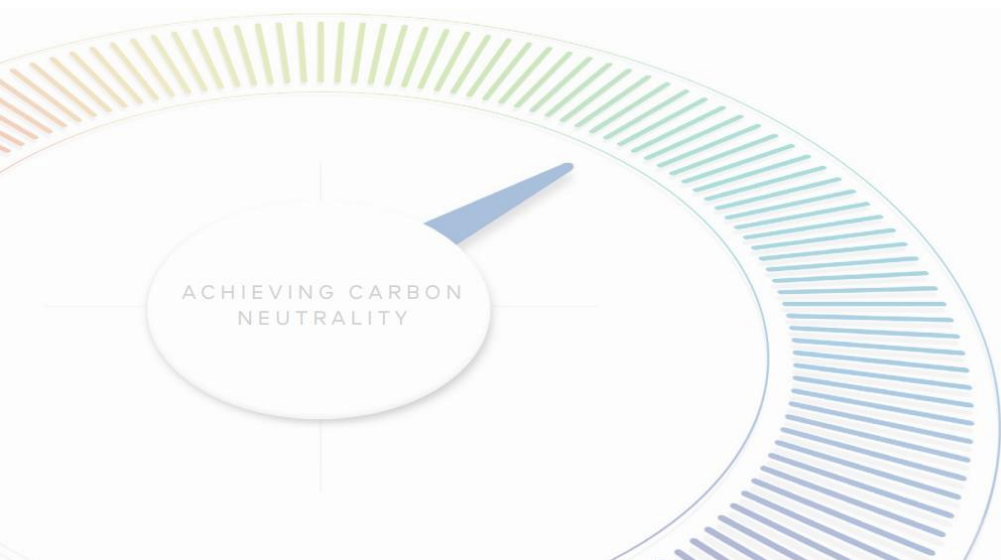


# 1H 2022 Financial Results Briefing

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28<sup>th</sup> July 2022



Creating Opportunities, Growing Value

# CONTENT

- Opening Remarks by the Chairman
- Recent Developments
- Our Way Forward
- Key Financial Highlights & Market Performance
- Financial Review
- Closing
- Q&A
- Appendices



# RECENT DEVELOPMENTS

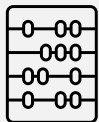
- 1H 2022 Highlights



# 1H 2022 Highlights

## Product/Service Expansion

### 1 Expand Our Core Products



Healthy IPO pipeline – 16 new listings ( 2 Main, 11 ACE, 3 LEAP) in 1H 2022



743 new Structured Warrants listed in 1H 2022

### 2 Widen Our Derivatives Offerings



Successfully completed the first physical delivery of its East Malaysia Crude Palm Oil Futures Contract (FEPO) in Sabah and Sarawak on 17 Feb 2022 and 10 June 2022 respectively



Progressing towards Gold Futures (FGLD) - received Approval in Principle from the SC on 16 Mar 2022

# 1H 2022 Highlights

## Ecosystem Development

1

### Strengthen ecosystem and grow market vibrancy



Launched the PLC Transformation Programme and published two digital guidebooks to improve performance and attractiveness of Malaysian PLCs (2 Mar 2022 & 10 Jun 2022)



Launched new e-DRP feature on Bursa Anywhere, allowing investors to participate for Dividend Reinvestment Plan corporate exercise (21 Mar 2022)



Introduced Bursa Research Incentive Scheme (Bursa RISE) to improve trading velocity and profile of PLCs (28 Mar 2022)



Signed MoU with Verra to further strengthening the Voluntary Carbon Market ecosystem (12 May 2022)

2

### Embed sustainability in our marketplace



Signed MoU with the Malaysian Palm Oil Certification Council to advance sustainability adoption in the palm oil industry (14 Jan 2022)



Signed MoU with HSBC Amanah Malaysia Berhad to collaborate on #financing4ESG initiative and develop sustainability-linked Islamic financial products (8 Feb 2022)



Launched #myfirsttrade# campaign to raise awareness on gender equality and promote equal access to investment opportunities (8 Mar 2022)



FTSE4GOOD Bursa Malaysia Index constituents increased to 87 (in Jun 2022), from 80 in Dec 2021

3

### Enhance Rules / Supportive Frameworks



Enhanced the Main and ACE Market Listing Requirements to further strengthen board independence, quality and diversity (19 Jan 2022)



Issued public consultation paper on enhanced sustainability reporting proposals and climate related disclosures for Main & ACE Market Listing Requirements (23 Mar 2022)

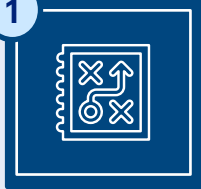
# OUR WAY FORWARD

- Key Priorities in 2022



# Our Key Priorities in 2H 2022

1



Establishing new platforms and services serving emerging market needs e.g. Voluntary Carbon Market

2



Champion best practices among issuers, and provide supportive tools to serve PLCs' needs e.g. PLC Transformation Programme

3



Increase collaborative efforts on new data solutions and improve accessibility e.g. Customer Experience

4



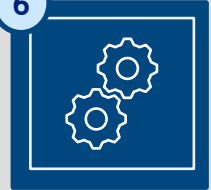
Broaden & enhance current product/ solution offering to boost market vibrancy and attractiveness e.g ESG indices

5



Accelerate introduction of innovative products or new asset classes e.g. Digital Gold Dinar

6



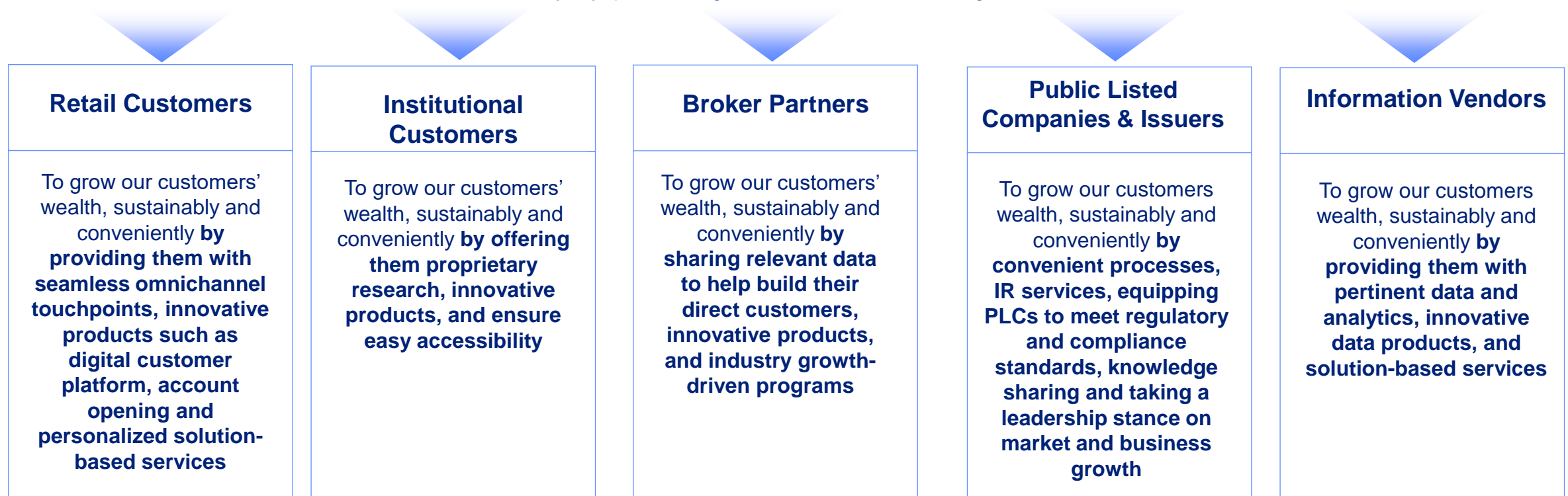
Invest in technology and deepen capabilities to capture new growth opportunities

# Bursa's CX Journey

*Work in progress to improve CX for all stakeholders*

*The road to CX maturity will encompass many facets, including investments into customer research and technology to delve into the mindsets of our unique customer ecosystem.*

*Understanding the needs, expectations and pain points of all our customers will enable us to develop solutions that will ensure customer retention and loyalty, positioning ourselves for sustained growth.*



**Customer Experience design and solutions based on customer journey mapping, continual customer feedback, and data and behavior analysis**

Listening to our customers and continually enhancing our services and offerings lies at the core for better CX.



# Key Financial Highlights & Market Performance

- Financial Highlights for 1H 2022
- Half yearly Financial Trend
- Dividend
- Securities Market Overview
- Derivatives Market Overview
- Islamic Markets Overview

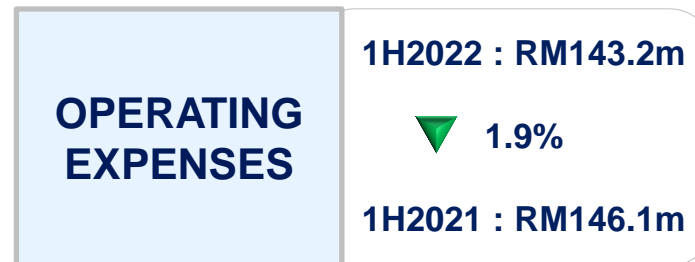


# Financial Highlights For 1H2022

1H2022 Profit After Tax of RM127.4m, on the back of lower securities trading revenue



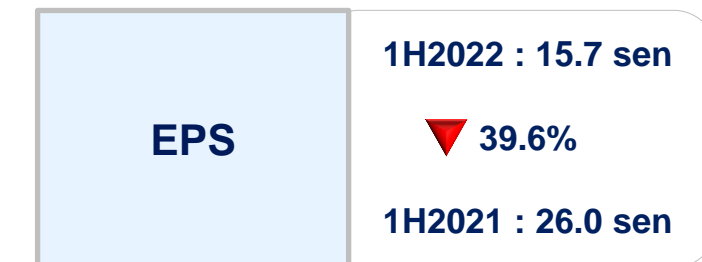
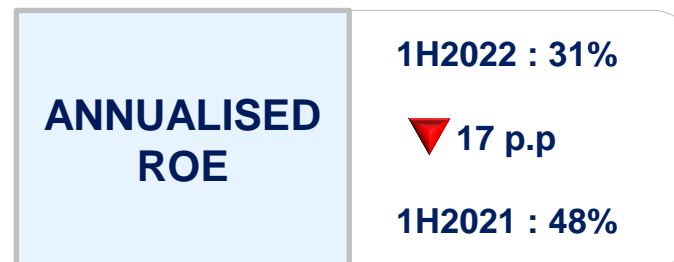
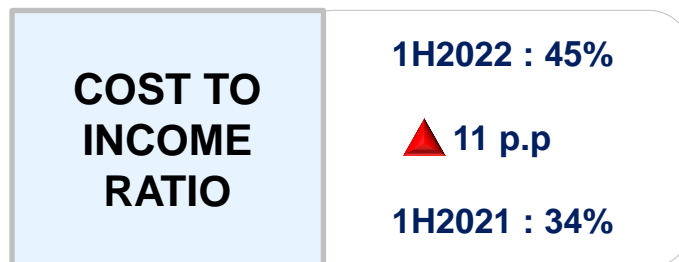
- Decrease in operating revenue mainly due to lower securities trading revenue.



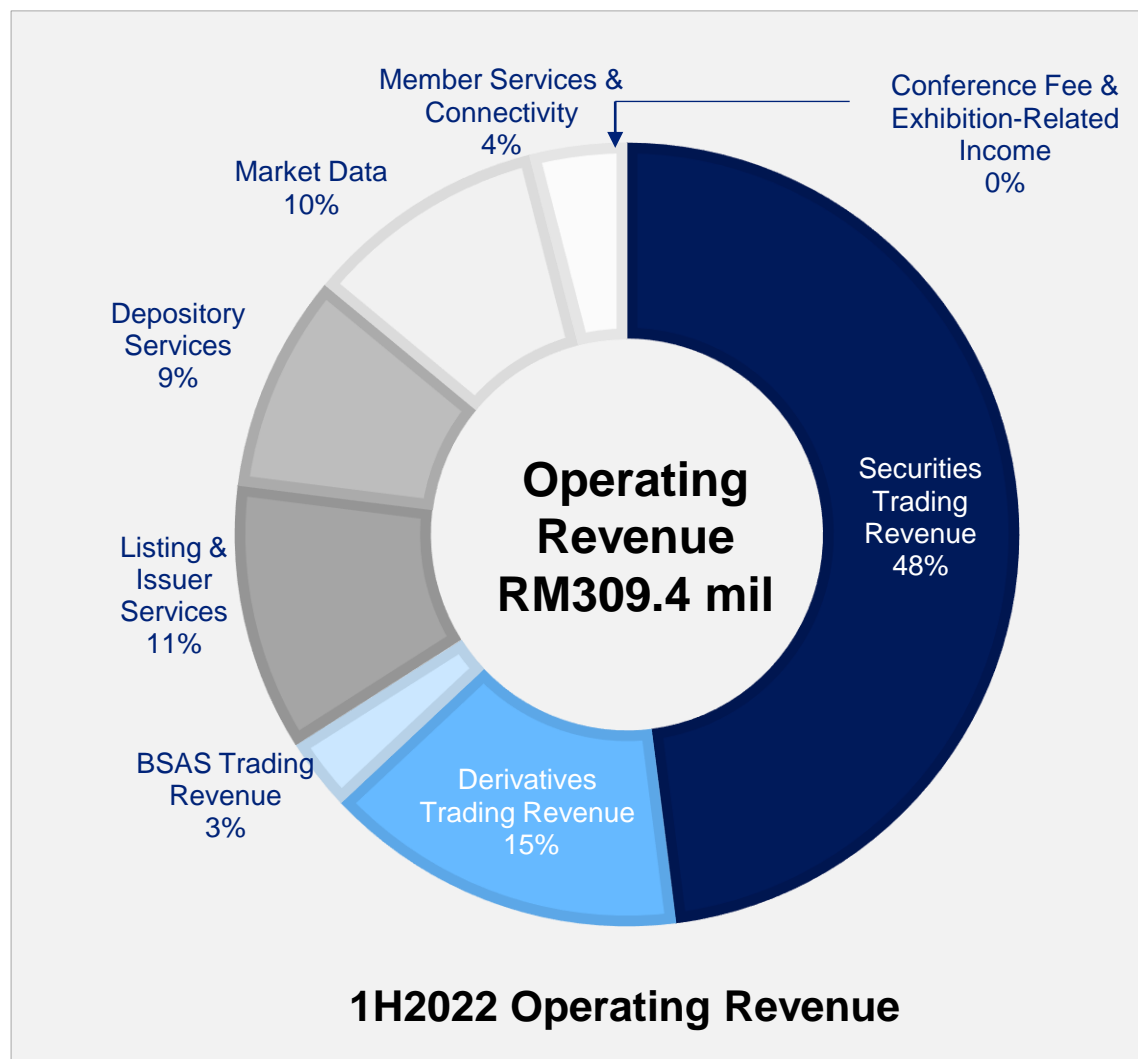
- Lower operating expenses due to lower staff costs and other operating expenses.



- As a result, PAT decreased by 39.4% to RM127.4 million in 1H2022 as compared to the same period last year.



# 1H2022 Financial Performance – Non-trading revenue grew 4.3% in 1H2022



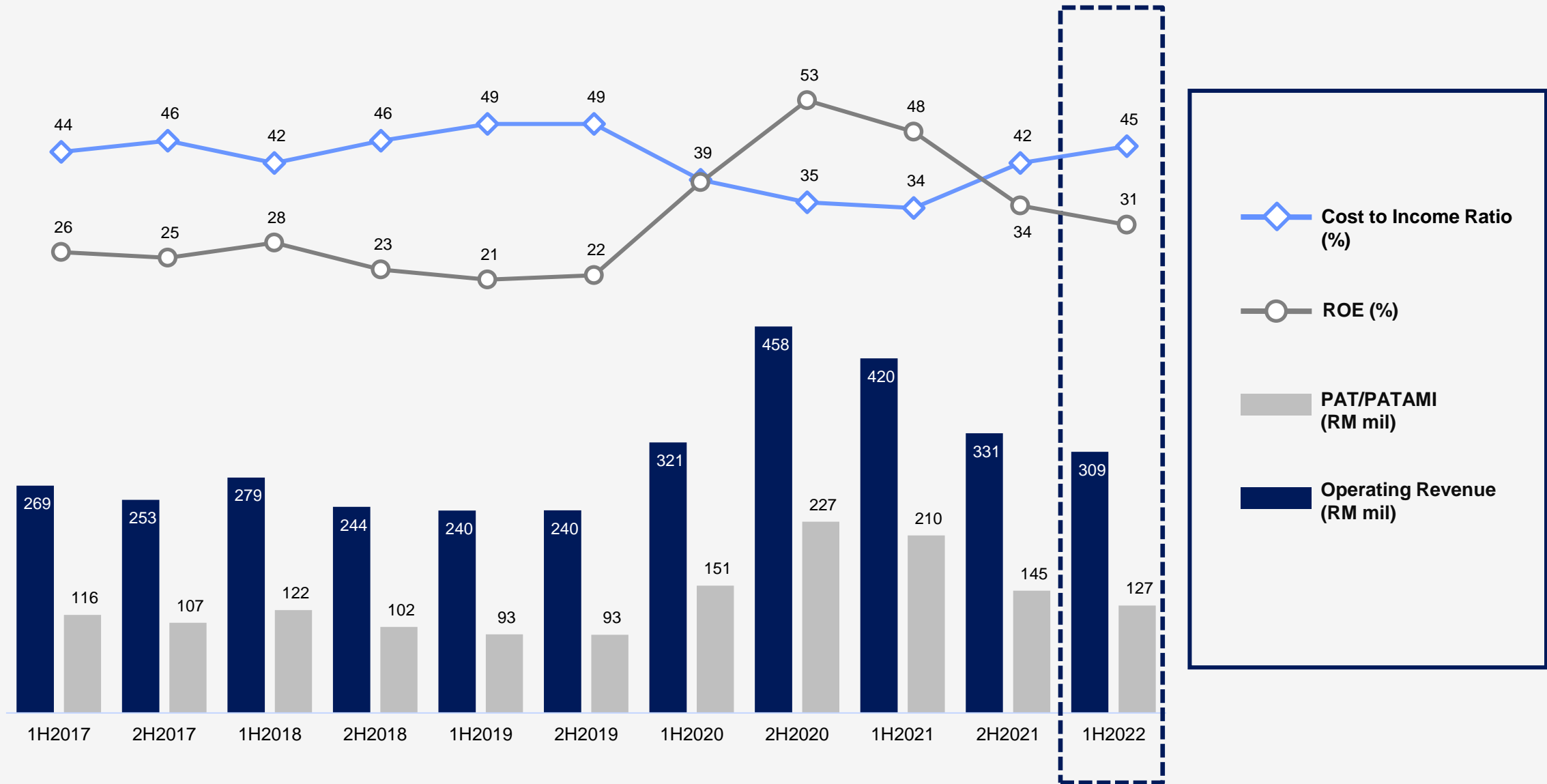
Trading Revenue continues to form a large proportion of Bursa Malaysia’s operating revenue, however its largest contributor, Securities Trading Revenue, experienced a 44.7% decline against 1H2021

## Our Non-Trading Revenue against 1H2021

Market Data	▲	<b>18.3%</b>
Member Services & Connectivity	▲	<b>1.5%</b>

Non-trading revenue grew in 1H2022, except for Listing & Issuer Services and Depository Services which declined 1.1% and 5.6% respectively.

# Half-yearly Financial Trend – Lower Operating Revenue and PAT mainly due to sharp decline in Securities Trading Revenue in 1H 2022



# Dividend – Interim dividend at 15 sen per share; Dividend yield of 4.5%

## INTERIM DIVIDEND



### AMOUNT

15.0 sen per share



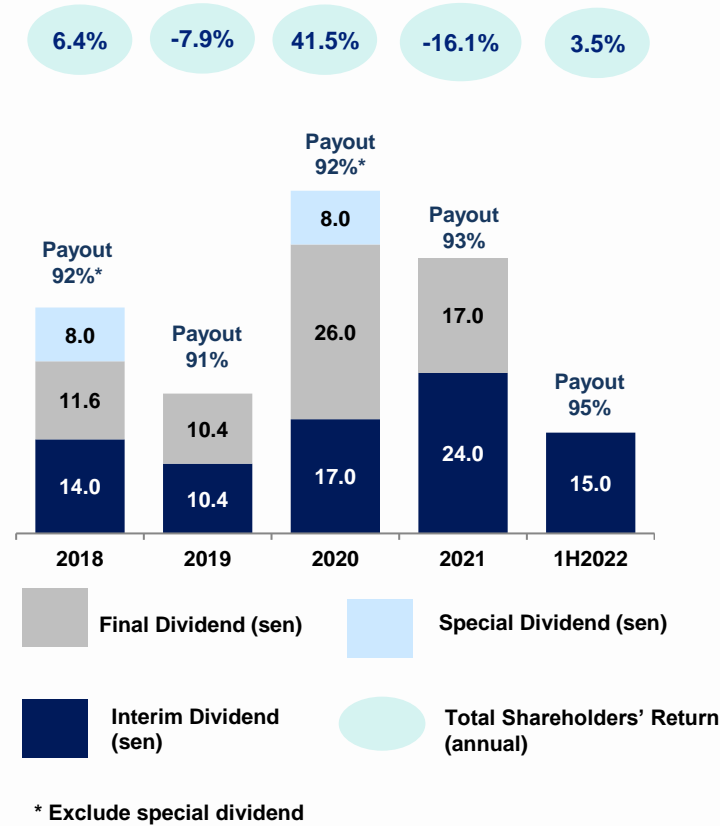
### ENTITLEMENT DATE

12 August 2022

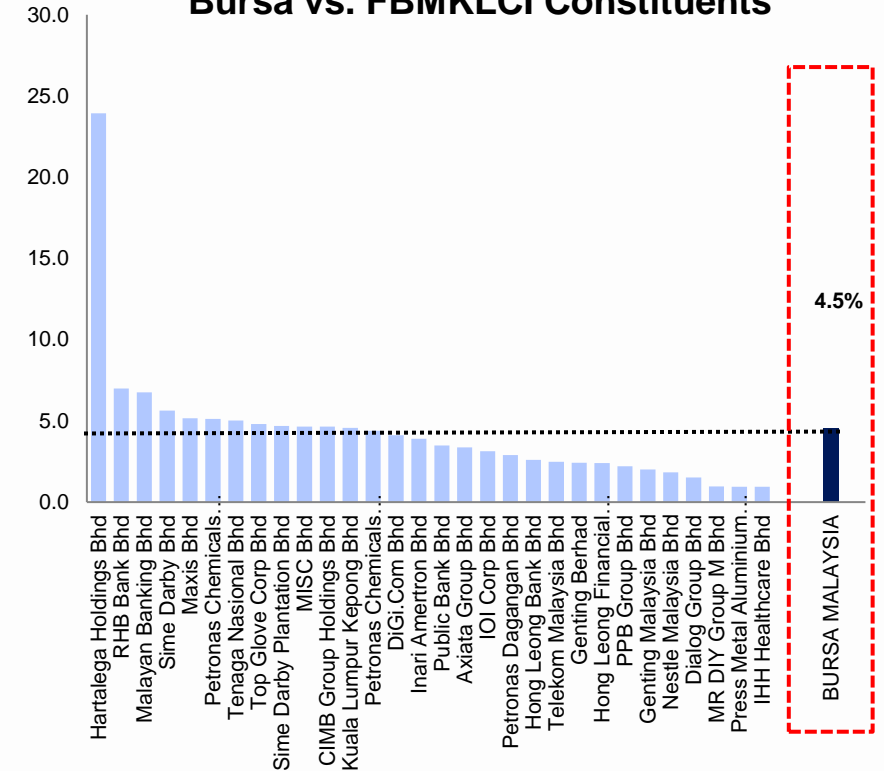


### PAYMENT DATE

26 August 2022



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

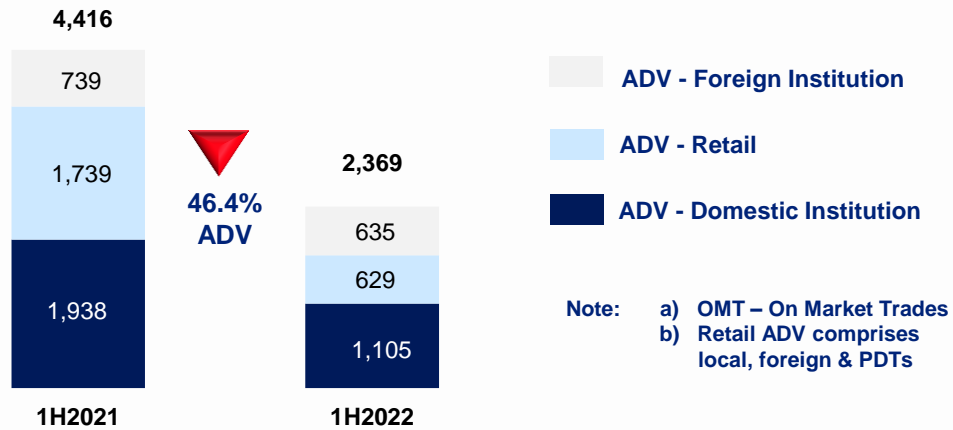


Source: Bloomberg and Bursa Malaysia  
As at 30 June 2022

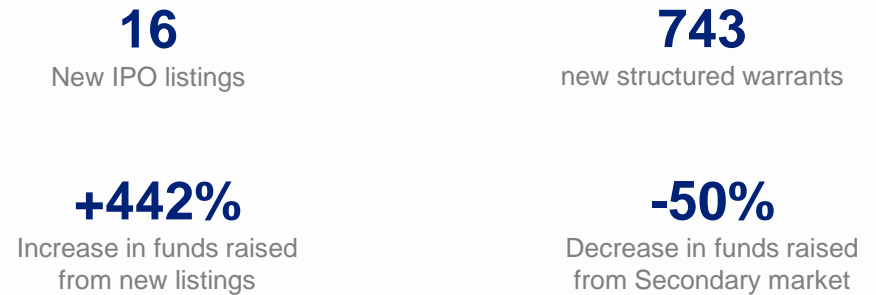
# Securities Market Overview

ADV normalised in 1H2022

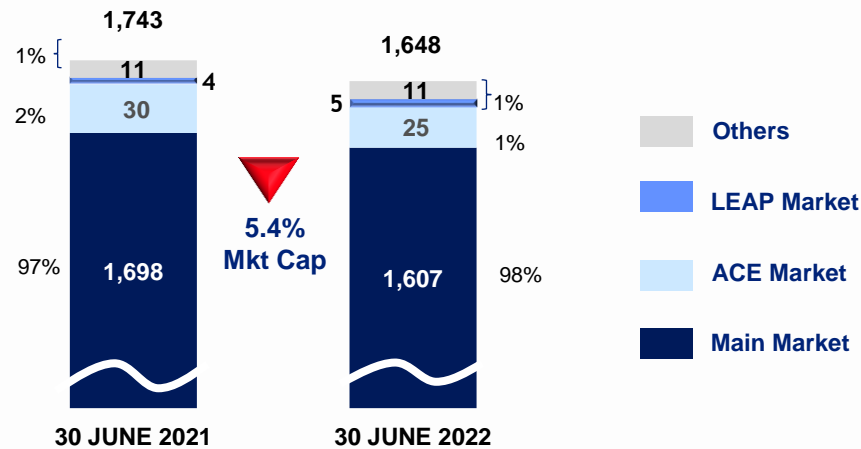
## Average Daily Value (“ADV”) (OMT) (RM mil)



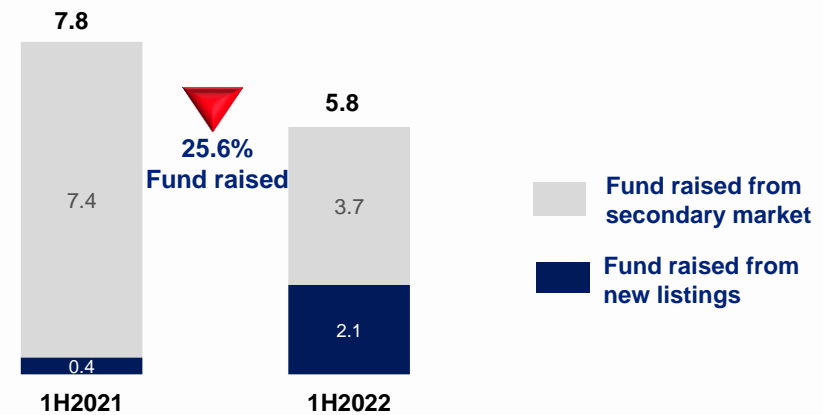
## Diversified Products Offering & Healthy IPO Fundraising



## Market Capitalisation (RM bil)

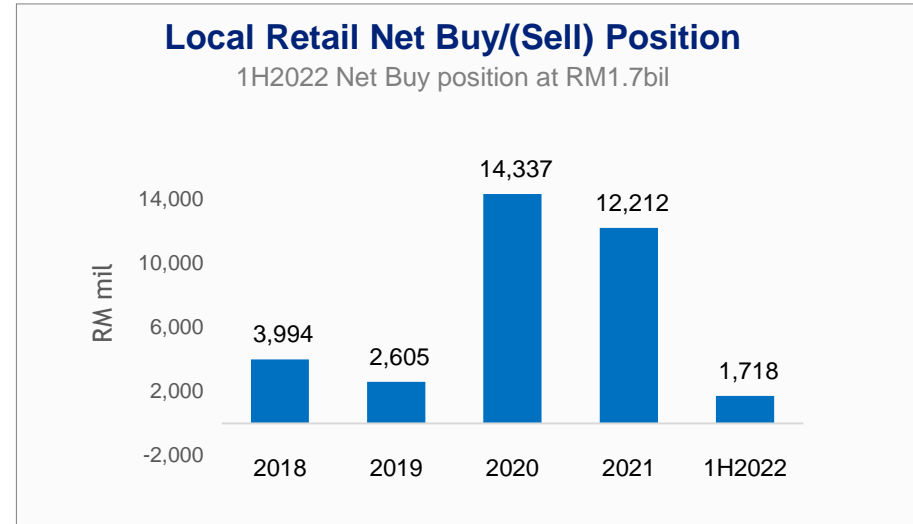
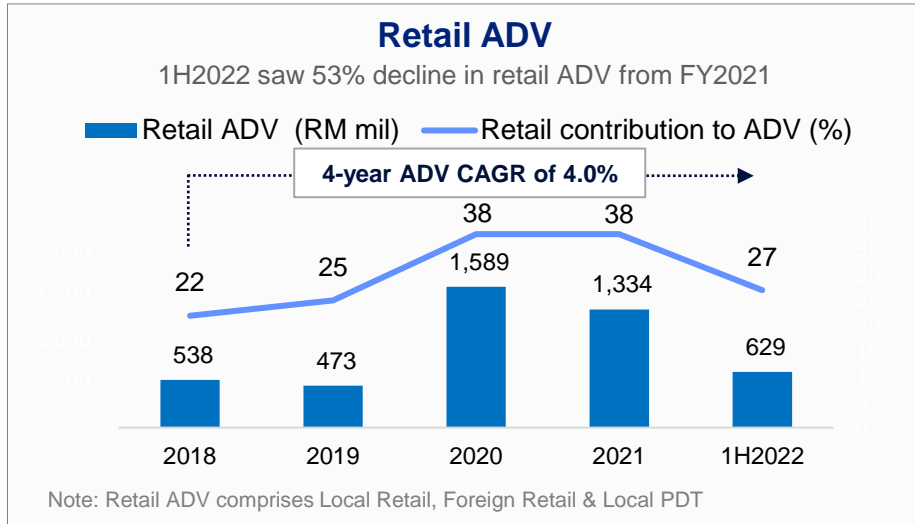


## Fund Raised from New Listings & Secondary Market (RM bil)

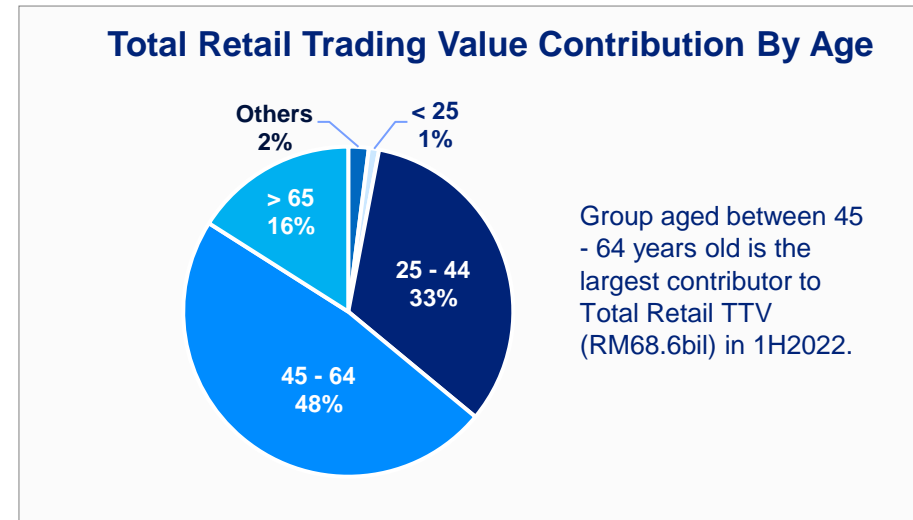
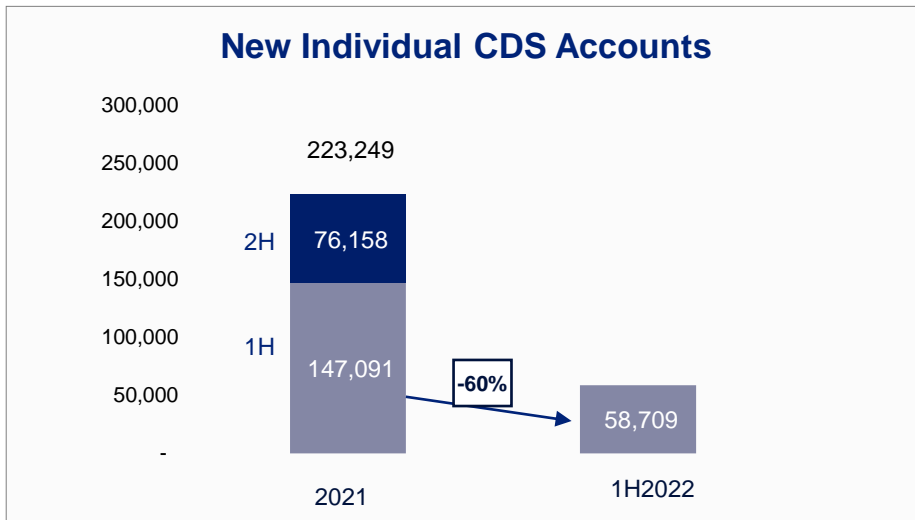


# Securities Market Key Highlights

## Decline in retail participation



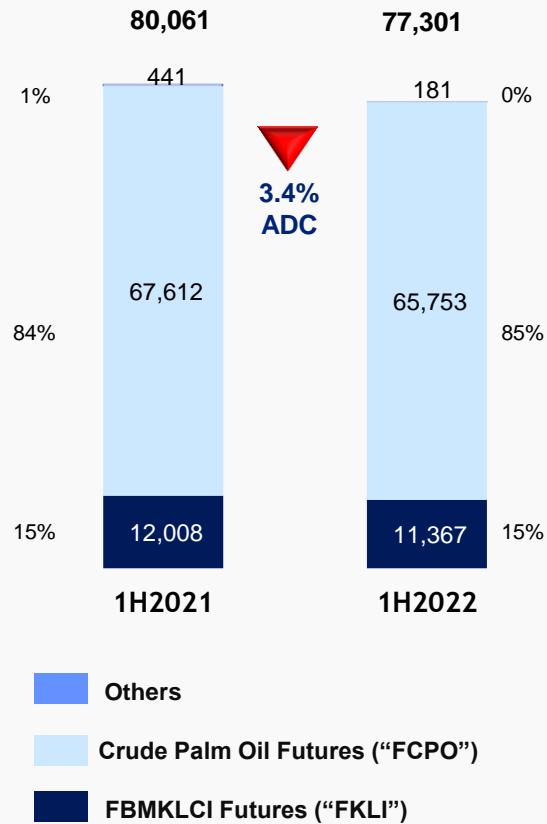
- Retail trades declined in 1H2022, following explosive growth in 2020.
- 62% or about two-thirds of the new individual accounts opened in 1H2022 were by millennial investors (aged 26-45 years old)



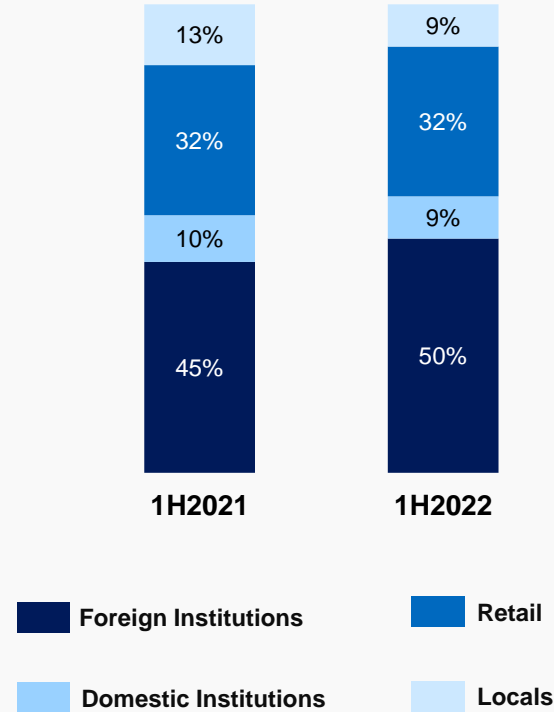
# Derivatives Market Overview

Lower ADC due to lower FCPO

## Average Daily Contracts (“ADC”)



## ADC Traded by Investor Types



## Product Volatility

1H2022	42%	11%
	Volatility of CPO Prices	Volatility of FBMKLCI
1H2021	41%	10%

## Notable Highlights

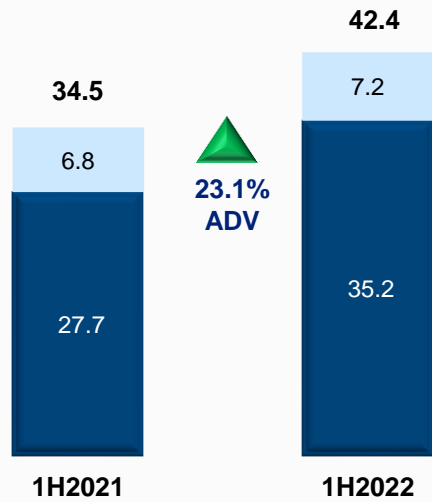
- **Highest daily trading volume for FKLI**  
48,251 contracts (24 February 2022)
- **Highest monthly trading volume for FCPO**  
1,503,135 contracts (June 2022)
- **Growing foreign participation:** 50% of ADC contributed by foreign institutions in 1H2022 (1H2021: 45%, 2021: 46%)



# Islamic Markets Overview

Higher BSAS trades recorded by local participants

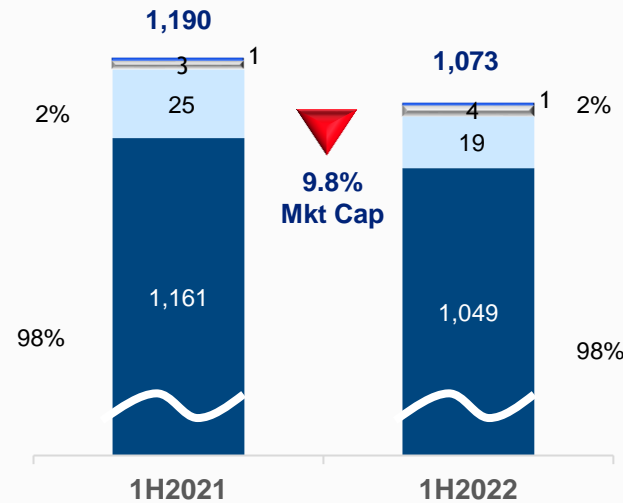
**Bursa Suq Al-Sila' ("BSAS") ADV (RM bil)**



1H2022	314
<b>No. of Trading Participants</b>	
1H2021	279

■ Domestic ■ Foreign

**Market Capitalisation of Shariah Compliant Stocks (RM bil)**



1H2022	78% (752)
<b>% and no. of Shariah Compliant Stocks</b>	
1H2021	80% (747)

■ Main Market ■ ACE Market  
■ LEAP Market ■ Others

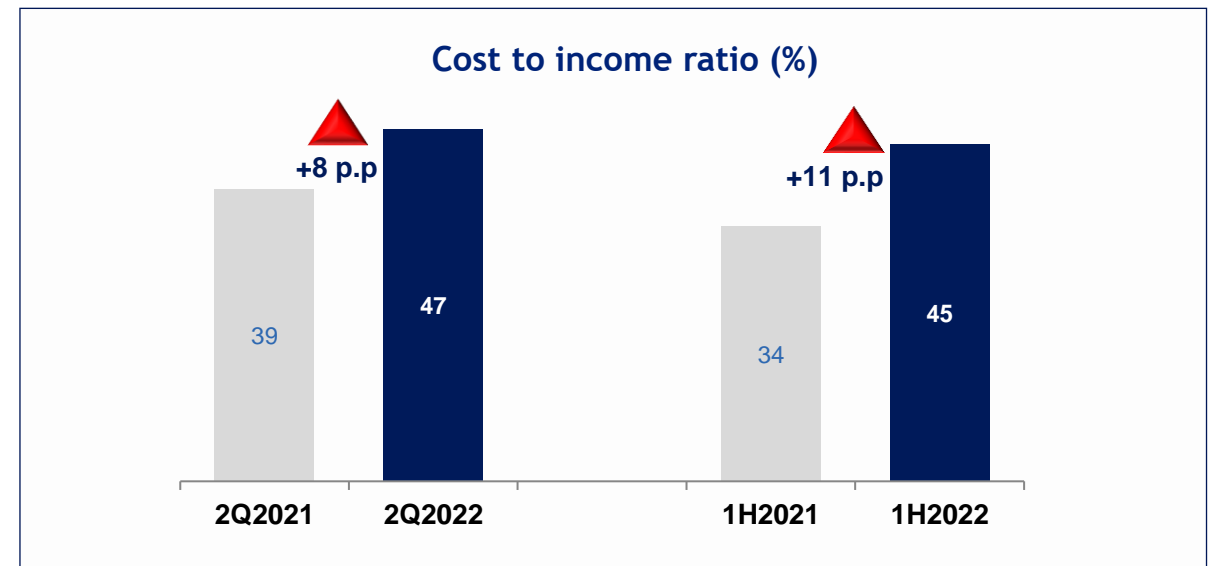
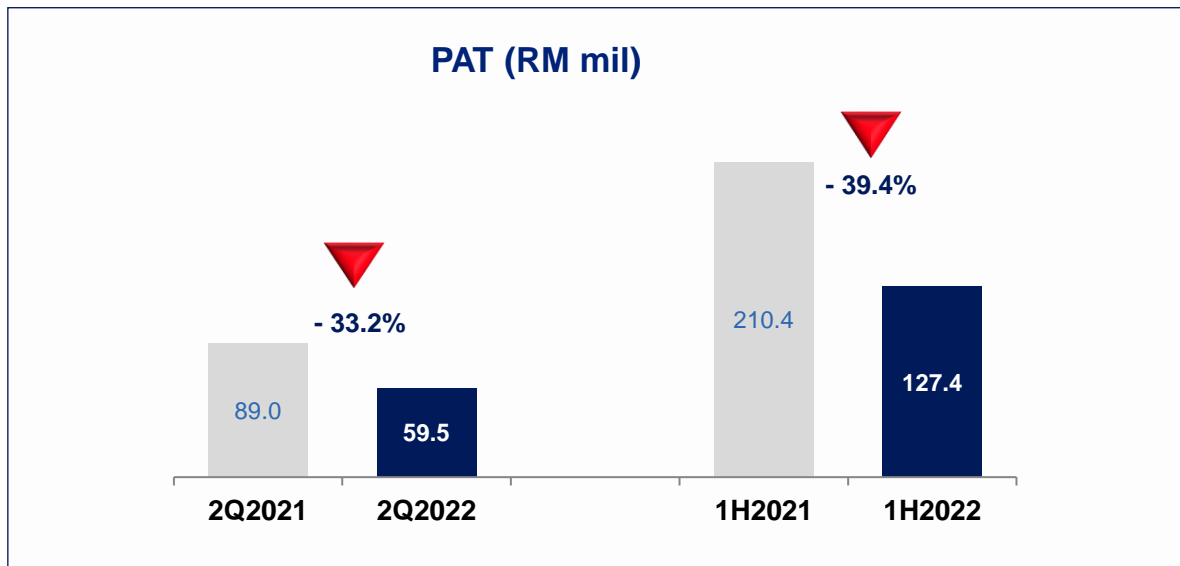
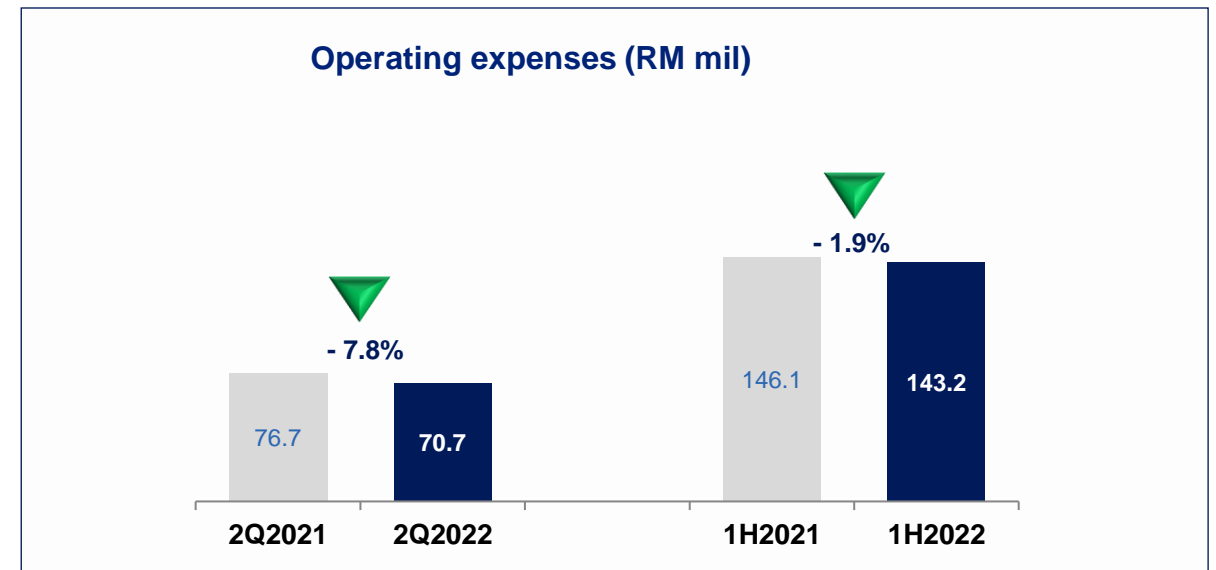
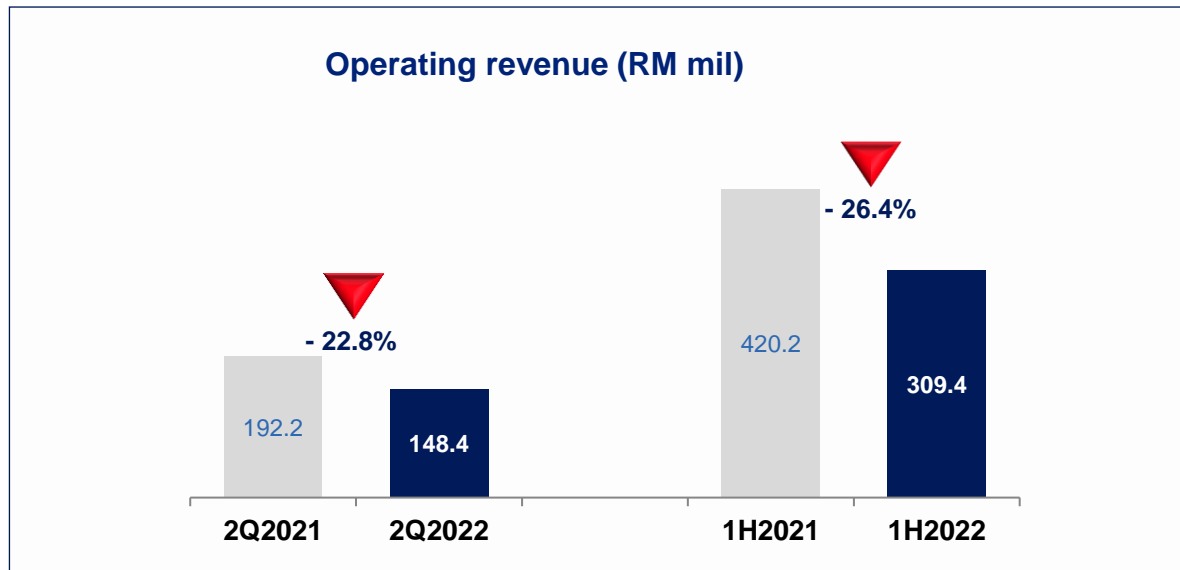
- BSAS saw strong trading activities by local participants in 1H2022 (83% of the trades)
- In 1H2022, BSAS admitted 15 new participants
  - 10 Local Participants
  - 5 Foreign Participants
- The number of Shariah compliant stocks declined 1.1% quarter-on-quarter.

# Financial Review

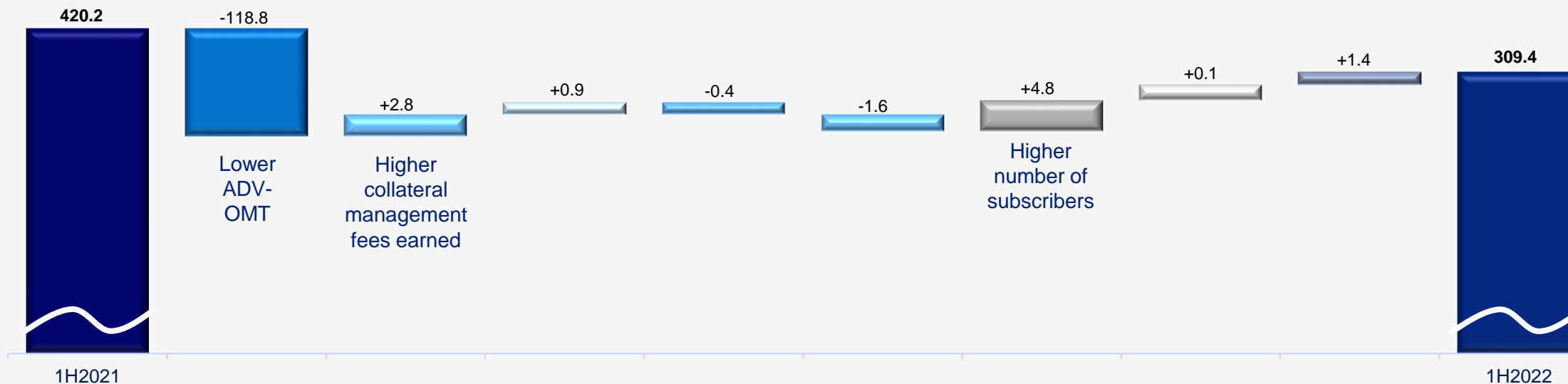
- Financial Snapshot
- Operating Revenue
- Operating Expenses



# Financial Snapshot - softer 1H2022 results



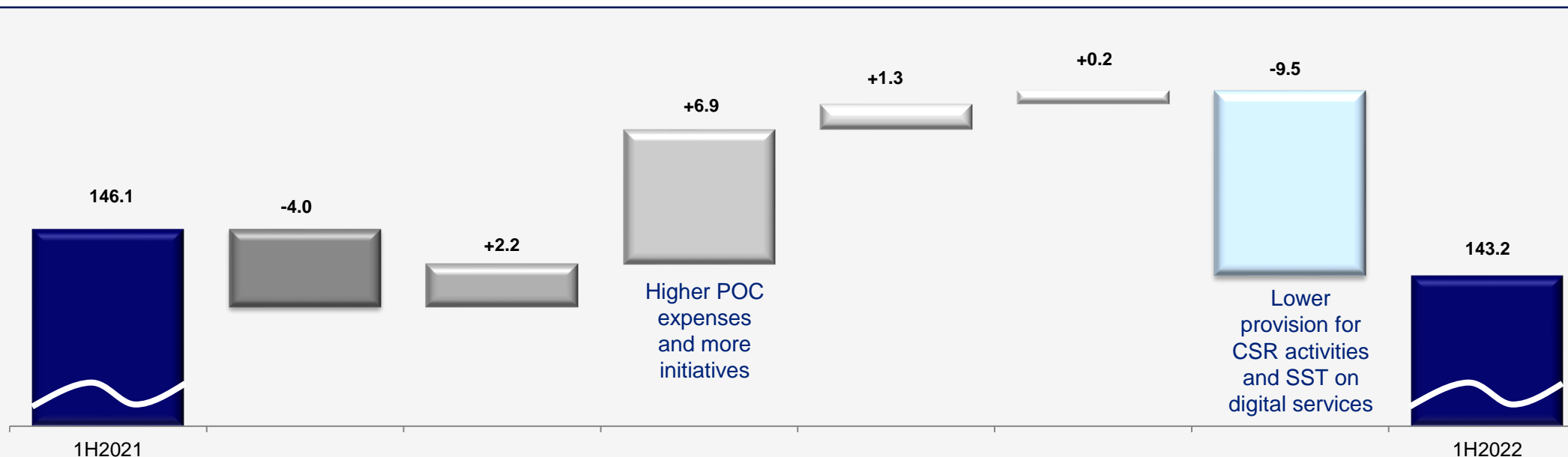
# Operating Revenue - 26.4% decrease in 1H2022 operating revenue to RM309.4m



## 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
<b>1H2022</b>	147.3 (48%)	47.7 (15%)	7.6 (3%)	34.1 (11%)	28.3 (9%)	31.2 (10%)	11.7 (4%)	1.5 (0%)	309.4
<b>1H2021</b>	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
<b>YoY</b>	▼ 44.7%	▲ 6.2%	▲ 14.4%	▼ 1.1%	▼ 5.6%	▲ 18.3%	▲ 1.5%	▲ 2,605.3%	▼ 26.4%

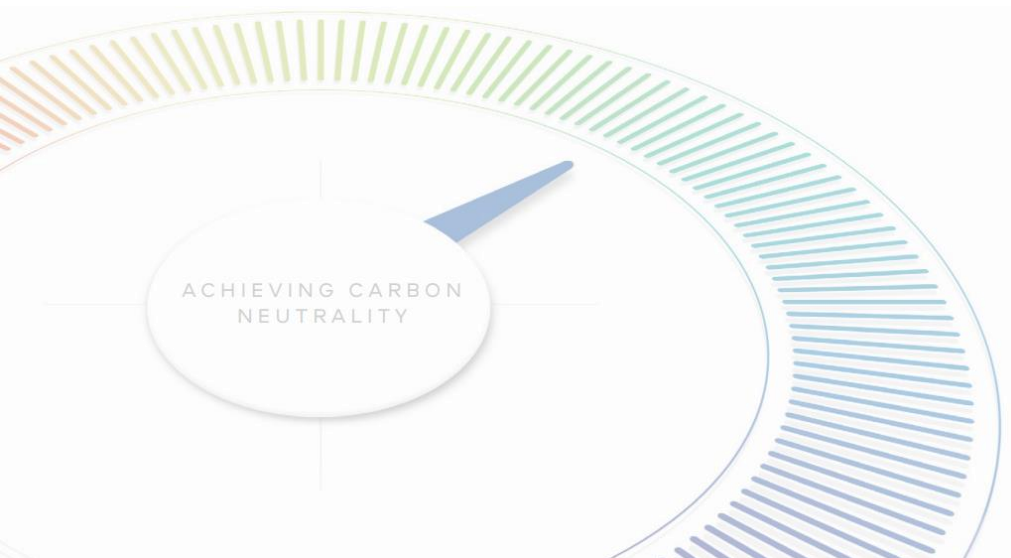
# Operating Expenses – Costs decreased marginally by 1.9% to RM143.2m in 1H2022



## Expenses (RM mil)

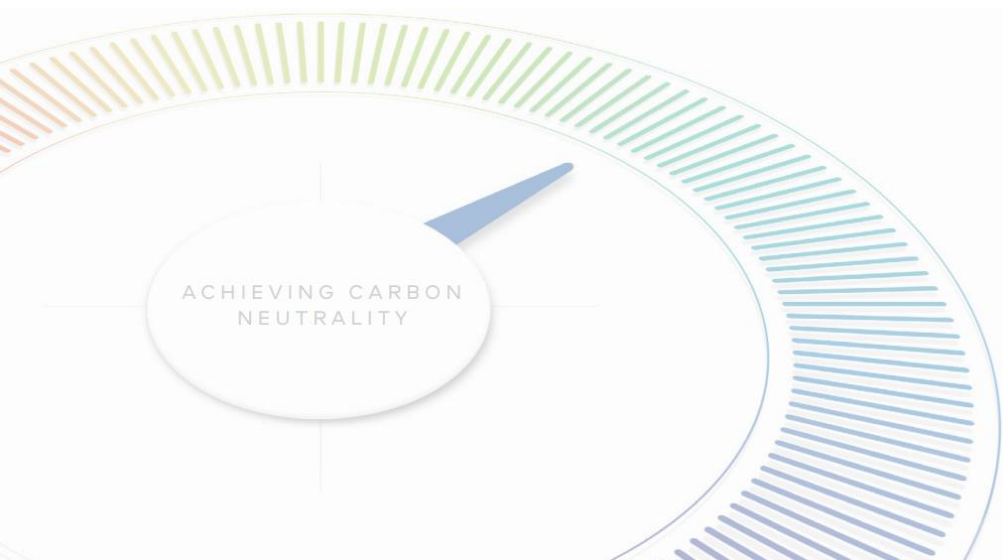
	Manpower Costs	Depreciation & Amortisation	Marketing & Development	IT Maintenance	Service Fees	Other Operating Expenses	TOTAL
<b>1H2022</b>	78.0 (54%)	12.7 (9%)	8.8 (6%)	13.1 (9%)	10.9 (8%)	19.7 (14%)	143.2
<b>1H2021</b>	82.0 (56%)	10.5 (7%)	1.9 (1%)	11.8 (8%)	10.7 (8%)	29.2 (20%)	146.1
<b>YoY</b>	▼ 4.9%	▲ 20.7%	▲ 367.4%	▲ 11.3%	▲ 1.6%	▼ 32.5%	▼ 1.9%

# Closing



# 1H2022 Financial Results Briefing

## Questions & Answers



# Appendices

- Financial Highlights 2Q2022
- 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 Market Activity





## Financial Highlights 2Q2022

*Current quarter versus previous quarter comparisons...*

<b>OPERATING REVENUE</b>	2Q2022: RM148.4m
	▼ 7.9%
	1Q2022: RM161.0m

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

<b>OPERATING EXPENSES</b>	2Q2022 : RM70.7m
	▼ 2.5%
	1Q2022 : RM72.5m

- Decrease in operating expenses from lower staff costs and others.

<b>PROFIT AFTER TAX</b>	2Q2022 : RM59.5m
	▼ 12.5%
	1Q2022 : RM68.0m

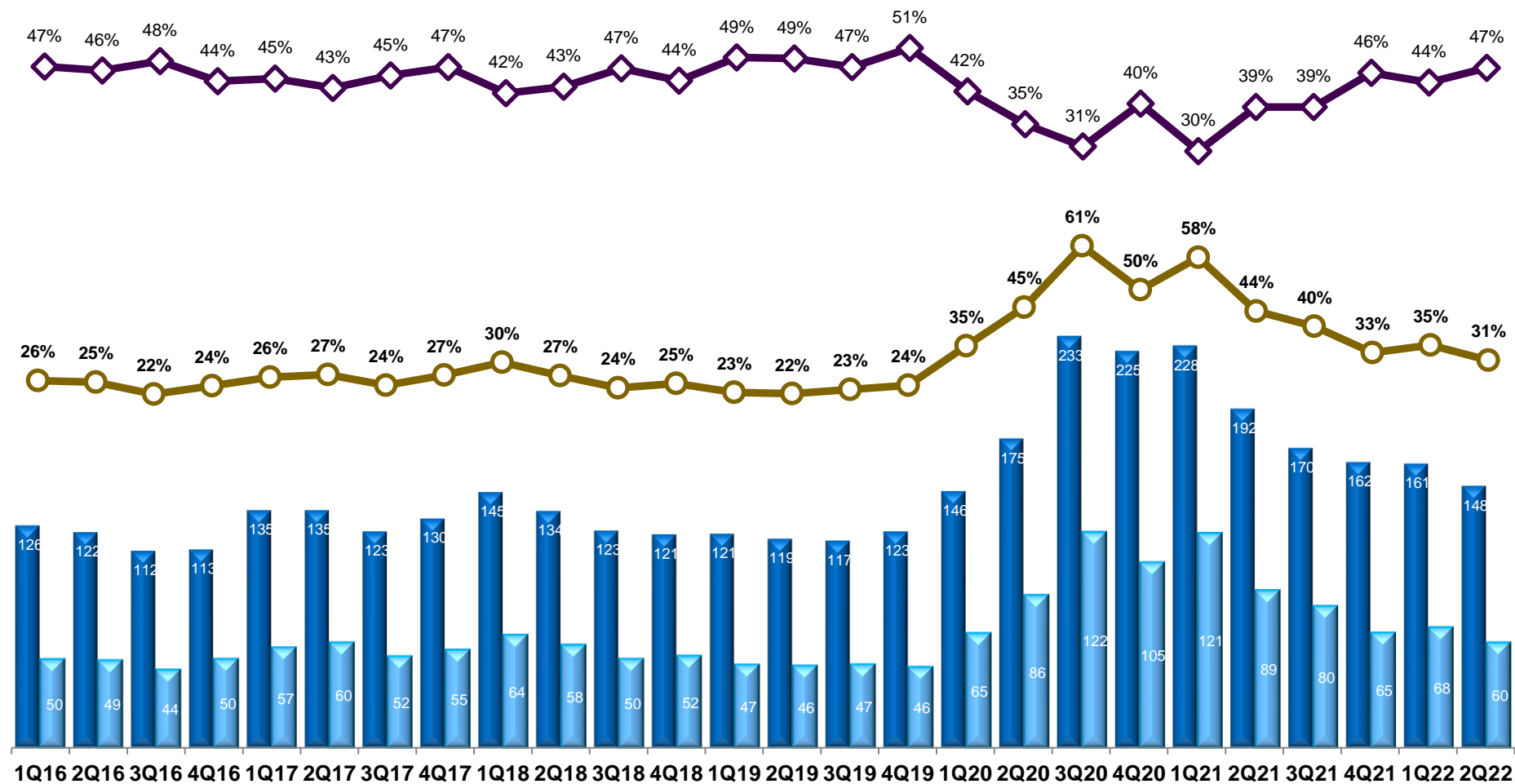
- As a result, PAT was 12.5% lower q-on-q.

<b>COST TO INCOME RATIO</b>	2Q2022 : 47%
	▲ 3 p.p.
	1Q2022 : 44%

<b>ANNUALISED ROE</b>	2Q2022 : 31%
	▼ 4 p.p.
	1Q2022 : 35%

<b>EPS</b>	2Q2022 : 7.3 sen
	▼ 13.1%
	1Q2022 : 8.4 sen

## Quarterly Financial Trends



 Operating Revenue (RM mil)

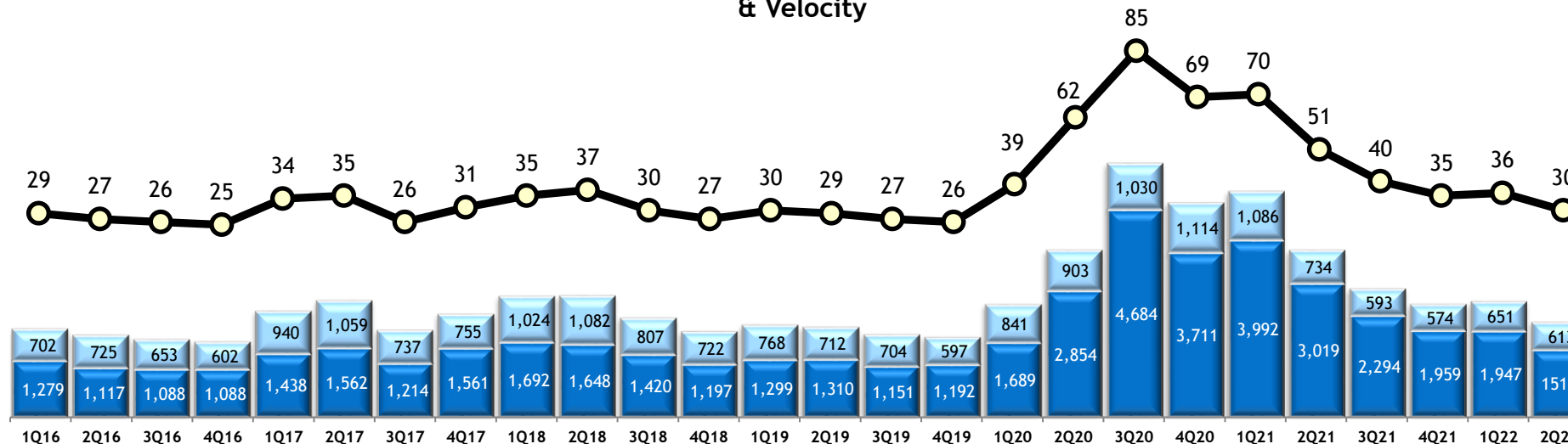
 PAT/PATAMI (RM mil)

 Cost to Income Ratio (%)

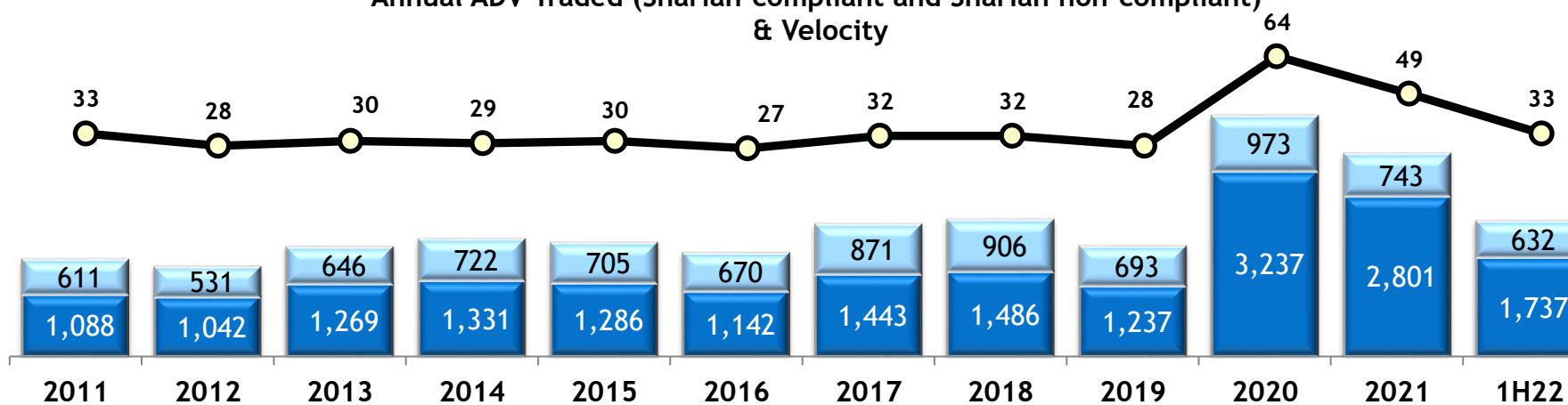
 ROE (%)

# Securities Market Trading Activity

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



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



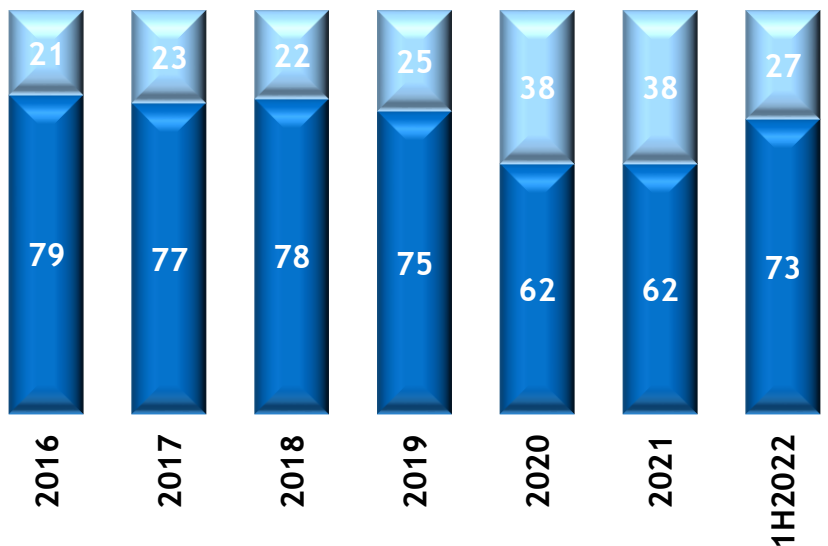
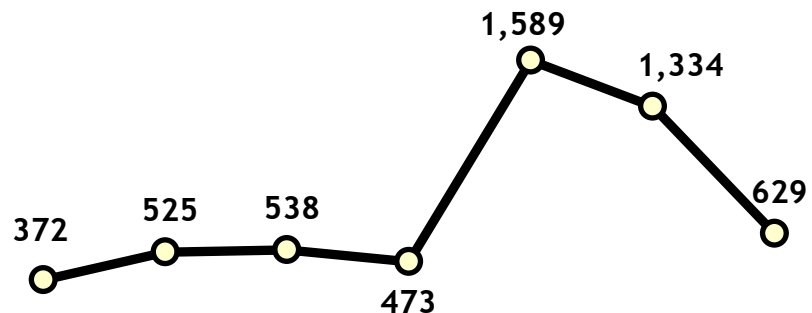
—○— Velocity (%)

■ Shariah-compliant ADV (RM mil)

■ Shariah non-compliant ADV (RM mil)

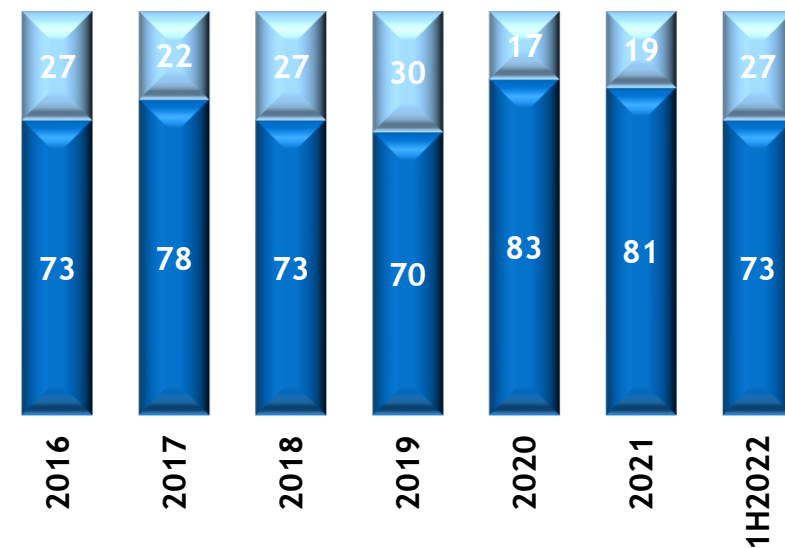
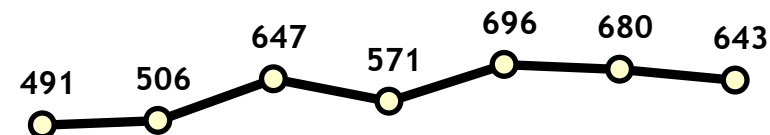
# Securities Market Trading Participation

### Retail vs. Institution



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

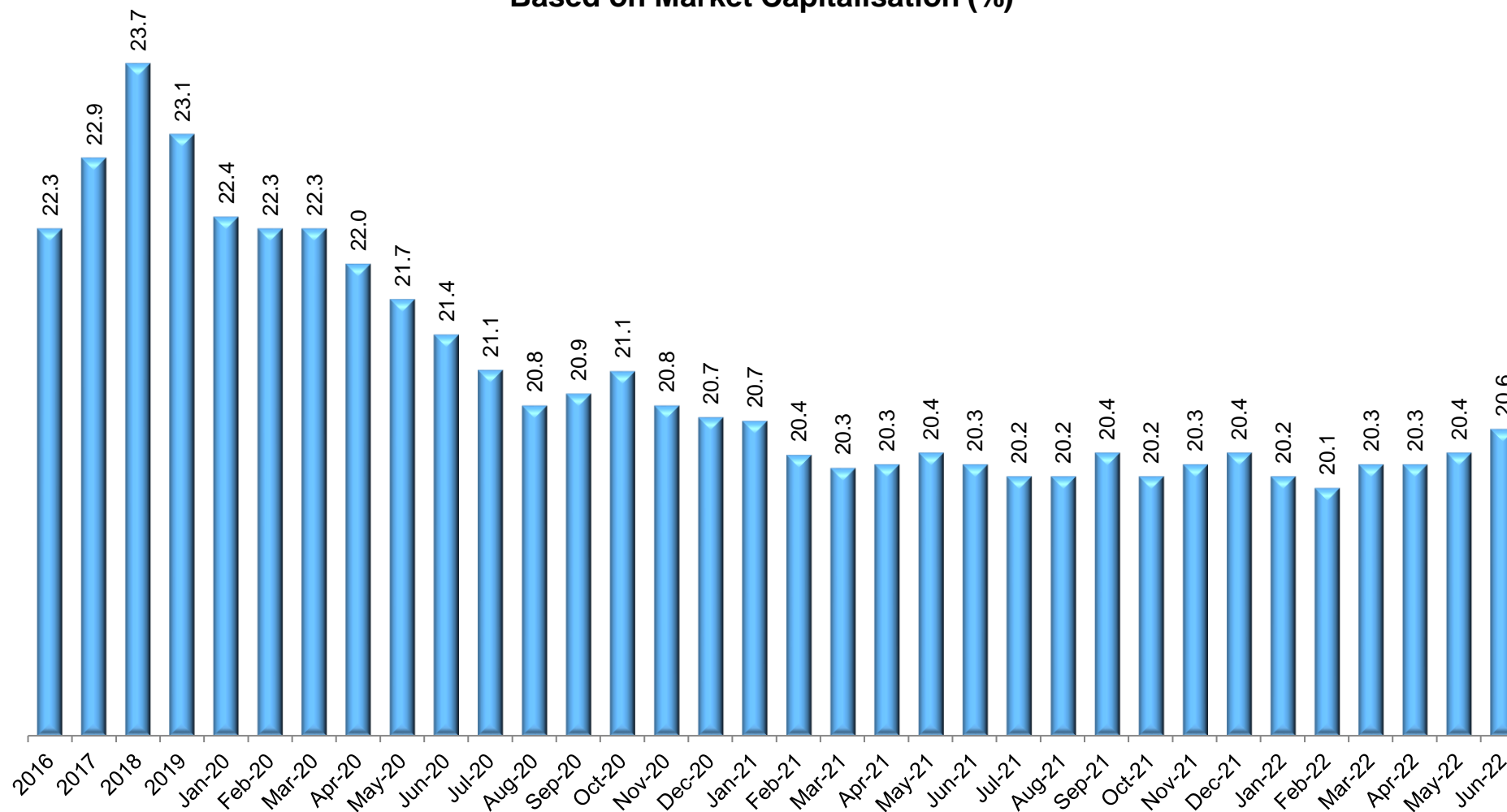
### Foreign vs. Local



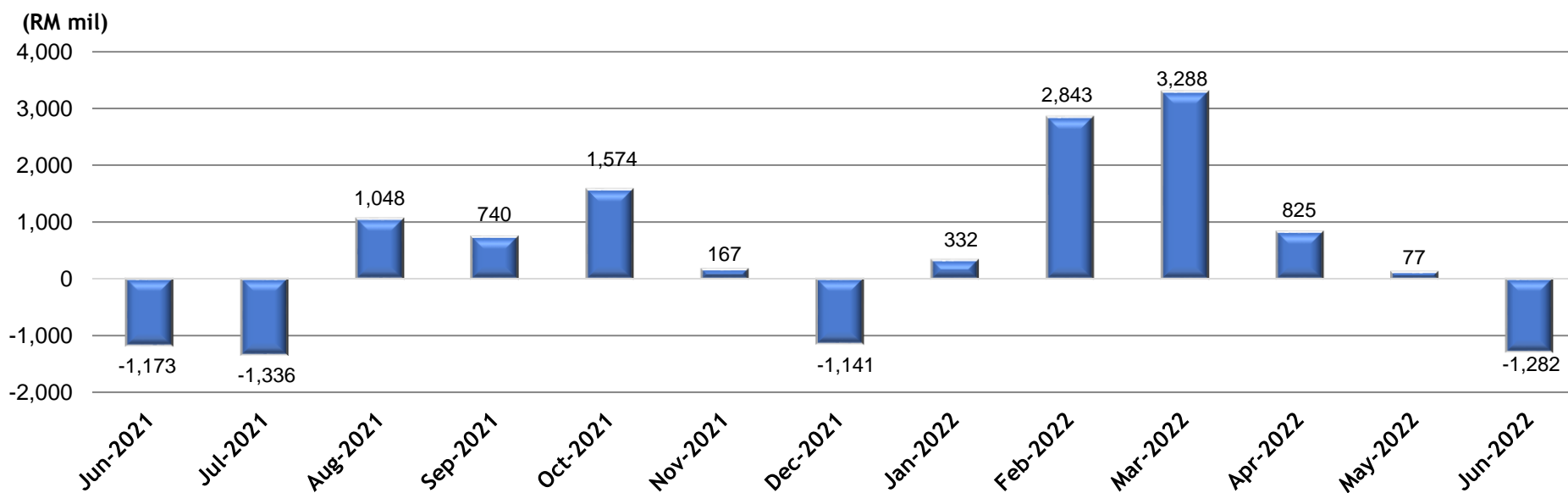
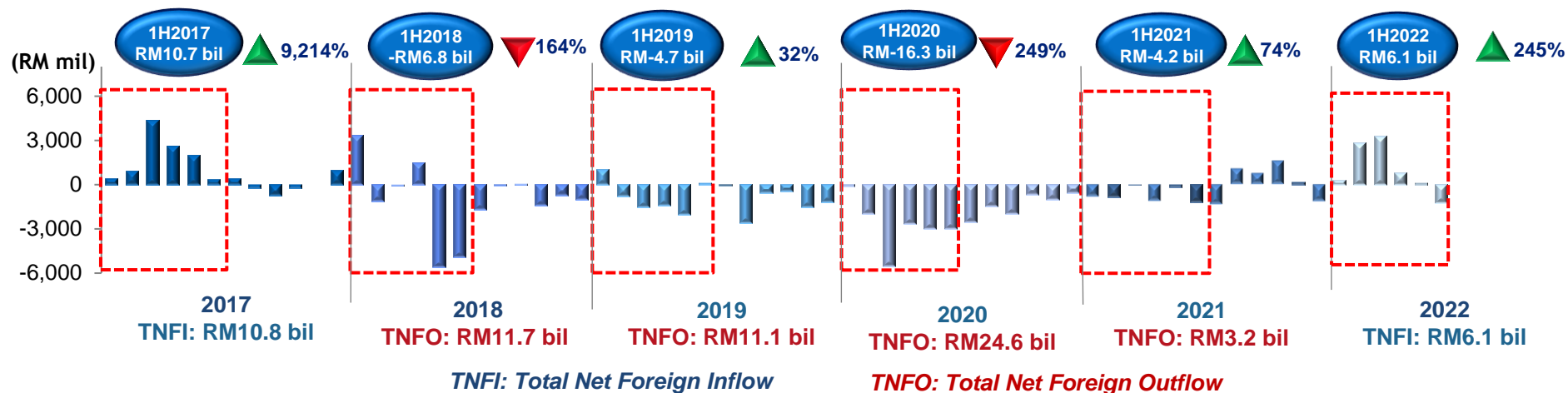
 Foreign ADV Traded (RM mil)    
  Foreign (%)    
  Local (%)

# Securities Market Foreign Ownership

Based on Market Capitalisation (%)

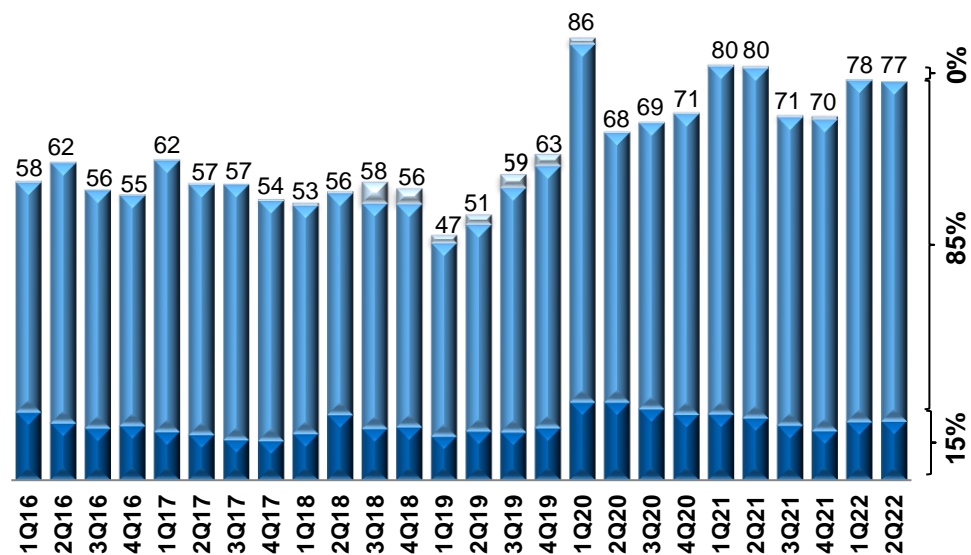
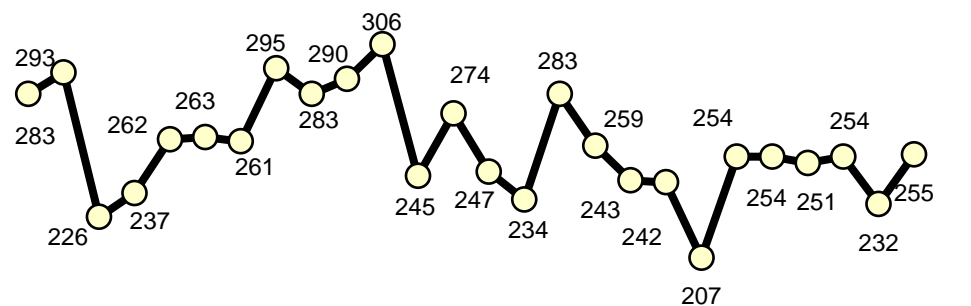


## Foreign Inflow/Outflow



# Derivatives Market Activity

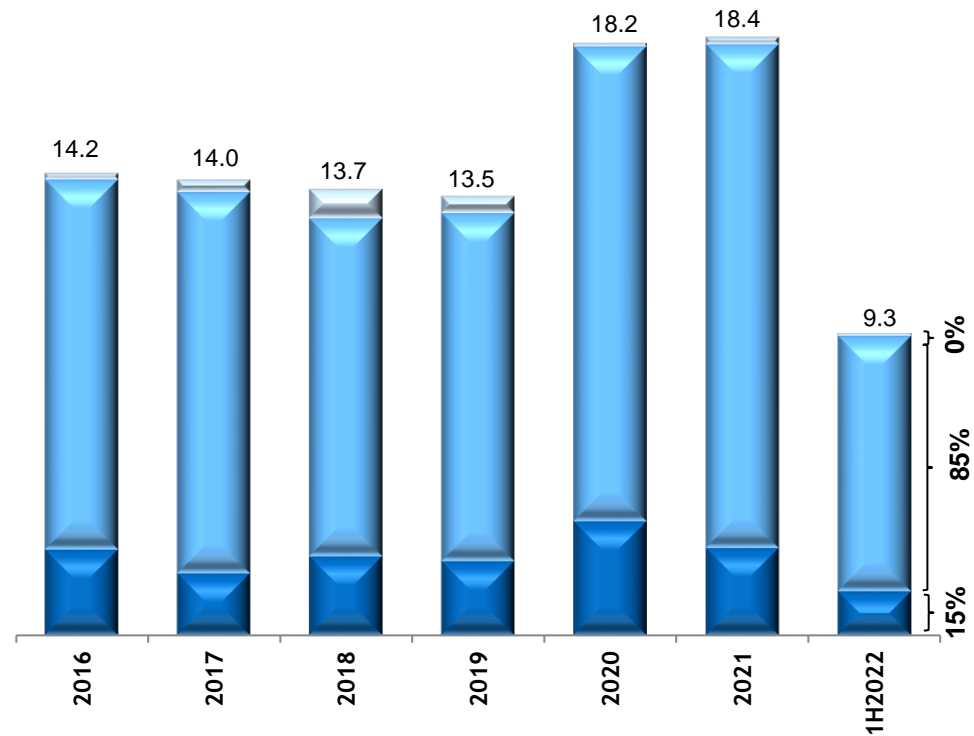
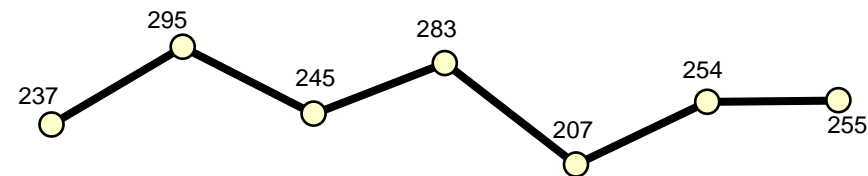
Quarterly Average Daily Contracts ('000)



○ Open Interest ('000)

■ FBMKLCI Futures

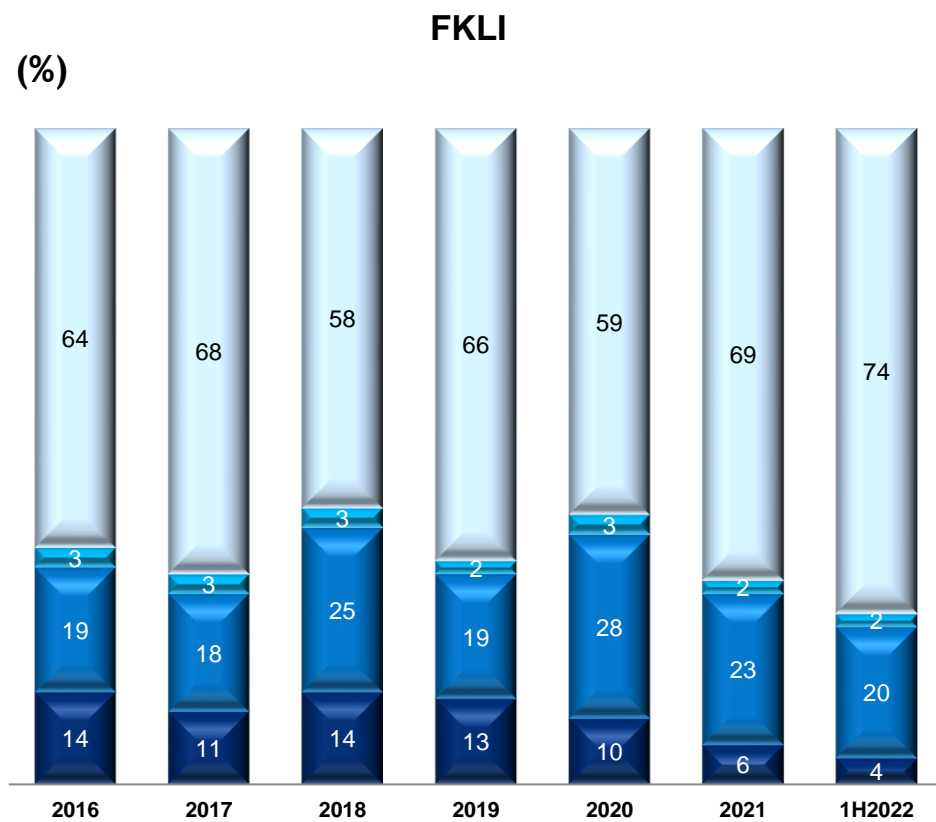
Total Annual Contracts (mil)



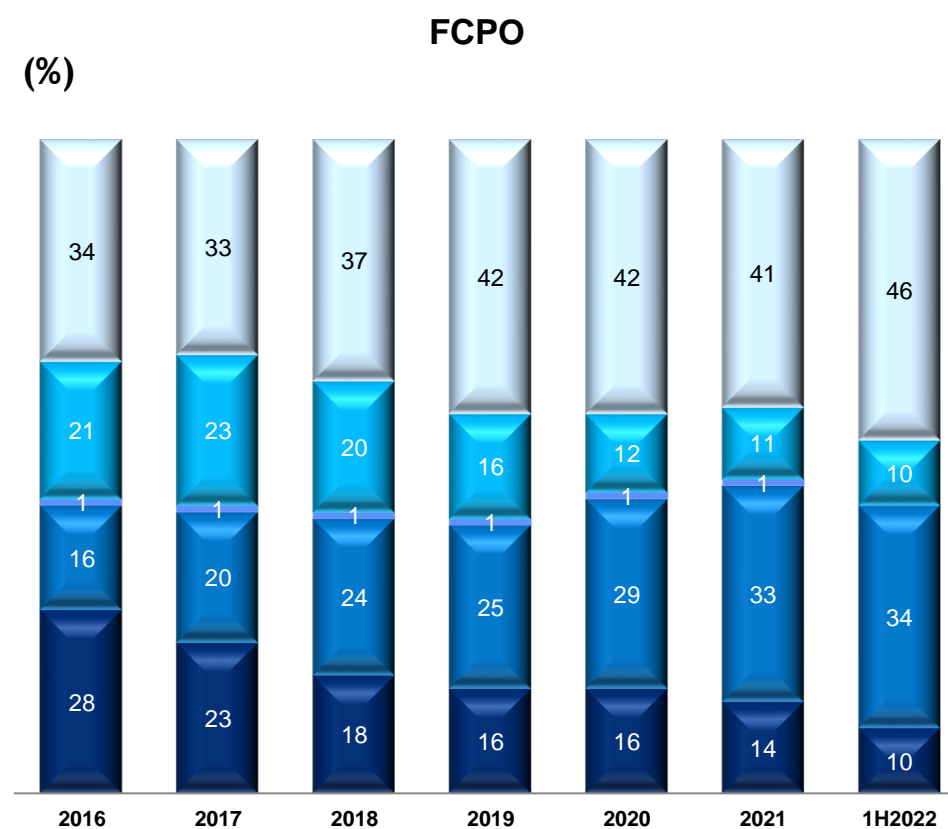
■ Crude Palm Oil Futures

■ Others

# Derivatives Market Demography



Foreign Institutions  
 Domestic Retail  
 Domestic Institutions  
 Local



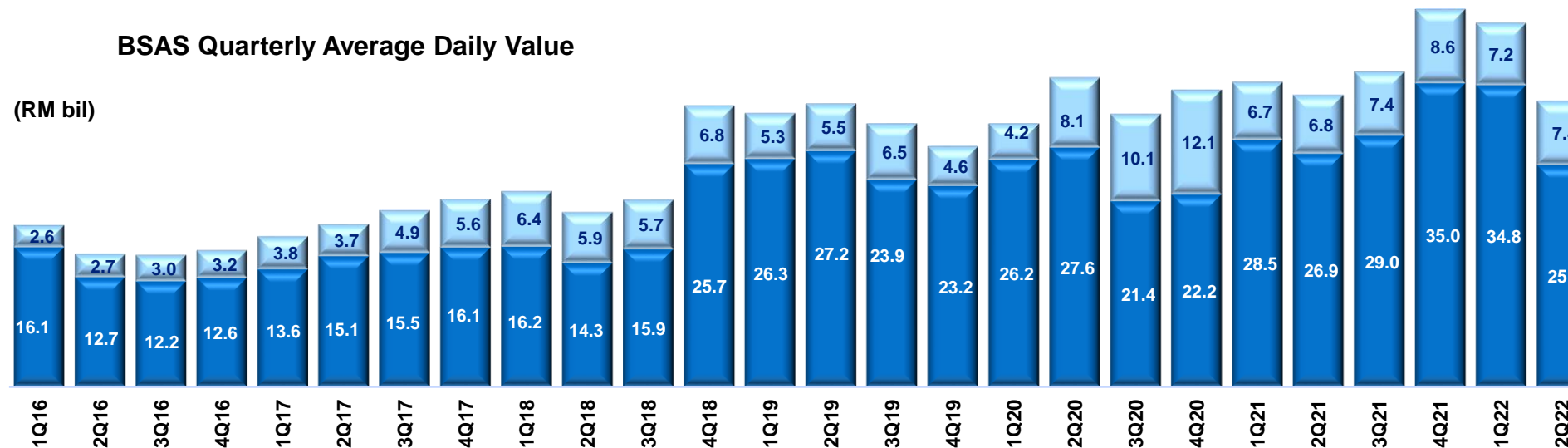
Foreign Institutions  
 Domestic Institutions  
 Local  
 Foreign Retail  
 Domestic Retail



# Islamic Market Activity

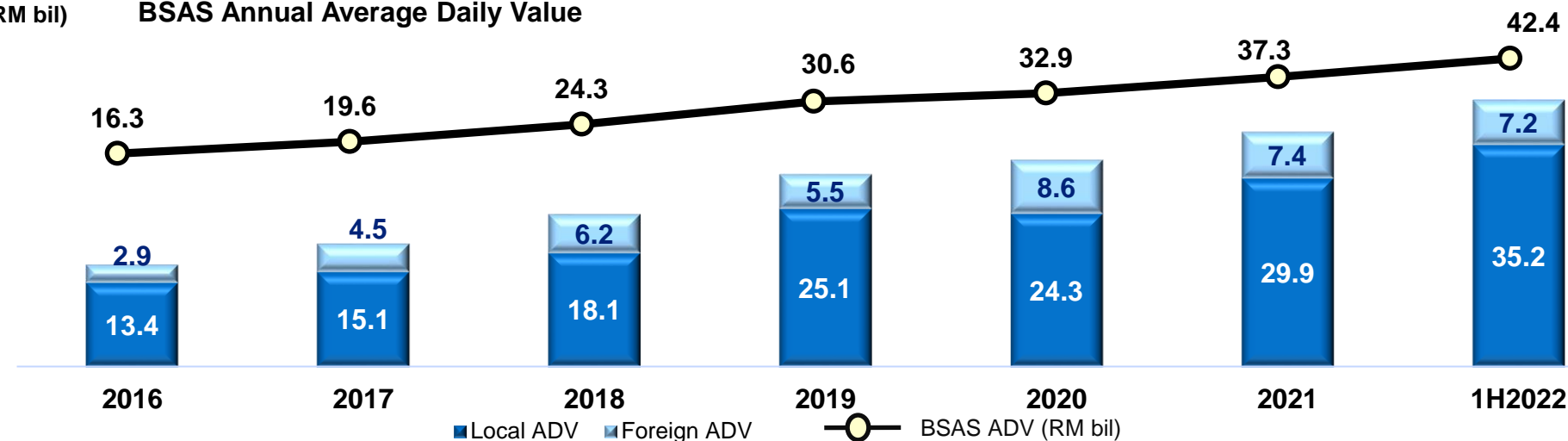
## BSAS Quarterly Average Daily Value

(RM bil)



(RM bil)

## BSAS Annual Average Daily Value



## INVESTOR RELATIONS CONTACT INFORMATION

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