

Press Release

For Immediate Release



AEON CREDIT SERVICE

AEON CREDIT REVENUE INCREASED BY 15.5% IN Q3FYE25

KUALA LUMPUR, 19 December 2024 — AEON Credit Service (M) Berhad (“**AEON Credit**” or the “**Group**”) today announced that it has posted a 15.5% growth in revenue with RM562.00 million in third quarter ended 30 November 2024 (“**Q3FYE25**”), as compared to RM486.51 million of the preceding year corresponding quarter ended 30 November 2023 (“**Q3FYE24**”). This was underpinned by a 16.2% increase in total transactions and financing volume to RM2.12 billion in Q3FYE25 as compared to the preceding year's corresponding quarter driven by strong performance in personal financing, automobile financing and credit card business.

For the quarter under review, AEON Credit registered an Operating Profit of RM103.03 million subsidizing by 7.5% as compared to the preceding year's corresponding quarter. The lower operating profit was mainly attributed to higher operating expenses, resulting from increased transaction volume and promotion expenses as well as increased impairment losses on financing receivables in the absence of a general provision reversal. Profit before tax (“**PBT**”) stood at RM87.85 million, after accounting for share of losses of RM15.18 million from AEON Bank (M) Berhad, an associate company of AEON Credit. As a result, AEON Credit recorded a profit after tax (“**PAT**”) of RM62.07 million in Q3FYE25.

For the nine-month period ended 30 November 2024 (“**9MFYE25**”), AEON Credit recorded a 14.8% growth in transaction and financing volume, reaching RM6.25 billion compared to RM5.40 billion in the preceding year's corresponding period (“**9MFYE24**”). Correspondingly, gross financing receivables rose to RM13.67 billion, an increase of RM1.76 billion from 30 November 2023. This growth was primarily driven by increased utilisation of digital onboarding solutions, effective marketing campaigns and collaboratives activities within AEON Group.

In line with the increase in total transactions and gross financing receivables, total operating income for 9MFYE25 was registered at RM1.79 billion, reflecting a 15.2% growth as compared to RM1.56 billion in the preceding year's corresponding period.

The Non-Performing Loans (“**NPL**”) ratio has reduced to 2.42% as of 30 November 2024 as compared to 2.73% as of 30 November 2023, attributed to effective credit management and continuous monitoring underperforming portfolio.

Operating Profit for 9MFYE25 was recorded at RM379.32 million, compared to RM402.58 million in the preceding year's corresponding period. The decrease was mainly attributable to an increase in impairment losses on financial receivables of RM116.42 million and higher other operating expenses of RM89.39 million, partly in line with increased transaction and financing volume. This is offset by the incremental increase in revenue of RM214.77 million.

Prospect

Malaysia's Gross Domestic Product grew by 5.3% in the third quarter of 2024, supported by stronger private spending and continued recovery in exports. This marks a slight slowdown compared to the 5.90% growth in the second quarter.

Amid a globally challenging landscape, Bank Negara Malaysia forecasted the Malaysian economy to grow between 4.8% to 5.3% in 2024 supported by continued expansion in domestic expenditure and improvement in external demand.

The Group maintains a cautious business stance due to the prevailing geopolitical tensions, inflationary pressures and ongoing volatility in global financial markets. It will continue to remain prudent, placing emphasis on growing quality assets and closely monitoring the inherent credit risks in its financing portfolios.

The Group will also focus on enhancing its information technology capabilities to drive operational efficiencies. On 6 December, the Group launched a new collection system that allows us to engage customers who have multiple products through a single point of contact. The advanced system with new features such as pool functionality, strategic capabilities and immediate reporting options, is expected to enhance overall productivity.

In addition, the Group will continue developing the "AEON Living Zone," an ecosystem centered around the AEON Group of Companies in Malaysia, to broaden its customer reach. As part of this initiative, the Group plans to introduce a tiered membership program in the final quarter of FYE2025.

Barring unforeseen circumstances, the Group expects to be able to maintain its business momentum by implementing the appropriate measures for the financial year ending 28 February 2025.

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. Today, the business of the Group has involved in issuance of Credit Cards, Prepaid Cards, AEON Wallet App, Easy Payment Schemes, Hire Purchase Financing for Motor Vehicles, Personal Financing Schemes, Insurance Broker, Digital Islamic Banking, and other related services. The Group currently has 5 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.

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