

MEDIA RELEASE

BURSA MALAYSIA ANNOUNCES RM46.9 MILLION PROFIT AFTER TAX AND MINORITY INTEREST FOR THE FIRST QUARTER OF 2019

Key Financial & Market Highlights (1Q2019 vs 1Q2018)
<ul style="list-style-type: none"> • PATAMI at RM46.9 million, decreased by 26.5%
<ul style="list-style-type: none"> • Annualised ROE at 23%, decreased by 7 percentage points
<ul style="list-style-type: none"> • Basic earnings per share at 5.8 sen, decreased by 2.1 sen
<ul style="list-style-type: none"> • Operating revenue at RM121.4 million, decreased by 16.2%
<ul style="list-style-type: none"> • Operating expenses at RM62.0 million, decreased marginally by 1.4%
<ul style="list-style-type: none"> • Cost-to-income ratio at 49%, increased by 7 percentage points
<ul style="list-style-type: none"> • Average daily trading value for Securities Market's on-market trades at RM2.1 billion, decreased by 23.9%
<ul style="list-style-type: none"> • Market capitalisation as at 31 March 2019 at RM1.7 trillion, decreased by 8.8%
<ul style="list-style-type: none"> • Securities Market velocity at 29%, decreased by 6 percentage points
<ul style="list-style-type: none"> • Average daily contracts traded for Derivatives Market at 47,359 contracts, decreased by 12.3%
<ul style="list-style-type: none"> • Average daily trading value for BSAS at RM31.6 billion, increased by 39.6%

Kuala Lumpur, 29 April 2019 - Bursa Malaysia Berhad ("Bursa Malaysia" or the "Exchange") recorded a Profit After Tax and Minority Interest ("PATAMI") of RM46.9 million for the first quarter ended 31 March 2019 ("1Q2019"), a 26.5% decrease from RM63.8 million reported in the previous corresponding quarter ended 31 March 2018 ("1Q2018"). The decrease in PATAMI is primarily due to lower operating revenue by 16.2% to RM121.4 million from 1Q2018.

Total operating expenses in 1Q2019 which saw a marginal decrease by 1.4% to RM62.0 million from RM62.9 million in 1Q2018 continue to be well managed despite an increase in developmental expense. The marketing and development expenses increased mainly due to the higher activities carried out by the Securities and Derivatives Markets. Efforts to attract

greater and more diversified participants into the market included initiatives to promote financial literacy for more informed decision making in investing.

While 1Q2019 was a weak quarter for the Exchange, this was consistent with the prevailing domestic and global developments, which include concerns of slower economic growth, weaker corporate earnings and palm oil prices. However, market sentiment is seen to be improving reflected by the positive momentum in monthly average daily trading value (“ADV”) and monthly average daily contracts (“ADC”) that have been trending upwards through the quarter under review.

Bursa Malaysia Chief Executive Officer, Datuk Muhamad Umar Swift said, “A bourse is a reflection of wider conditions. The first quarter of the year remained challenging on the back of weaker sentiment largely influenced by external concerns. These concerns are wide ranging, and are driving uncertainty in the global economy. The spill over of this impact is also affecting businesses of all sizes in our local economy. While the FTSE Bursa Malaysia KLCI Index weakened in the first quarter, it is important to note that the small and mid-cap indices continue to show a positive trend, with the FTSE Bursa Malaysia Small Cap Index and FTSE Bursa Malaysia Mid-70 Index recording a year-to-date (“YTD”) growth of 13% and 9% as at end-March.”

For the quarter under review, Securities Market registered trading revenue of RM59.0 million compared to RM76.3 million in the previous corresponding quarter, down by 22.6% as a result of lower ADV for Securities Market’s on-market trades in 1Q2019. The total non-trading revenue decreased by 7.6% to RM42.1 million in 1Q2019 from RM45.6 million in 1Q2018 mainly due to the decline in listing and issuer services revenue. However, this was partly offset by higher market data revenue mainly due to higher number of subscribers.

Derivatives Market trading revenue decreased by 13.8% to RM16.4 million in 1Q2019 from RM19.0 million in 1Q2018, mainly due to lower number of contracts traded for Crude Palm Oil Futures and FTSE Bursa Malaysia KLCI Futures, as well as higher market incentives incurred in 1Q2019. ADC for the Derivatives Market saw a decrease of 12.3%, with 47,359 contracts in 1Q2019 compared to 54,020 contracts in 1Q2018.

As for the Islamic Capital Market, Bursa Suq Al-Sila’ (“BSAS”) remained fairly stable, registering a trading revenue of RM3.9 million despite the growth in ADV by 39.6% to RM31.6 billion in 1Q2019.

Datuk Umar added, “Looking beyond general analysis, we believe that these temporary challenges are the impetus that can drive positive transformation amongst more agile participants across the broad economy. The fundamentals of the Malaysian economy are strong and robust, and we remain confident of the country’s resilient growth trajectory. The recent positive announcements such as the revival of the East Coast Rail Link and Bandar Malaysia projects will have a positive impact and act as a catalyst that will stimulate the broader market. Despite external concerns, we will continue to position the Exchange for long-term growth by improving operational efficiency, digitalising our services to provide better customer experience such as our upcoming CDS e-services and enhancing the breadth and depth of the capital market with the introduction of new products, thus ensuring we are well placed when market sentiment improves. For us at Bursa Malaysia, this dual focus on the near future as well as greater transformations to come are key components to deliver on our promise of Creating Opportunities, Growing Value”.

The financial results for 1Q2019 are available on Bursa Malaysia’s website at www.bursamalaysia.com

Financial results	1Q2019 (RM million)	1Q2018 (RM million)	Percentage change (%)
Operating revenue	121.4	144.8	(16.2)
Other income	5.1	5.9	(13.4)
Total revenue	126.5	150.7	(16.0)
Staff costs	(33.5)	(34.8)	(3.7)
Depreciation and amortisation	(5.1)	(5.6)	(8.8)
Other operating expenses	(23.4)	(22.5)	3.9
Profit from operations	64.5	87.8	(26.5)
Finance costs	(0.1)	(0.1)	-
Profit before tax	64.4	87.7	(26.6)
Income tax expense	(16.2)	(22.0)	(26.6)
Profit after tax	48.2	65.7	(26.6)
Minority interest	(1.3)	(1.9)	(27.5)
PATAMI	46.9	63.8	(26.5)



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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