
Investor Relations Presentation

AEON Credit Service (M) Berhad
FPE Feb 2015 results

20th April 2015

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1. Financial Results and Overview

2. Strategic Business Plan

3. Question and Answer Session

1. Financial Performance

Net Profit rose 23% to RM 215.7 Million

Total operating income of RM 928.4 Million 30% higher than last FY

Total Net Financing Receivables of RM 4.52 Billion increased 27% from last FY

The Company changed its financial year end from 20 February to 28 February to be co-terminous with the financial year of the ultimate holding corporation.

2. Operational Performance

Card member base 3,044K

Credit Card	:	178K
Prepaid Card	:	34K
Express Card	:	1,341K
AB Loyalty Card	:	1,491K

Number of merchant outlets : Over 8,700

Number of Co. branches : 55

3. Investment

- On 7 January 2015, the Company subscribed for ordinary and irredeemable convertible preference shares of AEON Credit Service (Philippines) Inc. (ACSP) amounting to RM13.01 million
- ACSP launched hire purchase business mainly for electrical appliances and furniture in March 2013, focusing mainly on consumers from the lower socio economic group. There are plans to launch the personal loan product in the near future.
- The Company regards Philippines retail finance market to have promising growth potential for ACSP to become a strong niche player in the non-banking financial services sector.

FPE 28 February 2015 Overview

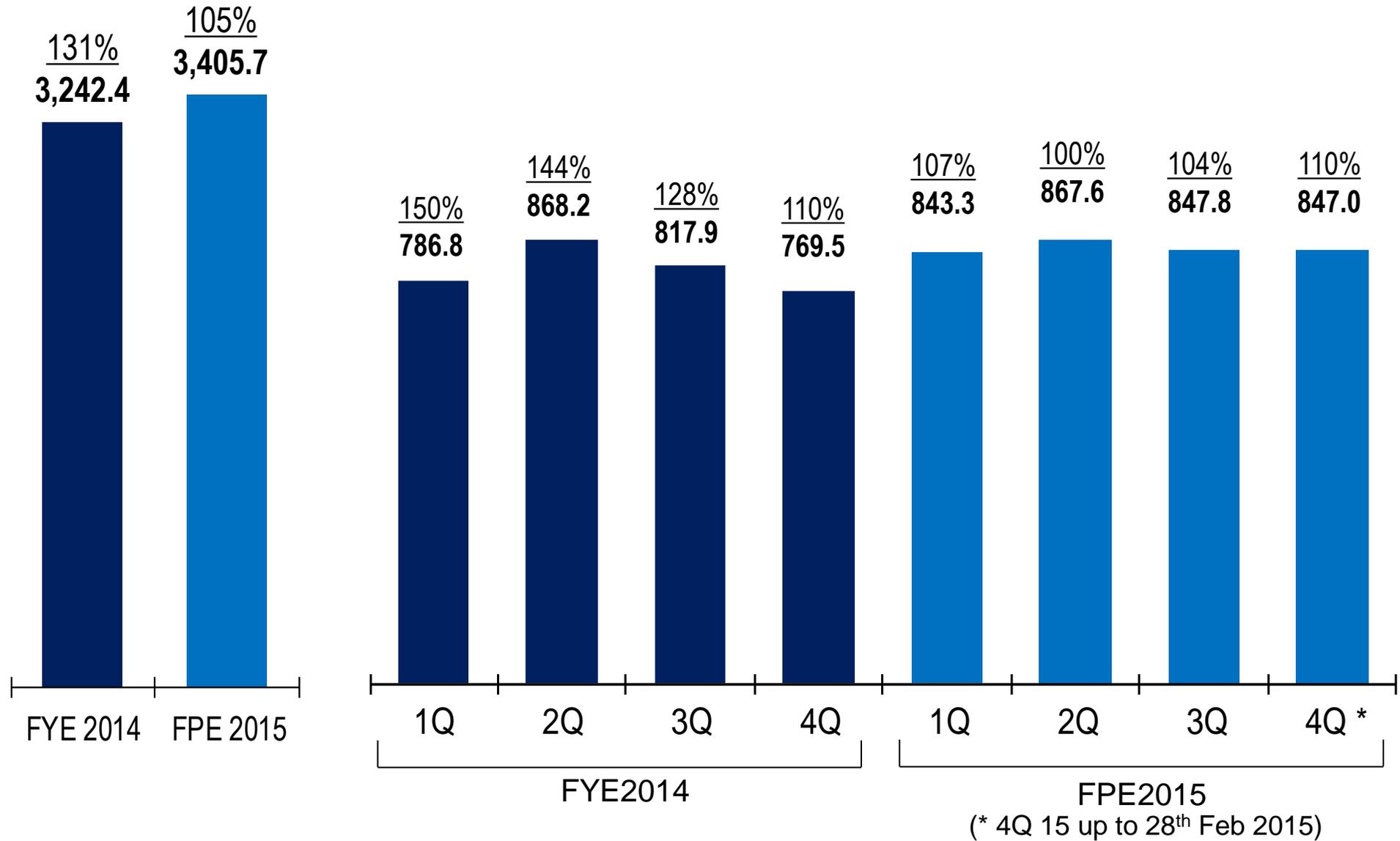
FPE 28 February 2015 Performance

(RM Million)

	Q4 FYE 20.02. 2015	% YOY	21 st – 28 th Feb 2015	FYE2014	FPE2015	% YOY
Total transaction volume	834.758	108%	12.244	3,242.413	3,405.676	105%
Revenue	226.374	120%	18.795	672.762	871.600	130%
Other Income	16.080	137%	0.702	38.989	56.780	146%
Total Operating Income	242.454	121%	19.497	711.751	928.380	130%
Impairment Loss	58.431	135%	(1.115)	149.742	224.917	150%
Staff costs	39.545	111%	3.183	130.545	150.421	115%
Depreciation	4.650	102%	0.407	17.277	19.073	110%
Other Operating exp	29.285	122%	2.554	83.124	107.406	129%
Funding cost	36.521	132%	3.241	97.188	137.294	141%
Total Operating Expenses	168.432	125%	8.270	477.876	639.111	134%
Profit Before Tax	74.022	115%	11.227	233.875	289.269	124%
Corporate Tax	18.659	111%	2.870	58.523	73.543	126%
Net Profit	55.363	116%	8.357	175.352	215.726	123%
Earnings Per Share	36.99 sen	111%	5.80 sen	121.77 sen	145.64 sen	120%

Total Transaction volume

(RM Million)



FPE2015 Performance -Operating Income-

(RM Million)

	Q4 FYE2015	% YOY	21 st -28 th Feb 2015	FPE 2015	% YOY	Share
Credit Card	29.184	105%	2.981	122.690	126%	13.2%
General Easy Payment	38.751	111%	3.152	153.175	115%	16.5%
Motorcycle Easy Payment	78.243	125%	5.951	298.539	134%	32.2%
Auto Financing	35.486	193%	3.247	117.958	217%	12.7%
Personal Financing	42.811	100%	3.273	171.866	109%	18.5%
SME Financing	1.899	119%	0.192	7.372	118%	0.8%
Other Income	16.080	137%	0.701	56.780	146%	6.1%
Total Operating Income	242.454	121%	19.497	928.380	130%	100%

28 Feb 2015 Financial Position

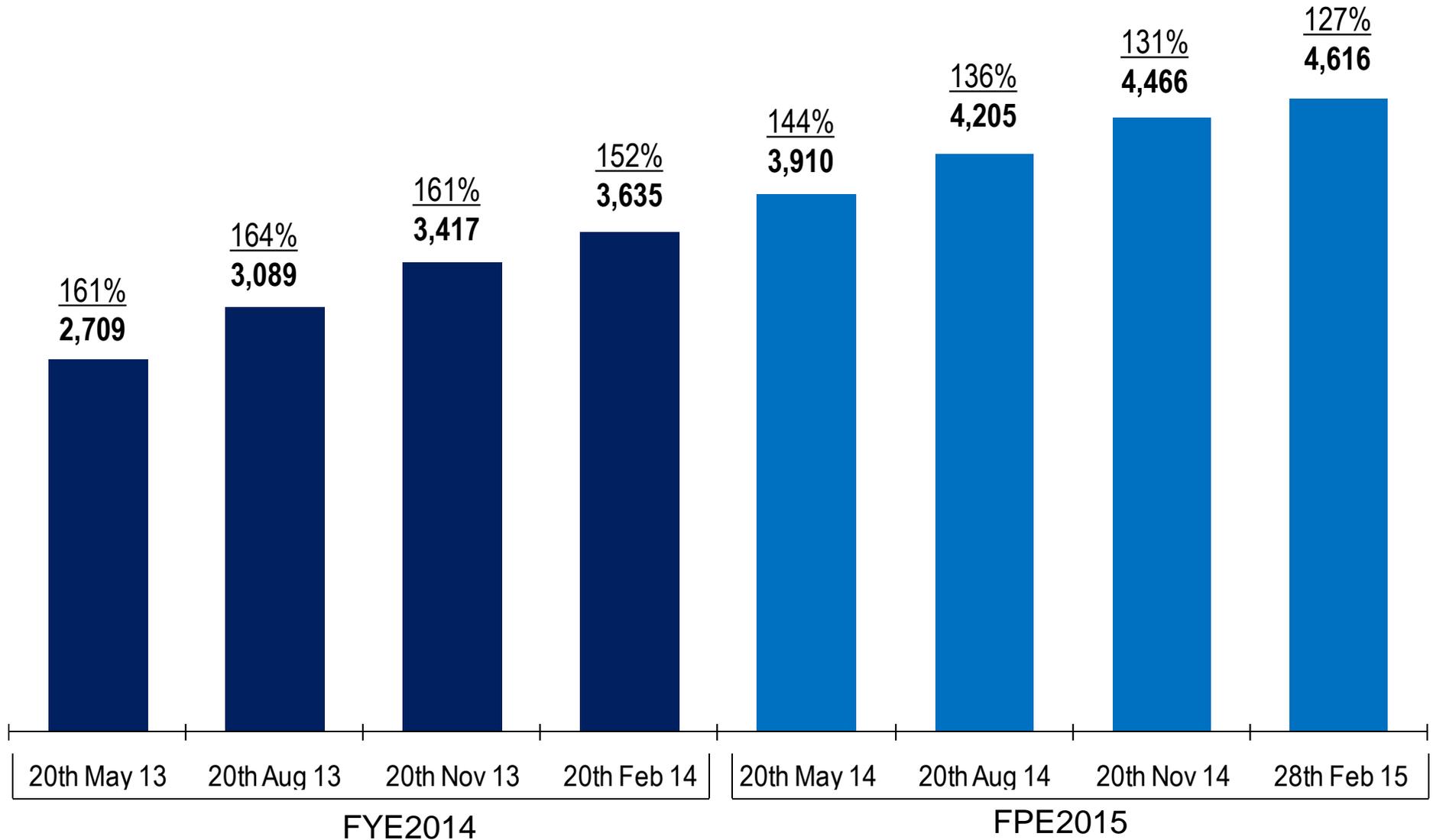
(Summary of Statement of Financial Position)

(RM Million)

	20 Feb 2014	28 Feb 2015	Difference	% YOY
Total Assets	3,767.286	4,923.299	1,156.013	131%
Net Financing Receivables	3,570.922	4,517.045	946.123	127%
Other Assets	196.364	406.254	209.890	207%
Total Liabilities	3,121.722	3,967.587	545.865	127%
Total Equity	645.564	955.712	310.148	148%
Capital Ratio against Receivables	18.3%	21.4%	3.1%	117%
NTA per Share (RM)	3.79	4.72	0.93	125%

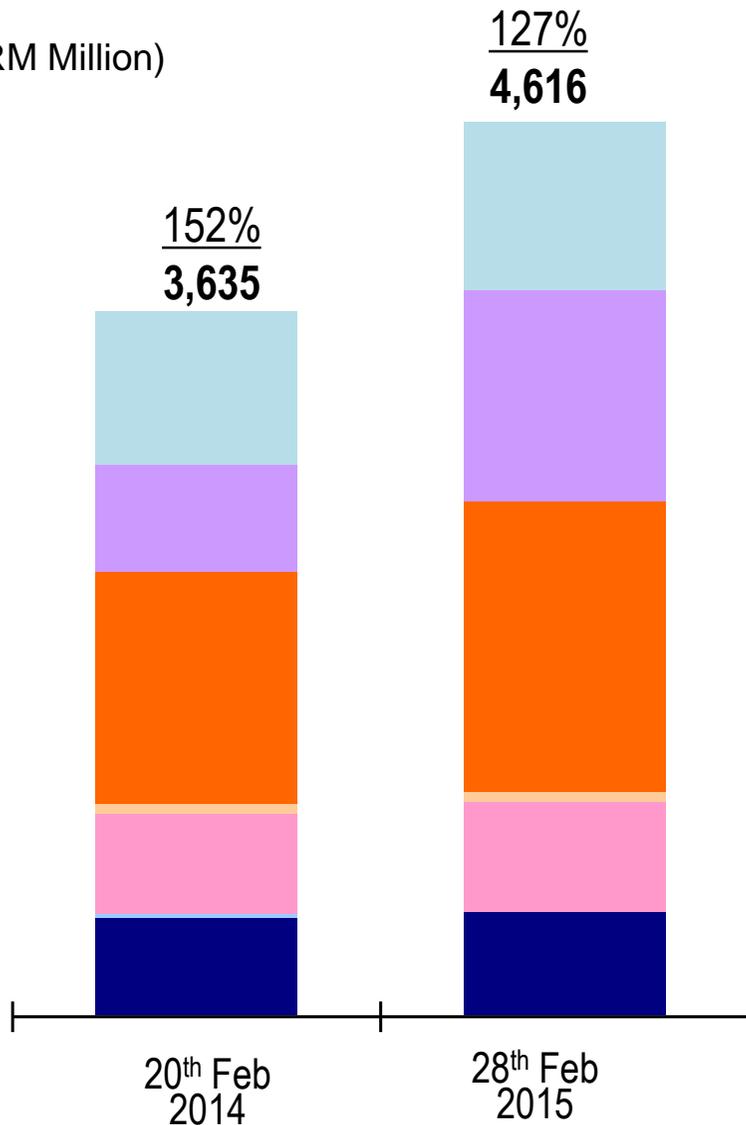
Total Financing Receivables

(RM Million)



Financing Receivables by Products

(RM Million)



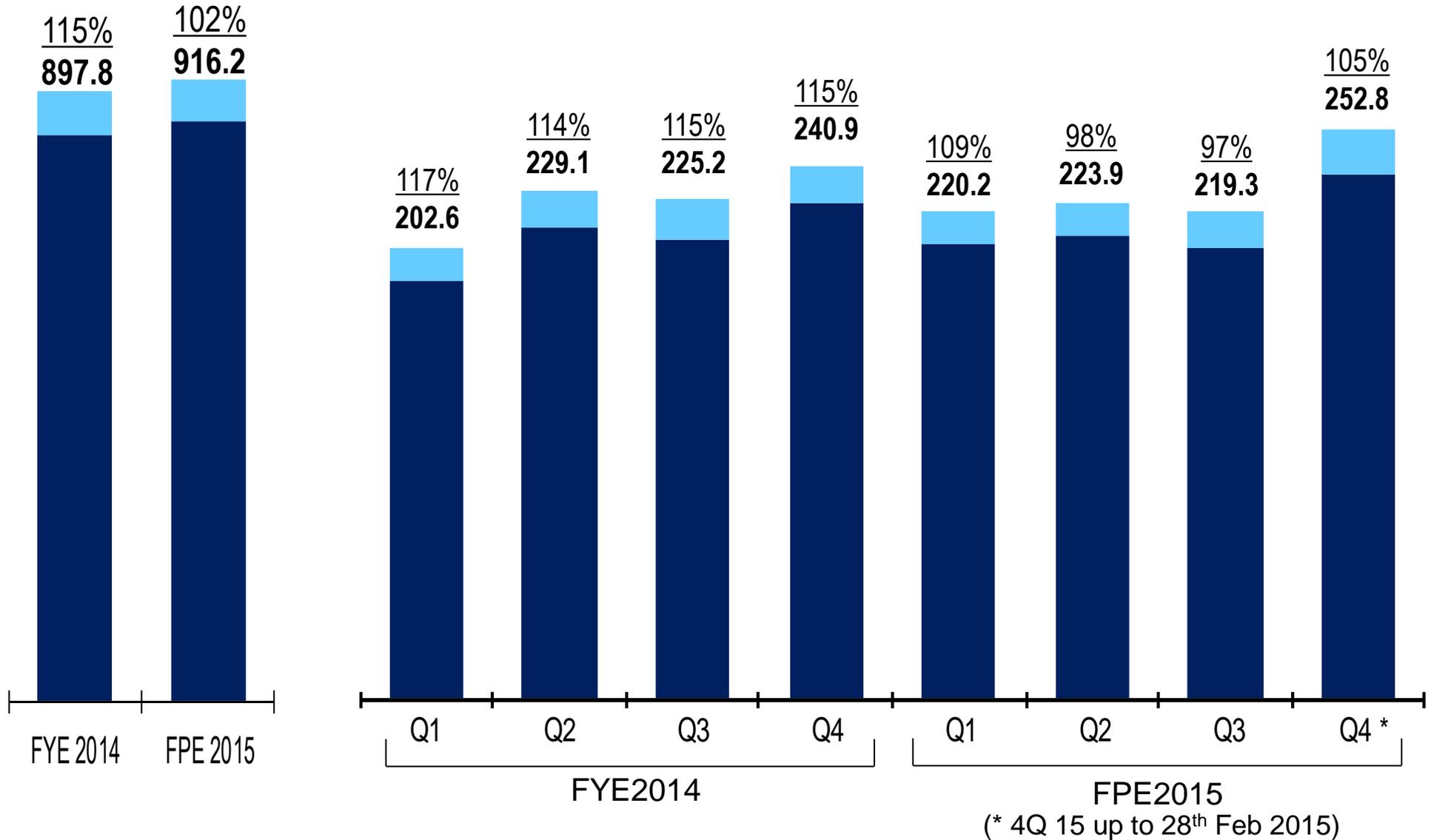
<Products Share>

	20 th Feb 2014	28 th Feb FPE 2015	Difference
PF	21.6%	18.8%	-2.8%
CEP	15.3%	23.5%	+8.2%
MEP	33.1%	32.4%	-0.7%
SME	1.3%	1.2%	-0.1%
GEP	14.3%	12.3%	-2.0%
CC	14.4%	11.8%	-2.6%

Credit cards transaction volume

■ Credit purchase
 ■ Cash Advance

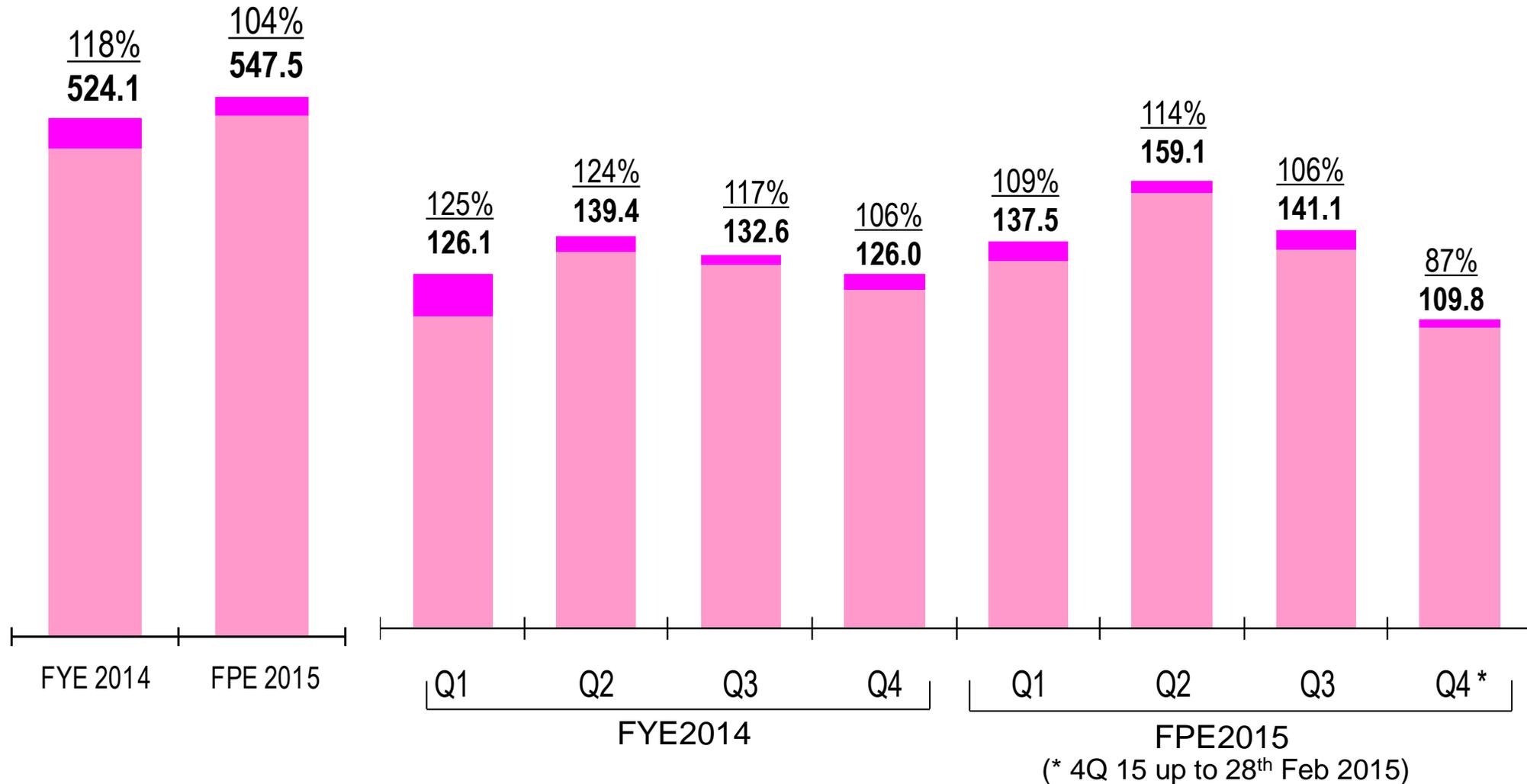
(RM Million)



(* 4Q 15 up to 28th Feb 2015)

GEP / SME transaction volume

■ General Easy Payment
 ■ Small medium-size enterprise Easy payment

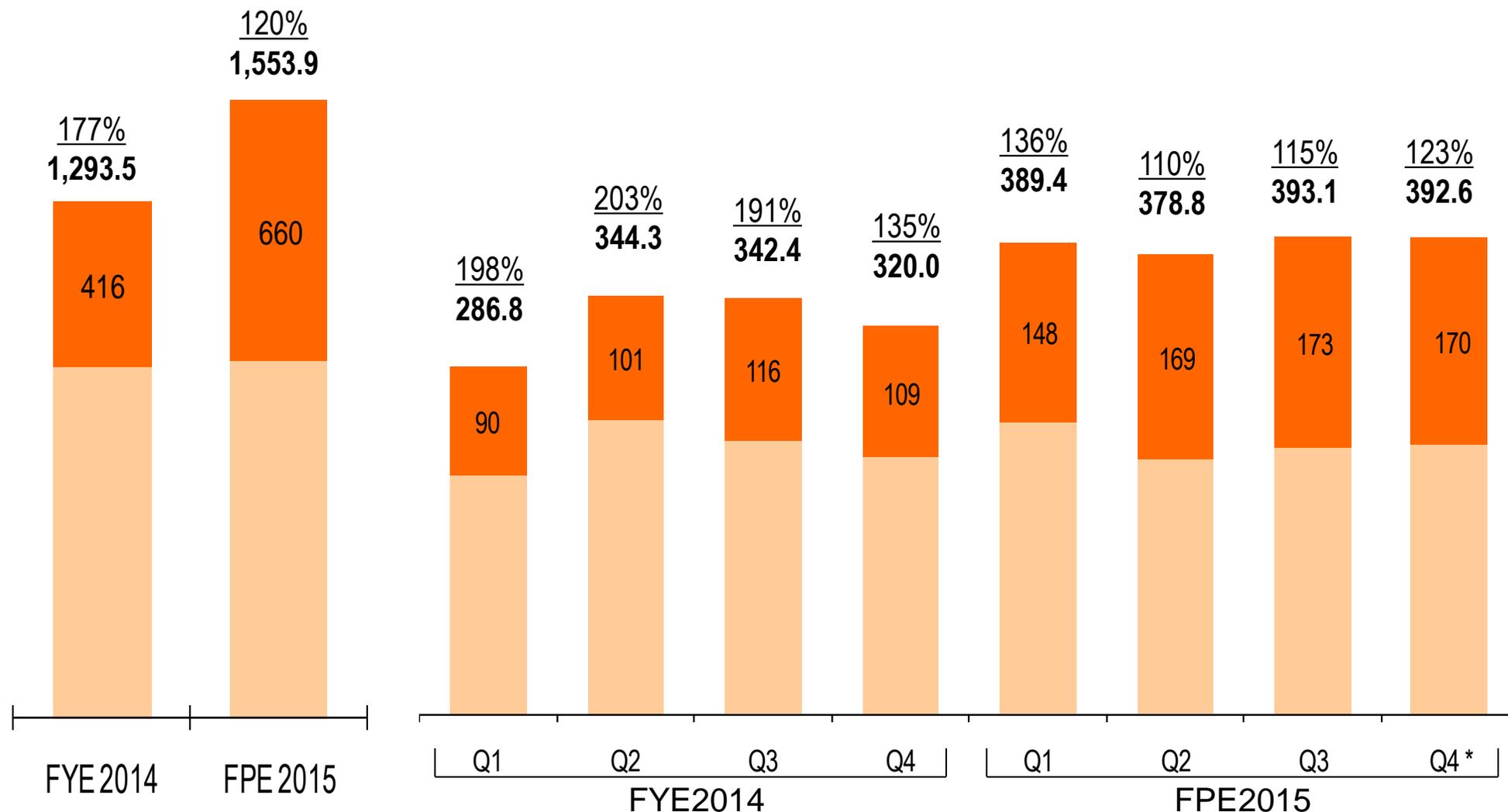


MEP / CEP transaction volume



(RM Million)

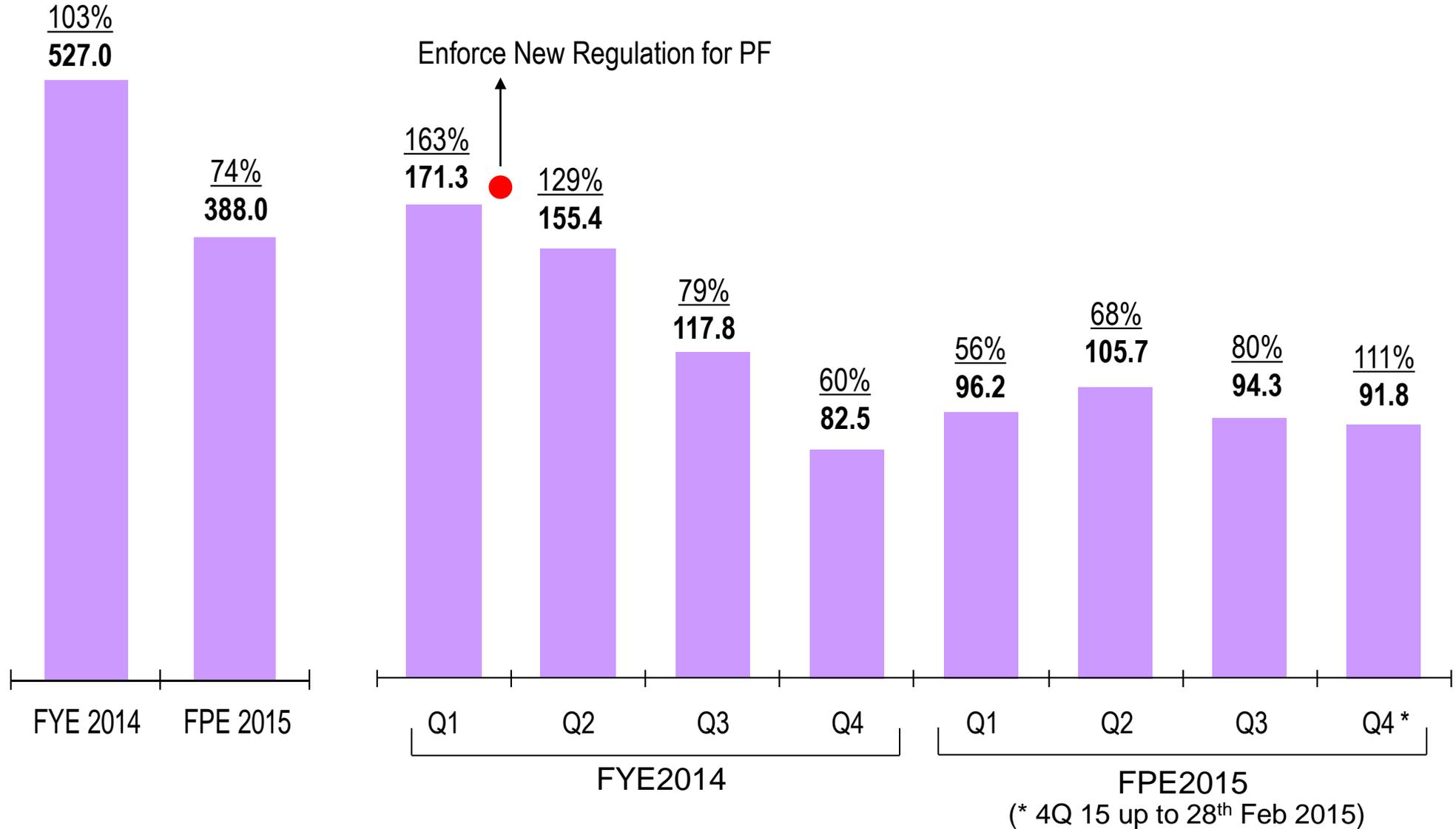
Motorcycle Easy Payment Car Easy Payment



(* 4Q 15 up to 28th Feb 2015)

PF transaction volume

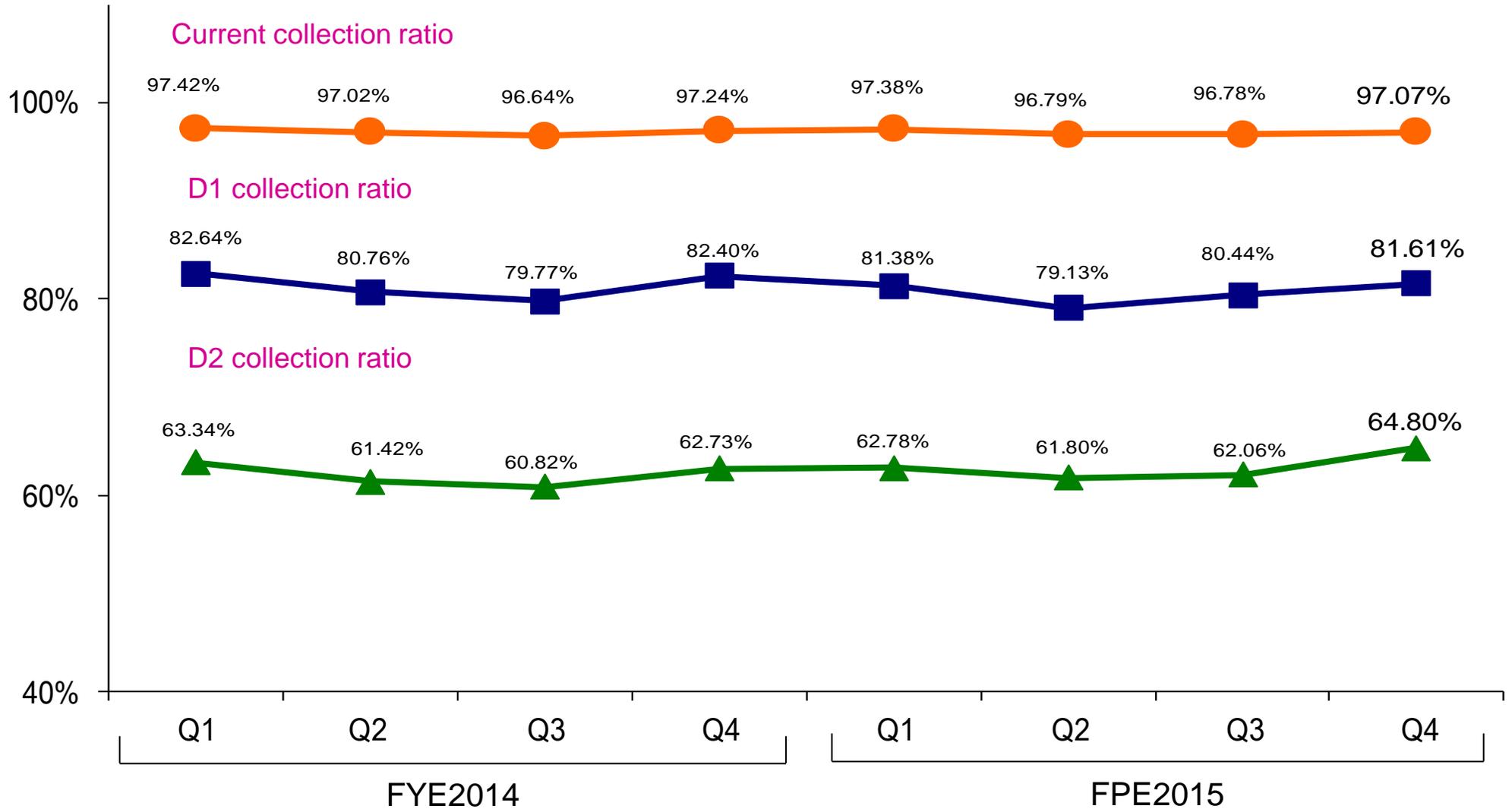
Personal Financing



Collection ratio

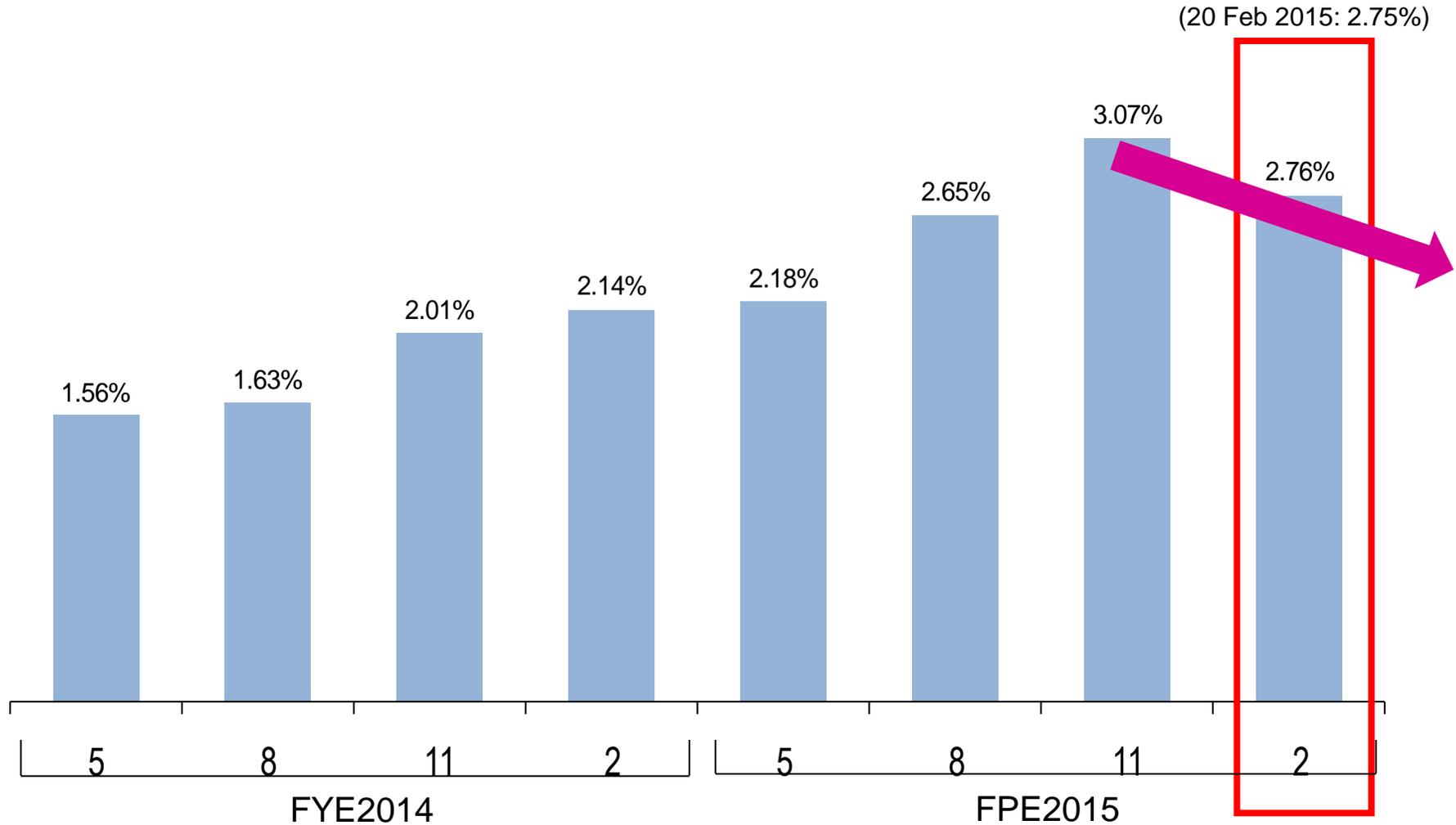
	Q4 FYE2014	Q3 FYE2015	Q4 FPE2015	Difference From LQ
Current	97.24%	96.78%	97.07%	+0.29%
D 1	82.40%	80.44%	81.61%	+1.17%
D 2	62.73%	62.06%	64.80%	+2.74%
D 3 and above	10.48%	6.92%	8.07%	+1.15%

Movement of collection ratio



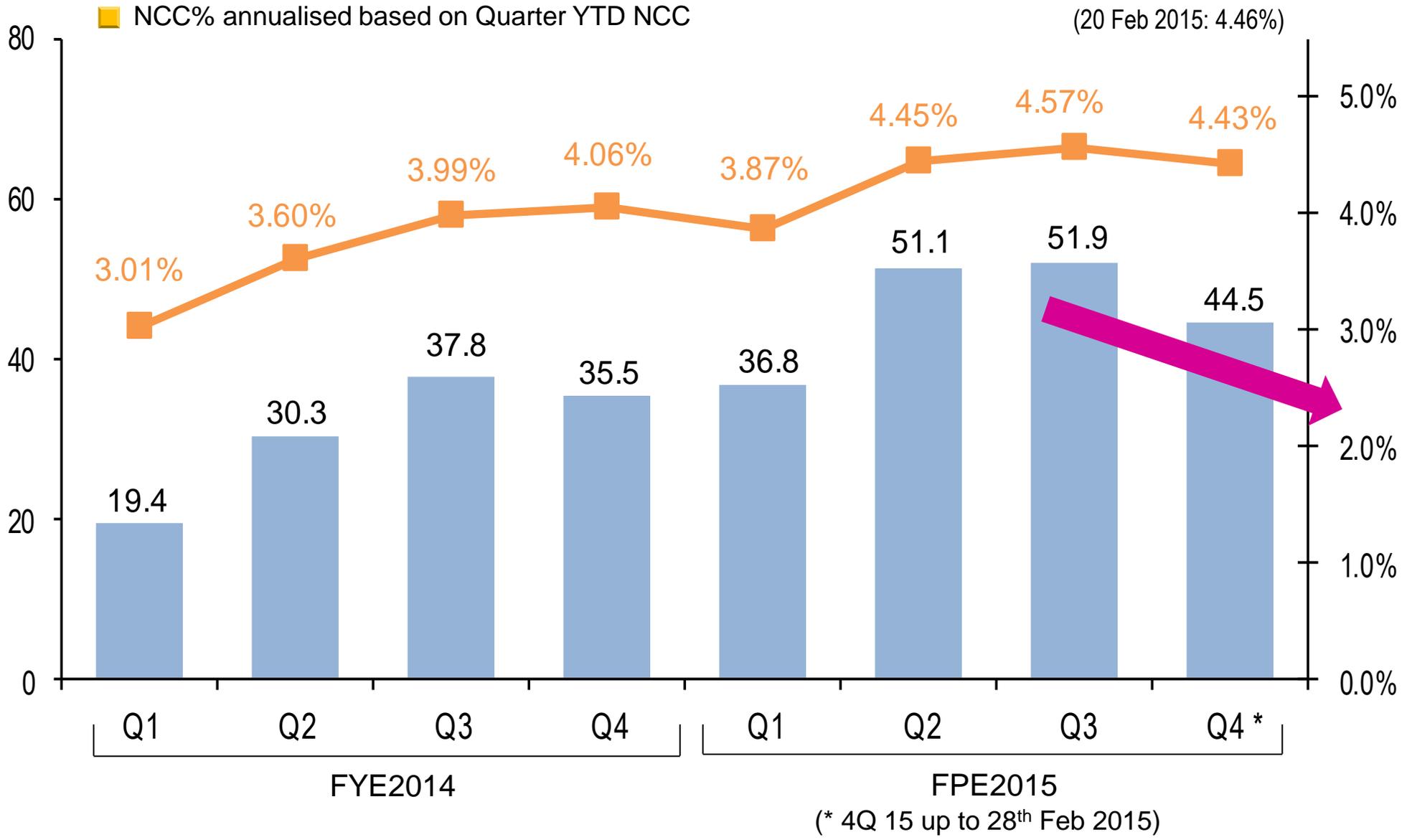
Ratio of Non-Performing Loans (NPL)

Prudent risk management policies and portfolio management to control NPL



Net Credit Cost Ratio vs Receivables

(RM Million)



Provision for Impairment Loss (Fin. Receivables)

(RM Million)

	20 Feb 2014	28 Feb 2015
Beginning Balance (as at 21 Feb 2014)	49.739	91.449
+ Impairment Loss (annual)	149.742	224.917
(-) Write-off (annual)	(108.032)	(181.068)
Closing Balance	91.449	135.298
% of Trade Receivables	2.52%	2.93%
NPL Ratio	2.14%	2.76%
Growth of net receivables v.s. Q4 of LY	51.5%	26.5%

Final Dividend Per Share and Payout ratio

	FYE2013	FYE2014	FPE 2015	Difference from LY
<u>Interim Dividends</u>	16.0 cent	22.3 cent	27.4 cent	123% 5.1 cent
<u>Final Dividends</u>	19.5 cent	24.0 cent	29.6 cent	123% 5.6 cent
<u>Total Dividends</u>	35.5 cent	46.3 cent	57.0 cent	123% 10.7 cent
<u>Payout Ratio</u>	38.1%	38.0%	38.0%	-

Financial Indicators

(Unit : RM Million)

	FYE2012	FYE2013	FYE2014	FPE 2015
Total Operating Income	368.3	500.8	711.7	928.4
PBT	128.1	181.1	233.9	289.3
PAT	95.6	134.1	175.4	215.7
Earnings per share (RM)	0.80	1.03	1.22	1.46
NTA per share (RM)	2.84	2.98	3.79	4.72
ROE (Ordinary Shares)	30.7%	34.8%	36.0%	34.2%
ROA	7.0%	6.7%	5.7%	5.0%
Capital Adequacy ratio	21.8%	17.6%	17.1%	19.4%
Capital ratio against receivables	23.0%	18.8%	18.3%	21.4%
Debt equity ratio (times)	3.6	4.3	4.6	4.0
Share price (RM)	7.60	11.34	14.70	13.3
PER	9.5	11.03	12.05	9.13
Market Capitalisation (RM Million)	912	1,633	2,117	1,915

Financial Year 2015 Strategic Plan

Business Synergy within AEON Group

- Cross selling of GEP, personal financing and insurance products to 1.79 million AEON Big Point card members.
- Business network expansion and customer acquisition via opening of new service centres (CSU) / branches

Feb 2015: 55  Feb 2016: 60



Business Synergy within AEON Group

- Launch new 2 in 1 co-brand credit card with AEON BiG (M) Sdn Bhd
Target Date : by May 2015
- Promote “Thank you Day” benefit and other benefits to become the preferred card in AEON Group shopping centres



Financial Year 2015 Strategic Plan

Develop New Branch Model

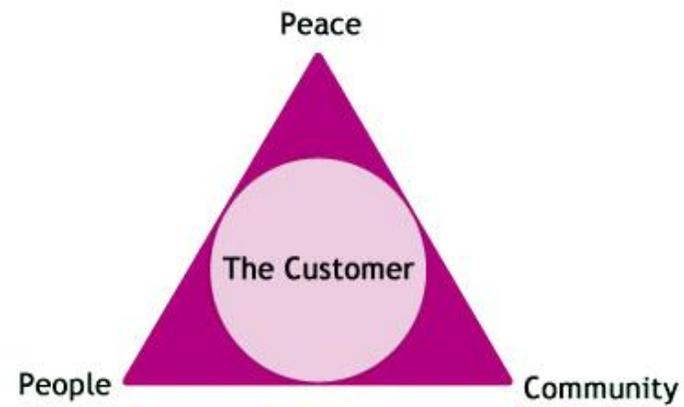
- Focus on customer Self Service and sales activities
- Operation improvement (i.e. E-application, E-settlement, E-promotion & recruitment)



Financial Year 2015 Strategic Plan

Enhance Branding Awareness

- Brand for wider product portfolio
- Branding to appeal corporate philosophy



Sales and Marketing Strategy

Product Strategy

- Alliance with Key Players in Market
 - AEON Eco-system Development
- Co-Brand Card Issuance
 - AEON Big, AEON Co., Alliance Partners
- Strengthening Merchants Management
- New Application Channel, instant approval
- Customer Portfolio Diversification