



PRESS RELEASE

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Kenanga Investment Bank Records Profit Before Tax of RM81.6 Million for The First Nine Months, Highest in Over 10 Years

Thriving through Digitisation and Retail Business

Kuala Lumpur, 27 November 2020 – Kenanga Investment Bank Berhad (“Kenanga Group”) today announced its third quarter financial results (“3Q20”). Profit before tax (“PBT”) for the quarter topped RM63.3 million, a seven-fold hike from the same period last year. Consolidated PBT for the first nine months, rose to RM81.6 million, highest in over 10 years for the country’s leading independent investment bank.

This was largely driven by increased brokerage fees, higher net interest income, trading and investment income, as well as, management fee income. It also recorded a share of profits from its joint venture company, Rakuten Trade.

For the quarter under review, net income stood at RM289.5 million, a surge from the corresponding period of RM110.5 million. Net income for the nine-month ended 30 September 2020, stood at RM577 million, an increase of 72% from the same period last year.

“This year has been an extraordinary year for the equity markets globally, boosted by heightened retail participation. Kenanga Group’s strong foothold in the retail segment, augmented by digital transformation that we kick-started a few years ago, put us in a pole position this year to capitalise on sudden customer shift to online broking and the surge in trading volumes. Despite the intense competitive landscape, we continue to grow market share and aim to sustain this traction through new digital products and innovative solutions that are in the pipeline,” commented Datuk Chay Wai Leong, Group Managing Director, Kenanga Investment Bank Berhad.



“On many levels, this year has validated the importance of being in the forefront of technology. We are on track with our digitisation blueprint and will continue to build a robust ecosystem for our customers, accelerate growth, reinforce resilience, and safeguard the interests of our stakeholders. It has been a strong year for us and we are well-positioned to move into the new year on a positive note,” said Datuk Chay Wai Leong, Group Managing Director, Kenanga Investment Bank Berhad.

This milestone follows Kenanga Group’s acquisition of 4.99% equity interest in Merchantrade Asia, the country’s leading e-money player to explore digital opportunities together. Kenanga Group had also announced a partnership with the award-winning digital supply chain financing company, Bay Group Holdings Sdn Bhd (CapBay), in a bid to transform the traditional factoring market in Malaysia.

These partnerships join a line-up of digital initiatives that Kenanga Group has embarked on in recent years, which includes the successful joint venture with Japan based Rakuten Inc, to introduce Rakuten Trade as the first fully online stock trading platform in Malaysia. Kenanga had also earlier this year, presented its first-in-the market algorithmic trading calls, which generates trading strategies for the retail segment. Additionally, the Group is expected to roll-out a robo-advisory platform by Q1 2021.

For more information on Kenanga Group, please visit www.kenanga.com.my.

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About Kenanga Investment Bank Berhad (15678-H)

Established for more than 45 years, Kenanga Investment Bank Berhad (the Group) is a financial group in Malaysia with extensive experience in equity broking, investment banking, treasury, Islamic banking, listed derivatives, investment management, wealth management, structured lending and trade financing. Today, it is an award-winning leading independent investment bank in the country with a continuous commitment towards driving collaboration, innovation and digitalisation in the marketplace.

Kenanga Investment Bank Berhad is the largest independent investment bank* in Malaysia by equity trading volume and value, as well as, one of the top brokerage houses with the largest network of remisiers. Its fast-growing client base enjoys convenience through more than 30 locations throughout Malaysia.

The Group has garnered a host of awards and accolades reflecting its strong market position. It was awarded under the categories of Best Overall Equities Participating Organisation by Bursa Malaysia, Best Retail Equities Participating Organisation, Best Institutional Equities Participating Organisation; along with Best Trading Participant and Best Institutional Equities Participating Organisation and for Equity and Financial Derivatives for 17 consecutive years. The Group was also accorded the title of Best Institutional Derivatives Trading category by Bursa Malaysia.



The Group continues to be a regular and repeat recipient of distinguished industry accolades, such as the Lipper, Fundsupermart and Morningstar awards.

Rakuten Trade Sdn Bhd, the Group's joint venture with Japan's Rakuten Securities, Inc. was named FinTech Company of the Year.

For its continued efforts towards community outreach and employee volunteerism, the Group was awarded the coveted CSR Award (Investment Bank) at the CSR Malaysia Awards 2019, an award endorsed by the Ministry of Women Affairs and Family Planning.

** year to date based on Bursa Malaysia's Participating Organisations (POs) Trading Summary.*

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