

## **EON CAPITAL GROUP ACHIEVES ANNUALISED LOAN GROWTH OF 13.7% FOR FIRST QUARTER ENDED 31 MARCH 2005**

For the quarter ended 31 March 2005, the Group registered a pre-tax profit of RM83.3 million, representing an annualised basic earnings per share of 33.0 sen.

While the Group's loan base grew by more than RM800mil in the first quarter of 2005, it has yet to translate to the bottomline due to the need to provide for general provisions and incidental lending costs. Therefore, net interest income including income from Islamic banking operations of RM228.0 million in the current quarter was slightly lower as compared to the RM236.2 million achieved in corresponding quarter of previous financial year. Notwithstanding that, we expect the strong loan growth to contribute positively to the bottomline growth in the coming quarters.

Fee and commission income from core banking business increased 26.5% from RM22.4 million for quarter ended 31 March 2004 to RM28.3 million for current quarter ended 31 March 2005. However, this was partly offset by the unrealised revaluation losses of trading securities amounting to RM2.3 million in Q105 as compared to unrealised gain of RM3.0 million in Q104; resulting in a smaller net increase of RM2.3 million in non-interest income.

Gross loans grew from RM24.5 billion as at 31 December 2004 to RM25.4 billion as at 31 March 2005. The encouraging 3.4% or 13.7% annualised increase was underpinned by growth in the retail, trade finance and SME loan portfolio. Vehicle purchase financing and residential mortgages continued to grow strongly by 3.6% and 3.1% during the quarter ended March 2005 to RM8.7 billion and RM4.5 billion respectively.

By end March 31, 2005, EON Capital Group's total assets and total shareholders funds strengthened to RM33.7 billion and RM2.6 billion respectively. The Group's risk weighted capital ratio as at 31 March 2005 remained strong at 13.84%.

The Group also saw its net non-performing loans (NPLs) ratio improve to 3.3% as at end March 2005 from 3.4% as at 31 December 2004. This improvement in asset quality and better recoveries resulted in a lower loan loss provision for Q105 (RM49.0mil) as compared to Q104 (RM58.4mil).