

Press Release

For Immediate Release

AEON CREDIT POSTS PBT OF RM57.7 MILLION FOR Q3FYE21

Total transaction and financing volume in Q3 FYE21 improved by 27.2% and improvement in YoY receivables of 1.9% has led to business expansion

KUALA LUMPUR, 21 DECEMBER 2020 – AEON Credit Service (M) Berhad (“**AEON Credit**” or the “**Company**”) today reported revenue of RM401.47 million for the third quarter ended 30 November 2020 (“Q3FYE21”) compared to the RM402.46 million recorded in the preceding year’s corresponding quarter ended 30 November 2019 (“Q3FYE20”) while total transaction and financing volume for the quarter under review stood at RM1.22 billion.

Gross financing receivables in Q3FYE21 increased by 1.9% to RM10.22 billion as compared to the RM10.03 billion recorded in Q3FYE20. The Non-performing loans (“NPL”) ratio stood at 2.88% as at 30 November 2020 compared to 1.93% as at 30 November 2019. Other income comprising mainly bad debts recovered and insurance commissions saw rising of 27.1% to RM39.59 million for Q3FYE21 compared to the corresponding quarter of the previous year.

Total transaction and financing volume and revenue for Q3FYE21 improved by 27.2% and 10.3% respectively compared to Q2FYE21. The operations of the Company are recovering as the economic activities in third quarter improved. Profit before tax (“PBT”) for Q3FYE21 recorded at RM57.71 million compared to RM76.49 million registered in the immediate preceding quarter largely due to higher impairment losses on financing receivables of RM156.91 million recorded in the current quarter compared to RM112.01 million for the immediate preceding quarter.

For the nine-month period (“9MFYE21”), the Company posted a revenue of RM1.16 billion, a decrease of 2.5% compared to the RM1.19 billion recorded in the same period of the previous year “9MFYE20” mainly due to a decrease in interest income resulting from the Day-One net modification loss related to AEON Relief Programme and lower fee income in line with weaker transaction and financing volume for the financial period-to-date of RM2.97 billion.

PBT for 9MFYE21 registered a decrease of 37.1% to RM171.28 million compared to the RM272.41 million of the corresponding period of the previous year mainly attributable to lower fee income of RM30.26 million and increased impairment losses on financing receivables of RM80.79 million occasioned by the effects of the COVID-19 pandemic. The decrease in PBT was mitigated by the lower other operating expenses of RM51.99 million. As a result, profit after tax for 9MFYE21 recorded at RM120.24 million, a decrease of 41.0% compared to the RM203.66 million recorded in 9MFYE20.

The ratio of total operating expenses excluding impairment loss provision against total income recorded for 9MFYE21 stood at 29.1% compared to 32.1% for 9MFYE20 as a result of lower personnel expenses and advertising expenses translating into improved operational efficiency.

AEON Credit Managing Director, Yuro Kisaka said, “The Company managed to recover in sales and business performance despite the pandemic challenges and we shall continue to strive in building business sustainability by investing in information technology to further transform the Company’s capability in digitalisation and its business. We are still on our route to recovery”.

“While we remain cautious on the economic outlook of the country, we are stepping up on the key projects that will ensure the future sustainability of the Company. A key area that we are focusing on is digitalisation and enhancing the customer experience through touchpoints that will make the application process fast and efficient”.

“This will continue into the next financial year where we will promote cashless transactions, enhancing features of the AEON E-wallet, integrate the database across the AEON Group to optimise the potential of data analytics in product offerings and cross-selling as well as encouraging employees within the group to make transactions through the E-wallet”.

“Although the Company’s financial performance for the current financial year will be impacted by the pandemic, we will continue to improve on operational efficiency through cost-control measures, prioritise spending on key projects to enhance efficiency as well as encourage online payment. We will monitor and assess the inherent credit risk in our financing portfolio by enhancing asset quality, prudent cost and cash management while improving on financial”.

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.

Today, the business of the Company had expanded to include issuance of Credit Cards, Easy Payment, hire purchases financing for motor vehicles, Personal Financing schemes, insurance sales business and other services.

The Company currently has five Regional Offices, 66 branches and Service Centres located in the major shopping centres and towns and a network of more than 12,000 participating merchant outlets nationwide.

Issued by Esente Communications (M) Sdn Bhd on behalf of AEON Credit Service (M) Berhad

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