

## MEDIA RELEASE

### BURSA MALAYSIA ANNOUNCES RM93.2 MILLION PROFIT AFTER TAX AND MINORITY INTEREST FOR THE FIRST HALF OF 2019

Key Financial & Market Highlights (1H2019 vs 1H2018)
<ul style="list-style-type: none"> <li>• PATAMI at RM93.2 million, decreased by 23.6%</li> </ul>
<ul style="list-style-type: none"> <li>• Annualised Return on Equity at 21%, decreased by 7 percentage points</li> </ul>
<ul style="list-style-type: none"> <li>• Basic earnings per share at 11.5 sen, decreased by 3.6 sen</li> </ul>
<ul style="list-style-type: none"> <li>• Operating revenue at RM240.0 million, decreased by 14.0%</li> </ul>
<ul style="list-style-type: none"> <li>• Operating expenses at RM122.6 million, decreased marginally by 0.7%</li> </ul>
<ul style="list-style-type: none"> <li>• Cost-to-income ratio at 49%, increased by 7 percentage points</li> </ul>
<ul style="list-style-type: none"> <li>• Average daily trading value for Securities Market's on-market trades at RM2.0 billion, decreased by 24.9%</li> </ul>
<ul style="list-style-type: none"> <li>• Market capitalisation as at 30 June 2019 at RM1.8 trillion, decreased by 1.0%</li> </ul>
<ul style="list-style-type: none"> <li>• Securities Market velocity at 29%, decreased by 7 percentage points</li> </ul>
<ul style="list-style-type: none"> <li>• Average daily contracts traded for Derivatives Market at 49,351 contracts, decreased by 9.9%</li> </ul>
<ul style="list-style-type: none"> <li>• Average daily trading value for BSAS at RM32.1 billion, increased by 49.8%</li> </ul>

**Kuala Lumpur, 1 August 2019** - Bursa Malaysia Berhad (“Bursa Malaysia” or the “Exchange”) recorded a Profit After Tax and Minority Interest (“PATAMI”) of RM93.2 million for the first half ended 30 June 2019 (“1H2019”), a 23.6% decrease from RM122.0 million reported in the previous corresponding first half ended 30 June 2018 (“1H2018”). The decline in PATAMI is primarily due to lower operating revenue by 14.0% to RM240.0 million from the previous corresponding period.

Total operating expenses in 1H2019 continued to be well managed, which saw a marginal decrease by 0.7% to RM122.6 million from RM123.4 million in 1H2018. Marketing and business development expenses increased by 39.7% to RM8.6 million from the previous corresponding half as the Securities and Derivatives Markets continued to focus on its marketing and engagement initiatives to attract new participants.

Bursa Malaysia's Chief Executive Officer, Datuk Muhamad Umar Swift said, "Our markets performed in line with expectations as investors continued to adopt a cautious stance for the first half of the year. Notwithstanding the challenging operating environment, we will forge ahead to build on our strengths such as in the Islamic capital market, which continues to show a positive momentum. There are various positive indicators that give us reason to be optimistic, among them the positive trend in trading amongst small and mid-cap counters and the encouraging increase in initial public offerings ("IPOs") which led to the Exchange occupying the top spot among major ASEAN bourses in terms of funds raised via IPOs as at 1H2019 totalling RM1.4 billion<sup>1</sup>. We are also seeing improvements in foreign direct investments. These are all good opportunities for us to build upon."

For the half-year under review, the Securities Market performance was influenced by both global and domestic developments, centred on concerns of softening global growth, easing of global financing conditions and weaker corporate earnings. Trading revenue decreased by 19.6% to RM117.8 million in 1H2019 from RM146.5 million in 1H2018 mainly due to lower average daily value ("ADV") for Securities Market's on-market trades. The total non-trading revenue decreased by 5.9% to RM81.3 million in 1H2019 from RM86.4 million in 1H2018 mainly due to the decline in listing and issuer services revenue from lower initial and annual listing fees as well as lower perusal and processing fees. However, this was partially offset by higher market data revenue, mainly due to the increase in subscriptions. Despite these external headwinds, the Securities Market performance for the second half of 2019 is expected to be resilient. The month of June 2019 saw foreign investors turned net buyers in the Securities Market with the trend continuing into July 2019.

Derivatives Market trading revenue decreased by 14.1% to RM33.3 million in 1H2019 from RM38.7 million in 1H2018, mainly due to the lower number of contracts traded for Crude Palm Oil Futures and FTSE Bursa Malaysia KLCI Futures. Average daily contracts ("ADC") for the Derivatives Market saw a decrease of 9.9% to 49,351 contracts in 1H2019 compared to 54,794 contracts in 1H2018.

As for the Islamic Capital Market, trading revenue for Bursa Suq Al-Sila' ("BSAS") in 1H2019 increase by 2.5% to RM7.6 million from RM7.4 million in 1H2018. ADV for BSAS grew by 49.8% to RM32.1 billion in 1H2019 from RM21.4 billion in 1H2018. Trading on BSAS is expected to sustain its strong performance through expansion of its global reach and onboarding of new domestic non-bank participants onto its platform.

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<sup>1</sup> Excludes listing of REITs and ETFs

Datuk Umar added, “Today’s challenges are an impetus for us to drive the changes we need to serve our stakeholders better, and deliver more efficiency and profitability. Developments in our ecosystem and our drive towards digitalisation, - a “Virtual Bursa”-, will help accelerate growth, build connectivity between regional markets and future-proof our business. For example, the launch of Bursa Anywhere on 11 June 2019, the first-of-its-kind mobile depository services in ASEAN and second only in Asia, is a progressive evolution towards full e-central depository system (“e-CDS”) services that will provide retail investors greater accessibility and control, as well as allow us to expand our insights into retail sentiment and behaviour. Markets are cyclical by nature. What is important is that we continue to demonstrate long-term growth”.

The financial results for 1H2019 are available on Bursa Malaysia’s website at [www.bursamalaysia.com](http://www.bursamalaysia.com)

<b>Financial results</b>	<b>1H2019 (RM million)</b>	<b>1H2018 (RM million)</b>	<b>Percentage change (%)</b>
Operating revenue	240.0	279.1	(14.0)
Other income	10.5	12.2	(13.9)
<b>Total revenue</b>	<b>250.5</b>	<b>291.3</b>	<b>(14.0)</b>
Staff costs	(68.6)	(71.0)	(3.3)
Depreciation and amortisation	(10.2)	(11.1)	(7.5)
Other operating expenses	(43.8)	(41.4)	5.6
<b>Profit from operations</b>	<b>127.9</b>	<b>167.8</b>	<b>(23.8)</b>
Finance costs	(0.3)	(0.3)	-
<b>Profit before tax</b>	<b>127.6</b>	<b>167.5</b>	<b>(23.8)</b>
Income tax expense	(32.0)	(42.0)	(23.8)
<b>Profit after tax</b>	<b>95.6</b>	<b>125.5</b>	<b>(23.8)</b>
Minority interest	(2.4)	(3.5)	(31.4)
<b>PATAMI</b>	<b>93.2</b>	<b>122.0</b>	<b>(23.6)</b>



## 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](http://www.bursamalaysia.com).

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