



**PRESS RELEASE
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Kenanga Investment Bank Announces RM176.9 million Revenue, RM18.6 million Net Profit in Q2 2022

Kuala Lumpur, 30 August 2022: Kenanga Investment Bank Berhad (“**Kenanga**” or “**The Group**”) today announced its second quarter financial results for the period ended 30 June 2022 (“**2Q22**”).

The Group reported a revenue and profit before tax (“**PBT**”) of RM176.9 million and RM20.3 million respectively for 2Q22, compared to the corresponding period last year when revenue was RM212.6 million and PBT was RM37.6 million. Net profit stood at RM18.6 million vis a vis RM30.7 million the same period last year. The results were underpinned by the lower contribution from brokerage fee income as well as trading and investment income, partially mitigated by higher management fee income.

In line with the lower trading volumes and volatile trading activities on Bursa Malaysia, Kenanga’s stockbroking division recorded lower revenue of RM72.6 million and PBT of RM2.7 million, relative to the revenue of RM127.4 million and PBT of RM20.0 million in the same period last year. Nevertheless, the division continue to grow its retail segment market share from 23.48% in the same period last year to 28.04% in 2Q22, reinforcing its role as one of the largest and fastest growing retail stockbrokers in the marketplace.

Its Investment Banking business recorded a marginally lower revenue of RM42.6 million and a PBT of RM3.2 million compared to the revenue and PBT of RM45.8 million and RM5.5 million respectively in the previous corresponding period, as a result of lower interest income and trading and investment income.

The Group’s Investment and Wealth Management business performed exceptionally well with a 72.7% jump in revenue to RM58.1 million, and 127.2% increase in PBT to RM14.1 million. The significant increase was attributed to higher management and performance fee contribution from retail unit trust funds and alternative products. Its Asset under Administration also grew by 31.5% to RM20 billion in the quarter under review from RM15.2 billion in the same period last year.

Likewise, the Group’s Futures division also reported a higher revenue as well as net income at RM5.0 million and RM4.5 million compared to RM4.2 million and RM3.9 million respectively from the previous corresponding period as a result of higher trading activities and higher interest income generated.

Its Money Lending and Financing division registered a revenue of RM2.2 million, relatively similar to the previous corresponding quarter of RM2.2 million. However, it reported a higher PBT of RM257,000 against RM209,000 in the individual period ended 30 June 2021 as a result of lower personnel cost.

“While it is encouraging that the Malaysian economy is projected to expand further supported by the continued recovery in the services sector and private consumption, the growth will be subjected to several risks such as the worsening global supply chain conditions amid the Russia-Ukraine crisis, China’s zero-COVID policy as well as the global financial uncertainty due to the tightening of monetary policy by the US Federal Reserve and other central banks,” said Datuk Chay Wai Leong, Group Managing Director, Kenanga Investment Bank Berhad.

“Despite all this, we remain resilient to the macroeconomic headwinds and financial market volatility, and we are optimistic that the capital market will improve in the second half of the year as we continue focusing on powering our transformation journey with digitalisation. Doing so will allow us to deliver long-term shareholder value as well as position ourselves with agility as we respond to the growing changing conditions of the industry that we operate in,” concluded Datuk Chay.



Kenanga recently signed a Memorandum of Understanding with Ant Group to leverage mPaas, a mobile development platform from Ant Group's digital technology unit to launch Malaysia's first Wealth SuperApp. The SuperApp is geared to revolutionise how Malaysians approach wealth generation and management by unifying a broad spectrum of financial offerings under one roof, allowing wealth creation to be more accessible.

The development of this SuperApp extends the portfolio of digital products that Kenanga has successfully rolled out, from Rakuten Trade, Malaysia's fastest growing online stock trading platform, to Kenanga Digital Investing, a robo-advisor that has amassed over RM250 million in Asset under Management in six months.

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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 with strong foundations in regulatory compliance and risk management.

An innovative and established home-grown brand, the Group's digital ambition includes building a robust digital ecosystem that meets the needs of its clients and businesses. Some of its game-changing products includes Malaysia's fully online digital stockbroking platform Rakuten Trade and a fully A.I. robo-advisor, Kenanga Digital Investing. The Group also launched Malaysia's first securities broking e-wallet, Kenanga Money, paved the way in AI-led Quan and algorithmic trading, kick-started a revolutionary supply chain financing solution for SMEs and made inroads into the digital assets space through its investment in Tokenize Technology (M) Sdn.Bhd.

The Group has garnered a host of awards and accolades reflecting its strong market position. It was awarded under the categories of Highest Returns to Shareholder Over Three Years, 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. Rakuten Trade, Malaysia's first fully digital securities broker in 2017 via a joint venture with Japanese fintech giant Rakuten Securities Inc was also named Malaysia's fintech company of the year in 2018 by the Malaysian Communications and Multimedia Commission (MCMC). For its continued efforts towards community outreach and employee volunteerism, the Group was awarded the coveted Company of the Year award for environmental and sustainability at Sustainability & CSR Malaysia Awards 2021. The Group is also a Participant of the United Nations Global Compact and adheres to its principle-based approach to responsible business.

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

This Press Release was issued by Kenanga Group's Marketing, Communications & Sustainability Department.

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