

**PRESS RELEASE****FOR IMMEDIATE RELEASE****Kenanga Investment Bank Posts RM597.8 Million Revenue and RM63.9 Million Profit Before Tax in 9M23**

**Kuala Lumpur, 30 November 2023:** Malaysia's leading independent investment bank, Kenanga Investment Bank Berhad ("**Kenanga**" or "**The Group**") today announced an increase in revenue and profit before tax ("**PBT**") of RM219.7 million and RM28.2 million respectively in the quarter under review ("**3Q23**"), compared to the corresponding period in the previous year ("**3Q22**") when revenue was RM181.8 million and PBT was RM17.4 million, due to the increased gross interest, brokerage fees and trading and investment incomes. Net profit for 3Q23 increased 4.1 folds to RM23.6 million.

For the nine months period ended 30 September 2023 ("**9M23**"), revenue and PBT increased to RM597.8 million and RM63.9 million respectively against the revenue of RM543.6 million and PBT of RM59.1 million in the same period last year ("**9M22**"). The growth was primarily driven by higher trading and investment income, a reversal of credit losses, and increased shares of profit from associates and joint ventures.

Kenanga's Stockbroking division reported a 50.9% uptick in revenue to RM79.2 million in 3Q23, relative to the revenue of RM52.5 million in the same period last year, while PBT achieved a positive turnaround at RM1.0 million against a loss before tax ("**LBT**") of RM18.5 million in 3Q22 mainly due to the higher brokerage fee and trading and investment income. This positive shift was primarily due to the reversal of impairment on margin accounts, as well as bad debt recoveries.

Investment Banking division's revenue and PBT rose to RM62.1 million and RM5.2 million respectively in 3Q23, against the revenue of RM50.4 million and PBT of 4.7 million in 3Q22. Regardless the rise in investment banking fee income, it was partially offset by higher provision of credit loss expenses.

The Group's Investment and Wealth Management recorded lower revenue and PBT of RM71.4 million and RM13.4 million respectively in the quarter under review, compared to the revenue of RM74.0 million and PBT of RM19.8 million in 3Q22. This was predominantly attributable to lower management fees income and higher expenses resulting from a rise in personnel costs due to expanded sales force, information technology expenses and marketing activities.

The Group's Listed Derivatives business registered a jump in revenue of 8.7% from RM5.8 million in 3Q22 to RM6.3 million in 3Q23, while PBT more than doubled from RM0.9 million in the previous corresponding quarter to RM1.9 million in the quarter under review. This was due to the higher interest income from its trust deposits.

The Money Lending and Financing division, Kenanga Capital, recorded lower revenue of RM0.6 million in 3Q23 against the revenue of RM2.2 million in 3Q22. It also recorded a LBT of RM72,000 in the quarter under review, against a PBT of RM0.3 million in the same period last year. The decline was primarily attributed to lower interest income and fees income following the partial disposal of its equity stake in its previous subsidiary, Kenanga Capital Islamic Sdn Bhd., as well as a decrease in loan disbursements to Kenanga Capital clients.

"The domestic economy is expected to rebound in the final quarter of the year, buoyed by increased year-end domestic demand, rising tourist activity, sustained service sector expansion, the government's accelerated infrastructure projects, and a robust labour market," said Datuk Chay Wai Leong, Group Managing Director, Kenanga Investment Bank Berhad.

"However, the pace of growth is anticipated to be muted due to the effects of a global economic slowdown, driven by the impact of a higher interest rate environment among advanced economies. Additionally, there are potential downward pressures on growth, such as the impact of an escalation of the Israel-Palestinian conflict as well as the extended Ukraine-Russia war. The combination of these geopolitical factors, along with a sluggish Chinese economy, may exert pressure on global commodity prices and result in a continued weak export performance," added Datuk Chay.

“As market conditions remain challenging, the Group will continue to monitor the uncertainties within the market environment to ensure the resilience of our core businesses,” concluded Datuk Chay.

For more information on Kenanga Group, please visit [www.kenanga.com.my](http://www.kenanga.com.my).

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

Established for 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.

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

### **For more information, please contact:**

**Foo See Wan**

DID: +603 2172 2913

Email: [swfoo@kenanga.com.my](mailto:swfoo@kenanga.com.my)**Gaya Low**

DID: +603 9770 7283

Email: [gayathrii@kenanga.com.my](mailto:gayathrii@kenanga.com.my)