

Bursa Malaysia Berhad

1H 2023 Financial Results

31 July 2023

Pivoting Into A Multi-Asset Exchange

AGENDA

- Recent Developments
- Key Financial Highlights & Market Performance
- Financial Review
- Our Key Priorities in 2H 2023
- Appendices

Recent Developments

- 1H 2023 Highlights

2021 - 2023 Strategic Roadmap

Progressing as planned with exciting deliverables in the pipeline...

VISION

To be ASEAN's leading, sustainable and globally-connected marketplace

MISSION

Creating Opportunities, Growing Value

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

Strengthening to be a Multi-Asset Exchange

We have made progress in expanding our products & services

Securities Market

Derivatives Market

Islamic Products & Solutions

New Services

New Asset Classes

	Launched in 2021	Launched in 2022	Key Highlights in 1H 2023
Securities Market	<ul style="list-style-type: none"> 30 new IPOs 1451 structured warrants FTSE4GOOD Bursa Malaysia Shariah Index 	<ul style="list-style-type: none"> 35 new IPOs 1447 structured warrants FBM Top 100 ESG Low Carbon Select Shariah Index FBM Top 100 ESG Low Carbon Select Index 	<ul style="list-style-type: none"> 16 new IPOs YTD June 2023 (21 new IPOs YTD July 2023) 717 structured warrants YTD June 2023
Derivatives Market	<ul style="list-style-type: none"> East Malaysia Crude Palm Oil Futures (FEPO) Contract Revamped Crude Palm Kernel Oil Futures (FPKO) Contract 	<ul style="list-style-type: none"> Enhanced Gold Futures (FGLD) Contract FTSE4Good Bursa Malaysia Index Futures (F4GM) Contract 	<ul style="list-style-type: none"> Progress made for a new currency futures product
Islamic Products & Solutions	<ul style="list-style-type: none"> VP-DJ Shariah China A-Shares 100 ETF Hibah Amanah service 	<ul style="list-style-type: none"> Shariah Discretionary Trading 	<ul style="list-style-type: none"> Advancing towards the launch of Bursa Gold Dinar (also a new asset class)
New Services	<ul style="list-style-type: none"> Bursa Digital Research e-Rights & e-General Offer (Bursa Anywhere) 	<ul style="list-style-type: none"> Shares2share e-Dividend Reinvestment Plan (Bursa Anywhere) Bursa Fund Platform 	<ul style="list-style-type: none"> Launched Bursa Connectivity Services (16 Feb 2023)
New Asset Classes		<ul style="list-style-type: none"> Bursa Carbon Exchange (BCX) 	<ul style="list-style-type: none"> Completed inaugural carbon credits auction (17 Mar 2023) Received Approval-In-Principle from the Securities Commission to operate a new debt fundraising platform (2 Jun 2023)

Note: Products & Services listed are not-exhaustive.
Green font indicates ESG-related

Continuously enhancing our market ecosystem

Towards creating a more facilitative, competitive and vibrant marketplace

Reduction in stamp duty rate to directly lower cost of transactions

- Stamp duty rate for trading of listed shares is reduced to 0.10%, with cap kept at RM1K for each contract

Strengthen PLCs' competitiveness via enhanced corporate performance

- Ramped up participation in PLC Transformation Programme

Improve profiling & visibility of PLCs

- E.g. IR & PR Program, Bursa Digital Research, and Bursa RISE
(Note: YTD June 2023, velocity of Bursa RISE companies outperformed overall market velocity by 9.5%)

Drive market conversation and retail participation

- E.g. via social media, MLT and other engaging content & solutions

Drive capital market conversation and fortify marketing efforts to raise foreign participation

- E.g. Invest Malaysia Kuala Lumpur (IMKL) 2023, and IMKL 2023 Series 2 'Digital Malaysia: Tomorrow's Infrastructure, Today'
- In 1H 2023, BSAS admitted 3 Foreign Participants from Saudi Arabia and Kuwait

Put in place supportive frameworks to boost market vibrancy and trading

- E.g. Introduced listing transfer framework from LEAP Market to ACE Market, and expanded criteria for Approved Securities* to boost vibrancy in Securities Borrowing & Lending activities,

* Daily market capitalisation requirement is reduced to RM200 million (from RM500 million)

IR & PR = Investor Relations & Public Relations
Bursa RISE = Bursa Research Incentive Scheme
MLT = Mirror, Learn & Trade

IMKL = Invest Malaysia
IM Away = Invest Malaysia Away

Raising ESG strength & competitiveness of our marketplace (1/2)

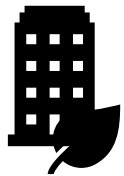
Augmenting sustainability practices and disclosures

Key Highlights in 1H 2023



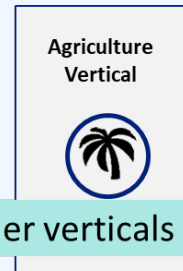
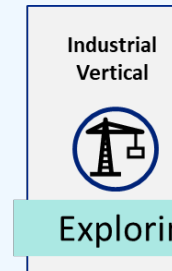
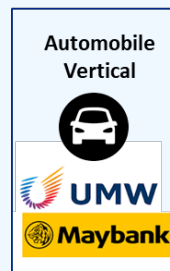
Offer various ESG capability building support

- New mandatory onboarding programme on sustainability for directors of PLCs (6 June 2023)
- Numerous ongoing engagements with PLCs
 - Webinars & panel discussions covering ESG strategies, practitioner insights, as well as convergence of digitalisation and ESG.



Facilitate ESG disclosure and assessment of carbon emissions

- Piloting a Centralised Sustainability Intelligence (CSI) Platform with London Stock Exchange Group
 - In 1H 2023, MoCs were signed with several PLCs* and banks, to bring them on board as Early Adopters of the CSI Platform



Exploring other verticals

Raising ESG strength & competitiveness of our marketplace (2/2)

Augmenting sustainability practices and disclosures

Key Highlights in 1H 2023



Increase understanding & appreciation of FTSE4Good methodology

- Expanding FTSE4Good ratings to almost all PLCs (starting with Main Market in 2023)
- Continue to offer FTSE4Good ESG-Advisory (add-on service)

FTSE4Good Bursa Malaysia Index	98 constituents	FTSE4Good Bursa Malaysia Shariah Index	77 constituents
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As at 30 June 2023



Enhance our carbon market ecosystem

- Signed an MoC with Malaysian Green Technology and Climate Change Corporation to identify, guide, connect, and nurture key players in the carbon market ecosystem (20 Feb 2023)



National Voluntary Carbon Market (VCM) handbook

Directory of Carbon Industry Service Providers

Inaugural Malaysia Carbon Market Forum

- Joined International Emissions Trading Association (IETA) to obtain access to the latest developments in climate policy and carbon market design (6 Apr 2023).



Key Financial Highlights & Market Performance

- 1H 2023 Financial Highlights
- 1H 2023 Financial Performance
- Half Yearly Financial Trend
- Dividend
- Securities Market Overview
- Derivatives Market Overview
- Islamic Markets Overview

1H 2023 Financial Highlights

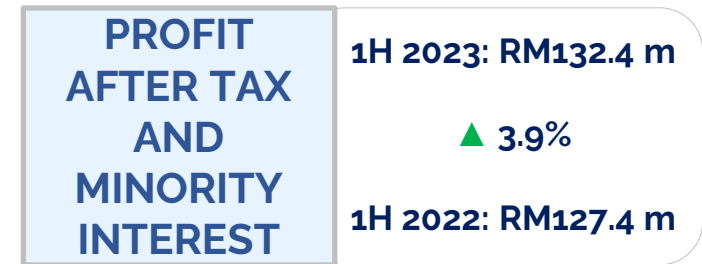
Higher Profit After Tax and Minority Interest of RM132.4 m, on the back of lower operating expenses



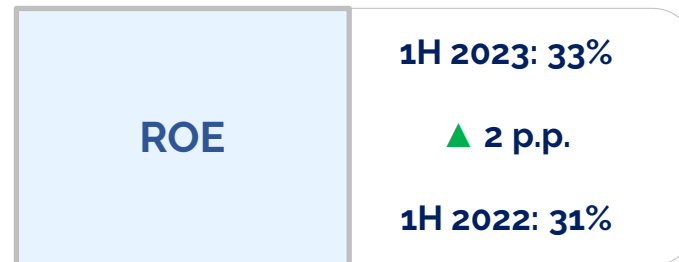
- Decrease in operating revenue mainly due to lower securities trading revenue



- Lower operating expenses mainly due to a one-off reversal of provision

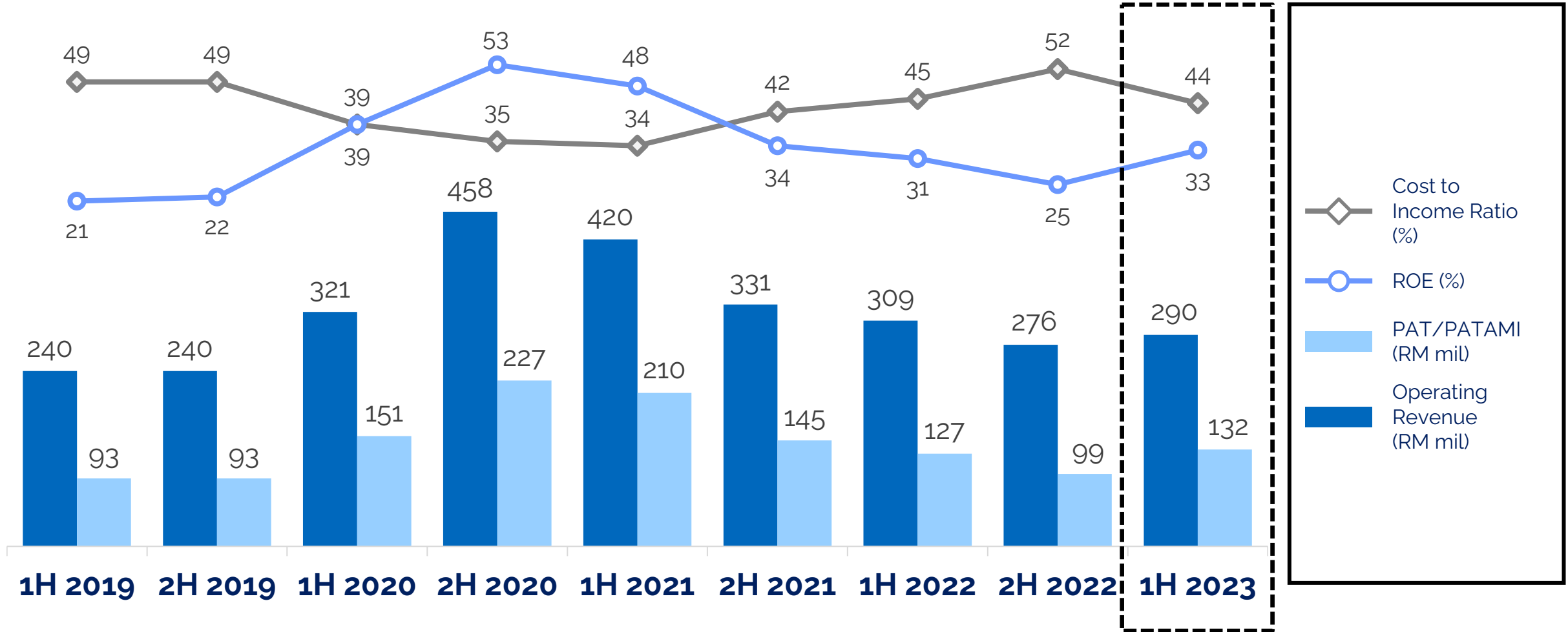


- As a result, PATAMI increased by 3.9% in 1H 2023 as compared to 1H 2022



Half Yearly Financial Trend

Improved financial ratios with ROE of 33% and CTI at 44%



Dividend

Interim dividend of 15.0 sen per share; Dividend yield of 4.7%

Interim Dividend

15.0

sen per share

ENTITLEMENT DATE

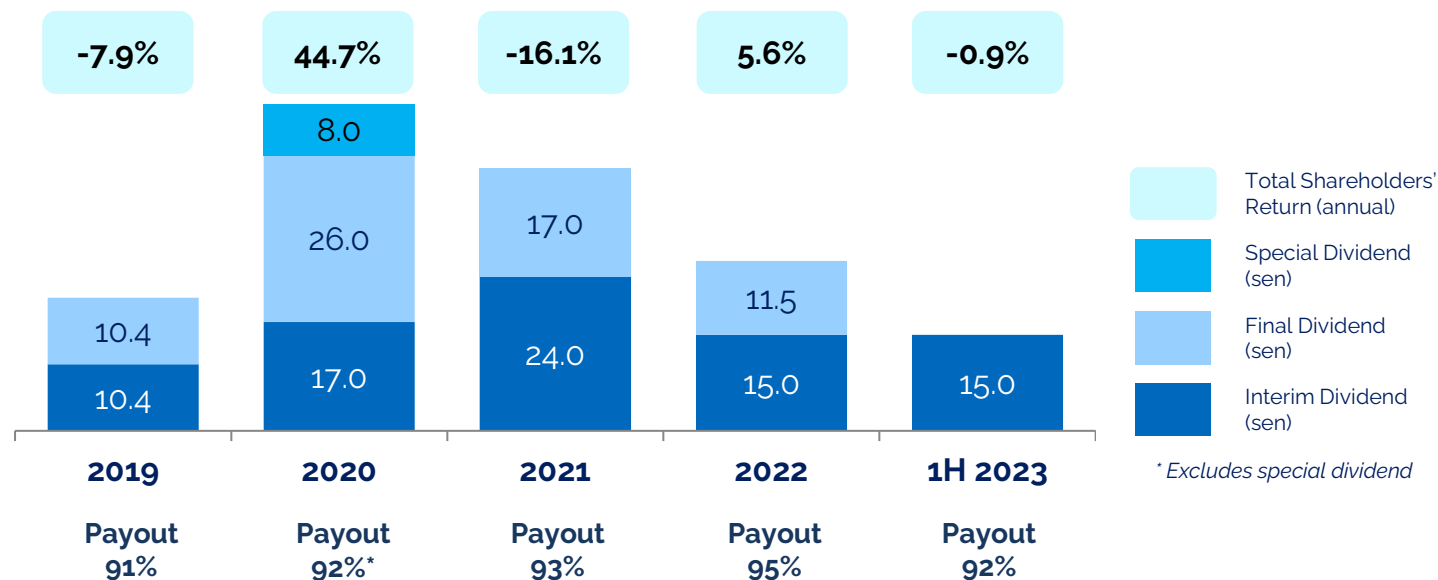
15 August 2023



PAYMENT DATE

29 August 2023

Dividend History



4.7%

Bursa Malaysia Berhad's
Annualised FY2023
Dividend Yield



4.4%

Average Dividend Yield
(annualised) of FBMKLCI
Constituents

based on share price of RM6.44 on 30
June 2023

Source: Bloomberg and Bursa Malaysia
As at 30 June 2023

Securities Market Overview

ADV declined by 17.3%

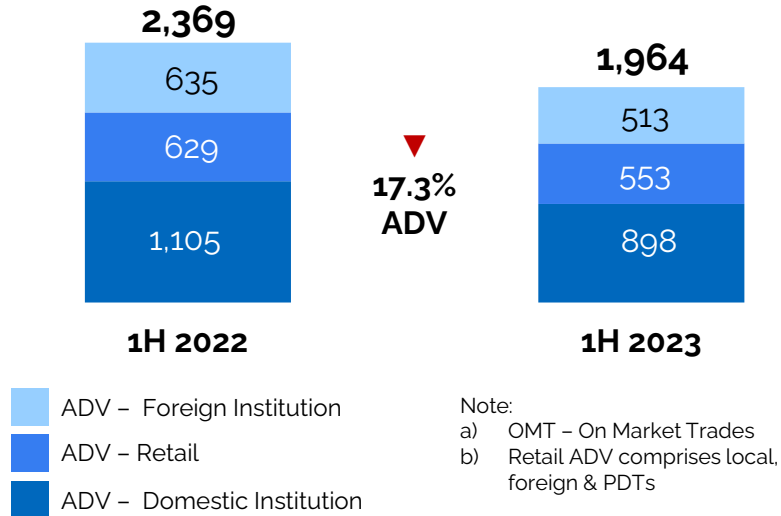
16

New IPO listings
in 1H 2023

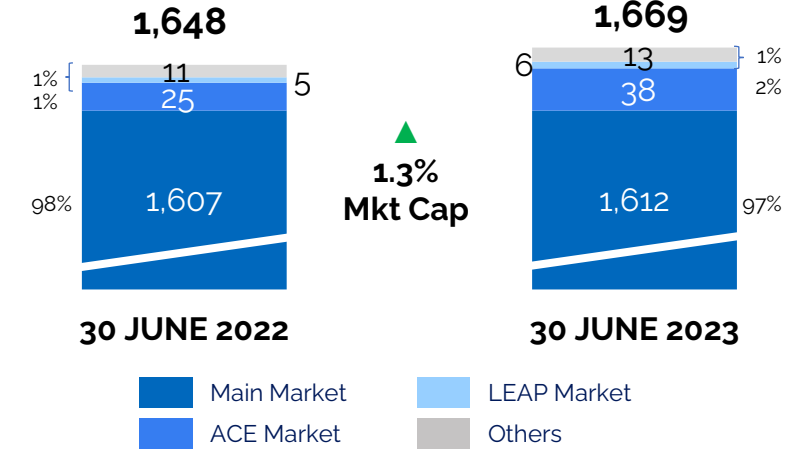
717

new structured warrants
in 1H 2023

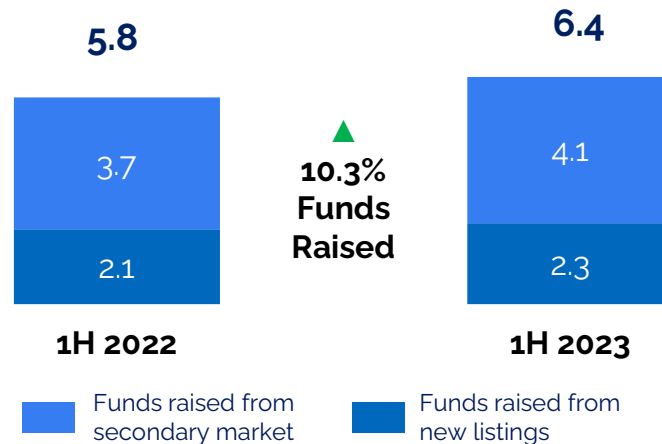
Average Daily Value (ADV) (OMT) (RM mil)



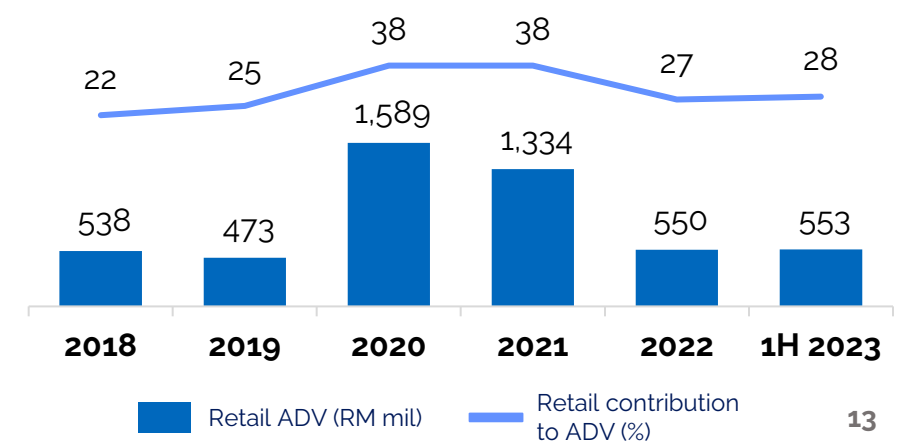
Market Capitalisation (RM bil)



Funds Raised (RM bil)



Retail trades have normalised

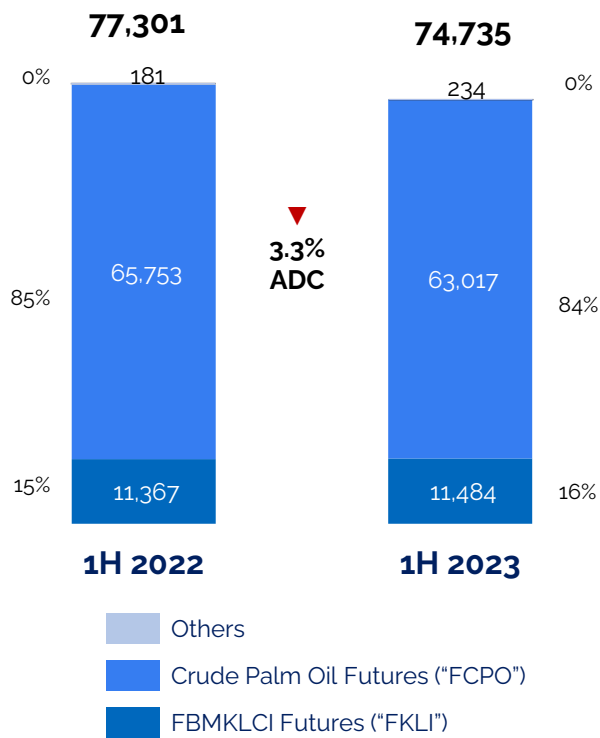


Derivatives Market Overview

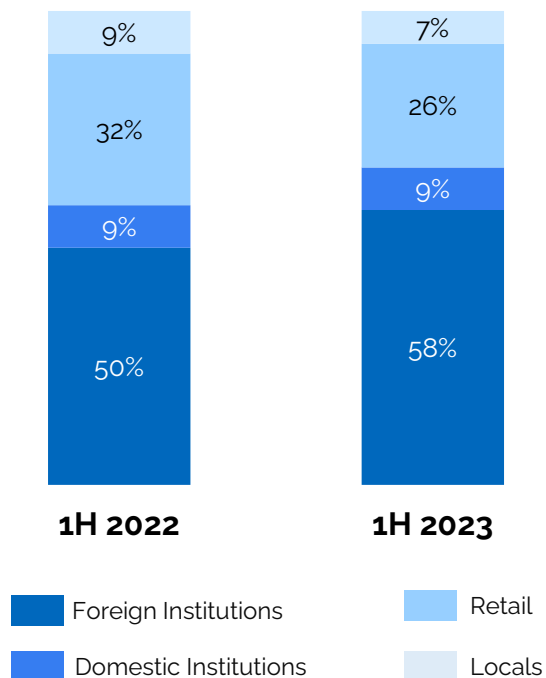
ADC decreased on the back of lower volatility of CPO Prices and FBMKLCI

Breakdown of Average Daily Contracts (ADC)

ADC Traded by Products



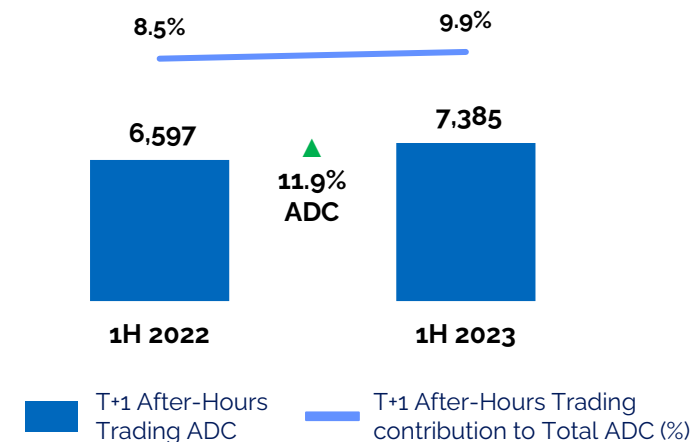
ADC Traded by Investor Types



Product Volatility

Period	Volatility of CPO Prices	Volatility of FBMKLCI
1H 2023	32%	7%
1H 2022	42%	11%

T+1 After-Hours Trading



Islamic Markets Overview

Higher BSAS trades mainly contributed by local participants

1H 2023 Highlights

83%

of Bursa Suq Al-Sila' (BSAS) trades contributed by local participants

10 new participants

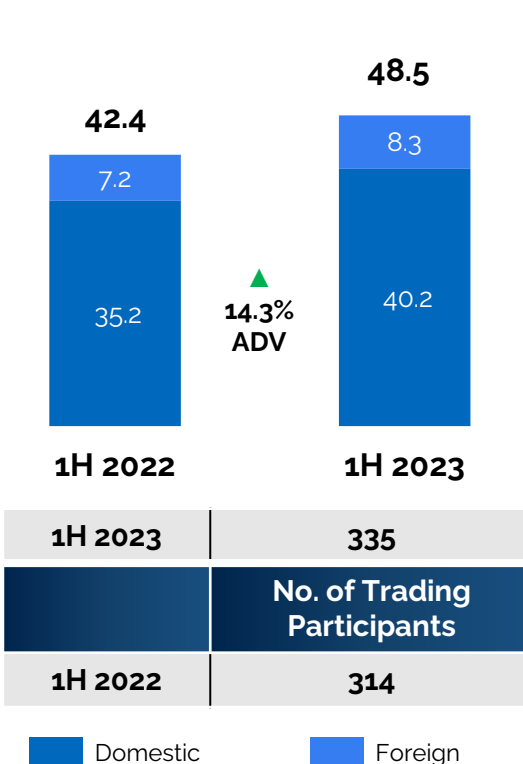
In 1H 2023, BSAS admitted 7 Local Participants and 3 Foreign Participants

▲ 6.9%

increase in the number of Shariah-compliant stocks

Breakdown of Islamic Markets Activity

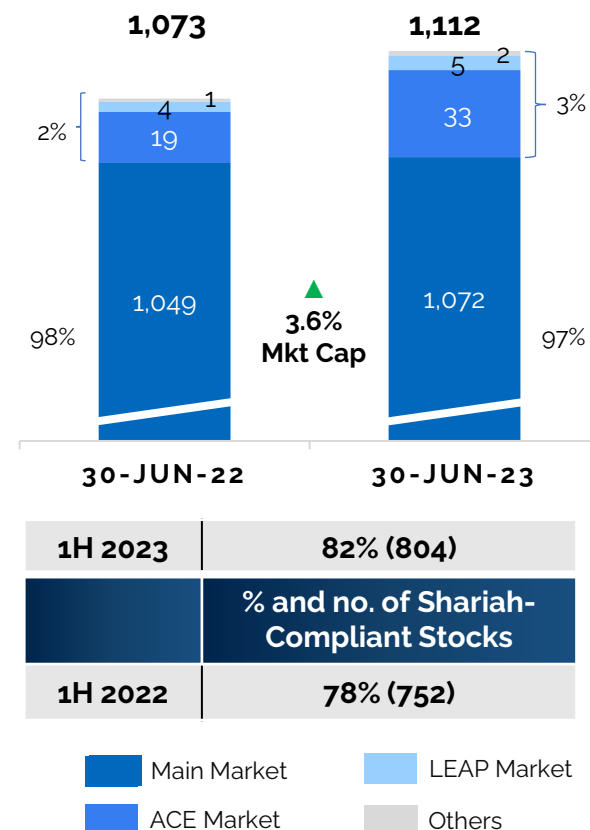
BSAS ADV (RM bil)



1H 2023	335
No. of Trading Participants	
1H 2022	314

■ Domestic ■ Foreign

Market Capitalisation of Shariah-Compliant Stocks (RM bil)



1H 2023	82% (804)
% and no. of Shariah-Compliant Stocks	
1H 2022	78% (752)

■ Main Market ■ LEAP Market
 ■ ACE Market ■ Others

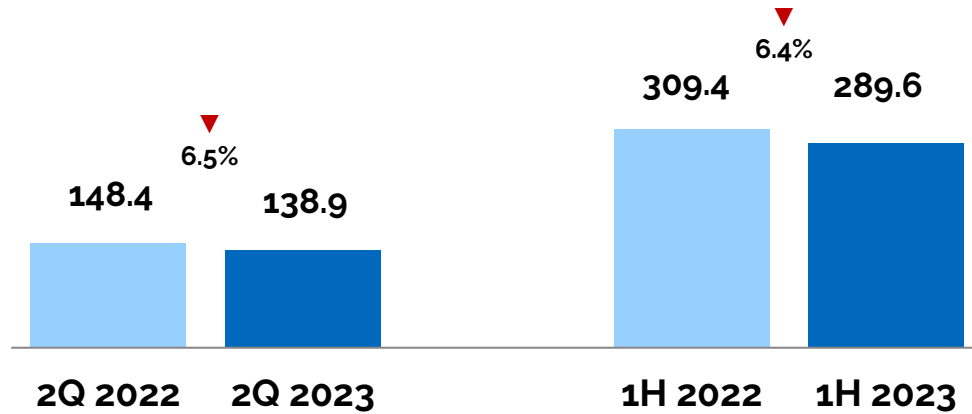
Financial Review

- Financial Snapshot
- Operating Revenue
- Operating Expenses

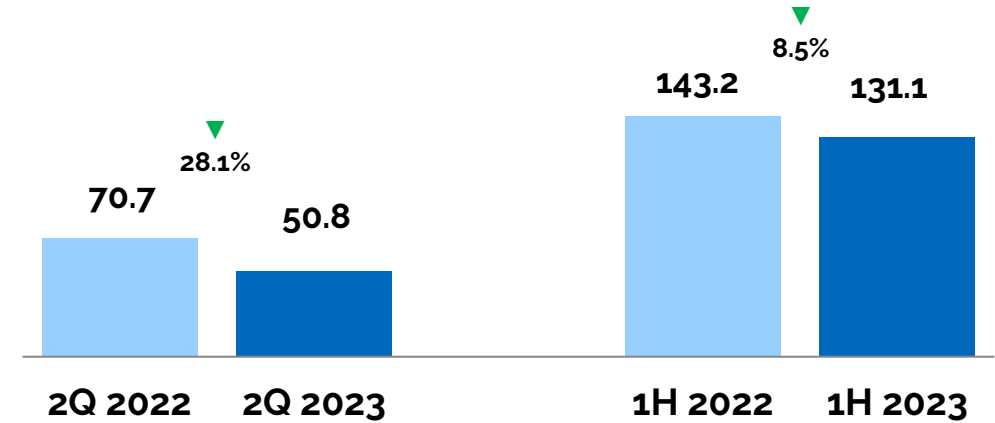
Financial Snapshot

PATAMI improved by 3.9% in 1H 2023

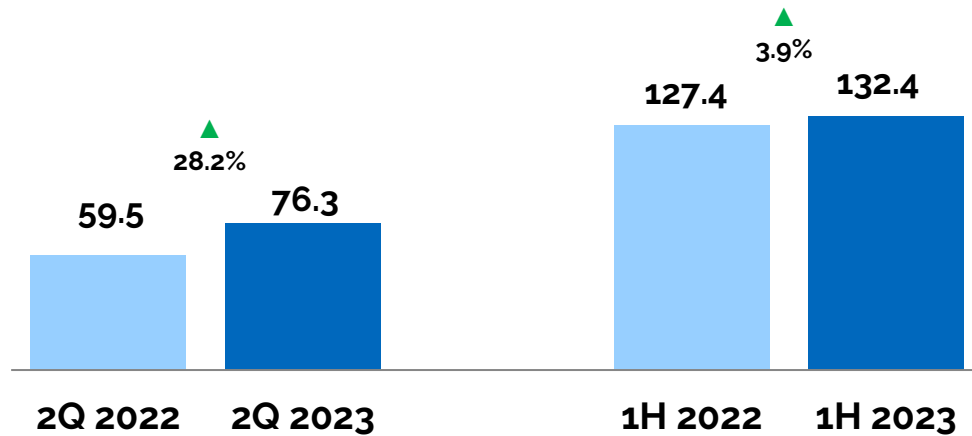
Operating Revenue (RM mil)



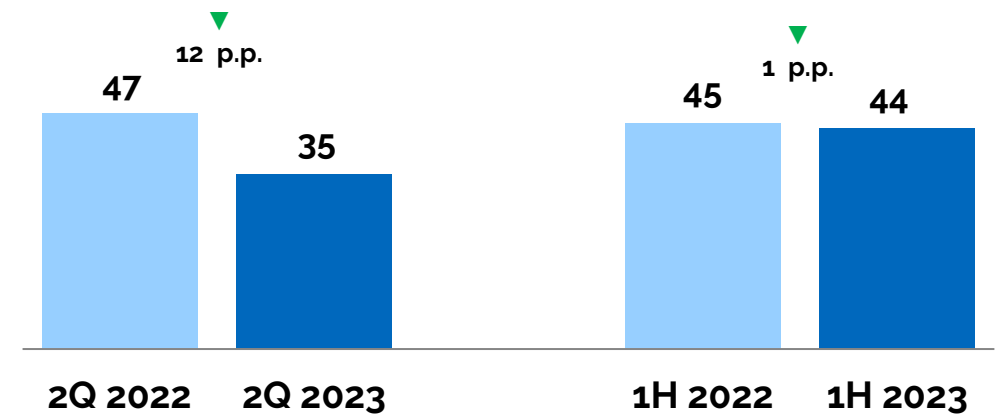
Operating Expenses (RM mil)



PATAMI (RM mil)

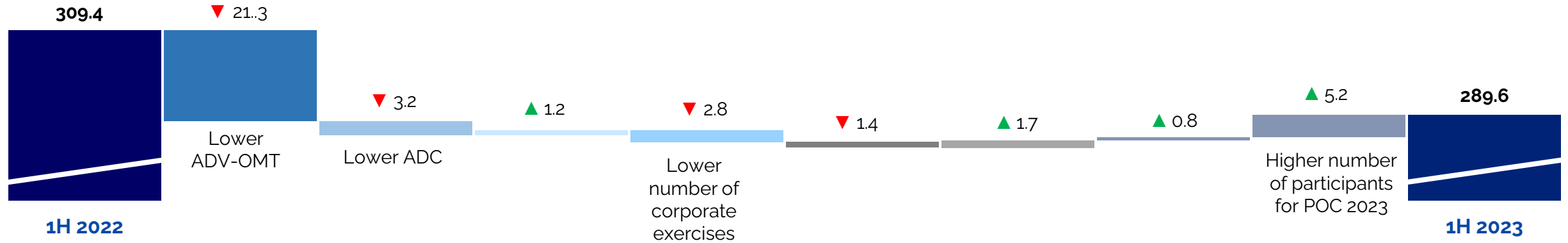


Cost to Income Ratio (%)



Operating Revenue

Lower revenue contribution from Securities trading



Revenue (RM mil)

	Securities Trading Revenue	Derivatives Trading Revenue	BSAS Trading Revenue	Listing & Issuer Services	Depository Services	Data Business	Member Services & Connectivity	Conference Fee & Exhibition - Related Income	TOTAL
1H 2023	126.0 (44%)	44.5 (15%)	8.8 (3%)	31.3 (11%)	26.9 (9%)	32.9 (12%)	12.5 (4%)	6.7 (2%)	289.6
1H 2022	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
YoY	▼ 14.4%	▼ 6.9%	▲ 15.5%	▼ 8.2%	▼ 4.8%	▲ 5.6%	▲ 6.1%	▲ 335.4%	▼ 6.4%

Trading Revenue
▼ 11.5%

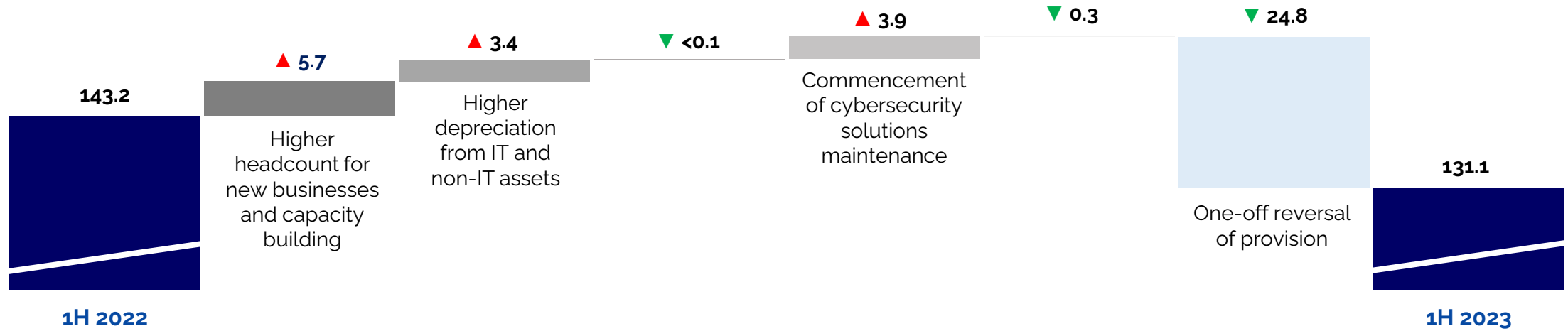
Securities Trading Revenue and Derivatives Trading Revenue experienced a 14.4% and 6.9% decline against 1H 2022, respectively

Non-Trading Revenue
▲ 3.2%

Non-trading revenue increased by 3.2% in 1H 2023, contributing 38% of the total operating revenue,

Operating Expenses

Decreased by 8.5% to RM131.1 million



Expenses (RM mil)

	Staff Costs	Depreciation & Amortisation	Marketing & Development	IT Maintenance	Service Fees	Other Operating Expenses	TOTAL
1H 2023	83.7 (64%)	16.1 (12%)	8.8 (7%)	17.0 (13%)	10.6 (8%)	-5.1 (-4%)	131.1
1H 2022	78.0 (54%)	12.7 (9%)	8.8 (6%)	13.1 (9%)	10.9 (8%)	19.7 (14%)	143.2
YoY	$\Delta 7.3\%$	$\Delta 27.6\%$	$\Delta 0.5\%$	$\Delta 29.5\%$	$\Delta 2.1\%$	$\Delta 126.4\%$	$\Delta 8.5\%$

Our Key Priorities in 2H 2023

Going forward, we remain focused on our efforts to enhance our marketplace and shareholder value

Key Priorities in 2H 2023



Broaden product offerings to enhance market vibrancy

- Continue to strengthen IPOs pipeline
- Explore ways (with the Securities Commission) to enhance IPO time-to-market
- Accelerate introduction of innovative products / platforms to meet emerging needs:
 - Bursa Gold Dinar
 - Debt Fundraising Platform
- Broaden our derivatives and Islamic thought leadership (e.g. *waqf*) offerings



Strengthen market ecosystem & accessibility

- Champion best practices, and provide supportive tools to serve PLCs' needs
- Promote market making activity to boost trading velocity, including onboarding of liquidity providers
- Facilitate investors' journey via learning enhancement as well as access to research reports



Leverage technology & innovation to deepen capabilities & drive growth

- Develop new solutions to offer seamless & unified digital platform experience for users
- Implement the revamped BSAS 2.0 system
- Implement subsequent phases in modernising our Enterprise Data Platform

Despite persistent macro headwinds, several factors could provide positive momentum in our securities market



Malaysia's economic growth is expected to remain resilient in 2023, anchored by firm domestic demand

- Our GDP is projected to grow by 4% - 5%
- Recovery in tourism activities is set to boost demand



Malaysia is a potential key beneficiary of ongoing reorientation in global supply chains



Unveiling of new policies and roadmap can strengthen Malaysia's growth trajectory



Companies in FBMKLCI remain relatively attractive in valuation vis-à-vis historical levels and regional peers

- Hence, offering more upside opportunities



Malaysia's banking sector remains well-capitalised with strong liquidity buffers

- As at end-June 2023, banking stocks account for 43% of FBMKLCI market cap

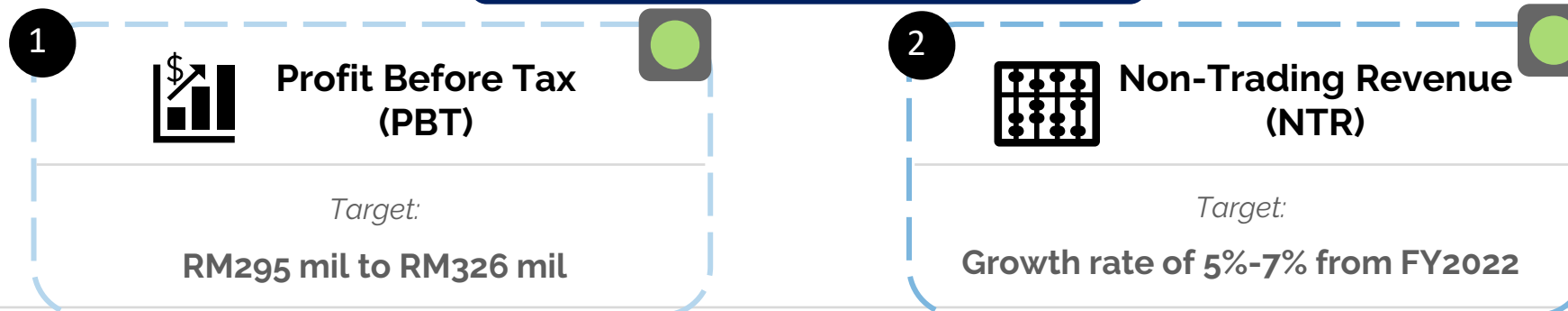


Ongoing initiatives to attract trading and IPOs/products can strengthen market vibrancy

Note: Projected GDP as estimated by Bank Negara Malaysia

We are on track to achieving our Headline KPIs in 2023

Financial



Non-financial

Product Expansion & Ecosystem Development



The headline KPIs are targets or aspirations set by the Company as a transparent performance management practice. These headline KPIs shall not be construed as either forecasts, projections or estimates of the Company or representations of any future performance, occurrence or matter as the headline KPIs are merely a set of targets/aspirations of future performance aligned to the Company's strategy.

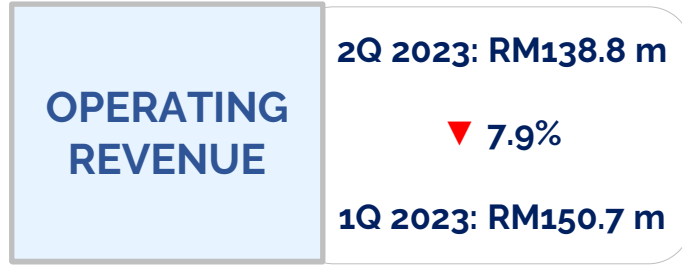
Legend:  On track

Appendices

- Financial Highlights 2Q 2023
- Securities Market Trading Activity
- Securities Market Trading Participation
- Securities Market Foreign Ownership
- Foreign Inflow/Outflow
- Derivatives Market Activity
- Derivatives Market Demography
- Islamic Market Activity

2Q 2023 Financial Highlights

Current quarter versus previous quarter



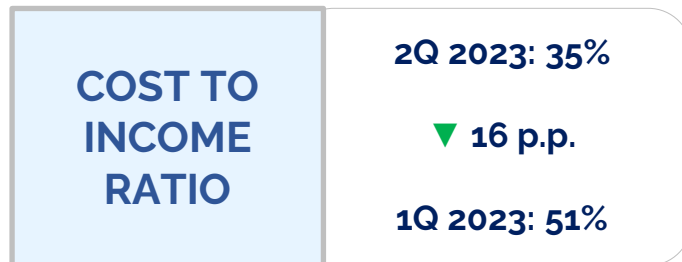
- Decrease in operating revenue mainly due to lower securities trading revenue



- Lower operating expenses due to a one-off reversal of provision

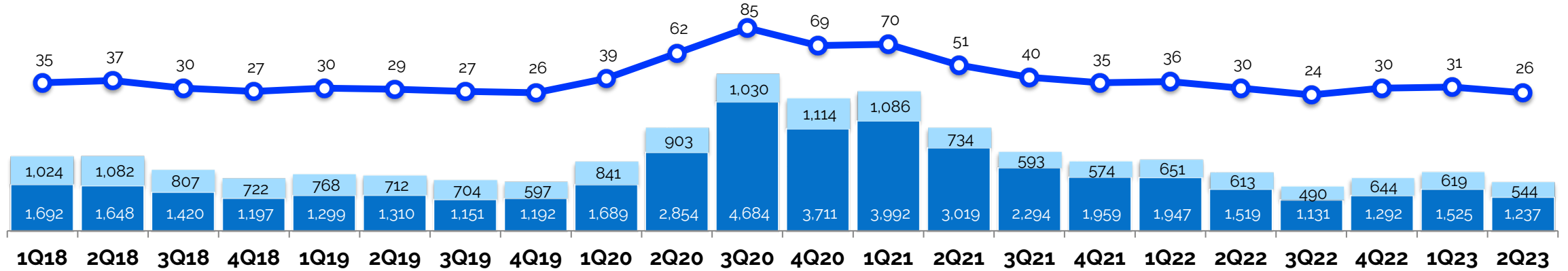


- As a result, PATAMI increased by 35.8% to RM76.3 million in 2Q 2023 as compared to 1Q 2023

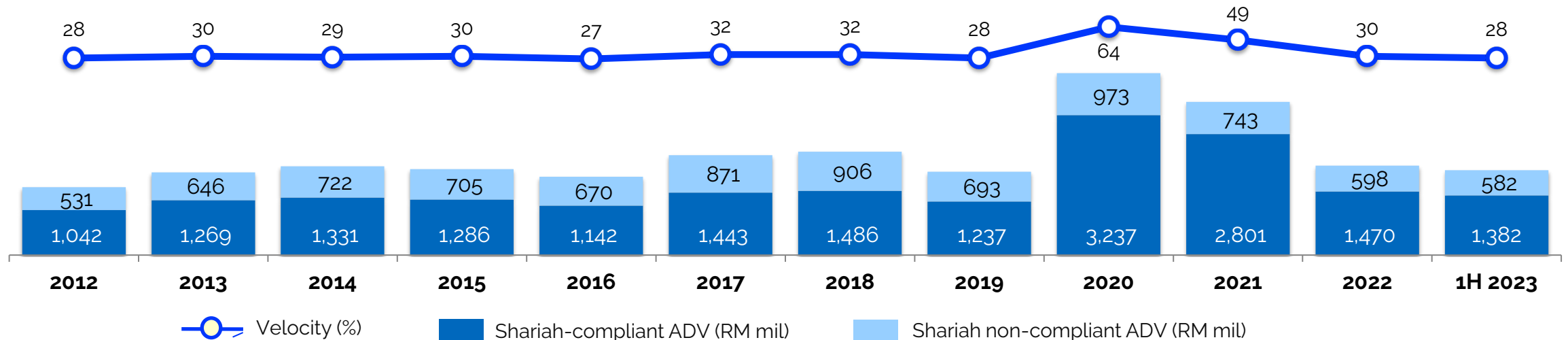


Securities Market Trading Activity

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

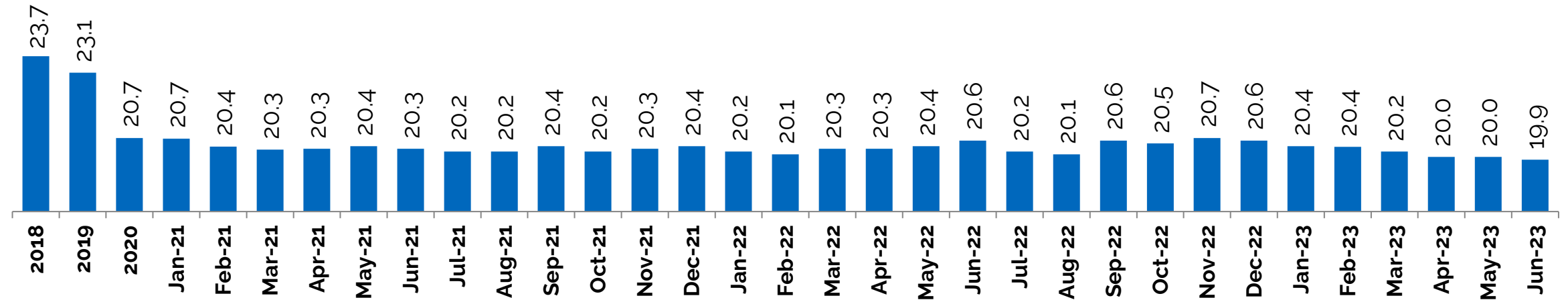


Annual ADV Traded (Shariah-compliant and Shariah non-compliant) & Velocity

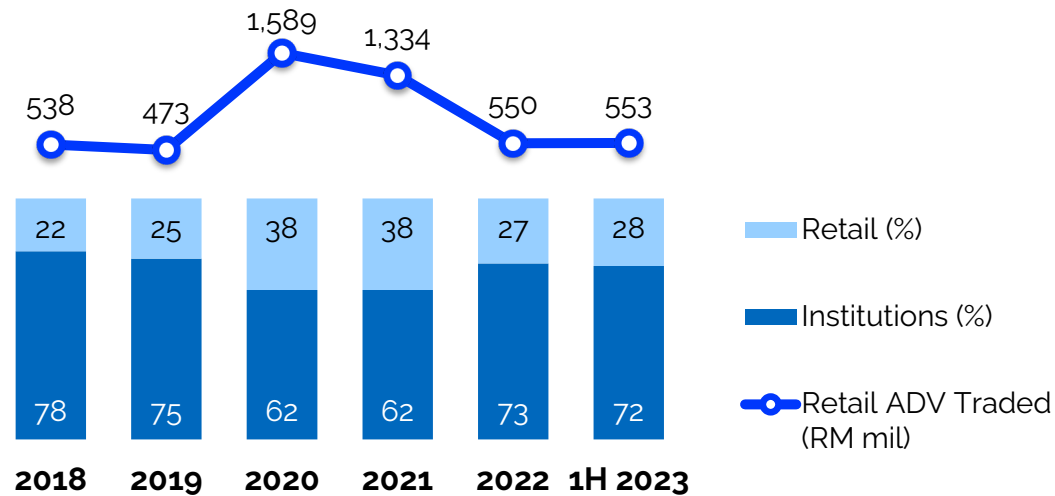


Securities Market Participation

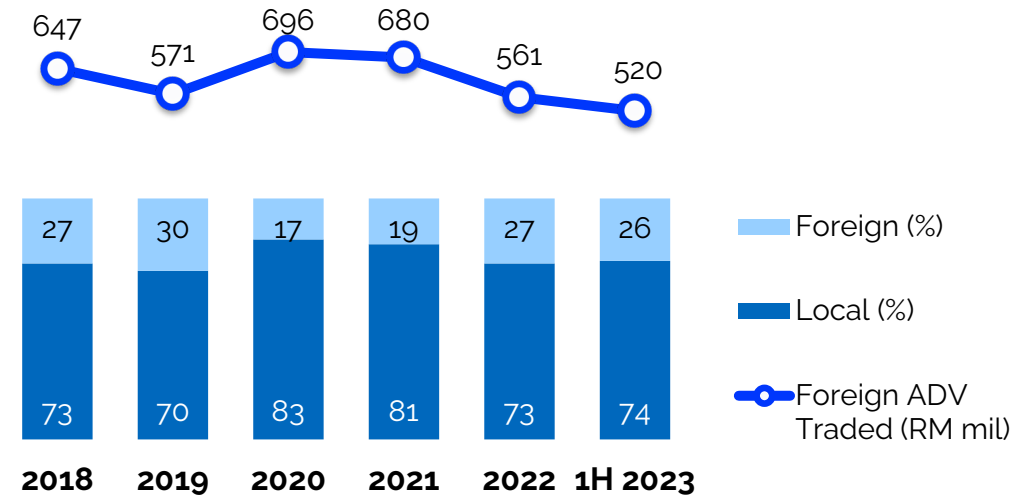
Securities Market Foreign Ownership Based on Market Capitalisation (%)



ADV - Retail vs. Institution

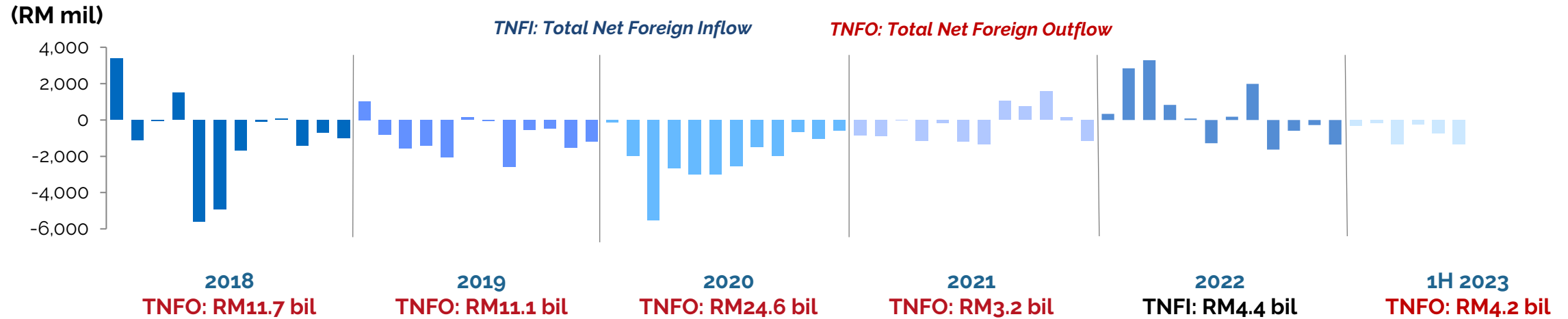


ADV - Foreign vs. Local

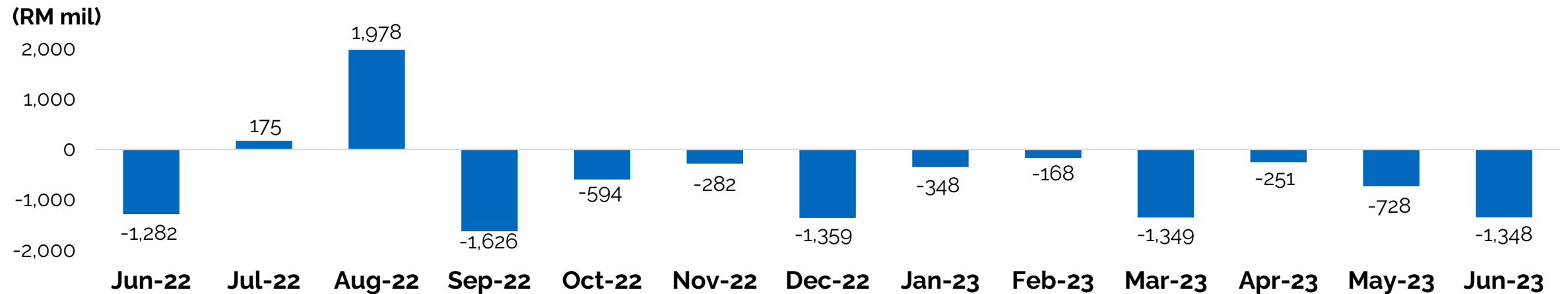


Foreign Inflow/Outflow

Monthly foreign inflow/outflow from 2018 to YTD 2023

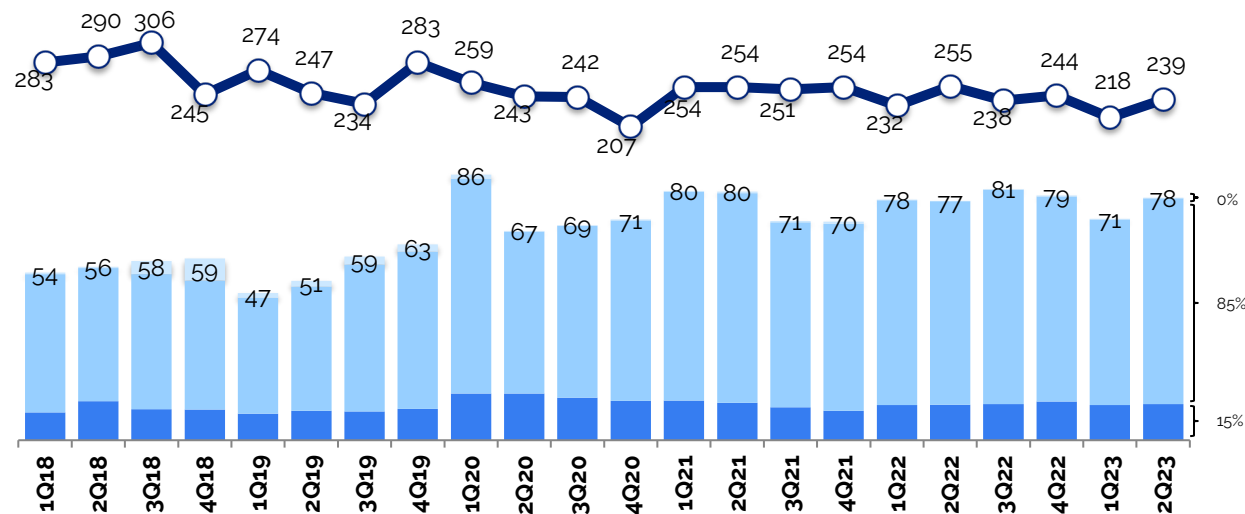


Monthly foreign inflow/outflow from June 2022 to June 2023

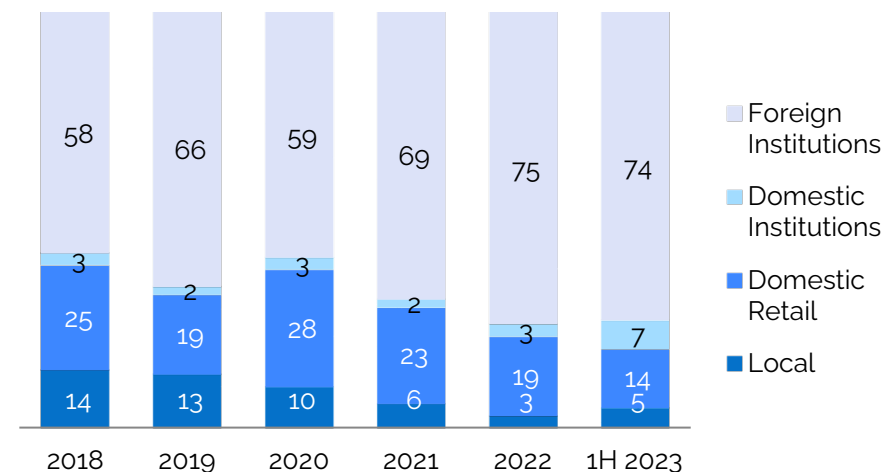


Derivatives Market Activity

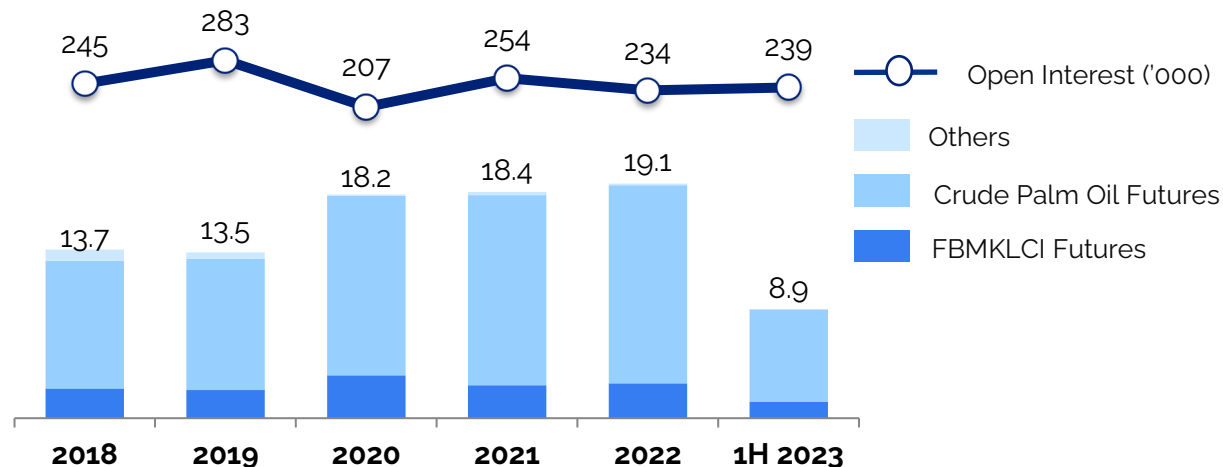
Quarterly Average Daily Contracts ('000)



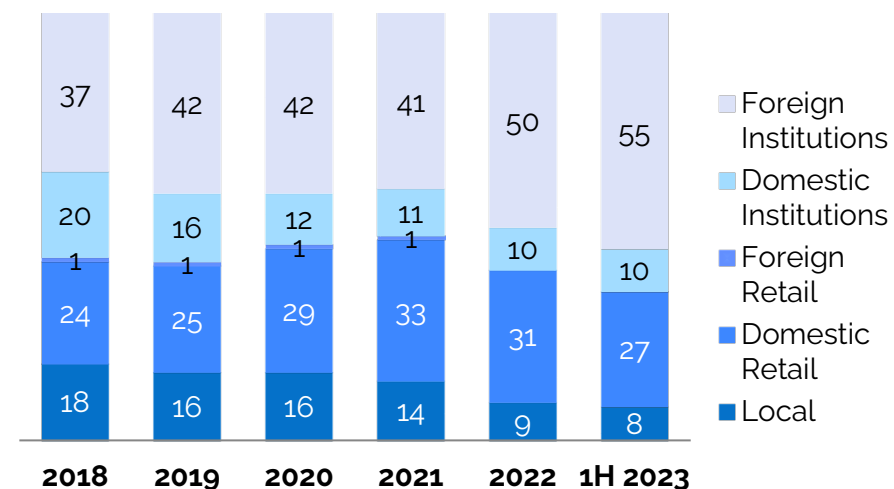
FKLI Demography (%)



Total Annual Contracts (mil)

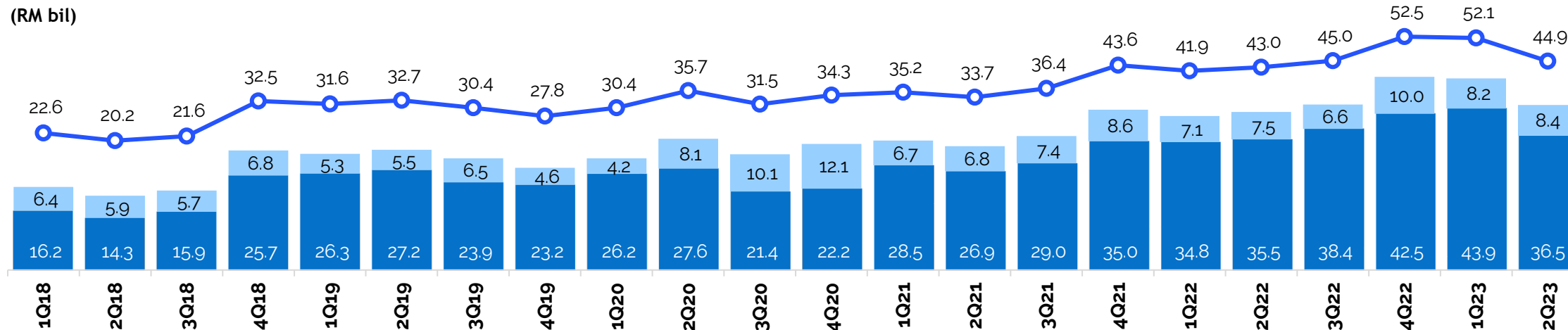


FCPO Demography (%)

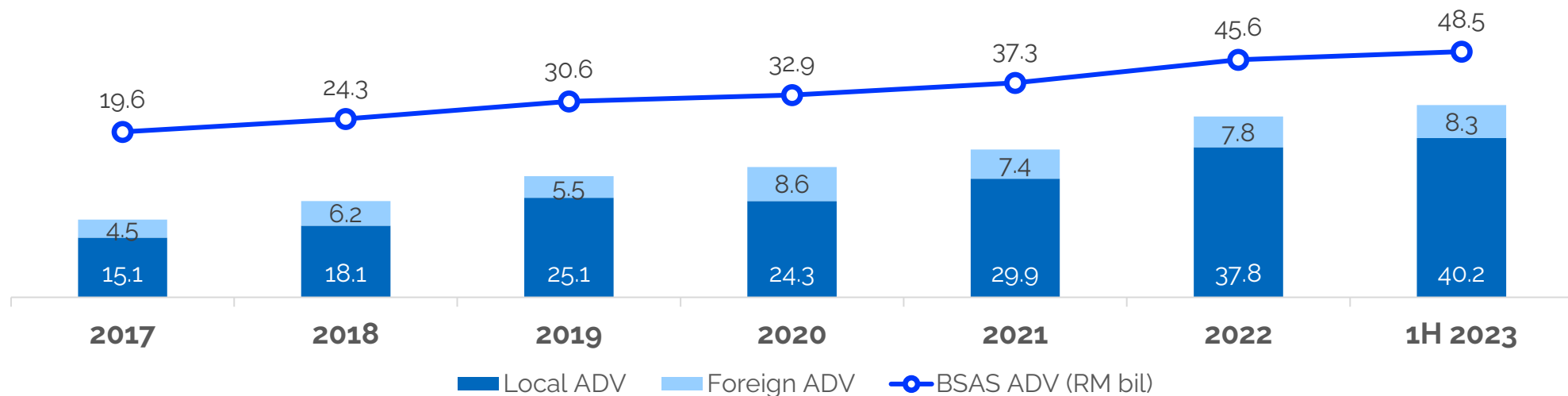


BSAS Activity

BSAS Quarterly Average Daily Value



BSAS Annual Average Daily Value



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