



AEON Credit Service (M) Berhad (412767-V)
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Press Release

For Immediate Distribution

AEON CREDIT POSTS INCREASE IN Q1 REVENUE

The Company's top-line increased by 16.2% to RM378.59 million

KUALA LUMPUR, 27 JUNE 2019 – AEON Credit Service (M) Berhad (“**AEON Credit**” or “**Company**”), which announced financial results for the first quarter ended 31 May 2019 (“**Q1FYE20**”), posted RM378.59 million or a 16.2% rise in revenue compared to the corresponding Q1FYE19 on a 50.4% increase in transaction and financing volume to RM1.65 billion.

Profit before tax (“**PBT**”) was 14.5% lower at RM112.67 million compared to Q1FYE19's RM131.76 million while profit after tax (“**PAT**”) declined 14.7% to RM84.60 million compared to the RM99.24 million recorded for Q1FYE19 mainly due to higher allowance for impairment losses as early recognition required under Malaysian Financial Reporting Standards (MFRS 9) amounted to RM93.34 million (Q1 FYE19: RM57.1 million) in line with receivables growth of RM1.64 billion during the quarter under review.

Total operating expense ratio against revenue increased to 58.7% for Q1FYE20 compared to 50.6% of the corresponding quarter of the preceding year mainly due to higher allowance for impairment losses on financing receivables and promotional expenses in tandem with the growth in transaction and financing volume.

The Company's gross financing receivables saw an increase of 21.8% to RM9.14 billion as at 31 May 2019 compared to a year ago. Non-Performing Loans (“**NPL**”) ratio stood at 1.92% as at 31 May 2019, an improvement of 0.34% as compared to 2.26% as at 31 May 2018.

Funding cost for the quarter under review was higher compared to the preceding year's corresponding quarter mainly due to higher borrowings in line with the growth of receivables. The nominal value of the borrowings as at 31 May 2019 was RM6.93 billion as compared to RM5.53 billion as at 31 May 2018.

Mr. Yuro Kisaka, AEON Credit's Managing Director said Q1FYE20's financial performance has been underpinned by a strong increase in transaction and financing volume represented by stable consumer demand.

"We are pleased with the Company's performance for the quarter under review as we continue to see stable economic growth mirrored by consumer demand supported by growth in income and employment," he said.

Mr. Kisaka said the Company continues to see improvement in asset quality, and also focus to implement digitisation initiatives to achieve operation and costs improvements. "These digitisation initiatives will continue to be prioritised in order to make operations more cost-effective and at the same time offer our customers more choices and have better market reach," he added.

ABOUT AEON CREDIT SERVICE (M) BERHAD

AEON Credit Service (M) Berhad ("AEON Credit" or the "Company") was incorporated on 6 December 1996 and was converted into a public limited company on 9 February 2007 and listed on the Main Market at Bursa Malaysia Securities Berhad on 12 December 2007. AEON Credit commenced operations in 1997 by providing Easy Payment schemes for purchase of consumer durables through appointed retail merchants and chain stores.

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