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## BURSA MALAYSIA AND BAHRAIN FINANCIAL EXCHANGE IN COLLABORATION TALKS

**Manama, Kingdom of Bahrain, 24 JANUARY 2010**

Bursa Malaysia Berhad (Bursa Malaysia) and Bahrain Financial Exchange (BFX) today inked a Memorandum of Understanding (MoU) to develop a commercial agreement between the two exchanges to provide financial products to Islamic market participants and strengthen bilateral ties between both organisations.

Among others, the MoU will involve a feasibility study to identify products and market channels based on an already completed needs assessment for this market.

Additionally, the MoU also lays the foundation for both exchanges to jointly work on increasing awareness on investment opportunities in the respective Islamic markets as well as assist each other in further developing the Islamic investment framework across multiple geographies.

Bursa Malaysia's Chief Executive Officer, Dato' Yusli Mohamed Yusoff, who signed the MoU on behalf of the Malaysian exchange said that "the collaboration with BFX is aimed at facilitating cross border development in the Islamic financial markets, widening market reach, exchanging technological expertise and building a sustainable business model for both exchanges."

"This is a major step towards consolidation in the Islamic finance world. As Malaysia and the Middle East are the leading centers of Islamic finance, and as both Exchanges come together on a single platform, this will add to the strength of this industry. This initiative will go a long way in addressing the issues of standardisation, innovation and transparency thus providing a new dimension to the Islamic finance market."

Commenting on this key development, BFX board director Arshad Khan said, "This initiative is a major development for the Islamic finance market where the collaboration will seek to offer a wider risk management portfolio to global Islamic practitioners."

"By partnering with Bursa Malaysia we can ensure that the products offered are well defined, robust and fully Shariah compliant and I am honored that we have been able to work with such a well respected global business. I speak on behalf of all at the BFX in that we are extremely excited to commence in this project which reinforces our commitment to the Islamic market."

From a situation nearly 40 years ago when it was virtually unknown, Islamic banking has expanded to become a distinctive and fast growing segment of the international banking and

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capital markets. An Islamic banking and financial system exists to provide a variety of religiously acceptable financial services to Muslims as well as other participants. The total number of Islamic banks, investment and financing companies reached 436 in 2009 with 180 Islamic banks functioning in over 39 countries. Around 91 conventional banks across the world have Islamic windows. Globally Islamic financial institutions assets are estimated to be around USD 750 billion.

The signing ceremony was witnessed by the Deputy Governor of the Malaysian Central Bank (Bank Negara Malaysia), Dato' Razif Abdul Kadir and the Managing Director of the Securities Commission Malaysia, Dato' Dr Nik Ramlah Nik Mahmud and Mr. Abdul Rahman Al Baker, Executive Director, Financial Institutions Supervision, Central Bank of Bahrain.

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From left the Deputy Governor of the Malaysian Central Bank (Bank Negara Malaysia), Dato' Razif Abdul Kadir Arshad Khan, Board Director of BFX, Dato' Yusli Mohamed Yusoff, Chief Executive of Bursa Malaysia, Abdul Rahman Al Baker, Executive Director, of Central Bank of Bahrain.



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### **About Bursa Malaysia**

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 Depository Sdn. Bhd. is a wholly-owned subsidiary of Bursa Malaysia Berhad. It is the sole central depository for the Malaysian securities market, providing depository services for Exchange Traded Funds (ETF), equities and fixed income securities (bonds, loan stocks, debentures, REITS, call warrants and rights issue) listed on the stock exchange.

For more information on Bursa Malaysia, visit [www.bursamalaysia.com](http://www.bursamalaysia.com).

### **About BFX:**

Bahrain Financial Exchange (BFX) the first Multi - Asset exchange in the Middle East and North Africa, will be internationally accessible to trade cash instruments, derivatives,

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structured products and Sharia-compliant financial instruments. Launching in 2010, the BFX is regulated by the Central Bank of Bahrain (CBB).

The BFX is a wholly owned initiative of Financial Technologies (FT), one of the largest global exchange network operators; The BFX set up its Clearing and Depository Corporation (BCDC).

The BFX Training Institute is an international standard in – house training facility, providing world class conventional and Islamic financial training and education courses.

The BFX is a member of the Futures and Options Association (FOA), the International Islamic Financial Market (IIFM), and a member of the Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI).

For more information on BFX, visit [www.bfx.bh](http://www.bfx.bh)

**Issued by Bursa Malaysia and Bahrain Financial Exchange.**

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