

Press Release

For Immediate Release



AEON CREDIT SERVICE

AEON CREDIT REVENUE SURGES BY 16.4% TO RM486.51 MILLION IN Q3FYE24

Underpinned by Stronger Loan and Financing growth

KUALA LUMPUR, 21 December 2023 — AEON Credit Service (M) Berhad (“AEON Credit” or the “Group”) today announced that it has posted a 16.4% growth in revenue with RM486.51 million in third quarter ended 30 November 2023 (“Q3FYE24”), compared to RM417.84 million of the preceding year corresponding quarter ended 30 November 2022 (“Q3FYE23”), driven by stronger loan and financing growth.

This was underpinned by a 17.8% increase in total transaction and financing volume to RM1.82 billion in Q3FYE24 as compared to RM1.55 billion in Q3FYE23. For the quarter under review, AEON Credit registered a profit before tax (“PBT”) of RM111.43 million compared to RM101.58 million recorded in the preceding year's corresponding quarter on the back of higher revenue achieved.

The Group also recorded a profit after tax (“PAT”) of RM85.55 million in Q3FYE24 as compared to RM83.63 million in Q3FYE23.

For the nine-months period ended 30 November 2023 (“9MFYE24”), AEON Credit’s transaction and financing volume was higher by 17.2% at RM5.4 billion as compared to RM4.6 billion recorded in 9MFYE23. While the gross financing receivables increased by RM1.31 billion or 12.4% in 9MFYE24 to RM11.90 billion as compared to RM10.60 billion in 9MFYE23. The Non-Performing Loans (“NPL”) ratio stood at 2.73% as of 30 November 2023.

Profit before tax (“PBT”) for 9MFYE24 registered a decrease of 3.5% to RM402.58 million compared to RM417.17 million of the corresponding period of the previous year mainly attributable to increase of impairment losses on financial receivables of RM455.93 million was recorded in 9MFYE24 as compared to RM330.63 million in 9MFYE23 mainly due to higher reversal of general provision coupled with lower financing receivables recorded in 9MFYE23.

Prospect

Malaysia's economy continues to improve, achieving a 3.3% growth in Gross Domestic Product (GDP) during the third quarter of 2023, surpassing the 2.9% recorded in the preceding quarter. This encouraging momentum is primarily credited to the resilient domestic consumption demand of the country.

Amid a globally challenging landscape, Bank Negara Malaysia projects a continued expansion for the Malaysian economy, forecasting a growth rate of approximately 4.0% in 2023, underpinned by domestic demand, favourable labour market conditions, a surge in tourism activities, and the ongoing progress of key infrastructure projects.

For the remaining of its fiscal year, the Group will remain vigilant through proactively monitoring its asset quality, prudently managing its credit risks in its financing portfolios and its operational cost in tandem with its balanced approach in revenue growth.

In pursuit of the Group's long-term growth sustainability and its firm commitment in delivering value to its shareholders and stakeholders, the Group shall remain steadfast in its strategic pursuit of future proofing its business through its on-going digitalisation initiatives of its operation and processes to improve its efficiency, productivity and enhance customers' experience. The Group had launched the digital onboarding for instant conditional approval backed by e-KYC solutions and scoring models to acquire good score customers strategically. The introduction of e-signature for personal financing has also enabled end-to-end digital onboarding, where the turnaround time has been improved and leading to an increase in online application.

Besides that, the Group is leveraging on the AI-based credit scoring service to optimise and enhance application process to improve the approval ratio as well as adopting a risk-based collection approach that focus on high-risk customers to improve the productivity and collection performance.

Barring any unforeseen circumstances, the Group expects to maintain its financial performance throughout the remainder of the financial year ending 29 February 2024.

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 the purchase of consumer durables through appointed retail merchants and chain stores.

At the end of September 2021, AEON Credit completed the acquisition of 100% equity interest in an insurance broking firm, AEON Insurance Brokers (M) Sdn. Bhd. (formerly known as 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 the AEON Group Retail network and ecosystem.

Today, the business of the Group has expanded to include the issuance of Credit Cards and Prepaid Cards, the provision of the AEON Wallet app, Easy Payment schemes, Hire Purchase Financing for Motor Vehicles, Personal Financing schemes, insurance brokerage, and other related services. The Group currently has five Regional Offices, 63 branches and service centres located in the major shopping centres and towns, a network of more than 8,100 participating merchant outlets nationwide, as well as a subsidiary company in Kuala Lumpur.

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

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