

Press Release



AEON CREDIT SERVICE

For Immediate Release

AEON CREDIT Q1FYE25 REVENUE INCREASED BY 15.4%

KUALA LUMPUR, 10 July 2023 – AEON Credit Service (M) Berhad (“AEON Credit” or “the Group”) today announced that it had recorded a revenue growth of 15.4% to RM522.26 million for the first quarter ended 31 May 2024 (“Q1FYE25”), compared to RM452.67 million recorded in the preceding year’s corresponding quarter ended 31 May 2023 (“Q1FYE24”), driven by robust growth in loans and financing.

AEON Credit’s transaction and financing volume for Q1FYE25 rose by 7.8% to RM1.98 billion as compared to RM1.83 billion recorded in Q1FYE24, driven by increased demand in Payment Business and Vehicle Financing due to strong market demand and effective strategic marketing campaigns.

Correspondingly, the gross financing receivables increased by 12.8% to RM12.65 billion in Q1FYE25 from the RM11.22 billion recorded in Q1FYE24. The Group remains focused on portfolio management and digitalising the onboarding process, resulting in improved asset quality. Non-Performing Loans (“NPL”) ratio reduced to 2.46% in Q1FYE25 as compared to 3.13% in Q1FYE24. The loan loss coverage ratio stood at 222%, compared to 227% in the corresponding quarter last year.

AEON Credit registered both profit before tax (“PBT”) and profit after tax (“PAT”) of RM144.83 million and RM106.41 million respectively for the quarter under review, an increase of 9.8% and 7.1% as compared to Q1FYE24 respectively. The growth was driven by strong revenue expansion, partially offset by higher impairment losses on financing receivables and operating expenses.

Prospects

Malaysia's Gross Domestic Product increased by 4.2% in the first quarter of 2024 compared to 3.0% in the fourth quarter of 2023, driven by resilient domestic expenditure with additional support from the recovery in external demand. Bank Negara Malaysia forecasted the Malaysian economy to grow between 4% to 5% in 2024, driven by continued expansion in domestic expenditure and improvement in external demand.

Moving forward, the Group will remain vigilant in view of external headwinds, including existing geopolitical tensions, inflationary pressures, and ongoing volatility in the global financial markets. The Group will also continue to be prudent regarding operational costs management while maintaining its focus on managing credit risks within its financial portfolios.

To meet the evolving customer demands and continue to enhance seamless customer experiences, AEON Credit has unveiled its upgraded version of AEON Wallet app on 10 July 2024, with features upgrade being rolled out in phases. The AEON Wallet app aims to promote digital financing applications and allow customers to digitally register their membership with a proprietary wallet account that includes a point collection feature. Additionally, to penetrate to middle group income customers and improve customer quality, AEON Credit plans to launch its first two integrated branch operations with premium lounge at Setia City Mall and IOI City Mall respectively. These branches are designed to provide seamless access to exclusive services within a welcoming environment for its esteemed customers.

Furthermore, the grand launch of its associate company, AEON Bank (M) Berhad, on 26 May 2024, aims to strengthen the Group's financial inclusivity. These initiatives are geared towards supporting the development of AEON Living Zone, an ecosystem built within AEON Group of Companies designed to provide comprehensive lifestyle and financial services solutions to the community, which is in line with Group's purpose in bringing finance closer to everyone.

Barring any unforeseen circumstances, the Group is optimistic that it will be able to maintain its business momentum by implementing appropriate measures for FYE2025.

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

In 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 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”). On 26 May 2024, AEON Bank has officially launched, marking its as Malaysia’s first Islamic digital bank.

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 7,700 participating merchant outlets nationwide, as well as one subsidiary company and one associated company in Kuala Lumpur.

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

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