

1H2021 Financial Results Briefing

28 July 2021

Tan Sri Abdul Wahid Omar
Chairman

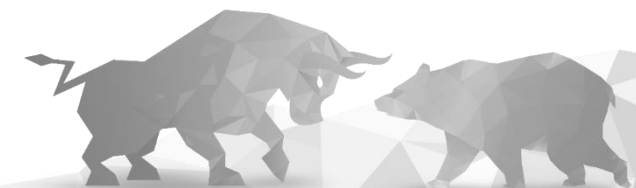
Datuk Muhamad Umar Swift
Chief Executive Officer

Rosidah Baharom
Chief Financial Officer



AGENDA

- Opening Remarks by the Chairman
- Bursa Malaysia - The Way Forward
- Key Financial Highlights & Market Performance
- Financial Review
- Closing
- Q&A
- Appendices



Bursa Malaysia - The Way Forward





Demand for data & analytics solutions

- Cloud computing and analytics
- AI/machine learning's role in unlocking value from data
- Platforms that are more open



Multi-asset offerings & connectivity on a global scale

- Gaining prominence of alternative trading & wealth management platforms
- Electronification enabling more people to trade and invest across global markets.



Growth of passive investing

- Increased demand for passive instruments and products, as well as growth in passive investment methods



Advancement of sustainable markets

- Regulatory focus and investor demand are driving continued growth in sustainable investing and financing.
- ESG criteria are increasingly adopted into product strategies and portfolios



Evolution of global investors

- Growing participation/ influence of millennials and Generation Z on global wealth, including in emerging markets.
- Continued expansion of self-directed learning and proactive retail activities, aided by digital services



Continual regulatory change

- Evolving regulatory landscape to adapt to shifting technology and customer needs
- Enhancement of capital market governance to help manage operational & regulatory risk



3 CORE STRATEGIES

- Product Expansion
- Ecosystem Development
- Capacity & Capabilities Building



4 ENABLERS

- Data & Innovation
- Technology
- Ecosystem
- People & Culture

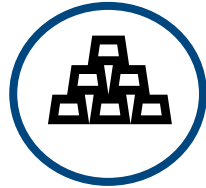


5 STRATEGIC PILLARS

- Strengthening Our Core Business - Securities Market
- Diversifying The Derivatives Business
- Positioning Bursa Malaysia as the Global Hub for Islamic Capital Market
- Providing New & Improved Services to the Capital Market
- Embedding Sustainability in our Organisation & Marketplace

PILLAR 1

Strengthening our Core Business - Securities Market



Product/Service Expansion

Improving attractiveness of our existing products

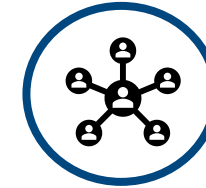
- Boosting core product offerings (Attracting quality IPOs)
- Complementing our suite of products (Growing ESG & ETF products)

Diversifying and expanding our product offerings

- Providing access to new asset classes
- Expanding collaboration efforts

- ✓ Healthy IPO pipeline
- ✓ Providing easy access to foreign underlying assets via Structured Warrants and ETFs

- ✓ Several proof of concepts (POCs) are currently being undertaken to explore various options in this space



Ecosystem Development

Enhancing ecosystem for fund raising & investing

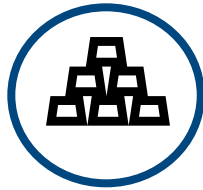
- Implementing various programs to boost market vibrancy and/or increase trading
- Creating a more facilitative ecosystem with rules and supportive frameworks

- ✓ Pilot Market Making Program for stocks was launched on 1 June 2021, to improve liquidity & velocity of mid cap and larger cap stocks.
- ✓ Discretionary Trading Framework was launched on 30 June 2021.

Widening & developing sustainable investor base

- Elevating the level of investment savviness for new/existing investors
- Providing new platforms/ services for investors

- ✓ Bursa Anywhere launched an e-rights feature on 14 July 2021, allowing investors to subscribe for rights issue electronically via the mobile app.
- ✓ More than 200 virtual events were held to engage more than 600,000 investors in 1H2021.



Product/Service Expansion

Diversification of product offerings

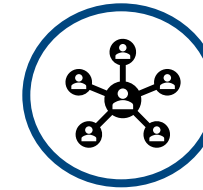
- Expanding into other commodities (e.g. Quanto Gold Futures and Soybean Oil Futures)
- Introducing products to complement the financial/equity market (e.g. Mini USD/CNH Currency Futures)

Enhancement of existing products' value and competitiveness

- Strengthening our suite of palm oil complex products
- Delivery of sustainable certified CPO

- ✓ Revamped Crude Palm Kernel Oil Futures on 8 March 2021
- ✓ Looking to elevate liquidity and accessibility in the Malaysian financial market with physical delivery of 3-Year Malaysian Government Securities Futures Contract (FMG3) and 10-Year Malaysian Government Securities Futures Contract (FMGA)

- ✓ Commenced requirement for all FCPO Physical Delivery to be Malaysian Sustainable Palm Oil (MSPO) certified on 1 April 2021
- ✓ Progressing towards East Malaysia Crude Palm Oil Futures (FEPO) contract - received Approval in Principle from the SC on 7 July 2021



Ecosystem Development

Enhancing ecosystem and market structural flexibilities

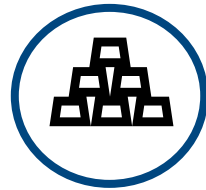
- Establishing ecosystem thrusts to grow market participation (e.g. e-Negotiated Large Trade)
- Developing Securities Futures Trading System to host the physical delivery 5-Year Malaysian Government Securities Futures Contract (FMG5)

- ✓ Derivatives Trading Simulator (DTS) launched on 16 Mar 2021, enabling investors to conduct practice trades
- ✓ T+1 night trading to provide trading access to global participants (Target launch end-2021, received SC's Approval in Principle on 24 June 2021)

Expansion of global outreach via internationalisation

- Expanding network and market participants through initiatives such as the Greater China Strategy
- Growing product licensing and cross region marketing through strategic alliances
- Attracting foreign brokerage firms

- ✓ Received Approval in Principle on 17 June 2021 from SC on Remote Trading Participantship



Product/Service Expansion

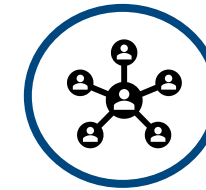
Offer fresh Shariah-compliant offerings/ services

Attract sustainable investments & Shariah investing

- Delivering novel and differentiated solutions, exemplifying Thought Leadership and serving needs of market participants (e.g. i-ESG ETF and Waqf ETBS)

- Scale up the range of offerings through product/service innovations

✓ Launched the new ESG themed FTSE4GOOD Bursa Malaysia Shariah Index (5 July 2021)



Ecosystem Development

Targeted marketing to expand outreach

Multi-entity collaboration to facilitate issuance of new products

- Attracting more Bumiputera retail investors through greater investor education and outreach
- Attracting SRI funds per parallels to Shariah investing principles
- Expanding *Bursa Suq al-Sila*, our global Shariah-compliant commodity trading platform, into new regions

- Collaborating with regulators & industry players to create enabling frameworks
- Building conducive/ supportive market infrastructure & intermediation capabilities for product innovation

✓ Onboarded new BSAS local and foreign Trading Participants - e.g. from Malaysia, Maldives, UAE, Turkey, Kenya

✓ Working with the SC on Waqf-Featured Fund Framework

We are progressing on our renewed data strategy, developing new data services and expanding our sources of non-trade revenue

Index & Sustainable Business



Expansion & Sustenance

- Non-ESG Indices
- ESG/Shariah Thematic Indices



Data Analytics Business



New Products and Services

- Analytics Solutions
- Data Science & AI
- Alternate Data



New Customers & Go To Market



Acquisition through Collaboration

- Data service providers
- Commercial entities
- Government agencies



International Partnership Opportunities

- Other exchanges in the region



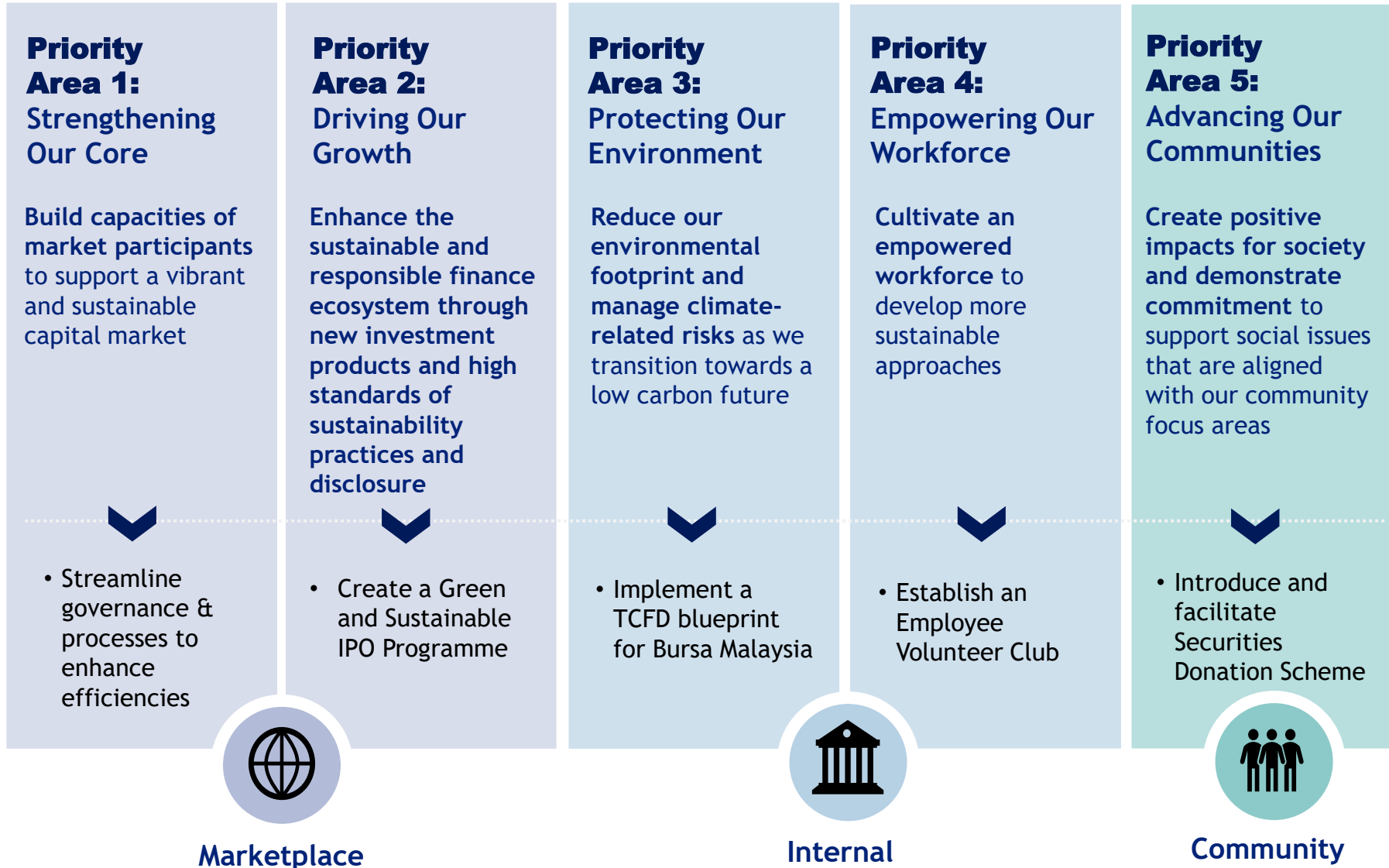
- ✓ Expanded ESG and Shariah Index portfolio by launching FTSE4GoodBM Shariah Index
- ✓ Launched CNI-BM 50 Index with Shenzhen Stock Exchange
- ✓ Launched new value-added data solutions of trade and fundamental data analytics in collaboration with DIBots
- ✓ Signed MOU and undertook POC with Alliance Bank Malaysia to develop SME banking solutions
- ✓ Invest in Data Science to model investor behavior insights to improve Customer Experience
- ✓ Launched Bursa Enterprise Data Transformation Programme. Created Cloud-based Analytics Platform on industry-wide data for mining and collaboration purposes
- ✓ Completed survey with Institutional Investors Council Malaysia members on ESG Data Standardization

Enhancing and capitalising on Bursa Malaysia's data wealth



Data Marketplace

Priority Areas in Bursa Malaysia's Sustainability Roadmap 2021-2023



Key Financial Highlights & Market Performance

- Financial Highlights for 1H2021
- Half yearly Financial Trend
- Dividend
- Securities Market Overview
- Derivatives Market Overview
- Islamic Markets Overview



Financial Highlights 1H2021

Strong results in 1H2021 mainly from higher trades in the Securities Market



OPERATING REVENUE

1H2021: RM420.2m

▲ 31.0%

1H2020: RM320.7m

OPERATING EXPENSES

1H2021: RM146.1m

▲ 14.9%

1H2020: RM127.1m

PROFIT AFTER TAX

1H2021: RM210.4m

▲ 39.4%

1H2020: RM151.0m

- Increase in operating revenue mainly contributed by higher revenue from Securities trading, listing and issuers services and depository services.

- Increase in operating expenses due to higher manpower and other operating costs.

- As a result, PAT increased by 39.4% to RM210.4 million in 1H2021 as compared to the same period last year.

COST TO INCOME

1H2021: 34%

▼ 5 pp

1H2020: 39%

ANNUALISED ROE

1H2021: 48%

▲ 9 pp

1H2020: 39%

EPS

1H2021: 26.0 sen

▲ 39.0%

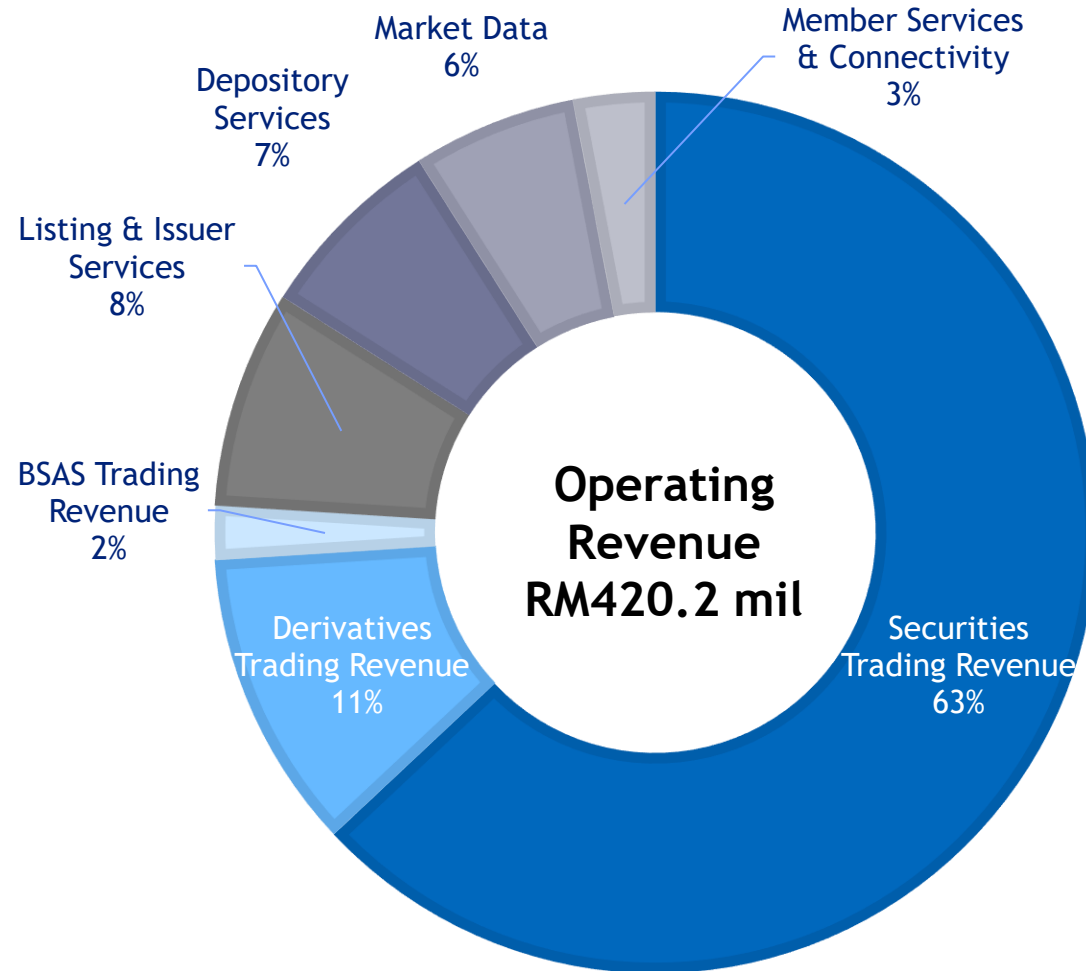
1H2020: 18.7 sen

Robust 1H2021 Financial Performance

Solid operating revenue growth from our various business segments



Trading Revenue continues to form a large proportion of Bursa Malaysia's operating revenue, whereby its largest contributor, **Securities Trading Revenue** experienced **41.4%** revenue growth against 1H2020



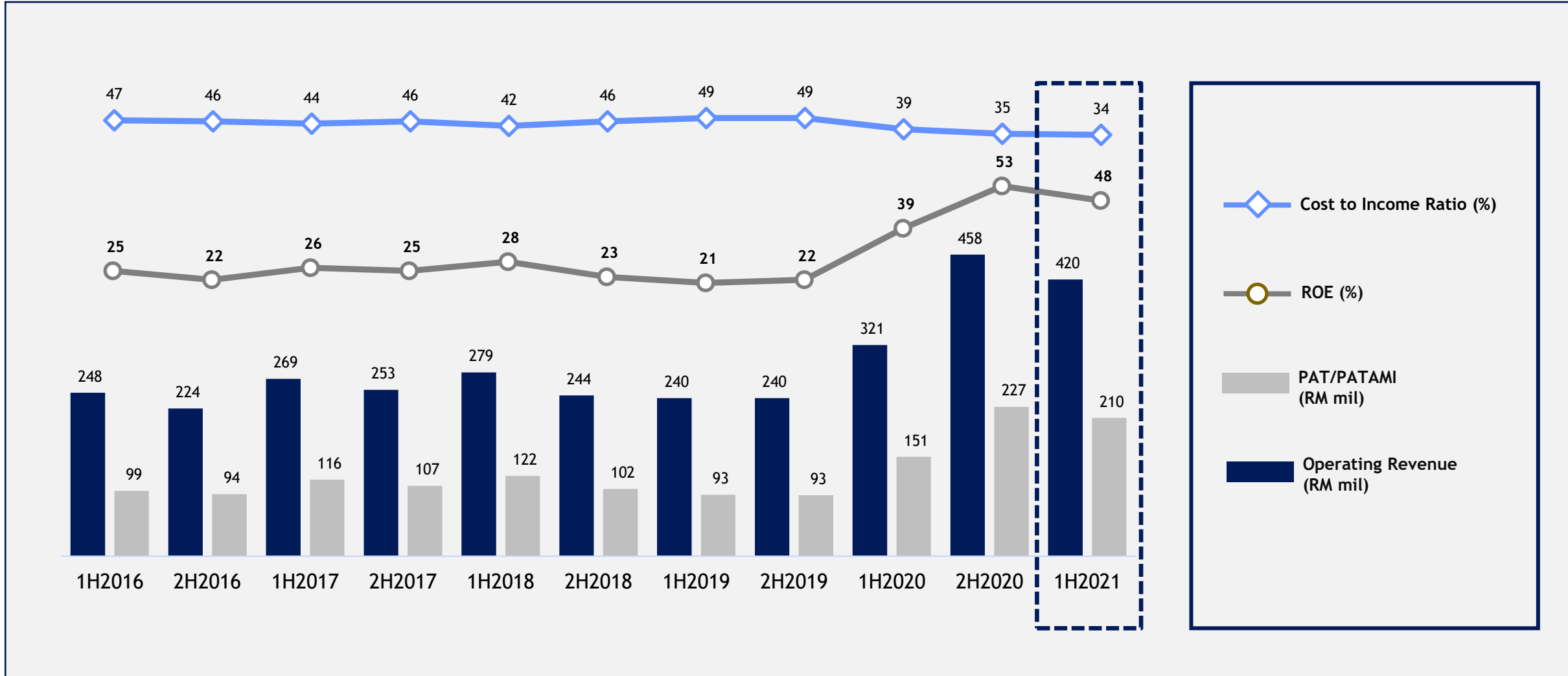
1H2021 Operating Revenue

Our Non-Trading Revenue also substantially increased against 1H2020

Listing & Issuer Services	▲ 43.6%
Depository Services	▲ 40.8%
Market Data	▲ 16.6%
Member Services & Connectivity	▲ 11.6%

Half-yearly Financial Trend since 2016

The best first half financial performance since listing



Dividend

Dividend yield of 6.1% : Highest interim dividend at 24 sen per share



INTERIM DIVIDEND



AMOUNT

24.0 sen per share



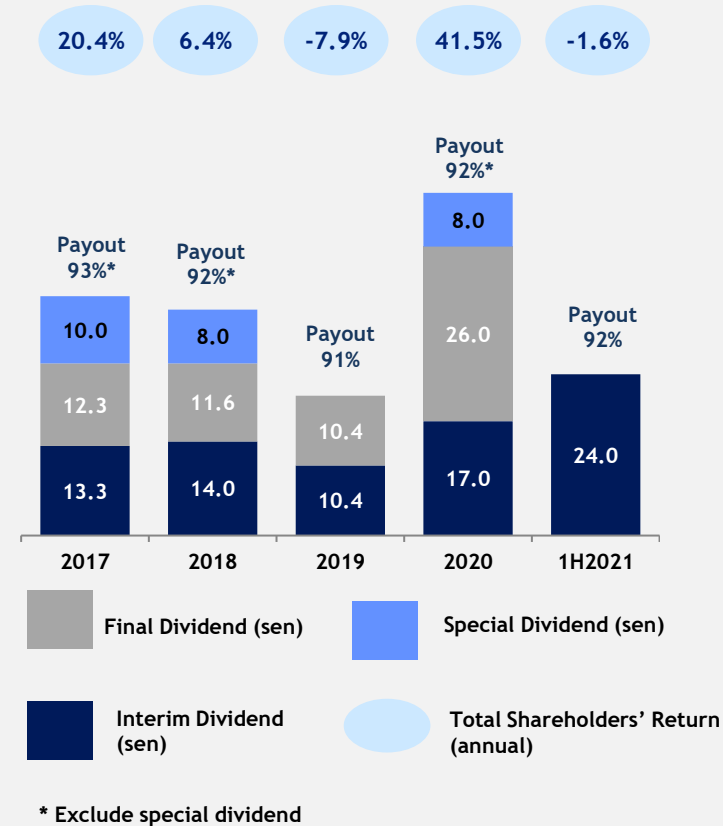
ENTITLEMENT DATE

18 August 2021

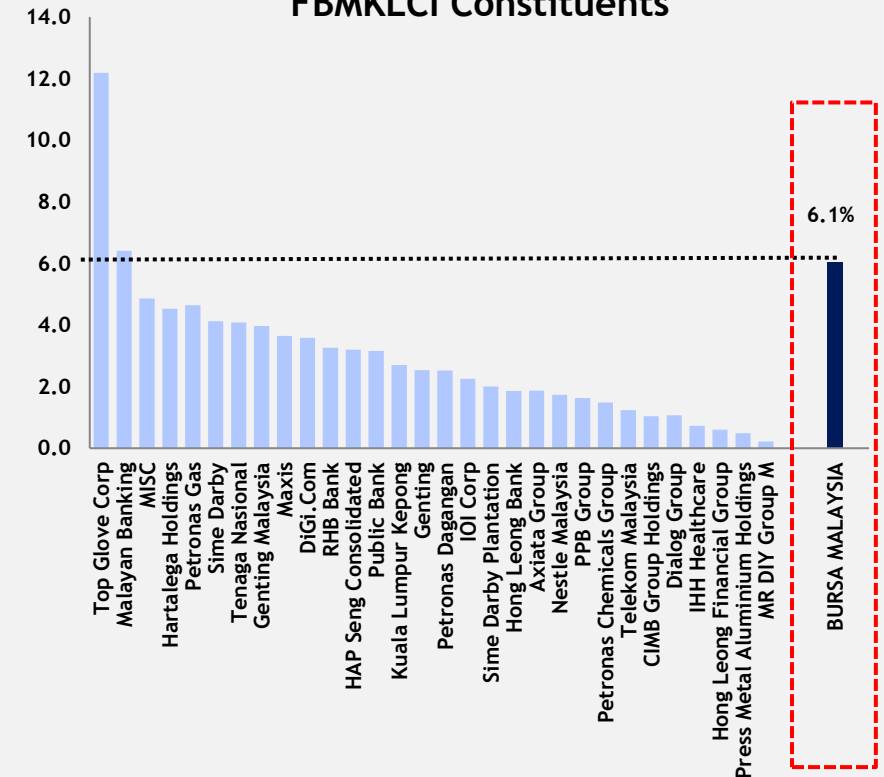


PAYMENT DATE

27 August 2021

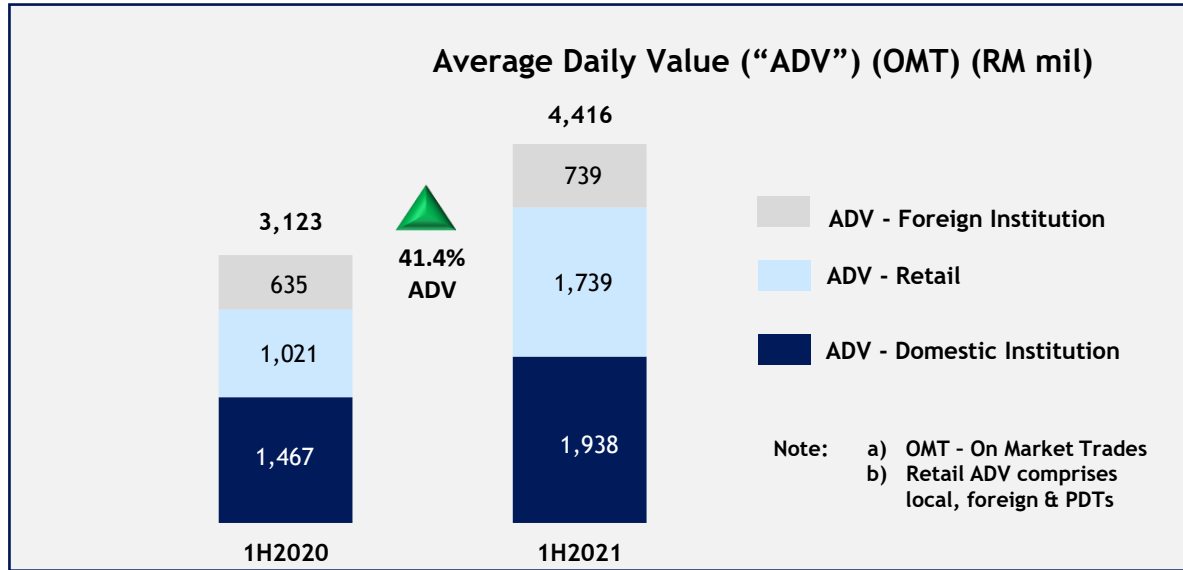


Dividend Yield % (annualised) - Bursa vs. FBMKLCI Constituents



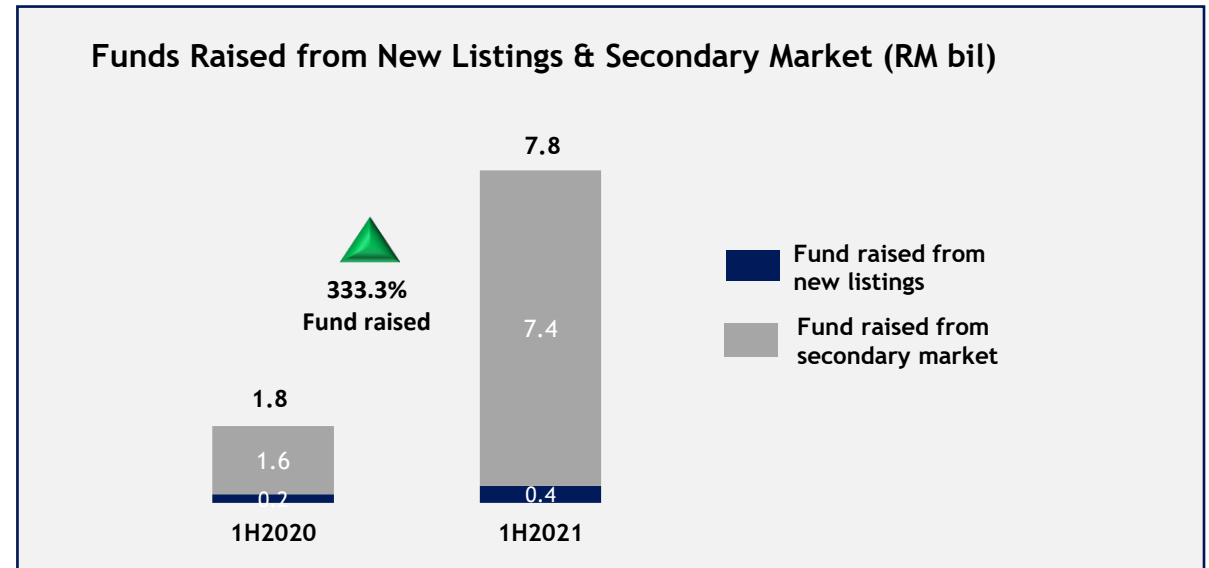
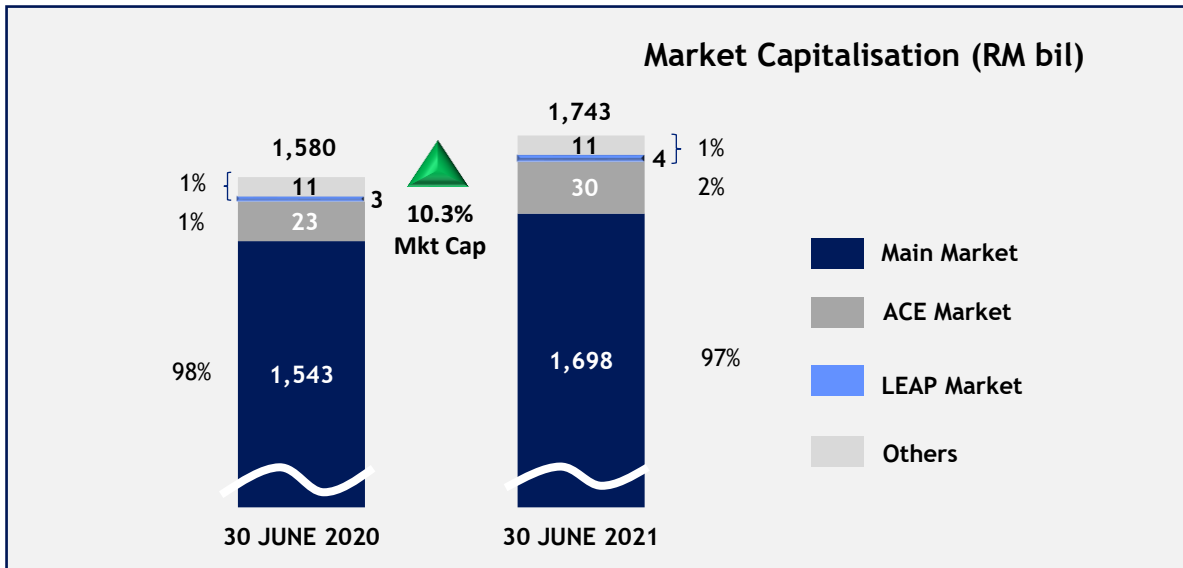
Note: Comparative figures have been adjusted to reflect the bonus issue exercise completed on 13 April 2018.

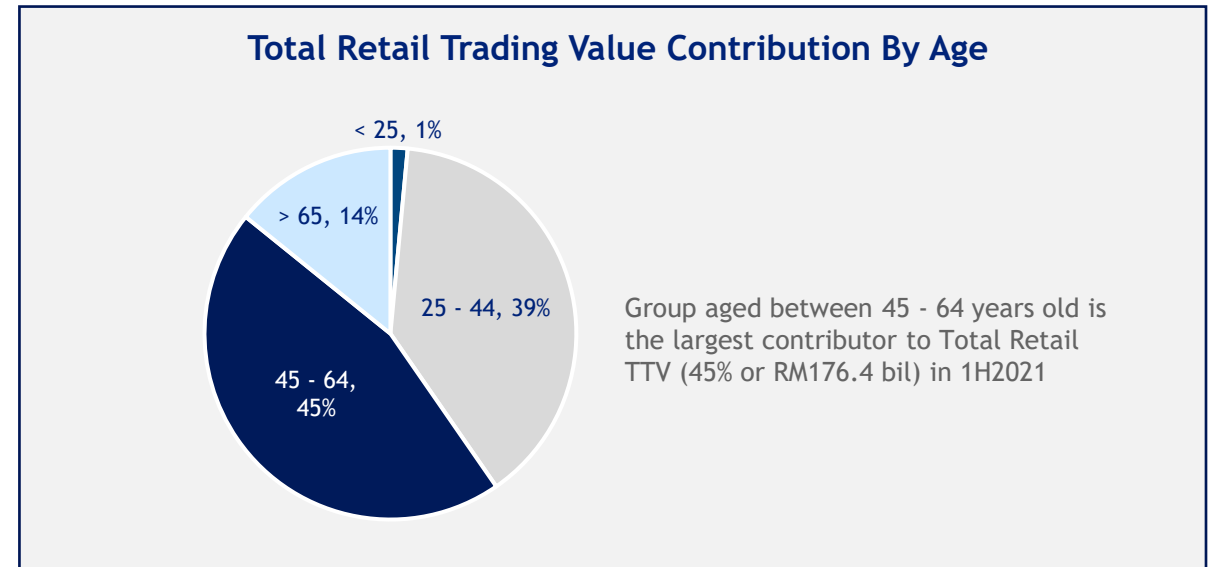
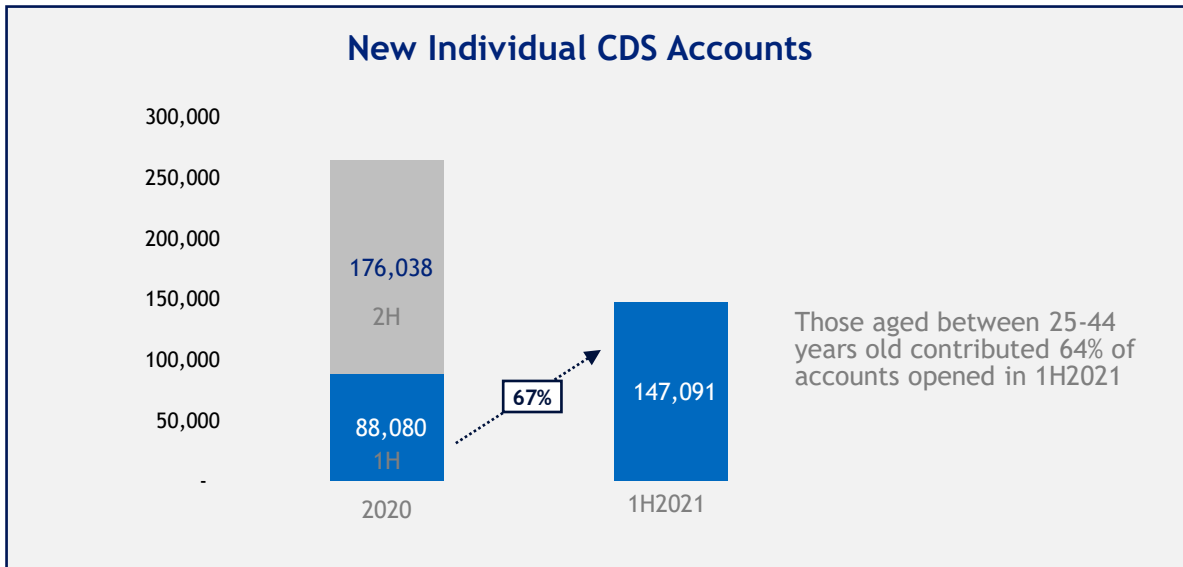
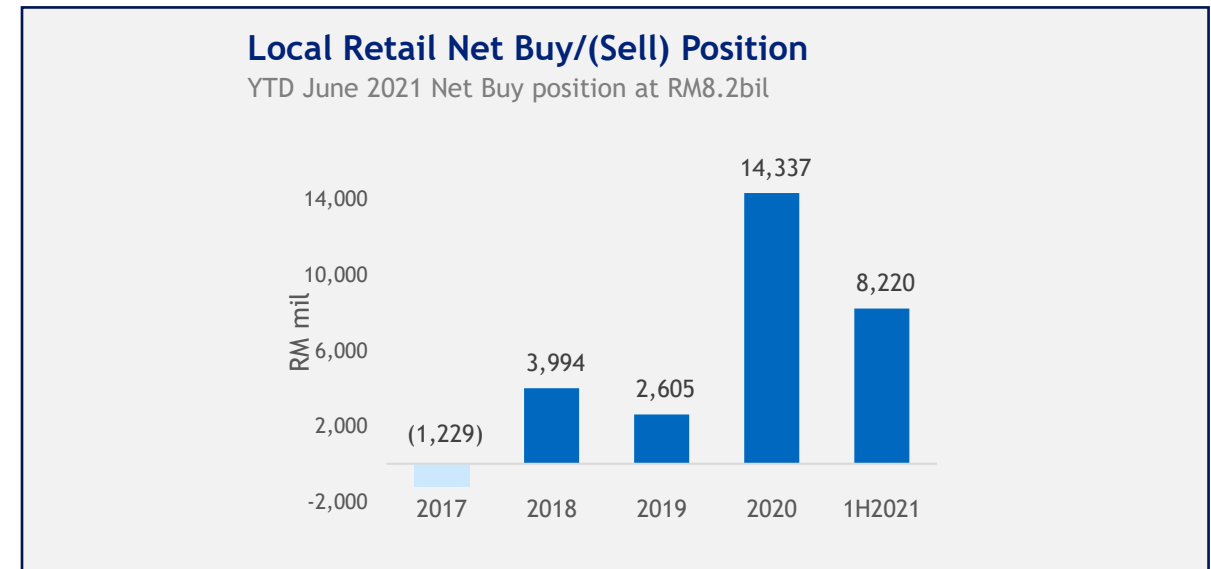
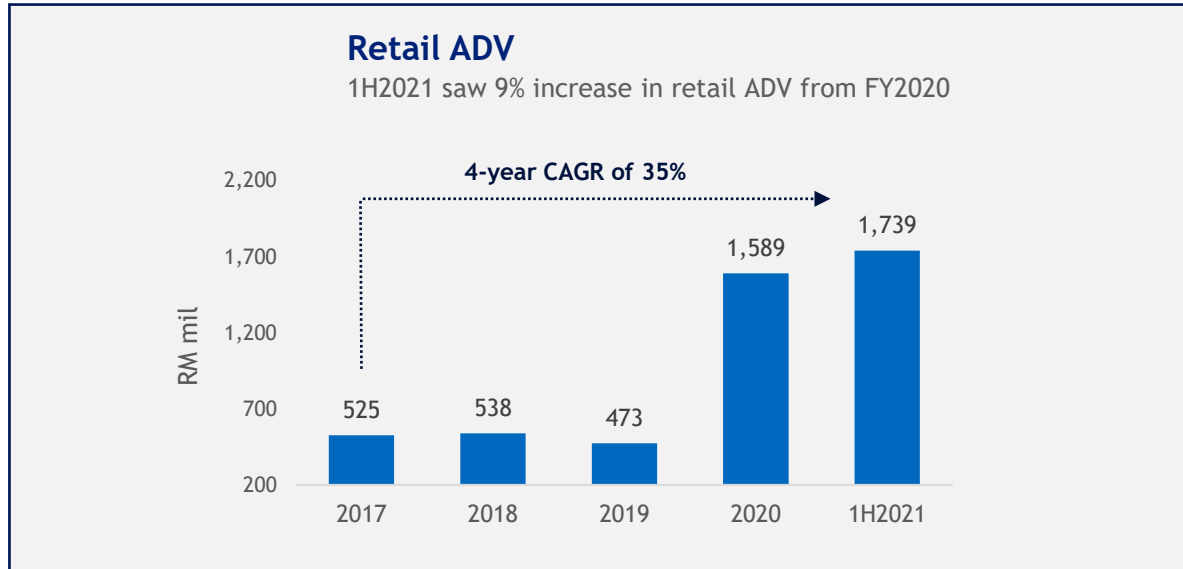
Source: Bloomberg and Bursa Malaysia
As at 30 June 2021



Key Securities Market Indicators

1H2021	61%	228,412	1,533	14
	Velocity	Total New CDS Accounts	FBMKLCI	No. of New Listings
1H2020	50%	167,321	1,501	7



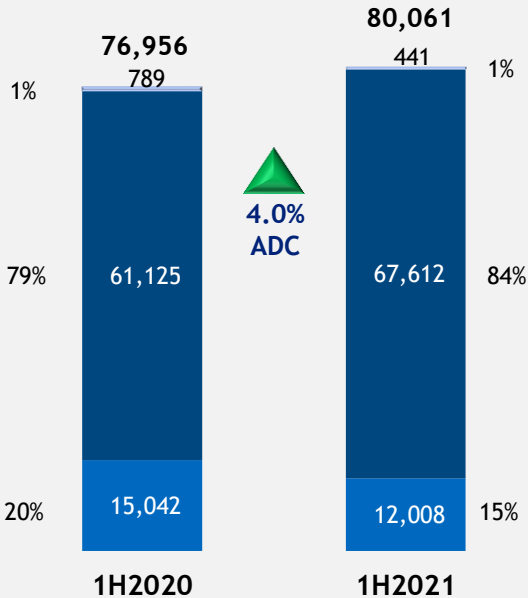


Derivatives Market Overview

Higher FCPO contracts traded in line with the higher volatility of the underlying

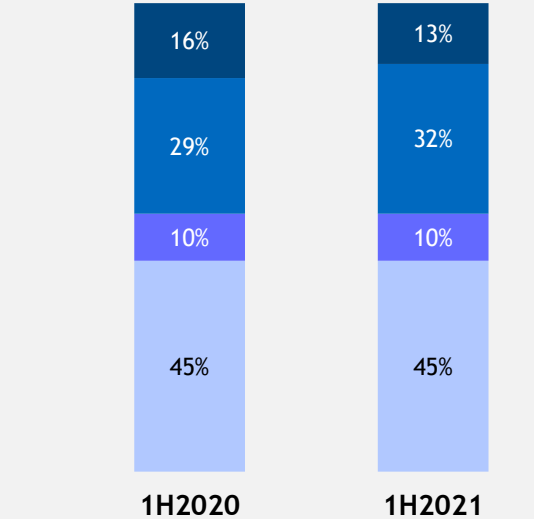


Average Daily Contracts (“ADC”)



- FBMKLCI Futures (“FKLI”)
- Crude Palm Oil Futures (“FCPO”)
- Others

ADC Traded by Investor Types



- Foreign Institutions
- Domestic Institutions
- Retail
- Locals

Product Volatility

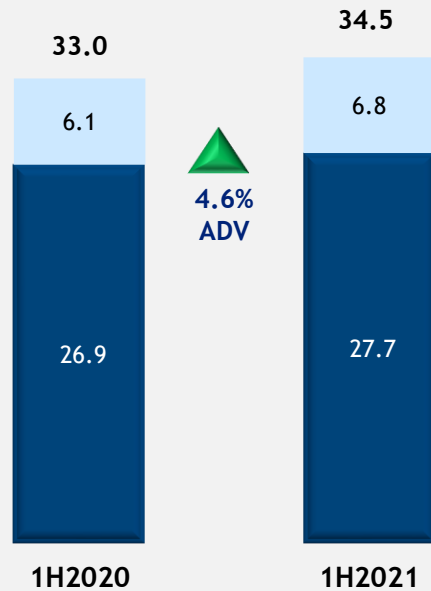
1H2021	41%	10%
	Volatility of CPO Prices	Volatility of FBMKLCI
1H2020	36%	17%

Islamic Markets Overview

Higher BSAS trades recorded by both local and foreign participants



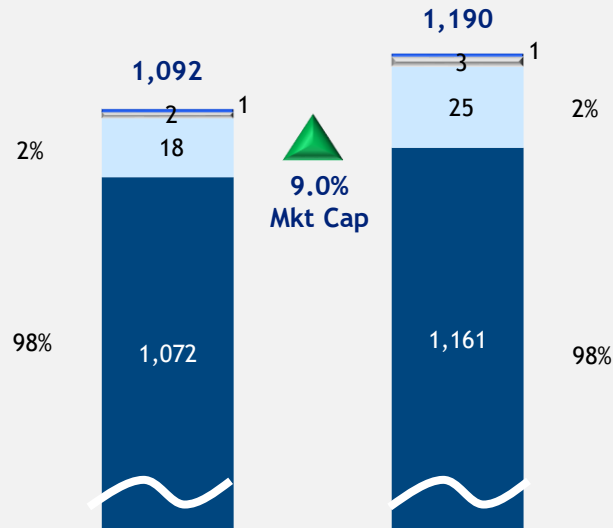
Bursa Suq Al-Sila' ("BSAS") ADV (RM bil)



1H2021	279
	No. of Trading Participants
1H2020	236

Domestic Foreign

Market Capitalisation of Shariah Compliant Stocks (RM bil)



1H2021	80% (760)
	% and no. of Shariah Compliant Stocks
1H2020	79% (736)

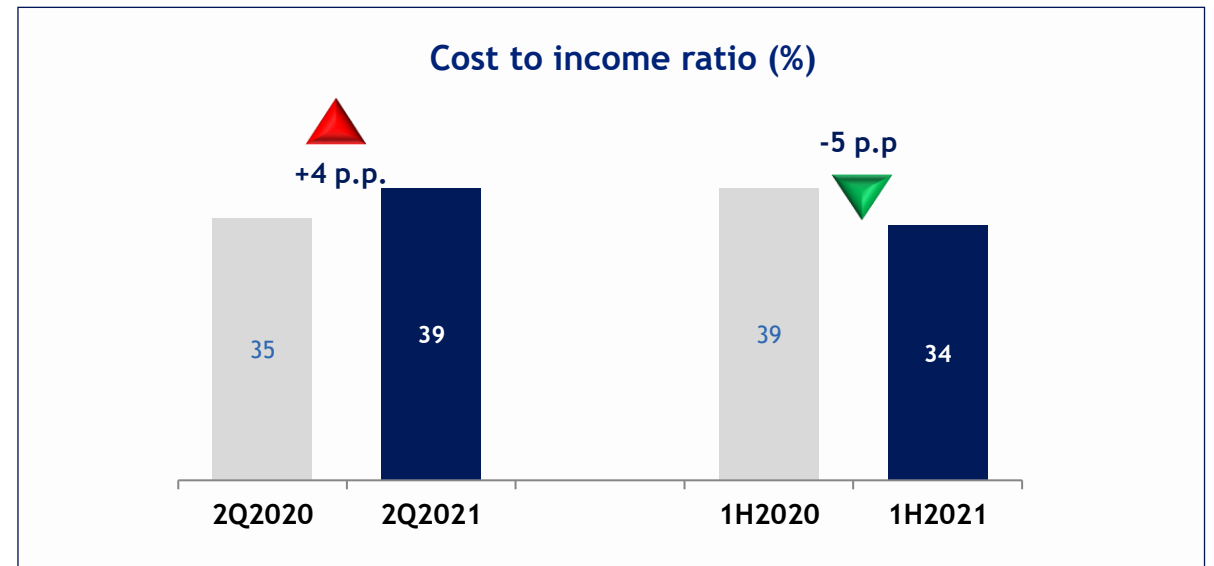
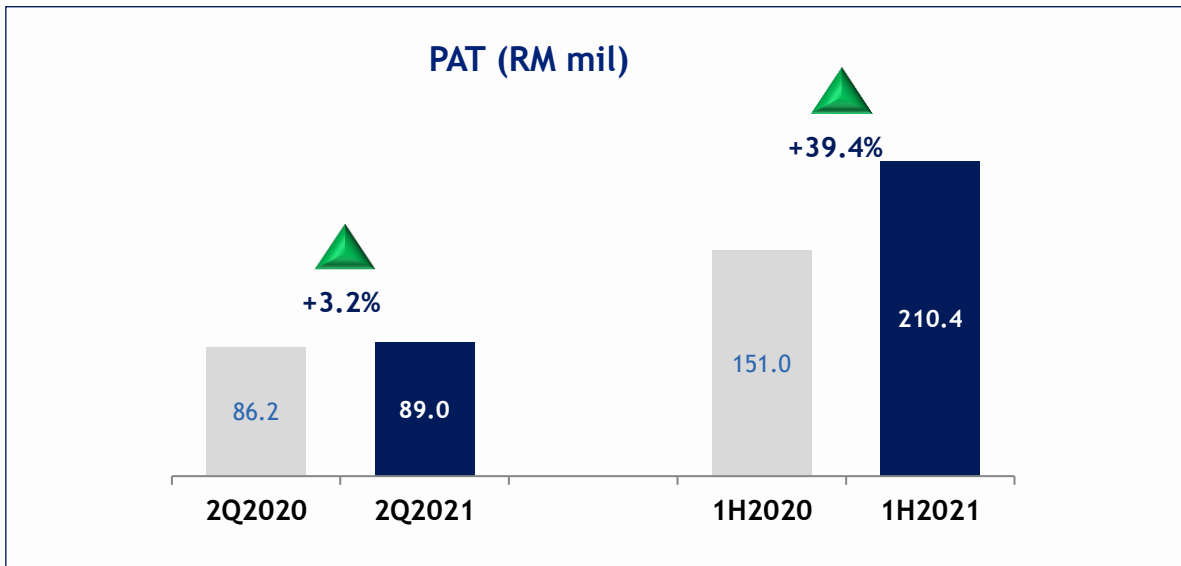
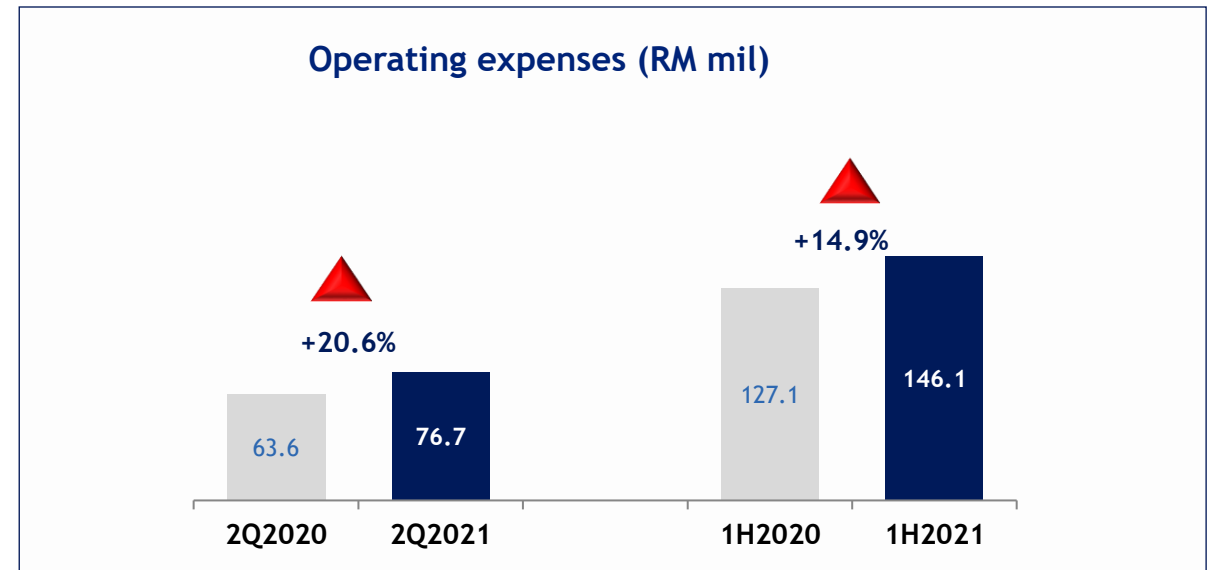
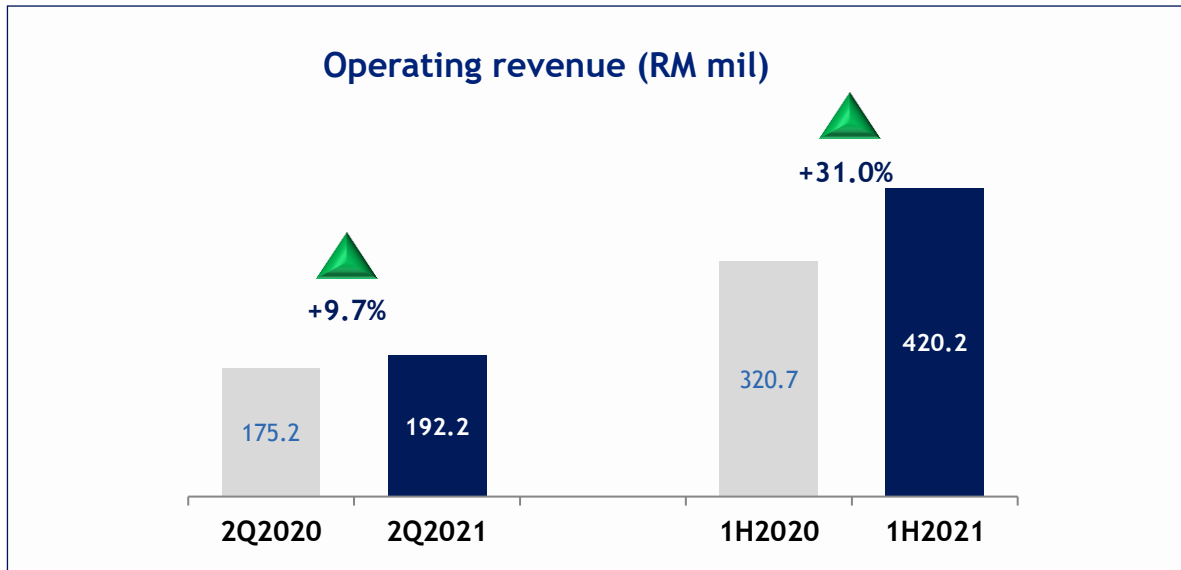
Main Market LEAP Market
ACE Market Others

- Strong trading activities by local participants in 1H2021 (80% of the trades).
- In 1H2021, BSAS admitted 16 new participants
 - 13 Local Participants
 - 3 Foreign Participants (1 from Turkey and 2 from Kenya)

Financial Review

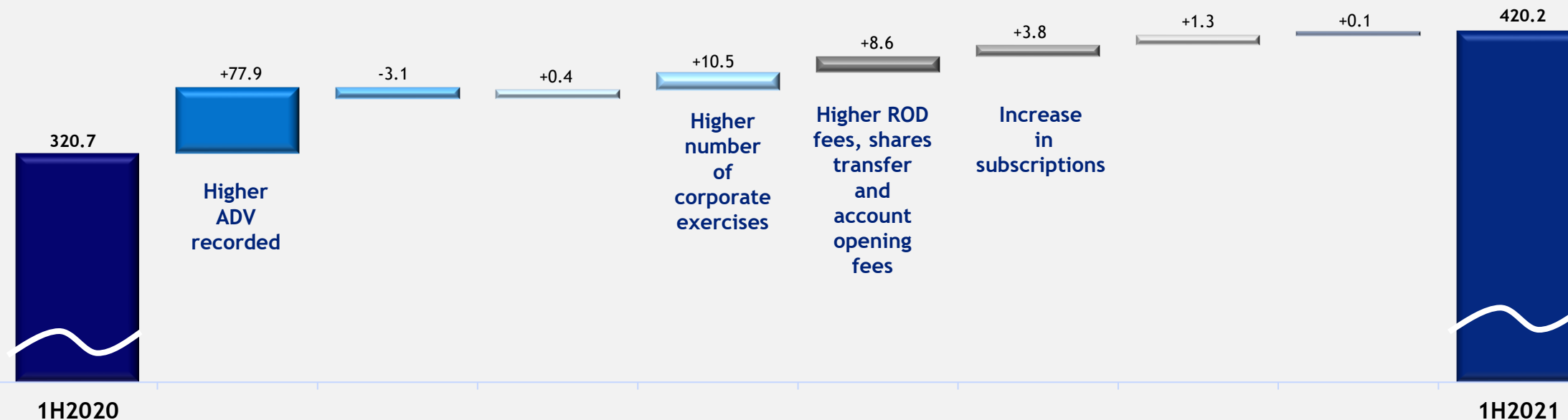
- Financial Snapshot
- Operating Revenue
- Operating Expenses





Operating Revenue

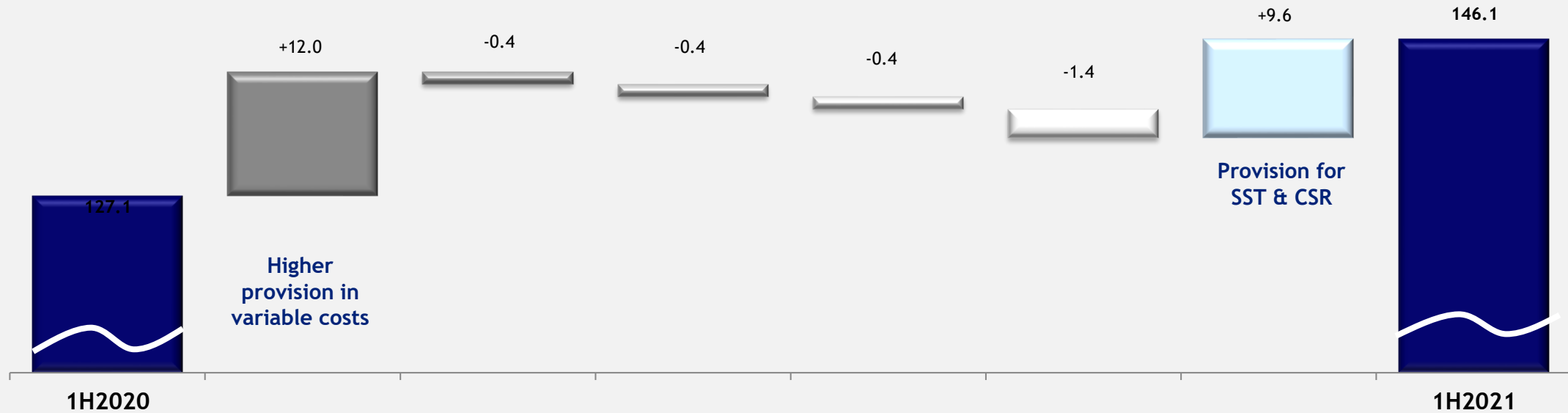
Year-on-year growth mainly contributed by securities trading revenue



Revenue (RM mil)									
	Securities Trading Revenue	Derivatives Trading Revenue	BSAS Trading Revenue	Listing & Issuer Services	Depository Services	Market Data	Member Services & Connectivity	Conference Fee & Exhibition-Related Income	TOTAL
1H2021	266.1 (63%)	44.9 (11%)	6.7 (2%)	34.5 (8%)	29.9 (7%)	26.4 (6%)	11.6 (3%)	0.1 (0%)	420.2
1H2020	188.2 (59%)	48.0 (15%)	6.3 (2%)	24.0 (7%)	21.3 (7%)	22.6 (7%)	10.3 (3%)	NIL (0%)	320.7
YoY	▲ 41.4%	▼ 6.4%	▲ 5.8%	▲ 43.6%	▲ 40.8%	▲ 16.6%	▲ 11.6%	▲ 100.0%	▲ 31.0%

Operating Expenses

Costs increased by 14.9% year-on-year

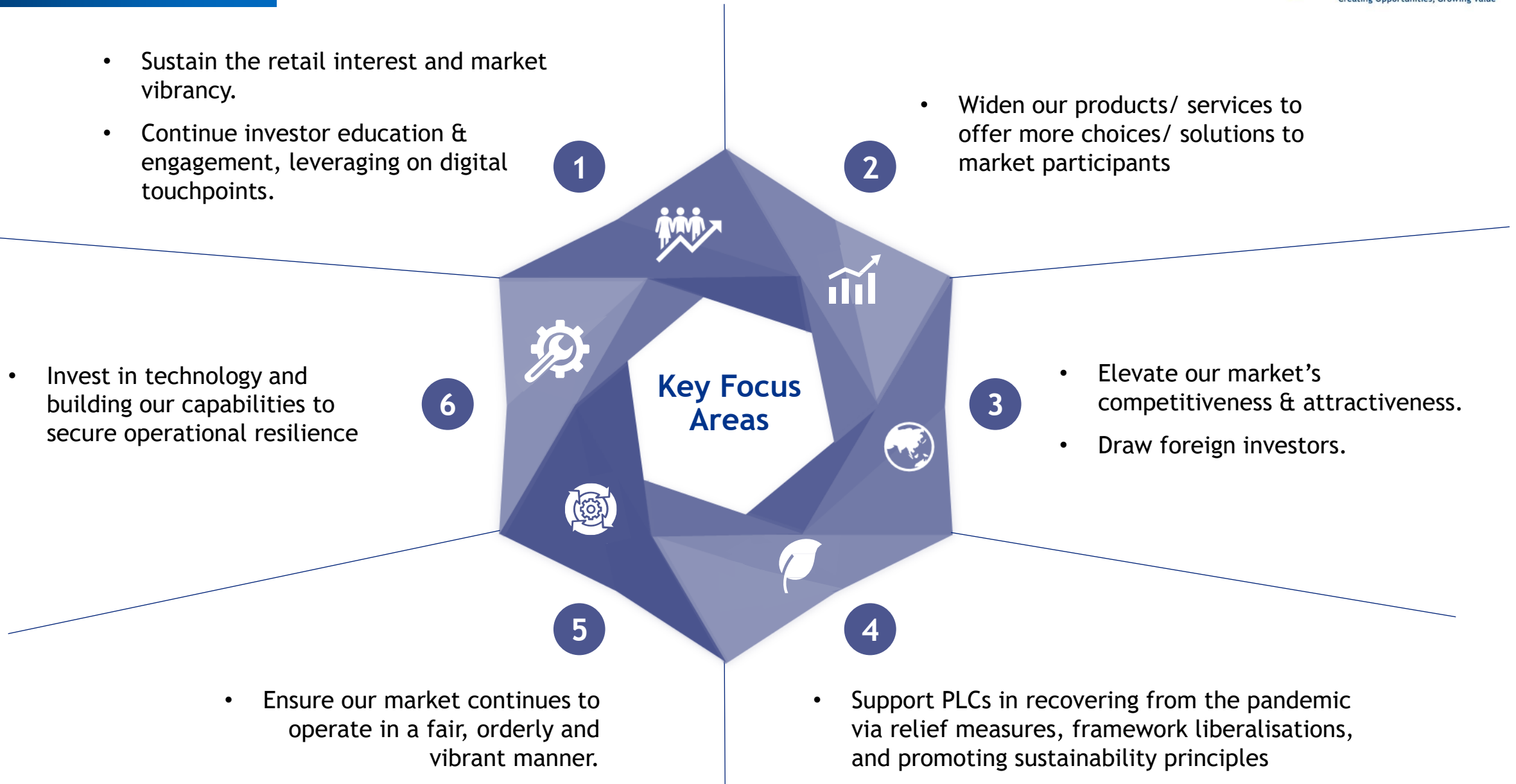


Expenses (RM mil)

	Manpower Costs	Depreciation & Amortisation	Marketing & Development	IT Maintenance	Service Fees	Other Operating Expenses	TOTAL
1H2021	82.0 (56%)	10.5 (7%)	1.9 (1%)	11.8 (8%)	10.7 (8%)	29.2 (20%)	146.1
1H2020	70.0 (55%)	10.9 (9%)	2.3 (2%)	12.2 (10%)	12.1 (10%)	19.6 (15%)	127.1
YoY	▲ 17.1%	▼ 3.3%	▼ 16.6%	▼ 3.7%	▼ 11.6%	▲ 49.0%	▲ 14.9%

Closing





1H2021 Financial Results Briefing

Questions & Answers



Appendices

- Financial Highlights 2Q2021 & Quarterly Financial Trends
- 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

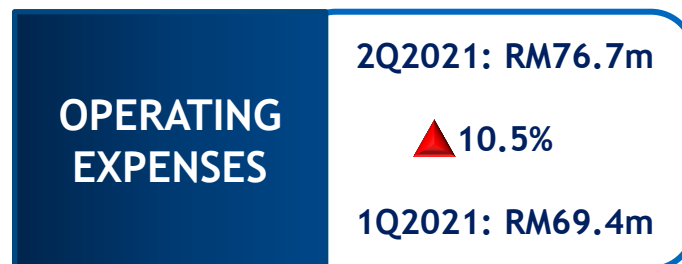


Financial Highlights 2Q2021

Current quarter vs previous quarter comparisons...



- Decrease in q-on-q operating revenue mainly due to lower Securities trading revenue



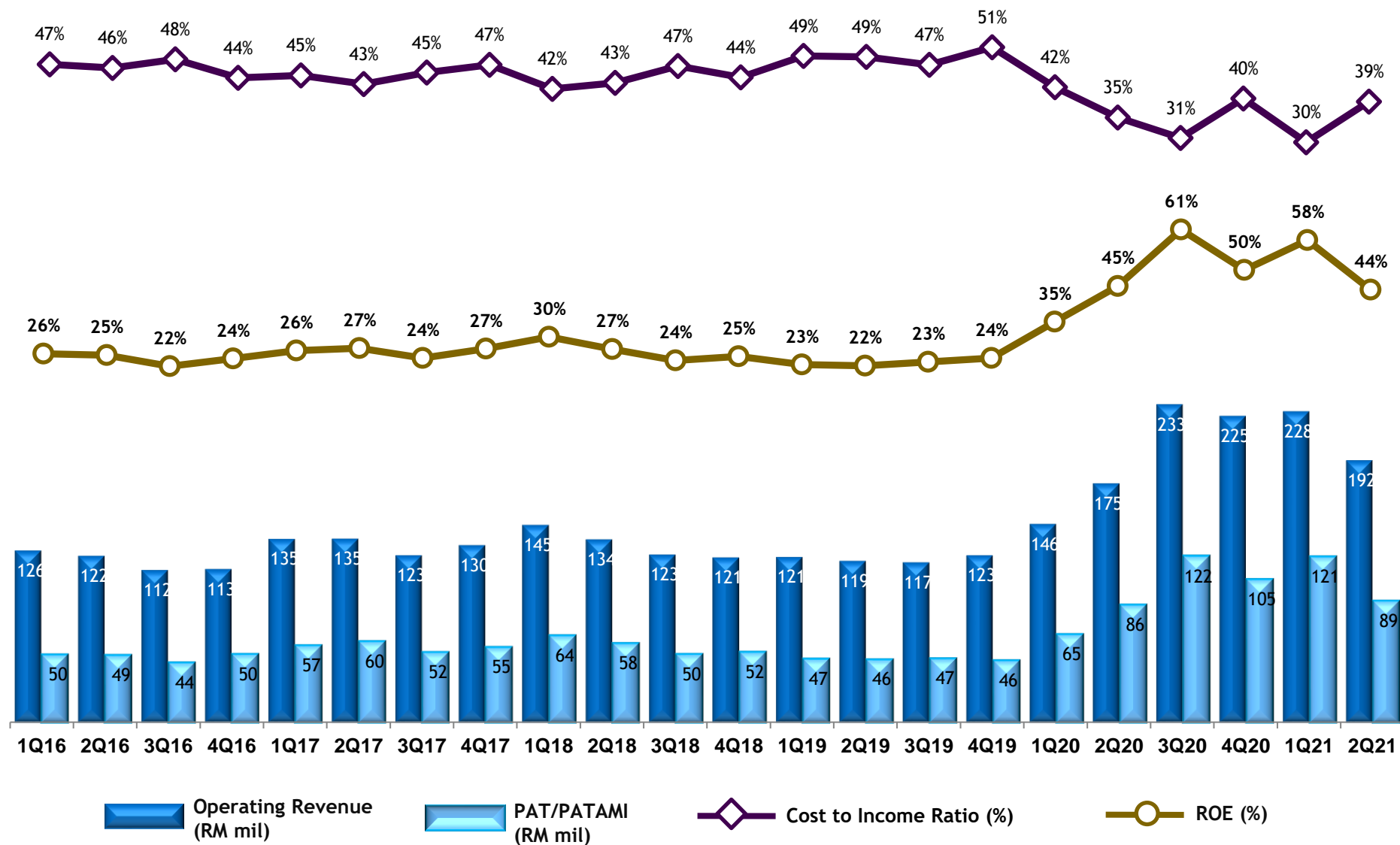
- Increase in operating expenses due to higher manpower and other operating costs.



- As a result, PATAMI was 26.7% lower q-on-q.

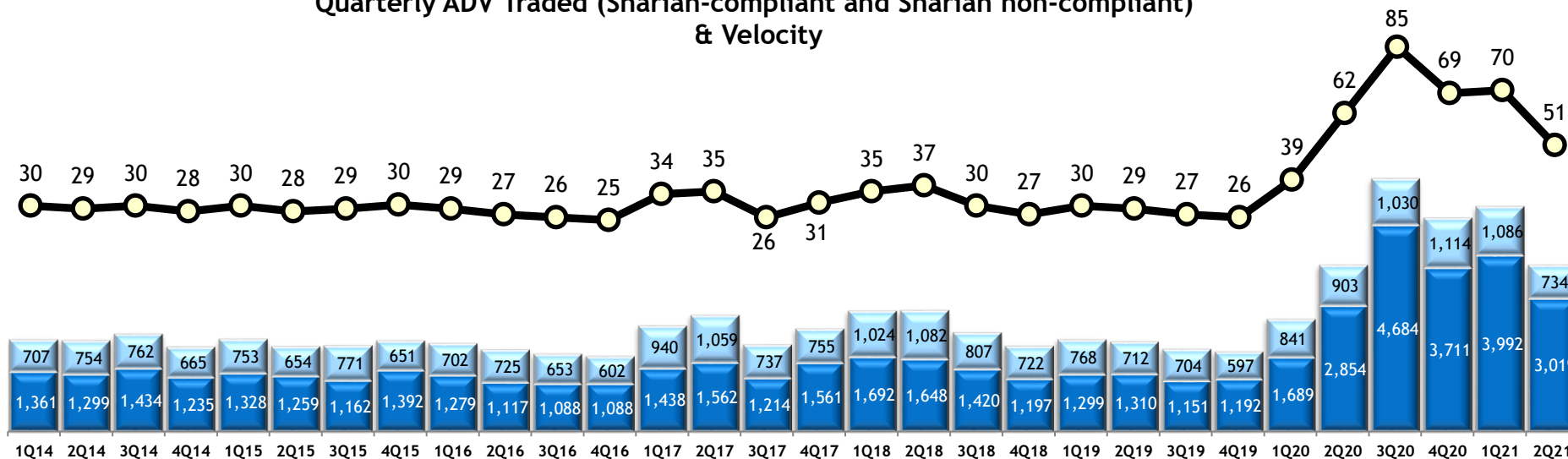


Quarterly Financial Trends

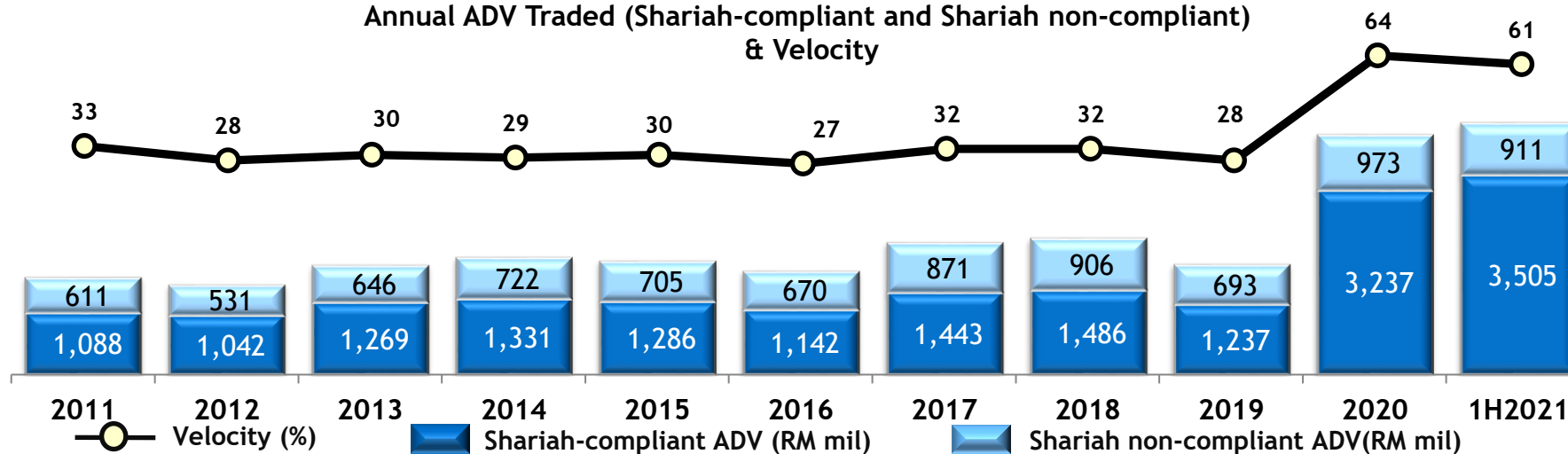


Securities Market Trading Activity

Quarterly ADV Traded (Shariah-compliant and Shariah non-compliant) & Velocity

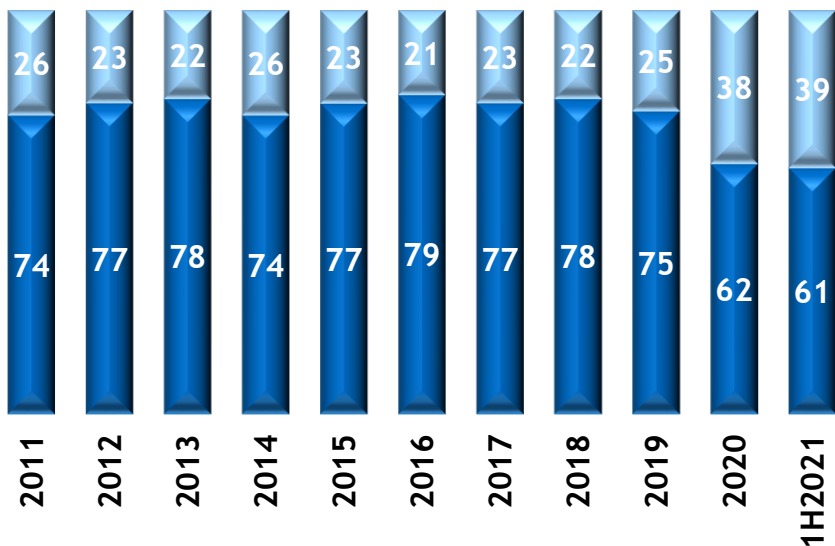
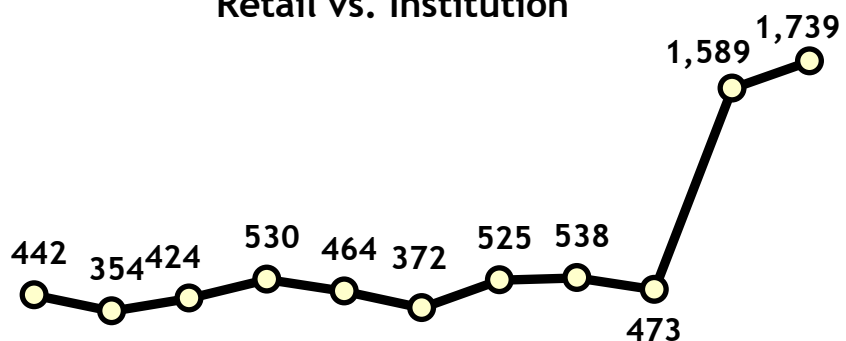


Annual ADV Traded (Shariah-compliant and Shariah non-compliant) & Velocity



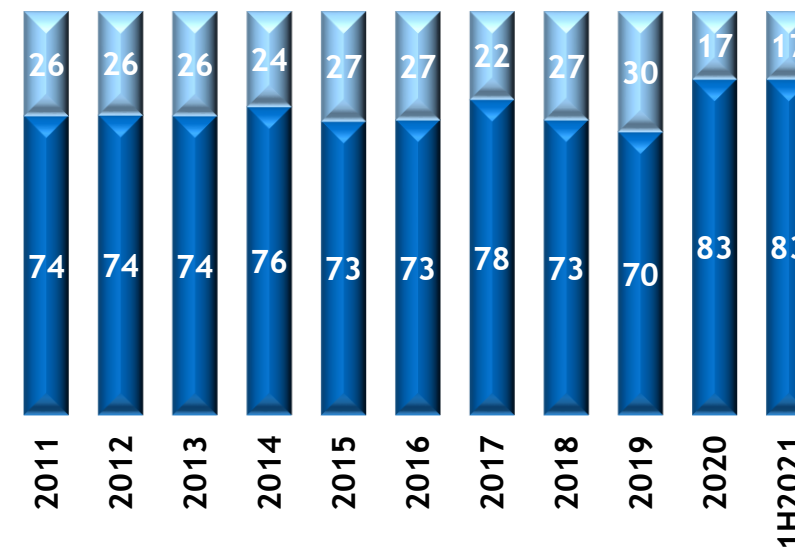
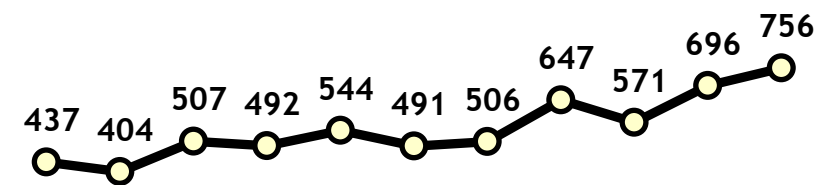
Securities Market Trading Participation

Retail vs. Institution



○ Retail ADV Traded (RM mil) ■ Retail (%) ■ Institution (%)

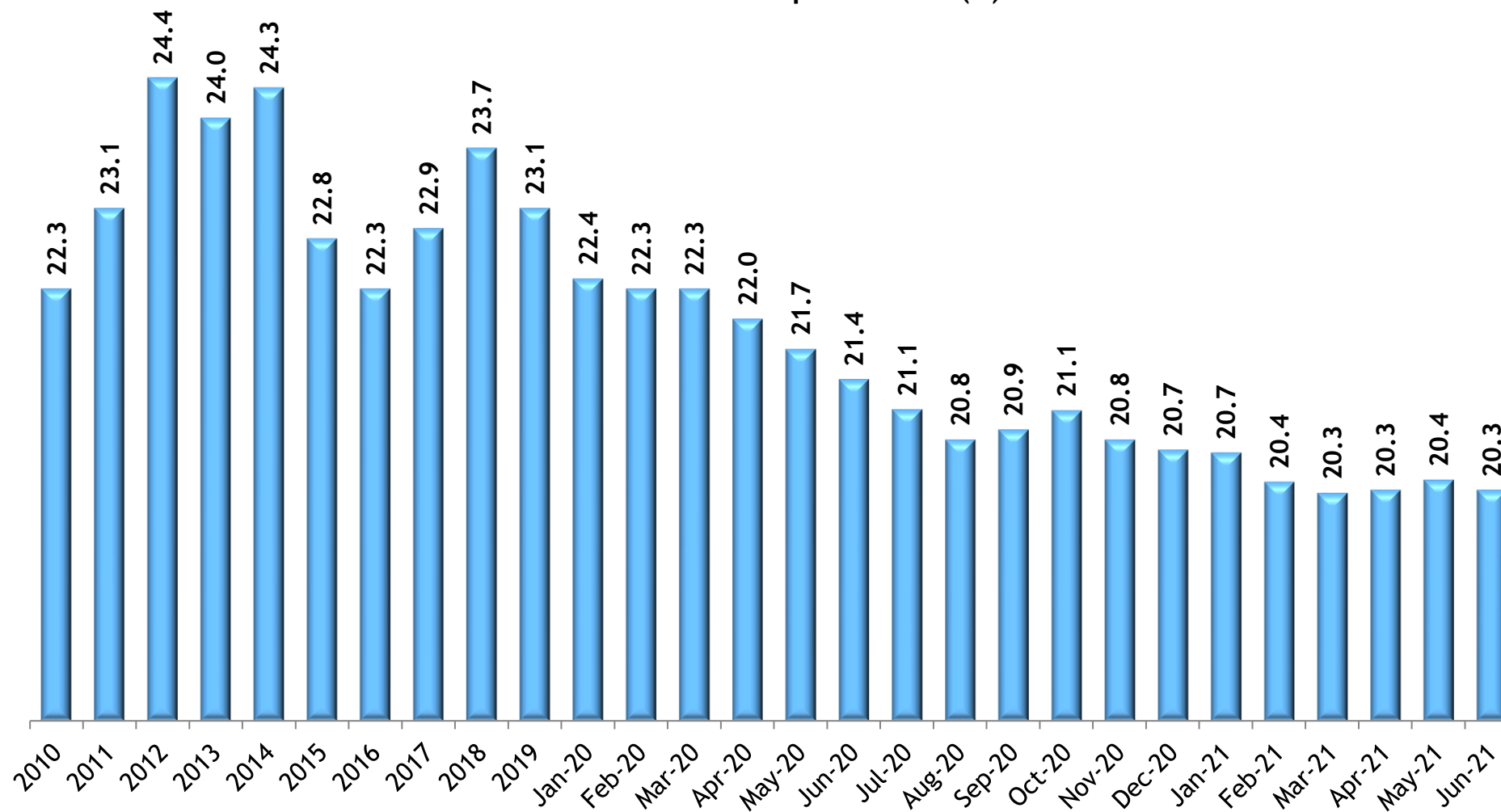
Foreign vs. Local



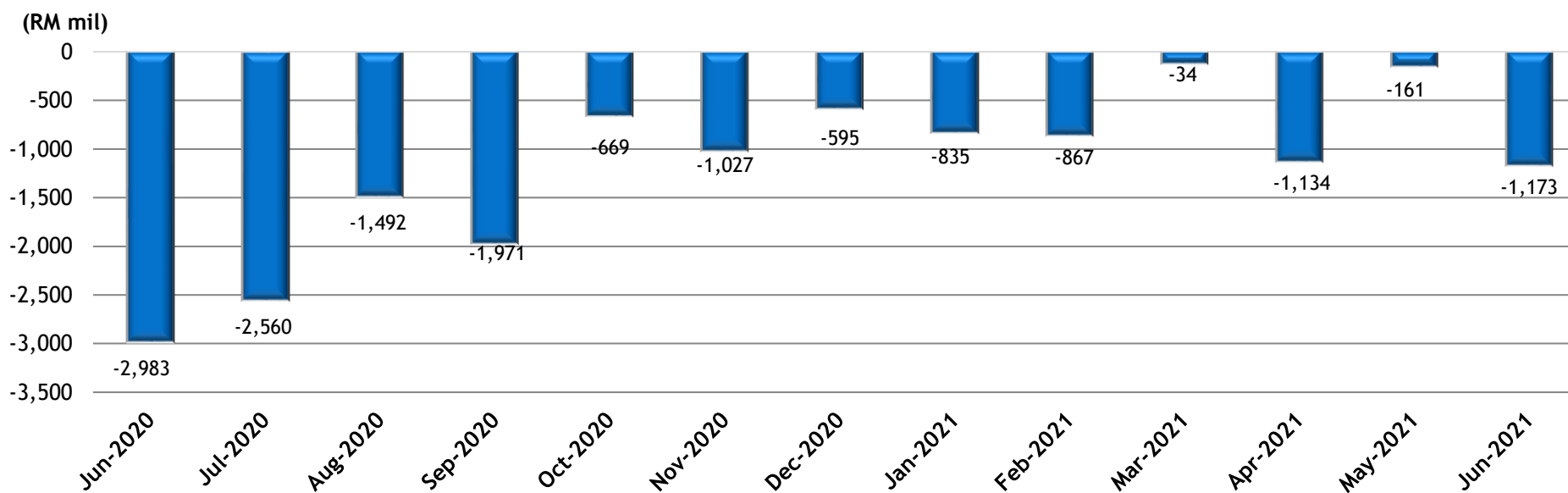
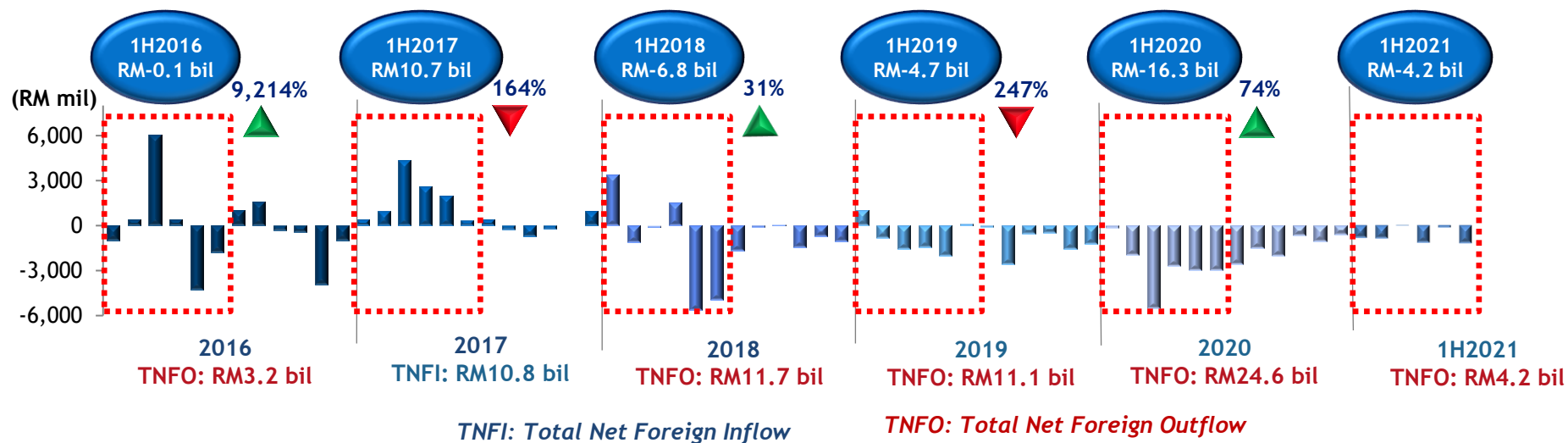
○ Foreign ADV Traded (RM mil) ■ Foreign (%) ■ Local (%)

Securities Market Foreign Ownership

Based on Market Capitalisation (%)

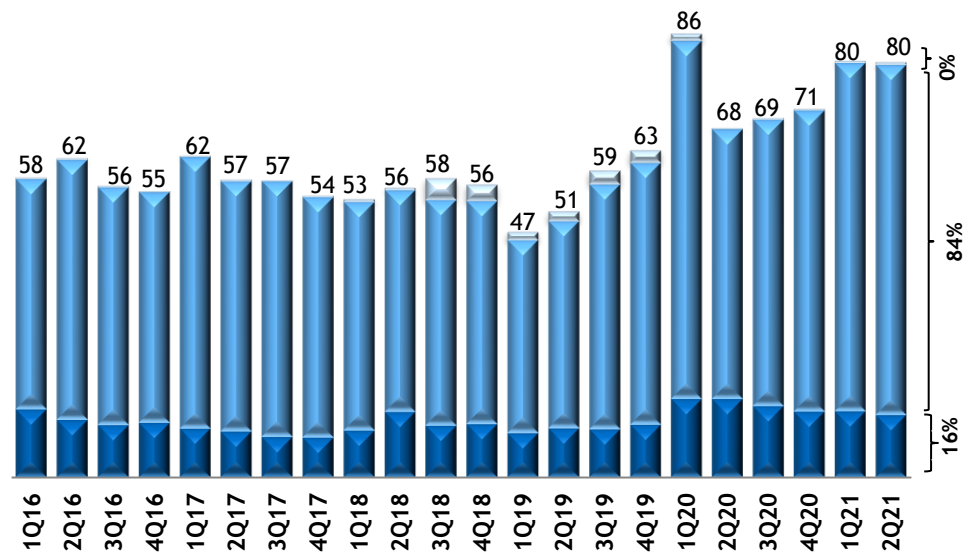
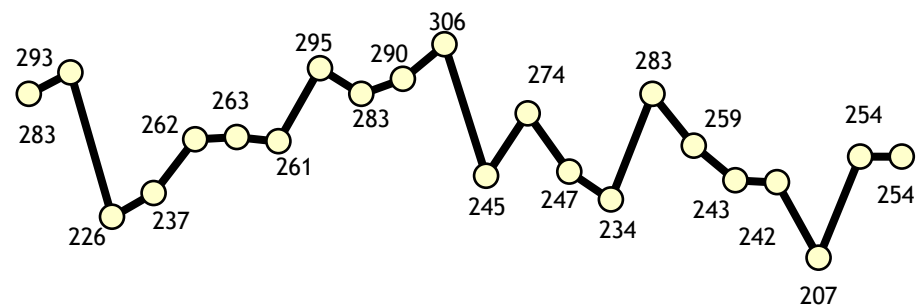


Foreign Inflow/Outflow

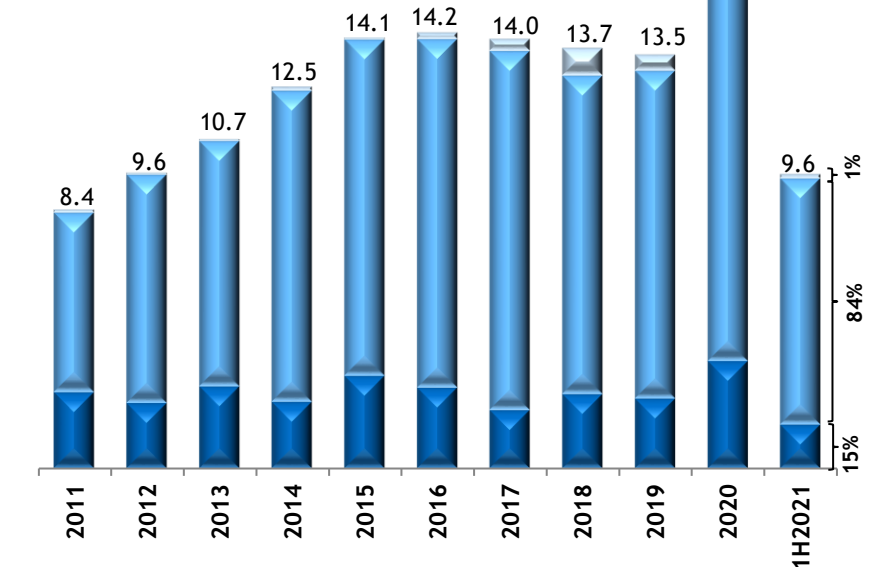
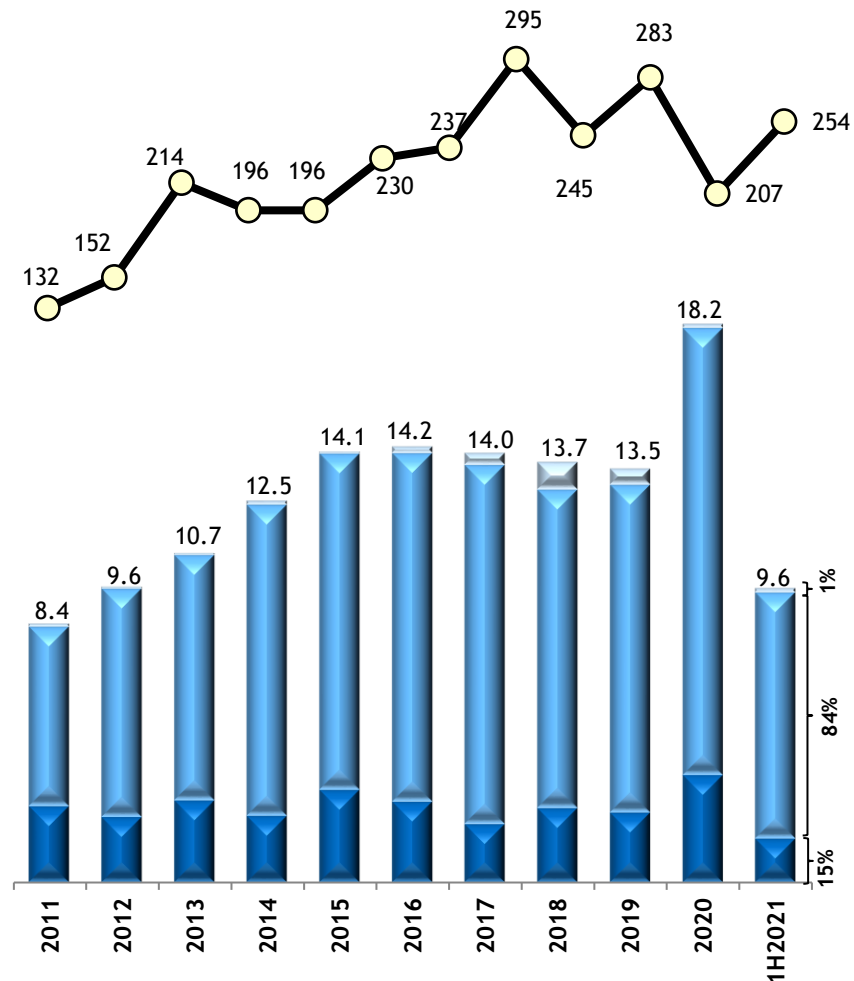


Derivatives Market Activity

Quarterly Average Daily Contracts ('000)



Total Annual Contract (mil)



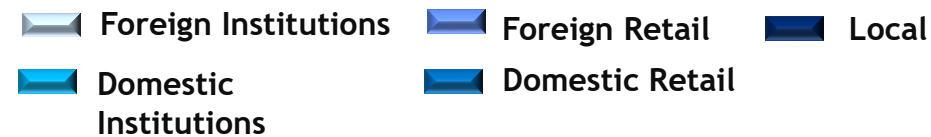
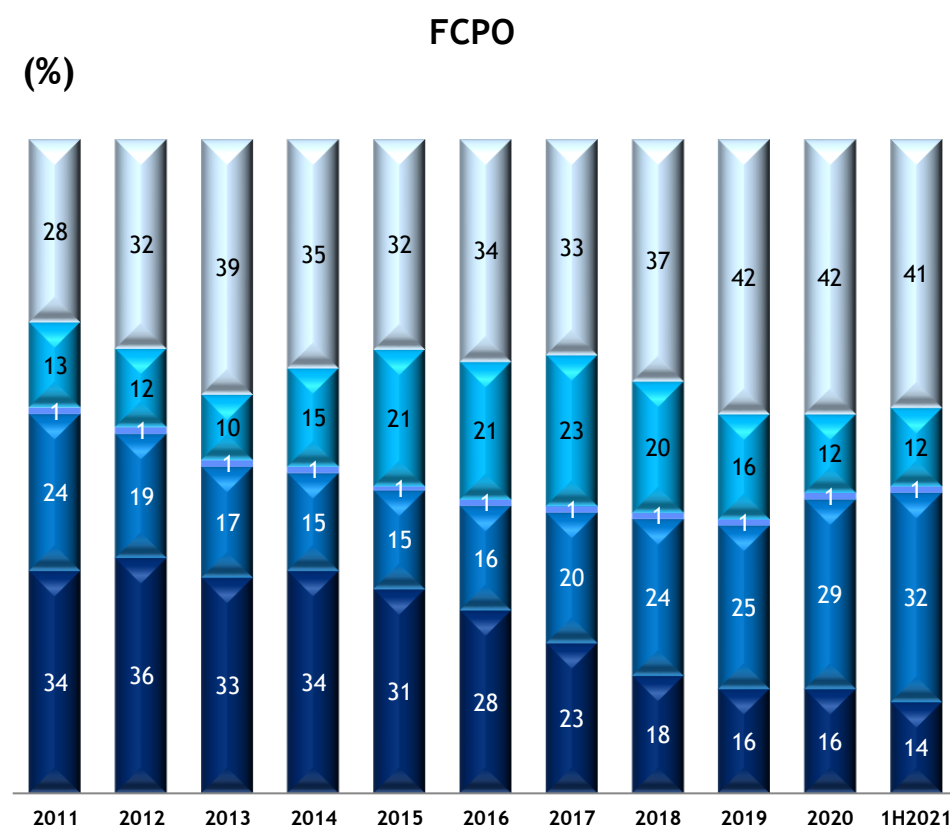
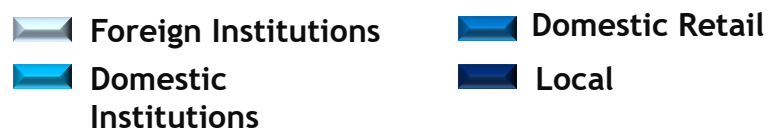
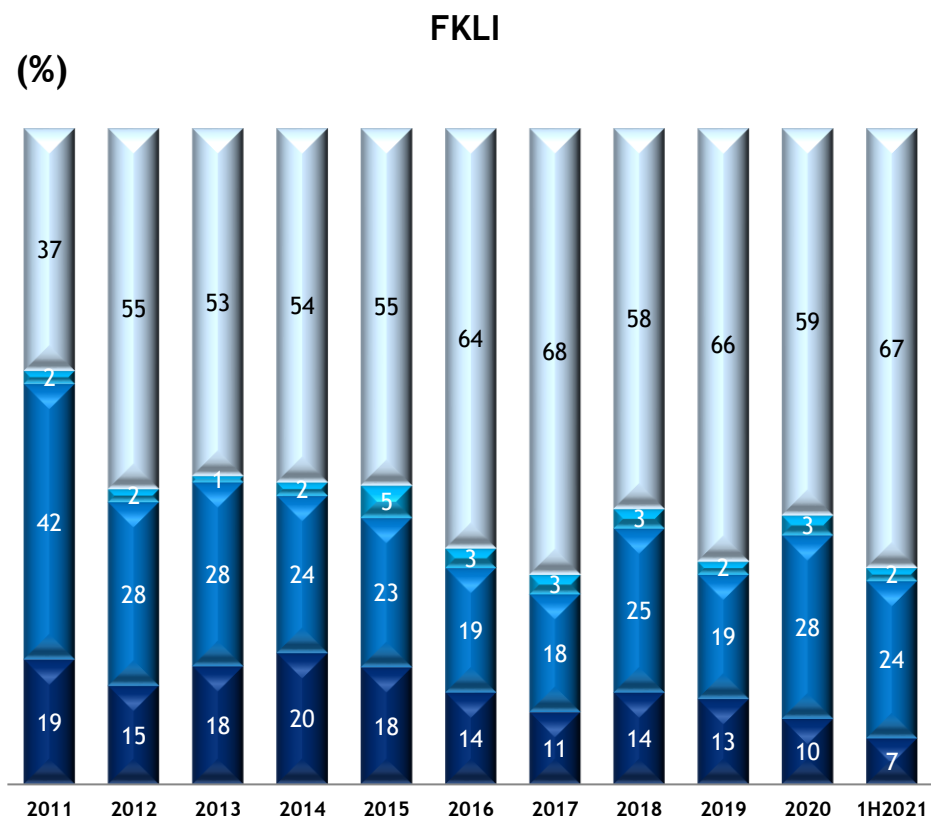
○ Open Interest ('000)

■ FBMKLCI Futures

■ Crude Palm Oil Futures

■ Others

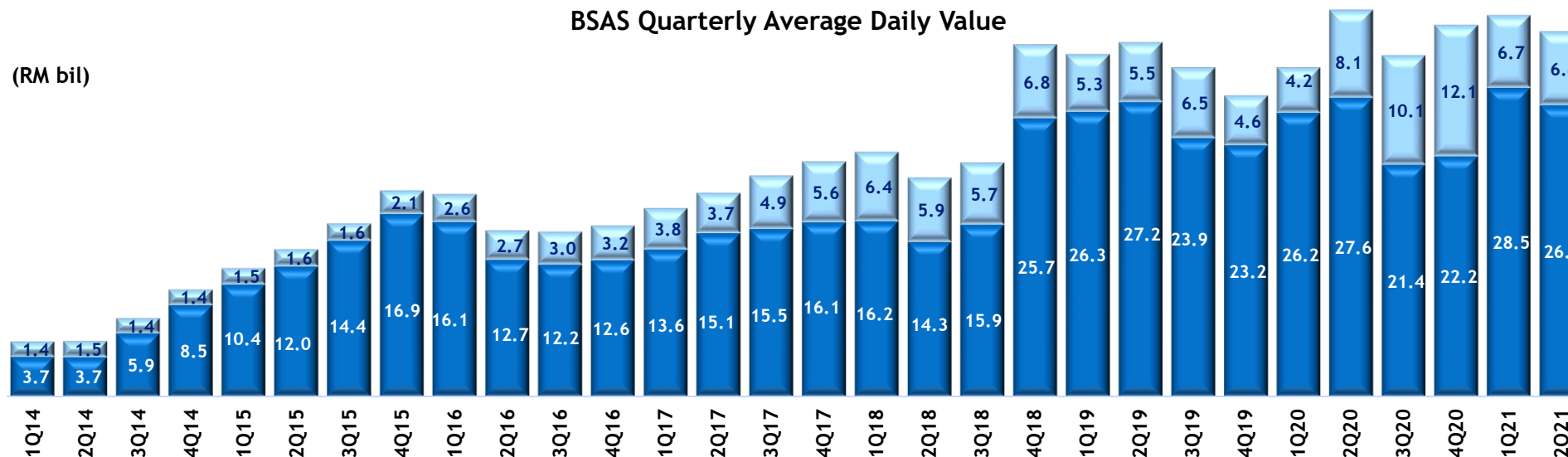
Derivatives Market Demography



Islamic Market Activity

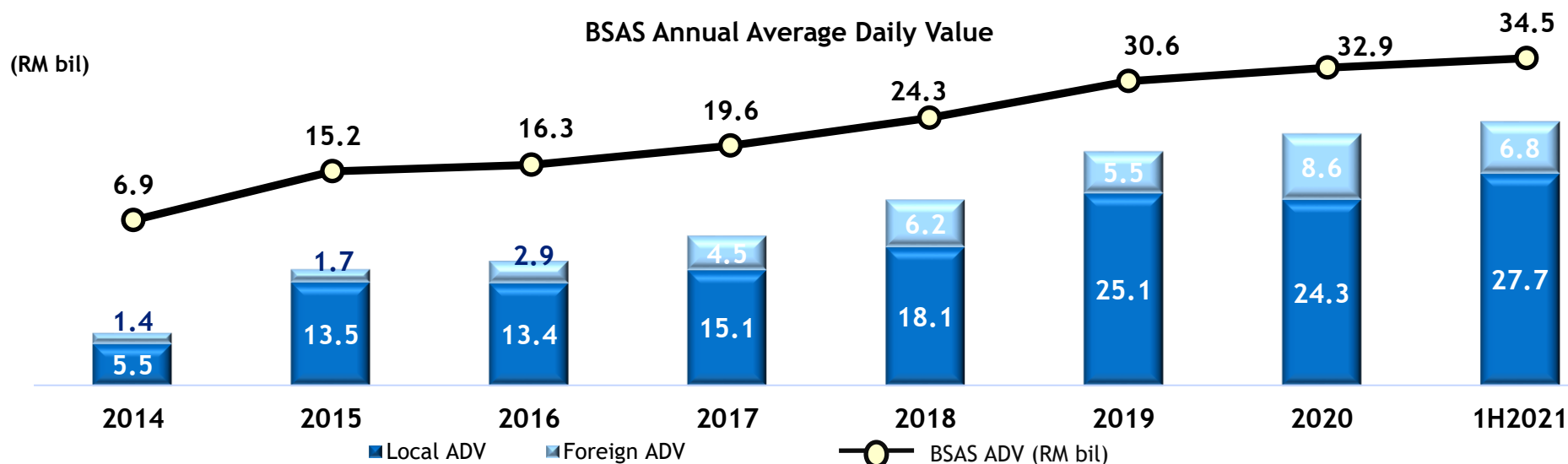
BSAS Quarterly Average Daily Value

(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

RAFIDAH AZIZ
rafidahaziz@bursamalaysia.com
603-2034 7262

E-mail : ir@bursamalaysia.com

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