



INCLUSIVE SUSTAINABLE

ASEAN'S  
MARKETPLACE

26 July 2017

# 1H2017 Financial Results Analyst & Media Briefing

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Chief Executive Officer

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Chief Financial Officer



# Agenda

- Key Financial Highlights & Market Performance
- Financial Review
- Highlights & Conclusion
- Appendices

# Key Financial Highlights & Market Performance

- Financial Highlights for 1H2017
- Half Yearly Financial Trend
- Securities Market Overview
- Derivatives Market Overview
- Islamic Capital Market Overview

# Financial Highlights for 1H2017

*Stellar financial results driven by better performance from Securities Market*

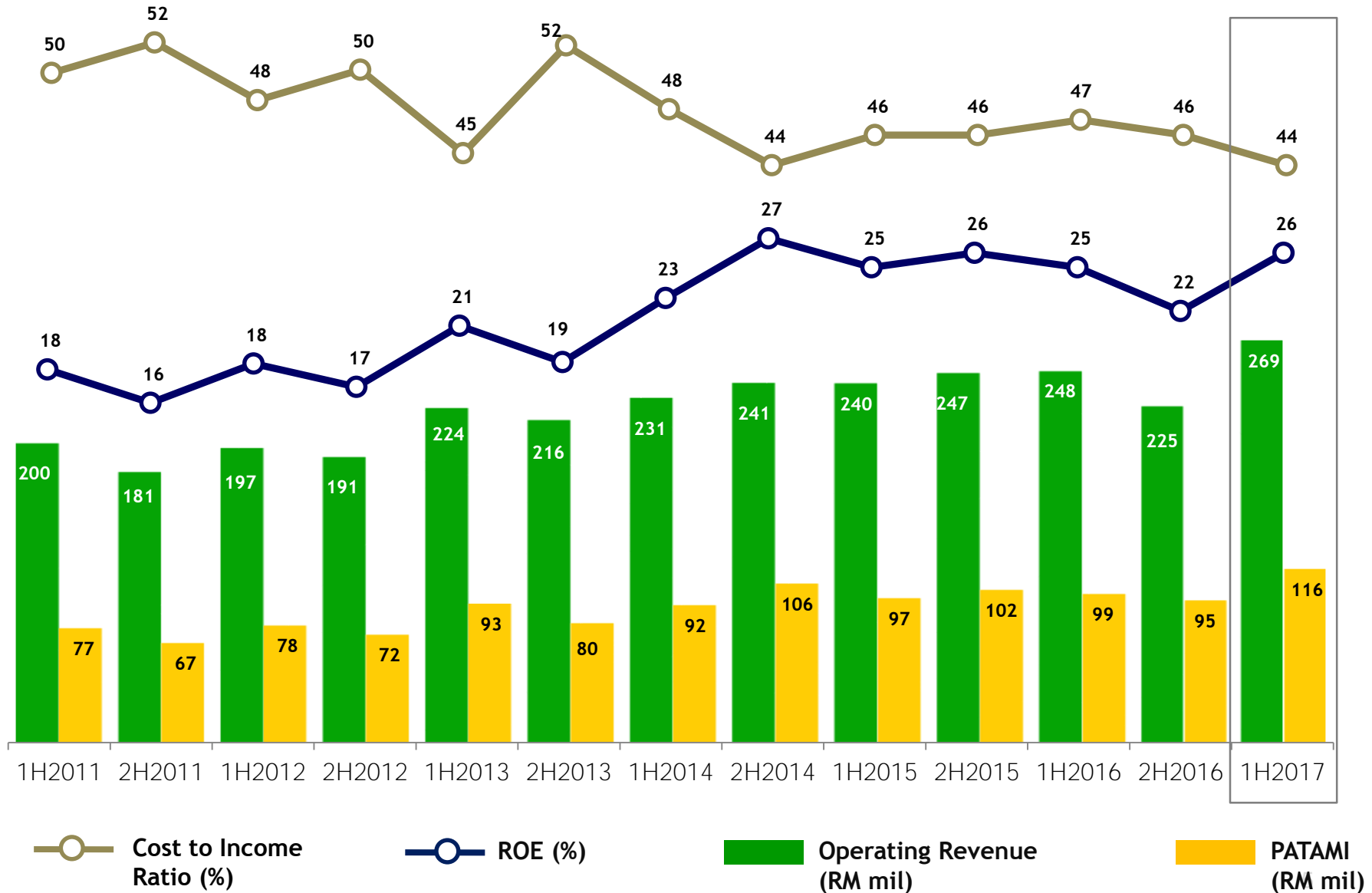
Financial Items	1H2017	1H2016	1H2017 vs. 1H2016	
Operating Revenue (RM million)	269.4	248.4	8.5%	▲
Operating Expenses (RM million)	124.9	123.6	1.0%	▲
PATAMI (RM million)	116.2	99.4	16.9%	▲
EPS (sen)	21.7	18.6	16.7%	▲
Cost to Income Ratio	44%	47%	3 percentage points	▼
Annualised ROE	26%	25%	1 percentage point	▲

## 1H2017 vs. 1H2016:

- Higher operating revenue contributed by higher trades in the Securities Market.
- Higher operating expenses mainly due to increase in staff cost and technology cost.
- Interim and special dividends of 20 sen and 15 sen respectively. The entitlement and payment dates for the dividends are 10<sup>th</sup> and 23<sup>rd</sup> August 2017.

# Half Yearly Financial Trend

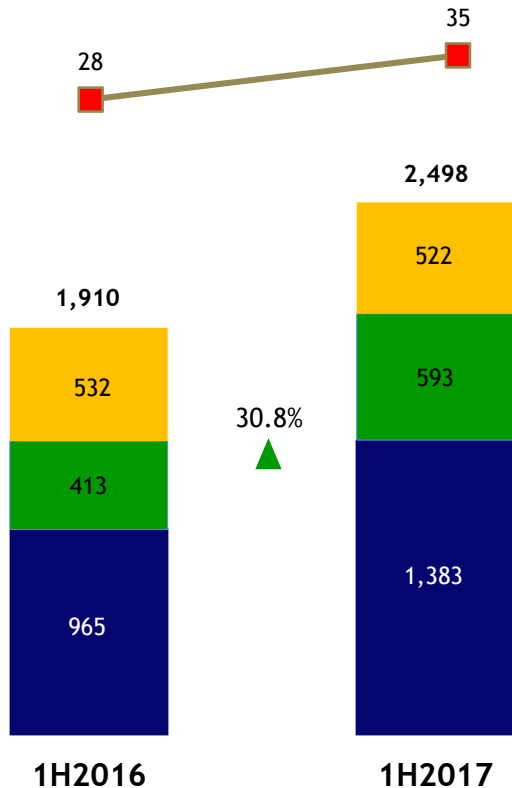
*Highest first half operating revenue since listing*



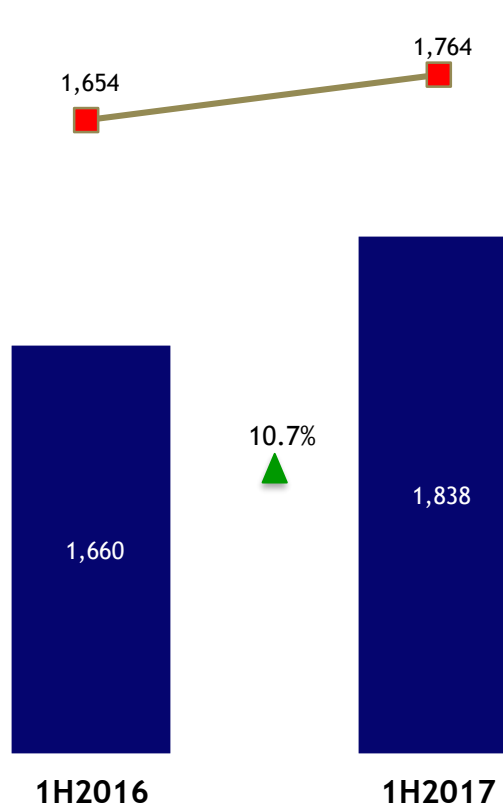
# Securities Market Overview

Higher trades backed by improved market sentiments

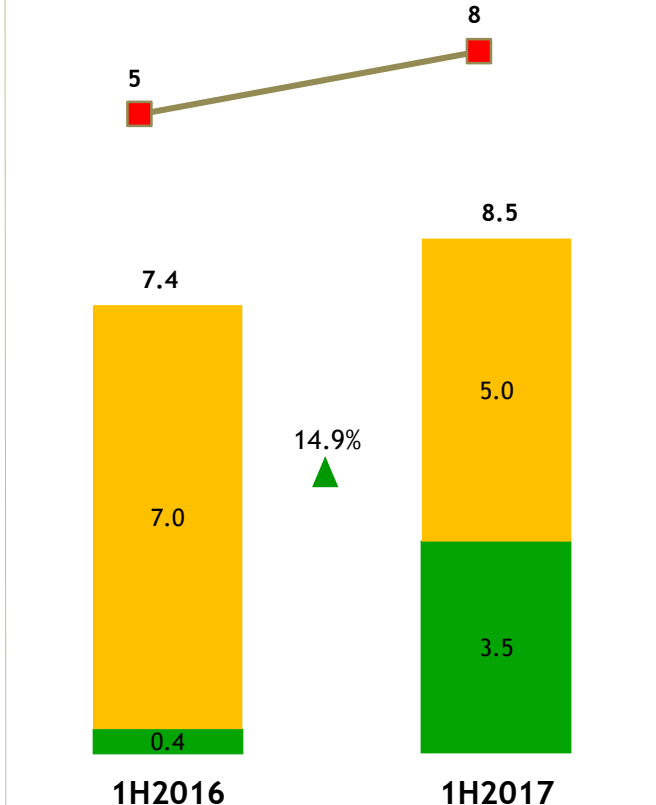
Average Daily Value (“ADV”) (OMT)(RM mil)



Market Capitalisation (RM bil)



Fund Raised from New Listings & Secondary Market (RM bil)



- Velocity (%)
- ADV - Foreign Institutions
- ADV - Retail
- ADV - Domestic Institutions

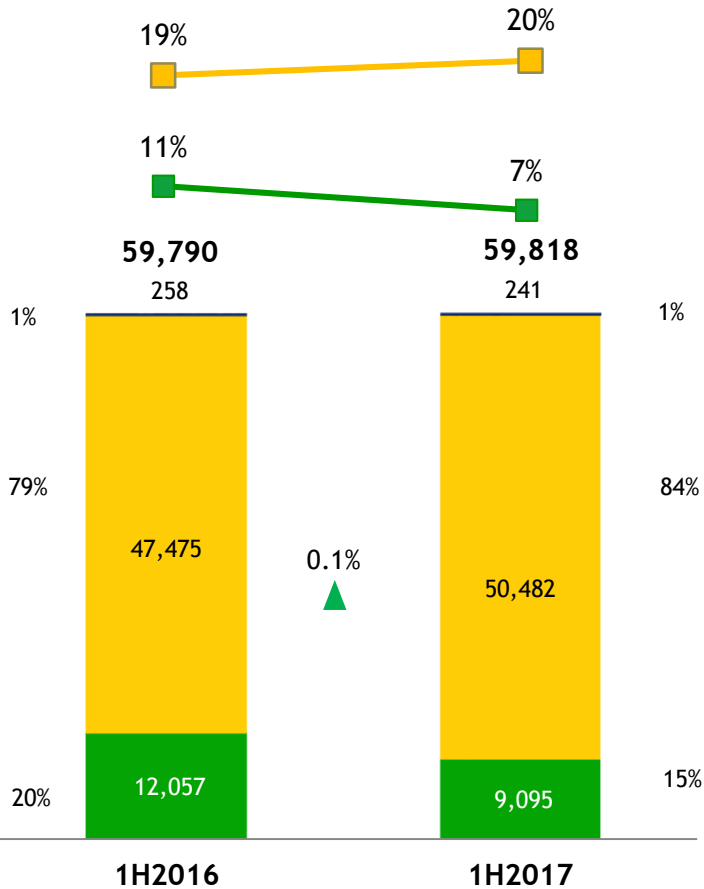
- FBMKLCI
- Market Capitalisation

- No. of New Listing
- Fund raised from secondary market
- Fund raised from new listings

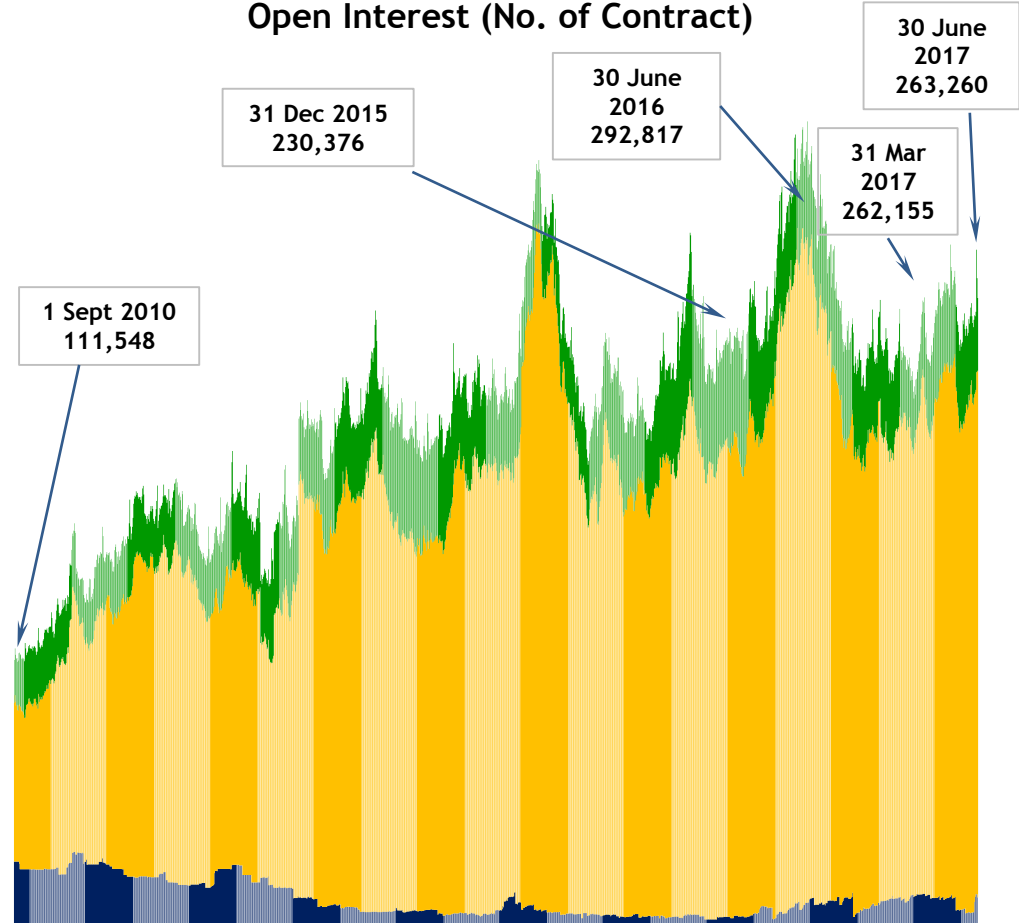
# Derivatives Market Overview

6% growth in FCPO contracts Y-o-Y

### Average Daily Contracts (“ADC”) & Volatility



### Open Interest (No. of Contract)



■ ADC - FBMKLCI Futures  
—■— Volatility of FBMKLCI

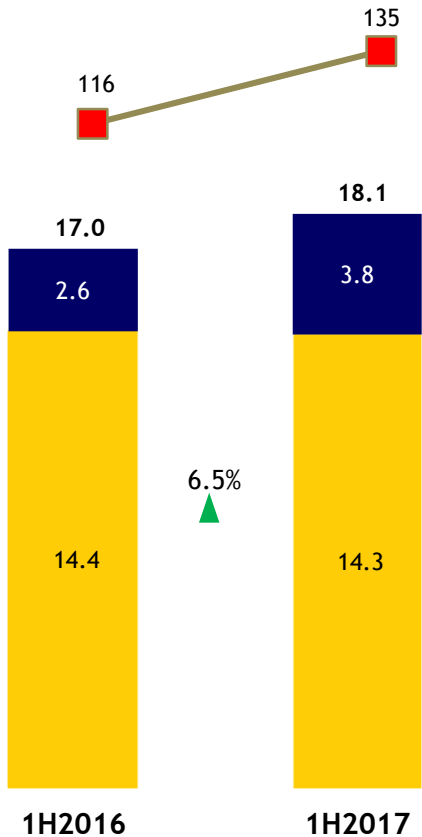
■ ADC - Crude Palm Oil Futures  
—■— Volatility of Crude Palm Oil Prices

■ ADC - Others

# Islamic Capital Market Overview

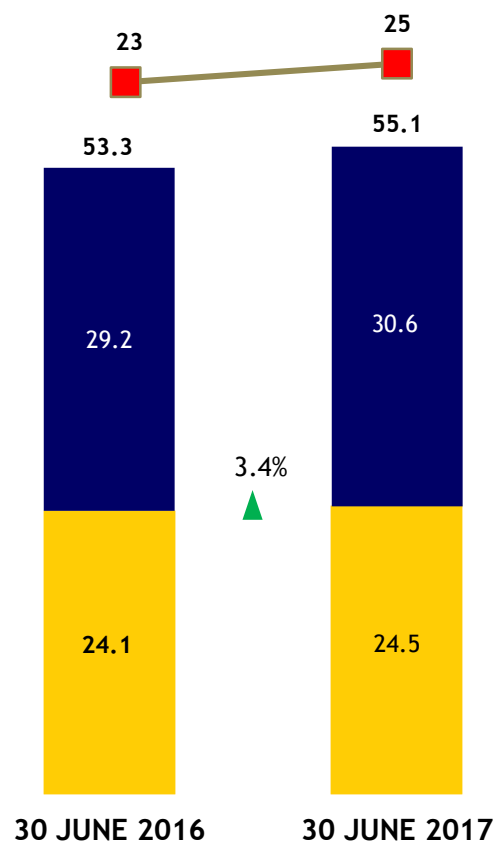
*Stronger growth in trade value from foreign participants*

**Bursa Suq Al-Sila' ("BSAS")  
ADV (RM bil)**



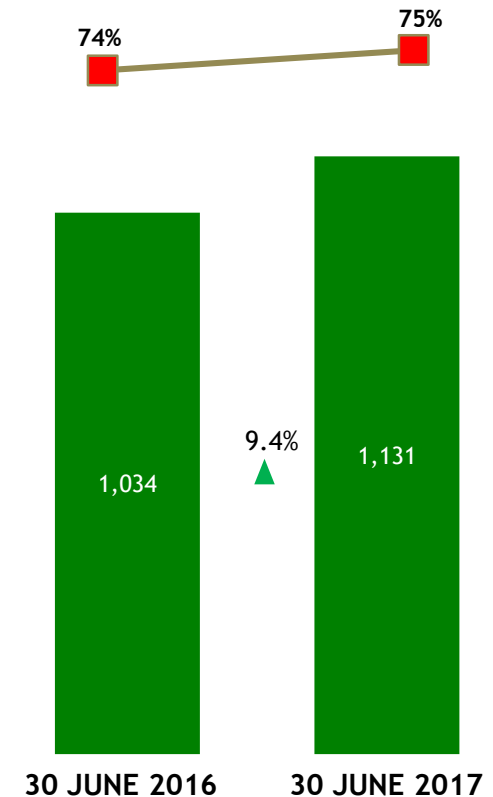
■ No. of Trading Participants  
 ■ Domestic ■ Foreign

**Value of Listed Sukuk (USD bil)**



■ No. of Sukuk  
 ■ Domestic ■ Foreign

**Market Capitalisation of  
Shariah Compliant Stocks  
(RM bil)**



■ No. of Shariah Compliant Stocks (%)  
 ■ Market Capitalisation of Shariah Compliant Stocks



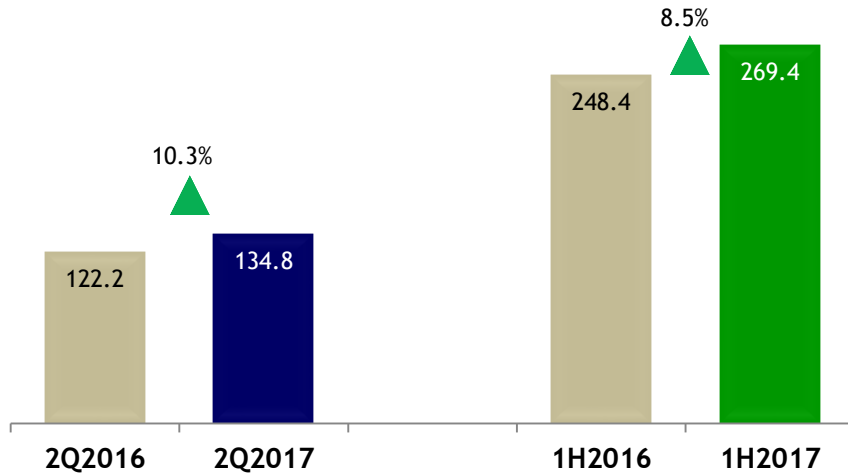
# Financial Review

- Financial Snapshot
- Operating Revenue
- Operating Expenses
- Dividends

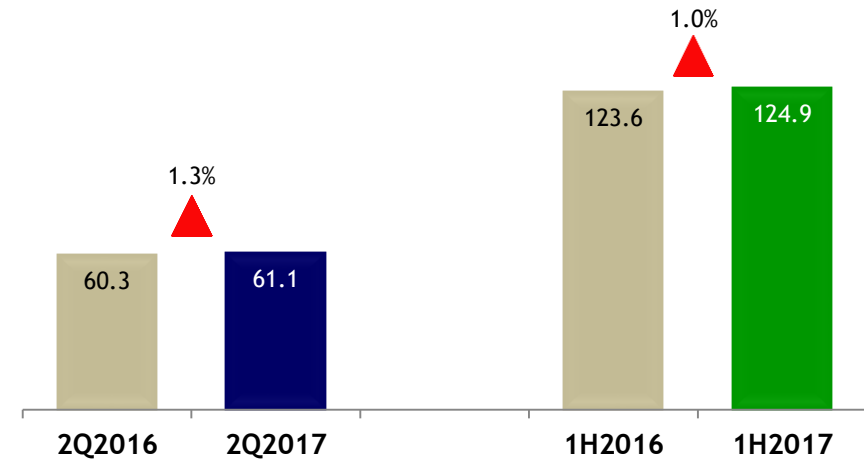
# Financial Snapshot

*Improved performance for first half of 2017*

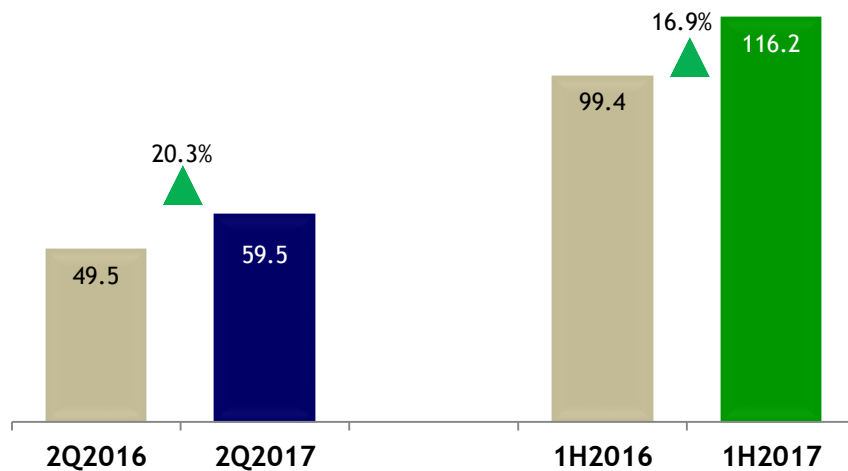
Operating revenue (RM mil)



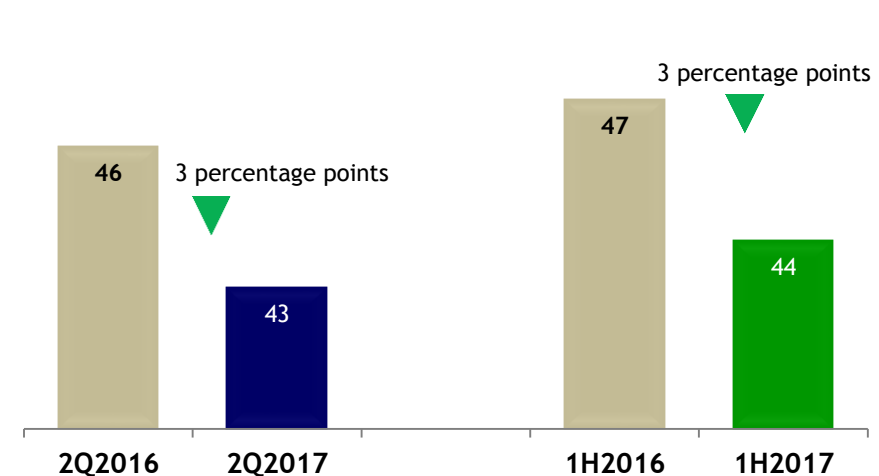
Operating expenses (RM mil)



PATAMI (RM mil)

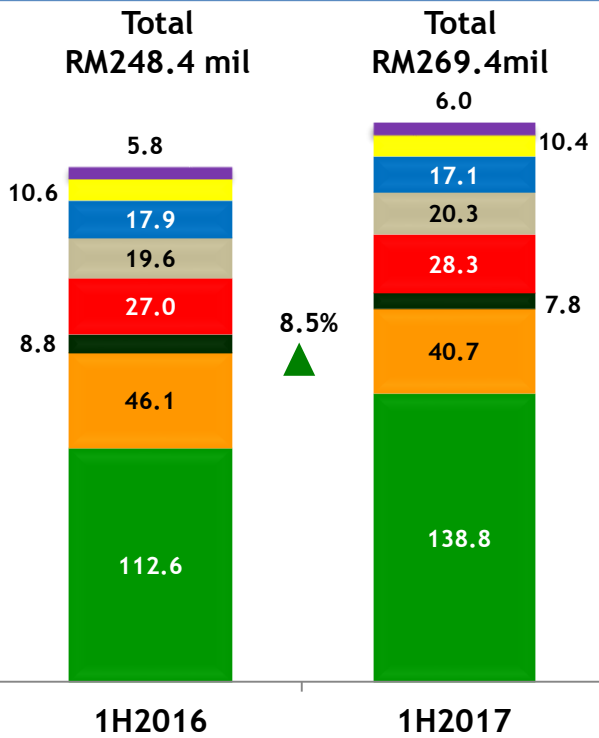


Cost to income ratio (%)

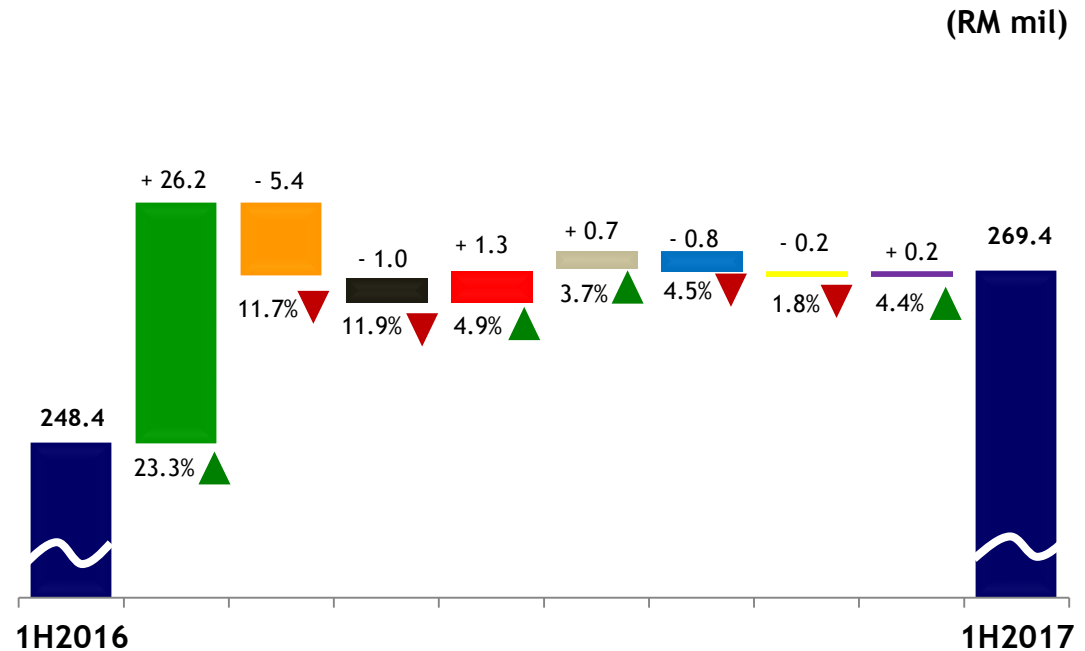


# Operating Revenue

Growth contributed by higher securities trading revenue



Growth contribution by revenue streams:



- Increase in securities trading revenue mainly contributed by domestic trades.
- Decrease in derivatives trading revenue was due to lower FKLI trades and also the downward revision in the guarantee fee rate from 0.5% to 0.3%.
- Lower BSAS trading revenue despite growth in its ADV due to volume discount incentives given.

# Operating Expenses

1H2017 operating expenses increased marginally by 1%

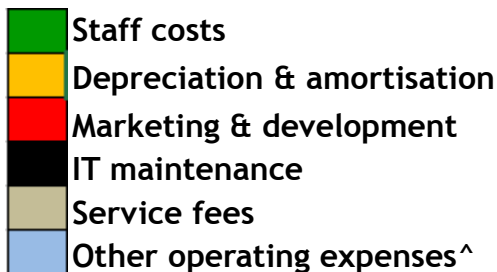
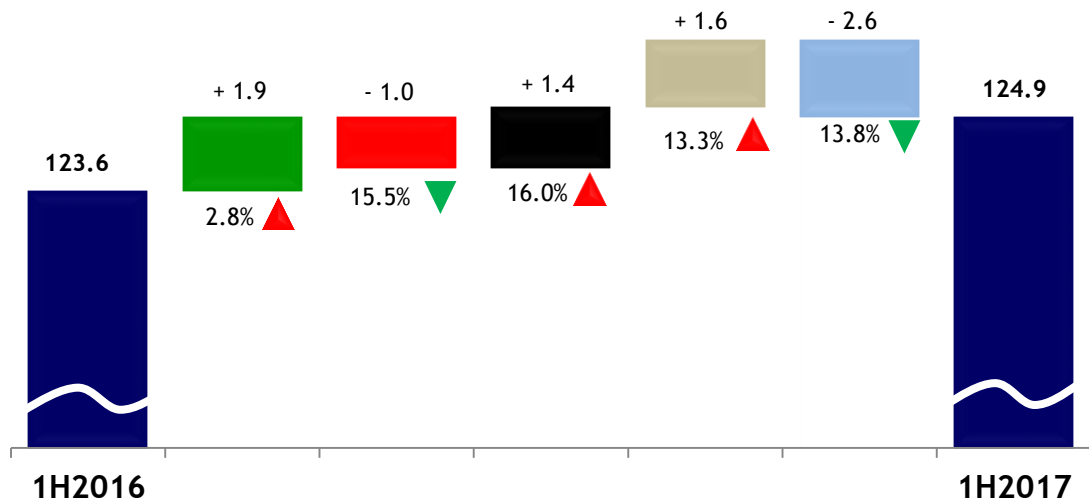
Total  
RM123.6 mil

Total  
RM124.9 mil



Movement of expenses:

(RM mil)

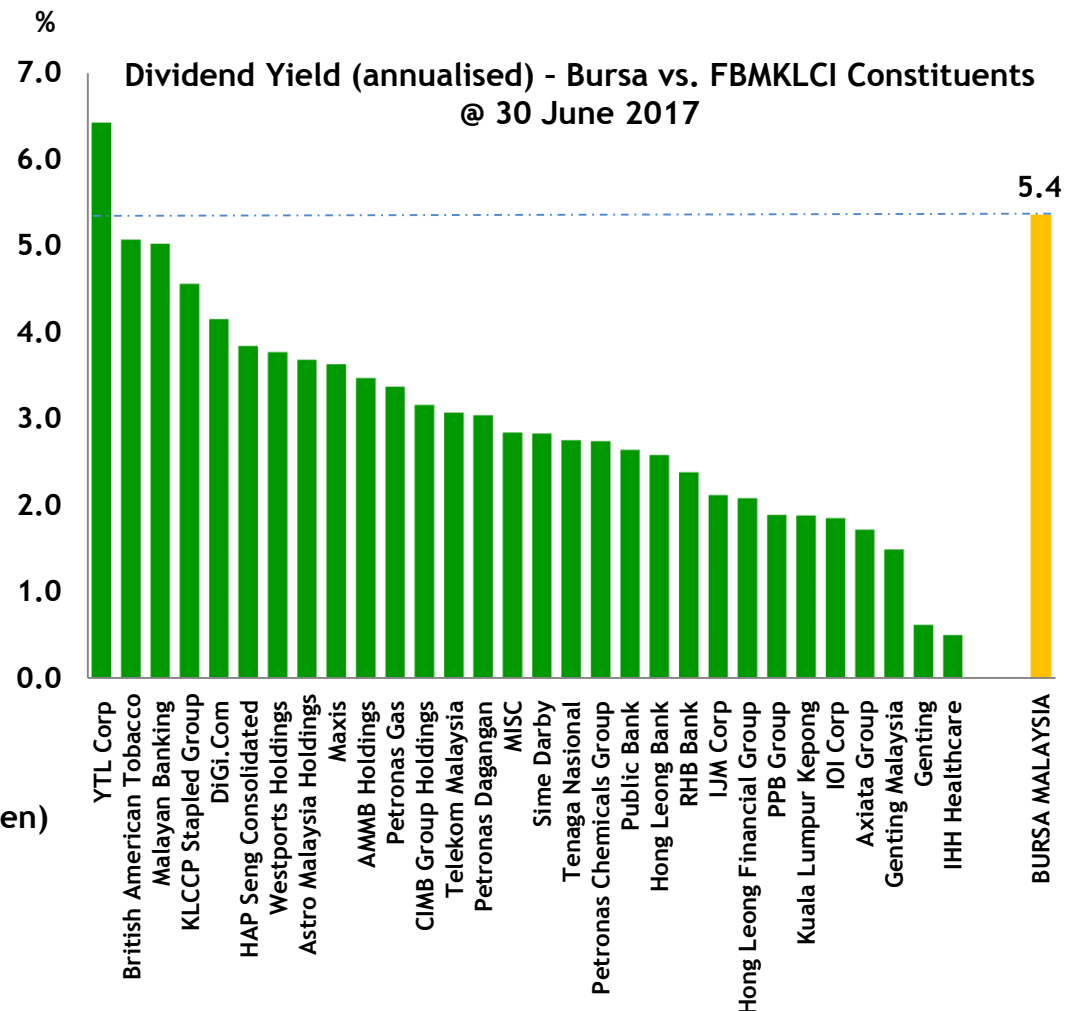
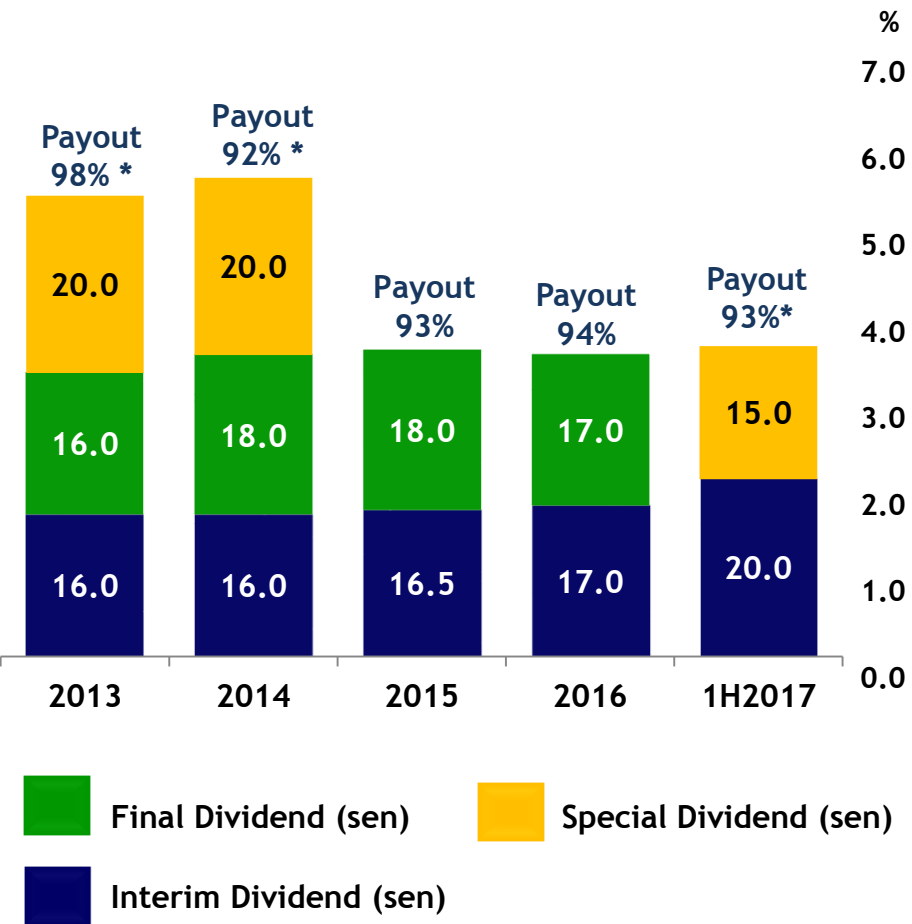


- Increase in staff cost due to annual salary increment.
- Increase in service fees due to higher exchange rate.
- Higher IT maintenance subsequent to commencement of maintenance for new enterprise systems.
- Lower other operating expenses as 1H2016 included a one-off consultancy fees.

Note^ - Other operating expenses include building maintenance, administrative expenses and CDS expenses.

# Dividends

Special dividend for our valued shareholders



Source: Bloomberg and Bursa Malaysia

Interim and special dividend of 20 sen and 15 sen respectively. The entitlement and payment dates for the dividends are on the 10<sup>th</sup> and 23<sup>rd</sup> of August 2017.

# Highlights & Conclusion

- Highlights of 1H2017 Initiatives
- Moving Forward

# Highlights of 1H2017 Initiatives

## SI 1

Create a More Facilitative  
TRADING ENVIRONMENT

- Revised Tick Rule on Regulated Short Selling and Securities Borrowing and Lending - Negotiated Transactions Failed Trade Proposal Frameworks

## SI 2

Facilitate More  
TRADABLE ALTERNATIVES

- New Listing Requirements and various amended rules for the Leading Entrepreneur Accelerator Platform Market

## SI 3

Reshape  
MARKET STRUCTURE &  
FRAMEWORK

- Launched The Mid and Small Cap Research Scheme with an inaugural batch of 100 mid and small-cap public listed companies
- Revamped the participantship structure for Bursa Malaysia Derivatives Clearing Berhad

## SI 4

REGIONAL MARKETPLACE  
with Global Access  
(Centre of ASEAN)

- Signed MoU with the Shanghai Stock Exchange to explore potential ways to improve visibility and accessibility to market participants in Malaysia and China

# Moving Forward

## SECURITIES MARKET

- The Securities Market trading activities for the first half of 2017 registered strong Average Daily Trading Value.
- The momentum of Securities Market performance is forecasted to continue with the expected improvements in the global as well as domestic economic conditions.

## DERIVATIVES MARKET

- Improved oil palm fruit harvest and volatility in the FBMKLCI will continue to underpin trading and hedging of FCPO and FKLII contracts respectively.

## ISLAMIC CAPITAL MARKET

- Bursa Suq Al-Sila' continues to show progress with new participants from financial institutions in Africa, Central Asia and South America. Bursa Malaysia will continue with its efforts to expand its niche in these regions and globally.
- Bursa Malaysia-*i* will further intensify its efforts to promote Shariah investing and to focus on forging collaborations with capital market participants to spur the growth and vibrancy of Islamic Capital Market domestically and regionally.

Bursa Malaysia will continue its efforts to make the Malaysian capital markets attractive and anticipates an improved performance for the current financial year.



# 1H2017 Financial Results Analyst & Media Briefing

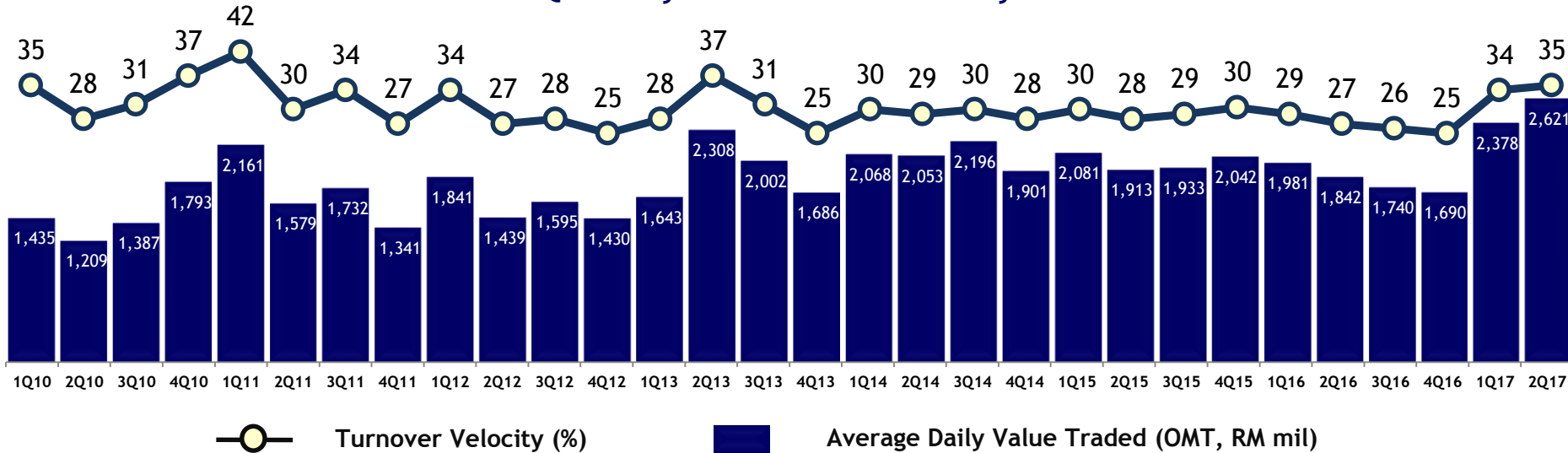
## Q&A

# Appendices

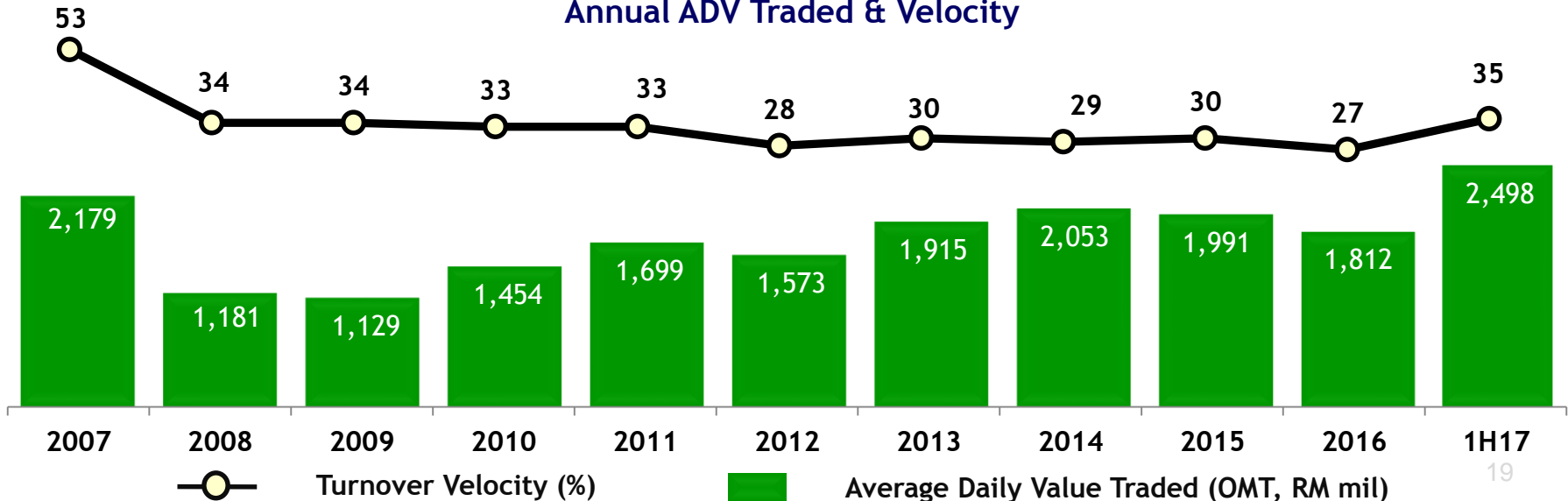
- Securities Market Trading Activity
- Securities Market Trading Participation
- Securities Market Foreign Ownership
- Foreign Inflow/Outflow
- Derivatives Market Activity
- Derivatives Market Demography
- Islamic Capital Market Activity

# Securities Market Trading Activity

## Quarterly ADV Traded & Velocity

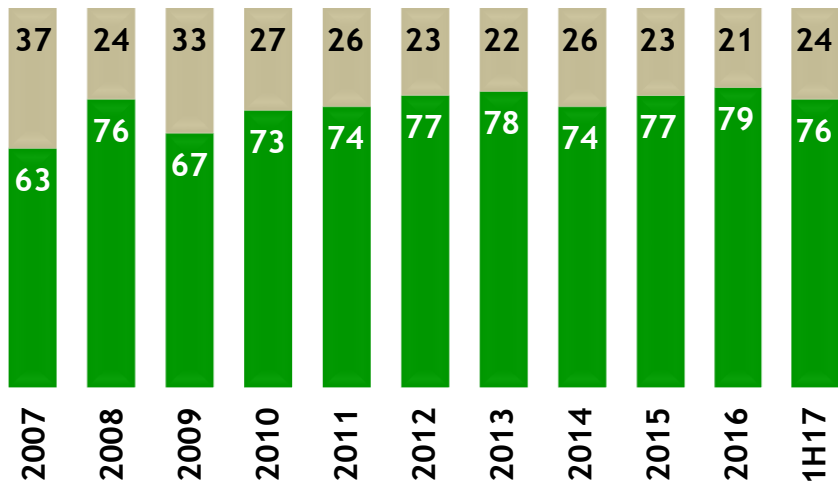
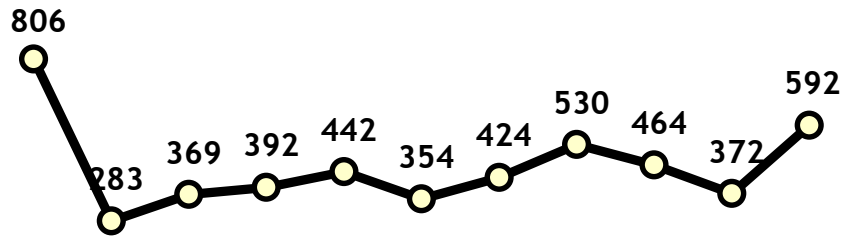


## Annual ADV Traded & Velocity



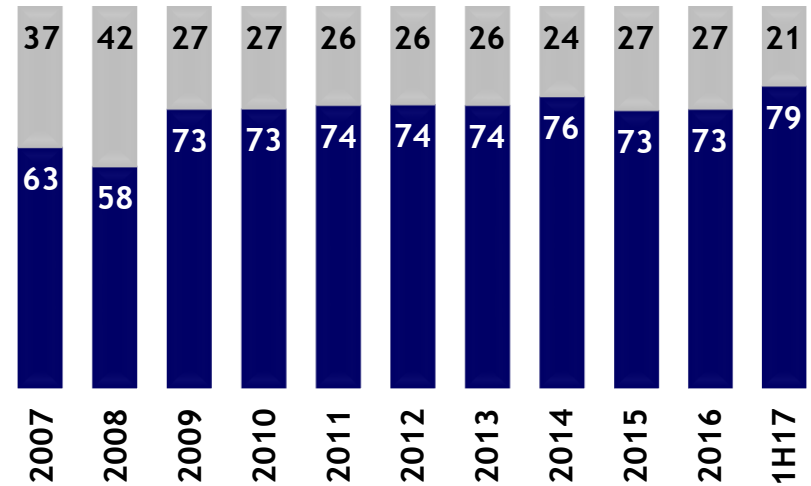
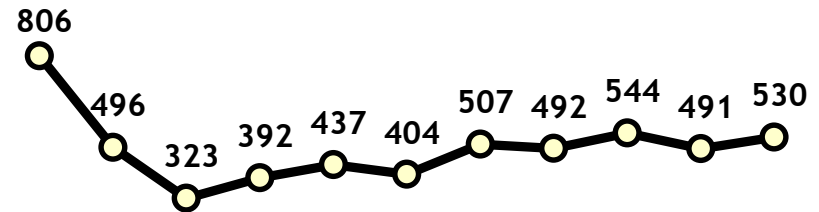
# Securities Market Trading Participation

## Retail vs. Institution



Retail ADV Traded (RM mil)    
 Retail (%)    
 Institutions (%)

## Foreign vs. Local

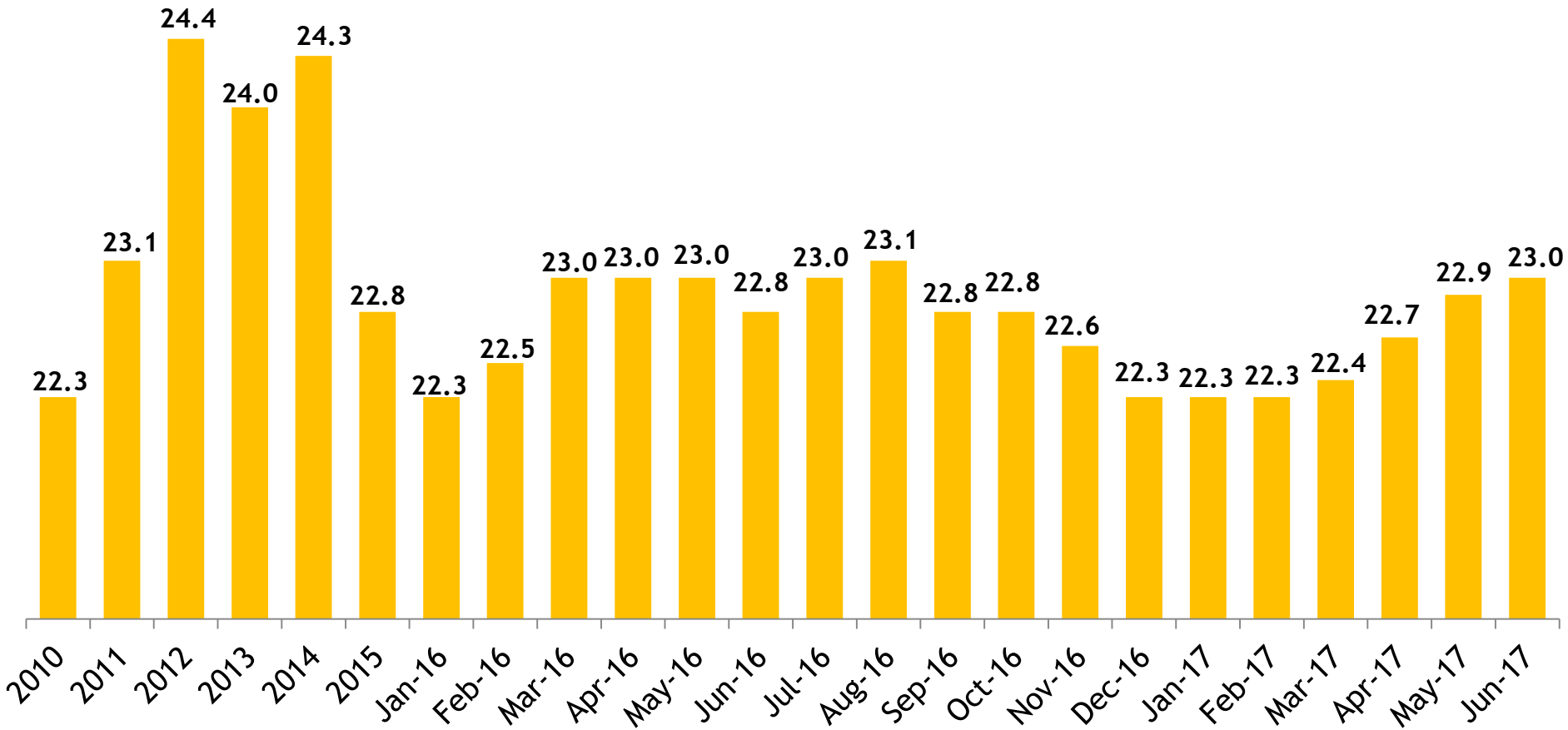


Foreign ADV Traded (RM mil)    
 Foreign (%)    
 Local (%)

From 2007 to 2009, the statistics were based on Brokers' submission. From 2010 onwards statistics were based on Bursa's internal system.

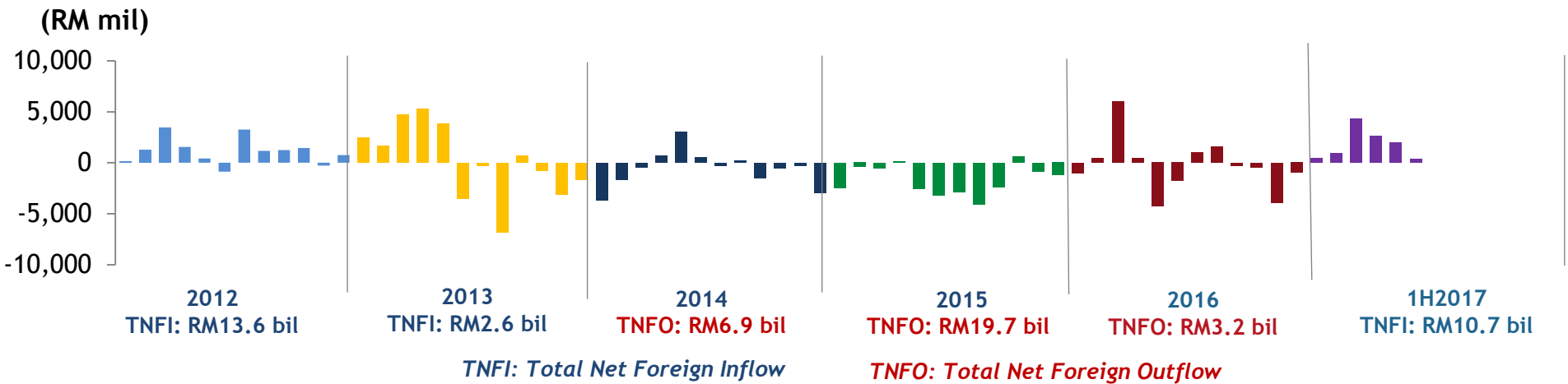
# Securities Market Foreign Ownership

Based on Market Capitalisation (%)

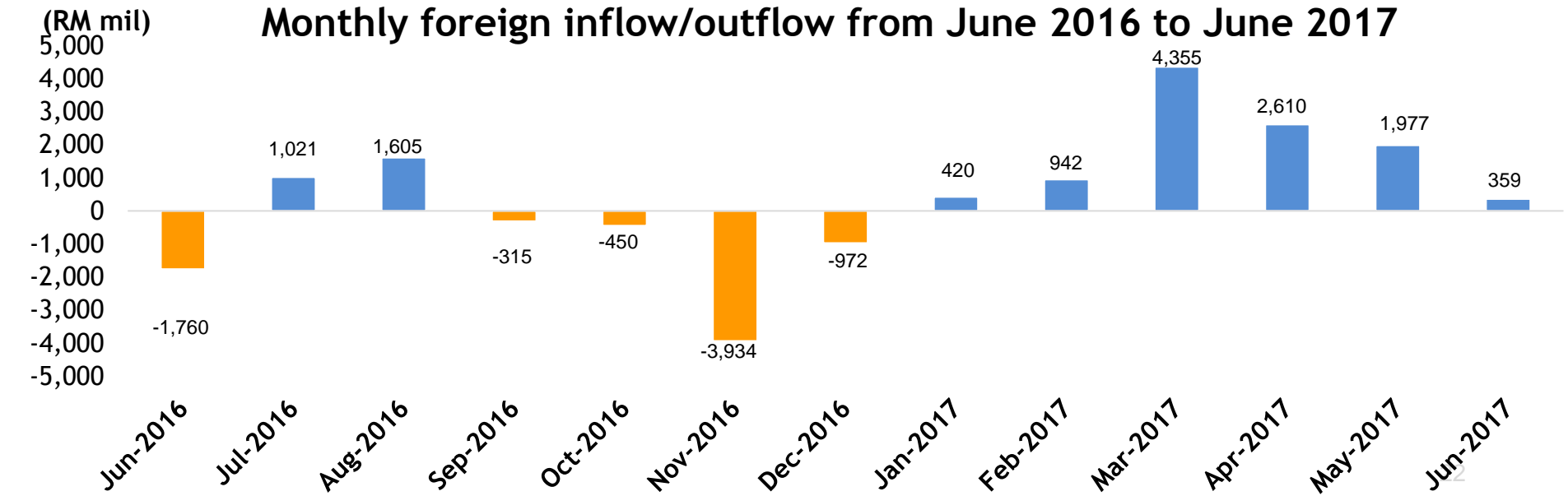


# Foreign Inflow/Outflow

## Monthly foreign inflow/outflow from 2012 to June 2017

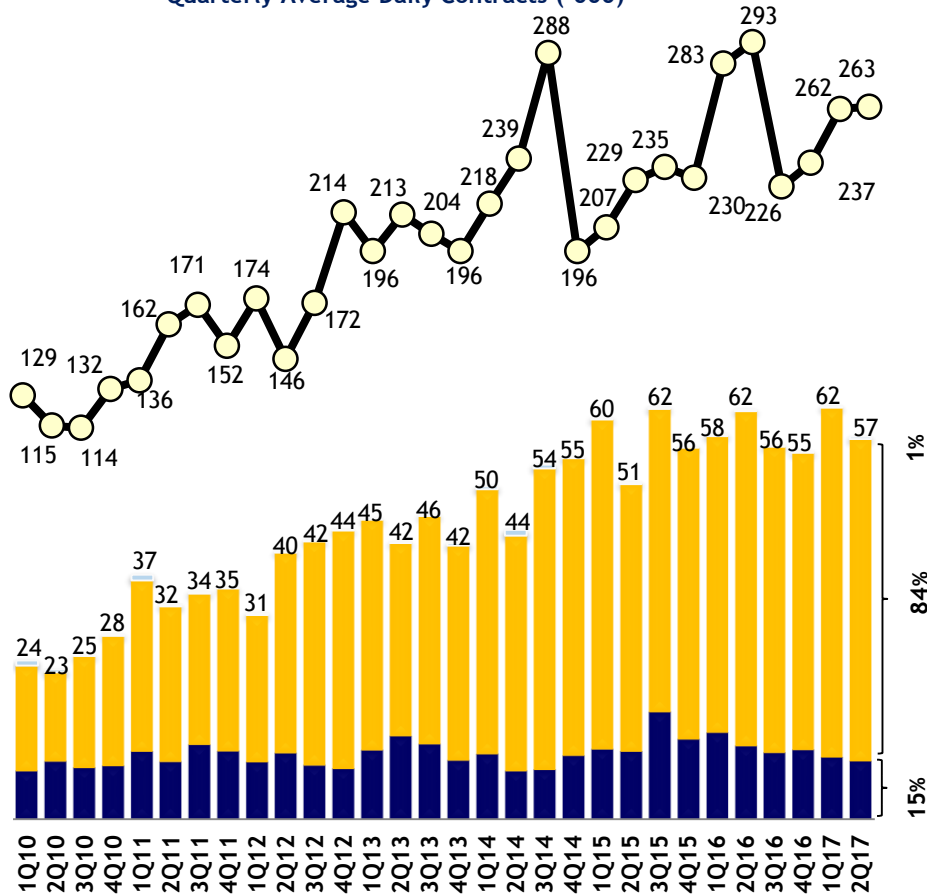


## Monthly foreign inflow/outflow from June 2016 to June 2017

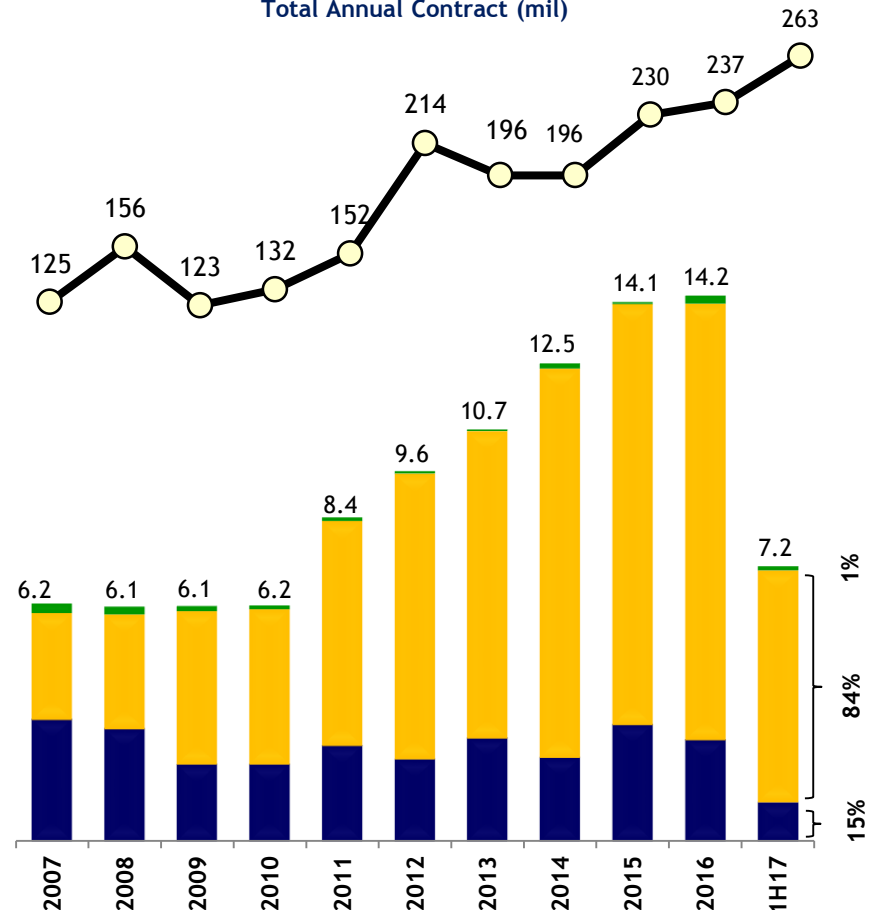


# Derivatives Market Activity

Quarterly Average Daily Contracts ('000)



Total Annual Contract (mil)



○ Open Interest ('000)

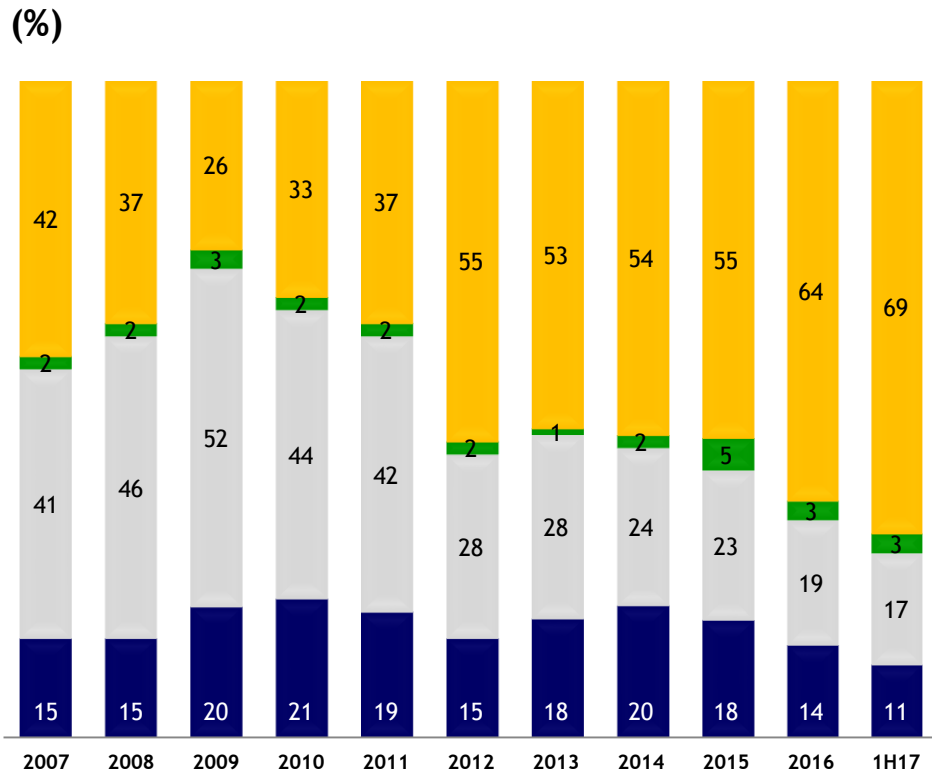
■ Others

■ Crude Palm Oil Futures

■ FMBKLCI Futures

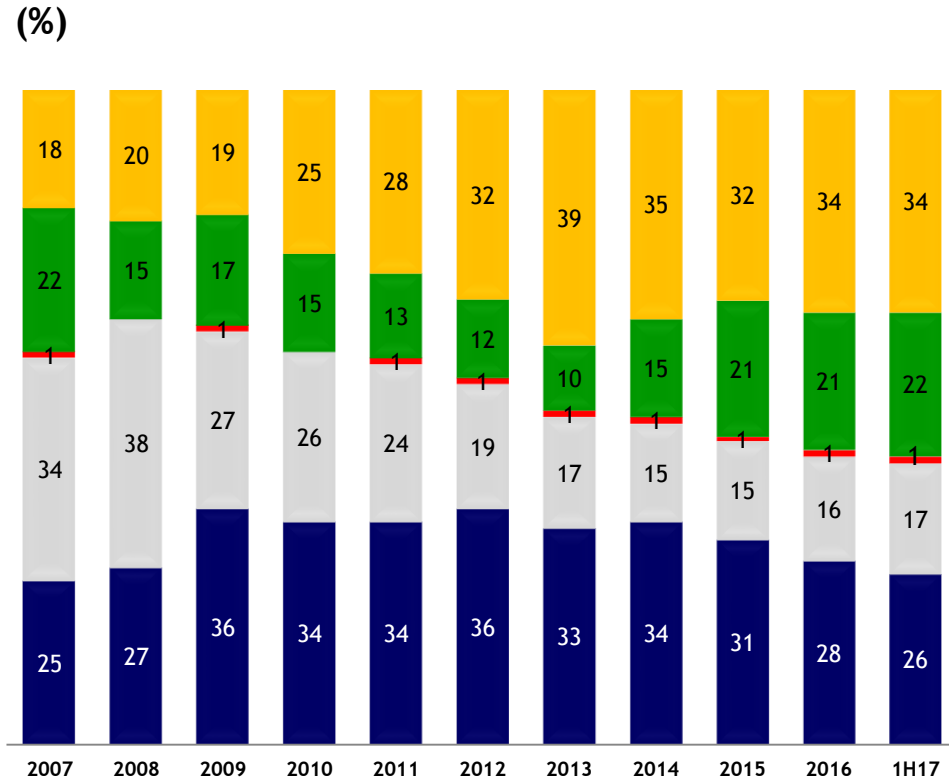
# Derivatives Market Demography

## FKLI



■ Foreign Institutions  
■ Domestic Institutions  
■ Domestic Retail  
■ Local

## FCPO



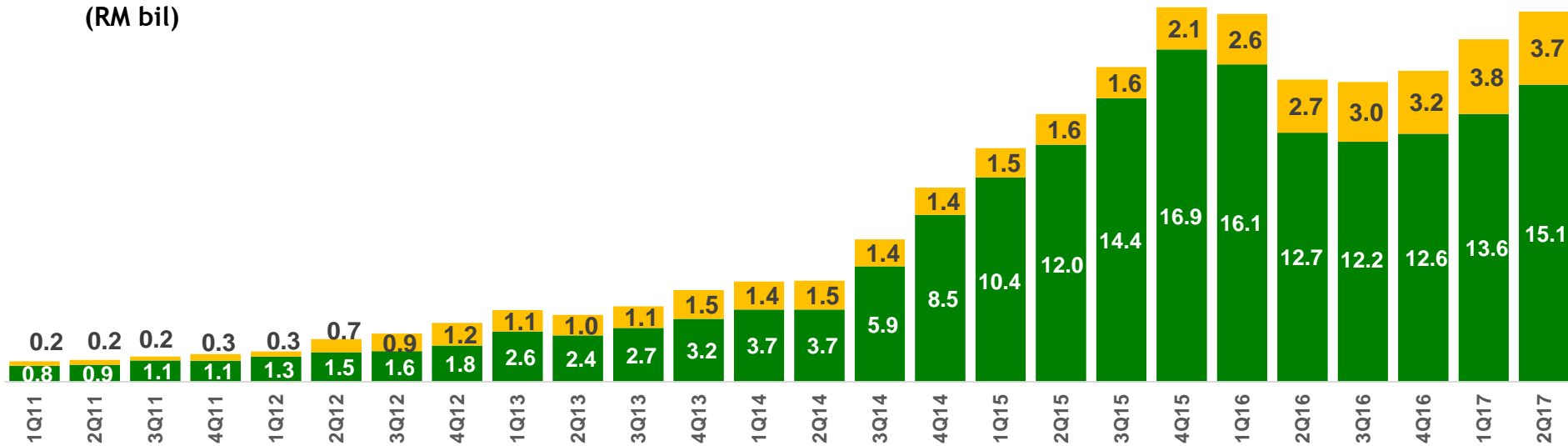
■ Foreign Institutions  
■ Domestic Institutions  
■ Foreign Retail  
■ Domestic Retail  
■ Local



# Islamic Capital Market Activity

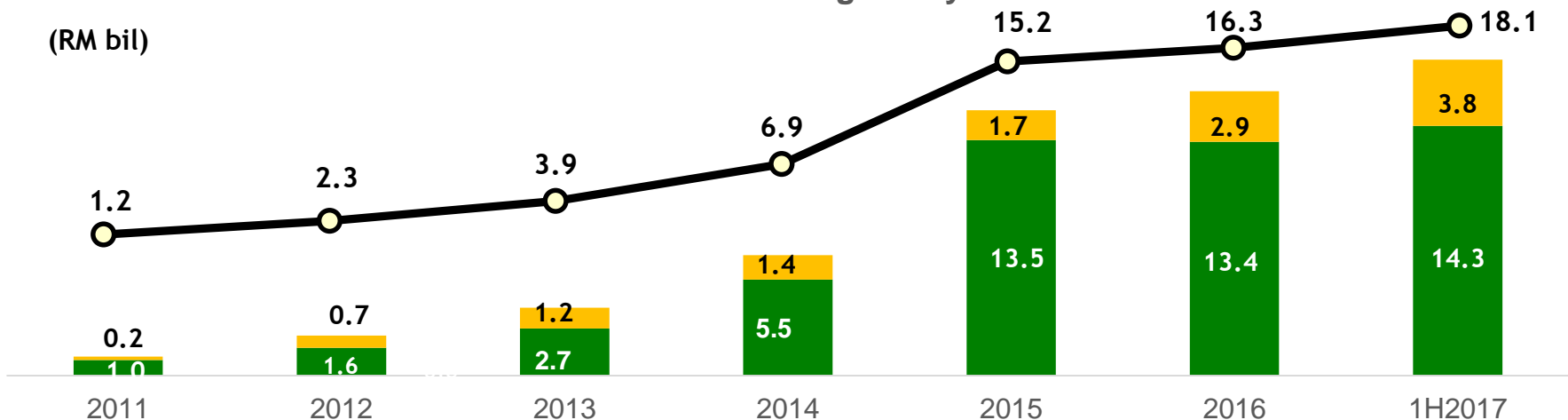
## BSAS Quarterly Average Daily Value

(RM bil)



## BSAS Annual Average Daily Value

(RM bil)



■ Local ADV ■ Foreign ADV —○— BSAS ADV (RM bil)

## INVESTOR RELATIONS CONTACT INFORMATION

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