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**Kenanga Investment Bank Announces RM378.0 Million Revenue and RM35.8 Million Profit Before Tax in 1H 2023**

**Kuala Lumpur, 30 August 2023:** Kenanga Investment Bank Berhad (“**Kenanga**” or “**The Group**”) today announced its second quarter financial results for the period ended 30 June 2023 (“**2Q23**”).

The Group’s revenue and profit before tax (“**PBT**”) rose by 12.0% and 14.8%, to RM198.2 million and RM23.3 million respectively for 2Q23 compared to the corresponding period in the previous year (“**2Q22**”) when revenue was RM176.9 million and PBT was RM20.3 million. The results stem from higher management fee income and trading and investment income, as well as reversal of expected credit loss (“**ECL**”). Net profit for the period stood at RM16.7 million.

For the six months period ended on 30 June 2023 (“**1H23**”), the Group reported lower PBT of RM35.8 million against RM41.8 million in the same period last year (“**1H22**”) because of higher overheads as a result of increase in personnel cost due to larger sales force in line with business expansion, information technology expenses and marketing activities.

Consistent with the softening of trading momentum on the local bourse, Kenanga’s Stockbroking division saw its revenue decreased slightly to RM71.7 million in the quarter under review compared to RM72.6 million in the previous corresponding period, while PBT rose to RM10.0 million, a 270.4% increase from 2Q22 mainly due to the reversal of ECL expenses for margin clients as a result of improvement in share collateral value and repayment from clients. Kenanga continues to fortify its position as one of the largest retail stockbrokers in the market by increasing its retail segment market share from 25.9% in the preceding quarter to 26.3% in 2Q23.

The Group’s Investment Banking division posted higher revenue of RM55.9 million in 2Q23, a 31.2% increase relative to the revenue of RM42.6 million in the same period last year. Lower PBT of RM2.2 million was recorded in 2Q23 compared to the PBT of RM3.2 million in the

previous corresponding period. The division registered higher revenue but lower PBT due to lower net interest income as a consequence of the hike in Overnight Policy Rate with partial mitigation from higher investment banking fee and trading income.

Investment and Wealth Management division posted a 13.9% increase in revenue to RM66.2 million in 2Q23 compared to the same period last year, while PBT dipped marginally to RM12.3 million in 2Q23, from RM14.0 million in 2Q22 due to higher expenses incurred, in line with overall business growth. The division continues to see a steady increase in asset under administration (“**AUA**”), concluding at RM20.9 billion as at 2Q23.

The Group’s Listed Derivatives division saw its revenue increased by 18.0% to RM5.9 million, while PBT jump over three folds to RM1.5 million in 2Q23 against the revenue of RM5.0 million and PBT of RM411,000 in 2Q22 largely due to the higher interest income generated.

The Money Lending and Financing division, Kenanga Capital, recorded lower revenue of RM776,000 and a loss before tax of RM64,000 in 2Q23 compared to the revenue and PBT of RM2.2 million and RM257,000 respectively in the same period last year, mainly due to lower interest income and fees income generated subsequent to an additional 31% disposal of interest in its previous subsidiary, Kenanga Capital Islamic Sdn Bhd.

“Looking ahead, we anticipate a moderation in domestic economic growth for the third quarter of 2023, with Gross Domestic Product growth expected to ease to 3.4%, down from an estimated 6.0% in the second quarter of 2023. This marks the lowest level since the third quarter of 2021. The deceleration in growth can be attributed primarily to the diminishing low base effect and the complete withdrawal of pandemic stimulus measures as our economy returns to normal. This is compounded by the tightening of monetary policies led by the US Federal Reserve to combat inflation, which is anticipated to weigh down growth momentum. This is evident in the relatively weak global commodity prices and the recent three-month contraction on export performance,” said Datuk Chay Wai Leong, Group Managing Director of Kenanga Investment Bank Berhad.

“Despite the challenging market conditions, our stockbroking business backed by 50 years of market experience, remains focused on driving innovation and enhancing accessibility for our valued clients and wider investing community. In terms of our Investment and Wealth Management division, asset under management is poised for further growth in tandem with the expansion of agency force and innovative products offering.

In addition, we are optimistic that our Investment Banking and Listed Derivative divisions will deliver favourable results for the remaining of the quarters, barring any unforeseen circumstances,” added Datuk Chay.

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

Established for almost 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 (1<sup>st</sup> 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.

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

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