

# 9M2021 Financial Results

29 October 2021



# CONTENT

- Bursa Malaysia - The Way Forward
- Key Financial Highlights & Market Performance
- Financial Review
- Appendices



# Bursa Malaysia - The Way Forward

- 2021-2023 Strategic Roadmap
- Recent Developments
- Our Journey





## 3 CORE STRATEGIES

- Product Expansion
- Ecosystem Development
- Capacity & Capabilities Building



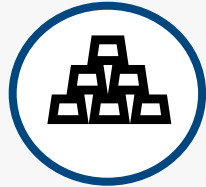
## 4 ENABLERS

- 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



### Product/Service Expansion



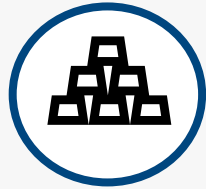
- ✓ Healthy IPO pipeline - 5 Main, 10 ACE and 9 LEAP new listings achieved as at end September 2021
- ✓ Providing easy access to foreign underlying assets via Structured Warrants and ETFs - 1,088 new Structured Warrants listed as at end of Sept 2021 (22% YoY increase)
- ✓ Several proof of concepts (POCs) are currently being undertaken to explore various options in product innovation
- ✓ Partnered with Digital Asset and VMware on 15 Sept to develop Dematerialisation POC to facilitate the dematerialisation of securities certificates, with initial emphasis on structured warrants



### Ecosystem Development



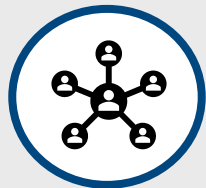
- ✓ Pilot Market Making Program framework for stocks (launched on 1 June 2021) currently has 2 market makers that have commenced trading since August 2021
- ✓ Discretionary Trading Framework for securities (launched on 30 June 2021), currently has 1 Participating Organisation offering Discretionary Trading
- ✓ Bursa Anywhere launched e-rights & e-General Offer (eGO) features on 14 July & 7 Oct 2021 respectively, enabling investors to subscribe for rights issue or accept General Offers via the app
- ✓ Embarked on Investor Relations & Public Relations Incentive Programme since 14 Sept 2021 to enhance PLCs Investor Relations capabilities



### Product/Service Expansion



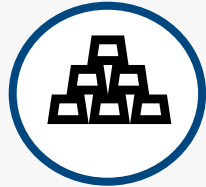
- ✓ Revamped Crude Palm Kernel Oil Futures on 8 March 2021
- ✓ Looking to elevate liquidity and accessibility in the Malaysian financial market with physical delivery of 3 Year Malaysian Government Securities Futures Contract (FMG3) and 10 Year Malaysian Government Securities Futures Contract (FMGA)
- ✓ Commenced requirement for all FCPO Physical Delivery to be Malaysian Sustainable Palm Oil (MSPO) certified on 1 April 2021
- ✓ Launched East Malaysia Crude Palm Oil Futures (FEPO) contract on 4th October 2021



### Ecosystem Development



- ✓ Derivatives Trading Simulator launched on 16 Mar 2021, enabling investors to conduct practice trades
- ✓ Received approval in principle on 17 June 2021 from SC on Remote Trading Participantship
- ✓ 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)



## Product/Service Expansion



- ✓ Launched FTSE4Good Bursa Malaysia Shariah Index to cater to investor demand for ESG and Shariah compliant index solutions
- ✓ Working with the SC on Waqf-Featured Fund Framework



## Ecosystem Development



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



## **Enhancing and capitalising on Bursa Malaysia's data wealth**



- ✓ Launched new value-added data solutions of trade and fundamental data analytics in collaboration with DIBots Solutions
- ✓ 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 for data mining and industry collaboration



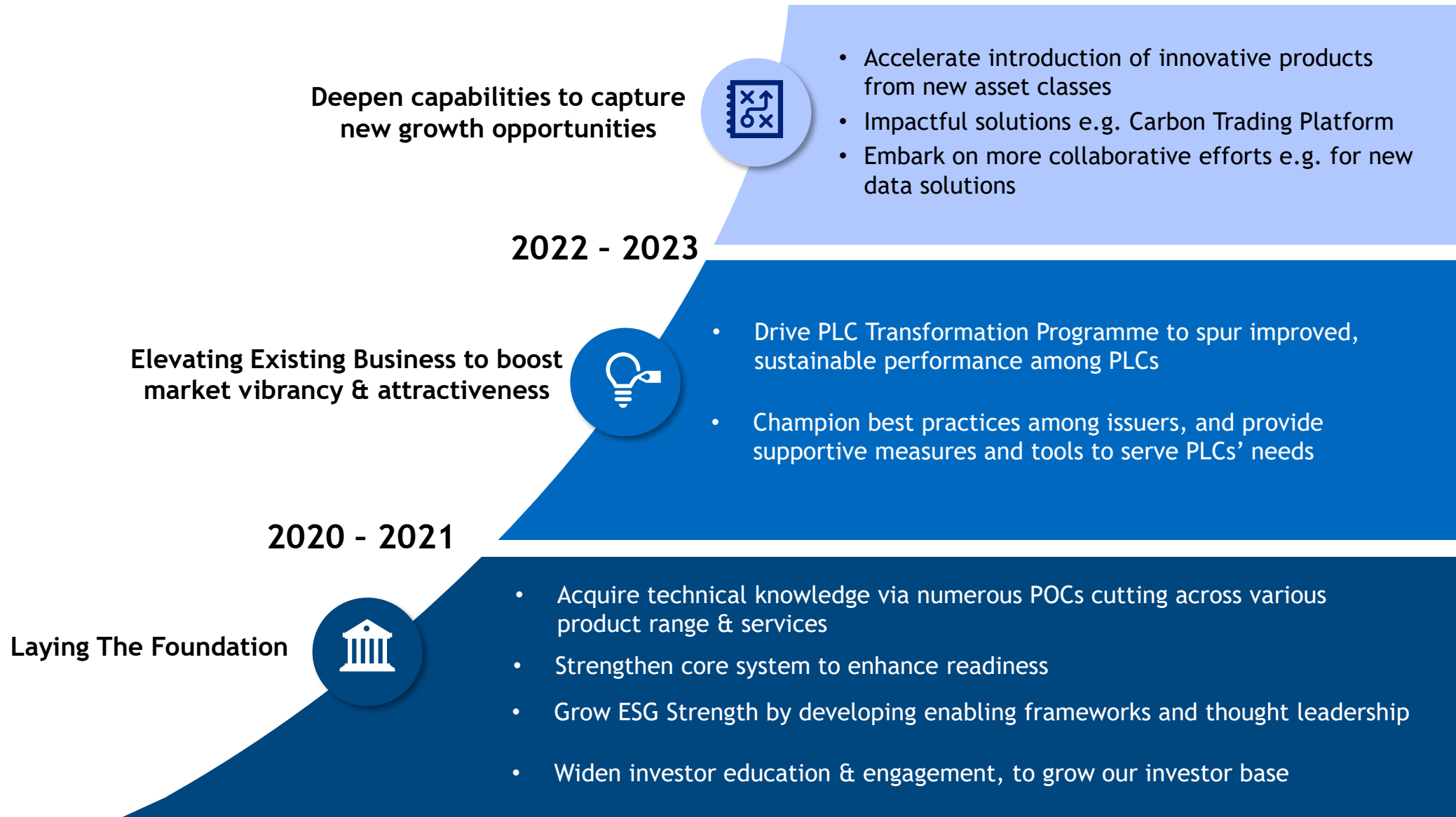


## Priority Areas in Bursa Malaysia's Sustainability Roadmap 2021-2023

- 1 Strengthening Our Core
- 2 Driving Our Growth
- 3 Protecting Our Environment
- 4 Empowering Our Workforce
- 5 Advancing Our Communities



- ✓ Ministry of Environment and Water (KASA) announced development of voluntary carbon market and domestic emissions trading scheme in phases, in collaboration with Bursa Malaysia (18 Sep. 2021)
- ✓ Announced Bursa Malaysia's ambitions to become carbon neutral by 2022, and to achieve net zero emissions by 2050 across our entire operations



# Key Financial Highlights & Market Performance

- Financial Highlights for 9M2021
- Robust 9M2021 Financial Performance
- 9 Months Financial Trend
- Securities Market Overview
- Derivatives Market Overview
- Islamic Markets Overview



# Financial Highlights 9M2021

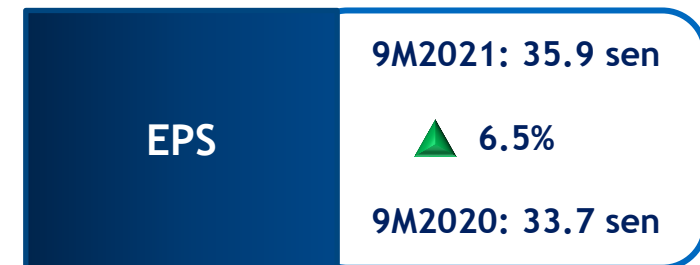
*Strong financial results contributed by growth in securities trading and non-trading revenue*



- Increase in operating revenue mainly contributed by higher securities trading revenue, listing & issuer services and depository services.

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

- As a result, PAT increased by 6.4% to RM290.3 million in 9M2021 as compared to the same period last year.

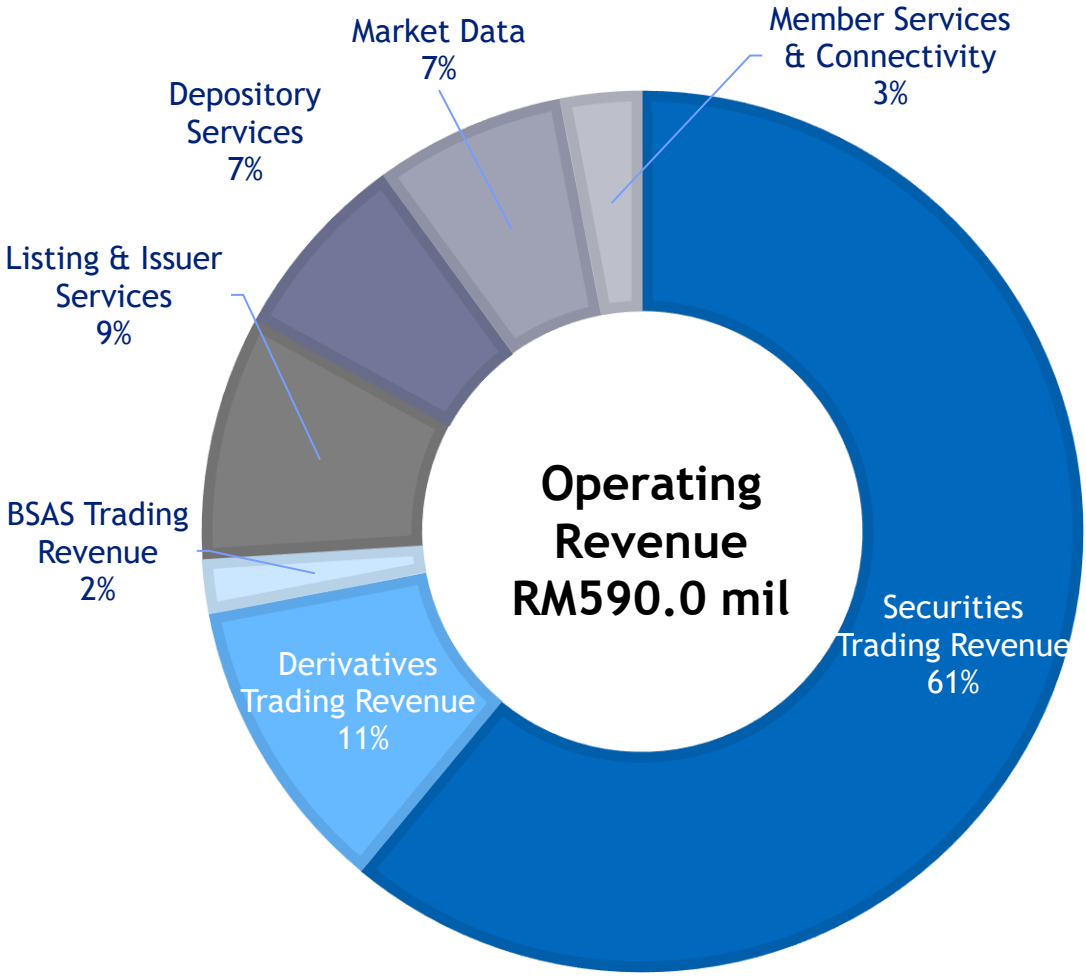


# Robust 9M2021 Financial Performance

Solid operating revenue growth across 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 a 3.1% growth against 9M2020



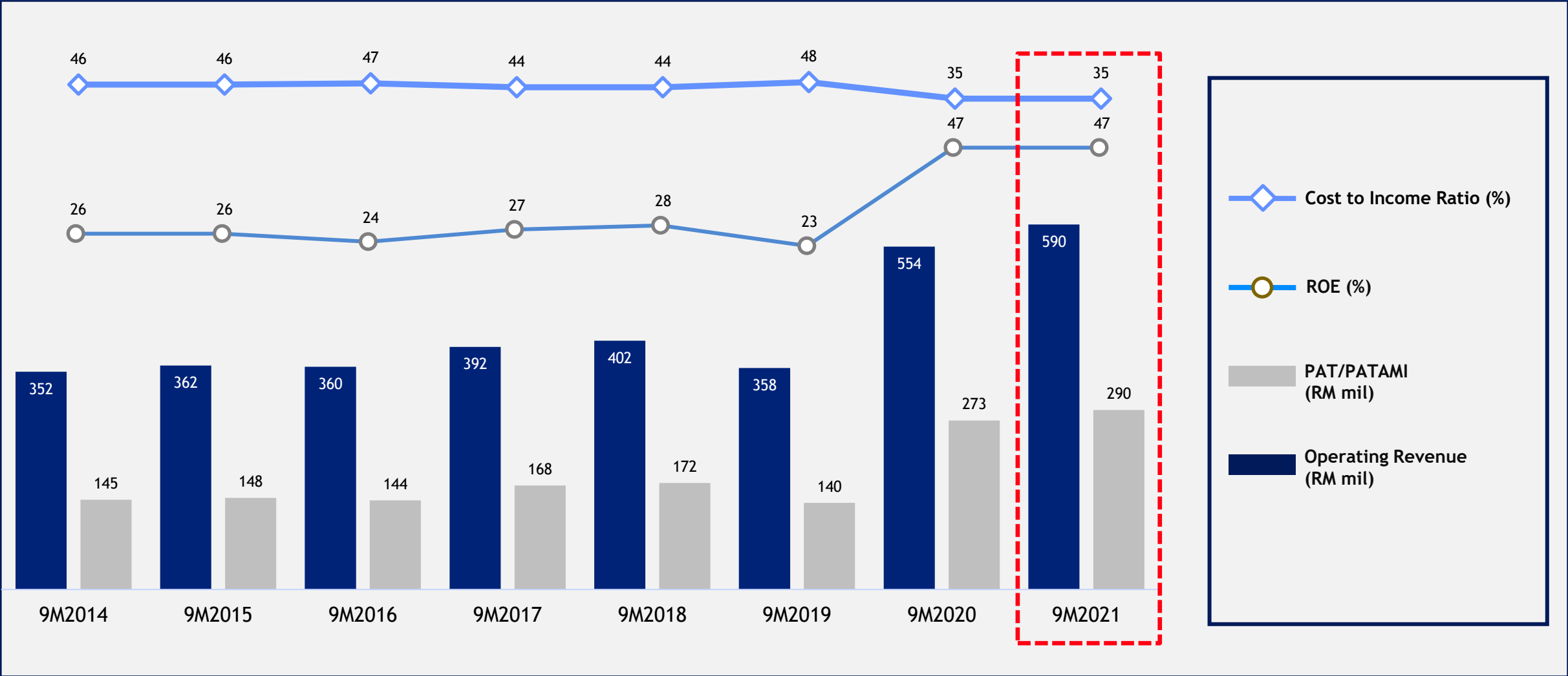
9M2021 Operating Revenue

Our Non-Trading Revenue also substantially increased against 9M2020

Listing & Issuer Services	▲ 30.5%
Depository Services	▲ 28.7%
Market Data	▲ 10.7%
Member Services & Connectivity	▲ 14.6%

# 9 Months Financial Trend

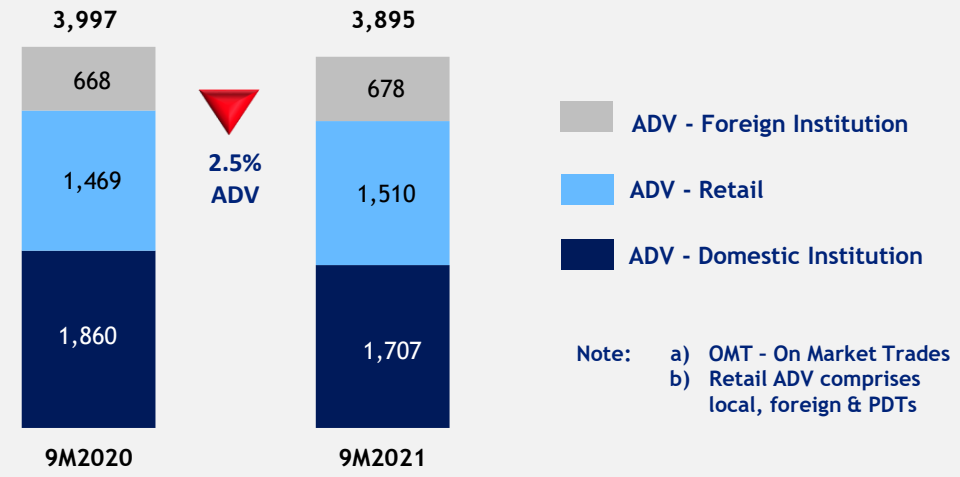
Highest 9 months financial performance



Marginally lower ADV year-on-year due to lower trades in domestic institution segment



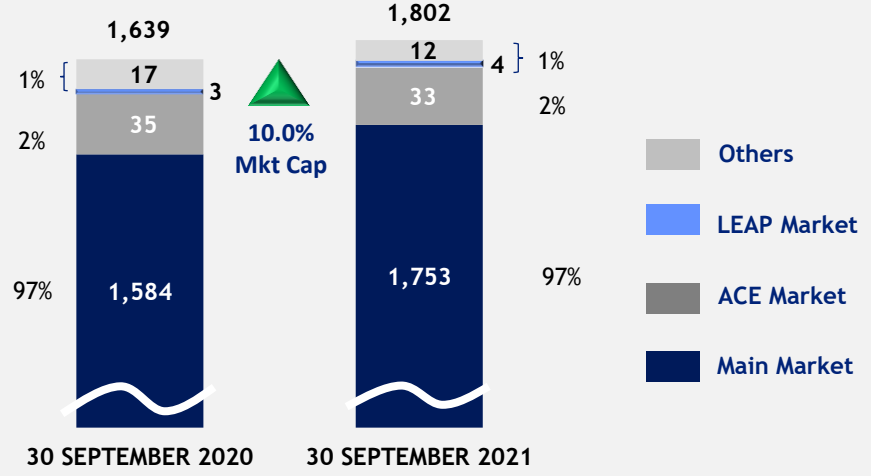
### Average Daily Value (“ADV”) (OMT) (RM mil)



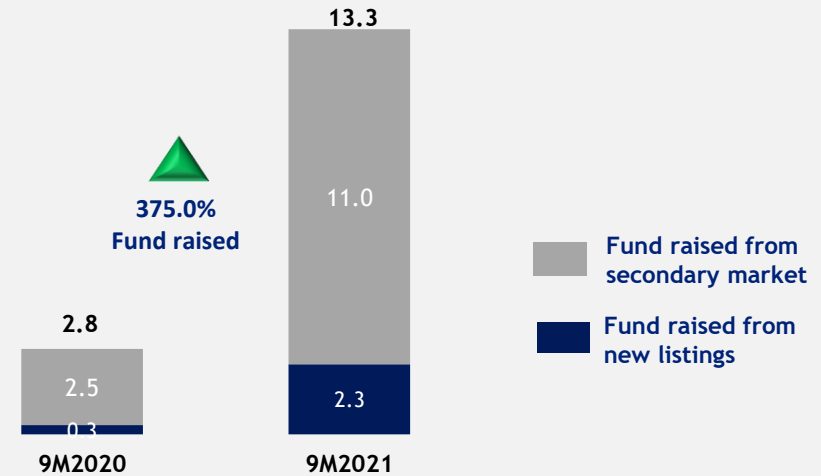
### Key Securities Market Indicators

9M2021	1,538	54%	287,566	24
	<b>FBMKLCI</b>	<b>Velocity</b>	<b>Total New CDS Accounts</b>	<b>No. of New Listings</b>
9M2020	1,505	62%	314,483	13

### Market Capitalisation (RM bil)

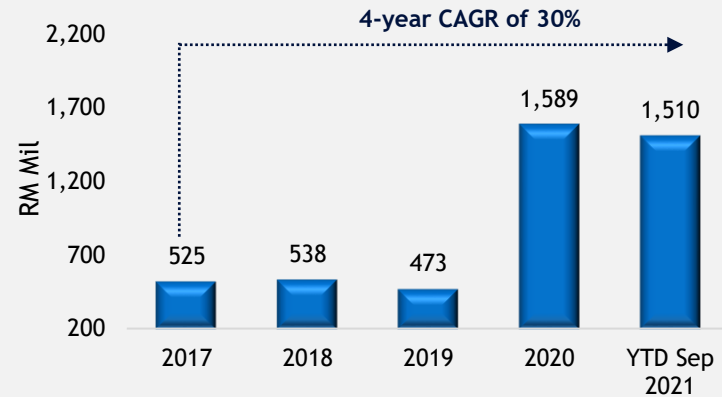


### Fund Raised from New Listings & Secondary Market (RM bil)



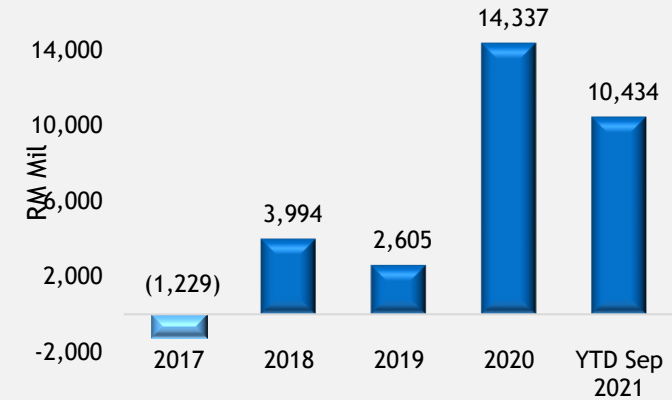
## Retail ADV

YTD Sep 2021 saw a 5% decrease in retail ADV from FY2020

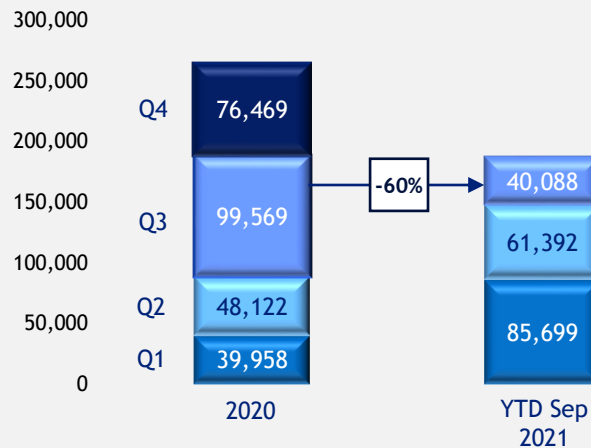


## Local Retail Net Buy/(Sell) Position

YTD Sep 2021 Net Buy position at RM10.4bil

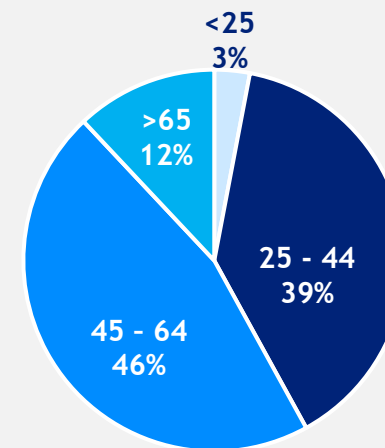


## New Individual CDS Accounts



Those aged between 26-45 years old contributed 64% of accounts opened as at YTD Sep 2021

## Total Retail Trading Value Contribution By Age



Group aged between 45 - 64 years old is the largest contributor to Total Retail TTV (RM234.3bil) in YTD Sep 2021

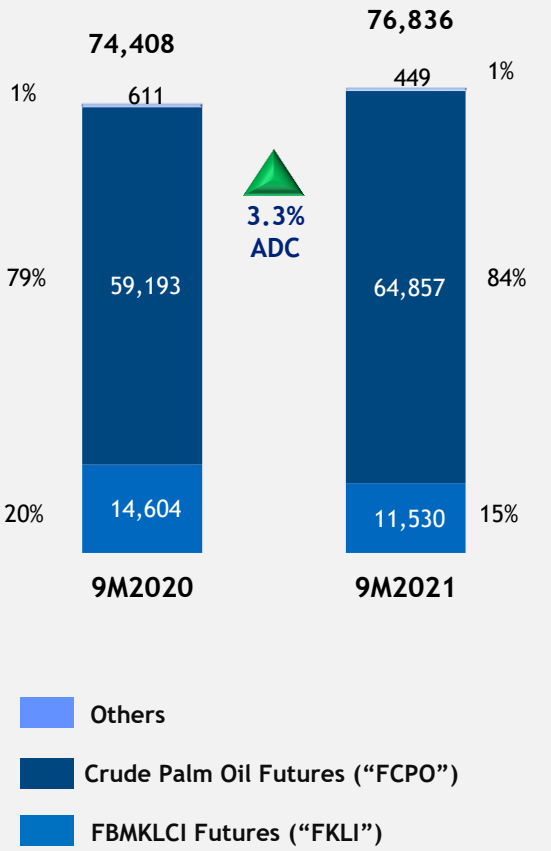


# Derivatives Market Overview

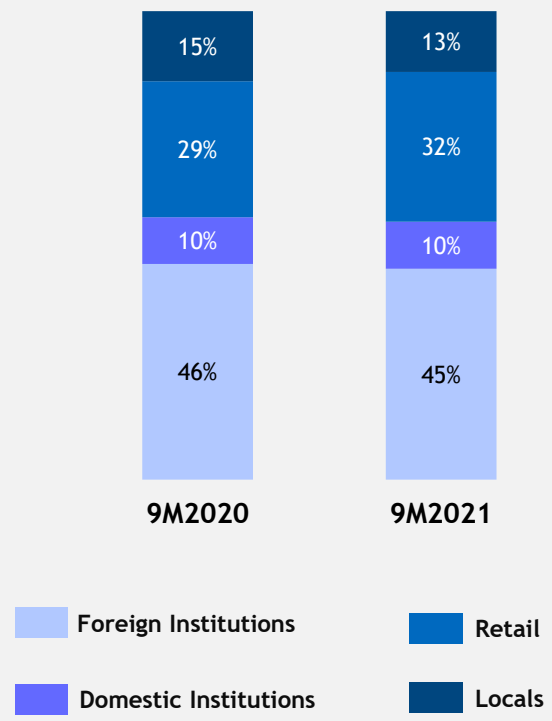
Higher FCPO contracts traded in line with higher volatility of the underlying



Average Daily Contracts (“ADC”)



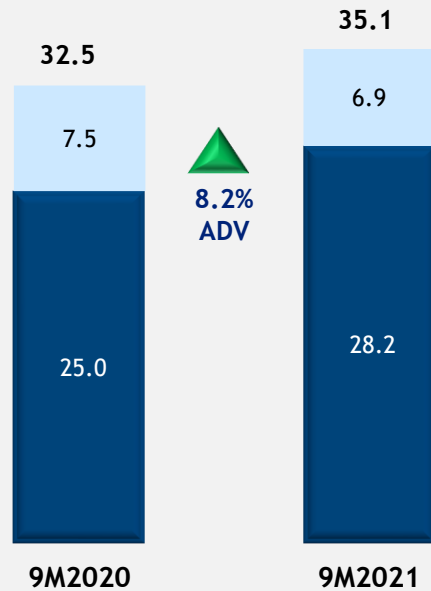
ADC Traded by Investor Types



Product Volatility

Period	Volatility of CPO Prices	Volatility of FBMKLCI
9M2021	38%	10%
9M2020	33%	16%

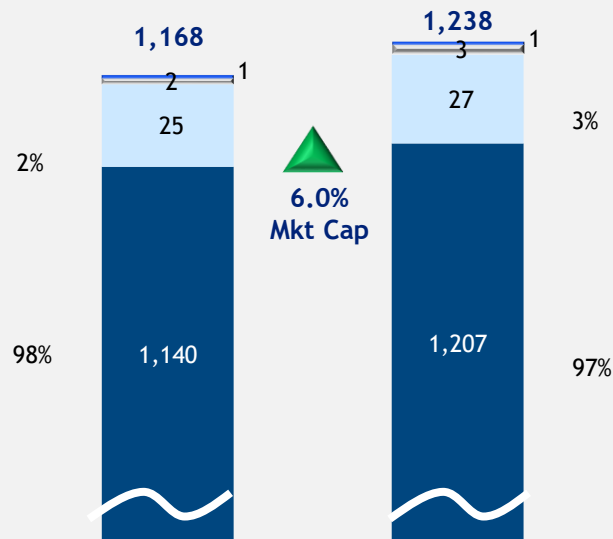
Bursa Suq Al-Sila' ("BSAS") ADV (RM bil)



9M2021	289
	No. of Trading Participants
9M2020	248

Domestic Foreign

Market Capitalisation of Shariah Compliant Stocks (RM bil)



9M2021	79% (762)
	% and no. of Shariah Compliant Stocks
9M2020	77% (728)

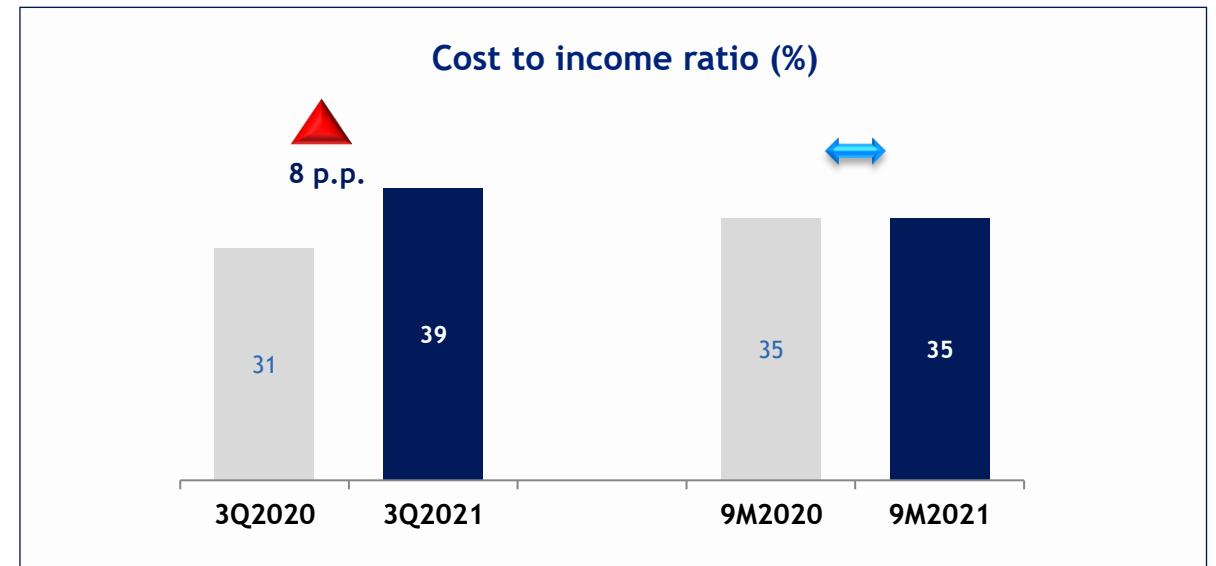
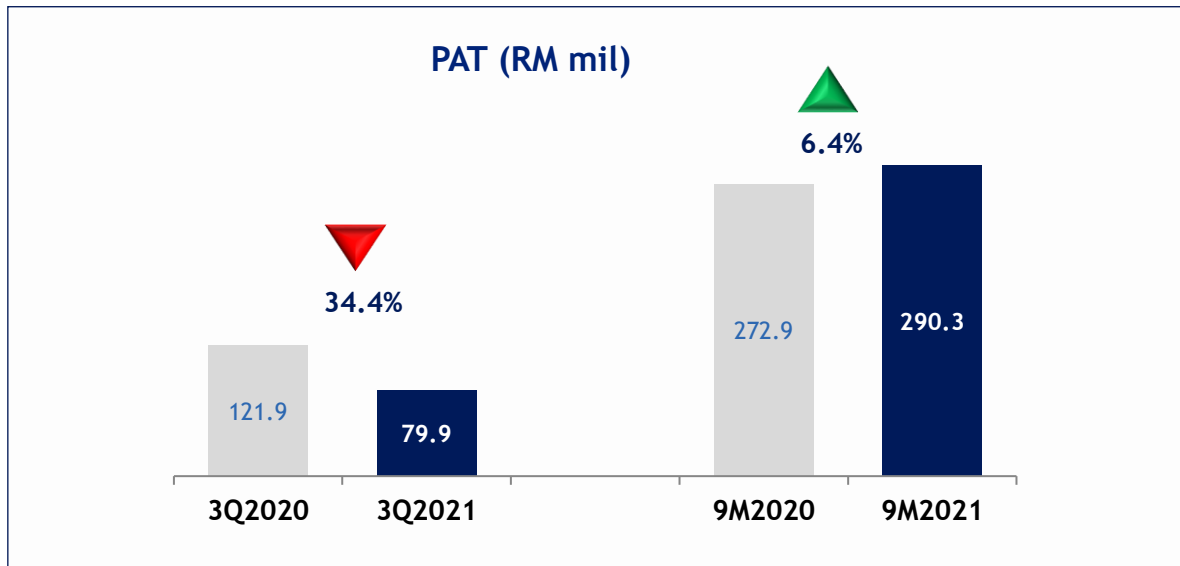
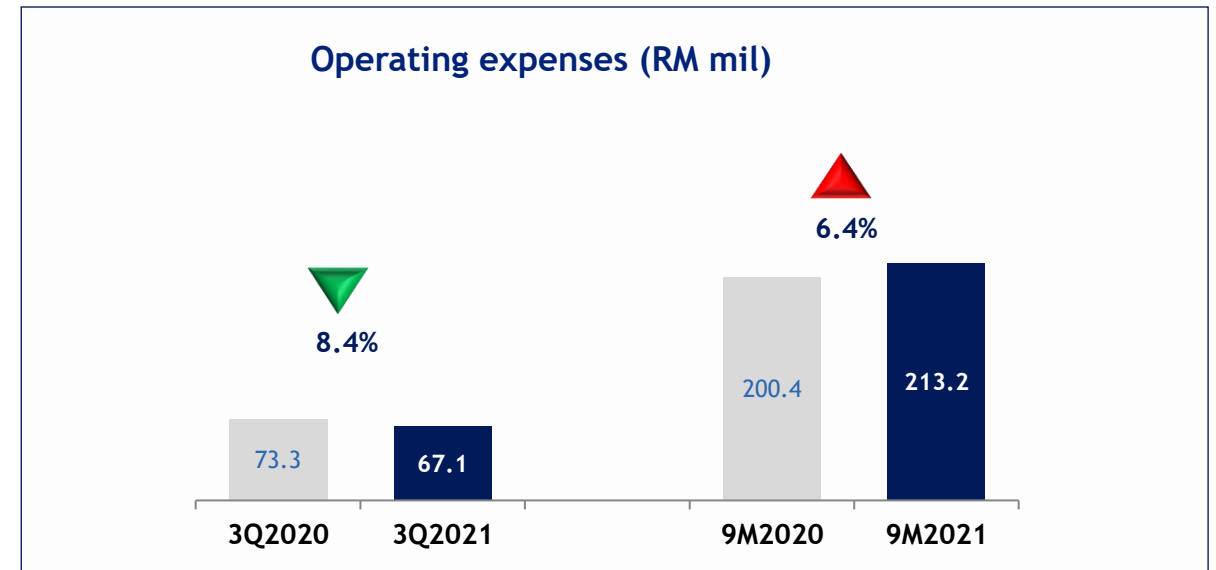
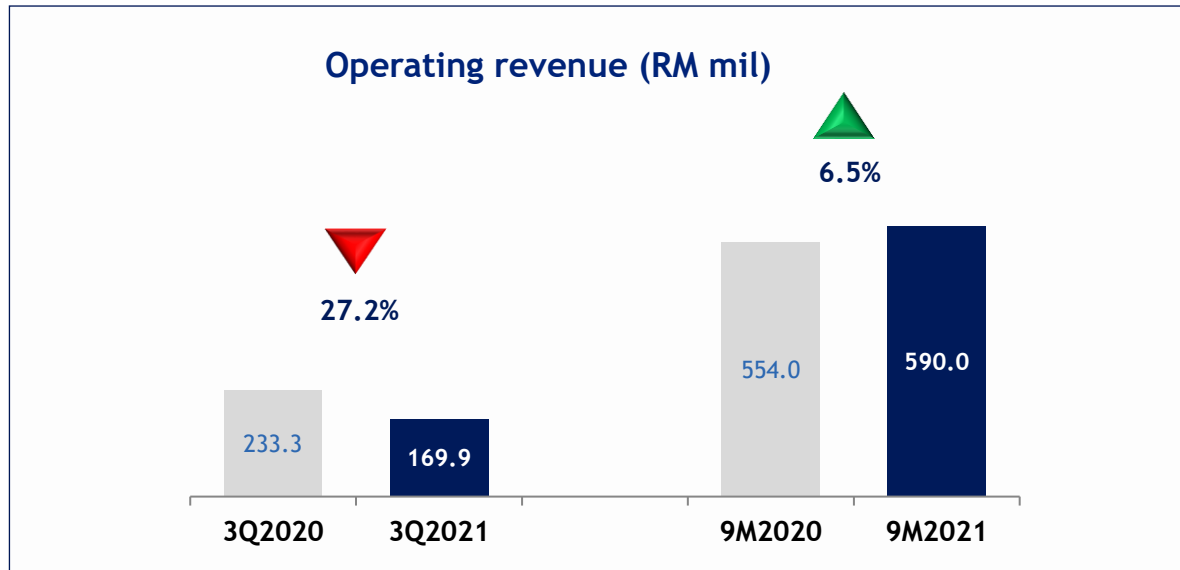
Main Market ACE Market  
LEAP Market Others

- Strong trading activities by local participants in 9M2021 (80% of the trades).
- In 9M2021, BSAS admitted 26 new participants
  - 22 Local Participants
  - 4 Foreign Participants (1 from Turkey, and 3 from Kenya)
- The number of Shariah compliant stocks grew 4.7% year-on-year.

# Financial Review

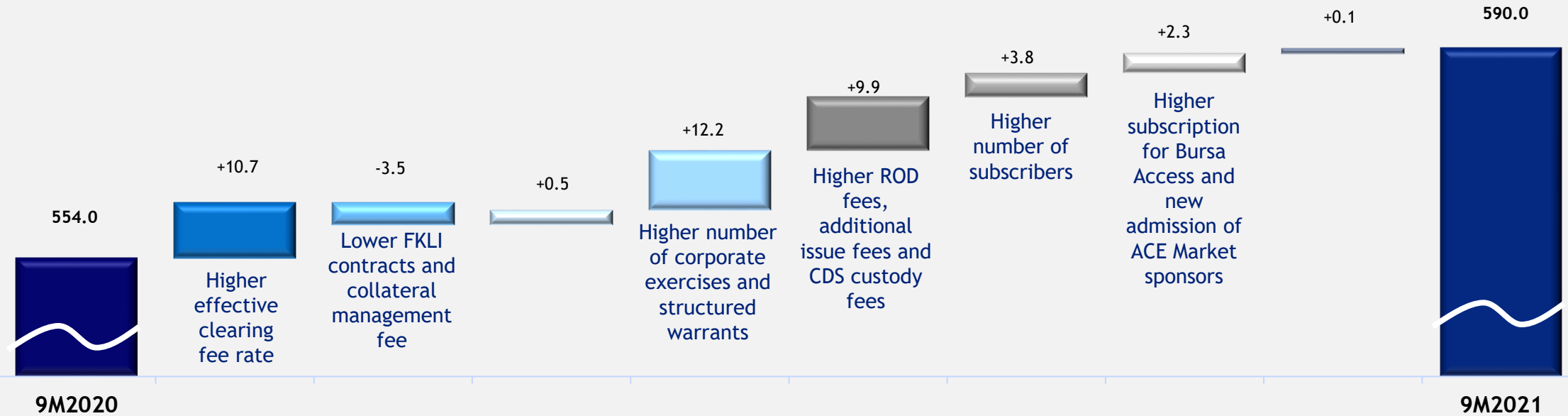
- Financial Snapshot
- Operating Revenue
- Operating Expenses





# Operating Revenue

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

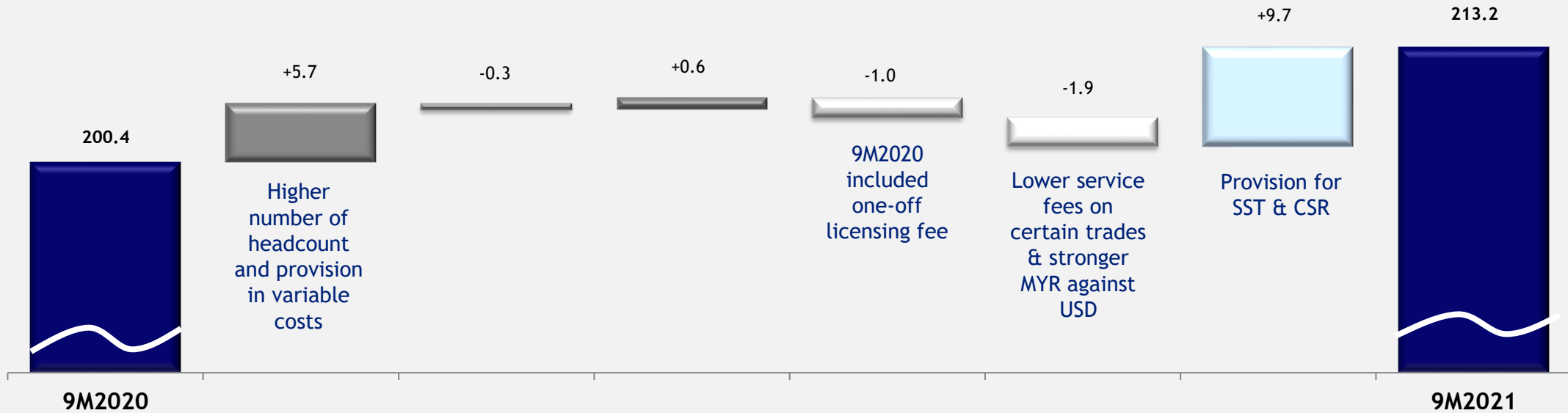


## Revenue (RM mil)

	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
9M2021	359.9 (61%)	65.8 (11%)	10.1 (2%)	52.4 (9%)	44.3 (7%)	39.5 (7%)	17.9 (3%)	0.1 (0%)	590.0
9M2020	349.2 (63%)	69.3 (13%)	9.6 (2%)	40.2 (7%)	34.4 (6%)	35.7 (6%)	15.6 (3%)	Nil (0%)	554.0
YoY	▲ 3.1%	▼ 4.9%	▲ 4.7%	▲ 30.5%	▲ 28.7%	▲ 10.7%	▲ 14.6%	▲ 100%	▲ 6.5%

# Operating Expenses

Costs increased by 6.4% year-on-year



## Expenses (RM mil)

	Manpower Costs	Depreciation & Amortisation	Marketing & Development	IT Maintenance	Service Fees	Other Operating Expenses	TOTAL
9M2021	119.0 (56%)	15.9 (8%)	4.0 (2%)	17.4 (8%)	15.5 (7%)	41.4 (19%)	213.2
9M2020	113.3 (57%)	16.2 (8%)	3.4 (2%)	18.4 (9%)	17.4 (8%)	31.7 (16%)	200.4
YoY	▲ 5.0%	▼ 2.0%	▲ 17.3%	▼ 5.2%	▼ 10.8%	▲ 30.6%	▲ 6.4%

# Appendices

- Financial Highlights 3Q2021
- 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 3Q2021

*Current quarter versus previous quarter comparisons...*



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



- Decrease in operating expenses due to lower manpower and other operating costs.

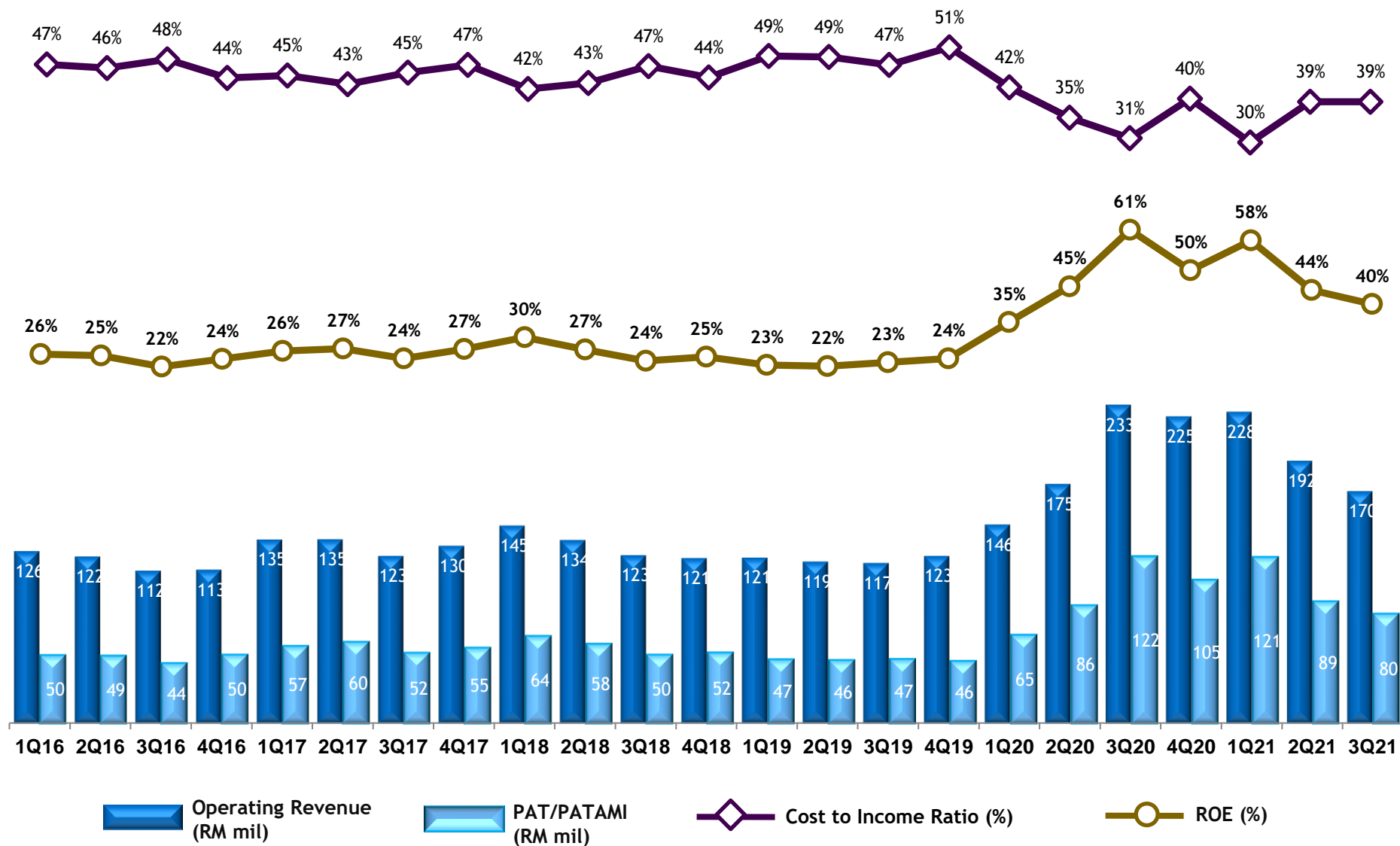


- As a result, PATAMI was 10.2% lower q-on-q.



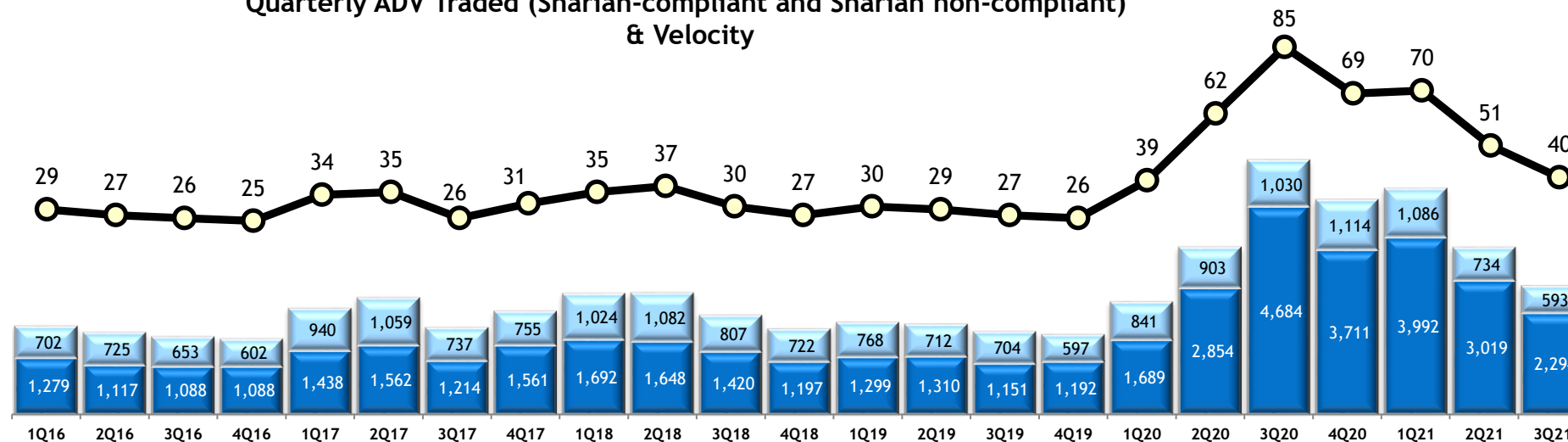


## Quarterly Financial Trends

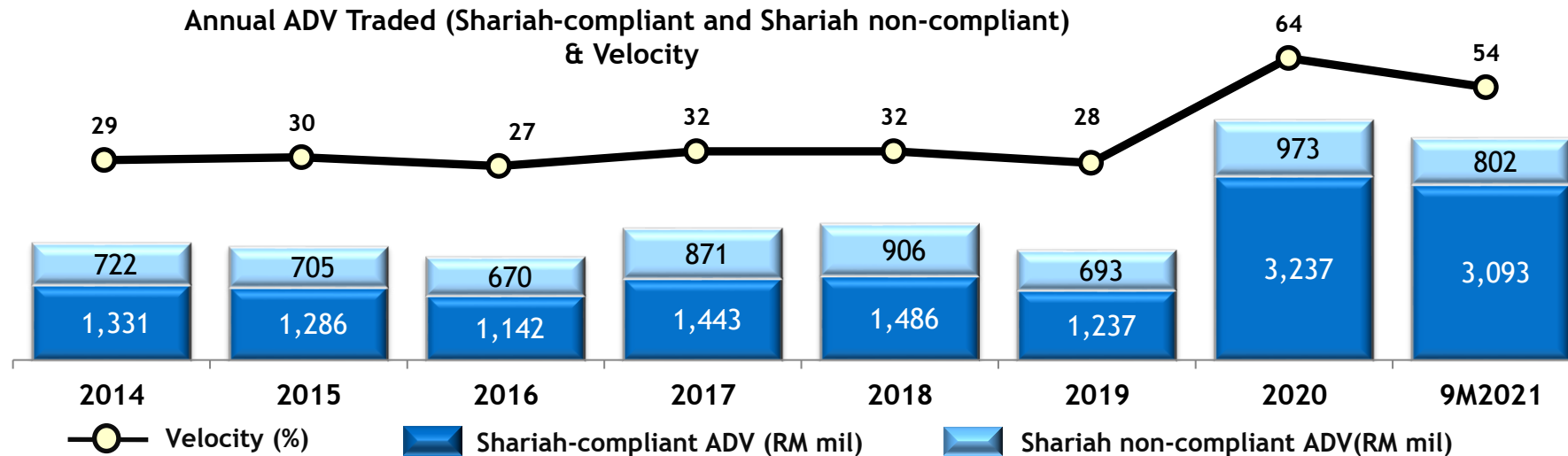


# Securities Market Trading Activity

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

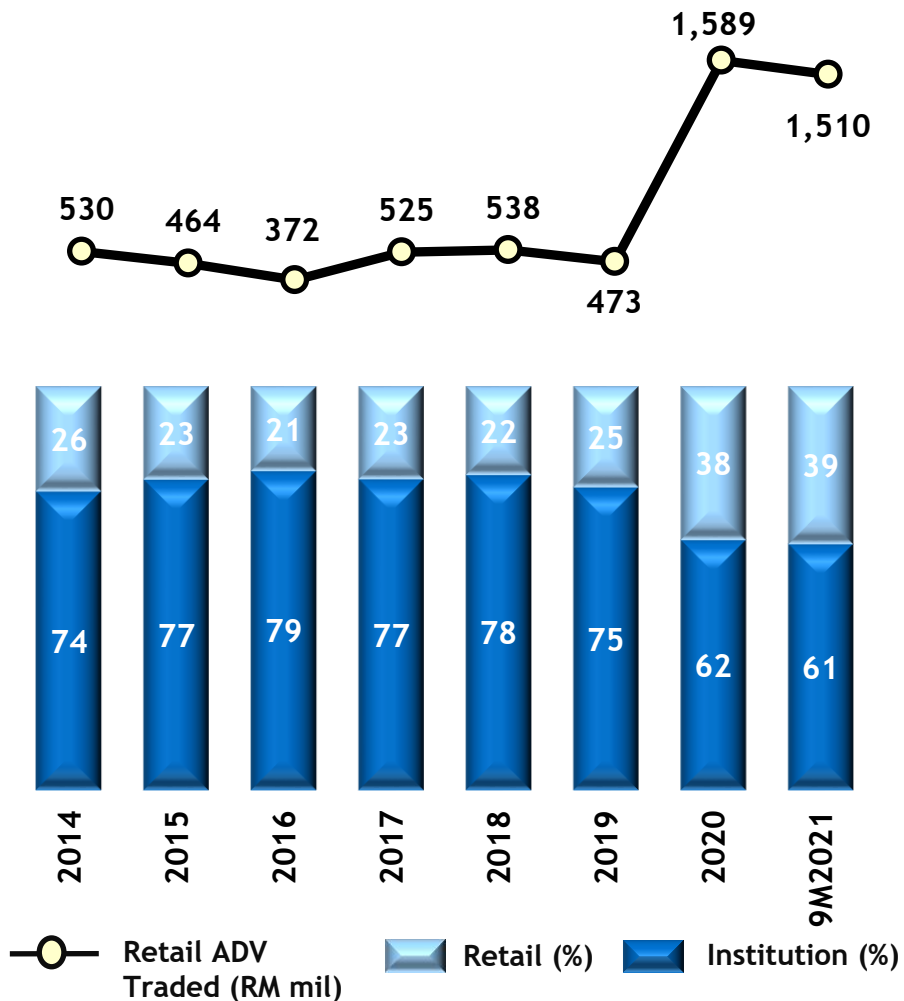


### Annual ADV Traded (Shariah-compliant and Shariah non-compliant) & Velocity

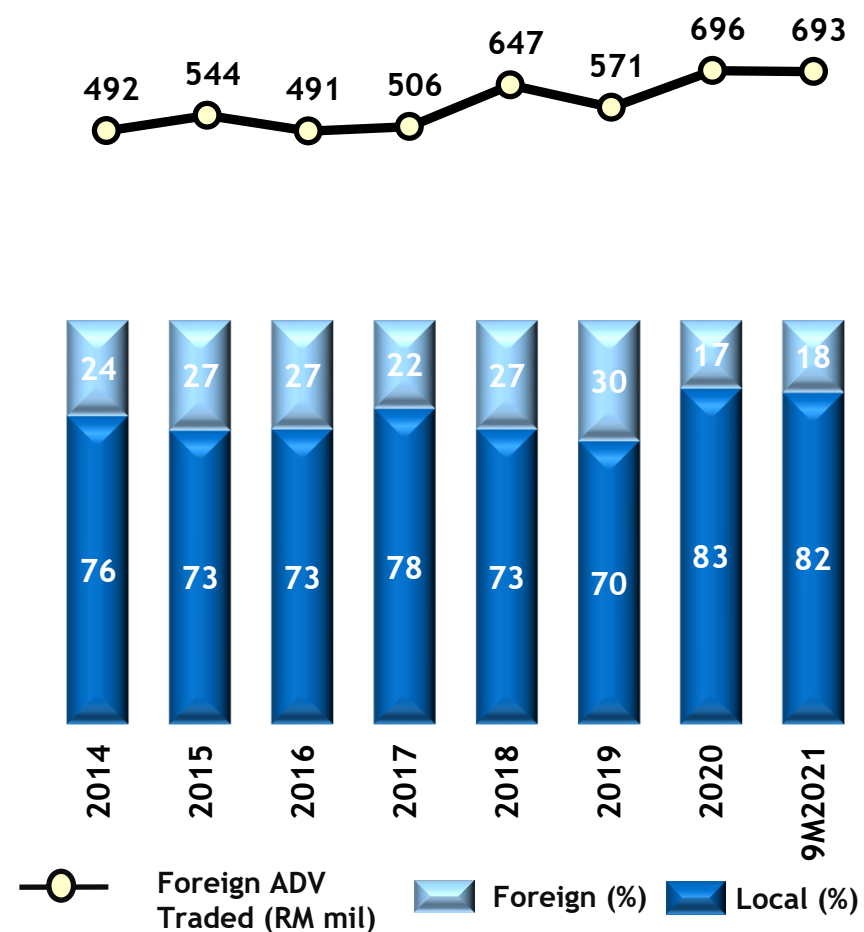


# Securities Market Trading Participation

### Retail vs. Institution

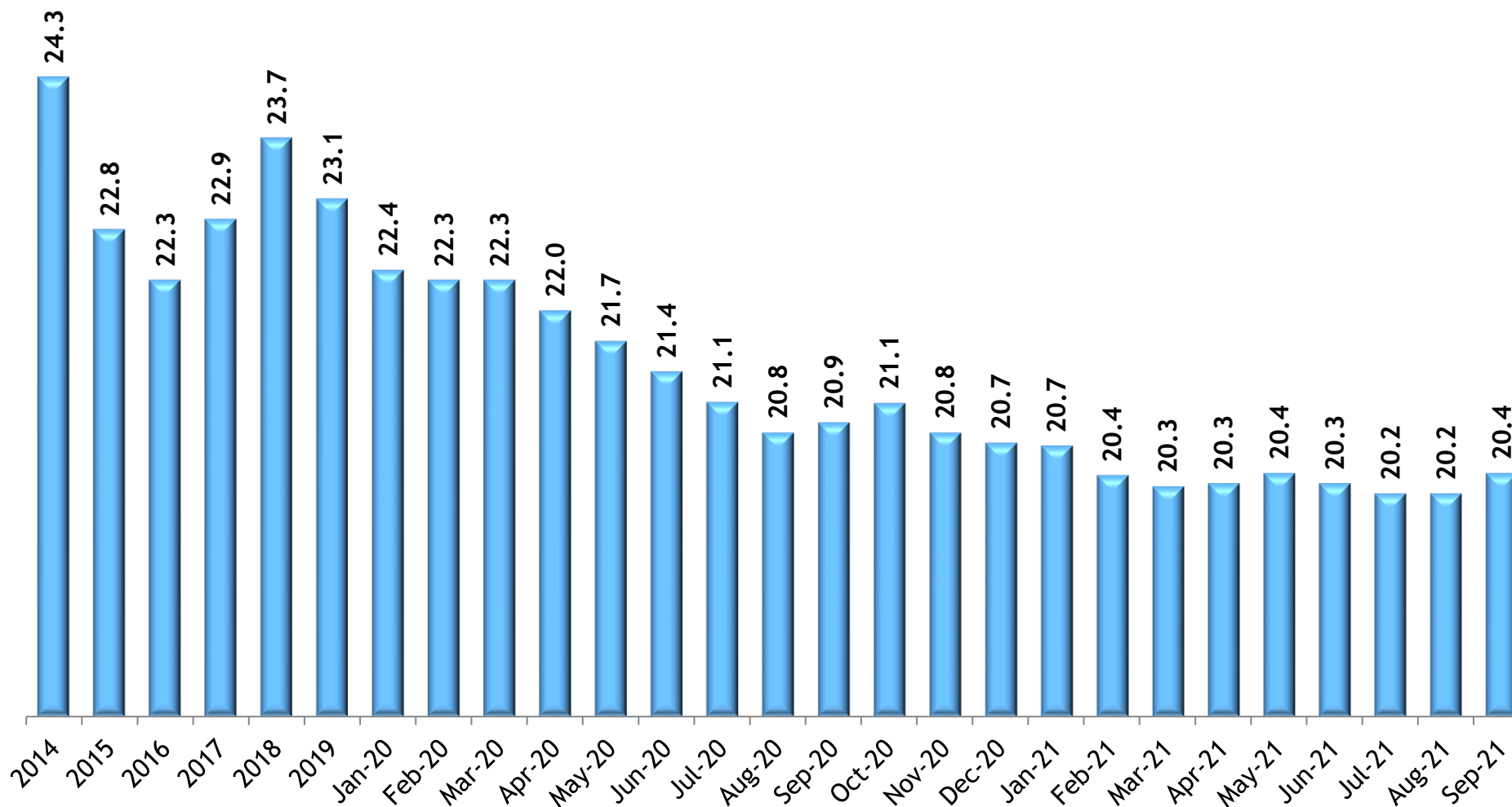


### Foreign vs. Local

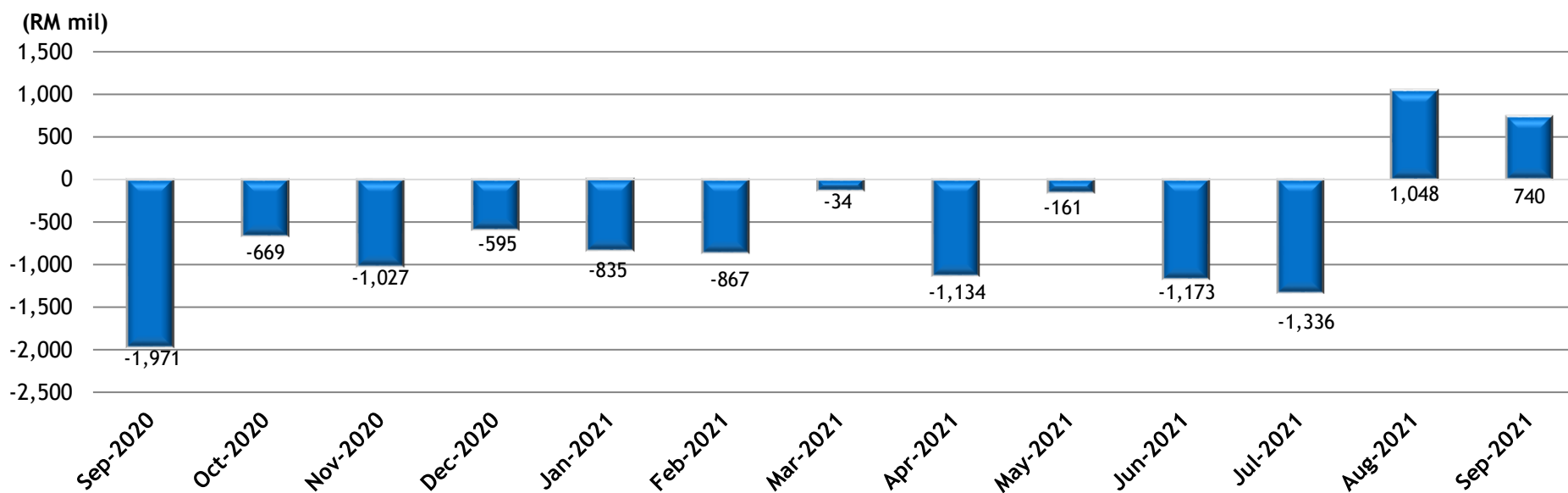
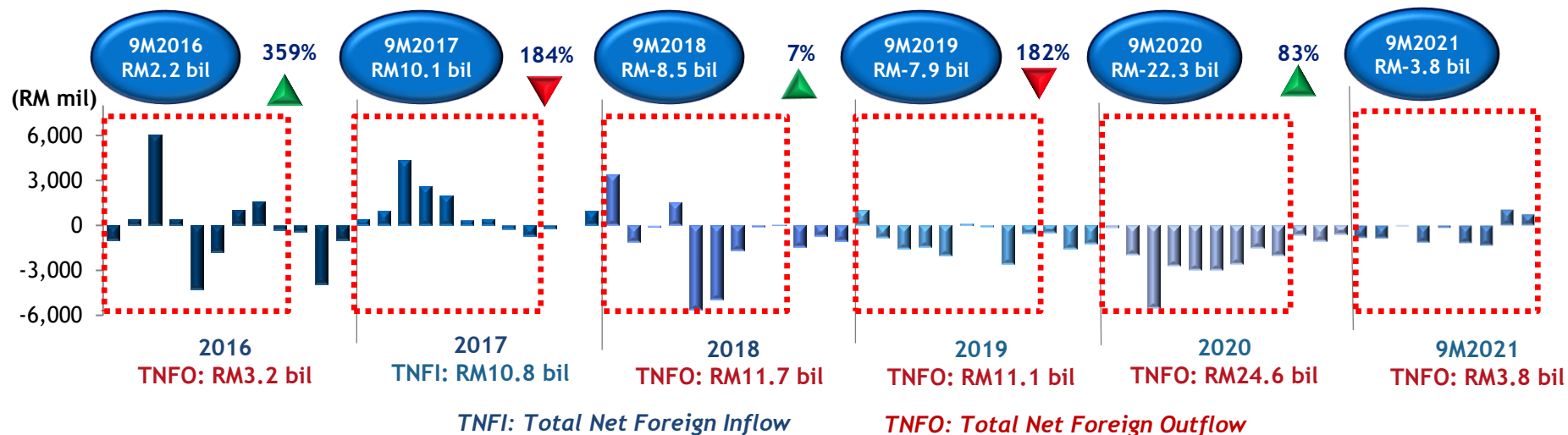


# Securities Market Foreign Ownership

Based on Market Capitalisation (%)

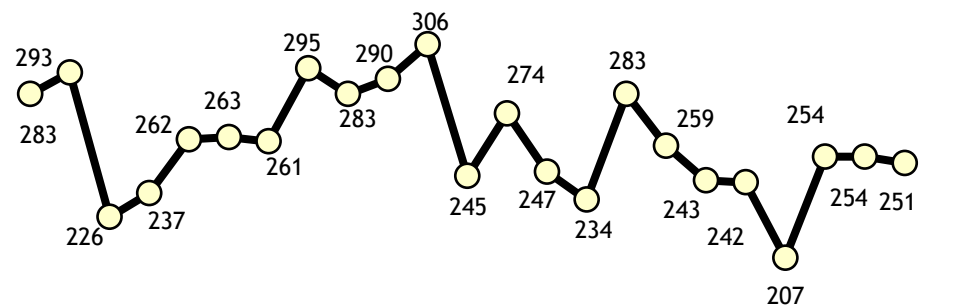


## Foreign Inflow/Outflow

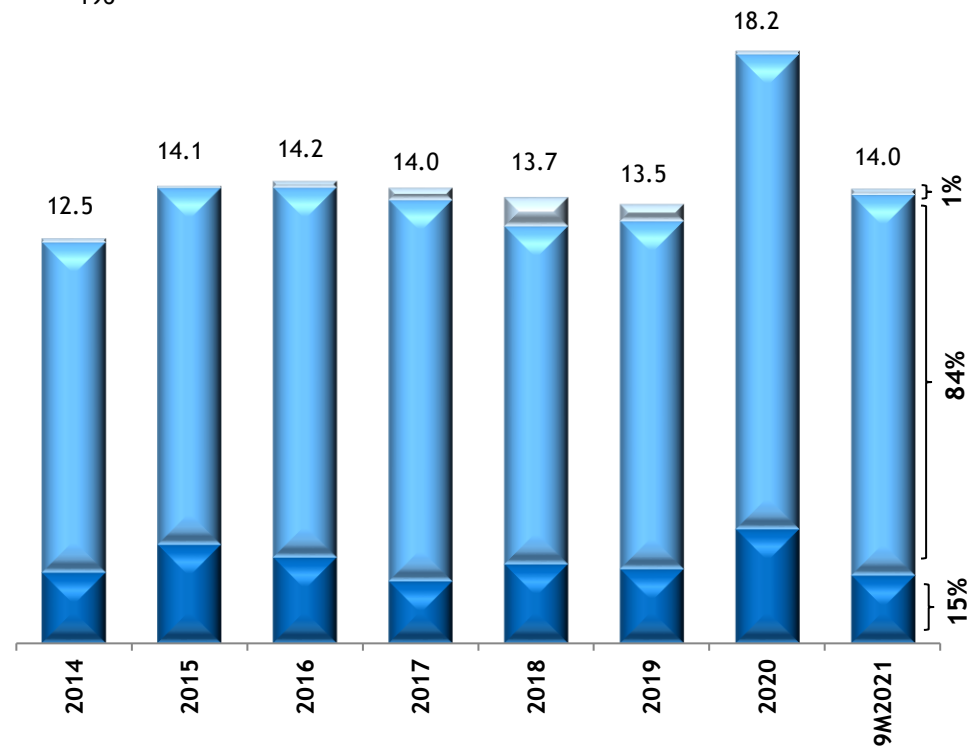
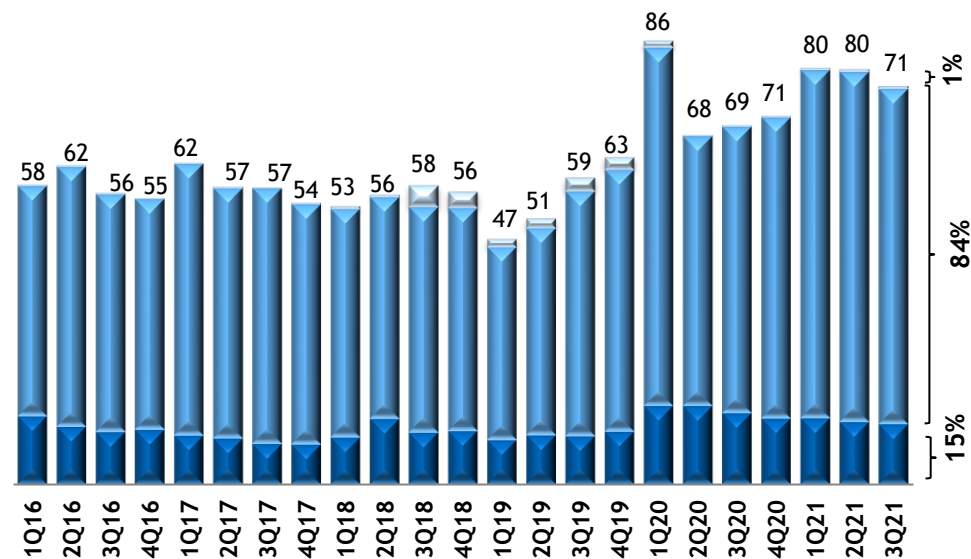
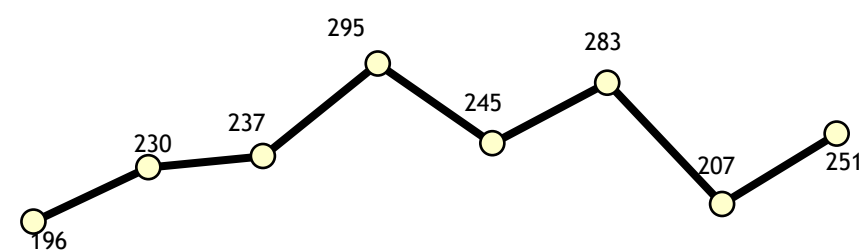


# Derivatives Market Activity

Quarterly Average Daily Contracts ('000)



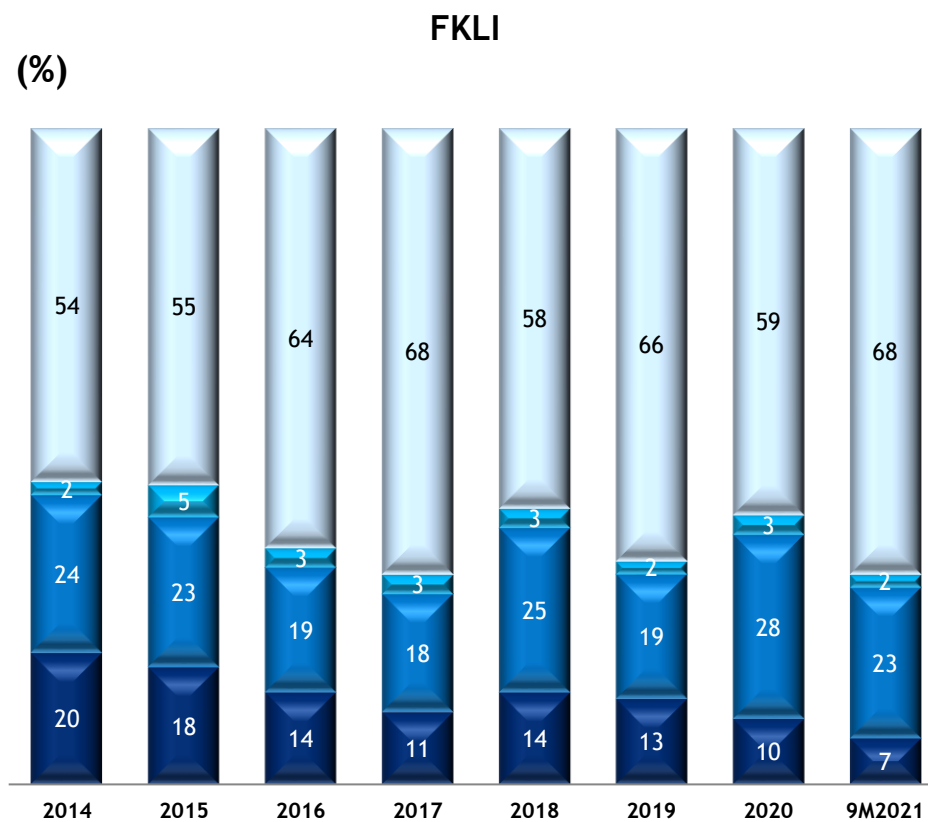
Total Annual Contracts (mil)



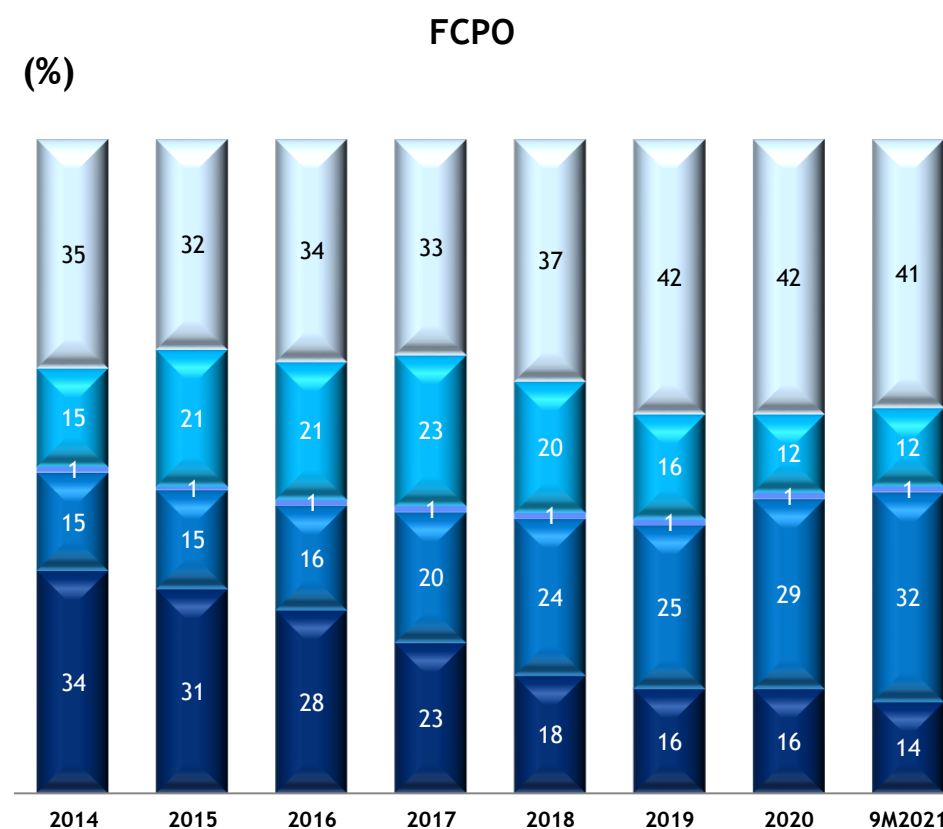
○ Open Interest ('000)      ■ FBMKLCI Futures

■ Crude Palm Oil Futures      ■ Others

# Derivatives Market Demography



Foreign Institutions  
 Domestic Retail  
 Domestic Institutions  
 Local

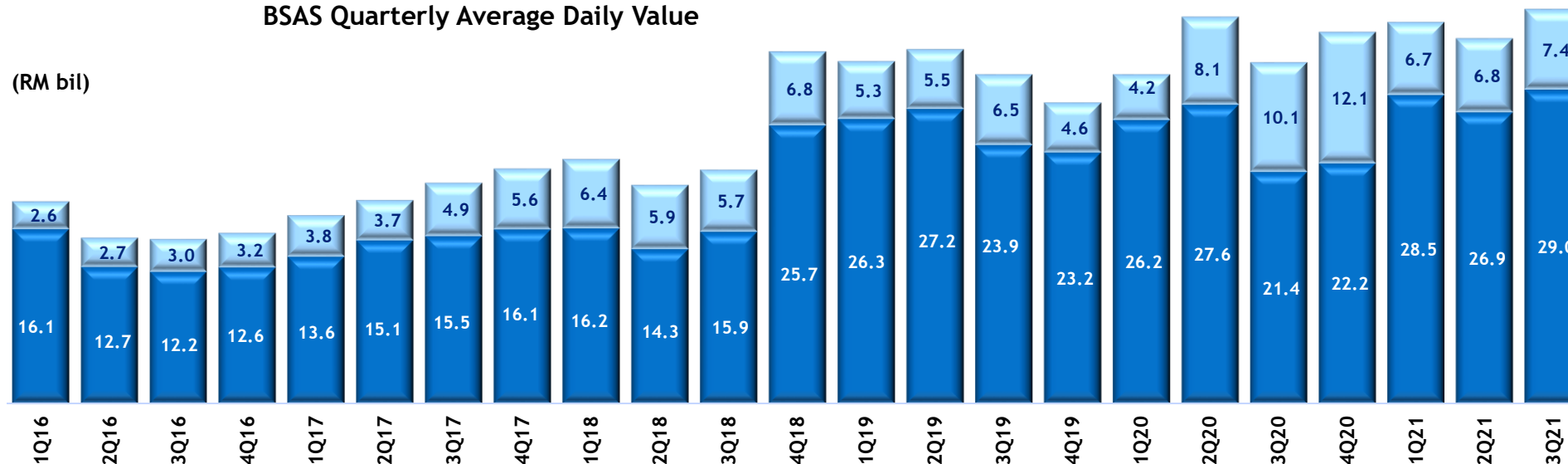


Foreign Institutions  
 Domestic Institutions  
 Domestic Retail  
 Local  
 Foreign Retail

# Islamic Market Activity

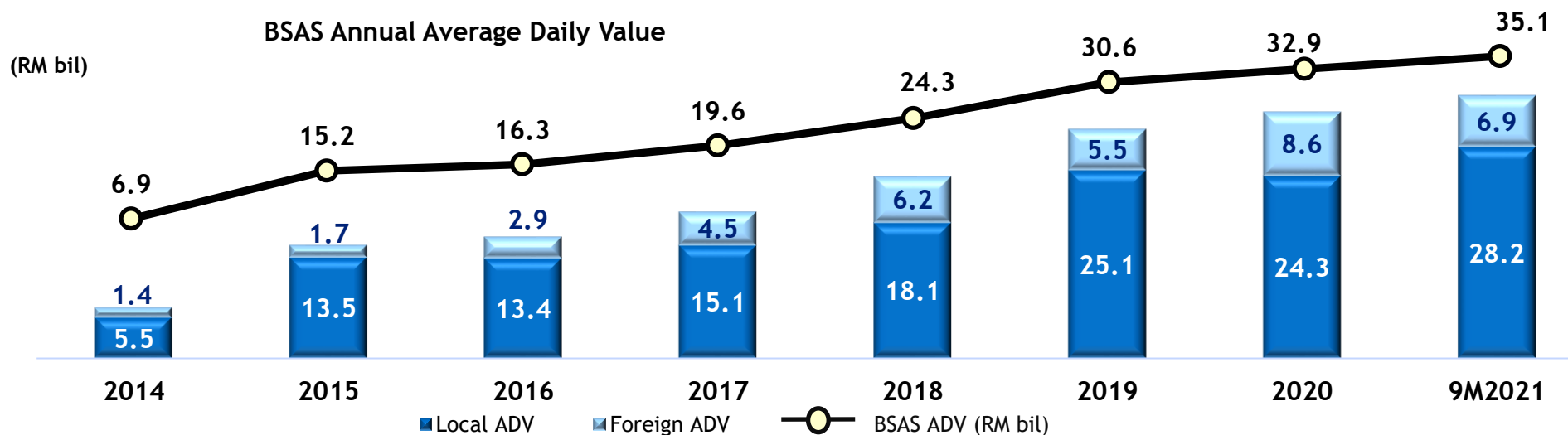
BSAS Quarterly Average Daily Value

(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

**HAIMI HUSSEIN**  
*nurhaimi@bursamalaysia.com*  
603-2034 7393

**RAFIDAH AZIZ**  
*rafidahaziz@bursamalaysia.com*  
603-2034 7262

**E-mail : [ir@bursamalaysia.com](mailto:ir@bursamalaysia.com)**

**DISCLAIMER:**

These presentation slides are owned by Bursa Malaysia Berhad and/or the Bursa Malaysia group of companies (“Bursa Malaysia”). Whilst Bursa Malaysia endeavors to ensure that the contents in this presentation are accurate, complete, current and have been obtained from sources believed by Bursa Malaysia to be accurate and reliable, neither Bursa Malaysia or the presenter of this presentation make any warranty, express or implied, nor assume any legal liability or responsibility for the accuracy, completeness or currency of the contents of this presentation. In no event shall Bursa Malaysia be liable for any claim, however arising, out of or in relation to this presentation.

This document shall be used solely for the purpose it was circulated to you. This document is owned by Bursa Malaysia Berhad and/or the Bursa Malaysia group of companies (“Bursa Malaysia”). No part of the document is to be produced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or any information storage and retrieval system, without permission in writing from Bursa Malaysia.

