

MEDIA RELEASE

BURSA MALAYSIA ANNOUNCES RM132.4 MILLION PROFIT AFTER TAX, ZAKAT AND MINORITY INTEREST FOR THE FIRST HALF OF 2023

Declares interim dividend of 15 sen per share

Key Financial & Market Highlights (1H2023 versus 1H2022)
• Profit After Tax, Zakat and Minority Interest at RM132.4 million, increased by 3.9%
• Annualised Return on Equity at 33%, increased by 2 percentage points
• Basic earnings per share at 16.4 sen, increased by 0.7 sen
• Operating revenue at RM289.6 million, decreased by 6.4%
• Operating expenses at RM131.1 million, decreased by 8.5%
• Cost-to-income ratio at 44%, decreased by 1 percentage point
• Average daily trading value for Securities Market’s on-market trades at RM1.96 billion, decreased by 17.3%
• Market capitalisation as at 30 June 2023 at RM1.7 trillion, increased by 1.3%
• Securities Market velocity at 28%, decreased by 5 percentage points
• Average daily contracts traded for Derivatives Market at 74,735 contracts, decreased by 3.3%
• Average daily trading value for Bursa Suq Al-Sila’ (“BSAS”) at RM48.5 billion, increased by 14.4%

Kuala Lumpur, 31 July 2023 - Bursa Malaysia Berhad (“Bursa Malaysia” or the “Exchange”) announced a Profit After Tax, Zakat and Minority Interest (“PATAMI”) of RM132.4 million for the first half of the year ended 30 June 2023 (“1H2023”). This represents a 3.9% growth from the RM127.4 million PATAMI recorded against the corresponding period of the previous year ended 30 June 2022 (“1H2022”). The increase is attributed to a decline in operating expenses of 8.5% to RM131.1 million in 1H2023 from RM143.2 million in 1H2022, mainly due to a one-off reversal of provision.

The Board of Directors approved and declared an interim dividend of 15 sen per share for the financial year ended 31 December 2023. This amounts to approximately RM121.4 million, representing a payout ratio of 91.7%.

“In light of the World Bank’s moderate 2023 global GDP growth projection of 2.1% and the anticipated modest 4.5% growth of the Malaysian economy for 2023 relative to 2022, we are cognisant of the challenging global financial landscape marked by intensified risks and subdued external demands. Nevertheless, Bursa Malaysia remains optimistic, backed by the resilience of our domestic market demand, the anticipated reversal of international investment flow back to emerging markets in the second half of 2023 and the multi-faceted strategies that the Exchange is implementing across its markets,” said Tan Sri Abdul Wahid Omar, Chairman, Bursa Malaysia.

“As we navigate these uncertain times, we are encouraged by potential uplifts, arising from the growth potential presented by the relatively attractive valuation of our equity market and anticipated stabilisation of the global interest rate environment. These factors, coupled with the recently reduced stamp duty rate on trading of shares, are poised to attract both local and international investors,” added Datuk Muhamad Umar Swift, Chief Executive Officer, Bursa Malaysia.

For 1H2023 under review, the Securities Market reported a trading revenue of RM126.0 million, a decrease of 14.4% compared to RM147.2 million in 1H2022. This was due to lower Average Daily Trading Value (“ADV”) for Securities Market’s On-Market Trades (“OMT”) and Direct Business Trades (“DBT”) in 1H2023, standing at RM2.09 billion against RM2.46 billion in 1H2022. Trading velocity in 1H2023 declined by 5 percentage points to 28% from 33% in 1H2022. Notably, funds raised through Initial Public Offerings (“IPOs”) rose by 8.9% to RM2.3 billion from RM2.1 billion in 1H2022.

Total derivatives trading revenue decreased by 6.9% to RM44.5 million in 1H2023 from RM47.7 million in 1H2022, mainly due to lower collateral management fees earned and lower number of Crude Palm Oil Futures Contract (“FCPO”) contracts traded in 1H2023. However, despite the trading revenue decline, the Palm and Lauric Oils Price Outlook Conference & Exhibition (“POC”) attracted a notable growth in participants in 1H2023, leading to increased conference fees and exhibition-related income.

As for the Islamic Market, a surge in trading activity in BSAS led to a 15.5% increase in trading revenue to RM8.8 million in 1H2023, up from RM7.6 million in 1H2022. Bursa Malaysia continues to focus on developing new Shariah-compliant investment instruments to cater to investors’ needs, including sustainable and responsible investments, waqf-featured products, and Bursa Gold Dinar.

Meanwhile, non-trading revenue increased by 3.2% to RM110.3 million. This was driven predominantly by growth in the Data Business, which recorded an operating revenue of RM32.9 million, an increase of 5.6% in comparison to the RM31.2 million generated in 1H2022.

The Exchange continues to drive innovation as we pivot to be a multi-asset exchange. For instance, through our joint venture entity, Bursa Malaysia RAM Capital Sdn Bhd, we have achieved a significant milestone with the approval-in-principle to launch a new debt fundraising platform. Meanwhile, the Bursa Carbon Exchange remains committed to enhancing its offerings, aiding businesses on their path to net-zero carbon emission goals.

“Given these advancements and barring any unforeseen circumstances, we are cautiously optimistic in meeting our headline key performance indicators for the financial year ending 2023. The Exchange will step up on efforts to drive market vibrancy via various measures, including making investments more affordable, as announced by the Prime Minister recently,” concluded Datuk Umar.

The financial results for 1H2023 are available on Bursa Malaysia’s website at www.bursamalaysia.com.

Financial results	1H2023 (RM million)	1H2022 (RM million)	Percentage change (%)
Operating revenue	289.6	309.4	(6.4)
Other income	11.5	7.8	48.7
Total revenue	301.1	317.2	(5.1)
Staff costs	(83.7)	(78.0)	7.3
Depreciation and amortisation	(16.2)	(12.7)	27.6
Other operating expenses	(31.2)	(52.5)	(40.6)
Profit from operations	170.0	174.0	(2.3)
Finance costs	(0.3)	(0.3)	(0.4)
Profit before tax and zakat	169.7	173.7	(2.3)
Income tax expense	(37.3)	(46.3)	(19.3)
Profit after tax	132.4	127.4	3.9
Minority interest	*-	-	100.0
PATAMI	132.4	127.4	3.9

* Minority interest amount was below RM0.1 million in 1H2023.

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About Bursa Malaysia

Bursa Malaysia is an exchange holding company incorporated in 1976 and listed in 2005, and has grown to be one of the largest bourses in ASEAN today. Bursa Malaysia operates and regulates a fully-integrated exchange offering a comprehensive range of exchange-related facilities, and is committed to *Creating Opportunities, Growing Value*. Learn more at www.bursamalaysia.com.

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