



PRESS RELEASE

FOR IMMEDIATE RELEASE

Kenanga Sustains Profit Momentum, Bolstered by Digital Strategy

Kuala Lumpur, 31 May 2021 – Malaysia’s leading independent investment bank, Kenanga Investment Bank Berhad (“Kenanga” or the “Group”) today announced its first quarter financial results for the period ended 31 March 2021 (“1Q21”). The Group recorded profit after tax and non-controlling interest (“PATNCI” or “net profit”) of RM34.2 million for the quarter, an increase of RM41.1 million relative to RM6.9 million net loss from 1Q20. The previous net loss was mainly due to provision of credit loss expenses which has progressively been reversed over the quarters.

Consolidated revenue for the quarter under review increased by 51.3% year-on-year (“YoY”) to RM250.1 million in 1Q21. Annualised Return on Equity (ROE) is at 13.8%, compared to full year 2020 of 10.7%.

The strong performance was mainly attributed to higher contributions from the stock broking segment and the investment & wealth management segment, as well as, higher share of profits from the joint venture with Rakuten Trade.

Kenanga’s stock broking division continued to benefit from the high trading activities on Bursa Malaysia. In 1Q21, the local bourse saw its average daily trading value (“ADV”) reach RM10.0 billion, which was higher than the ADV of RM8.6 billion recorded in the whole of 2020. As a result, 1Q21 profit before tax

("PBT") from the segment jumped to RM34.3 million, as compared to a loss before tax ("LBT") of RM13.6 million in the same period last year.

PBT from the investment & wealth management division surged almost fifteen-fold to RM7.6 million in 1Q21 from RM0.5 million in 1Q20. The significant increase was attributed to the higher management fees income generated.

In 1Q21, the monthly average of new accounts opened was 10,457 for the Group's joint-venture, Rakuten Trade, higher against the monthly average of 9,893 new accounts registered in the bumper year of 2020.

Group Managing Director of Kenanga Investment Bank Berhad, Datuk Chay Wai Leong commented, "Our digital strategy has proven invaluable in these trying times. Technology investments made in earlier years such as the remisier portal have allowed us to implement remote working before it became the norm. Today, we continue to handle high volume of account registrations and manage the servicing of our clients seamlessly in the face of the various Movement Restriction Orders implemented nationwide."

"With the roll-out of the national vaccination programme gaining momentum, we are cautiously optimistic about the health of the overall economy for the second half of the year. Bolstered by our digital initiatives that are in the pipeline, we are on track to boost our ecosystem, sustain growth and deliver against targets for 2021," Datuk Chay added.



Last month the Group's fully owned subsidiary, Kenanga Investors Berhad, launched Kenanga Waqf Al-Ihsan Fund, further expanding on its Shariah-compliant investments. Waqf is an Islamic philanthropic-based vehicle that focuses on areas such as education, healthcare, economic empowerment, and environmental preservation. The fund will serve as the launchpad for other similar ESG-linked products as part of Kenanga Investors' move towards sustainable and socially responsible investing.

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 Overall Derivatives Trading Participant, Best Structured Warrant Issuer, Best Retail Equities Participating Organisation, Best Institutional Equities Participating Organisation Investment Bank; along with Best Trading Participant and Best Institutional Equities Participating Organisation and for Equity and Financial Derivatives for 18 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.

This Press Release was issued by Kenanga Group’s Marketing & Communications department.

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