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# Financial Results Q1 FYE 2019

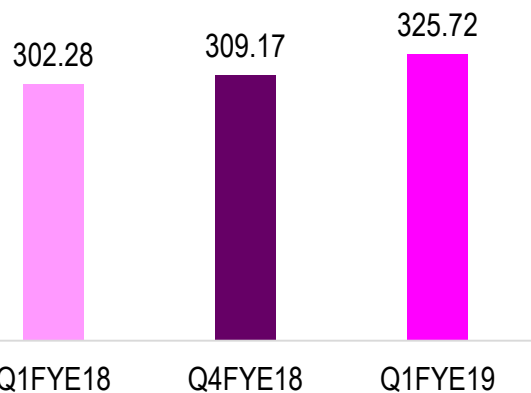
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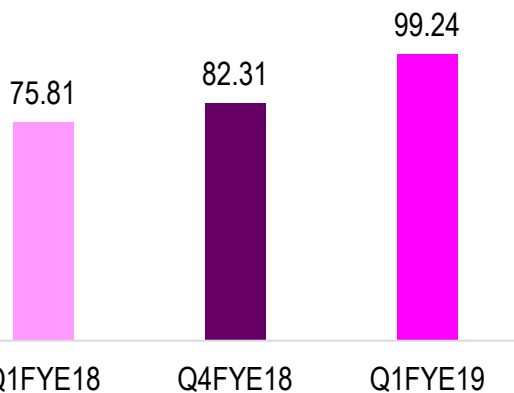
## Revenue (RM mil)



+7.8% YoY

+5.4% QoQ

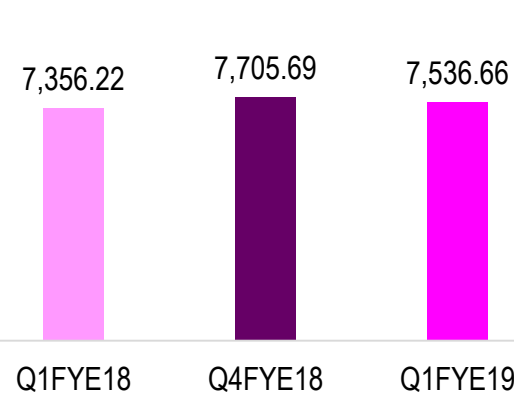
## PAT (RM mil)



+30.9% YoY

+20.6% QoQ

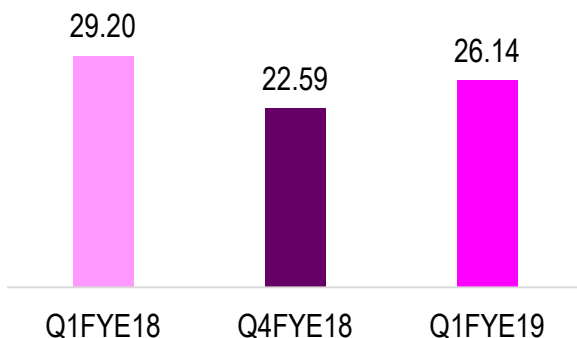
## Total Assets (RM mil)



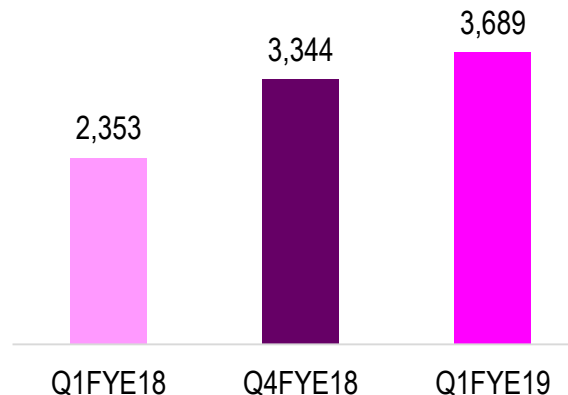
+3.6% YoY

-2.2% QoQ

## ROE Annualised (%)



## Market Capitalisation (RM mil)



■ **Total income** = RM354.7 mil (+2.0% QoQ, +6.4% YoY)

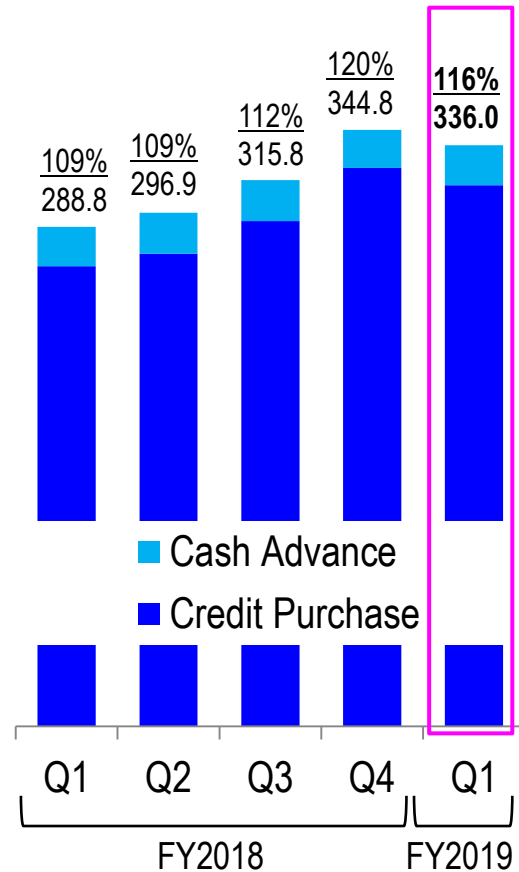
■ **PBT** = RM131.8 mil (+25.1% QoQ, +29.3% YoY)

(RM mil,%)	Q1FYE19	Q1FYE18	YoY (%)	Q4FYE18	QoQ (%)
Credit Card	336,003	288,784	16.4	344,883	-2.6
Easy Payment Financing	544,572	521,886	4.3	444,942	22.4
Personal Financing	214,228	240,192	-11.9	183,310	16.9
<b>Total Sales Volume</b>	<b>1,094,821</b>	<b>1,050,901</b>	<b>4.2</b>	<b>973,116</b>	<b>12.5</b>
Total Income	354,971	333,652	6.4	347,924	2.0
Total Expenses	223,208	231,783	-3.7	242,558	-8.1
<b>Profit Before Tax</b>	<b>131,763</b>	<b>101,870</b>	<b>29.3</b>	<b>105,366</b>	<b>25.1</b>
Corporate Tax	32,528	26,057	24.8	23,058	41.1
<b>Net Profit</b>	<b>99,235</b>	<b>75,812</b>	<b>30.9</b>	<b>82,038</b>	<b>20.9</b>

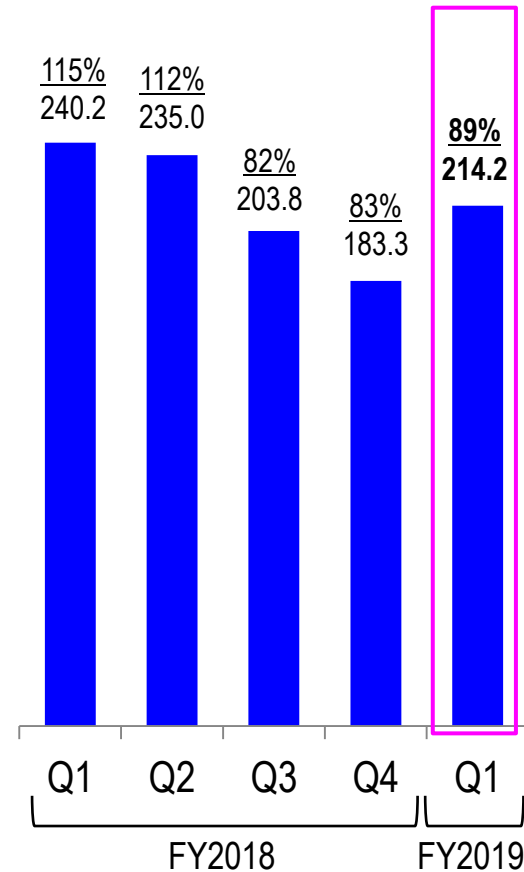
# Sales Volume by Product ①

- **Credit card sales** = RM336.0 mil (+16%YoY), by increase of CIC member
- **Personal financing sales** = RM214.2 mil (+16.9% QoQ , -10.9%YoY)
- **General easy payment sales** = RM80.9 mil, +10.9% QoQ, -15.0% YoY

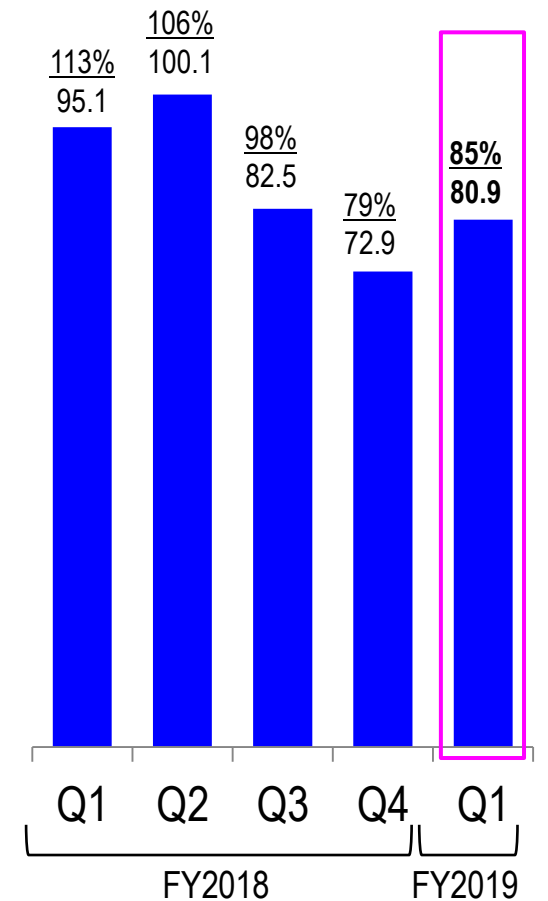
**Credit Card**  
% YoY  
(RM mil)



**Personal Financing**  
% YoY  
(RM mil)



**General Easy Payment**  
% YoY  
(RM mil)

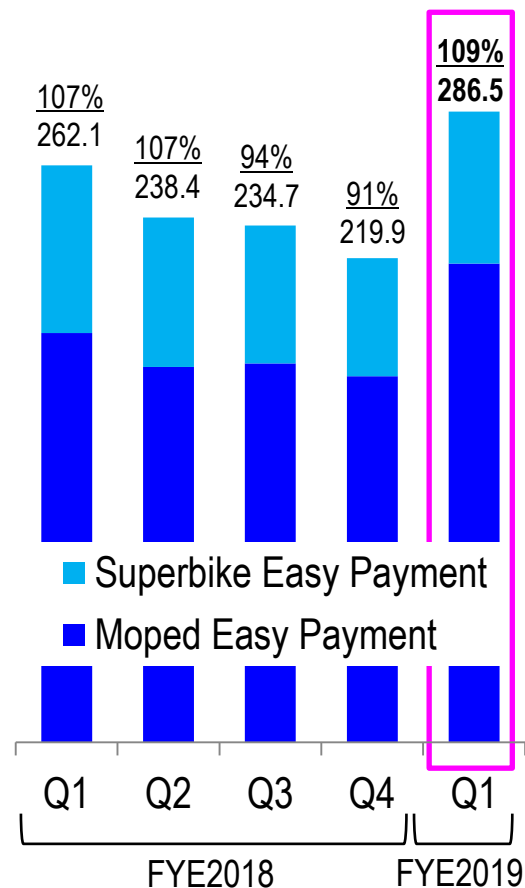


# Sales Volume by Product ②

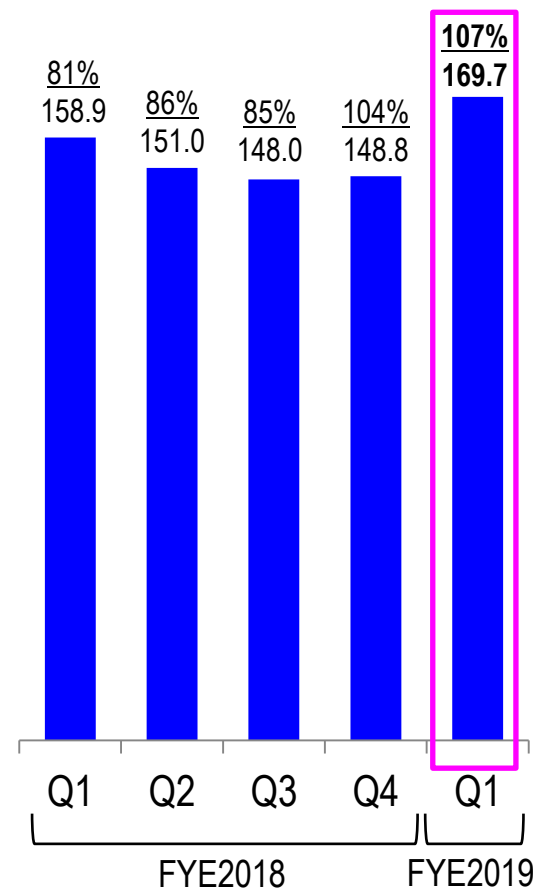
■ **Motorcycle financing sales** = RM286.5 mil (+30.2% QoQ, +9.3% YoY)

■ **Auto financing sales** = RM169.7 mil (+14.0% QoQ, +6.8% YoY)

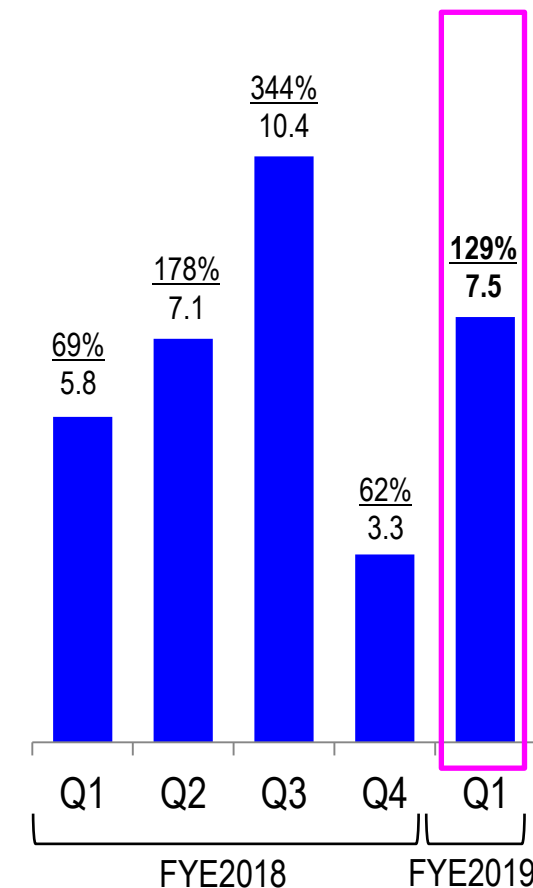
**Motorcycle Financing**  
% YoY  
(RM mil)



**Auto Financing**  
% YoY  
(RM mil)



**SME Financing**  
% YoY  
(RM mil)



■ **Financial receivables** = +RM188.9mil (+2.6% QoQ), mainly from MOPED & AF

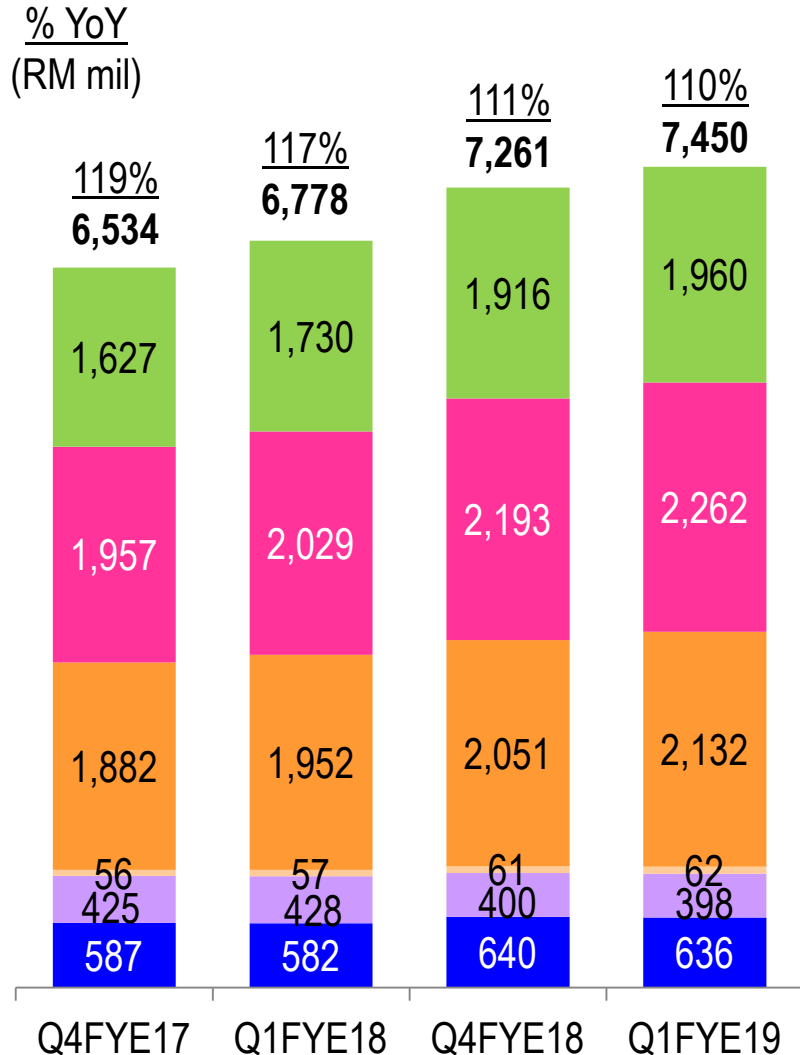
■ **Impairment loss** = +RM425.5mil, due to MFRS 9 adoption

	As at Q4FYE18 (RM mil)	As at Q1FYE19 (RM mil)	Share (%)	QoQ
Credit Card ("CC")				
Card Purchase	572,583	569,929	7.6	(2,654)
Cash Advance	67,307	65,746	0.9	(1,561)
General Easy Payment ("GEP")	399,634	397,621	5.3	(2,013)
Motorcycle Easy Payment ("MEP")				
MOPED	1,177,586	1,262,158	16.7	84,572
Superbike	873,371	869,667	11.5	(3,704)
Automobile Financing ("AF")	2,193,841	2,262,284	30.0	68,443
Personal Financing ("PF")	1,915,652	1,959,945	26.0	44,293
SME Financing ("SME")	61,025	62,585	0.8	1,560
<b>Financing Receivables</b>	<b>7,260,999</b>	<b>7,449,935</b>	<b>99.3</b>	<b>188,936</b>
Impairment Loss	(162,831)	(588,317)	(7.8)	(425,486)
<b>Total Assets</b>	<b>7,705,685</b>	<b>7,536,662</b>	<b>100.0</b>	<b>(158,426)</b>
<b>Total Liabilities</b>	<b>5,848,182</b>	<b>5,902,373</b>	<b>78.3</b>	<b>64,788</b>
<b>Shareholders' Funds</b>	<b>1,857,503</b>	<b>1,634,289</b>	<b>21.7</b>	<b>(223,214)</b>

# Financing Receivables by Products

■ **Total financing receivables** = RM7.45 bil, +10.0% YoY

■ **Personal financing receivables** = highest growth at +13.3% YoY

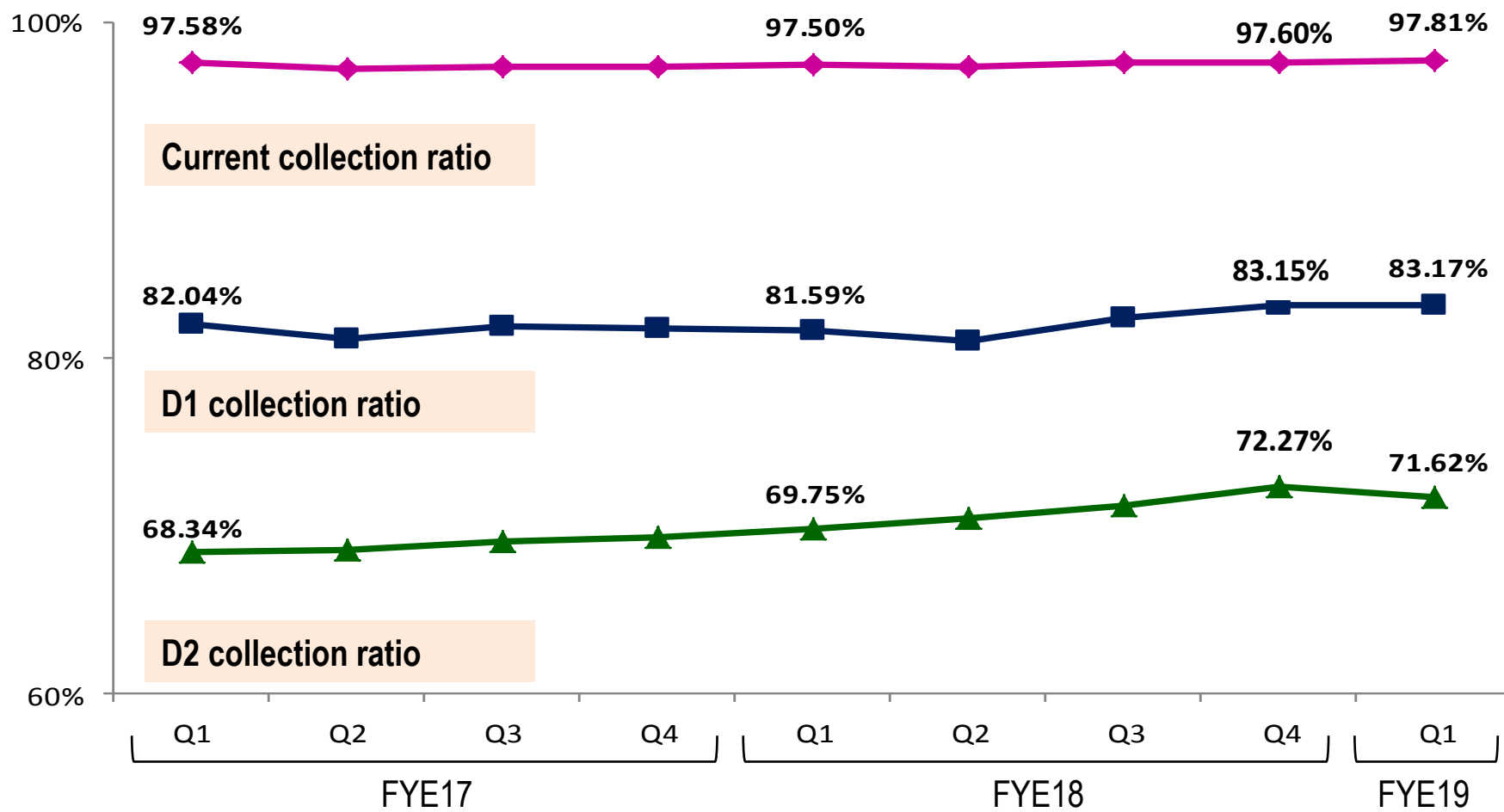


## Product Share Movement (%)

Product	Q1FYE18	Q4FYE18	Q1FYE19	YoY	QoQ
PF	25.5%	26.4%	26.3%	+13.3	-0.1%
AF	29.9%	30.2%	30.4%	+11.5	+0.2%
MEP	28.8%	28.3%	28.6%	+9.2	+0.4%
SME	0.8%	0.8%	0.8%	+8.8	0.0%
GEP	6.3%	5.5%	5.3%	-7.1	-0.2%
CC	8.6%	8.8%	8.6%	+9.3	-0.3%

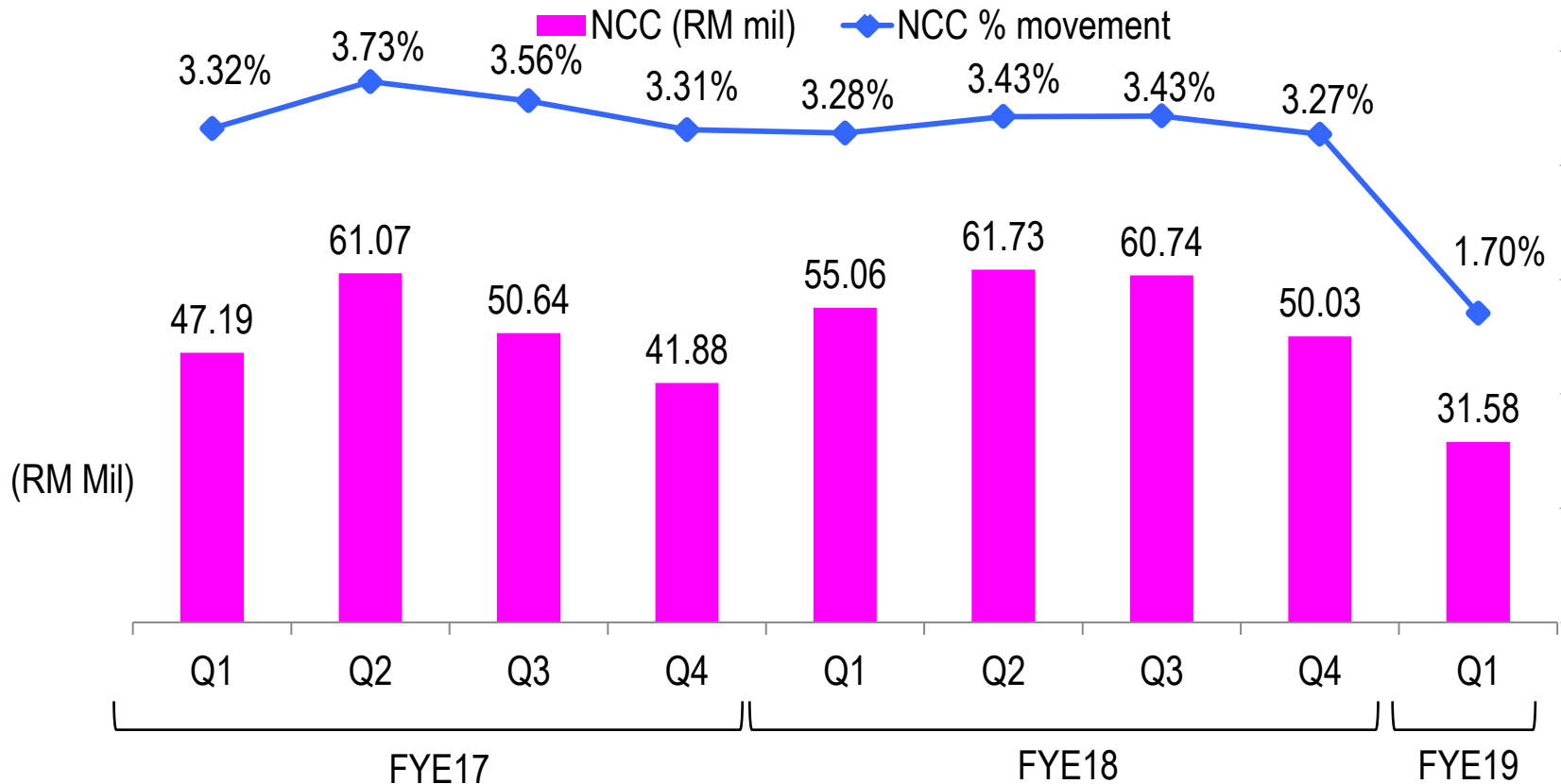
# Movement of Collection Ratio

- Continually improve collection ratio in Q1FYE19
- Improvement in Current (+0.31%), D1 (+1.58%) & D2 (+1.87%)



- ◆ Current Collection Ratio, CU: Not past due
- D1 Collection Ratio: Past due 1 month
- ▲ D2 Collection Ratio: Past due 2 to 3 months

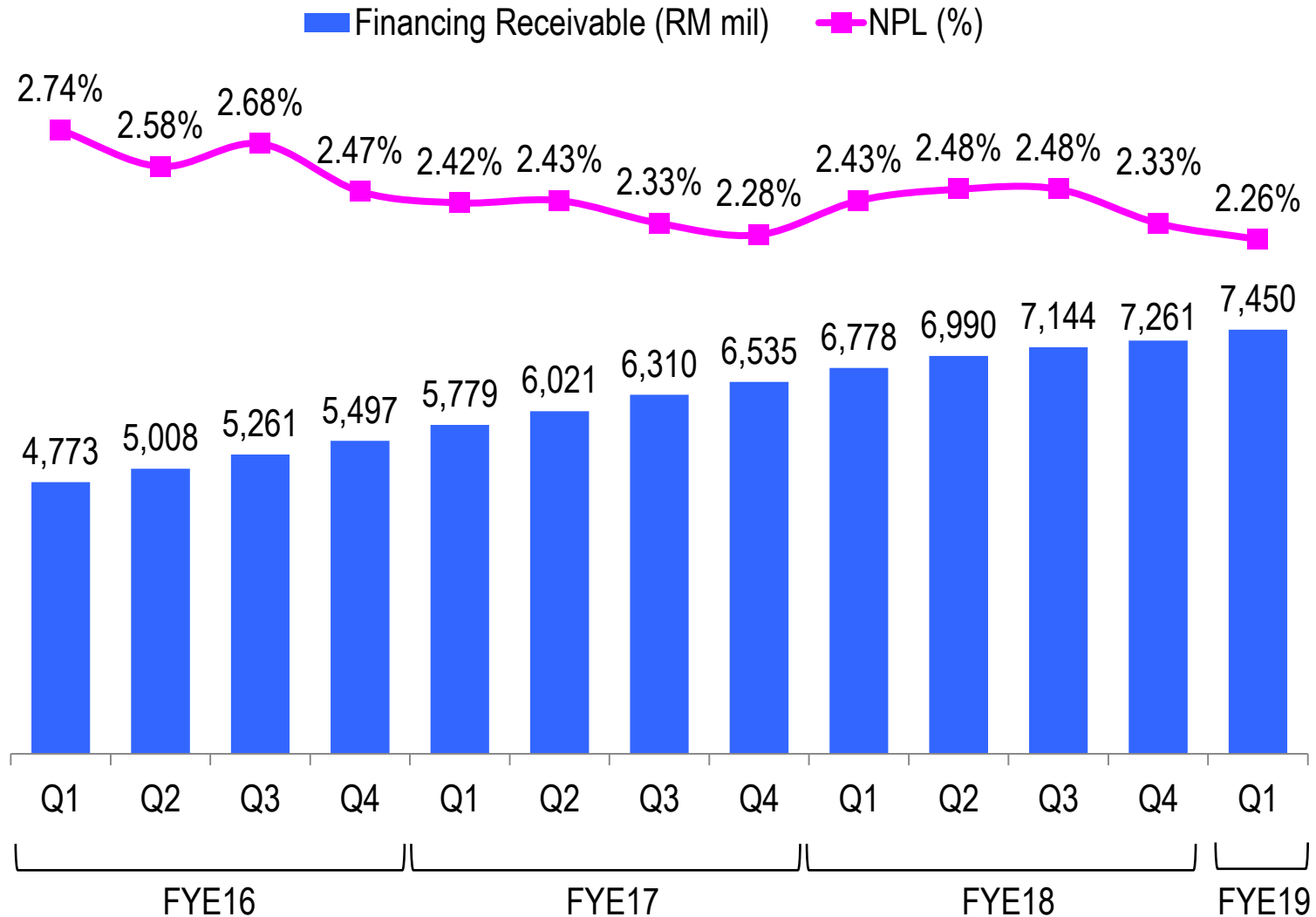
■ Annualized NCC ratio = 1.70% (-1.58% YoY)



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Total Impairment Loss	71.16	82.55	75.15	77.31	82.65	84.54	86.48	82.24	57.10
(-) Bad Debt Recovered	23.97	21.48	24.50	35.43	27.60	22.81	25.74	32.21	25.52
Monthly Net Credit Cost	47.19	61.07	50.64	41.88	55.06	61.73	60.74	50.03	31.58

# Ratio of Non-Performing Loans (“NPL”)

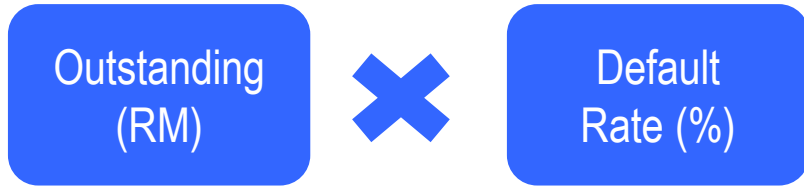
■ NPL ratio recorded at 2.26% (-0.07% QoQ, -0.02% YoY)



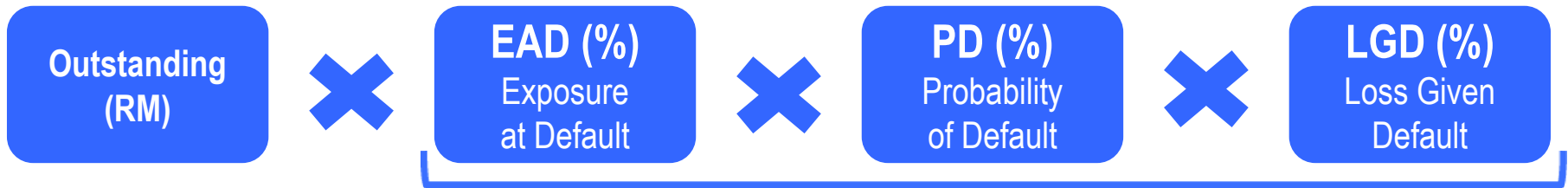
# MFRS 9 ①

■ Company is adopting MFRS 9 in FYE19 & is taking measures on product value chain to Improve Credit Cost management.

## MFRS 139 (previously used model) : Incurred Loss Model



## MFRS 9 : Expected Credit Loss Model



MFRS 9	Measures for credit cost improvement
<b>EAD</b> Exposure at default	Review of credit criteria / expand new product for middle income customers, Review financing product scheme : New tenure etc
<b>PD</b> Probability of default	Improve delinquency receivable collection to back to current receivables
<b>LGD</b> Loss given default	Default receivables collection; improve write off account collection

	28 <sup>th</sup> Feb 2018 MFRS139	31 <sup>st</sup> May 2018 Under MFRS9
Opening Balance	168,729	162,831
First adoption of MFRS9 adjustment	-	453,325
Restated Opening Balance 1 <sup>st</sup> Mar 2018	168,729	616,156
Provision of Impairment Loss	82,241	57,096
Write-off	(88,139)	(84,935)
Closing Balance	162,831	588,317
	Retained Earnings	CAR(%)
28 <sup>th</sup> Feb 2018	1,014,550	25.14%
First adoption of MFRS9 adjustment	(344,527)	-
ECL Recognition	(453,325)	-
Tax effect	108,798	-
1 <sup>st</sup> Mar 2018 Retained Earnings after MFRS9 Adjustment	670,023	20.33%
31 <sup>st</sup> May 2018 Retained Earnings	765,662	22.53%

ECL=Expected credit losses under MFRS9

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# Appendix

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\* Computed based on annualised figure

RM mil	FYE15	FYE16	FYE17	FYE18	Q1FYE19
Operating Income	928.1	1,055.2	1,222.2	1,358.8	354.7
PBT	288.3	301.6	351.2	398.3	131.8
PAT	215.7	228.2	265.0	300.1	99.2
Basic /(Diluted) earnings per share after PERPS distribution (RM) *	1.46	1.49	1.01	1.43 (1.38)	1.54 (1.51)
Weighted average no. of ordinary shares (million unit) -	144	144	248	200 (207)	249 (255)
NTA per share (RM)	4.72	5.45	6.63	6.37	5.45
ROE (on ordinary equity) *	34.2%	29.3%	28.9%	22.6%	26.1%
ROA *	5.0%	4.1%	4.0%	4.0%	5.2%
Capital ratio against receivables	21.4%	20.2%	19.5%	25.1%	22.5%
Debt equity ratio (times)	3.95	4.56	4.71	2.95	3.39
Share price (RM)	13.3	11.92	15.70	13.46	14.80
PER	9.11	8.00	8.99	9.41	9.61
Market Capitalisation (RM million)	1,915	1,716	2,261	3,344	3,689

~The previous year's (FY18) earnings per share have been restated to reflect the bonus issue which was completed on 19 July 2017 and the latest conversion of 3-year, 3.5%, Irredeemable Convertible Unsecured Loan Stocks to Ordinary shares.

(Unit:RM'000,%)		Q1 FYE19	Q1 FYE18	vs LY
Credit Card		28,578	27,588	104
General Easy Payment		27,471	30,248	91
Motorcycle Easy Payment		75,198	67,407	112
Superbike Easy Payment		26,931	27,809	97
Automobile Financing		74,321	67,627	110
Personal Financing		91,963	80,008	115
SME Business		1,405	1,594	88
<b>Total Revenue</b>		<b>325,867</b>	<b>302,282</b>	<b>108</b>
Other Operating Income		29,104	31,160	93
<b>Total Operating Income</b>		<b>354,971</b>	<b>333,442</b>	<b>106</b>

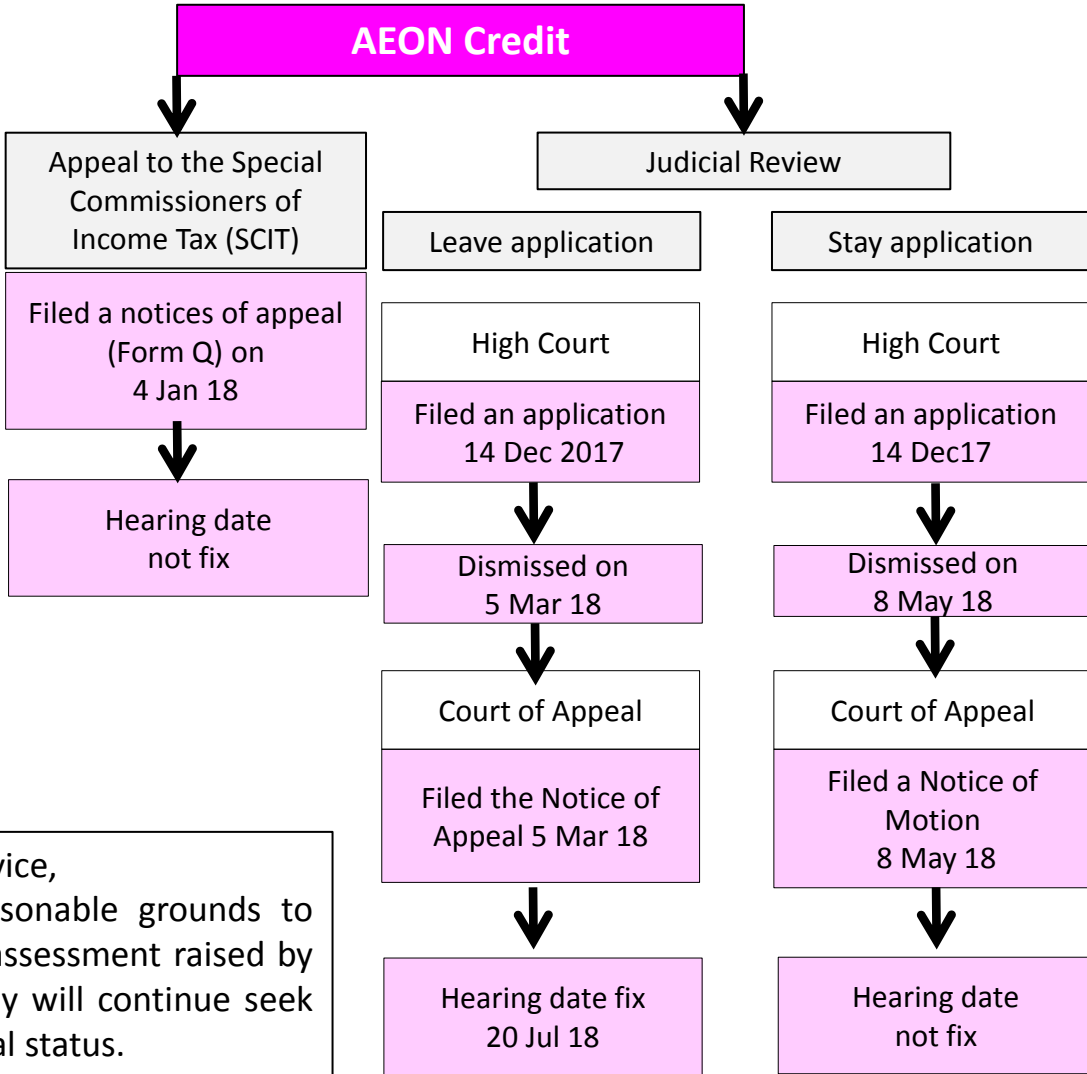
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# Taxation – IRB Tax Audit Updates

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## Notices of Additional Assessment raised by The Director General of Inland Revenue (“DGIR”)

<b>Asset Backed Scheme (ABS)</b>	AEON Credit entered into an ABS with local financial institution for fund arrangement in year 2009. Under the scheme the receivables ‘sold’ was treated as a collateral against its loan financing.	
<b>Notice of Additional Assessment</b>	On 12 Dec 2017, the Company was served with notices of additional assessment with penalties by the DGIR for the year of assessment (YA) of 2010 until YA 2016. The DGIR also raised time barred assessments for the YAs 2010-2011.	
<b>DGIR Penalties</b>	<b>Amount (RM’mil)</b>	
Additional assessment for YAs 2010-2016	66.77	
Penalty for YAs 2010-2016	30.05	
<b>Total additional tax payable</b>	<b>96.82</b>	



Based on tax solicitors and corporate tax agent’s advice, the Company is of the view that there are reasonable grounds to challenge the validity of the notices of additional assessment raised by the DGIR and the penalties imposed. The Company will continue seek professional advice for the judicial review and appeal status.

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Thank You

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