

# FY2021 Financial Results

28<sup>th</sup> January 2022



# CONTENT

- Recent Developments
- Key Financial Highlights & Market Performance
- Financial Review
- Our Way Forward
- Appendices



# Recent Developments

- 2021-2023 Strategic Roadmap
- Our Achievements in 2021



# 2021 - 2023 Strategic Roadmap

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



## 3 CORE STRATEGIES

- Product Expansion
- Ecosystem Development
- Capacity & Capabilities Building



## 4 ENABLERS

- Data & Innovation
- Technology
- Ecosystem
- People & Culture

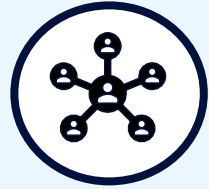


## 5 STRATEGIC PILLARS

- 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

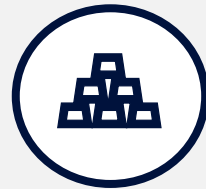
# Our Achievements In 2021

## Pillar 1 : Strengthening Our Core Business - Securities Market



### Product/Service Expansion

- ✓ Strong IPO market - 30 new listings achieved in 2021 (7 Main, 11 ACE and 12 LEAP market)
- ✓ Inaugural ETF issuance **VP-DJ Shariah China A-Shares 100** (28 July)

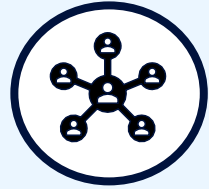


### Ecosystem Development

- ✓ Amended **Main & ACE Market Listing Rules** in relation to public security holding spread (23 Feb)
- ✓ **Pilot Market Making Program** framework for stocks (1 June)
- ✓ Launched **Discretionary Trading Framework** for securities (30 June)
- ✓ Launched **Bursa Anywhere e-rights & e-General Offer (eGO) features** (14 July & 7 Oct)
- ✓ Launched **Bursa Digital Research** to enhance financial literacy (9 Dec)
- ✓ **Dematerialisation Proof of Concept (PoC)** for structured warrants issuance efficiencies (30 Nov)
- ✓ Bursa Malaysia Becomes **One-Stop Centre For ACE Market IPOs And Prospectus Registration** (20 Dec)
- ✓ Issuance of updated **Corporate Governance guide (4th edition)** to promote best practices (15 Dec)
- ✓ Embarked on **Investor Relations & Public Relations Incentive Programme** (14 Sep)

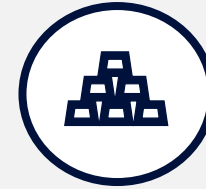
# Our Achievements In 2021

## *Pillar 2 : Diversifying Derivatives Business*



### Product/Service Expansion

- ✓ Revamped Crude Palm Kernel Oil Futures (8 March)
- ✓ Commenced requirement for all FCPO Physical Delivery to be Malaysian Sustainable Palm Oil (MSPO) certified (1 April)
- ✓ Launched East Malaysia Crude Palm Oil Futures (FEPO) contract (4 October)
- ✓ Launched Revamped 3-Year Malaysian Government Securities Futures Contract (FMG3) and 10-Year Malaysian Government Securities Futures Contract (FMGA) with physical delivery mechanism (27 Dec)

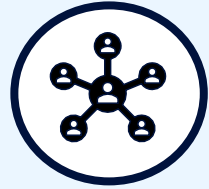


### Ecosystem Development

- ✓ Implementation of e-Negotiated Large Trade (e-NLT) Phase 2 (8 Sept)
- ✓ Launched first ever Derivatives Virtual Trading Challenge (DVTC) 2021 (22 Sept)
- ✓ Launched After-Hours (T+1) Night Trading Session (6 Dec)
- ✓ Launched Securities Futures Trading System (SFTS) (20 Dec)
- ✓ Signed MoU with Zhengzhou Commodity Exchange to expand the Asian derivatives markets (1 Nov)

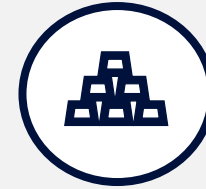
# Our Achievements In 2021

## *Pillar 3 : Positioning Bursa Malaysia as the Global Hub for Islamic Capita Market*



### Product/Service Expansion

- ✓ Launched the new ESG themed FTSE4GOOD Bursa Malaysia Shariah Index (5 July)
- ✓ **Hibah Amanah** service for our CDS account holders was successfully rolled out by the maiden Hibah provider, Wasiyyah Shoppe Bhd (17 Nov)



### Ecosystem Development

- ✓ Completed **Digital Gold Dinar Proof Of Concepts** as we work towards democratizing Shariah-compliant Gold Investment (Dec 2021)
- ✓ Onboarded new BSAS local and foreign Trading Participants - e.g. from Malaysia, Maldives, UAE, Turkey, Kenya.
- ✓ 16 Brokers with Islamic Stockbroking Services facilitating Shariah Investing on Bursa Malaysia-i.

# Our Achievements In 2021

## *Pillar 4 : Providing New & Improved Services to the Capital Market*



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

#### **Expanded partnership towards new business opportunities**

- ✓ Launched new value-added data solutions of trade and fundamental data analytics in collaboration with DIBots Solutions
- ✓ Signed MOU and undertook data analytics POC with Alliance Bank (8 Feb)
- ✓ Signed MOU with Alliance Bank and OCBC Bank to serve ESG needs of PLCs (18 Nov)
- ✓ Completed survey with Institutional Investors Council Malaysia members on ESG Data Standardisation (3 Nov)

#### **Leveraged technology for improvements**

- ✓ 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



# Our Achievements In 2021

## *Pillar 5 : Embedding Sustainability in our Organisation & Marketplace*



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

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

#### **Anchor sustainable finance ecosystem**

- ✓ Launched the Corporate Sustainability Practitioner Competency Framework (28 Oct)
- ✓ FTSE4GOOD Bursa Malaysia Index constituents increased to 80 (in Dec 2021), from 75 in Dec 2020

#### **Demonstrate leadership in advocating ESG practices and climate action**

- ✓ Committed to become carbon neutral by 2022 and achieve net zero emissions by 2050
- ✓ Integrating TCFD recommendations into our business processes and risk management approach
- ✓ Rated 'C' in quality of climate practices and disclosures. (highest score by Malaysian company)

#### **Deepen commitment to our communities**

- ✓ Donated for COVID-19 related assistance and contributed to the National Disaster Relief Trust Fund and Malaysian Red Crescent Society

# Various Global & National Recognitions In 2021

*Wide ranging and notable awards earned*

1. **Exchange of The Year - Regulation Asia Awards for Excellence 2021**
2. **Outstanding Project Award for Bursa Anywhere - Regulation Asia Awards for Excellence 2021**
3. **Best Stock Exchange for Islamic Listings - 16<sup>th</sup> Annual Islamic Finance News Awards 2021**
4. **Digital Transformation & Hybrid Cloud Infrastructure Award - ASEAN Red Hat APAC Innovation Awards 2021**
5. **Highest Return on Equity over 3 Years in financial services sector (below RM10 billion market capitalisation) - The Edge Billion Ringgit Club Awards 2021**

# Key Financial Highlights & Market Performance

- Financial Highlights for FY2021
- FY2021 Financial Trend
- Dividend
- Securities Market Overview
- Derivatives Market Overview
- Islamic Markets Overview



# Financial Highlights For 2021

*Continued strong performance in 2021, albeit softer than 2020*



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



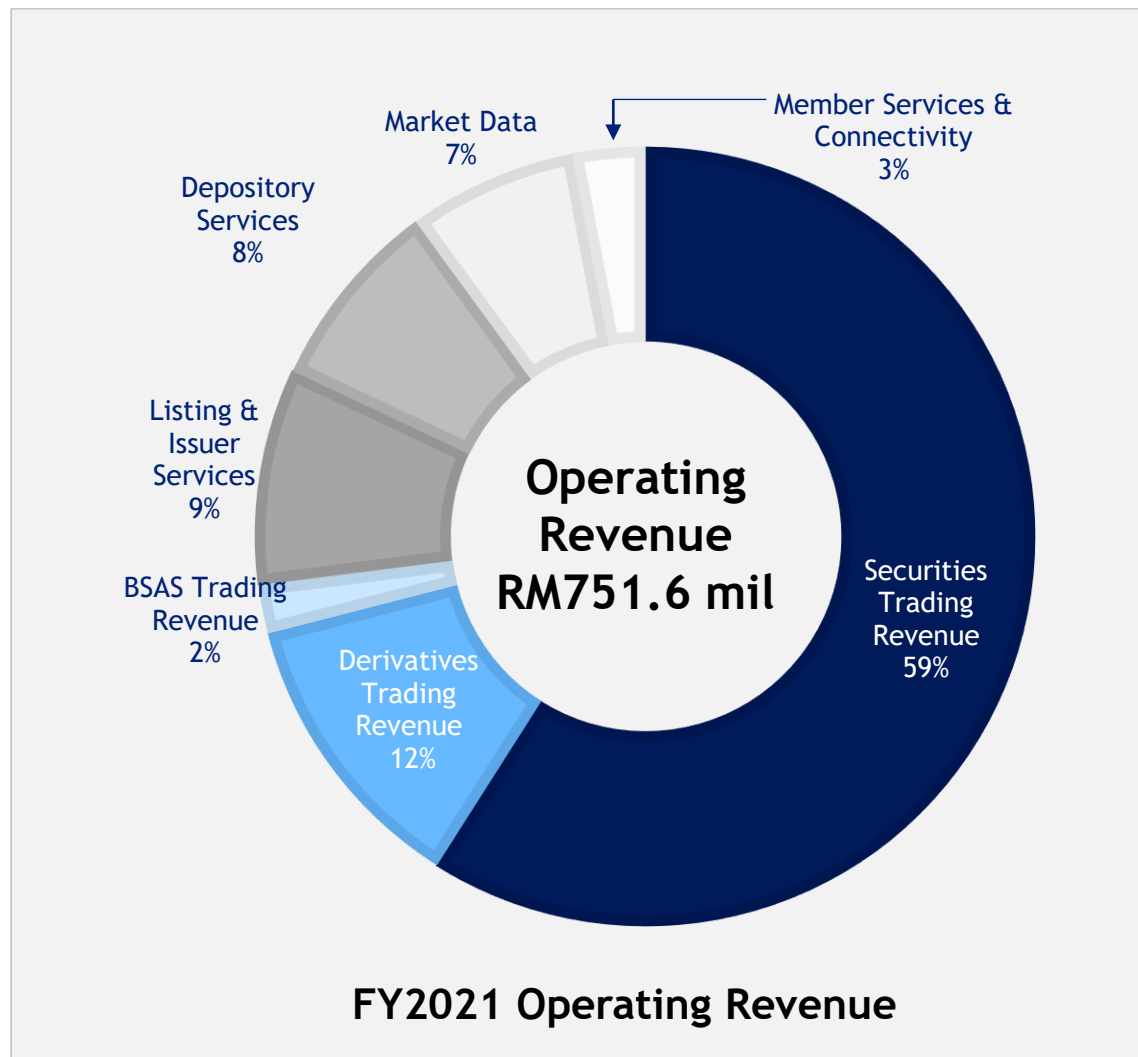
- Decrease in operating expenses due to higher one-off expenses in FY2020.



- As a result, PAT decreased by 6.0% to RM355.3 million in FY2021 as compared to last year.



# FY2021 Financial Performance - Non-trading revenue grew 18% in 2021

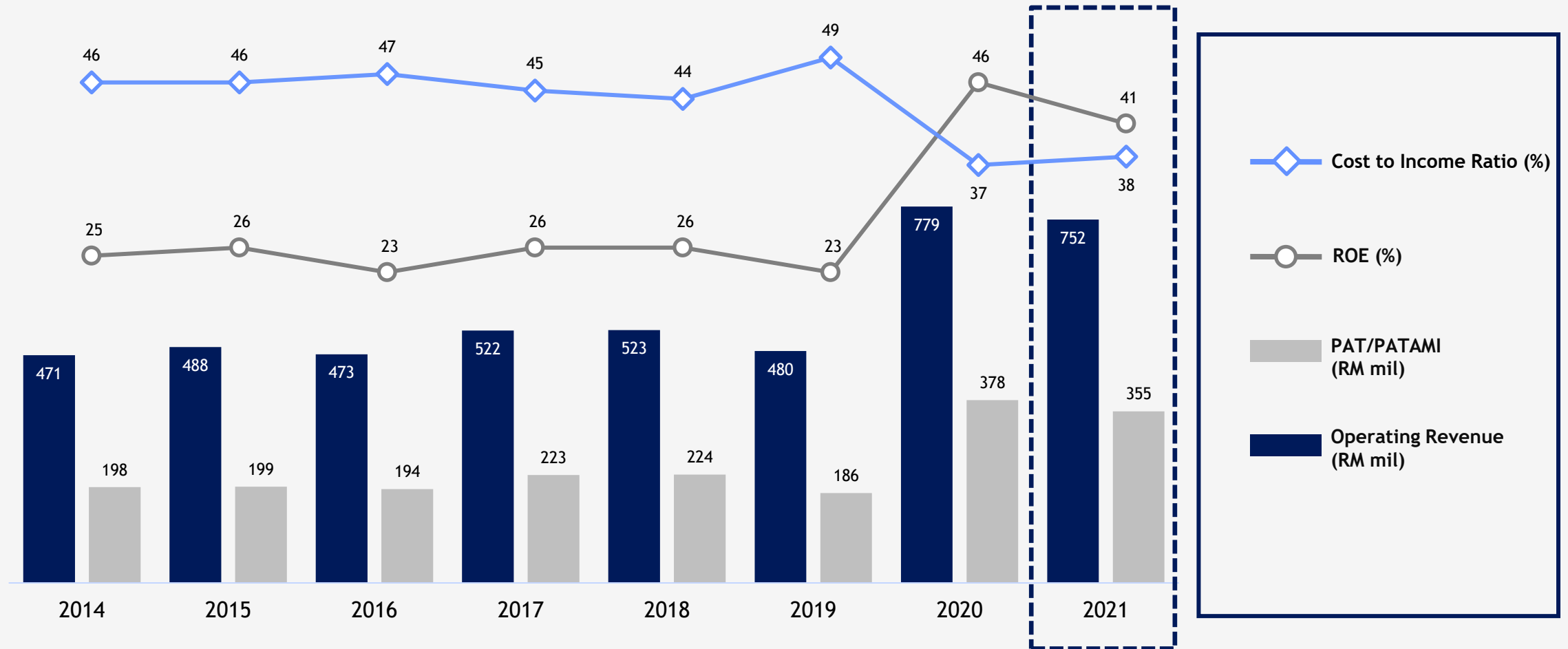


Trading Revenue continues to form a large proportion of Bursa Malaysia's operating revenue, however its largest contributor, Securities Trading Revenue, experienced a 11.2% decline against FY2020

**Our Non-Trading Revenue substantially increased against FY2020**

Listing & Issuer Services	▲	<b>24.3%</b>
Depository Services	▲	<b>18.3%</b>
Market Data	▲	<b>12.2%</b>
Member Services & Connectivity	▲	<b>14.8%</b>

# FY2021 Financial Trend - Despite the challenges, 2021 recorded a strong performance



# Dividend - Final dividend at 17 sen per share; Dividend yield of 6.3%

## FINAL DIVIDEND



### AMOUNT

17.0 sen per share



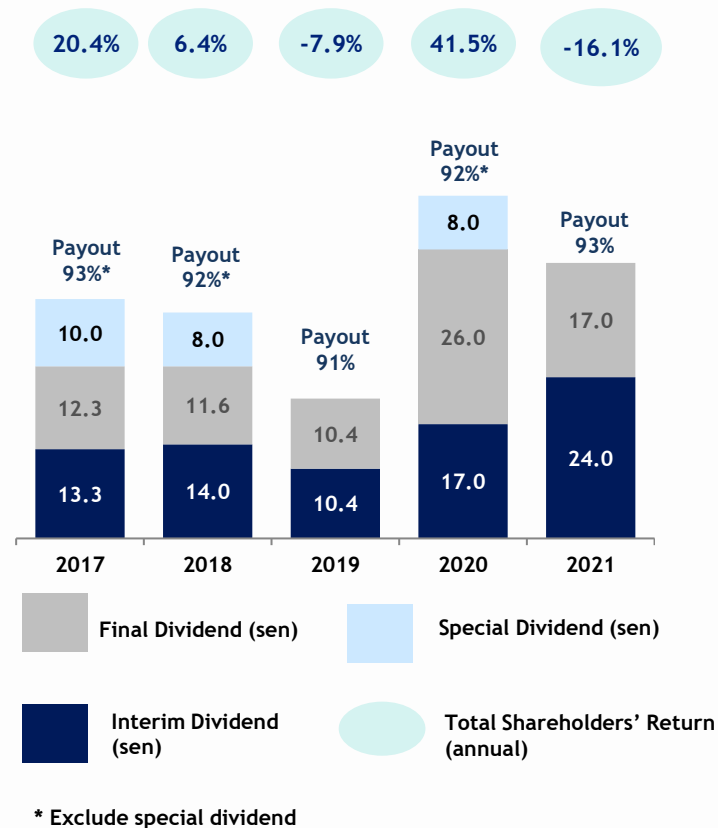
### ENTITLEMENT DATE

18 February 2022

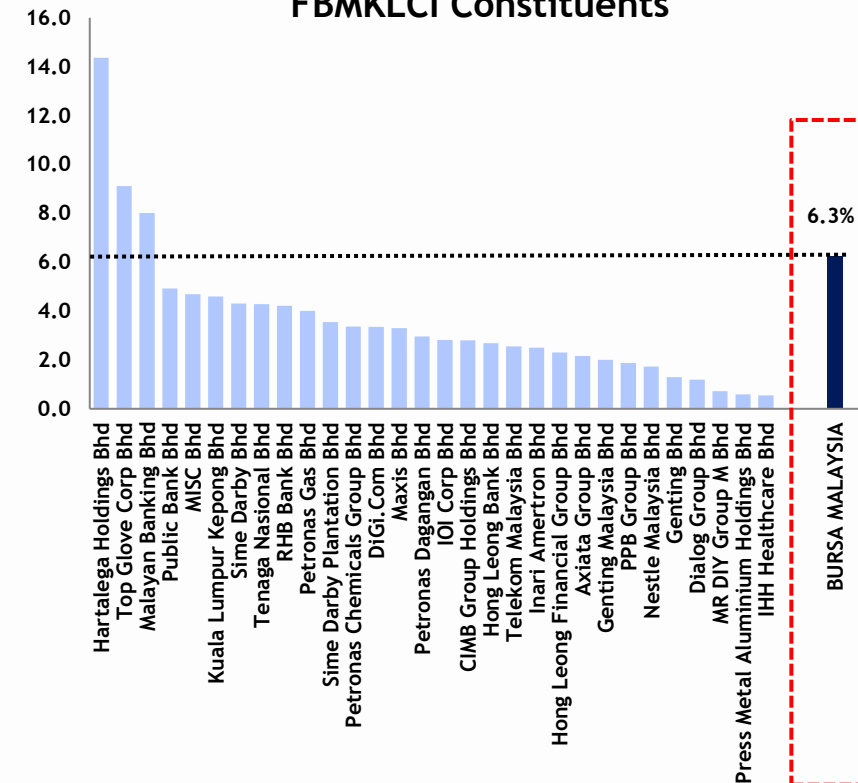


### PAYMENT DATE

25 February 2022



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



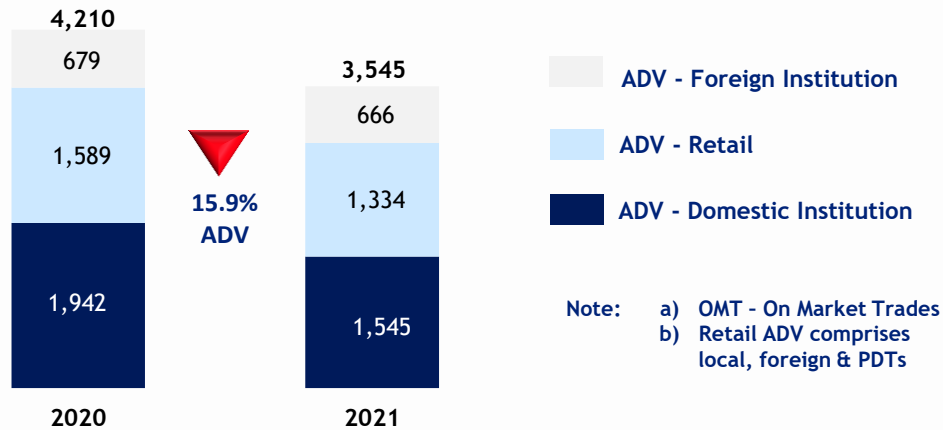
Note: Comparative figures have been adjusted to reflect the bonus issue exercise completed on 13 April 2018.

Source: Bloomberg and Bursa Malaysia  
As at 31 Dec 2021

# Securities Market Overview - ADV declined as trades normalised in 4Q2021



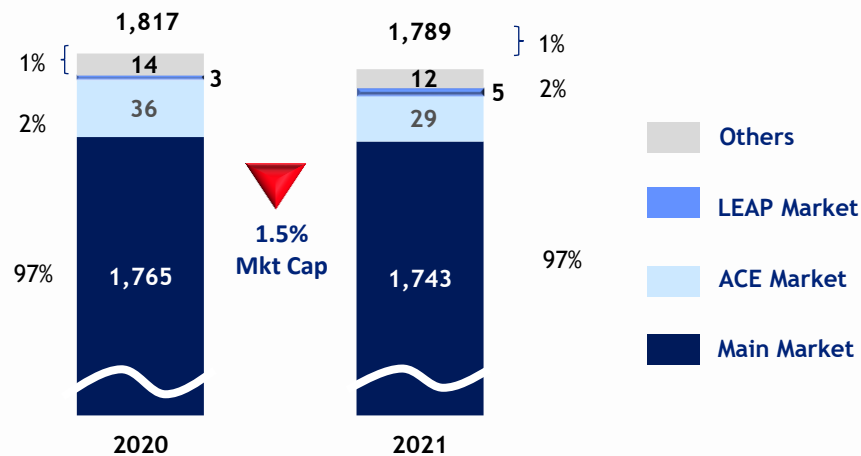
### Average Daily Value ("ADV") (OMT) (RM mil)



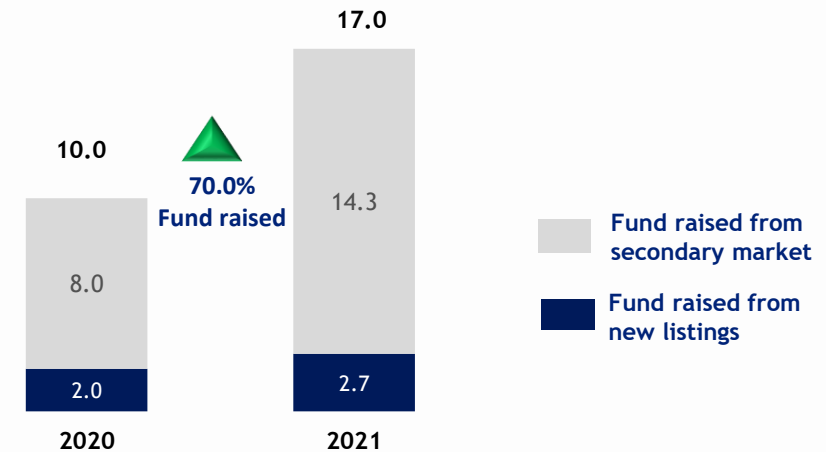
### Diversified Products Offering & Healthy IPO & Secondary Fundraising



### Market Capitalisation (RM bil)



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

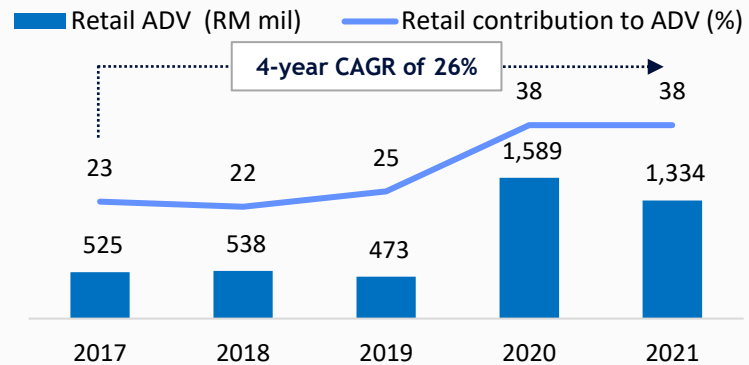




# Securities Market Key Highlights - Strong retail participation

## Retail ADV

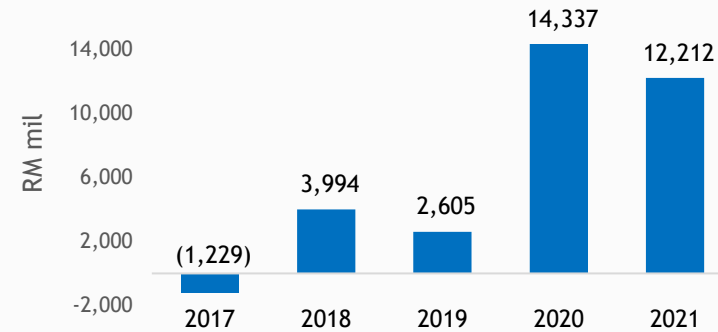
2021 saw 16% decline in retail ADV from FY2020



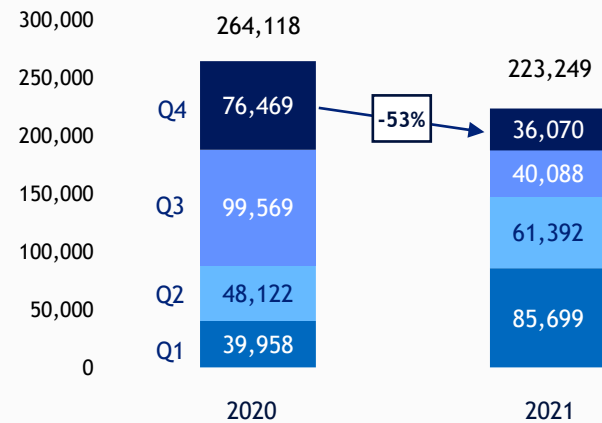
Note: Retail ADV comprises of Local Retail, Foreign Retail & Local PDT

## Local Retail Net Buy/(Sell) Position

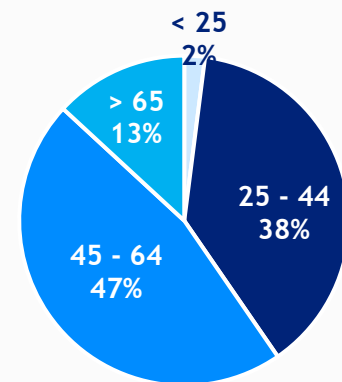
2021 Net Buy position at RM12.2bil



## New Individual CDS Accounts



## Total Retail Trading Value Contribution By Age



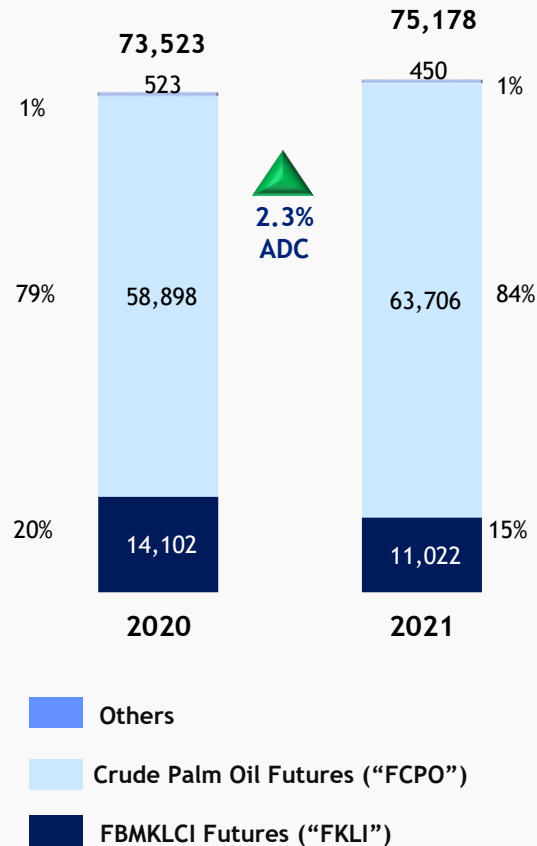
Group aged between 45 - 64 years old is the largest contributor to Total Retail TTV (RM279.9bil) in FY2021.

- Retail trades continue to show strong momentum in 2021, following 2020's extraordinary surge in retail ADV to RM1.6 billion in 2020.
- 63% or about two-thirds of the new individual accounts opened in 2021 were by millennial investors (aged 26-45 years old)

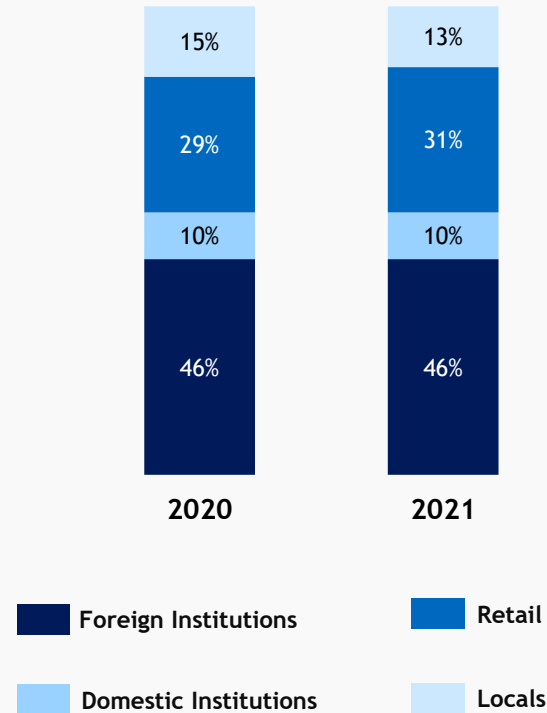
# Derivatives Market Overview

Derivatives trades driven by volatility in the commodities market and FKLI

## Average Daily Contracts (“ADC”)



## ADC Traded by Investor Types



## Product Volatility

2021	36%	10%
	Volatility of CPO Prices	Volatility of FBMKLCI
2020	32%	16%

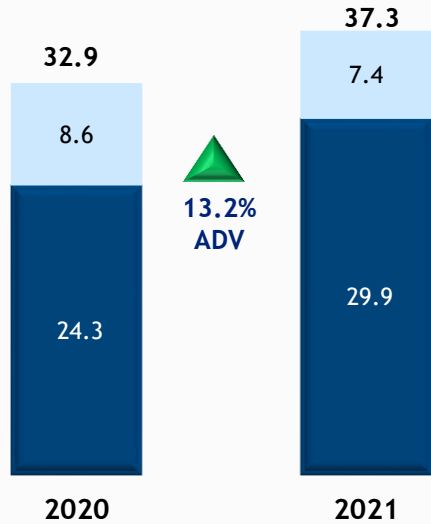
## Notable Highlights

- Achieved historical high for total ADC in 2021
- Highest daily trading volume for FKLI - 66,887 contracts (27 May 2021)
- Highest monthly trading volume for FCPO - 1,705,276 contracts (June 2021)
- Growing foreign participation: 46% of ADC contributed by foreign institutions in 2021 (2020: 45%, 2019: 38%)

# Islamic Markets Overview

Higher BSAS trades recorded by local participants

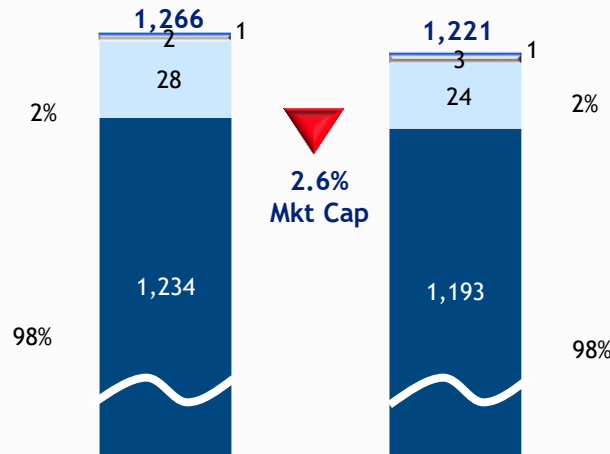
Bursa Suq Al-Sila' ("BSAS") ADV (RM bil)



2021	299
<b>No. of Trading Participants</b>	
2020	264

Domestic Foreign

Market Capitalisation of Shariah Compliant Stocks (RM bil)



2021	79% (760)
<b>% and no. of Shariah Compliant Stocks</b>	
2020	79% (756)

Main Market ACE Market  
LEAP Market Others

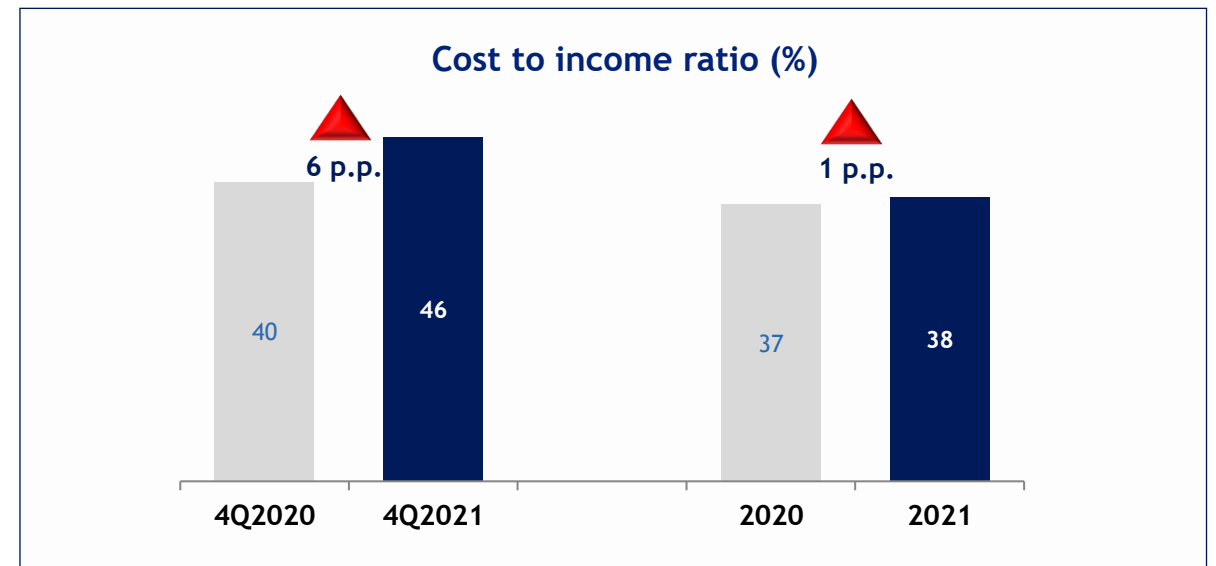
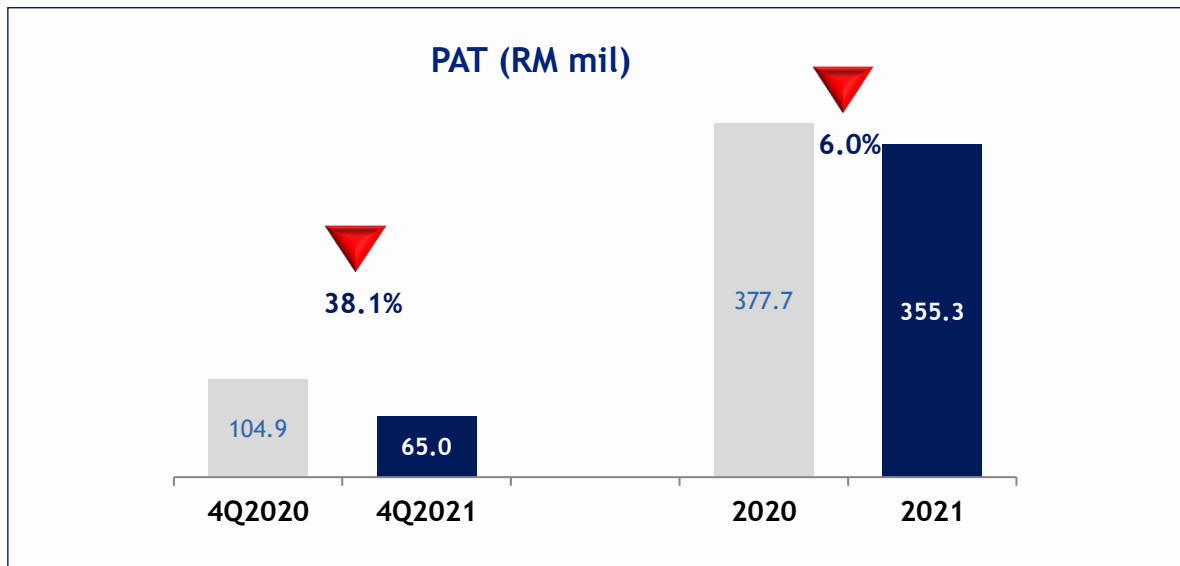
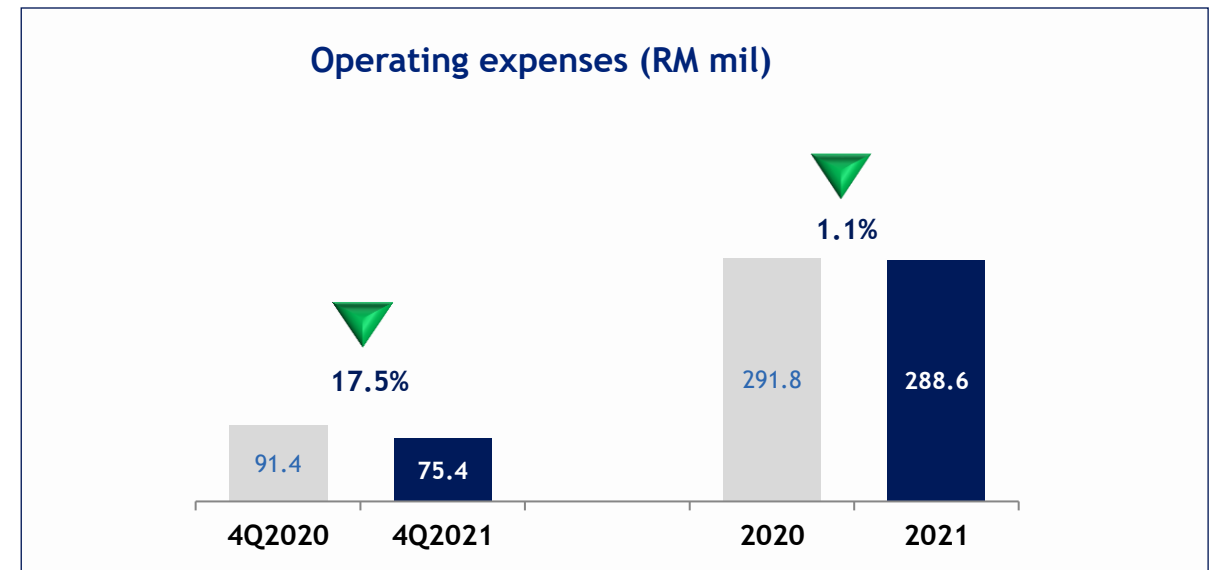
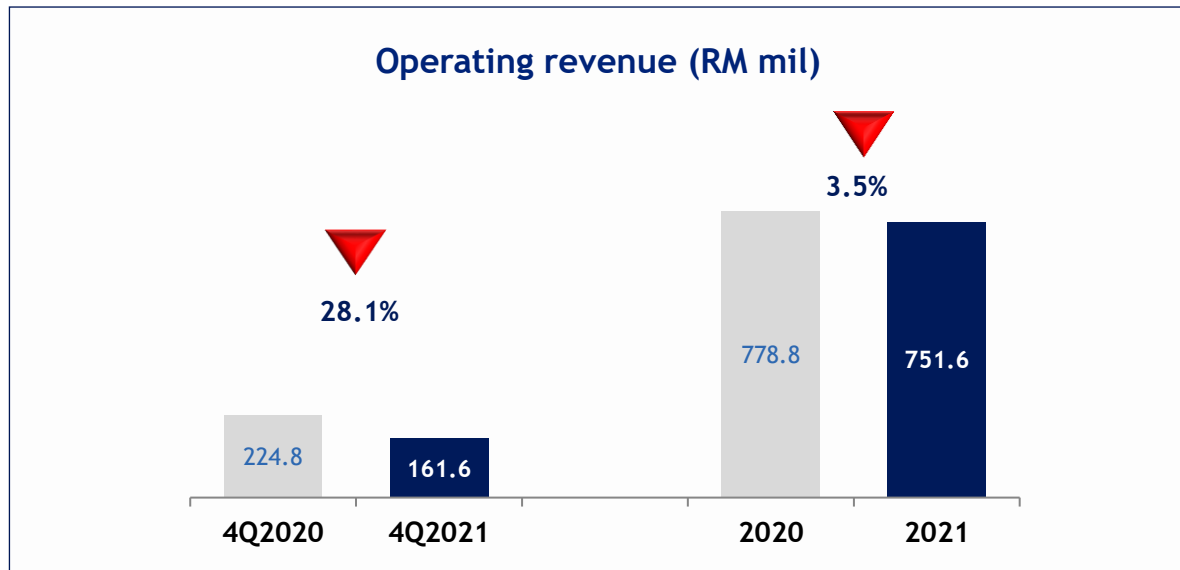
- Highest yearly ADV Trade in 2021
- Strong trading activities by local participants in 2021 (80% of the trades)
- In 2021, BSAS admitted 36 new participants
  - 28 Local Participants
  - 8 Foreign Participants (5 financial institutions and 3 corporations)
- The number of Shariah compliant stocks grew 5.5% year-on-year.

# Financial Review

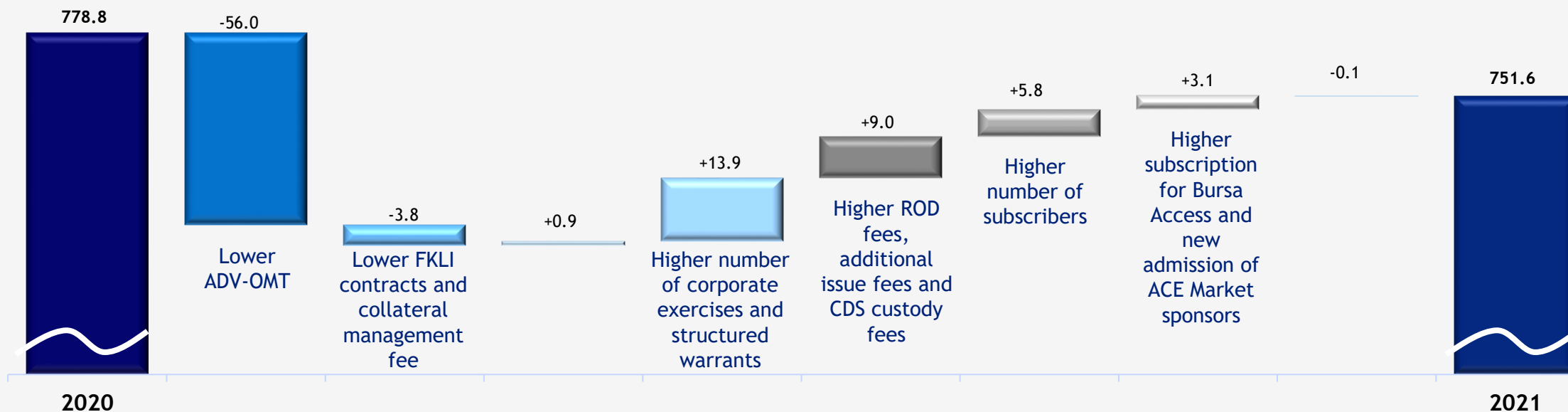
- Financial Snapshot
- Operating Revenue
- Operating Expenses



# Financial Snapshot - Strong 2021 results, albeit softer than 2020 performance

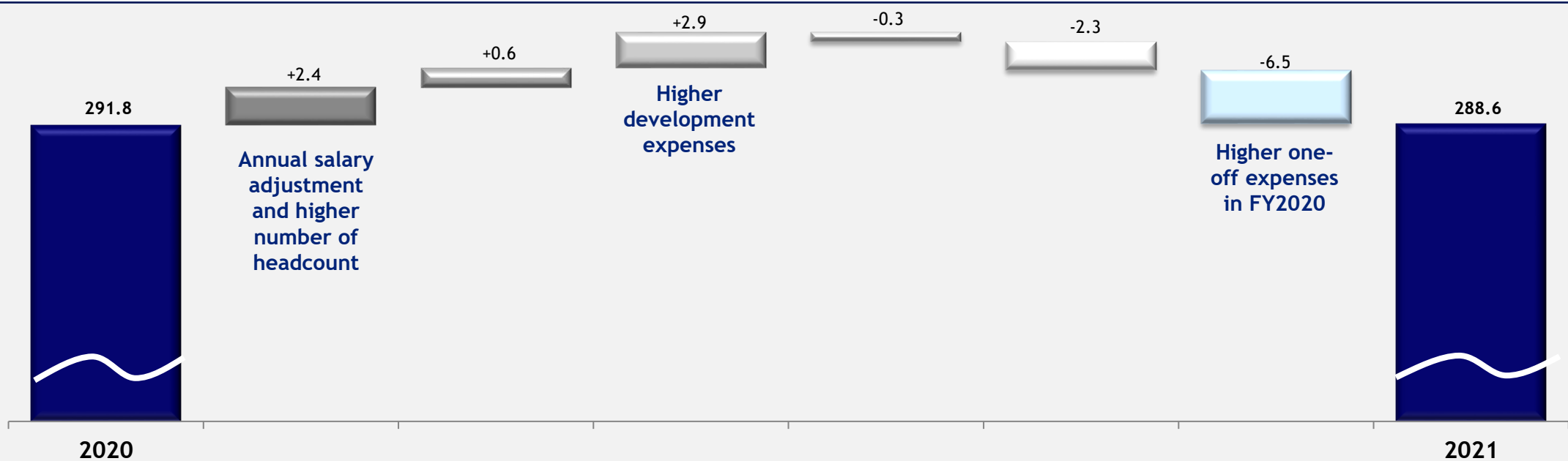


# Operating Revenue - 4% decrease in FY2021 operating revenue to RM751.6m



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
FY2021	442.9 (59%)	87.3 (12%)	14.0 (2%)	70.9 (9%)	58.2 (8%)	54.0 (7%)	24.2 (3%)	0.1 (0%)	751.6
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
YoY	▼ 11.2%	▼ 4.1%	▲ 6.7%	▲ 24.3%	▲ 18.3%	▲ 12.2%	▲ 14.8%	▼ 74.0%	▼ 3.5%

# Operating Expenses - Costs decreased by 1% to RM288.6m in FY2021



## Expenses (RM mil)

	Manpower Costs	Depreciation & Amortisation	Marketing & Development	IT Maintenance	Service Fees	Other Operating Expenses	TOTAL
<b>FY2021</b>	158.0 (55%)	22.0 (8%)	8.7 (3%)	23.5 (8%)	20.2 (7%)	56.2 (19%)	288.6
<b>FY2020</b>	155.6 (53%)	21.4 (7%)	5.8 (2%)	23.8 (8%)	22.5 (8%)	62.7 (21%)	291.8
<b>YoY</b>	▲ 1.5%	▲ 2.8%	▲ 49.5%	▼ 1.4%	▼ 10.2%	▼ 10.4%	▼ 1.1%

# Our Way Forward

- Exciting Deliverables in the Pipeline for 2022
- Our 3 Key Deliverables in 2022





# We remain focused on our efforts towards achieving our aspiration to be a multi-asset exchange

2020 - 2021



## Strengthen our core to enhance readiness

- Acquire technical knowledge via numerous POCs cutting across various product range & services
- Grow ESG Strength by developing enabling frameworks and thought leadership
- Widen investor education & engagement, to grow our investor base

2022 - 2023

## 1 Deepen capabilities to capture new growth opportunities

- Accelerate introduction of innovative products or new asset classes
- Establishing new platforms and services serving emerging market needs e.g. Carbon Trading Platform
- Embark on more collaborative efforts e.g. New data solutions

## 2 Elevating Existing Businesses to boost market vibrancy & attractiveness

- Broaden & enhance current product/solution offering
- Champion best practices among issuers, and provide supportive measures and tools to serve PLCs' needs
- Drive PLC Transformation Programme to spur competitive, sustainable performance among PLCs

# Exciting Deliverables In The Pipeline for 2022

*Various Initiatives are in place to develop our marketplace and increase shareholder value*



## EXPANSION OF OFFERINGS TO ENHANCE MARKET VIBRANCY

- Launch innovative products/platforms to meet emerging needs
  - Voluntary carbon market
  - Fixed income offering
  - Digital Gold Dinar
  - Licensing of foreign derivatives products



## STRENGTHEN MARKET ECOSYSTEM AND ACCESSIBILITY

- PLC Transformation Programme & increased research reports/profiling
- Extended trading hours (BMD)
- Fresh program on the total Customer Experience (CX)



## FOCUS ON INNOVATION & TECHNOLOGY TO DRIVE GROWTH

- Expand on collaborative efforts to achieve commercialisation from fintech POCs
- Offer holistic data, advisory and infrastructure services for all types of market participants
- Invest in technology to increase agility and ensure operational resiliency

# Our 3 Key Deliverables In 2022

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**Voluntary Carbon Market**



**PLC Transformation Programme**



**Commercialisation of Digital Gold Dinar**

# Thank You



# Appendices

- Financial Highlights 4Q2021
- 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

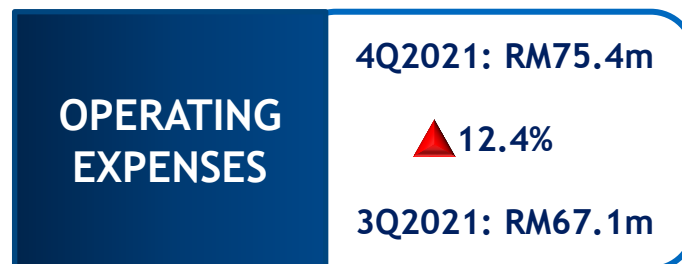


## Financial Highlights 4Q2021

*Current quarter versus previous quarter comparisons...*



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



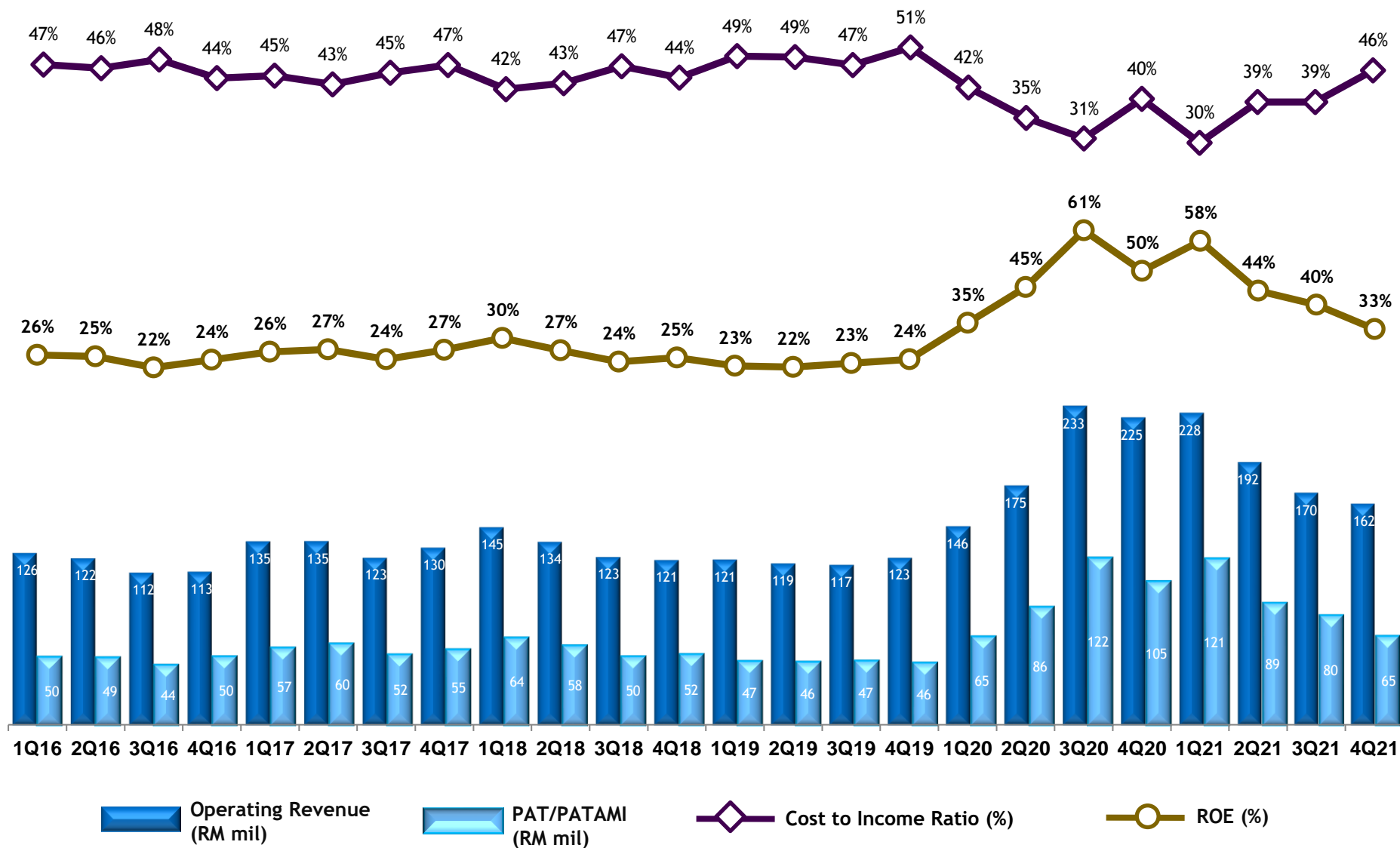
- Increase in operating expenses due to higher manpower and other operating costs.



- As a result, PAT was 18.7% lower q-on-q.

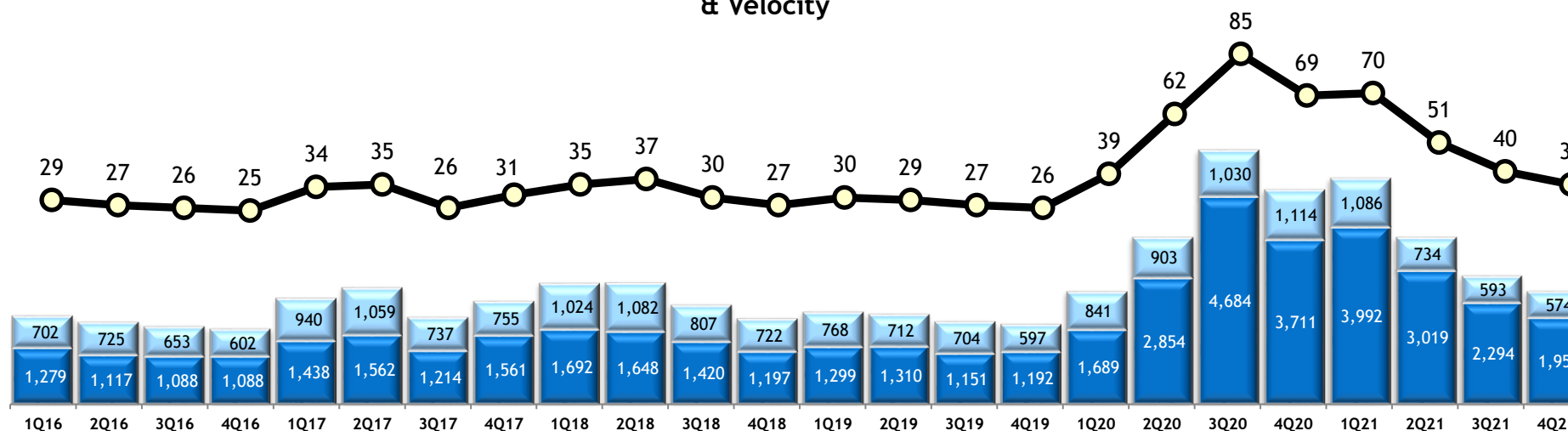


## Quarterly Financial Trends

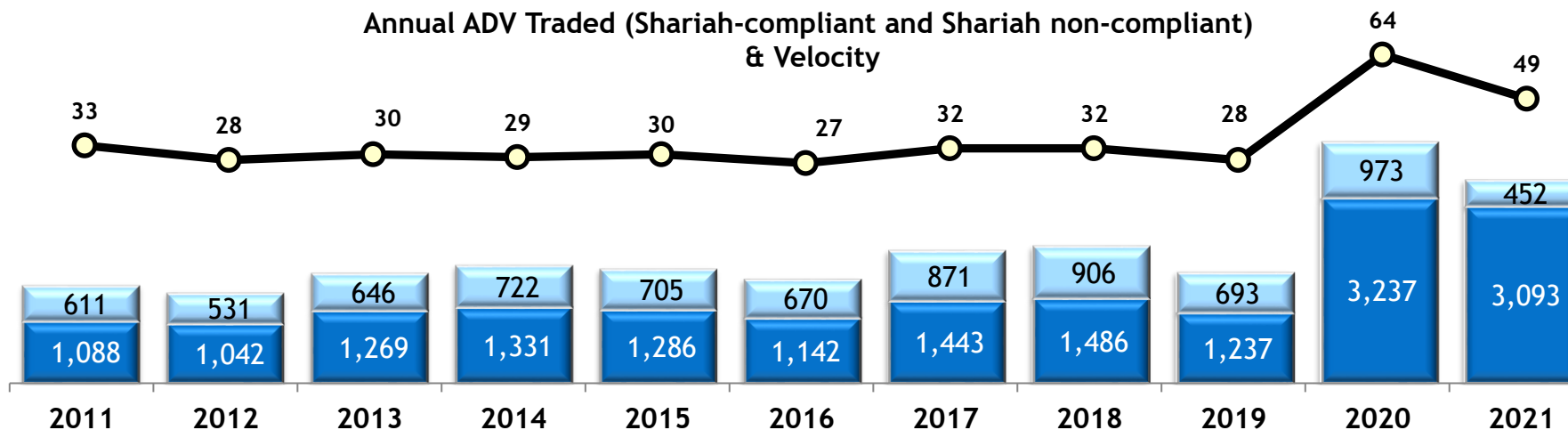


# Securities Market Trading Activity

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



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



—○— Velocity (%)

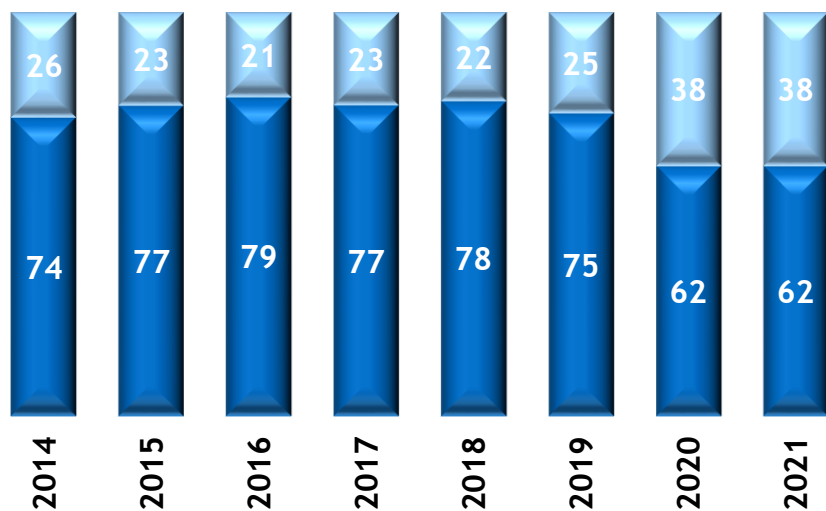
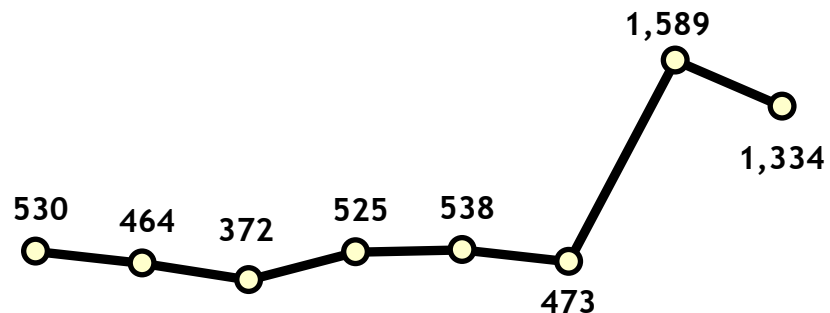
■ Shariah-compliant ADV (RM mil)

■ Shariah non-compliant ADV (RM mil)



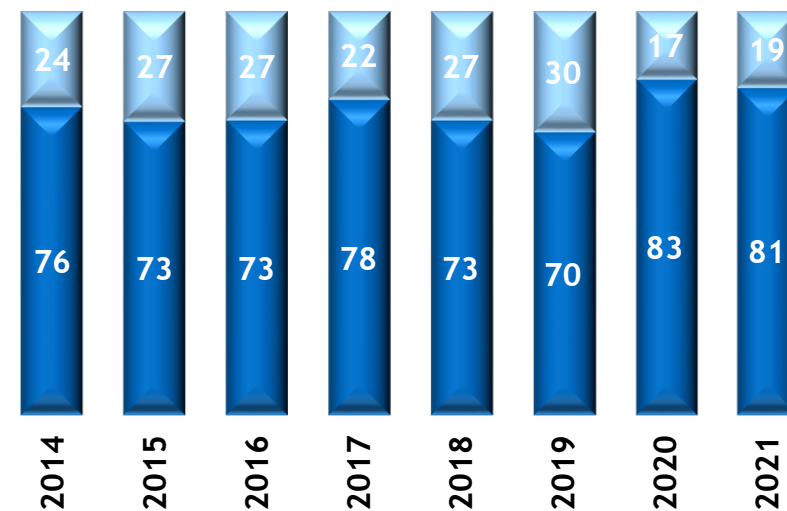
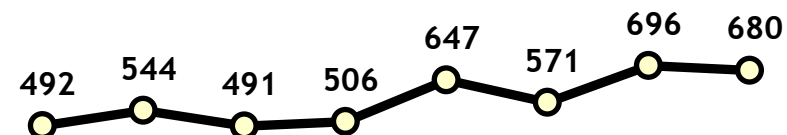
# Securities Market Trading Participation

### Retail vs. Institution



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

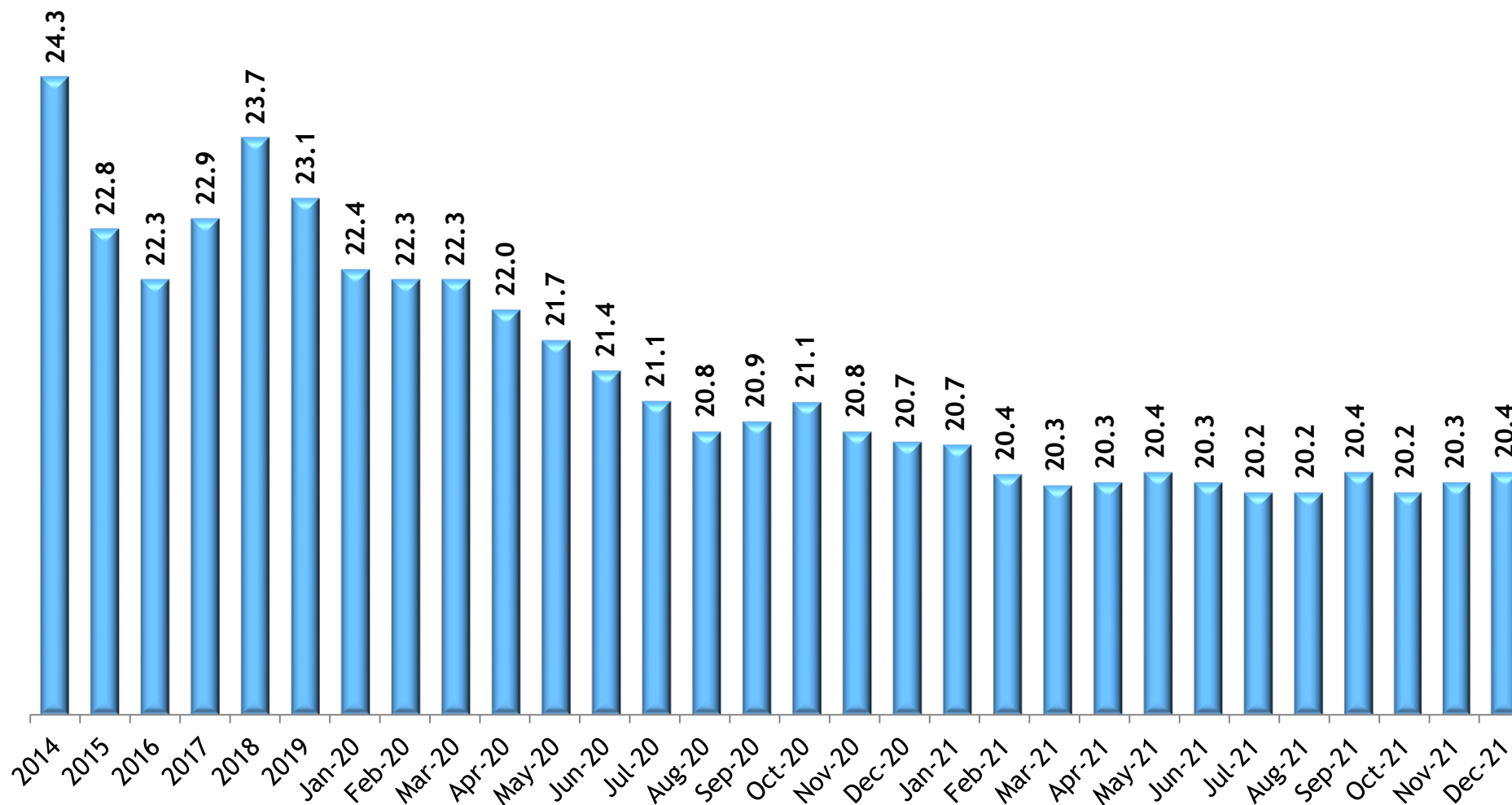
### Foreign vs. Local



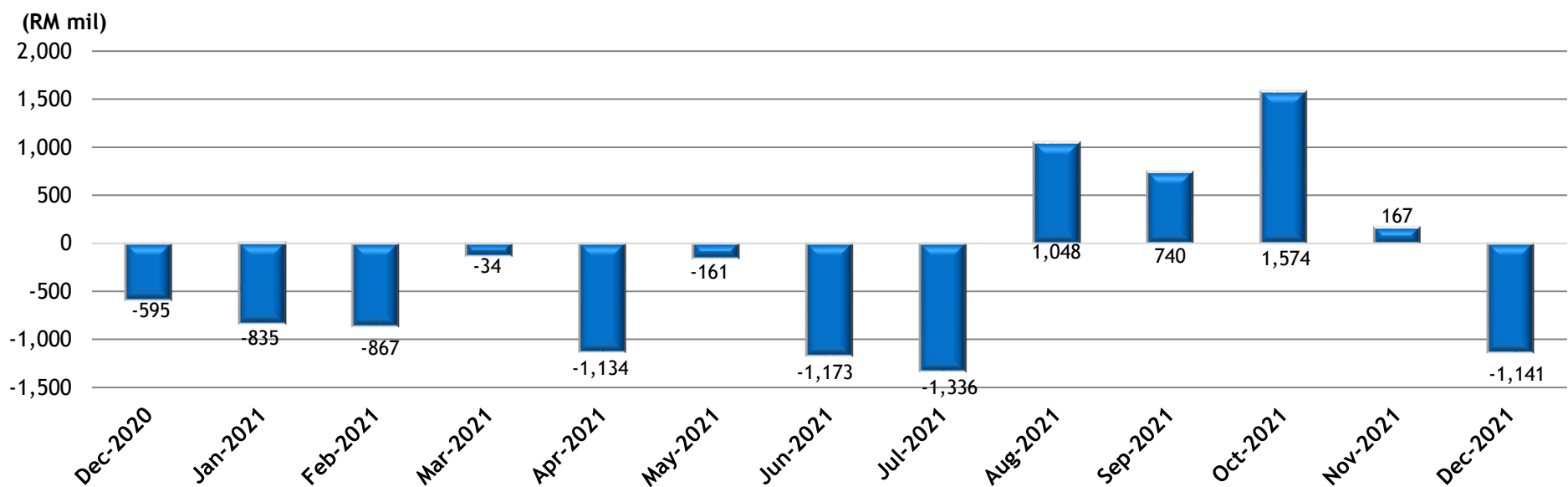
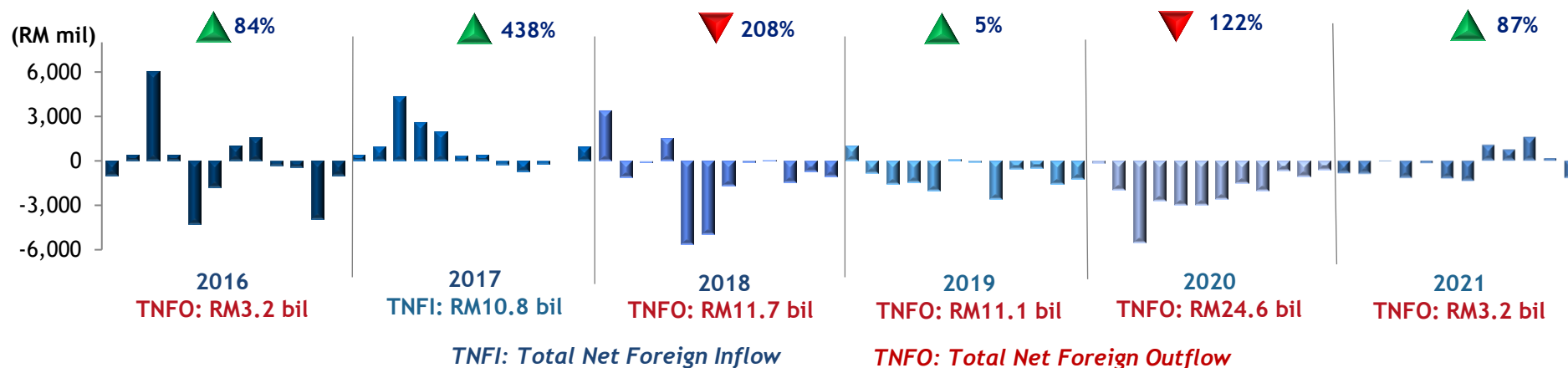
 Foreign ADV Traded (RM mil)    
  Foreign (%)    
  Local (%)

# Securities Market Foreign Ownership

Based on Market Capitalisation (%)

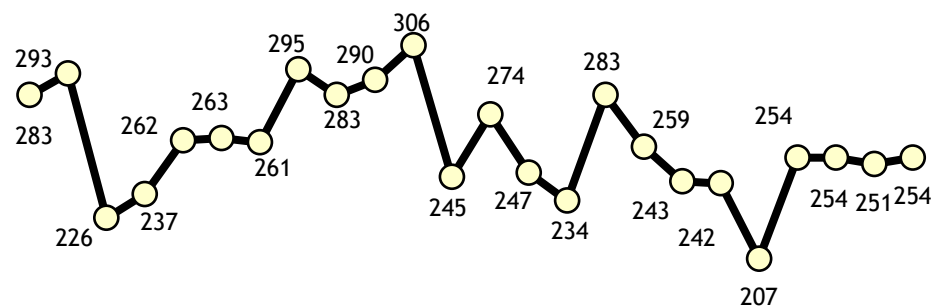


## Foreign Inflow/Outflow

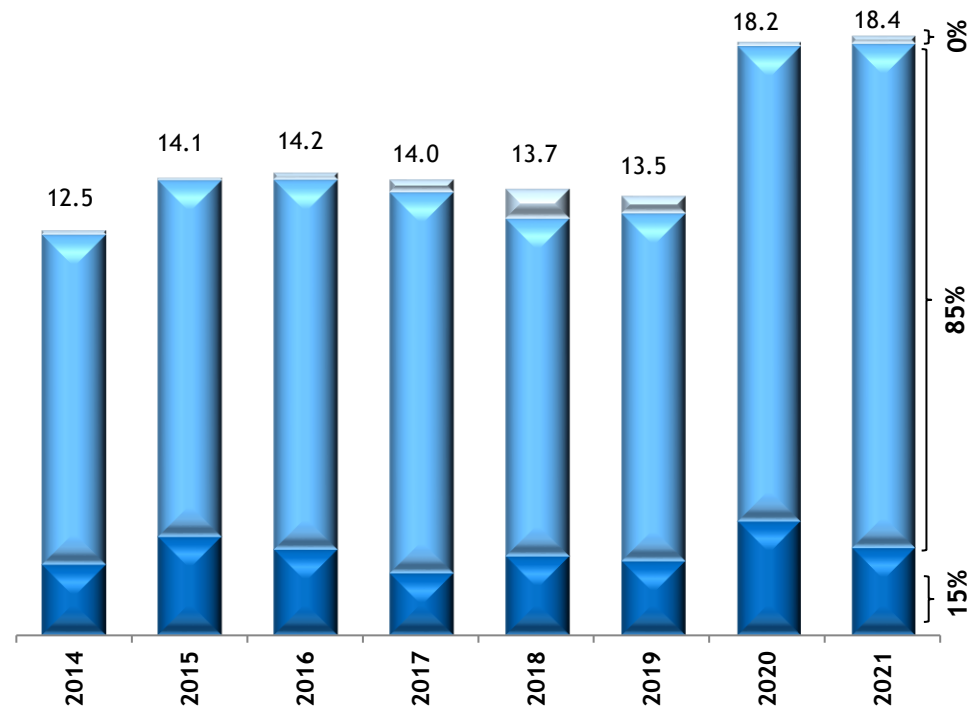
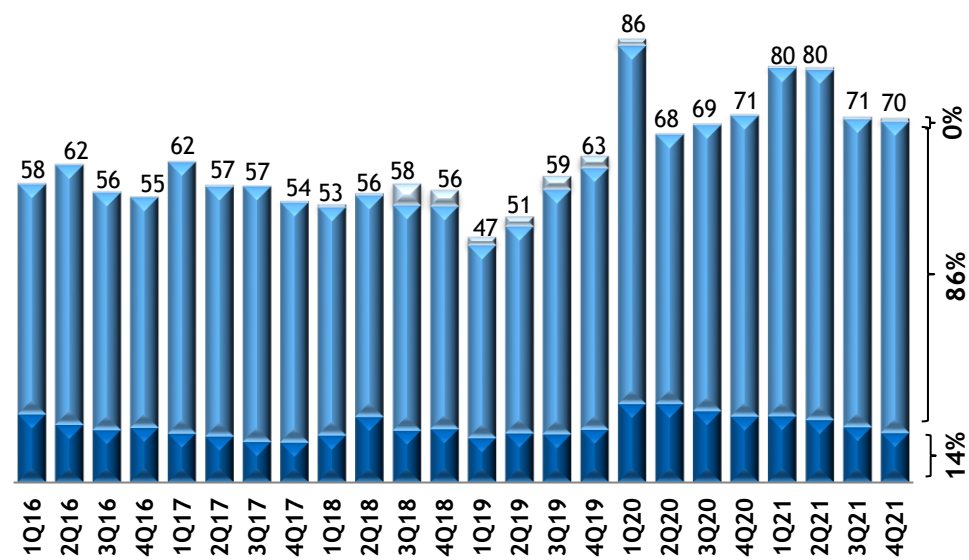
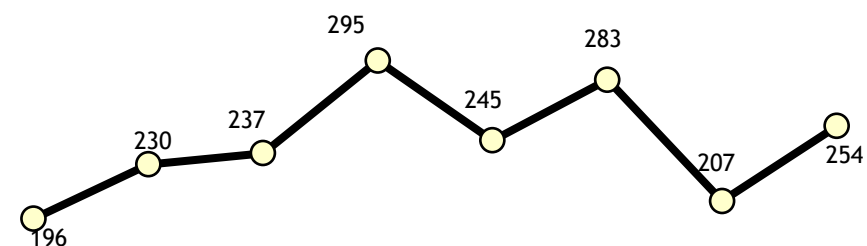


# Derivatives Market Activity

Quarterly Average Daily Contracts ('000)



Total Annual Contracts (mil)



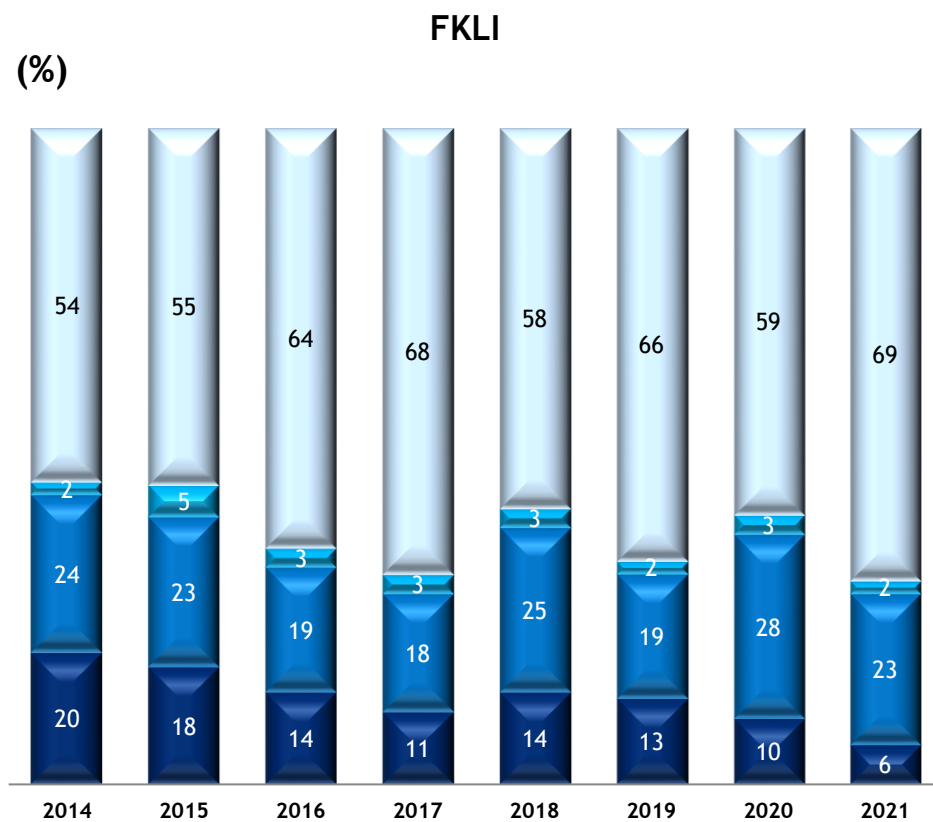
○ Open Interest ('000)

■ FBMKLCI Futures

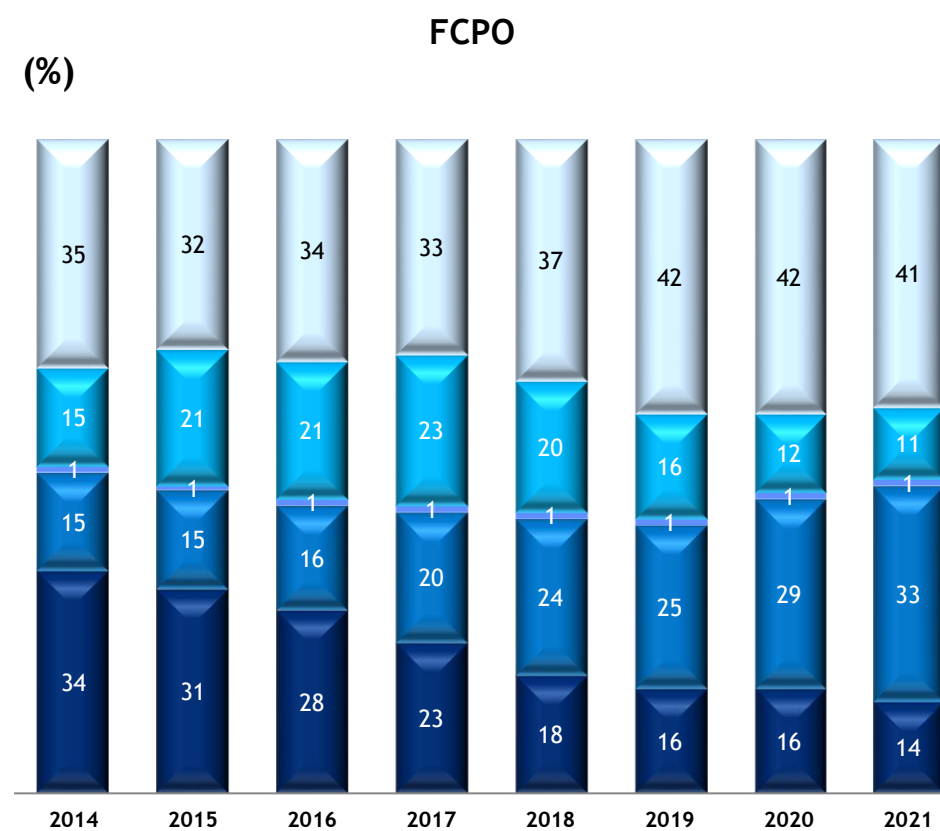
■ Crude Palm Oil Futures

■ Others

# Derivatives Market Demography



Foreign Institutions  
 Domestic Retail  
 Domestic Institutions  
 Local

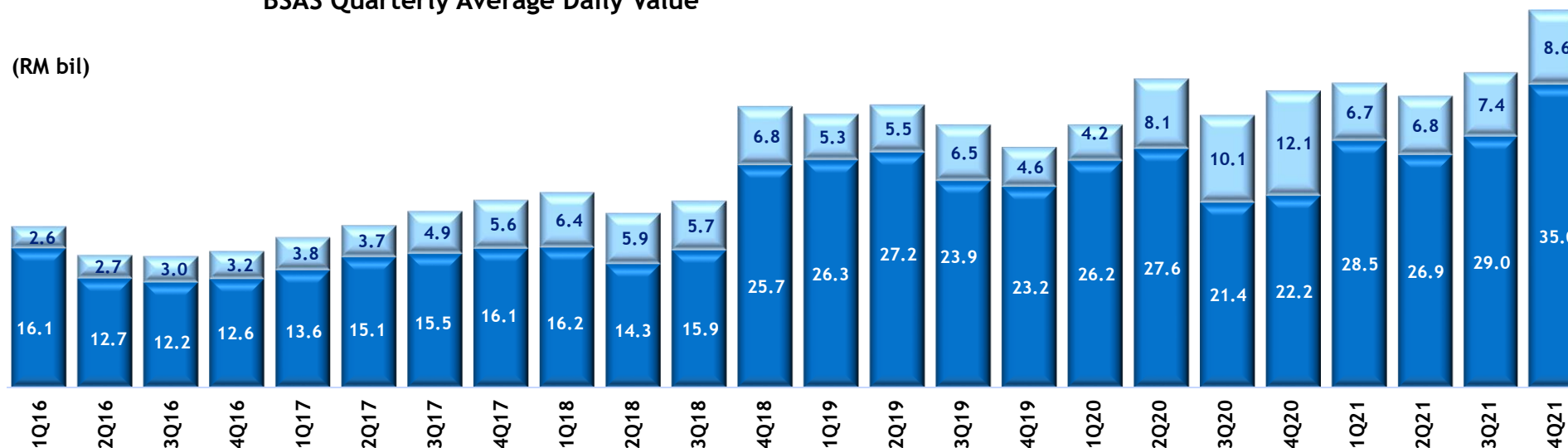


Foreign Institutions  
 Domestic Institutions  
 Domestic Retail  
 Local  
 Foreign Retail

# Islamic Market Activity

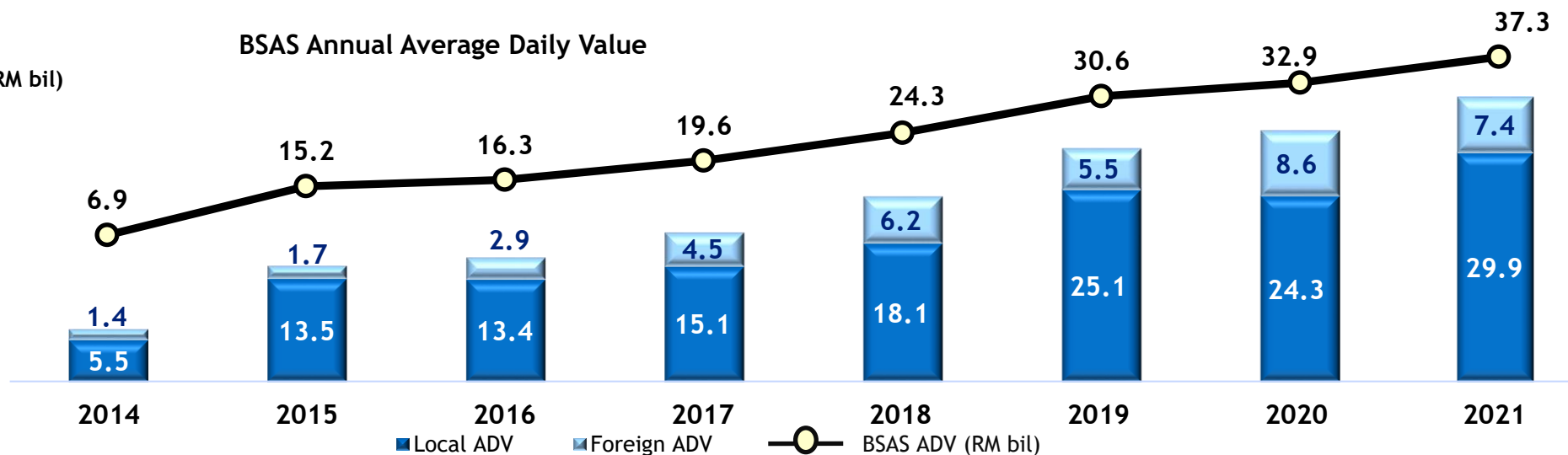
## BSAS Quarterly Average Daily Value

(RM bil)



## BSAS Annual Average Daily Value

(RM bil)



## INVESTOR RELATIONS CONTACT INFORMATION

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