



PRESS RELEASE
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Kenanga Investment Bank Announces RM181.8 million Revenue, RM17.4 million Profit Before Tax in Q3 2022

Kuala Lumpur, 30 November 2022: Kenanga Investment Bank Berhad (“**Kenanga**” or “**The Group**”) today announced its third quarter financial results for the period ended 30 September 2022 (“**3Q22**”).

The Group reported a revenue of RM181.8 million and profit before tax (“**PBT**”) of RM17.4 million respectively for 3Q22. Revenue and PBT for the corresponding period last year were RM202.6 million and RM26.3 million respectively. Lower revenue and PBT recorded were mainly due to lower brokerage fee income and trading and investment income with partial mitigation from higher management fee income. Net profit for the quarter under review was at RM5.7 million, while net profit for the nine months ended 2022 stood at RM41.3 million.

As a result of lower trading volumes and volatile trading activities on Bursa Malaysia, Kenanga’s stockbroking segment recorded lower revenue of RM52.5 million and a loss before tax (“**LBT**”) of RM18.5 million, relative to the revenue of RM106.0 million and PBT of RM14.6 million in the same period last year. Notwithstanding, the division continued to grow its retail segment market share from 24.6% in the same period last year to 29.6% in 3Q22, strengthening its pole position as the largest and fastest growing retail stockbroker in the marketplace.

Its Investment Banking business recorded an increase in revenue to RM50.4 million in comparison to the revenue of RM46.3 million in the previous corresponding period, mainly due to higher interest income. PBT slipped slightly to RM4.7 million against RM5.7 million in the same period last year due to higher operating expenses and credit loss.

The Group’s Investment and Wealth Management business achieved a significant surge in both revenue and PBT for the quarter under review with a 56.3% increase in revenue to RM74.0 million and an almost 3-fold jump in PBT to RM19.8 million due to higher management and performance fee contribution from alternative products. Asset under Administration increased by 29.4% to RM21.1 billion.

Kenanga Futures recorded a revenue of RM5.8 million, up 57.1%, while PBT stood at RM879,000 against LBT of RM742,000 in the same period last year as a result of higher trading activities and higher interest income. With the strong performance, the division successfully turnaround and recorded a PBT of RM1.2 million for the period to date, as compared to a loss of RM1.7 million same time last year.



The Money Lending and Financing segment recorded a revenue of RM2.2 million, similar to its previous corresponding quarter. A PBT of RM347,000 was registered, up 29% for the period ended 30 September 2022, due to higher financing fee and processing fee income, supported by lower overheads.

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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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