

**Bank Rakyat Declares 20 Per Cent Record Dividend For 2011 Financial Year**  
**Bernama**  
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KUALA LUMPUR, March 26 (Bernama) -- Bank Rakyat Monday declared a record dividend of 20 per cent or RM435 million payout for the 2011 financial year.

The cooperative bank said 15 per cent or a cumulative RM330 million will be paid in cash and the remaining five per cent totalling RM105 million will be offered in the form of bonus share.

The bank also declared 20 per cent dividend in 2008.

In announcing the dividend and the bank's financial performance for last year, Domestic Trade, Cooperatives and Consumerism Minister Datuk Seri Ismail Sabri Yaakob said the higher dividend was made possible by the 17.6 per cent higher pre-tax profit or RM301.9 million to RM2.02 billion, the highest since the bank's inception in 1954.

The pre-tax profit for 2010 was RM1.72 billion.

"The record pre-tax profit was achieved from the bank's focus on financing, mainly personal loans, besides quality asset appreciation despite challenges in the domestic banking industry," he said.

Ismail Sabri said the bank's gross revenue rose by 13.3 per cent to RM5.5 billion from RM4.86 billion in 2010, with personal loans remaining as the main profit contributor besides the marked growth in the Ar-Rahnu Islamic pawnbroking business and investments.

On this year's outlook, Ismail Sabri said Bank Rakyat aims to achieve RM2.1 billion in pre-tax profit, driven by personal loans and Ar-Rahnu revenue.

Going forward, the minister said Bank Rakyat planned to open nine branches, one each in Pahang, Johor, Selangor, Kelantan and Negeri Sembilan and two in Terengganu and Sabah, respectively.

He also said the bank intends to open 10 Islamic pawnbroking franchise outlets, Ar-Rahnu X'change, this year nationwide.

Currently, Ar-Rahnu services are available at 135 branches and there are 38 Ar-Rahnu X'Change outlets.

Ismail Sabri said low non-performing loans at 2.8 per cent and the people's confidence in the bank's services are among the main contributors to the bank's better financial performance this year.

Asked on the bank's long-term prospects, Ismail Sabri said the bank should increase commercial financing to strike a balance on its dependence on personal loans merely.

"We cannot heavily depend on personal loans forever. I believe Bank Rakyat will come up

with a plan to increase commercial financing," he said.

Last year, the bank's revenue from financing rose to RM4.46 billion vis-a-vis RM4.04 billion in 2010, 91.4 per cent or RM4.07 billion came from consumer banking and 8.6 per cent or RM385.2 million from commercial banking.

The bank also earned RM92 million from fee-based revenue last year, 75.7 per cent was contributed by will-based revenue, takaful (Islamic insurance) commission and automated teller machine service fee.

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