

MEDIA RELEASE

BURSA MALAYSIA ANNOUNCES RM56.2 MILLION PROFIT AFTER TAX AND ZAKAT FOR THE FIRST QUARTER OF 2023

Key Financial & Market Highlights (1Q2023 versus 1Q2022)
• Profit After Tax and Zakat at RM56.2 million, decreased by 17.4%
• Annualised Return on Equity at 29%, decreased by 6 percentage points
• Basic earnings per share at 6.9 sen, decreased by 1.5 sen
• Operating revenue at RM150.7 million, decreased by 6.4%
• Operating expenses at RM80.2 million, increased by 10.6%
• Cost-to-income ratio at 51%, increased by 7 percentage points
• Average daily trading value for Securities Market’s on-market trades at RM2.1 billion, decreased by 17.7%
• Market capitalisation as at 31 March 2023 at RM1.7 billion, decreased by 4.9%
• Securities Market velocity at 31%, decreased by 5 percentage points
• Average daily contracts traded for Derivatives Market at 71,366 contracts, decreased by 7.9%
• Average daily trading value for BSAS at RM52.1 billion, increased by 24.4%

Kuala Lumpur, 3 May 2023 - Bursa Malaysia Berhad (“Bursa Malaysia” or the “Exchange”) recorded a Profit After Tax and Zakat (“PAT”) of RM56.2 million for the first quarter ended 31 March 2023 (“1Q2023”), a 17.4% decrease from RM68.0 million reported in the previous corresponding quarter ended 31 March 2022 (“1Q2022”). The decline in PAT is primarily due to a 13.4% decrease in the Securities Market’s operating revenue to RM100.0 million in 1Q2023 from RM115.6 million in 1Q2022. Meanwhile, total operating expenses increased by 10.6% to RM80.2 million from RM72.5 million in 1Q2022, owing to higher marketing & developmental expenses, technology costs, and depreciation expenses.

For the current quarter under review, the lower operating revenue in the Securities Market is primarily due to a decrease in trading revenue, with the average daily trading value (“ADV”) for On-Market Trades (“OMT”) and Direct Business Trades (“DBT”) recording RM2.3 billion against RM2.7 billion in 1Q2022. Trading velocity decreased by 5 percentage points to 31% from 36% in 1Q2022. Listing and issuer services decreased by 11.4% to RM15.0 million

from RM16.9 million in 1Q2022, while depository services dipped by 8.7% to RM13.1 million from RM14.4 million in 1Q2022.

Quarter on quarter, the Derivatives Market's operating revenue rose by 13.5%, to RM28.3 million from RM24.9 million in 1Q2022, mainly due to the conference fees and exhibition-related income, which increased to RM6.7 million from RM1.5 million in 1Q2022. This increase was attributed to a higher number of participants attending the Palm and Lauric Oils Price Outlook Conference & Exhibition 2023 held in March. However, the Derivatives' Average Daily Contracts ("ADC") had decreased by 7.9%, at 71,366 contracts compared to 77,513 contracts in 1Q2022, resulting in a lower Derivatives trading revenue by 7.9% to RM21.5 million in 1Q2023 from RM23.3 million in 1Q2022.

On the Islamic Market front, higher trading activity in Bursa Suq Al-Sila' ("BSAS") resulted in an 18.5% increase in trading revenue to RM4.5 million in 1Q2023 from RM3.8 million in 1Q2022. The data business segment continued its growth momentum, with operating revenue increasing by 5.7% to RM15.6 million from RM14.8 million in 1Q2022.

"The first quarter of 2023 proved to be a challenging period for the capital markets due to various macroeconomic factors, with the Securities Market's ADV returning to pre-pandemic levels compared to 1Q2022. However, on a quarter-to-quarter basis, we have seen an improvement with our PAT being 14.6% higher than the fourth quarter ended 31 December 2022, which was at RM49.0 million," said Datuk Muhamad Umar Swift, Chief Executive Officer of Bursa Malaysia.

He added, "We also saw significant increase in listings, with 10 IPOs in 1Q2023, double the number of IPOs recorded in 1Q2022, indicating improved market sentiment and demonstrating confidence that companies have in Bursa Malaysia as a valuable fundraising platform. We believe that the recent introduction of the LEAP Market Transfer Framework will enhance our market's attractiveness and facilitate greater market access to more established SMEs."

Commenting on market outlook in the coming quarters, Datuk Muhamad Umar Swift said "Bank Negara Malaysia's recent GDP growth forecast of 4% to 5% for 2023 reinforces our optimism for Malaysia's economic prospects, given the expectation that strong domestic demand will help anchor Malaysia's economic growth amid external volatility. However, continued concerns over elevated cost of living and input costs might have an impact on consumer and business sentiments, which in turn could influence trading volume in the capital market."

“As we navigate the ongoing challenging environment, we will implement initiatives that will improve operational and cost efficiency, while being steadfast in strengthening market ecosystem and introducing new offerings, to enhance market vibrancy and attractiveness to investors. The Exchange is cautiously optimistic in meeting all 5 headline KPIs¹, as announced earlier in January 2023, provided that no unforeseen circumstances arise during the year,” Datuk Muhamad Umar Swift concluded.

The financial results for 1Q2023 are available on Bursa Malaysia’s website at www.bursamalaysia.com.

Financial results	1Q2023 (RM million)	1Q2022 (RM million)	Percentage change (%)
Operating revenue	150.7	161.0	(6.4)
Other income	5.8	4.3	35.5
Total revenue	156.5	165.3	(5.3)
Staff costs	(40.7)	(39.3)	3.6
Depreciation and amortisation	(7.9)	(6.3)	24.3
Other operating expenses	(31.6)	(26.9)	17.7
Profit from operations	76.3	92.8	(17.8)
Finance costs	(0.1)	(0.1)	-
Profit before tax and zakat	76.2	92.7	(17.8)
Income tax expense	(20.0)	(24.7)	(19.0)
PAT	56.2	68.0	(17.4)

- End -

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.



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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