

# **Press Release**

## **For Immediate Release**

### **AEON CREDIT POSTS PBT OF RM324.9 MILLION FOR FYE21 AND DECLARES FINAL DIVIDEND OF 20.0 SEN**

*Profit after tax in Q4FYE21 improved by 28.7%*

*Total FYE21 dividend payout ratio 31.9%*

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**KUALA LUMPUR, 8 APRIL 2021**– AEON Credit Service (M) Berhad (“**AEON Credit**” or the “**Company**”) today reported revenue of RM406.35 million for the fourth quarter ended 28 February 2021 (“**Q4FYE21**”) compared to the RM413.28 million recorded in the preceding year corresponding quarter ended 29 February 2020 (“**Q4FYE20**”) while total transaction and financing volume for the quarter under review stood at RM1.26 billion.

For Q4FYE21, total transaction and financing volume and revenue improved by 3.2% and 1.2% respectively compared to Q3FYE21. Profit before tax (“**PBT**”) for Q4FYE21 recorded at RM153.63 million compared to RM57.71 million registered in the immediate preceding quarter mainly due to lower impairment losses on financing receivables of RM65.13 million recorded in the current quarter compared to RM156.91 million for the immediate preceding quarter.

Other income which mainly comprising bad debts recovered and insurance commission was recorded at RM46.85 million for the current quarter and saw a rise of 12.5% compared to RM41.64 million for Q4FYE20.

On a full year financial under review (“**FYE21**”), the Company posted a revenue of RM1.56 billion, a decrease of 2.3% compared to the RM1.60 billion recorded in the preceding financial year ended 29 February 2020 (“**FYE20**”). The lower revenue was mainly attributable to lower fee income in line with weaker transaction and financing volume for the financial year of RM4.23 billion.

PBT for FYE21 registered a decrease of 16.8% to RM324.91 million as compared to RM390.44 million in FYE20. The decrease was mainly due to the increased impairment losses on financing receivables of RM58.11 million occasioned by the effects of COVID-19 pandemic, offset by lower other operating expenses of RM62.98 million.

The ratio of total operating expenses excluding impairment loss provision against total income for FYE21 stood at 30.2% compared to 33.2% for FYE20. The decrease in operating expenses was mainly due to lower personnel expenses and advertising expenses contributed by effective cost management.

Gross financing receivables as at 28 February 2021 decreased by 3.0% to RM10.08 billion as compared to the RM10.39 billion recorded as at 29 February 2020. The Non-performing loans (“**NPL**”) ratio stood at 2.46% as at FYE21 compared to 1.92% as at FYE20. Loan loss coverage ratio stood at 339% as at FYE21 as compared to 346% as at FYE20.

The Board has recommended a final single-tier dividend of 20.00 sen per ordinary share in respect of FYE21 to be paid on 15 July 2021, subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on a date which shall be announced later. Total dividend payable for FYE21 amounted to 29.20 sen with payout ratio of 31.9%.

**AEON Credit Managing Director, Yuro Kisaka** said, "Throughout the COVID-19 pandemic and Movement Conditional Order ("MCO"), we implemented strategic plans to adapt to the economic uncertainties and potential changes on the customers' spending behaviour, while setting up a solid foundation for growth opportunities. We actively engage with our customers to understand their financial needs and steadfast in supporting them by providing various financial assistance programmes such as loan deferment, AEON Relief Programme (ARP) and AEON Financing Assistance Programme, while continue to focus on proactive measures to enhance our asset quality and disciplined cost management."

"While we remain cautious on the current economic outlook, we are committed to accelerate our digital transformation and cost efficiency capabilities. We want to provide a seamless customer experience by creating a digital onboarding platform where customers are able to enjoy a faster processing time for their financing applications. This is the key focus to improve the turnaround time for both our customers and business partners. The Company continues to promote cashless transactions by enhancing the features of AEON E-wallet. By integrating the database across the AEON Group, the Company is able to optimise the potential of data analytics in product offerings and cross-selling."

"Moving forward, enhanced risk management, prudent cost optimisation and expansion of core business will remain our main priorities as we seek to drive efficient growth. We continue to review the market potential, customer segments and geographical areas to focus on products that generate better profitability."

#### **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, Prepaid Card, Easy Payment, hire purchases financing for motor vehicles, Personal Financing schemes, insurance sales business and other services.

The Company currently has five Regional Offices, 65 branches and Service Centres located in the major shopping centres and towns and a network of more than 13,000 participating merchant outlets nationwide.

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

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