

### AEON CREDIT POSTS PAT OF RM163.1 MILLION FOR Q1FYE23

*The Group maintained its performance and continues to remain disciplined in managing healthy asset quality*

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**KUALA LUMPUR, 4 JULY 2022** – AEON Credit Service (M) Berhad (“**AEON Credit**” or the “**Group**”) today announced that it has recorded a profit before tax (“PBT”) and profit after tax (“PAT”) of RM215.54 million and RM163.07 million respectively for the first quarter ended 31 May 2022 (“**Q1FYE23**”), marginally lower as compared to RM215.86 million and RM163.09 million recorded in the preceding year’s corresponding quarter ended 31 May 2021 (“**Q1FYE22**”) respectively.

AEON Credit’s transaction and financing volume for Q1FYE23 increased by 5.6% to RM1.49 billion as compared to RM1.41 billion recorded in Q1FYE22. However, the Group’s revenue for Q1FYE23 of RM390.57 million decreased by 5.0% as compared to the RM410.97 million posted in the Q1FYE22, mainly attributable to the lower average financing receivables as compared to the Q1FYE22.

Gross financing receivables in Q1FYE23 registered a slight decrease of RM61.87 million to RM10.00 billion compared to RM10.06 billion recorded in Q1FYE22. The slower growth in the quarter was due to lower market demand attributable to the special EPF withdrawal program and supply chain disruptions in vehicle financing. The Group has deployed various marketing campaigns and merchant partnership programs to drive sales and financing receivables growth. Non-Performing Loans (“NPL”) ratio was 2.53% in Q1FYE23 as compared to 1.75% as at Q1FYE22 while the loan loss coverage ratio stood at 281% as compared to 409% in the preceding year’s corresponding quarter.

The higher other income in Q1FYE23 was contributed by the higher bad debt recoveries. Ratio of total operating expenses against revenue was recorded at 40.0% for the current quarter as compared to 38.6% in Q1FYE22 mainly due to higher impairment losses on financing receivables of RM37.28 million as compared to RM23.25 million in Q1FYE22, partially offset by lower other operating expenses.

#### Prospects

In the first quarter of 2022, the Malaysian Gross Domestic Product (“GDP”) improved by 5.0% year-on-year compared to 3.6% in the fourth quarter 2021 supported by strong domestic demand. Meanwhile, Bank Negara Malaysia has forecasted that Malaysia’s

economic growth is on track to expand by 5.3% - 6.3% in 2022 upon the greater reopening of economic and social sectors, supported by increases in external demand from major trading partners.

The current global environment remains very challenging, with broad inflation gaining momentum globally and additional supply chain disruptions due to the war in Ukraine. However, the reopening of borders and easing of quarantine requirements in Malaysia as well as other nations are expected to spur economic growth and consumer spending. The Group is cautiously optimistic that business revenue will eventually increase to the level it was prior to the pandemic.

Nevertheless, the Group will continue to closely monitor and assess the inherent credit risks in its financing portfolios, with proactive attention focused on the enhancement of asset quality, prudent cost management, and improvement of 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 be continuously 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 appropriate 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") was incorporated on 6 December 1996 and converted into a public limited company on 9 February 2007 and subsequently 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 end September 2021, AEON Credit completed the acquisition of 100% equity interest in an insurance broking firm, Insurepro Sdn Bhd which allows AEON Credit and its' subsidiary ("the Group") to distribute both conventional and takaful insurance products, including life insurance products by leveraging on the AEON Group Retail network and ecosystem.

Today, the business of the Group has expanded to include issuance of Credit Cards, Prepaid Cards, AEON Wallet App, Easy Payment Schemes, Hire Purchase Financing for Motor Vehicles, Personal Financing schemes, Insurance Broker and other related services. The Group currently has five Regional Offices, 64 branches and service centres located in the major shopping centres and towns, a network of more than 10,000 participating merchant outlets nationwide, as well as one subsidiary company in Kuala Lumpur.

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

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