



PRESS RELEASE
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Kenanga Investment Bank Announces 37.4% Rise In Net Profit for First Nine Months Ended 30 Sept 2021

KEY HIGHLIGHTS 9M2021 vs 9M2020
• Net Profit at RM86.5 million, up by 37.4%
• Net Income at RM586.3 million, up by 1.4%
• Operating Expense at RM490.7 million, down by 1.7%
• Return on Equity at 11.3%, up from 9%
• Earnings Per Share at 11.86 sen, up by 32.1%
• Net Equity Trading Investment Income at RM56.0 million, up by 40.2%
• Market Share of Retail Stockbroking at 23.5%, up from 21.9%
• Asset Under Administration (AUA) at RM16.3 billion up by 18.4%

Kuala Lumpur, 25 November 2021 – Malaysia’s leading independent investment bank, Kenanga Investment Bank Berhad (“Kenanga” or the “Group”) today announced a net profit of RM86.5 million for the nine months period ended September 30, 2021 (“9M21”), a 37.4% jump from RM63 million for the same period last year (“9M20”).

Year-to-date (YTD) net income stood at RM586.3 million, up by 1.4% from the previous corresponding period, while operating expense reduced marginally to RM490.7 million. Annualised Return on Equity (ROE) based on 9M21 is at 11.3% compared to 9.0% at 9M20.

The strong earnings were mainly due to higher contribution from stockbroking and investment management businesses, as well as, share of profits from the joint venture with Rakuten Trade Sdn Bhd.



Its Stockbroking division achieved a PBT of RM68.8million for 9M21 vis a vis RM52.7million from the same period last year, mainly due to higher net interest, improved net trading and investment income, as well as, lower credit loss expenses. Net equity trading investment income increased to RM56.0 million, up 40.2% from the corresponding period. The division continued to grow its market share, particularly in the retail segment, from 21.9%, to 23.5%, reinforcing its position as one of the largest retail brokers in the marketplace. During the same period, Rakuten Trade, achieved yet another milestone, with the fast-growing online trading platform surpassing 200,000 registered accounts.

Its Investment and Wealth Management division registered record high PBT, surging over three folds to RM20.6 million in the nine-month period compared to RM7.6 million in the same period last year. The significant increase was attributed to higher performance fee and management fee income generated on the back of increased assets under administration (AUA) and sales agency force. AUA stood at RM16.3 billion, up 18.4% from the same period last year.

For the quarter under review, net revenue and profit before tax were impacted by the weakening trading volumes on Bursa Malaysia, which resulted in lower net brokerage and trading and investment income. For Q3 2021, net revenue stood at RM202.6 million, while profit before tax stood at RM26.3 million.

“With the gradual reopening of all economic sectors and lifting of restrictions, underpinned by the progress of COVID-19 vaccination campaign, deployment of stimulus measures and the unleashed pent up demand, we remain cautiously optimistic of the country’s economic outlook into the new year,” commented Datuk Chay Wai Leong, Group Managing Director, Kenanga Investment Bank Berhad.

“Having said that, we are witnessing a deceleration in trading activities not just on Bursa Malaysia, but also on some of the other major bourses around the world. This will likely have some impact on our following quarter’s revenue, but on the whole, benefiting from the strength of our diversified revenue streams, we are on track to conclude the year on a footing comparable to the performance last year,” added Datuk Chay.

“With our business model centred on digitalisation, and the continued practice of prudence throughout our operations, we are in a good position to continue growing the business and deliver long-term shareholder value,” said Datuk Chay.

For more information on Kenanga Group, 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 & Sustainability department.

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