

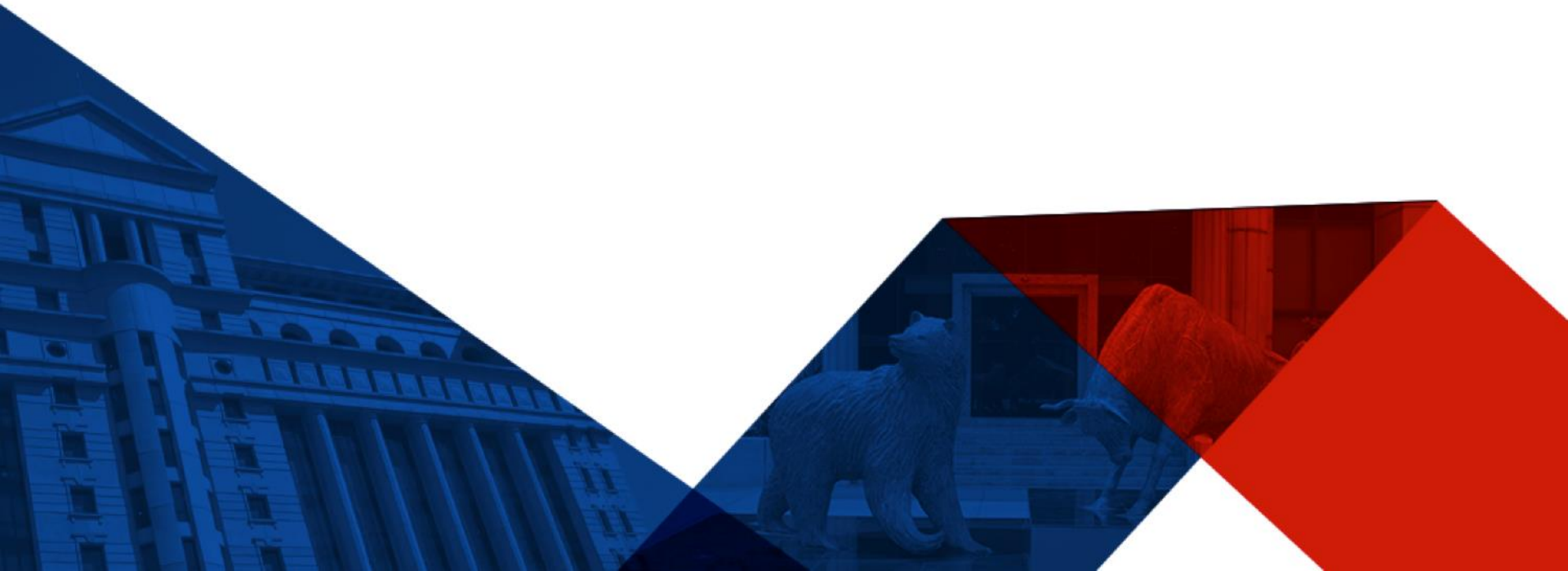


INCLUSIVE SUSTAINABLE

ASEAN'S  
MARKETPLACE

25 April 2018

# 1Q2018 Financial Results



# Agenda

- Key Financial Highlights
- Market Performance
- Conclusion
- Appendices

# Key Financial Highlights

- Financial Highlights for 1Q2018
- Operating Revenue
- Operating Expenses

# Financial Highlights

Highest 1<sup>st</sup> quarter PAT since 2007

Financial Items	1Q2018	1Q2018 vs. 1Q2017	1Q2018 vs. 4Q2017
Operating Revenue (RM million)	144.8	▲ 7.5%	▲ 11.4%
Operating Expenses (RM million)	62.9	▼ 1.4%	▼ 5.3%
PATAMI (RM million)	63.8	▲ 12.6%	▲ 15.4%
EPS (sen) *	7.9	▲ 12.9%	▲ 14.5%
Annualised ROE	30%	▲ 4 percentage points	▲ 3 percentage points
Cost to Income Ratio	42%	▼ 3 percentage points	▼ 5 percentage points

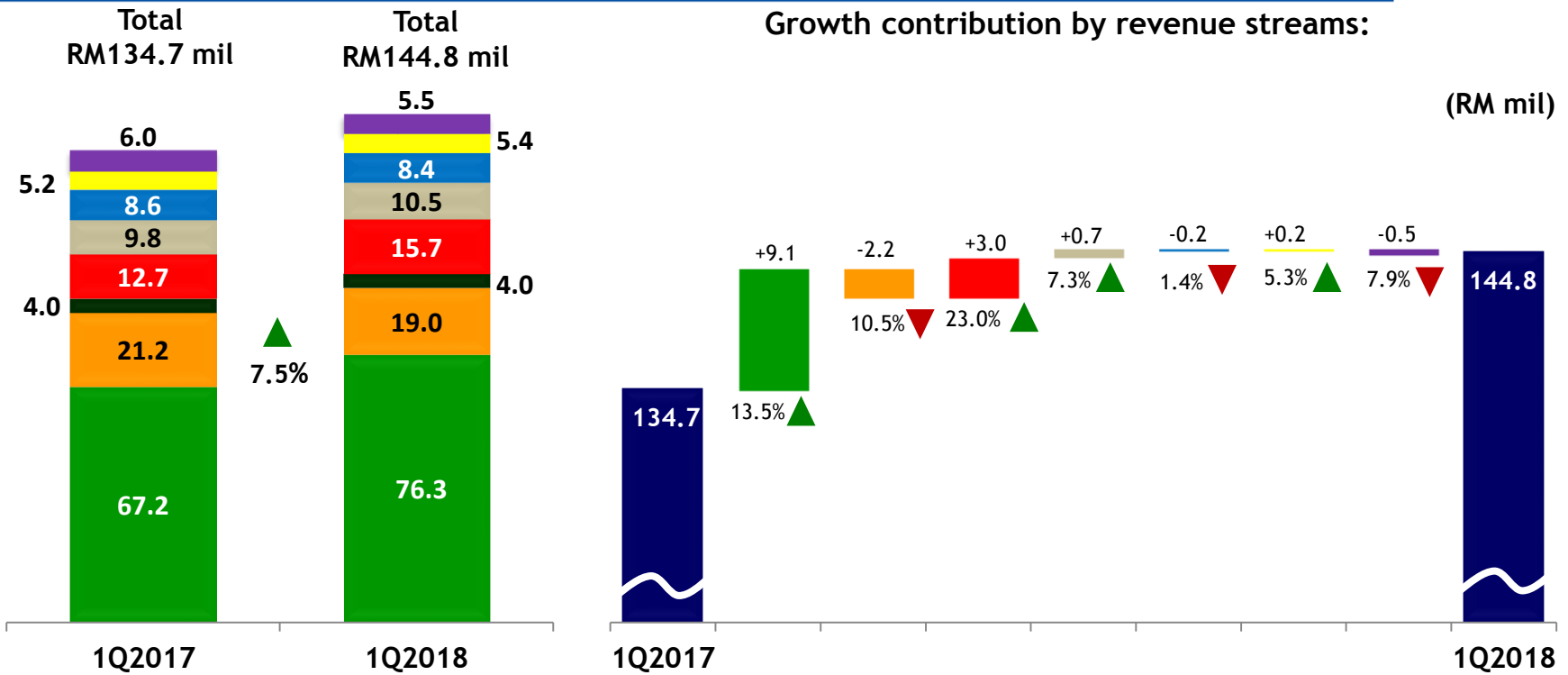
## 1Q2018 vs. 1Q2017:

- Operating revenue increased due to higher Securities Trading, Listing and Issuer Services and Depository Services revenue. The increase was partially offset by lower revenue from Derivatives Market.
- ROE and Cost to Income Ratio both improved by 4 and 3 percentage points to 30% and 42% respectively.

\*The EPS shown above has been retrospectively adjusted for the bonus issue which was completed on 13 April 2018

# Operating Revenue

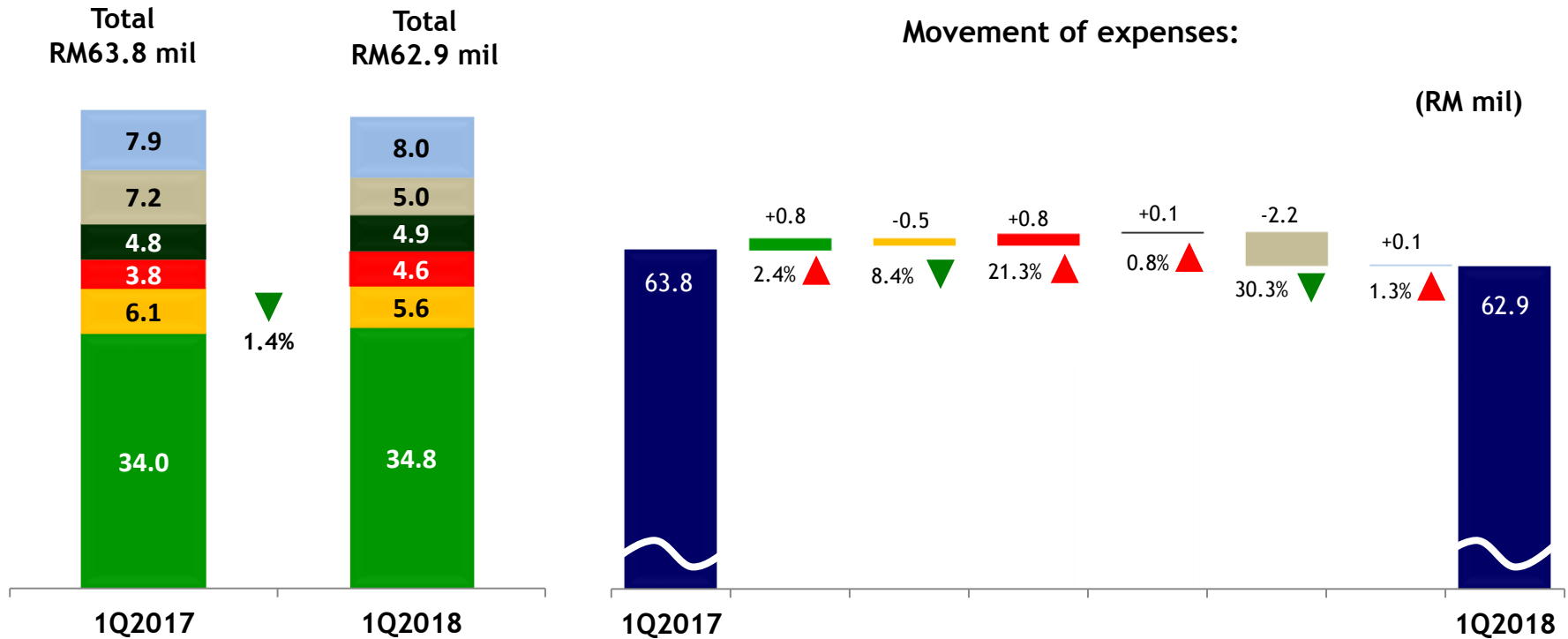
Growth from securities trading and listing & issuer services



- Increase in Securities Trading Revenue from higher ADV-OMT.
- Higher Listing & Issuer Services due the increase in the number of corporate exercises and structured warrants issued.
- Higher Depository Services fees contributed by CDS custody fees.
- Lower Derivatives Trading Revenue due to revision in guarantee fee and lower number of FCPO and FKLI contracts traded.

# Operating Expenses

*Decrease in operating expenses from lower technology costs*



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

- Higher staff cost due to annual salary increment.
- Higher marketing and development expenses incurred as more marketing and engagement activities were carried out.
- Decrease in service fees mainly due to lower Globex service fees payable to CME as a result of the decrease in number of derivatives contracts traded.

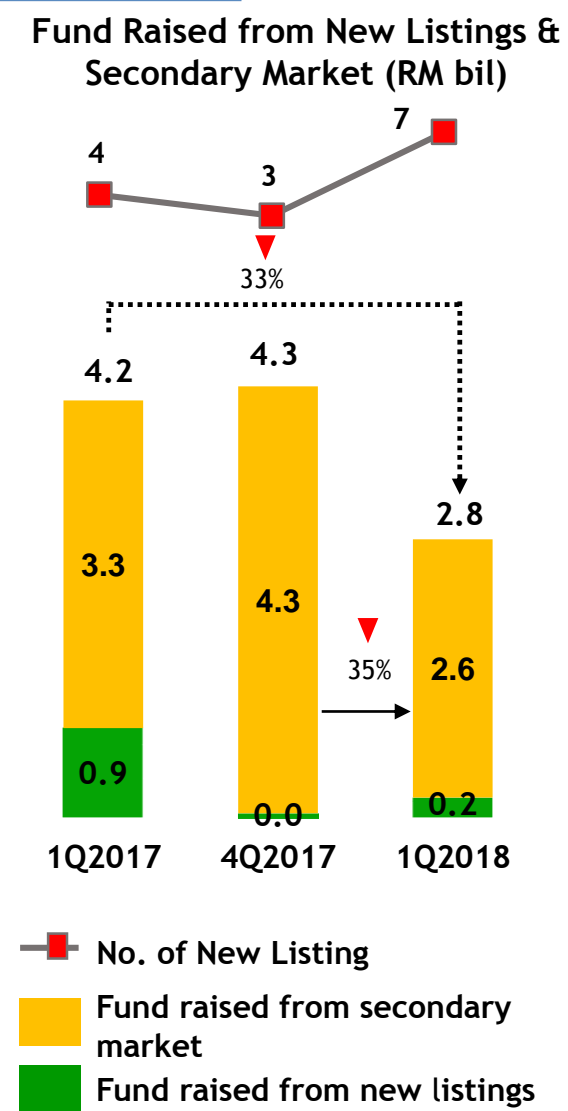
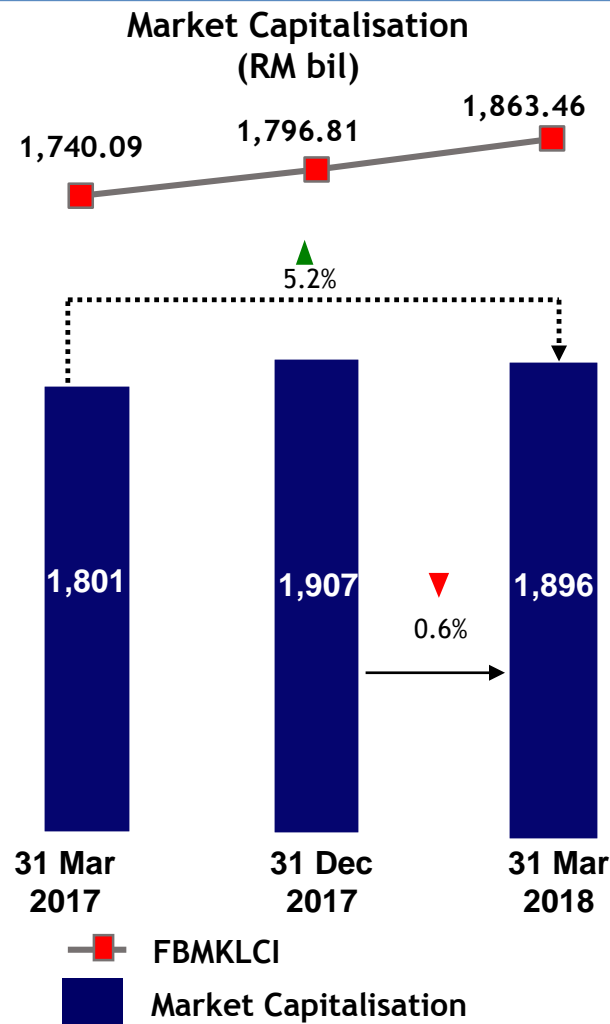
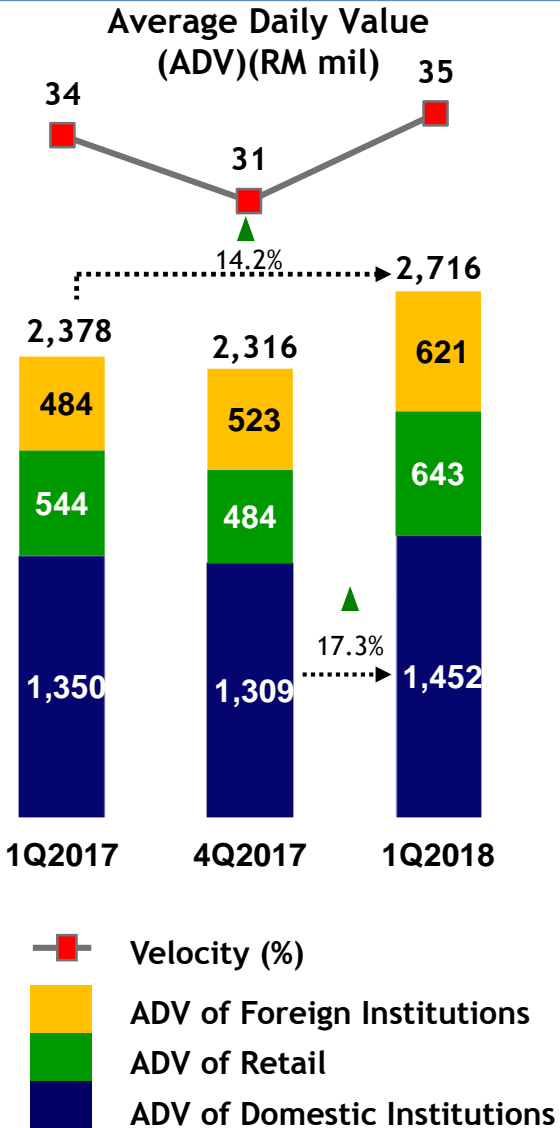
Note^ - Other operating expenses include building maintenance, administrative expenses and CDS expenses.

# Market Performance

- Securities Market Overview
- Derivatives Market Overview
- Islamic Capital Market Overview

# Securities Market Overview

Higher retail trades in 1Q18 resulting from improved market sentiments

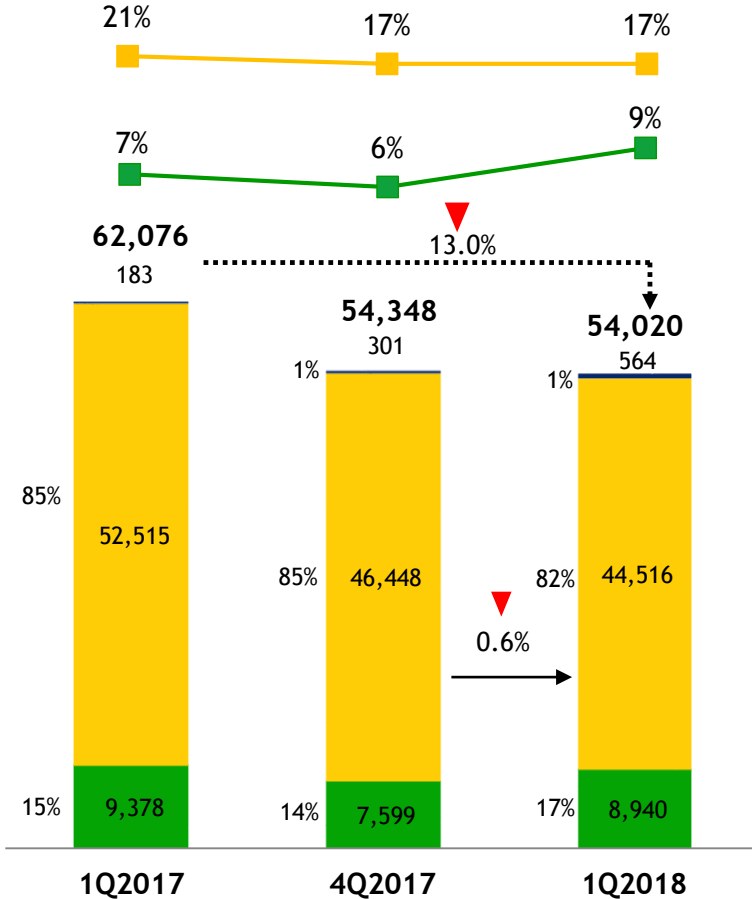




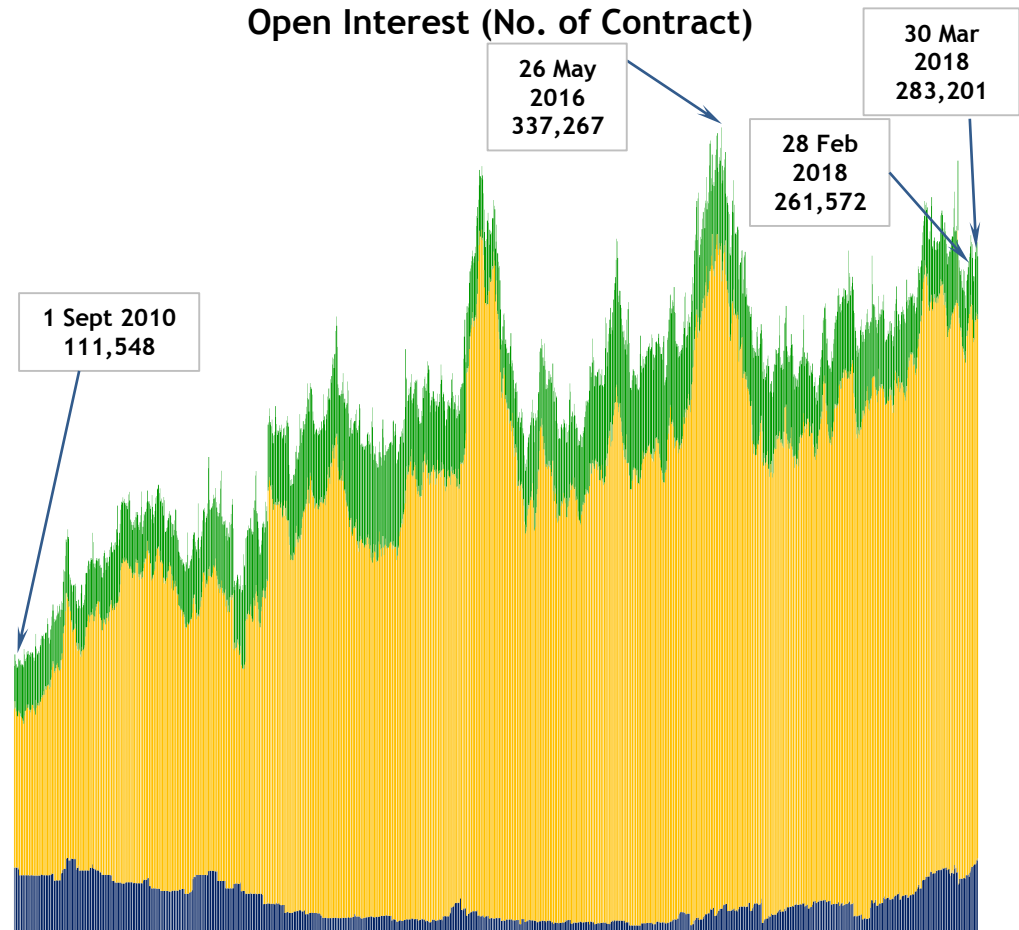
# Derivatives Market Overview

Trades influenced by the volatility of the underlying

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



### Open Interest (No. of Contract)



■ ADC - FBMKLCI Futures  
—■— Volatility of FBMKLCI Futures

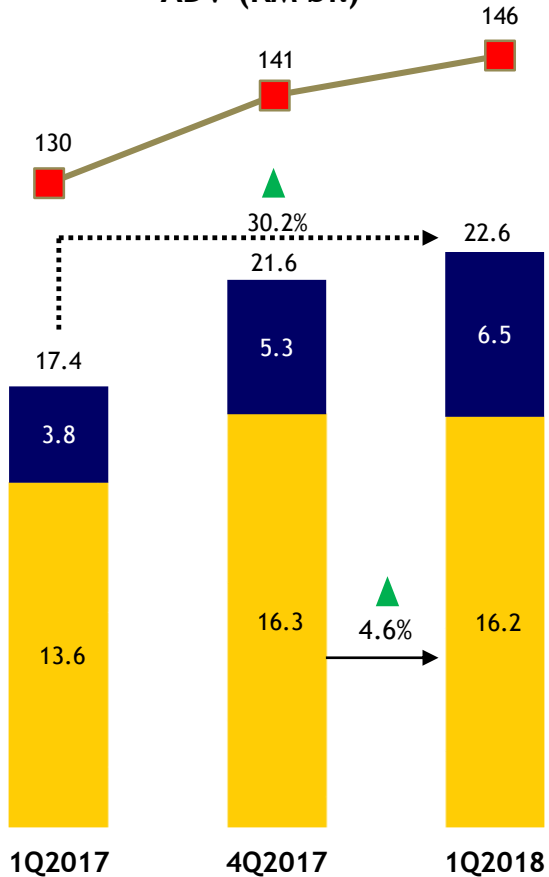
■ ADC - Crude Palm Oil Futures  
—■— Volatility of Crude Palm Oil Futures

■ ADC - Others

# Islamic Capital Market Overview

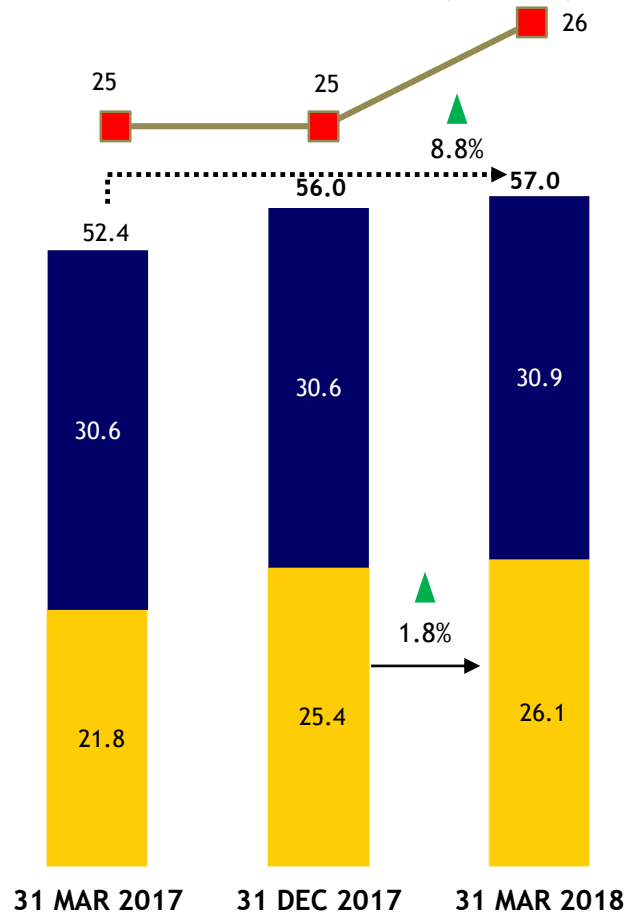
30% increase in ADV compared to 1Q2017

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



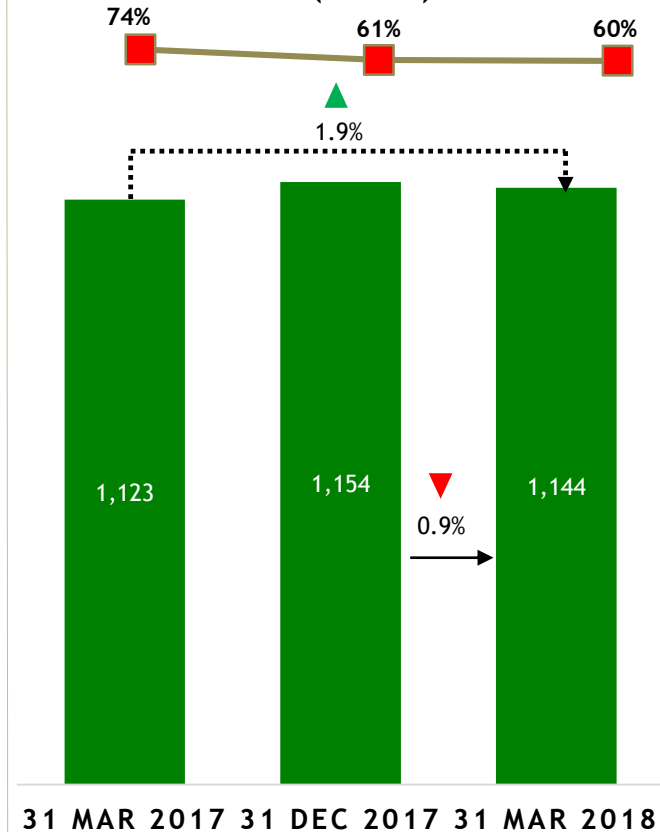
■ No. of Trading Participants  
■ Domestic ■ Foreign

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

# Conclusion

➤ Moving Forward

# Moving Forward

## SECURITIES MARKET

- The Securities Market segment is expected to be resilient, given the strong fundamentals of the economy and the continued improvements of corporate earnings into 2018.
- Trading volatilities however, may be influenced by domestic and external factors, such as monetary policy shifts in advanced economies and rising trade protectionism by major trading partners.

## DERIVATIVES MARKET

- Trading and hedging activities will continue to be influenced by volatility in commodity prices and the underlying equity market.
- The inclusion of traceability feature, extension of trading hours, tenure of contracts and position limits for FCPO contracts announced by the Exchange during the quarter will further enhance derivatives trading.

## ISLAMIC CAPITAL MARKET

- The Exchange will continue with its efforts in promoting Shariah-compliant investing on Bursa Malaysia-i platform through engagements with market players, focusing on widening the investor base.
- Bursa Suq Al-Sila', on the other hand, will continue its reach into new regions in 2018.

# Moving Forward

As part of the continuing initiatives to further enhance the vibrancy and liquidity in the equity market, the following have been introduced to-date:

- Stamp duty waiver on shares of mid and small cap companies for three (3) years from 1 March 2018 to 28 February 2021;
- Liberalisation of margin financing rules;
- Intra day short selling allowed for all investors;
- A new category of traders who trade on their own account, known as “Trading Specialists”;
- A volume-based incentive programme; and
- All new investors to be given a fee waiver on trading and clearing fees for six (6) months.

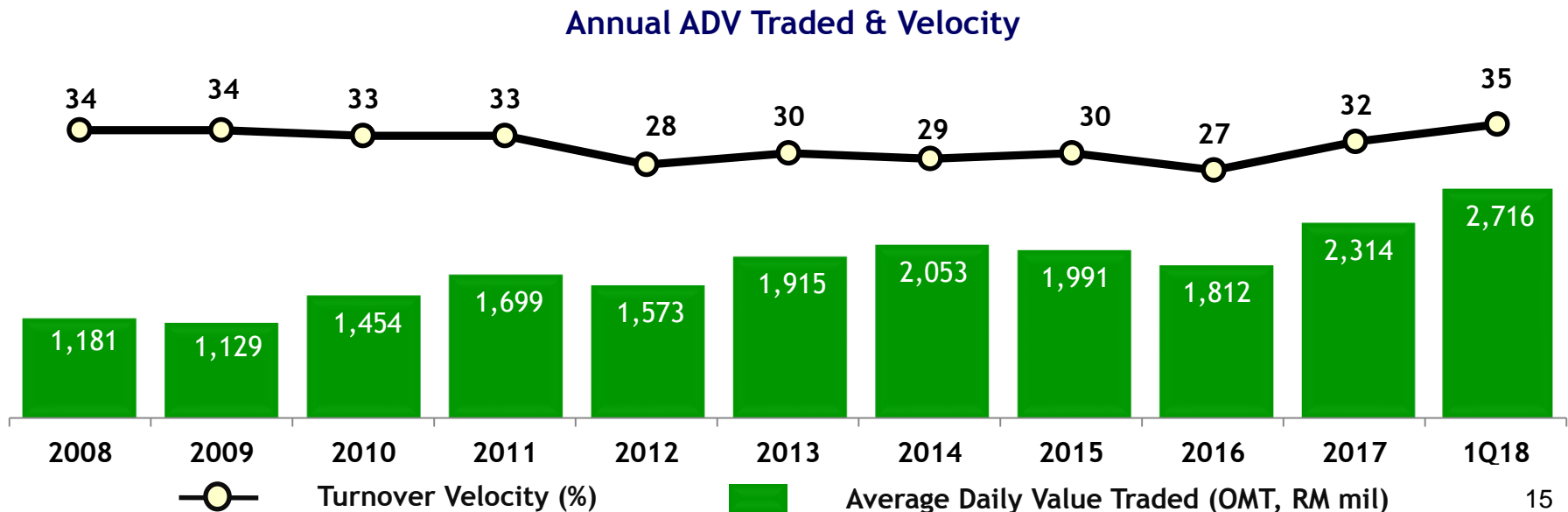
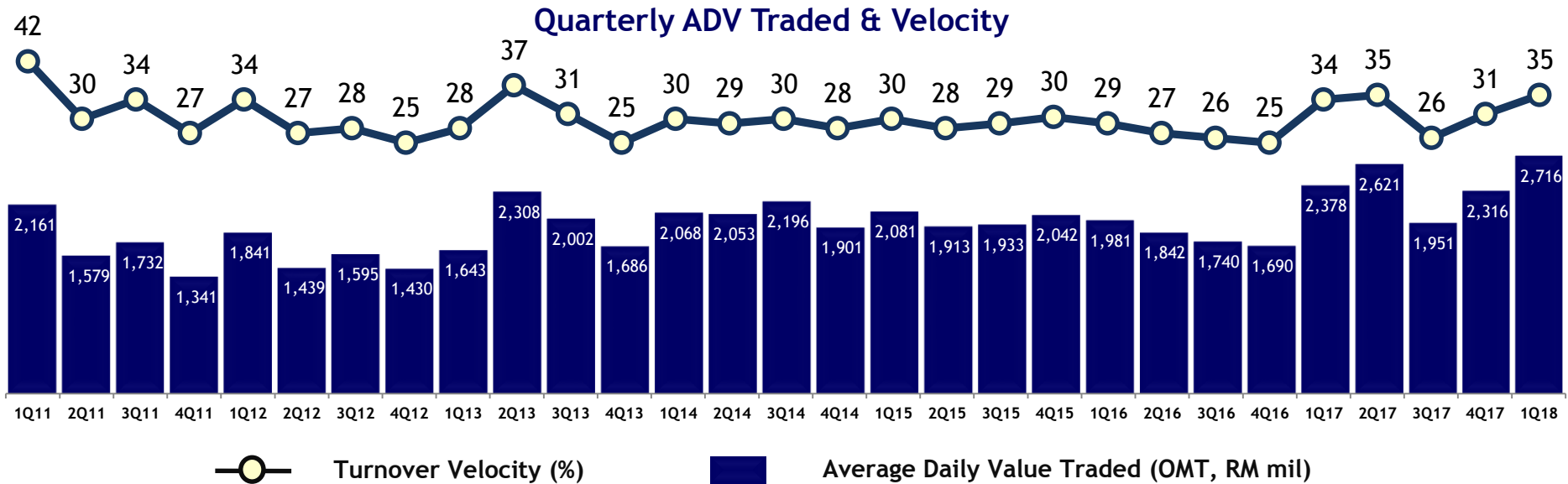
The Exchange is currently engaged in the establishment of a stock market trading link between Bursa Malaysia and Singapore Exchange. In addition, Bursa Malaysia will continue with its initiatives to enhance the breadth and depth of the ecosystem, which amongst others, through digitalisation of services, liberalisation of rules framework and greater diversification of the investor base.

With the above initiatives and barring any unforeseen circumstances, the Exchange expects the positive momentum in the market to continue and to achieve a sustainable performance for the current financial year.

# Appendices

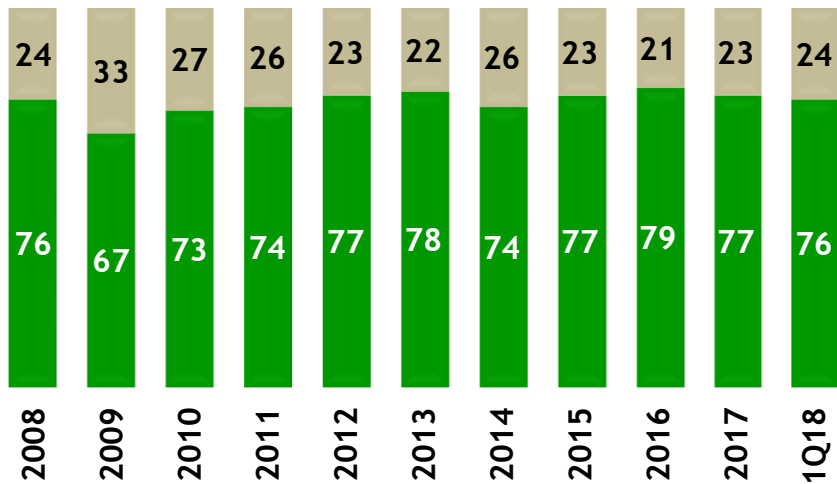
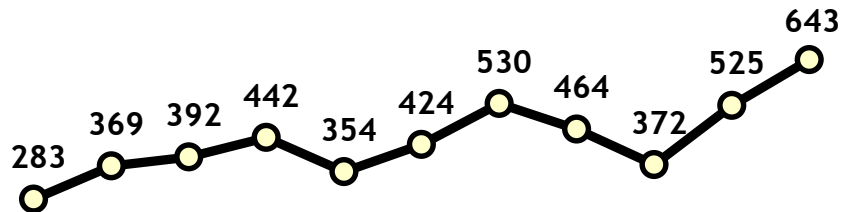
- Securities Market Trading Activity
- Securities Market Trading Participation
- Securities Market Foreign Ownership
- Foreign Inflow/Outflow
- Derivatives Market Activity
- Derivatives Market Demography
- Islamic Capital Market Activity

# Securities Market Trading Activity



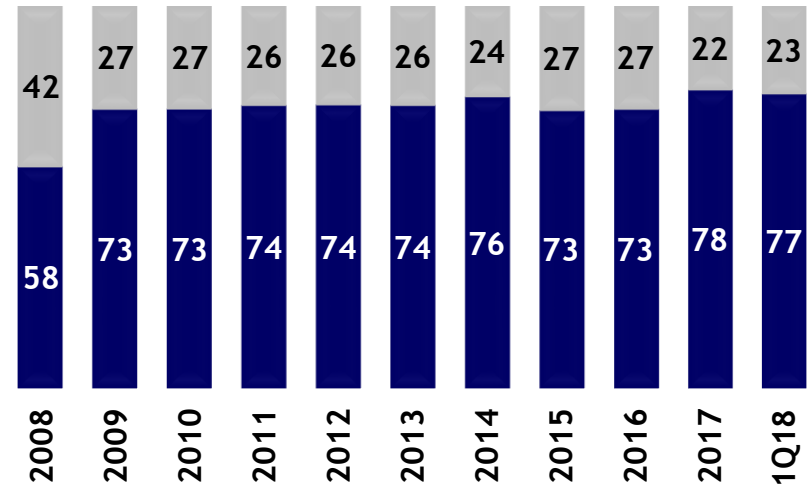
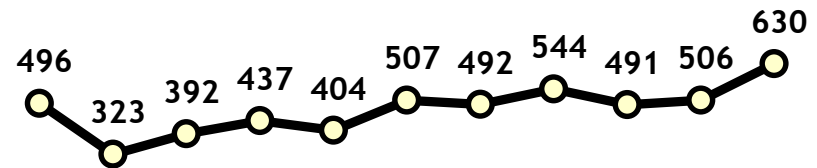
# Securities Market Trading Participation

### Retail vs. Institution



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

### Foreign vs. Local



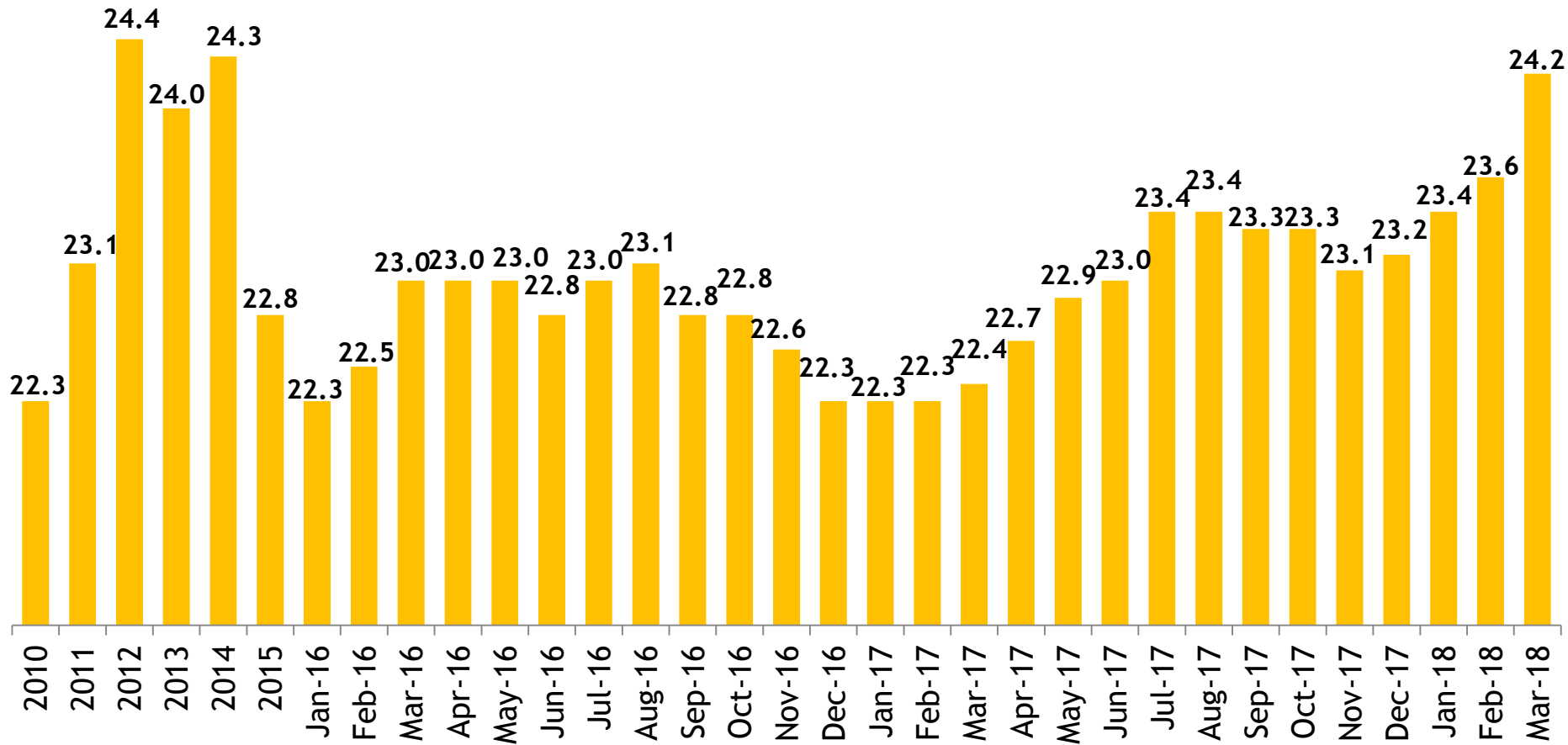
Foreign ADV Traded (RM mil)    
 Foreign (%)    
 Local (%)

From 2008 to 2009, the statistics were based on Brokers' submission. From 2010 onwards statistics were based on Bursa's internal system.



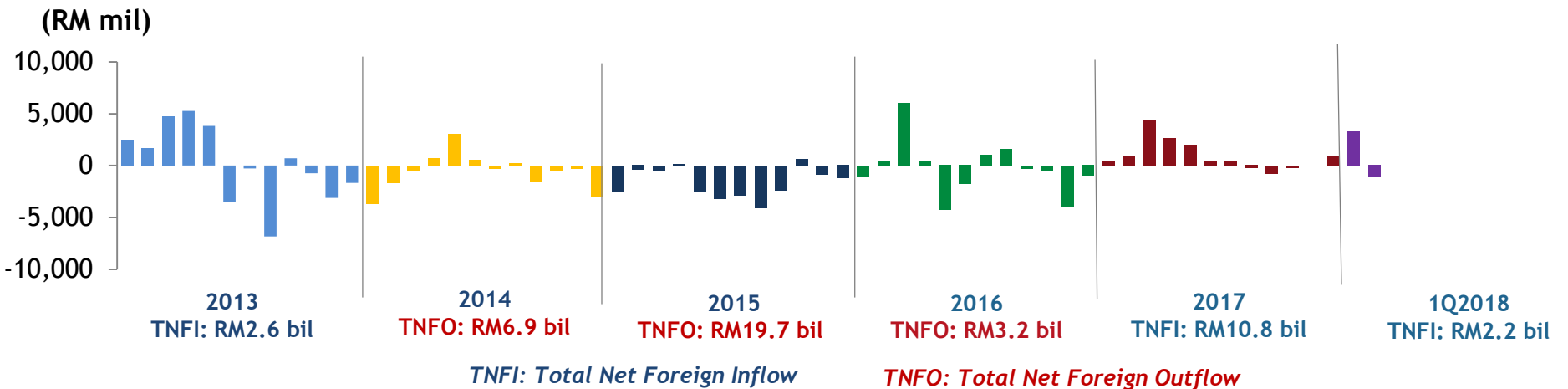
# Securities Market Foreign Ownership

Based on Market Capitalisation (%)

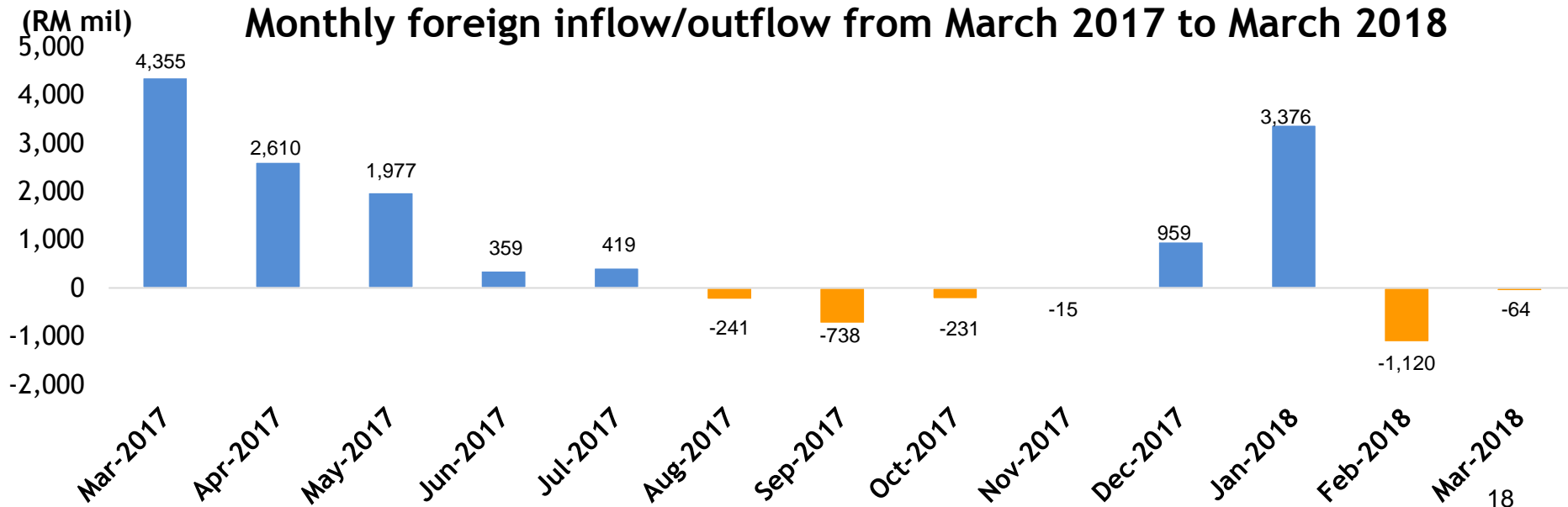


# Foreign Inflow/Outflow

## Monthly foreign inflow/outflow from 2013 to March 2018

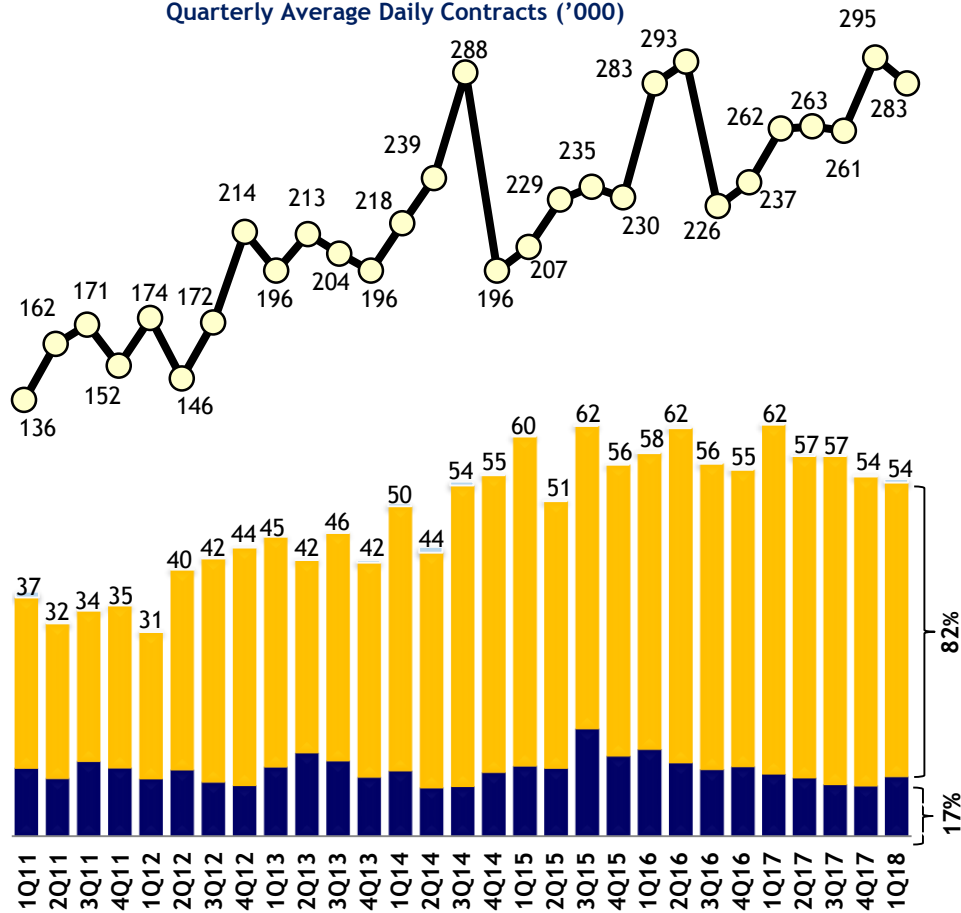


## Monthly foreign inflow/outflow from March 2017 to March 2018

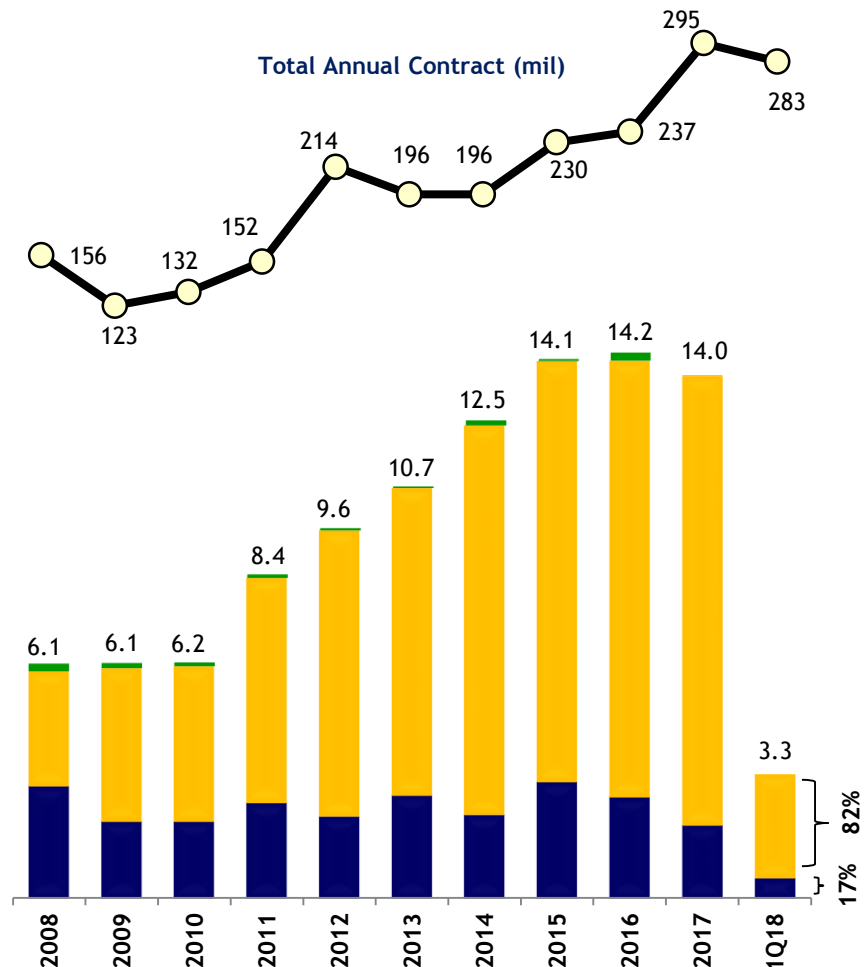


# Derivatives Market Activity

Quarterly Average Daily Contracts ('000)



Total Annual Contract (mil)



○ Open Interest ('000)

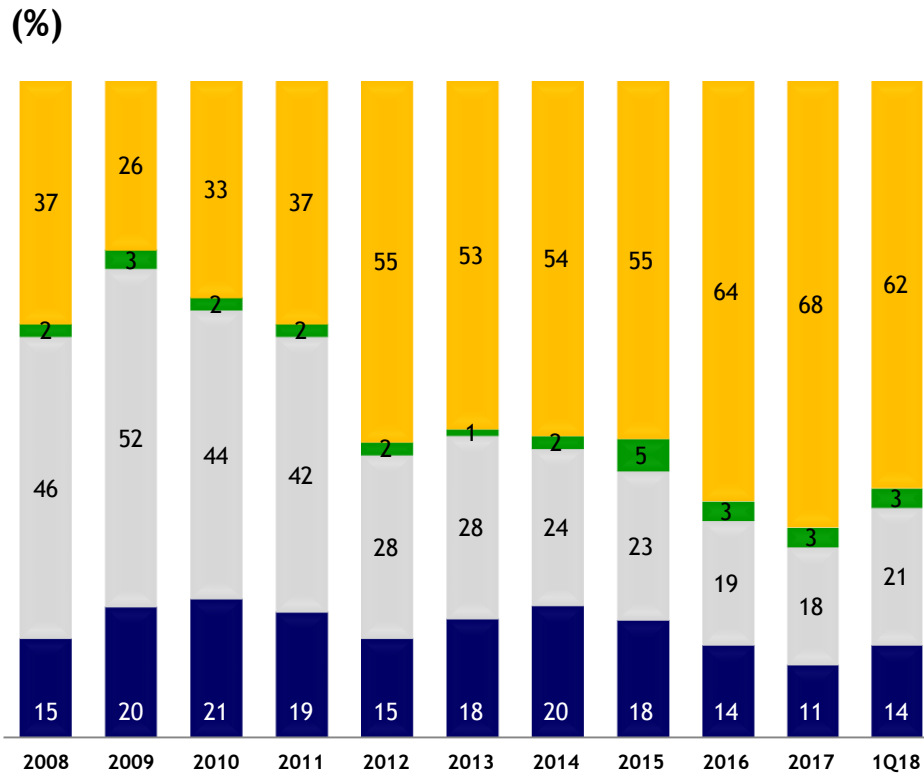
■ Others

■ Crude Palm Oil Futures

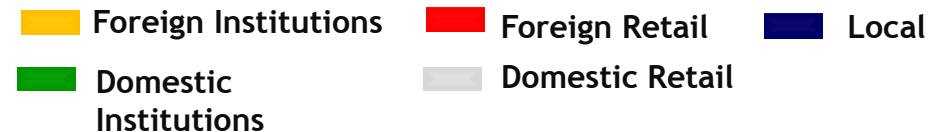
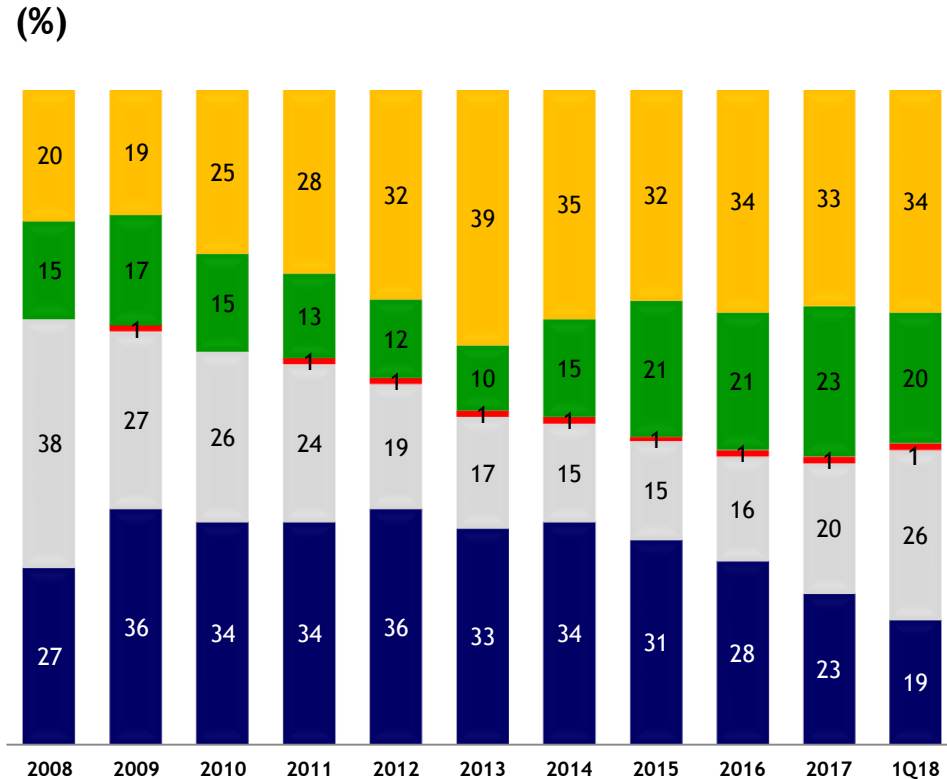
■ FBMKLCI Futures

# Derivatives Market Demography

## FKLI



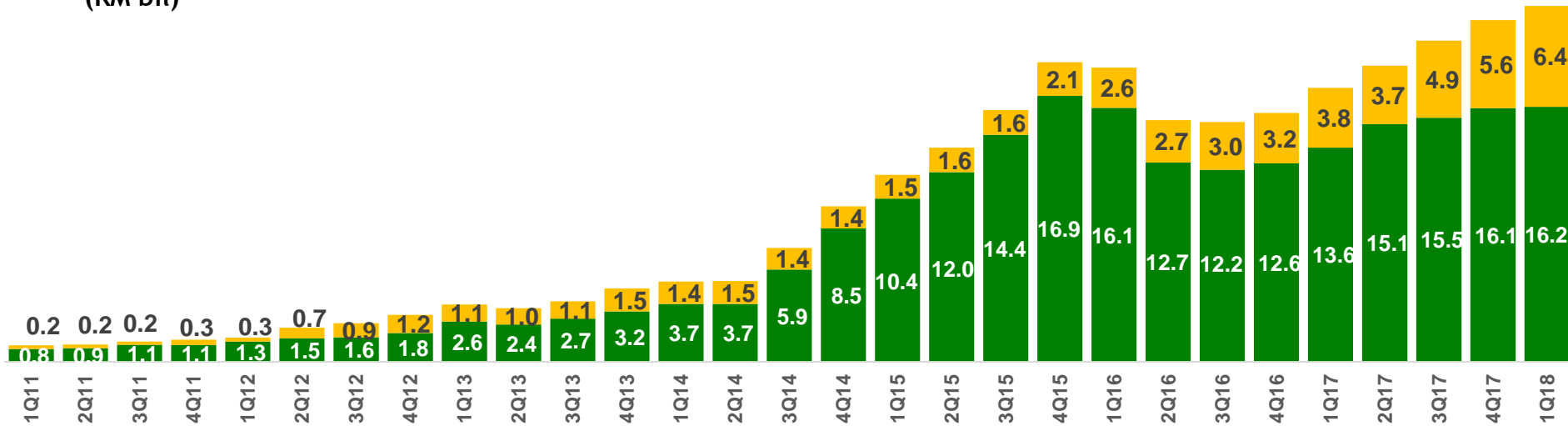
## FCPO



# Islamic Capital Market Activity

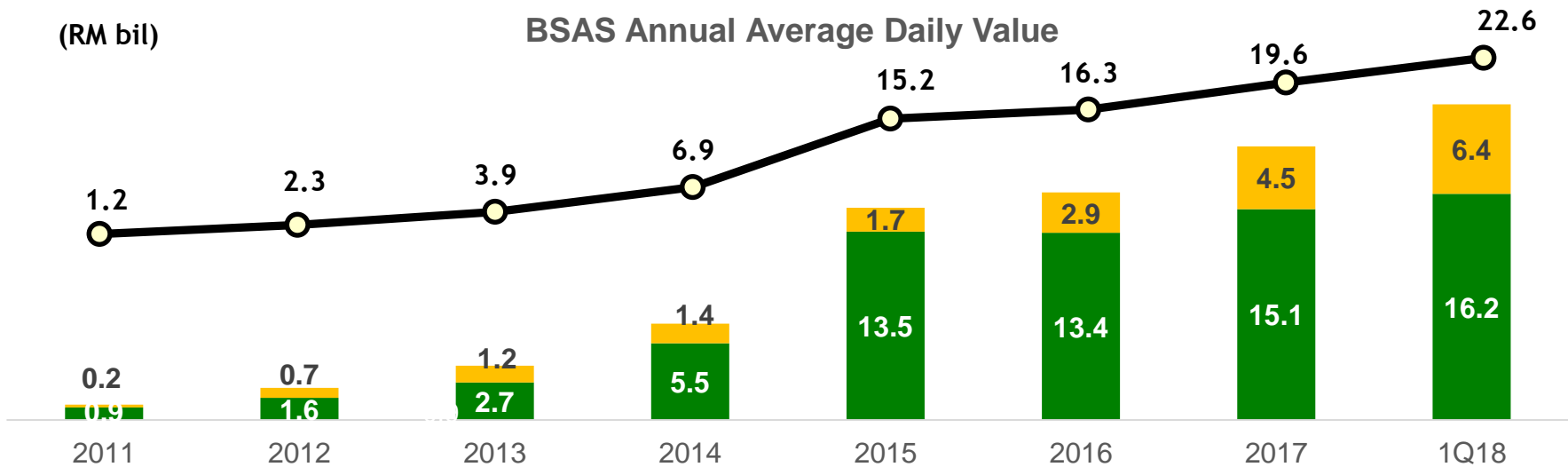
## BSAS Quarterly Average Daily Value

(RM bil)



(RM bil)

## BSAS Annual Average Daily Value



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

## INVESTOR RELATIONS CONTACT INFORMATION

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