

BURSA MALAYSIA BERHAD

Destination of choice for listings and investments in the region

CLSA INVESTORS' FORUM, HONG KONG
Zul Mustafa, Head of Strategy Management Office
21 – 22 September 2011



Integrated Exchange with Diversified Offerings

SECURITIES	DERIVATIVES	ISLAMIC OFFERINGS	OTHERS
<p>2 Markets:</p> <ul style="list-style-type: none"> ➤ Main Market : 837 cos ➤ ACE Market : 119 cos <p>Market Cap @ 30 Aug 11 : RM1,242 bil (USD416 bil)</p> <p>Products : Shares, REITs, Warrants, ETFs, CBBCs, Loans & Bonds</p>	<p>10 Derivatives Products:</p> <ul style="list-style-type: none"> ➤ Commodity futures ➤ Equity futures ➤ Equity options ➤ Financial futures 	<ul style="list-style-type: none"> ➤ Sukuk ➤ Shari'ah compliant equities ➤ i-REITS ➤ i-ETFs ➤ Bursa Suq Al-Sila' 	<p>Bond Market</p> <p>Electronic trading platform for :</p> <ul style="list-style-type: none"> ➤ Government Bonds ➤ Corporate Bonds <p>Offshore Market</p> <ul style="list-style-type: none"> ➤ Non-ringgit securities ➤ Sukuk Listing

<p>Focus : Drive Liquidity & Vibrancy</p>	<p>Focus : Leverage On Existing Strategic Partnership</p>	<p>Focus : Attract International Investors & Issuers</p>
--	--	---



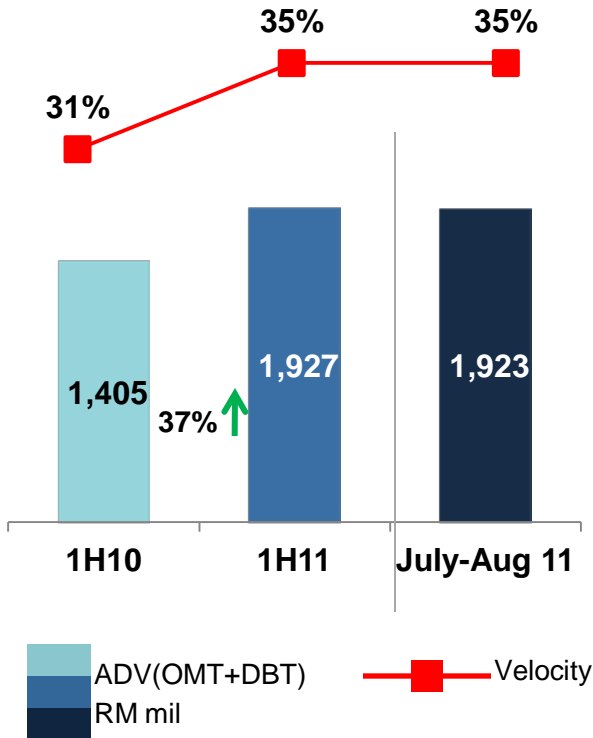
Strong Result for 1H11

- Operating Revenue of RM200m, up 27% YoY; increased securities and derivatives trading volume
- 1H11 PATAMI of RM76m, up 37% YoY
- 2Q11 PATAMI of RM36m, lower by 12% in comparison to 1Q11
- Cost-to-income ratio of 50%; improved by 7% YoY
- Annualised ROE of 18%; up 29% YoY
- Interim dividends of 13.0 sen per share, up 37%

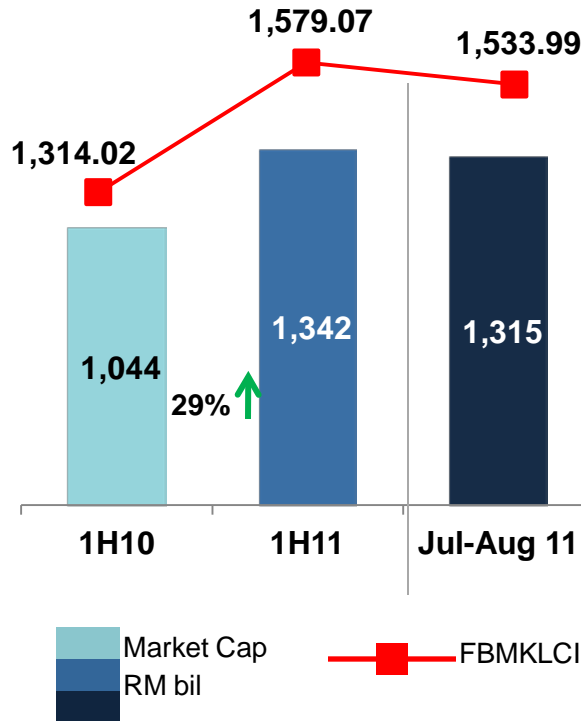
Securities Market Drivers

Greater Growth in Key Drivers

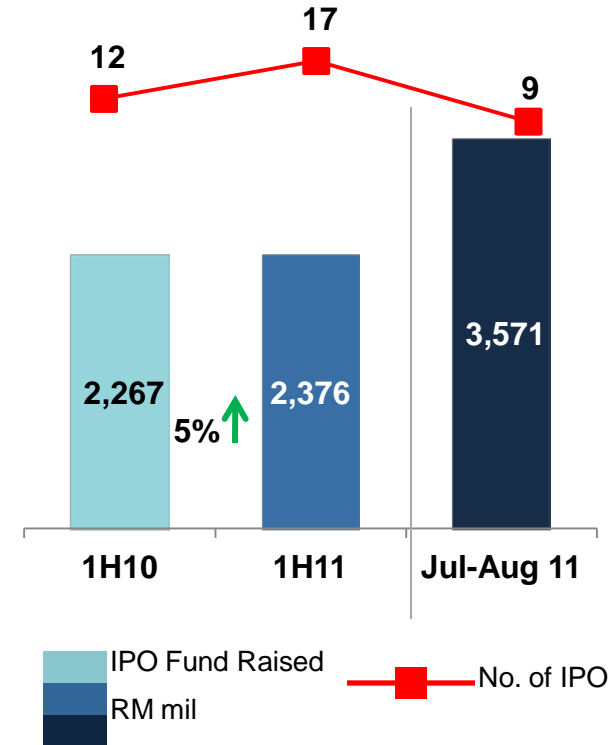
Average Daily Value (ADV) & Velocity



Market Capitalisation & FBMKLCI



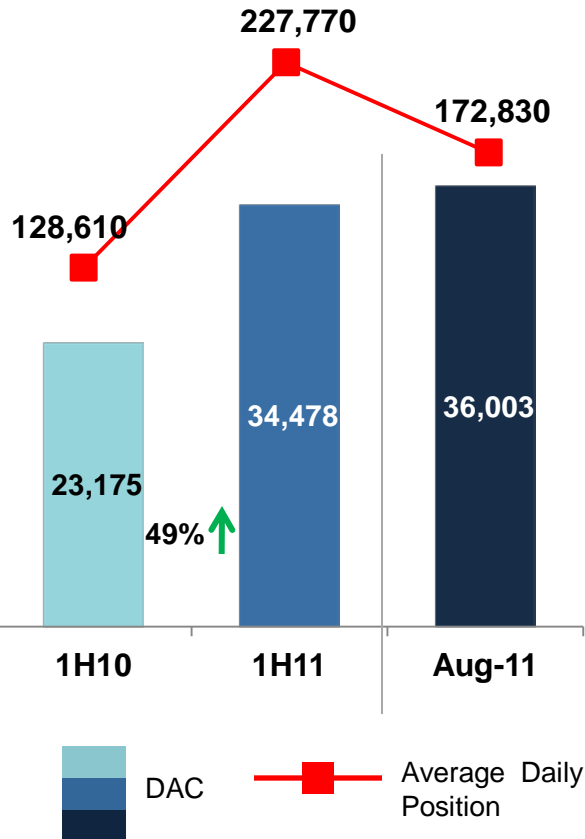
IPO Activity



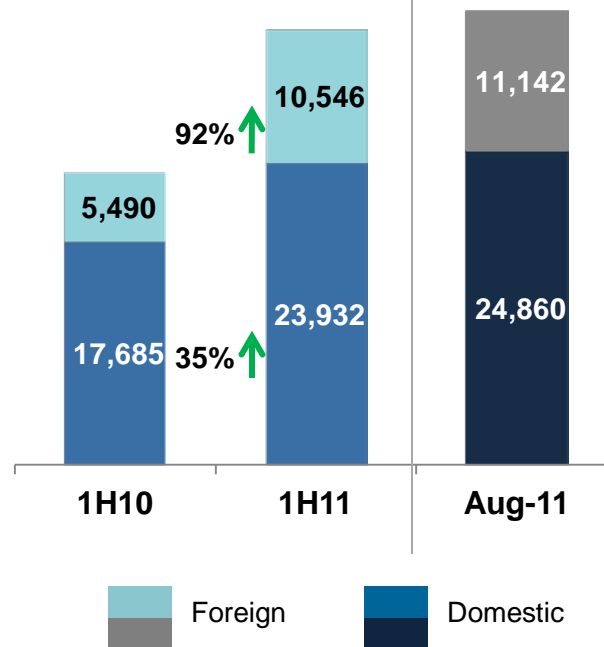
Derivatives Market Drivers

Derivatives reaching all time highs

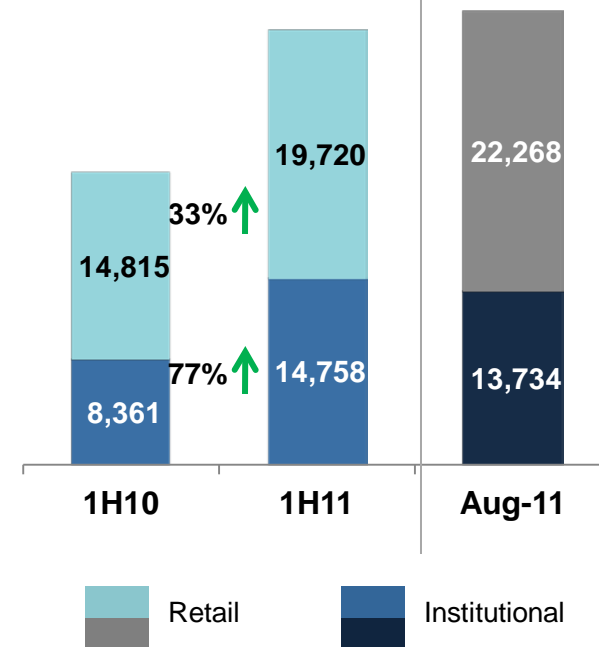
Daily Average Contract Traded (DAC)



Foreign vs Domestic DAC



Retail vs Institutional DAC



Positive Growth Outlook

Securities Market

- ▶ **Highest Savings Rate in the Region**
Potential to unlock liquidity
- ▶ **Support from government policy and initiatives – NEM & NKEA**
Work in progress for selldown of GLIC holdings and structural *issues*
- ▶ **YTD July 2011 velocity @ 35%**
Potential for growth compared to peers

Derivatives Market

- ▶ **Moved to CME's Platform**
Focus on growing volume & getting more foreign investors connected to trade
- ▶ **Contract volume increasing**
FY11 volume up approx 50% from FY10
- ▶ **New Clearing System**
New products to be introduced

Our Immediate Priorities (2011)

Building Blocks for Future Growth

Focus Area

Securities Market

- ▶ Expand investor base (foreign & domestic)
- ▶ Greater diversity



1. Increase Proprietary Day Trading
2. Penetrate new foreign institutional markets
3. Driving trading vibrancy via Domestic Institutions
4. Energise retail focusing on high value segments

Derivatives Market

- ▶ Improve access to market
- ▶ Improve product offerings & awareness



1. Increase Foreign participation – Hedge & Commodity funds, High frequency traders
2. Improve *Locals & Domestic Institution participation
3. Improve Retail participation – improve distribution channels

Islamic Market

- ▶ Improve awareness of Islamic products
- ▶ Expand customer base



1. Increase participation on BSAS
2. Promote shari'ah compliant equities

* 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.

Medium Term Priorities (2012-2013)

Holistic Improvements Towards Vibrant Markets

Focus Area

Securities Market

- ▶ Improve access to markets



1. Build upon 2011 efforts
2. Improved trading system infrastructure
3. Address structural issues (membership, access)
4. Explore strategic alliances

Derivatives Market

- ▶ Liberalise access to market
- ▶ Attractive new product offerings



1. Address structural issues (membership, access)
2. Improve infrastructure – extend trading hours, liberalise front end options
3. Build capability – increase no. of futures brokers
4. Enhance product development

Islamic Market

- ▶ Centre of Islamic equities
- ▶ Expand foreign client base



1. Expanding client base – foreign & domestic
2. Enhanced shari'ah compliant offerings

Midterm Targets

PROFITABILITY



PAT growth rate of at least 20% p.a. on average over the next 3 years

LIQUIDITY



1. Securities

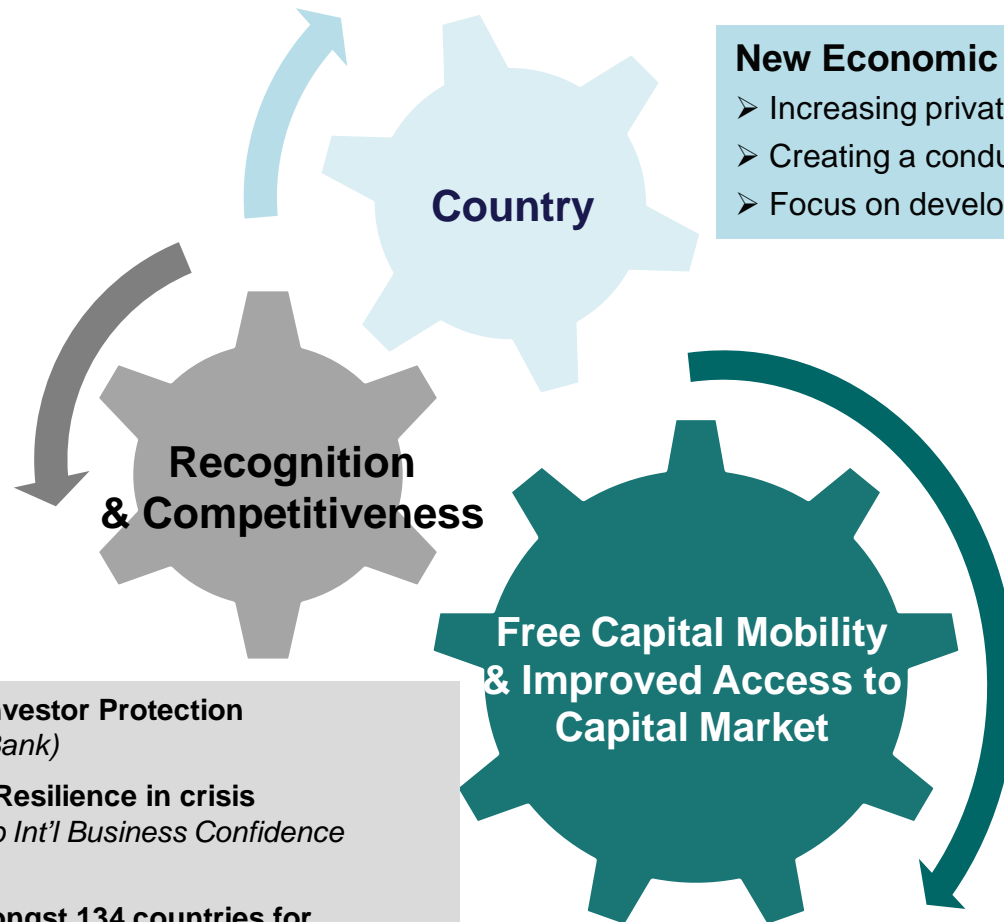
- Growth in Daily Average Trading Value p.a. to be at par with the leading listed exchanges in the region

2. Derivatives

- 50,000 Daily Average Contract by 2013

Committed to improve the market quality, to become more vibrant & competitive, and ultimately translate to better financial performance

Conducive Investment Environment



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

4th for Investor Protection
(World Bank)

10th for Resilience in crisis
(Sevcorp Int'l Business Confidence Survey)

25th amongst 134 countries for Corporate Governance Framework
(World Economic Forum)

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

Conduit to Malaysian Growth

OUR ASSET	PEOPLE	MARKET FRAMEWORK	LOCATION
<p style="text-align: center;">Our Strengths</p>	<p>1) Young & Dynamic: With a population of 28 mil, Malaysia's labor force stands high at 64%. Only 5% of population is above age 65</p>	<p>4) Good infrastructure: Open access & business friendly</p>	<p>7) Route into ASEAN: Malaysia is situated at the heart of ASEAN's 590 million people</p>
	<p>2) Culture & Ties : Ties with China, India, Indonesia and the Developed World</p>	<p>5) Corporate Governance: Regulatory focus on CG practice, transparency & investor protection</p>	<p>8) Commodities: Oil & Gas, Palm Oil, ample Land</p>
	<p>3) New Corporate Champions: Companies expanding beyond domestic markets</p>	<p>6) Expanding capital market: QDII, US SEC Recognition & FTSE Advance Emerging Economy Status</p>	
<p style="text-align: center;">Our Story</p>	<ul style="list-style-type: none"> ➤ Malaysian macro outlook is a strong, with 7.2% growth last year and estimated 5% for 2011. Bursa is a proxy to the economy ➤ The Exchange is a conduit to ASEAN growth and Malaysian companies expanding across the region 		

Regional Champions

Finance



Plantation



Telcos

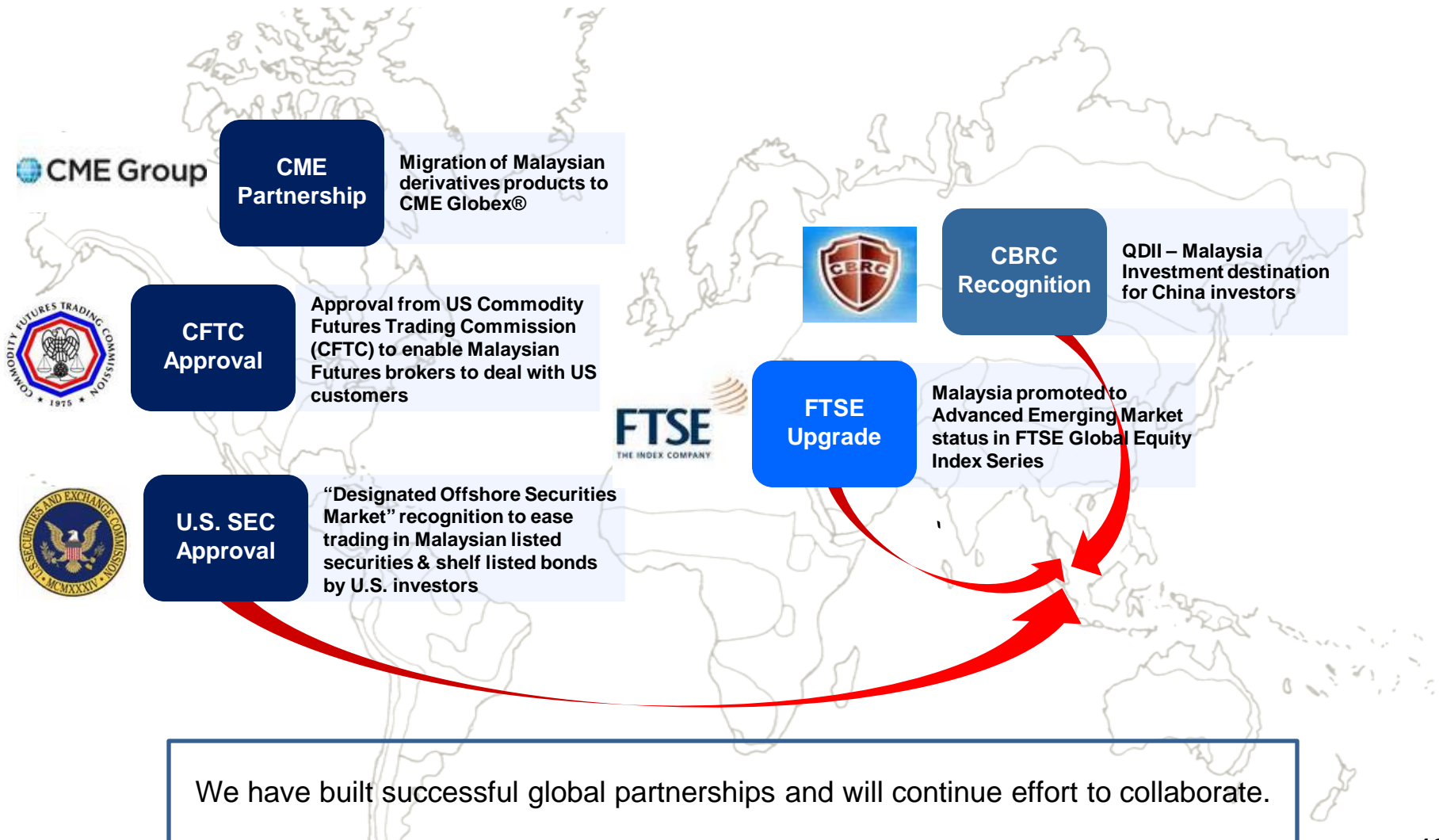


Others



Some of our companies are global leaders in their respective fields and others are making mark around the region. They grow by leveraging on the country's assets and pro-business policies. These companies now spearhead Malaysia's emergence as a dynamic advancing economy.

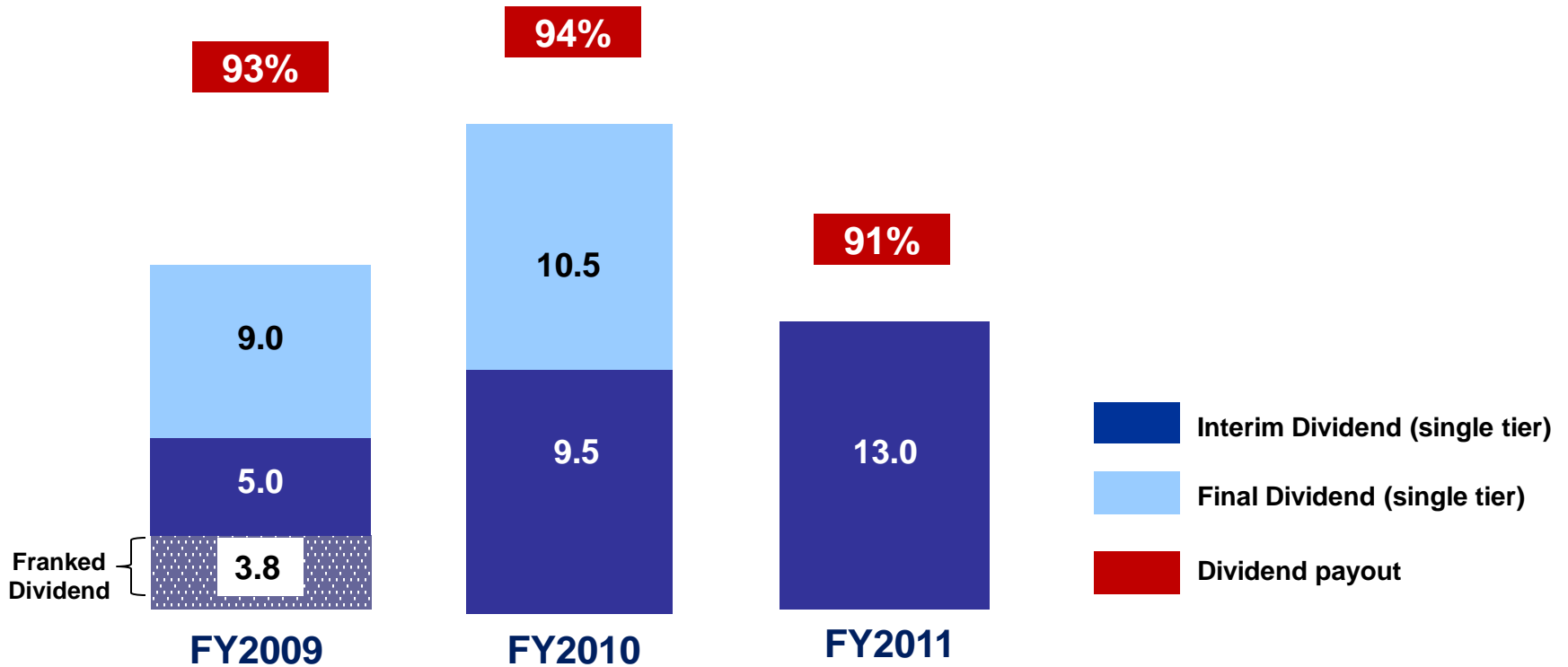
Global Partnerships and Recognition



High Dividend Payout

Surpassing 75% Payout Policy

Historical Dividend Payout in sen



Total Shareholders' Return since listing till 30 June 2011

247%

Financial Review

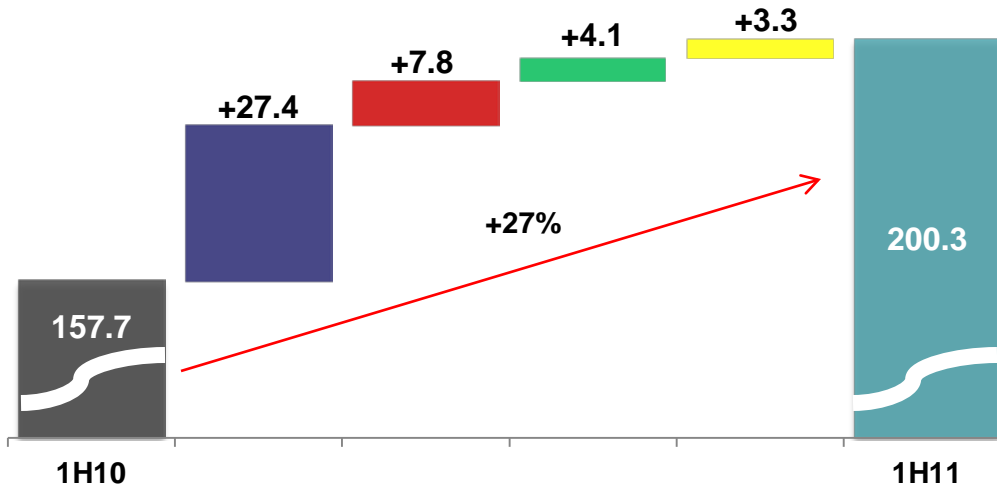
Operating Revenue	16
Stable Revenue Breakdown	17
Prudent Cost Management	18

Operating Revenue

Higher Revenue from Securities and Derivatives

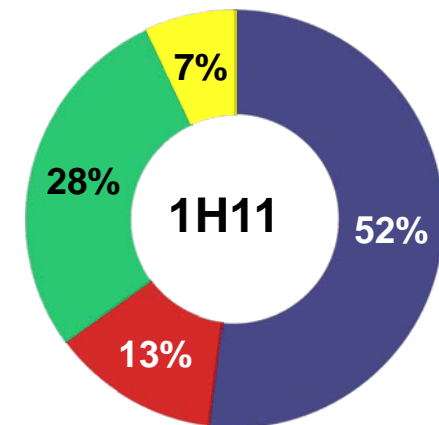
RM mil	1H10	1H11	YoY▲	1Q11	2Q11	QoQ▲
Securities Trading Revenue	76.4	103.8	36%	57.7	46.1	-20%
Derivatives Trading Revenue	17.5	25.3	45%	13.0	12.3	-6%
Stable Revenue	52.5	56.6	8%	27.5	29.1	6%
Other Operating Revenue	11.3	14.6	30%	9.6	5.0	-48%
Total Operating Revenue	157.7	200.3	27%	107.8	92.5	-14%

Growth contribution by revenue stream



■ YTD Total Operating Revenue RM mil

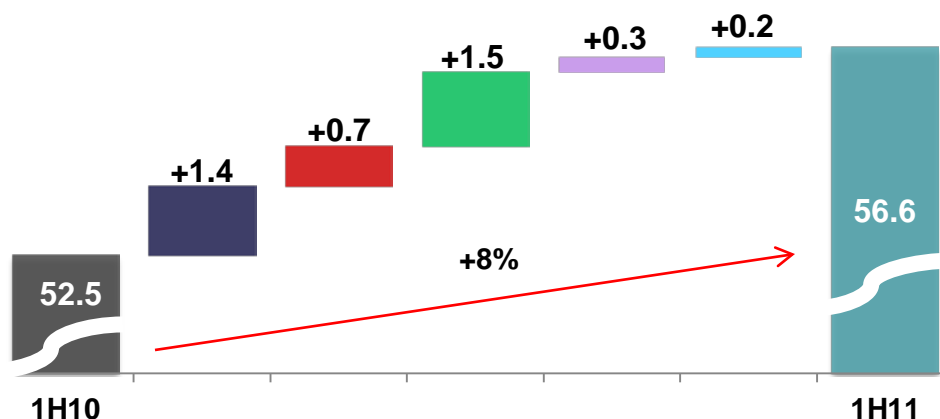
Total revenue mix



Stable Revenue Breakdown

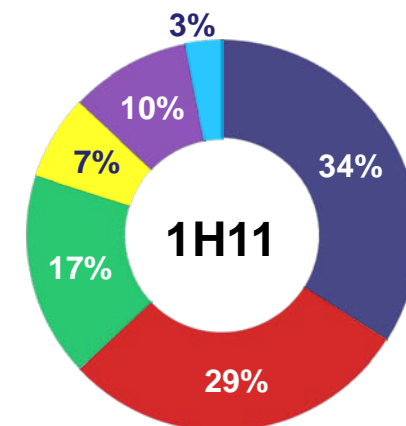
RM mil	1H10	1H11	YoY ▲	1Q11	2Q11	QoQ ▲
Listing Fees	17.9	19.3	8%	9.9	9.3	-6%
Depository Services	15.9	16.6	4%	7.8	8.8	13%
Information Services	8.2	9.7	18%	4.5	5.2	16%
Access Fees	3.7	3.7	-	1.8	1.9	6%
Broker Services & Co-location	5.5	5.8	5%	2.9	2.9	-
Participants fees	1.3	1.5	15%	0.6	1.0	67%
Total Stable Revenue	52.5	56.6	8%	27.5	29.1	6%

Growth contribution by revenue stream



■ YTD Total Stable Revenue RM mil

Total stable revenue mix

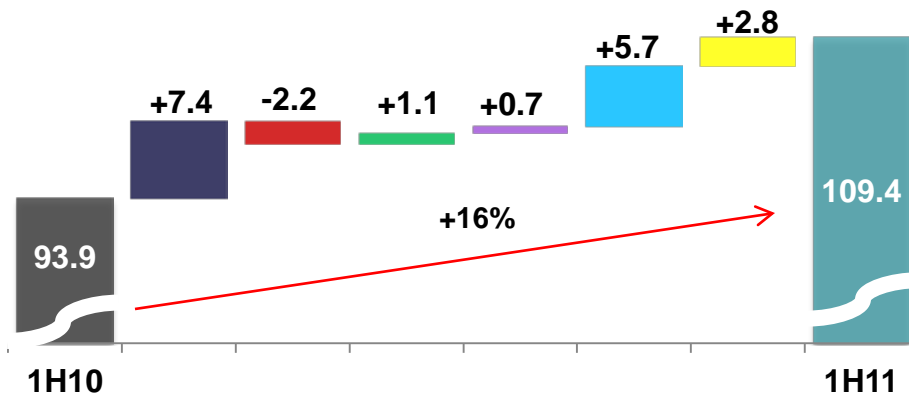


Prudent Cost Management

RM mil	1H10	1H11	YoY▲	1Q11	2Q11	QoQ▲
Staff Cost	43.7	51.1	17%	25.9	25.2	-3%
Depreciation & Amortisation	22.0	19.8	-10%	9.8	10.0	2%
Market Development Expenses	6.1	7.2	18%	5.4	1.8	-67%
IT Maintenance	7.2	7.9	10%	3.8	4.1	8%
Globex®Service Fee	-	5.7	New	3.0	2.8	-7%
Other Opex*	14.9	17.7	19%	9.9	7.7	-22%
Total Operating Expenditure	93.9	109.4	16%	57.8	51.6	-11%

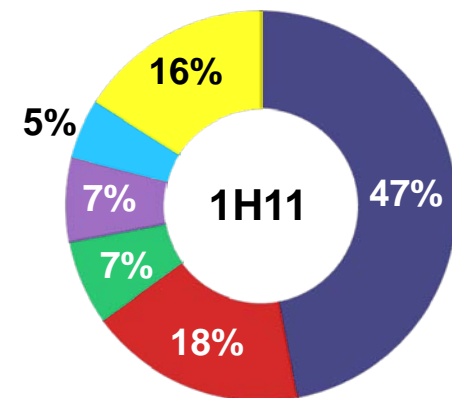
*Other OPEX comprises building management costs, administrative expenses, CDS consumables & etc.

Movement in cost by type of expenses



■ YTD Total Operating Expenses RM mil

Total expenses mix

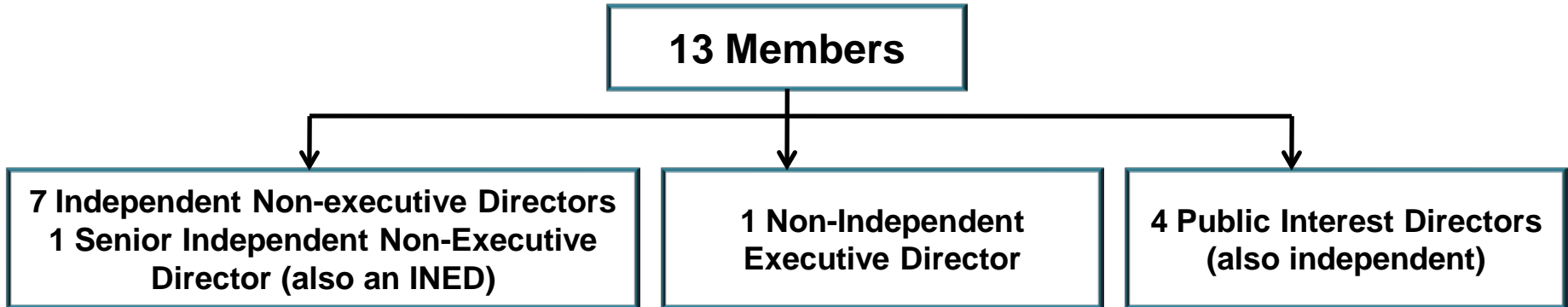


Additional Information

Board of Directors & Shareholdings Structure	20
Securities Market Trading Activity	21
Securities Market Trading Participation	22
Securities Market Foreign Ownership	23
Bursa's Potential To Grow Its Velocity	24
Derivatives Market Activity	25
Derivatives Market Demography	26
Sound Macro Environment	27

Board of Directors & Shareholdings Structure

As at 30 August 2011

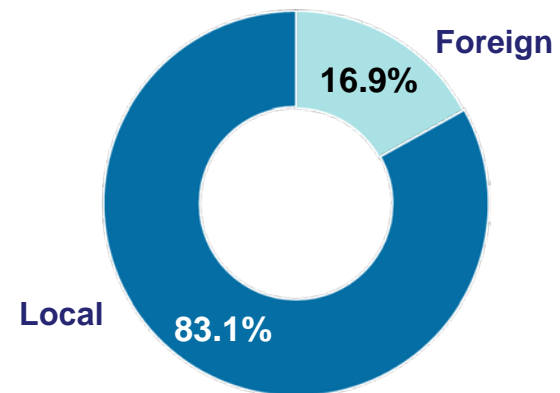


Market Capitalisation of Bursa Malaysia : RM4.2 bil (USD1.4 bil)

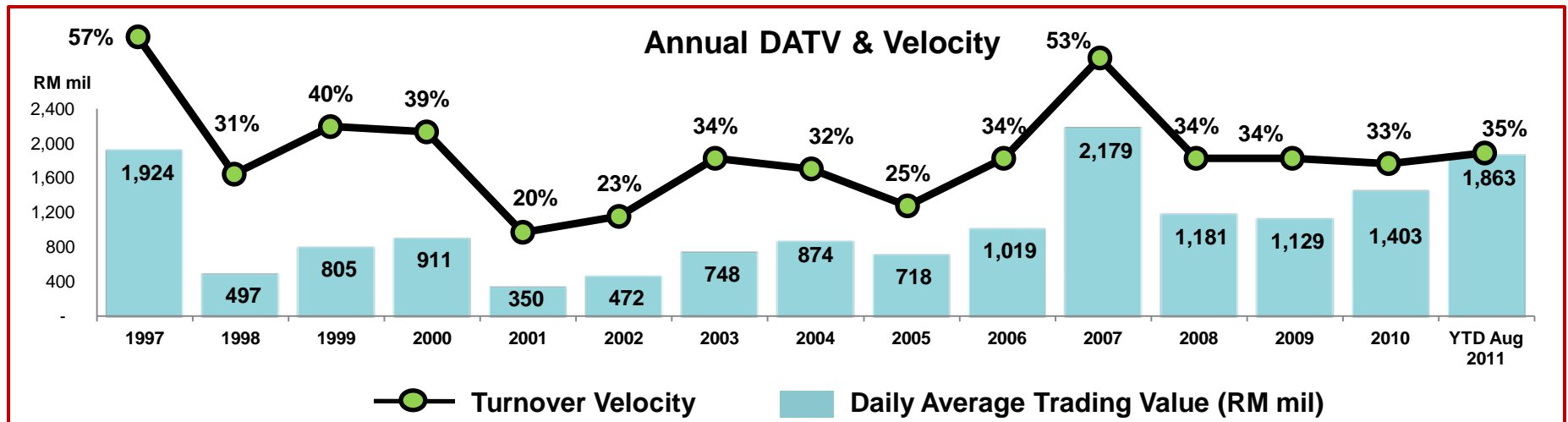
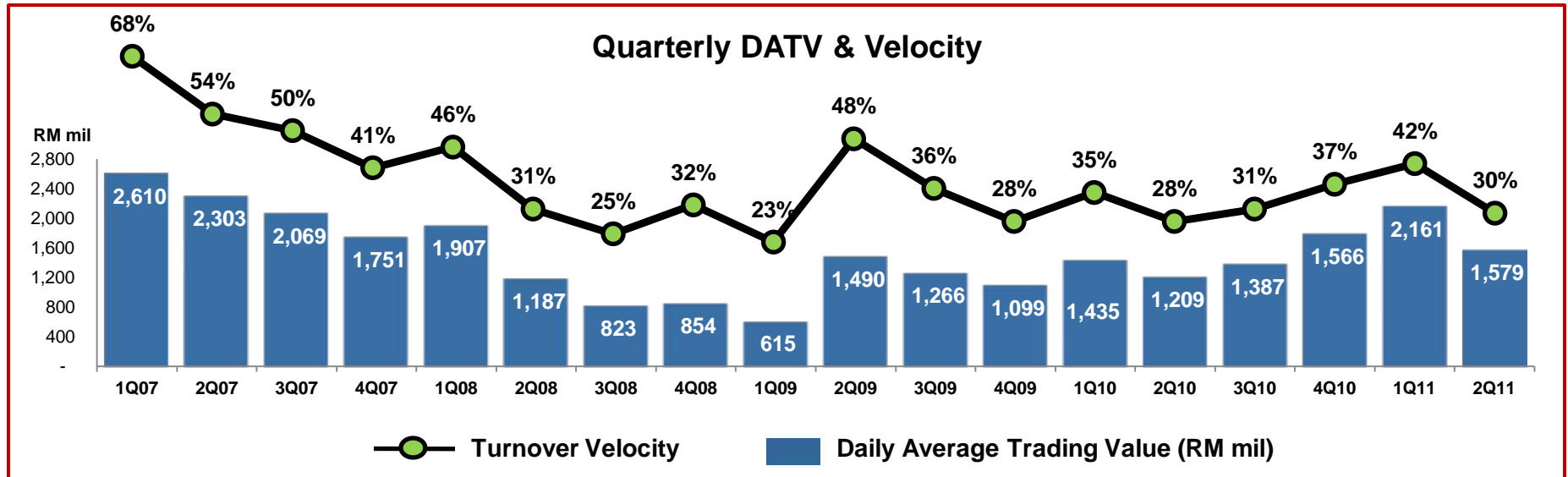
Substantial Shareholders

Capital Market Development Fund	18.8%
Minister of Finance Inc.	16.2%
EPF	9.7%

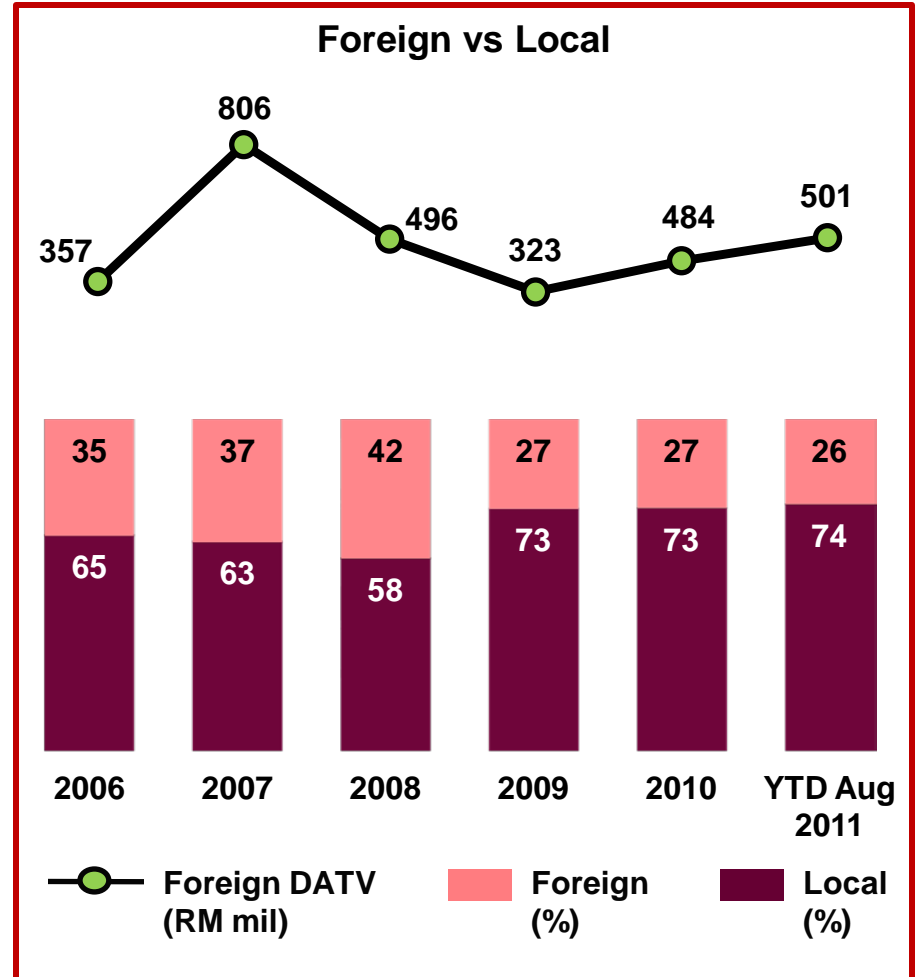
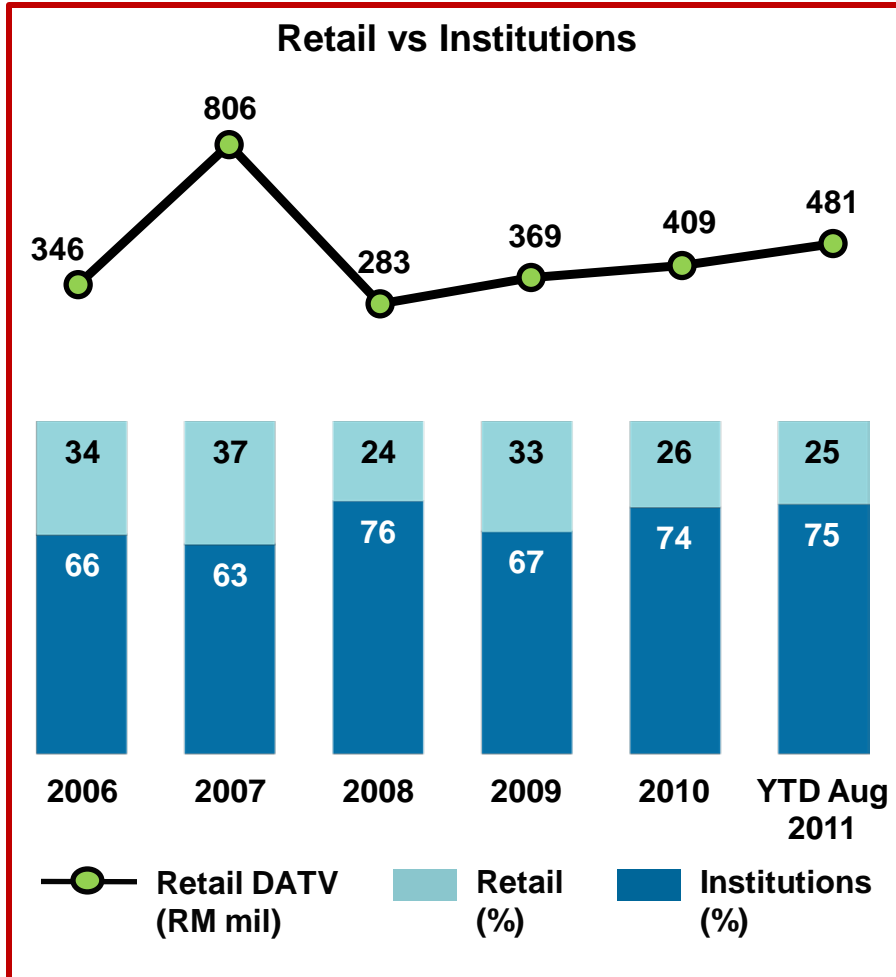
Shareholding by Size



Securities Market Trading Activity



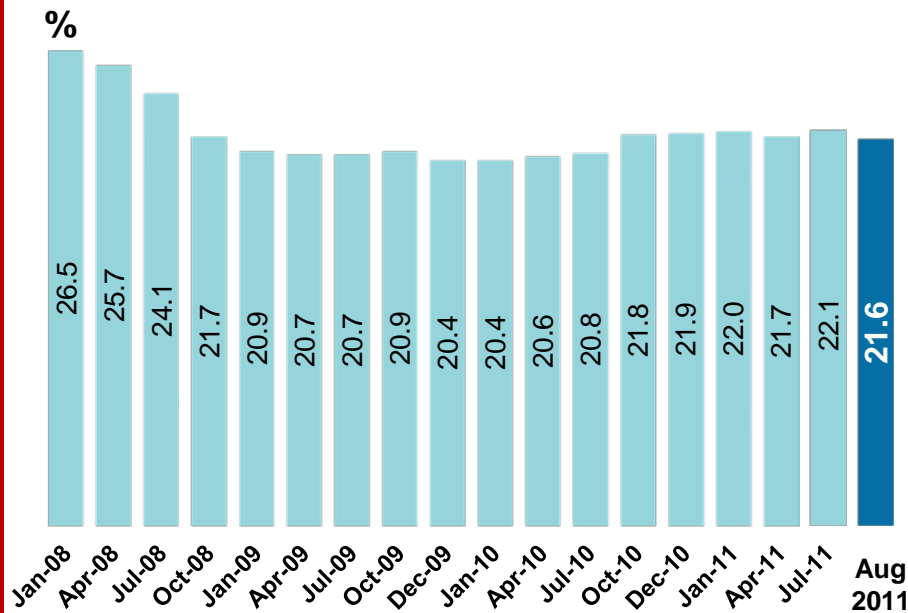
Securities Market Trading Participation



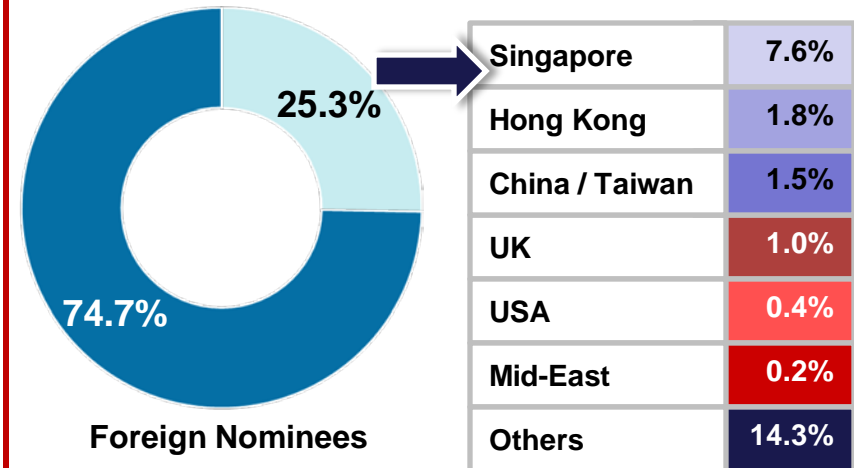
From 2006 to 2009, the statistics were based on Brokers' submission. From 2010 onwards statistics were based on Bursa's internal system.

Securities Market Foreign Ownership

Based on Market Capitalisation
(as at month end)

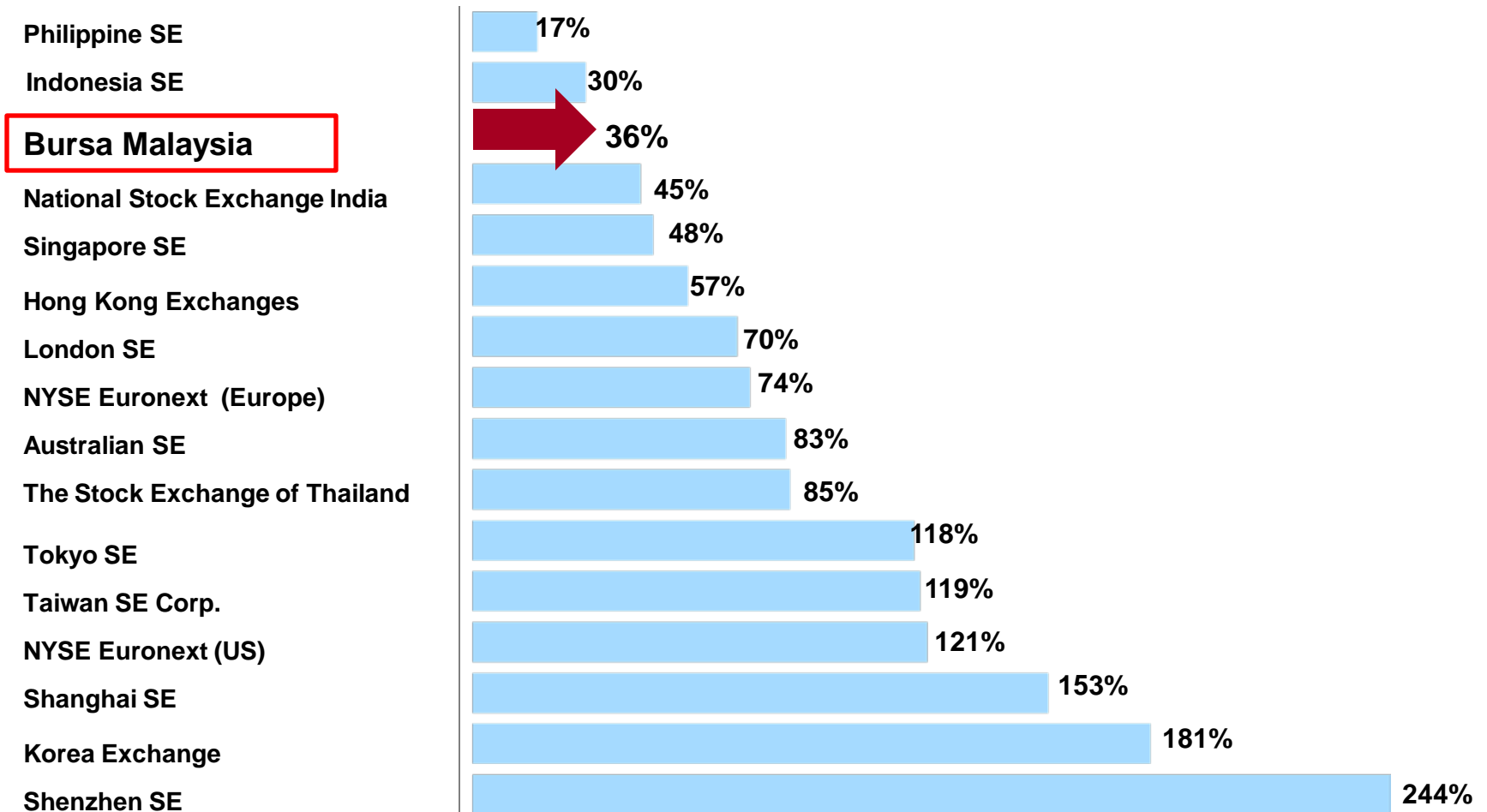


Foreign Ownership by Nationality



Bursa's Potential To Grow Its Velocity

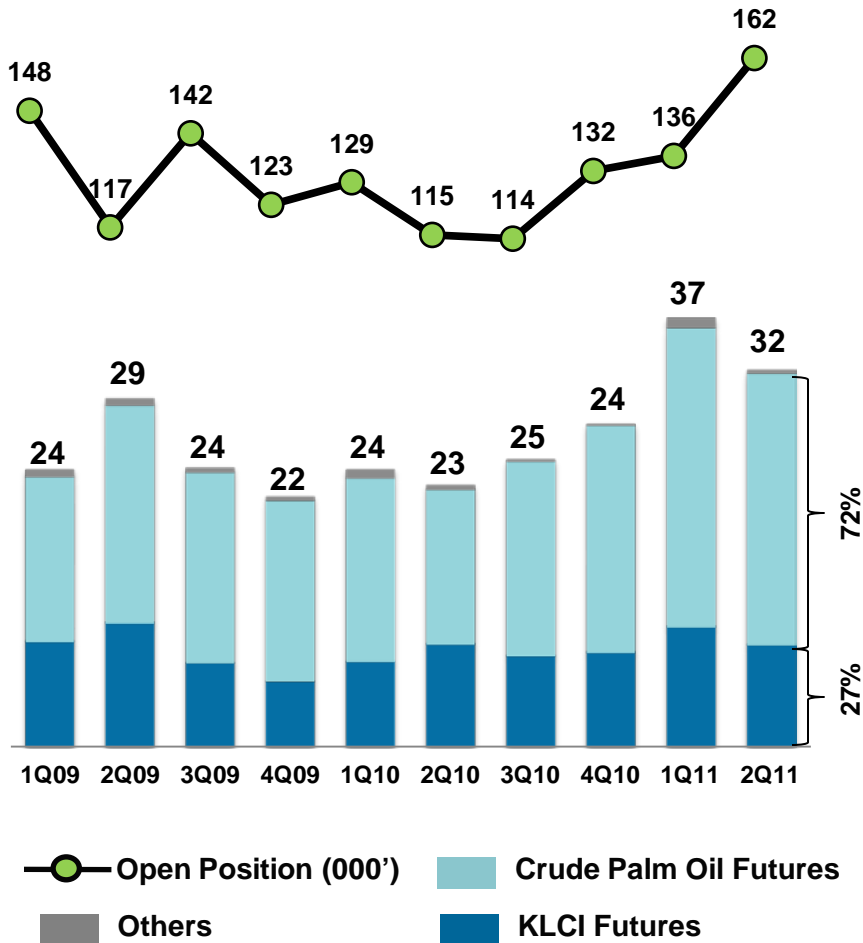
YTD August 2011



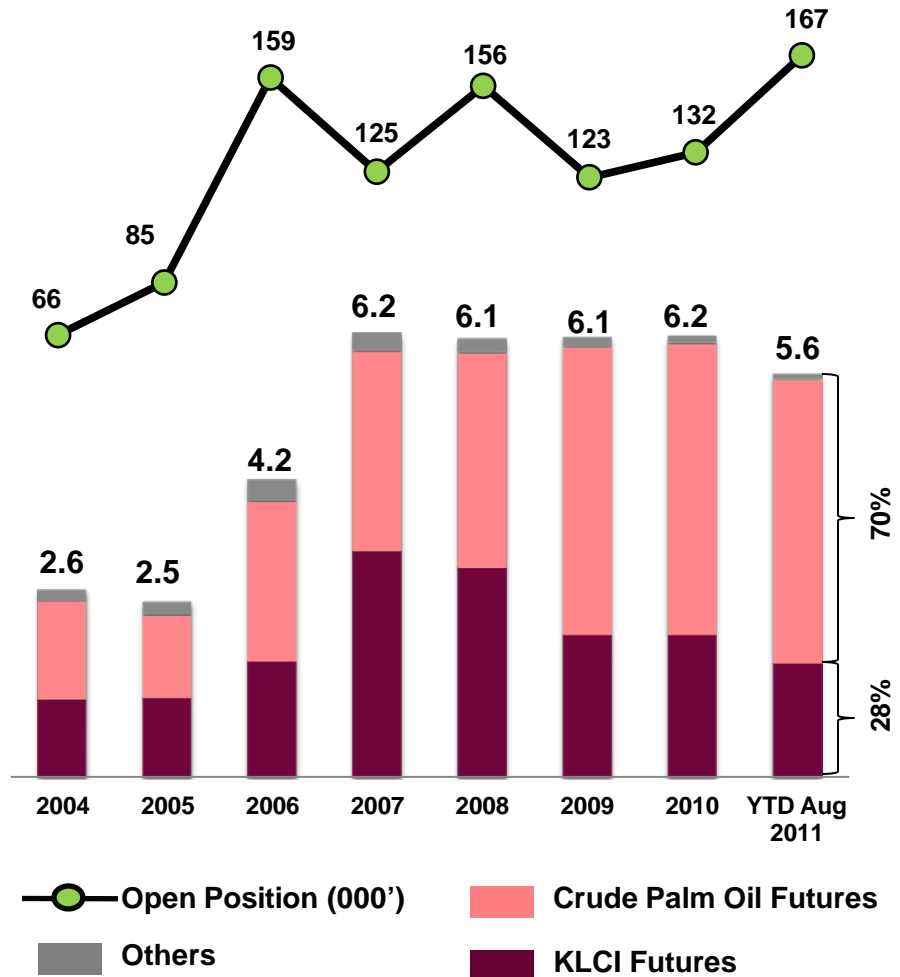
Source: World Federation Exchanges (WFE)

Derivatives Market Activity

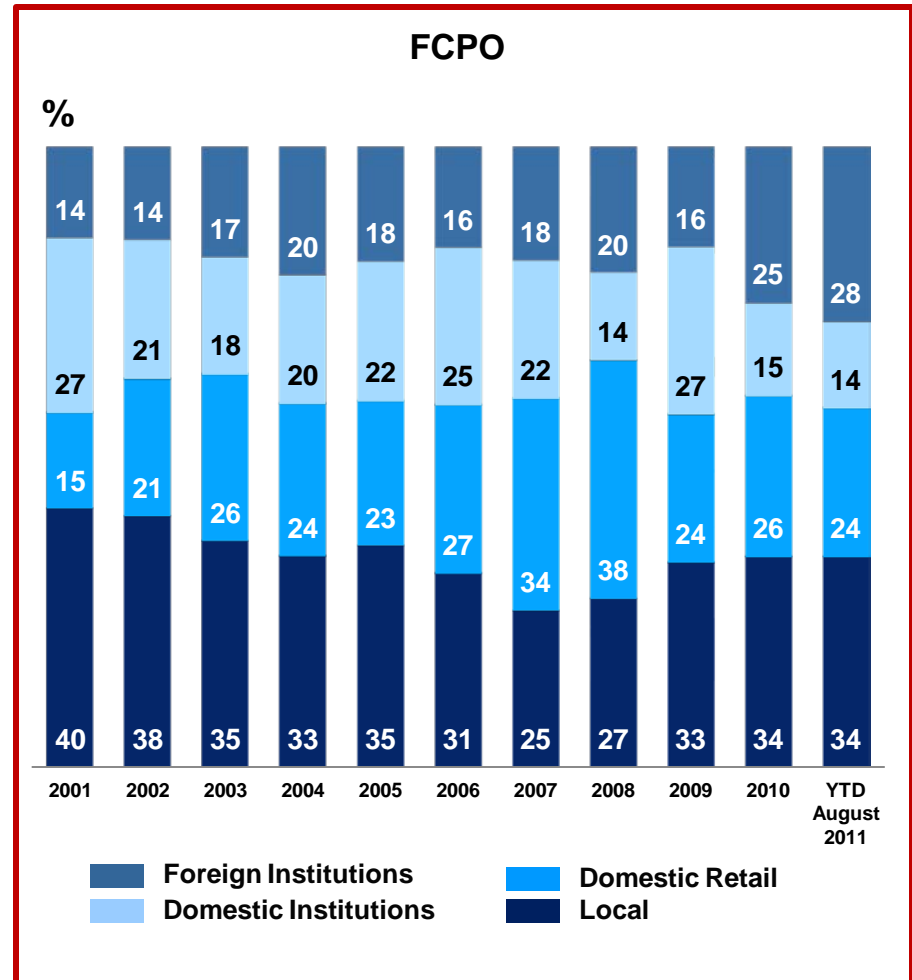
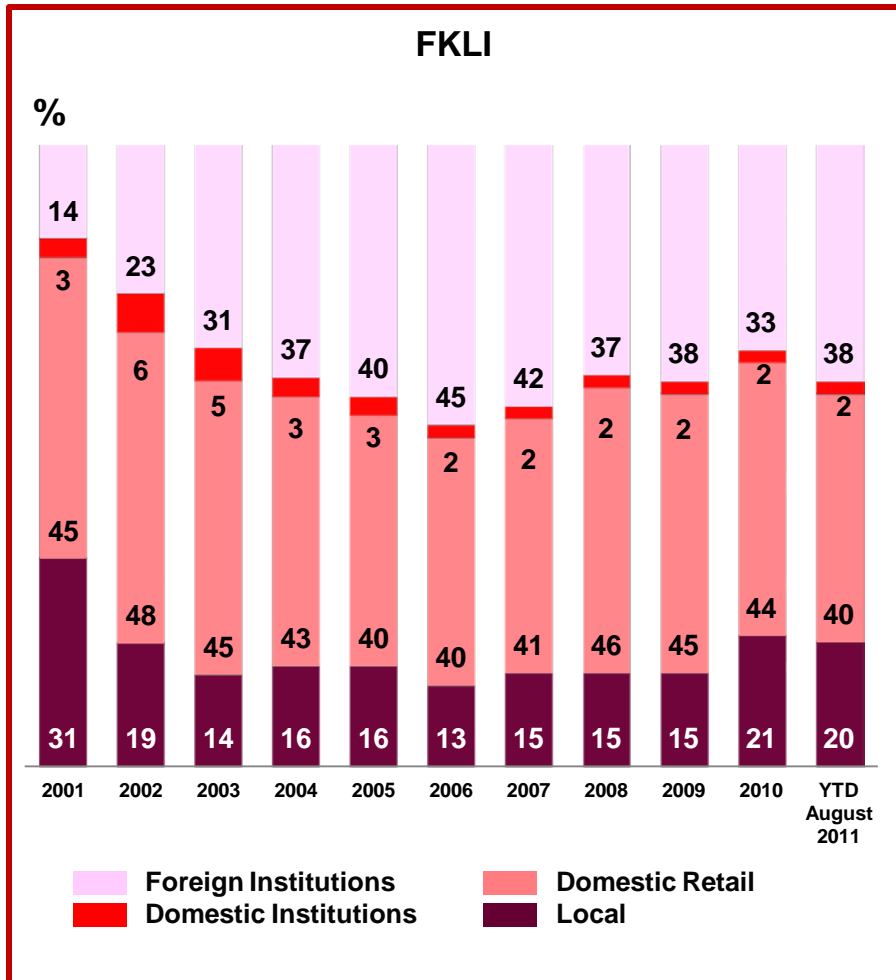
Quarterly (Daily Average Contracts 000')



Total Annual Contract (Million)



Derivatives Market Demography



* 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: BNM)

Healthy International Reserves

- **> USD136.1 billion @ 15 August 2011**
(Source: BNM)

Strong Banking Sector & Ample Liquidity

- **> 90% of assets are RM denominated**
- **Non-performing loan at 2.3% @ end Feb 2011**
(Source: BNM)

Conducive Domestic Interest Rates

- **Overnight policy rate: 3.0%**

Manageable Inflation

- **Modest 2.5% - 3.5% for 2011F**
(Source: BNM)

Strong Current Account in the Region

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

INVESTOR RELATIONS CONTACT INFORMATION

KOAY LEAN LEE
koayll@bursamalaysia.com
603-2034 7306

MUHAMMAD ALI
muhammad@bursamalaysia.com
603-2034 7673

E-mail : ir@bursamalaysia.com
Fax : 603-2026 3684

Disclaimer :

Bursa Malaysia and its Group of Companies (the Company) reserve all proprietary rights to the contents of this Presentation.

Whilst the Company endeavours to ensure that the contents in the presentation booklet are accurate, complete or have been obtained from sources believed by the Company to be accurate and reliable, neither the Company nor the Presenter make any warranty, express or implied, nor assume any legal liability or responsibility for the accuracy, completeness or currency of the contents of this Presentation.

In no event shall the Company be liable for any claim, howsoever arising, out of or in relation to this presentation booklet to the recipient of this presentation booklet and/or to any other third party.