

# BURSA MALAYSIA BERHAD

*Destination of choice for listings and investments in the region*

3Q 2011 FINANCIAL RESULTS

19 October 2011



# Highlights

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# Key Highlights

## 31-Year Historic High Record for Derivatives

Derivatives reached the highest ever number of contracts traded annually since 1980 with 6.325 mil contracts @ 30 Sept 2011.

## Elevating the Standards of Disclosure

Amendments to the Listing Requirements and introduced a Corporate Disclosure Guide aimed at elevating the standards of disclosure.

## Comprehensive Set of New Indices

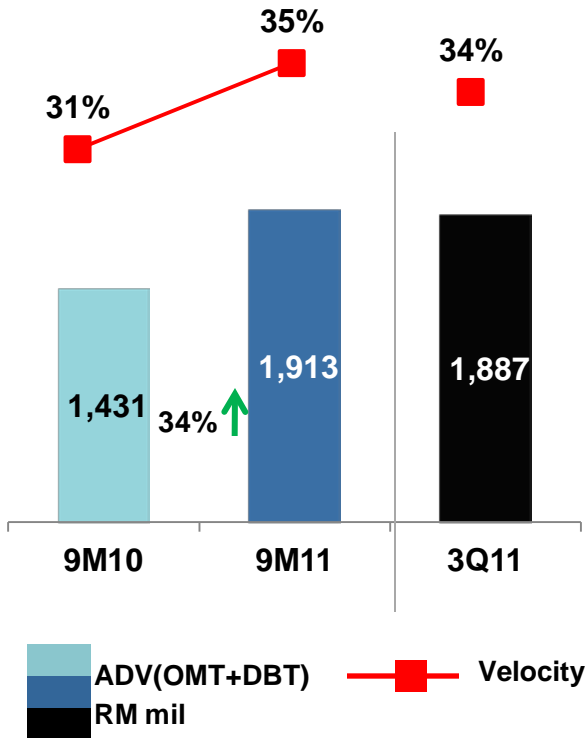
Introduced Industrial, Supersector and Sector indices to provide investors with a comprehensive set of tools for in-depth analysis of the Malaysian stock market.

# Financial Highlights

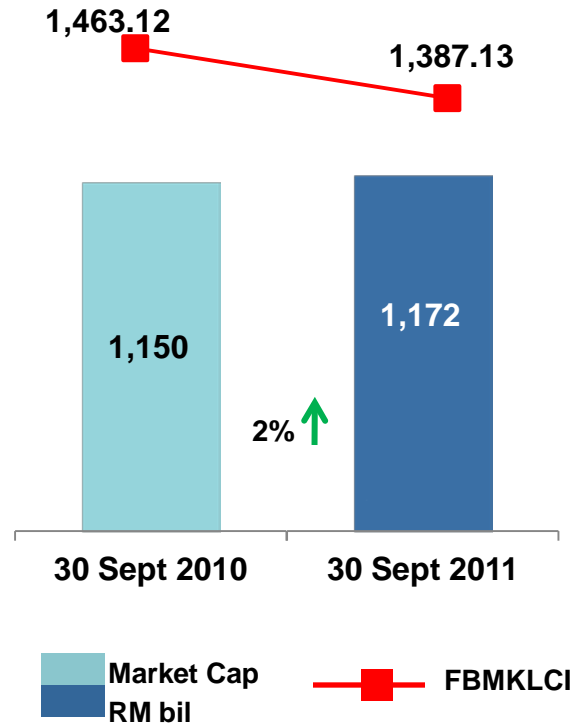
- 9M11 Operating Revenue of RM296m, up 25% YoY; increased securities and derivatives trading volume
- 9M11 PATAMI of RM114.8m, up 38% YoY
- 3Q11 PATAMI of RM39m, improved by 8% in comparison to 2Q11
- 9M11 Cost-to-income ratio of 50%; lower by 9% YoY
- Annualised ROE of 18.2% for 9M11; up 36% YoY

# Securities Market Drivers

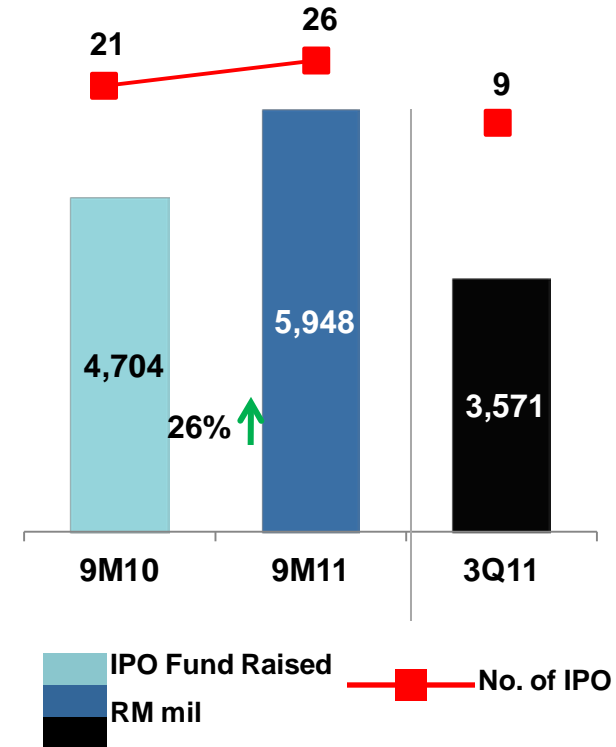
### Average Daily Value (ADV) & Velocity



### Market Capitalisation & FBMKLCI

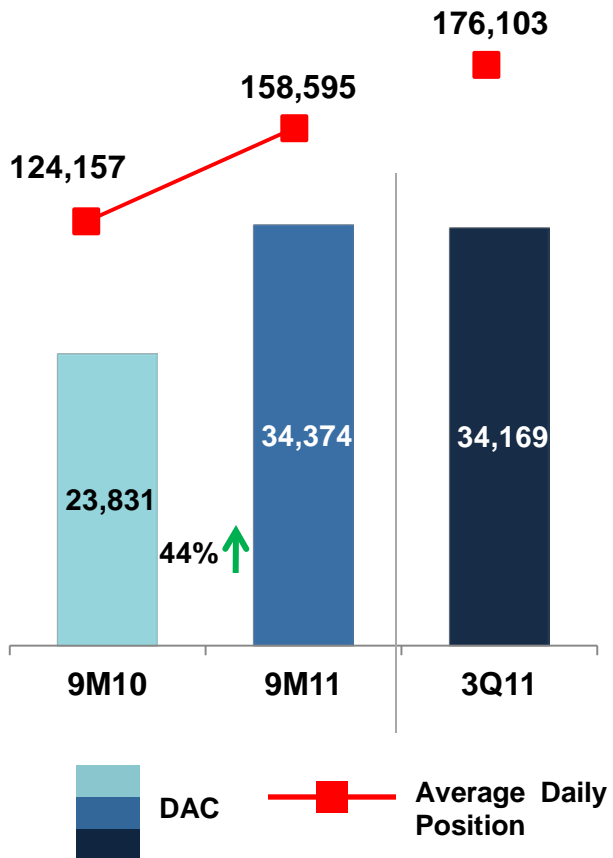


### IPO Activity

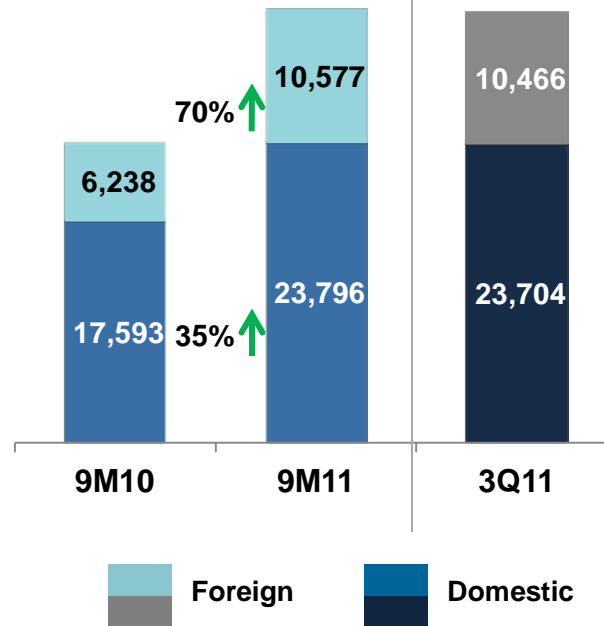


# Derivatives Market Drivers

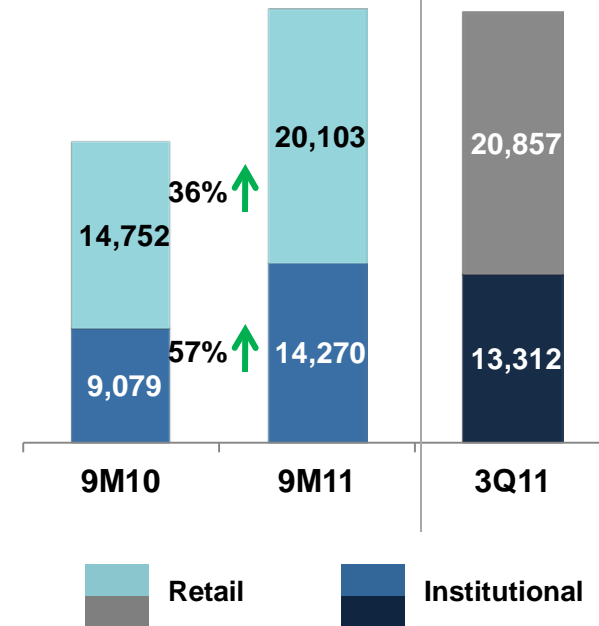
### Daily Average Contract Traded (DAC)



### Foreign vs Domestic DAC



### Retail vs Institutional DAC



# Strategy & Regulatory Review

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# 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

PRIMARY FOCUS ON SECURITIES, DERIVATIVES & ISLAMIC MARKETS

RIGHT PEOPLE

SOUND REGULATORY FRAMEWORK

APPROPRIATE TECHNOLOGIES

### Enablers



# Key Regulatory Updates YTD

**Maintaining  
Market  
Integrity**



## Rules

Strengthened regulatory framework in the areas of disclosures and brokers' business conduct. Issued Corporate Disclosure Guide.

## Trading

Trading in general remained orderly.

## Brokers/PLCs

Brokers' financial position are healthy and well above the threshold required under the rules. Vigilant monitoring on disclosures made by PLCs. Issued 439 queries.

## Enforcement

Enforcement actions against 17 PLCs, 41 directors, 2 advisors, 18 brokers and 51 trading representatives and 2 registered persons, amongst others. Imposed fines of RM2.68 mil for breach of LR and RM0.7 mil for breach of business rules.

## Education

Conducted education programmes for Dealers' Representative and Futures Brokers' Representative of brokers on trading issues and for CEOs/CFOs of PLCs on disclosures.

# Financial Review

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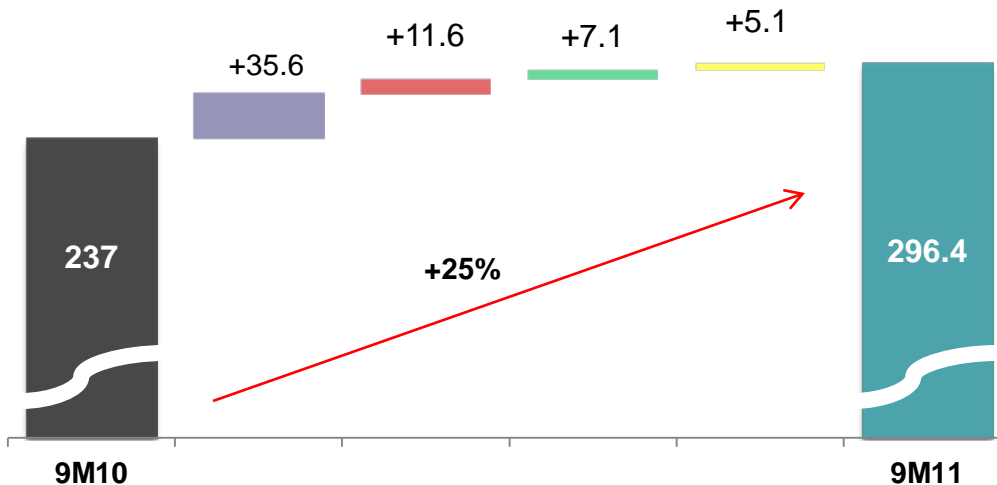
# Financial Results Snapshots

RM mil	9M10	9M11	YoY▲	2Q11	3Q11	QoQ
Operating Revenue	237.0	296.4	25%	92.5	96.1	4%
Other Income	22.2	28.1	27%	8.6	11.2	30%
Operating Expenses	141.7	162.4	15%	51.6	53.1	3%
PATAMI	83.3	114.8	38%	35.7	38.6	8%
EPS (sen)	15.7	21.6	38%	6.7	7.3	9%
EBITDA Margin %	54.2	55.2	2%	55.0	54.8	-0.4%
Annualised ROE %	13.4	18.2	36%	16.3	18.2	12%

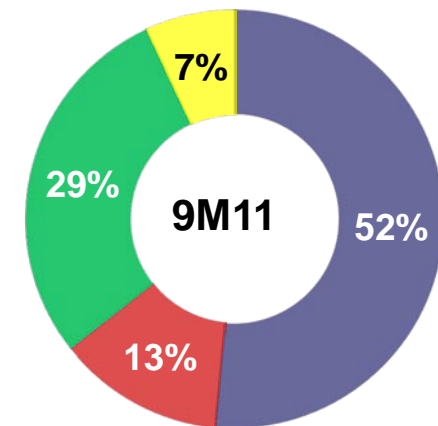
# Operating Revenue

RM mil	9M10	9M11	YoY▲	2Q11	3Q11	QoQ ▲
Securities Trading Revenue	117.1	152.7	30%	46.1	48.9	6%
Derivatives Trading Revenue	27.1	38.7	43%	12.3	13.4	9%
Stable Revenue	78.5	85.6	9%	29.1	29.0	-0.2%
Other Operating Revenue	14.3	19.4	36%	5.0	4.8	-4%
<b>Total Operating Revenue</b>	<b>237.0</b>	<b>296.4</b>	<b>25%</b>	<b>92.5</b>	<b>96.1</b>	<b>4%</b>

*Growth contribution by revenue streams*



*Total revenue mix*

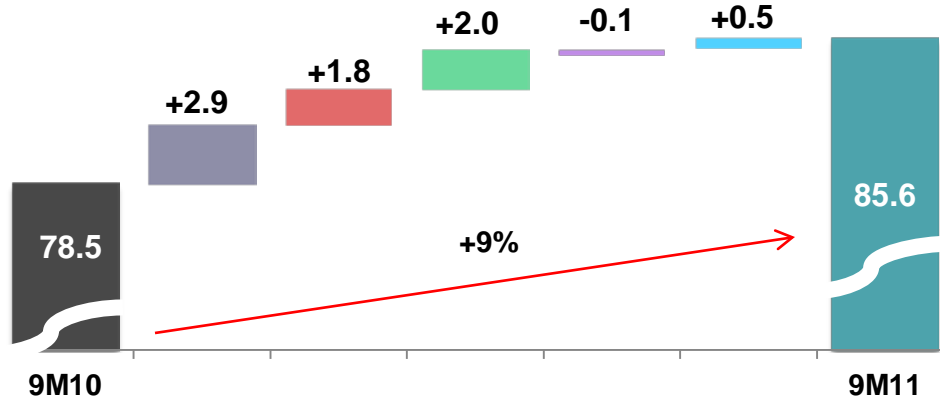


■ ■ YTD Total Operating Revenue RM mil

# Stable Revenue Breakdown

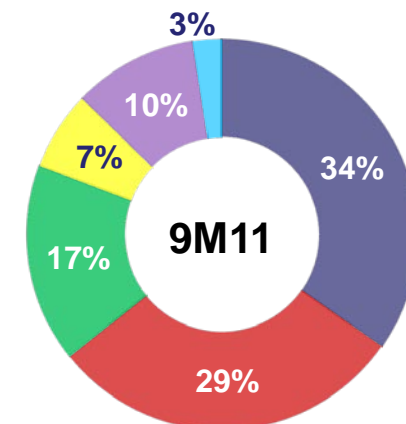
RM mil	9M10	9M11	YoY ▲	2Q11	3Q11	QoQ ▲
Listing Fees	26.5	29.4	11%	9.3	10.1	9%
Depository Services	23.4	25.2	8%	8.8	8.6	-3%
Information Services	12.5	14.5	17%	5.2	4.8	-7%
Access Fees	5.6	5.5	-2%	1.9	1.9	0%
Broker Services	8.3	8.8	5%	2.9	3.0	2%
Participants fees	2.1	2.2	5%	1.0	0.7	-31%
<b>Total Stable Revenue</b>	<b>78.5</b>	<b>85.6</b>	<b>9%</b>	<b>29.1</b>	<b>29.0</b>	<b>-0.2%</b>

*Growth contribution by revenue streams*



■ YTD Total Stable Revenue RM mil

*Total stable revenue mix*

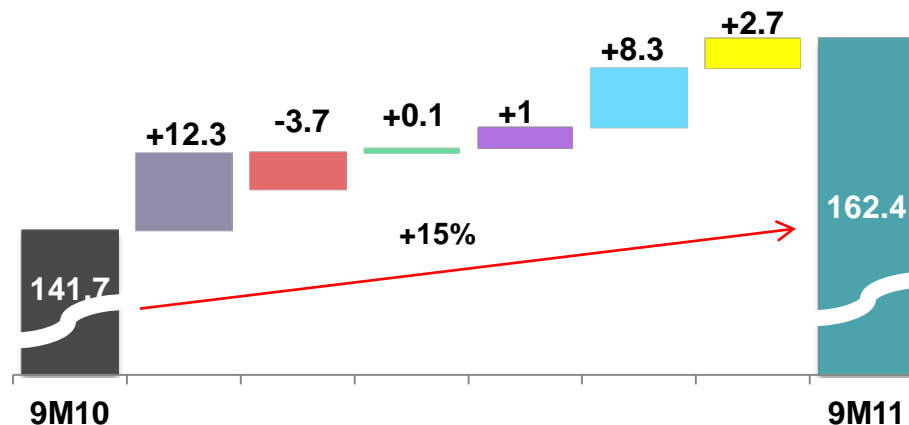


# Operating Expenditure

RM mil	9M10	9M11	YoY ▲	2Q11	3Q11	QoQ ▲
Staff Cost	66.7	79.0	18%	25.2	28.0	11%
Depreciation & Amortisation	33.2	29.5	-11%	10.0	9.7	-3%
Market Development & Promotions	8.1	8.2	1%	1.8	1.0	-45%
IT Maintenance	10.7	11.7	9%	4.1	3.8	-9%
Globex®Service Fee	0.3	8.6	2,505%	2.8	2.9	5%
Other Opex*	22.7	25.4	12%	7.7	7.8	1%
<b>Total Operating Expenditure</b>	<b>141.7</b>	<b>162.4</b>	<b>15%</b>	<b>51.6</b>	<b>53.1</b>	<b>3%</b>

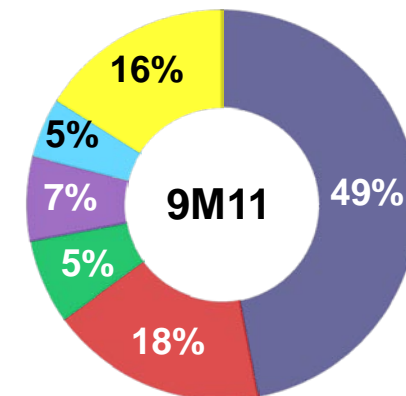
\*Other OPEX comprises building management costs, administrative expenses, CDS consumables & etc.

**Movement in cost by type of expenses**

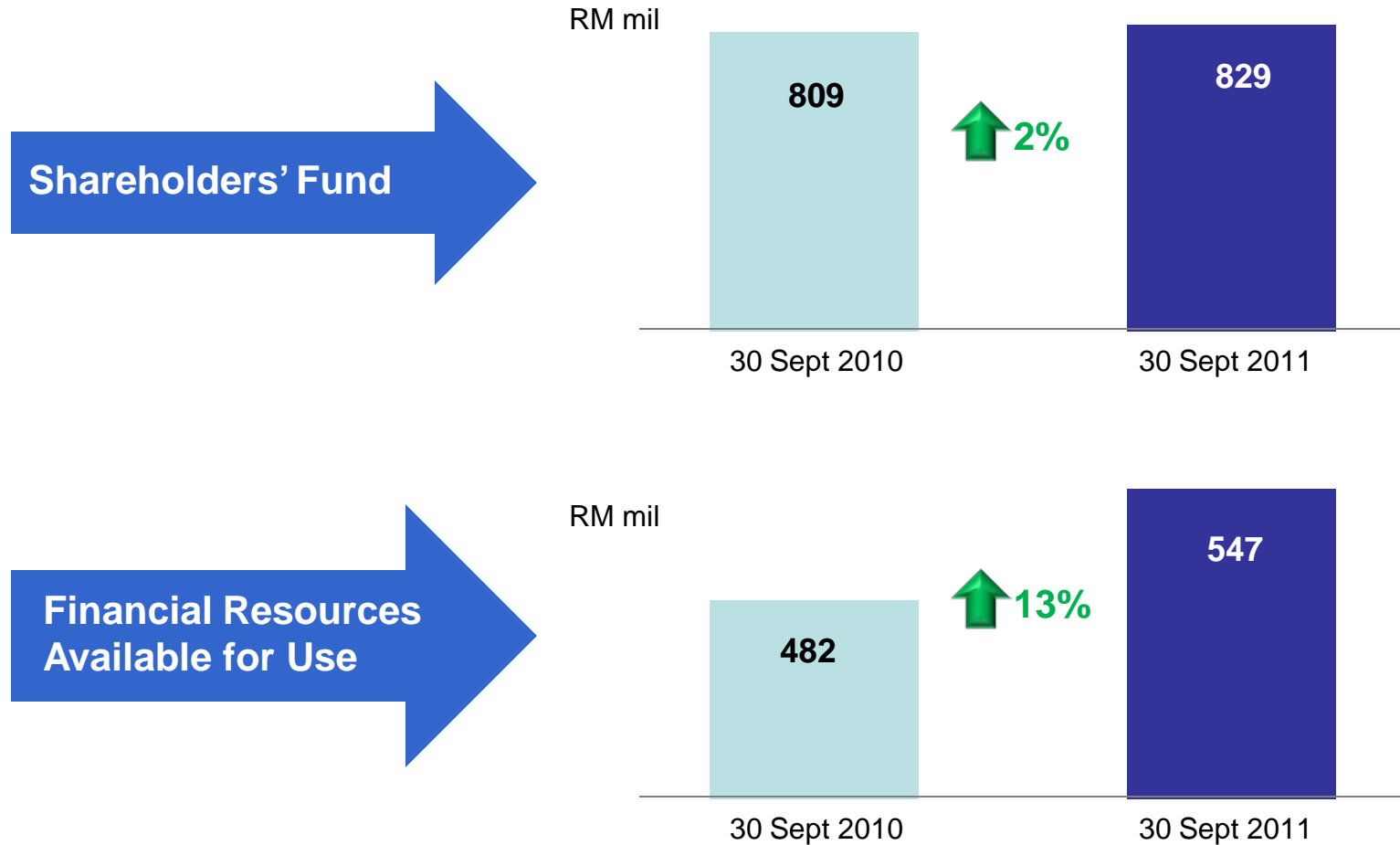


■ ■ YTD Total Operating Expenses RM mil

**Total expenses mix**



# Strong Cash Reserves



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

# Prospects & Conclusion

**Prospects & Conclusion**

**17**



# Prospects & Conclusion

## Prospects



### 1. Securities

- Going forward, market volatility is likely to persist with external events continuing to influence sentiment on the local bourse.
- Malaysia's resilient economic fundamentals and strong domestic consumption will help spur economic growth
- Government's liberalisation measures and Economic Transformation Programmes will further drive growth.

### 2. Derivatives

- Expected to finish the year with a new record high in terms of annual trading volume.
- Highly volatile cash market will have spillover effects on Bursa Malaysia Derivatives.
- Increased needs for price risk management and hedging. We are well positioned to provide such services.

## Our Commitment to Sustainable Performance

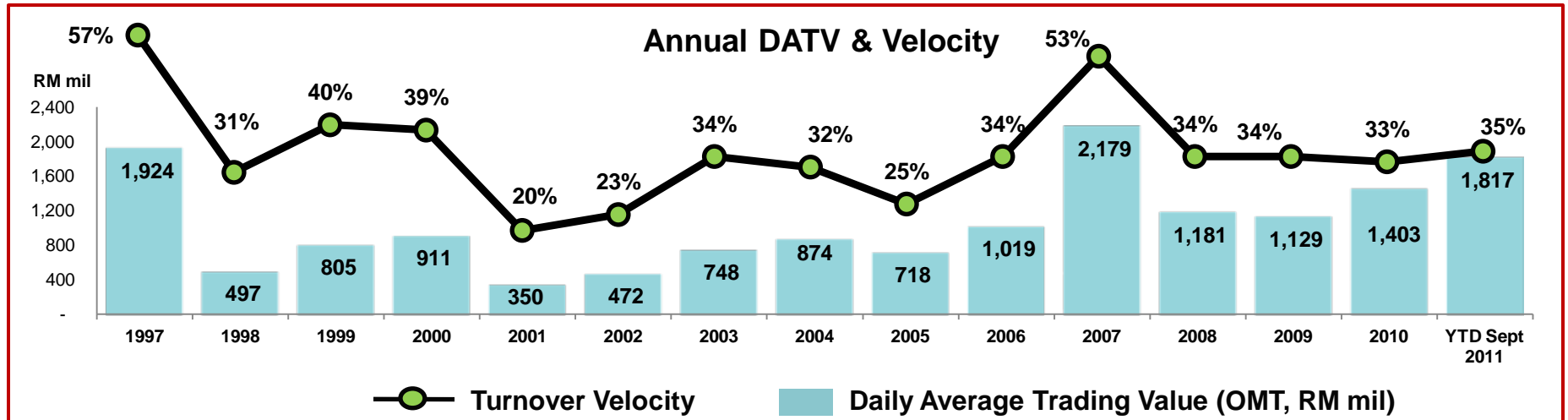
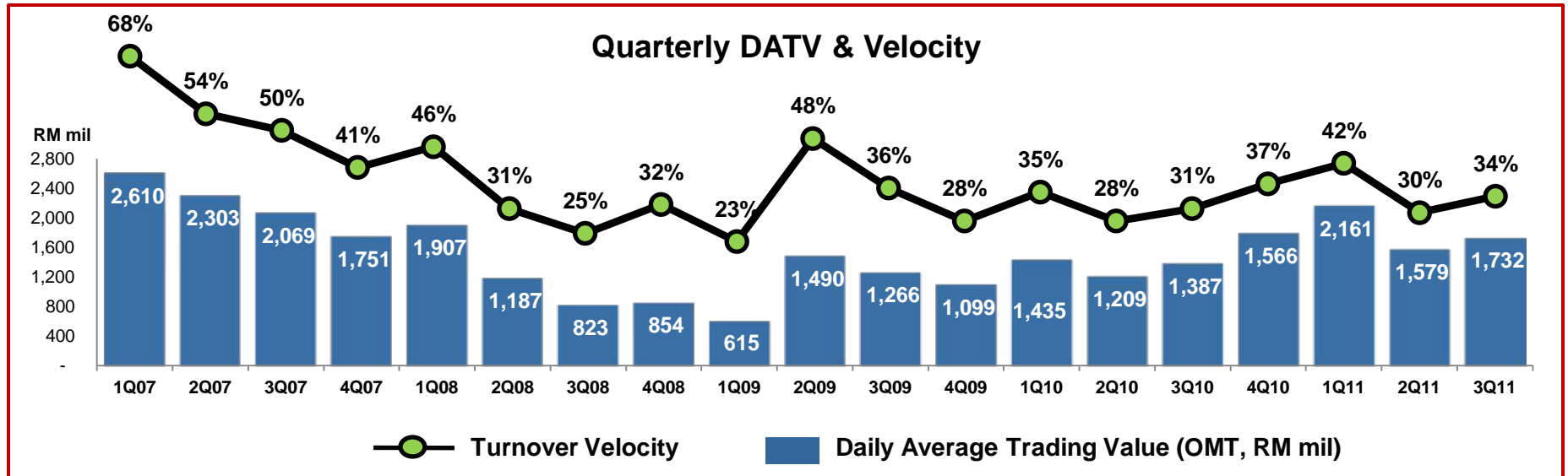


Bursa Malaysia remains committed in its efforts to make the Malaysian equity and derivatives markets more attractive and vibrant. We will continue to focus on infrastructure efficiency, new product proliferation, market education and opportunities for strategic alliances.

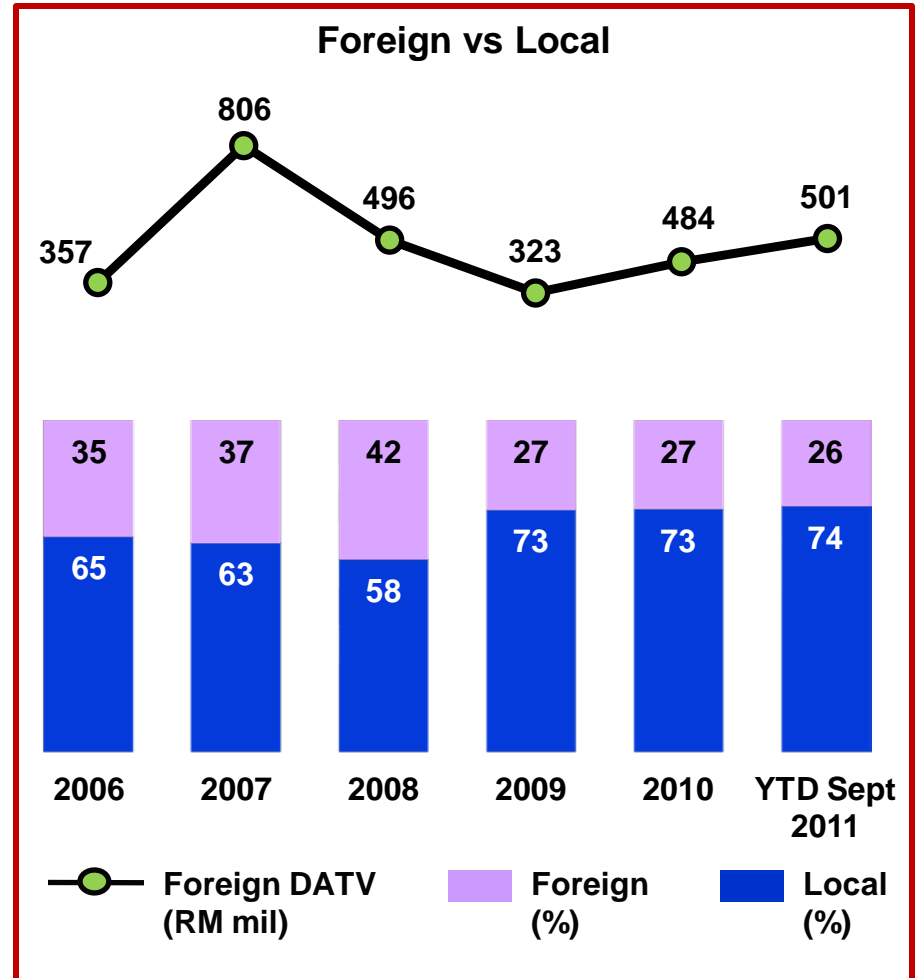
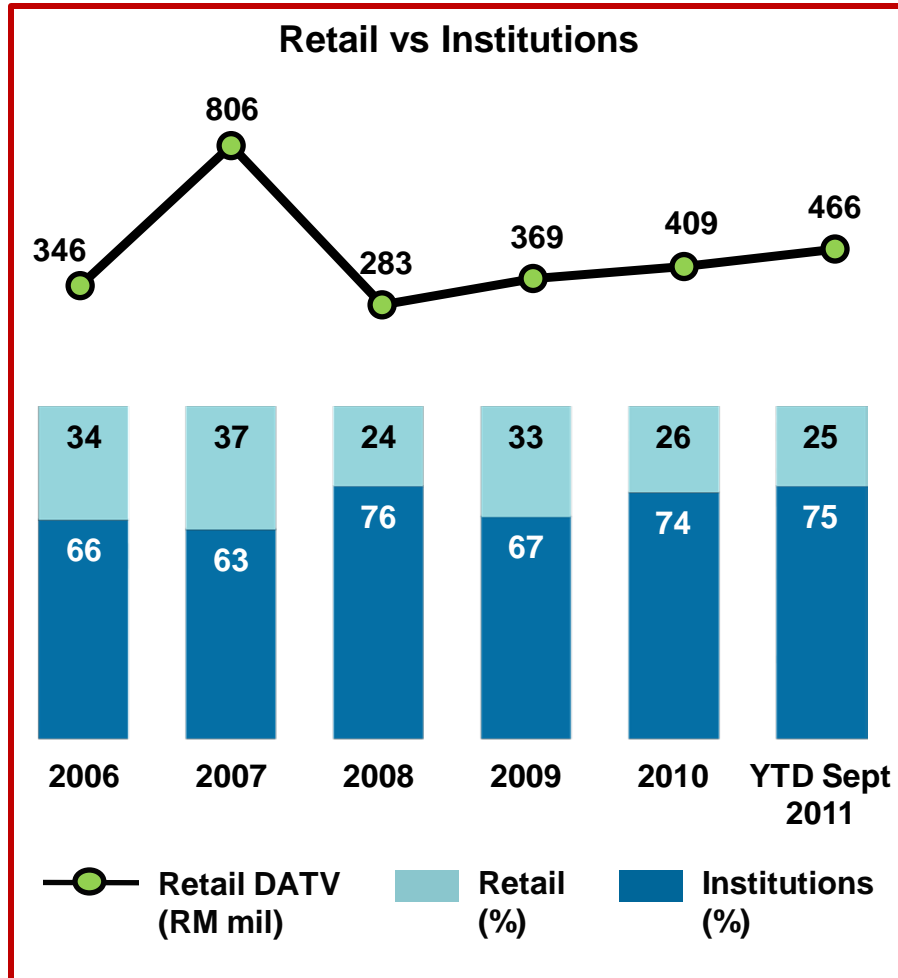
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# Securities Market Trading Activity



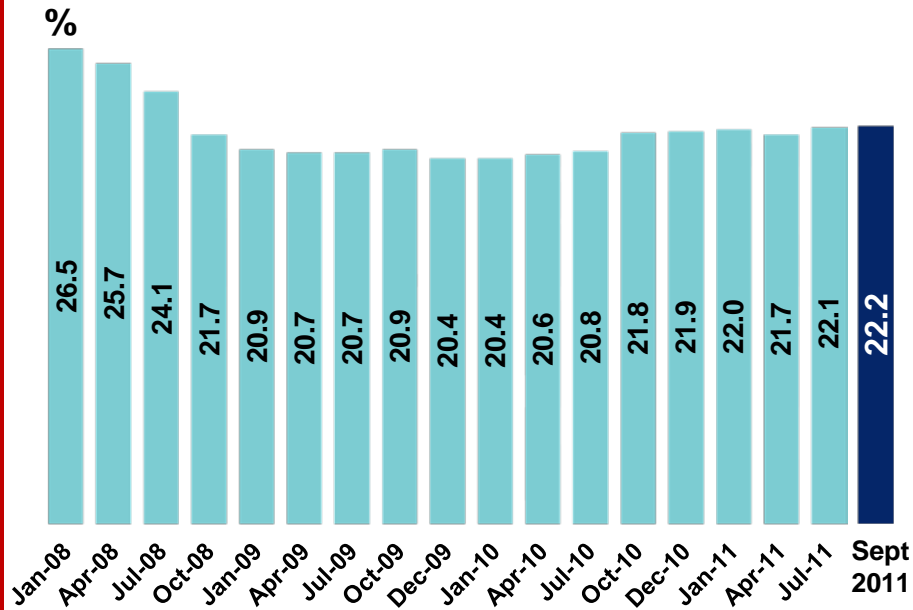
# Securities Market Trading Participation



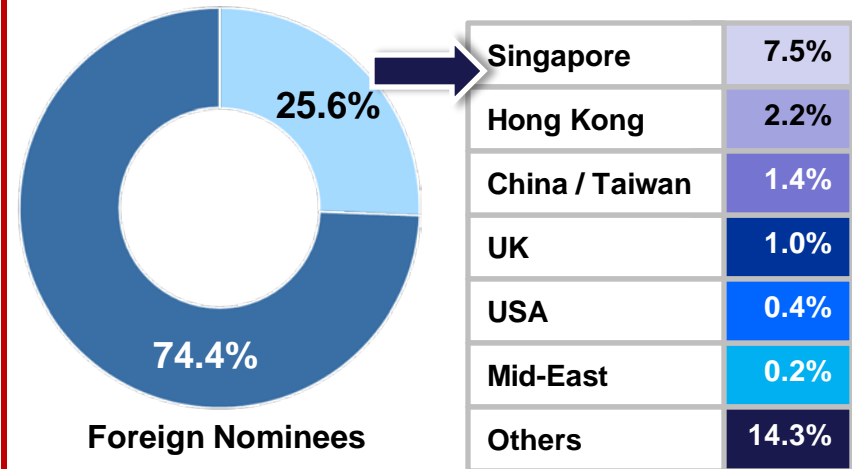
From 2006 to 2009, the statistics were based on Brokers' submission. From 2010 onwards statistics were based on Bursa's internal system.

# Securities Market Foreign Ownership

Based on Market Capitalisation  
(as at month end)

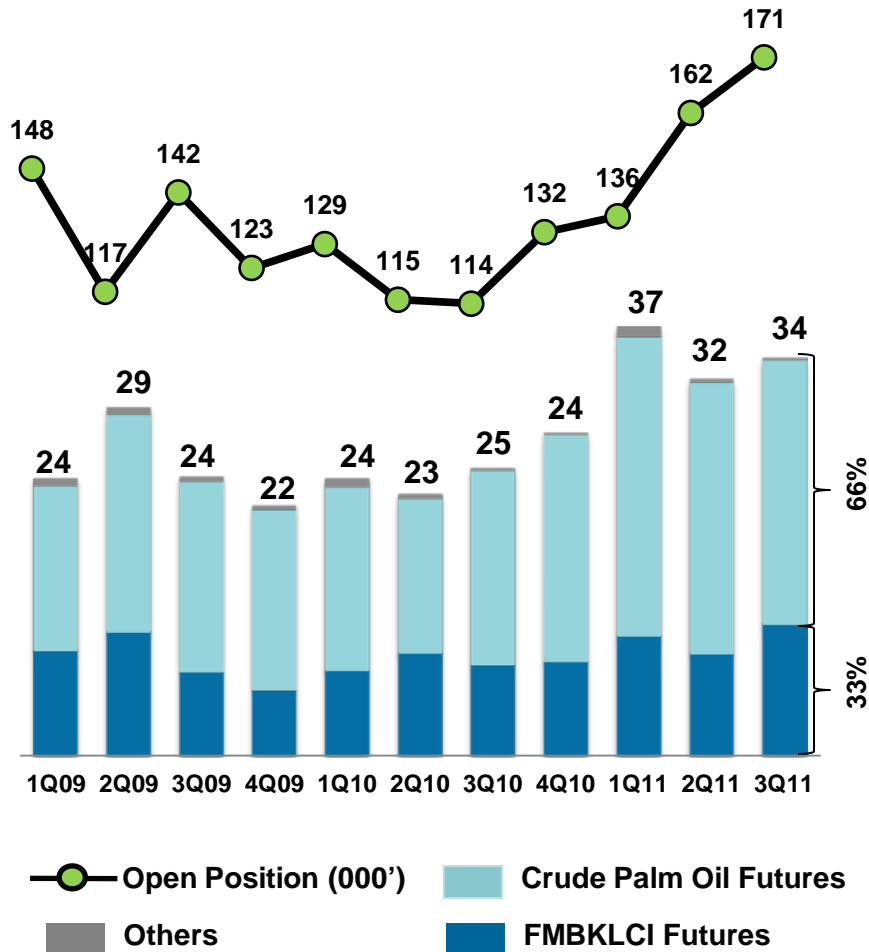


Foreign Ownership by Nationality

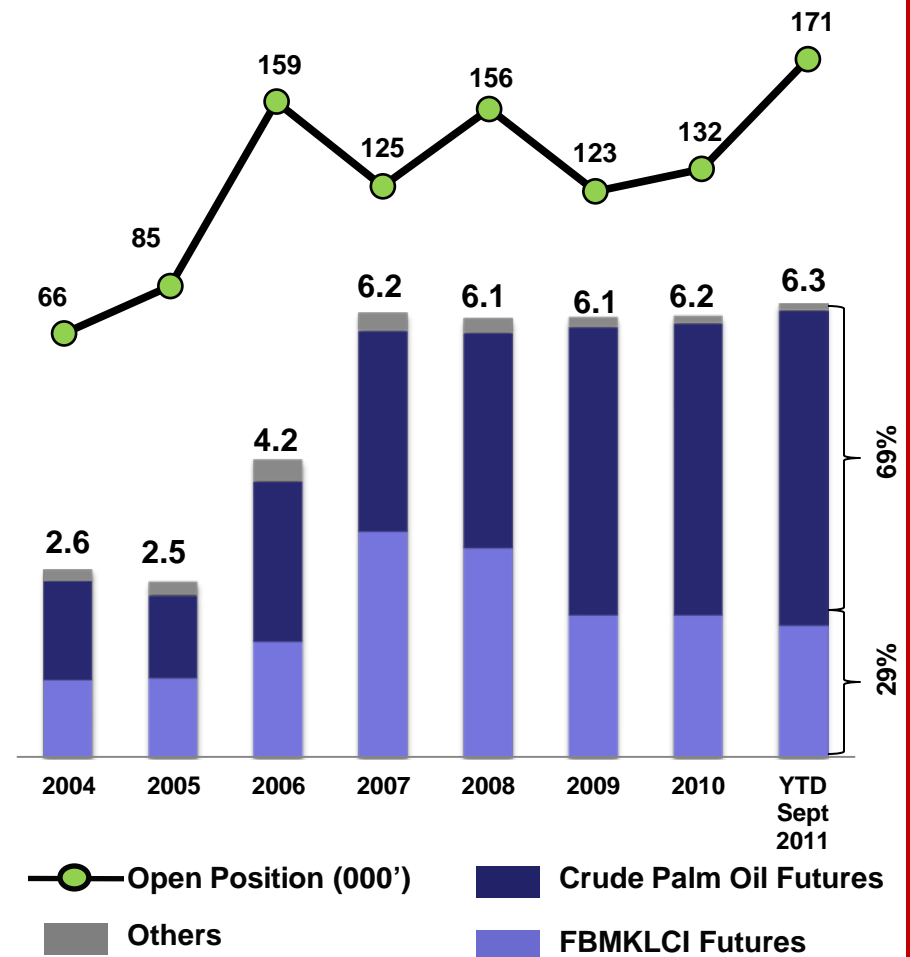


# Derivatives Market Activity

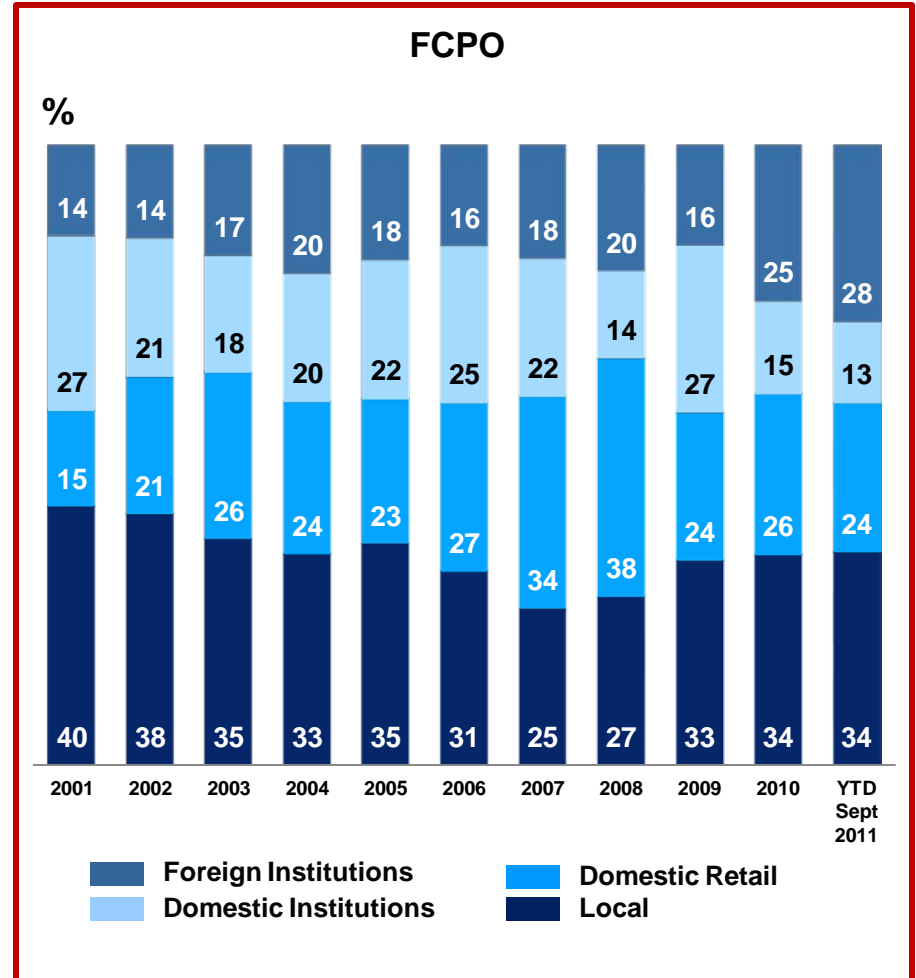
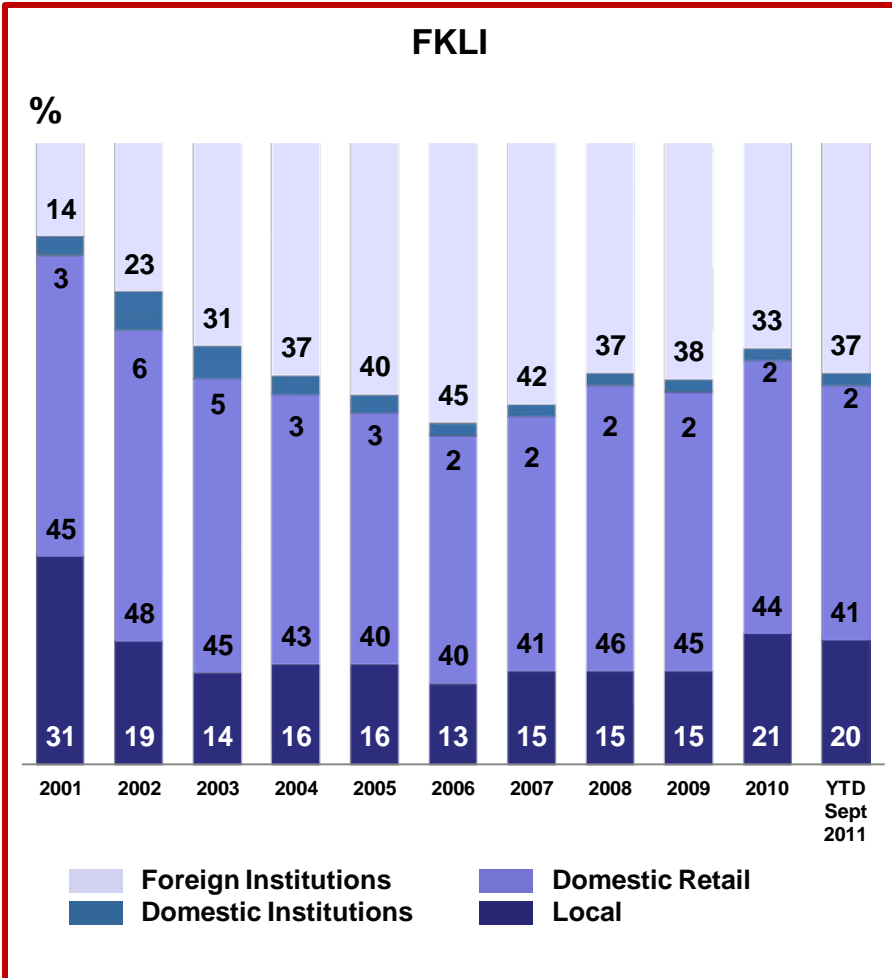
Quarterly (Daily Average Contracts 000')



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.

## INVESTOR RELATIONS CONTACT INFORMATION

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