

2 February 2021

FY2020 Financial Results

Tan Sri Abdul Wahid Omar
Chairman

Datuk Muhamad Umar Swift
Chief Executive Officer

Rosidah Baharom
Chief Financial Officer

Agenda

- Opening Remarks by the Chairman
- 2020 Highlights of Our Marketplace
- Financial Review
- Our Way Forward
- Q&A
- Appendices

2020 Highlights of Our Marketplace

2020 was indeed a dynamic year. During this crisis, it was more important than ever that the Exchange continued to fulfil our pivotal roles and serve our purpose...



*At the national level,
we help ...*

- Mobilise funds to enable economic activity



*At the industry level,
we ...*

- Provide liquidity for businesses
- Offer wealth generation opportunities for individuals
- Ensure our markets are fair, orderly & vibrant



*At the Organisation level,
we ...*

- Provide market participants with secure & regulated trading platforms
- Protect the health and financial stability of employees
- Reduce costs & simplify processes for our users (businesses & individuals)

Financial Highlights for FY2020

Strong financial results driven by strong performance in Securities and Derivatives Markets



Operating Revenue

RM778.8m
▲ 62.2%

Operating Expenses

RM291.8m
▲ 18.5%

PATAMI

RM377.7m
▲ 103.2%

Cost to Income Ratio

36.6%
▼ 12.5 p.p.

Annualised ROE

45.5%
▲ 22.8 p.p.

EPS

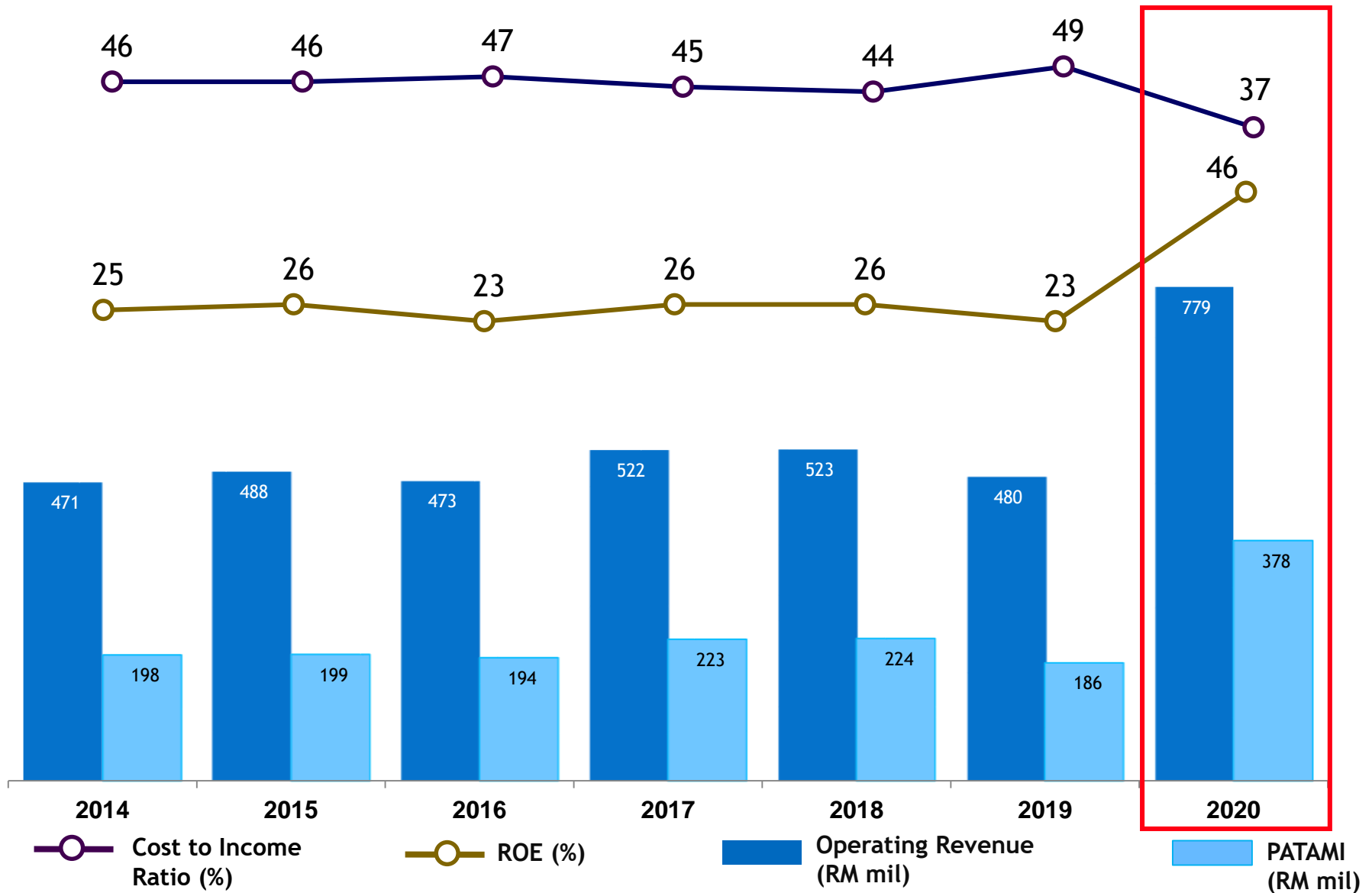
46.7 sen
▲ 103.1%

FY2020 vs. FY2019:

- Increase in operating revenue contributed by higher trades in the Securities and Derivatives Markets.
- Increase in operating expenses due to higher manpower, professional fees and technology costs.
- Cost to income ratio decreased by 12.5 percentage points to 36.6% while ROE increased by 22.8 percentage points to 45.5%.
- Final dividend of 26 sen (equivalent to 92% payout) and special dividend of 8 sen. Both dividends to be paid on 3rd March 2021.

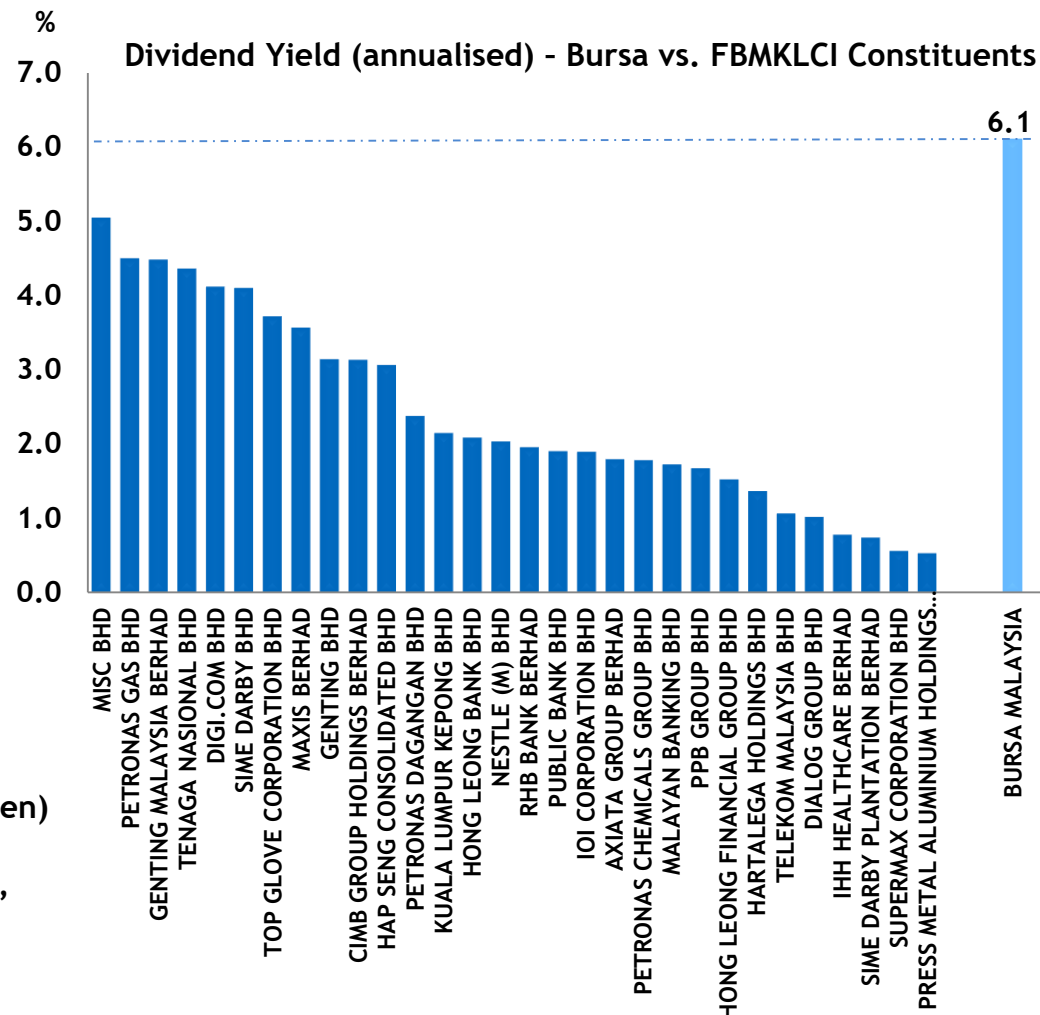
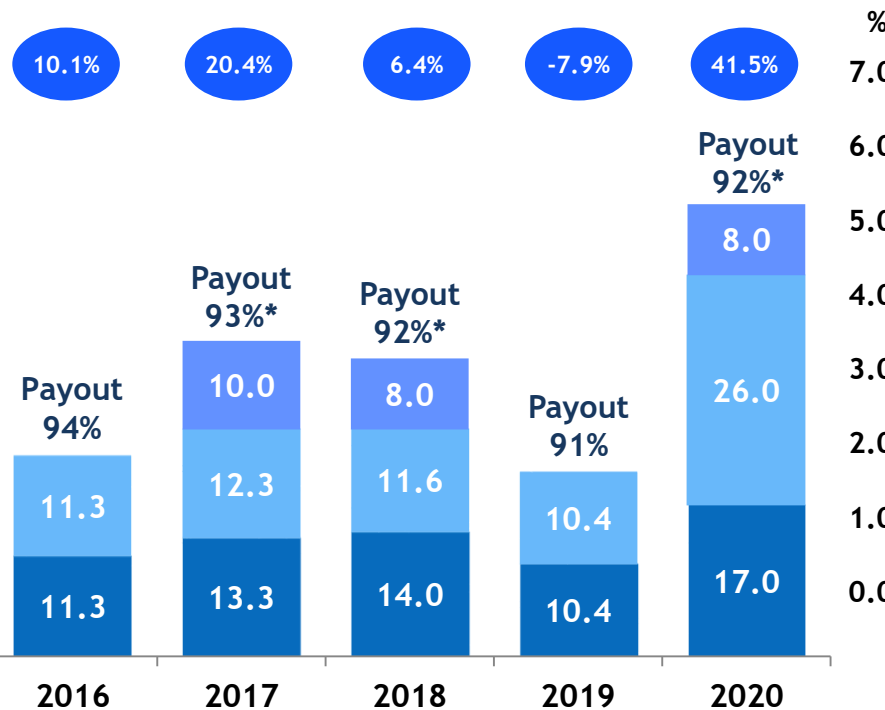
FY2020 Financial Trend

Exceptional 2020 financial performance largely driven by higher trading activities in securities market



Dividends

Dividend yield inclusive of special dividend is at 6.1%



Source: Bloomberg and Bursa Malaysia

Declared final dividend of 26.0 sen and special dividend of 8.0 sen. The entitlement and payment dates are on the 22nd of February and 3rd of March 2021 respectively.

New Growth Records On Various Fronts In 2020....

Foundations built over the years proven successful to support the marketplace as a solid platform for wealth and risk management.

Key 2020 Highlights

YoY % Change

ADV-OMT

+118%

2020: RM 4.21 bil
2019: RM 1.93 bil

**Market
Capitalisation**

+6%

2020: RM 1,817 bil
2019: RM 1,712 bil

Velocity

+36 p.p.

2020: 64%
2019: 28%

**BSAS
ADV**

+8%

2020: RM 32.9 bil
2019: RM 30.6 bil



Several new all-time highs in our securities market

- Equities ADV-OMT in 2020 is highest in history
- Retail ADV of RM 1.6 bil was also the all time high



Diversified product offerings

- Launched 4 new ETFs, including Leveraged & Inverse ETFs
- Listing of all MGS/GII on Exempt Regime



Strong domestic support, by both retail and institutions

- More than 80% of trades in 2020 contributed by local participants



Market remained open in a fair and orderly manner

- Despite surge in trading volumes (Average 7.48 bil shares in 2020 vs 2.68 bil shares in 2019), market participants were able to execute their investment strategies and raise funding.



Growing foreign participation in BSAS

- BSAS foreign ADV contribution of 26% (2019: 18%)

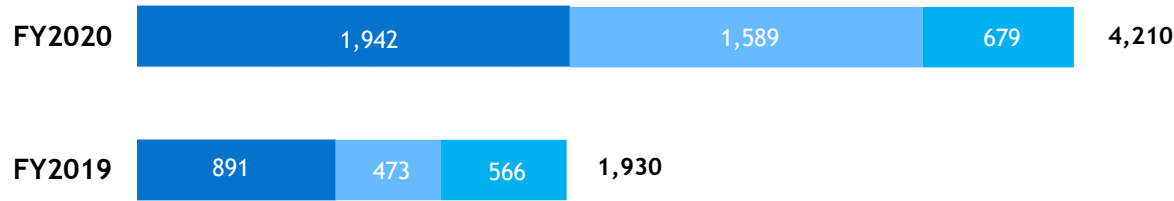
Source: Bursa

Note: % change =YoY growth from 2019 to 2020

Securities Market Overview

Recorded highest retail trades

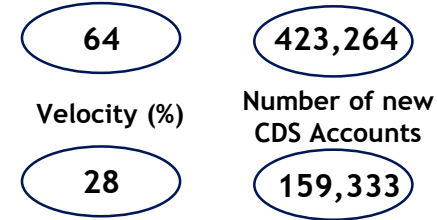
Average Daily Value (“ADV”) (OMT) (RM mil)



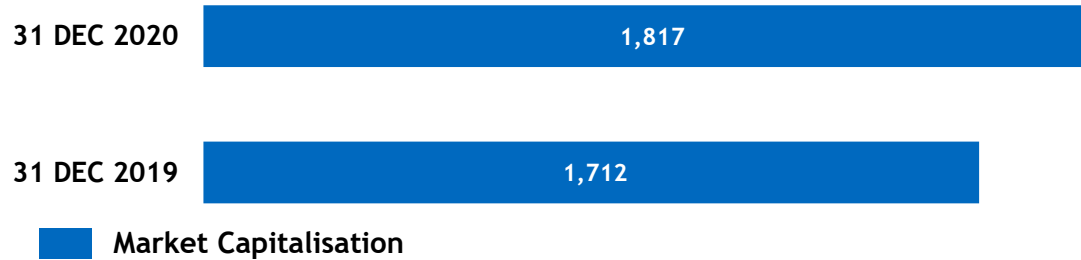
■ ADV - Domestic Institution
 ■ ADV - Retail
 ■ ADV - Foreign Institution

Note: OMT - On Market Trades
Retail ADV comprises local, foreign & PDTs


118.1%
 ADV

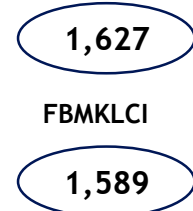


Market Capitalisation (RM bil)

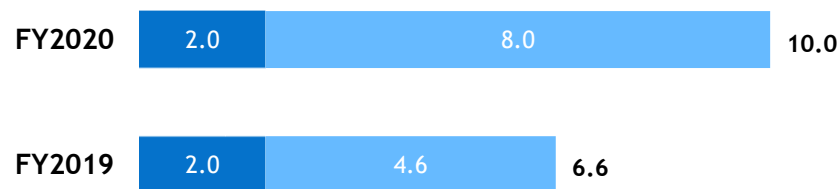


■ Market Capitalisation



6.1%
 Market Cap



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



■ Fund raised from new listings
 ■ Fund raised from secondary market

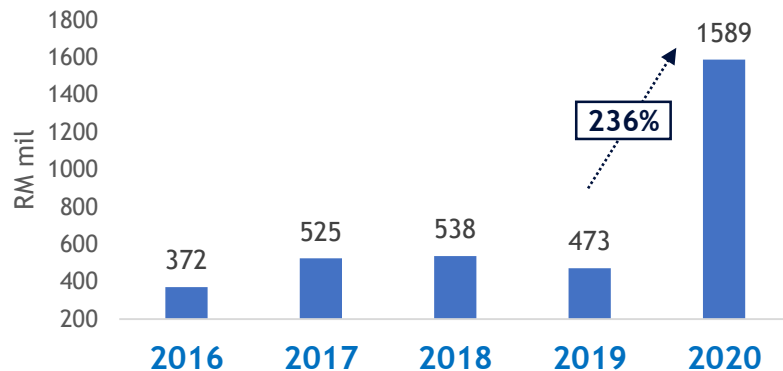

51.5%
 Fund Raised



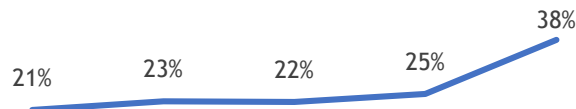
Surge in retail interest seeking to capitalise on wealth generating opportunities

Encouraging trade patterns from our retail investors

- Highest retail ADV recorded in history**

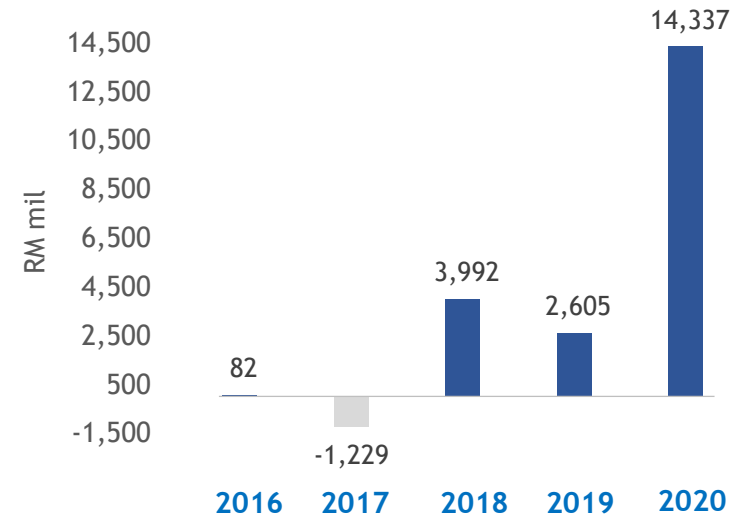


- Rising percentage contribution to total ADV**



Note: Retail ADV comprises local, foreign & PDTs

- Local Retail Net Buy/Sell Position**



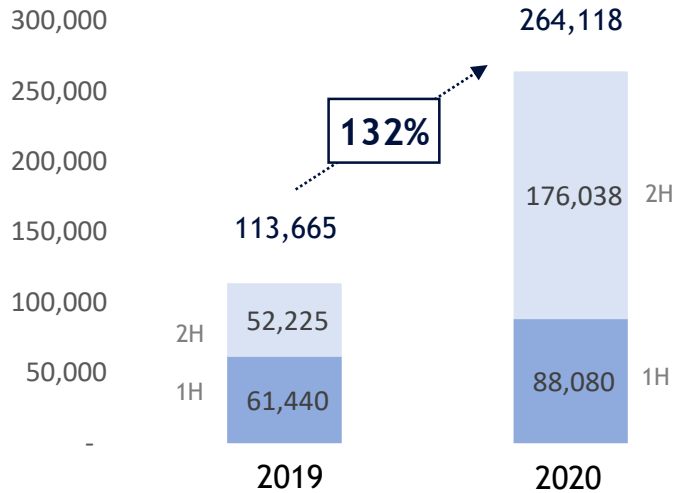
In 2020, local retail investors were Net Buyers at RM14.3 bil

- Retail ADV hit a record of RM1.6 billion, a 236% increase from 2019.
- Retail participation has been largely cash driven, and **NOT** through increase in leverage.
- Top 3 sectors that retailers traded 2020 were:
 - (1) Industrial Products & Services
 - (2) Healthcare
 - (3) Technology

Younger investors entering the market - two-thirds aged 26-45 years

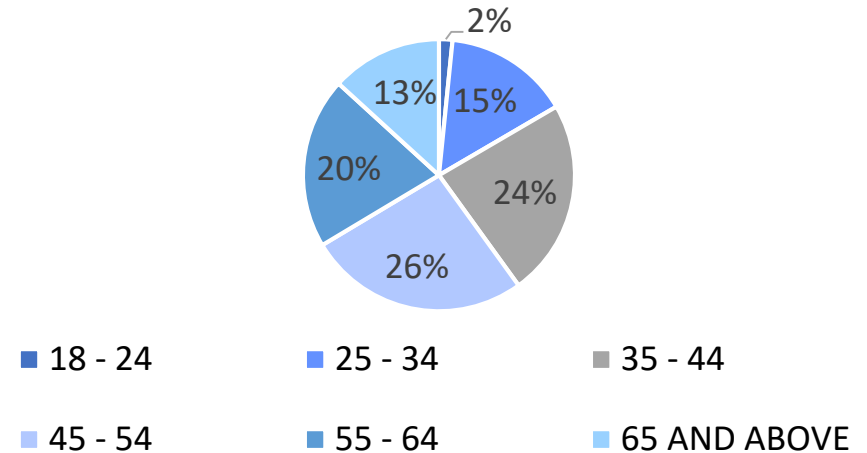
New Individual CDS Accounts

64% of new individual accounts opened in 2020 were investors aged 26 - 45 years old



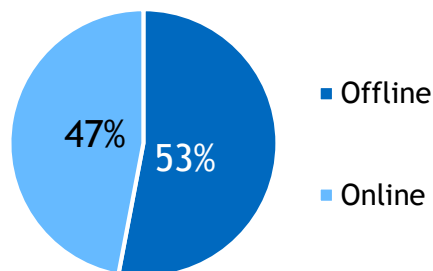
Retail ADV Contribution By Age

Investors aged between 35 - 54 years old were the largest contributor to Retail ADV



Remarkable growth in online trade values due to a shift towards electronically-mediated transactions

2020 Overall Trades



- ADV online trades grew 156% in value in 2020, to RM2,055 mil from RM800 mil in 2019
- Online trades accounted for 47% of total trade value in 2020 compared to 37% in 2019.

Various initiatives were done and will be undertaken to sustain this retail momentum...



Enhance Digital touch points

- New features in our Bursa Anywhere app to easily access a wide range of CDS services - e.g:
 - e-CDS account opening
 - reactivate dormant & inactive accounts
 - register for e-Dividends
- Enhancement of Bursa Marketplace app



Foster Investor confidence

- Manage excessive market volatility
- Real-time surveillance and robust detection method for unusual market activities
- Close monitoring of material announcements by PLCs to ascertain genuinity of material announcements



Widen Access & Approach on Investor Education

- Keep investors informed and engaged
 - New Bursa Academy website
 - Shariah Investing Virtual Conference
 - Invest Malaysia Series
 - Other webinars for retail & institutional investors



Other approaches

- Co-create exciting ways to attract retail participation via Hackathon
- Expand suite of products across markets
- Increase accessibility of information into other languages

Remarkable growth seen in our Derivatives Market amid volatile environment



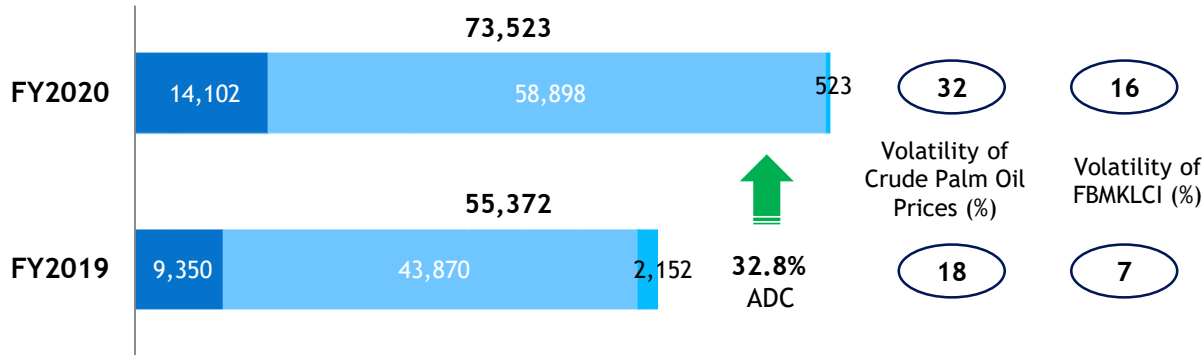
2020 Highlights

BMD hit and created 18 trading records:

- Achieved historical high for total ADC
- Top monthly trading volume for all derivatives products (2,126,068 contracts in March 2020)
- New record for total trading volume for FCPO
- Highest monthly trading volume for FKLI (455,535 in March 2020). Last record was 388,755 in Aug 2015.

Foreign participation remained significant: 45% of ADC contributed by foreign institutions in 2020 (2019: 45%)

Average Daily Contracts (“ADC”) & Volatility



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

Key 2020 Initiatives & Achievements

Widened suite of products

Introduced the World’s First Options Contract on Palm Olein - USD denominated palm olein futures

Re-launched Single Stock Futures - expanded list of new underlying stocks

FM70 Revamp

Improved ecosystem and accessibility

5-Year Malaysian Government Securities Futures (FMG5) - revamped settlement from cash to physical delivery and completed first physical delivery settlement.

BMD entered into the Temporary Recognition Regime (TRR) and made formal submission of TC-CCP application to Bank of England

International Recognition

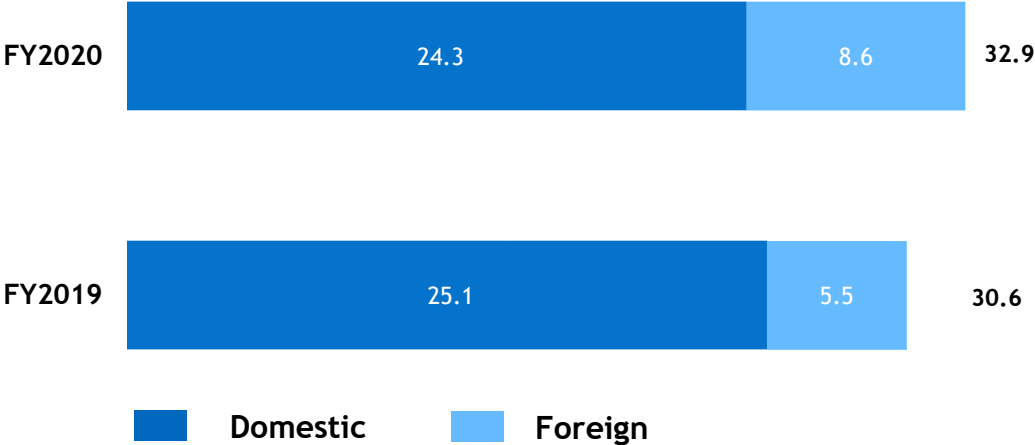
Bursa Malaysia Derivatives named “Exchange of the year - Asia Pacific” at the Futures & Options World (FOW) International Awards 2020

Islamic Capital Market Overview

Marginal ADV growth



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



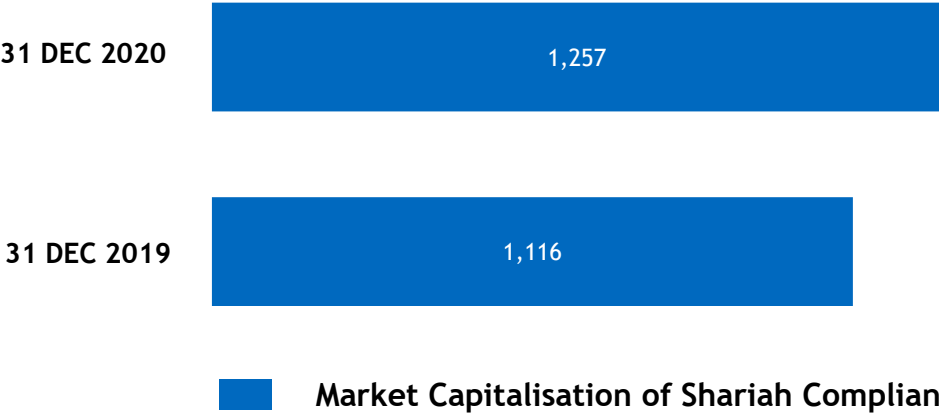
7.8%
ADV

264

No. of Trading Participants

222

Market Capitalisation of Shariah Compliant Stocks (RM bil)



12.6%
Shariah Market Cap

79

No. of Shariah Compliant Stocks (%)

77

Market Capitalisation of Shariah Compliant Stocks

Earned international recognition

Bursa named 'Best Stock Exchange for Islamic Listings' by Islamic Finance News (IFN) at the 14th Annual IFN Services Providers Poll for the second consecutive year



Enhance ICM competitiveness

Grew the number of Islamic brokers on BM-i

Now with 16 Islamic brokers onboard to increase participation and strengthen Malaysia's position as a leader in ICM

Signed MOUs with SZSE & TAIFEX

To promote the flow of investment between Malaysia and Greater China, & to widen product offerings



Forge collaborations for developing our market

Facilitated collaboration of domestic and foreign ETF issuers

Onboarded Samsung Asset with Kenanga for Leveraged & Inverse ETFs

Implemented ISO 20022 for Corporate Announcements

Enabled Corporate Announcements by Bursa listed companies to be disseminated more efficiently per international standards



Capitalise on Technology & Information

Completed Bonds on Blockchain POC

Towards facilitating the growth of the bond marketplace at the Labuan Financial Exchange by harnessing new opportunities and tokenized assets

Included in 2020 Bloomberg Gender Equality Index (GEI)

Distinguishes Bursa as among only 2 Malaysian companies committed to transparency in gender reporting and advancing women's equality



**Advocate
Sustainability -
Equality & Growth**

Launched “Equality for Equity” Campaign

To reduce the gender investing gap in the equity market

Amended Main & ACE Market Listing Rules

Encouraged specific corporate exercises via electronic means

Enhanced corporate governance among PLCs via strengthened criteria of independent directors

Enhanced the disclosure requirements in connection with new issue of securities



**Enhance Rules/
Supportive
Frameworks**

Expanded Market- Making framework

To increase market vibrancy

Provided various relief measures to alleviate the impact of COVID-19

Offered financial and non-financial measures to help market participants & the community during pandemic



**Undertake
proactive measures
to address market
needs/ concern**

Progressed towards establishment of a regulatory subsidiary

To enhance Bursa's governance structure and address perception of conflict of interest

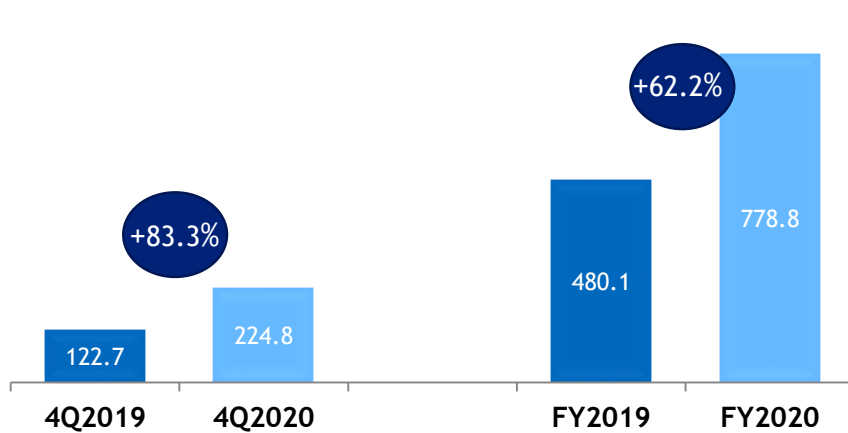
Financial Review

- Financial Snapshot
- Operating Revenue
- Operating Expenses

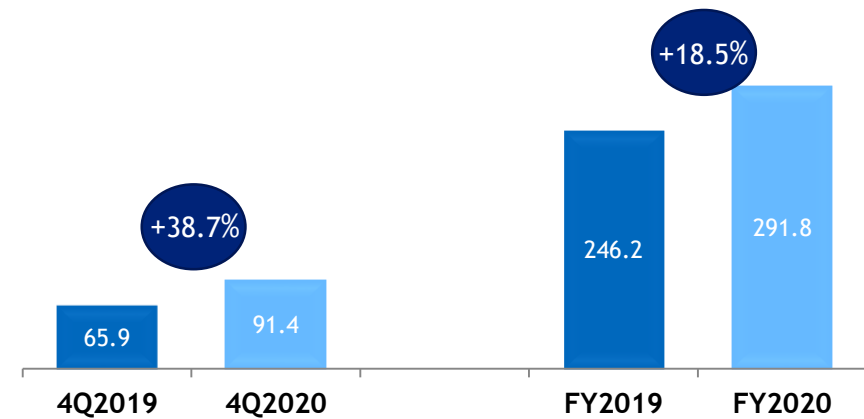
Financial Snapshot

FY2020 PATAMI increased by 103.2% to RM377.7m on the back of a solid increase in securities trading revenue

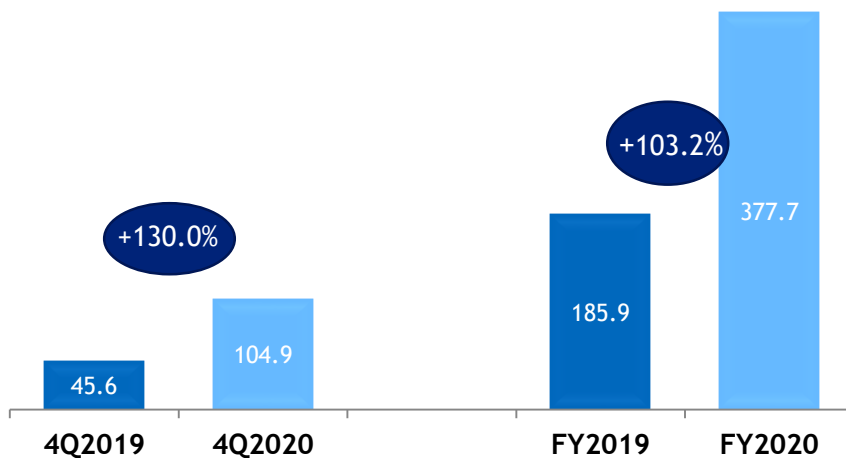
Operating revenue (RM mil)



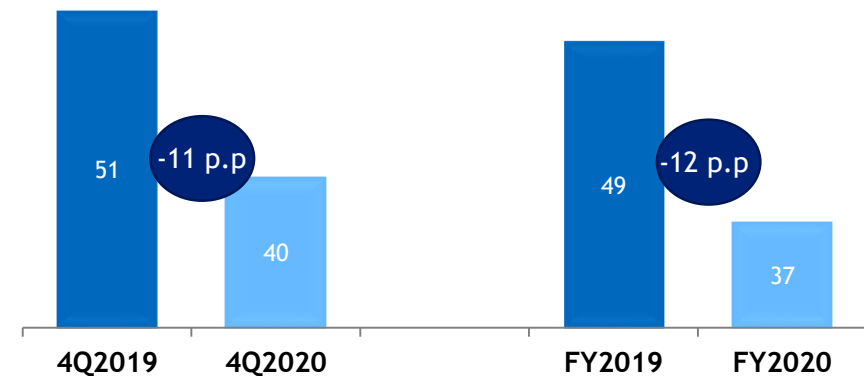
Operating expenses (RM mil)



PATAMI (RM mil)



Cost to income ratio (%)

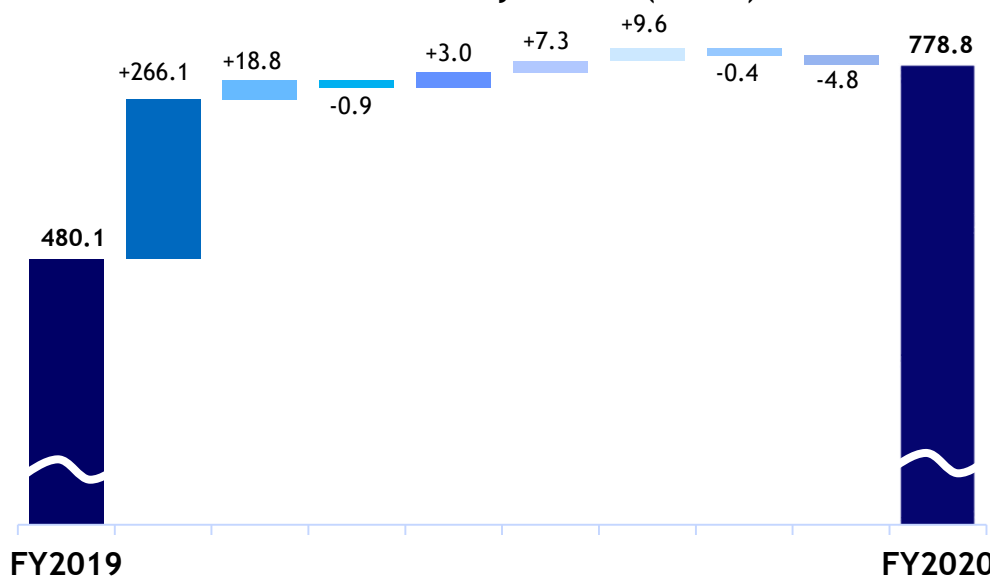


Operating Revenue

Growth contributed by higher securities and derivatives trading revenue

	Revenue (RM mil)								Total (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	
FY2020	498.9 (64%)	91.1 (12%)	13.1 (2%)	57.0 (7%)	49.2 (6%)	48.2 (6%)	21.1 (3%)	0.2 (0%)	778.8
FY2019	232.8 (48%)	72.3 (15%)	14.0 (3%)	54.0 (11%)	41.9 (9%)	38.6 (8%)	21.5 (5%)	5.0 (1%)	480.1
YoY	↑114.3%	↑26.0%	↓6.5%	↑5.6%	↑17.4%	↑24.8%	↓1.8%	↓95.6%	↑62.2%

Growth contribution by revenue (RM mil) :



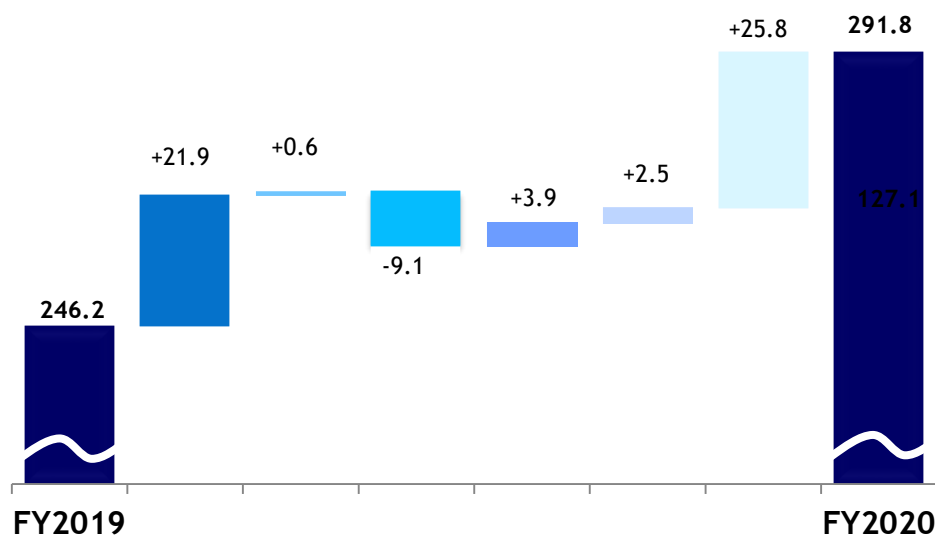
- Increase in securities trading revenue mainly due to higher ADV-OMT.
- Increase in derivatives trading revenue due to higher number of FCPO and FKLI contracts.
- Decrease in BSAS trading revenue despite higher BSAS ADV due to lower effective fee resulting from higher trades under the volume based pricing.
- Increase in depository services mainly due to higher ROD fees, shares transfer fees and account opening fees.
- Increase in market data revenue due to increase in subscriptions.
- Lower conference fee due to the shift from a physical event to a virtual one.

Operating Expenses

Costs increased by 18.5%

	Expenses (RM mil)						Total (RM mil)
	Manpower Costs	Depreciation & Amortisation	Marketing & Development	IT Maintenance	Service Fees	Other Operating Expenses	
FY2020	155.6 (53%)	21.4 (7%)	5.8 (2%)	23.8 (8%)	22.5 (8%)	62.7 (21%)	291.8
FY2019	133.7 (54%)	20.8 (9%)	14.9 (6%)	19.9 (8%)	20.0 (8%)	36.9 (15%)	246.2
YoY	↑16.4%	↑3.0%	↓61.1%	↑19.4%	↑12.7%	↑69.9%	↑18.5%

Movement of expenses (RM mil):



- Increase in manpower cost due to higher provision in variable costs, in line with higher profits.
- Lower marketing & development cost due to lesser activities during the year and most events were held virtually.
- Increase in IT maintenance due to additional licensing fee.
- Increase in Globex fees due to higher number of derivatives contracts traded.
- Increase in other operating expenses due to higher professional fees, amongst others.

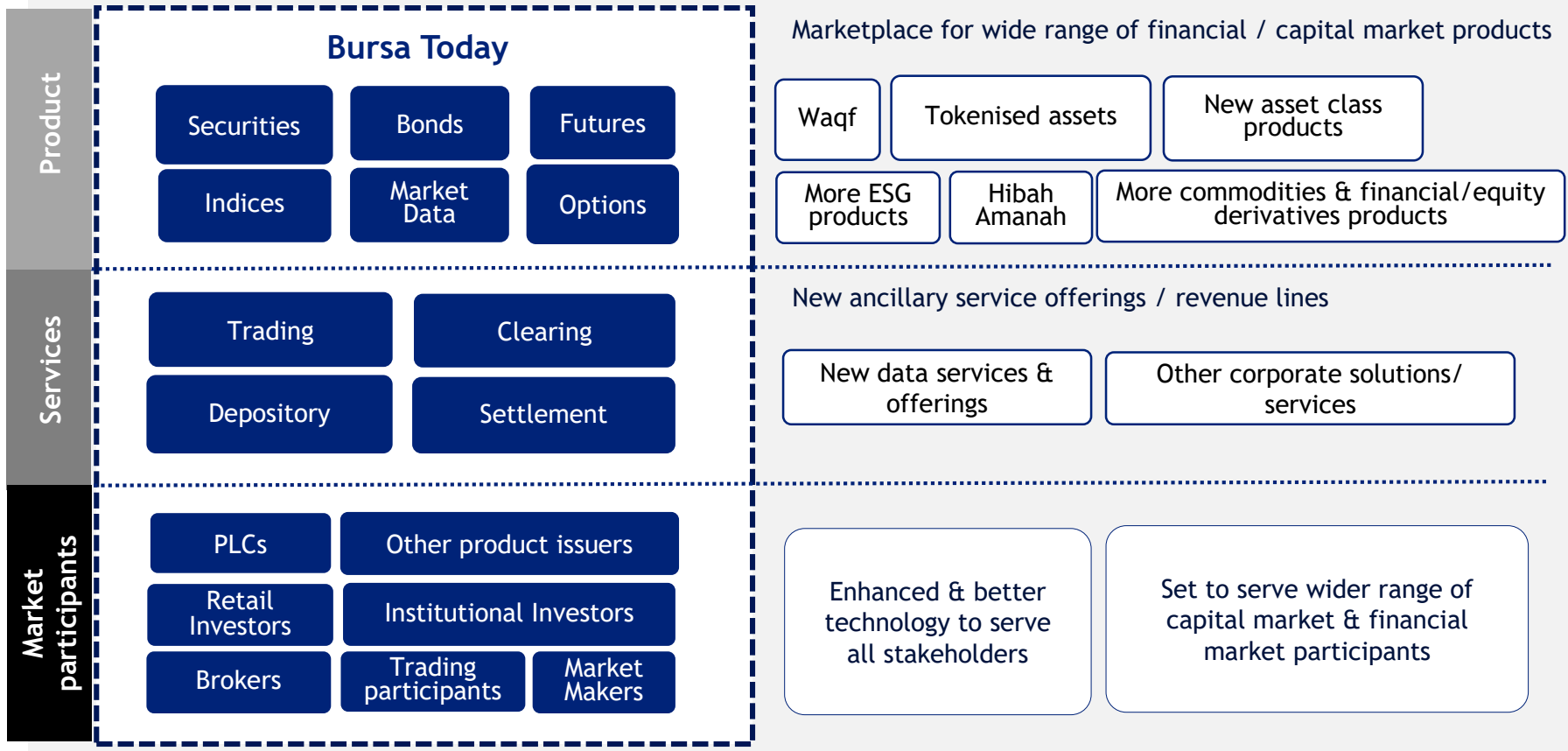


Our Way Forward

Wider products & services offerings to market participants is essential to achieve our vision

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

Bursa - Desired Future State



■ Existing □ Potential expansion

*Grow value by creating and capturing adjacent or new opportunities.
Expand swiftly by leveraging technology & strategic partnerships*

Our 2021-2023 Strategic Roadmap focuses broadly on 3 main strategies



1



Product Expansion

Increase Market Competitiveness

- Boost core product offerings
 - Attract quality IPOs
 - Grow ESG & ETF products
- Provide new platforms/ services for market participants
- Offer new data solutions
- Provide access to new asset classes - e.g. tokenised assets

Exemplify Islamic Thought Leadership

- Cement our leading Islamic Capital Market position via innovative & impactful solutions
 - *Waqf* products
 - *New products to serve the needs within the Islamic Capital Market*

Widen derivatives offerings

- Strengthen our suite of palm oil complex products e.g. East Malaysia crude palm oil futures contract
- Other new financial/equity, and commodity derivatives

2



Ecosystem Development

Grow market vibrancy and liquidity

- Implement various programs to boost market vibrancy &/ increase trading - *e.g. Inactive Stock Scheme*
- Facilitate retail investors' participation - *e.g. via funds access and digestible information*

Promote stickiness & internationalisation

- Deliver enhancements across the value chain to increase efficiencies of participating in the market (*e.g. electronic negotiated large trades for derivatives*)
- Expand our global reach *e.g. T+1 night trading for derivatives*

Embed sustainability in our marketplace

- Implement initiatives to drive sustainability practices among listed issuers, *e.g. develop Corporate Sustainability Practitioners Competency Framework*
- Spur better, sustainable performance among PLCs
- Further facilitate listing/ fundraising

3



Capacity & Capabilities Building

Leverage technology for multi-pronged benefits

- Invest in technology upgrades and resilience of core infrastructure systems and applications
- Employ cloud based and robotic process automation solutions to drive cost efficiencies
- Reinvent technology delivery to stakeholders

Innovation via POCs

- Leapfrog our fintech capabilities via completion of proof of concepts - towards innovative solutions that enhance our agility & efficiency

Grow Organisational performance

- Implement identified programs to strengthen our talent pool
- Develop our enterprise data management capabilities

We shall focus on building our agility and capabilities, positioning the Exchange for growth



Holistically serve the needs of our stakeholders through **product & services diversification and expansion**



Strategic investments in technology to future proof the exchange



Proactive in strategic partnerships to tap into new opportunities and expand reach

2020 shaped new highs in the market and new norms for the organisation.

Our Strategic Roadmap outlines exciting new opportunities for charting our growth trajectory and to catalyse a vibrant marketplace.

FY2020 Financial Results Briefing

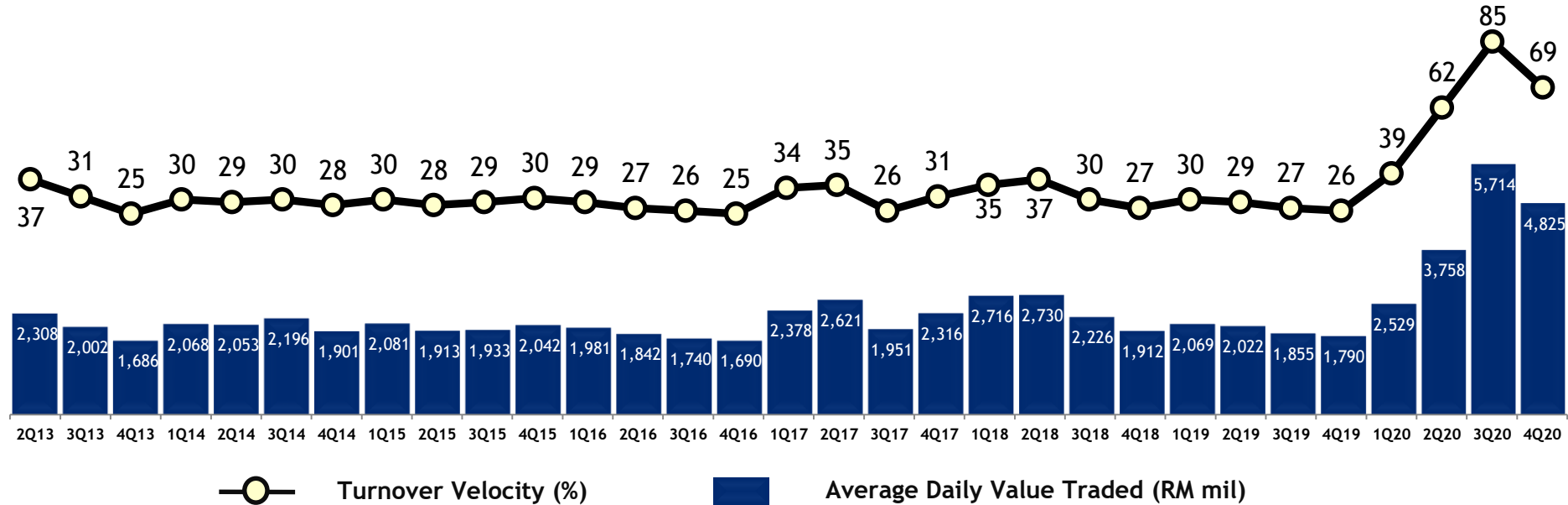
Q&A

Appendices

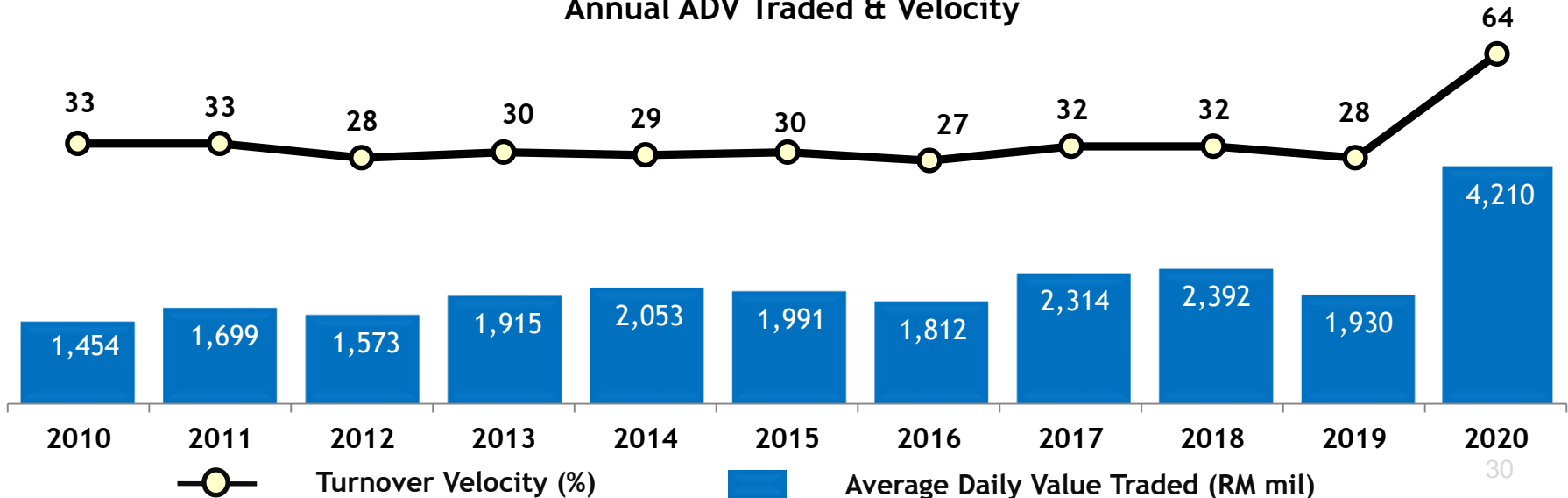
- Securities Market Trading Activity
- Securities Market Trading Participation
- Securities Market Foreign Ownership
- Foreign Inflow/Outflow
- Derivatives Market Activity
- Derivatives Market Demography
- Islamic Capital Market Activity

Securities Market Trading Activity

Quarterly ADV Traded & Velocity

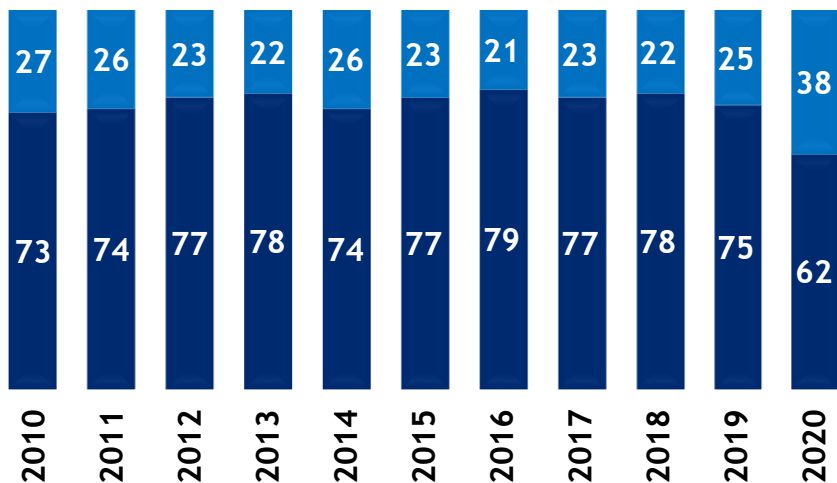
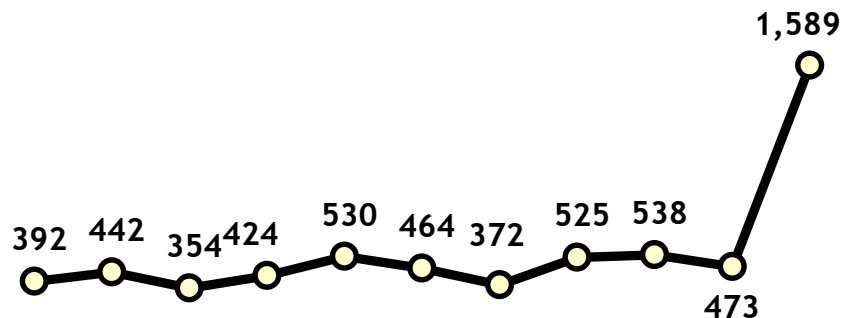


Annual ADV Traded & Velocity



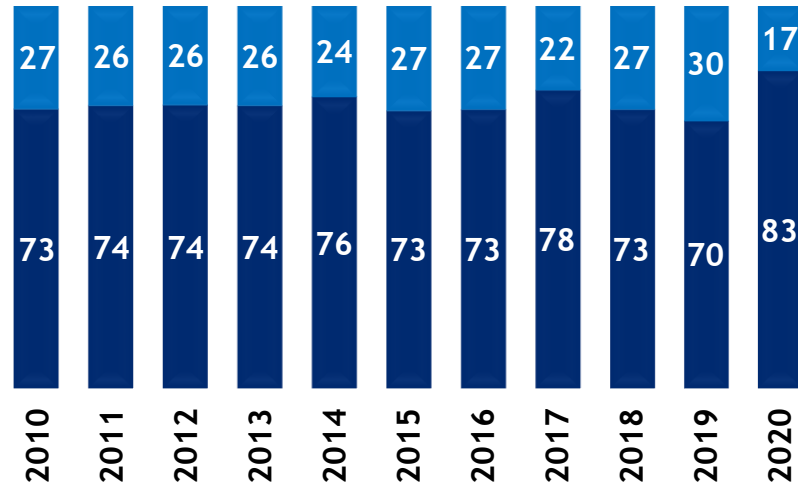
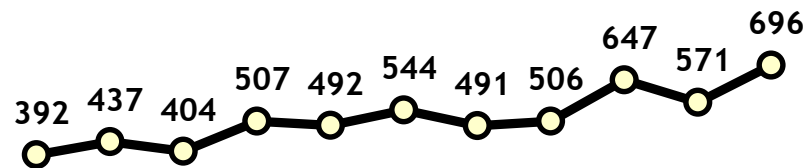
Securities Market Trading Participation

Retail vs. Institution



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

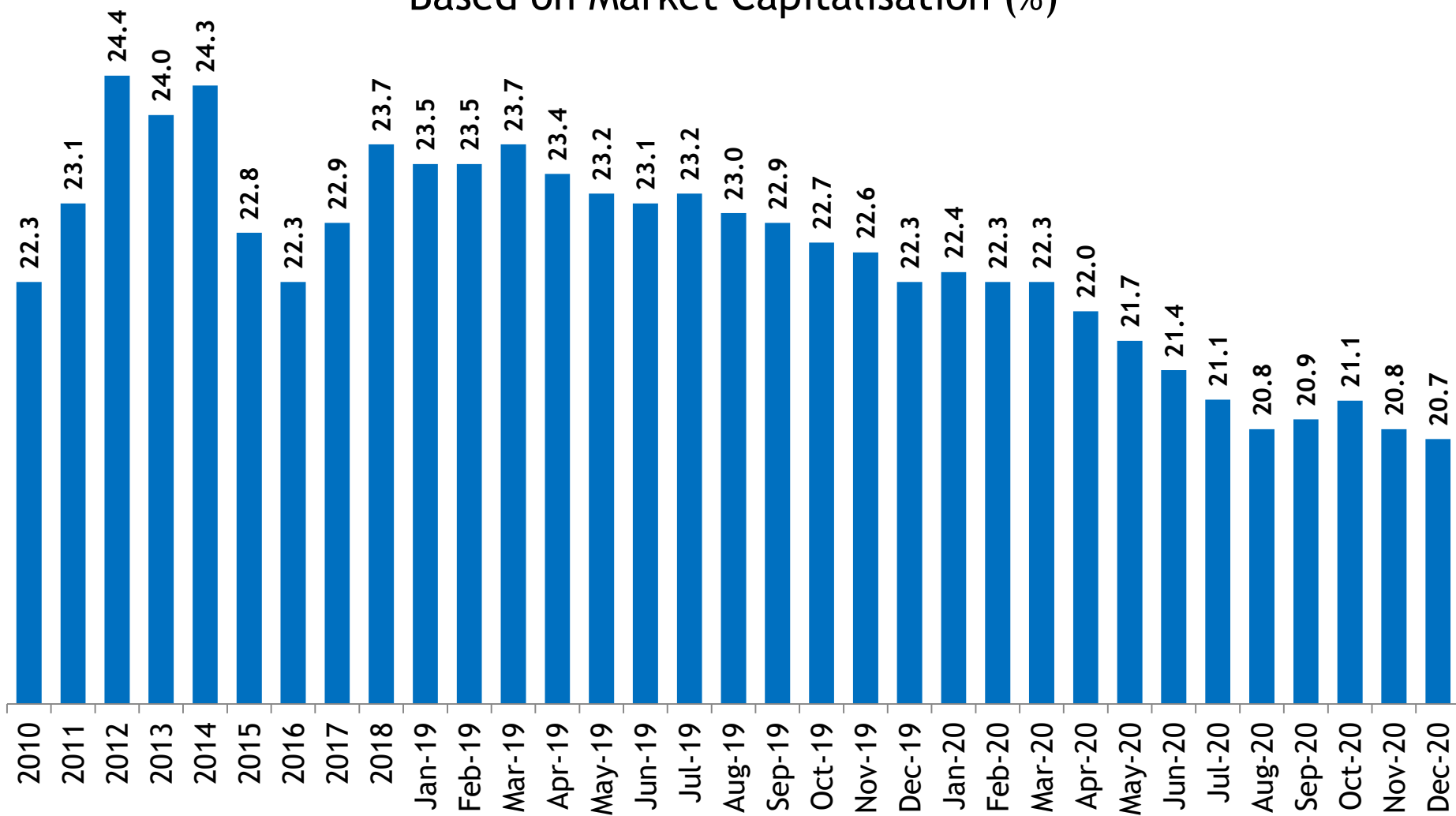
Foreign vs. Local



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

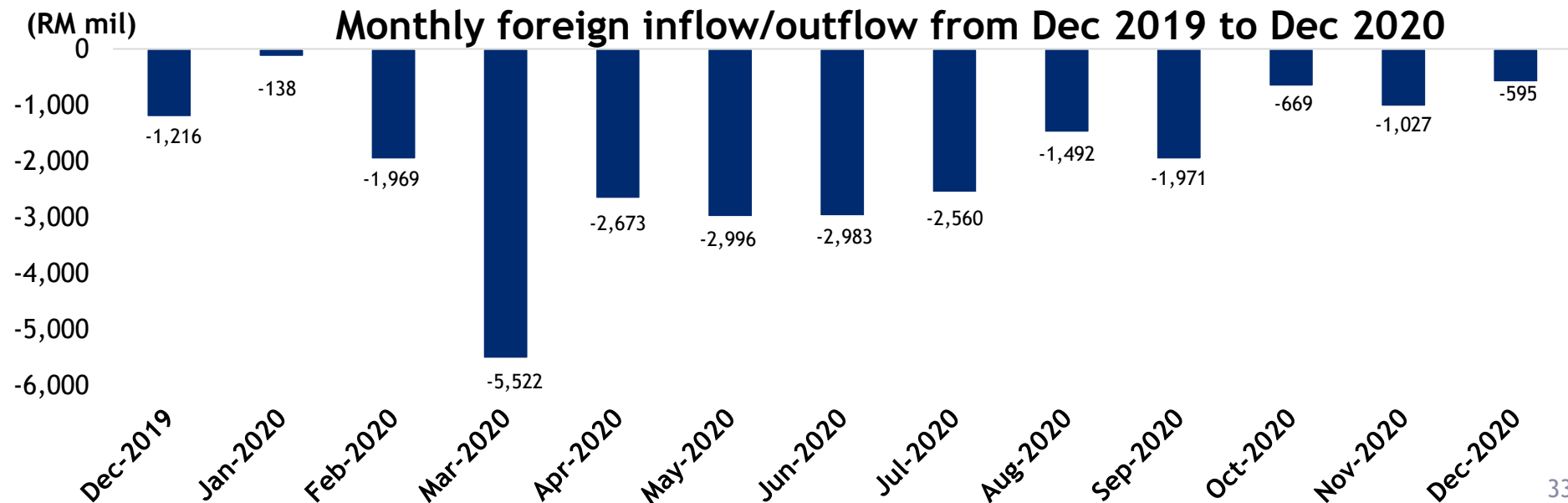
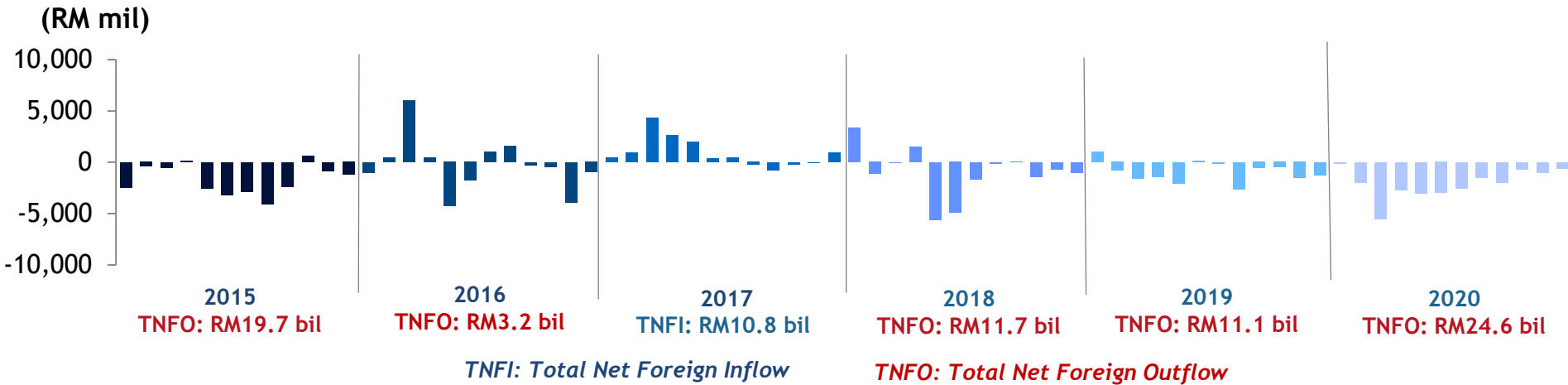
Securities Market Foreign Ownership

Based on Market Capitalisation (%)



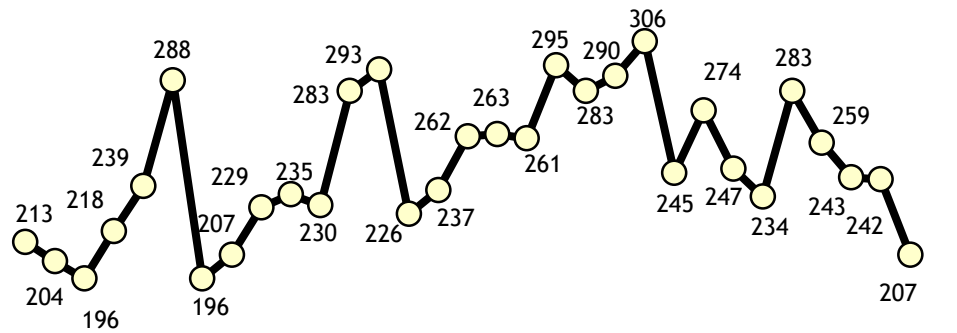
Foreign Inflow/Outflow

Monthly foreign inflow/outflow from 2015 to 2020

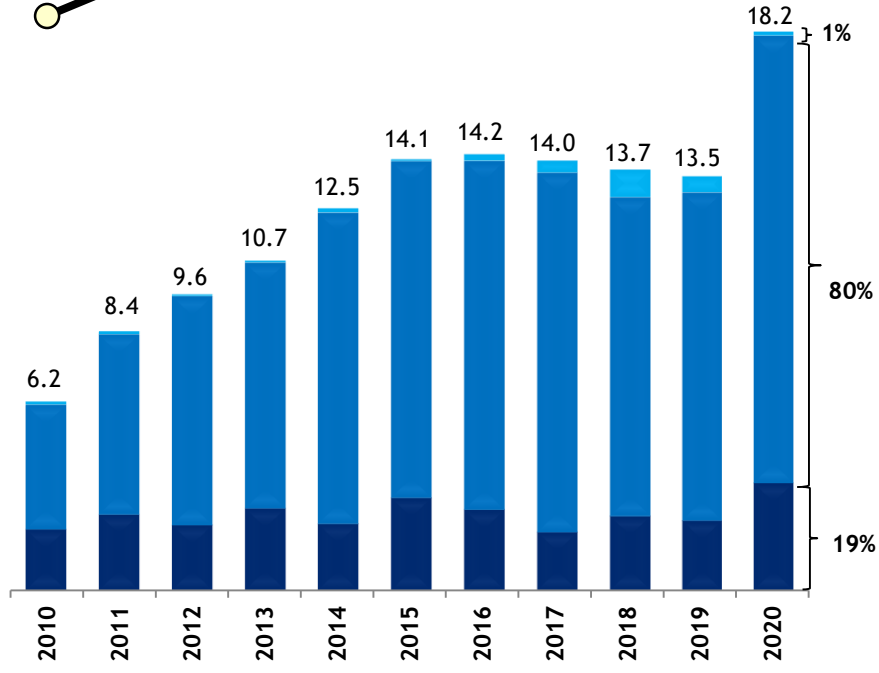
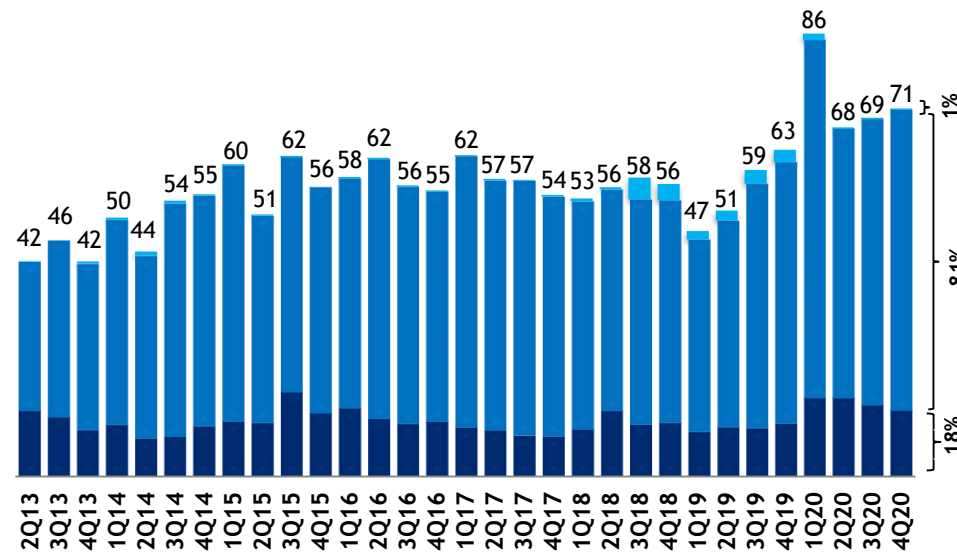
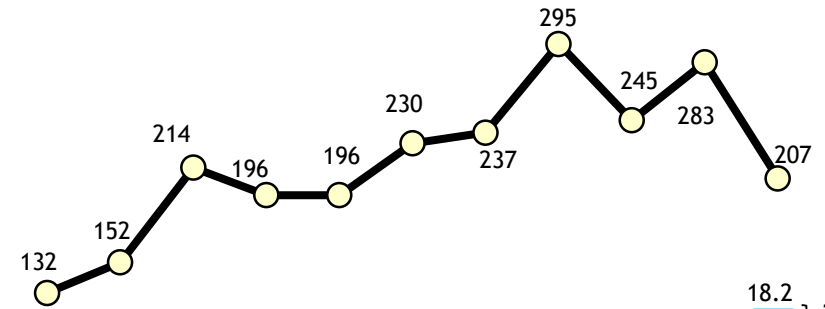


Derivatives Market Activity

Quarterly Average Daily Contracts ('000)



Total Annual Contract (mil)



○ Open Interest ('000)

Others

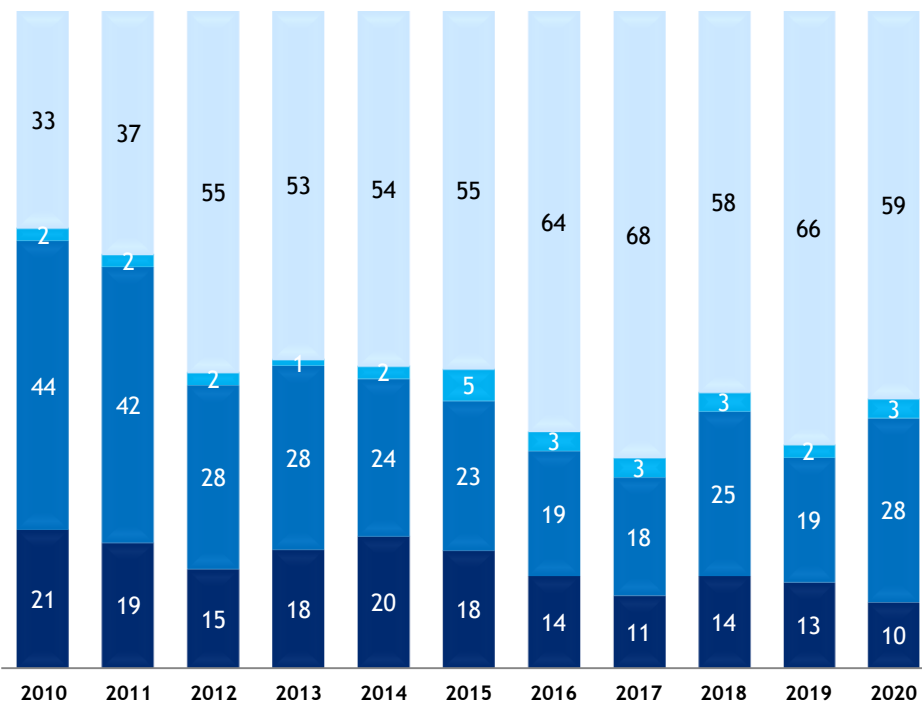
Crude Palm Oil Futures

FBMKLCI Futures

Derivatives Market Demography

FKLI

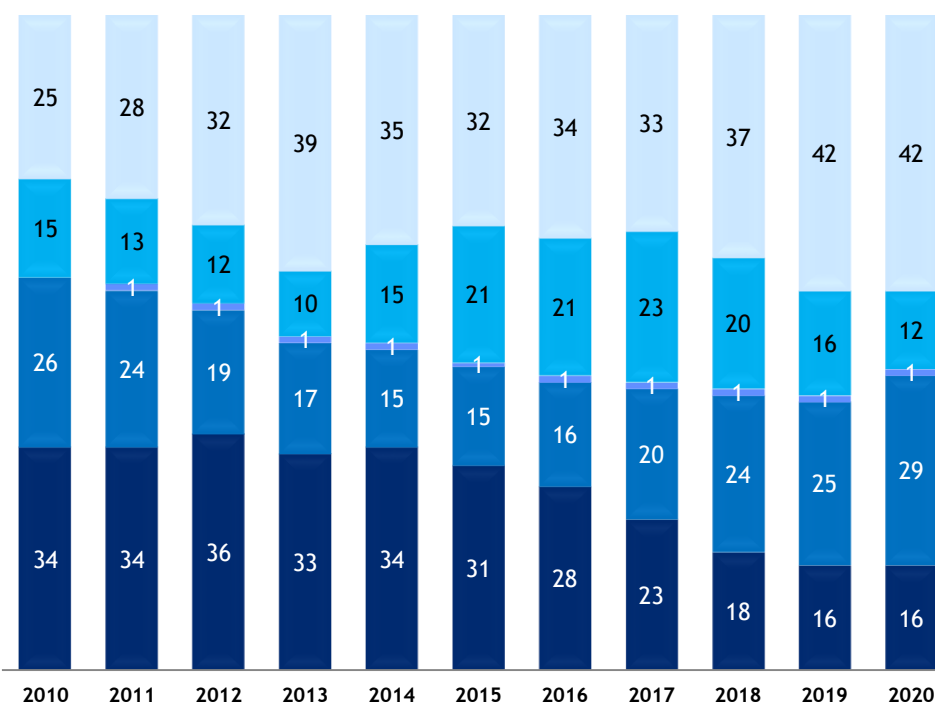
(%)



■ Foreign Institutions
■ Domestic Institutions
■ Domestic Retail
■ Local

FCPO

(%)

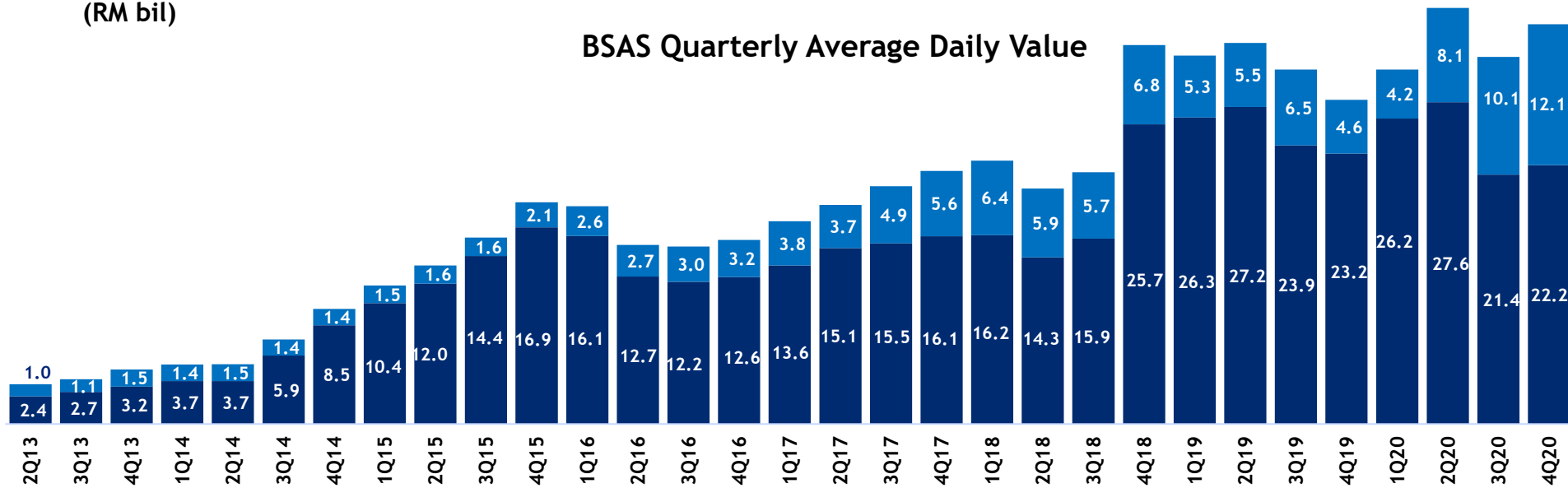


■ Foreign Institutions
■ Domestic Institutions
■ Domestic Retail
■ Foreign Retail
■ Local

Islamic Capital Market Activity

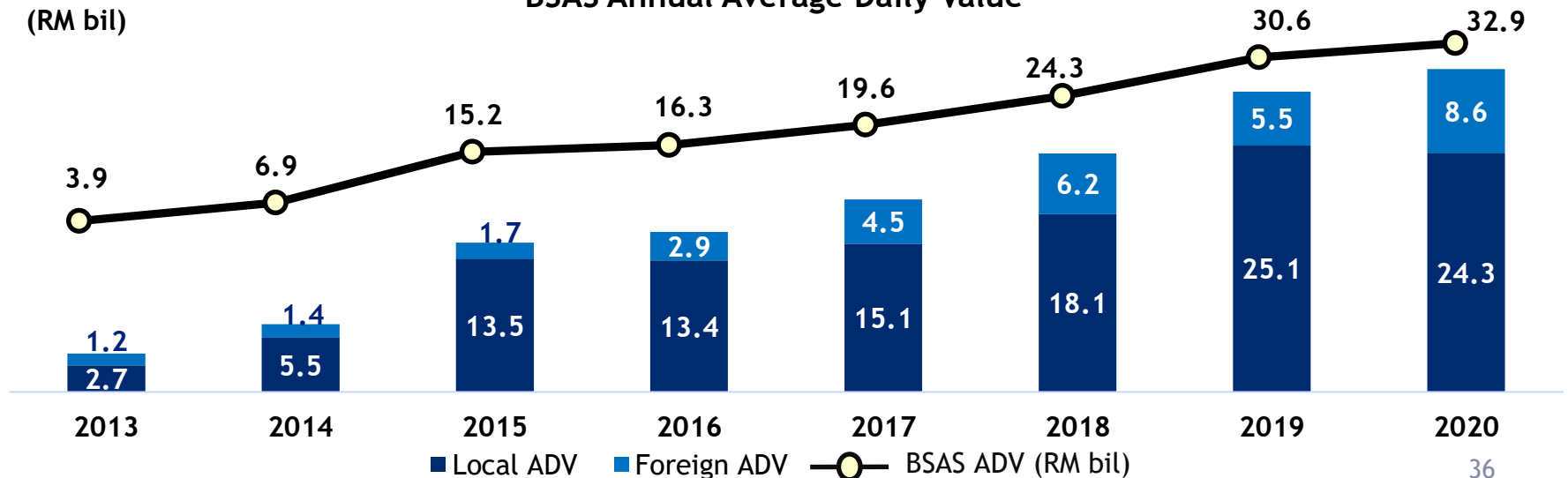
(RM bil)

BSAS Quarterly Average Daily Value



(RM bil)

BSAS Annual Average Daily Value



■ Local ADV ■ Foreign ADV —○— BSAS ADV (RM bil)

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