



### **AEON CREDIT RECORDS ANOTHER PROFITABLE YEAR WITH SIGNIFICANT INCREASE IN PBT AND PAT FOR FYE22**

*The Company declares a final single-tier dividend of 15.00 sen per shares and the special single-tier dividend of 5.00 sen per share in respect of FYE22*

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**KUALA LUMPUR, 5 APRIL 2022** – AEON Credit Service (M) Berhad (“AEON Credit” or the “Group”) today announced that it has recorded a profit after tax (“PAT”) of RM365.42 million for the financial year ended 28 February 2022 (“FYE22”), an increase of 56.2% from a PAT of RM233.96 million in the financial year ended 28 February 2021 (“FYE21”) contributed by the higher transaction volume and the improved collections. This resulted in increase in earnings per share from 87.67 sen in FYE21 to 139.17 sen for the FYE22.

AEON Credit’s transaction and financing volume for fourth quarter ended 28 February 2022 (“Q4FYE22”) registered an increase of 15.8% to RM1.46 billion as compared to RM1.26 billion recorded in the preceding year’s corresponding quarter ended 28 February 2021 (“Q4FYE21”). On a year on year basis, this increased by 12.8% to RM4.77 billion as compared to RM4.23 billion in FYE21.

However, the Group’s revenue for Q4FYE22 of RM362.97 million and FYE22 of RM1.52 billion decreased by 10.7% and 2.4% respectively, compared to RM406.35 million recorded in the Q4FYE21 and RM1.56 billion registered in FYE21 due to the lower interest income recorded from a lower average financing receivables base.

The performance for the quarter was also partly impacted by the surge of the more contagious Omicron Covid-19 variant which caused a sharp rise in Covid-19 inflection among the public and also staff.

The Group’s profit before tax (“PBT”) for Q4FYE22 of RM44.79 million reflected a decrease of 70.8% from RM153.63 million recorded in Q4FYE21, while PAT was recorded at RM23.38 million, a decrease of 79.4% as compared to RM113.72 million in Q4FYE21 attributable to the higher allowance for impairment losses on financing receivables.

The Group’s gross financing receivables contracted by 2.2% to RM9.86 billion as at 28 February 2022 compared to the RM10.08 billion as at 28 February 2021 as Non-performing loans (“NPL”) ratio stood at 2.66% as at FYE22 as compared to 2.46% recorded in FYE21 while loan loss coverage ratio stood at 289.0% for FYE22 as compared to 339.0% as at FYE21.

The Board has recommended for the payment of a final single-tier dividend of 15.00 sen per share and a special single-tier dividend of 5.00 sen per share in respect of FYE22 to be paid on 21 July

2022, subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on a date that shall be announced later. Total dividend payable for FYE22 amounted to 48.50 sen with payout ratio of 33.9%.

## Prospects

In the fourth quarter of 2021, the Malaysian Gross Domestic Product ("GDP") improved by 3.6% year-on-year as compared to 4.5% contraction in the third quarter mainly supported by strong external demand. Meanwhile, Bank Negara Malaysia has forecasted that Malaysia's economic growth is on track to expand by 5.5% - 6.5% for 2022 upon the reopening of economic and social sectors, as well as increased external demand from major trading partners. However, the resurgence of COVID-19 inflections bought on by the Omicron variant still pose downside risks.

The domestic demand recovery is projected to continue in 2022, anchored by private consumption, following the gradual improvement in labour market conditions amid a relaxation of containment measures, improved consumer sentiments and spending from the vaccine rollout as well as targeted policy support for vulnerable households.

This has allowed the Group to gradually reopen its branch operations to better serve customers and expand its businesses. The Group shall continue to remain vigilant in assessing the inherent credit risks in its financing portfolios, with proactive attention focused on enhancement of asset quality, prudent cost management and improvement on financial and operational efficiencies by leveraging on its positive business fundamentals.

The Group is committed to building on its business sustainability and growth agenda and will further continue enhancing its information technology capabilities to drive the digitalisation of its operations. Barring any unforeseen circumstances, the Group expects to be able to maintain its financial performance by putting in place the necessary measures for the financial year ending 28 February 2023.

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## ABOUT AEON CREDIT SERVICE (M) BERHAD

AEON Credit Service (M) Berhad ("AEON Credit" or the "Group") 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.

In October 2021, AEON Credit Service (M) Berhad obtained Bank Negara Malaysia (BNM)'s approval to acquire insurance and Takaful broking firm Insurepro Sdn Bhd which allows the Group to distribute both commercial and personal insurance products, including life insurance products by leveraging on the AEON Group Retail network and Eco system.

Today, the business of AEON Credit has expanded to include issuance of Credit Cards, Prepaid Cards, Easy Payment Schemes, hire purchase financing for motor vehicles, Personal Financing schemes, insurance sales business, AEON Wallet and other related services. The Group currently has five Regional Offices, 64 branches and service centres located in the major shopping centres and towns and a network of more than 13 thousand participating merchant outlets nationwide as well as one subsidiary office. Insurepro Sdn. Bhd. ("Insurepro"), a wholly-owned subsidiary of AEON Credit offering insurance broking services for Conventional, Takaful insurance and reinsurance service.

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

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