

Press Release

For Immediate Release



AEON CREDIT SERVICE

AEON CREDIT ENDS FYE2024 WITH REVENUE GROWTH OF 16.6%

The Group declares a final single-tier dividend of 14.00 sen per share in respect of FYE24

KUALA LUMPUR, 8 April 2024 – AEON Credit Service (M) Berhad (“AEON Credit” or “the Group”) today announced a notable revenue growth of 16.6% to RM1.91 billion for the financial year ended 29 February 2024 (“FYE24”), as compared to RM1.64 billion recorded in the preceding year ended 28 February 2023 (“FYE23”). This increase was due to higher transaction and financing volume, which grew by 16.9% to RM7.30 billion year-on-year (“YoY”).

Both Profit Before Tax (“PBT”) and Profit After Tax (“PAT”) grew to RM565.17 million and RM424.02 million respectively, translating to earnings per share (“EPS”) at 81.08 sen with a return on average equity (“ROE”) of 16.7%. The strong performance was underpinned by robust revenue growth with solid receivable growth across key products. However, this was partially offset by higher impairment losses on financing receivables that reflected an increase of RM122.08 million, along with increased other operating expenses in line with higher sales and revenue generated costs.

Accordingly, the Board has recommended the payment of a final single-tier dividend of 14 sen per share to be paid on 25 July 2024, subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on a date that shall be announced later. Total dividend payable for FYE24 amounted to RM144.25 million compared to last year RM126.38 million, marking a 14.1% increase with a payout ratio of 34.0%.

The Group’s gross financing receivables increased by 12.9% to RM12.23 billion YoY driven by strong demand across our products offered. The launch of a pre-assessment and digital onboarding processes that is backed by an AI-based scoring model to improve decision-making accuracy and provide seamless onboarding experience contributed to this growth. Testament to the Group’s strong asset recovery efforts and implementation of risk-based collection strategy, Non-Performing Loans (“NPL”) ratio reduced to 2.57% in FYE24 as compared to 2.89% in FYE23.

For the fourth quarter (“**Q4FYE24**”) under review, the Group’s transaction and financing volume registered an increase of 15.9% to RM1.85 billion as compared to RM1.60 billion recorded in the preceding financial year’s corresponding quarter ended 28 February 2023 (“**Q4FYE23**”). This was primarily driven by vehicle financing, personal financing and payment business, which were also supported by our strategic festive season marketing campaigns. The expansion of our acquisition channels including the set up of physical booth and online channels contributed further to the increase in transaction and financing volume.

PBT for Q4FYE24 increased by 25.3% to RM162.60 million as compared to RM129.81 million in Q4FYE23, while PAT rose by 24.7% to RM118.92 million as compared to RM95.34 million recorded in the preceding year’s corresponding quarter.

Prospects

Malaysia’s Gross Domestic Product expanded by 3.0% in the fourth quarter of 2023 as compared to 3.3% in the third quarter of 2023, with exports remaining subdued over the quarter due to prolonged weakness in external demand. Bank Negara Malaysia had forecasted the Malaysian economy to grow between 4% to 5% in 2024, driven by resilient domestic expenditure and improvement in external demand.

Nevertheless, the Group remains cautious in view of rising geopolitical tension, inflationary pressures and prevailing volatility in the global financial markets. The Group will continue to be prudent, placing emphasis on growing quality asset while accessing the inherent credit risks within its financial portfolios.

Moving forward into the financial year ending 28 February 2025 (“**FYE25**”), the Group will prioritize completing its digital onboarding process for credit card and launching a new mobile app to transform customer acquisition and experience. This would be in line with our purpose of “**Bringing Finance Closer to Everyone**”. Additionally, AEON Credit is also looking forward to the phased rollout of the digital Islamic bank in the first half of this year, which will further expand our AEON Living Zone to bolster financial inclusivity. The *AEON Living Zone*, an eco-system built on the AEON Group of Companies in Malaysia, aims to provide comprehensive lifestyle and financial services solutions to the local community while also fostering app-based customer acquisition.

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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, 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 on the AEON Group Retail network and ecosystem. In December 2023, AEON Credit joint venture with AEON Financial Service Co., Ltd. to undertake the business of a digital Islamic bank through AEON Bank (M) Berhad (formerly known as ACS Digital Berhad) (“AEON Bank”). With Bank Negara Malaysia’s approval, AEON Bank has commenced its operations on 15 January 2024.

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, 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 one subsidiary company and one associated company in Kuala Lumpur.

Issued by Acendus Communications Sdn Bhd on behalf of AEON Credit Service (M) Berhad

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