
BSE Limited

[formerly Bombay Stock Exchange Ltd.]

Q3FY17 Investor Presentation

February 14, 2017



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Highlights



Consolidated Financial Results - Nine Month Period ended December 31, 2016 (9MFY17)

- Total Revenue increased by 19% from ₹ 479.78 crore in 9MFY16 to ₹ 569.62 crore in 9MFY17, mainly due to increase in Income from Securities Services which increased by 35% from ₹ 171.32 crore in 9MFY16 to ₹ 230.86 crore in 9MFY17.
- Net Profit increased by 32% from ₹ 121.61 crore in 9MFY16 to ₹ 160.46 crore in 9MFY17.
- EBITDA Margin increased by 4% from 46 % in 9MFY16 to 50 % to 9MFY17.
- Net Margin increased by 3% from 25% in 9MFY16 to 28% in 9MFY17.
- EPS (non-annualized) increased from ₹ 22.28 per share to ₹ 29.39 per share.
- Exceptional items have impacted profit before tax in 9MFY17 compared to 9MFY16 negatively by ₹ 27.55 crore. Exceptional items (net) in 9MFY16 were ₹ -6.76 crore due to reversal of regulatory costs of CDSL offset by certain exceptional expenses. Exceptional item in 9MFY17 was ₹ 20.79 crore representing provision towards transfer of 25% of profits to Settlement Guarantee Fund. The said regulatory requirement done away with effect from 29th August, 2016.

Consolidated Financial Results – Quarter ended December 31, 2016 (Q3FY17)

- Total Revenue increased by 9% from ₹ 168.36 crore in Q3FY16 to ₹ 183.71 crore in Q3FY17, mainly due to increase in Income from Securities Services which increased by 33% from ₹ 61.69 crore in Q3FY16 to ₹ 81.81 crore in Q3FY17.
- Net Profit decreased by 5% from ₹ 55.36 crore in Q3FY16 to ₹ 52.77 crore in Q3FY17.
- EBITDA Margin decreased by 4% from 50% in Q3FY16 to 46% to Q3FY17.
- Net Margin decreased by 4% from 33% in Q3FY16 to 29% in Q3FY17.
- EPS (non-annualized) decreased from ₹ 10.14 per share to ₹ 9.67 per share.
- Decrease in profit mainly due to one-time reversal of regulatory costs of CDSL of ₹ 33.10 crore in Q3FY16.
- Exceptional items have impacted profit before tax in Q3FY17 compared to Q3FY16 negatively by ₹ 30.10 crore. Exceptional items (net) in Q3FY16 were ₹ -30.10 crore due to reversal of regulatory costs of CDSL offset by certain exceptional expenses. There was no exceptional item in Q3FY17.

Consolidation of face value of equity shares of BSE Limited

- BSE has consolidated its equity shares from face value ₹ 1 each to face value ₹ 2 each during Q3FY17. Post consolidation, the issued equity capital stands at 5,45,88,172 shares of face value ₹ 2 each.

Highlights (cont'd)

Sale of BSE's equity stake in Central Depository Services (India) Limited ("CDSL")

- Completed sale of 4.15 % Equity Stake in Central Depository Services (India) Limited ("CDSL") to Life Insurance Corporation of India during Q3FY17. As the divestment has not resulted in a loss of control, the profit on divestment amounting to ₹ 10.57 crore has been credited to Other Equity in consolidated financials.
- BSE Limited has tendered 26.05% equity stake in CDSL in the CDSL's Initial Public Offering through Offer for Sale to bring down the stake of BSE Limited in CDSL to 24% in accordance with regulatory requirements.

Commencement of operation of India International Exchange (IFSC) Limited

- BSE promoted India International Exchange (IFSC) Limited ("India INX") at GIFT City, Gandhinagar was inaugurated by Hon'ble Prime Minister of India, Shri Narendra Modi and has commenced operations on January 16, 2017. India INX provides a state of the art electronic platform to facilitate trading, clearing and settlement of the widest range of global benchmark products across all major asset classes, including securities, equity derivatives, precious metals, base metals, energy, agricultural commodities, interest rates, currencies etc. from time to time subject to necessary approvals and operating guidelines from the regulators. Currently, Equity and Index Futures are traded on the Exchange.

BSE's Initial Public Offer

- BSE's Initial Public Offer in January 2017 was oversubscribed over 51 times and BSE's shares have been listed on National Stock Exchange since February 3, 2017.

Interim Dividend

- The Board of Directors at its meeting held on February 14, 2017, have recommended a payment of interim dividend of ₹ 5 per equity share.

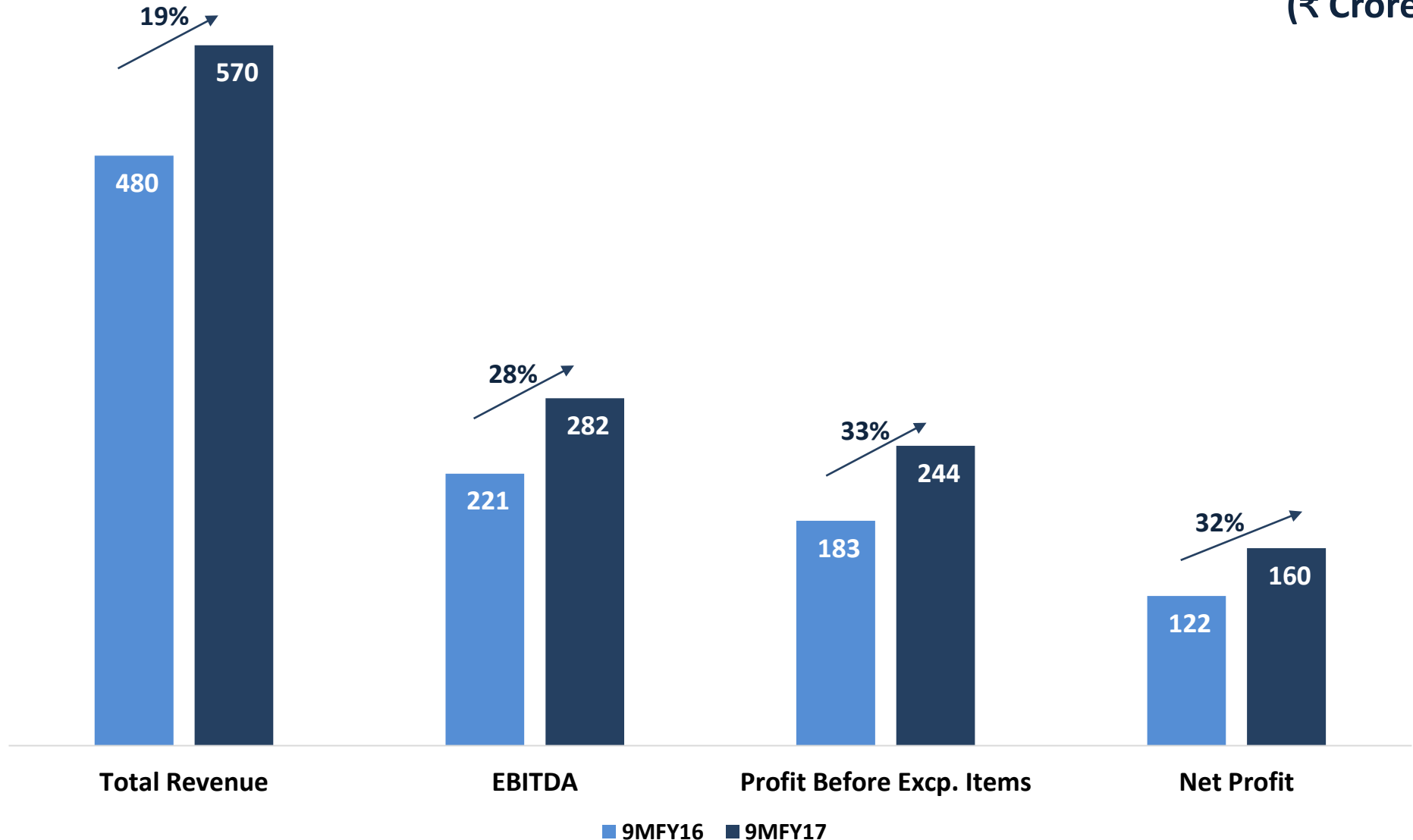
Appointment of Shareholder Directors

- The Board of Directors at its meeting held on February 14, 2017, have appointed Mr. Roland Schwinn and Mr. Kuldip Singh Dhingra as Shareholder Directors on the Board of the Exchange subject to approval of Shareholders and SEBI.

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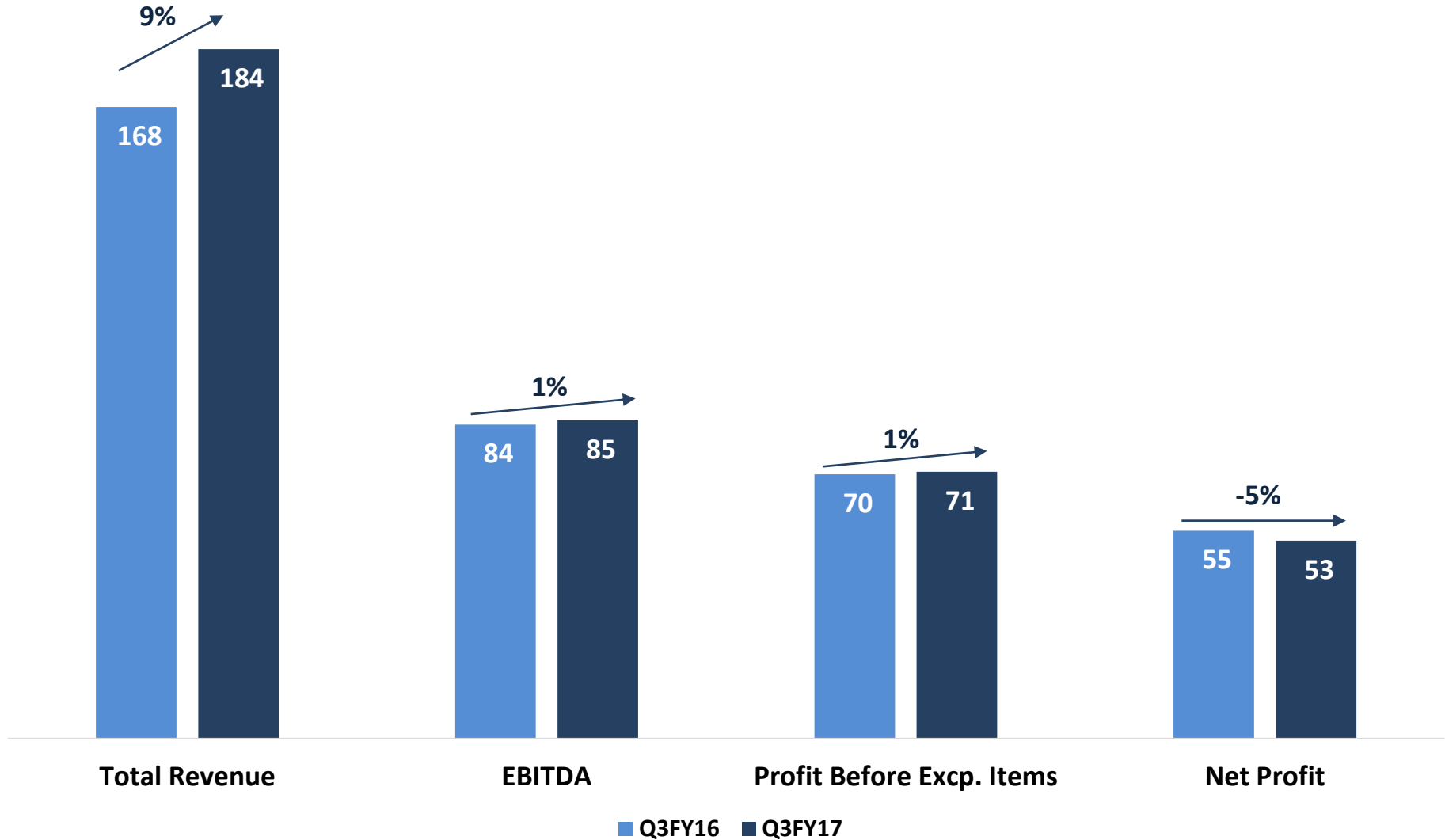
Consolidated Financials – 9 Months ended Dec 31, 2016

(₹ Crore)



Consolidated Financials – Quarter ended Dec 31, 2016

(₹ Crore)



Overview



Securities Services

Business Activity Q3FY17

Average Daily Turnover in ₹ Crore, y-o-y change

| | | |
|------------------|-------|--------|
| Equity Cash | 3,042 | ■ 9% |
| Currency Futures | 7,310 | ■ 7% |
| Currency Options | 6,294 | ■ 153% |

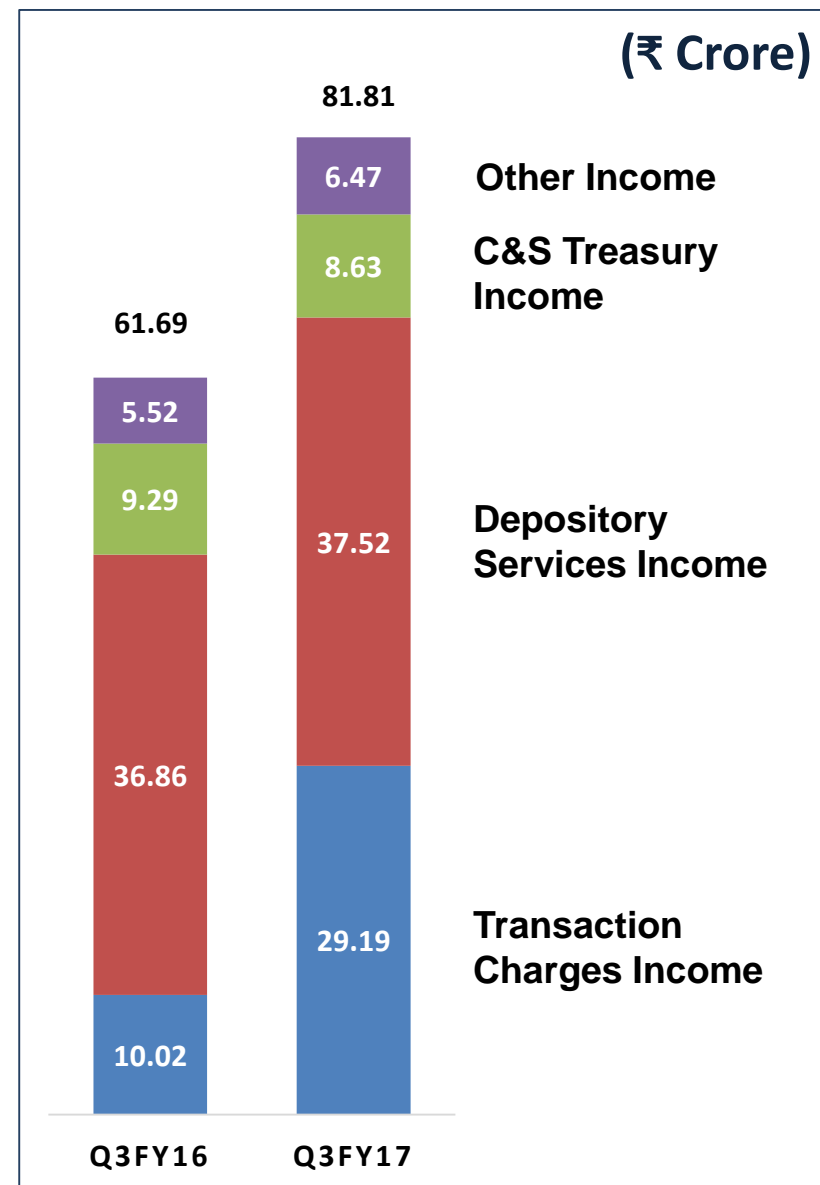
Mutual Fund

| | Q3FY16 | Q3FY17 | Growth |
|--------------------|--------|--------|--------|
| Orders Recd ('000) | 860 | 1,680 | 95% |
| Value (₹ Crore) | 6,977 | 13,808 | 98% |

Global Ranking*

2 in World in Currency Options
3 in World in Currency Futures
9 in World Active Exchanges by Electronic Book Trades in Equity Shares

* World Federation of Exchanges (December 2016)



Services to Corporates

Listing Statistics

| | |
|--|-------|
| No. of Companies with Listed Equity Capital | 5,300 |
| No. of Companies with only Debt Capital Listed | 364 |
| No. of AMCs – Mutual Fund Schemes Listed | 23 |

Total No. of Listed Entities **5,687**

No. of Companies with Listed Equity Capital – Suspended 1,251

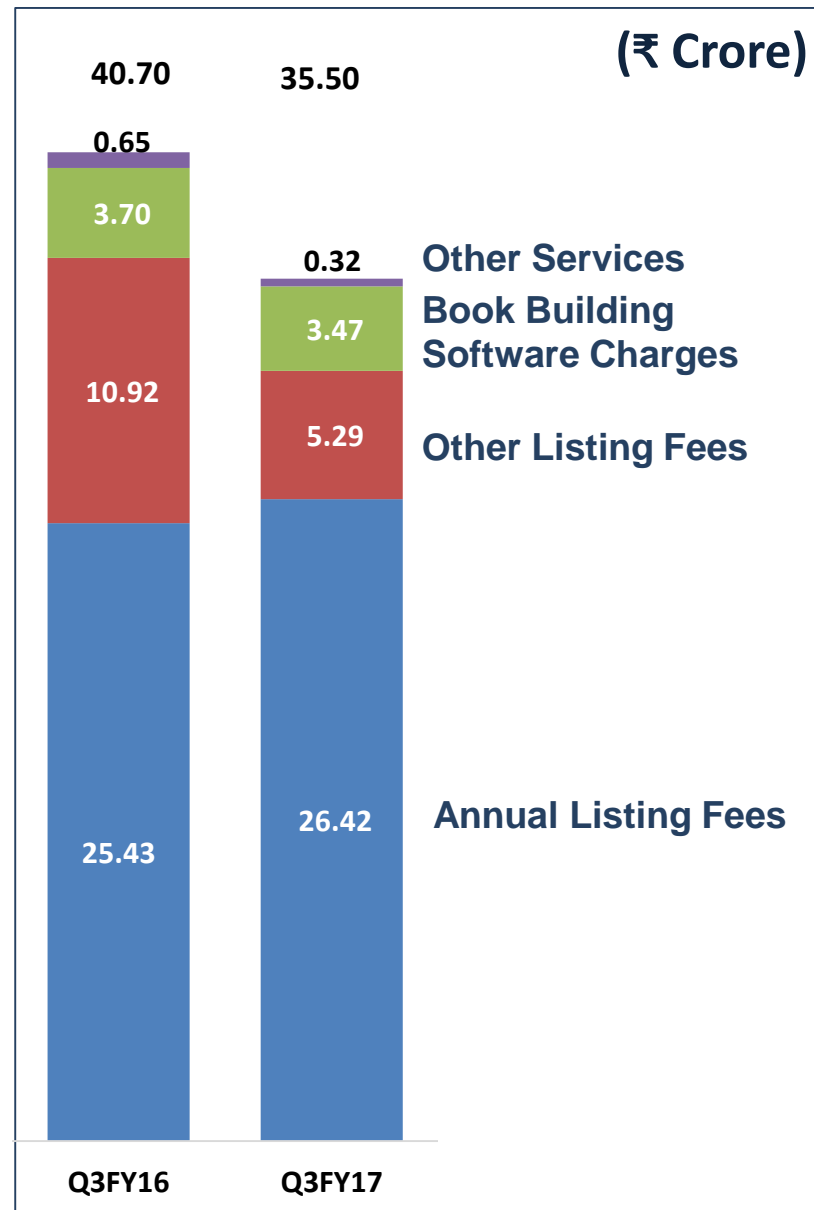
No. of Equity Companies permitted to trade (other then suspended) 67

Global Ranking*

1 in World in terms of the highest number of companies listed on a stock exchange
 # 11 in World by Market Capitalization

Data as on February 12, 2017

* World Federation of Exchanges (December 2016)



Services to Corporates – Small & Medium Enterprises (SME)

| SME | |
|--|---------|
| No. of Companies Listed on SME | 164 |
| No. of Companies Migrated to Main Board | 23 |
| No. of Companies Suspended | 1 |
| No. of Companies Eligible for Trading on SME | 140 |
| | ₹ Crore |
| Total Amount of Money raised | 1,282 |
| Market Cap of Companies Listed on SME till date | 18,815 |
| Market Cap of Companies Listed on SME (Eligible for Trading) | 10,213 |

BSE SME IPO INDEX

Aug 16, 2012 (100.00) – Feb 10, 2017 (1280.57)



SME – ITP PLATFORM

| | |
|---|----------|
| No. of Companies Listed on Institutional Trading Platform (ITP) | 21 |
| Market Cap of Companies on ITP (₹ Crore) | 6,442.87 |

Data as on February 10, 2016

Continuous Innovation, Development & Growth

October 2016 – February 2017

The Indian Clearing Corporation Limited (ICCL) granted renewal of recognition by SEBI

BSE implements artificial intelligence mechanism for rumour detection

BSE Introduces online facility CPSE ETF's FFO subscription

BSE Bond platforms crosses 200 issuances and Rs 1 lakh crore of fund raising through debt securities by Corporates in India

BSE launches mobile app for mutual fund trading

BSE Institute and GIFT city signed a pact to set up financial education centre

April 2016 – September 2016

BSE signs MoU with Stock Exchange of Mauritius

BSE Online Bidding Platform for Sovereign Gold Bond Scheme of RBI

BSE announces commencement of trading of Sovereign Gold Bonds

BSE gets SEBI approval to launch "BSE-BOND"- Electronic Book Mechanism for issuance of debt securities on private placement

Consolidated Financial Results



Unaudited Consolidated Financial Results

| | 9MFY16 | 9MFY17 | % | Q3FY16 | Q3FY17 | % |
|------------------------|---------------|---------------|------------|---------------|---------------|------------|
| Securities Services | 171.32 | 230.86 | 35% | 61.69 | 81.81 | 33% |
| Services to Corporates | 110.96 | 115.69 | 4% | 40.70 | 35.50 | -13% |
| Data Dissemination | 16.61 | 18.33 | 10% | 5.74 | 6.01 | 5% |
| Investment Income | 156.23 | 169.64 | 9% | 52.43 | 51.40 | -2% |
| Other Income | 24.66 | 35.10 | 42% | 7.80 | 8.99 | 15% |
| Total Revenue | 479.78 | 569.62 | 19% | 168.36 | 183.71 | 9% |
| Employee Costs | 77.48 | 93.66 | 21% | 26.78 | 32.46 | 21% |
| Technology Costs | 62.23 | 77.11 | 24% | 25.19 | 27.34 | 9% |
| Regulatory Costs | 43.96 | 30.50 | -31% | 5.48 | 10.28 | 88% |
| Admin & Other Expenses | 74.88 | 85.89 | 15% | 27.27 | 28.81 | 6% |
| Total Expenses | 258.55 | 287.16 | 11% | 84.72 | 98.89 | 17% |
| EBITDA | 221.23 | 282.46 | 28% | 83.64 | 84.82 | 1% |
| EBITDA Margin | 46% | 50% | | 50% | 46% | |

Unaudited Consolidated Financial Results (cont'd)

| | 9MFY16 | 9MFY17 | % | Q3FY16 | Q3FY17 | % |
|---|---------------|---------------|------------|---------------|--------------|-------------|
| EBITDA | 221.23 | 282.46 | 28% | 83.64 | 84.82 | 1% |
| Depreciation & Amortization | 38.16 | 37.88 | -1% | 13.06 | 13.47 | 3% |
| Financial Costs | 0.27 | 0.79 | 193% | 0.16 | 0.27 | 69% |
| Profit before excep. items and taxes | 182.80 | 243.79 | 33% | 70.42 | 71.08 | 1% |
| Exceptional Items | -6.76 | 20.79 | -408% | -30.10 | 0.00 | -100% |
| Profit before tax | 189.56 | 223.00 | 18% | 100.52 | 71.08 | -29% |
| Tax Expense | 34.68 | 31.33 | -10% | 24.53 | 7.58 | -69% |
| Profit after tax before share of JV / Associates | 154.88 | 191.67 | 24% | 75.99 | 63.50 | -16% |
| Share of JV / Associates | 2.01 | 0.76 | -62% | 0.64 | 0.23 | -64% |
| Net Profit after tax | 156.89 | 192.43 | 23% | 76.63 | 63.73 | -17% |
| Net Profit attributable to Non Controlling Interest | 35.28 | 31.97 | -9% | 21.27 | 10.96 | -48% |
| Net Profit attributable to Shareholders | 121.61 | 160.46 | 32% | 55.36 | 52.77 | -5% |
| Net Margin | 25% | 28% | | 33% | 29% | |

Thank You

INVESTOR RELATIONS CONTACT :

Nayan Mehta
Chief Financial Officer

☎ +91 22 2272 8167

✉ nayan.mehta@bseindia.com

Sandhya Dubey
Dy. Manager - Finance

☎ +91 22 2272 8594

✉ sandhya.dubey@bseindia.com

