



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**Kenanga Investment Bank Posts RM184.9 million Revenue, RM16.9 million Net Profit
in Q1 2022**

Kuala Lumpur, 31 May 2022: Kenanga Investment Bank Berhad (“**Kenanga**” or “**The Group**”) today announced its first quarter financial results for the period ended 31 March 2022 (“**1Q22**”).

The Group reported a revenue of RM184.9 million and profit before tax (“**PBT**”) of RM21.5 million for 1Q22 compared to the corresponding period last year, when revenue and PBT were RM250.1 million and RM42.7 million respectively. Net profit stood at RM16.9 million, vis a vis RM34.3 million same period last year. The results were primarily characterised by lower contribution from brokerage fee income as well as, trading and investment income, partially mitigated by higher management fee income.

The Average Daily Trading Value on Bursa Malaysia has moderated to pre-pandemic levels at RM5.4 billion in 1Q22 from a high of RM10.3 billion same period last year. Consistent with the softening of trading activities on the local bourse, Kenanga’s stockbroking segment recorded lower revenue and PBT at RM84.8 million and RM8.2 million respectively, relative to revenue of RM169 million and PBT of RM34.3 million in Q1 2021.

Notwithstanding, the Group remains the largest and fastest growing retail stockbroker with a market share of 26.04% as at 31 March 2022, up 3.0% from the previous corresponding quarter.

Overall, the Group’s first quarter performance was bolstered by the strong results from its Investment and Wealth Management business, which recorded a 64.8% jump in revenue to RM59.6 million and 90.0% increase in PBT to RM14.5 million due to the higher management fee income generated on the back of increased Asset Under Administration (“**AUA**”) and sales agency force. As at 31 March 2022, AUA stood at RM19.5 billion, a 33.6% increase from the corresponding period as its wealth arm saw the expansion of products across various channels.

The Group’s Investment Banking division registered a marginally lower revenue and a higher PBT of RM40.5 million and RM2.3 million respectively compared to RM41.8 million and RM1.9 million in the same period last year. This was primarily due to improvements in treasury activities, partially offset by lower investment banking fee income earned.

Kenanga’s Futures segment reported higher revenue and lower loss before tax, at RM4.5 million and RM101,000, respectively, compared to RM4 million and RM467,000 from the corresponding period last year, due to higher commission income and lower personnel costs.

Its Money Lending and Financing segment also recorded higher revenue of RM2.2 million against RM2 million in 1Q21 driven by higher factoring income generated, while it registered a PBT of RM311,000 against RM437,000 same period last year, due to higher overheads.

“Looking ahead, the Malaysian economy is expected to expand further underpinned by a recovery in the services sector and private consumption. However, the growth projection is subjected to several downside risks, including the potential surge of COVID-19 cases brought by the emergence of new variants, the ongoing Russia-Ukraine crisis, China’s economic slowdown, protracted global supply



chain disruption, and the global financial volatility arising from the monetary tightening cycle led by the US Federal Reserve, all of which will have an impact on the prospects of global capital markets.”

“In addition to managing liquidity, market and credit risks against these volatile and challenging conditions, our priority is to maintain momentum on delivering against our digital agenda through the design and development of new systems, advancement of automation for efficiencies and to constantly be on the lookout for new ways to approach the market with innovative solutions,” commented Datuk Chay Wai Leong, Group Managing Director, Kenanga Investment Bank Berhad.

“We are seeing strong client interest in Rakuten Trade's foreign share trading product, as well as our newly launched robo-advisory product, Kenanga Digital Investing,” added Datuk Chay.

Kenanga launched its A.I-driven robo-advisor, Kenanga Digital Investing in the first quarter of this year to overwhelming response, crossing the RM150 million mark in asset under management within its first three months of release.

###

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.

For more information, please contact:

Muhammad Khumeini Hairudin
DID: +603 – 2172 2917
Email: khumeni@kenanga.com.my

Puteri Zelia Athirah
DID: +603 – 2172 2920
Email: zelia@kenanga.com.my