



BSE Limited

Investor Presentation – August 2019

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1. About BSE



2. Business



3. Key Growth Drivers & Other Initiatives



4. Financial Highlights & Investor Information








Management Team




Justice Vikramajit Sen
Chairman and
Public Interest Director





On BSE Board since 2016

- Previously, Member of the Expenditure Management Commission
- Former Union Finance Secretary and Revenue Secretary in the Ministry of Finance, Government of India
- Former Judge, Supreme Court of India

Name	Bio	Name	Bio
 <p>Shri Ashishkumar Manilal Chauhan Managing Director & CEO</p> <p>On BSE Board since 2012</p>	<ul style="list-style-type: none"> ■ Previously, Group Chief Information Officer, Reliance Industries Limited ■ Chairperson of the Board of Governors of National Institute of Technology, Manipur 	 <p>Shri Sumit Bose Public Interest Director</p> <p>On BSE Board since 2016</p>	<ul style="list-style-type: none"> ■ Joined the Indian Administrative Service in 1976 and allotted to the Madhya Pradesh Cadre. ■ Chairman, Expert Committee on working of Cantonment Boards set up by Ministry of Defence in January 2018 (work underway).
 <p>Shri S. S. Mundra Public Interest Director</p> <p>On BSE Board since 2018</p>	<ul style="list-style-type: none"> ■ Former Deputy Governor, Reserve Bank of India ■ Former Chairman & Managing Director of Bank of Baroda 	 <p>Shri David Wright Public Interest Director</p> <p>On BSE Board since 2018</p>	<ul style="list-style-type: none"> ■ Former General Secretary of IOSCO (2012-2016), former Deputy Director-General for Securities and Financial Markets at the EU Commission. ■ From March 2000 – October 2010 he was first Director, then Deputy Director-General for securities and financial markets
 <p>Shri Umakant Jayaram Public Interest Director</p> <p>On BSE Board since 2019</p>	<ul style="list-style-type: none"> ■ 27 years Cross functional experience in Global Investment Banking, Finance Planning & Analysis ,Risk Consulting / Business transformation 	 <p>Sushree Jayshree Vyas Public Interest Director</p> <p>On BSE Board since 2019</p>	<ul style="list-style-type: none"> ■ Former Managing Director, Shree Mahila Sewa Sahakari Bank, Ahmedabad ■ In the year 2001, financial literacy programme was introduced in Sewa Bank, first of its kind in India – at initiative of Ms. Jayshree Vyas.
 <p>Smt Usha Sangwan Shareholder Director</p> <p>On BSE Board since 2015</p>	<ul style="list-style-type: none"> ■ Former Managing Director, Life Insurance Corporation of India ■ She has been featured in Forbes List of 50 most powerful Business Women in Asia in 2015 		

Management Team

Name	Bio
 <p>Shri Ashishkumar Manilal Chauhan Managing Director & CEO</p> <p><i>On BSE Board since 2009</i></p>	<ul style="list-style-type: none"> ■ B Tech in Mechanical Engineering from IIT Bombay and a PGDM from IIM Kolkata ■ He is one of the founders of India's National Stock Exchange (“NSE”) where he worked from 1992 to 2000. He is best known as the father of modern financial derivatives in India due to his work at NSE ■ Represents BSE as the Chairman on the Executive Board of the South Asian Federation of Exchanges. ■ Previously, Group Chief information officer, Reliance Group

Name	Bio	Name	Bio
 <p>Shri Nayan Mehta Chief Financial Officer</p> <p><i>On BSE Board since 2012</i></p>	<ul style="list-style-type: none"> ■ Prior to joining BSE, Credit Analysis & Research Ltd. as Joint General Manager (Accounts), CFO at Multi Commodity Exchange of India Limited and has also worked at the National Stock Exchange. ■ Heads Finance & Accounts, Treasury and Taxation Functions at BSE ■ He represents BSE on the Boards of group companies and joint ventures of BSE and as a member of the Qualified Audit Review Committee of SEBI. 	 <p>Shri Nehal Vora Chief Regulatory Officer</p> <p><i>On BSE Board since 2009</i></p>	<ul style="list-style-type: none"> ■ Prior to joining BSE, worked with various departments in SEBI ■ More than 19 years of experience in the area of legal and compliance. He has previously worked at the Securities and Exchange Board of India (SEBI) for 10 years and as Director, Law & Compliance at DSP Merrill Lynch Ltd heading Broking and Investment Banking Compliance
 <p>Shri Kersi Tavadia Chief Information Officer</p> <p><i>On BSE Board since 2015</i></p>	<ul style="list-style-type: none"> ■ Prior to joining BSE, employed with Log-in Utility and InvestSmart Financial Services Limited ■ 30 years of experience in the area of Application Systems/ IT Infrastructure development and management, managing all aspects of IT operations in Financial Services, Capital markets and manufacturing companies. He has played a leading role in transforming BSE into the fastest exchange in the country. 	 <p>Shri Neeraj Kulshrestha Chief Business Officer</p> <p><i>On BSE Board since 2015</i></p>	<ul style="list-style-type: none"> ■ Prior to BSE he was an Executive Director in Morgan Stanley India for 10 years. He was earlier with National Stock Exchange and has managed various functions like Trading Operations, Inspection and Investigation, Futures and Options Clearing and Trading. He was also the CEO of India Index Services Ltd. and Dotex International Ltd ■ Heads Trading, Listing , Membership Operations and listing sales. ■ 27 year experience in Capital markets, which includes Securities Markets and General Insurance.

Key Milestones – The transformation over time

1875	2005	2009	2012	2013	2013
<ul style="list-style-type: none"> BSE started as The Native Share & Stock Broker's Association 	<ul style="list-style-type: none"> BSE corporatized 	<ul style="list-style-type: none"> Mutual Fund Platform (“Star MF”) launched 	<ul style="list-style-type: none"> BSE Small & Medium Enterprises (“BSE SME”) Platform launched 	<ul style="list-style-type: none"> Currency Derivatives launched 	<ul style="list-style-type: none"> Interest Rate Derivative Platform launched New Debt segment launched 
2015	2016	2017	2018-19	2019-20	
<ul style="list-style-type: none"> BSE becomes the fastest exchange in the world - median response speed of 6 micro-seconds 	<ul style="list-style-type: none"> Trading of Sovereign Gold Bonds commenced  <ul style="list-style-type: none"> “BSE–BOND”- Electronic Book Mechanism launched 	<ul style="list-style-type: none"> India International Exchange (IFSC) Ltd. launched by Hon'ble Prime Minister of India, Shri Narendra Modi  <ul style="list-style-type: none"> BSE's becomes the first listed exchange in India 	<ul style="list-style-type: none"> Commodity Derivatives segment launched  <ul style="list-style-type: none"> JV set up with Ebix Inc. to undertake insurance broking business JV with Power Trading Corporation and ICICI Bank to set up a power exchange 	<ul style="list-style-type: none"> BSE launches StAR MF mobile application for IFA's – “IFA StAR MF Mobility” 	

Over last few years, BSE has transformed itself from a conventional stock exchange to the 1st Universal Exchange in addition to setting up e-commerce initiatives successfully



1. About BSE



2. Business



3. Key Growth Drivers & Other Initiatives



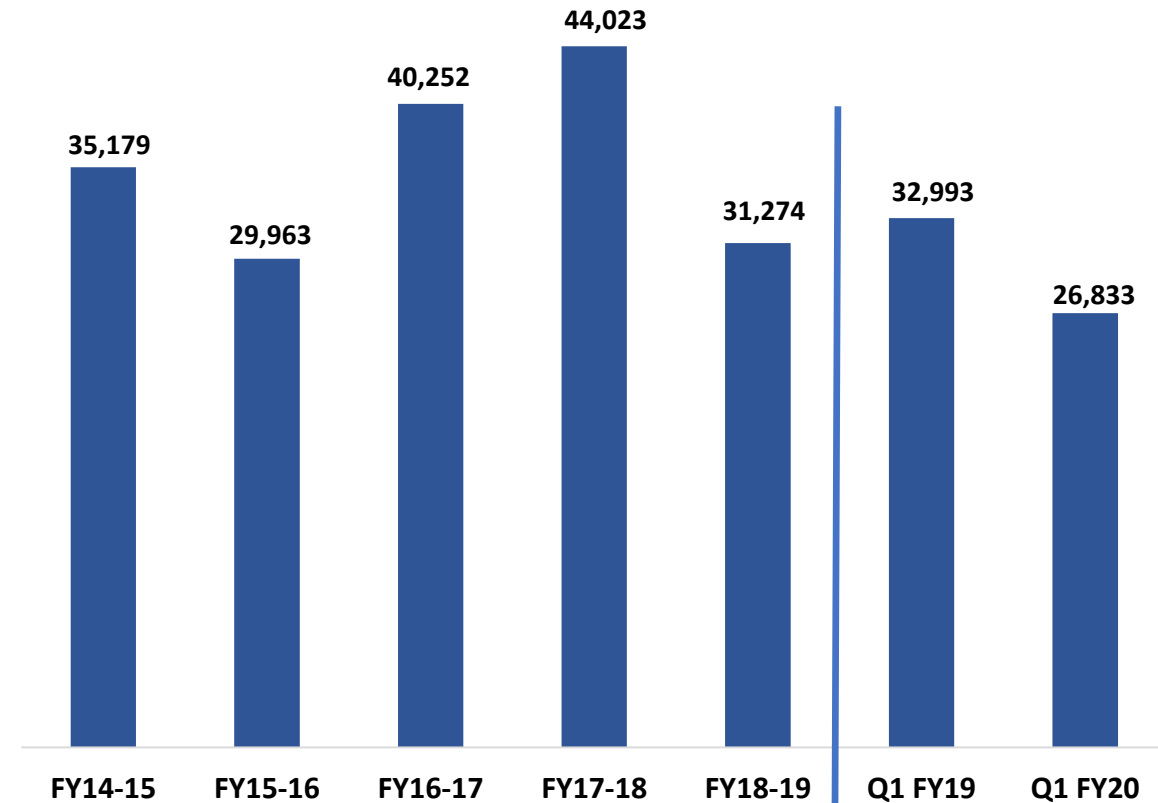
4. Financial Highlights & Investor Information

Diversified Lines of Business

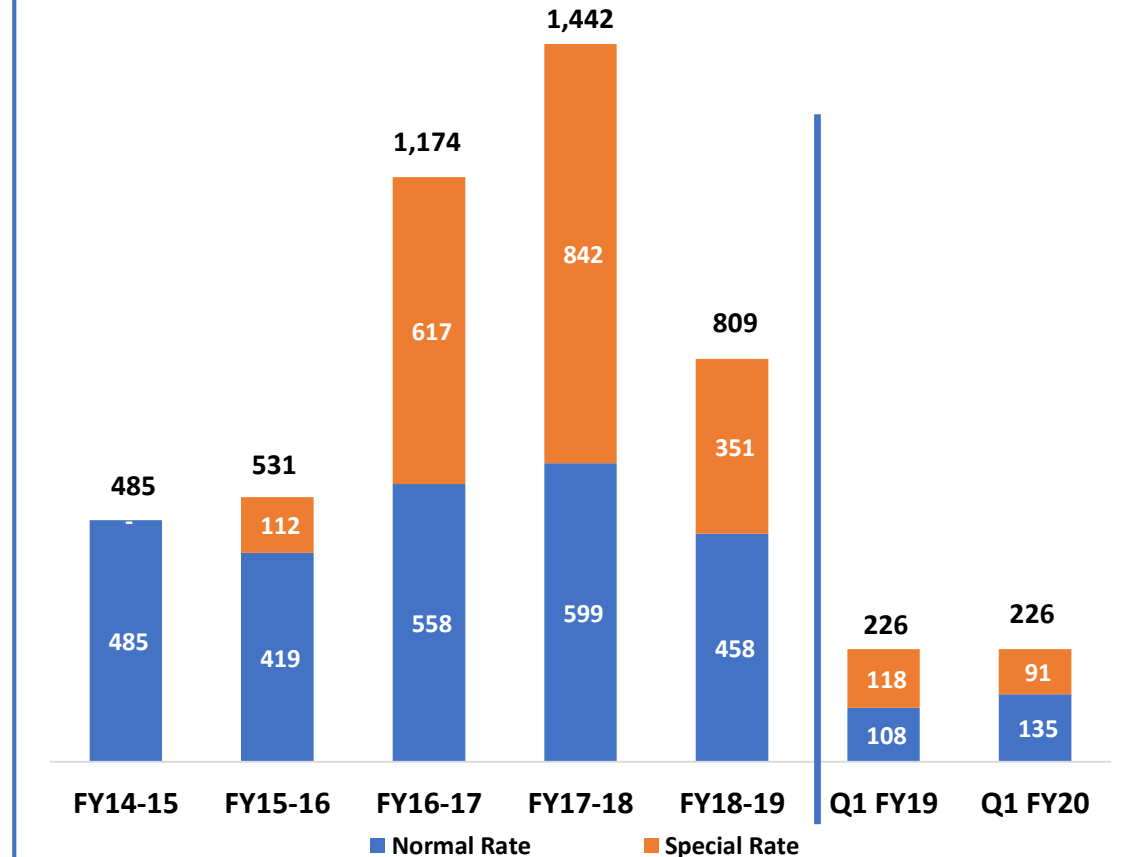


Equity Cash - Performance

Average Daily Turnover (₹ million)



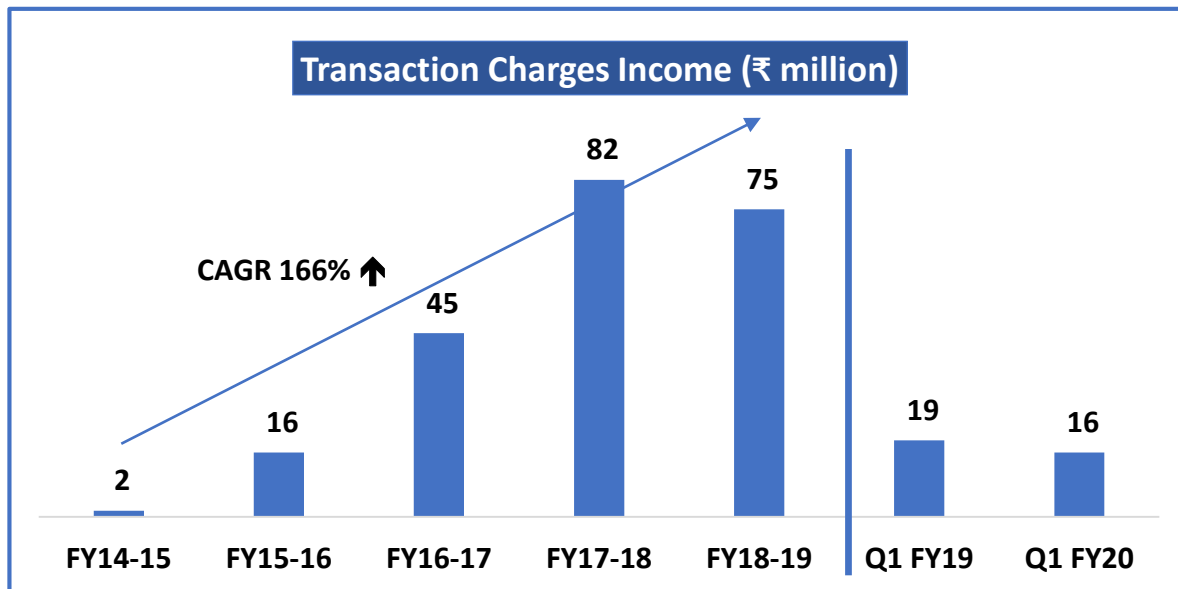
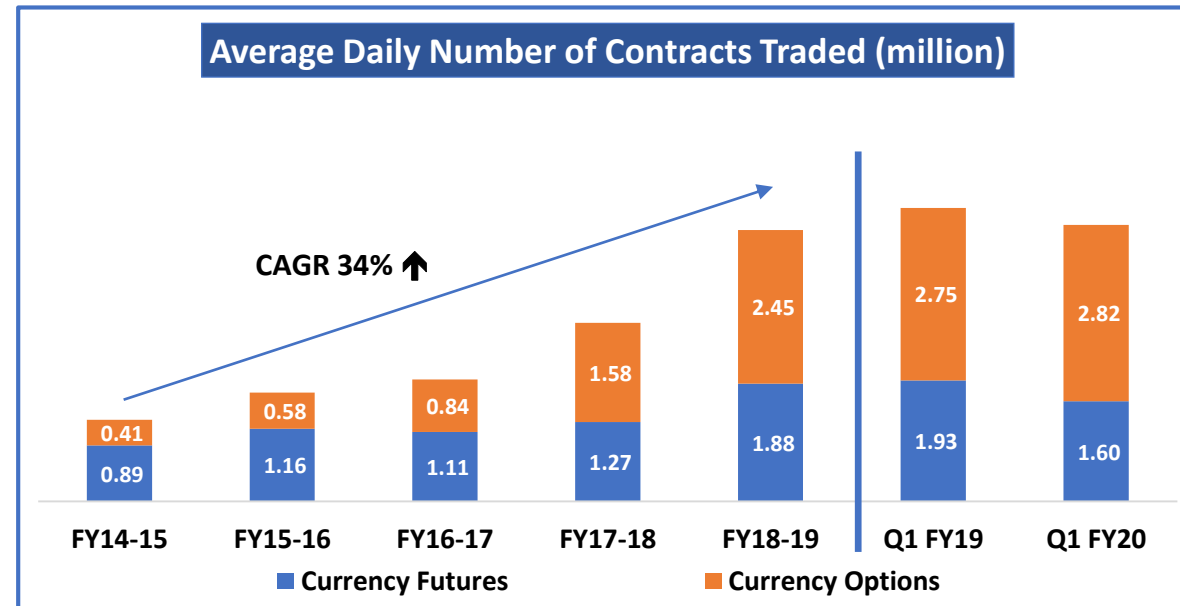
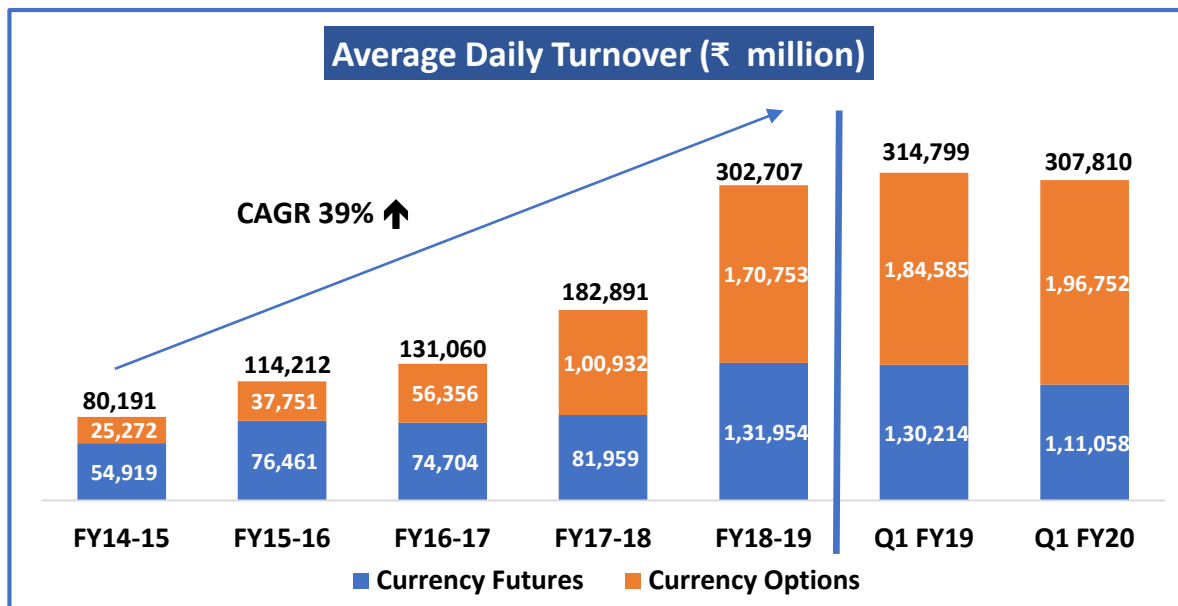
Transaction Charges Income (₹ million)



Revenues earned in this segment are subject to variation based on number and value of trades executed which are dependant on the economic cycle as well as the values of securities traded.

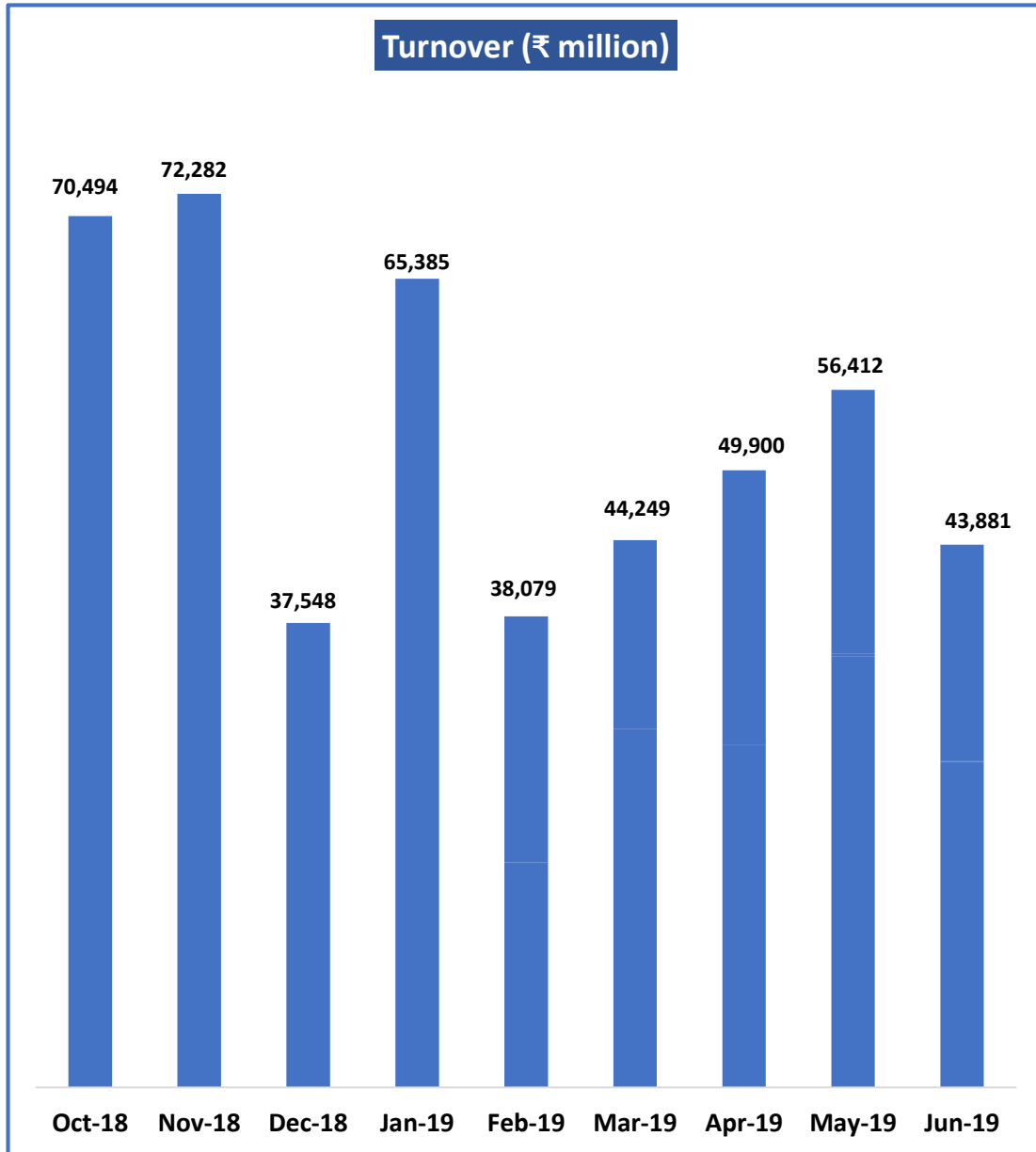
Inter-operability framework among clearing corporations fully operational with effect from July 15, 2019 in Equity Cash segment and July 29, 2019 in Equity Derivatives segment.

Currency Derivatives – Performance



Consistent growth in turnover and number of contracts traded in currency derivatives segment. BSE's market share in this segment for the quarter 30th June, 2019 stands at 48%

Commodity Derivatives- Performance



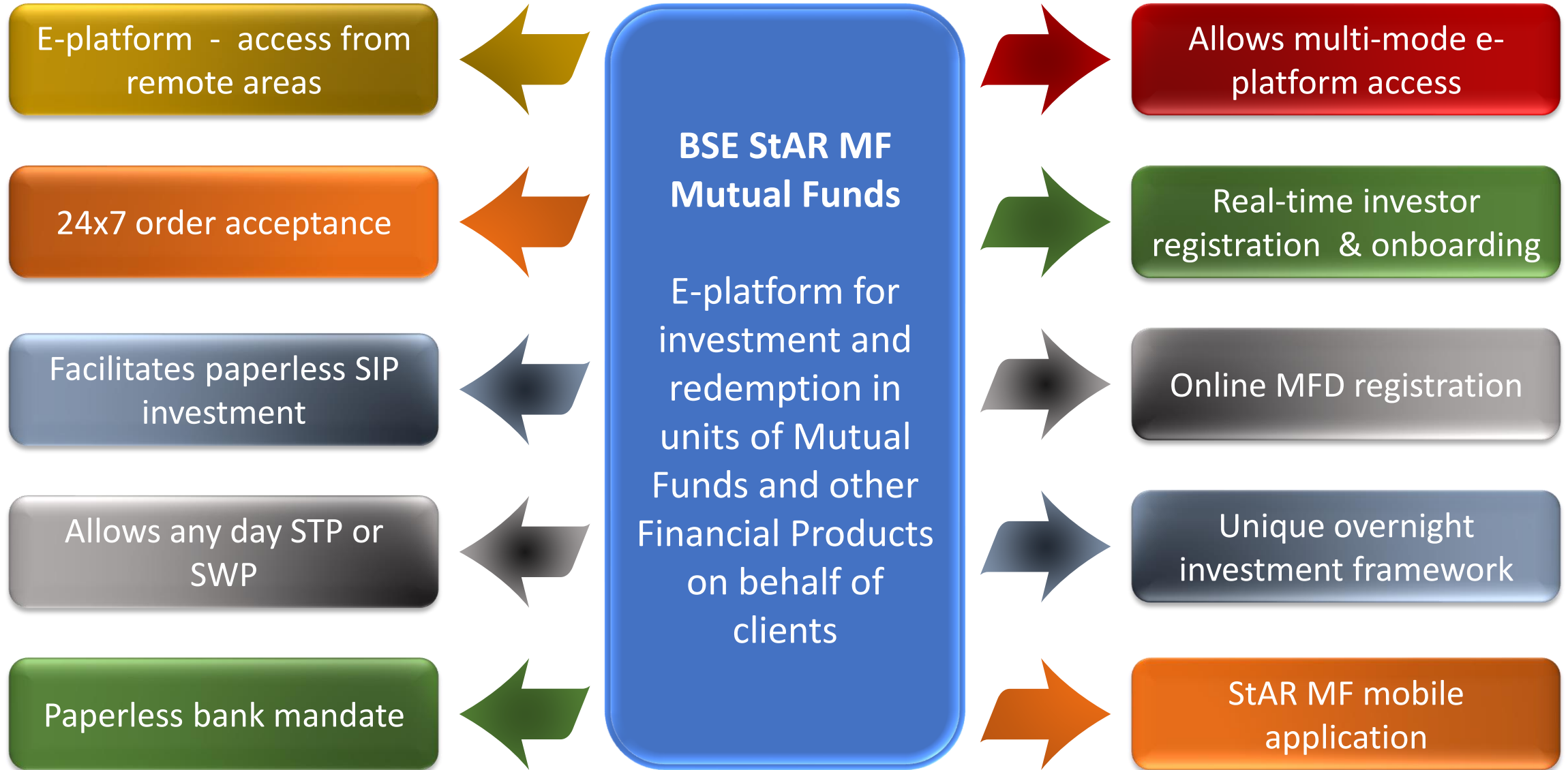
Introduced commodity futures contracts for trading in Gold, Silver, Copper, Oman Crude Oil, Guar Gum, Guar Seed, Cotton, Turmeric

Members 264 Members admitted to trading in BSE's Commodity segment

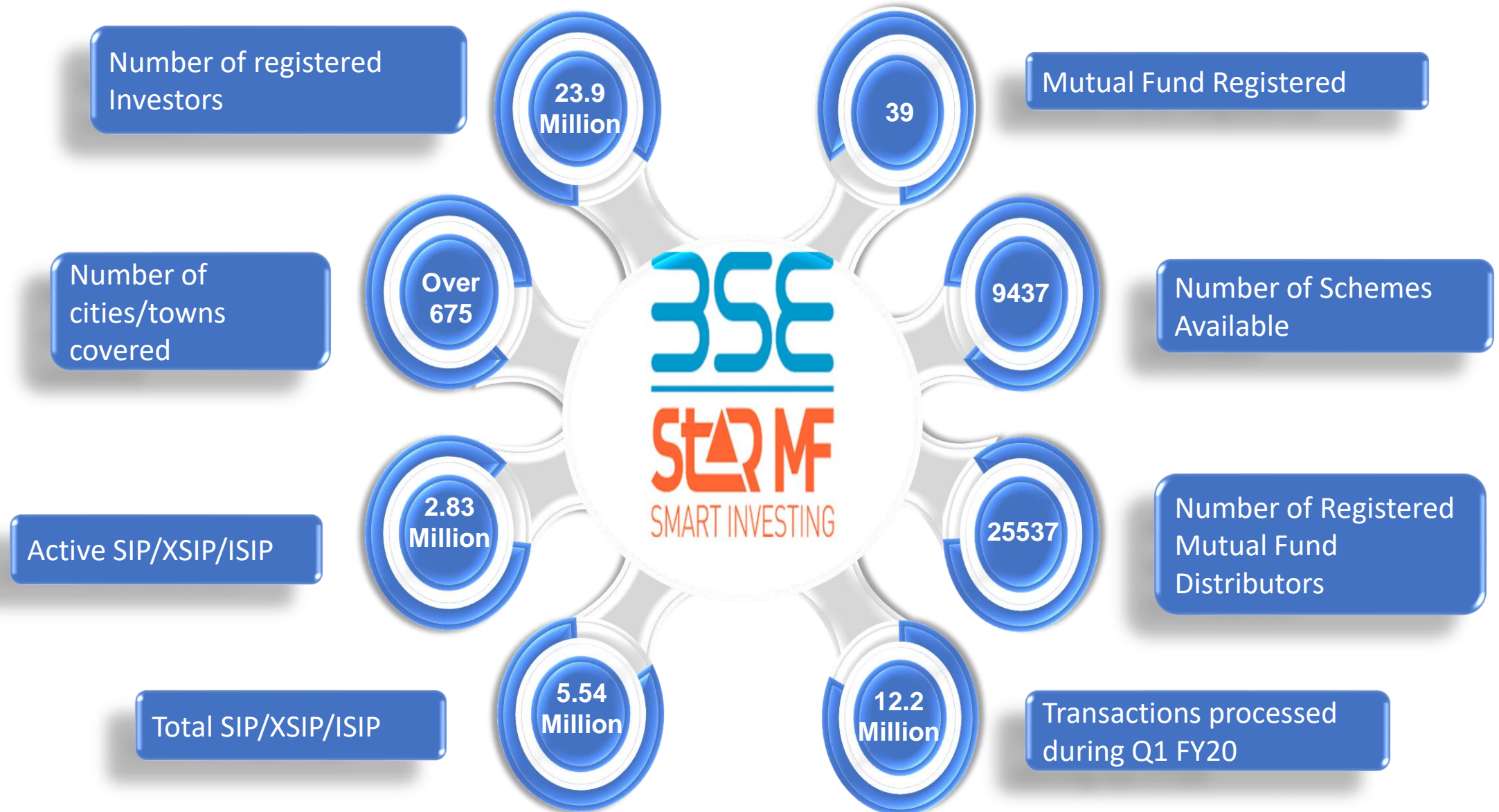
Guarseed M-Share in Q1 FY20 @ 20.7% and highest turnover of ₹ 1,681 million on 25th Jul'19

Cotton M-Share in Q1 FY20 @ 15.3% and highest turnover of ₹ 1,856 million on 7th Mar'19

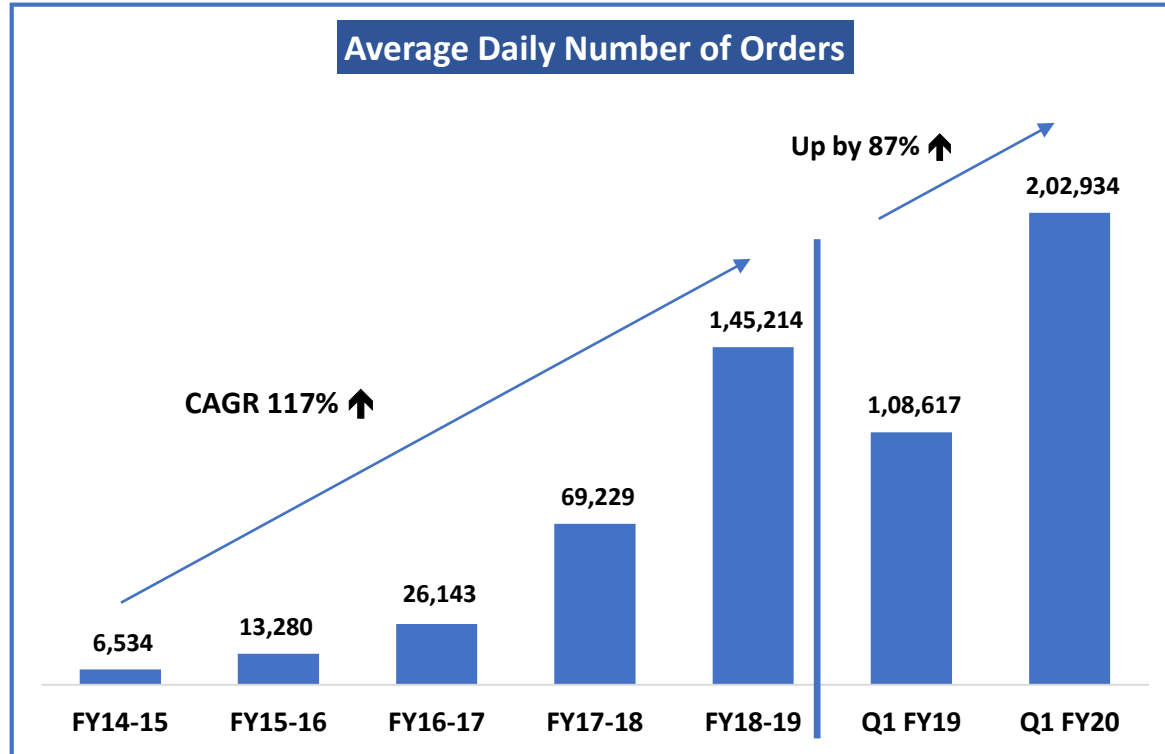
BSE StAR Mutual Fund Platform – Introduction



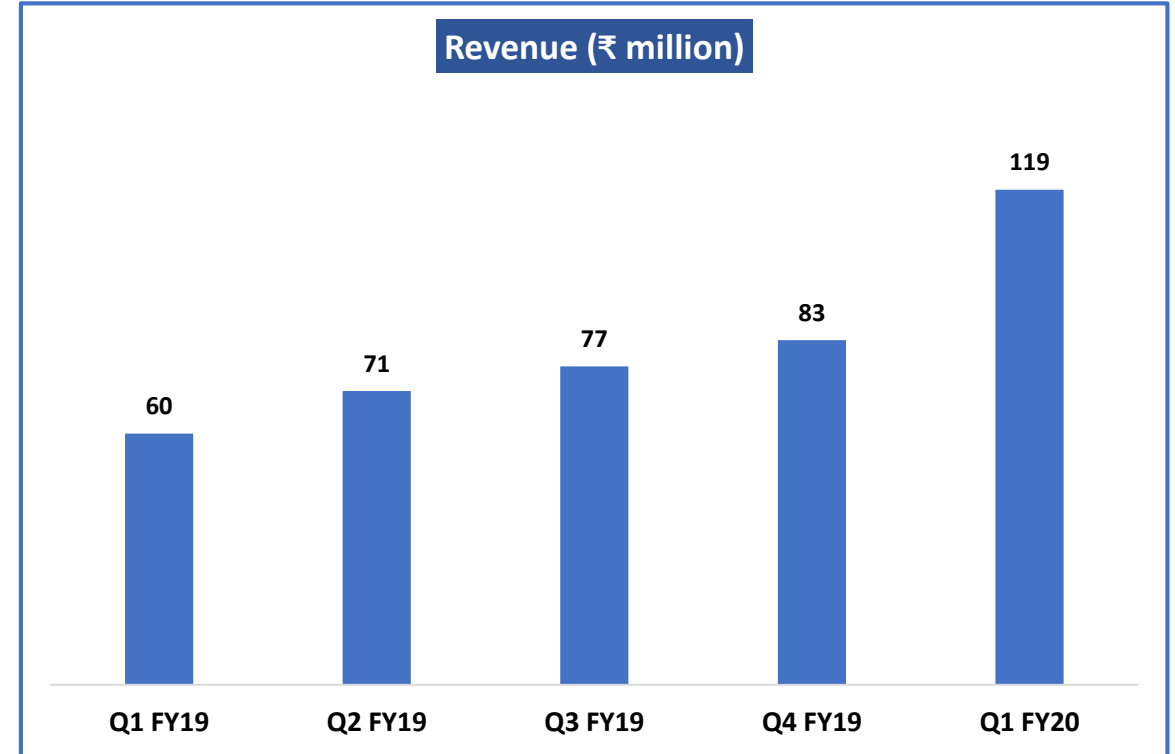
BSE StAR Mutual Fund Platform – Reach & Coverage



BSE Star Mutual Fund Platform - Performance



Exponential growth in number of orders



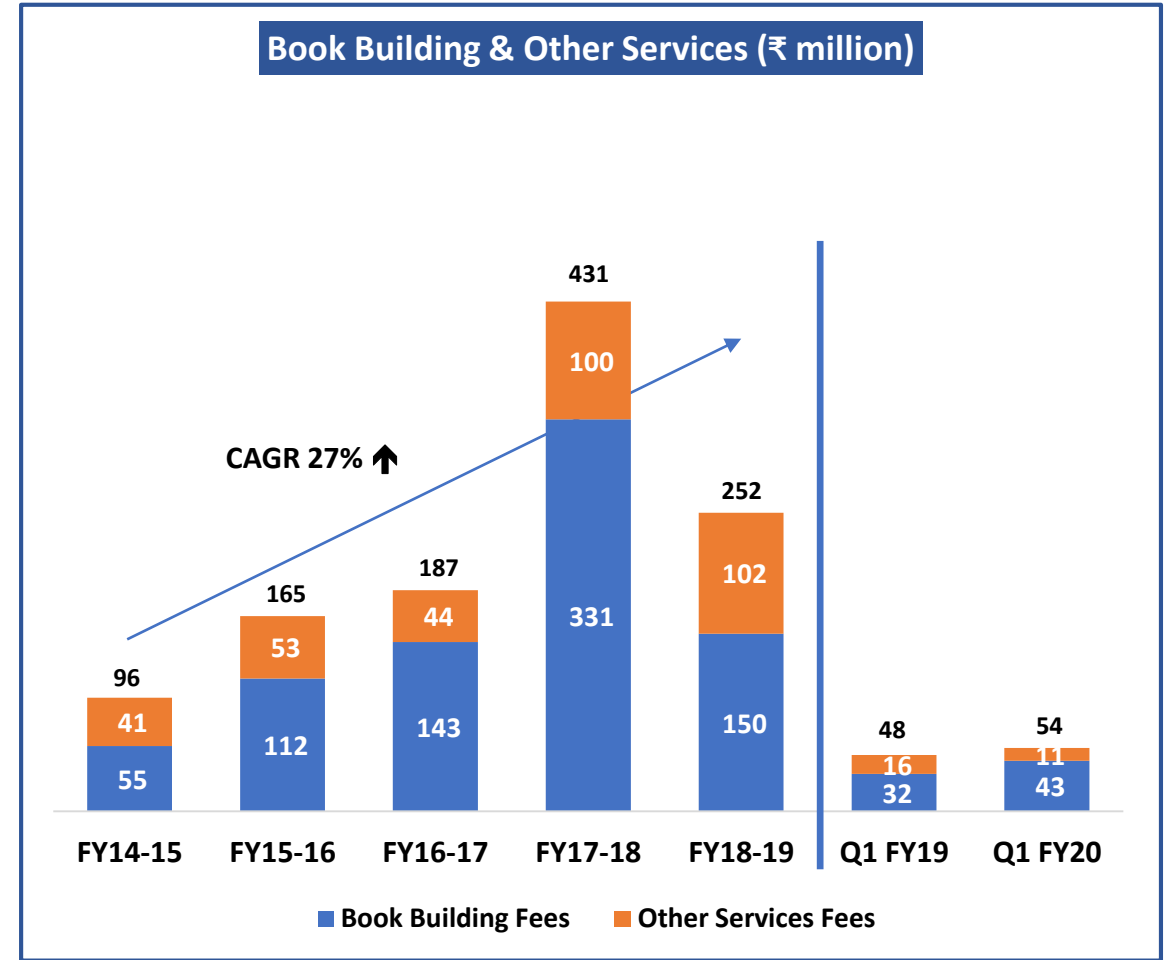
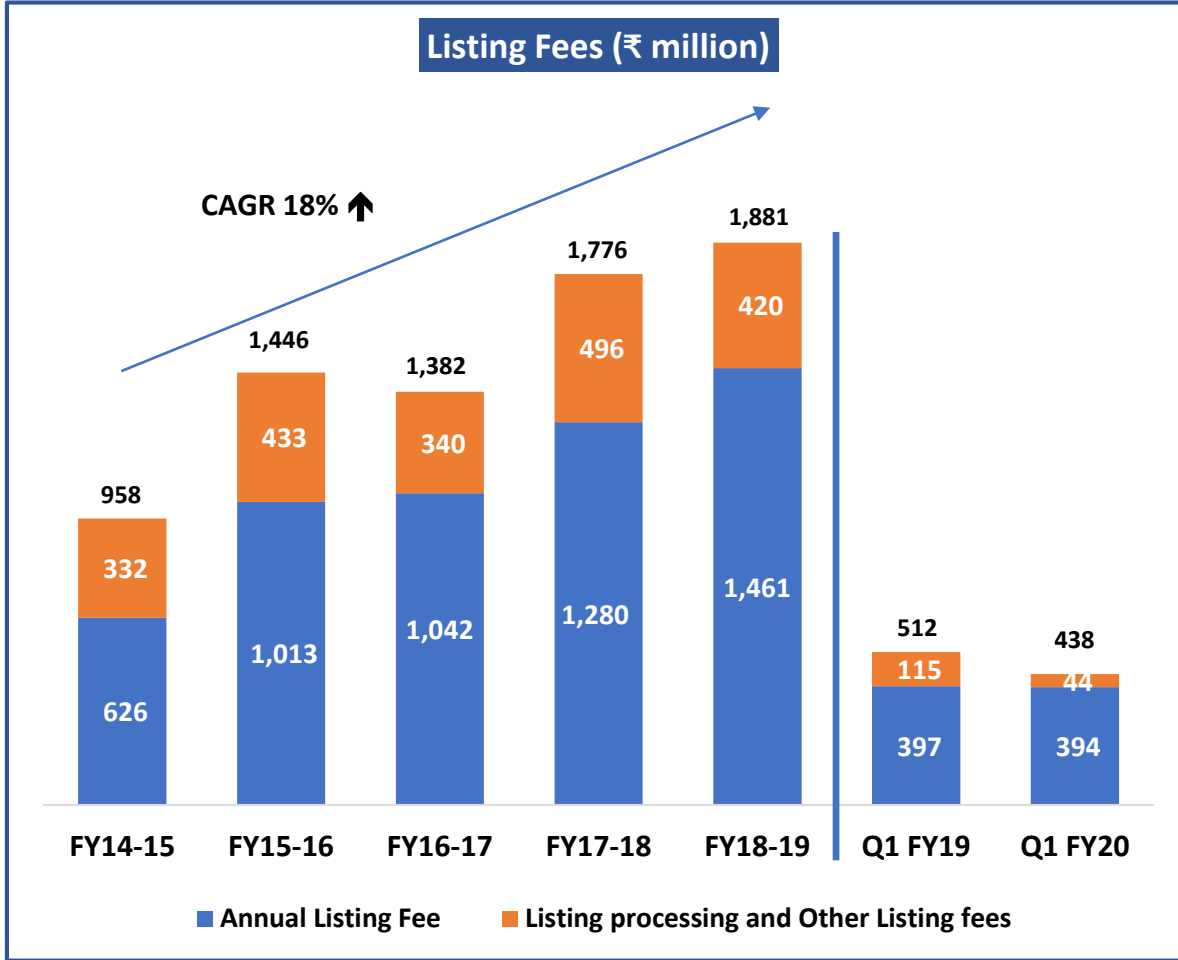
Steady non-linear increase in income

Strong growth in revenue likely to continue over next few years aided by expected growth in distribution network, household savings and economic & demographical factors

Orders Processed
 ~ 3.91 million (June 2019)
 2555 members registered during Q1FY20

The number of registered mutual fund distributors has increased by 139%, Increase in total number of orders processed by 75% and Increase in total value of orders processed by 39% in Q1FY20 as compared to Q1FY19.

Services to Corporates - Performance



Listing income stable with increasing bias due to incremental listings on the Exchange.

Other listing income subject to mild variation year on year based on increase in economic factors, number of new listings, corporate actions, etc.

India International Exchange IFSC – Introduction



- Equity Index Derivatives
- Indian Stock Futures
- Global Stock Futures
- Commodity Futures
- Commodity Options
- Currency Derivatives
- Debt Securities



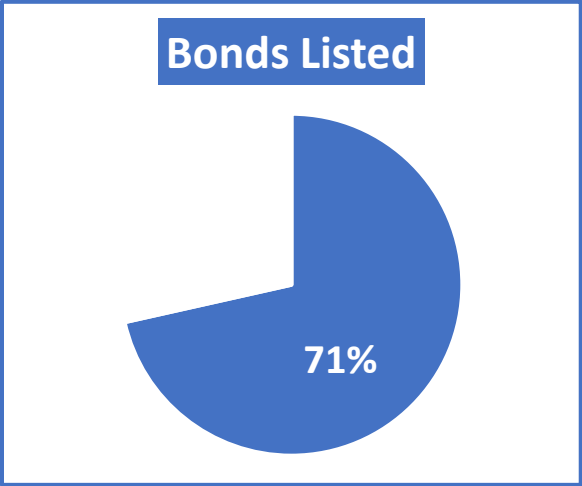
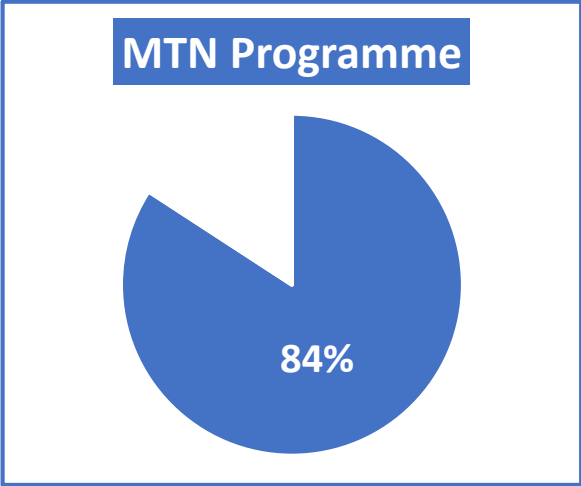
- Exchange Daily Trading Hours
- 22.00 Hours
- 04:30:00 hours to 17:00:00 hours and 17:00:01 hours to 02:30:00 hours (Indian Standard Time)



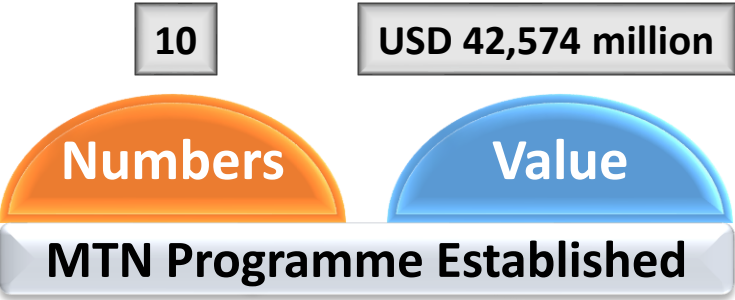
- BSE's India INX launches Global Access with connectivity to CME Group from GIFT IFSC to enable Hedgers, Traders and Investors to access International Exchange from GIFT IFSC .

India International Exchange IFSC – Performance

Marketshare

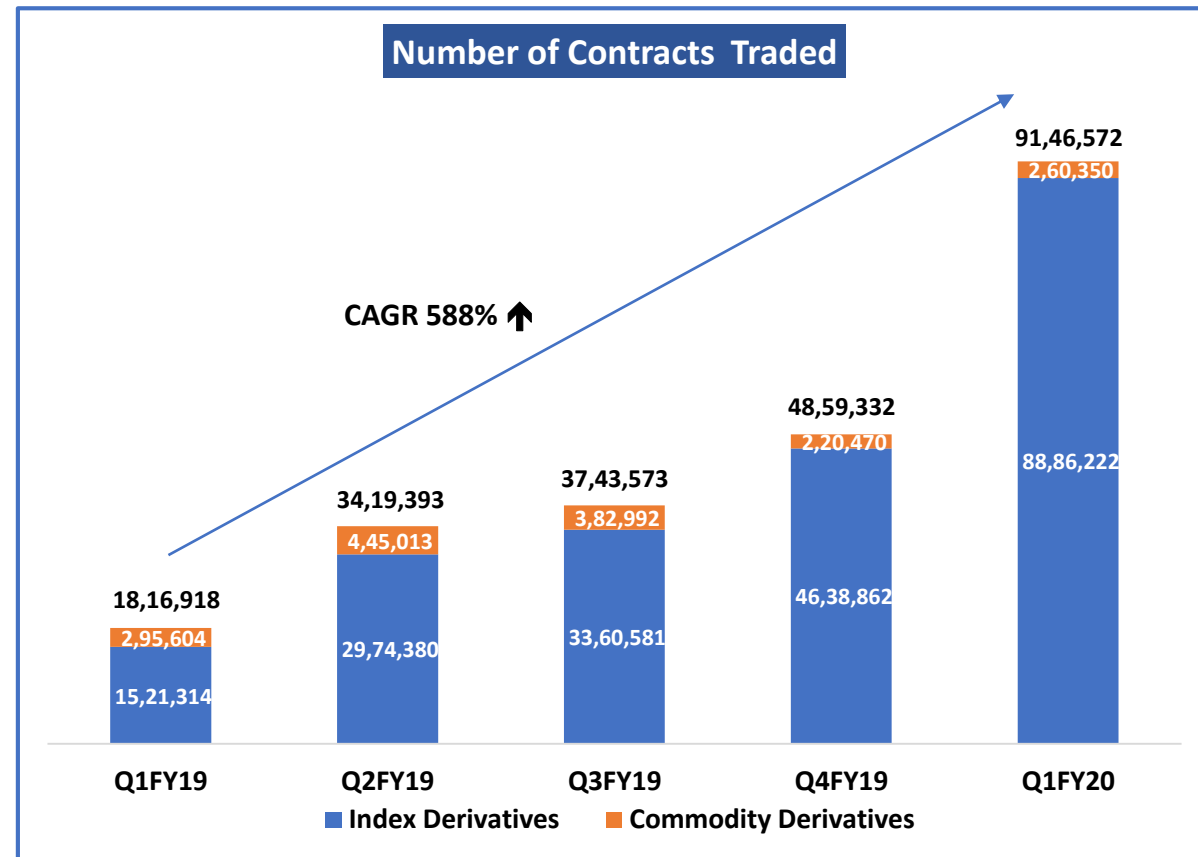
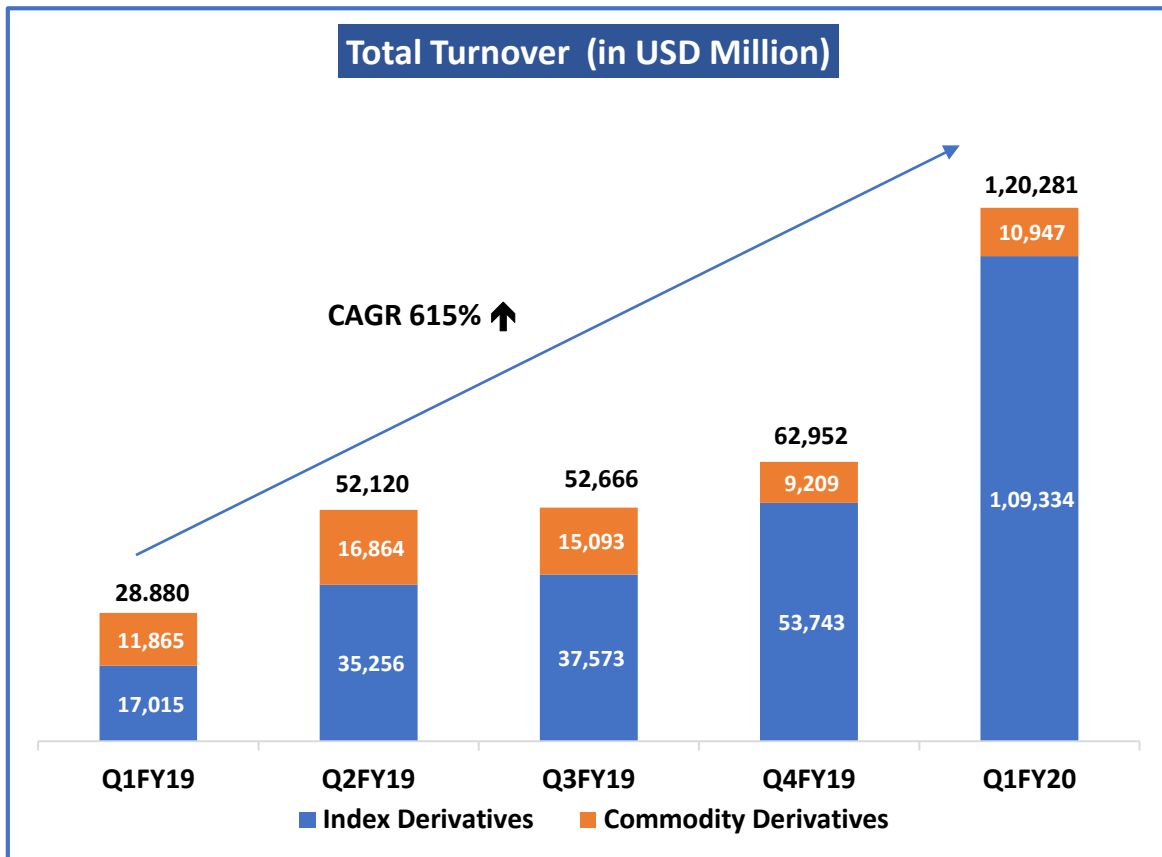


Fund Raising / Listing



During Q1 FY20, approx. 40% of Indian issuers of Debt Securities in the international markets have listed on India INX's Global Securities Market.

India International Exchange IFSC



India INX is the dominant IFSC Exchange in GIFT city with market share of **84%** in derivatives trading and **100%** in bond listing.

Highest Volume in a day
4,05,544 Traded contracts
on 25th July 2019

Highest Turnover in a day
\$ 4.91 Billion
on 25th July 2019

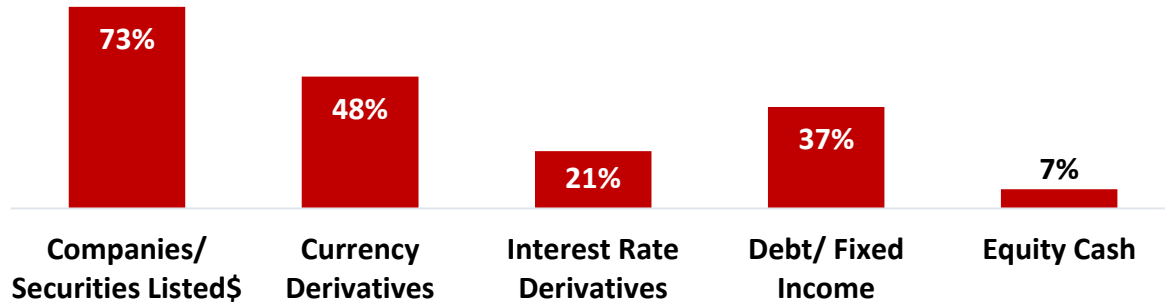
Global Rankings



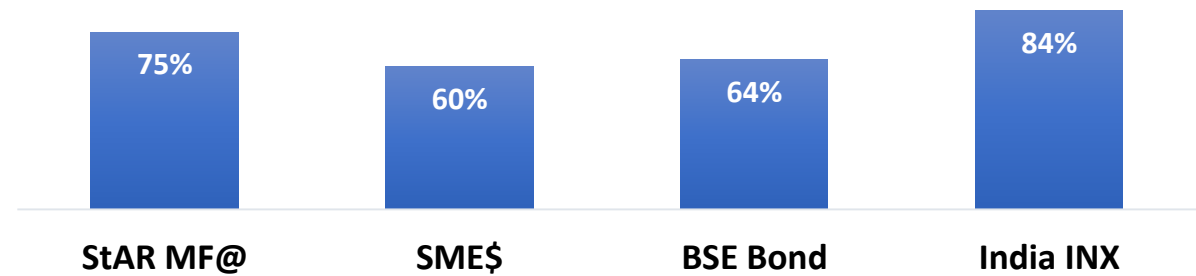
*Data as on June 2019
Data for the month of June 2019
Source: BSE/WFE 19

Marketshare

Red Ocean Businesses



Blue Ocean Businesses



**Established leader in Listing related Business.
Good marketshare in other businesses except Equity Cash**

Market leadership in Blue Ocean Businesses

All Marketshare for Q1 FY20

@ Marketshare in Mutual Fund StAR Platform based on the value of purchase / redemption orders executed during Q1 FY20

Marketshare in SME Segment represents number of companies listed in SME segment during Q1 FY20

\$ As on June 30, 2019

New Businesses

**Insurance Distribution JV
with EBIX Fincorp Exchange Pte Limited***

**Power Exchange jointly promoted with
Power Trading Corporation & ICICI Bank***

Commodity Derivatives

*Subject to Regulatory Approvals



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Key Growth Drivers

E-platform Services

- Expansion of services from Current platforms for providing e-platform services like book-building for IPO, Offer to Buy, Offer to Sell, New Bond platform, etc.

Inter-operability of Clearing Corporations

- Can lead to increase in arbitrage turnover due to clearing of all trades by any one clearing corporation
- Can lead to increase in turnover due to implementation of best price execution software implementation by various brokers
- Can lead to turnover in equity derivatives also.
- Fully Operational as per following dates
 - Equity - 15th July 2019
 - Equity Derivatives - 29th July 2019
 - Currency Derivatives – To commence from August 2019

International Exchange

- Unified Regulator to be set up vide The International Financial Services Centres Authority Bill, 2019. Bill currently to Standing Committee by Rajya Sabha

Mutual Fund

- Savings in cost and convenience
- Strong network of intermediaries
- Good network connectivity across country
- Increasing household incomes
- Increasing financial savings



Other Initiatives

Insurance Broking

- Set up JV named BSE Ebix Insurance Broking Private Limited with Ebix to provide insurance broking services
- Awaiting approval for composite broking licence from Insurance Regulatory Development Authority of India

Power Exchange

- Pranurja Solutions Limited incorporated to set up a power exchange jointly with Power Trading Corporation and ICICI Bank.
- Approval for grant of license for the power exchange from Central Electricity Regulatory Commission under progress.

Commodity Derivatives

- Launched Commodity Derivatives from October 1, 2018
- Commodities futures launched on Oman Crude Oil, Gold, Silver, Copper, Guar Gum, Guar Seed, Cotton, Turmeric

BSE Bond Platform

- Over ₹ 736 billion of privately placed debt was raised on BSE BOND platform through 106 issues in Q1 FY20
- Currently, no fees levied by BSE towards use of this e-platform facility





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Integrated Business Model

- Multiple contact points with members and market participants provides the ability to generate revenue from multiple levels of the business



1	Transaction Charges	<ul style="list-style-type: none"> To an extent linked to Market Activity 	<ul style="list-style-type: none"> Linked to market activity levels and household savings and investments
2	Treasury Income on Clearing and Settlement Funds	<ul style="list-style-type: none"> Linked to Market Activity to an Extent 	<ul style="list-style-type: none"> Linked to interest rates and, to an extent, market activity since that would lead to more margin being deposited by members
3	Other Securities Services	<ul style="list-style-type: none"> Recurring 	<ul style="list-style-type: none"> Primarily consists of charges recovered from members for network connectivity
4	Services to Corporates	<ul style="list-style-type: none"> Recurring 	<ul style="list-style-type: none"> Mostly derived from listing income that is not impacted by market activity Dependent on number of listed entities and hence is a recurring revenue stream Potential for increase if amount charged is increased
5	Data Dissemination Fees	<ul style="list-style-type: none"> Recurring 	<ul style="list-style-type: none"> Impacted primarily due to level of subscriptions and revision in pricing policies Contributes only 4-5% in India compared to 10-25% in developed markets
6	Income From Investments and Deposits	<ul style="list-style-type: none"> Recurring 	<ul style="list-style-type: none"> Linked to investment yields
7	Other Income	<ul style="list-style-type: none"> Recurring 	<ul style="list-style-type: none"> Mostly derived from rent and training institute etc., which are stable sources of income

Consolidated Profit & Loss

(₹ in million)

Sr. No.	Particulars	Jun'19 Quarter	Mar'19 Quarter	Jun'18 Quarter	FY 2018-19
1.	Transaction Charges	348	286	297	1,139
2.	Treasury Income on Clearing and Settlement Funds	74	72	89	307
3.	Other Securities Services	45	98	59	269
4.	Securities Services (1+2+3)	467	456	445	1,715
5.	Services to Corporates	492	536	560	2,136
6.	Other Operating Income	162	165	143	652
7.	Revenue from Operations (4+5+6)	1,121	1,157	1,148	4,503
8.	Income From Investments and Deposits	491	525	390	2,022
9.	Other Income	48	34	47	162
10.	Total Income (7+8+9)	1,660	1,716	1,585	6,687
11.	Employee Expenses	376	355	337	1,392
12.	Technology Cost & Technology Program	300	277	281	1,134
13.	Admin & Other Expenses	390	500	352	1,685
14.	Total Operating Expenses (11+12+13)	1,066	1,132	970	4,211
15.	Operating EBITDA (7-14)	55	25	178	292
16.	Operating EBITDA Margin (15/7 in %)	5%	2%	16%	6%

Consolidated Profit & Loss (cont'd)

Sr. No.	Particulars	Jun'19 Quarter	Mar'19 Quarter	Jun'18 Quarter	FY 2018-19
17.	EBITDA (10-14)	594	584	615	2,476
18.	EBITDA Margin (17/10 in %)	36%	34%	39%	37%
19.	Depreciation & Amortization	120	147	115	511
20.	Finance Cost	5	2	2	9
21.	Non Recurring Revenue *	-	105	57	188
22.	Non Recurring / Exceptional Expenses @	38	64	28	260
23.	Profit Before Tax & Minority/Associate (17-19-20+21-22)	431	476	527	1,884
24.	Associate Share	70	87	58	292
25.	Profit Before Tax (23+24)	501	563	585	2,176
26.	Tax Expenses	88	44	70	234
27.	Net Profit From Continuing Operations (25-26)	413	519	515	1,942
28.	Net Profit Margin (27/10 in %)	25%	30%	32%	29%
29.	Profit From Discontinued Operation	-	-	-	51
30.	Net Profit from Total Operation (27+29)	413	519	515	1,993

* Non Recurring Revenue items includes reversals of certain expense provision for earlier years, Interest on tax refunds and receipt of withheld proceeds of equity shares of CDSL offered in its IPO.

@ Non Recurring Expenses includes Provision made for investment in IL&FS & IL&FS Financial Services Secured Debentures, Liquidity Enhancement Scheme and Voluntary retirement scheme.

Standalone Profit & Loss

Sr. No.	Particulars	Jun'19 Quarter	Mar'19 Quarter	Jun'18 Quarter	FY 2018-19
1.	Securities Services	387	366	349	1,363
2.	Services to Corporates	491	534	560	2,133
3.	Data Dissemination Fees	76	76	70	302
4.	Revenue from Operations (1+2+3)	954	976	979	3,798
5.	Income From Investments and Deposits	420	452	381	1,958
6.	Other Income	49	42	46	181
7.	Total Income (4+5+6)	1,423	1,470	1,406	5,937
8.	Employee Expenses	240	215	210	848
9.	Technology Cost & Technology Program	334	299	312	1,265
10.	Admin & Other Expenses	335	385	285	1,291
11.	Total Operating Expenses (8+9+10)	909	899	807	3,404

Standalone Profit & Loss (cont'd)

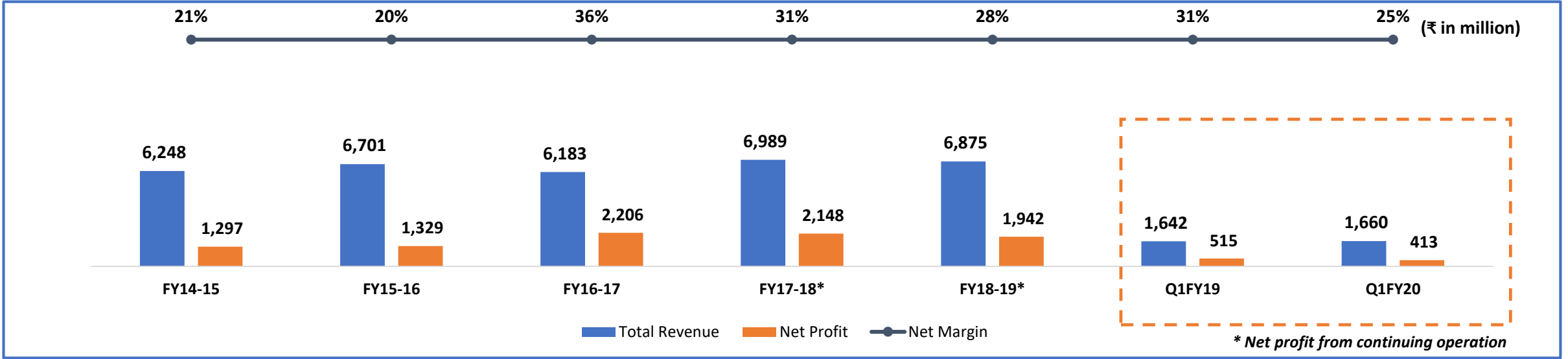
Sr. No.	Particulars	Jun'19 Quarter	Mar'19 Quarter	Jun'18 Quarter	FY 2018-19
11.	Total Operating Expenses (8+9+10)	909	899	807	3,404
12.	Operating EBITDA (4-11)	45	77	172	394
13.	Operating EBITDA Margin (12/4 in %)	5%	8%	18%	10%
14.	EBITDA (7-11)	514	571	599	2,533
15.	EBITDA Margin (14/7 in %)	36%	39%	43%	43%
16.	Depreciation & Amortization	102	129	98	440
17.	Non Recurring Revenue *	-	105	56	238
18.	Non Recurring / Exceptional Expenses @	-	40	5	145
19.	Profit Before Tax (14-16+17-18)	412	507	552	2,186
20.	Tax Expenses	68	68	34	175
21.	Net Profit After Tax (19-20)	344	439	518	2,011
22.	Net Profit Margin (21/7 in %)	24%	30%	37%	34%

* Non Recurring Revenue items includes reversals of certain expense provision for earlier years, Interest on tax refunds and receipt of withheld proceeds of equity shares of CDSL offered in its IPO.

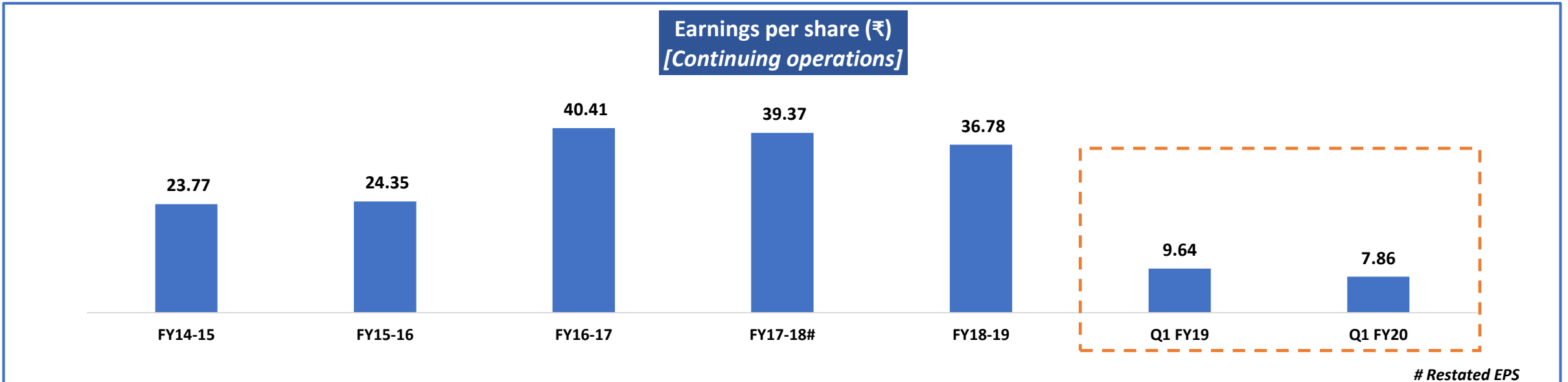
@ Non Recurring Expenses includes Provision made for investment in IL&FS & IL&FS Financial Services Secured Debentures, Impairment of certain Equity Investments and Voluntary retirement scheme.

Financial Overview - Consolidated

Key Performance Indicators

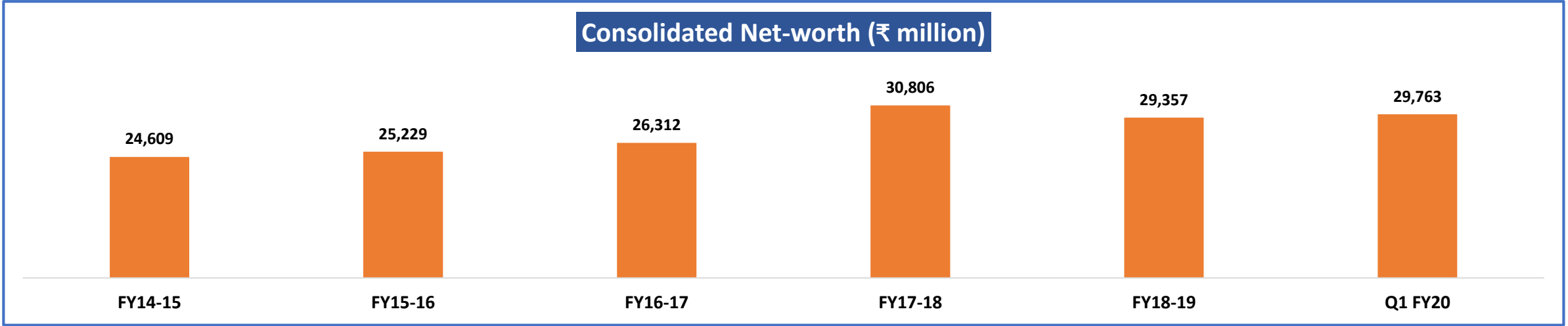


Earnings per share (₹) [Continuing operations]

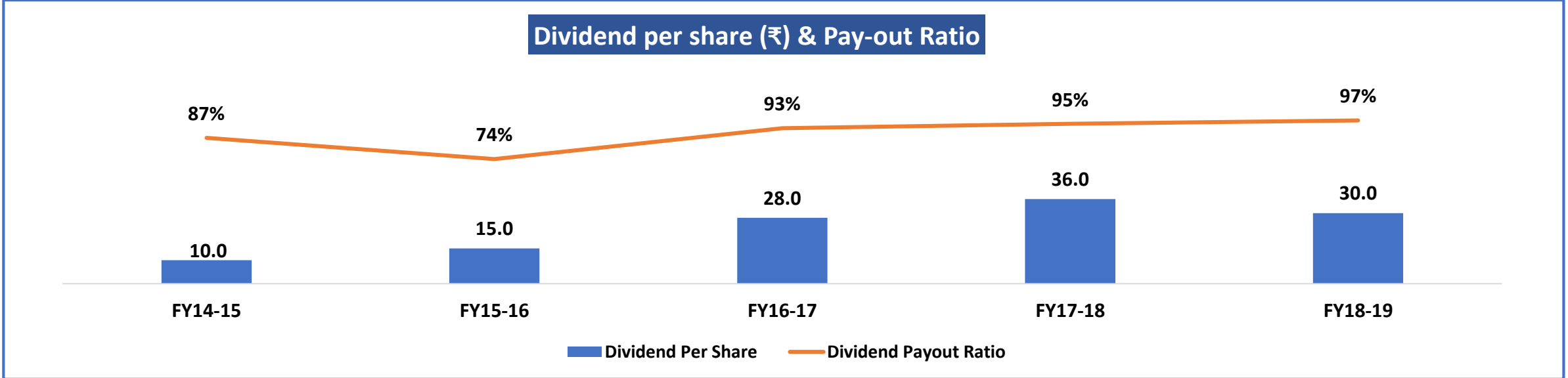


Financial Overview (cont'd)

Consolidated Net-worth (₹ million)

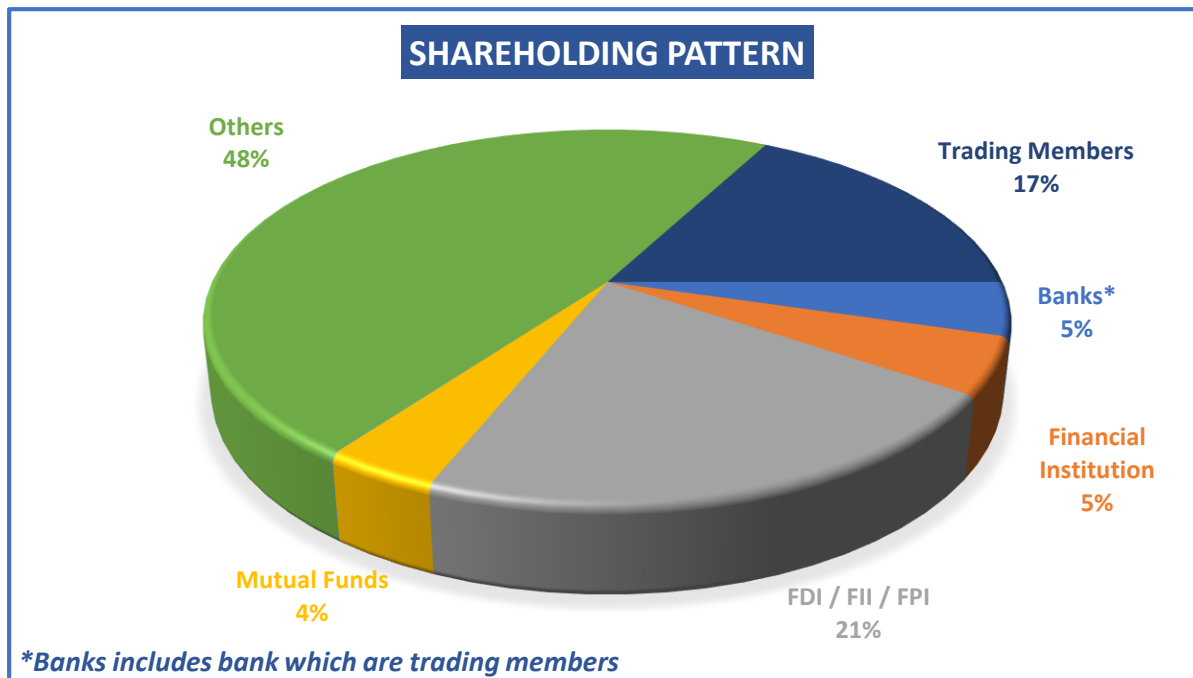


Dividend per share (₹) & Pay-out Ratio



Figures as per restated IGAAP financials for FY12-13 to FY14-15 and Ind-AS financials for FY15-16 onwards
 # Dividend pay-out ratio is calculated based on Standalone Profit

Shareholding Pattern



SOME KEY SHAREHOLDERS	
Deutsche Boerse AG	4.92%
Life Insurance Corporation of India	4.88%
IDFC Mutual Fund	2.68%
Pabrai Investment Funds	2.43%
State Bank of India	2.42%
Jupiter Asset Management	2.06%
Siddharth Balachandran	2.00%
Acacia Banyan Partners Limited	1.95%
Caldwell India Holdings Inc.	1.49%
MSPL Limited	1.16%

MARKET DATA	
Market Capitalization (₹ Mn)	31,751.84
Price (₹)	613.1
No. of Shares Outstanding (Mn)	51,789,002
Face Value (₹)	2
Avg. Qtrly Trading Volume (₹ Mn)	647.32
Avg. Qtrly Trading Volume (Mn shares)	1.08
52 week High-Low (₹)	845.05 - 534.65

THANK YOU

INVESTOR RELATIONS CONTACT :

Yogesh Joshi

Head – Investor Relations

☎ +91 22 2272 8810

✉ bse.ir@bseindia.com

