



PRESS RELEASE

FOR IMMEDIATE RELEASE

Kenanga Investment Bank's 1H21 net profit increases 4-fold to RM64.7 million

Kuala Lumpur, 26 August 2021 – Malaysia's leading independent investment bank, Kenanga Investment Bank Berhad ("Kenanga" or the "Group") today announced a 49.4% rise in profit after tax and non-controlling interest ("PATNCI" or "net profit") for the second quarter ended 30 June 2021 ("2Q21") to RM30.6 million, as compared to RM20.5 million in the same period last year ("2Q20"). For the six months period ended 30 June 2021 ("1H21"), net profit increased four-fold to RM64.7 million, from RM13.5 million in 1H20.

Consolidated revenue for 2Q21 stood at RM212.6 million, marginally higher from RM210.6 million in 2Q20. Annualised Return on Equity (ROE) is at 12.8%, compared to full year 2020 of 10.7%.

The stronger earnings were largely attributed to higher contributions from the stockbroking and investment and wealth management businesses, as well as higher share of profits from the joint venture with Rakuten Trade.

More than half of the Group's profit before tax ("PBT") was contributed by the stockbroking segment, which continued to remain as the Group's major earnings contributor. PBT from this segment rose 45.3% to RM20.0 million in 2Q21, as compared to RM13.7 million in the same period last year. The improvement was mainly due to higher net interest income as well as trading and investment income.

Likewise, PBT contribution from the investment & wealth management division more than doubled to RM6.2 million due to higher management fee income generated on the back of increased asset under management and sales agency force.

Rakuten Trade, the Group's joint venture ("JV") and Malaysia's first full-fledged online equity broker, continued to record solid average monthly account opening at 6,800 accounts for 2Q21. At the end of June 2021, Rakuten had a total of 217,400 accounts, 51,600 more than it had a year ago. That, coupled with the scalability of the business have also contributed to the increase in the Group's bottom-line.

Group Managing Director of Kenanga Investment Bank Berhad, Datuk Chay Wai Leong commented, "We are pleased that the Group continued to report a set of commendable results in the second quarter. Economies of scale, particularly in our stockbroking division and Rakuten Trade, have helped improve the Group's profitability. With the digital infrastructure well in place, the cost of acquiring and maintaining new customers has been decreasing as we grow."

"While the average daily trading value on Bursa Malaysia has moderated in the third quarter due to lockdown concerns arising from the resurgence of Covid-19 infections in Malaysia, we remain hopeful that the economy will rebound swiftly as the roll-out of the national vaccination programme gains momentum."

"Looking forward, we will remain focused on strengthening our business fundamentals and expanding our current offerings to ensure we remain resilient and agile in responding to the changing needs within the core businesses we operate in."

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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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