

**PRESS RELEASE
22 NOVEMBER 2010**

EON CAPITAL ANNOUNCES ANOTHER QUARTER OF PRE-TAX PROFIT SURGE - BY 39.6% TO RM446.7M

Highlights for the nine-months ended 30 September 2010:

- **Increased Pre-Tax Profits:** Pre-tax profits grew by RM126.7 million or 39.6% due to the 13.9% growth in net interest income, 9.5% rise in Islamic banking earnings and 32.7% rise in non-interest income.
- **Higher After-Tax Profits:** Net profit after tax improved by 21.4% to RM339.2 million.
- **Improved Return on Equity (ROE) and Return on Assets (ROA):** Pre-tax return on equity (ROE) improved to 16.1% from 12.5% in FY2009, whilst ROE after tax was 12.2%. ROA increased to 1.23% from 0.94% in FY2009, whilst ROA after tax was 0.94%.
- **Growing Total Assets:** Total assets continued to grow by 13.4% Y-o-Y to exceed RM50 billion, contributed mainly from the expansion of the loan portfolio.
- **Strong Loans and Deposits Y-o-Y Growth:** Outstanding net loans expanded by RM4.2 billion or 13.7% to RM35.2 billion, whilst customer deposits grew by 21.6% to RM39.1 billion.
- **Stable Risk-Weighted Capital Ratio:** The risk-weighted capital ratio remained satisfactory at 13.67%.

KUALA LUMPUR, 22 November 2010 - EON Capital Berhad ("EON Capital"), the holding company of the EON Bank Group, today reported a pre-tax profit of RM446.7 million for the nine-month period ended 30 September 2010. Compared to the nine-month period of 2009, the results have improved by RM126.7 million or 39.6%. Pre-tax profit for the third quarter at RM165.2 million was also RM64.7 million or 64.3% higher than corresponding quarter ended 30 September 2009. Pre-tax profit was also up 10.5% or RM15.7 million, from the second quarter ended 30 June, 2010.

Net profit for the Group also rose to RM339.2 million and net earnings per share now stands at 48.9 sen. Book value per share has also risen to RM5.57 from RM5.03 compared to the corresponding period in 2009. Net profit after tax rose by 21.4%, as the tax rate normalized at 24%. In the previous year 2009, the effective tax rate was much lower at 13%, as the Group had the benefit from the one-off non-recurring reversals of over-provisions of tax expenses relating to prior years.

Group Chief Executive Officer, Datuk Michael Lor, during the announcement of the EON Bank Group's results, said, "We are very happy with our nine-month performance, with our total assets crossing RM50 billion. The results are the fruits of the strategic initiatives which were undertaken for the past two years, and we are confident that the growth of loans at 13.7% and deposits of more than 20% will continue into the fourth quarter."

He added that "Alongside with the growth in our business portfolio, asset quality has also improved. Net impaired loans ratio under FRS 139, had dropped to 2.1% as at end-September 2010, from 2.6% on 1 January 2010, when the Group first adopted FRS139. The Gross Impaired Loans Ratio too has edged lower to 3.5%, from 4.3% at the beginning of the year. The decline in the impaired loans outstanding continues to reflect better asset underwriting standards as well as the improving

economy. Loan loss coverage under FRS139 has improved to 90.1% as at end-September 2010 from 81.9% as at 1 January 2010, when FRS139 was first adopted.”

Lor further added, “I am also very pleased that the rate of growth for the Bank’s operating costs has moderated to 7.4%, resulting from the various strategic cost management initiatives that had been undertaken. We remain committed to complete our expansion plans for the distribution channels, infrastructure and strategic branding initiatives whilst maintaining the drive to improve the overall cost structure and organisational efficiencies. During the year, we have renovated a further 10 branches, as well completed the implementation of a number of IT systems. Our overall cost-to-income ratio has dropped from 57.2% in FY 2009, to 50.4% over the nine months period and we are confident of achieving our targeted cost-to-income ratio of 48% well before FY2012.”

Strong loans growth in all major business segments

Net loans outstanding rose year-on-year by RM4.2 billion or 13.7% to RM35.2 billion, supported both by the growth in consumer and SME/corporate lending.

Consumer loans, which account for 60.4% of the total loans portfolio, expanded by RM2.5 billion or 13.1% Y-o-Y. The housing loans portfolio expanded by RM1.9 billion during the year, and now accounts for 23.9% of the total loans outstanding. Hire purchase loans outstanding expanded by RM570.0 million or 4.5% to RM13.3 billion.

SME lending during the year has grown by RM697.9 million or 10.3% to RM7.4 billion. Lending to the SMEs now accounts for 20.5% of total loans as at end-September 2010.

Deposits continued to grow by 21.6%

Customer deposits continued to grow by 21.6% or RM7.0 billion Y-o-Y, to reach RM39.1 billion. This has enabled the Group to improve its loans to deposits ratio to 90.1% as at September 2010, from 96.4% a year earlier.

Stable capital position

The overall risk weighted capital ratio recorded stable growth to 13.67%, up from 13.46% a year ago, whilst the tier one capital ratio stood at 10.51%. “Our capital ratios are well above the minimum recommendations of Basel III. We will continue to ensure that our capitalisation level is sufficient to meet our business growth aspirations, and to opportunistically tap the capital markets under the Bank’s Subordinated Medium Term Notes Program to fund our continued expansion”, Lor said.

Year end performance is expected to be on track

“We remain confident of achieving the targeted goals and financial results as per our 2010 Strategic Business Plans, even as we continue to build on our core franchise strengths in the Consumer and the SME segments. By further developing our integrated multi-channel sales and distribution capabilities, we are on track towards meeting our customers’ needs more effectively and efficiently, as well as positioning the Banking Group as ‘The Preferred Malaysian Bank’.

All in all, the performance of the Bank has been remarkable and I must say that this is ultimately due to the hard work, passion and commitment of the EON Bank Group employees who have embodied our core values of trust, ownership and being performance-driven. To them, I must record my sincere thanks and appreciation,” Lor asserted.

ABOUT EON BANK GROUP

The **EON Bank Group** consists of EON Bank Berhad and its two main subsidiaries: EONCAP Islamic Bank and MIMB Investment Bank Berhad.

EON Bank Berhad is a licensed banking and finance company operating under the regulations of Bank Negara Malaysia under the provisions of the Banking and Financial Institutions Act 1989. EON Bank is principally engaged in the provision of a comprehensive range of financial products and services.

EON Bank’s subsidiary, **EONCAP Islamic Bank Berhad**, has five full-fledged Islamic Banking branches, which offers Islamic shariah-compliant financial products and services, which includes deposit products, consumer financing products, business financing as well as corporate and investment banking activities.

An investment bank licensed under the Banking and Financial Institutions Act 1989, **MIMB Investment Bank Berhad** is a wholly owned subsidiary of EON Bank Berhad. MIMB Investment Bank provides full client services in key areas of investment banking including corporate finance advisory, structured finance, equity and debt capital markets, placements, underwriting and stock broking activities under its subsidiary.

EON Capital Berhad is the holding company of EON Bank Berhad.

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