

Press Release

For Immediate Release



AEON CREDIT SERVICE

AEON CREDIT POSTS REVENUE OF RM417.8 MILLION FOR Q3FYE23

The Group's transaction and financing volume increased by 30.3% to RM1.55 billion

KUALA LUMPUR, 21 December 2022 – AEON Credit Service (M) Berhad (“AEON Credit” or the “**Group**”) today announced that it has recorded a revenue growth of 11.0% to RM417.84 million for the third quarter ended 30 November 2022 (“**Q3FYE23**”) as compared to the RM376.47 million recorded in the preceding year corresponding quarter ended 30 November 2021 (“**Q3FYE22**”).

AEON Credit’s transaction and financing volume in Q3FYE23 increased by 30.3% to RM1.55 billion as compared to RM1.19 billion recorded in Q3FYE22 in tandem with strategic marketing campaigns to drive the sales growth and notable progress of digitalisation such as instant approval in principle and embedded more financial application features in Easy Payment as well as enhanced user experience of AEON Wallet to provide inclusive and personalised fintech services in reaching wider pool of customers.

Correspondingly, the gross financing receivables increased by RM987.16 million or 10.3% to RM10.59 billion in Q3FYE23 as compared to RM9.61 billion recorded in Q3FYE22. The Non-Performing Loans (“**NPL**”) ratio was 2.54% in Q3FYE23 as compared to 1.75% in Q3FYE22 while the loan loss coverage ratio stood at 297% as compared to 410% in the preceding year’s corresponding quarter.

For the quarter under review, AEON Credit registered a profit before tax (“**PBT**”) of RM101.58 million compared to RM164.03 million recorded in the preceding year corresponding quarter attributed to the higher impairment losses on financing receivables of RM143.41 million recorded in Q3FYE23 compared to RM33.09 million for the preceding year’s corresponding quarter, partially offset by lower other operating expenses.

On a nine-month financial review basis (“**9MFYE23**”), AEON Credit’s total revenue was higher by 3.9% at RM1.21 billion compared to RM1.16 billion recorded in the preceding year ended 30 November 2021 (“**9MFYE22**”). While the transaction and financing volume in

9MFYE23 surged by 40.6% to RM4.65 billion, as compared to RM3.31 billion recorded in **9MFYE22**.

Prospects

According to Bank Negara Malaysia's forecast, Malaysia's economy is expected to continue to benefit from improving labour market conditions, recovery in tourism related sectors and improving investment activities, supported by the realisation of multi-year projects.

While AEON Credit remains steadfast in its commitment to building on its business sustainability and growth agenda, the Group will also be continuously enhancing its information technology capabilities to drive the digitalisation of its operations for a better customer experience. AEON Credit remains cautiously optimistic about its business revenue returning to pre-pandemic levels despite the expected economic recovery in Malaysia. Furthermore, by leveraging its positive business fundamentals, the Group will continue to closely monitor and assess its financing portfolios' inherent credit risks and ensure that asset quality is enhanced, cost management is prudent, and financial as well as operational efficiencies are improved.

Moving forward, AEON Credit will be embedding sustainable financing into its funding strategies to enhance ESG practices. The Group has recently secured a total of RM500 million Sustainability-Linked Loans ("SLL") to expand its sustainable financing portfolio and carbon emission reduction activities. A sustainability performance metrics in line with the existing policies has been set for assessment purpose. The Group will be integrating the predetermined sustainability-linked targets into the assessment of business and financial performance to receive lower interest rate as an incentive for the achievement of the targets.

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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