



### **AEON CREDIT POSTS PBT OF RM100.0 MILLION FOR Q2FYE23**

*The Company declares an interim dividend of 28.50 sen per share*

---

**KUALA LUMPUR, 29 SEPTEMBER 2022** – AEON Credit Service (M) Berhad (“**AEON Credit**” or the “**Group**”) reported a revenue growth of 6.6% to RM399.17 million for the second quarter ended 31 August 2022 (“**Q2FYE23**”) compared to the RM374.48 million recorded in the preceding year corresponding quarter ended 31 August 2021 (“**Q2FYE22**”).

AEON Credit’s transaction and financing volume in Q2FYE23 increased by 127.5% to RM1.61 billion as compared to RM708.83 million recorded in Q2FYE22 in tandem with improved business environment, further supported by various marketing campaigns and merchant partnership programs deployed by the Group to drive sales and financing receivables growth.

Correspondingly, the gross financing receivables increased by RM0.76 billion to RM10.38 billion in Q2FYE23 compared to RM9.62 billion. Non-Performing Loans (“NPL”) ratio was 2.91% in Q2FYE23 as compared to 2.24% in Q2FYE22 while the loan loss coverage ratio stood at 276% as compared to 343% in the preceding year’s corresponding quarter.

For the quarter under review, AEON Credit registered a profit before tax (“PBT”) of RM100.05 million compared to RM102.15 million recorded in the preceding year corresponding quarter contributed to the higher impairment losses on financing receivables of RM149.95 million recorded in the current quarter compared to RM92.27 million for the preceding year corresponding quarter, partially offset by lower other operating expenses.

On a half-year financial review basis (“**6MFYE23**”), AEON Credit’s total revenue was marginally higher at RM789.74 million compared to RM785.44 million recorded in the preceding year first half ended 31 August 2021 (“**6MFYE22**”).

While we are focusing on digitalisation initiatives for better customer experience , the Group remains on track to achieve its business growth for the second half year. However AEON Credit remains cautiously optimistic that its business revenue will gradually improve to pre-pandemic levels amid the expected economic recovery in Malaysia. Nevertheless, the Group will continue to closely monitor and assess 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.

In respect of the financial year ending 28 February 2023, an interim single-tier dividend of 28.50 sen per share has been recommended by the Board to be paid on 3 November 2022, with a dividend payout ratio of 30.48%.

### **Prospects**

Supported by strong domestic demand, Malaysia's GDP improved by 8.9% year-on-year ("y-o-y") in the second quarter of 2022, as compared to 5.0% y-o-y in the first quarter of 2022. According to Bank Negara Malaysia's forecast, Malaysia's economy remains on track to expand by 5.3%-6.3% y-o-y in 2022.

The country's GDP growth is expected to accelerate in the third quarter of 2022, continuing the positive economic momentum in the first half of the year, driven by private consumption following the resumption of economic activities in Malaysia.

The nation's expected economic recovery is underpinned by its transition to the phase of endemic. However, the recovery is expected to be uneven due to headwinds from intermittent COVID-19 waves, supply chain disruption leading to cost-push inflation, further interest rate hikes, and near-term market volatility resulting from current geopolitical events.

Given today's environmentally and socially conscious climate, the Group is committed to building on its business sustainability and growth agenda, as it has established a Management Sustainability Committee ("MSC") in November 2021 to oversee its matters relating to sustainability. Subsequently, AEON Credit has appointed Environmental, Social, and Governance ("ESG") consultant to expedite the Group's sustainability implementations and established its 3 years ESG roadmap and KPI. With the Group having distinguished its target audience and formulated a milestone for each strategic initiative, the ESG Roadmap has already been set in stone with the Group completed Scope 1 and 2 carbon emission profiles.

Moving forward, the focus will be on the Task Force on Climate-Related Financial Disclosures ("TCFD") implementation to improve and increase reporting of climate-related financial information.

To date, AEON Credit has achieved significant ESG milestones such as being accorded the highest grading brand of four star of FTSE4Good Bursa Malaysia Index and being rated A by Morgan Stanley Capital International ("MSCI") ESG Ratings.

---

## **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 General Easy Payment schemes for purchase of consumer durables through appointed retail merchants and chain stores.

In October 2021, AEON Credit obtained Bank Negara Malaysia (BNM)’s approval to acquire insurance and Takaful broking firm, Insurepro Sdn. Bhd. (“Insurepro”) 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 ecosystem. Insurepro, a wholly-owned subsidiary of AEON Credit offers insurance broking services for Conventional, Takaful insurance and reinsurance service.

Today, the business of the Group 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.

AEON Credit is the leading non-bank financial services provider in Malaysia and has the largest share of motorcycle instalment market with 4.7 million customers with prepaid cards and credit cards combined.

The Group has five Regional Offices, 64 branches and service centres located in the major shopping centres and towns and a network of more than 10,000 participating merchant outlets nationwide as well as one subsidiary office.

---

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

For more information, please contact:

**Ms. Tanny Tan**

Tel : +603 2772 9113

Email : [corp\\_affairs@aeoncredit.com.my](mailto:corp_affairs@aeoncredit.com.my)

**Mr. Vincent Lam**

Tel : +603 6419 9501

Email : [vshen.lam@esente.com.my](mailto:vshen.lam@esente.com.my)

---