

MEDIA RELEASE

BURSA MALAYSIA RECORDS RM210.4 MILLION PROFIT AFTER TAX FOR THE FIRST HALF OF 2021

HIGHEST FIRST HALF-YEARLY FINANCIAL PERFORMANCE SINCE LISTING IN 2005

Key Financial & Market Highlights (1H2021 vs 1H2020)
• Profit after tax at RM210.4 million, increased by 39.4%
• Annualised return on equity at 48%, increased by 9 percentage points
• Basic earnings per share at 26.0 sen, increased by 7.3 sen
• Operating revenue at RM420.2 million, increased by 31.0%
• Operating expenses at RM146.1 million, increased by 14.9%
• Cost-to-income ratio at 34%, improved by 5 percentage points
• Average daily trading value for Securities Market's on-market trades at RM4.4 billion, increased by 41.4%
• Market capitalisation as at 30 June 2021 at RM1.7 trillion, increased by 10.3%
• Securities Market velocity at 61%, increased by 11 percentage points
• Average daily contracts traded for Derivatives Market at 80,061 contracts, increased by 4.0%
• Average daily trading value for BSAS at RM34.5 billion, increased by 4.6%

Kuala Lumpur, 28 July 2021 - Bursa Malaysia Berhad (“Bursa Malaysia” or the “Exchange”) registered Profit After Tax (“PAT”) of RM210.4 million for the first half ended 30 June 2021 (“1H2021”), a 39.4% increase from the RM151.0 million reported in the previous corresponding half ended 30 June 2020 (“1H2020”). The increase in PAT is due to higher operating revenue, which grew by 31.0% to RM420.2 million from RM320.7 million in 1H2020. Meanwhile, total operating expenses in 1H2021 increased by 14.9% to RM146.1 million from RM127.1 million in 1H2020, mainly due to higher staff costs and corporate social responsibility expenditure.

Commenting on the results, Tan Sri Abdul Wahid Omar, Chairman of Bursa Malaysia said, “I am thankful that Bursa Malaysia’s first-half financial performance continues to improve. The Exchange achieved the highest ever first half-yearly financial performance since its listing in 2005. Our annualised return on equity and earnings per share of 48% and 26.0 sen respectively have enabled the Board to declare an interim dividend of 24.0 sen per share

for the financial year ending 31 December 2021, which is payable on 27 August 2021. This represents a dividend payout ratio of 92.3%. In line with the record financial performance, Bursa Malaysia is allocating RM3.0 million to procure some of the much needed equipment to help hospitals treat patients suffering from the COVID-19. This is in addition to the RM3.1 million contributed and pledged through Yayasan Bursa Malaysia towards community focused projects in areas impacted by the COVID-19 pandemic as announced on 15 June 2021.”

Datuk Muhamad Umar Swift, Chief Executive Officer of Bursa Malaysia said, “Despite the uncertain global environment from the COVID-19 pandemic, trading activity by retail investors has remained strong, contributing significantly to the performance of the Securities Market. To improve the quality of activity in our market, we continue to place importance on financial education to sustain market interest. Additionally, various relief measures and incentives have been introduced to support listed issuers amidst these challenging times.”

For 1H2021, trading revenue from the Securities Market increased by 41.4%, to RM266.1 million from RM188.2 million in 1H2020. The improved performance is derived from a higher Average Daily Trading Value (“ADV”) of RM4.4 billion for Securities Market’s on-market trades. Non-trading revenue from listing & issuer services, depository services, market data and member services & connectivity also recorded an increase in 1H2021 compared to 1H2020. The significant increase in listing & issuer services was due to higher perusal & processing fees and listing fees earned in 1H2021, while our depository services revenue was mainly from higher Record of Depositors fees, additional issue fees, CDS fees and transfer fees earned in 1H2021.

Meanwhile, the Derivatives Market trading revenue decreased by 6.4% to RM44.9 million in 1H2021 from RM48.0 million in 1H2020, mainly due to lower collateral management fees earned after the reduction of the collateral management fee rate to 0.5% effective July 2020, and lower fees earned from the decline in FTSE Bursa Malaysia KLCI Futures (FKLI) contracts in 1H2021. Spurred by growth in the volume of crude palm oil futures, Average Daily Contracts for the Derivatives Market increased slightly by 4.0%, with 80,061 contracts traded in 1H2021 compared to 76,956 in 1H2020.

On the Islamic Market front, Bursa Suq Al-Sila’ trading revenue increased by 5.8% to RM6.7 million in 1H2021 from RM6.3 million in 1H2020. Trading activity on Suq Al-Sila’ is expected to sustain its momentum supported by local participants as well as attracting more foreign participants to trade on its platform.

Tan Sri Abdul Wahid continued, “Bursa Malaysia remains well positioned to grow sustainably and responsibly. The volatility in the securities market and sustained low interest rate environment is expected to continue attracting investments and trading. We have recently strengthened our Islamic market capabilities and sustainability solution by introducing the FTSE4Good Bursa Malaysia Shariah index. This new Environmental, Social and Governance Shariah-compliant themed index will assist fund managers in developing new investment products with a portfolio of Shariah-compliant equities guided by sustainable investing principles. Following the increasing demand for Shariah-compliant products, the Exchange also welcomes the addition of the world’s first Shariah-compliant China A-Shares ETF. The addition of this ETF will not only create new opportunities of diversification for investors but is an important step towards enhancing the future growth of the Malaysian ETF market.”

“Moving forward, we will continue to enhance our platform to support the investing community in growing their wealth and managing risk against volatilities. Last May, the Exchange launched the Pilot Market Making Program. As the first market making framework for stocks in Malaysia, this pilot program aims to provide greater liquidity for less traded and illiquid stocks in the marketplace,” commented Datuk Umar.

“As a continuation to the enhancement of the services that are being provided under the Bursa Anywhere mobile application, the Exchange recently launched eRights subscription service to provide convenience to retail investors, offering significant cost and time savings. In the coming months, the Exchange will introduce the after-hours (T+1) trading session for the Derivatives Market (“Night Trading”). The launch of Night Trading will offer greater accessibility and enhance the attractiveness of the Malaysian derivatives market to global players,” concluded Datuk Umar.

The financial results for 1H2021 are available on Bursa Malaysia’s website at www.bursamalaysia.com

Financial results	1H2021 (RM million)	1H2020 (RM million)	Percentage change (%)
Operating revenue	420.2	320.7	31.0
Other income	8.2	9.8	(16.3)
Total revenue	428.4	330.5	29.6
Staff costs	(82.0)	(70.0)	17.1
Depreciation and amortisation	(10.5)	(10.8)	(3.3)
Other operating expenses	(53.6)	(46.2)	16.0
Profit from operations	282.3	203.5	38.8
Finance costs	(0.3)	(0.3)	-
Profit before tax	282.0	203.2	38.8
Income tax expense	(71.6)	(52.2)	37.3
Profit after tax	210.4	151.0	39.4

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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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