

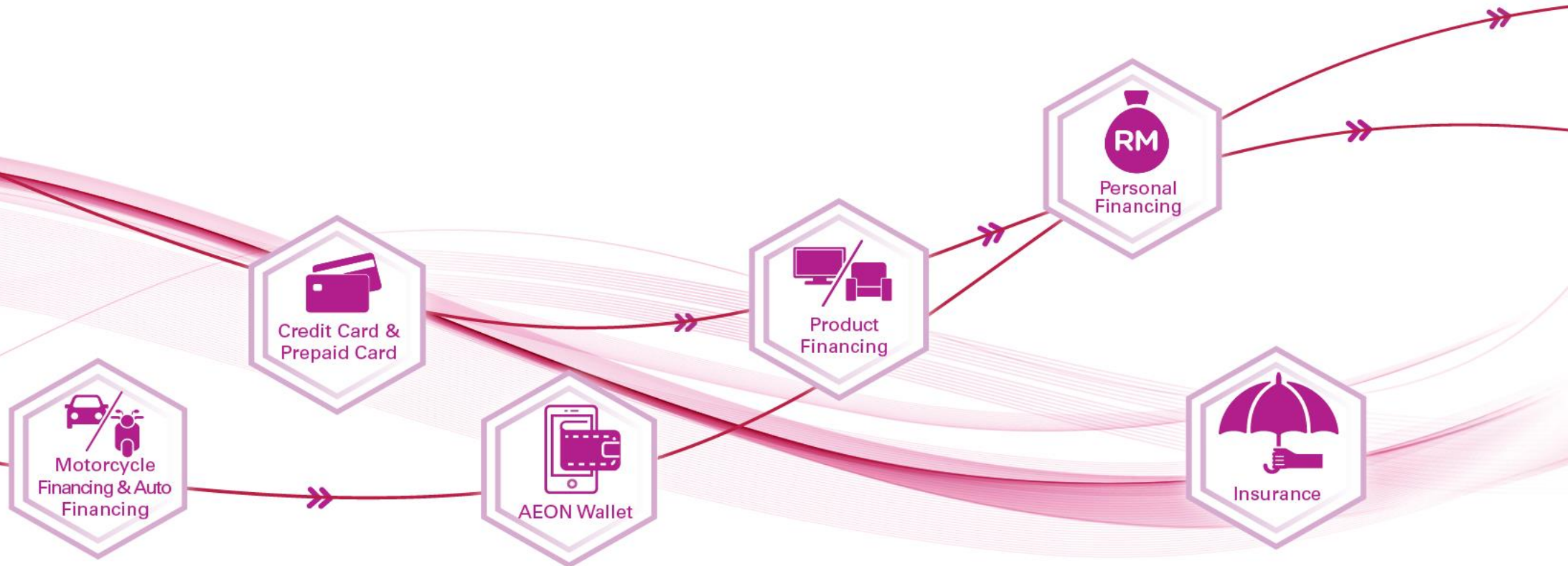


AEON CREDIT SERVICE

25TH ANNUAL GENERAL MEETING

29 JUNE 2022

Presentation to Shareholders by
Managing Director





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AEON CREDIT SERVICE

Financial Overview



FYE22 Financial Highlights

Proven business resilience, getting back on growth track amid challenging backdrop



Total Transaction &
Financing Volume
RM 4.8 billion
▲ 12.8%



Revenue
RM 1.5 billion
▼ 2.4%



PAT
RM 365.4 million
▲ 56.2%



Gross Receivables
RM 9.9 billion
▼ 2.2%



Cost-to-income Ratio
49.7%
▼ 12.1%



ROE
19.2%
▲ 5.4%



ROA
3.6%
▲ 1.3%



Dividend Per Share
48.5 sen
▲ 66.1%

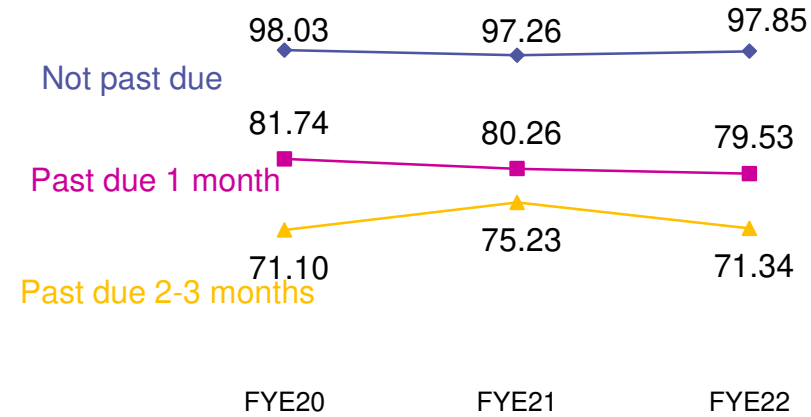


Collection & Credit Cost

Collection experienced temporary headwinds during Q4 FYE22, overall remains healthy

Average Collection

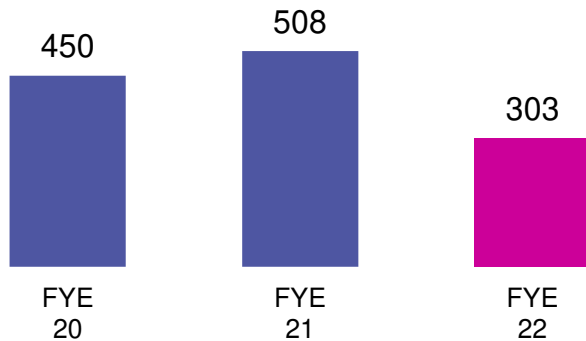
(%)



Overall driven by effective credit management strategies and improved new sales quality despite productivity affected by restricted workflow capacity due to MCO

Impairment Loss

(RM mil)



▼ 40.3% YoY

- Overall impairment loss was lower benefitted from the improved collection productivity and asset quality

NPL

(%)



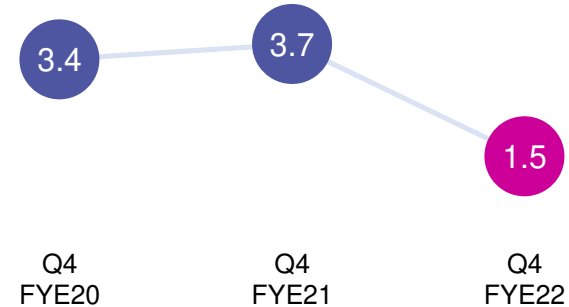
▲ 0.2% YoY

Higher in FYE22 attributed to

- Lower collection productivity

NCC

(%)



▼ 2.2% YoY

Lower NCC

- Effectiveness of measures taken to support asset quality
- Improved bad debt recoveries

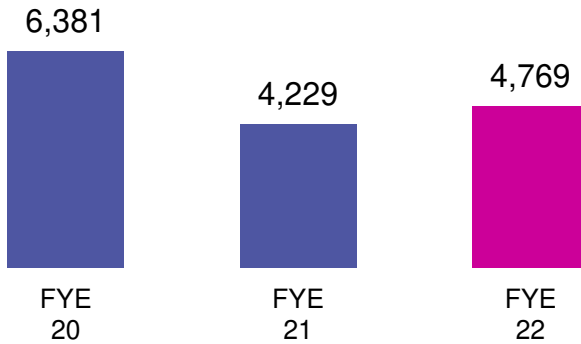


Asset Quality

Managed to weather through macroeconomic challenges and gaining better grounds

Total Transaction & Financing Volume

(RM mil)

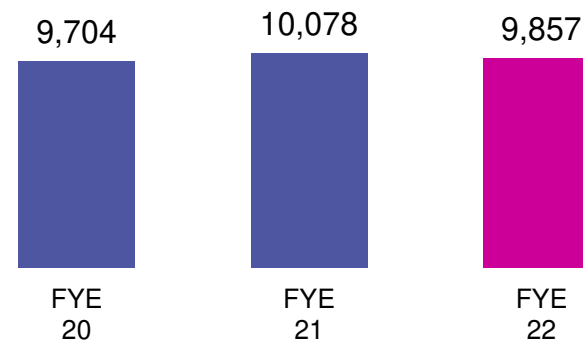


▲ 12.8% YoY

- Adopted prudent growth approach during pandemic to protect asset quality and gradually scaling up marketing efforts

Gross Receivables

(RM mil)

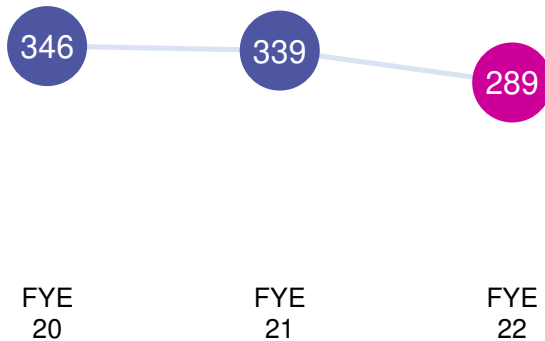


▼ 2.2% YoY

- Business operations being impeded by the various MCO implemented
- Temporary credit criteria tightening since last financial year end

Loan Loss Coverage Ratio

(%)

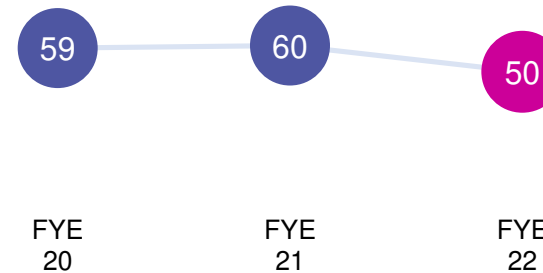


▼ 50.0%

- Marginally pared down in FYE22
- Contributed by lower impairment loss on receivables

Cost-to-income Ratio (CIR)

(%)



▼ 10.0%

- Higher operational efficiency contributed by lower impairment loss provisions and effective cost management



Where Are We Now

25 years of Financial Service experience



AEON Member Plus
Visa member
2.20 million
▲ 10.5% YoY



AEON Wallet
download
1.35 million
▲ 31.1% YoY



AEON Express card
2.30 million
▲ 10.3% YoY



64
Branches & Service
Centres



AEON Credit card
0.20 million
▼ 15.0% YoY



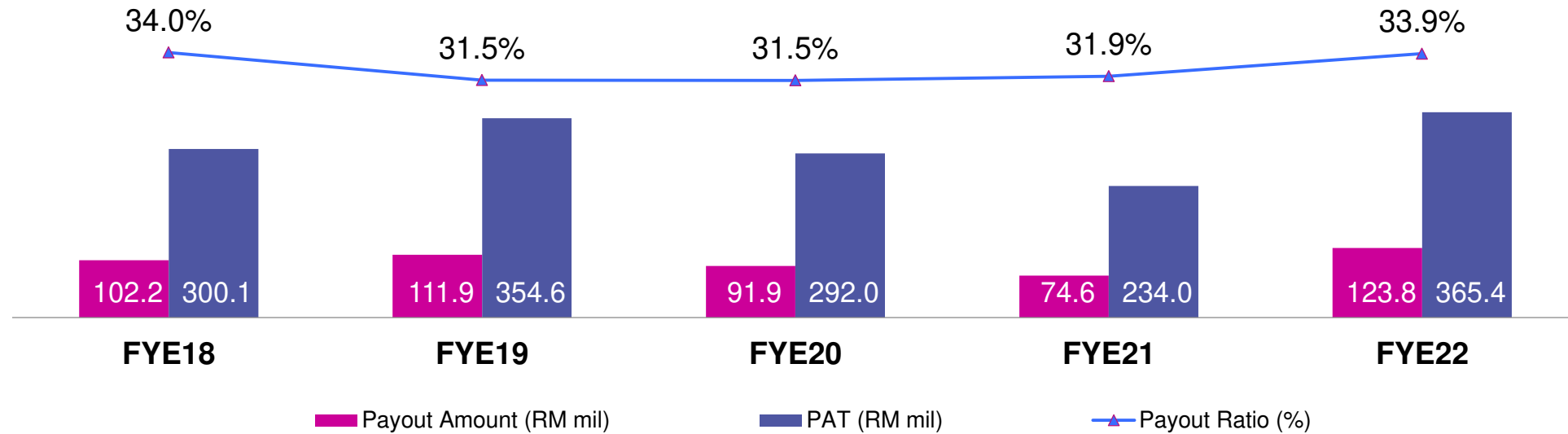
>10K
Merchant Outlets
Nationwide



Dividend

Consistently paying out >30% of PAT to our valued shareholders

Historical Dividend Data



Announcement Date
5 Apr 2022

Entitlement Date
7 July 2022

Sen	FYE18	FYE19	FYE20	FYE21	FYE22
Interim	21.13	22.25	22.25	9.20	28.50
Final	20.00	22.35	14.00	20.00	15.00
Special	-	-	-	-	*5.00
Total	41.13	44.60	36.25	29.20	48.50

*Declared special dividend in line with AEON Credit's 25th Anniversary celebration

Both final and special dividends are subject to the approval of shareholders at the forthcoming Annual General Meeting



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FYE2022 Operational Highlights





Initiatives Embarked in FYE2022

Obtained Islamic digital bank license on 29 April 2022



- Part of AEON Group's journey in advancing financial inclusion;
- Leverage on AEON Group's strength includes retail, financial services and other business, powered by transformative technology;
- To provide more comprehensive and unique financial service to customer



Initiatives Embarked in FYE2022

Insurance brokerage business



We offer

General & Life insurance	Personal accident, Health Wellness & Credit shield
Used Car	Extended Warranty
New Motorcycle	Extended Warranty



- Acquired 100% stake in **Insurepro Sdn Bhd** on September 2021 to venture into insurance brokerage business.
- **Increase product portfolio** to include commercial and personal insurance.
- Leveraging on AEON Group Retail network and ecosystem.



Initiatives Embarked in FYE2022

Launched Co-brand Prepaid card



Penetrating the Hawkers and Petty Traders segment via Privilege Card

Access to ~MEDAC's network of 2mil hawkers and petty traders to benefit from AEON Living Zone in the long term

- Provide loyalty point program to hawkers and petty traders, similar benefits as an AEON Member Plus Card holder
- Provide **B2B wholesale prices** for hawkers and petty traders who conduct businesses in the **AEON ecosystem**.



Initiatives Embarked in FYE2022

Completion of Core System Replacement in Jan 2022



System infrastructure and architecture replacement to speed up the digitalisation efforts

- In May 2021, we have completed replacement of core system for credit card business
- In Jan 2022, migration for loan and financing system completed

We are now ready to provide comprehensive retail financial solutions

Sustainability Initiatives

Group's sustainability strategies



FTSE4Good

FTSE4GOOD INDEX SERIES

AEON Credit as a constituent of the FTSE4Good Index Series since 2015, having demonstrated strong ESG practices

Environmental



500 Trees planted

Sport



Sports Sponsorship
RM750,000

Education



Education Sponsorship
RM285,000

Social



CSR contribution
RM710,000



Sustainability Initiatives by Malaysian AEON Foundation

RM1mil to Malaysian AEON Foundation



MAF AEONBersamamu
- 1,805 homecare packs to families affected by COVID-19 pandemic



MAF AEONBantu for Medical and Security Frontliners



MAF AEONBantu during natural calamities in Kedah and Selangor



MAF General Donations to NGO, Foundations and Charity Bodies



MAF AEONSayap Bagimu Phase 2
- contributed 2,000 units tablets to Form 3 students nationwide



MAF Mesra Festive Donations for low-income families and orphanages

24,270
Total Number of Communities Reached



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Key Strategies And Prospect

Key Strategies for 2022-2026

5 Pillars of focus to drive financial inclusion and sustainable growth

Digitalization

- Complete end to end on-boarding process and expand channel
- Automate credit assessment to increase good portfolio & provide instant approval

Member Expansion

- Consolidate all AEON members to one loyalty point platform
- Acquire customer via enhance App function and customise financial service solution.

Receivables Growth

- Penetration market share through digitalise onboarding process and embed to other platformers
- Transform business structure to increase settlement and fee income

ESG & Sustainability

- Responsible corporate citizen by contribute to local community
- Embed sustainability initiatives into business model

Human Capital

- Transform new working environment
- Talent development & acquisition
- Management trainee program

FYE2023

**FYE2023
Prospect**

**Loan Growth
> 10%**

**Cost-to-Income
< 60%**

**Dividend Payout Ratio
> 30% of PAT**

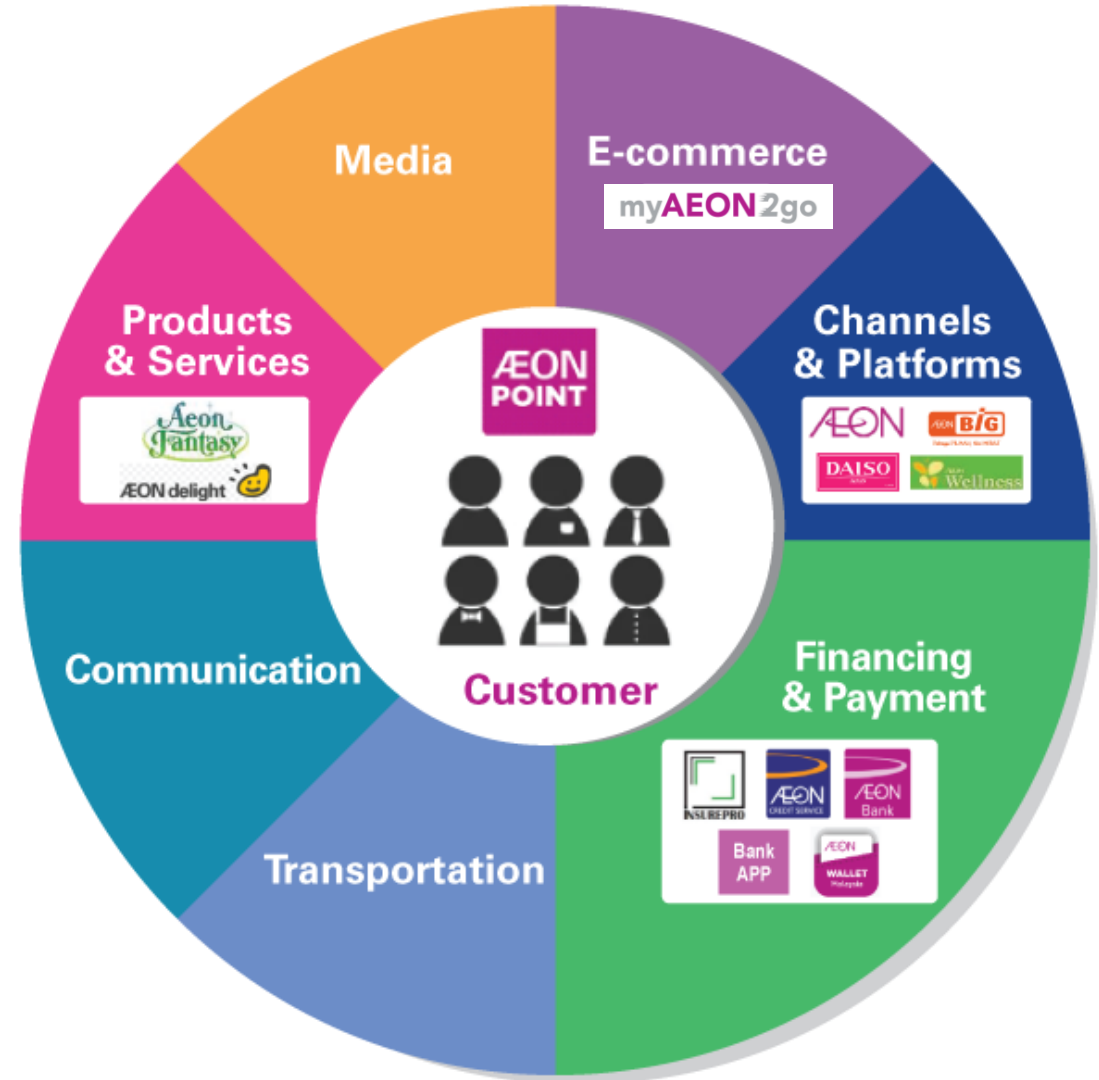
**ROE
> 15%**



AEON Living Zone Loyalty Platform

A transcendent experience for all our customers within our ecosystem via

- Embedded financial services and loyalty program into iAEON (AEON CO)
- Develop Finance service app to promote end to end digitalisation process
- Migrate 2 million AEON express card member to AEON Wallet with loyalty point
- Reach unserved customer via AEON app

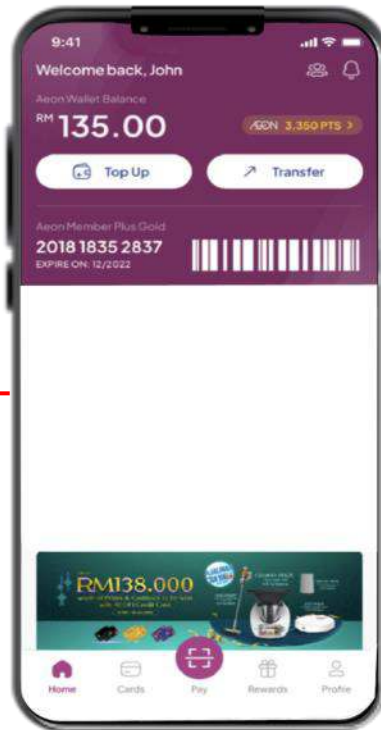




Digital App Journey

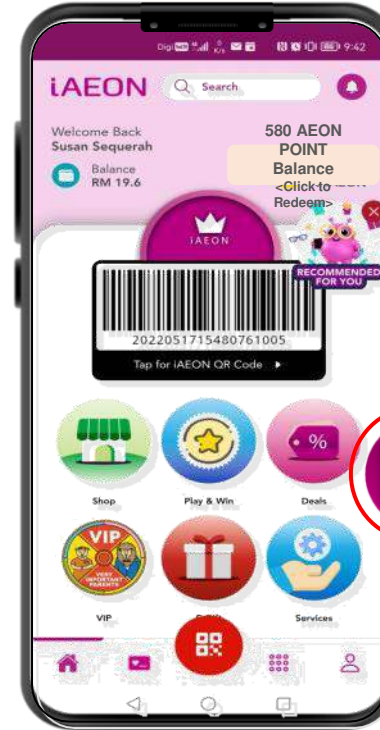
One Stop Retail and Financing Solution

AEON Credit Service



AEON Credit E-wallet app

AEON CO



iAEON app

Integrate

Enhance AEON wallet with membership function

- ☐ Easy payment
- ☐ Personal financing
- ☐ Credit card
- ☐ AEON Wallet function
- ☐ Loyalty point program
- ☐ Transfer 2.3mil express member to wallet app

Embed AEON Credit financial service function into iAEON App

- ☐ AEON Wallet Function
- ☐ Scan & Pay
- ☐ Points Management
- ☐ Single Member Barcode & QR Code
- ☐ Card & Financial products eApplication (AEON member card, Credit Card & Personal Financing online application)



Sustainability Roadmap

Embed Sustainability in AEON Credit business



Continued Value Creation

Stable profit generation underpinned by sustainability growth and portfolio management



Positive Social Impact

Protect and add value to the well – being of employees, partners and communities



Responsible Governance

Uphold strong governance and ethical business practices



Safeguard the Environment

Continue Stewardship and Resource Efficiency

ESG
FYE2023 Focus

Establish
ESG Framework

Develop 3 Years
ESG Roadmap

Determine 3 years
ESG KPI



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Thank you