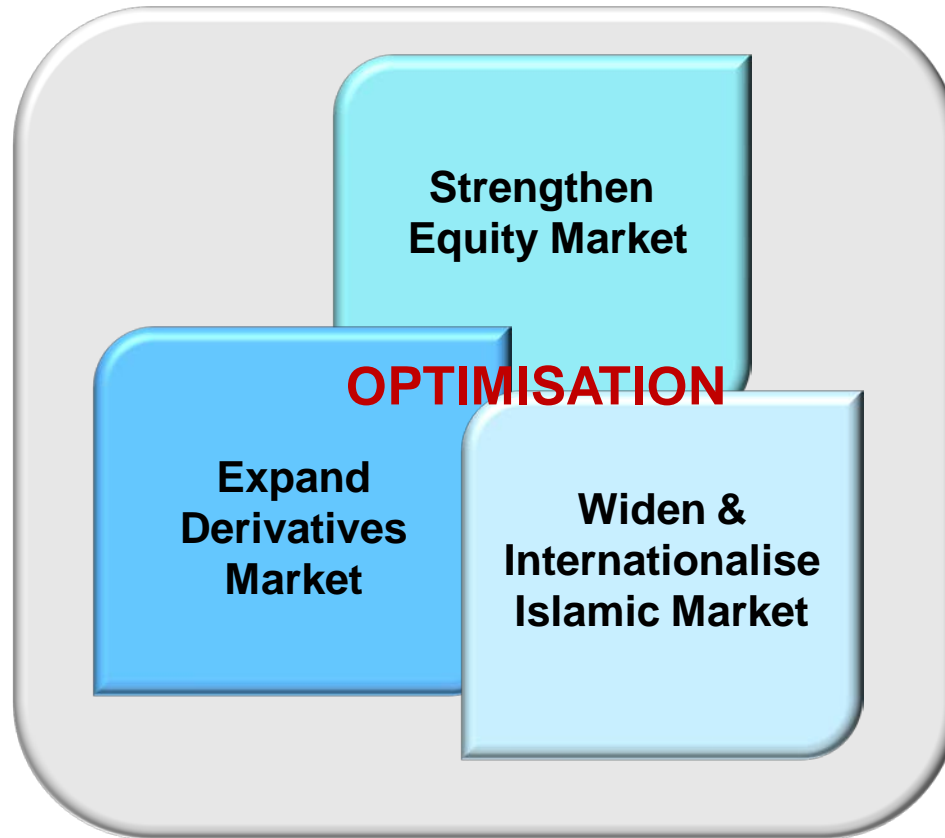
## **FTSE Upgrade**

**Malaysia promoted to Advanced Emerging Market status in FTSE Global Equity Index Series**

## **U.S. SEC Approval**

**“Designated Offshore Securities Market” recognition to ease trading in Malaysian listed securities & shelf listed bonds by U.S. investors**

# Our Direction and Strategy for 2011



**TO REMAIN COMPETITIVE AND RELEVANT IN THE REGION**

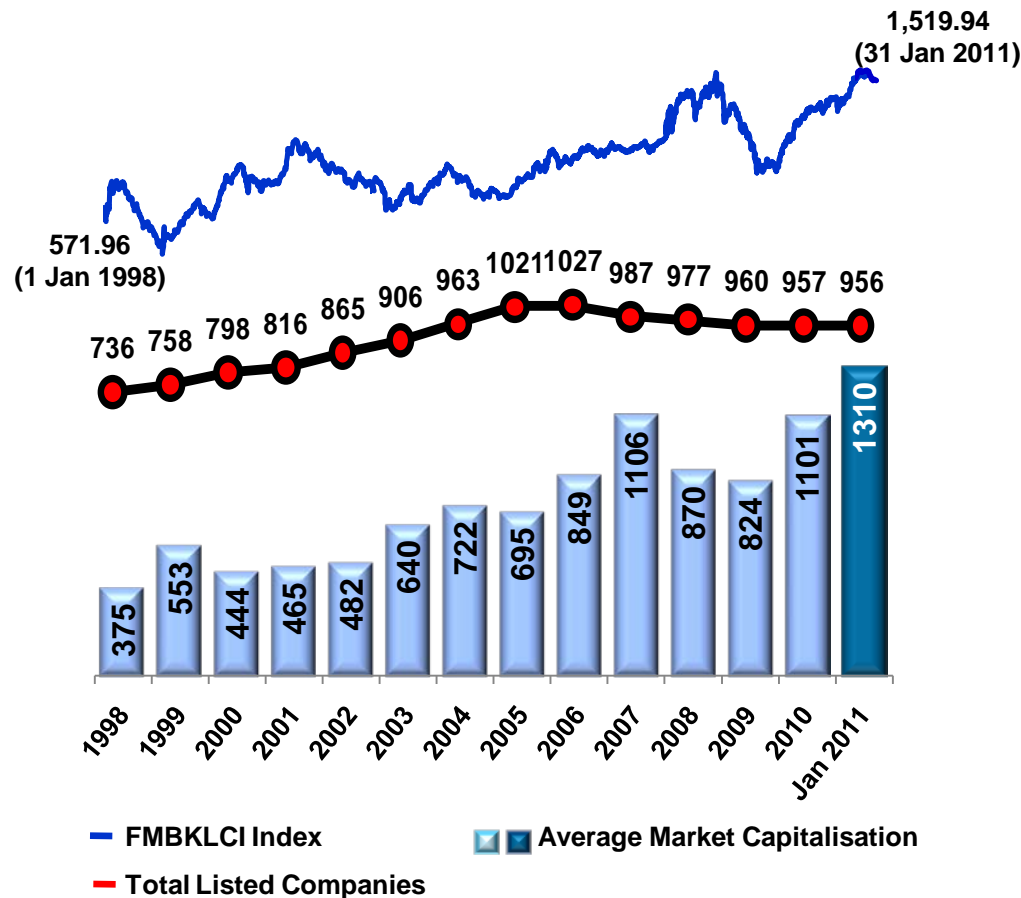
# Setting Priorities and Areas for Future Growth...



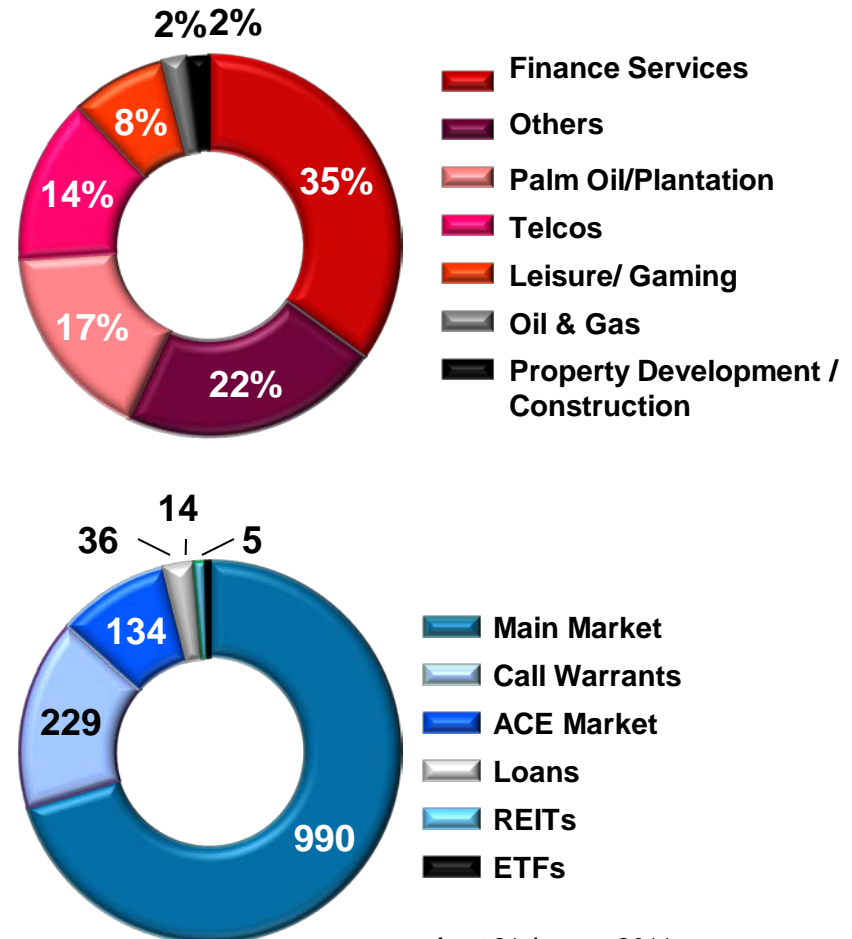
# Securities Market Highlights

6 New Listings YTD 22 Feb 2011

## FBMKLCI Index & No. of PLCs



## Diverse Sectors & Products



As at 31 January 2011

# Derivatives Market Highlights

**25% Equity Stake  
in Bursa Malaysia  
Derivatives (BMD)**



**Licensing of FCPO  
Prices to CME**



**Technology  
Partnership**

**Completed acquisition  
and group  
restructuring of BMD**

**CME USD Palm Oil  
Contract launched 24  
May 2010**

**Migrations of BMD's products  
to CME Globex® trading  
platform in September 2010**

- BMD will partner CME in ASEAN in market and technology development
- Joint product development and marketing
- Human capital development

- Strengthen Malaysia's position as the global price benchmark for CPO
- Ensure price discovery for palm oil remains in Malaysia

- Global distribution of Malaysian derivatives products via Globex
- TPs connected directly to CME Globex® and are able to trade CME products\*
- TPs can now market Malaysian derivatives products in the US

\* Subject to them having a clearing relationship with a CME Clearing Futures Commission Merchant (FCM)

# Islamic Markets Activity @ 31 Dec 2010

## Sukuk Listings

No. of Listings	19
% of Total Global Listings	77%
Value listed	USD 27.7 billion
Exchange Global Ranking	1

## Key Statistics

% of Shari'ah Compliant	
No of PLCs	88
ETFs	50
REITs	22
Market Capitalisation	63

## Bursa Suq Al-Sila'

Daily Average Value Commodity Traded	RM351 million
No. of Trading Participants	33

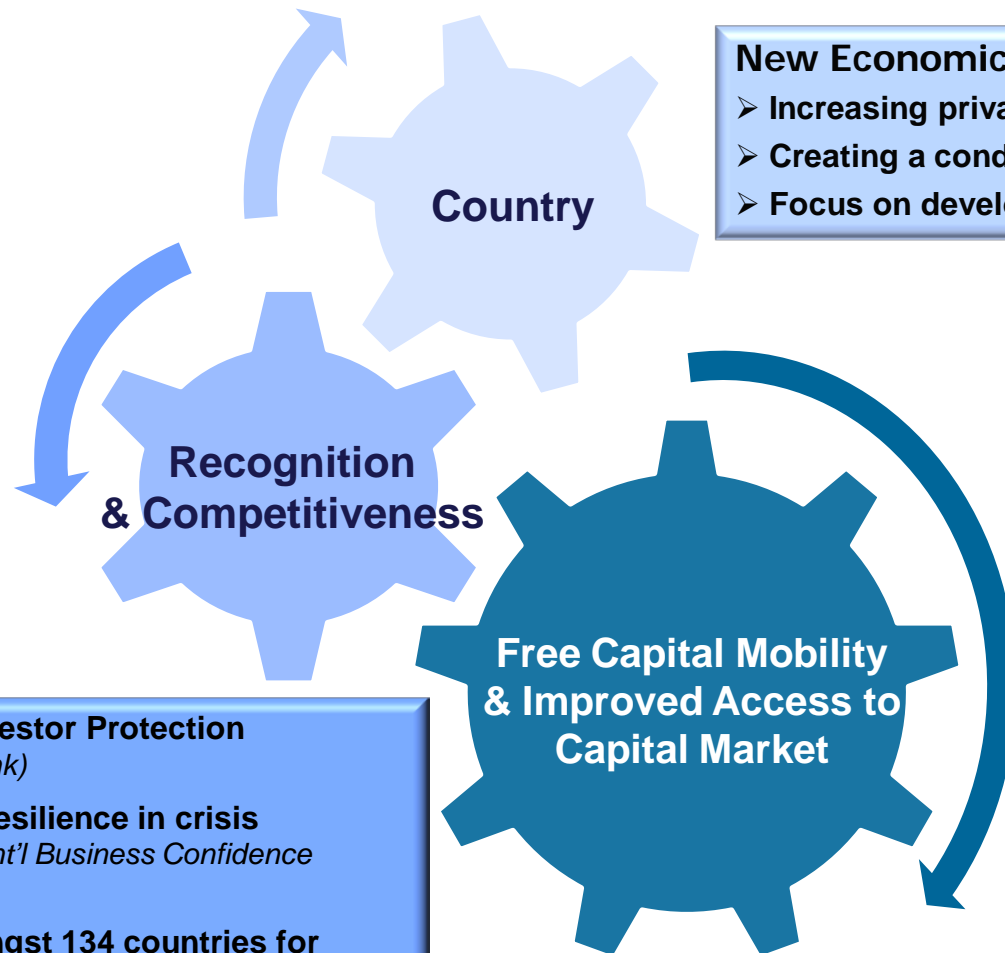
## Foreign Membership Admission

1. Saudi Hollandi Bank
2. Nafaes International Group General Trading and Contracting Company
3. The Islamic Bank of Asia Limited
4. Central Bank of United Arab Emirates

## Foreign Membership Shari'ah Approvals

1. Al Rajhi Bank
2. Alinma Bank
3. Bank Albilad

# Malaysian Market Liberalisation



## New Economic Model - high value & high income

- Increasing private sector role in driving business
- Creating a conducive environment for entrepreneurship
- Focus on developing Human Capital & Innovation

### 4<sup>th</sup> for Investor Protection

(World Bank)

### 10<sup>th</sup> for Resilience in crisis

(Sevcorp Int'l Business Confidence Survey)

### 25<sup>th</sup> amongst 134 countries for Corporate Governance Framework

(World Economic Forum)

### 10<sup>th</sup> on World Competitiveness Scoreboard 2010

(IMD World Competitiveness Yearbook)

## Access for Foreign Participation

- No restrictions on international investments in Malaysia.
- Free to repatriate capital, profits and income.
- Liberalised entry and ownership for foreign players in the capital market.
- Foreign Listings

# Liberalising Access for Foreign Participation

## Continue to open access to attract foreign players

### Participants

- Foreign Shareholding for stockbroking firm raised to 70%
- New licenses for foreign brokers

### Investors

- Global players present in all segments of the Malaysian Capital Market

### Issuers

- More foreign IPOs in the pipeline
- Issuance of bonds and sukuk in RM or non-RM

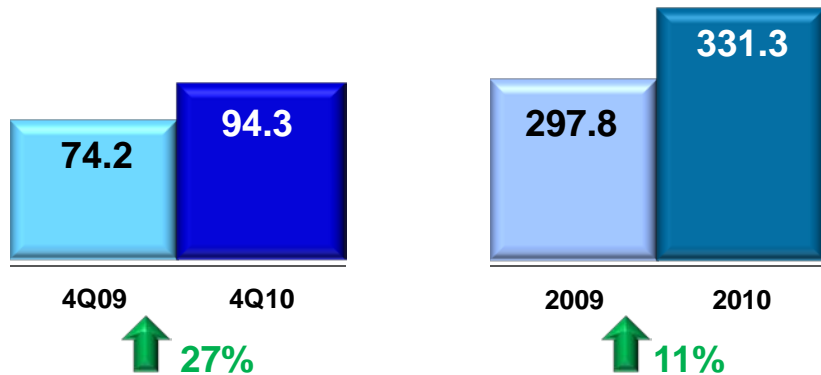


# Financial Review

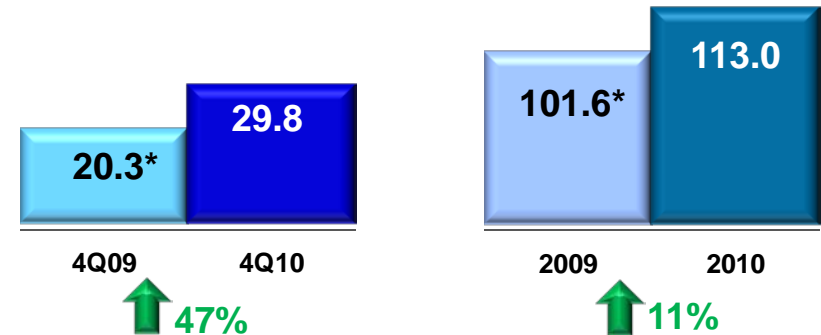
<b>Improved Financial Performance</b>	<b>15</b>
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<b>High Dividend Payout</b>	<b>20</b>

# Improved Financial Performance

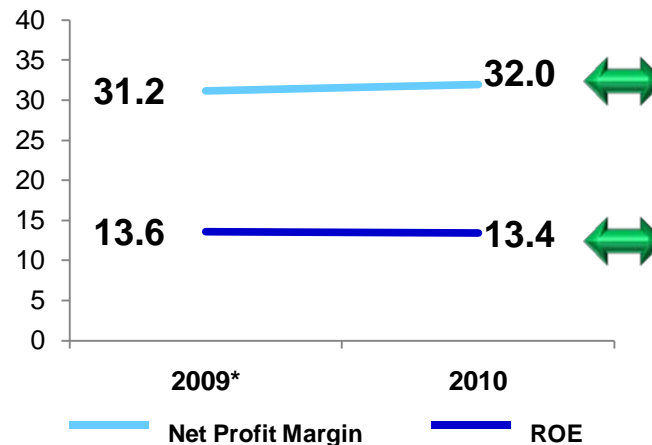
**Operating Revenue (RM mil)**



**Net Profit (RM mil)**

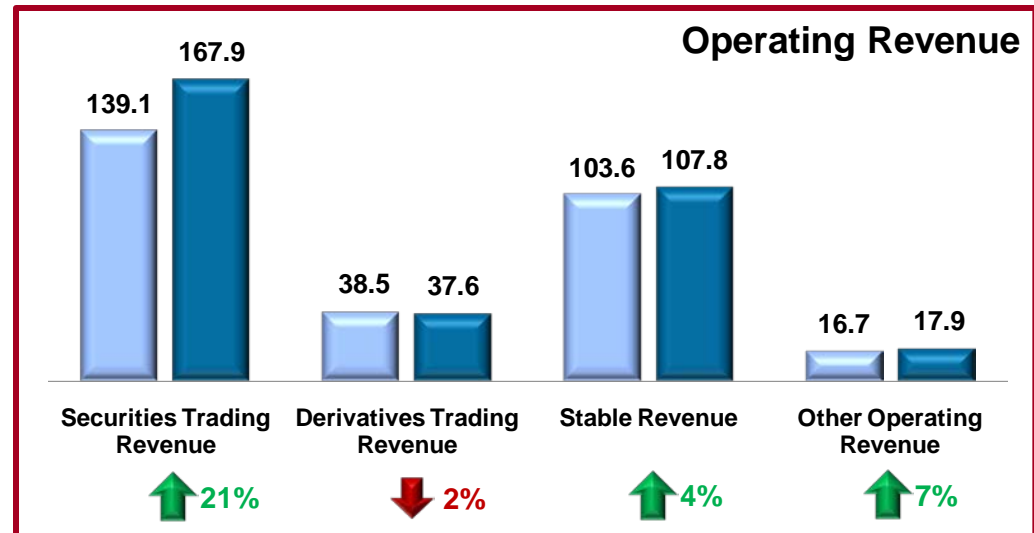
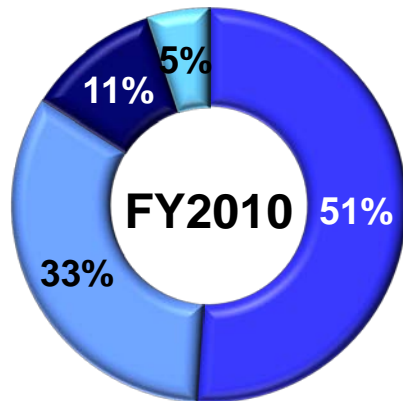


**Net Profit Margin & ROE (%)**



\* excluding gain on disposal of 25% equity in Bursa Malaysia Derivatives of RM76.0 mil in 2009. Net profit for the year 2009 was RM177.6 mil.

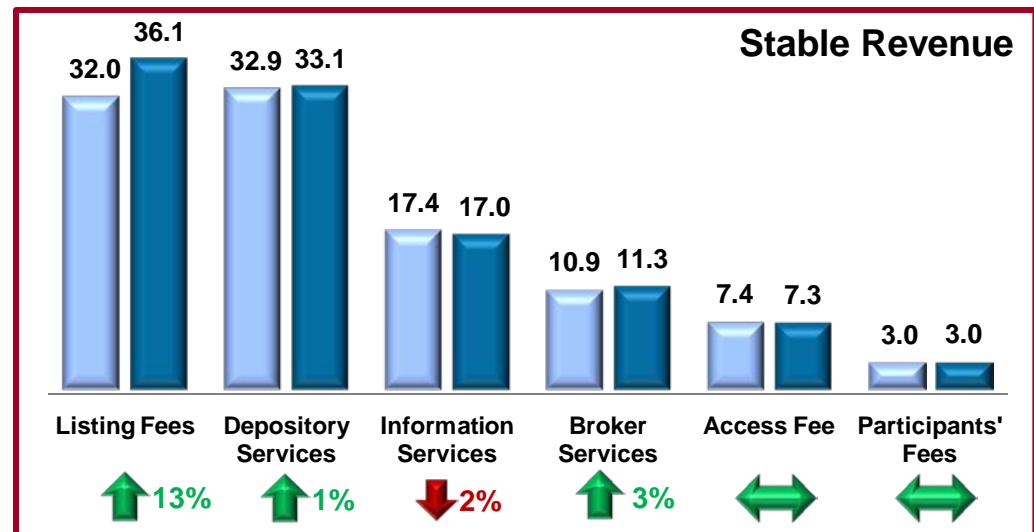
# Increased Revenue *Driven by Securities Market*



**RM331.3 mil in 2010** ↑ 11% (2009: RM297.8 mil)

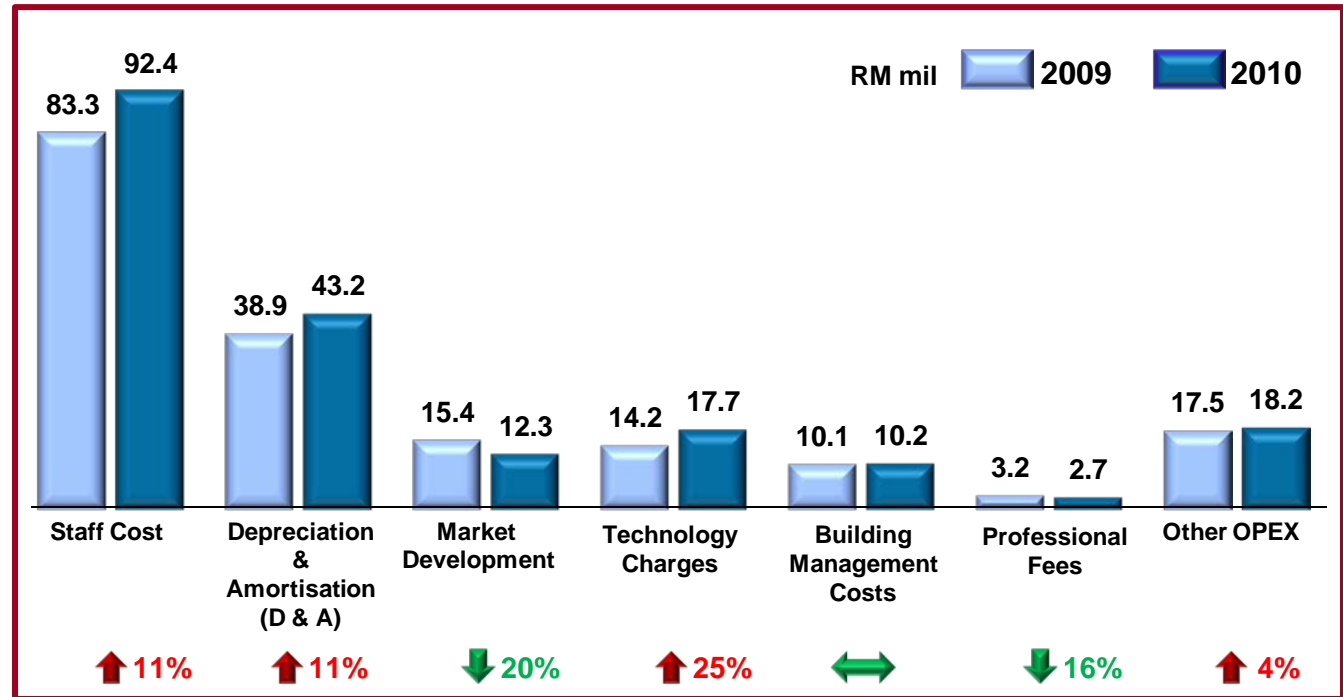
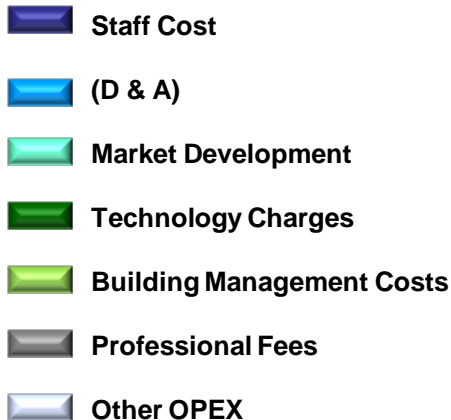
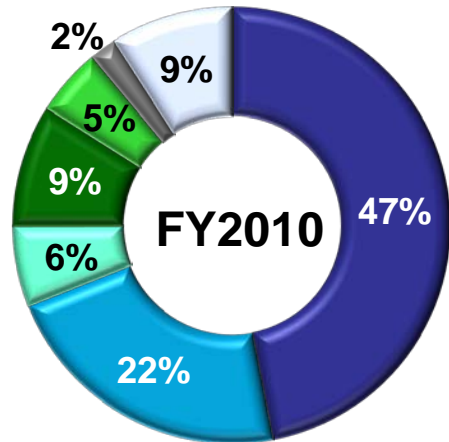
RM mil  2009  2010

- Revenue increased primarily due to:
  1. Improved ADV for the securities market
  2. Increase in structured warrants, IPOs and secondary issues.
- Derivatives trading revenue declined mainly due to lower guarantee fees as a result of lower average daily open positions.
- Other operating income increased mainly due to new processing fees.



\* Other operating revenue mainly comprises conference fees , interest earned from participants' contribution and perusal & processing fees.

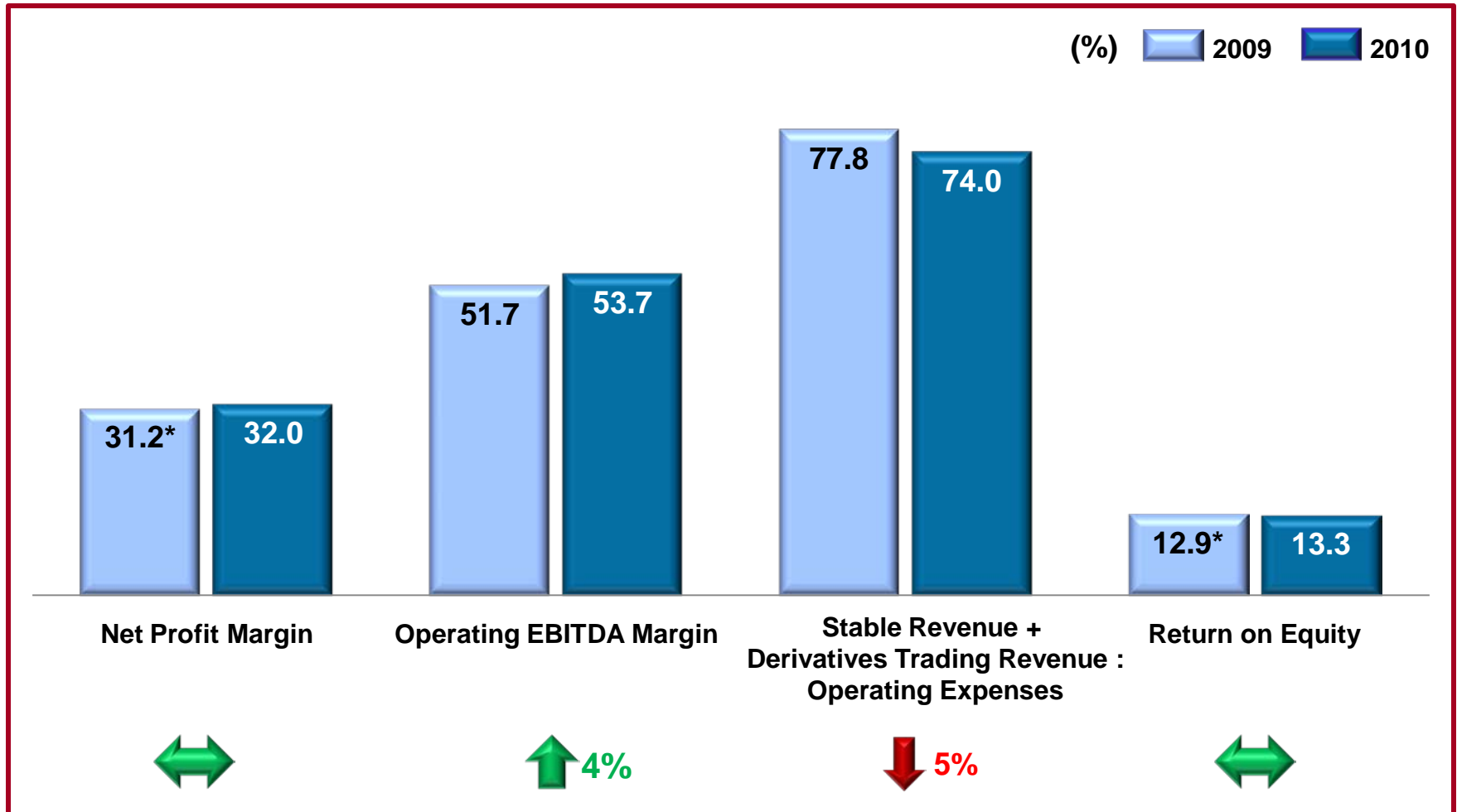
# Higher Operating Expenses *Talent Investment for Future Growth*



**RM196.7 mil in 2010 ↑ 8% (2009: RM182.6 mil)**

- Operating expenses increased mainly due to:
  - Stepping up efforts to recruit and retain talent.
  - Migration from Bursa Trade Derivatives (BTD) to Globex
- Accelerated depreciation of BTD
- License fee for Globex (higher technology charges)

# Sustainable Performance Ratios

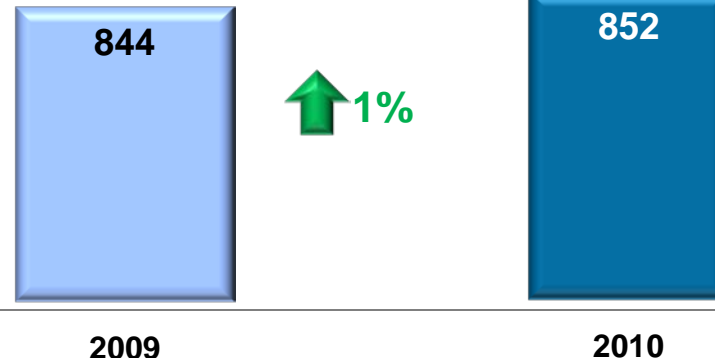


\* excluding gain on disposal of 25% equity in Bursa Malaysia Derivatives of RM76.0 mil in 2009.

# Strong Reserves

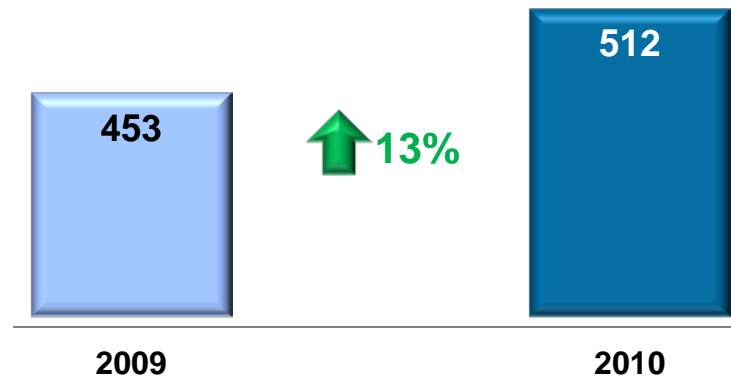
## Shareholders' Fund

RM mil



## Financial Resources Available for Use

RM mil



The Company has sufficient financial resources to cover its Clearing Guarantee Fund commitment, CAPEX and working capital requirements.

# High Dividend Payout *Surpassed 75% Payout Policy*

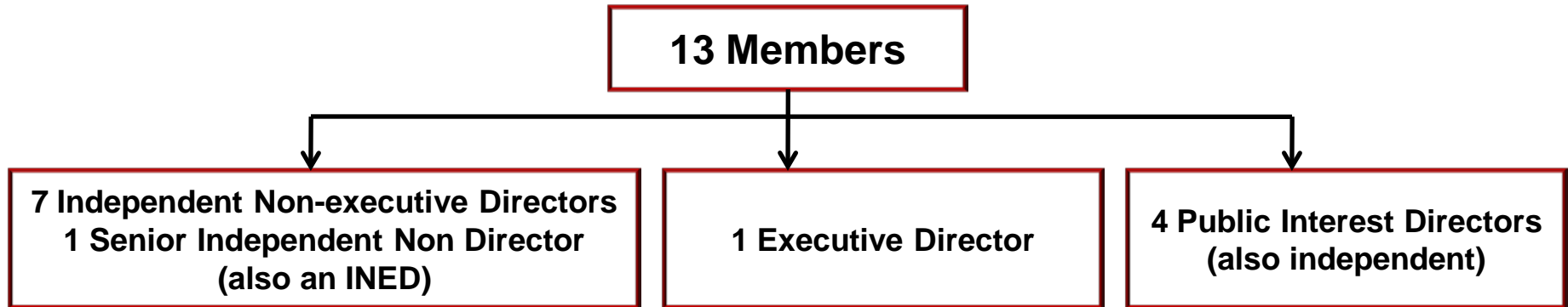
FINANCIAL YEAR		(sen/net)	% of Dividend Payout
<b>2010</b>	Interim Dividend	9.5	<b>94%</b>
	Final Dividend	<u>10.5</u>	
		<u>20.0</u>	
<b>2009</b>	Interim Dividend		<b>93%</b>
	- Franked Dividend	3.8	
	- Single Tier	5.0	
	Final Dividend	<u>9.0</u>	
		<u>17.8</u>	
<b>2008</b>	Interim Dividend	12.2	<b>91%</b>
	Final Dividend	<u>5.9</u>	
		<u>18.1</u>	

# Additional Information

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# Board of Directors & Shareholdings Structure

*As at 31 January 2011*

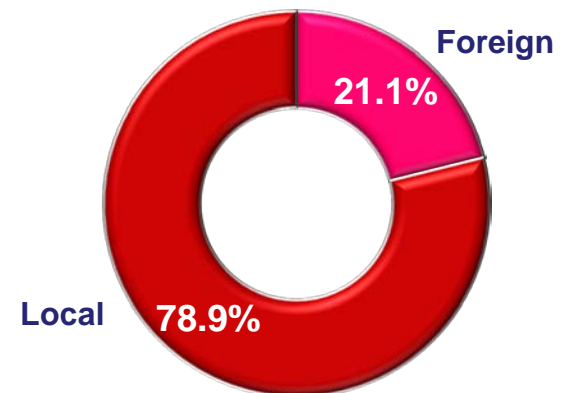


**Market Capitalisation of Bursa Malaysia : RM4.5 bn (USD1.5 bn)**

## Substantial Shareholders

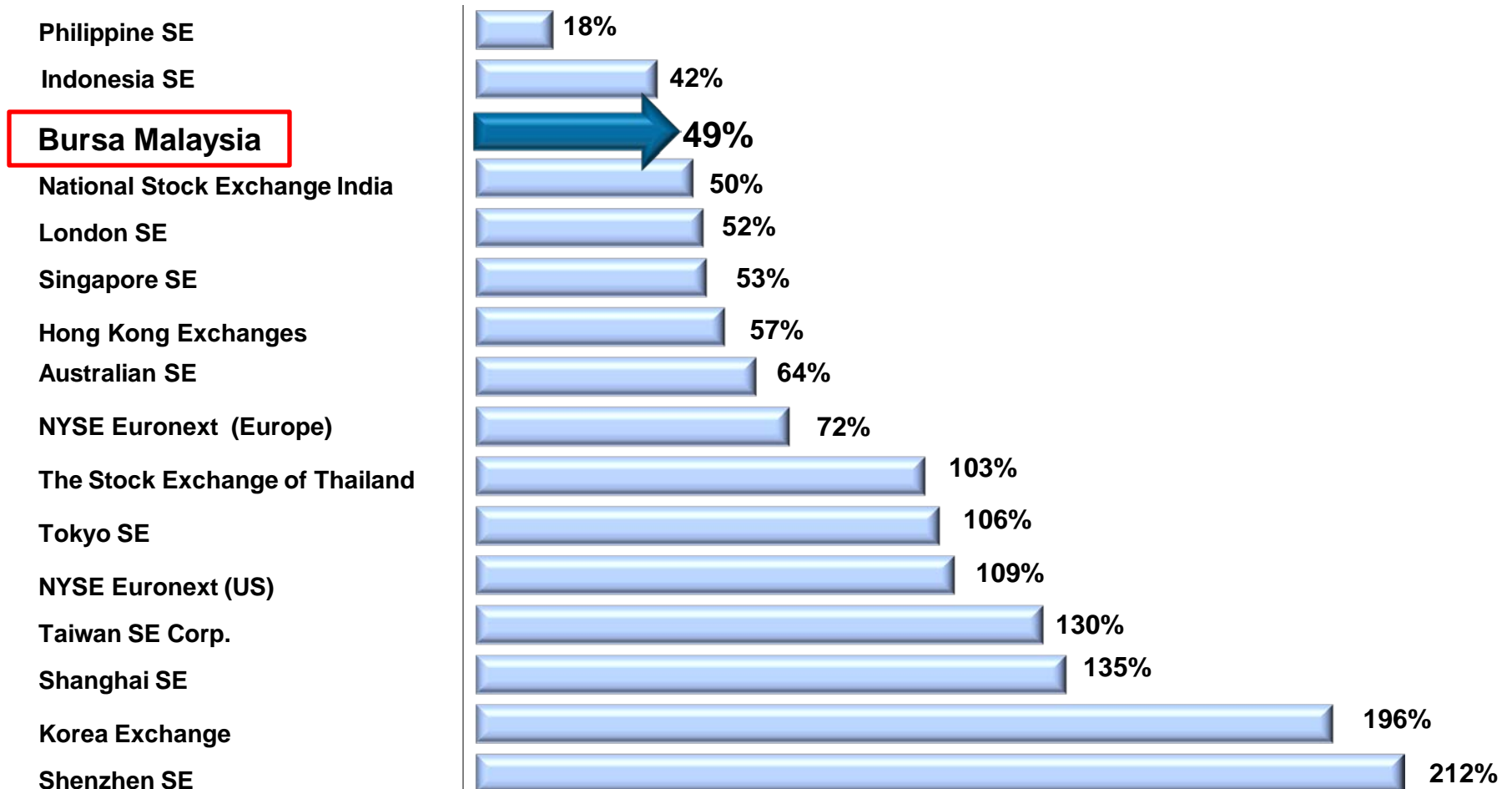
Minister of Finance Inc.	19%
Capital Market Development Fund	19%

## Shareholding by Size



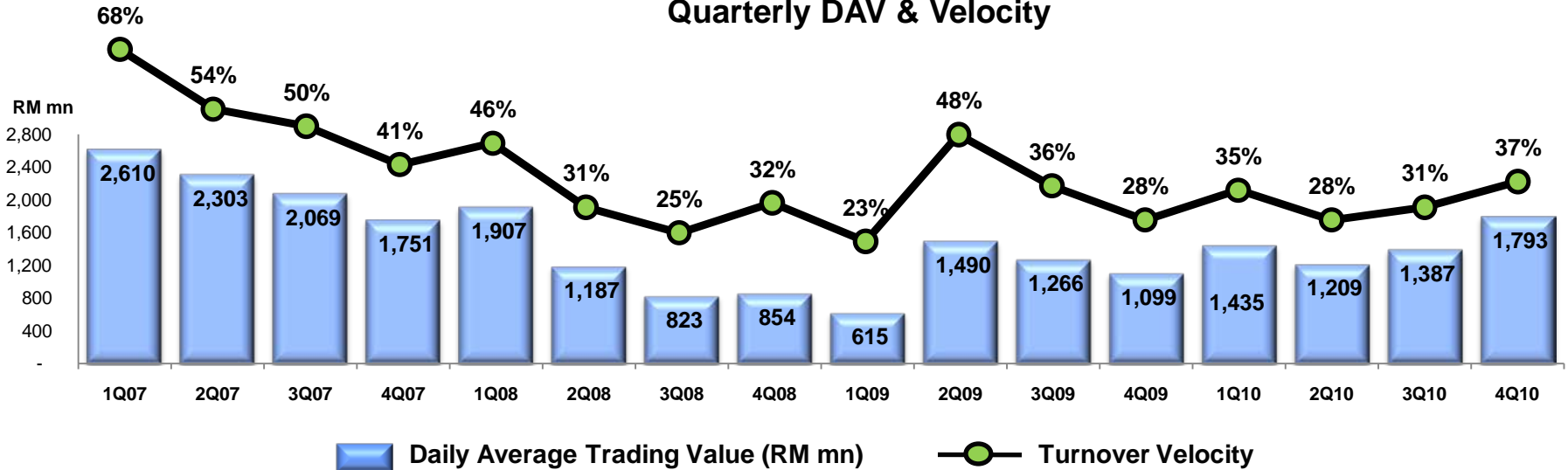
# Bursa's Potential To Grow Its Velocity

*YTD January 2011*

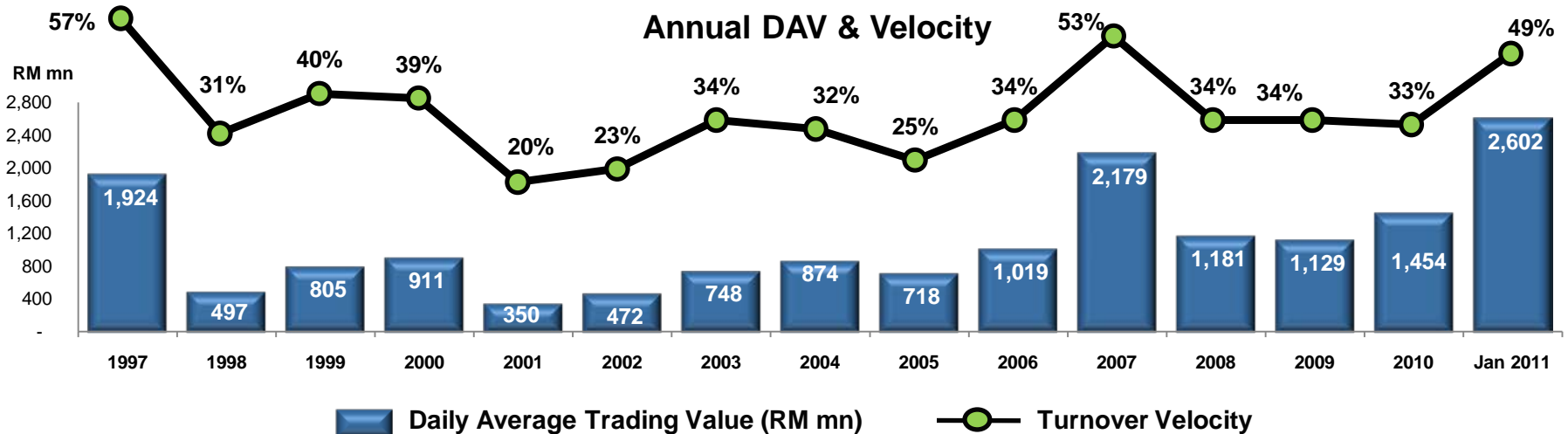


# Equities Market Activity

## Quarterly DAV & Velocity

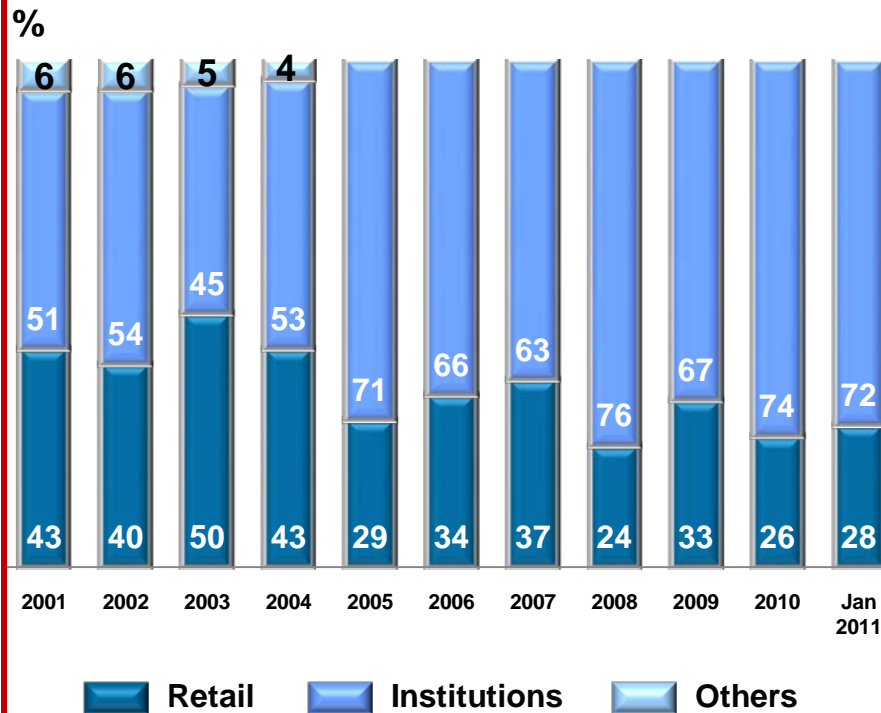


## Annual DAV & Velocity



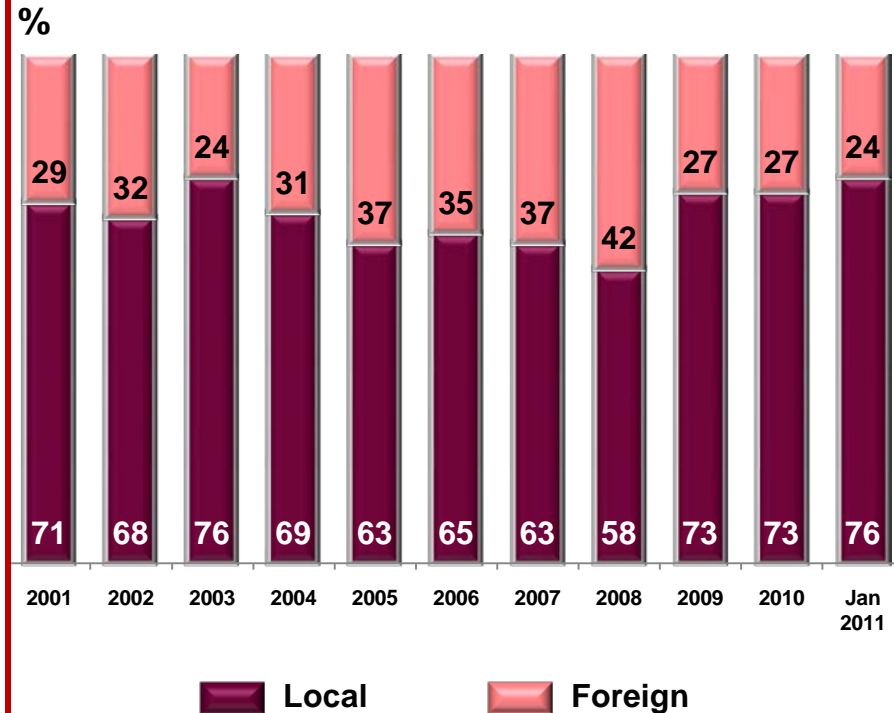
# Equities Trading Participation

## Retail vs Institutions



“Others”- refer 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.

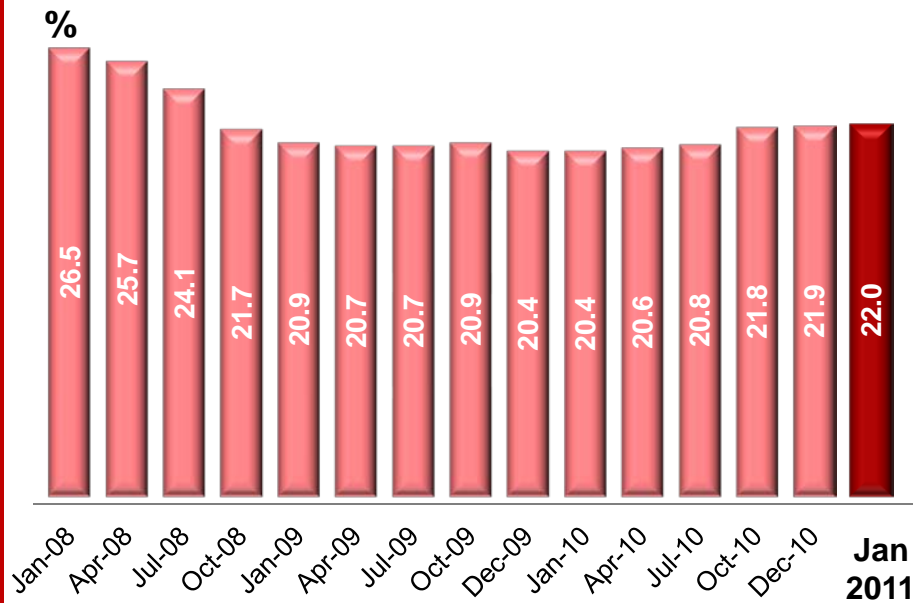
## Foreign vs Local



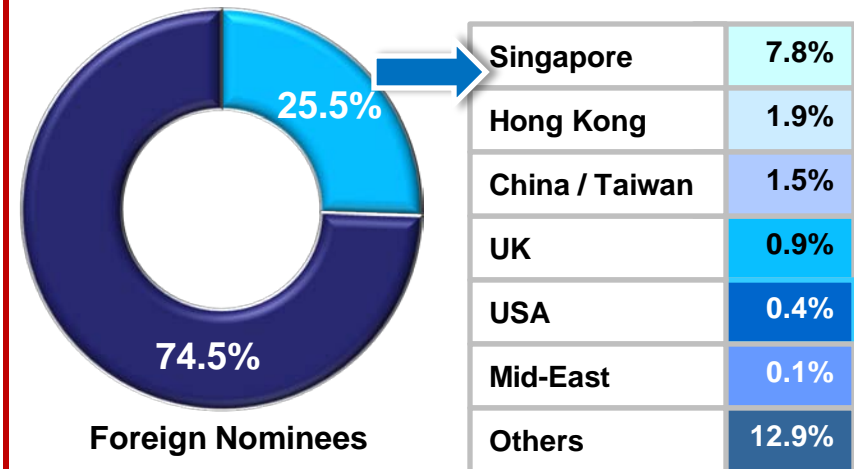
2010 statistics were based on Bursa’s internal system. From 2001 to 2009, the statistics were based on Brokers’ submission.

# Equities Market Foreign Ownership

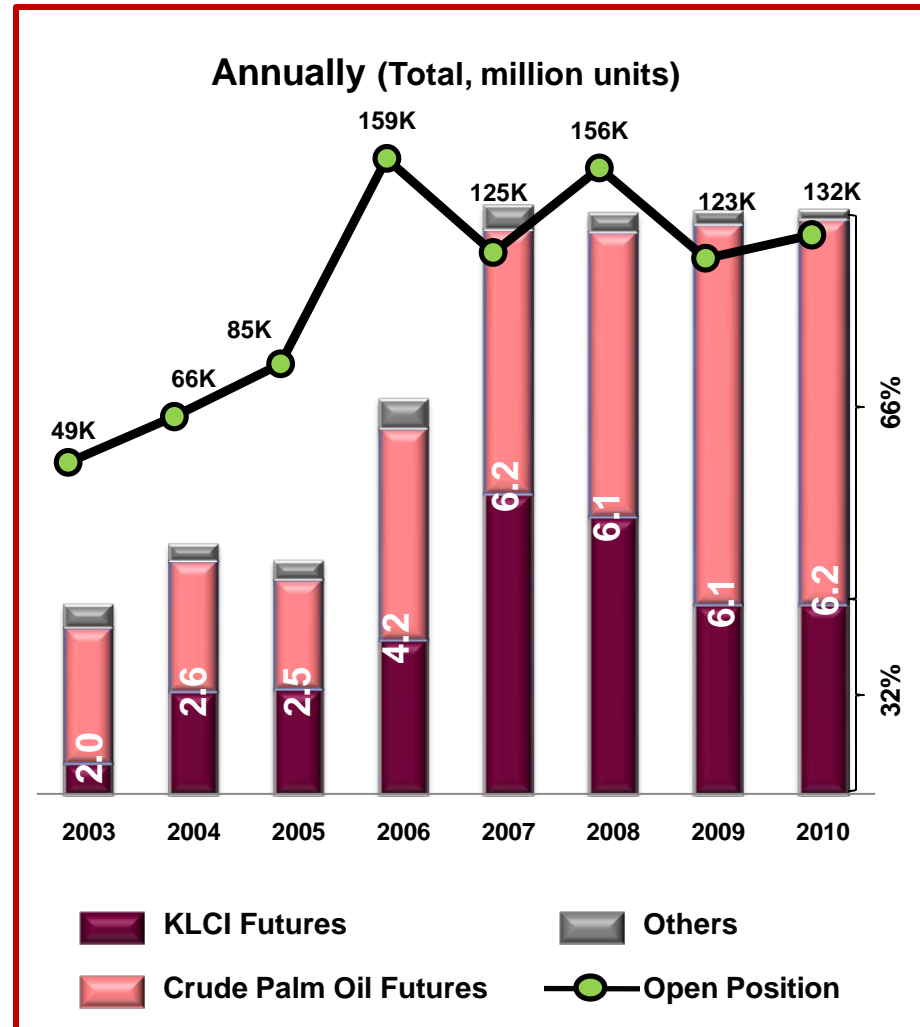
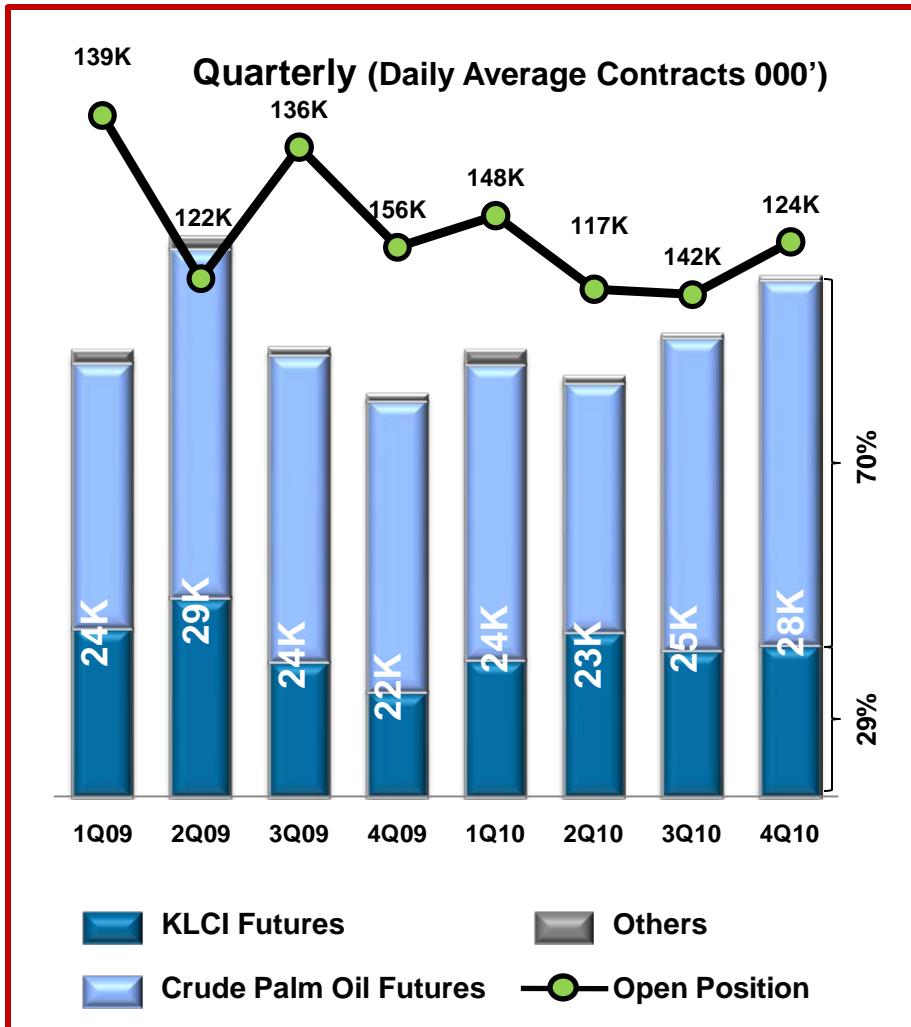
**Based on Market Capitalisation  
(as at month end)**



**Foreign Ownership by Nationality**

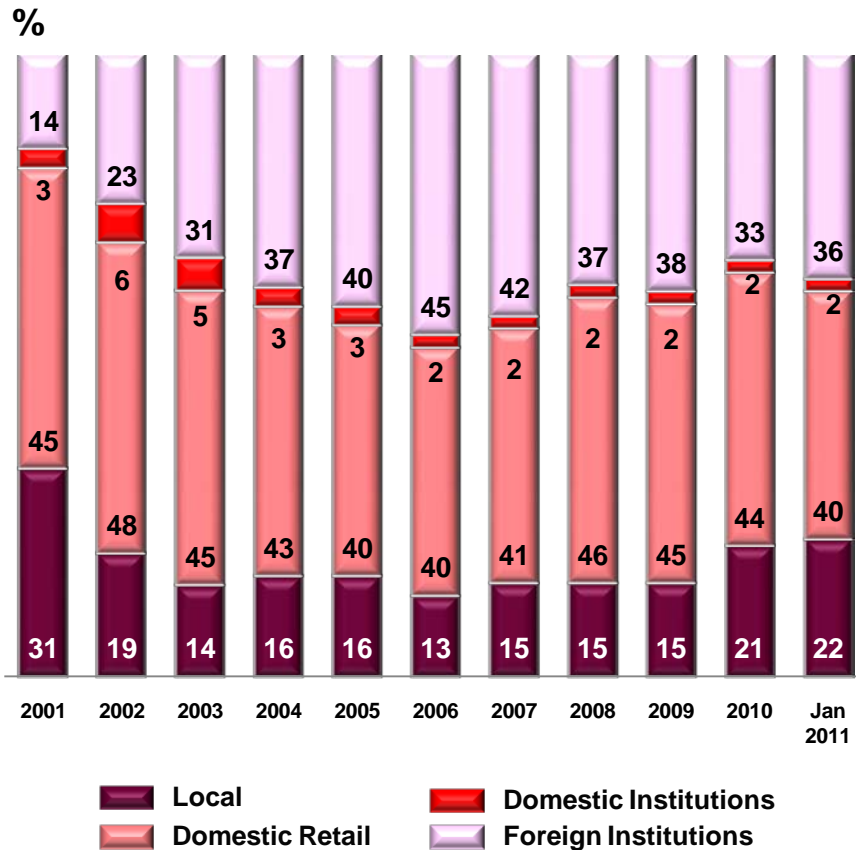


# Derivatives Market Activity

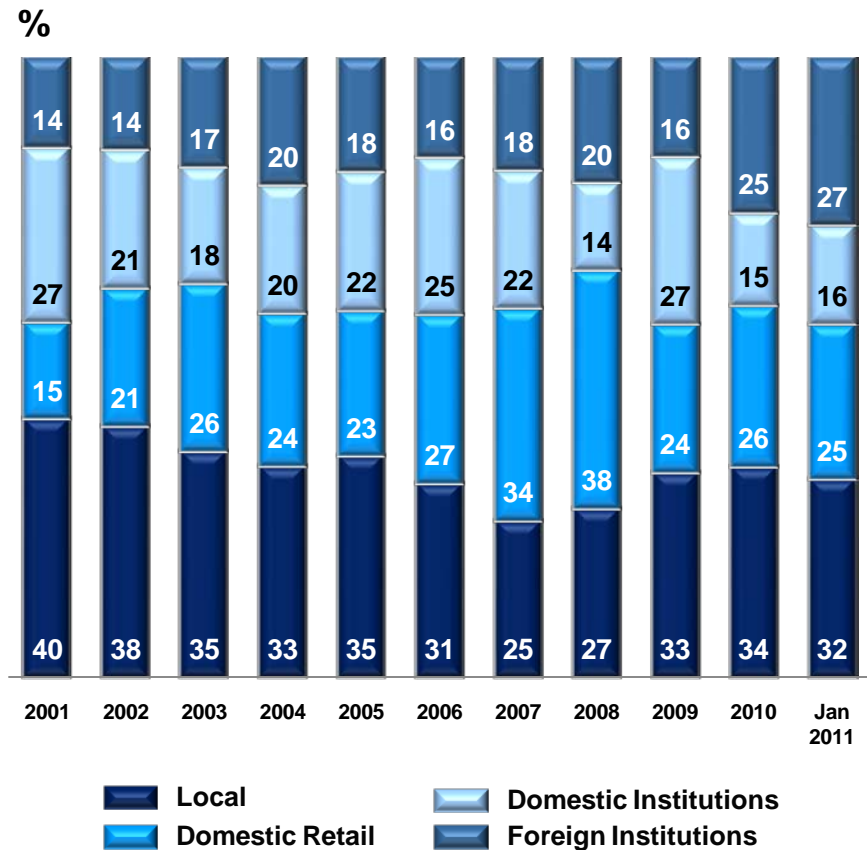


# Derivatives Market Demography

**FKLI**



**FCPO**



\* 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.

# Sound Macro Environment

## GDP Growth

- **Projected 5% - 6% for 2011F**  
(Source: MOF)

## Healthy Foreign Reserves

- **> USD108.1 billion @ 31 Jan 2011**  
(Source: BNM)

## Strong Banking Sector & Ample Liquidity

- **> 90% of assets are RM denominated**
- **Non-performing loan at 2% @ 30 Nov 2010**  
(Source: BNM)

## Conductive Domestic Interest Rates

- **Overnight policy rate: 2.75%**

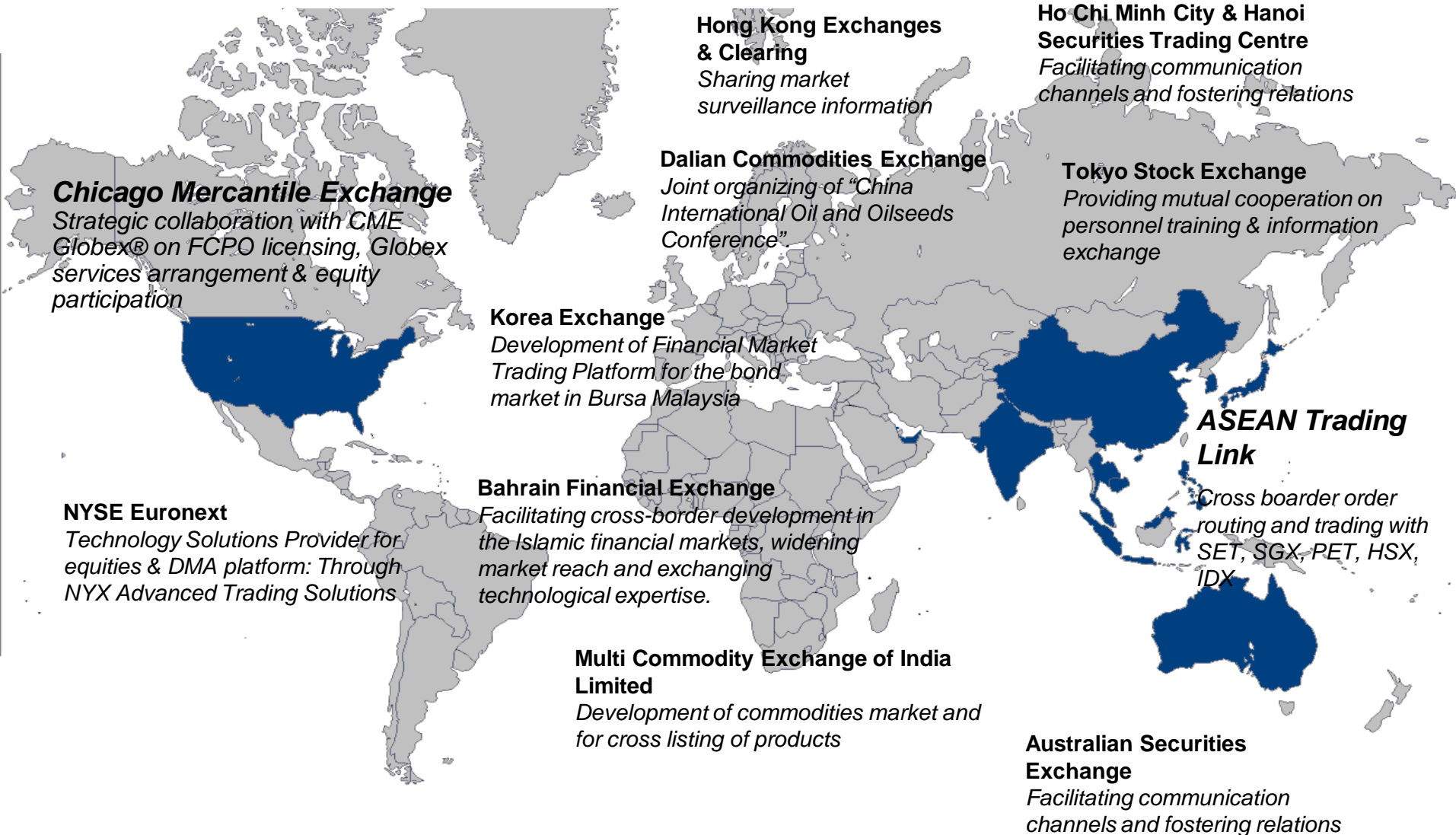
## Manageable Inflation

- **Modest 2% - 2.8% for 2011F**  
(Source: Malaysian Institute of Economic Research-MIER)

## Strong Current Account in the Region

- **2011F at RM 114.2 billion**  
(Source: MOF)

# Global Network



# Thank you

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