
Investor Relations Presentation

18th October 2013
AEON CREDIT SERVICE (M) Berhad

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   Financial Results and Overview

   New regulations – Personal Financing

   Question and Answer Session

■ Financial Performance

■ Net Profit rose 40% to RM 84.479Million

■ Total operating income of RM 325.397 Million 41% higher than last FY

■ Total Receivables of RM 3.048 Billion increased 63% from last FY

■ Operational Performance

■ Card member base 1,239K Credit Card : 182K
Express Card : 1,056K

■ Number of merchant outlets : Over 6,000

■ Number of Co. branches : 40

FYE 20 February 2014 First Half Year Highlights

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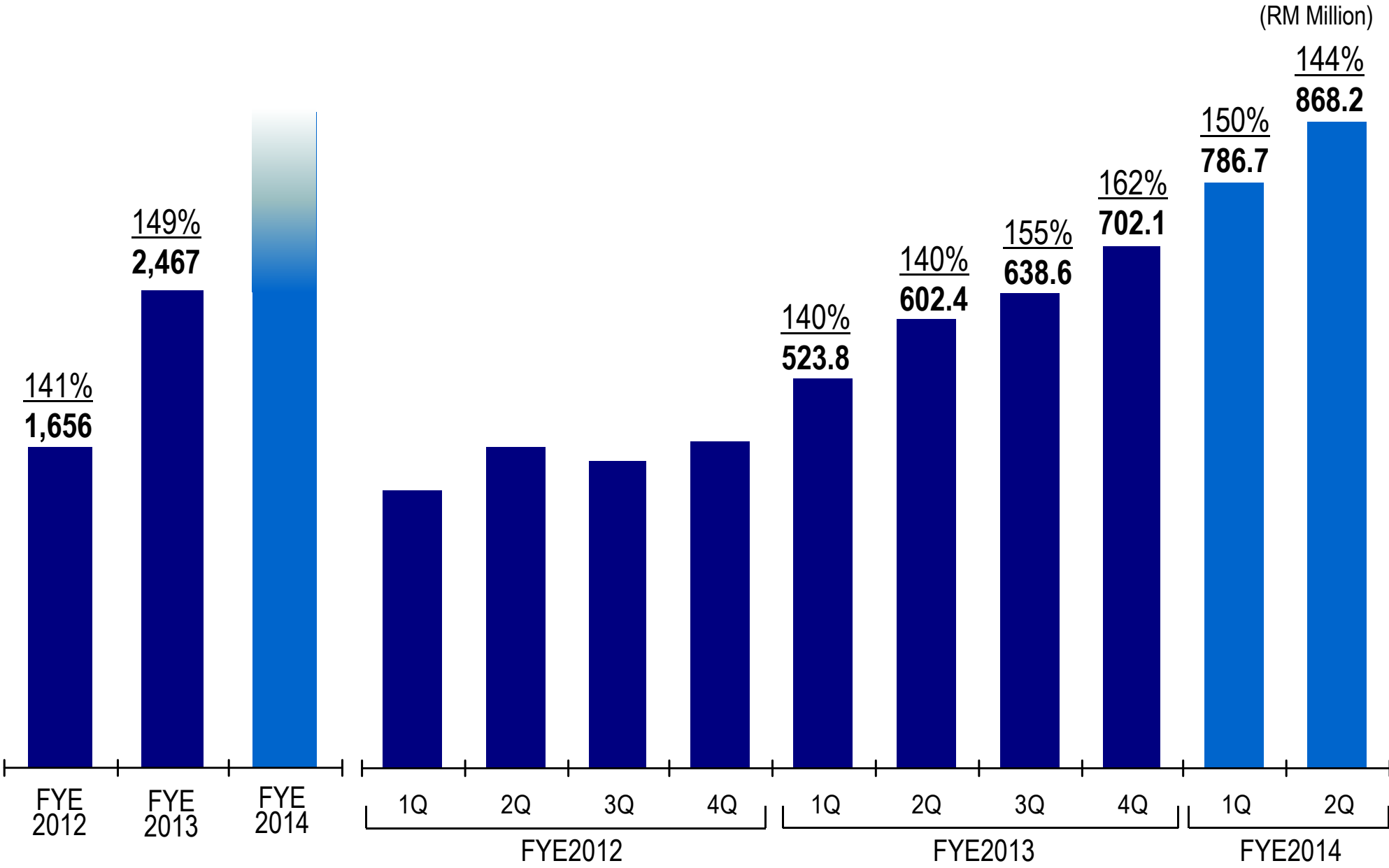


AEON CREDIT SERVICE

(RM Million)

	Q2 FYE2014	Growth % YOY	H1 FYE2013	H1 FYE2014	Growth % YOY
Total transaction volume	868.25	144%	1,126.32	1,655.00	147%
Revenue	162.87	145%	214.11	306.74	143%
Other Income	9.15	106%	17.37	18.66	107%
Total Operating Income	172.02	142%	231.48	325.40	141%
Impairment Loss	36.66	189%	37.70	62.56	166%
Staff costs	30.70	140%	42.92	61.33	143%
Depreciation	4.26	129%	6.24	8.41	135%
Other Operating exp	19.50	105%	35.75	36.52	102%
Funding cost	23.73	166%	26.78	43.36	162%
Total Operating Expenses	114.84	148%	149.38	212.19	142%
Profit Before Tax	57.18	131%	82.10	113.21	138%
Corporate Tax	14.04	121%	21.93	28.73	131%
Net Profit	43.14	134%	60.19	84.48	140%
Earnings Per Share	29.96 sen	134%	41.79 sen	58.67 sen	140%

Movement for Total Transaction volume



FYE 20 February 2014 First Half Year Performance



(Operating Income)

(RM Million)

	Q2 FYE2014	Growth % YOY	H1 FYE 2014	Growth % YOY	Share
Credit Card	23.57	125%	44.01	121%	14%
General Easy Payment	32.68	109%	63.74	110%	20%
Motorcycle Easy Payment	53.50	140%	101.18	137%	31%
Car Easy Payment	13.46	486%	23.91	518%	7%
Personal Financing	39.65	174%	73.90	179%	23%
Other Income	9.15	106%	18.66	107%	6%
Total Operating Income	172.02	142%	325.40	141%	100%

FYE 20 February 2014 First Half Year Performance



(Summary of Statement of Financial Position)

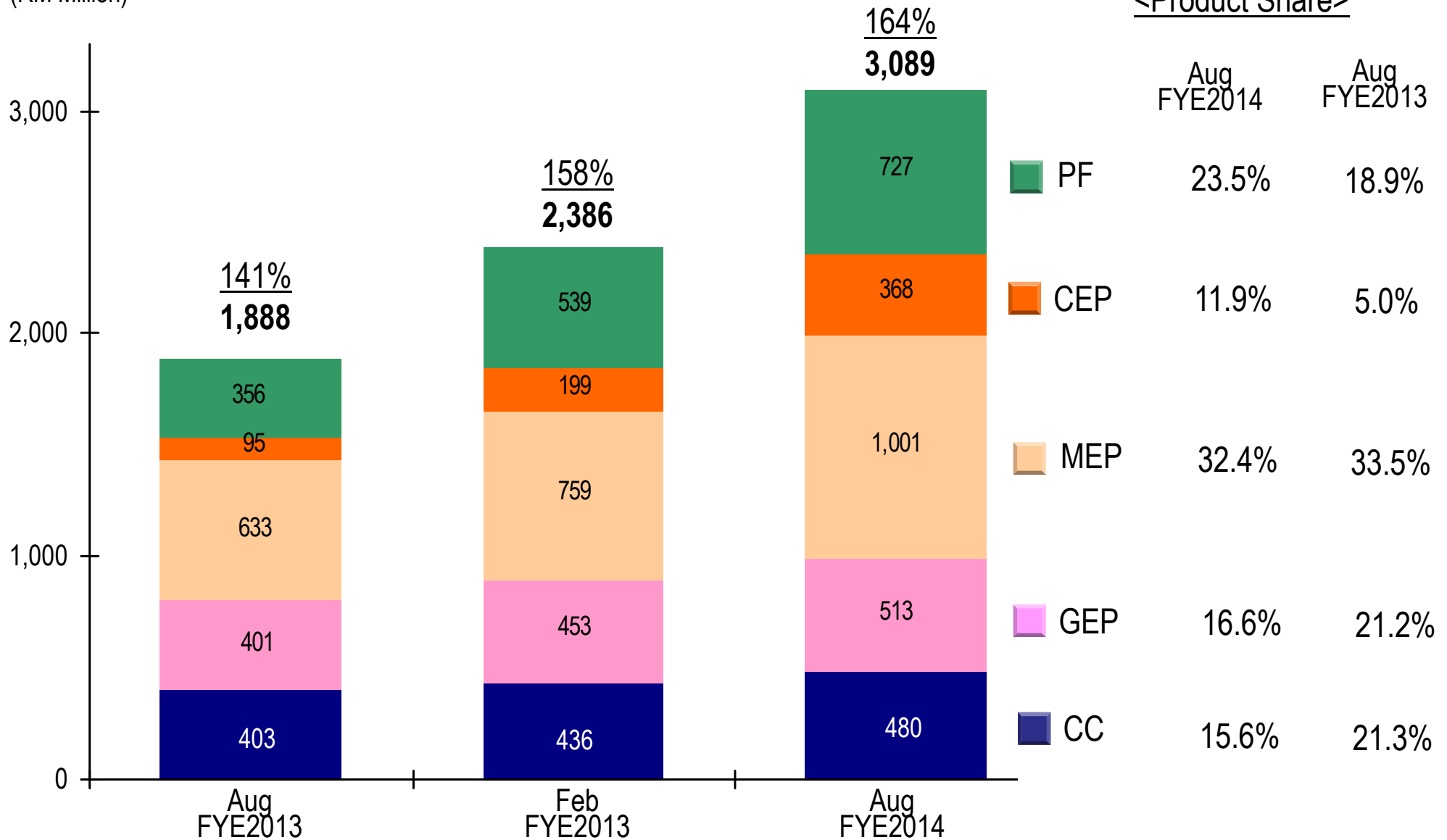
(RM Million)

	August FYE 2013	August FYE 2014	Difference	Growth % YOY
Total Assets	1,955.0	3,197.60	1,242	164%
Net Trade Receivables	1,863.76	3,047.90	1,184	164%
Other Assets	91.34	149.70	58	164%
Total Liabilities	1,576.60	2,718.026	1,141	172%
Total Shareholders' Equity, excluding hedging reserve	389.14	496.317	107	128%
Capital Adequacy Ratio	20.88%	16.28%	-4.60%	---
NTA per Share (RM)	2.63	3.33	0.7	127%

Financing Receivables by Products



(RM Million)



(Unit : RM Million)

	FYE2011	FYE2012	FYE2013	H1 FYE2014
Operating Income	286.8	368.3	500.5	325.394
PBT	85.0	128.1	181.1	113.210
PAT	63.4	95.6	134.1	84.479
Earnings per share (RM)	0.53	0.80	1.03	1.17
NTA per share (RM)	2.35	2.84	2.98	3.33
ROE	23.8%	30.7%	34.8%	37.2%
ROA	5.8%	7.0%	6.7%	6.0%
Capital Ratio	24.0%	21.8%	17.6%	15.5%
Capital ratio against receivables	25.6%	23.0%	18.7%	16.3%
Debt equity ratio (times)	3.2	3.6	4.7	5.67
Share price (RM)	3.73	7.60	11.34	17.78
PER	7.1	9.5	11.03	15.15
Market Capitalisation (RM Million)	448	912	1,636	2,560

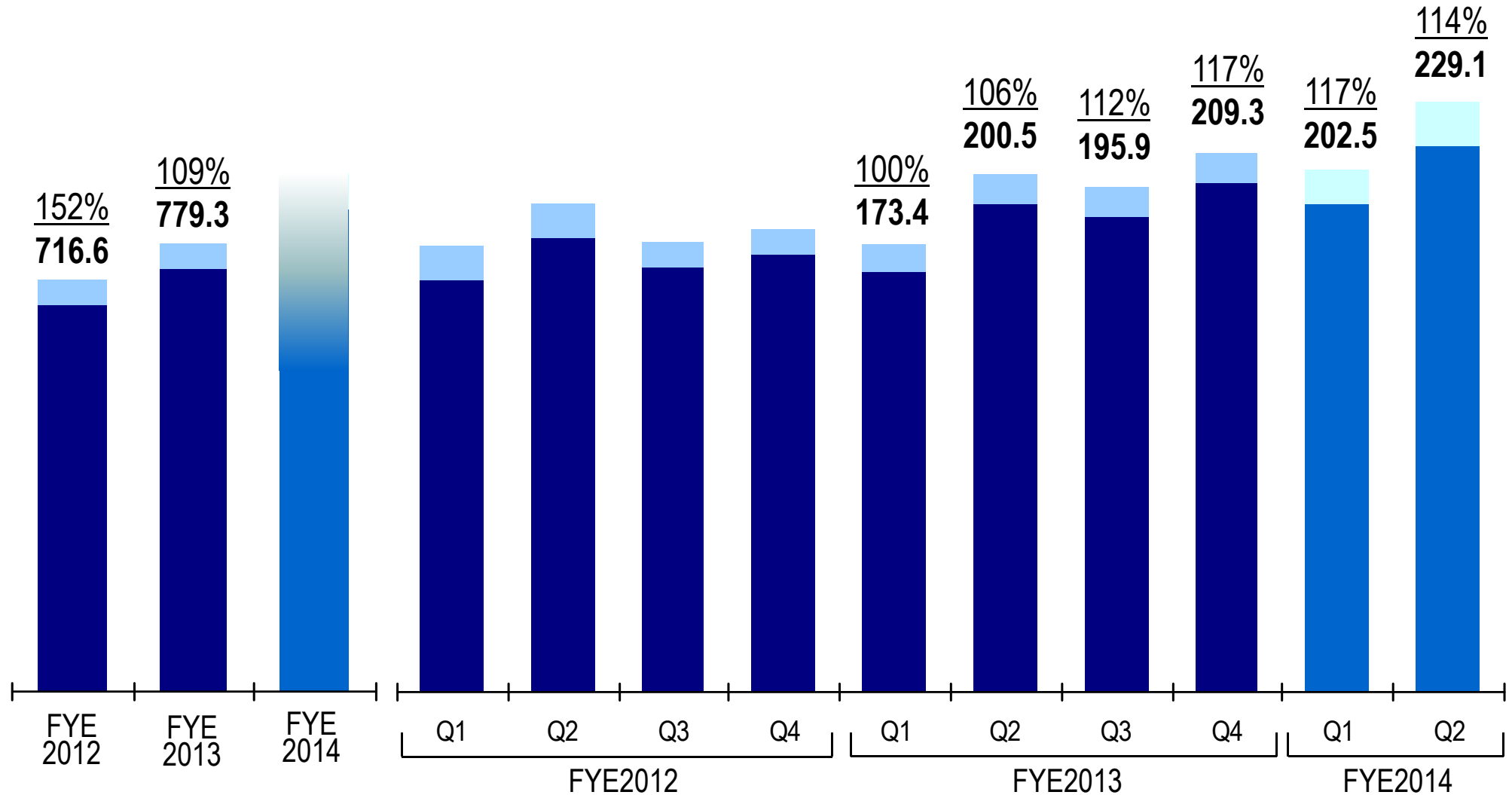
Credit cards transaction volume



■ Credit Advance

■ Credit purchase

(RM Million)

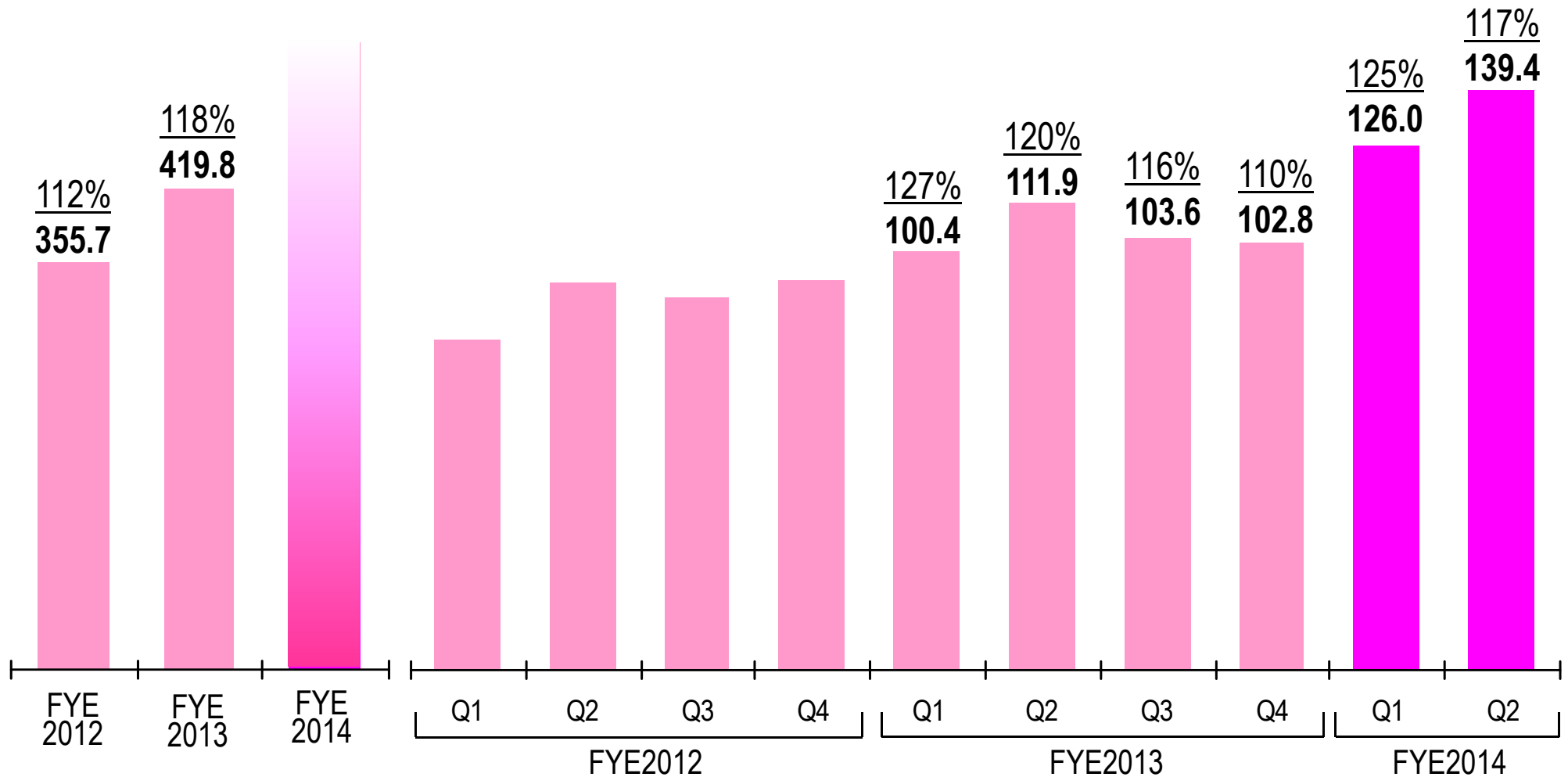


GEP transaction volume



General Easy Payment

(RM Million)

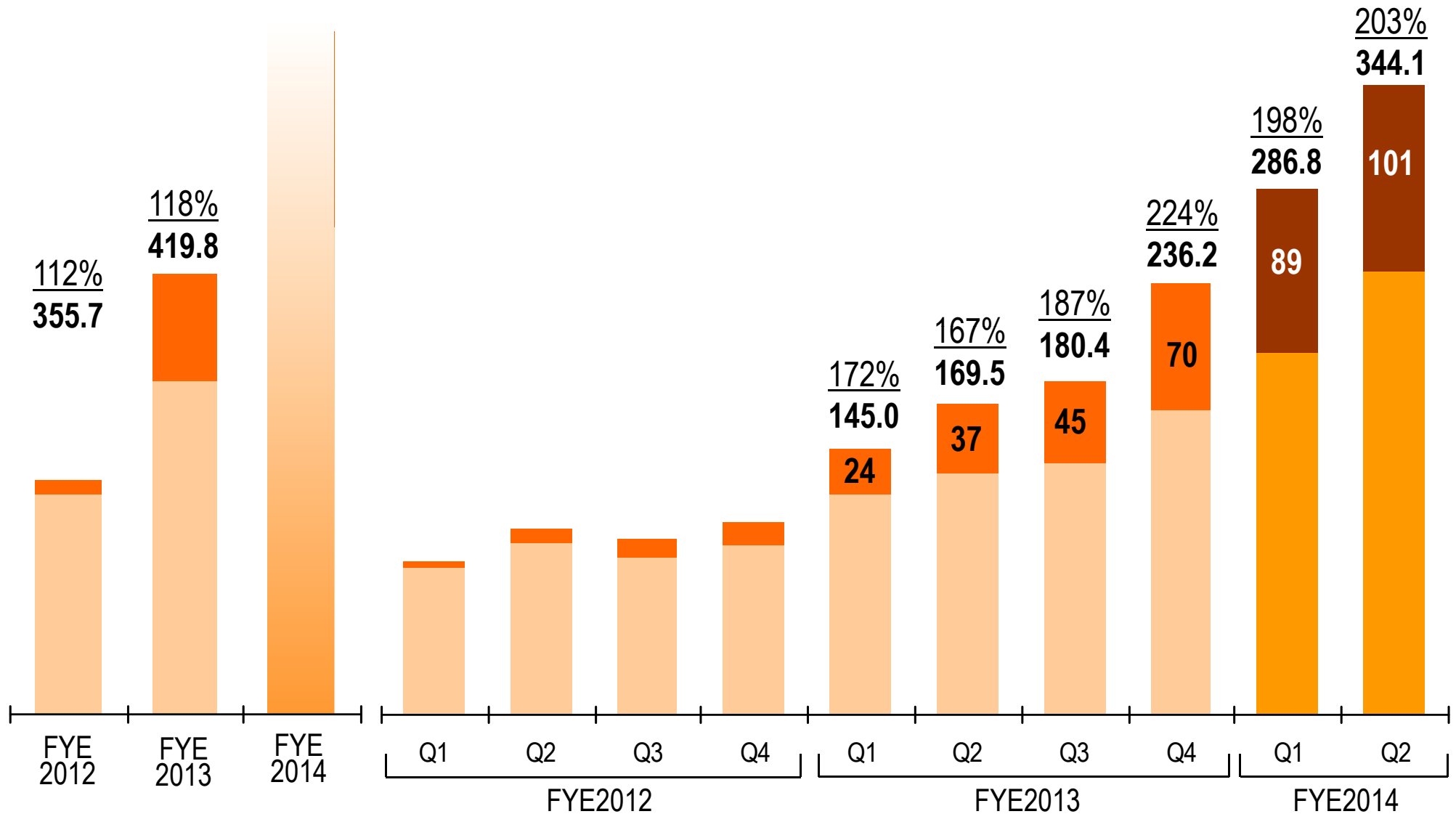


VEP transaction volume



Motorcycle Easy Payment Car Easy Payment

(RM Million)

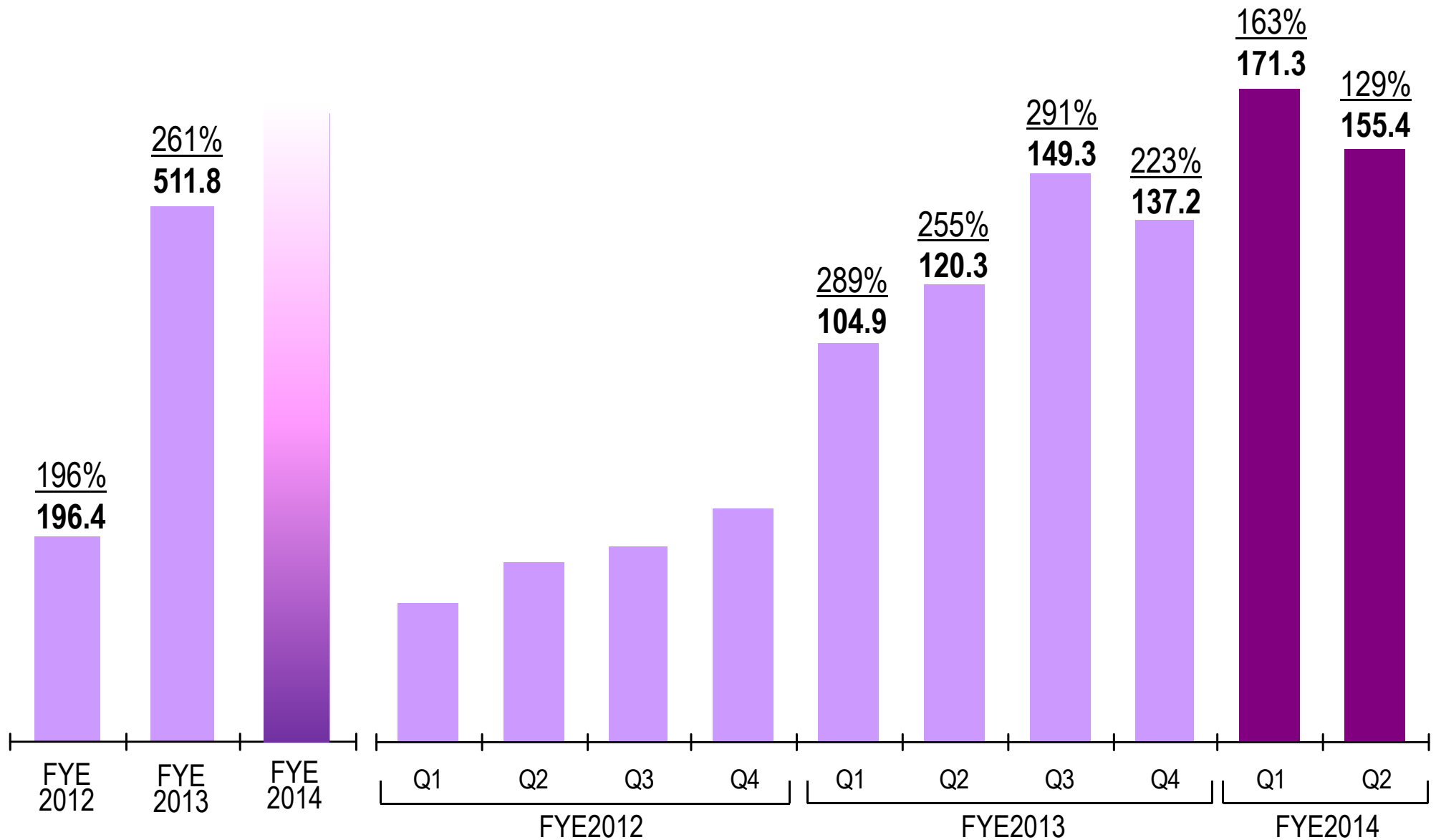


PF transaction volume



Personal Financing

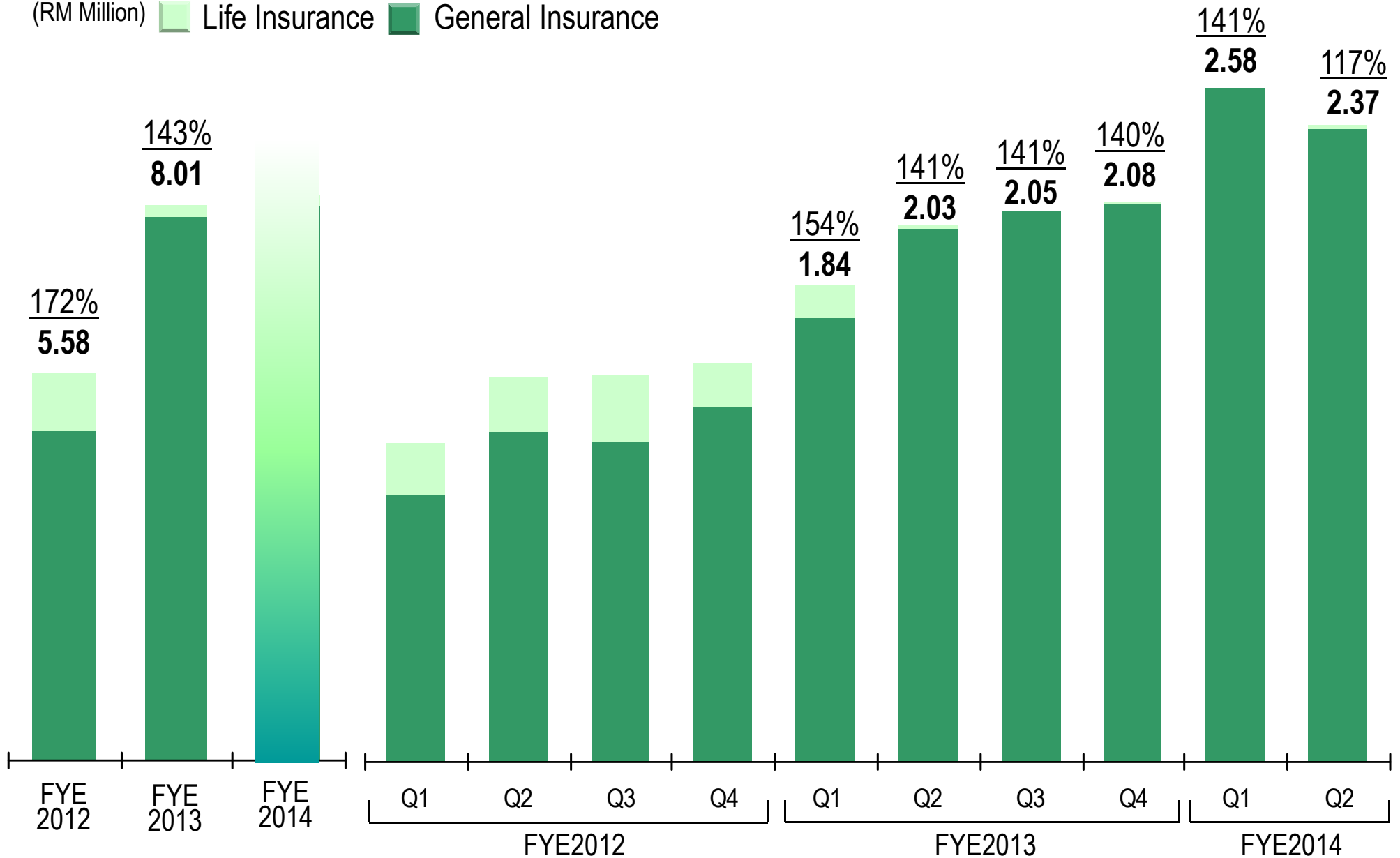
(RM Million)



Insurance business income



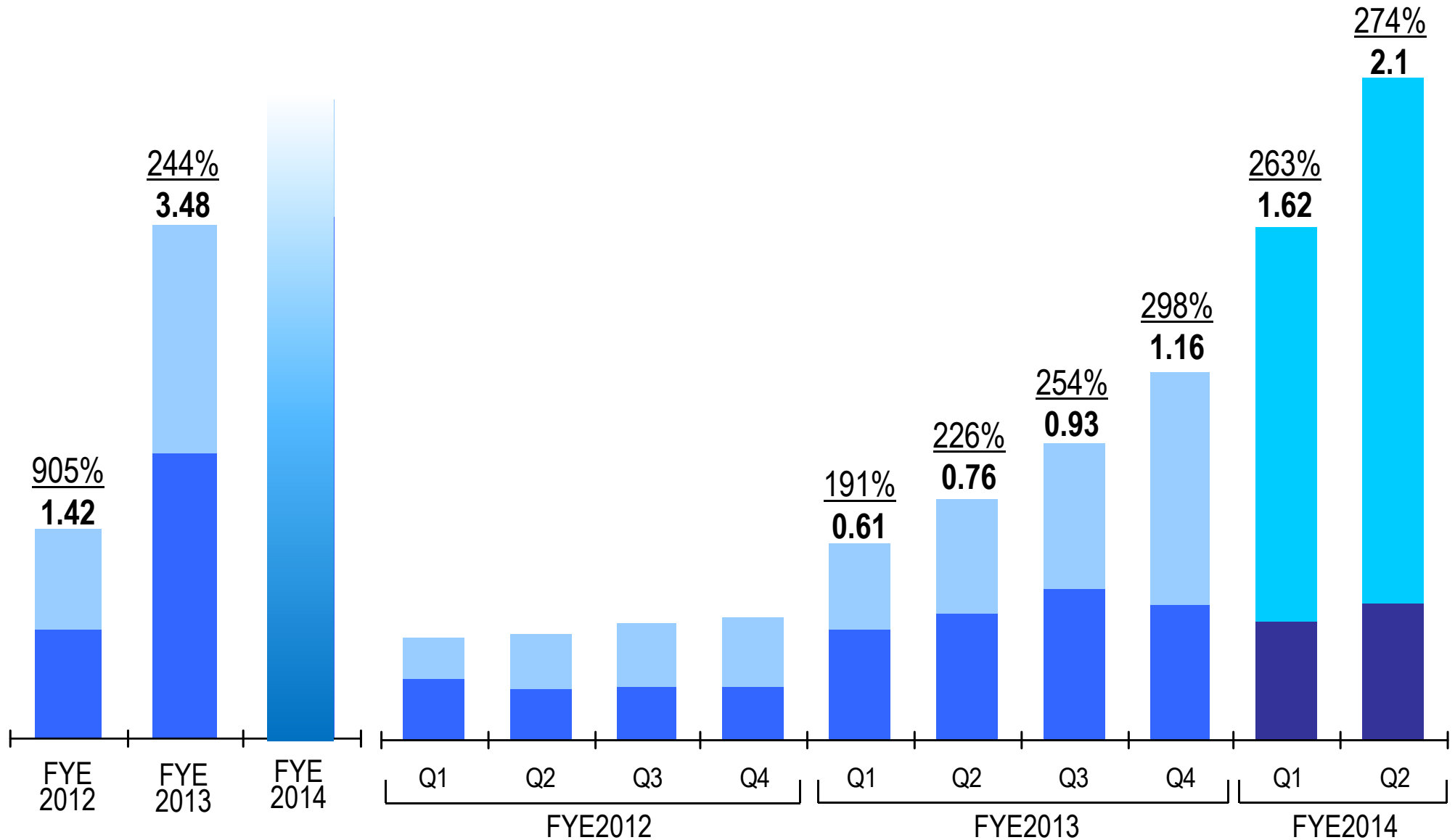
(RM Million) ■ Life Insurance ■ General Insurance



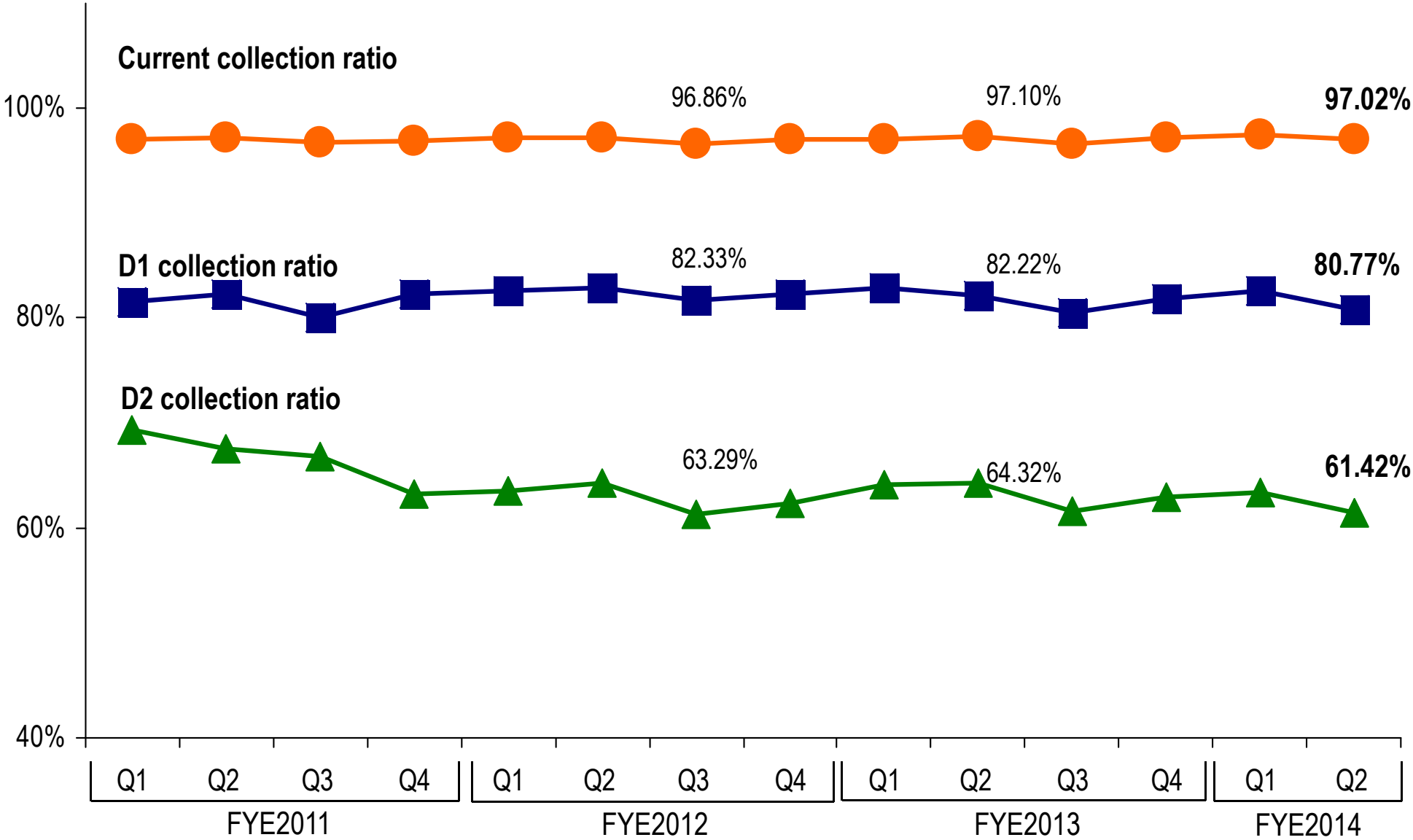
Collection Agency business income



(RM Million) ■ Income from External Client ■ Income from AEON

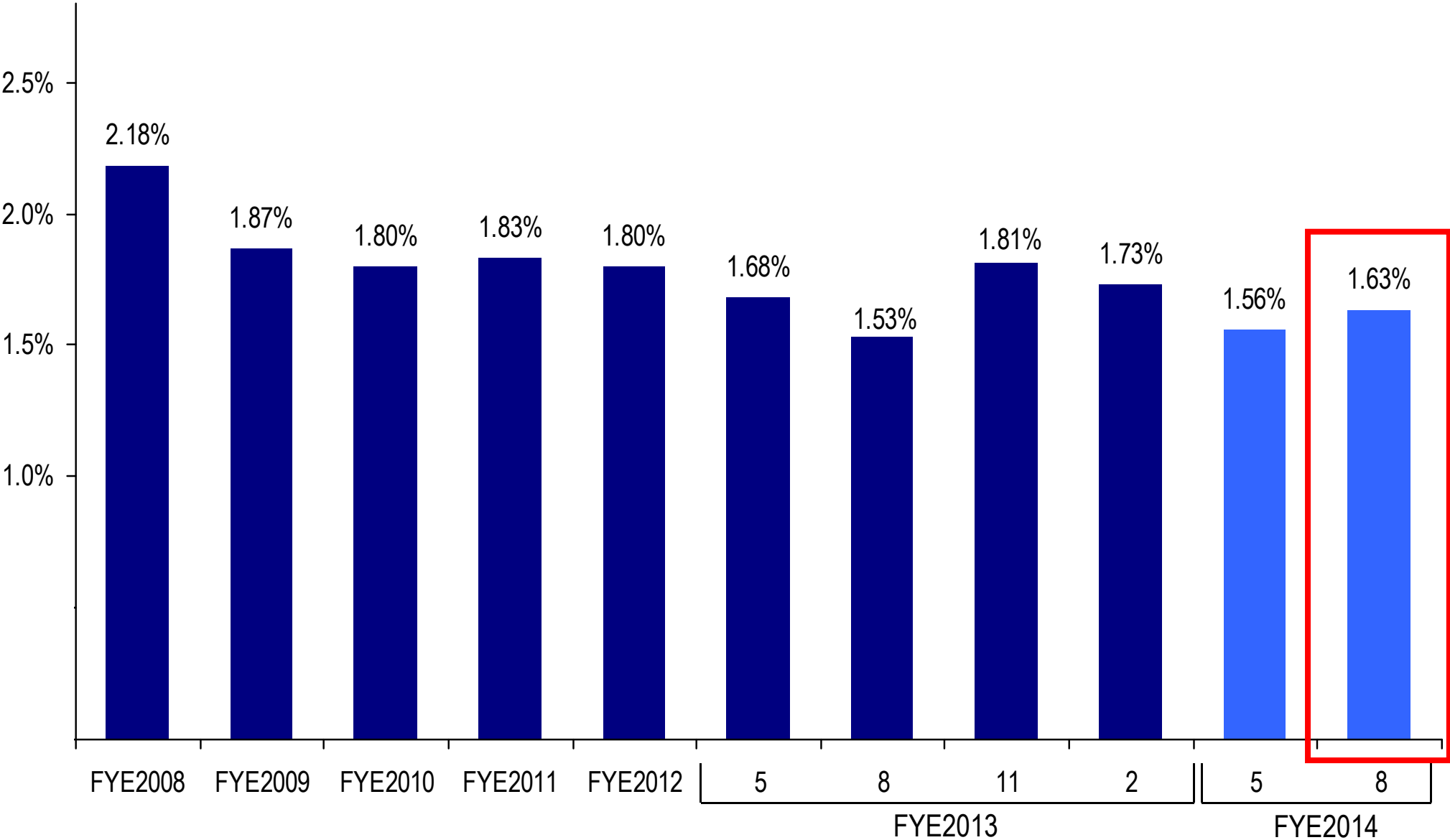


Movement of collection ratio

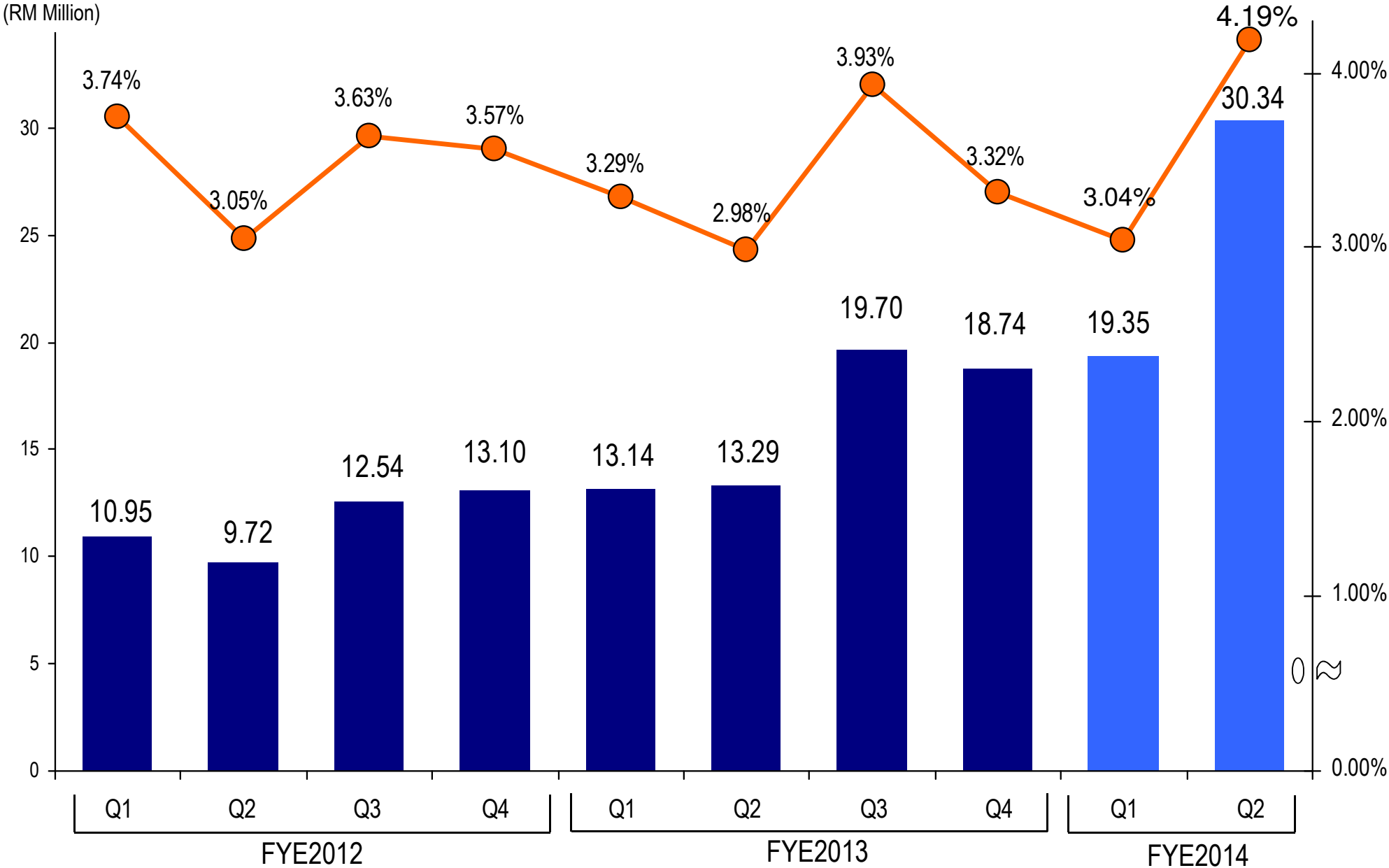


Ratio of Non-Performing Loans (NPL)

Prudent risk management policies and portfolio management to control NPL



Net Credit Cost Ratio vs Receivables



Provision for Impairment Loss (on Fin. Receivables)



(RM Million)

	1HY FYE2013	1HY FYE2014
Beginning Balance (as at 20 Feb)	33.997	49.739
+ Bad Debt Provision	37.695	62.561
(-) Write-off	(34.538)	(46.752)
Closing Balance (as at 20 Feb)	37.154	65.548
% of Trade Receivables	1.97%	2.12%
NPL Ratio	1.53%	1.63%

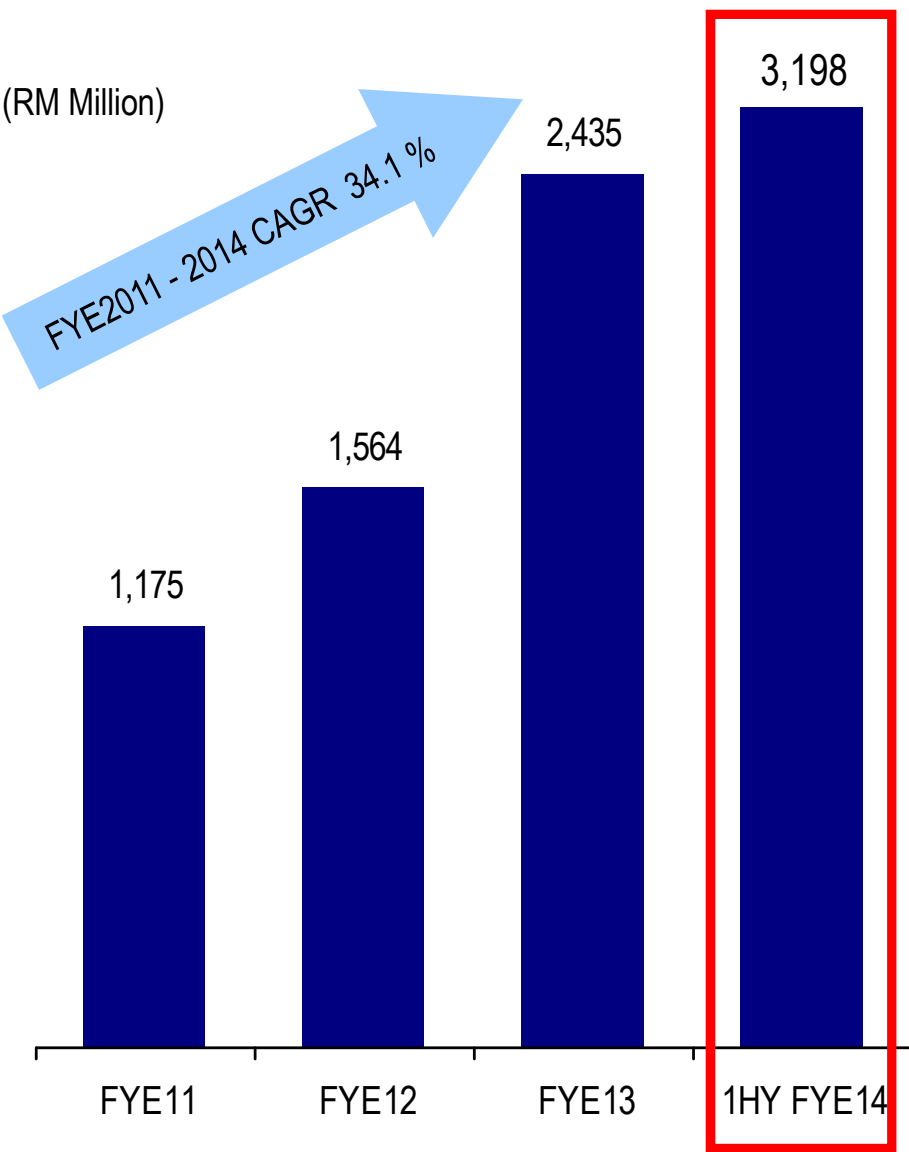
	As at 20 Feb 2013	As at 20 Aug 2013	Difference
Long term borrowings ratio	64.0%	72.2%	8.2%
Direct borrowings ratio	40.3%	19.3%	21.0%
OPR	3.0%	3.0%	---

Financial Indicators

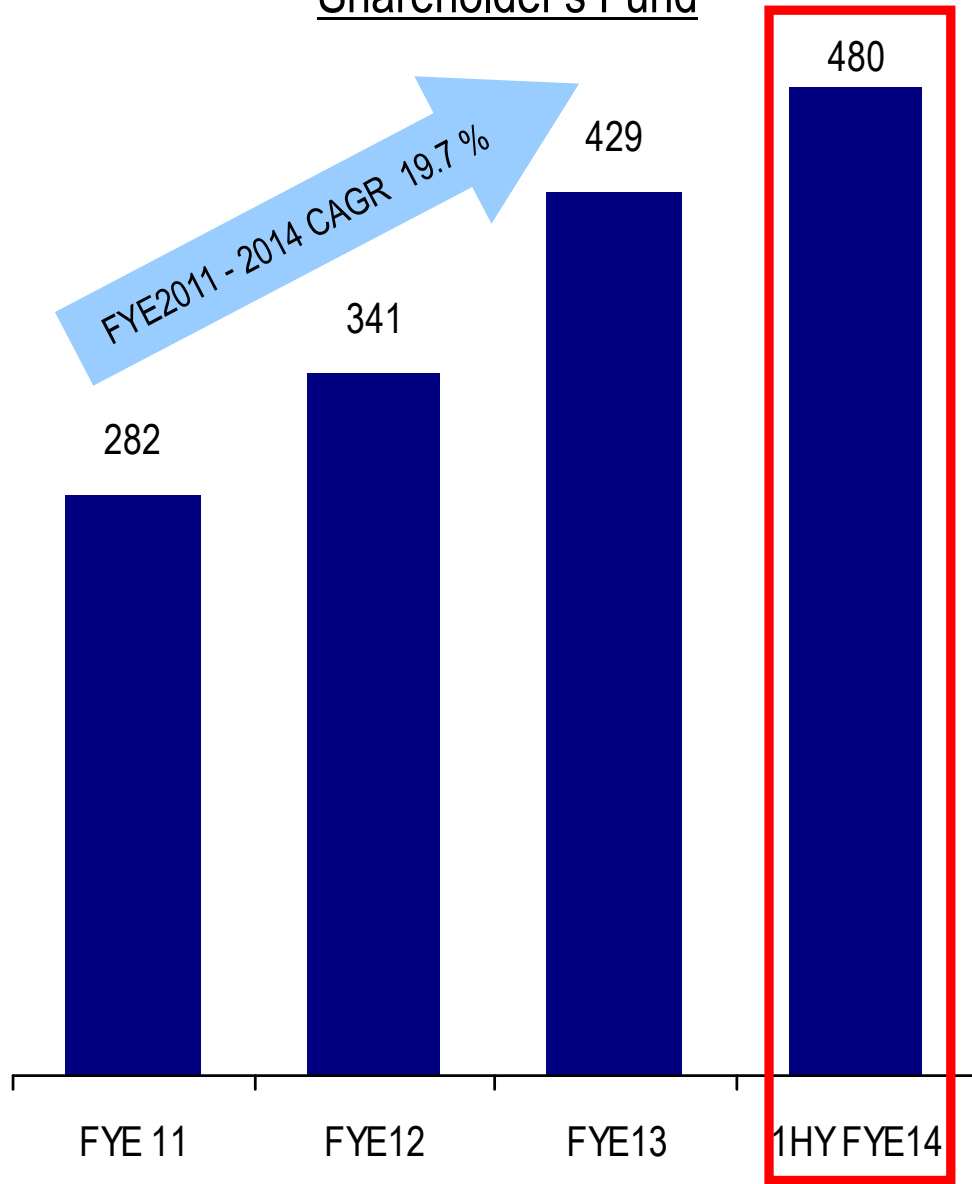


Total Assets

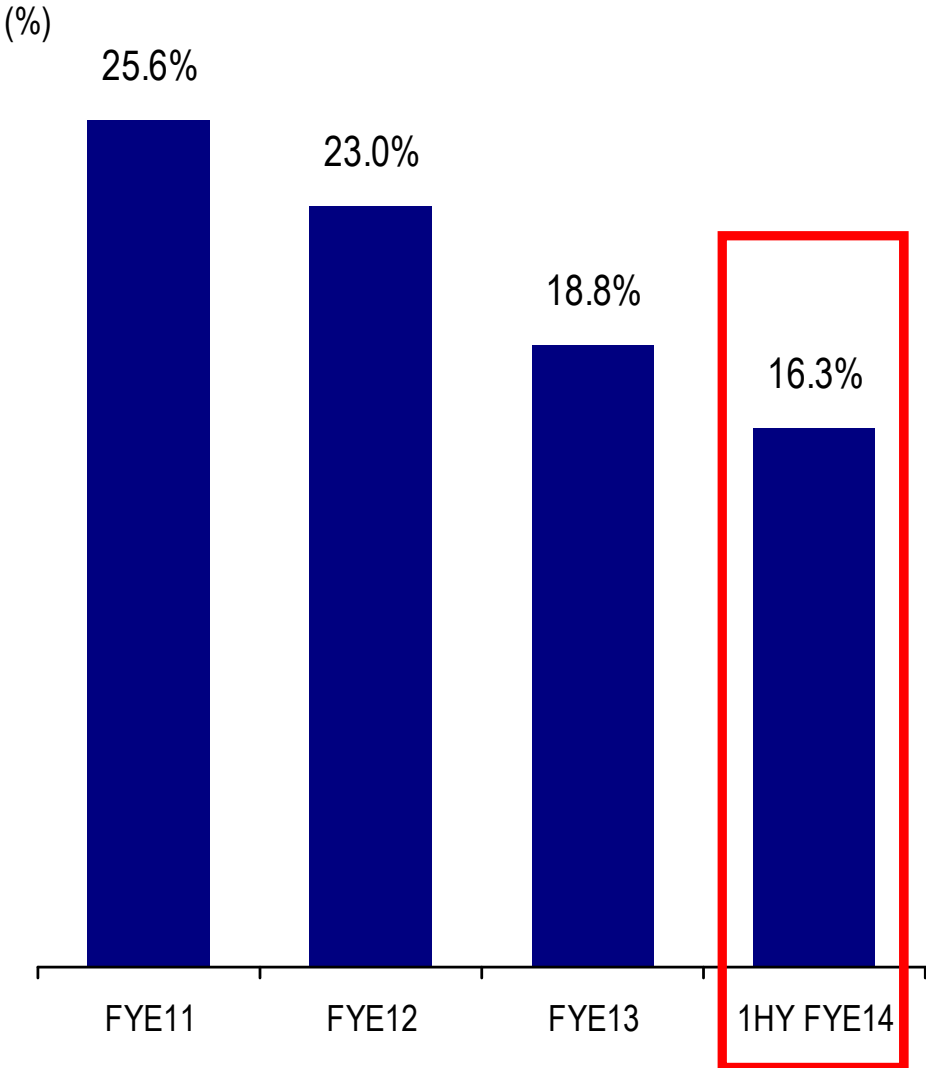
(RM Million)



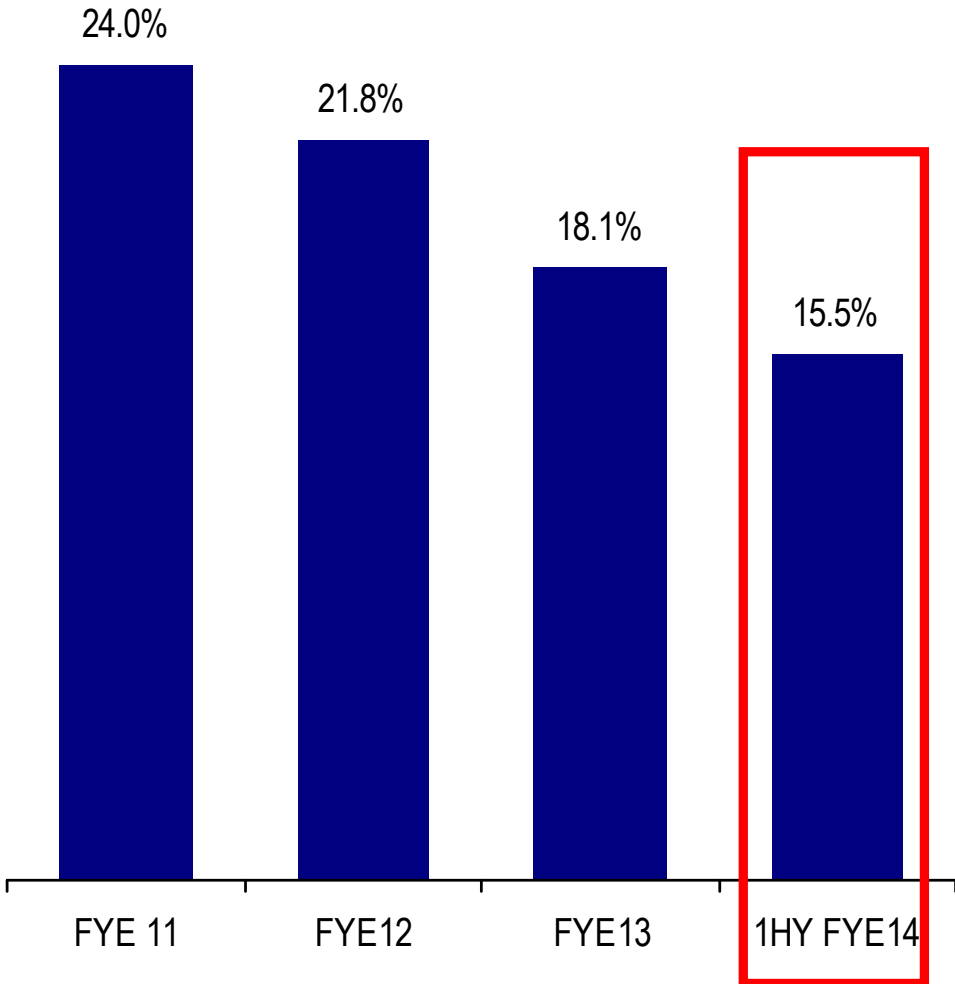
Shareholder's Fund



Risk Weighted Capital Ratio

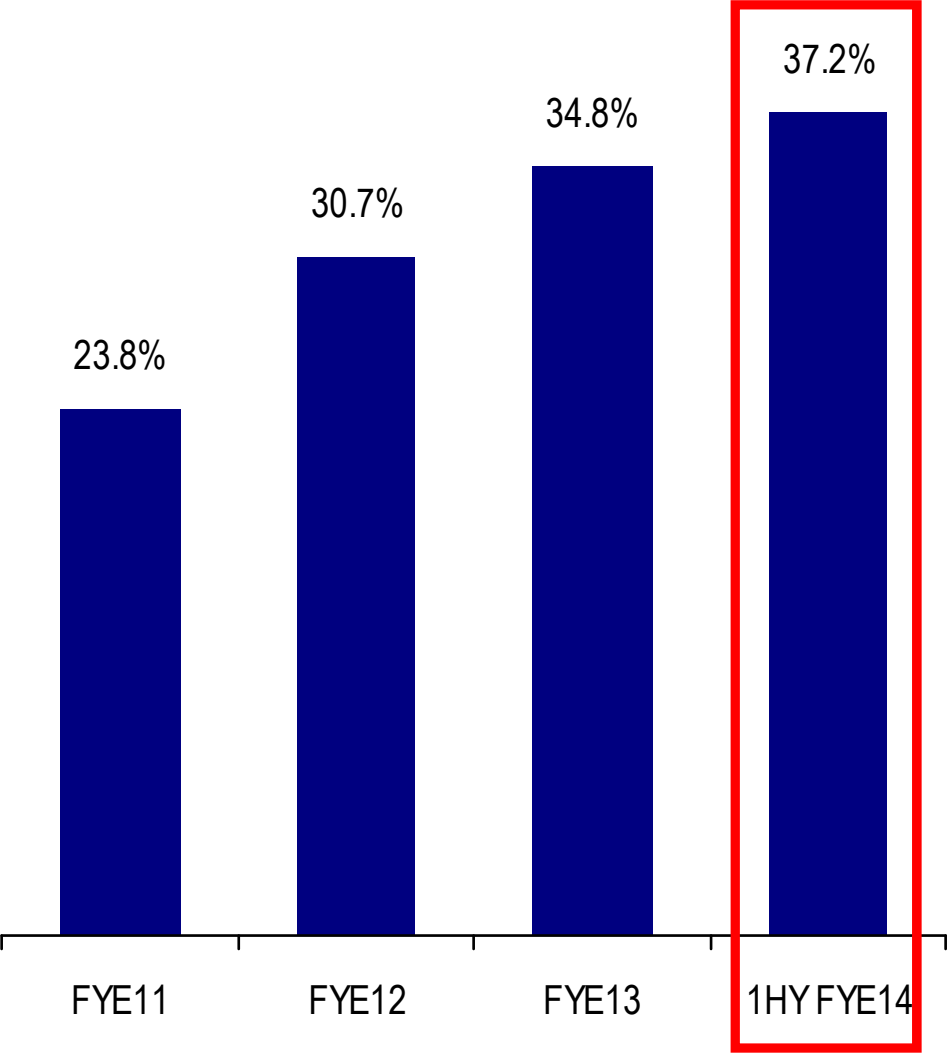


Capital Ratio

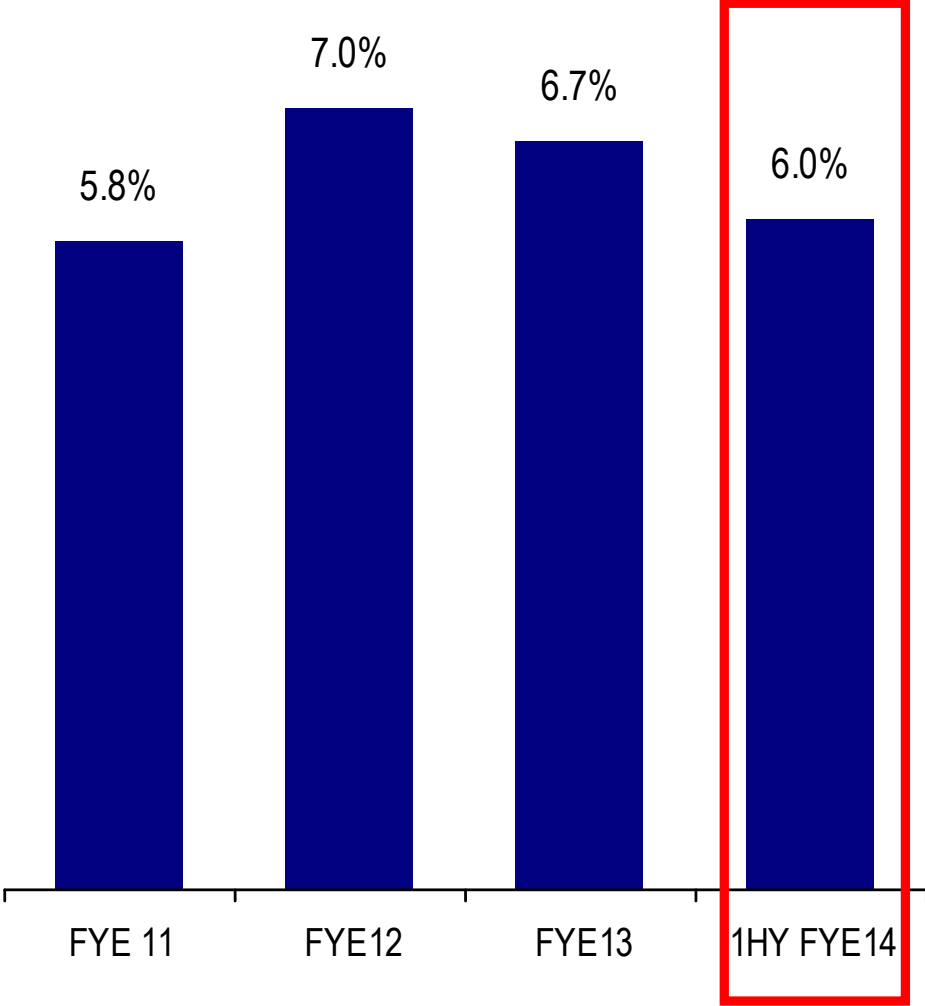




Return on Equity



Return on Assets





New regulations – Personal Financing

Bank Negara Malaysia - Order for Financial Stability Pursuant to Central Bank of Malaysia Act 2009

Dated 5 July 2013

Key Requirements of BNM Order on PF (2013)

- **The tenure for all personal financing products offered by Aeon Credit shall not exceed 10 years**

- **Aeon Credit shall observe a prudent debt service ratio (DSR) in the granting of any financing. For borrowers that are more likely to be vulnerable to financial strains, the DSR shall not exceed 60%**

Impact on AEON Credit

NIL – current max. tenure is 5 years

Minimal – Prudent DSR practices in place

Other Requirements of BNM Order on PF (2013)

- **Comprehensive check on customer's overall indebtedness**
- **Verification of income against reliable sources**
- **Suitability and affordability assessment**
- **Marketing and disclosure requirements – product transparency**
- **Account monitoring and recovery**
- **Customer assistance – repayment difficulties, complaint handling**