

FTSE QUALITY OF MARKETS CRITERIA (ASIA PACIFIC) as at March 2011

CRITERIA	DEV	COUNTRY NAMES																									
		Australia	Hong Kong	Japan	New Zealand	Singapore	South Korea	DEV WATCH	ADV EMG	Taiwan	Malaysia	ADV EMG WATCH	Thailand	EMG	China B	China H	India	Indonesia	Pakistan	Philippines	EMG WATCH	China A	FRONT	Bangladesh	Sri Lanka	Vietnam	
World Bank GNI Per Capita Rating, 2009		High	High	High	High	High	High			High	Upper Middle		Lower Middle		Lower Middle	Lower Middle	Lower Middle	Lower Middle	Lower Middle	Lower Middle	Lower Middle	Lower Middle		Low	Low	Lower Middle	Lower Middle
Market and Regulatory Environment																											
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	Pass	Pass	Pass	Pass	Restricted	Pass	X	X	Pass	Pass	X	Pass	X	Restricted	Pass	Pass	Restricted	Pass	Pass	X	Restricted	X	Pass	Pass	Pass	
Fair and non-prejudicial treatment of minority shareholders	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass		Not Met	Pass	Not Met	Not Met	Pass	Pass		Not Met		Restricted	Restricted	Restricted	
Non or selective incidence of foreign ownership restrictions	X	Pass	Pass	Restricted	Restricted	Pass	Pass	X	X	Pass	Restricted	X	Restricted		Pass	Pass	Not Met	Pass	Pass	Pass		Not Met		Pass	Restricted	Restricted	
No objection to or significant restrictions or penalties applied on the repatriation of capital and income	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Not Met	X	Pass	Pass	Pass	
Free and well-developed equity market	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass		Pass	Pass	Pass	Pass	Pass	Pass		Pass		Restricted	Restricted	Restricted	
Free and well-developed foreign exchange market	X	Pass	Pass	Pass	Pass	Pass	Restricted	X	X	Restricted	Restricted	X	Pass		Not Met	Pass	Not Met	Pass	Restricted	Pass		Not Met		Not Met	Not Met	Restricted	
Non or simple registration process for foreign investors	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass		Pass	Pass	Restricted	Pass	Pass	Pass		Not Met		Restricted	Restricted	Restricted	
Custody and Settlement																											
Settlement - Rare incidence of failed trades	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	X	Pass	Pass	Pass	
Custody-Sufficient competition to ensure high quality custodian services	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass		Pass	Pass	Pass	
Clearing & settlement - T + 3 , T + 7 for Frontier	X	T+3	T+2	T+3	T+3	T+3	T+3	X	X	Restricted	T+2	X	T+3	X	T+3	T+3	T+2	T+3	T+3	T+3	X	T+3	X	T+1, T+3	T+3	T+3	
Stock Lending is permitted	X	Pass	Pass	Pass	Pass	Pass	Pass	X		Restricted	Restricted		Pass		Not Met	Restricted	Pass	Pass	Restricted	Pass		Not Met		Not Met	Not Met	Restricted	
Settlement - Free delivery available	X	Pass	Pass	Pass	Pass	Pass	Restricted	X		Restricted	Pass		Pass		Pass	Pass	Pass	Restricted	Pass	Pass		Not Met		Not Met	Not Met	Not Met	
Custody - Omnibus account facilities available to international investors	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass		Pass	Pass	Not Met	Pass	Restricted	Pass		Pass		Not Met	Not Met	Pass	
Dealing Landscape																											
Brokerage - Sufficient competition to ensure high quality broker services	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass		Pass	Pass	Pass	
Liquidity - Sufficient broad market liquidity to support sizeable global investment	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass		Not Met	Not Met	Restricted	
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass	X	Pass	Pass	Pass	Restricted	Pass	Not Met	X	Pass		Pass	Pass	Pass	
Short sales permitted	X	Pass	Restricted	Restricted	Pass	Pass	Pass	X		Restricted	Restricted		Pass		Not Met	Restricted	Pass	Pass	Restricted	Not Met		Not Met		Not Met	Not Met	Not Met	
Off-exchange transactions permitted	X	Pass	Pass	Pass	Pass	Pass	Restricted	X		Restricted	Pass		Pass		Not Met	Pass	Not Met	Pass	Pass	Pass		Not Met		Not Met	Not Met	Pass	
Efficient trading mechanism	X	Pass	Pass	Pass	Pass	Pass	Restricted	X		Pass	Pass		Pass		Pass	Pass	Pass	Pass	Pass	Pass		Pass		Restricted	Restricted	Restricted	
Transparency - market depth information / visibility and timely trade reporting process	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	Pass	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	X	Pass	Pass	Pass	
Derivatives																											
Developed Derivatives Market	X	Pass	Pass	Pass	Pass	Pass	Pass	X		Pass	Not Met		Not Met		Not Met	Pass	Restricted	Not Met	Not Met	Not Met		Not Met		Not Met	Not Met	Not Met	
Size of Market																											
Market Capitalisation \$mn (as at 31st Dec 2010)		1,454,491	2,711,316	3,944,899	56,100	647,226	1,091,911			818,490	408,689		277,732		33,417	672,847	3,228,455	360,388	38,055	157,321		3,994,424		42,494	19,924	35,088	
Total Number of Listed Companies (as at 31st Dec 2010)		1913	1396	3278	146	461	1781			752	948		541		108	163	6585	420	644	251		2041		218	241	654	

*Japan Size of Market data based on combined figures from Tokyo, Osaka & Jasdq Stock Exchanges
 *India Size of Market data based on combined figures from Mumbai & National Stock Exchange of India
 *Pakistan Size of Market data based on Karachi SE
 *Vietnam Size of Market data based on HoChiMin SE & Hanoi Securities Trading Center
 *Bangladesh Size of Market data based on Daska Stock Exchange Ltd
 *China A & B Size of Market data based on Shanghai Stock Exchange & Shenzhen Stock Exchange

Shading indicates a change from September 2010