

# 1Q2020 Financial Results

30 April 2020

## **Agenda**

- **Key Financial Highlights**
- **Market Performance**
- **Conclusion**
- **Appendices**



## **Key Financial Highlights**

- **Financial Highlights for 1Q2020**
- **Operating Revenue**
- **Operating Expenses**

# Financial Highlights

Higher 1Q2020 PAT resulting from higher trades in the Securities & Derivatives Markets

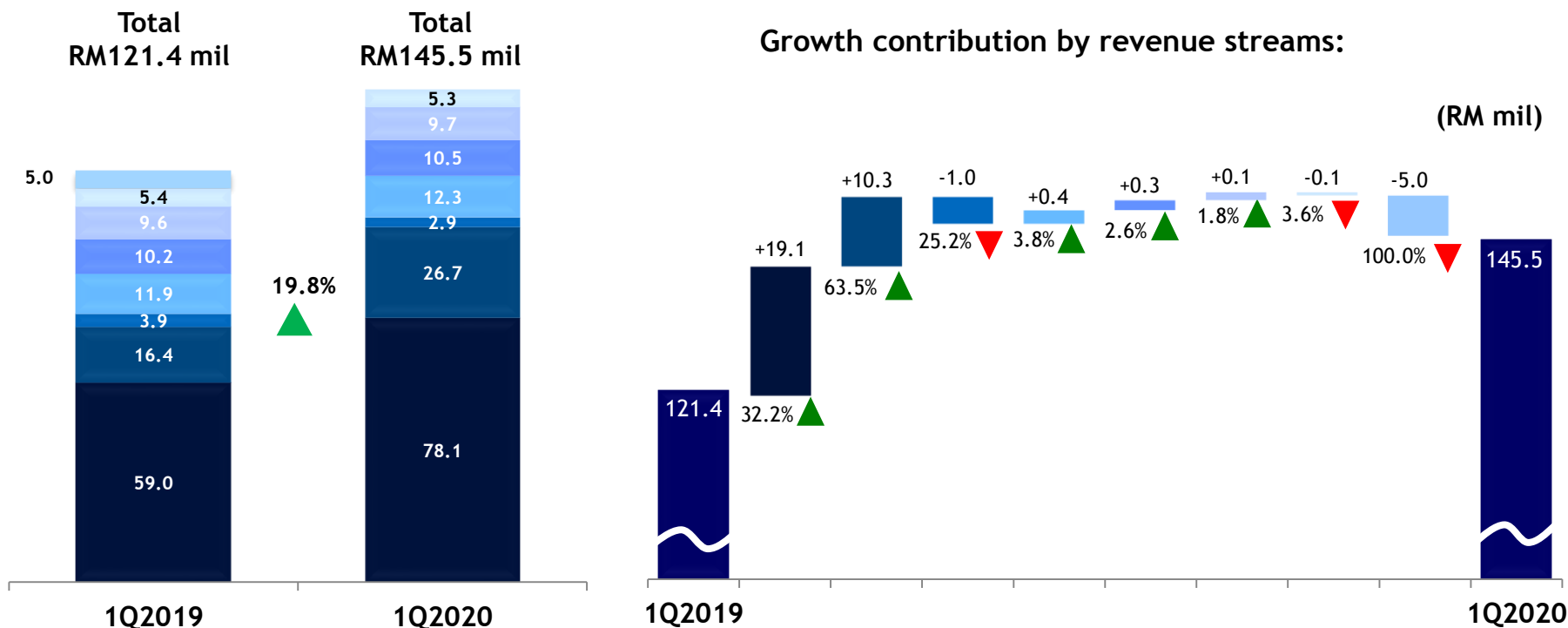
Financial Items	1Q2020	1Q2020 vs. 1Q2019	1Q2020 vs. 4Q2019
Operating Revenue (RM million)	145.5	▲ 19.8%	▲ 18.6%
Operating Expenses (RM million)	63.5	▲ 2.4%	▼ 3.6%
PATAMI (RM million)	64.7	▲ 38.2%	▲ 42.1%
EPS (sen)	8.0	▲ 37.9%	▲ 42.9%
Annualised ROE	35%	▲ 12 percentage points	▲ 11 percentage points
Cost to Income Ratio	42%	▼ 7 percentage points	▼ 9 percentage points

## 1Q2020 vs. 1Q2019:

- Operating revenue increased mainly due to higher Securities and Derivatives trading revenue.
- ROE increased by 12 percentage points to 35% while Cost to Income Ratio decreased by 7 percentage points to 42%.

# Operating Revenue

20% increase in 1Q2020 from higher trading revenue

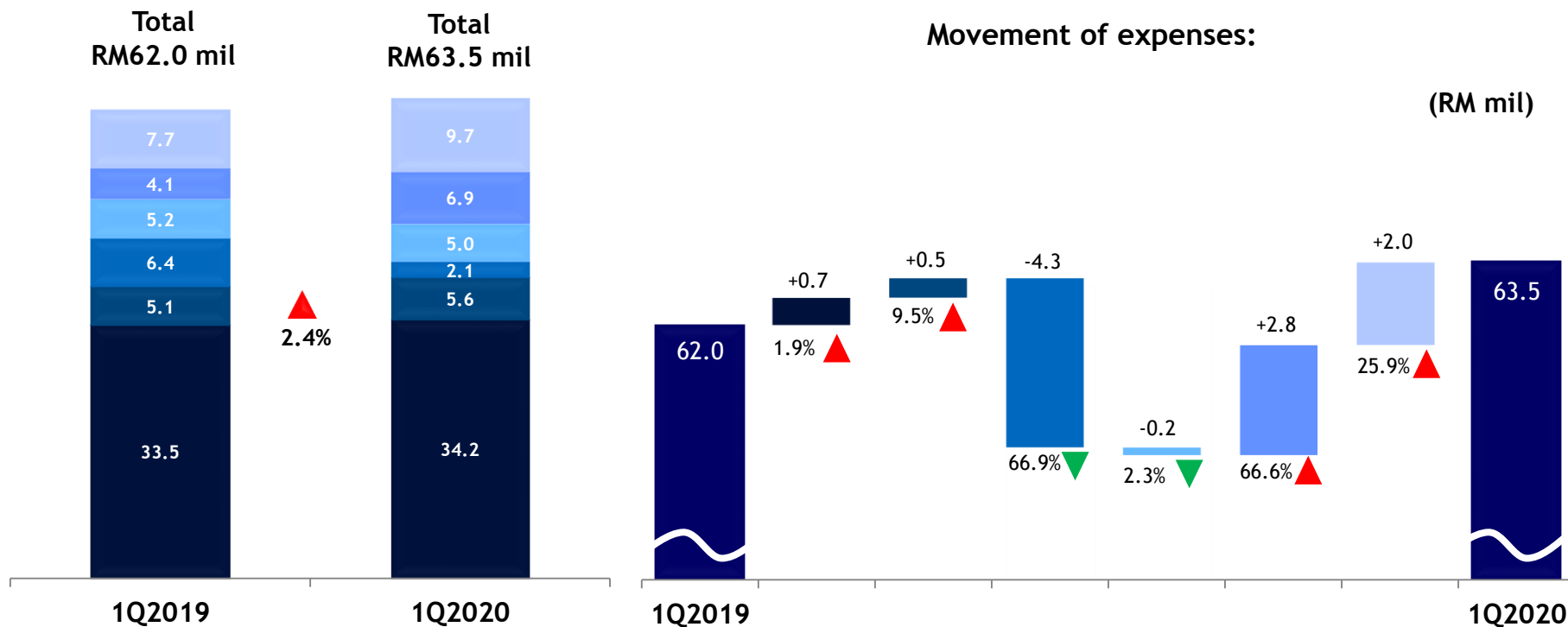


- Increased in the Securities Trading Revenue from higher ADV-OMT.
- Increased in the Derivatives Trading Revenue due to higher ADC.
- Lower BSAS Trading Revenue due to lower BSAS ADV.
- Higher Listing & Issuer Services fees due to increased number of IPOs.
- No conference income recorded as the POC event has been deferred due to the COVID-19/MCO imposed by the Government.

Securities Trading Revenue  
 Derivatives Trading Revenue  
 BSAS Trading Revenue  
 Listing & Issuer Services  
 Depository Services  
 Market Data  
 Member Services & Connectivity  
 Conference Fee & Exhibition Related Income

# Operating Expenses

Increased by 2% due to higher technology costs



Staff Costs

Depreciation & Amortisation

Marketing & Development

IT Maintenance

Service Fees

Other Operating Expenses^

- Higher manpower costs due to higher provision of variable costs.
- Decrease in marketing & development costs due to the deferment of POC event.
- Increase in service fees due to higher Globex fees resulting from higher number of ADC.
- Increase in other operating expenses due to higher professional fees incurred.

Note^ - Other operating expenses include building maintenance, administrative expenses and CDS expenses.

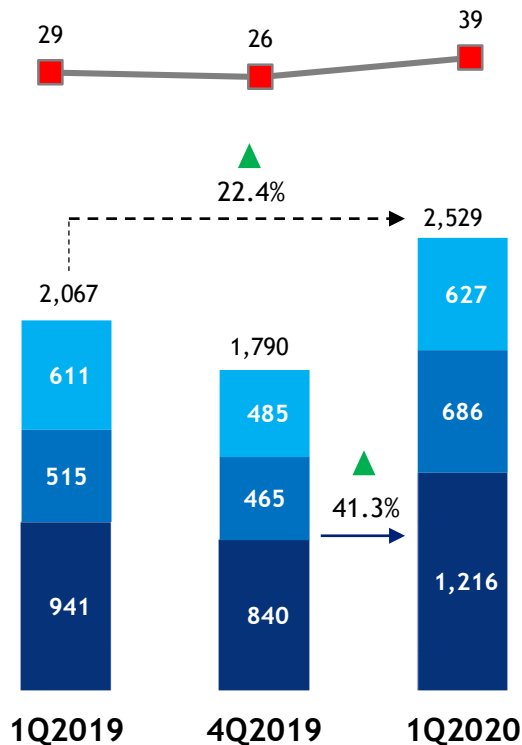
## **Market Performance**

- **Securities Market Overview**
- **Derivatives Market Overview**
- **Islamic Capital Market Overview**

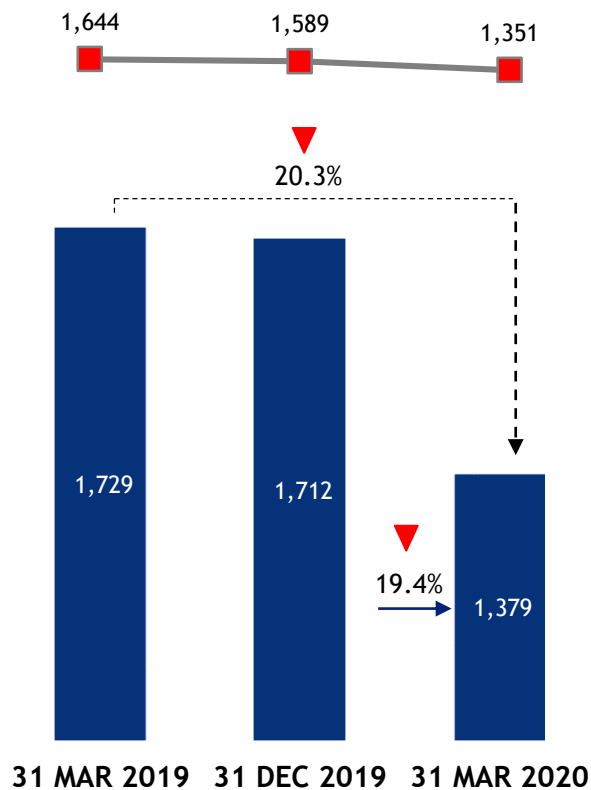
# Securities Market Overview

High trades registered due to higher volatility recorded in the Securities Market

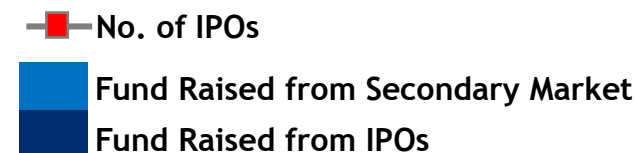
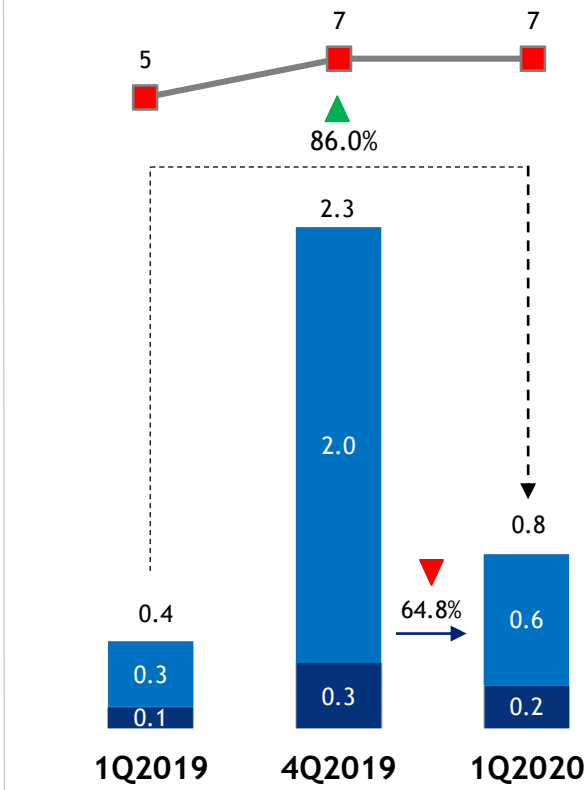
### Average Daily Value (“ADV”) (OMT)(RM mil)



### Market Capitalisation (RM bil)



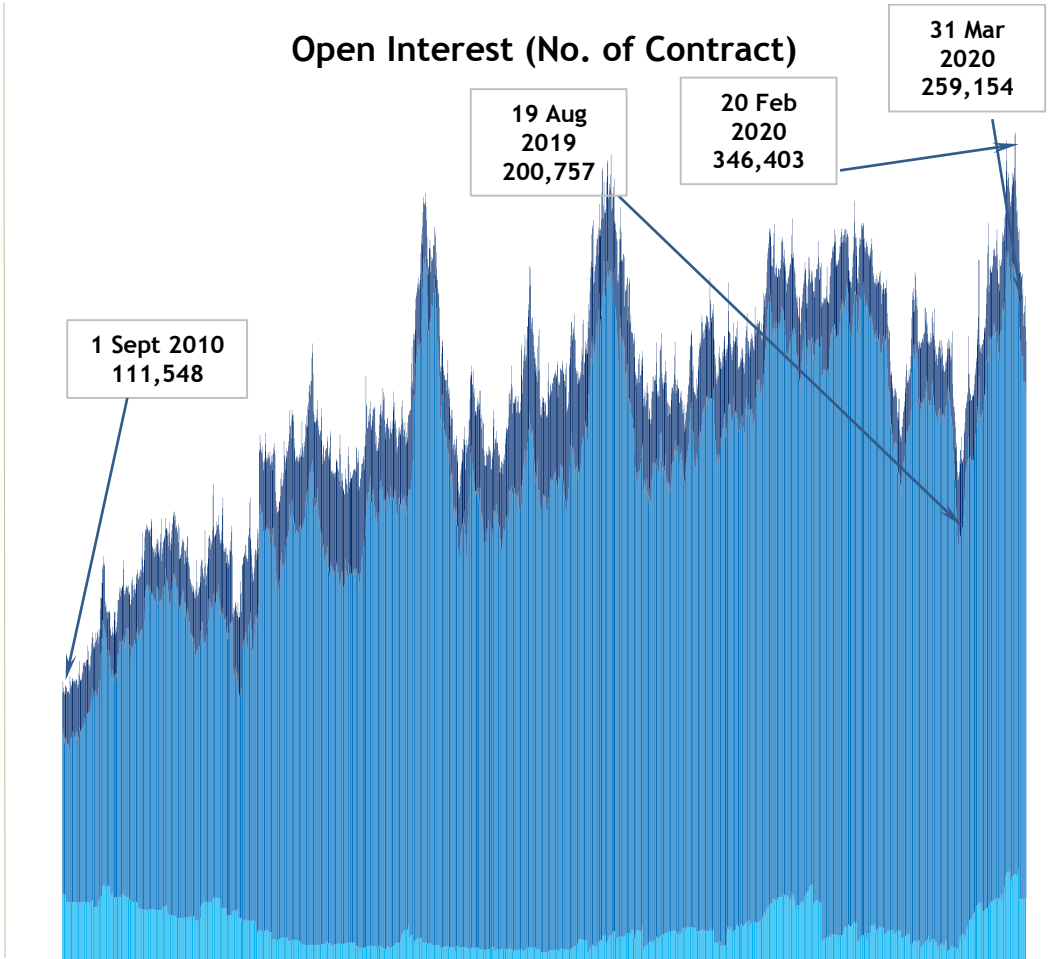
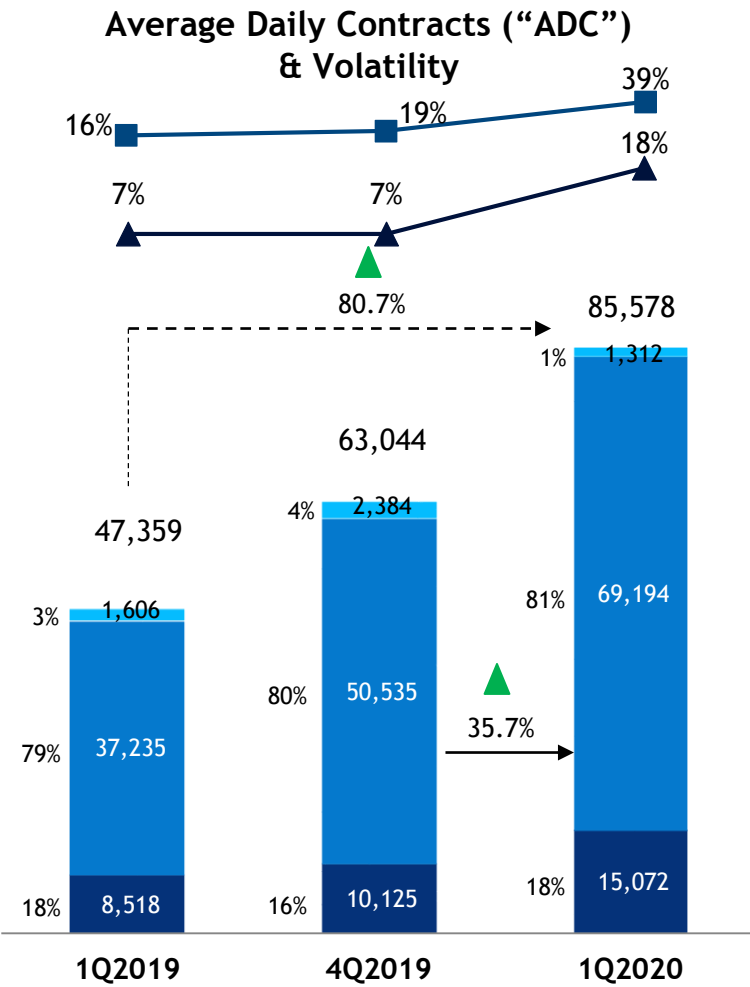
### Fund Raised from IPOs & Secondary Market (RM bil)





# Derivatives Market Overview

Upward trend in FCPO and FKLI trades resulting from higher volatility in the underlying CPO prices and FBMKLCI

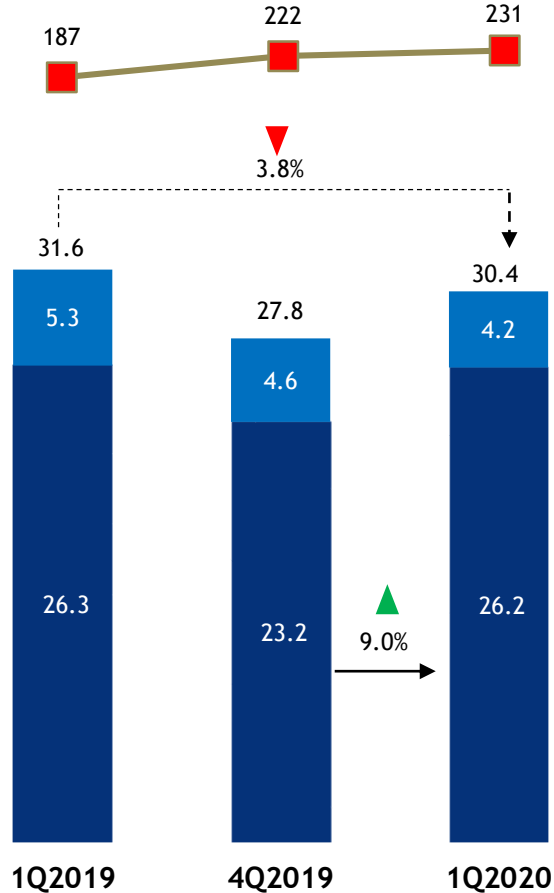


-  ADC - FBMKLCI Futures
-  ADC - Crude Palm Oil Futures
-  ADC - Others
-  Volatility of FBMKLCI
-  Volatility of Crude Palm Oil Prices

# Islamic Capital Market Overview

BSAS ADV declined by 4% mainly due to lower trades from foreign participants

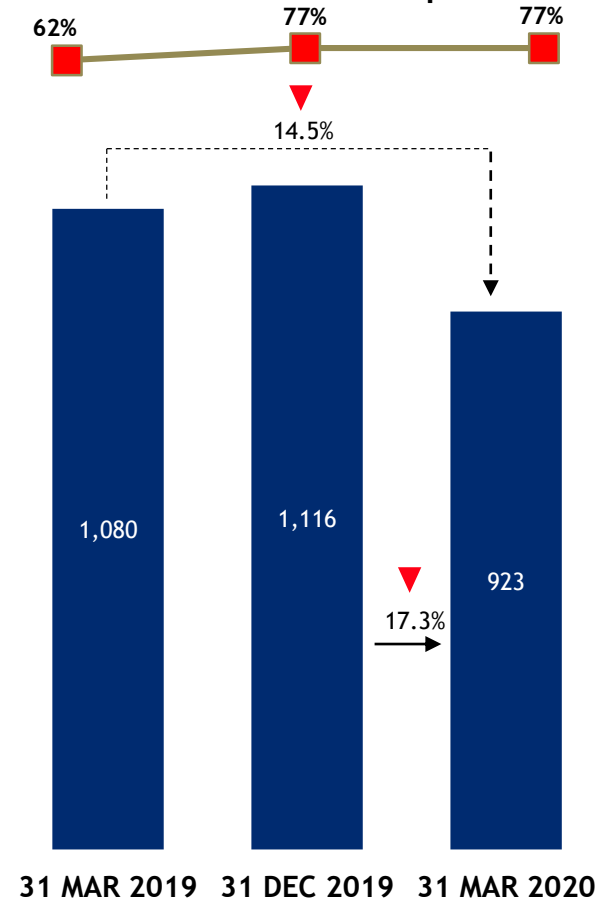
Bursa Suq Al-Sila' ("BSAS") ADV (RM bil)



■ No. of Trading Participants

■ Domestic ■ Foreign

Market Capitalisation of Shariah Compliant Stocks (RM bil)



■ No. of Shariah Compliant Stocks (%)

■ Market Capitalisation of Shariah Compliant Stocks

## Conclusion

- Moving Forward
- COVID-19 Relief Measures

# Moving Forward

## SECURITIES MARKET

- The Securities Market performance in 1Q2020 was mainly driven by the volatility in the market, influenced by local and global developments, such as Malaysia's political landscape, the declining oil prices and particularly, fuelled by the measures undertaken by most countries around the world in response to the COVID-19 outbreak.
- The central banks around the world have sought to mitigate the economic impact of COVID-19 via the easing of monetary policies as well as providing financial relief measures. Given the uncertainties on the impact of COVID-19 to the overall economy and corporate earnings, the equity market is expected to continue to be volatile.

## DERIVATIVES MARKET

- The average daily contracts recorded in this quarter is almost double that of the corresponding quarter last year. External factors such as India's restriction of palm oil imports from Malaysia and the ongoing impact of COVID-19 will continue to influence the volatility in both the underlying crude palm oil prices and the equities market.
- Nonetheless, the Exchange will continue to expand and strengthen its product offerings, and attract new participants to the Derivatives Market.

## ISLAMIC CAPITAL MARKET

- Trading activities through Bursa Malaysia-*i* platform saw an increase in 1Q2020 compared to 1Q2019. This is in line with the higher trading activities in the overall market and the trend is expected to continue in the medium term with the onboarding and activation of new trading participants of retail and institutional investors on Bursa Malaysia-*i*.
- Bursa Suq Al-Sila' ("BSAS"), on the other hand, is expected to sustain its level of activities by continuous engagement with its foreign participants to increase their trading activities. In 1Q2020, the Exchange saw the onboarding of nine new participants for BSAS, of which two are foreign.

In consideration of the impact of COVID-19 both financially and operationally, the Exchange had announced several relief measures to ease the financial burden of the capital market participants and to provide greater flexibility to aid them through this challenging period. In line with the economic projections made by BNM, IMF and the World Bank, the performance of the listed companies is also expected to be impacted. Nevertheless, the uncertainties in both the global and local markets are anticipated to continue to contribute to the volatility and trading activity in both the Securities and Derivatives Markets in the short and medium term.

# Relief Measures for COVID-19 - Financial Assistance



## Fee Waiver

- Waiver of processing fee of IPO applications for ACE & LEAP Markets
- Waiver of initial fee and annual listing fee for companies seeking listing in ACE & LEAP Markets, and on the Main Market for companies with less than RM500m market cap



## Annual Listing Fee Rebate

Rebate of 50% for the year 2020 for Listed Issuers with market cap below RM500m as at 31 Dec 19 and report financial losses as measured by Group loss after tax in their quarterly report (for quarter ended between 1 Apr to 30 June 2020)



## Margin Accounts Flexibility

- Expansion of list of collaterals
- Removal of requirement to automatically liquidate client's margin account
- Removal of requirement to make additional margin calls or impose haircuts on any collateral and securities purchased and carried in margin accounts



## Community Support

Financial assistance to support communities, namely the lower-income B40 and hospitals handling COVID-19 cases

# Relief Measures for COVID-19 - Non-Financial Assistance



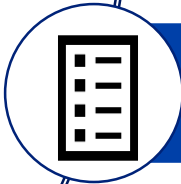
Extension for the issuance of periodic reports and flexibility on the timings of AGMs



Shortened counter service hours by market participants



Increase in the general mandate threshold for new issue of securities



Extension of time to submit regularisation plan for PN17/GN3 and 8.03A Listed Issuers and relief to Listed Issuers with unsatisfactory financial condition



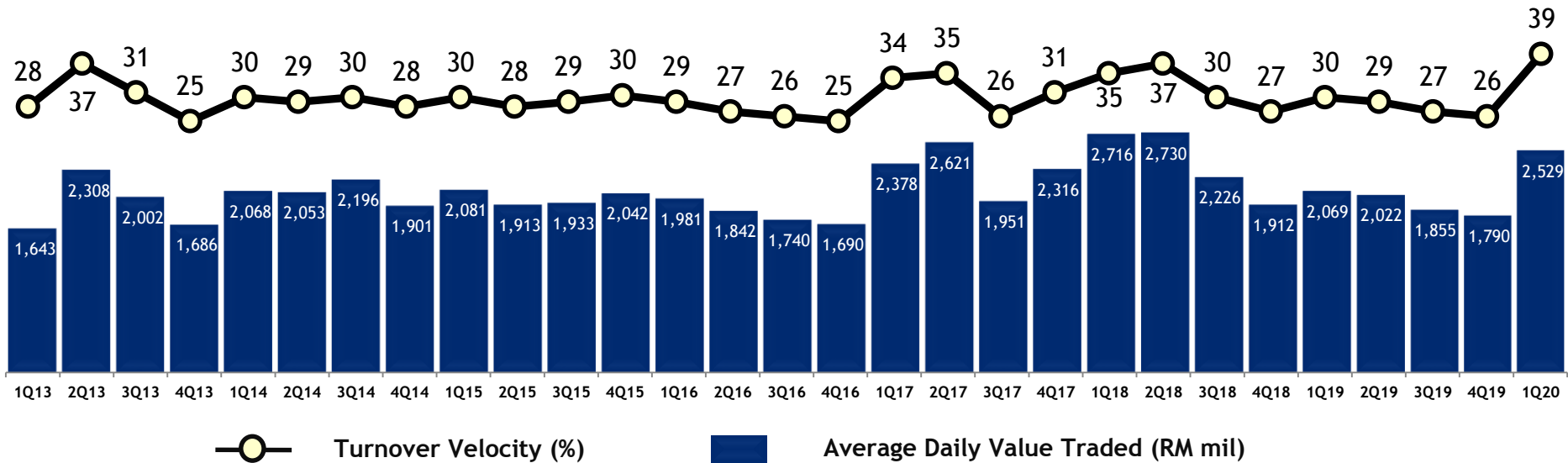
Extension for submission of CDS transaction forms to Bursa Malaysia

## Appendices

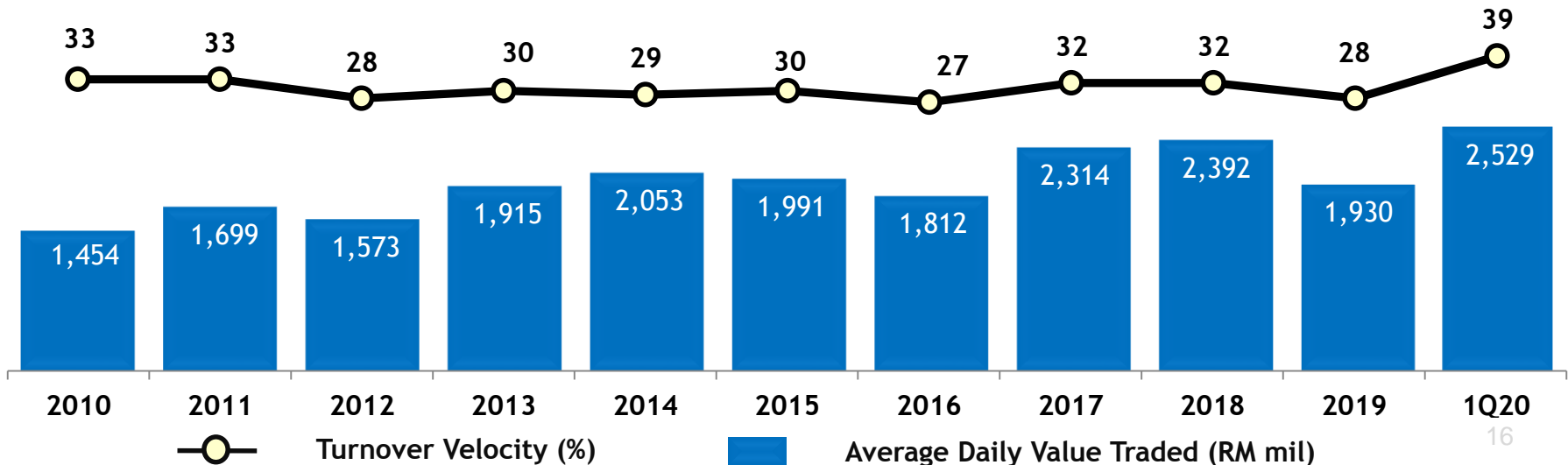
- Securities Market Trading Activity
- Securities Market Trading Participation
- Securities Market Foreign Ownership
- Foreign Inflow/Outflow
- Derivatives Market Activity
- Derivatives Market Demography
- Islamic Capital Market Activity

# Securities Market Trading Activity

## Quarterly ADV Traded & Velocity



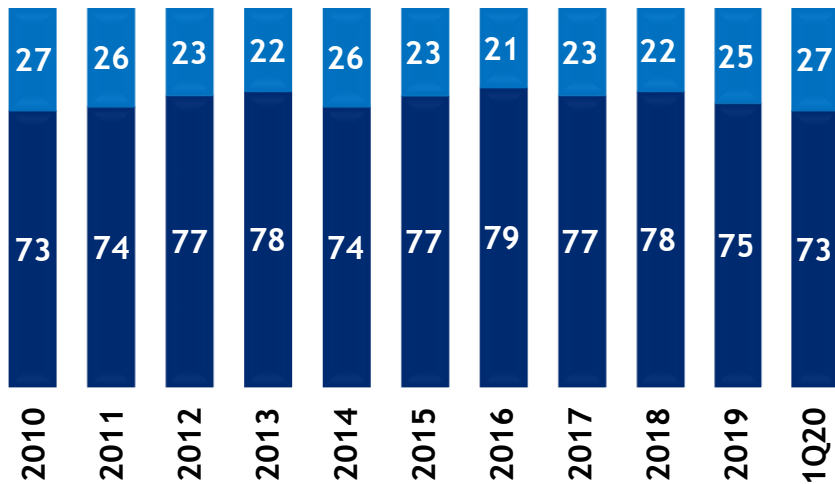
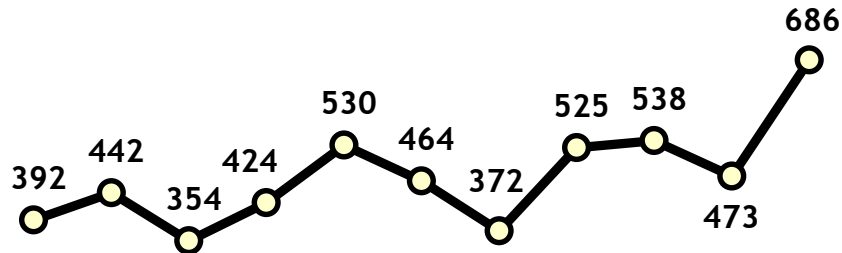
## Annual ADV Traded & Velocity





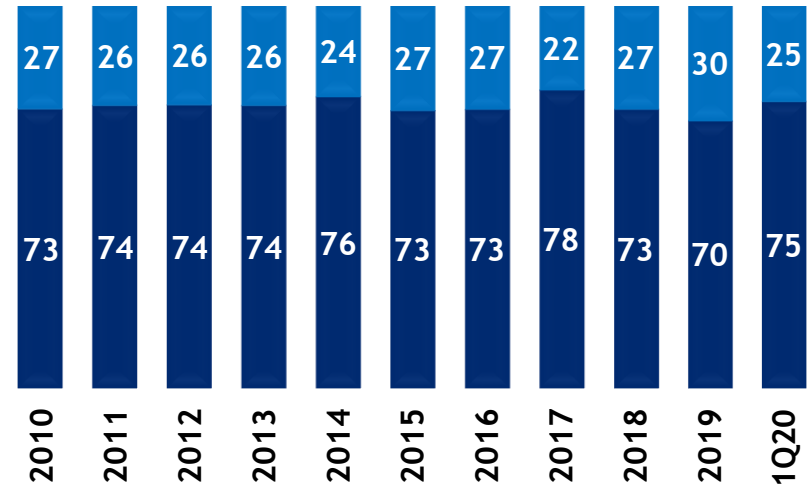
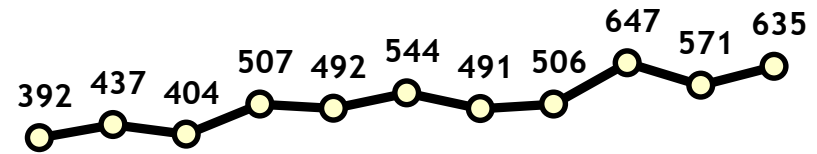
# Securities Market Trading Participation

## Retail vs. Institution



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

## Foreign vs. Local

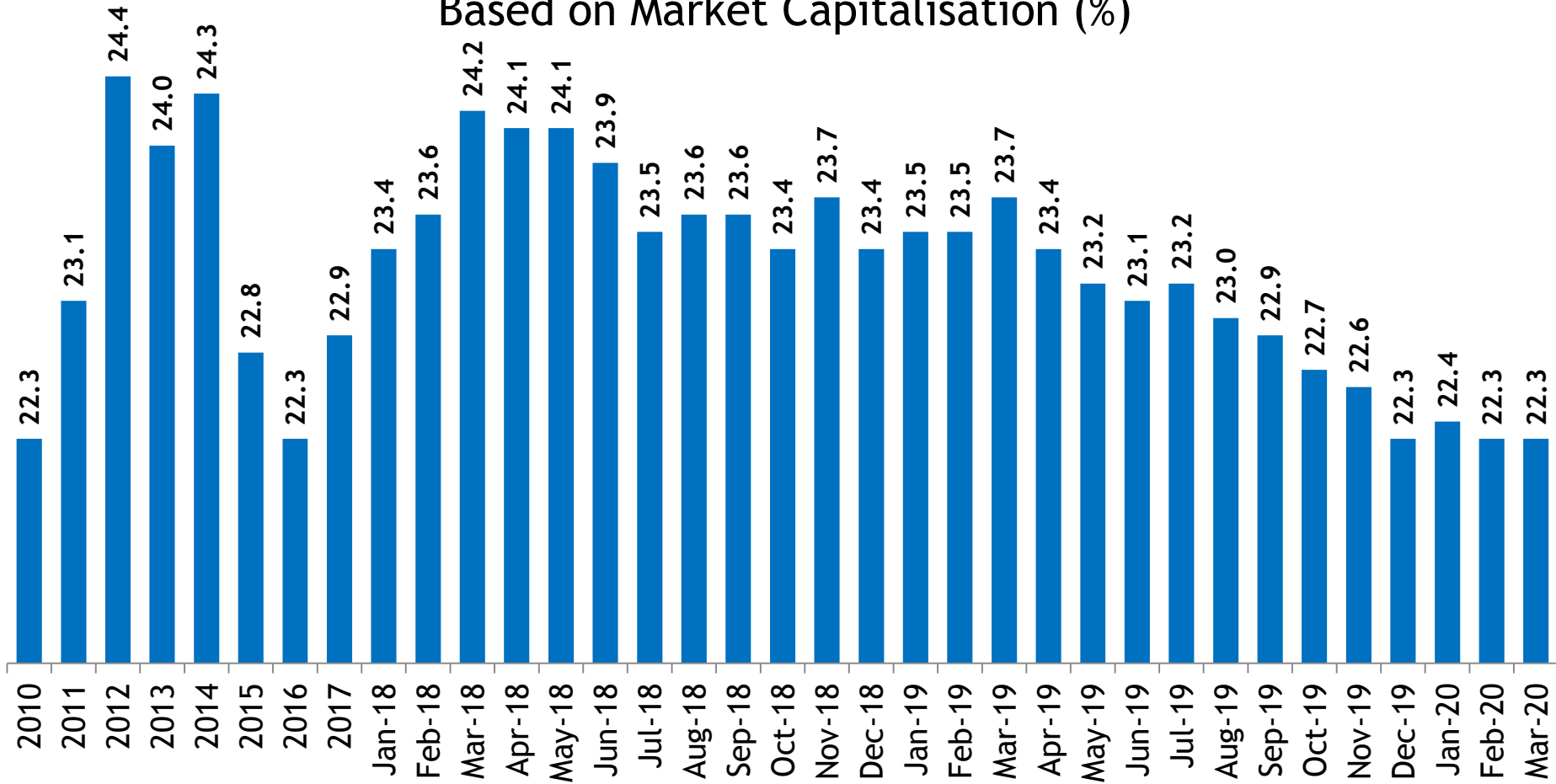


 Foreign ADV Traded (RM mil)
  Foreign (%)
  Local (%)

For 2009, the statistics were based on Brokers' submission. From 2010 onwards statistics were based on Bursa's internal system.

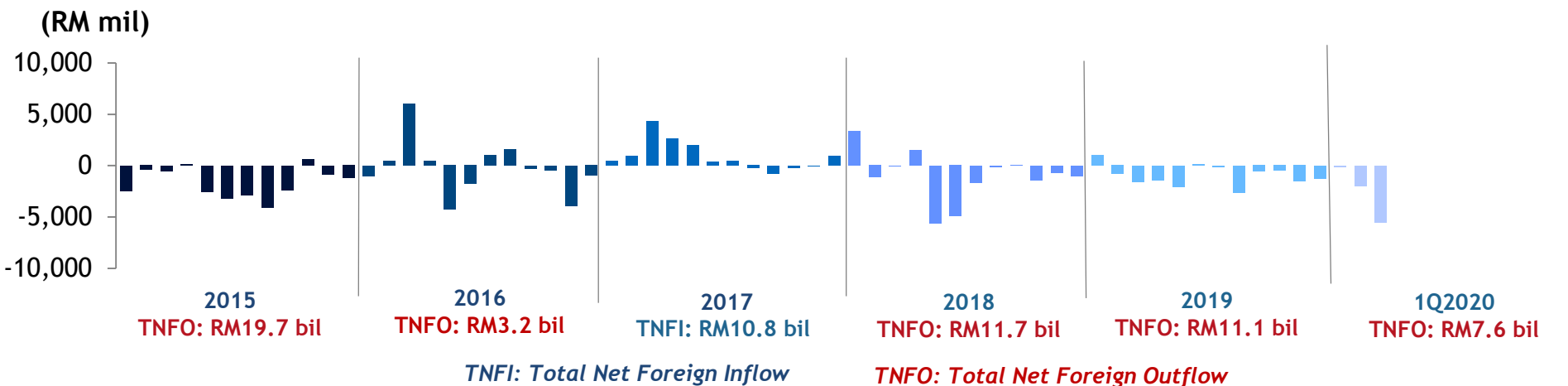
# Securities Market Foreign Ownership

Based on Market Capitalisation (%)

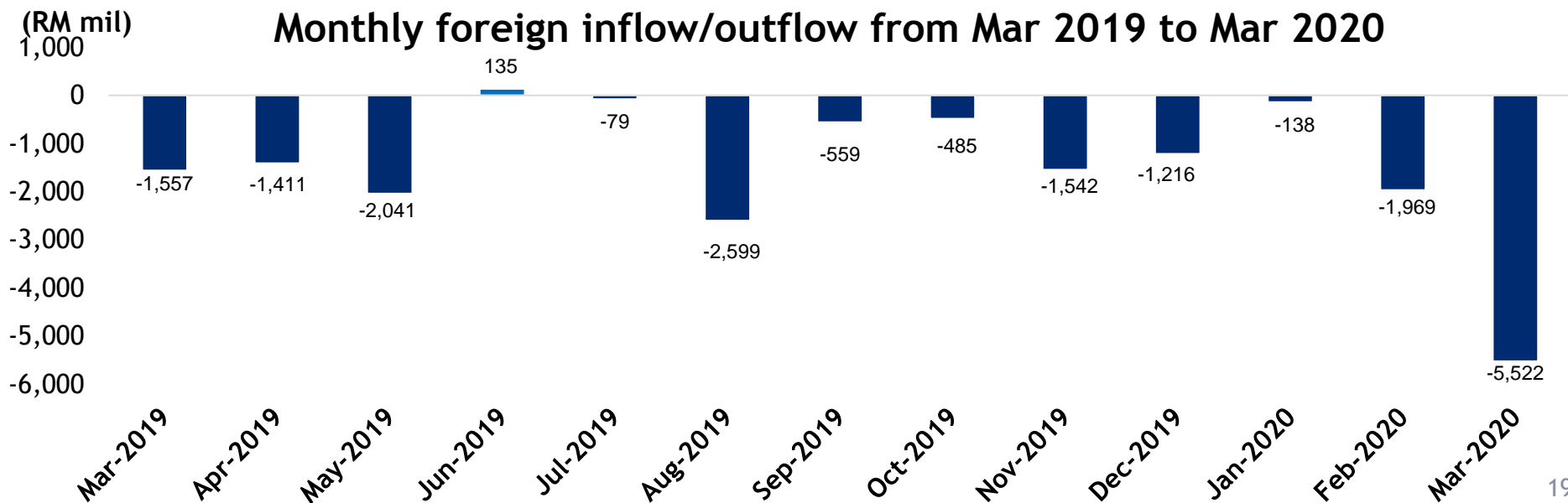


# Foreign Inflow/Outflow

## Monthly foreign inflow/outflow from 2015 to 2020

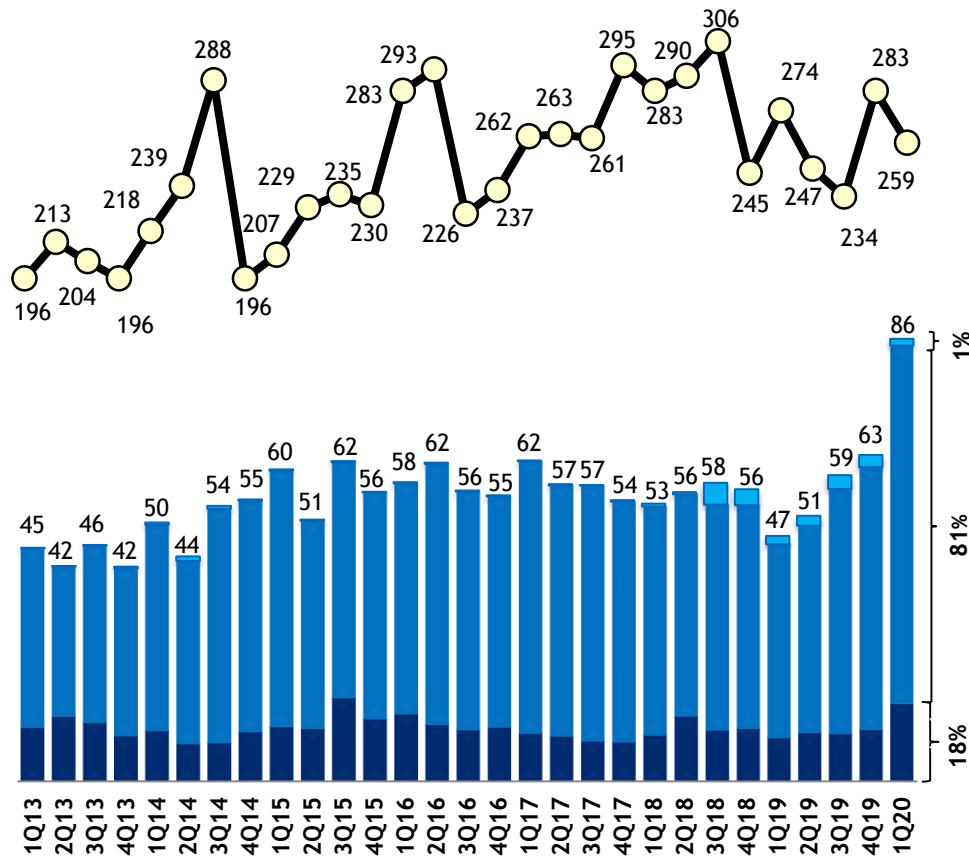


## Monthly foreign inflow/outflow from Mar 2019 to Mar 2020

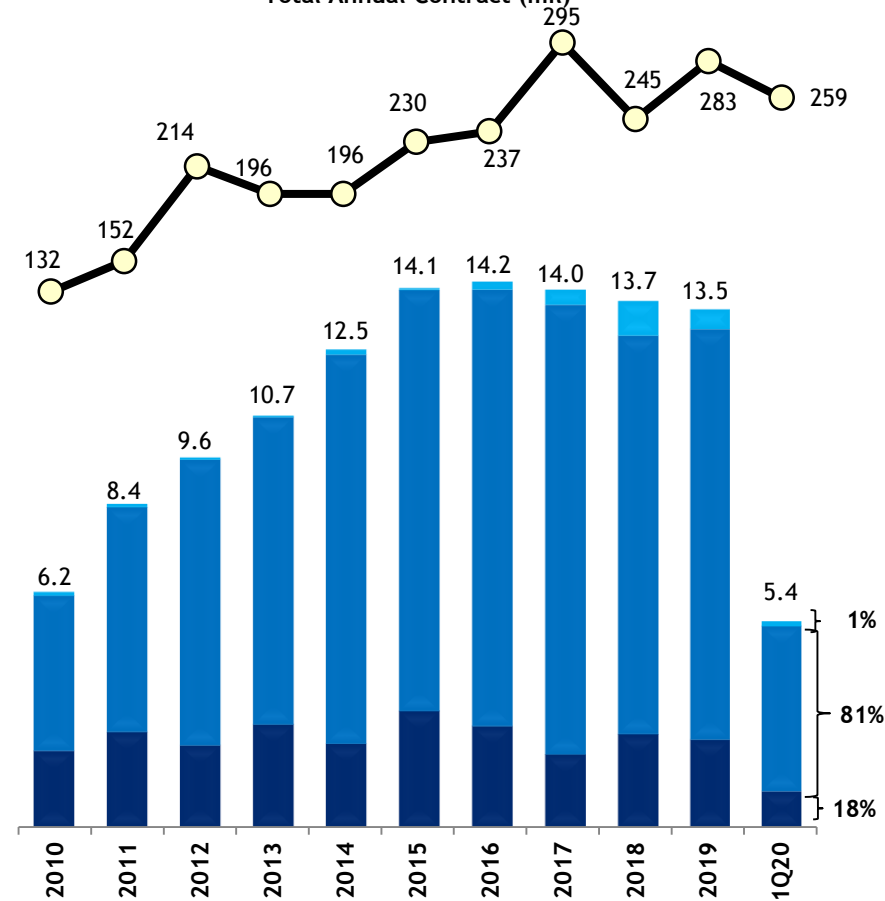


# Derivatives Market Activity

Quarterly Average Daily Contracts ('000)



Total Annual Contract (mil)



○— Open Interest ('000)

■ Others

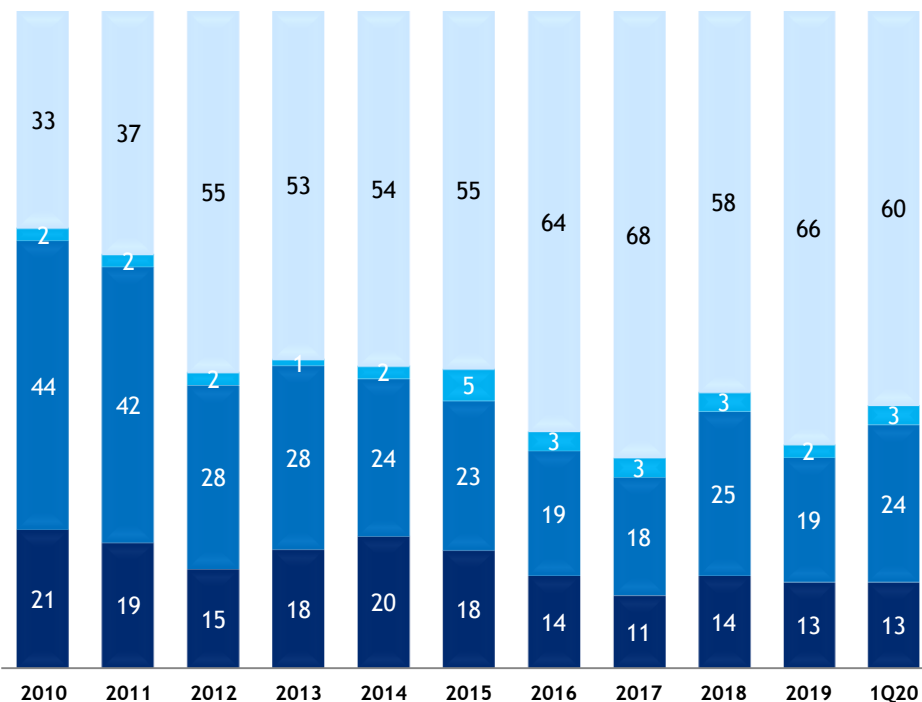
■ Crude Palm Oil Futures

■ FBMKLCI Futures

# Derivatives Market Demography

## FKLI

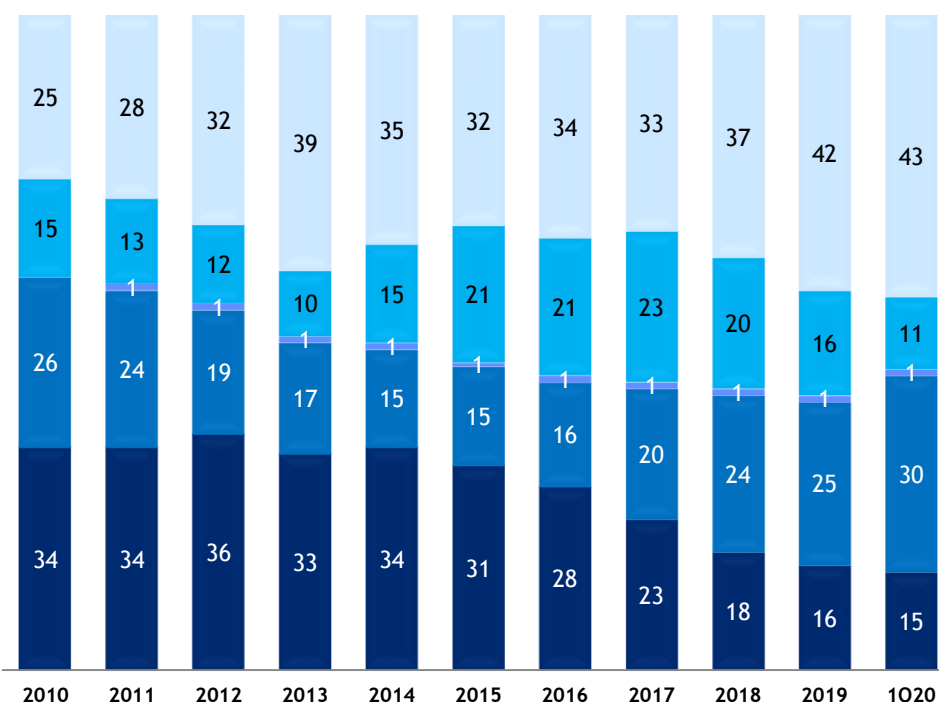
(%)



■ Foreign Institutions  
■ Domestic Retail  
■ Local  
■ Domestic Institutions

## FCPO

(%)

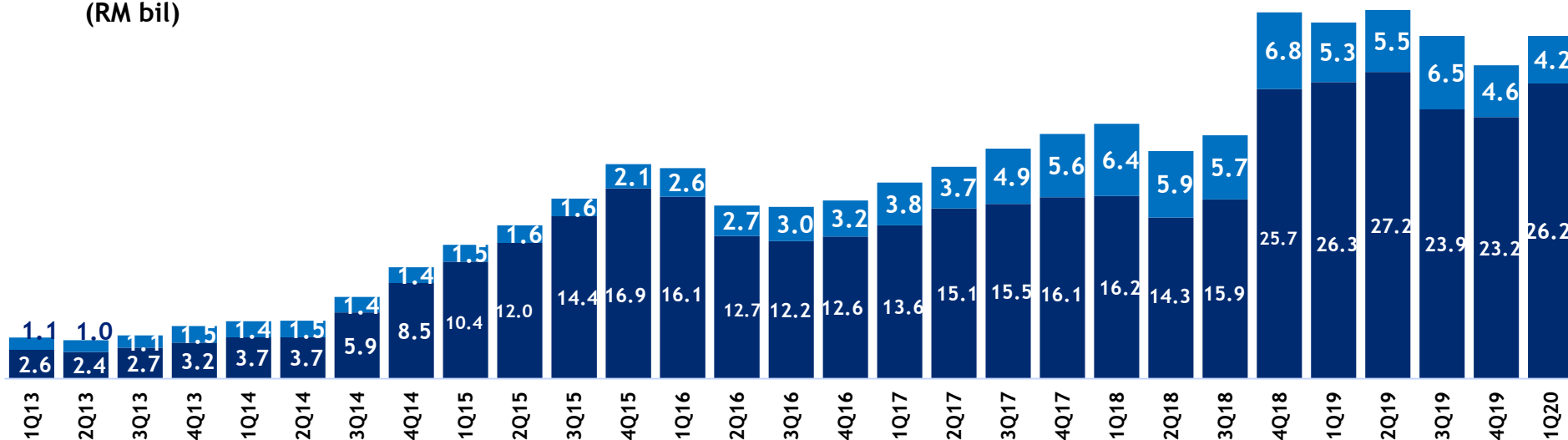


■ Foreign Institutions  
■ Domestic Retail  
■ Local  
■ Domestic Institutions  
■ Foreign Retail

# Islamic Capital Market Activity

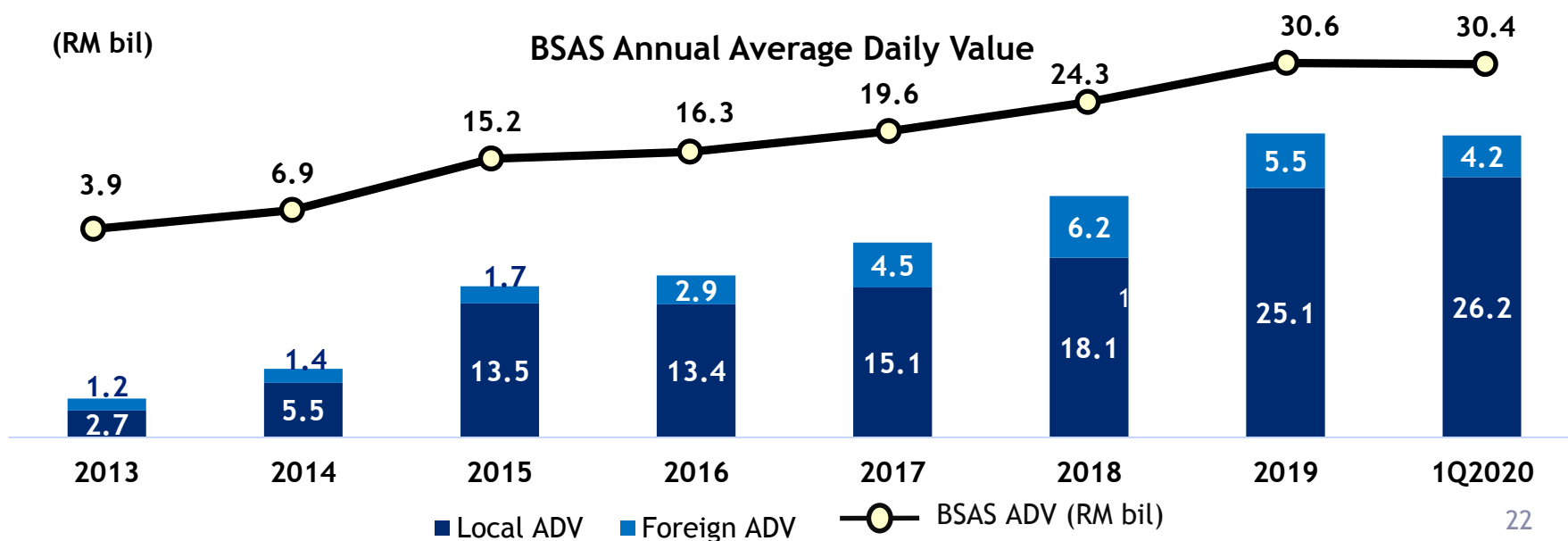
## BSAS Quarterly Average Daily Value

(RM bil)



(RM bil)

## BSAS Annual Average Daily Value



## INVESTOR RELATIONS CONTACT INFORMATION

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