



AEON CREDIT SERVICE

Q2 FYE25 Financial Results

26 September 2024

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KEY HIGHLIGHTS

Economic Outlook and Our Strategy



Malaysia GDP
5.9% 2Q24



Inflation Rate
1.9% 2Q24



Unemployment Rate
3.3% Jul24



Ringgit appreciated
against US dollar

Q2FYE25 Progress

Sales & Receivables



- Enhance Vehicle Financing scheme for premium brand models to drive quality receivables acquisition
- Payment Business focus on middle-income group customers through digital marketing and AEON Group collaboration campaigns
- Continually to drive digital onboarding awareness and sales from digital channels for Personal Financing

Credit Assessment



- Enhancing credit assessment process via AEON FinPlus membership auto approval ensuring seamless customer experience
- Enhance portfolio management and refine credit criteria for low performance products
- Establish e-KYC utilisation strategy to improve the take-up rate

Credit Cost Management








- Continual enhancement of staff productivity through training program to ensure staff are fully equip with necessary skills and knowledge

Note: AEON FinPlus membership categorised member to tiers based on customer historical usage to promote cross selling and auto approval

Q2FYE25 Overview of Financial & Key Products

Robust revenue growth supported by strong loan growth; lower PAT attributed by higher operating expenses

 Total Revenue RM541.4 MIL +14.8% YoY	 Operating Profit RM119.9 MIL -24.7% YoY	 Profit After Tax RM71.2 MIL -40.8% YoY	 ROE 13.3% -4.5% YoY	 Total Loan Growth +14.1% YoY
Result before sharing associate losses *		RM89.9 MIL	15.3%	

Transaction & Financing Volume

RM1,016 MIL ↑ 26.2% vs. Q2FYE24 Easy Payment	RM580 MIL ↑ 19.6% vs. Q2FYE24 Payment Business	RM562 MIL ↑ 12.5% vs. Q2FYE24 Personal Financing
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Note: * Excluding share of result of associate losses of RM 18.7 mil.

Q2FYE25 Focus Area: Vehicle Financing

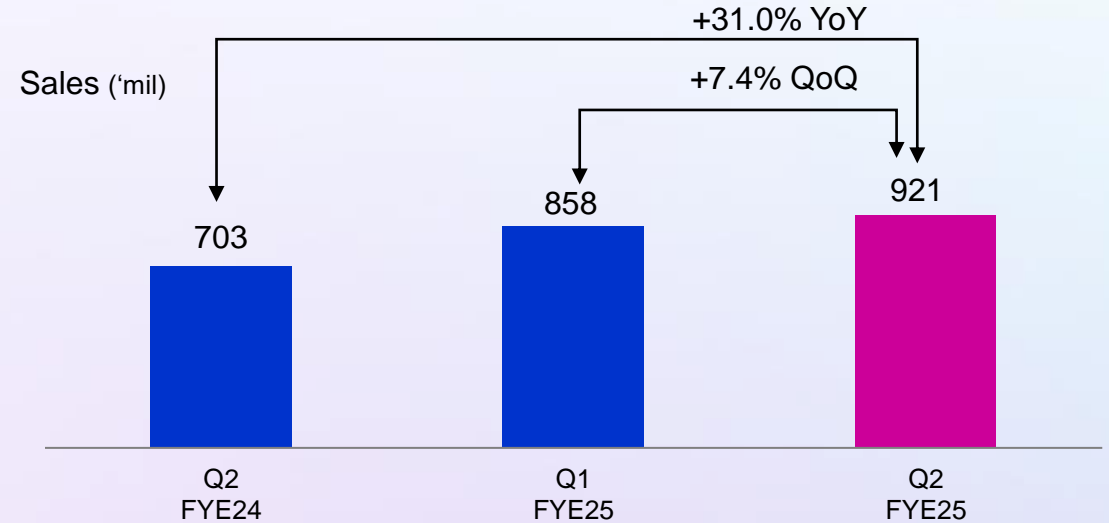
Growth in Vehicle Financing underpinned by effective growth strategies

Vehicle Financing

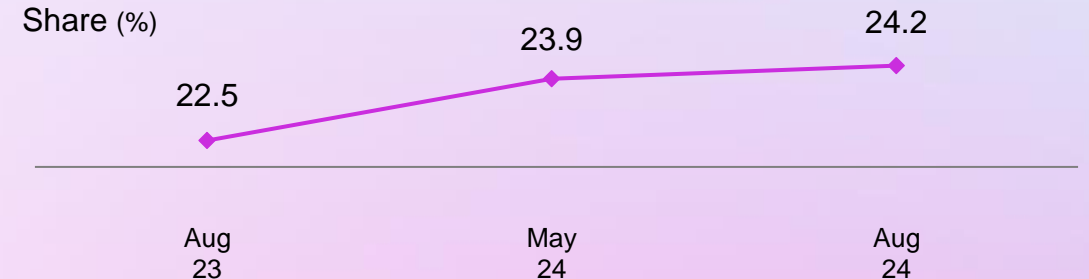


- Improve e-KYC adoption rate via incentive campaigns for merchants
- Scheme enhancement for Vehicle Financing to drive quality receivables
- Focusing aggressive sales growth in superbike and scooter bike segment

Vehicle Financing sales increased to RM921.0 mil in Q2FYE25



Motorcycle Financing market share maintain its leading position



Q2FYE25 Focus Area: Personal Financing

Continual Personal Financing growth through improved productivity of overall channels



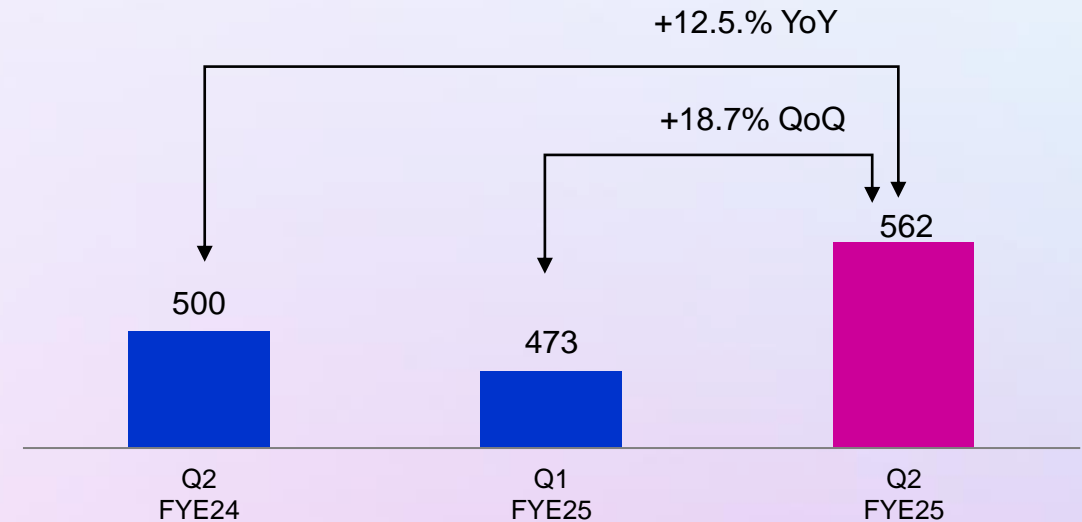
Personal Financing



- To increase Personal Financing sales and acquire new customer base via online aggregator platform
- Focus on sales recovery process through diversify of product portfolio
- Improve ticket size and approval ratio of selected customer base

Personal Financing sales increased to 562K in Q2FYE25

Sales ('mil)



Q2FYE25 Focus Area: Payment Business

Payment Business sales growth expansion through card rebranding



Card Privilege Revamp



Every 20th and 28th
of the month

Up to **4X** points
On daily spending in AEON

- Credit card in circulation (CIC) grew by 5.3% QoQ, driven by revamped credit card features and collaboration campaigns with AEON Group
- Launch of virtual card on AEON Wallet on 20 Aug 24 with quick card activation and usage, designed exclusively for online transactions. As of 31 Aug 24, 7.4k virtual card have been issued
- Exclusive Lounge access for Platinum card member and entitled AMP member to enhance AEON Living zone membership services

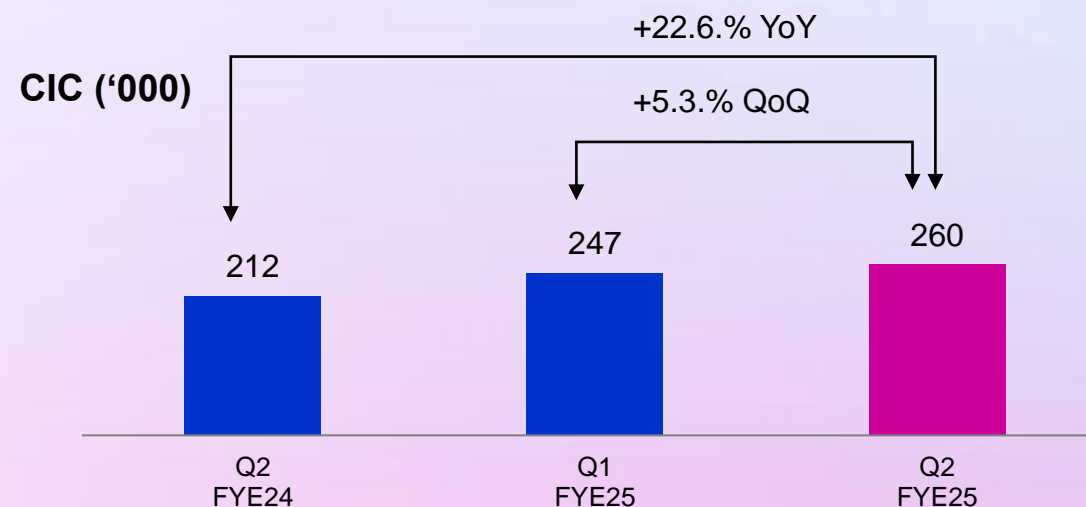
AEON Lounge



Virtual Card



Credit card in circulation grew by 22.6% YoY





FINANCIAL REVIEW

Financial Performance

Strong sales growth driven by effective marketing strategies



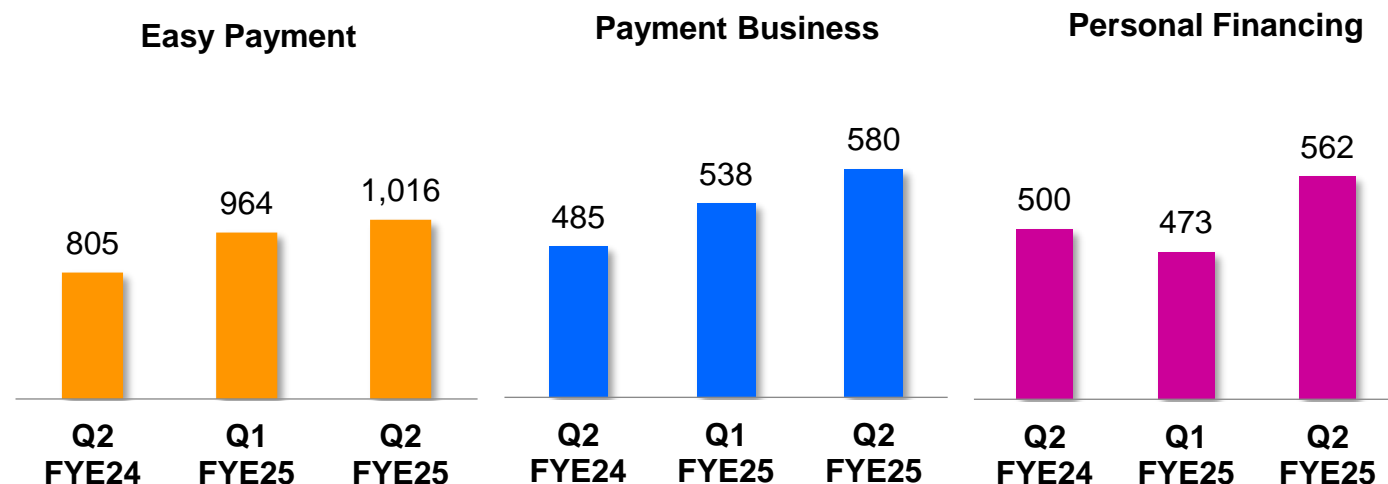
		Q2FYE24	Q2FYE25	Q2 QoQ	Q2 YoY	1HFYE24	1HFYE25	1H YoY
Profitability	Total Income	521.2M	593.5M	+0.6%	+13.9%	1,023.1M	1,183.3M	+15.7%
	Operating Expenses	275.2M	368.8M	+11.2%	+34.0%	560.4M	700.4M	+25.0%
	Impairment Loss	120.6M	193.6M	+18.4%	+60.5%	273.1M	357.1M	+30.7%
	Operating Profit	159.2M	119.9M	-12.4%	-24.7%	291.1M	276.3M	-5.1%
	PBT	159.2M	101.1M	-30.2%	-36.5%	291.1M	246.0M	-15.5%
	PAT	120.2M	71.2M	-33.1%	-40.8%	219.6M	177.6M	-19.1%
	ROE	17.8%	13.3%	-2.6%	-4.5%	17.8%	13.3%	-4.5%
Asset Quality	Transaction & Financing Volume	1.8B	2.2B	+9.3%	+20.6%	3.6B	4.1B	+14.1%
	Gross Financing Receivables	11.6B	13.2B	+4.3%	+14.1%	11.6B	13.2B	+14.1%
	Loan Loss Coverage Ratio	219%	230%	+8.0%	+11.0%	219%	230%	+11.0%
	Non-Performing Loan (NPL)	2.98%	2.37%	-0.1%	-0.6%	2.98%	2.37%	-0.6%
	Net Credit Cost (NCC)	3.23%	3.82%	+0.6%	+0.6%	3.23%	3.82%	+0.6%

Total Transaction & Financing Volume

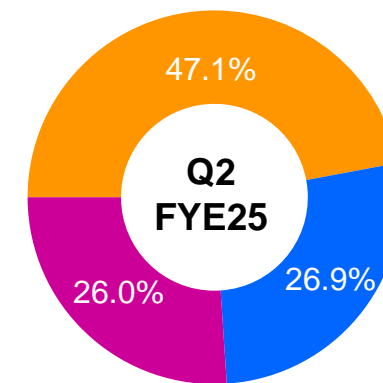
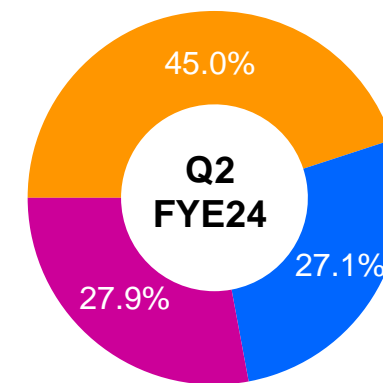
Notable growth in overall volume lead by Personal Financing 18.7% QoQ growth



Total Transaction & Financing Volume (RM mil)



Transaction & Volume by Types



Volume (RM mil)	Q2 FYE24	Q1 FYE25	Q2 FYE25	QoQ	YoY
Easy Payment	805	964	1,016	5.4%	26.2%
Payment Business	485	538	580	8.0%	19.6%
Personal Financing	500	473	562	18.7%	12.5%
Total	1,790	1,975	2,158	9.3%	20.6%

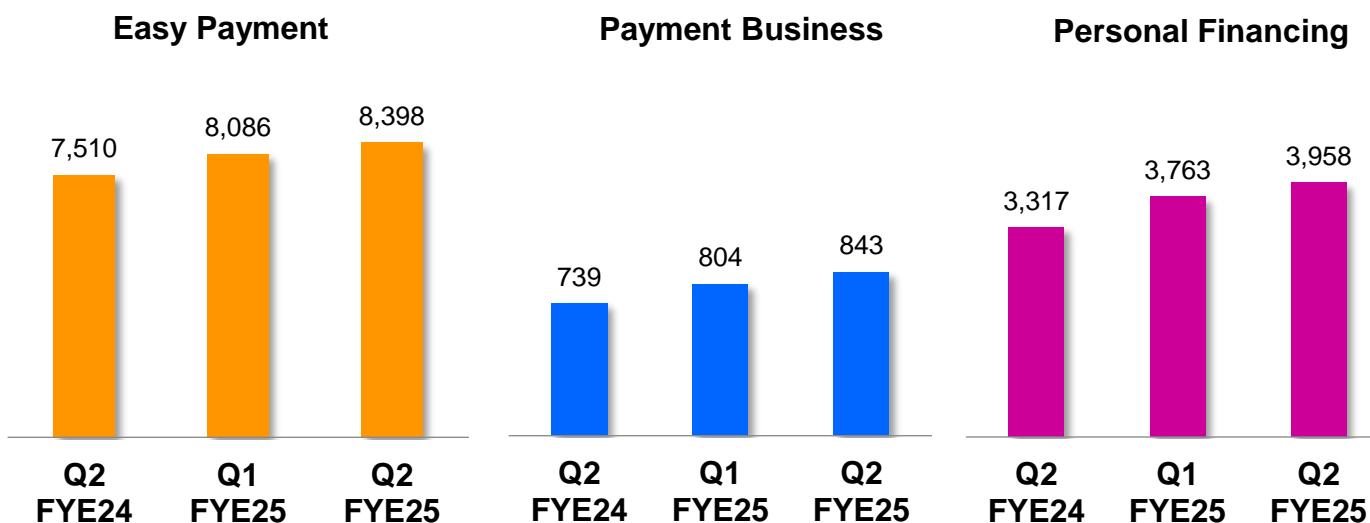
- Motorcycle Financing and Auto Financing increased QoQ by 7.1% and 7.7% respectively due to strong market demand and driven by effective merchant engagement
- Payment Business increased by 8.0% QoQ due to increase in daily sales and average spending attributed by the increase of CIC base
- Improving Objective Financing by intensifying marketing collaboration with key accounts and product model diversification
- Personal Financing achieved 18.7% QoQ growth driven incentive campaigns

Total Gross Financing Receivables

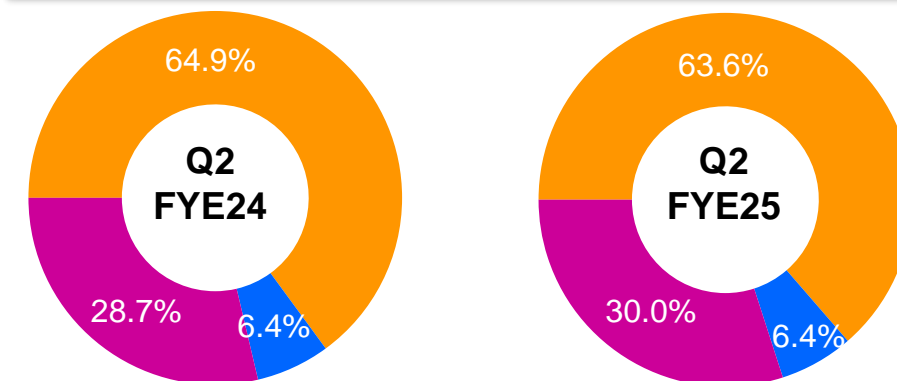
Stronger loan growth across all key products



Gross Financing Receivables (RM mil)



Gross Financing Receivables by Types

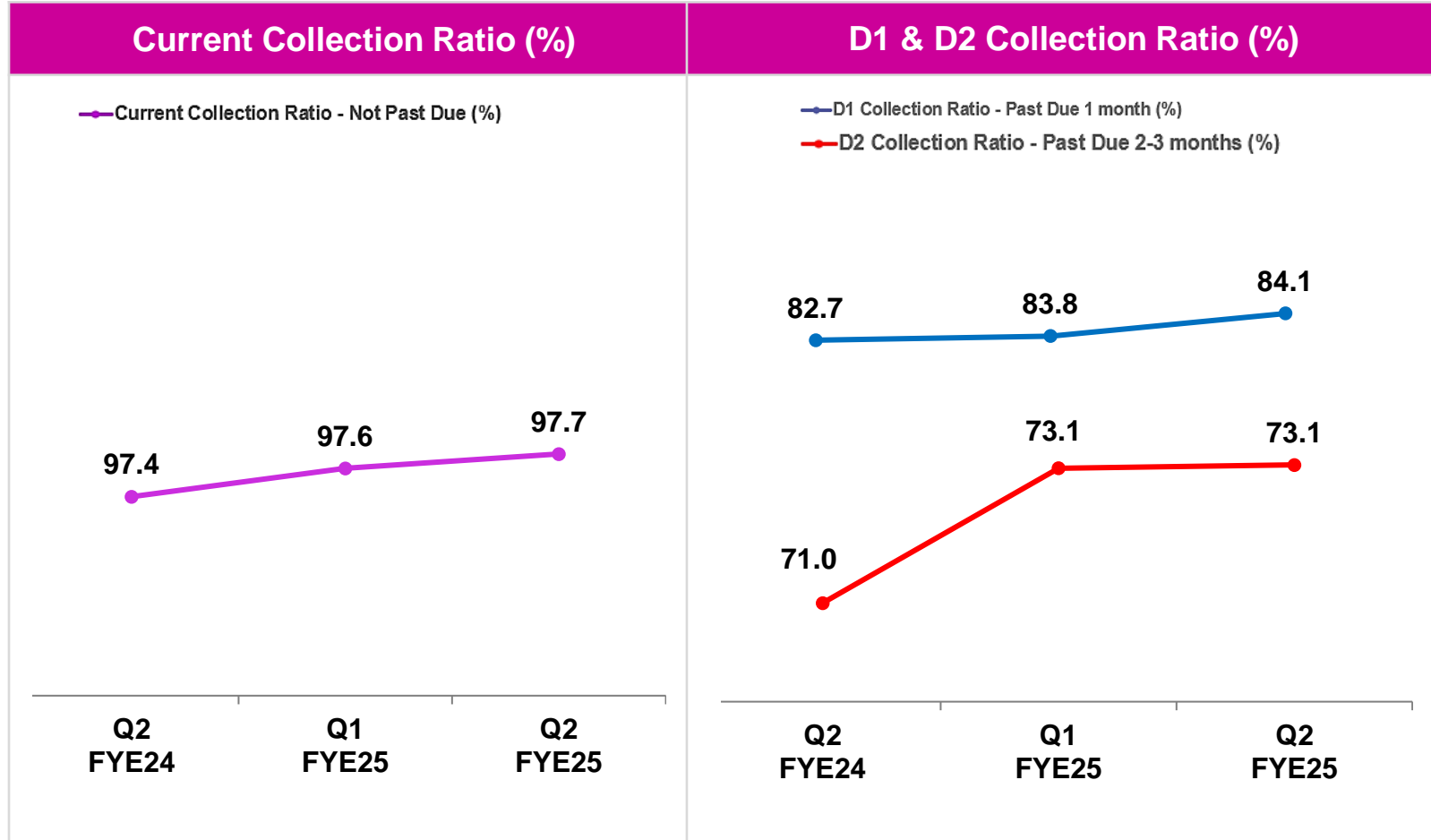


Volume (RM mil)	Q2 FYE24	Q1 FYE25	Q2 FYE25	QoQ	YoY
Easy Payment	7,510	8,086	8,398	3.9%	11.8%
Payment Business	739	804	843	4.8%	14.1%
Personal Financing	3,317	3,763	3,958	5.2%	19.3%
Total	11,566	12,653	13,199	4.3%	14.1%

- Gross Financing Receivables increased by 4.3% QoQ and 14.1% YoY to RM13.2 bil with growth across all products except Objective and SME Financing
- Auto Financing grew by 5.8% QoQ supported by effective merchant engagement and efficient sales claim follow up. We will continuously target quality receivables through acquisition of M40 segment and further drive online and offline branding awareness
- Personal Financing grew by 5.2% QoQ attributed to productivity improvement and effective digital advertising for product awareness

Receivables Collection

Sequential continual improvement in collection performance

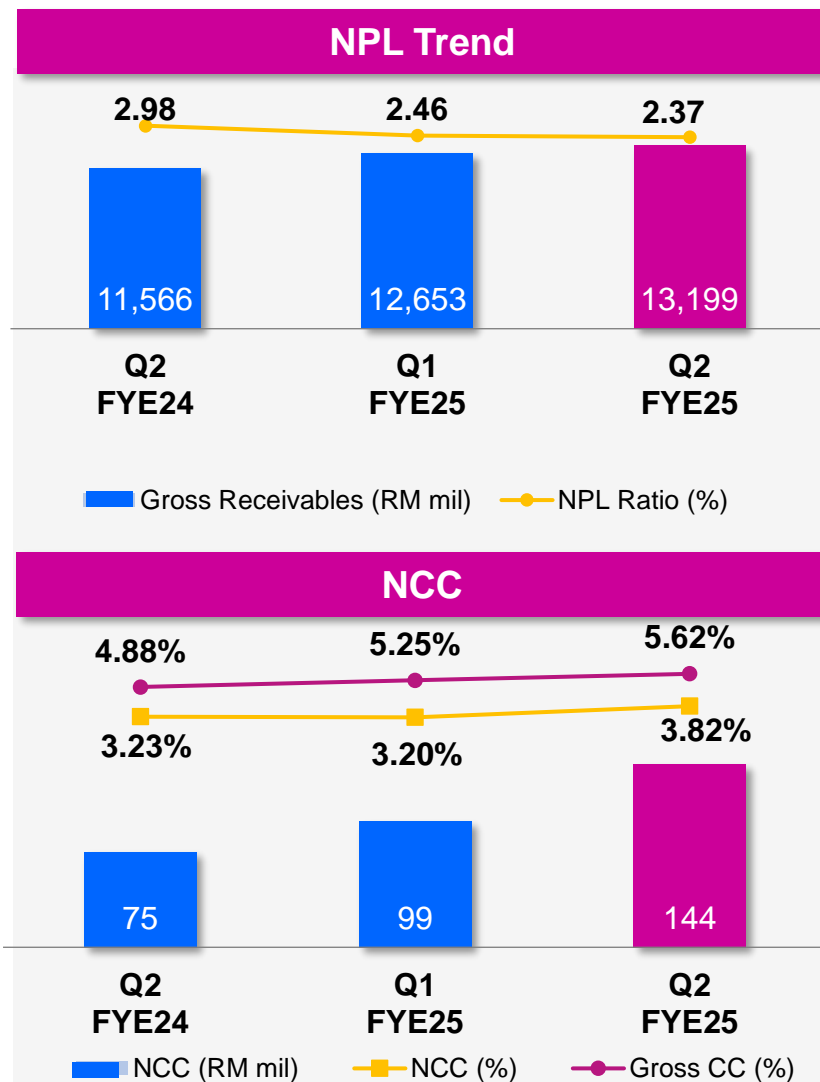


Collection performance continues to improve QoQ due to:

- Implementation new staff incentive schemes and task force set up to optimise collection activities and improved manpower efficiency
- Continue risk-based collection approach and focus on high-risk customer group
- Strengthen field visit effectiveness and improve credit assessment
- Recruit additional collection agencies and improvement in agency management by introducing tiered incentive programme

Non-Performing Loan (NPL) and Net Credit Cost (NCC)

Continuous prudent approach on provisioning



(RM mil)	Q2 FYE24	Q1 FYE25	Q2 FYE25
Receivables	11,566	12,653	13,199
Balance D3+	345	312	313
NPL (%)	2.98	2.46	2.37

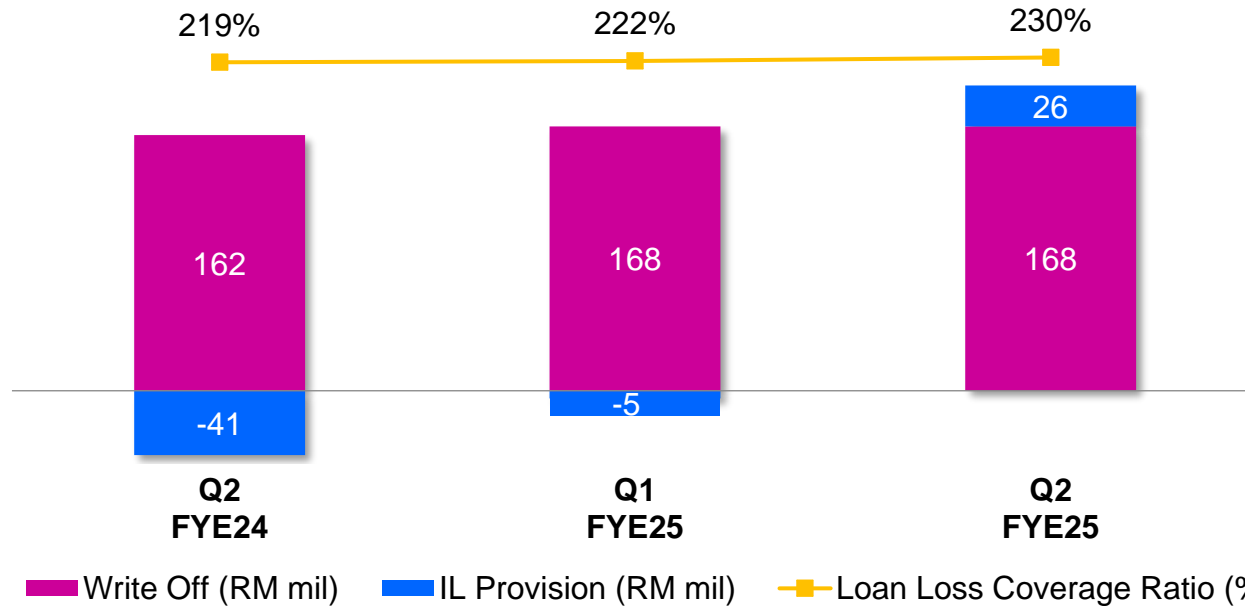
Lower QoQ for NPL and higher NCC:

- Continuous monitoring on credit tightening policies and review on poor performing segments
- Provide appropriate training to strengthen credit judgment skills in order to improve the accuracy of assessment
- Enhance credit assessment experience through AEON FinPlus membership auto approval process to enhance customer experience

(RM mil)	Q2 FYE24	Q1 FYE25	Q2 FYE25
Total Impairment Loss (IL)	121	163	194
(-) Bad Debt Recovered	46	64	50
NCC	75	99	144

Impairment Loss (IL) Analysis

Loan Loss Coverage Ratio continues to remain healthy



Expected Credit Loss (ECL) provision attributed by:

- Bad debt written off mainly contributed by Motorcycle Financing and Personal Financing from the younger age group
- Actions have been taken to improve the credit assessment accuracy including mandatory e-KYC and enhancement of merchant management framework

(RM mil)	Q2 FYE24	Q1 FYE25	Q2 FYE25	QoQ RM mil	QoQ
Write Off	162	168	168	-	-
IL Provision	-41	-5	26	31	- >100.0%
Total IL	121	163	194	31	18.4%

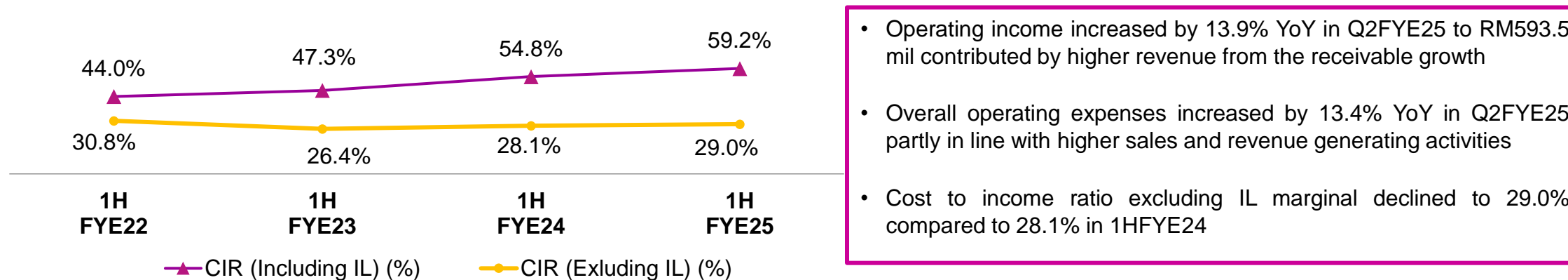
Cost-to-Income Ratio (CIR)

Sustained diligence in managing operation costs



RM mil	Q2 FYE24	Q2 FYE25	YoY	1H FYE24	1H FYE25	YoY
Total Operating Income	521.2	593.5	13.9%	1,023.1	1,183.3	15.7%
Personnel Expenses	63.3	71.6	13.2%	116.2	135.8	16.8%
Advertisement & Promotion	8.6	13.2	54.1%	18.3	28.5	56.1%
Other Operating Expenses	82.7	90.4	9.2%	152.8	179.0	17.2%
Total Operating Expenses	154.6	175.2	13.4%	287.3	343.3	19.5%
CIR %	29.7%	29.5%	-	28.1%	29.0%	-

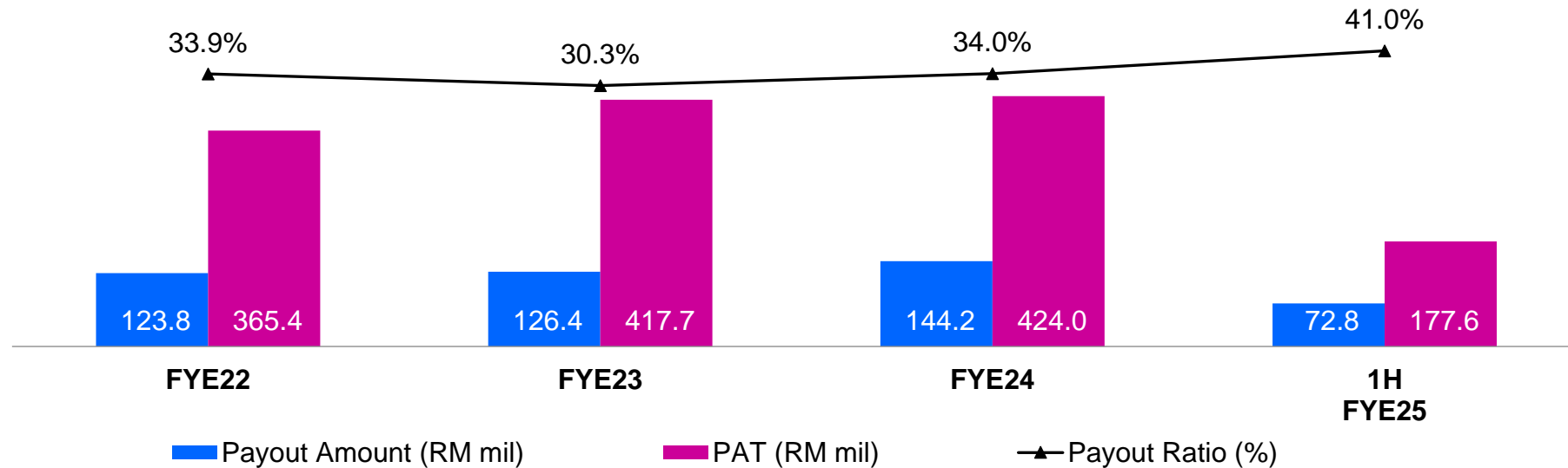
CIR Trend



Dividend

Declared interim dividend of 14.25 sen for 1HFYE25

Historical Dividend Data



Sen	FYE22	FYE23	FYE24	1H FYE25
Interim	28.50	28.50	** 14.25	14.25
Final	15.00	21.00	14.00	-
Special	*5.00	-	-	-
Total	48.50	49.50	28.25	14.25

* Declared special dividend in conjunction with AEON Credit's 25th Anniversary celebration

** Adjusted to reflect the bonus issue of 1 bonus share for every existing 1 share which was completed on 21 Nov 23

KEY STRATEGIES AND MOVING FORWARD

FYE25 Indicators

Continual delivery of sustainable returns to shareholders



	Indicators FYE25	Actual 1HFYE25	Remark
Loan Growth	±10%	14.1%	<ul style="list-style-type: none"> Robust loan growth driven by strong market demand for Vehicle Financing and Personal Financing
Cost-to-Income (exclude IL)	< 30%	29.0%	<ul style="list-style-type: none"> CIR grew aligned with sales and business expansion Continuing prudent cost management
ROE	±13%*	13.3%	<ul style="list-style-type: none"> Annualised PAT translating to ROE of 13.3%
Dividend Payout Ratio	> 30% of PAT	41.0%	<ul style="list-style-type: none"> Declared interim dividend of 14.25 sen

* Incorporating proportionate share of AEON Bank results for FYE25

Strategic Roadmap For FYE25

Expanding brand visibility & bringing “Finance” closer to everyone



Key Business Strategy Focus in FYE25

Building an Ecosystem & AEON Living Zone

- Integration of financial services into a new App
- Consolidate all AEON members onto one platform

Advancement in Assessment Process

- Enhancing customer experience via automated assessment process
- Implementation of new collection system

Strengthen Business Capacity

- Exploring new revenue stream for future growth

Talent Development and ESG initiatives

- Embed sustainability into business model
- Talent development to support business transformation

Our Expectation and Indicators

Be a comprehensive retail financial company

Strengthen organisational capacity for further growth

Expand customers base to middle-income segment

Become a leading ESG Company

Q2FYE25 Business Strategy Update




“Malaysian Essential Lifestyle App” for seamless shopping and financing solutions

AEON Living Zone




- To integrate financial services and retail function in one application, to support a broader range of financial service
- Conversion of AEON Wallet to AEON Group membership app via common ID and loyalty programme
- To improve customer retention and increase membership acquisition

- 1 Become AEON Point Member
 - No AMP card required to register as AEON Point Member
- 2 Pre-approval credit limit via App
 - Customer can get pre-approval credit limit via app
- 3 Onboarding Via app
 - Personal Financing and Credit Card customer onboarding via app

 **1.7M**

AEON Wallet
App Users

 **2.7M**

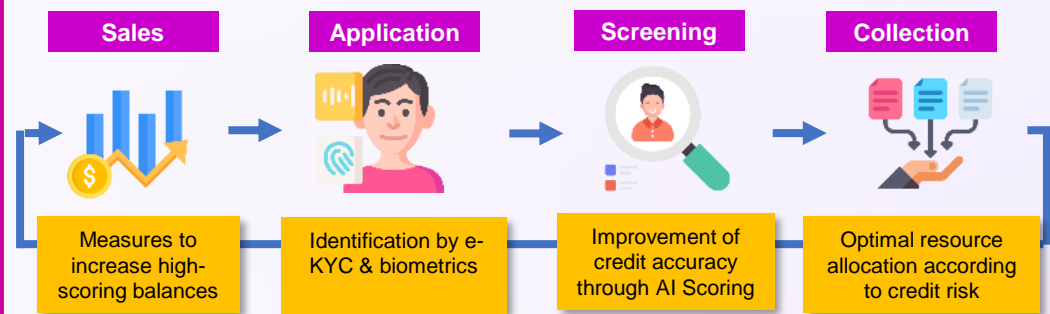
AMP
membership

Q2FYE25 Business Strategy Update

Accelerating automation to enhance customers' digital experience

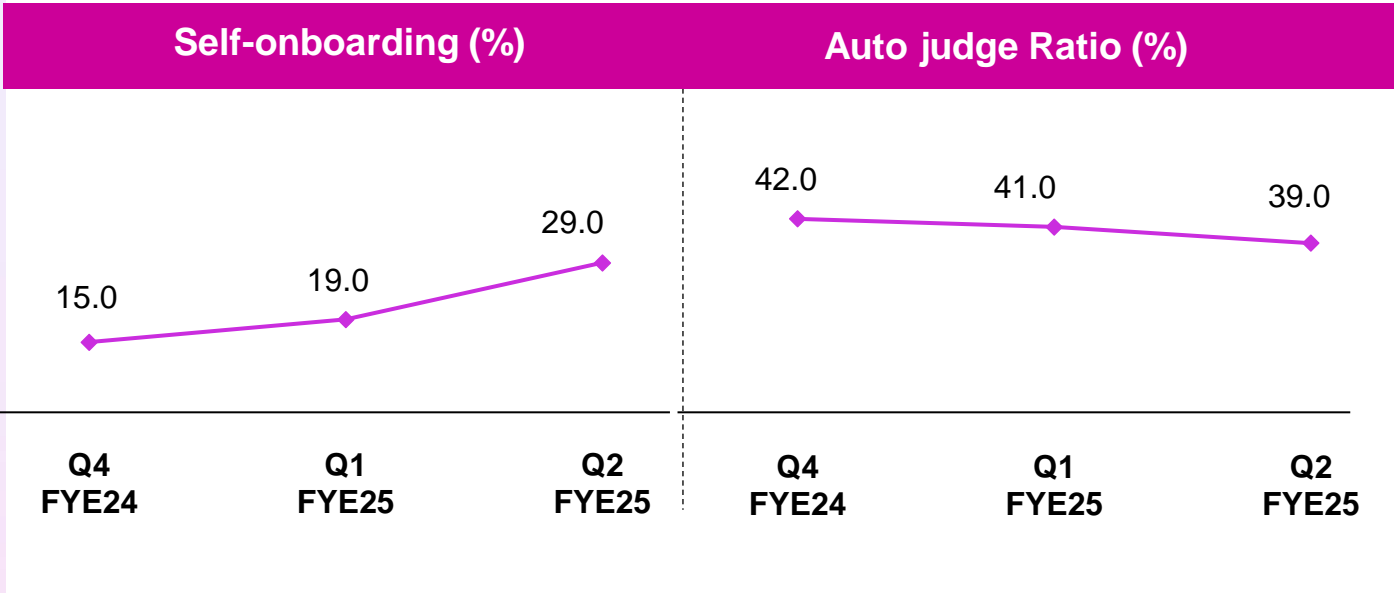


Advancement in Assessment and collection to drive Productivity Improvement



- Introduce AEON FinPlus membership for existing customer to promote cross selling and drive auto-approval ratio
- Continuously automate onboarding process and credit criteria adjustment to improve productivity and asset quality

- Launch of Credit Card digital onboarding with pre-assessment with e-KYC
- Turnaround time 15 minutes stood at 33.0% by constant review on auto judgement criteria
- Auto judgement declined in Q2FYE25 resulted from non e-KYC applications, to continue drive the usage of e-KYC



Sustainability Focus

Sustainability Progress in Q2FYE25





AEON Credit has been honoured with the prestigious “Outstanding Community Engagement Award” at the Sustainability and CSR Malaysia Awards 2024

<div><h3>Environmental</h3><h4>Greenhouse Gas (GHG) Inventory</h4><p>Target 25% carbon emission reduction for combined Scope 1 and Scope 2</p></div>	<div><h3>Economy</h3><h4>Social and Green Financing</h4><p>We are progressing toward our goals in meeting our target of RM20 million for social and green financing</p></div>	<div><h3>Social</h3><h4>Financial Inclusion</h4><p>Establish Financial Inclusion Framework and 3-Year Implementation Roadmap</p></div>	<div><h3>Governance</h3><h4>Task Force on Climate – Related Financial Disclosures</h4><p>Establish TCFD Framework and engage third party assurance service on sustainability reporting</p></div>
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Q2FYE2025 Progress			
Collected primary data for GHG Scope 3 emissions for business travel & employee commuting and started with carbon accounting	Current progress is RM15 mil for social and green financing	Establishment of definition of underserved segment and formalise underserved population for AEON Credit Financial Inclusion Strategy	Develop climate governance for Board of Directors with a view to enabling directors to gain climate awareness and skills, and embed climate considerations into board-decision making

Corporate Social Responsibilities Key Activities in Q2FYE25

Strengthening communities through active socially impactful initiatives and outreach

Malaysian AEON Foundation



PREPARATION FOR MONSOON SEASON UNDER MAF AEON BANTU INITIATIVE

Preparation 1,100 homeware boxes for the upcoming year end monsoon season and donation aid to natural calamity victims in Peninsular Malaysia



MAF AEON CHARITY RUN 2024

Charity fund-raising of RM1.0mil to 10 Government Hospitals for low-income families with medical assistance and care



AEON Credit Financial Literacy Programme



AEON FINANCIAL SAVVY PROGRAMME WITH SCHOOL TEACHERS UNDER MAF AEON SMART CLASSROOM PROGRAMME

Annual awareness session on online scam, children predators, takaful and digital banking safety to 30 school teachers with the aim of promoting financial literacy to communities in Malaysia



FYE25 Strategic Initiatives for Personal and Business Banking

- On 1 Aug 24, the Company subscribed for 100 mil new ordinary shares at RM1.00 each in AEON Bank, raising its shareholding from 175 mil to 275 mil shares, while maintaining a 50% equity interest.
- This additional subscription supports AEON Bank's operating and capital expenditures and helps meet Bank Negara Malaysia's minimum capital requirements.



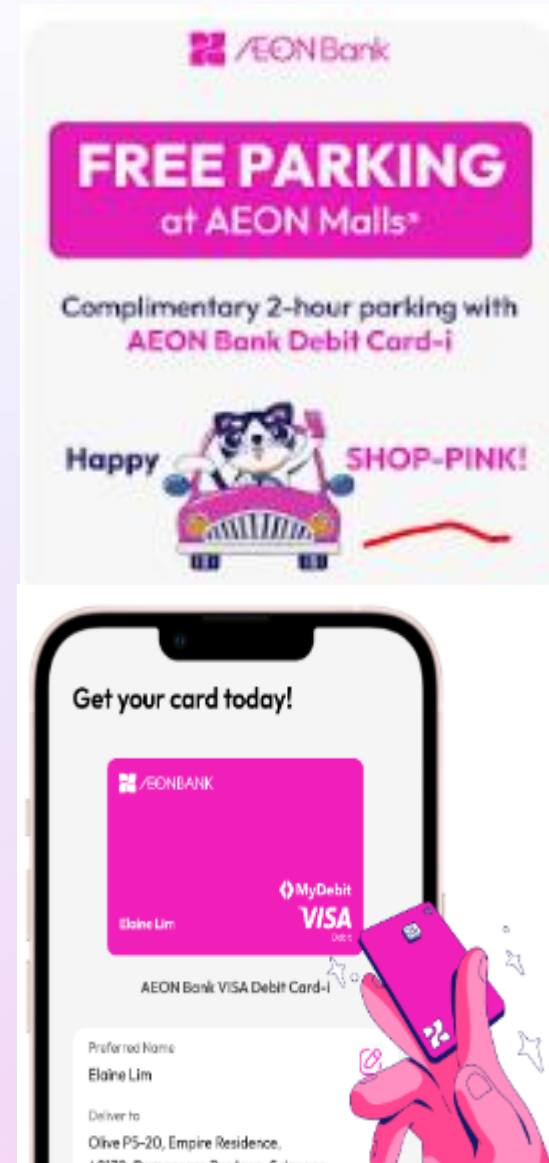
Additional Features:

- Two hours of free parking at AEON Malls
- Waiver 1% service fee for overseas transactions and RM5 processing fee for internal cash withdrawals



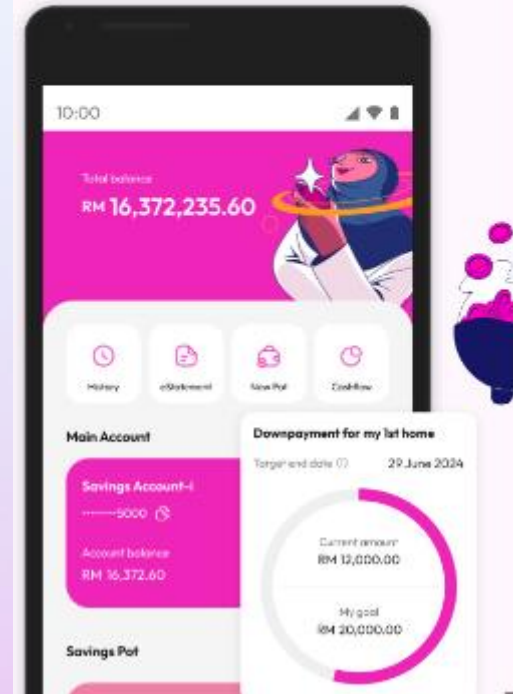
Campaigns Promotion:

- 3.00% p.a. for savings pots
- 0.88% p.a. for Savings Account
- 1,000 sign-up AEON points



Earn profit on your savings

With our Shariah-compliant savings account



APPENDICES

Performance Highlights

(RM mil)	Q2 FYE24	Q1 FYE25	Q2 FYE25	QoQ	YoY	1H FYE24	1H FYE25	YoY
Total Transaction & Financing Volume	1,789.9	1,975.0	2,158.0	9.3%	20.6%	3,622.2	4,133.0	14.1%
Easy Payment Financing	804.9	963.9	1,015.5	5.4%	26.2%	1,661.6	1,979.3	19.1%
Payment Business	485.2	537.6	580.3	8.0%	19.6%	967.8	1,118.0	15.5%
Personal Financing	499.8	473.5	562.2	18.7%	12.5%	992.8	1,035.7	4.3%
Total Income	521.2	589.8	593.5	0.6%	13.9%	1,023.1	1,183.3	15.7%
Operating Expenses	-275.2	-331.6	-368.8	11.2%	34.0%	-560.4	-700.4	25.0%
Interest Expenses	-86.8	-101.8	-104.8	2.9%	20.7%	-171.5	-206.6	20.4%
Operating Profit	159.2	156.4	119.9	-23.3%	-24.7%	291.1	276.3	-5.1%
Share of Result of Associate	-	-11.6	-18.7	61.6%	100.0%	-	-30.3	100.0%
Profit Before Tax	159.2	144.8	101.1	-30.2%	-36.5%	291.1	246.0	-15.5%
Income Tax	-39.0	-38.4	-29.9	-22.0%	-23.2%	-71.5	-68.4	-4.5%
Net Profit	120.2	106.4	71.2	-33.1%	-40.8%	219.6	177.6	-19.1%

Financial Summary

(RM mil)	Q2 FYE24	Q1 FYE25	Q2 FYE25	QoQ	YoY
Easy Payment Financing	7,510.1	8,085.7	8,398.3	3.9%	11.8%
Payment Business	738.8	804.1	842.8	4.8%	14.1%
Personal Financing	3,316.7	3,763.6	3,957.4	5.2%	19.3%
Total Financing Receivables	11,565.6	12,653.4	13,198.5	4.3%	14.1%
Impairment Loss	-754.5	-691.8	-717.6	3.7%	-4.9%
Other Assets	1,122.9	1,058.2	1,087.8	2.8%	-3.1%
Total Assets	11,934.0	13,019.8	13,568.7	4.2%	13.7%
Total Liabilities	9,232.6	10,289.7	10,844.2	5.4%	17.5%
Shareholders' Fund	2,701.4	2,730.1	2,724.5	-0.2%	0.9%

Operating Income

(RM mil)	Q2 FYE24	Q1 FYE25	Q2 FYE25	QoQ	YoY	1H FYE24	1H FYE25	YoY
Easy Payment Financing	284.1	307.6	316.7	2.9%	11.4%	562.2	624.3	11.0%
Payment Business	44.3	45.9	47.3	3.2%	7.0%	87.1	93.2	7.0%
Personal Financing	140.1	165.2	173.9	5.3%	24.1%	268.9	339.1	26.1%
Brokerage Fee*	3.2	3.5	3.5	-1.1%	9.9%	6.2	7.1	15.3%
Total Revenue	471.7	522.2	541.4	3.7%	14.8%	924.4	1,063.7	15.1%
Other Operating Income	49.5	67.6	52.1	-23.0%	5.1%	98.7	119.6	21.2%
Total Operating Income	521.2	589.8	593.5	0.6%	13.9%	1,023.1	1,183.3	15.7%

*AEON Insurance Brokers (M) Sdn Bhd (Formerly known as Insurepro Sdn Bhd) is a wholly-owned subsidiary of AEON Credit since Oct 2021

Total Expenses

(RM mil)	Q2 FYE24	Q1 FYE25	Q2 FYE25	QoQ	YoY	1H FYE24	1H FYE25	YoY
Impairment Loss on Receivables	120.6	163.5	193.6	18.4%	60.5%	273.1	357.1	30.7%
Personnel Expenses	63.3	64.2	71.6	11.6%	13.2%	116.2	135.8	16.8%
Advertising & Promotion (A&P)	8.6	15.3	13.2	-13.3%	54.1%	18.3	28.5	56.1%
Other Operating Expenses	82.7	88.7	90.4	1.9%	9.2%	152.8	179.0	17.2%
Operating Expenses	275.2	331.6	368.8	11.2%	34.0%	560.4	700.4	25.0%
Interest expenses	86.8	101.8	104.8	2.9%	20.7%	171.5	206.6	20.4%
Total Expenses	362.0	433.4	473.6	9.3%	30.8%	731.9	907.0	23.9%

Financial Indicators

	FYE22	FYE23	FYE24	Q2 FYE25	1H FYE25
PBT (RM mil)	526.8	547.0	565.2	101.1	246.0
PAT (RM mil)	365.4	417.7	424.0	71.2	177.6

Weighted average no. of ordinary shares (mil)	255.3	255.3	510.6**	510.6**	510.6**
Basic EPS (RM)*	0.70	0.80	0.81	0.70	0.70
NTA per share (RM)*	3.9	4.6	5.2	5.34	5.34

ROE (%)	19.2	18.8	16.7	13.3	13.3
ROA (%)	3.6	3.9	3.6	2.73	2.73

Capital Adequacy Ratio (%)	26.8	27.1	24.4	23.4	23.4
Debt-to-Equity Ratio (x)	3.1	3.0	3.5	3.6	3.6

Share Price (RM)*	7.3	6.0	6.34	7.1	7.1
PER (x)	10.6	7.5	7.8	10.1	10.1
Market Capitalisation (RM mil)	3,748	3,064	3,237	3,625	3,625

* The Basic EPS and NTA per share restated for FYE2021, FYE2022, FYE2023, to reflect the bonus issue which was completed on 21 November 2023

** Reflect the bonus issue which was completed on 21 November 2023

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