



PRESS RELEASE

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Kenanga Investment Bank Wraps Up Stellar 2020 with Record High Net Profit of RM102.1 Million for The Full Year, Up Almost Four-fold from Last Year

Kuala Lumpur, 25 February 2021 – Malaysia’s leading independent investment bank, Kenanga Investment Bank Berhad (“Kenanga” or the “Group”) today announced a consolidated profit after tax and non-controlling interest (“PATNCI” or “net profit”) of RM102.1 million for the full year ended 31 December 2020 (“FY20”). The full year net profit almost quadrupled from the previous year and is the highest ever recorded in the Group’s history as an investment bank. Consolidated revenue rose to RM973.8 million in FY20 from RM651.3 million in FY19.

For the fourth quarter ended 31 December 2020 (“4Q20”), net profit grew more than four times from the same period last year to RM39.3 million. The Group registered a revenue of RM276.8 million, as compared to RM166.2 million in the same period last year.

The bumper growth was mainly driven by three key segments, namely stockbroking, investment banking, and investment & wealth management.

In 2020, the Average Daily Trading Value (“ADV”) of securities on Bursa Malaysia more than doubled from 2019, reaching RM4.2 billion. Kenanga benefitted from the heightened trading activities with full year profit before tax (“PBT”) from the stock broking segment rising by nine-fold to RM86.8 million,



as compared to RM9.5 million last year. The increase was attributed to higher net brokerage income as well as higher trading and investment income.

PBT from the investment banking segment, which includes corporate banking and treasury, rose to RM34.0 million in FY20 from RM24.7 million in FY19 due to higher net interest income.

The investment & wealth management segment also saw significant improvement owing to higher management fees and performance fees generated. PBT from the segment more than doubled to 13.6 million for FY20 as compared to RM5.2 million in FY19.

Group Managing Director of Kenanga Investment Bank Berhad, Datuk Chay Wai Leong commented, “In contrast to the negative impact of the pandemic to global economies, most stock markets around the world experienced a remarkable and protracted surge in trading volumes, underpinned by reignited retail interest. As a result, the income contribution from our stockbroking division rose together with the vibrancy of the market. Our stock broking market share increased over 30%, to 12.6%. We ended the year as the number one retail stockbroker in Malaysia by trading value.

Technology investments made in recent years paid off as it prepared us for the sudden shift to online trading. This was most evident in our joint venture company, Rakuten Trade, a fully online stockbroking platform which received record high account opening and trades. The platform ended the year with 166,000 trading accounts under its belt, making it the fastest growing stockbroker in the market. Moving forward, we will sustain this growth momentum by rolling out exciting products and new features on the platform to further enhance client experience.”



“Overall, the events that unfolded in 2020 served as a validation of the Group’s persistent focus on digital in recent years. Our efforts of securing strategic partnerships, making sound acquisitions, and refining digital products and services have prepared us to be future-ready.

We are building a comprehensive digital ecosystem encompassing services such as robo-advisory, margin financing, e-wallet, digital asset exchanges, and so on. Looking ahead, digital-led growth will be our priority and we are optimistic that we will propel the Group to new heights,” Datuk Chay further added.

On 2 February 2021, Kenanga completed the acquisition of i-VCAP Management Sdn Bhd (“i-VCAP”), an award-winning, Shariah-compliant investment management services provider. With the latest addition, the Group will effectively become the top issuer of Shariah-compliant ETF in the country in terms of the number of ETF issues.

A week later, Kenanga via its Private Equity arm, entered into a conditional agreement to acquire a 19.0% stake in a licensed cryptocurrency exchange, Tokenize Technology (M) Sdn Bhd (“Tokenize Malaysia”). Operating under the brand, Tokenize Xchange, it is the second largest Digital Asset Exchanges (“DAX”) in the country by traded market share. The deal is in line with the Group’s initiative to create a robust digital ecosystem.

The Group has a dividend policy to distribute a minimum of 50% of net profit to shareholders and will announce the dividend for FY20 upon approval from Bank Negara Malaysia.

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

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About Kenanga Investment Bank Berhad 197301002193 (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.

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 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. For its continued efforts towards community outreach and employee volunteerism, the Group was awarded the coveted company of the year award for environmental awareness and sustainability at Sustainability & CSR Malaysia Awards 2020.

Today, Kenanga Investment Bank Berhad is an award-winning leading independent investment bank in the country with a continuous commitment towards driving collaboration, innovation, and digitalization in the marketplace.

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