

# The Marketplace

TUESDAY, 8 JANUARY 2013

www.bursamalaysia.com/etbs

 <p><b>ETBS</b> a First for Bursa Malaysia <i>Inside</i></p>	 <p>Everybody can invest in their MRT <i>Inside</i></p>	 <p>New Asset Class Brings Predictability to Investor Portfolios <i>Inside</i></p>
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## Highlight

### DanaInfra & MRT Corp Spearhead future of Malaysia Transport

**Kuala Lumpur** - DanaInfra, a wholly owned subsidiary of the Ministry of Finance, together with MRT Corp, are spearheading the development of the nation's future transportation infrastructure. When the projects are complete, Malaysia will have a transportation infrastructure of world class capabilities. Upon completion, the Klang Valley Mass Rapid Transit (MRT) project is expected to carry 400,000 commuters daily. The first of three lines in the rail system, the Sungai Buloh-Kajang line, will stretch for 51km over 31 stations and construction is expected to be fully completed and operational by July 2017. The first phase, from Sg Buloh to Semantan, is scheduled to operate by December 2016.

## New Sukuk Asset Class Launches on Bursa Malaysia

### Issuance cements Malaysia's Role as the World's Leading Sukuk Marketplace.



Photo: An artist's impression of one of the 31 stations of the Sungai Buloh - Kajang MRT line, to be completed by 2017. Source: MRT Corp.



Bursa Malaysia - World's Leading Sukuk Marketplace.

### Bursa Malaysia's moment in the sun

**Kuala Lumpur** - After a stellar year for initial public offerings (IPOs) in 2012, all eyes are on Bursa Malaysia to see how the exchange will sustain its momentum into 2013. The launch of the new Exchange Traded Bonds and Sukuk (ETBS) asset class, along with several high profile equity offerings in the pipeline indicate that there are solid avenues for growth on Bursa Malaysia.

Bursa Malaysia was the fifth largest capital raising venue in the world in 2012, according to data compiled by the World Federation of Exchanges.

Large IPOs such as the spin off of Government owned Felda's plantation business, Felda Global Ventures, helped to boost the exchange's ranking amongst the largest exchanges in the world. Bursa Malaysia is also collaborating more with other global exchanges on dual listed offerings. The most recent was the US\$2.1bn IPO of IHH Healthcare Berhad. The company, Asia's largest hospital operator, was listed on both Bursa Malaysia and Singapore Exchange in July last year.

**Kuala Lumpur** - Today, the Prime Minister of Malaysia announced a new asset class being listed on Bursa Malaysia, that for the first time makes Sukuk and Bonds available to all investors. The first issuance is very appropriate and symbolic as retail investors on Bursa Malaysia will have an opportunity to receive

returns on the development of the nation. "It is remarkably exciting to see the ETP working in complementary mode. The MRT project is sustaining Malaysia's role as a leading Sukuk marketplace" said the Prime Minister, Dato' Sri Mohammad Najib Tun Abdul Razak.

The first Exchange Traded

Sukuk to be launched on Bursa Malaysia will be issued by DanaInfra Nasional Berhad (DanaInfra), the company set up by the Ministry of Finance to fund infrastructure projects such as the MRT Project. The MRT, already under construction throughout the KL area, will be a major part of the government's integrated public transportation system.

The debut Exchange Traded Bonds & Sukuk will be used to partly fund the project, giving all investors the opportunity to invest in the nation's key transport infrastructure and receive a Shariah-compliant tax-exempted return, with the security of a government guarantee.

### Top 10 global IPO venues in 2012

Exchange	IPO Capital Raised in 2012 Year-To-Date (\$US millions)
1 NASDAQ OMX	23,527
2 NYSE	19,159
3 Shenzen Stock Exchange	11,082
4 Tokyo Stock Exchange	8,796
<b>5 Bursa Malaysia</b>	<b>7,318</b>
6 Australian Securities Exchange	7,026
7 Hong Kong Exchanges	6,889
8 Shanghai Stock Exchange	5,271
9 Six Swiss Exchange	3,891
10 Singapore Exchange	3,609



### AmInvestment Bank In Pioneer Team for New Asset Class

AmInvestment Bank, winner of 'Best Domestic Bond House' for four consecutive years including 2012 from The Asset Triple A Country Awards, has a long-standing track record in structuring innovative transactions. The partnership with Australia and New Zealand Banking Group strengthens its regional presence and widens its distribution network. AmInvestment Bank's latest deal, DanaInfra's Exchange Traded Sukuk coming to market today, is among the many Government Guaranteed deals it has lead arranged and lead managed.

### CIMB cements lead as top Asia Pacific-based investment bank

CIMB is the leading investment banking franchise based in Asia Pacific (ex-Japan), and its role as one of the Joint Lead Managers on DanaInfra's Exchange Traded Sukuk further cements its position. CIMB offers the most comprehensive investment banking coverage

across Asia Pacific and was named The Banker's Most Innovative Investment Bank of the Year for Asia Pacific in 2012.

### Maybank Kim Eng Snags Malaysia Best Broker Award for 2012

After an outstanding year in 2012 for the domestic banking giant, Maybank Kim Eng was awarded Best Brokerage House and Best M&A House for Malaysia by The Asset Magazine. Sukuk played a part in receiving the industry award, with the investment bank underwriting the Best Sovereign Sukuk for Wakala Global and the Best Corporate Sukuk for Projek Lebuhraya Usahasama. Maybank is clearly trying to continue that same strength in Islamic corporate finance into the New Year with DanaInfra's Exchange Traded Sukuk launching today. The Sukuk represents the first time Malaysian retail investors are able to gain direct exposure to the fixed income asset class on the securities exchange. The fixed income security is also Shariah compliant, which DanaInfra hopes will open the product to a wider investor base. It will be listed on

Bursa Malaysia and will trade just like any other security, so retail investors that already trade shares will be familiar with how to buy and sell the Sukuk. The issuance adds another product to Bursa Malaysia's offering, giving investors the opportunity to balance their portfolio with a low risk, government guaranteed investment and at the same time help to fund the nation's transport infrastructure.

### RHB Receives Industry Accolades as ASEAN's Islamic Finance Leader

Alpha Southeast Asia has awarded RHB Investment Bank with the 'Most Innovative Islamic Finance Deal of the Year: the RM600 million Sukuk issued by First Resources Limited' and 'Best Islamic Finance Deal of the Year: the RM23.35 billion IMTN Programme + RM11 billion issued by PLUS Guaranteed Sukuk'. RHB acted as one of the joint lead managers for both awards, making it a leader in Islamic Finance deals. Through its acquisition of OSK Investment Bank in November 2012, RHB is now poised to strengthen its position in the ASEAN region.

# Malaysian Sukuk Market Trends and Outlook

Kuala Lumpur - Malaysian gross domestic product (GDP) is estimated to expand circa 4% to 5% for 2013 according to Bank Negara Malaysia, primarily supported by sustained expansion in domestic investment and consumption activity, despite uncertainty in the world economic outlook. In 2012, the sukuk market started strongly with the issuance of the world's largest corporate sukuk of RM31 billion by Projek Lebuhraya Usahasama Bhd (PLUS). As we enter into 2013, another landmark achievement will be materialised with the maiden issuance of an exchange traded sukuk by DanaInfra

Nasional Berhad.

In addition to the many projects rolled out under the government's Economic Transformation Programme (ETP), the focus on debt market instruments in the 2013 Budget is expected to further boost the growth of the Malaysian debt market, sukuk in particular. The government continues to support the growth of the Islamic capital market and has approved a double deduction on expenses incurred on the issuance of retail bonds and sukuk for a period of four years effective from the years of assessment 2012 to 2015. Individual retail

investors will also be accorded stamp duty exemption on instruments related to retail bonds and retail sukuk.

Over the past years, Malaysia has seen a record rally for foreign-currency sukuk thus solidifying its position as a global hub for Islamic finance. Now, local issuers are also exhibiting rising interest for such an instrument. The same can be said for Ringgit-denominated sukuk gathering interest from foreign issuers such as Abu Dhabi National Energy Company (TAQA) and Development Bank of Kazakhstan.

### Top 5 Lead Managers (Excluding Central Banks)

Lead Manager	Number of Issues	Size	Market Share %
Maybank	25	1,525	29%
CIMB	44	1,303	25%
HSBC	6	1,192	23%
Citigroup Global Markets Limited	4	693	13%
Dubai Islamic Bank	4	543	10%

Source: Zawya 2012, MENA Sukuk Quarterly Bulletin, Issue 14 - 2Q2012

## Malaysia world's largest Sukuk Issuer with 79% market share

According to Zawya Sukuk Monitor and Bursa Malaysia data, Malaysia is the world's largest Sukuk issuer with share of 79% and an issuance value of approximately US\$32 billion. As at 30 November 2012, Bursa Malaysia's Sukuk listing stands at US\$33.79 billion with 46 Sukuk, representing 20 programmes, listed by 17 issuers.

### Sukuk Listing on Global Exchanges (as at 30 November 2012)\*

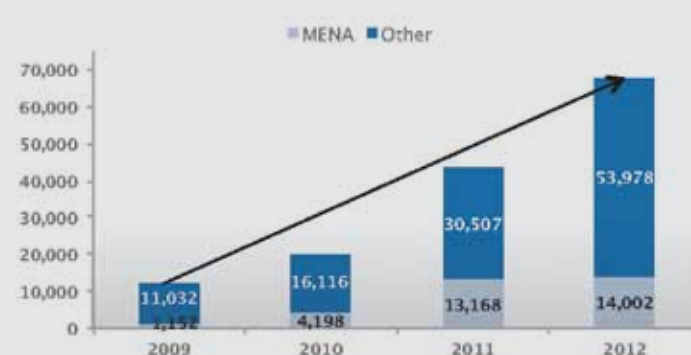
Rank	Stock Exchanges	Number	Value (USD bil)
1	Bursa Malaysia	20	33.79
2	London Stock Exchange	39	26.44
3	Labuan International Financial Exchange	9	6.97
4	Saudi Stock Exchange (Tadawul)	6	6.74
5	Nasdaq Dubai	10	5.54
6	Indonesia Stock Exchange	47	4.88
7	Hong Kong Exchanges & Clearing Limited	5	4.16
8	Singapore Exchange	7	4.10
9	Dubai Financial Market	4	3.18
10	Irish Stock Exchange	12	3.13
11	Luxembourg Stock Exchange	3	1.91
12	Bahrain Stock Exchange	4	1.16
13	Vienna Stock Exchange	1	0.17
14	Kazakhstan Stock Exchange	1	0.08
15	Egyptian Exchange	2	0.06
16	Cayman Islands Stock Exchange	1	0.01

Source: Respective Stock Exchanges, IFIS, Zawya Sukuk Monitor

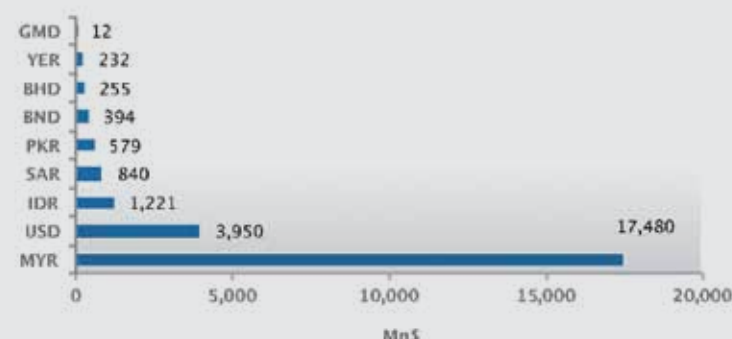
Notes:

\* The Sukuk listing table is based on our own calculation. No confirmation from any Stock Exchange listed above regarding the number and value of Sukuk listed.

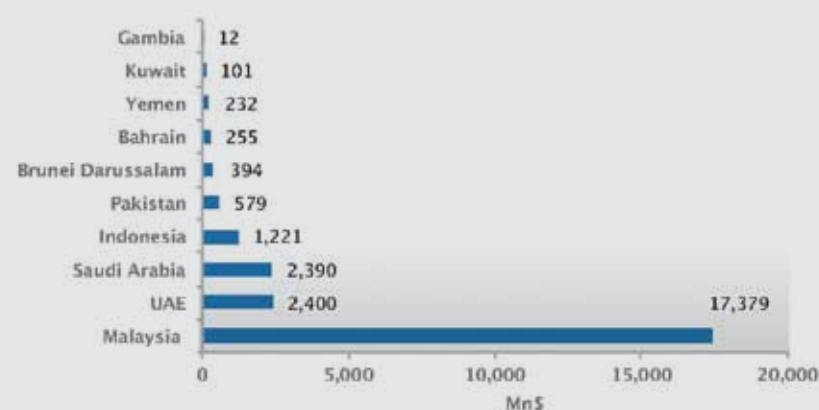
Yearly Comparison of Global Sukuk Issues (\$m)



Global Sukuk Issues by Currency (\$m) - 2Q12



Global Sukuk Issues by Country (\$m) - 2Q12



Source: Zawya 2012, MENA Sukuk Quarterly Bulletin, Issue 14 - 2Q2012

# ETBS. Something predictable for every investor's portfolio.



Even before you unwrap your 'nasi lemak biasa' you know exactly what is inside. Wouldn't it be great if cash flow from our investments was equally predictable.

You may be cautiously building your capital with a future event in mind; you may be a maturing wealth-preserver preparing for retirement; you could have retired already; or you may even be an adventurous risk-taker looking for something to balance your riskier investments. No matter what type of investor you are there is a place for some regular, predictable income in your investment portfolio.

## A new, stable investment opportunity.

Introducing Exchange Traded Bonds and Sukuk (ETBS), a sensible consideration for every portfolio.

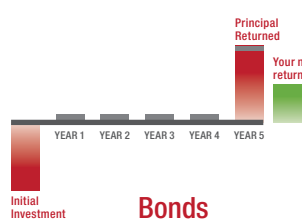
Investors have always considered Bonds to be a safe haven in the rough and tumble of the stock market. Most serious investors keep Bonds in their portfolio, because, as stocks can unpredictably rise and fall, Bonds are always a stable source of regular income, and they never lose their underlying value.

## Bonds and Sukuk vs Stocks. What's the difference?

When you buy stocks you are buying a small part of a large company and you take a risk on the company's fortunes.



Stocks



Bonds

Stocks vs Bonds

Bonds are very different. When you buy bonds you are lending a company money. They give you a promise that they will give your money back at a fixed point in time, plus they will pay you a steady dividend (called a coupon) at regular intervals. And in case you were wondering, Sukuk is the Islamic way of issuing Bonds.

## Steady income? That sounds good.

That's the reason why investors like buying Bonds and Sukuk. For the entire term of the issue, the company will pay you a fixed amount regularly, like clockwork. So if you are looking for a stable income or a regular amount to reinvest, Bonds and Sukuk are ideal for you.

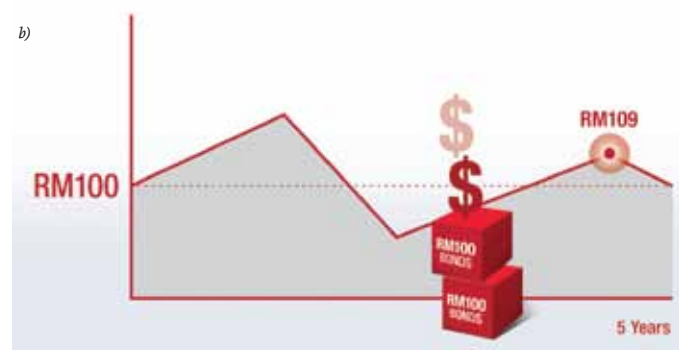
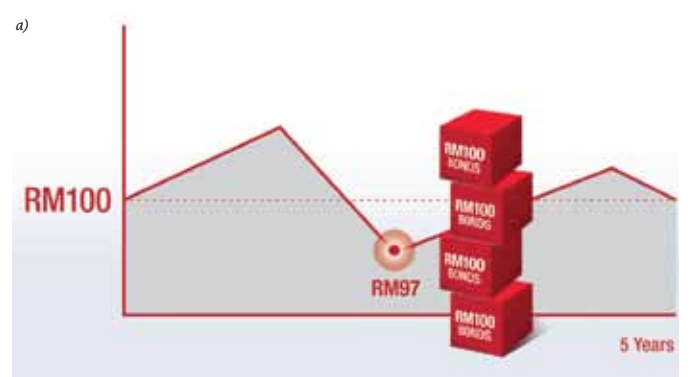
## Exchange Traded Bonds & Sukuk



ETBS generates a steady income

## But what does Exchange Tradeable mean?

Firstly it means that bonds are now available for every investor to buy. Secondly it means that you can see the value of your bonds any time you wish, unlike some other types of fixed income, such as Fixed Deposits and Unit Trusts, where the daily value of your investment is not accessible. And because these bonds are tradeable on the stock exchange their value can fluctuate day to day, so sometimes you may want to buy more when the price drops, or you may want to make some extra profit when the price rises.



Exchange Tradeable: Bonds might be worth a) less sometimes b) sometimes more, and can be sold for profits.

But, rest assured, the money that you loaned the company doesn't lose its value. They will repay your investment in full, as promised at the end of the term.



Government back bonds are the safest of all.

## Is there a risk?

There is always a risk in any investment, but with Bonds and Sukuk you will either have a guarantee from the government, or a rating of the risk by a reputable rating agency to give you confidence. Government backed bonds are the safest of all.

## How do I start with ETBS?

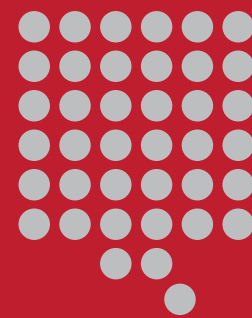
Right now there is a golden opportunity to add Sukuk into your portfolio. DanaInfra and Bursa Malaysia now bring you this new, predictable investment opportunity, the first ETBS in Malaysia. It is government backed for your security, so you now have an alternative to locking your money away in Fixed Deposits or Unit Trusts.

To learn more about ETBS and the other opportunities on Bursa Malaysia get into the conversation at [www.bursamalaysia.com](http://www.bursamalaysia.com) or contact a stockbroker to get started.

A healthy portfolio is a well-balanced portfolio.







# Malaysia's first Sukuk for everyday investors is now open.

Now there's a new opportunity for all investors to gain regular cash flow from exchange traded Sukuk. Exchange Traded Bonds and Sukuk (ETBS) give you predictable income, and because they are tradeable on Bursa Malaysia you have visibility on your investment at any time.

ETBS are ideal for any investor who wants some extra stability, or some steady income in their portfolio. And if you want to trade there is no lock-in period, you can trade immediately.

Talk to your broker or log onto your online trading account and get profitable.

**ETBS**

Listed on BURSA MALAYSIA

The Exchange



The Issuer



The Participating Financial Institutions

