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18 July 2012

BURSA MALAYSIA POSTS 3% INCREASE IN HALF YEAR PATAMI

Key Financial & Market Highlights (1H2012 vs 1H2011)
▪ PATAMI at RM78.7 million, up 3%
▪ Operating revenue at RM197.2 million, down 2%
▪ Operating expenses at RM104.9 million, down 4%
▪ Average daily trading value for securities at RM1.74 billion, down 10%
▪ Market capitalisation at end-June 2012 at RM1.37 trillion, up 2%
▪ Velocity at 30%, down 14%
▪ Average daily contracts traded for derivatives at 35,845 up 4%

Bursa Malaysia Berhad (Bursa Malaysia) today announced profit after tax and minority interest (PATAMI) of RM78.7 million for the half year ended 30 June 2012, an increase of 3% from RM76.2 million reported in the same period last year.

Total operating revenue was down 2% to RM197.2 million in the first six months of 2012 from RM200.3 million and total operating expenses was down 4% to RM104.9 million from RM109.5 million in the corresponding period. Cost-to-income ratio has improved to 48.5% from 50.4%. The Board of Directors has approved an interim dividend of 13.5 sen per share for the first half of 2012.

For the second quarter, Bursa Malaysia registered a PATAMI of RM37.9 million, a 6% increase compared to RM35.7 million recorded in the second quarter of 2011.

Dato' Tajuddin Atan, Chief Executive Officer of Bursa Malaysia, said, "Bursa Malaysia recorded a stable performance for the first half of this year with a 3% growth in PATAMI due to an increase in stable revenue, which grew 10% to RM62.5 million from RM56.6 million. The growth in stable revenue was attributed to larger IPOs, more structured warrants, revision in market data rates and more direct market access fees.

"Securities market's trading revenue was down 10% to RM92.9 million from RM103.8 million in the first six months of 2011. Average daily trading value (ADV) in the first half was RM1.74 billion compared to RM1.93 billion in the first half of 2011. Market capitalisation was up by 2% to RM1.37 trillion from RM 1.34 trillion in the corresponding period last year. Velocity stood at 30%. For the first six months of 2012, Bursa Malaysia has welcomed eight new listings, including Felda Global Ventures, the world's second largest IPO year-to-date. Additionally, 267 structured warrants were issued against 201 in the first half of 2011. As part of the Exchange's initiative to improve the market framework and enhance efficiency, we introduced the CDS Straight-Through Processing (CDS-STP) facility for market participants in June to better manage transactions performed by CDS account holders. We have also introduced the enhanced Central Matching Facility in July to improve back-office settlement operations and made enhancements to our trading system by introducing new order and validity types,

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allowing market participants to execute a greater variety of trading and risk management strategies.

“The derivatives market registered a commendable performance for the period under review with a 3% increase in trading revenue to RM26.2 million from RM25.3 million in the same period last year. The global visibility and accessibility of our derivatives offerings through the CME Globex® trading platform is a key contributing factor to the increase in volume to 4.37 million contracts traded against 4.21 million contracts in the first half of 2011. Average daily contracts (ADC) for the period under review grew 4% to 35,845 contracts from 34,478 contracts in the corresponding period. A total of 1.14 million contracts were traded for the FBM KLCI Futures (FKLI) and 3.20 million contracts were traded for the Crude Palm Oil Futures (FCPO) compared to 1.16 million and 2.98 million contracts in the first half of last year, respectively. In May, we launched the revamped options contracts based on Malaysia’s composite index futures, or OKLI. This was followed by the launch of options on crude palm oil futures contracts, or OCPO on 16 July to complement our highly successful FCPO contract. In May, the daily volume for total contracts and FCPO contracts traded broke 32-year highs after they hit 77,703 and 63,019, respectively.

“On the Islamic market front, Bursa Suq Al-Sila’ (BSAS) recorded a 73% increase in its average daily trading value to RM1.87 billion for the period under review from RM1.08 billion in the corresponding period. The sharp jump was due to the increasing use of BSAS as a commodity murabahah trading platform. In April 2012, BSAS added RBD Palm Olein to its suite of commodity offerings to meet the demands of local and international players for greater commodity-based Islamic financing and investment options.

“Comparing our performance for the second quarter of 2012, Bursa Malaysia registered a 6% increase in PATAMI to RM37.9 million from RM35.7 million in the corresponding period. For the quarter under review, total operating revenue stood at RM96.7 million and total operating expenses at RM52.2 million against RM92.5 million and RM51.6 million reported in the corresponding quarter, respectively.

“Moving forward, we expect the lingering debt crisis in the Eurozone and the weakness in the overall global economy to continue. Nevertheless, we are hopeful that the country’s strong economic fundamentals, coupled with the various government initiatives will, to some extent, mitigate the adverse impact of the global economic weakness, thus sustaining our securities market. The derivatives market, on the other hand, is expected to benefit from the continuing volatility.

“On our part, we have undertaken a number of initiatives to make the securities and derivatives markets more vibrant and attractive amidst the global challenges. We are committed to invest in developmental initiatives in line with our strategic blueprint to create a more facilitative trading environment, enhance product development, improve market framework and internationalise the market. In view of the rapid globalisation and competition faced by exchanges around the world, we are taking steps to transform ourselves to be a competitive marketplace in Asia.”

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FINANCIAL RESULTS	1H2012	1H2011	Percentage Change
	RM'mil	RM'mil	%
Operating revenue	197.2	200.3	(2)
Other income	19.3	16.9	14
Total revenue	216.5	217.2	(0.3)
Staff costs	(49.8)	(51.1)	(3)
Depreciation and amortisation	(16.7)	(19.8)	(16)
Other operating expenses	(38.4)	(38.7)	(1)
Profit before tax	111.6	107.6	4
Income tax expense	(29.8)	(28.7)	4
Profit after tax	81.8	78.9	4
Minority interest	(3.1)	(2.7)	13
PATAMI	78.7	76.2	3

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Bursa Malaysia Berhad is a public company limited by shares under the Companies Act 1965. Bursa Malaysia is an approved exchange holding company under Section 15 of the Capital Markets and Services Act 2007. Other companies in the Bursa Malaysia Berhad Group of companies include a stock exchange, a derivatives exchange, an off-shore international financial exchange, equity and derivatives clearing houses, a central depository, an information services provider and an Information Technology services provider.

Bursa Malaysia Securities Berhad, a wholly-owned subsidiary of Bursa Malaysia Berhad, is an approved stock exchange under Section 8 of the Capital Markets and Services Act 2007.

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