

Document:	Welcoming Address for Datuk Seri Tajuddin Atan Chief Executive Officer, Bursa Malaysia
Event:	Securities Borrowing and Lending Launch
Date:	17 January 2019 (Thursday)
Time:	9.00 am to 12.00 pm
Venue:	Conference Room, Bursa Malaysia

Salutations:

Yang Berbahagia Datuk Maimoonah Hussain, Group Managing Director, Affin Hwang Capital,

Yang Berbahagia Datin Mariam Prudence binti Yusof, Board member of Bursa Malaysia,

Distinguished guests,

Members of the media,

Ladies and gentlemen,

1. A very good morning and a warm welcome to the **Securities Borrowing and Lending Launch**, jointly hosted by Bursa Malaysia and Affin Hwang Investment Bank.
2. I am pleased to see a positive turnout this morning, for it reflects the level of retail investor interest in the Securities Borrowing and Lending or SBL facility. There's no better time than at the start of a new year to look into new opportunities to grow value and wealth. Thank you for taking your time to be here.
3. The start of a new year is also a good time to take stock of the year that has just passed. While 2018 has been a challenging year on many fronts, with regard to stock market performance, the Malaysian market has shown **resilience** and emerged as the **2nd best performer in the Asia Pacific region based on benchmark indices**, outdoing regional bourses such as Singapore, Bangkok, Hong Kong and Shanghai.
4. Average daily value trades as at end December 2018 were close to RM2.4 billion, an increase from RM2.3 billion in 2017 – pointing to **sustained trading activity** and **investor interest in opportunities to reap gains from market**

volatilities, despite market uncertainties from internal and external headwinds.

5. The introduction of several key market development initiatives by Bursa Malaysia in 2018 including:
 - Intraday Short Selling
 - Volume Based Incentive Program
 - Nationwide Retail Campaign
 - Fee Waivers and Incentives to boost the ETF Market

also played a part in sustaining a vibrant and conducive capital market for all market participants to tap into.

6. The SBL facility is yet another Bursa Malaysia facilitation to develop the marketplace by creating more liquidity and vibrancy.
7. SBL serves as a tool that allows stockholders to enhance their returns by lending their stocks to other investors for the purposes of short-selling, hedging, arbitraging and failed trade settlement.
8. As at December 2018, there were 1.87 million Retail accounts in our marketplace holding a portfolio worth RM137.3 billion. Premised on this, investors can generate additional income through lending out their idle securities holdings in SBL transactions, and potentially increase the overall return from their investments.
9. Currently, the main participants in SBL activities are institutional participants such as the sovereign funds, GLCs, fund management companies and insurance companies.
10. Hence, I would like to commend Affin Hwang Investment Bank for taking the initiative to venture into the retail SBL segment and supporting the drive for greater inclusiveness in the marketplace, by encouraging retail investors to join the institutional players in making use of this facility to enhance their returns.

Ladies and gentlemen,

11. There are several attractive key features of the SBL facility for investors participating as lenders. First, at any time during the loan period, you have the right to re-call your stocks if you wish to sell them. In addition, as a lender, your credit or counterparty risk will be indemnified by the broker.

12. Equally important is that during the period of the loan, **you can maintain the economic benefits as the owner of the securities being lent out**, such as dividend payments, bonus or right issues. Therefore, do keep these factors in mind in considering the SBL facility as part of your value creation strategy for your stocks portfolio.
13. I would also like to take this opportunity to mention that in December 2017, Bursa Malaysia launched the **Islamic Securities Selling and Buying Negotiated Transaction framework or ISSBNT, the world's first Shariah-compliant alternative to SBL**.
14. Aimed at further enriching Bursa Malaysia's Shariah offerings, ISSBNT was developed to provide a new mechanism for market participants to trade with more flexibility and experience improved trading liquidity and velocity of securities, while still adhering to principles of Islamic finance.
15. It also gives me pleasure to highlight here that in July 2018, **Affin Hwang Investment Bank became the first bank to be approved as a supplier and user under the ISSBNT model**, which allows it to undertake the buying and selling of Shariah-compliant securities for its own account, as well as administer large beneficial owners ISSBNT activities as an agent or Wakalah.
16. As Bursa Malaysia moves towards becoming ASEAN's leading marketplace, we will be **continually enhancing our market offerings to be in line with developed markets**, through products and facilities which are important developments towards a more efficient marketplace.
17. Moving forward, our SBL development includes plans to expand the current list of **239 stocks eligible for SBL and short-selling** to cater for greater diversity and liquidity.
18. It is our hope that more brokers will follow the footsteps of Affin Hwang Investment Bank to venture into the retail SBL segment in time to come, encouraging more SBL activities in the capital market.

Ladies and gentlemen,

19. Today's SBL launch at the start of the year indeed comes at an opportune time as 2019 has been designated by Bursa Malaysia as the **Retail Invest Year with the theme "Invest Bursa, Invest in You"**, where we are embarking on a **year-long retail investor campaign** to cultivate awareness among Malaysians about stock market investing as a means of wealth creation.
20. Bursa Malaysia's goal is for all Malaysians to be financially literate, and advance together as an investing society. With a **comprehensive line-up of**

educational initiatives including public outreach programmes and investment seminars planned during Retail Invest Year, I look forward to even more Malaysians participating in capital market investing, and joining Bursa Malaysia as we create opportunities and grow value.

21. With that, thank you and I wish you a productive and informative session this morning.
