

EON CAPITAL ACHIEVES 25.3% GROWS IN PRE-TAX PROFIT TO RM165.3 MILLION FOR FIRST QUARTER ENDED 31 MARCH 2011

Highlights of the first quarter ended 31 March 2011:

	Q1 FY 2011	Q1 FY 2010	% CHANGE
Profitability			
Operating profit before provisions	RM207.8 million	RM182.9 million	+ 13.6%
Profit before tax	RM165.3 million	RM131.9 million	+ 25.3%
Profit after tax	RM122.2 million	RM97.8 million	+ 25.0%
Performance Ratios			
Non-Interest Income to Total Income	21.8%	21.4%	+ 0.4%
Overheads to Income	51.1%	52.4%	+ 1.3%
ROE (pre-tax) *	16.5%	14.7%	+ 1.8%
ROA (pre-tax) *	1.2%	1.1%	+ 0.1%
Earnings per share	17.6 sen	14.1 sen	+ 25.0%
Book Value per share	RM5.88	RM5.22	+ 12.6%
Asset Quality			
Gross impaired loans	3.4%	4.2%	+ 0.8%
Net impaired loans	1.8%	2.2%	+ 0.4%
Loan loss coverage	94.3%	83.0%	+11.3%
Lending and deposit			
Net loans growth (year-on-year)	13.8%	10.1%	+ 3.7%
Customer deposit growth (year-on-year)	17.9%	16.5%	+ 1.4%
Net loans to deposits	90.5%	93.8%	+ 3.3%
Capital Ratios			
Tier 1 capital ratio	10.4%	10.8%	- 0.4%
Risk weighted capital ratio	14.7%	14.9%	- 0.2%

* Annualised

+ denotes improvement

- **Pre-Tax Profit:** Pre-tax profit grew by RM33.4 million or 25.3% mainly due to 10.5% growth in net interest income, 7.5% rise in Islamic banking earnings and 13.0% rise in non-interest income.
- **After-Tax Profit:** Net profit after tax improved by 25.0% to RM122.2 million.
- **Return on Equity (ROE) and Return on Assets (ROA):** Annualised pre-tax ROE increased to 16.5% from 14.7% as at 31 March 2010, while ROE after tax was 12.2% from 10.9%. Annualised pre-tax ROA increased to 1.2% from 1.1% as at 31 March 2010.
- **Total Assets:** Total assets grew by 16.5% year-on-year (y-o-y) to RM53.9 billion from RM46.3 billion as at 31 March 2010, contributed mainly from the expansion of the loan portfolio.
- **Loans and Deposits Y-o-Y Growth:** Outstanding net loans increased by RM4.5 billion or 13.8%, to RM37.3 billion, while customer deposits grew by 17.9% to RM41.2 billion.
- **Stable Risk-Weighted Capital Ratio:** The risk-weighted capital ratio stood at 14.74%.

Group financial performance in 1st quarter 2011

KUALA LUMPUR, 8 May 2011 - EON Capital Berhad ("EON Capital"), the holding company of EON Bank Group, today announced pre-tax profit of RM165.3 million for the first quarter ended 31 March 2011 (Q1 2011), 25.3% higher as compared to RM131.9 million in the corresponding quarter in 2010. The performance was due to the growth in net interest income, Islamic banking earnings and non-interest income.

Net profit for the Group rose to RM122.2 million which was RM24.4 million or 25.0% higher as compared to RM97.8 million in the previous corresponding quarter, while net earnings per share rose to 17.63 sen from 14.11 sen in the previous first quarter of 2010. Book value per share also rose to RM5.88 from RM5.22 in the previous corresponding quarter.

Loans growth in major business segments

The y-o-y net loans and financing grew by RM4.5 billion or 13.8% to RM37.3 billion. The annualized loans growth was 7.6% and Group Consumer Banking expanded by 9.9% (annualized). The Group remain focused on the retail sector, which accounted for approximately 80% of the Group's loan portfolio comprising mainly loans for financing residential properties, the purchase of transport vehicles and also the SMEs. The Group's consumer loans portfolio, which constitute 60% of the total loans, expanded by RM3.1 billion or 15.1% y-o-y. The growth was primarily due to housing loans, which grew by RM2.0 billion y-o-y and currently accounts for 23.4% of the total loans outstanding. Hire purchase loans outstanding expanded by RM830.3 million or 7.6% y-o-y, to RM11.8 billion (net of unearned interest/income). SME lending y-o-y grew by RM906.4 million or 12.8% to RM8.0 billion. Lending to SMEs currently accounts for 20.7% of total loans as at 31 March 2011. Variable rate loans now make up of 58.2% of total loans (Q1 FY2010: 57.7%).

Deposits growth

The customer deposits grew by RM6.3 billion, or 17.9% y-o-y, to RM41.2 billion. The Group's liquidity position has continued to improve with net loans-to-deposits ratio down to 90.5% from 93.8%, from the previous year, which is now closer to the industry.

Capital Ratios

The Group's capital position remains above the minimum regulatory requirement, with its Tier I capital ratio and overall risk weighted capital ratio standing at 10.4% and 14.7% respectively as at 31 March 2011. The Bank had issued RM500 million of Subordinated Medium Term Notes in December 2010 for working capital purposes.

Subsequent Event on Corporate development

On 28 April 2011, after due consideration, the Board of the Company had accepted the HLBB Offer at RM7.30 per share, subject to (a) HLBB confirming that it has no objection to EON Bank Berhad, a subsidiary of the Company, declaring and paying a net interim dividend of RM311,943,930 ("Interim Dividend") to the Company, and (b) such dividend being approved by Bank Negara Malaysia, and (c) such net interim dividend not forming part of the assets of the Company to be disposed of to HLBB and not being deducted from the offer price payable by HLBB. On the same date, HLBB had confirmed its agreement to the above conditions in relation to the payment of net interim dividend.

On 6 May 2011, the HLBB Offer was completed, whereby the sale consideration of RM5,060,423,743.60 ("Sale Consideration") was fully remitted to the Company on 6 May 2011.

Following the approval of Bank Negara Malaysia on 5 May 2011, EONCAP received the Interim Dividend from EON Bank Berhad on 10 May 2011.

It is the intention of the Board to distribute the entire Sale Consideration and the Interim Dividend, with any interest thereon and after deducting other obligations that may be incurred or approved by the Company after

6 May 2011, back to all the entitled shareholders of the Company in due course via the proposed special dividend and proposed capital repayment as approved by the Company's shareholders at the extraordinary general meeting held on 27 September 2010.

With the completion of the HLBB Offer, the Company will no longer have any business or operations and is deemed a cash company based on its cash holdings position comprising the Sale Consideration and the Interim Dividend, after the receipt thereof.

The Board of the Company will not be undertaking any plans to regularize the financial condition of the Company as it does not intend to maintain the listing status of the Company on the Main Market of Bursa Malaysia Securities Berhad after the Proposed Distribution.

Accordingly, the Company would not be complying with the relevant obligations under the Practice Notes 16 and 17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please note that the proposed capital repayment is still subject to the confirmation of the High Court of Malaya in accordance with Section 64 of the Companies Act, 1965.

Further announcements will be made by the Company on the timing of the aforementioned proposed special dividend and the proposed capital repayment in due course. Meanwhile, the Sale Consideration and Interim Dividend (upon receipt) shall be placed with financial institutions to earn interest income.

For more information about EON Capital Berhad, please visit www.eonbank.com.my, call 03-2696 2812 or contact:

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