

MEDIA RELEASE

BURSA MALAYSIA ANNOUNCES RECORD RM377.7 MILLION PROFIT AFTER TAX, ZAKAT AND MINORITY INTEREST FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Key Financial & Market Highlights (FY2020 vs FY2019)
<ul style="list-style-type: none"> Profit After Tax, Zakat and Minority Interest at RM377.7 million, increased by 103.2%
<ul style="list-style-type: none"> Annualised Return On Equity at 46%, increased by 22 percentage points
<ul style="list-style-type: none"> Basic earnings per share at 46.7 sen, increased by 23.7 sen
<ul style="list-style-type: none"> Operating revenue at RM778.8 million, increased by 62.2%
<ul style="list-style-type: none"> Operating expenses at RM291.8 million, increased by 18.5 %
<ul style="list-style-type: none"> Cost-to-income ratio at 37%, decreased by 12 percentage points
<ul style="list-style-type: none"> Average daily trading value for Securities Market's on-market trades at RM4.2 billion, increased by 118.1%
<ul style="list-style-type: none"> Market capitalisation as at 31 December 2020 at RM1.8 trillion, increased by 6.1%
<ul style="list-style-type: none"> Securities Market velocity at 64%, increased by 36 percentage points
<ul style="list-style-type: none"> Average daily contracts traded for Derivatives Market at 73,523 contracts, increased by 32.8%
<ul style="list-style-type: none"> Average daily trading value for BSAS at RM32.9 billion, increased by 7.8%

Kuala Lumpur, 2 February 2021 - Bursa Malaysia Berhad ("Bursa Malaysia" or the "Exchange") recorded a Profit After Tax, Zakat and Minority Interest ("PATZAMI") of RM377.7 million for the financial year ended 31 December 2020 ("FY2020"), a 103.2% increase from RM185.9 million reported in the previous financial year ended 31 December 2019 ("FY2019"). The increase in PATZAMI was due to the improved performance in the Securities and Derivatives Markets, which recorded a higher operating revenue of RM778.8 million from RM480.1 million in FY2019, an increase of 62.2%. This is Bursa Malaysia's highest full-year financial results since its listing in 2005.

Meanwhile, total operating expenses in FY2020 increased by 18.5% to RM291.8 million from RM246.2 million in FY2019, mainly due to higher staff costs, information technology maintenance costs and professional fees.

The Board of Directors approved and declared a final dividend of 26.0 sen per share and a special dividend of 8.0 sen per share for FY2020, amounting to approximately RM210.3 million and RM64.7 million, respectively. This brings the total dividend payout for FY2020 to 51.0 sen per share, 145% higher than the total dividend of 20.8 sen per share paid in respect of the previous FY2019.

Commenting on the results, Tan Sri Abdul Wahid Omar, Chairman of Bursa Malaysia said, “Despite the ongoing health and economic challenges, most capital markets with strong domestic liquidity such as Malaysia have benefited from the increased presence of domestic retail investors. Aided by the convenience of online broking and conducive low-interest-rate environment, the Average Daily Trading Value (“ADV”) of securities doubled from RM1.93 billion in FY2019 to RM4.21 billion in FY2020. Our ability to handle the significant increase in volume and achieve this exceptional financial performance is a testament to the steadfast and unwavering commitment we have made through continued investment in our growth initiatives. This has provided a solid foundation, contributing to the resilience of the Malaysian capital market, which has been one of the strongest in the ASEAN region. The benchmark FBMKLCI ended the year 2.4% higher at 1,627.21, one of the best performing equities markets in ASEAN, reflecting the confidence and sentiment of investors in our market.”

Datuk Muhamad Umar Swift, Chief Executive Officer added, “Our full-year financial result reflects the strength of our core business in capitalising on opportunities which emerged within our capital market in 2020. Despite the global health pandemic, Malaysian equities demonstrated resilience. The continued operation of our markets has helped preserve the flow of capital in our economy to meet the needs of businesses and individuals alike. Retail investors have had a positive impact on improving liquidity and depth. In FY2020, retail ADV had increased by 236% to 1.6 billion, the highest retail ADV in Bursa Malaysia’s history. Improved financial literacy among retail investors demonstrates the increased effectiveness of our outreach programs in recent years. Aside to that, 65% of the total CDS accounts opened were millennials (ages 25-40 years). The increase of millennial investors is a positive development for the long-term sustainability of the market, as they are key drivers of socially responsible investing.”

The ongoing developments surrounding the pandemic continued to drive investment flows, seeing higher market activity in the Securities and Derivatives Markets, as well as increased

demand in services. Market data revenue increased by 24.8% to RM48.1 million in FY2020 from RM38.6 million in FY2019 contributed by an increase in the number of new subscribers. Depository services revenue increased by 17.4% to RM49.2 million in FY2020 from RM41.9 million in FY2019, due to higher Record of Depositors fees, transfer fees, and account opening fees earned. Listing and issuer services revenue increased by 5.6% to RM57.0 million in FY2020 from RM54.0 million in FY2019. This was mainly due to additional listing fees and processing fees earned from the higher number of corporate exercises in FY2020.

For FY2020, the Securities Market registered a trading revenue of RM498.9 million compared to RM232.8 million in FY2019, increased by 114.3% due to higher ADV for Securities Market's on-market trades. The broader market is supported by local investors, with higher retail and institutional participation during the year.

Derivatives Market trading revenue increased by 26.0% to RM91.1 million in FY2020 from RM72.3 million in FY2019, mainly due to the higher number of contracts traded for Crude Palm Oil Futures ("FCPO") and FTSE Bursa Malaysia KLCI Futures ("FKLI"). Average Daily Contracts ("ADC") for the Derivatives Market saw an increase of 32.8%, with 73,523 contracts in FY2020 compared to 55,372 contracts in FY2019. However, the Derivatives trading revenue, Conference fees and exhibition-related income decreased by 95.6% to RM0.2 million in FY2020 from RM5.0 million in FY2019 due to the cancellation of the physical flagship Palm and Lauric Oils Price Outlook Conference & Exhibition 2020 which was held virtually instead.

The Islamic Capital Market, Bursa Suq Al-Sila' ("BSAS") trading revenue decreased by 6.5% to RM13.1 million in FY2020 from RM14.0 million in FY2019 despite the increase in BSAS ADV by 7.8% to RM32.9 billion in FY2020. This was due to a higher proportion of volume-based pricing trades in FY2020 where lower fees were applicable. Nevertheless, the Exchange expects the BSAS ADV growth momentum to sustain.

"While we are hopeful for the year ahead, uncertainties continue to linger in the global and domestic markets. The Exchange aims to build a sustainable momentum by driving the sustainability agenda, with renewed focus to help deliver equitable growth for all stakeholders. This is reflected in our refined vision to be ASEAN's leading, sustainable and globally-connected marketplace. We will be implementing a three-year strategic framework that is future-focused and embeds sustainability in our organisation and offerings. We have also pledged to contribute 1% of our profits after tax for FY2020 towards community projects that will have a positive change and benefit society. This is inclusive of the inaugural RM667,000 zakat provided by Bursa Malaysia in FY2020," commented Tan Sri Abdul Wahid Omar.

Datuk Umar added, “We remain committed to our focus of fostering sustainable development in the marketplace through the diversity of our product and service offerings. Continued improvements will be made to strengthen our digital touchpoints to further enhance Bursa Malaysia’s attractiveness and grow our investor base. In addition, our established leadership position in the Islamic equity market is a potential growth catalyst given the greater prominence of sustainability, and the overlap between responsible and Shariah investing.”

“Moving forward, Bursa Malaysia will focus on developing and growing the Islamic Capital Market by promoting Shariah-compliant stocks and introducing new Islamic products and services such as Waqaf ETF and Hibah. We are also looking to forge new partnerships to grow the Exchange’s non-traditional revenue stream. One such area is through data collaboration with various players, allowing the Exchange to expand our datasets beyond market data. Creating enriched datasets will help facilitate Bursa Malaysia into a sustainable and attractive ecosystem, beyond a traditional exchange marketplace,” concluded Datuk Umar.

The financial results for FY2020 are available on Bursa Malaysia’s website at www.bursamalaysia.com

Financial results	FY2020 (RM million)	FY2019 (RM million)	Percentage change (%)
Operating revenue	778.8	480.1	62.2
Other income	20.1	22.4	(9.8)
Total revenue	798.9	502.5	59.0
Staff costs	(155.6)	(133.7)	16.4
Depreciation and amortisation	(21.4)	(20.8)	3.0
Other operating expenses	(114.8)	(91.7)	25.2
Profit from operations	507.1	256.3	97.9
Finance costs	(0.5)	(0.5)	0.7
Profit before tax and zakat	506.6	255.8	98.1
Income tax expense and zakat	(128.9)	(66.2)	94.7
Profit after tax and zakat	377.7	189.6	99.3
Minority interest	-	(3.7)	(100.0)
PATZAMI	377.7	185.9	103.2

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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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