



INCLUSIVE SUSTAINABLE

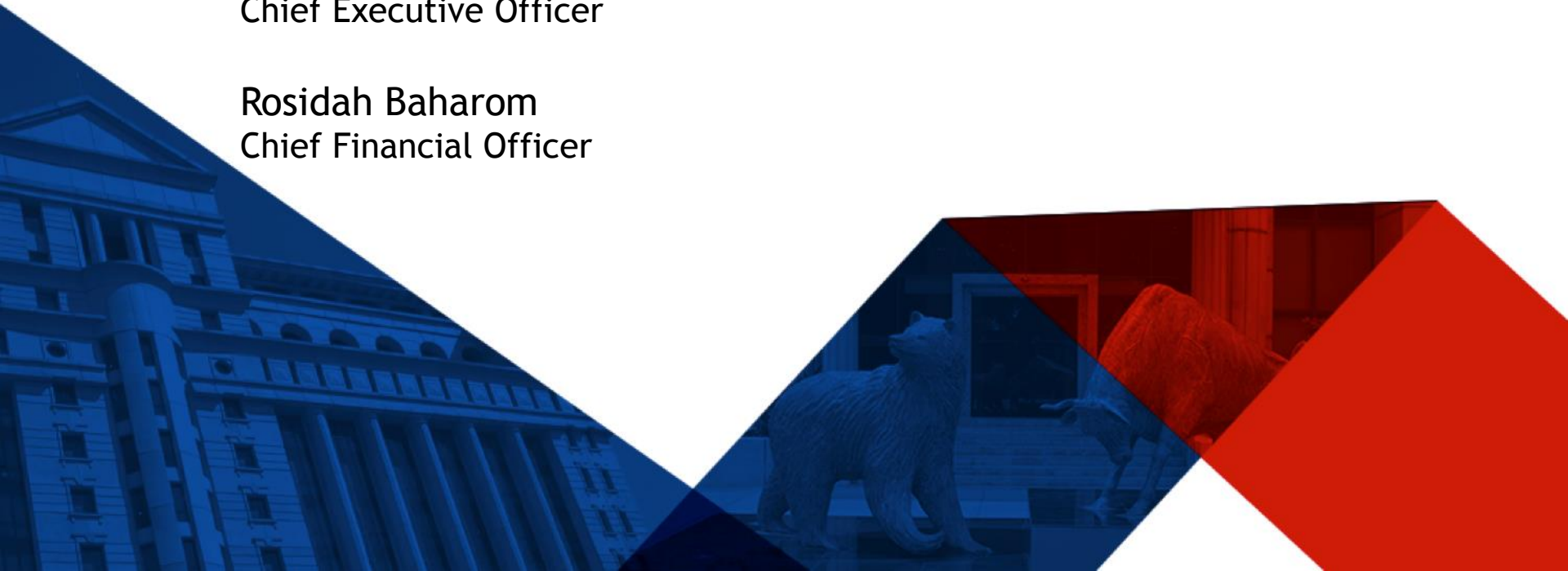
ASEAN'S
MARKETPLACE

30 January 2019

FY2018 Financial Results Analyst & Media Briefing

Datuk Seri Tajuddin Atan
Chief Executive Officer

Rosidah Baharom
Chief Financial Officer



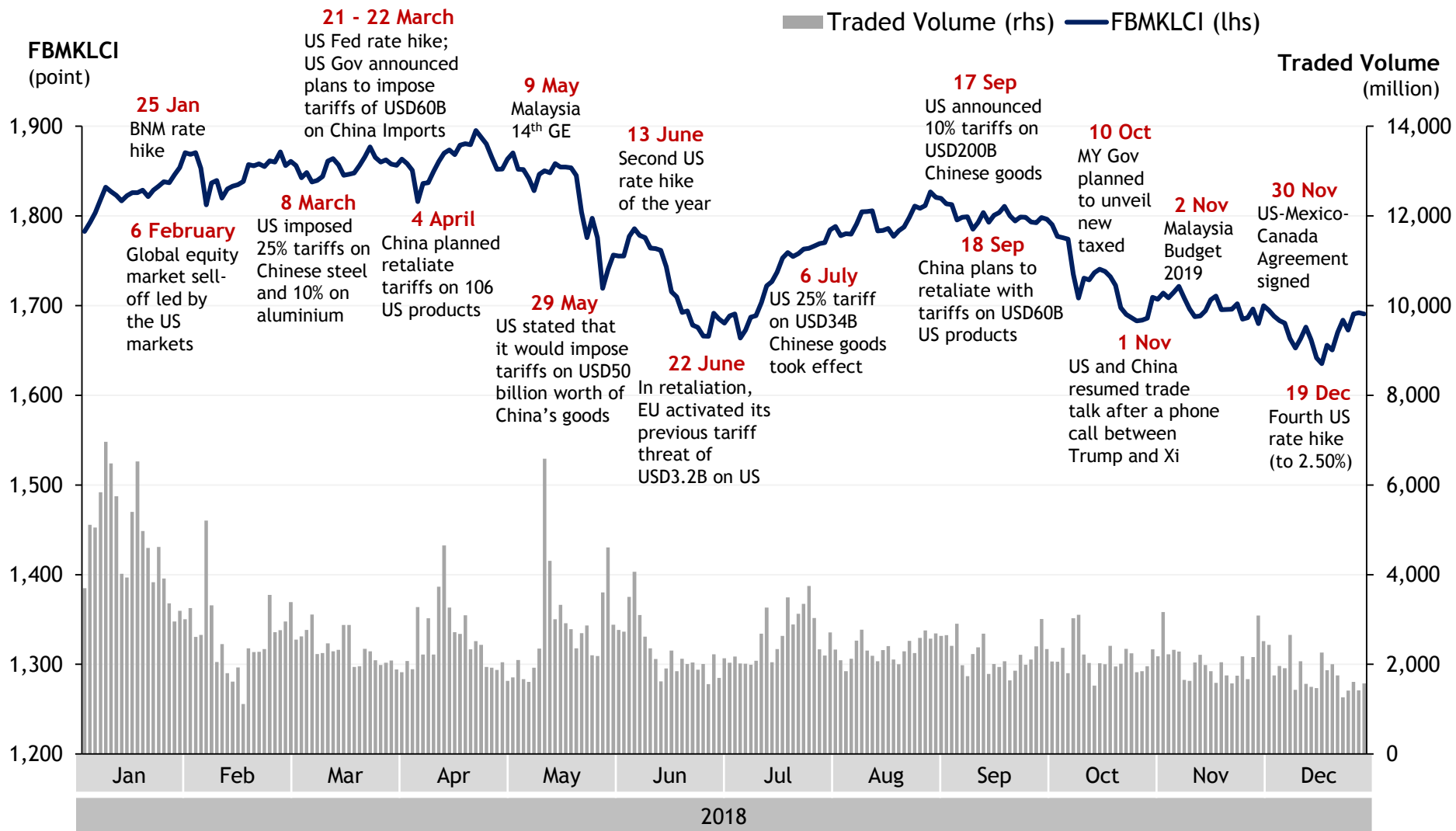
Agenda

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

Market Recap

Recapping on selected key global and local events

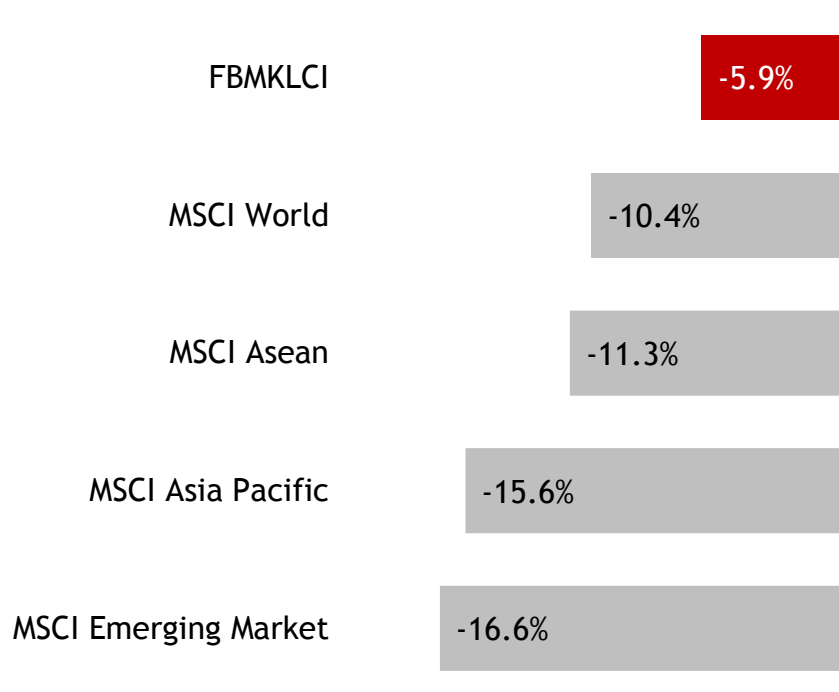
FBMKLCI Year-to-date (YTD) Performance For year 2018



FBMKLCI has been relatively resilient amid a challenging environment

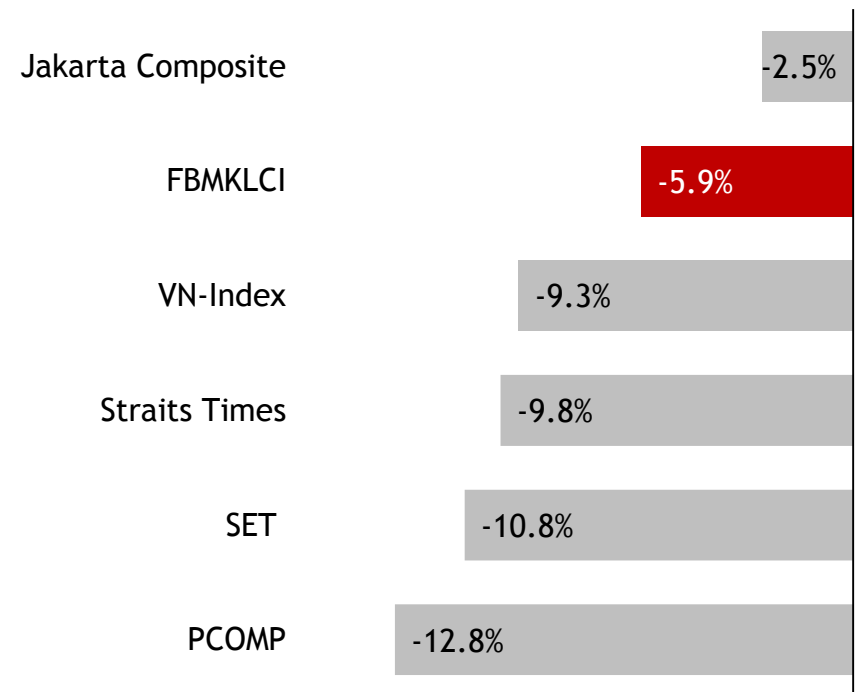
- Recapping 2018, the global equity market has suffered heavy losses, due to the various headwinds (e.g. signs of global economic slowdown, tightened monetary policy, geo-political tensions and uncertainties, the various trade wars between global superpowers, and more)

Performance of FBMKLCI against MSCI Indices YoY Growth (2018 vs 2017)



Source: Bloomberg

Performance of FBMKLCI against ASEAN Indices YoY Growth (2018 vs 2017)



Source: Bloomberg

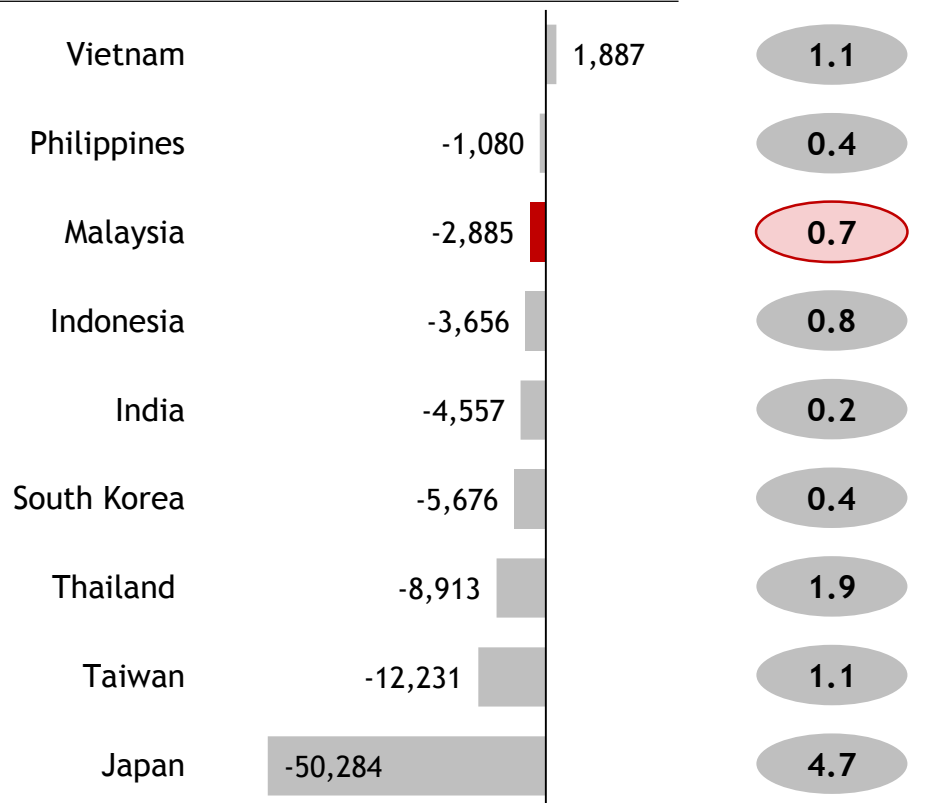
Putting foreign funds outflow into perspective..

- Amid exude of foreign funds in the Asian equity market, Malaysia's foreign outflows of USD2.9 billion is relatively small, equivalent to 0.7% of the total market capitalisation.

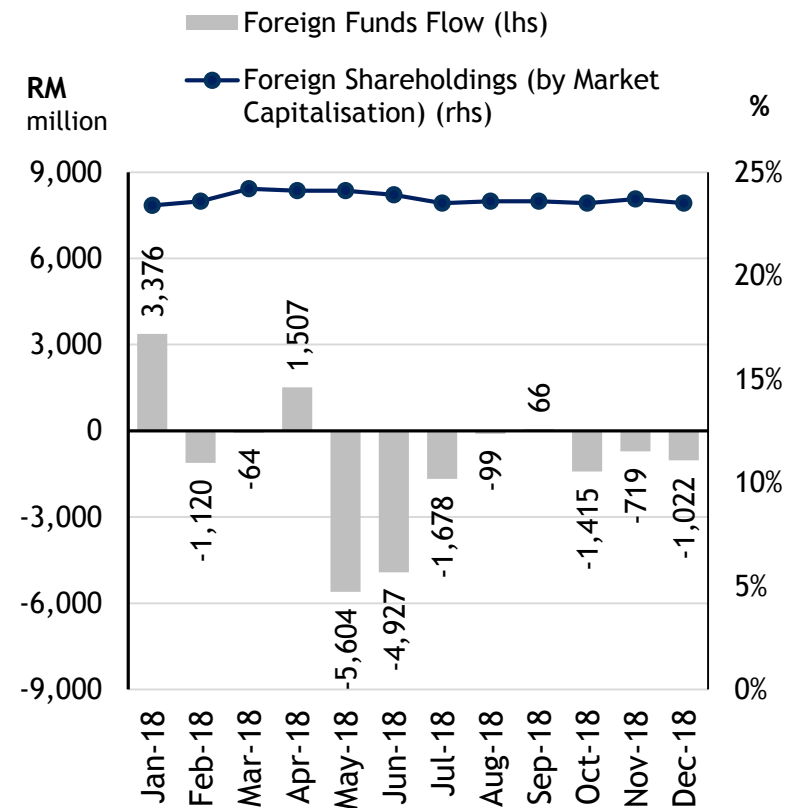
- Foreign shareholdings (by market capitalisation) have also been stable amid the exits of foreign funds.

Foreign Funds Flow (FFF) in Asian Equity Market For year 2018

% of Market Capitalisation Percentage (%)



Bursa Foreign Funds Flow vs Foreign Shareholdings For year 2018



Source: Bursa MIS

Key Financial Highlights & Market Performance

- Financial Highlights
- Financial Trends
- Securities Market Overview
- Derivatives Market Overview
- Islamic Capital Market Overview
- Dividends

Financial Highlights

Sustained financial performance despite a challenging year

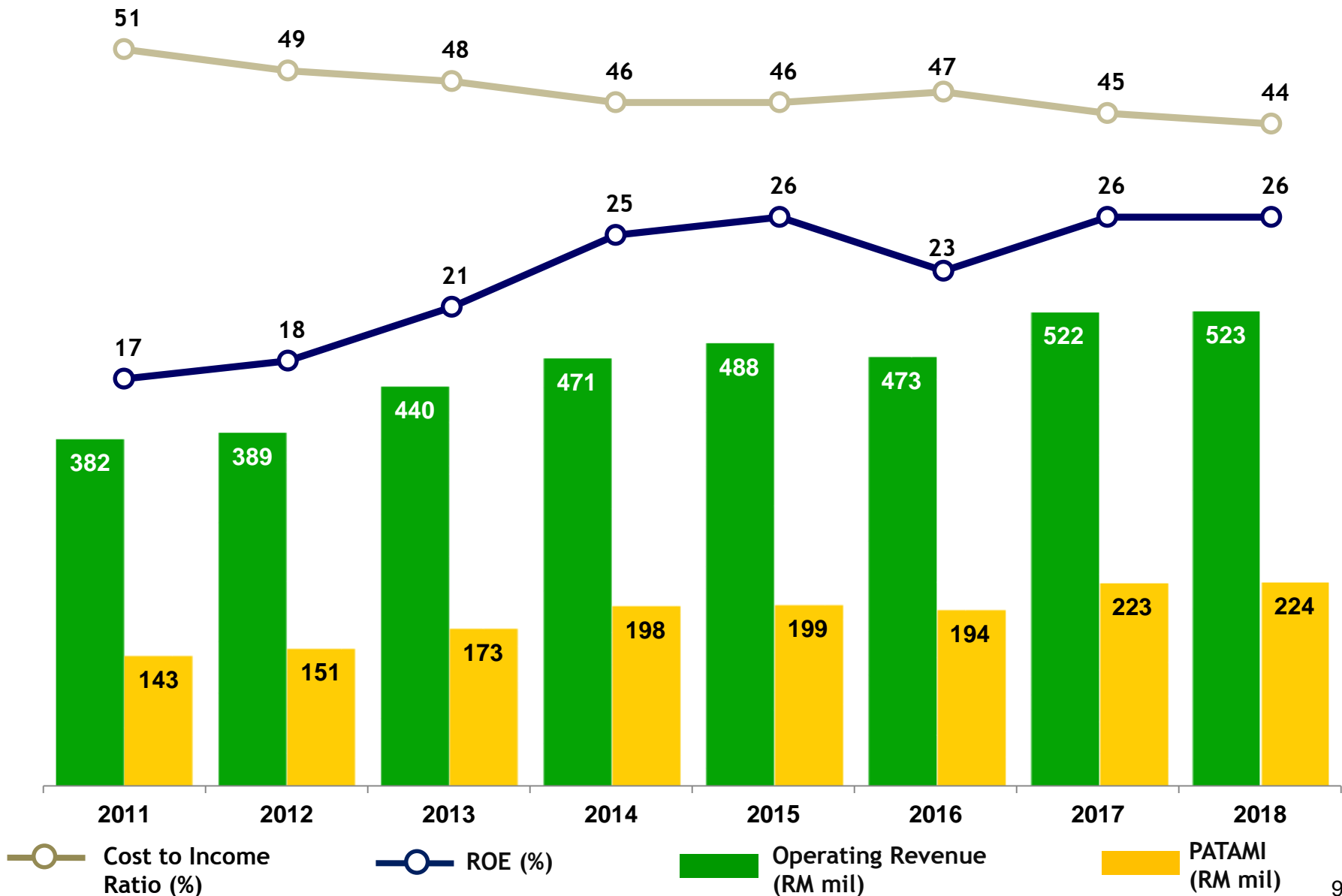
Financial Items	2018	2018 vs. 2017	4Q2018	4Q2018 vs. 4Q2017
Operating Revenue (RM million)	523.3	▲ 0.2%	121.0	▼ 6.9%
Operating Expenses (RM million)	241.3	▼ 3.6%	57.1	▼ 14.0%
PATAMI (RM million)	224.0	▲ 0.4%	51.9	▼ 6.2%
EPS (sen)	27.8	▲ 0.4%	6.4	▼ 7.2%
Cost to Income Ratio	44%	▼ 1 percentage point	44%	▼ 3 percentage points
Annualised ROE	26%	↔	25%	▼ 2 percentage points

2018 vs. 2017:

- Increase in operating revenue contributed by higher trades in Securities Market. The increase was partially offset by lower revenue from Derivatives Market.
- Operating expenses decreased mainly due to lower technology costs.
- Cost to income ratio improved by 1 percentage point while ROE remained the same.
- Second interim dividend of 11.6 sen, equivalent to 92% payout to be paid on 28-Feb-2019.

Financial Trends

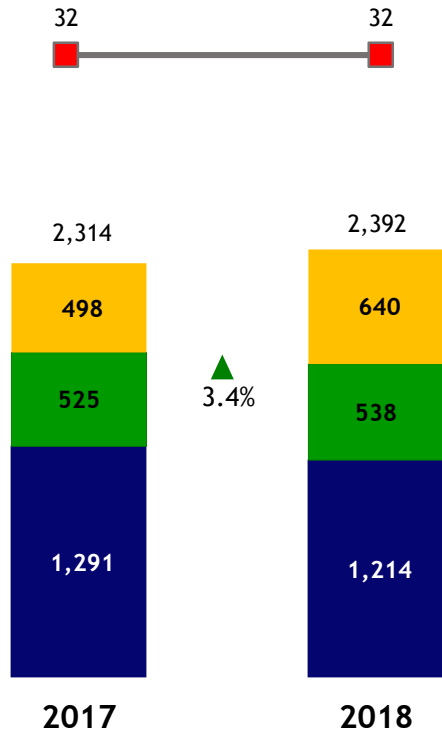
Continuous improvement in key financial indicators



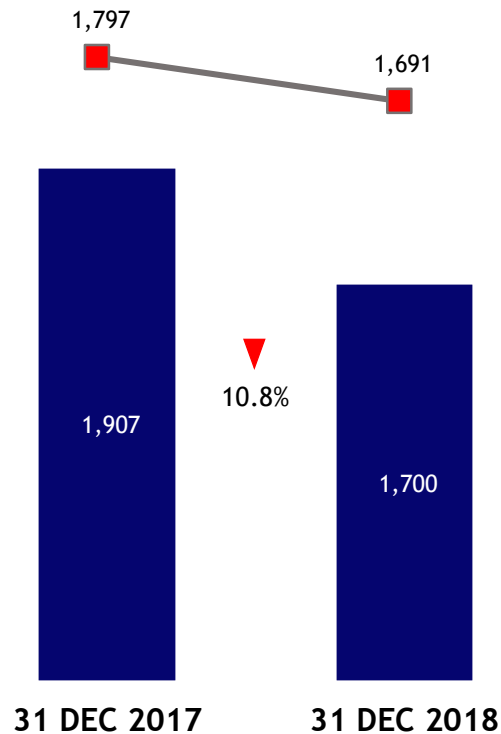
Securities Market Overview

Higher ADV supported by strong performance in the first 9 months of 2018

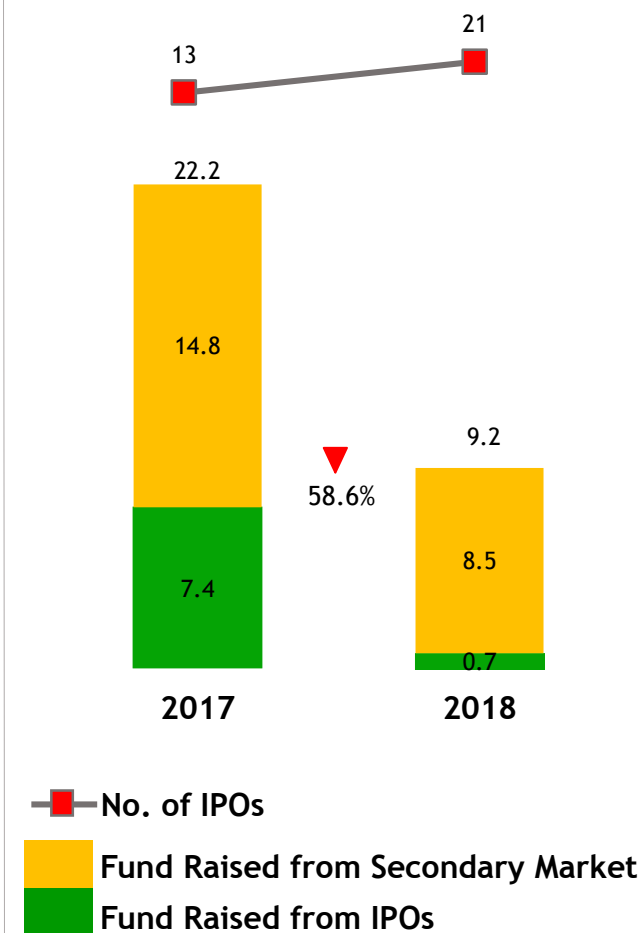
Average Daily Value (“ADV”) (OMT)(RM mil)



Market Capitalisation (RM bil)



Fund Raised from IPOs & Secondary Market (RM bil)



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

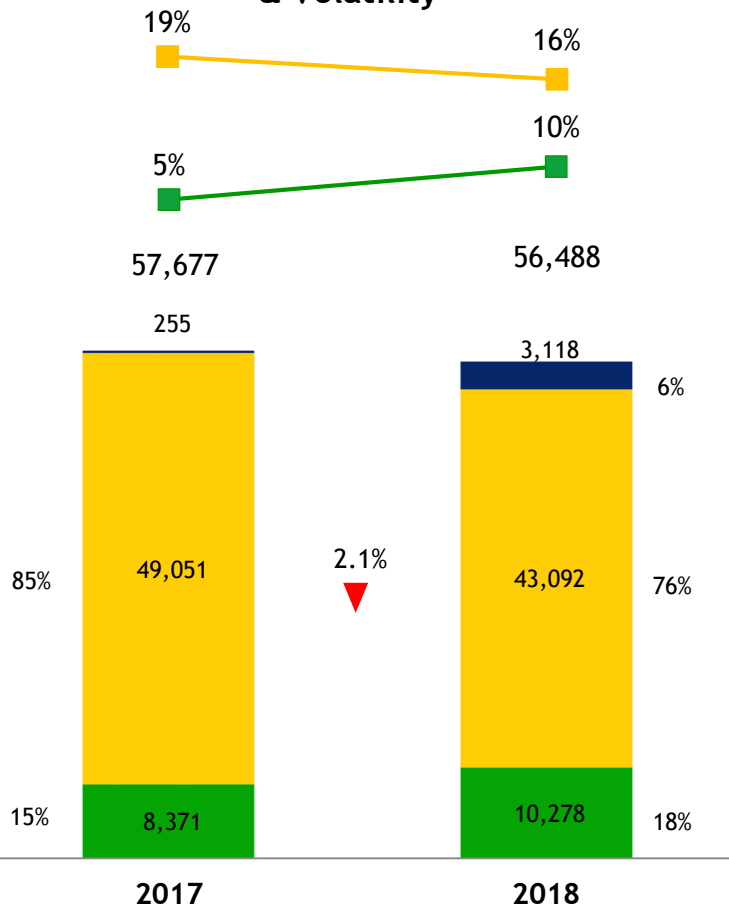
- FBMKLCI
- Market Capitalisation

- No. of IPOs
- Fund Raised from Secondary Market
- Fund Raised from IPOs

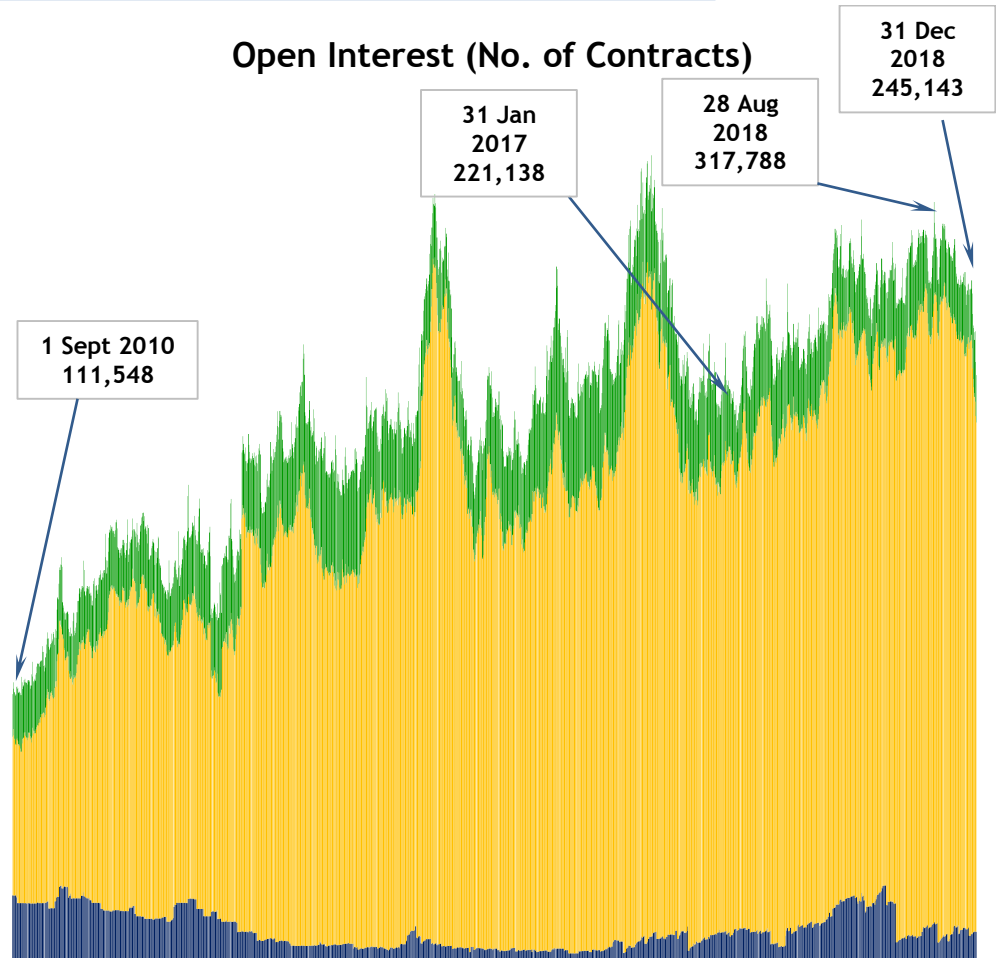
Derivatives Market Overview

Lower FCPO trades influenced by lower volatility in CPO prices

Average Daily Contracts (“ADC”) & Volatility



Open Interest (No. of Contracts)



■ ADC - FBMKLCI Futures
—■— Volatility of FBMKLCI

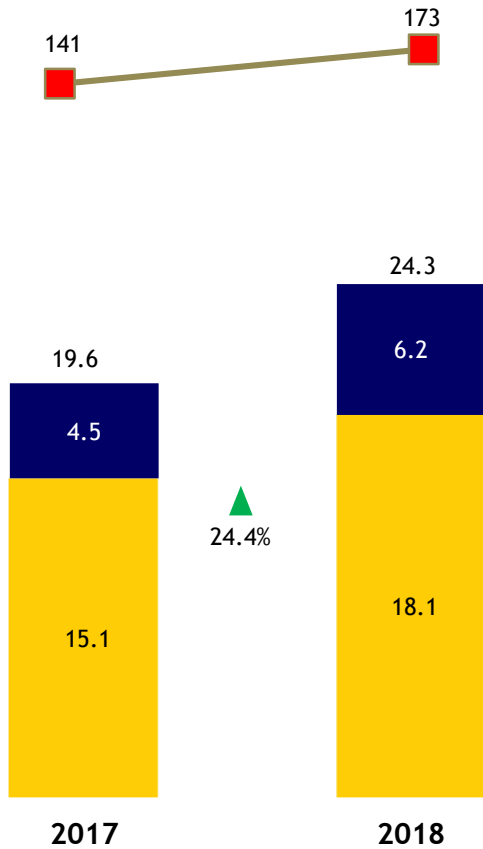
■ ADC - Crude Palm Oil Futures
—■— Volatility of Crude Palm Oil Prices

■ ADC - Others

Islamic Capital Market Overview

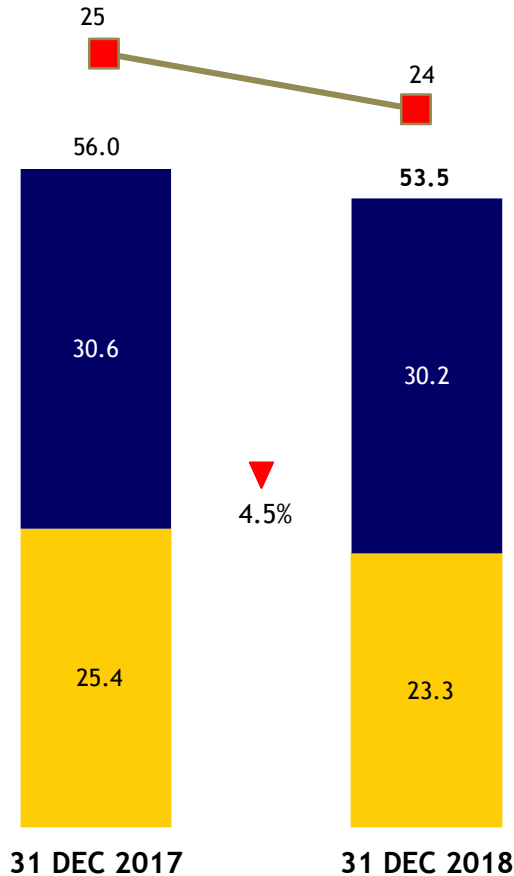
Higher trades under volume-based pricing scheme

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



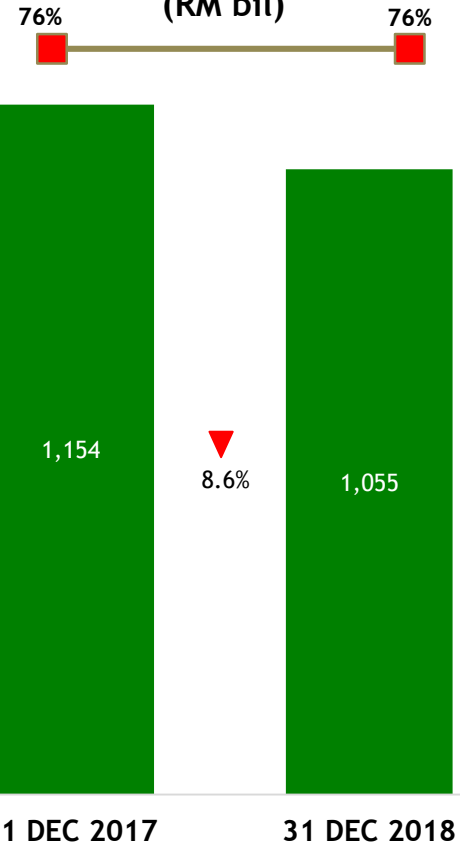
■ No. of Trading Participants
 ■ Domestic ■ Foreign

Value of Listed Sukuk (USD bil)



■ No. of Sukuk
 ■ Domestic ■ Foreign

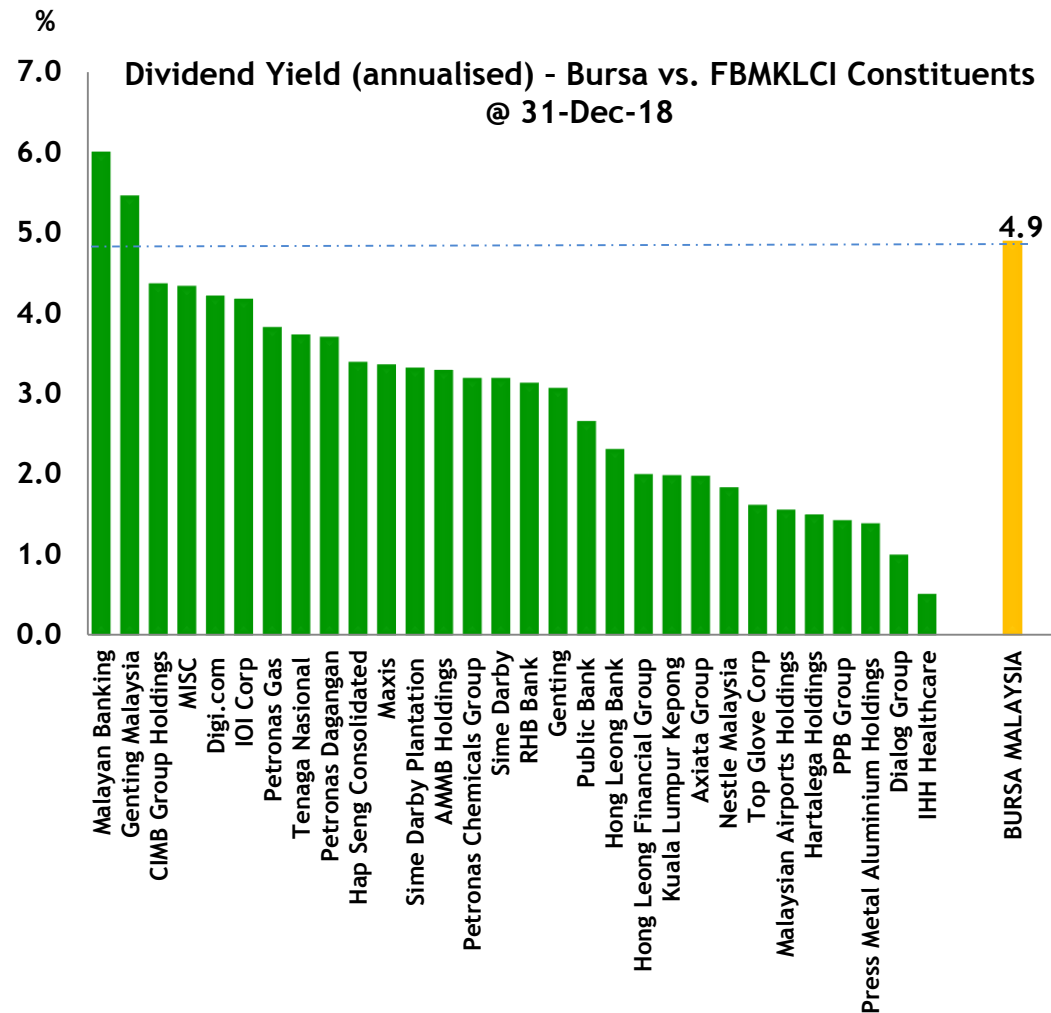
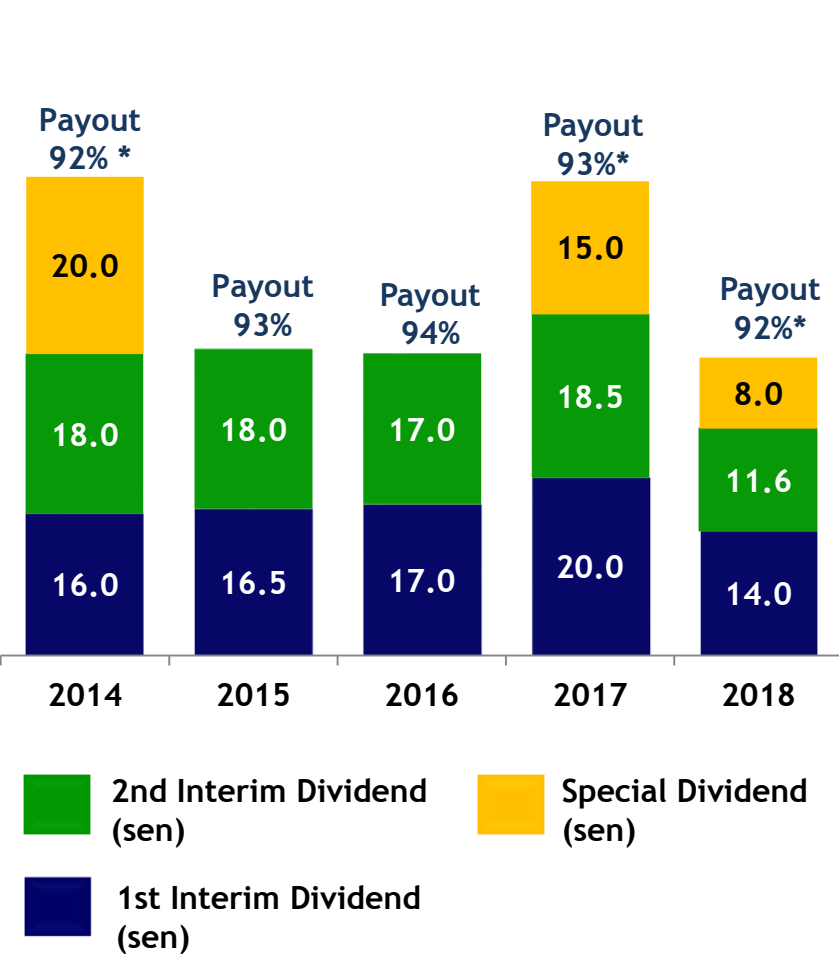
Market Capitalisation of
Shariah Compliant Stocks
(RM bil)



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

Dividends

Total dividend of 33.6 sen for FY2018 was declared



Source: Bloomberg and Bursa Malaysia

Declared second interim dividend of 11.6 sen. The entitlement and payment dates are on the 19th and 28th of February 2019 respectively.

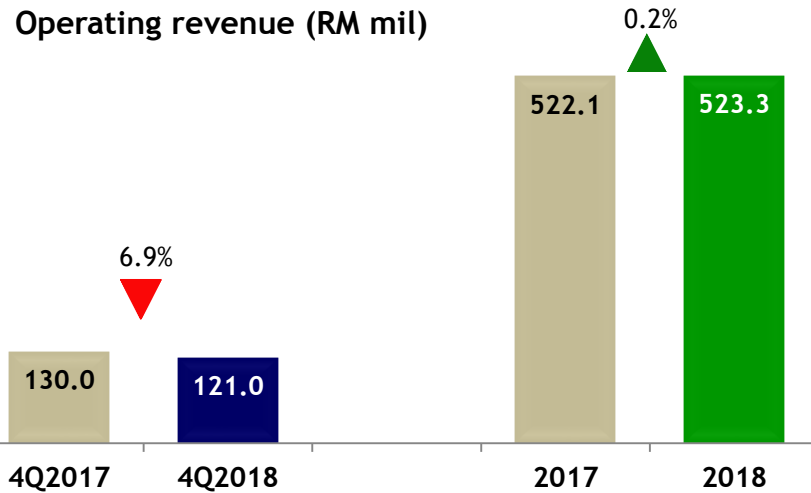
Financial Review

- Financial Snapshot
- Operating Revenue
- Operating Expenses

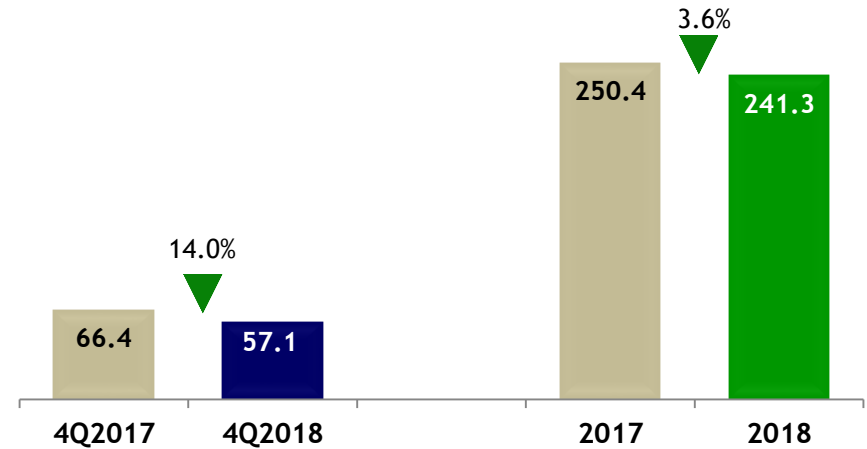
Financial Snapshot

Stable performance in 2018 results

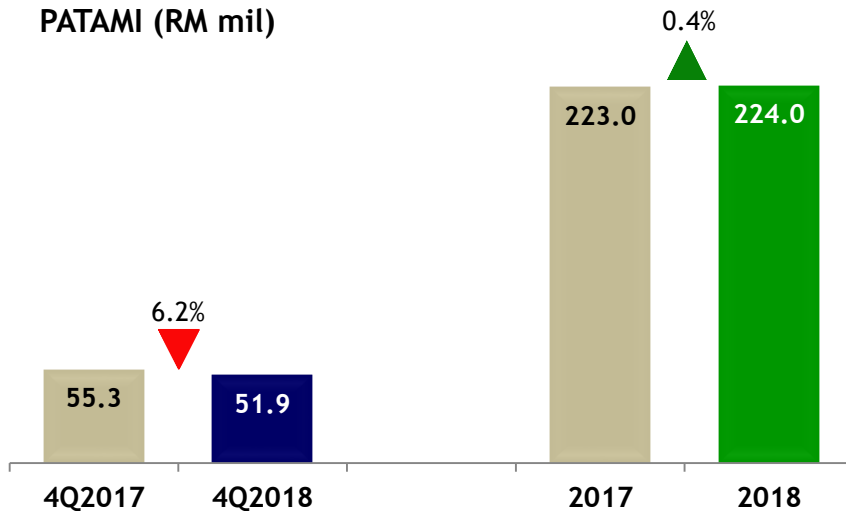
Operating revenue (RM mil)



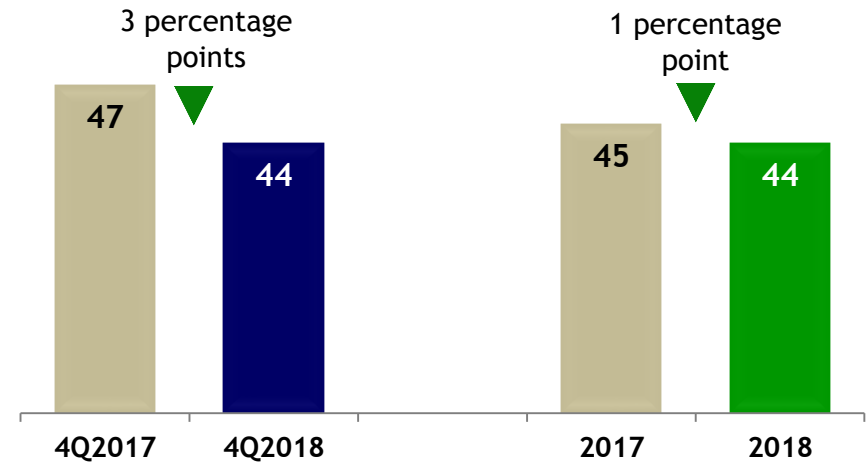
Operating expenses (RM mil)



PATAMI (RM mil)

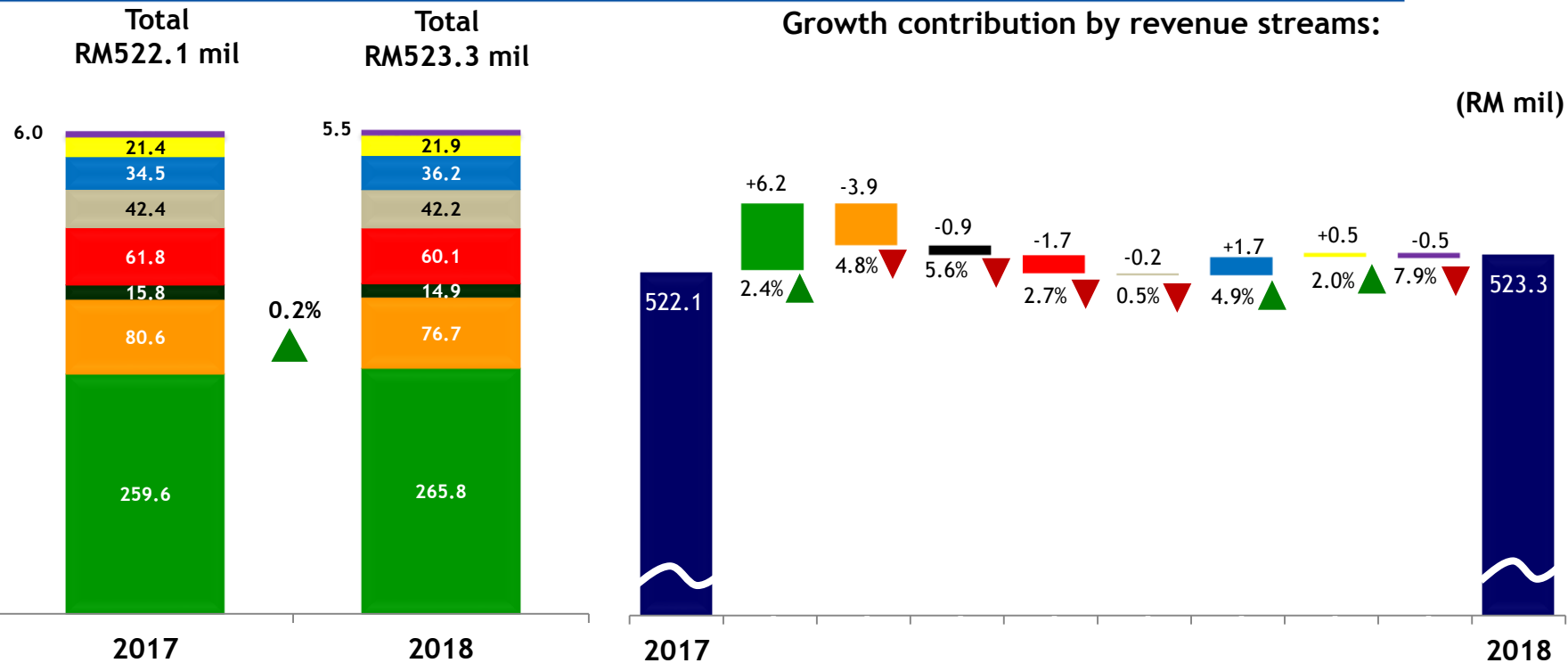


Cost to income ratio (%)



Operating Revenue

Growth from Securities Trading revenue while Non-Trading revenue remain stable

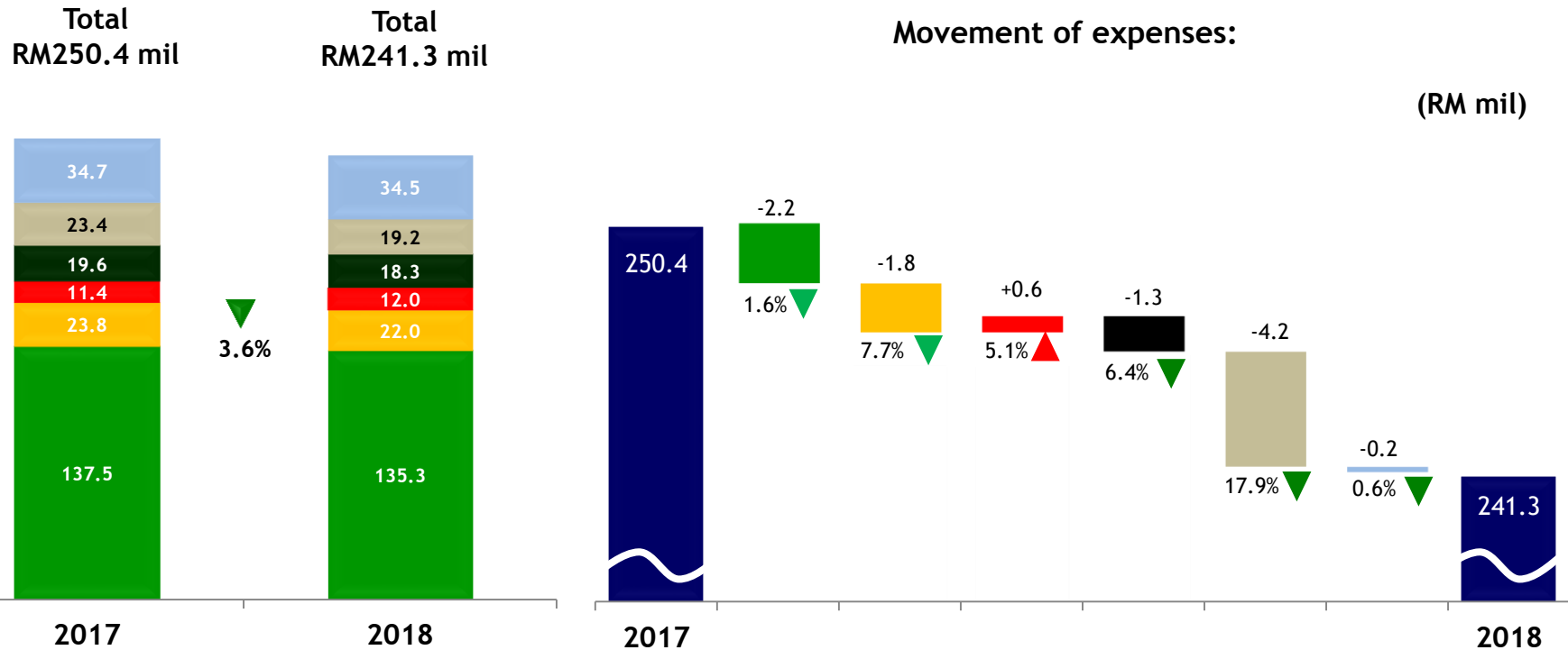


- Securities Trading Revenue
- Derivatives Trading Revenue
- BSAS Trading Revenue
- Listing & Issuer Services
- Depository Services
- Market Data
- Member Services & Connectivity
- Conference Fee & Exhibition Related Income

- Increase in Securities Trading Revenue from higher ADV-OMT.
- Higher Market Data revenue due to increase in number of subscribers.
- Decrease in Derivatives Trading Revenue due to lower number of ADC.
- Lower BSAS Trading Revenue despite growth in its ADV due to the impact of volume-based pricing.

Operating Expenses

Reduction in technology costs and lower manpower costs



- Staff Costs
- Depreciation & Amortisation
- Marketing & Development
- IT Maintenance
- Service Fees
- Other Operating Expenses^

- Lower Depreciation as certain IT assets have fully depreciated.
- Decrease in Service Fees due to lower Globex fees resulting from lower number of derivatives contracts traded.

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

Highlights & Conclusion

- Highlights of 2018 Initiatives
- Moving Forward

Highlights of 2018 Initiatives

SI 1

Create a More Facilitative TRADING ENVIRONMENT

- Implementation of Intra Day Short Selling (IDSS) for all investors.
- Introduction of a new category of traders known as “trading specialists” who trade on their own account.
- Launched the “Invest Bursa, Invest in You” campaign.
- Expanded Green Lane incentives to reward companies for good corporate governance and disclosure practices.

SI 2

Facilitate More TRADABLE ALTERNATIVES

- Enhancements of FCPO contract.
- Introduced enhanced US Dollar denominated Palm Olein Futures Contract (FPOL).
- Launched the Mini FTSE Bursa Malaysia Mid 70 Index Futures Contract (FM70).

SI 3

Reshape MARKET STRUCTURE & FRAMEWORK

- Waiver on trading and clearing fees for 6 months for new individual investors.
- Liberalisation of margin financing rules.
- Introduction of volume-based incentive programme.
- Launched BURSASUSTAIN, a comprehensive online portal designed as a one-stop knowledge and information hub on corporate governance and sustainability.
- Announced new sector classification and sectorial index series.
- Enhanced ETF Framework to spur further growth and innovation in the market.

SI 4

REGIONAL MARKETPLACE with Global Access (Centre of ASEAN)

- Organised the Palm and Lauric Oils Price Outlook Conference & Exhibition 2018.
- Organised the Shariah Investing Fair 2018.

Moving Forward

SECURITIES MARKET

- The Securities Market performance in 2019 is expected to be influenced by domestic and global developments such as Malaysia's corporate earnings results, United States-China trade tension and China's economic growth, amongst others.
- Nevertheless, the market is expected to continue to be resilient given the country's sound economic fundamentals, and the market's diversified economic sectors and investor base.

DERIVATIVES MARKET

- Developments in global markets in 2019 will have an impact on commodities, equities and financial assets which will influence trading and hedging activities.
- The ongoing initiatives to attract new participants is expected to further broaden the derivatives trading community.

ISLAMIC CAPITAL MARKET

- With the continuous engagement and effective marketing efforts carried out in 2018, the Exchange expects greater participation of institutional investors on the Bursa Malaysia-*i* platform.
- Bursa Suq Al-Sila', on the other hand, will continue to be expanded in its global reach into selective African and Central Asian countries as well as its services being promoted to local non-bank financial institutions.

Notwithstanding the challenges ahead, Bursa Malaysia will continue with its initiatives to enhance the breadth and depth of the ecosystem through, amongst others, capitalising on technology to improve market efficiency and trading experience, and greater diversification of the investor base.

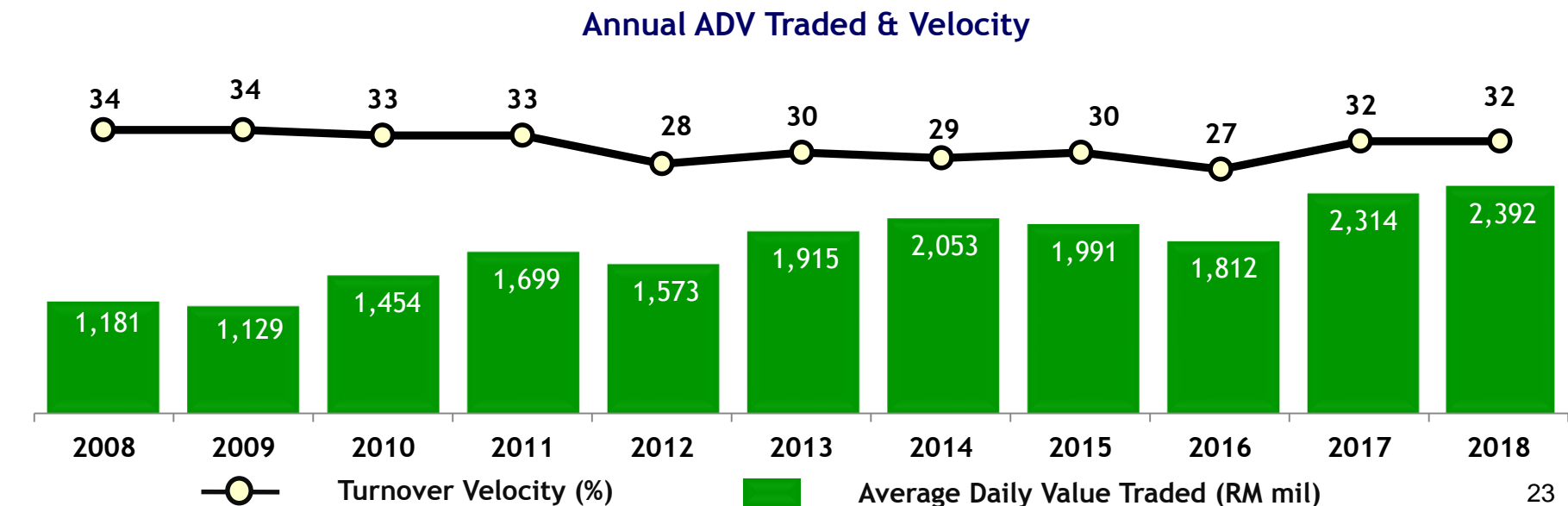
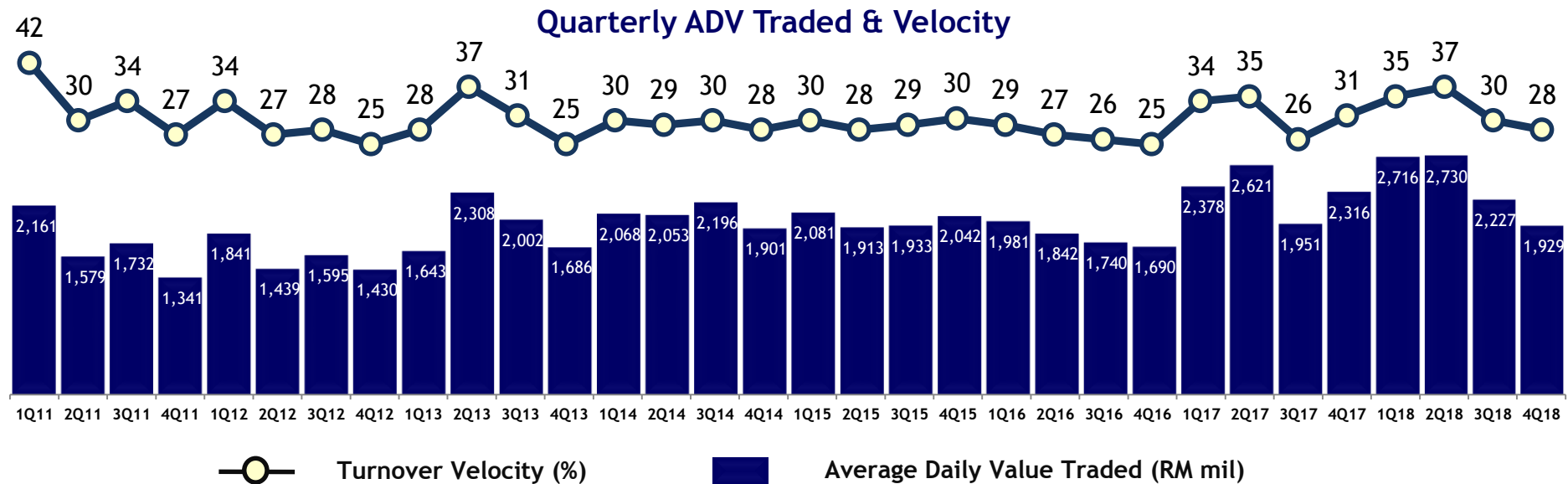
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Q&A

Appendices

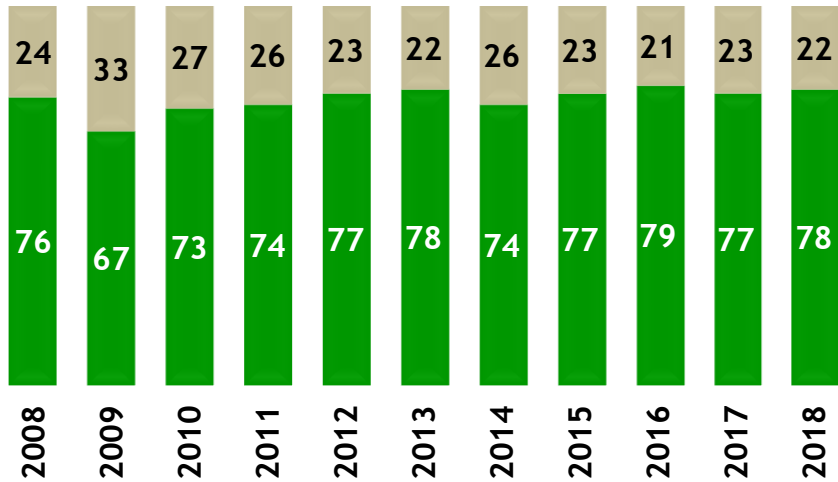
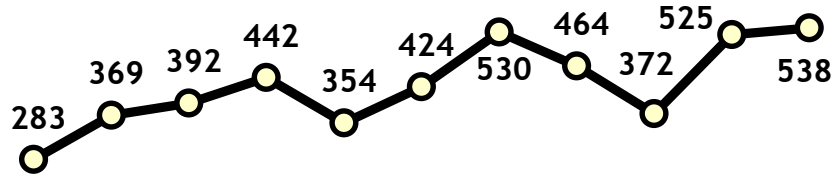
- Securities Market Trading Activity
- Securities Market Trading Participation
- Securities Market Foreign Ownership
- Foreign Inflow/Outflow
- Derivatives Market Activity
- Derivatives Market Demography
- Islamic Capital Market Activity

Securities Market Trading Activity



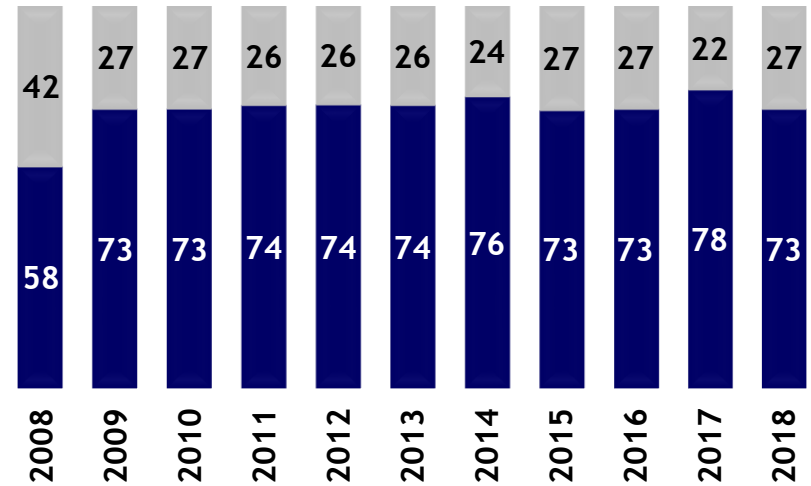
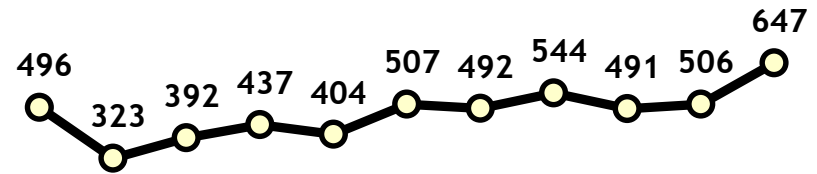
Securities Market Trading Participation

Retail vs. Institution



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

Foreign vs. Local

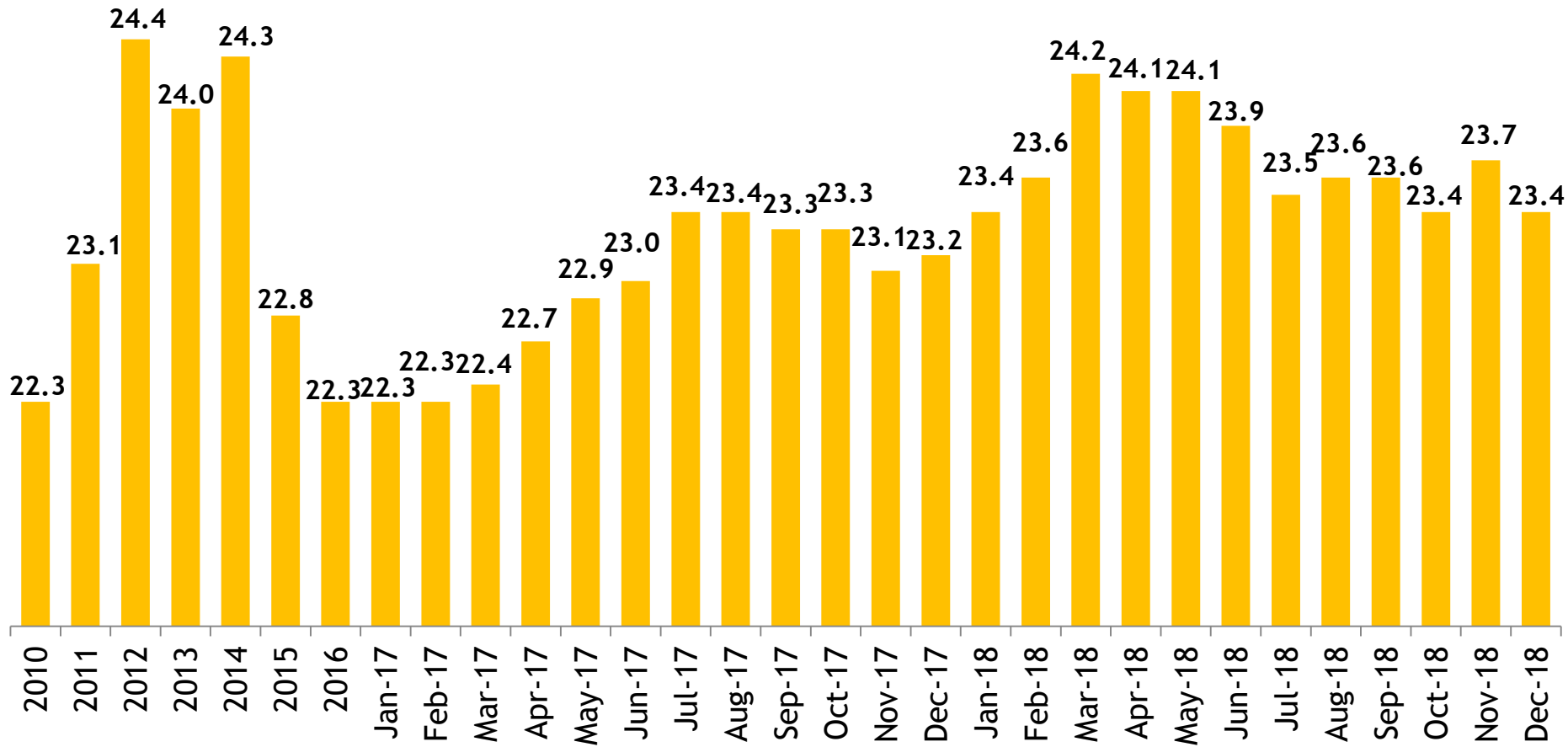


Foreign ADV Traded (RM mil)
 Foreign (%)
 Local (%)

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

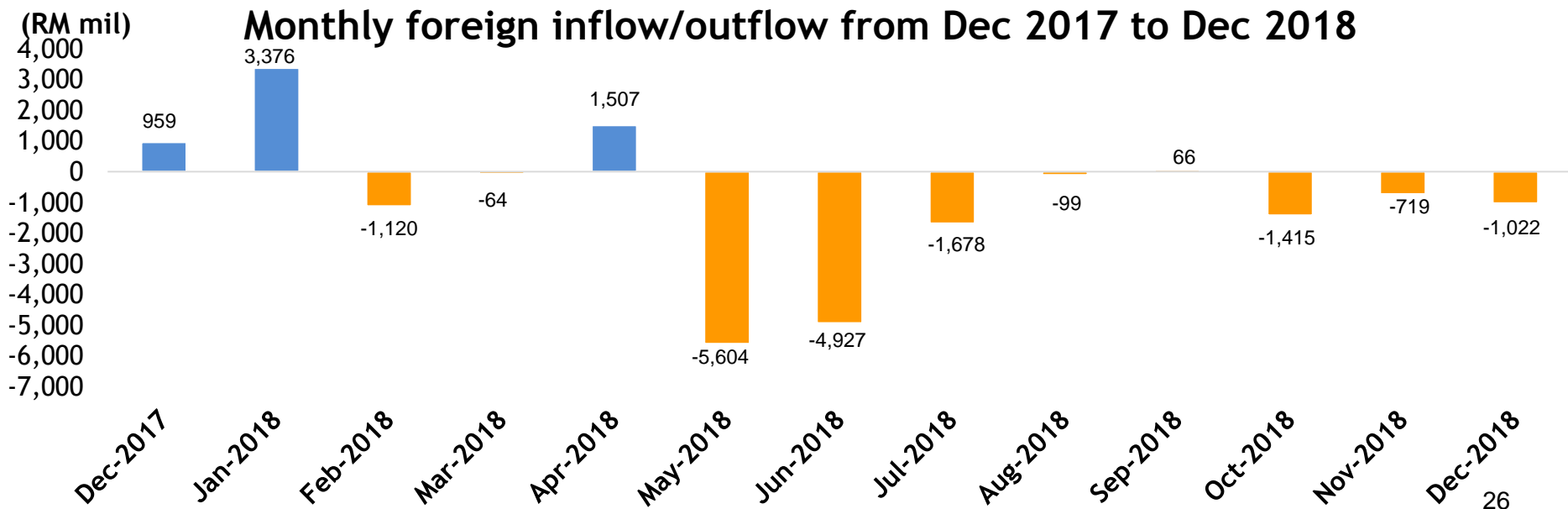
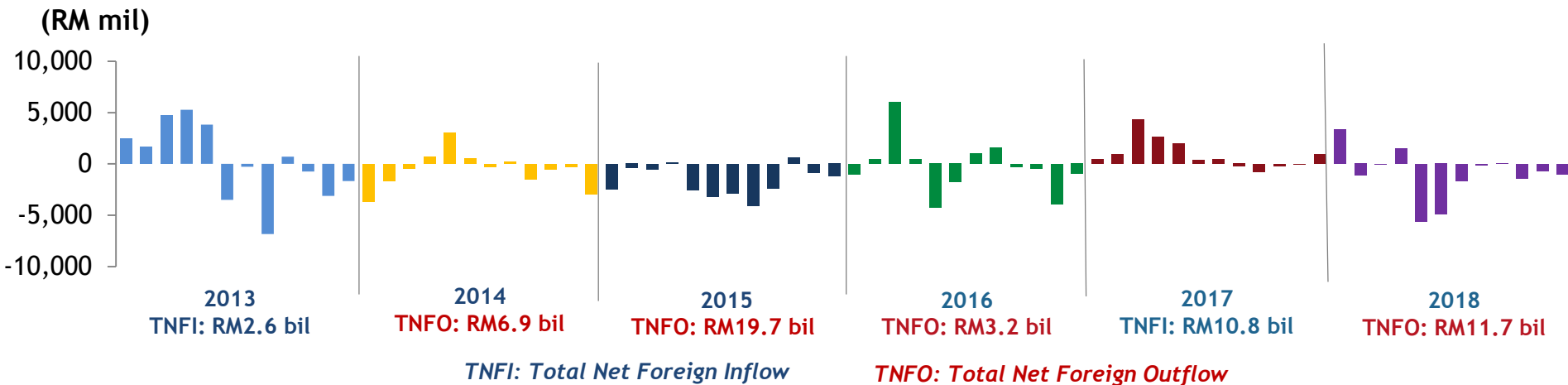
Securities Market Foreign Ownership

Based on Market Capitalisation (%)



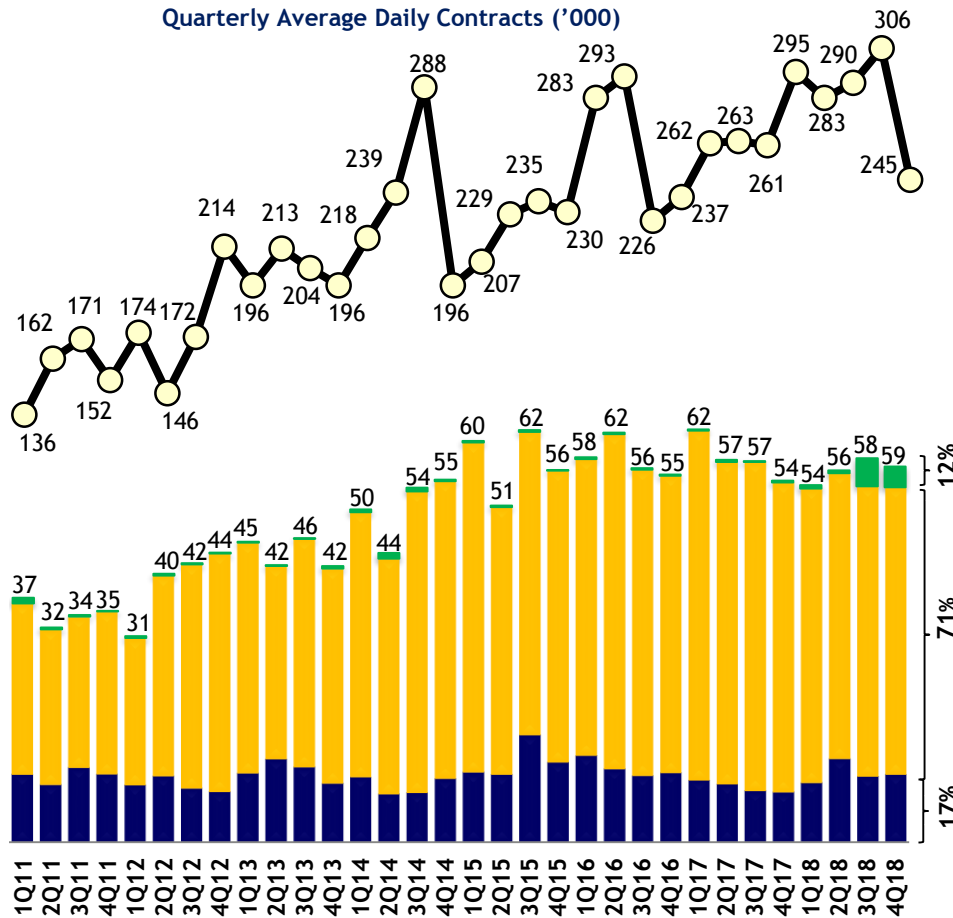
Foreign Inflow/Outflow

Monthly foreign inflow/outflow from 2013 to 2018

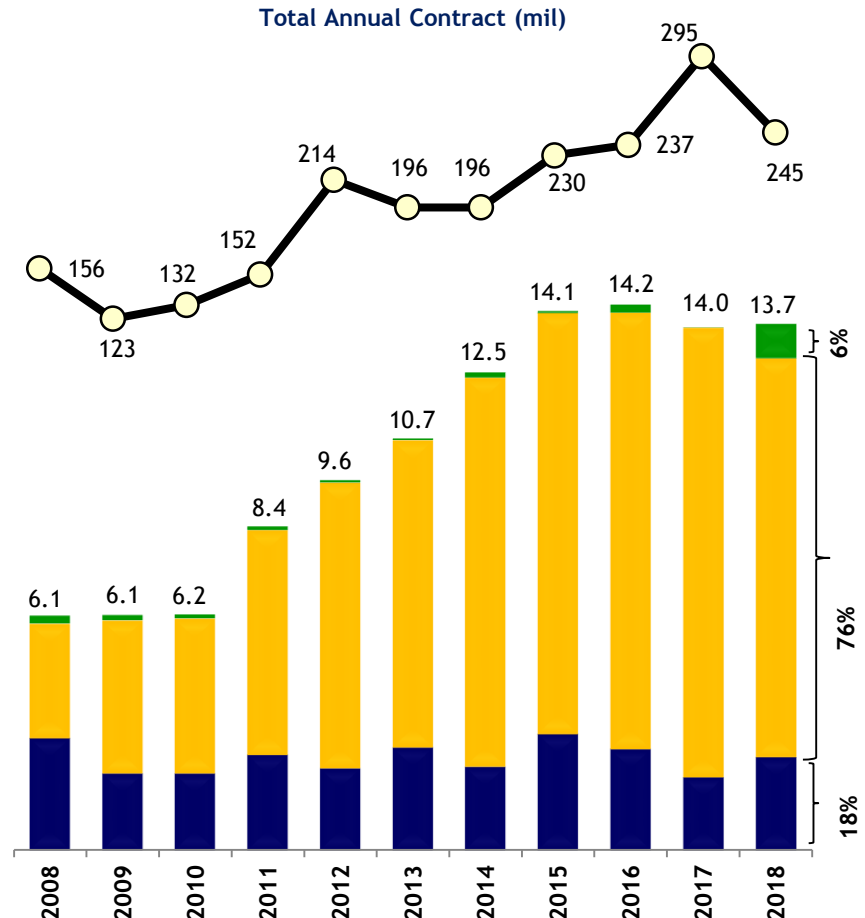


Derivatives Market Activity

Quarterly Average Daily Contracts ('000)



Total Annual Contract (mil)



○ Open Interest ('000)

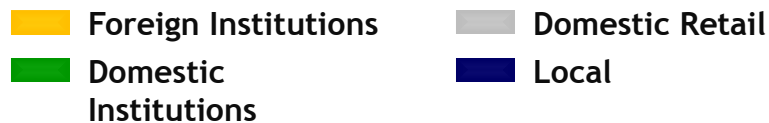
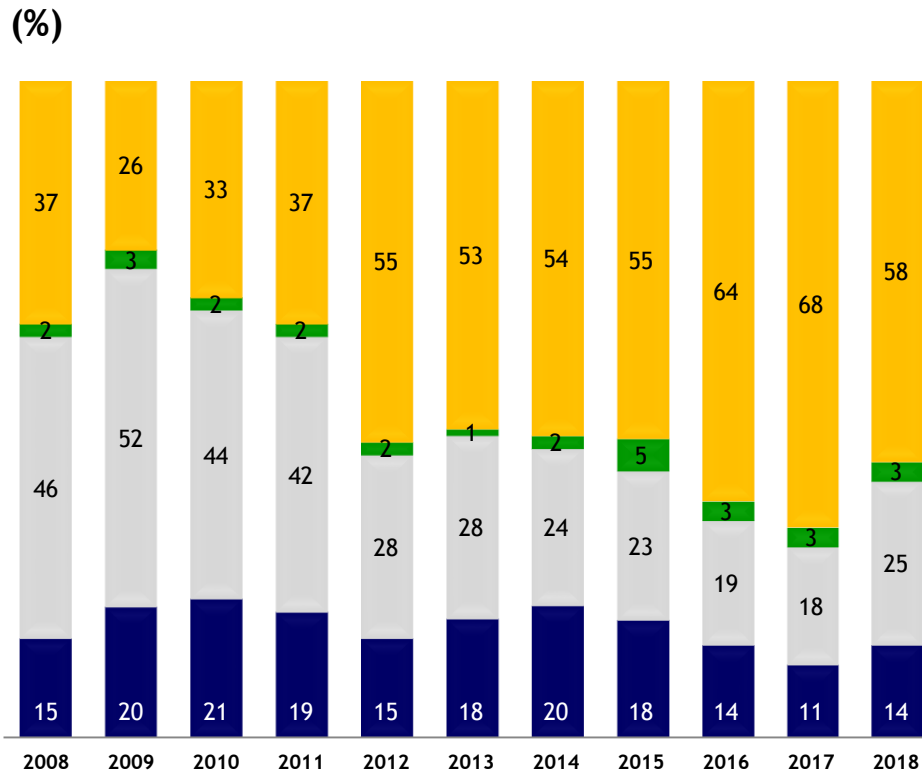
■ Others

■ Crude Palm Oil Futures

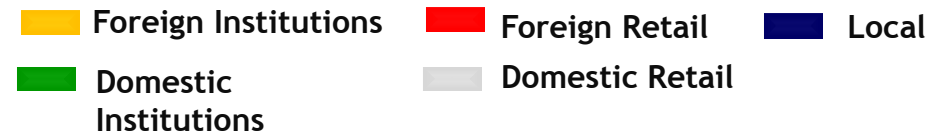
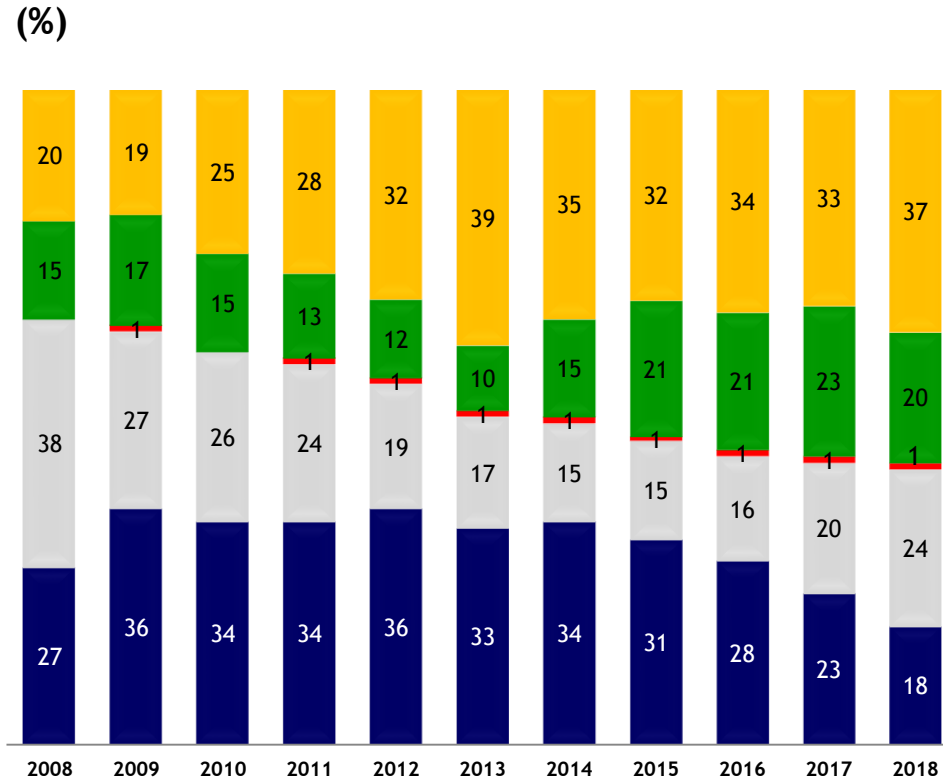
■ FBMKLCI Futures

Derivatives Market Demography

FKLI



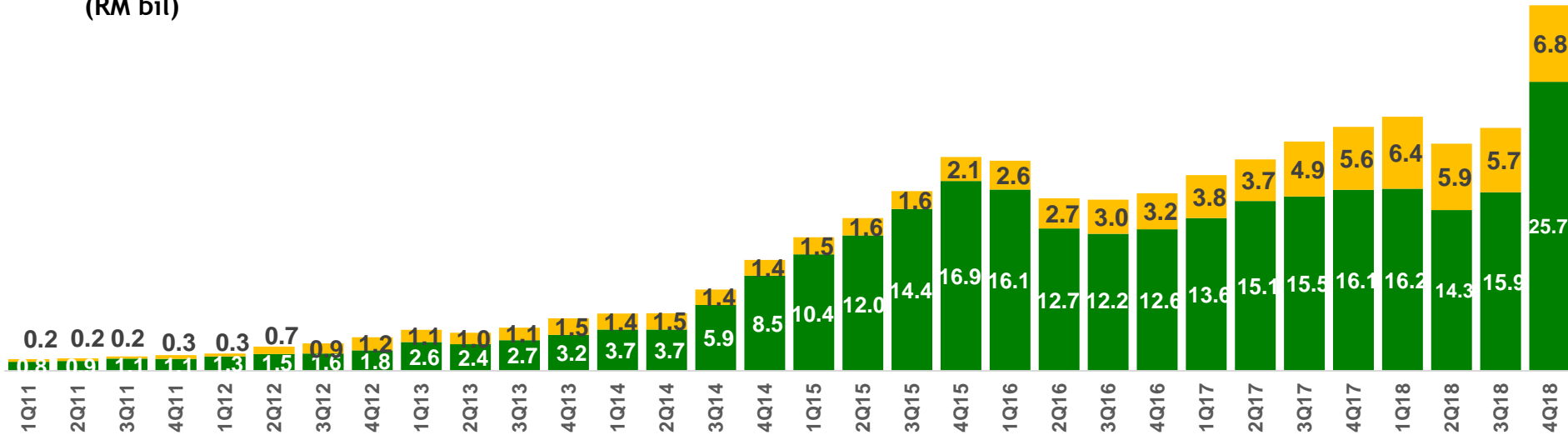
FCPO



Islamic Capital Market Activity

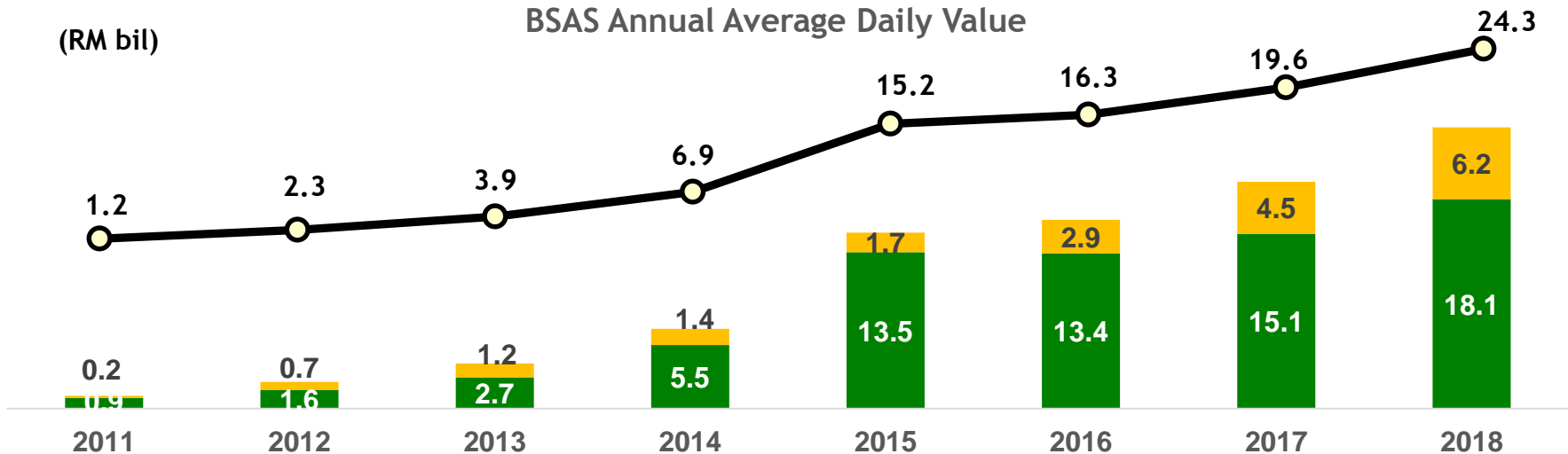
BSAS Quarterly Average Daily Value

(RM bil)



BSAS Annual Average Daily Value

(RM bil)



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

INVESTOR RELATIONS CONTACT INFORMATION

RASMONA ABDUL RAHMAN
rasmona@bursamalaysia.com
603-2034 7175

ADAM ISKANDAR AHMAD ZAHAR
adamiskandar@bursamalaysia.com
603-2034 7351

RAFIDAH AZIZ
rafidahaziz@bursamalaysia.com
603-2034 7262

E-mail : ir@bursamalaysia.com



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