

# 1Q2016 Financial Results

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25 April 2016



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SUSTAINABILITY  
AND INCLUSIVENESS**



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 KEY FINANCIAL HIGHLIGHTS

 MARKET PERFORMANCE

 FOCUS AREAS

 MOVING FORWARD

 APPENDICES

# KEY FINANCIAL HIGHLIGHTS



- HIGHLIGHTS FOR 1Q2016
- OPERATING REVENUE
- OPERATING EXPENSES

# Highlights For 1Q2016

Best 1<sup>st</sup> quarter financial performance since 2008



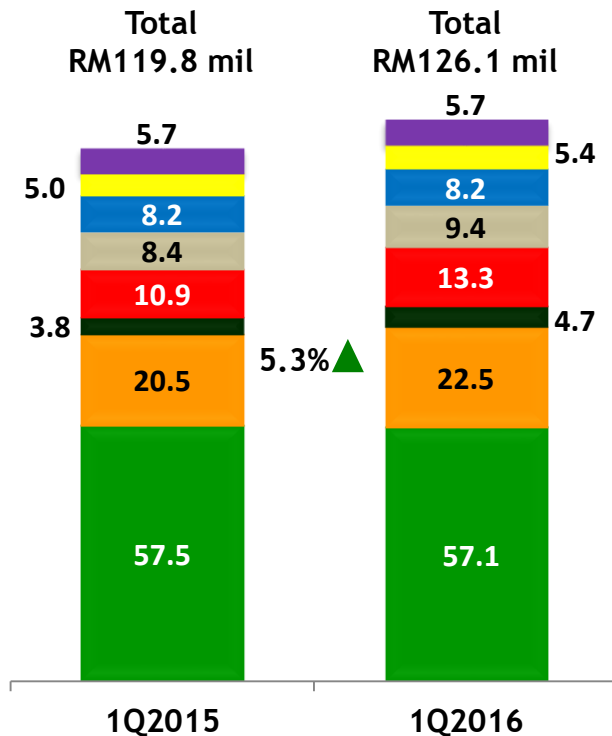
| Financial Items                 | 1Q2016  | 1Q2016<br>vs.<br>1Q2015 | 1Q2016<br>vs.<br>4Q2015 |
|---------------------------------|---------|-------------------------|-------------------------|
| Operating Revenue (RM million)  | 126.1   | 5.3% ▲                  | 0.7% ▲                  |
| Operating Expenses (RM million) | 63.3    | 5.1% ▲                  | 2.6% ▼                  |
| PATAMI (RM million)             | 49.9    | 6.1% ▲                  | 1.3% ▼                  |
| EPS                             | 9.3 sen | 5.7% ▲                  | 2.1% ▼                  |
| Cost to Income Ratio            | 47%     | ↔                       | 1 percentage point ▼    |
| Annualised ROE                  | 26%     | ↔                       | ↔                       |

## 1Q2016 vs. 1Q2015:

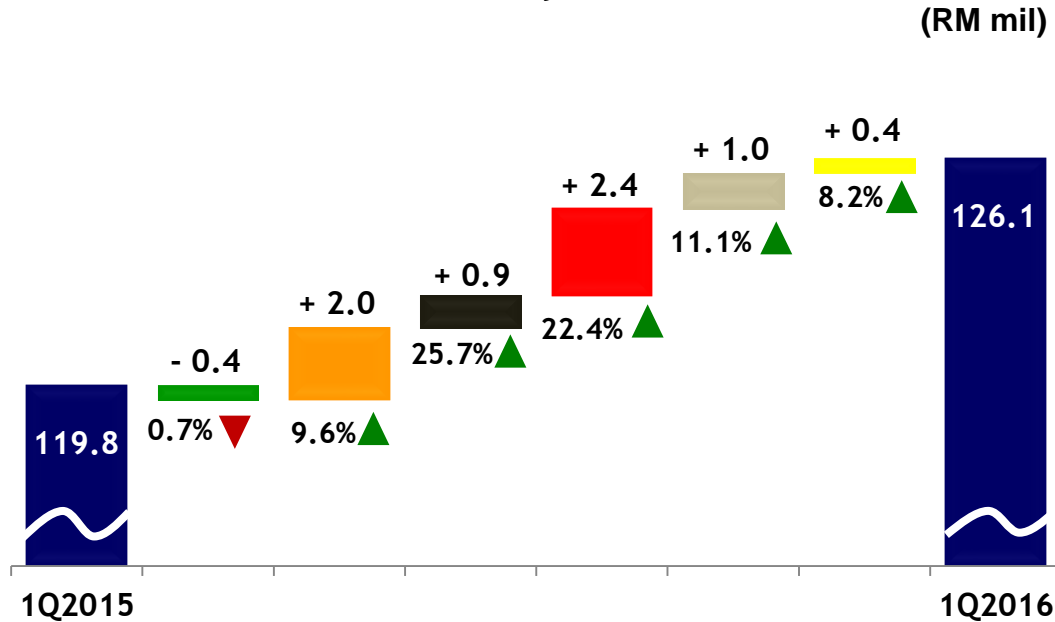
- Higher operating revenue contributed by all three market segments.
- Higher operating expenses mainly due to higher manpower and technology costs.

# Operating Revenue

Growth contributed mainly by Derivatives trading, and listing & issuer services



Growth contribution by revenue streams:

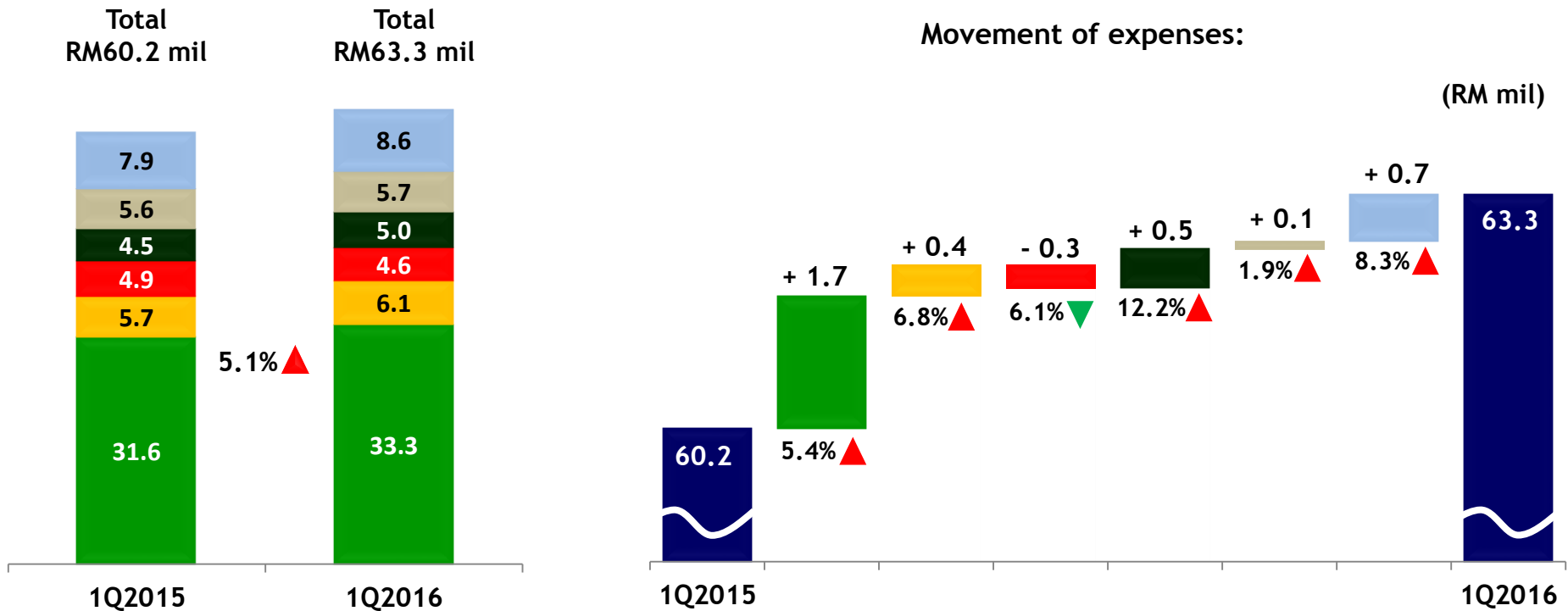


- Derivatives Market trading revenue increased mainly contributed by the higher volume of FKLII traded.
- BSAS trading revenue increased following the adoption of the Murabaha concept and wider acceptance of tenor based pricing.
- Listing & issuer services revenue increased due to higher number of corporate exercises and IPOs.
- Depository services revenue increased mainly due to higher CDS custody fees and ROD fees.

Note\* - Other operating revenue mainly includes conference & exposition income

# Operating Expenses

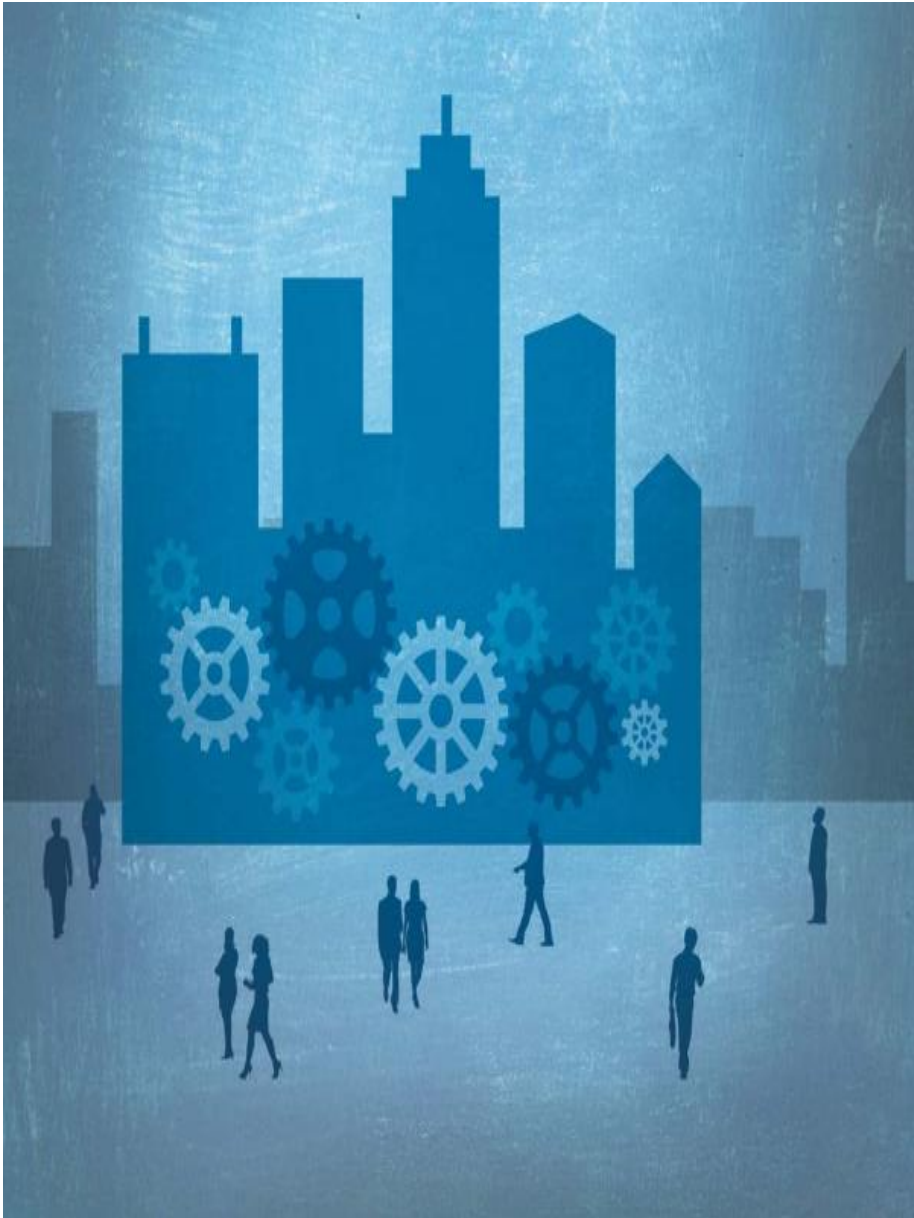
Higher manpower and technology costs



- Staff costs
- Depreciation & amortisation
- Marketing & development
- IT maintenance
- Service fees
- Other operating expenses^

- Staff costs increased due to the annual salary increment.
- Higher depreciation expenses and IT maintenance cost following the replacement of Bursa LINK system in April 2015.
- Other operating expenses increased mainly due to reversal of unrealised gain on dividend received in USD.

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



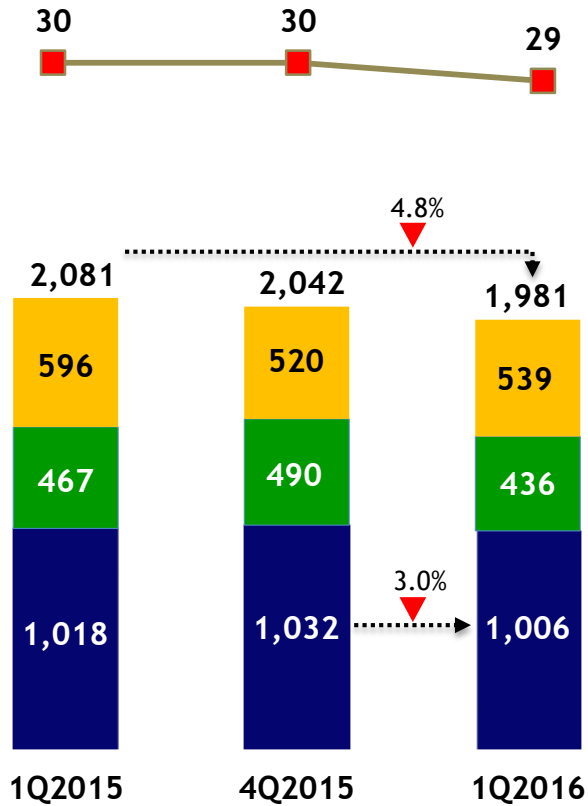
- SECURITIES MARKET OVERVIEW
- DERIVATIVES MARKET OVERVIEW
- ISLAMIC CAPITAL MARKET OVERVIEW

# Securities Market Overview

Strong foreign inflows sustained market performance

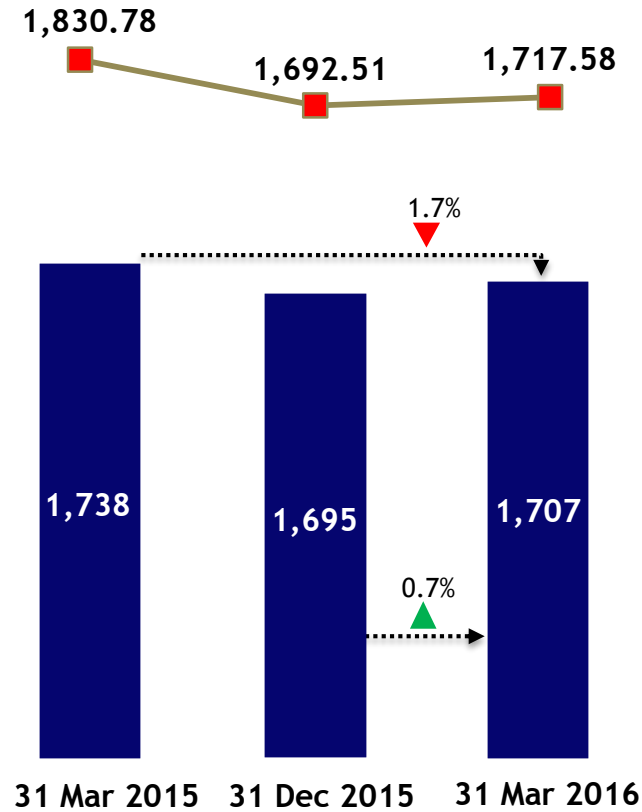


Average Daily Value (OMT)(RM mil)



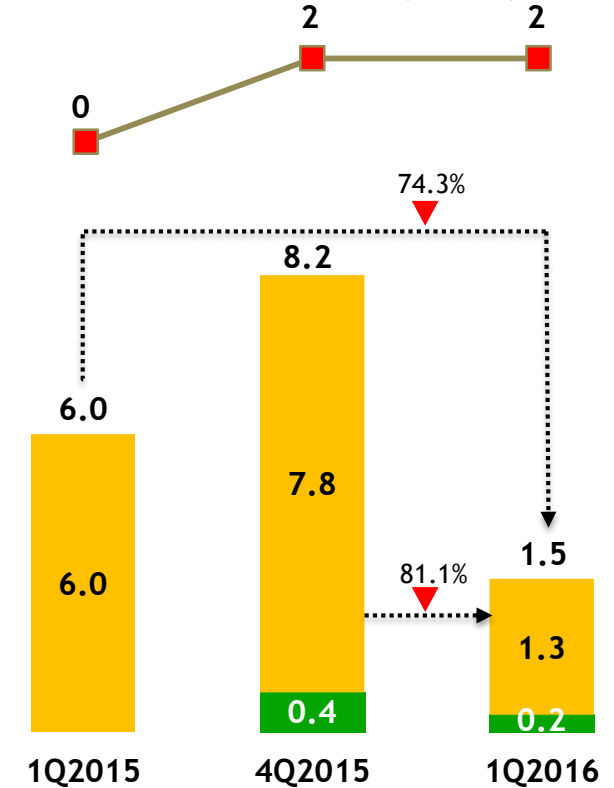
- Velocity (%)
- ADV of Foreign Institutions
- ADV of Retail
- ADV of Domestic Institutions

Market Capitalisation (RM bil)



- FBMKLCI
- Market Capitalisation

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



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

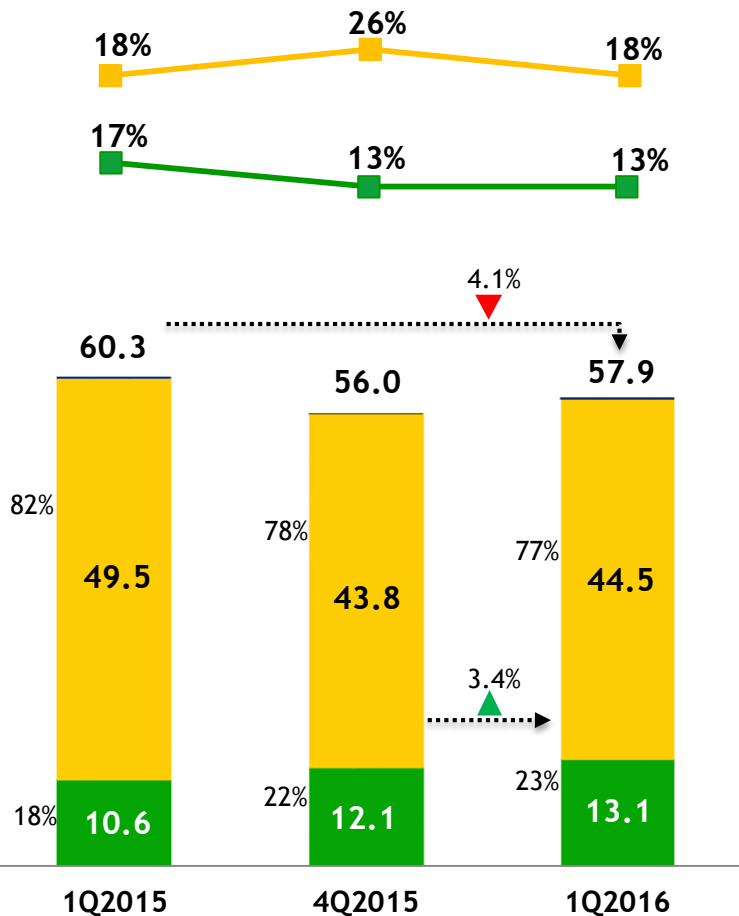


# Derivatives Market Overview

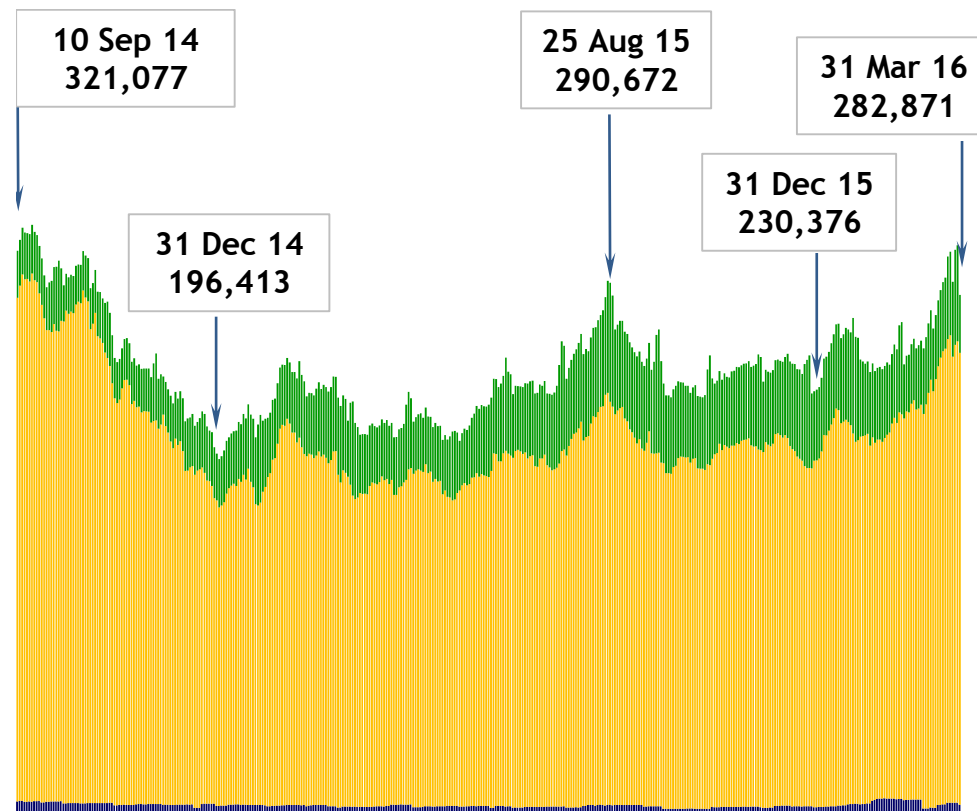
Higher trades in FKLI cushioned the impact of lower ADC in FCPO



Average Daily Contracts ('000) & Volatility



Open Interest (No. of contract)



■ FBMKLCI Futures  
—■— Volatility of FBMKLCI

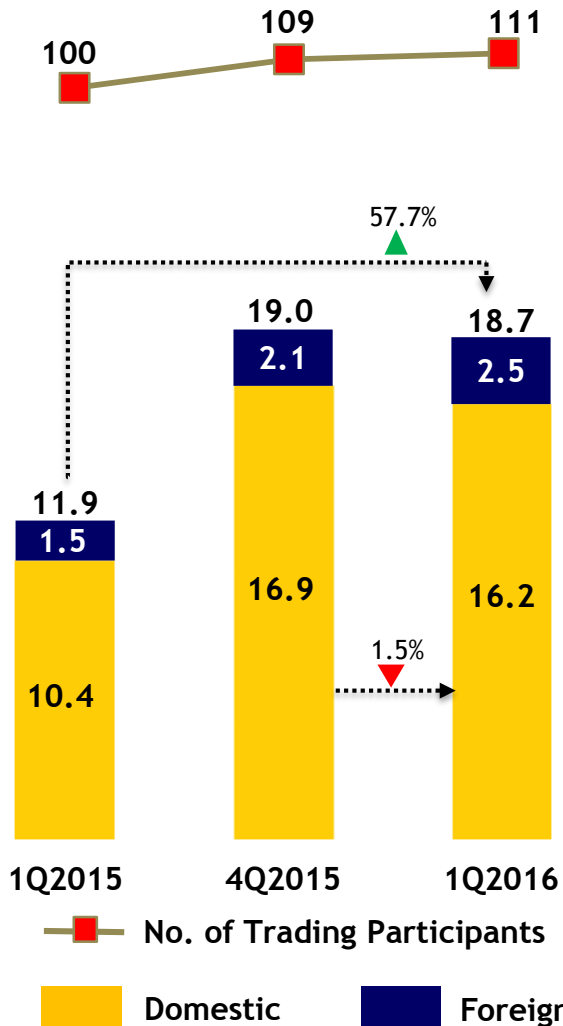
■ Crude Palm Oil Futures  
—■— Volatility of Crude Palm Oil Prices  
■ Others

# Islamic Capital Market Overview

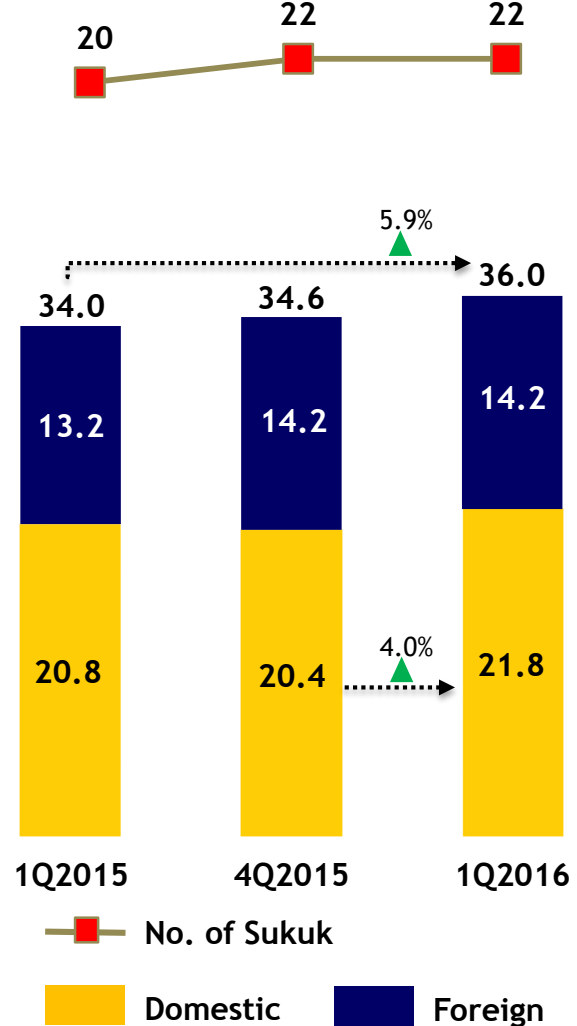
Higher trades on BSAS following the adoption of Murabaha concept



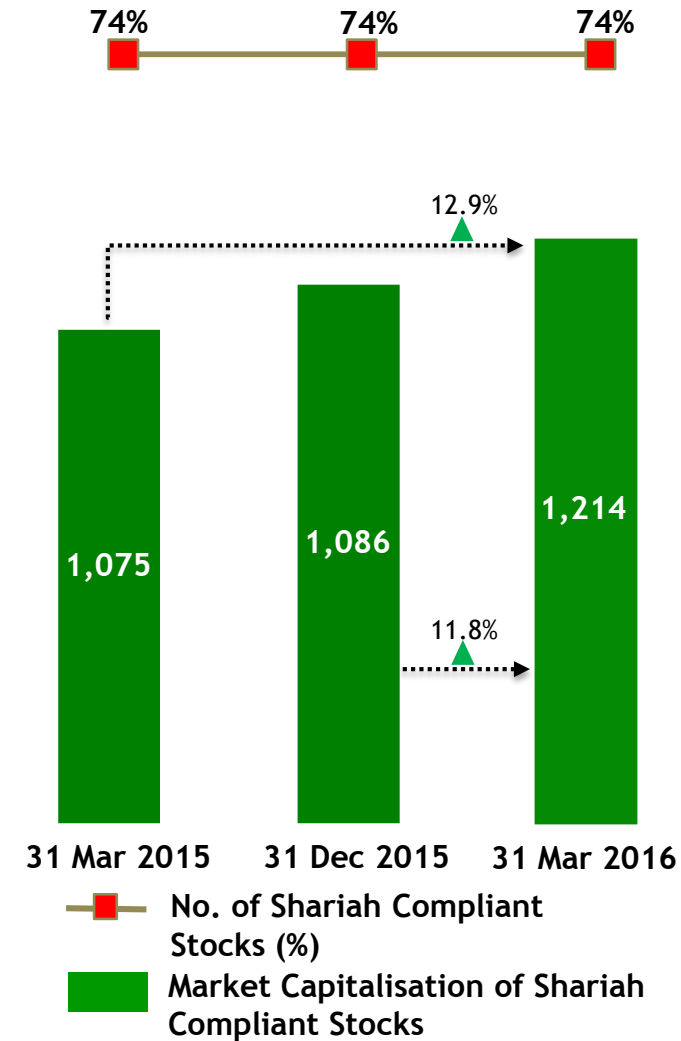
Bursa Suq Al-Sila' ADV (RM bil)



Value of Listed Sukuk (USD bil)



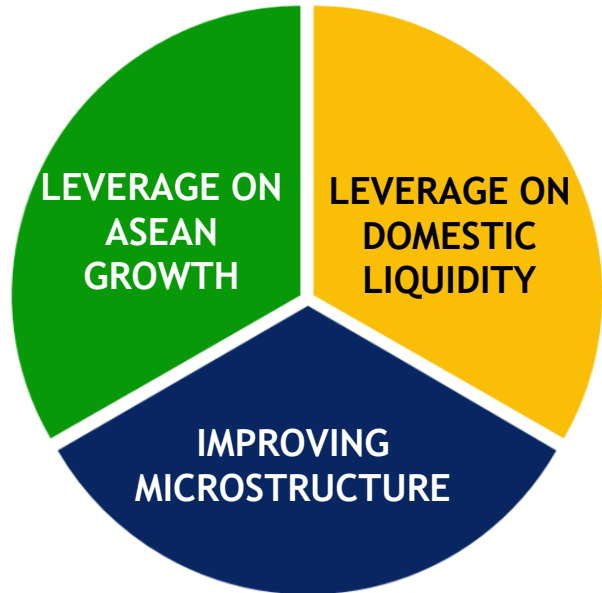
Market Capitalisation of Shariah Compliant Stocks (RM bil)





- FOCUS AREAS

## Focus 1: Value Extraction



## Focus 2: Build for the Future



SI 1

Create a More Facilitative TRADING ENVIRONMENT

SI 2

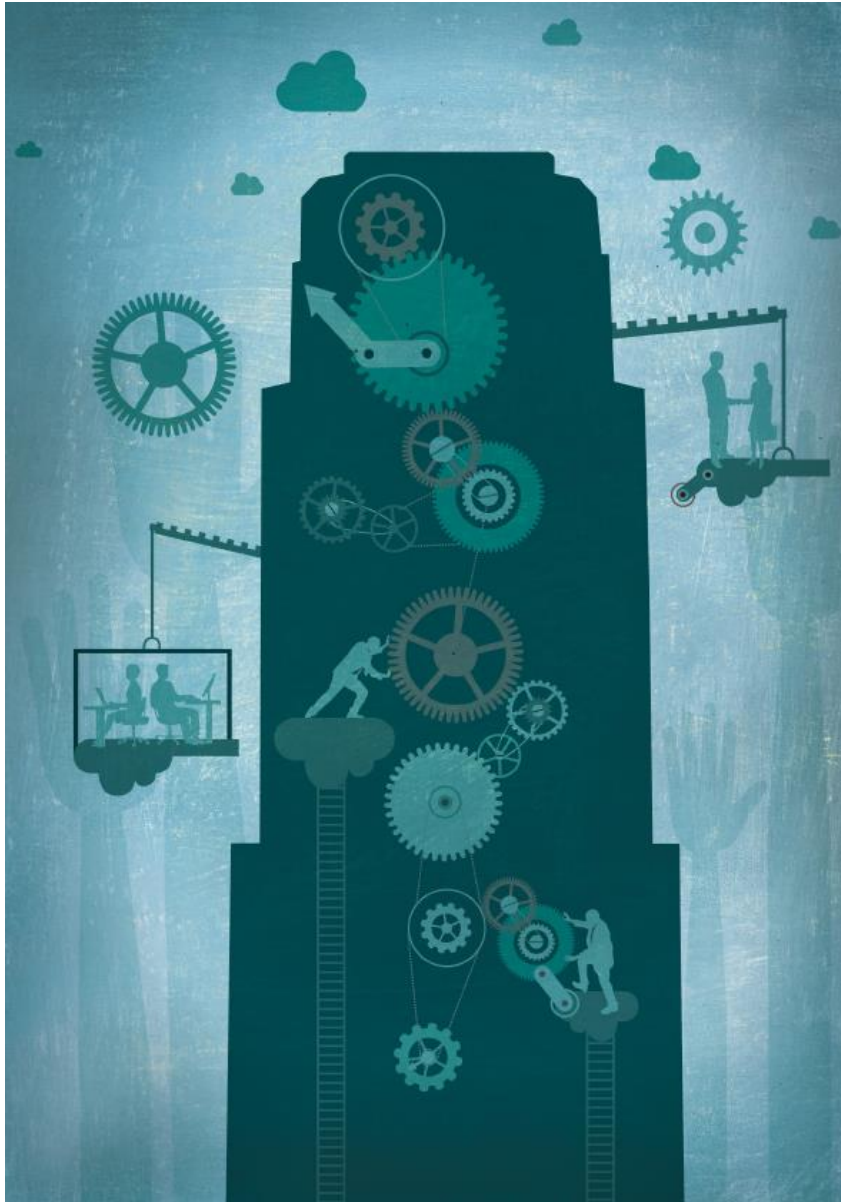
Facilitate More TRADABLE ALTERNATIVES

SI 3

Reshape MARKET STRUCTURE & FRAMEWORK

SI 4

REGIONAL MARKETPLACE with Global Access (Centre of ASEAN)



- MOVING FORWARD

## SECURITIES MARKET

- Recent S&P, Fitch and Moody affirmations on their stable outlook for Malaysia have stimulated foreign investors' confidence.
- Foreign as well as domestic institutions will continue to be major market contributors.
- The Exchange will continue with its initiatives to attract more retail players to the market.

## DERIVATIVES MARKET

- Derivatives Market activities will be further spurred by the volatility in commodity prices and FBM KLCI.

## ISLAMIC CAPITAL MARKET

- Transactions on Bursa Suq Al-Sila' are expected to be supported by wider acceptance of tenor based pricing and the continued demand for Murabaha contracts in the domestic market for liquidity management.

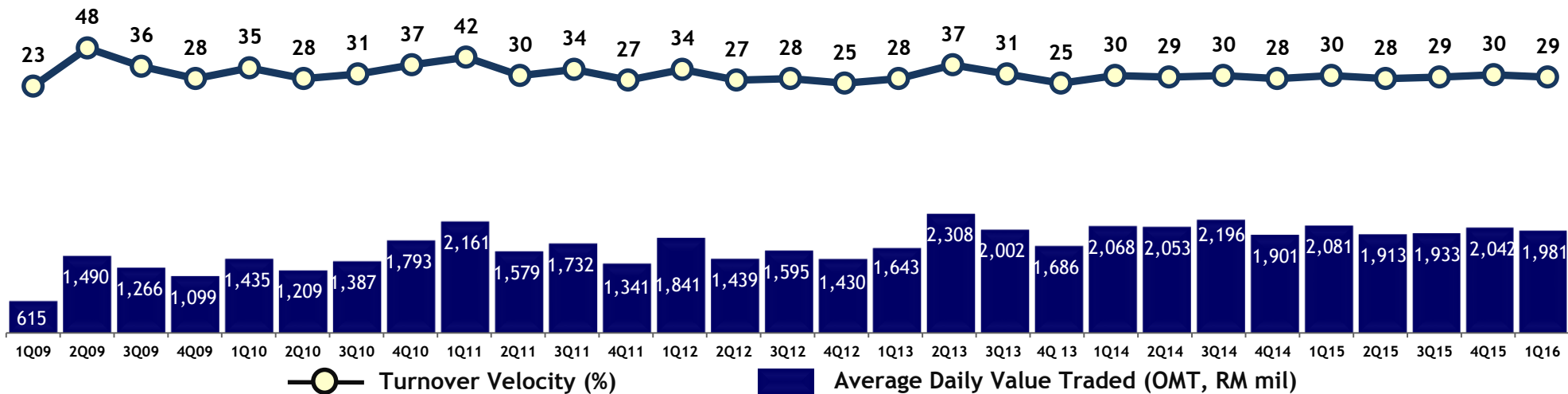
Given the factors mentioned above, the Exchange is cautiously optimistic that we will continue to achieve a good financial performance for 2016.

## APPENDICES

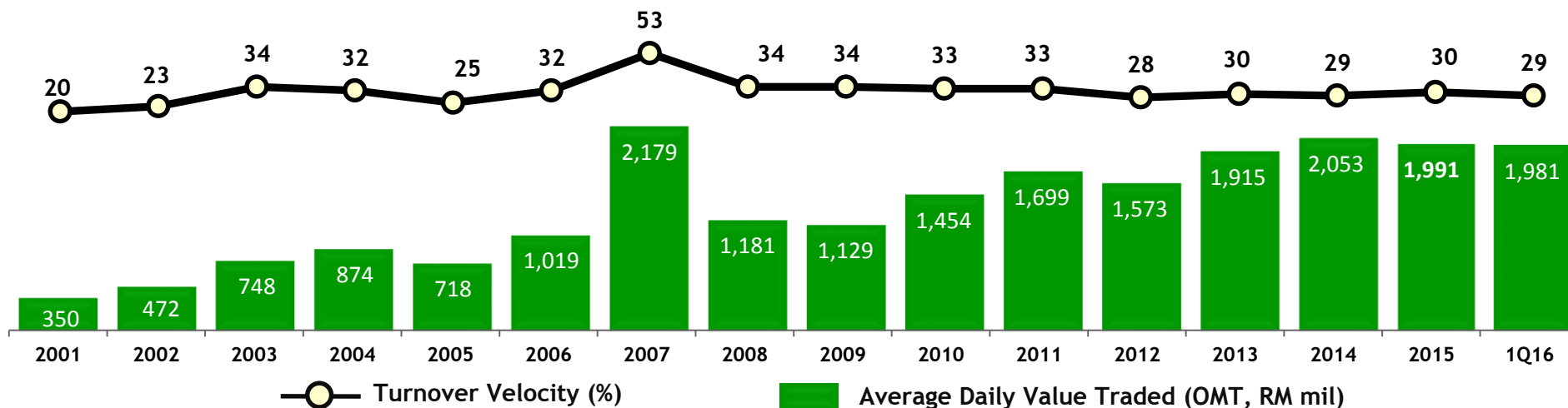
- **Securities Market Trading Activity**
- **Securities Market Trading Participation**
- **Securities Market Foreign Ownership**
- **Foreign Inflow/Outflow**
- **Derivatives Market Activity**
- **Derivatives Market Demography**
- **Islamic Capital Market Activity**

# Securities Market Trading Activity

## Quarterly ADV Traded & Velocity



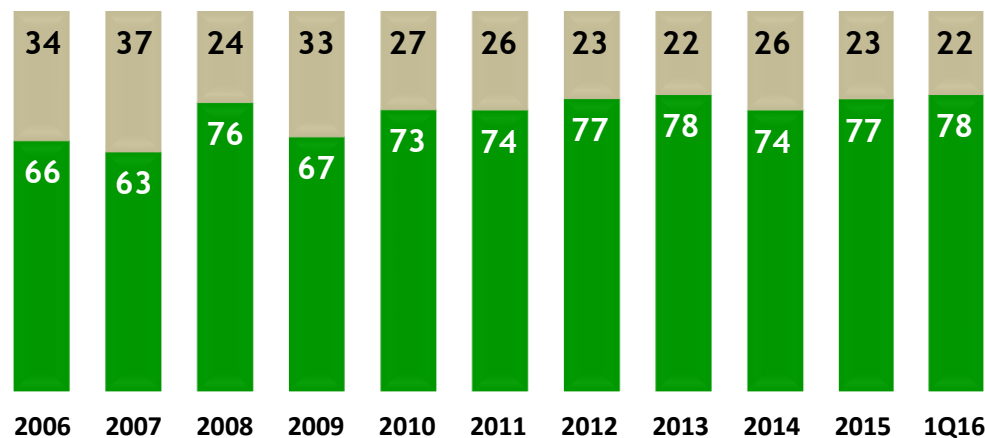
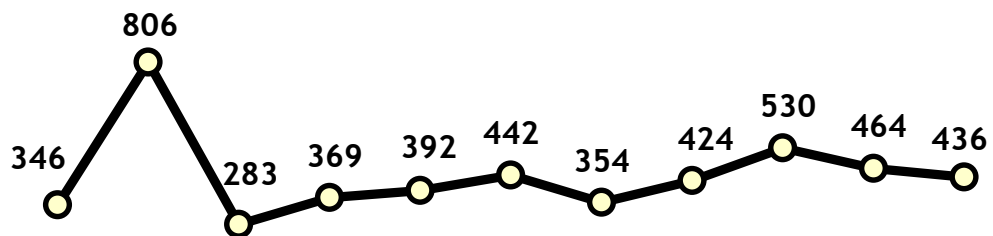
## Annual ADV Traded & Velocity





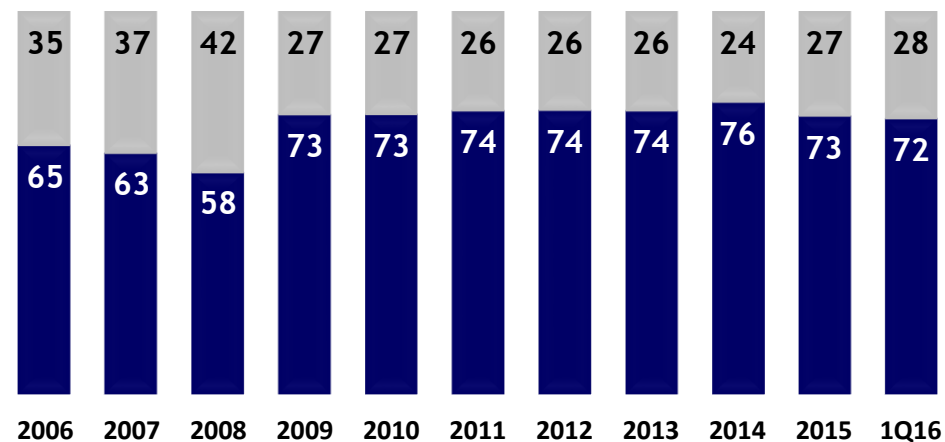
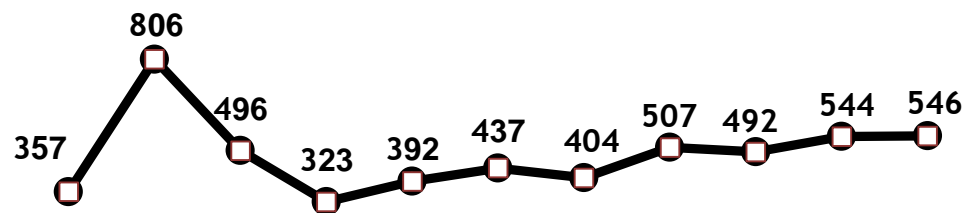
# Securities Market Trading Participation

### Retail vs Institution



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

### Foreign vs Local

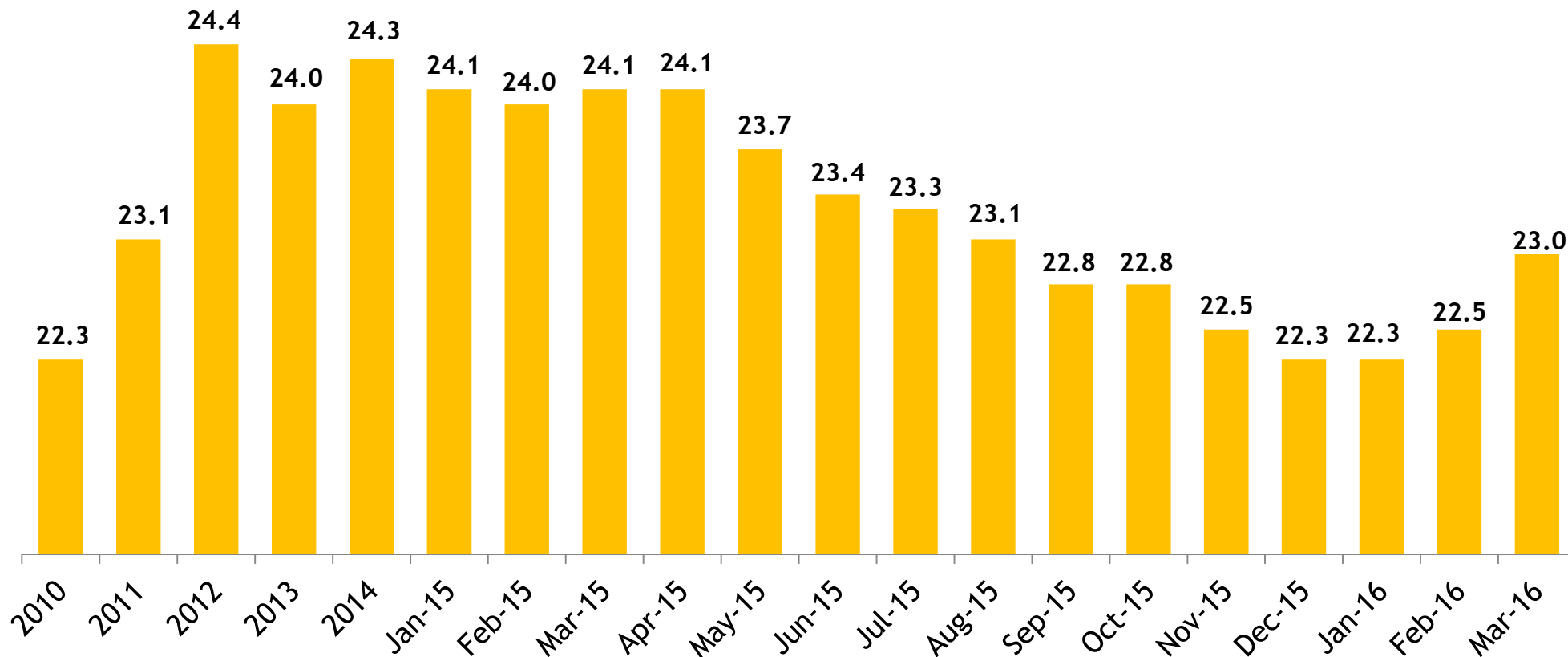


Foreign ADV Traded (RM mil)    
 Foreign (%)    
 Local (%)

From 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

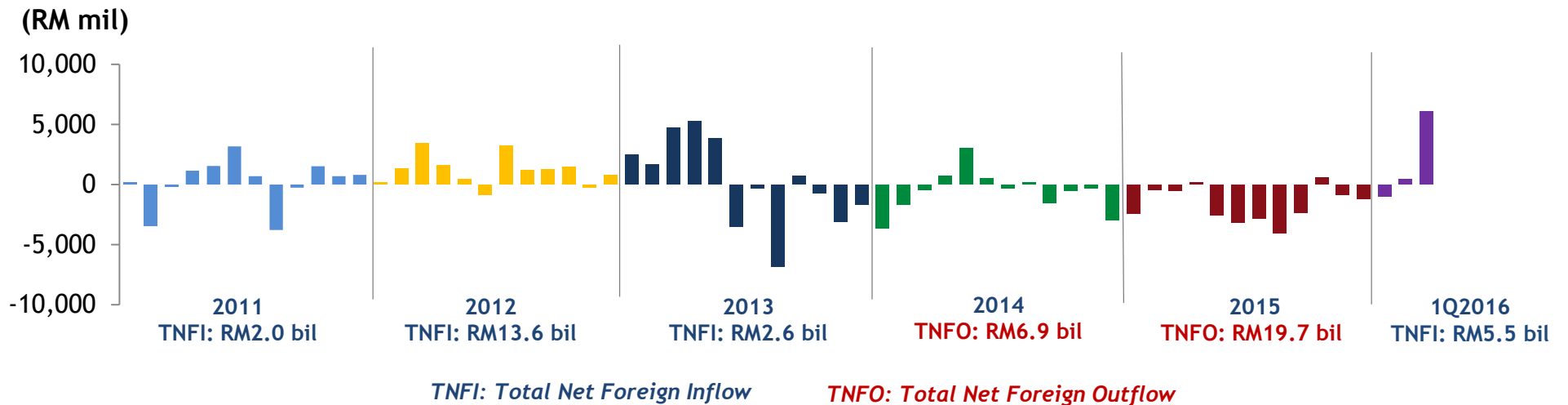
Based on Market Capitalisation (%)



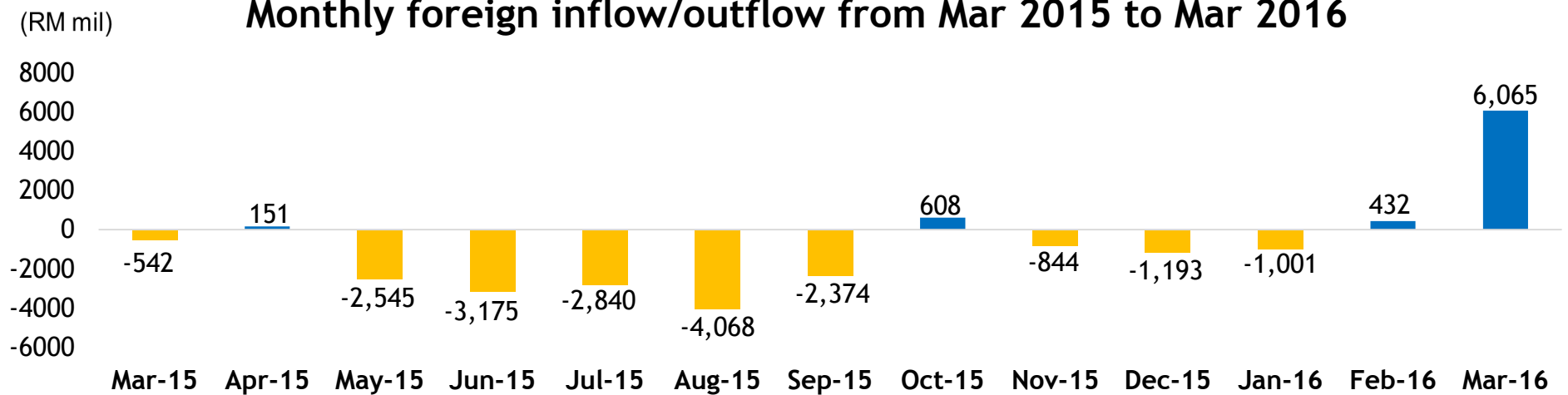
**Note:** Previously, foreign shareholdings are computed based on the investor's country of incorporation. To be more reflective of the actual foreign shareholdings in the equity market, from January 2016 onward, the foreign shareholdings are computed based on the nationality of investors. On this basis, we have adjusted all the numbers above accordingly.

# Foreign Inflow/Outflow

## Monthly foreign inflow/outflow from 2011 to 2016

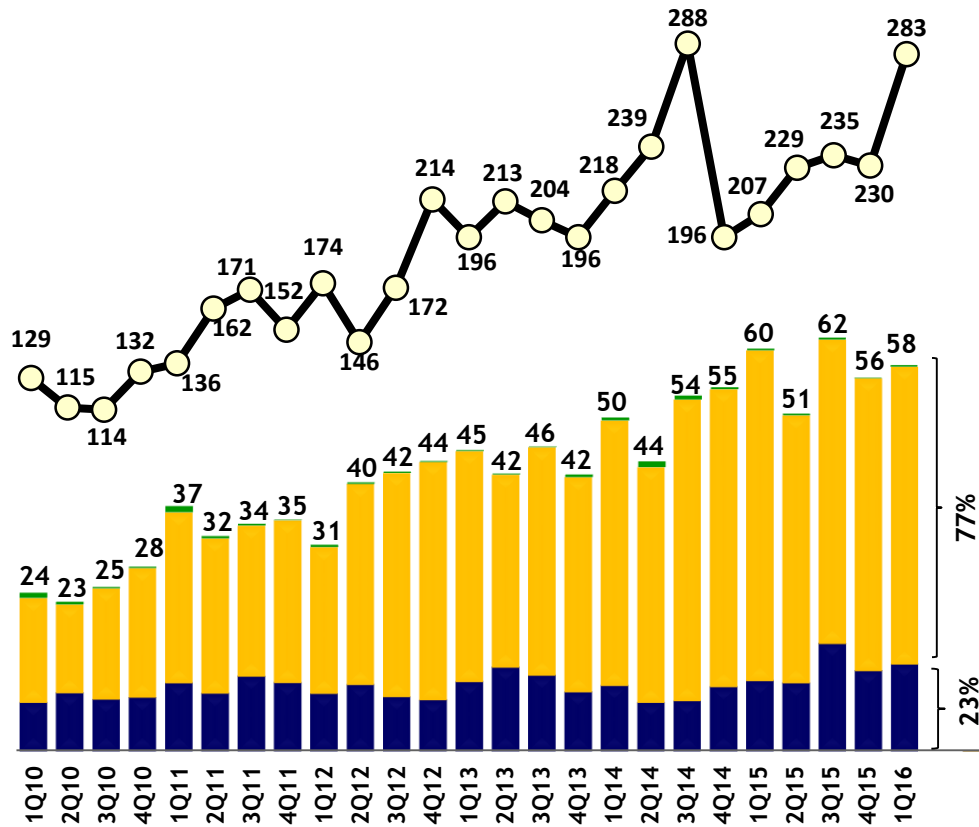


## Monthly foreign inflow/outflow from Mar 2015 to Mar 2016

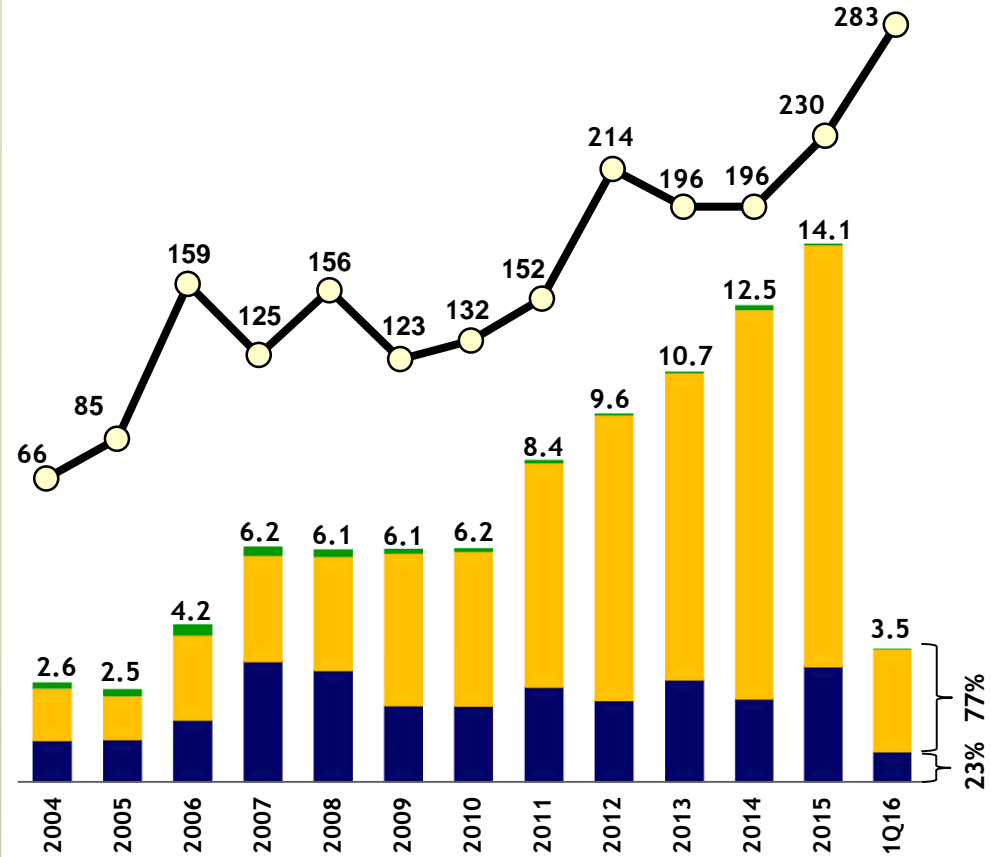


# Derivatives Market Activity

### Quarterly Average Daily Contracts ('000)



### Total Annual Contract (mil)



○ Open Interest ('000)

■ Others

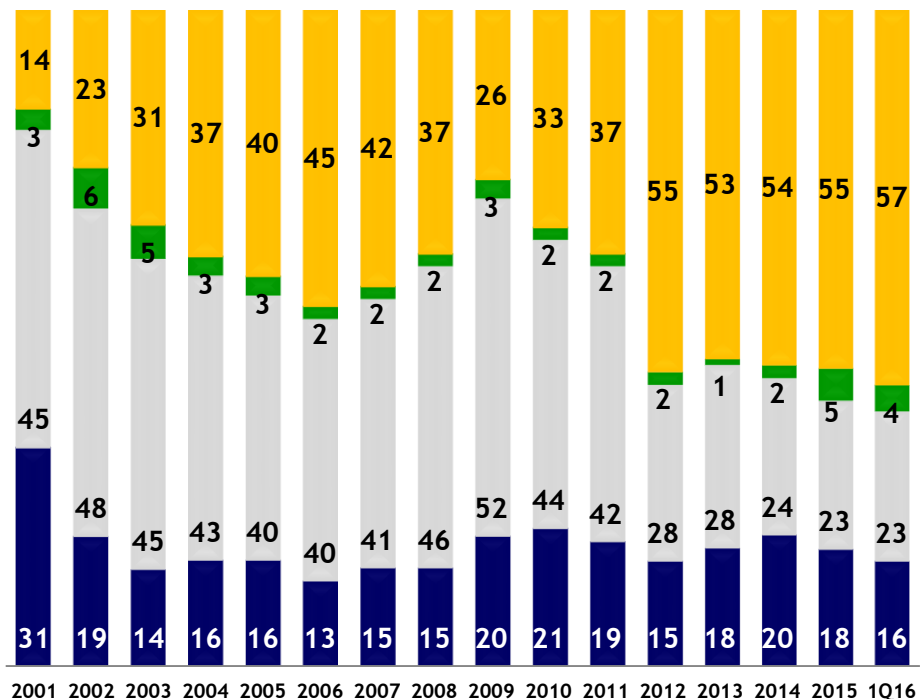
■ Crude Palm Oil Futures

■ FMBKLCI Futures

# Derivatives Market Demography

## FKLI

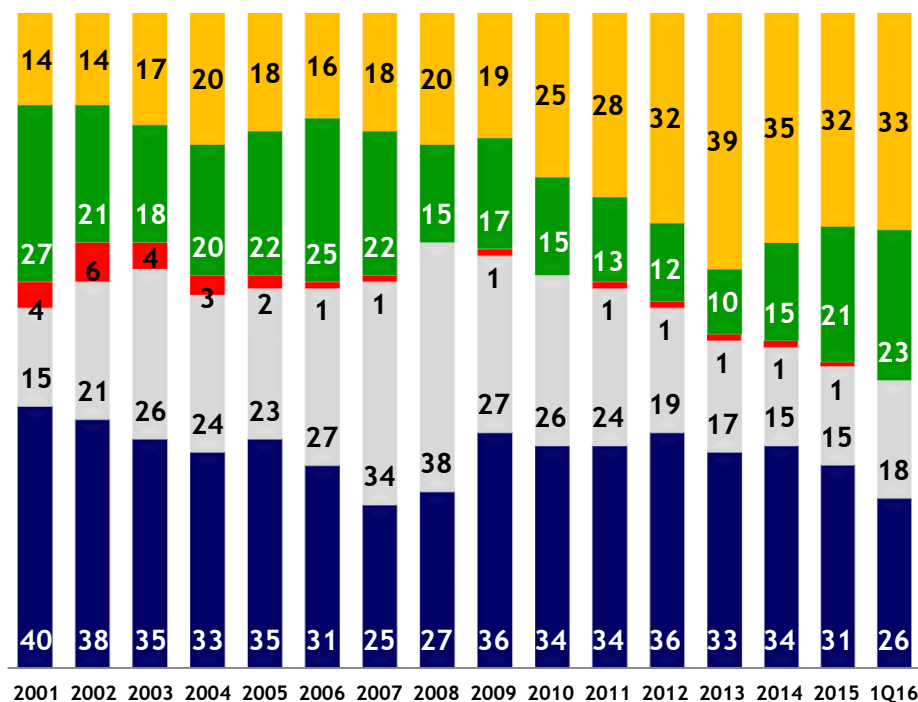
(%)



■ Foreign Institutions      ■ Domestic Retail  
■ Domestic Institutions      ■ Local

## FCPO

(%)



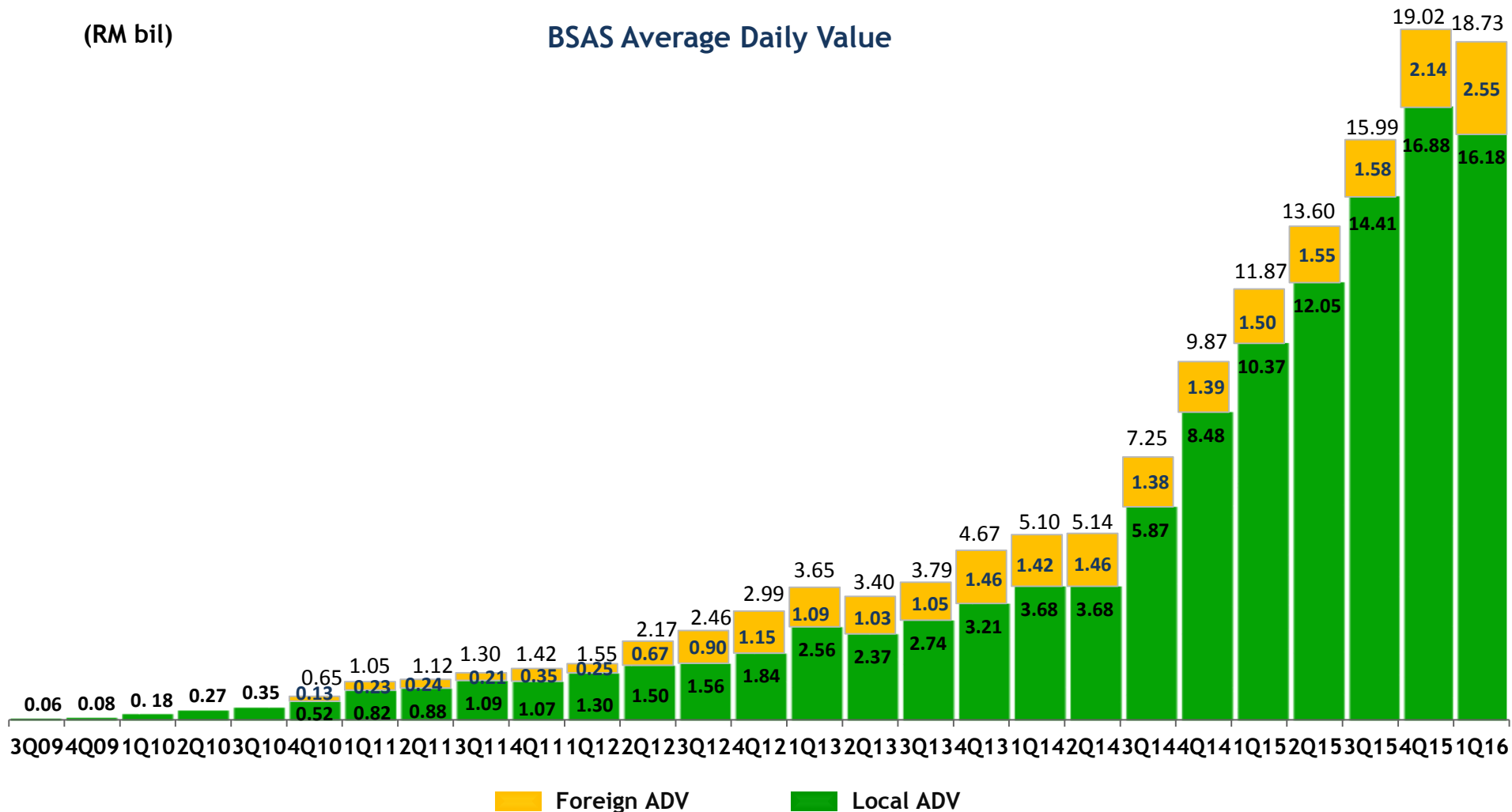
■ Foreign Institutions      ■ Foreign Retail      ■ Local  
■ Domestic Institutions      ■ Domestic Retail

# Islamic Capital Market Activity



(RM bil)

BSAS Average Daily Value



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