
Investor Relations Presentation

5th October 2017
AEON CREDIT SERVICE (M) Berhad

- This document has been prepared by AEON Credit Service (M) Berhad (“AEON Credit” or the “Company”) solely for the use at the presentation to analyst and fund managers.
- The information contained in this document has not been independently verified. No representation or warranty, whether expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. None of the Company nor any of its respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss arising from the use of this document or its contents or otherwise arising in connection with this document.
- This document contains forward-looking statements that reflect the Company’s beliefs and expectations about the future. These forward-looking statements are based on a number of assumptions about the Company’s operations and factors beyond the Company’s control. Our actual results of operations, financial condition or business prospects may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons.
- This document does not constitute an offer or invitation to purchase or subscribe for any shares of the Company for sale in Malaysia or anywhere else. No part of this document shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. No part of this document may be reproduced, redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization/firm) or published, in whole or in part, for any purpose. No part of this document may be distributed, reproduced or transmitted without prior consent of the Company.

FYE 28 February 2018 First Half Year Highlights

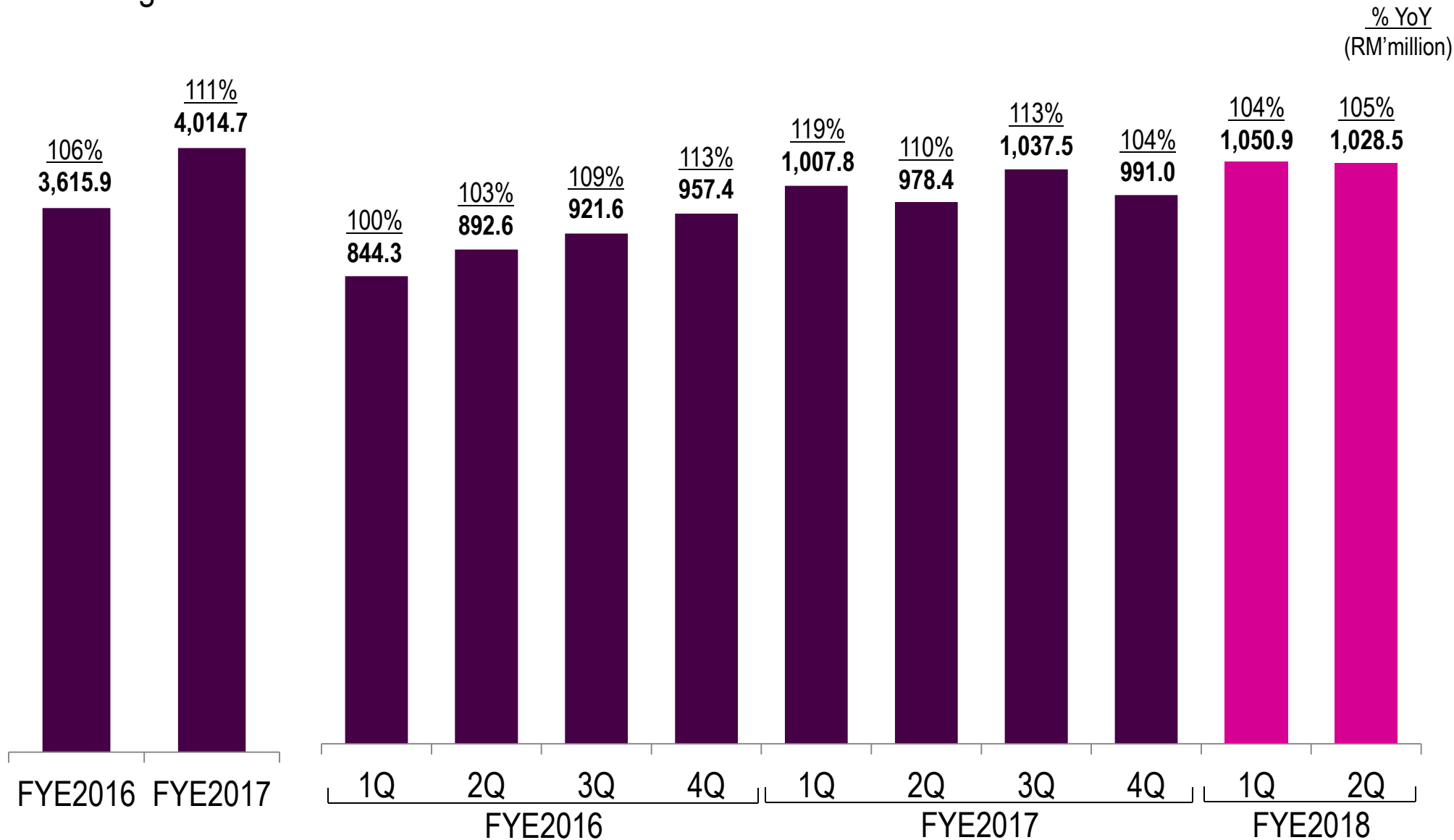
FYE 28 February 2018 1HY Highlights



<i>(Unit: RM'million,%)</i>	Q2 FYE 2018	% YoY	1 st half FYE 2017	1 st half FYE 2018	% YoY
Credit Card	296.892	111	538.025	585.675	109
General Easy Payment	100.050	106	178.455	195.112	109
Motorcycle Easy Payment	170.476	131	263.781	356.447	135
Superbike Easy Payment	67.928	73	204.277	144.088	71
Automobile Financing	150.984	86	370.724	309.927	84
Personal Financing	234.982	112	418.409	475.174	114
SME Business	7.135	178	12.293	12.887	105
E-Money	0.040	-	-	0.079	-
Total Transaction Volume	1,028.487	105	1,985.964	2,079.389	105
Total Income	338.367	115	583.352	671.847	115
Total Expenses	242.574	110	426.060	474,185	111
Profit Before Tax	95.793	131	157.292	197.662	126
Corporate Tax	24.408	136	39.371	50.465	128
Net Profit	71.385	129	117.921	147.197	125

Total Transaction Volume

■ Sales increased from Credit Card, General Easy Payment, Motorcycle Easy Payment and Personal Financing



FYE 28 February 2018 1HY Performance (Income)



(Unit: RM'million,%)	Q2 FYE 2018	% YoY	1 st half FYE 2018	% YoY	% Share
Credit Card	28.783	110	56.371	91	8
General Easy Payment	30.724	100	60.972	98	9
Moped Easy Payment	68.337	114	135.744	113	20
Superbike Easy Payment	28.216	108	56.025	109	8
Automobile Financing	69.173	117	136.800	118	21
Personal Financing	84.522	130	164.530	130	25
SME Business	1.568	89	3.161	90	0
Total Revenue	311.323	116	613.603	116	91
Other income	27.044	108	58.244	111	9
Total Income	338.367	115	671.847	115	100

FYE 28 February 2018 1HY Performance (Expenses)

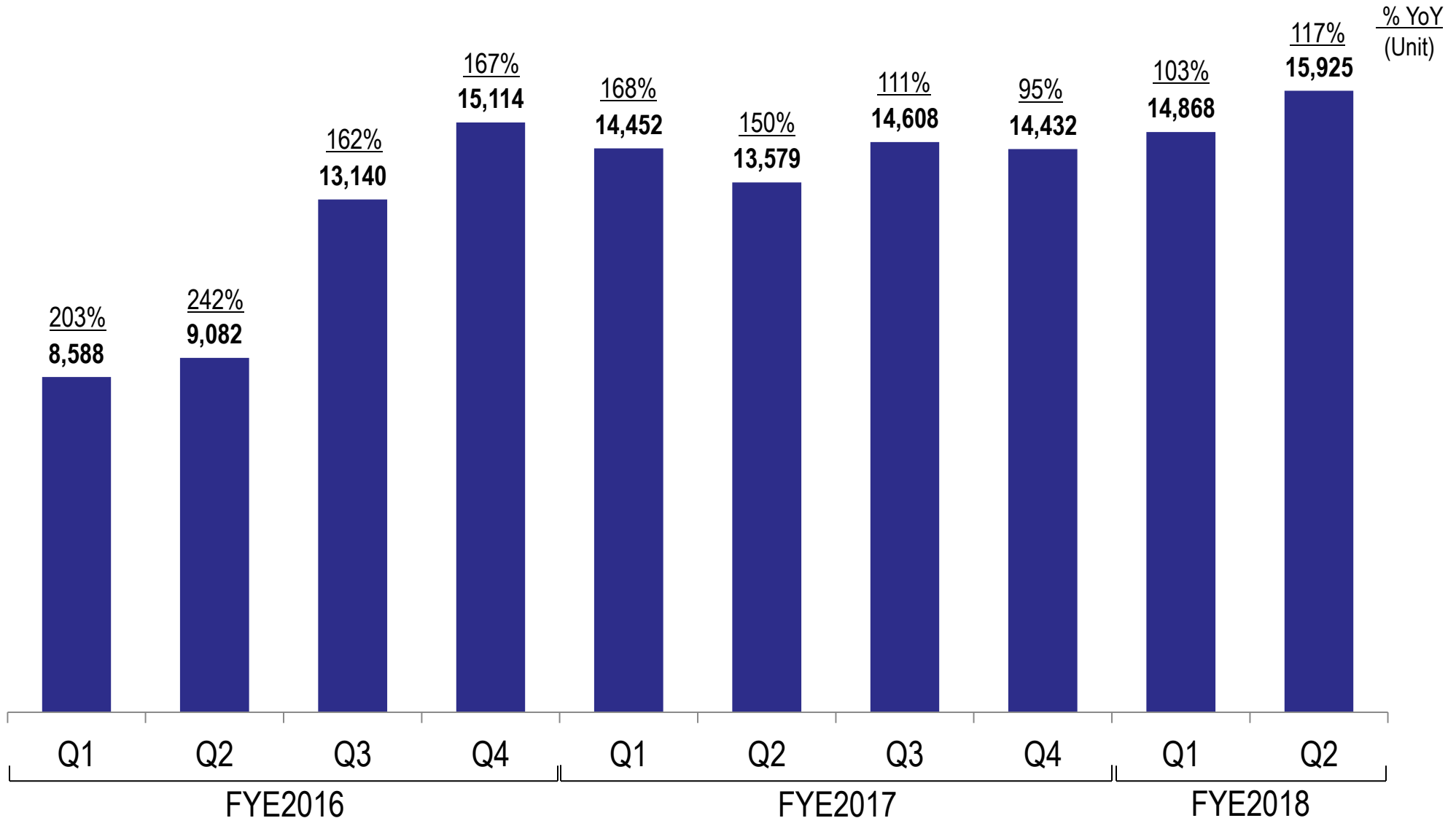


(Unit: RM'million,%)	Q2 FYE 2018	% YoY	1 st half FYE 2018	% YoY	% Share
Impairment loss on receivables	84.803	103	167.737	109	35
Personnel expenses	52.820	114	96.824	107	21
Other operating expenses*	47.124	111	96.113	112	20
Operating Expenses	184.747	108	360.674	109	76
Funding Costs	57.669	116	113.315	117	24
Other expenses	0.158	0	0.196	0	0
Total Expenses	242.574	110	474.185	111	100

*Other expenses include impairment loss provision for investment in ACSS Philippines amounting to RM0.643 mil.

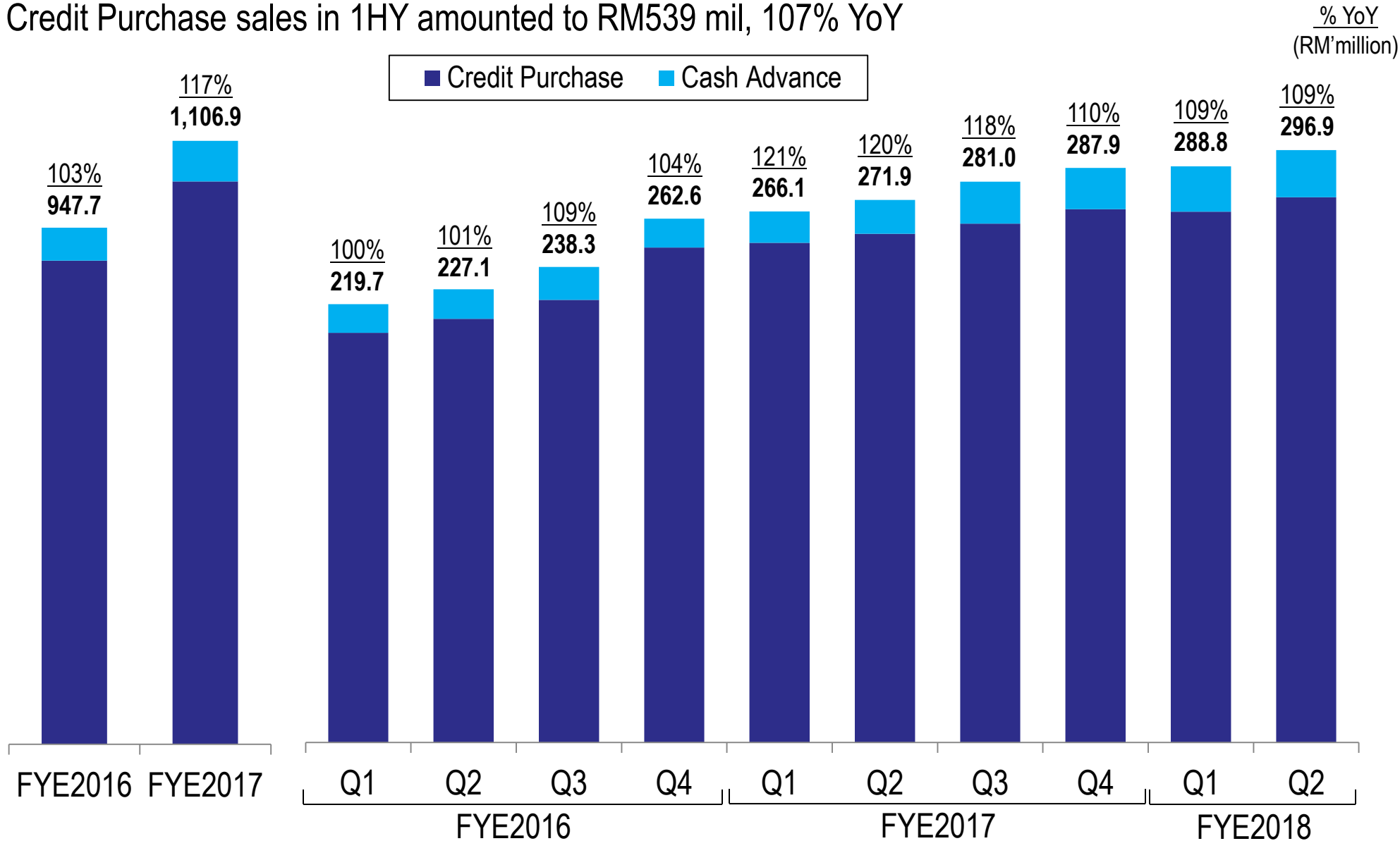
Credit Cards Issuance

- Total 30,793 credit cards issued in 1HY FYE2018, 110% YoY, while sales increased by 109% YoY
- Card Issuance improvement supported by expansion of recruitment kiosk and roadshow activity



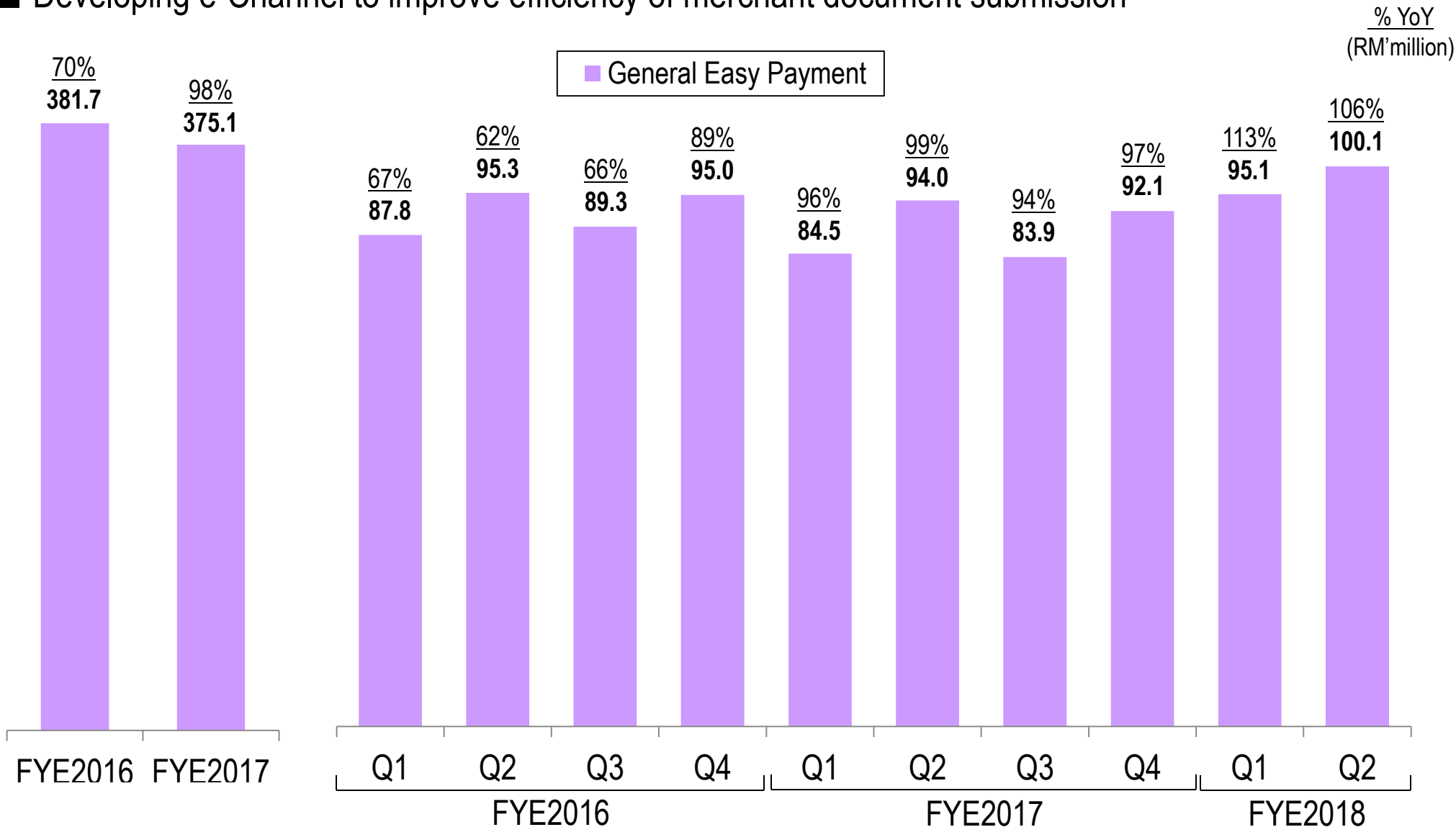
Credit Cards Transaction Volume

- Cash Advance sales in 1HY amounted to RM46.4 mil, 142% YoY
- Credit Purchase sales in 1HY amounted to RM539 mil, 107% YoY



General Easy Payment Transaction Volume

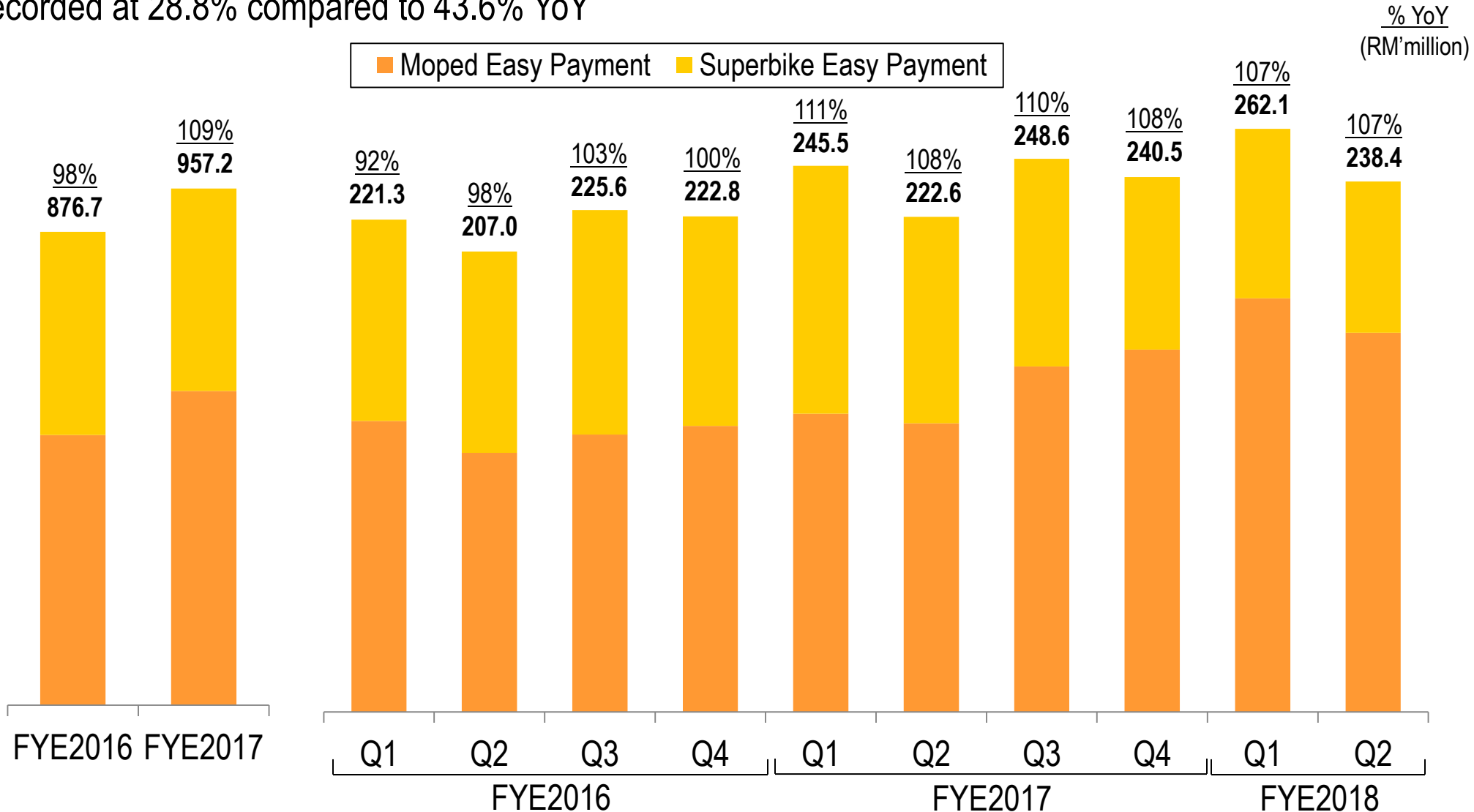
- Major sales contributed from digital gadget and consumer electrical product
- Developing e-Channel to improve efficiency of merchant document submission



Motorcycle Easy Payment Transaction Volume

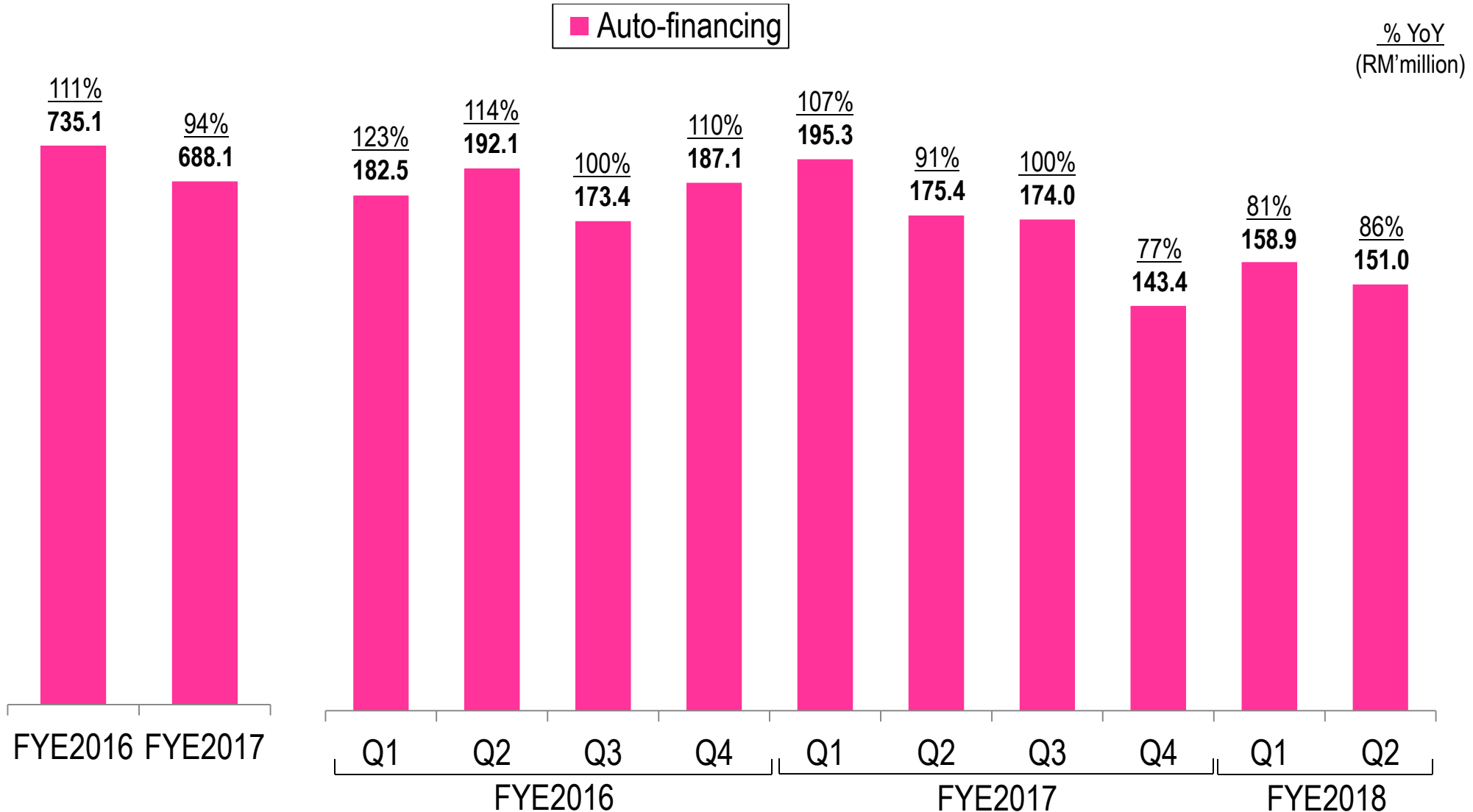
■ ACSM recorded 21.46% market share in 1HY FYE2018 (based on JPJ data)

■ Moped Easy Payment share increased from 56.4% to 71.2% YoY, while Superbike Easy Payment recorded at 28.8% compared to 43.6% YoY



Auto-financing Transaction Volume

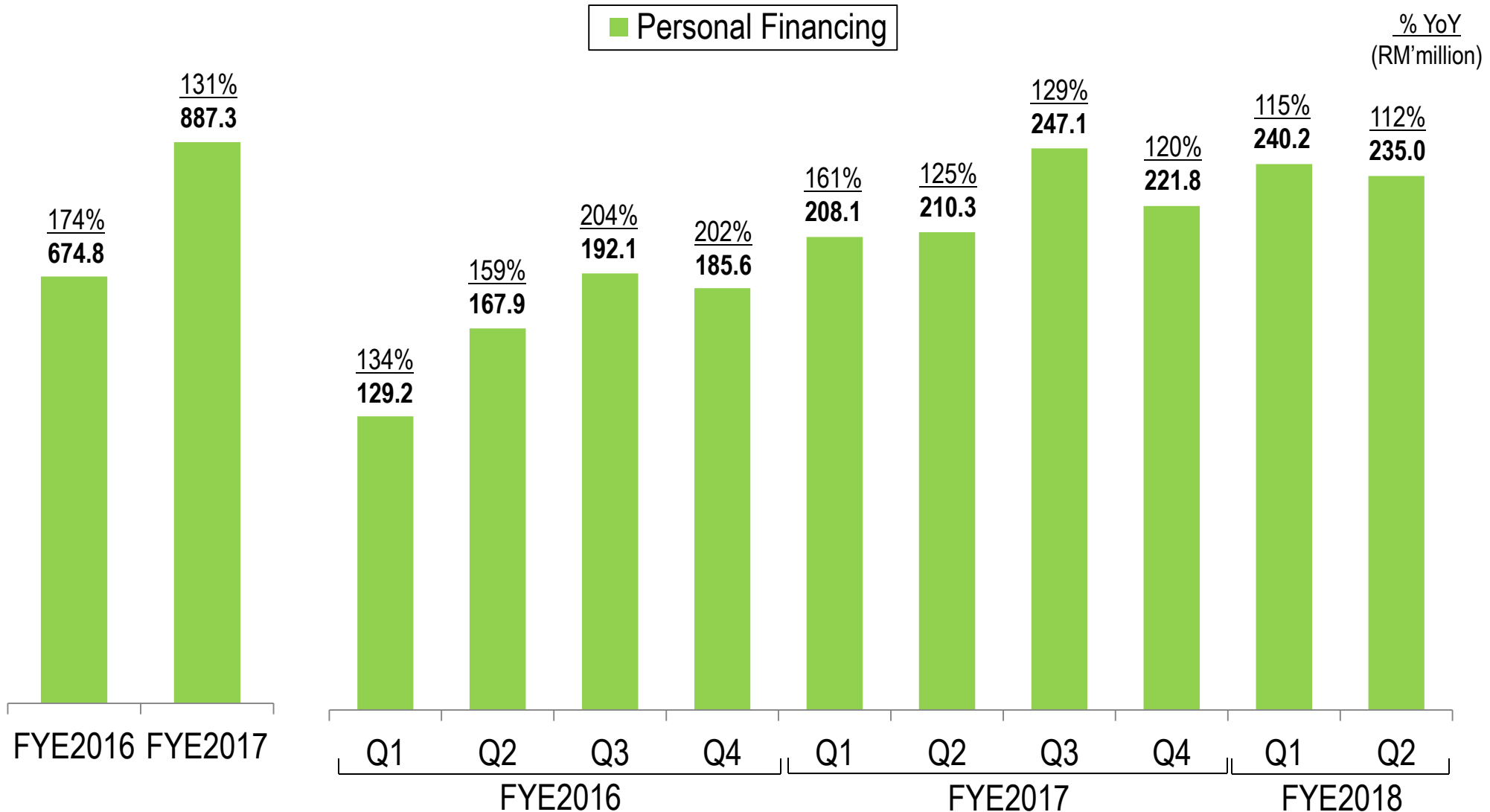
- Sales recorded at RM309.9 million in 1HY FYE2018, 83.6% YoY
- Auto-financing manage receivables quality by Portfolio Management



Personal Financing Transaction Volume

■ Sales recorded at RM475.2 million in 1HY FYE2018, 113.6% YoY

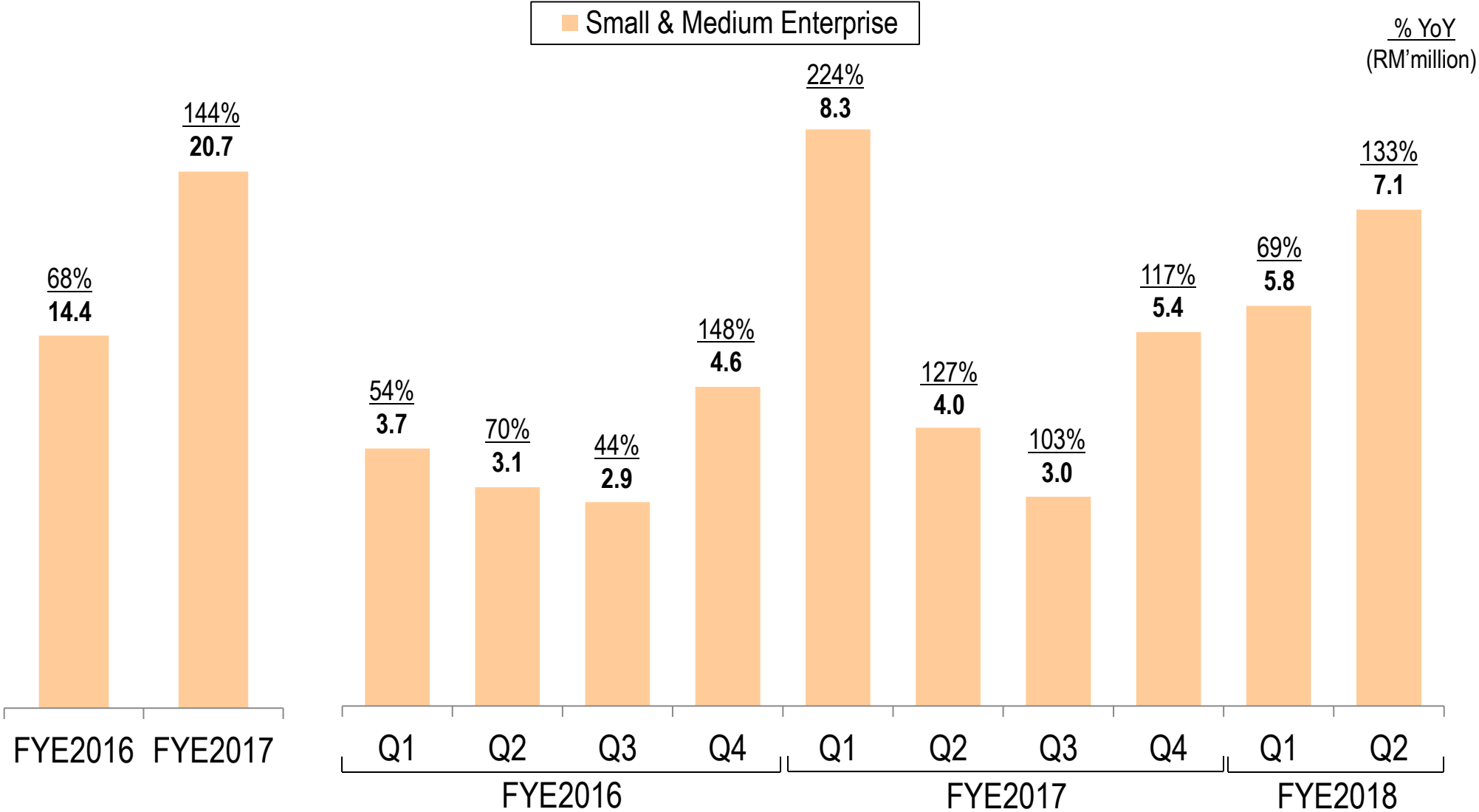
■ Market share at 3.31% for 1HY FYE2018, 2.97% YoY (based on BNM data as at 31 July 2017)



SME Transaction Volume



- Continuous enhancement in commercial vehicle financing
- Developing new business scheme to increase market share



Summary of Statement of Financial Position as at 31 Aug 2017

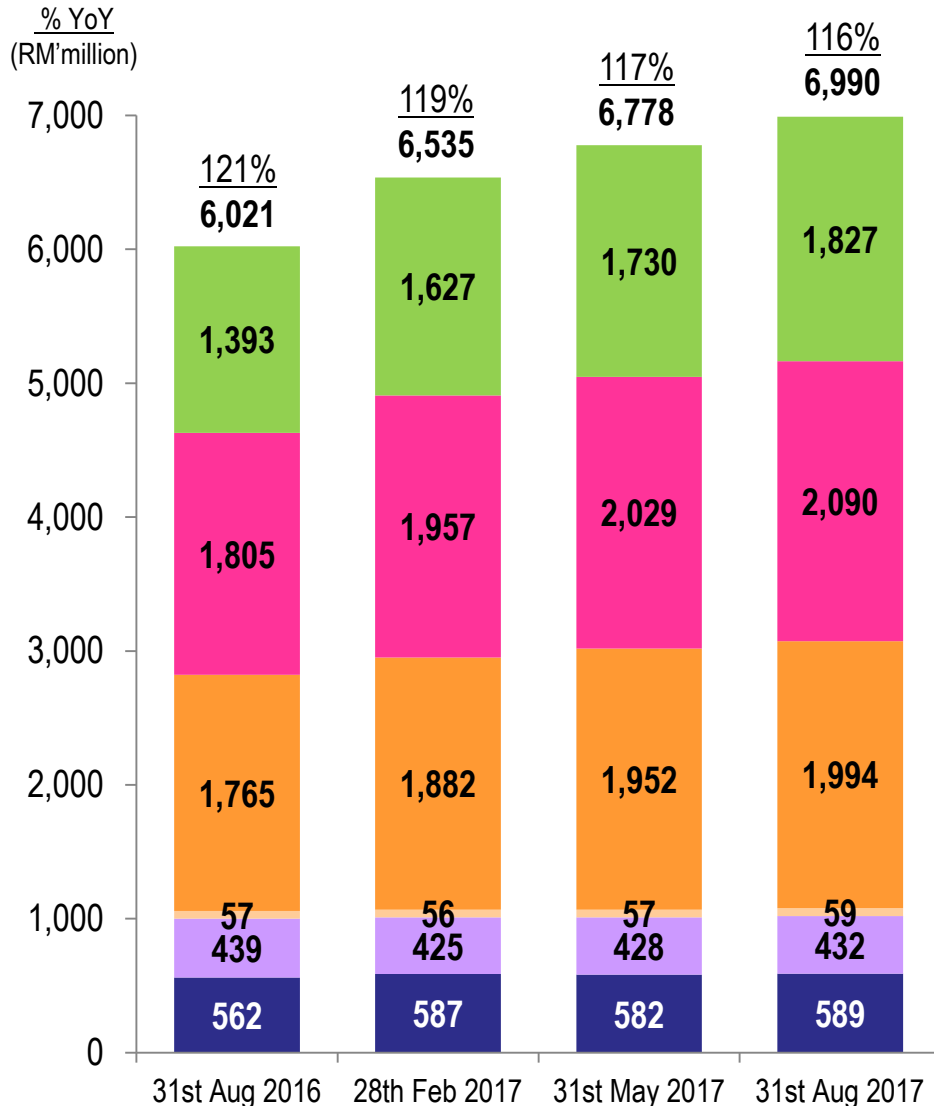


(Unit: RM'million,%)	31 st Aug 2016	31 st Aug 2017	% Share	vs LY
Credit Card	562.232	589.298	7.8	27.066
General Easy Payment	438.917	431.598	5.7	(7.319)
Motorcycle Easy Payment	1,764.924	1,993.647	26.3	228.723
Automobile Financing	1,804.941	2,089.689	27.6	1,004.748
Personal Financing	1,393.402	1,827.101	24.1	433.699
SME Business	56.826	59.078	0.8	2.252
Financing Receivables	6,021.242	6,990,411	92.4	969.169
Impairment Loss Provision	(148.949)	(168.441)	(2.2)	19.492
Other assets	632.452	746.629	9.8	114.177
Total Assets	6,504.745	7,568.599	100.0	1,063.854
Total Liabilities	5,374.657	6,245.730	82.5	871.073
Shareholders' Funds	1,130.088	1,322.869	17.5	192.781
Total Equity and Liabilities	6,504.745	7,568.599	100.0	1,063.854

Financing Receivables by Products

■ Total financing receivables recorded at RM6.990 billion, 116% YoY

■ Personal Financing recorded highest incremental at 131% YoY, sales increased by 114% YoY

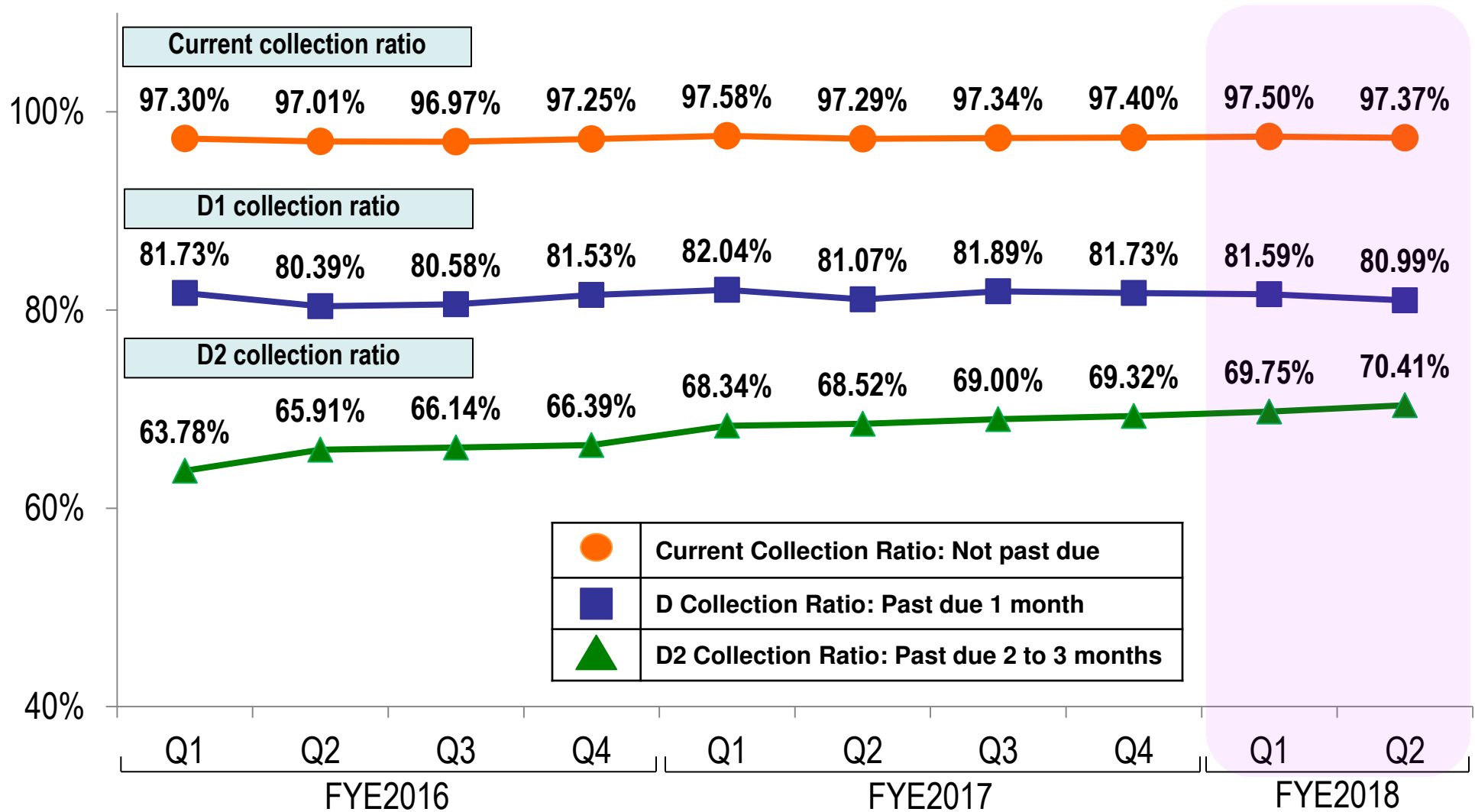


<Product Share>

Product	31 Aug 2016	31 May 2017	31 Aug 2017	YoY (%)
PF	23.2%	25.5%	26.1%	+2.9%
AF	30.0%	30.0%	29.9%	-0.1%
MEP	29.3%	28.8%	28.5%	-0.8%
SME	0.9%	0.8%	0.9%	0.0%
GEP	7.3%	6.3%	6.2%	-1.1%
CC	9.3%	8.6%	8.4%	-0.9%

Movement of Collection Ratio

- Collection performance was stable in 1HY FYE2018
- Improvement in Current (+0.08%) and D2 (+1.89%) YoY

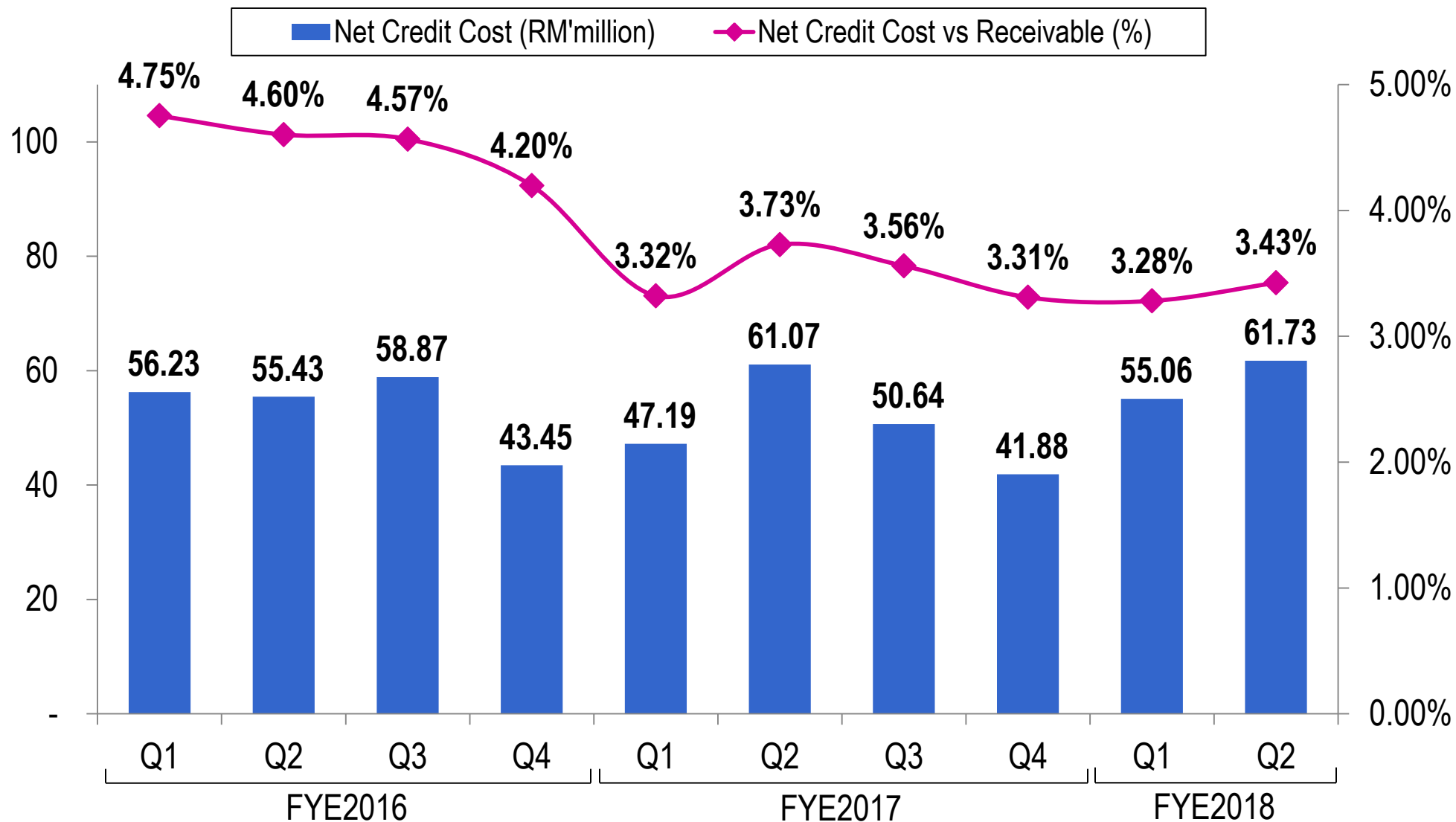


●	Current Collection Ratio: Not past due
■	D Collection Ratio: Past due 1 month
▲	D2 Collection Ratio: Past due 2 to 3 months

Net Credit Cost (NCC) vs Receivables



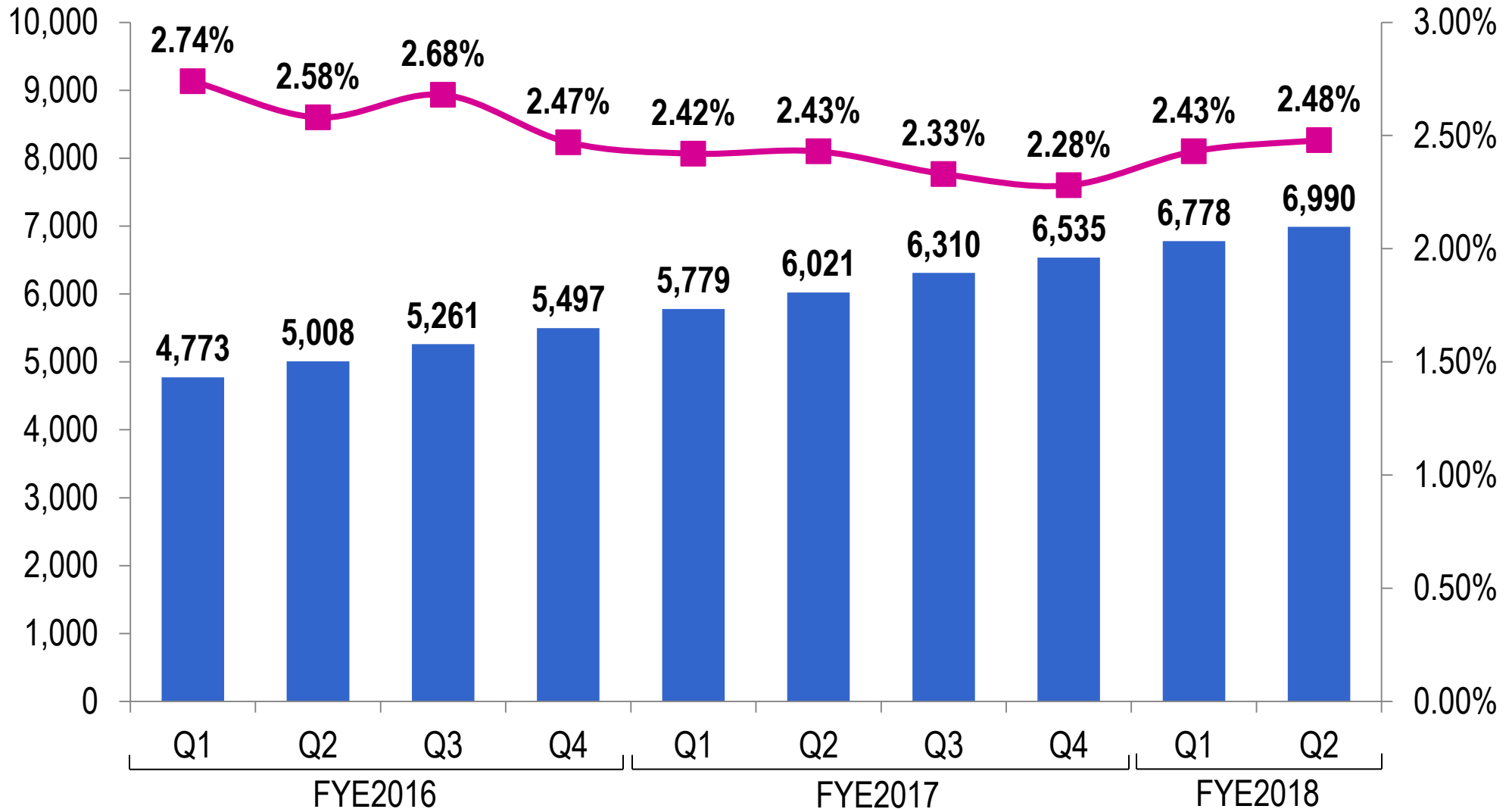
- Annualized Net Credit Cost ratio stood at 3.43% (-0.30% YoY), Receivables stood at 116% YoY
- Contributed by lower Impairment Loss growth at 109% and improved in credit loss recovery at 111%.



Ratio of Non-Performing Loans (NPL)

■ Non-Performing Loans ratio stood at 2.48% (+0.05% YoY)

■ Improvement on Motorcycle Easy Payment (-0.44%) and General Easy Payment (-0.07%)



Provision for Impairment Loss (Financing Receivables)



(Unit: RM'million, %)	As at 28 Feb 2017	As at 31 Aug 2017
Beginning Balance	137.921	152.194
+ Impairment Loss (YTD)	306.163	167.194
(-) Write-off (YTD)	(291.890)	(150.947)
Closing Balance	152.194	168.441
% of Financing Receivables	2.33%	2.41%
NPL Ratio	2.28%	2.48%
Growth of Net Receivables v.s. LY	19.1%	16.1%

(Unit: RM'million,%)	FYE2014	FPE2015	FYE2016	FYE2017	1HY FYE2018
Operating Income	711.7	928.1	1,055.2	1,222.2	671.8
PBT	233.9	288.3	301.6	351.2	197.7
PAT	175.4	215.7	228.2	265.0	147.2
Earnings per share after PERPS distribution (RM) *	1.22 0.92 [#]	1.46 1.10 [#]	1.49 1.11 [#]	1.75 1.31 [#]	1.46
NTA per share (RM)	3.79	4.72	5.45	6.63	4.85
ROE (on ordinary equity) *	36.0%	34.2%	29.3%	28.9%	28.0%
ROA *	5.7%	5.0%	4.1%	4.0%	4.0%
Capital ratio against receivables	18.3%	21.4%	20.2%	19.5%	19.7%
Debt equity ratio (times)	4.60	3.95	4.56	4.71	4.50
Share price (RM)	14.70	13.30	11.92	15.70	12.48
PER	12.05	9.11	8.00	8.99	8.55
Market Capitalisation (RM'million)	2,117	1,915	1,716	2,261	2,696

* Computed based on annualised figure

Previous year's earnings per share have been restated to reflect the current year bonus issue which was completed on 19 July 2017

1HY FYE 2018 Key Activities

Key Activities – Value Chain Transformation

- Completed cashless and paperless operation for branches nationwide
- Install centralized control digital signage and humanoid robot in new branch at Johor Bahru
- Increase number of digital application via tablet and web channel

New branch in AEON Mall Bandar Dato' Onn, Johor Bahru



Branch Operation Cost 1st Half FYE2018 vs. 1st Half FYE2017

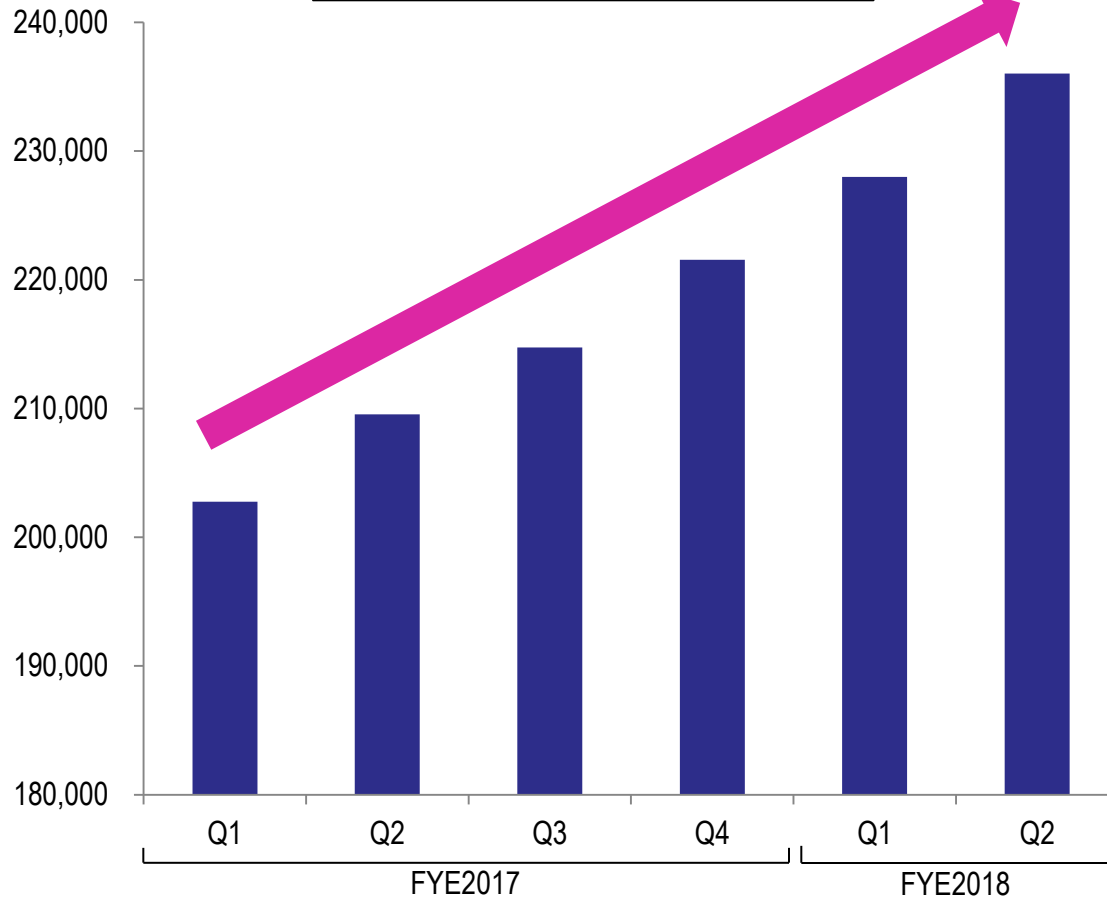
Overtime Expenses (RM)	▼ 53%
Cash In Transit (CIT) Expenses (RM)	▼ 89%
Counter Payment Volume	▼ 94%
ATM Transaction	▲ 67%
Personal Financing Sales (RM)	PF : ▲ 13.6%
Credit Card Application (Count)	CC : ▲ 9.9%

Staff productivity and efficiency improving by cashless and paperless operation

Key Activities – Settlement Business Expansion

- Credit Card members increased 113% YoY
- Increase credit card usage for customer daily lifestyle via card privilege campaign

Card In Circulation



Credit Card Sales by Category

Retail store	157.0%
Supermarket	128.5%
Travel & tour	113.8%
Transportation	166.5%
Fuel dispenser	115.7%

Provide card privileges to meet customer needs in daily lifestyle

Key Activities – 20th Anniversary Campaign

■ 20th Anniversary Special “Thank You” Campaign lucky draw winner announcement on 16 June 2017.

20th ANNIVERSARY SPECIAL
Thank You CONTEST

GRAND PRIZE
A red SUV

MONTHLY SPECIAL GRAND PRIZE
A round-trip flight to Japan

SECOND PRIZE
A motorcycle

THIRD PRIZE
A television set

CONSOLATION PRIZE
An AEON credit card

www.aeonmalaysia.com.my
* Terms and Conditions apply.

20th ANNIVERSARY
Inspired to serve you better



Special appreciation campaign in conjunction with the Company's 20th Anniversary celebration

Key Activities – Sponsorship to SEA Games

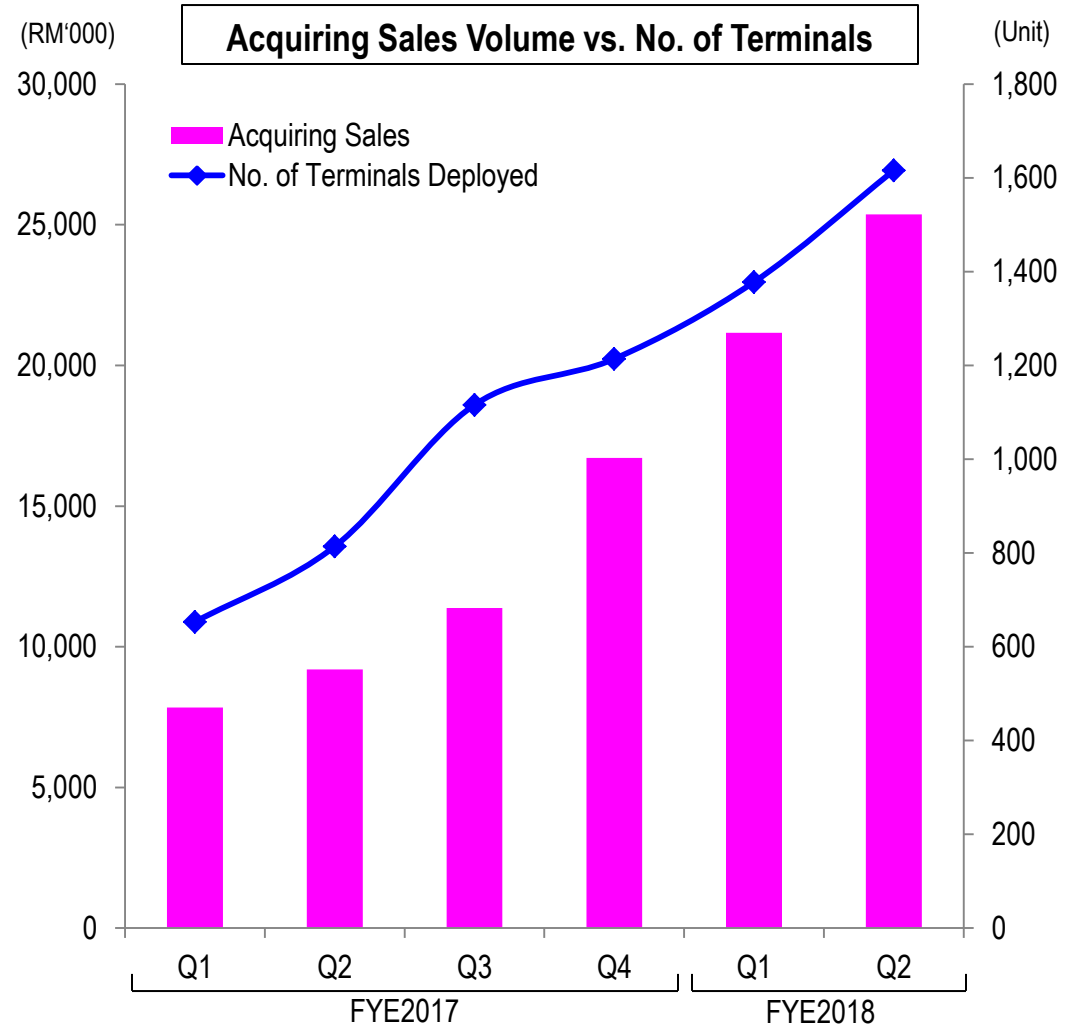
■ Collaboration with AEON Co for sponsorship to SEA Games 2017



AEON Group of Companies sponsored the biggest sporting event in Southeast Asia

Key Activities – Acquiring Business Expansion

■ Partnership acquiring with Gloria Jean's Coffees (43 outlets throughout the country)



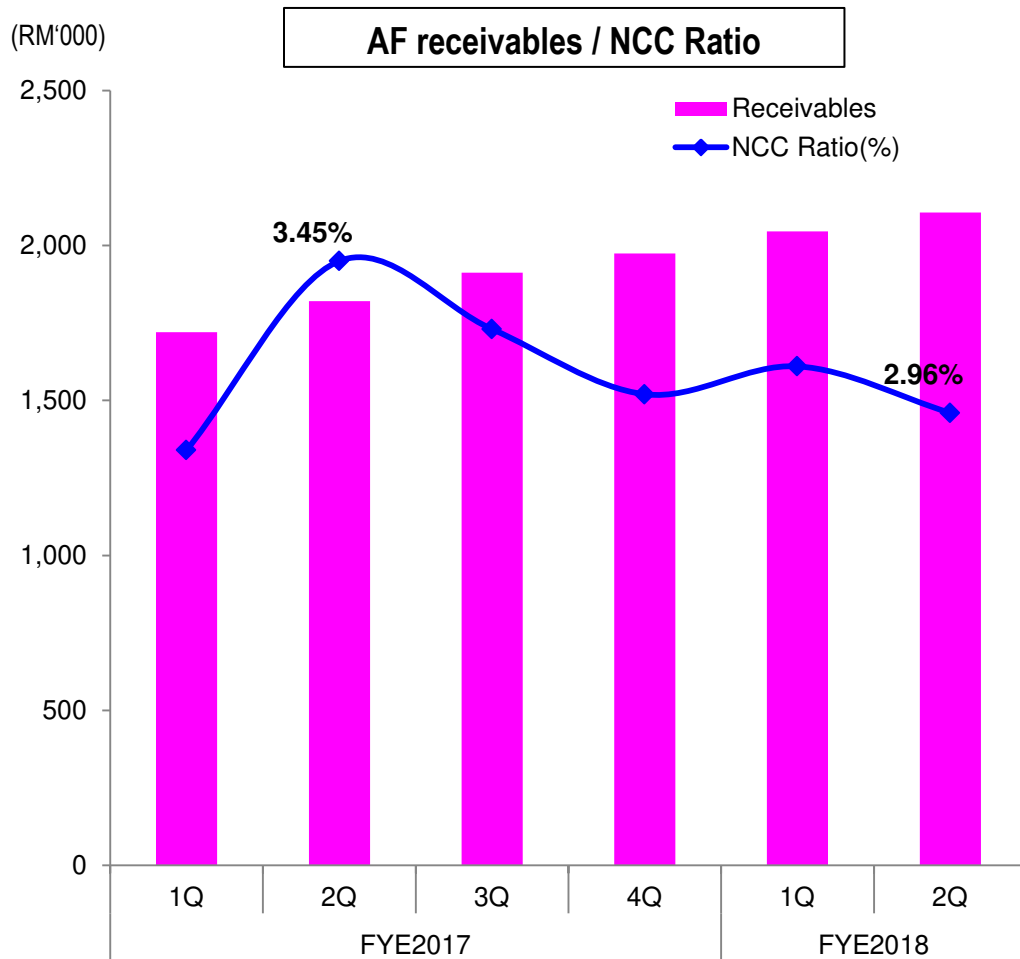
Provide convenience to card members for purchasing through the merchants

2HY FYE 2018 Key Activities

Key Activities – Improve in Credit Management

■ Auto-financing (AF) manage receivables quality by Portfolio Management

■ Improved in Net Credit Cost ratio at 2.96% in 1HY FYE2018, 3.45% YoY (-0.49%)

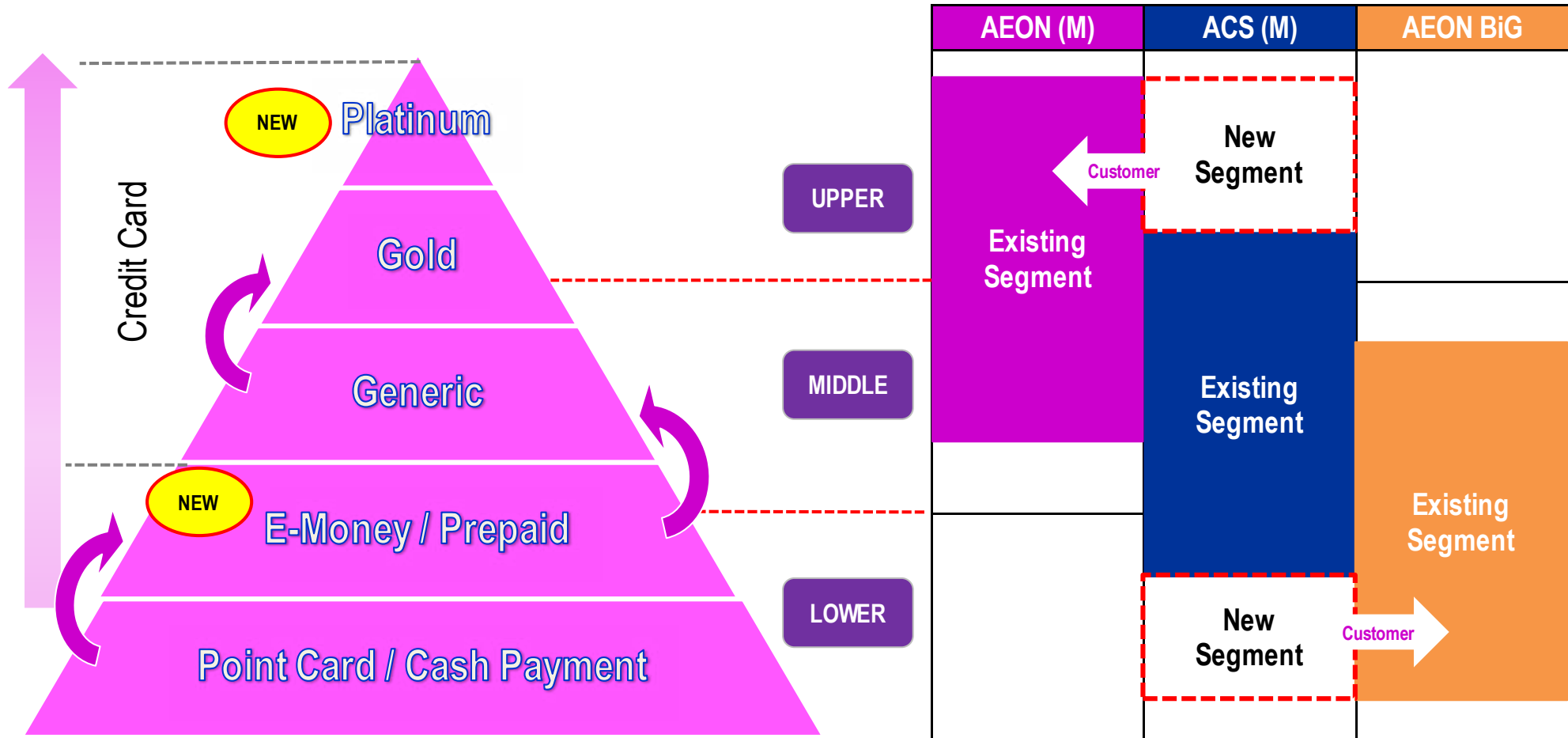


Brand	Sales Share (%)			YoY %
	1HY FYE2017	2HY FYE2017	1HY FYE2018	
Local Make	73.30%	74.22%	70.09%	-3.21%
Japanese Make	16.81%	16.32%	16.84%	+0.03%
Continental	1.32%	1.37%	1.17%	-0.15%
Others	4.53%	3.31%	3.09%	-1.44%
New Car	4.04%	4.78%	8.81%	+4.77%

Adopt AF product management practice to other products and improve NPL and NCC ratio

Key Activities – Settlement Business Expansion

- Launch of E-Money in 2HY to create AEON group synergy
- Expand customer segment by E-Money and Platinum Card issuance in 2HY
- Integrate customer database and utilize common database for group marketing



Realize common customer platform, introduce group company products and services

Key Activities – Digital Marketing

- Developing E-Wallet for AEON Group customers
- Features: QR payment, Group privilege information, point program, etc.



Provide new retail user experience by introducing new E-Money Card & E-Wallet

Q & A Session

Thank You
