

## MEDIA RELEASE

### BURSA MALAYSIA ANNOUNCES RM140.3 MILLION PROFIT AFTER TAX AND MINORITY INTEREST FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

Key Financial & Market Highlights (9M2019 vs 9M2018)
<ul style="list-style-type: none"> <li>• PATAMI at RM140.3 million, decreased by 18.5%</li> </ul>
<ul style="list-style-type: none"> <li>• Annualised Return on Equity at 23%, decreased by 5 percentage points</li> </ul>
<ul style="list-style-type: none"> <li>• Basic earnings per share at 17.4 sen, decreased by 3.9 sen</li> </ul>
<ul style="list-style-type: none"> <li>• Operating revenue at RM357.5 million, decreased by 11.1%</li> </ul>
<ul style="list-style-type: none"> <li>• Operating expenses at RM180.3 million, decreased by 2.1%</li> </ul>
<ul style="list-style-type: none"> <li>• Cost-to-income ratio at 48%, increased by 4 percentage points</li> </ul>
<ul style="list-style-type: none"> <li>• Average daily trading value for Securities Market's on-market trades at RM1.98 billion, decreased by 22.6%</li> </ul>
<ul style="list-style-type: none"> <li>• Market capitalisation as at 30 September 2019 at RM1.7 trillion, decreased by 8.8%</li> </ul>
<ul style="list-style-type: none"> <li>• Securities Market velocity at 28%, decreased by 6 percentage points</li> </ul>
<ul style="list-style-type: none"> <li>• Average daily contracts traded for Derivatives Market at 52,644 contracts, decreased by 5.6%</li> </ul>
<ul style="list-style-type: none"> <li>• Average daily trading value for BSAS at RM31.5 billion, increased by 46.7%</li> </ul>

Kuala Lumpur, 29 October 2019 - Bursa Malaysia Berhad ("Bursa Malaysia" or the "Exchange") recorded a Profit After Tax and Minority Interest ("PATAMI") of RM140.3 million for the nine-month financial period ended 30 September 2019 ("9M2019"), an 18.5% decrease from RM172.2 million reported in the previous corresponding period ended 30 September 2018 ("9M2018"). The decline in PATAMI is due to lower operating revenue by 11.1% to RM357.5 million from the previous corresponding period.

Total operating expenses in 9M2019 saw a decline of 2.1% to RM180.3 million from RM184.2 million in 9M2018. Marketing and business development expenses increased by 35.2% to RM10.4 million from 9M2018 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, "Notwithstanding the challenging operating environment, the IPO pipeline has remained solid. To date, the Exchange has already welcomed 27 new listings, surpassing the 21 total listings in 2018. Among major ASEAN bourses, Bursa Malaysia also ranked second for funds raised and the number of new listings in 9M2019<sup>1</sup>. In the Derivatives Market, the Exchange also facilitated new inter-broke relationships and signed up new market makers and liquidity providers from the Greater China region, which further expanded the derivatives trading community in 9M2019. We also remain positive on the Islamic Capital Market, which saw increased participation by institutional investors and onboarding of new participants on Bursa Malaysia-i and Bursa Suq Al-Sila' ("BSAS") respectively."

The Securities Market performance in 9M2019 continued to be influenced by both global and domestic developments, such as the heightened risk of global economic slowdown, easing of global financing conditions and weaker corporate earnings. Securities Market trading revenue decreased by 16.4% to RM173.6 million in 9M2019 from RM207.7 million in 9M2018 mainly due to lower average daily value ("ADV") for Securities Market's on-market trades. Trading velocity was also lower by 6 percentage points to 28% compared to 9M2018. Non-trading revenue decreased by 4.1% to RM121.0 million from RM126.2 million in the previous corresponding period, mainly due to lower in listing and issuer fees and perusal processing fees. However, this was partially offset by higher market data revenue, underpinned by increase in number of subscriptions.

Derivatives Market trading revenue decreased by 10.1% to RM51.7 million in 9M2019 from RM57.6 million in 9M2018, mainly due to lower 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 a decrease of 5.6% to 52,644 contracts in 9M2019 compared to 55,779 contracts in 9M2018.

As for the Islamic Capital Market, trading revenue for BSAS in 9M2019 increased by 2.7% to RM11.1 million from RM10.8 million in 9M2018. ADV for BSAS grew by 46.7% to RM31.5 billion in 9M2019 from RM21.5 billion in 9M2018. Trading on BSAS is expected to sustain its strong performance through the expansion of its global reach and onboarding of new domestic non-bank participants onto its platform.

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<sup>1</sup> Excludes real estate investment trusts (REITs) and exchange-traded funds (ETFs)

Datuk Umar added, “Taking into consideration the Exchange’s performance to date and the continued challenging environment, we expect to register a satisfactory performance for the rest of the year supported by positive domestic catalysts from the recently announced Malaysian Budget 2020. The government’s efforts directed at developing key economic growth areas such as Islamic Finance, digitisation and entrepreneurship will be key drivers toward sustainable economic growth in the longer term. The proposal for tax deduction on expenses of up to RM1.5 million incurred for the listing of technology-based companies and small and medium enterprises on the ACE and LEAP markets for 3 years from 2020 to 2022, and the extension of the existing tax treatment for investors in REITs by an additional 6 years until 2025 will certainly provide continued impetus in generating listing interests and attracting local and foreign investors into our capital market.”

The financial results for 9M2019 are available on Bursa Malaysia’s website at [www.bursamalaysia.com](http://www.bursamalaysia.com)

Financial results	9M2019 (RM million)	9M2018 (RM million)	Percentage change (%)
Operating revenue	357.5	402.3	(11.1)
Other income	15.7	18.8	(16.7)
Total revenue	373.2	421.1	(11.4)
Staff costs	(101.4)	(106.4)	(4.7)
Depreciation and amortisation	(15.4)	(16.6)	(7.0)
Other operating expenses	(63.5)	(61.2)	3.7
Profit from operations	192.9	236.9	(18.6)
Finance costs	(0.4)	(0.4)	-
Profit before tax	192.5	236.5	(18.6)
Income tax expense	(48.5)	(59.5)	(18.6)
Profit after tax	144.0	177.0	(18.6)
Minority interest	(3.7)	(4.8)	(22.7)
<b>PATAMI</b>	<b>140.3</b>	<b>172.2</b>	<b>(18.5)</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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