

MEDIA RELEASE

BURSA MALAYSIA REPORTS NET PROFIT OF RM226.6 MILLION FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

OUTLINES FINANCIAL YEAR 2023 (“FY2023”) PRIORITIES AND HEADLINE KPIS

Key Financial & Market Highlights (FY2022 versus FY2021)
• Profit After Tax and Zakat at RM226.6 million, decreased by 36.2%
• Return On Equity at 28%, decreased by 13 percentage points
• Basic earnings per share at 28.0 sen, decreased by 15.9 sen
• Operating revenue at RM585.3 million, decreased by 22.1%
• Operating expenses at RM292.7 million, increased by 1.4%
• Cost-to-income ratio at 49%, increased by 11 percentage points
• Average daily trading value for Securities Market’s on-market trades at RM2.1 billion, decreased by 41.5%
• Market capitalisation as at 31 December 2022 at RM1.7 trillion, decreased by 3.0%
• Securities Market velocity at 30%, decreased by 19 percentage points
• Average daily contracts traded for Derivatives Market at 78,621 contracts, increased by 4.6%
• Average daily trading value for BSAS at RM45.6 billion, increased by 22.3%

Kuala Lumpur, 31 January 2023 - Bursa Malaysia Berhad (“Bursa Malaysia” or the “Exchange”) recorded a Profit After Tax and Zakat (“PAT”) of RM226.6 million for the financial year ended 31 December 2022 (“FY2022”), a 36.2% reduction from the RM355.3 million reported in the previous financial year ended 31 December 2021 (“FY2021”). The decrease was due to lower overall trading revenue of RM377.1 million in FY2022, lower by 30.7% as compared to FY2021. Total operating expenses in FY2022 increased marginally by 1.4% to RM292.7 million from RM288.6 million in FY2021.

The Board of Directors approved and declared a final dividend of 11.5 sen per share amounting to approximately RM93.1 million. This brings the total dividend payout for FY2022 to 26.5 sen per share, which includes the interim dividend of 15 sen per share paid out in August 2022.

The Securities Market registered trading revenue of RM263.5 million in FY2022 compared to RM442.9 million in FY2021, a decrease of 40.5%, due to lower Average Daily Value (“ADV”) traded for Securities Market’s on-market trades and direct business transactions. Meanwhile, the Derivatives Market trading revenue rose by 11.3% to RM97.2 million in FY2022 from RM87.3 million in FY2021, in part due to higher collateral management fees earned, as well as higher number of FCPO and FKLI contracts traded. Bursa Suq Al-Sila’s (“BSAS”) trading revenue increased by 17.8% to RM16.4 million in FY2022 from RM14.0 million in FY2021.

“Bursa Malaysia enjoyed another year of resilient performance despite challenging global operating conditions resulting in the softening of trading in Securities Market. Trading value declined by 41.5% with ADV of RM2.1 billion in 2022 but this is still higher than pre-pandemic ADV of RM1.9 billion. The Derivatives Market, however, performed better with Average Daily Contracts (“ADC”) increasing by 4.6% from 75,178 contracts in FY2021 to 78,621 contracts in FY2022. Our Commodity Murabahah platform, BSAS similarly performed well with 22.3% higher ADV from RM37.3 billion to RM45.6 billion,” commented Tan Sri Abdul Wahid Omar, Chairman of Bursa Malaysia.

He added, “We also had a very active listing interest on the Exchange with 35 IPOs recorded in FY2022 that raised a total of RM3.5 billion, higher than the 30 IPOs recorded in FY2021. These numbers prove that both companies and investors have confidence in the Malaysian capital market, and look at Bursa Malaysia as a worthy platform for fundraising and investing.”

“In our Derivatives Market, we are offering more products and better access. To encourage more participation from global traders, the Exchange was recently recognised as a Third-Country Central Counterparty by the European Securities and Markets Authority. This recognition, together with the After-Hours (T+1) Night Trading Session (“After-Hours Trading”), will generate greater trading volume for the Exchange,” said Datuk Muhamad Umar Swift, Chief Executive Officer of Bursa Malaysia.

Bursa Malaysia made significant progress on a number of pioneering market development initiatives in FY2022, which included the launch of the world’s first Shariah-compliant carbon exchange, the inaugural East Malaysia Palm & Lauric Oils Price Outlook Conference

& Exhibition (“emPOC2022”) and the inception of the PLC Transformation Programme. The Exchange was recognised with several industry awards last year, including The Edge Billion Ringgit Club Awards 2022 for “Highest Return on Equity Over 3 Years in the Financial Services Sector (for RM10 billion market cap)”.

Commented Datuk Muhamad Umar Swift, “The Market Data business segment improved in FY2022, delivering 12.5% growth to RM60.8 million from RM54.0 million in FY2021. To achieve further growth in our non-trading revenue, we will continue improving the delivery of richer data to clients to empower the industry to undertake analytics or offer better products or services. The Exchange recently signed MOUs with the Companies Commission of Malaysia and the Department of Statistics Malaysia, to collaborate on mutual data sharing arrangements with the objective of unlocking new revenue opportunities, while supporting the national data and digitalisation agenda.”

“We are becoming a multi-asset Exchange and diversifying our revenue streams. With the launch of the Bursa Carbon Exchange in December 2022, we are now better able to facilitate the journey for Corporate Malaysia to become a global ESG investment destination. Among our priorities in 2023 is to help develop the carbon market ecosystem, and strengthen our engagement with listed companies to raise their understanding and improve their ESG practices and disclosures,” concluded Datuk Muhamad Umar Swift.

“We are invariably focused on enhancing the attractiveness of the Exchange to market participants, and our shareholders,” said Tan Sri Abdul Wahid Omar. “As espoused under the PLC Transformation Programme, we are stepping up by committing to five Headline KPIs for FY2023 – covering targets for Profit Before Tax, Non-Trading Revenue growth of 5% to 7%, 39 IPOs, innovative product launches including the Bursa Gold Dinar, and reduction in our organisation’s emissions¹.”

The financial results for FY2022 is available on Bursa Malaysia’s website at www.bursamalaysia.com. Details of the FY2022 financial results and the FY2023 Headline KPIs can be found in the Condensed Consolidated Financial Statements report which was released today (as appended and also available on our website).

¹ The headline KPIs are targets or aspirations set by the Company as a transparent performance management practice. These headline KPIs shall not be construed as either forecasts, projections or estimates of the Company or representations of any future performance, occurrence or matter as the headline KPIs are merely a set of targets/aspirations of future performance aligned to the Company's strategy.

Financial results	FY2022 (RM million)	FY2021 (RM million)	Percentage change (%)
Operating revenue	585.3	751.6	(22.1)
Other income	17.9	15.9	12.8
Total revenue	603.2	767.5	(21.4)
Staff costs	(155.1)	(157.9)	(1.8)
Depreciation and amortisation	(26.9)	(22.0)	22.4
Other operating expenses	(110.7)	(108.6)	1.9
Profit from operations	310.5	479.0	(35.2)
Finance costs	(0.5)	(0.5)	-
Profit before tax and zakat	310.0	478.5	(35.2)
Income tax expense and zakat	(83.4)	(123.2)	(32.3)
Profit After Tax	226.6	355.3	(36.2)

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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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