



**PRESS RELEASE
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Kenanga Investment Bank Delivers Strong Performance with RM821.1 Million Revenue and RM88.1 Million Profit Before Tax

Declares Interim Single Tier Dividend of 7.00 sen per Ordinary Share

KEY HIGHLIGHTS
FY22 vs FY23
• Net Profit at RM72.8 million, up by 31.4%
• Net Income at RM652.2 million, up by 6.9%
• Operating Expense at RM569.8 million, up by 6.9%
• Return on Equity at 6.9%, up by 1.6%
• Earnings Per Share at 10.04 sen, up by 33.9%
• Net Equity Trading Investment Income at RM42.7 million, up by 121.9%
• Overall Market Share at 10.6%; Retail Segment Market Share at 25.8%
• Asset Under Administration (“ AUA ”) at RM21.7 billion, up by 1.9%

Kuala Lumpur, 29 February 2024: Malaysia’s leading independent investment bank, Kenanga Investment Bank Berhad (“**Kenanga Group**” or “**The Group**”) today announced higher earnings for the financial year ended 31 December 2023 (“**FY23**”), with revenue of RM821.1 million, a 13.5% increase from the year before, and a higher profit before tax (“**PBT**”) of RM88.1 million, reflecting an 18.8% growth compared to the preceding year. Net profit rose to RM72.8 million, a 31.4% surge from the previous year.

The improved performance was primarily driven by higher trading and investment income, increased management fee income, higher bad debt recoveries, and higher share of profit from associates.



The Board of Directors is pleased to declare an interim single tier dividend of 7.00 sen per ordinary share for the financial year ended 31 December 2023 which amounted to total dividend payable of approximately RM51.5 million.

“2023 proved to be another testing period for the world economy as headwinds from the previous year lingered, accompanied by escalating geopolitical tensions, high inflation, sluggish growth, and turbulent financial markets,” remarked Datuk Chay Wai Leong, Group Managing Director, Kenanga Investment Bank Berhad. “Amid these challenges, the Group delivered another strong year – showcasing strength derived from agility, and a diversified range of our businesses.”

The Group’s Stockbroking division experienced a positive upturn with revenue rising 10.8% from the previous year to RM308.5 million while PBT stood at RM16.1 million, exceeding a six-fold increase from the previous year. The division’s results were attributed to higher trading and investment income, as well as net brokerage fee which was consistent with the improved sentiment on Bursa Malaysia that saw a 24.5% upswing in the Group’s trading volume and a 7.1% increase in trading value for the year. Additionally, the Stockbroking division was also bolstered by the reversal of credit loss expense for margin clients, as well as bad debt recoveries.

Its Asset and Wealth Management division delivered its best performing year yet, registering a jump in both revenue and PBT for FY23, with a 9.6% increase in revenue to RM264.6 million, and an 8.3% increase in PBT to RM58.7 million relative to the year before. This result was underpinned by an increase in management and performance fee income from both alternative investment products, as well as institutional and private mandate portfolios. Its AUA also registered a strong closing at RM21.7 billion in FY23.

Kenanga Group’s Listed Derivatives business attained its highest profits in over a decade, with an increase in revenue to RM23.9 million from RM20.9 million in FY23, while PBT tripled to RM6.3 million compared to the previous year. This strong result is propelled by higher interest income driven by the heightened interest in derivative products spurred by market volatility, as well as higher interest rate.

Its Investment Banking business registered a growth in revenue of RM224.0 million in FY23, in comparison to the revenue of RM189.6 million in the previous year, although PBT dipped



to RM5.7 million against RM15.8 million in FY22 due to lower net interest income from compressed interest margins and credit loss provisions.

“As we look ahead, we anticipate robust Gross Domestic Product growth of 4.5% - 5.0% in 2024, underpinned by a further normalisation of economic activity. Key pillars supporting this positive trajectory include sustained domestic economic activity, potential surge in tourism activities, a rebound in the manufacturing sector and a buoyant global technological upcycle.”

“Nevertheless, we remain cognisant of the downside risks, predominantly stemming from the potential impact of a global economic slowdown due to a higher interest rate environment led by advanced economies. An escalation of the geopolitical tensions, particularly the Israel-Palestinian conflict as well as the extended Ukraine-Russia war, poses additional risks.”

“Despite these challenges, our outlook for Kenanga Group remains cautiously optimistic. With a strong foundation rooted in 50 years of experience navigating the Malaysian capital markets, we hold steadfast in our commitment to fostering collaboration, driving innovation, and integrating sustainable business practices throughout our value chain. By continuing to manage the nuances of our business landscape with prudence and adaptability, the Group is well-positioned to sustain its growth momentum and deliver shareholder value,” commented Datuk Chay.

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About Kenanga Investment Bank Berhad (197301002193 (15678-H))

Established for over 50 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.

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 include 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 Highest Returns to Shareholder Over Three Years, Highest Growth in Profit After Tax Over Three Years and Highest Return on Equity Over Three Years by The Edge Malaysia Centurion Club in the Financial Services Category, Best Overall Equities Participating Organisation (Champion), Best Retail Equities Participating Organisation (Champion), and Best Online Retail Participating Organisation (Champion), as well as Best Institutional Derivatives Trading Participant (Champion) and Best Overall Derivatives Trading Participant (1st Runner Up) in the Bursa



Excellence Awards 2022. The Group was also accorded the title of Best House, South and Southeast Asia Award in the SRP Asia Pacific Awards 2022.

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 Digital Experience of the Year – Brokerage at the Asian Experience Awards 2022. For its continued efforts towards community outreach and employee volunteerism, the Group was awarded the coveted Bank of the Year Award for Environmental, Social & Governance Excellence, as well as Long-Standing Excellence in Sustainability at Sustainability & CSR Malaysia Awards 2022. 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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