

WELCOME ADDRESS
by Tan Sri Abdul Wahid Omar, Chairman of Bursa Malaysia

Launch of Bursa Malaysia as A Multi-Asset Exchange
Tuesday, 16 January 2024

(12 mins)

Yang Berhormat Senator Datuk Seri Amir Hamzah Azizan
Minister of Finance II

Yang Berbahagia Dato' Seri Dr Awang Adek Hussin
Chairman, Securities Commission

Yang Berbahagia Datuk Umar, Board and Committee members of Bursa Malaysia

Capital market partners and Leaders of Corporate Malaysia

Distinguished Guests

Members of the Media

Warga Bursa

Ladies and Gentlemen,

Assalamu'alaikum warahmatullahi wabarakatuh and *Salam Sejahtera*.

1. It gives me great pleasure to welcome all of you in person to the Exchange. This is the first event in 2024 for Bursa Malaysia and I think it is not too late to wish everyone a Happy New Year. Thank you for joining us on this auspicious day, as we gather to celebrate a few launches, and to commemorate Bursa Malaysia as a truly Multi-Asset Exchange.
2. To Yang Berhormat Senator Datuk Seri Amir Hamzah, thank you for making time to grace our occasion today. I believe this is among the very first of your official engagements since you took office just about a month ago, on 12 December. You have of course always been part of the capital market for decades. We are greatly appreciative and honoured to have you officiate this event, which is a significant moment in the history of Bursa Malaysia and our future.

3. What we are about to unveil shortly is the culmination of dedicated effort by the Bursa Malaysia team, which has been made possible with strong support from various stakeholders and industry partners. We are excited to present new developments as part of our expansion into the dynamic realm of multi-asset offerings, to provide more choices for investors, and to welcome new investors to the capital market. It also demonstrates our commitment to innovation and growth in the capital market.

A Brief Overview of Where Malaysia's Economy and Capital Market Currently Stand

Ladies and Gentlemen,

4. Allow me to first set some context on the market. Notwithstanding challenging operating conditions brought about by global headwinds, the Malaysian economy continues to exhibit resilience in 2023, with a projected GDP of **around 4%**, underpinned by robust domestic demand. The outlook for **the Malaysian economy in 2024 remains positive too, with a consensus projected growth rate of 4.5%, which is within the range of 4% to 5%**, as announced by the Ministry of Finance ("MoF") during last year's Budget 2024 presentation.
5. The Government remains committed to its economic reform efforts to attract high-value investments through catalytic blueprints and initiatives under the MADANI economic framework, the National Energy Transition Roadmap ("NETR") and New Industrial Master Plan 2030 ("NIMP"). These are aimed to strengthen Malaysia's fiscal sustainable growth, all of which will help boost the Malaysian economy and ensure that the country's competitiveness is enhanced.
6. On the capital market front, Bursa Malaysia still commands the attention of foreign institutional investors, accounting for **29.2% of the bourse's securities market trading participation in 2023**, in terms of Average Daily Trading Value (ADV), **compared to 26.8% in 2022**. The benchmark FBMKLCI staged a healthy rebound after a subdued 1H2023 performance, jumping from **1,377 points in June 2023 to close the year at 1,454.66 points**.
7. Overall in 2023, Malaysia exhibited the second lowest foreign outflow among regional peer securities markets, with an outflow of USD509 million, just behind Indonesia. In contrast, other nations in the region experienced outflows ranging from USD863 million to USD5.5 billion.
8. The **FBMKLCI is currently valued at a forward Price-to-Earnings Ratio of 13.3x**, significantly lower than its 10-year average of about 15.5x. We thus of course expect to see more investor interest going forward. Furthermore, capital market regulators have made great strides towards advancing the sustainability practices and disclosures of Malaysian businesses, facilitating our nation's journey towards net zero greenhouse gas (GHG) emissions by as early as 2050.

9. While our capital market has progressed substantially in various areas over the decades — such as the expansion of our suite of derivatives products, and the year on year international recognition as the Best Stock Exchange for Islamic Listings, there is more to be done to put us on par with the performance and offerings of leading exchanges in developed markets. Globalisation and democratisation of markets have drawn us closer to more intense competition.
10. As an integral part of the nation's economic development enablers, the Malaysian capital market remains an important lynchpin to our country's economic growth and wealth creation trajectory. Therefore, it is critical that we elevate the Malaysian capital market's competitiveness by being responsive to global trends and the needs of businesses and investors, yet always remaining a trusted and resilient marketplace.

Future-Proofing Bursa Malaysia as A Multi-Asset Exchange Amid Evolving Market Landscape

Ladies and Gentlemen,

11. The ability to adapt and reinvent are essential for long-term success in today's dynamic business landscape. Companies that recognise the value of future-proofing or pivoting are better equipped to seize opportunities, navigate disruptions, and stay profitable. As a Public Listed Company ourselves, this mandate is equally applicable to Bursa Malaysia. The main impetus for business reinvention is the rapidly changing market, where evolving consumer preferences, technological advances, and new players can quickly render traditional models obsolete. Thus, embracing change is critical for Bursa Malaysia, to remain relevant, sustainable and enable us progress on our mission and vision.
12. Our imperative to future-proofing the Exchange revolves around three critical factors. They are:
 - I. *Embracing the Digital Age*

Digitalisation has been and is reshaping consumer behaviours, particularly in a more prevalent "low-touch" mode, with customers growing accustomed to digital and remote access. This shift emphasises the need for a seamless, affordable, and customised experience for services.
 - II. *Tapping into Younger Investors*

The Department of Statistics Malaysia (DoSM) reports an increasingly ageing population in Malaysia. The percentage of individuals aged 65 and over has risen from 7.2% in 2022 to 7.4% in 2023. Projections from DoSM indicate that Malaysia's aging population is growing at a faster-than-expected rate, whereby some 14.5% of its population will be above the age of 65 by 2040. As

Malaysia advances towards high-income status, the ageing population underscores the importance for all adults to actively invest for their future.

III. Tailored Products for Investors and Corporations

A continuously expanding product offering is necessary to cater to the diverse investing interests and risk appetites of new and existing retail investors, as well as the new needs of companies.

13. Realising this, Bursa Malaysia's Strategic Roadmap 2021-2023 had key building blocks and initiatives to pursue our aspiration to be a Multi-Asset Exchange.
14. We have since rolled out several new asset classes, while reinforcing our capacity and capabilities in the past few years. These include:
 - Establishing the first Shariah-compliant carbon exchange, and facilitated trading of carbon credits; and
 - developing BR Capital, a new debt fundraising platform, via a joint venture with RAM Holdings. BR Capital will offer investment notes as an alternative option for fundraising by small to mid-sized companies.
15. Rest assured, our focus will always remain on core capital market offerings and ecosystem. Many facilitative market frameworks and liberalisations continue to be put in place by capital market regulators, to welcome exciting products and encourage greater investor participation. For example, we have launched new products like our first currency futures contract (Mini USD/CNH), extended night trading for selected derivatives products, and welcomed 97 IPOs in the past three years.
16. As we continue our journey towards our vision to be ASEAN's leading, sustainable and globally-connected marketplace, we will continuously work towards enhancing our market's attractiveness and improving market access via infrastructure enhancements as well as broadening and internationalising our product offerings, while advancing ESG practices.

Innovation for Market Progress: Introducing Bursa Gold Dinar, MyBURSA Customer Portal, BURSA REACH and the New Brand Logo

Ladies and Gentlemen,

17. We see our peer exchanges and those in developed markets also going beyond the traditional offerings of equities and derivatives. Hence, we too cannot and will not remain complacent where we are. Our investors need more.
18. Today, we are excited to unveil three of our latest innovations — they are:

- **the Bursa Gold Dinar or B-G-D;**
- **MyBURSA Customer Portal;** and
- **BURSA REACH ("REACH")**

19. I will briefly introduce these items to provide context of what each of them brings to investors, while Datuk Umar in his presentation will expand into further details of each offering.
20. Let me start with the Bursa Gold Dinar, which is a significant stride for Bursa Malaysia. The idea for Bursa Gold Dinar came about as we were looking to provide investors with new investment opportunities backed by tangible assets that Malaysians appreciate, and what better for this, than gold. That started the ball rolling some two years ago, and as a project close to my heart, I am pleased that today BGD has come to fruition.
21. The B-G-D is a whole new investment asset class offered for the first time by Bursa Malaysia. It is designed to democratise gold investment, allowing a broader spectrum of investors to participate in gold transactions — to buy, sell, trade, and redeem gold at lower fees. The B-G-D is more than just another investment product; it offers stability as an alternative investment asset class, in times of financial uncertainties and economic fluctuations.
22. The MyBURSA Customer Portal and BURSA REACH are two platforms newly created especially for investors as we look to further equip and empower investors.
23. MyBURSA is a web portal designed with our customers in mind. It offers access to research reports and other curated content, alongside investment tools that will facilitate informed decision making for investors. The MyBURSA Customer Portal will continue to be enhanced to include new features and services catered to all our customers.
24. Meanwhile, BURSA REACH is a platform to connect individual investors directly with dealer representatives — which covers both commissioned remisiers and salaried dealers.
25. These are some of the new investment products and solutions we are rolling out today, that form part of our effort in democratising investment opportunities, to capture fresh interest and encourage greater investor participation. We hope that these efforts will not only bring about financial inclusion and wealth generation, but also contributes to boosting market liquidity and depth, ultimately propelling economic growth.

Ladies and Gentlemen,

26. In tandem with our evolution as an Exchange, we are also pleased to unveil a refreshed look for the Exchange as a multi-asset exchange. This morning, Bursa Malaysia will

introduce **a new logo that builds on our strong heritage and track record, while reflecting our future-forward path in a more contemporary manner.**

Closing

Ladies and Gentlemen,

27. Cementing Bursa Malaysia as a Multi-Asset Exchange signifies an exciting journey not just for us *Warga Bursa*, but truly for the larger business and investor community.
28. On behalf of Bursa Malaysia's Board and Management team, I would like to express our deepest gratitude to all our stakeholders — the various Ministries we collaborate with, and especially of course the Ministry of Finance, Securities Commission Malaysia, brokers, industry partners, issuers, and everyone with whom we engage in the pursuit of our mission.
29. Our continued growth would not be possible without your support. It is our aim and commitment that we will continue to serve even more customers and in more diverse ways, as we truly operate as a competitive multi-asset exchange.

Thank you.