
20th Annual General Meeting



AEON CREDIT SERVICE

Contents

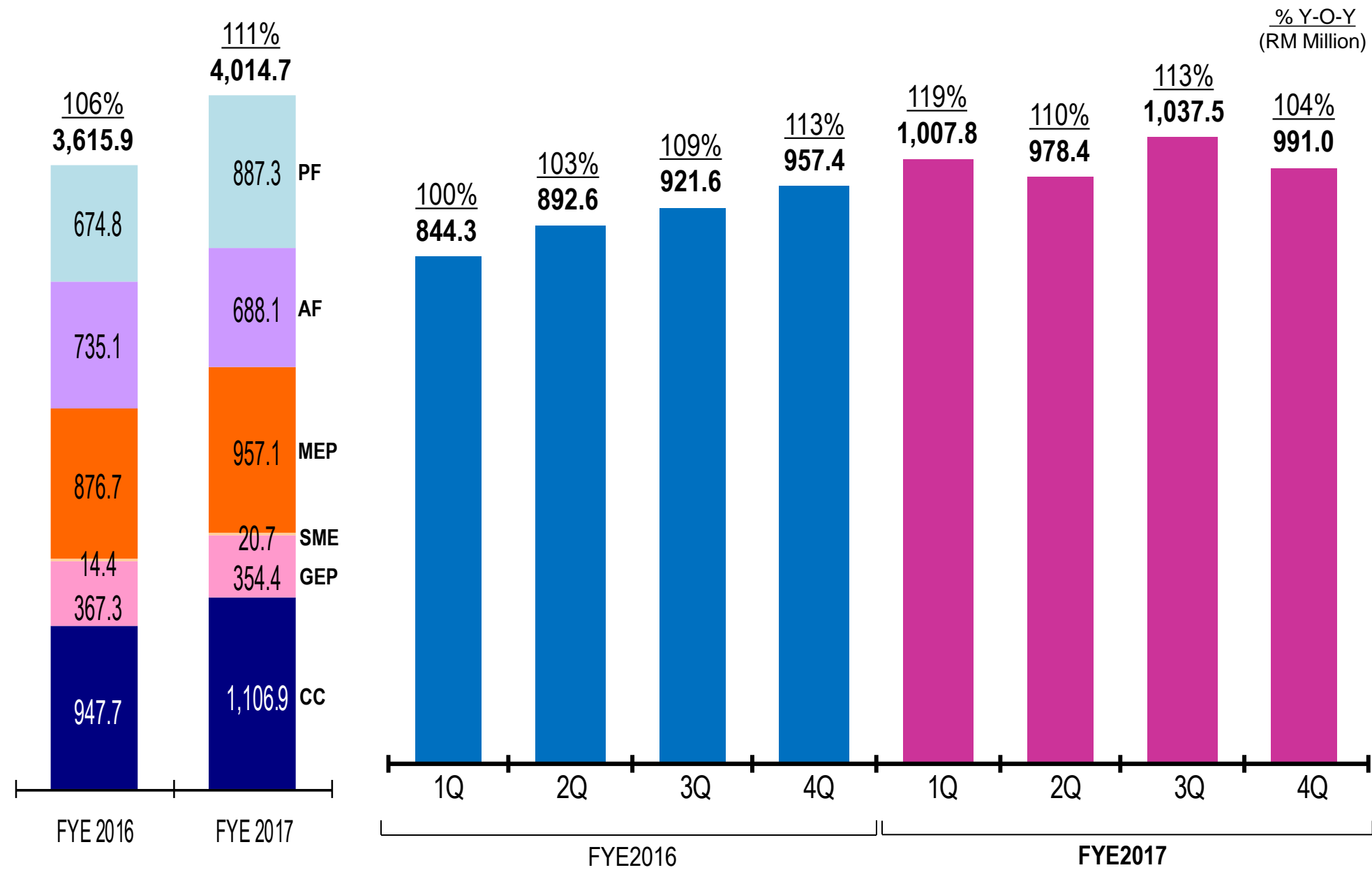
- ☐ **Result Review**
- ☐ **Key Activities of FYE2017**
 - **Value Chain Transformation**
 - **Branch Transformation Project**
 - **E-Platform for Customer and Merchant**
 - **Income Optimization from Existing Business Structure**
- ☐ **20th Anniversary Projects**
- ☐ **FYE 2018 Strategic Plan**

FYE2017 Performance Highlights

- Sales expanded by Credit Card, Motorcycle Easy Payment and Personal Financing.
- Impairment loss provision vs. operating income recorded 25%, improved by 2% vs. LY.

| (Unit: RM Million) | FYE2016 | FYE2017 | vs. LY | % Total Operating Income |
|---------------------------------|----------------|----------------|---------------|--------------------------|
| Credit Card | 947.7 | 1,106.9 | 116.8% | - |
| General Easy Payment | 367.3 | 354.4 | 96.5% | - |
| Motorcycle Easy Payment | 500.5 | 582.0 | 116.3% | - |
| Superbike Easy Payment | 376.2 | 375.1 | 99.7% | - |
| Auto Financing | 735.1 | 688.1 | 93.6% | - |
| Personal Financing | 674.8 | 887.3 | 131.5% | - |
| SME Business | 14.4 | 20.7 | 143.8% | - |
| Total Transaction Volume | 3,616.0 | 4,014.7 | 111.0% | - |
| Total Income | 1,055.2 | 1,222.2 | 115.8% | 100.0% |
| Total Expenses | 753.6 | 871.0 | 115.6% | 71.3% |
| Profit Before Tax | 301.6 | 351.2 | 116.4% | 28.7% |
| Corporate Tax | 73.4 | 86.1 | 117.3% | 7.0% |
| Net Profit | 228.2 | 265.2 | 116.2% | 21.7% |

Total Transaction Volume FYE 28 Feb 2017

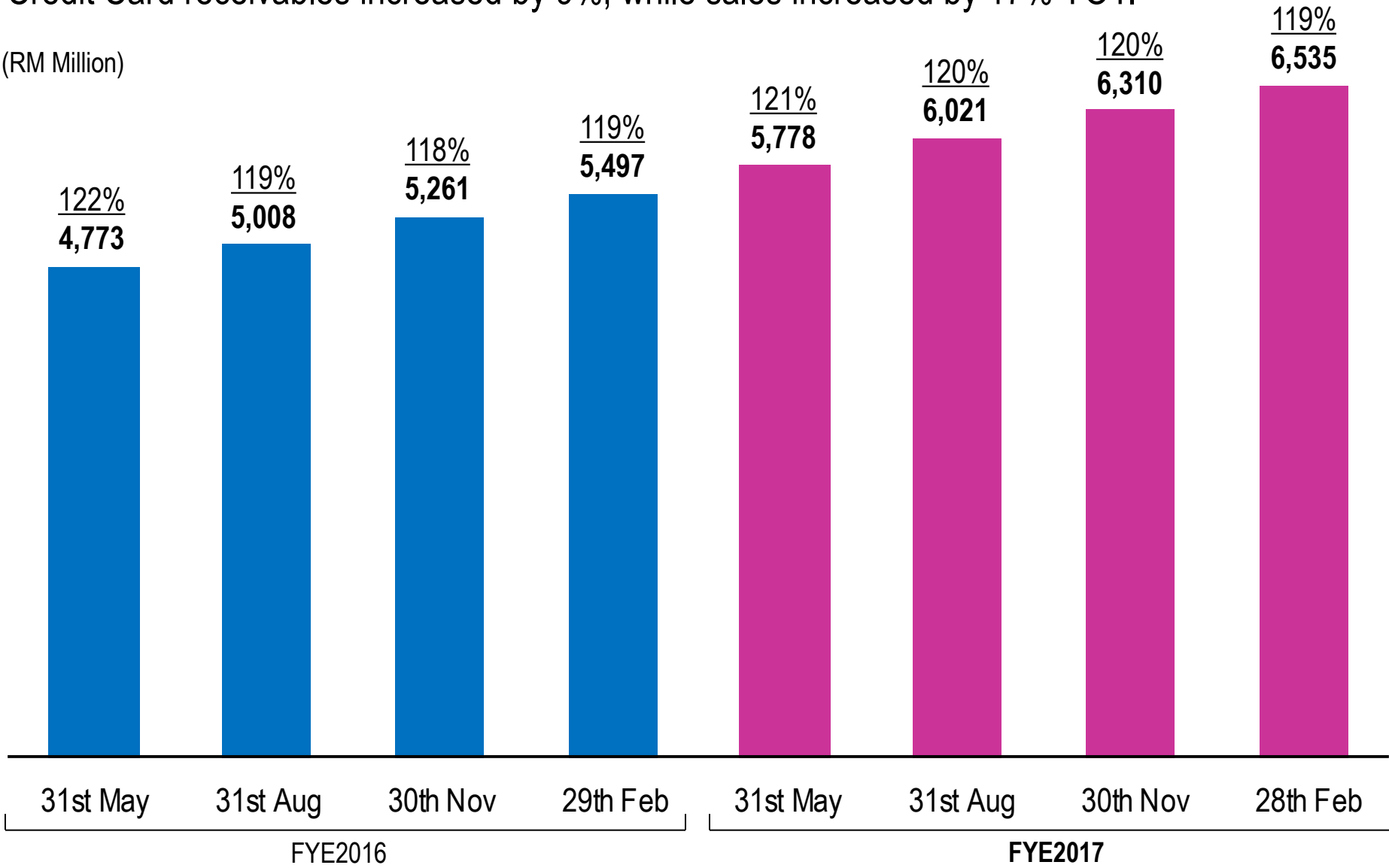


Summary of Financial Position as at 28 Feb 2017

| (Unit: RM Million) | 29 th Feb 2016 | 28 th Feb 2017 | Share % | Difference vs. LY |
|-------------------------------------|---------------------------|---------------------------|---------------|-------------------|
| Credit Card | 538.8 | 586.7 | 8.1% | 47.9 |
| General Easy Payment | 464.6 | 424.9 | 5.8% | (39.7) |
| Motorcycle Easy Payment | 899.1 | 985.0 | 13.5% | 85.9 |
| Superbike Easy Payment | 767.1 | 897.5 | 12.3% | 130.4 |
| Auto Financing | 1,579.7 | 1,957.2 | 26.9% | 377.5 |
| Personal Financing | 1,194.6 | 1,626.7 | 22.4% | 432.1 |
| SME Business | 52.8 | 56.5 | 0.8% | 3.7 |
| Financing Receivables | 5,496.7 | 6,534.5 | 89.8% | 1,037.8 |
| Impairment Loss Provision | (137.9) | (152.2) | -2.1% | (14.3) |
| Other Assets | 738.8 | 889.7 | 12.2% | 150.9 |
| Total Assets | 6,097.5 | 7,272.1 | 100.0% | 1,174.6 |
| Total Liabilities | 5,036.7 | 6,041.1 | 83.1% | 1,004.4 |
| Shareholders' Funds | 1,060.8 | 1,231.0 | 16.9% | 170.2 |
| Total Equity and Liabilities | 6,097.5 | 7,272.1 | 100.0% | 1,174.6 |

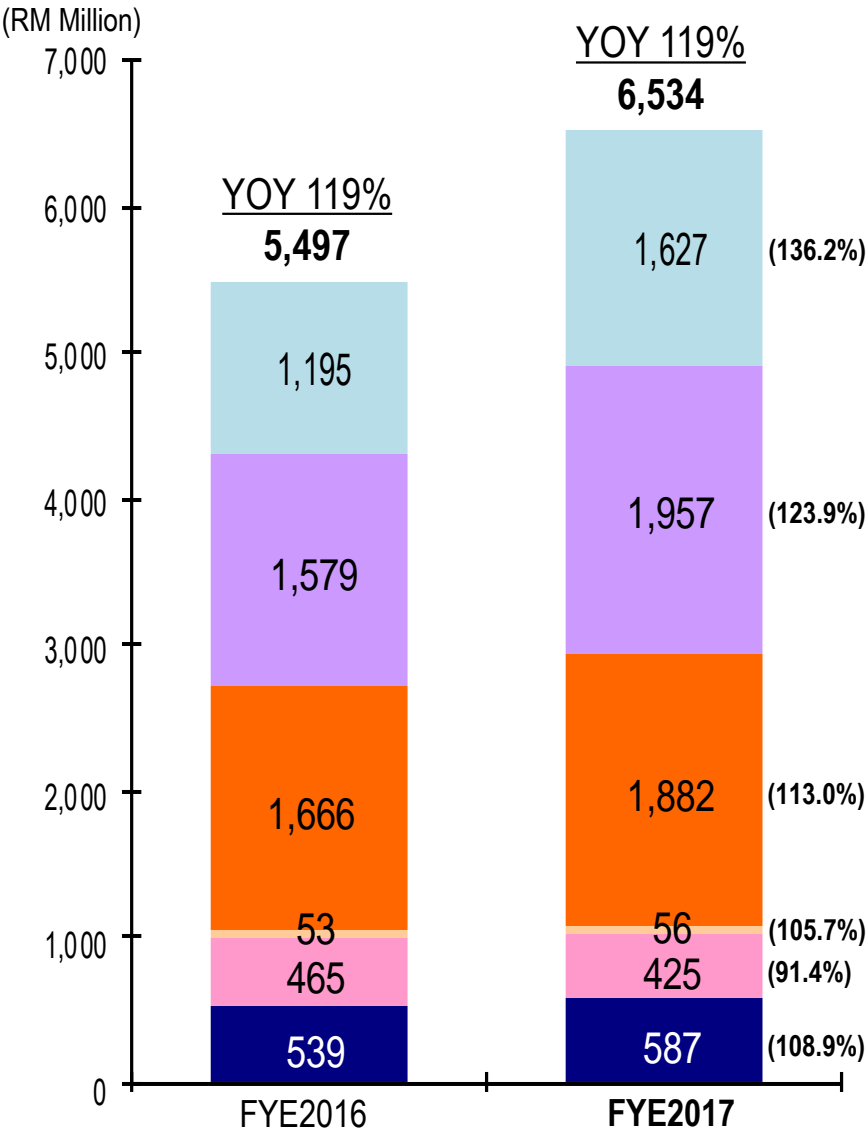
Total Financing Receivables FYE 28 Feb 2017

- Total receivables recorded RM6.535 billion, increased by 19% YOY.
- Credit Card receivables increased by 9%, while sales increased by 17% YOY.



Financing Receivables by Products FYE 28 Feb 2017

- Product Financing increased by 15% YOY, from Auto Financing and Motorcycle Easy Payment.
- Unsecured Lending increased by 28% YOY, from Personal Financing and Credit Card.



< Product Share >

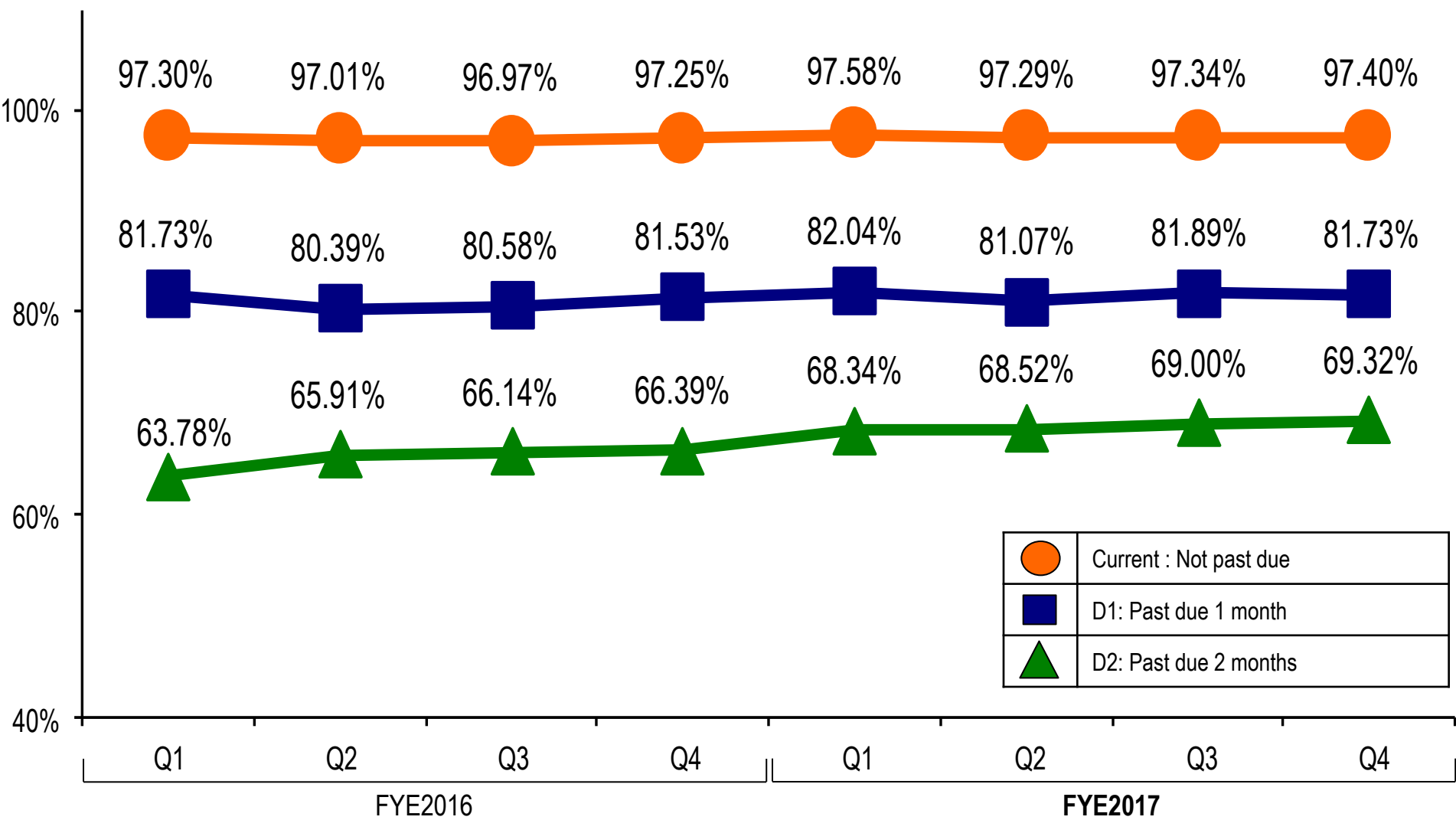
| Product | 29 th Feb 2016 | 28 th Feb 2017 | Difference |
|---------|---------------------------|---------------------------|------------|
| *PF | 21.7% | 24.9% | 3.2% |
| *AF | 28.7% | 29.9% | 1.2% |
| *MEP | 30.3% | 28.8% | -1.5% |
| *SME | 1.0% | 0.9% | -0.1% |
| *GEP | 8.5% | 6.5% | -2.0% |
| *CC | 9.8% | 9.0% | -0.8% |

**Note:*

PF = Personal financing; AF = Auto Financing; MEP = Motorcycle Easy Payment; SME = Small & Medium Enterprises Financing; GEP = General Easy Payment; CC = Credit Card

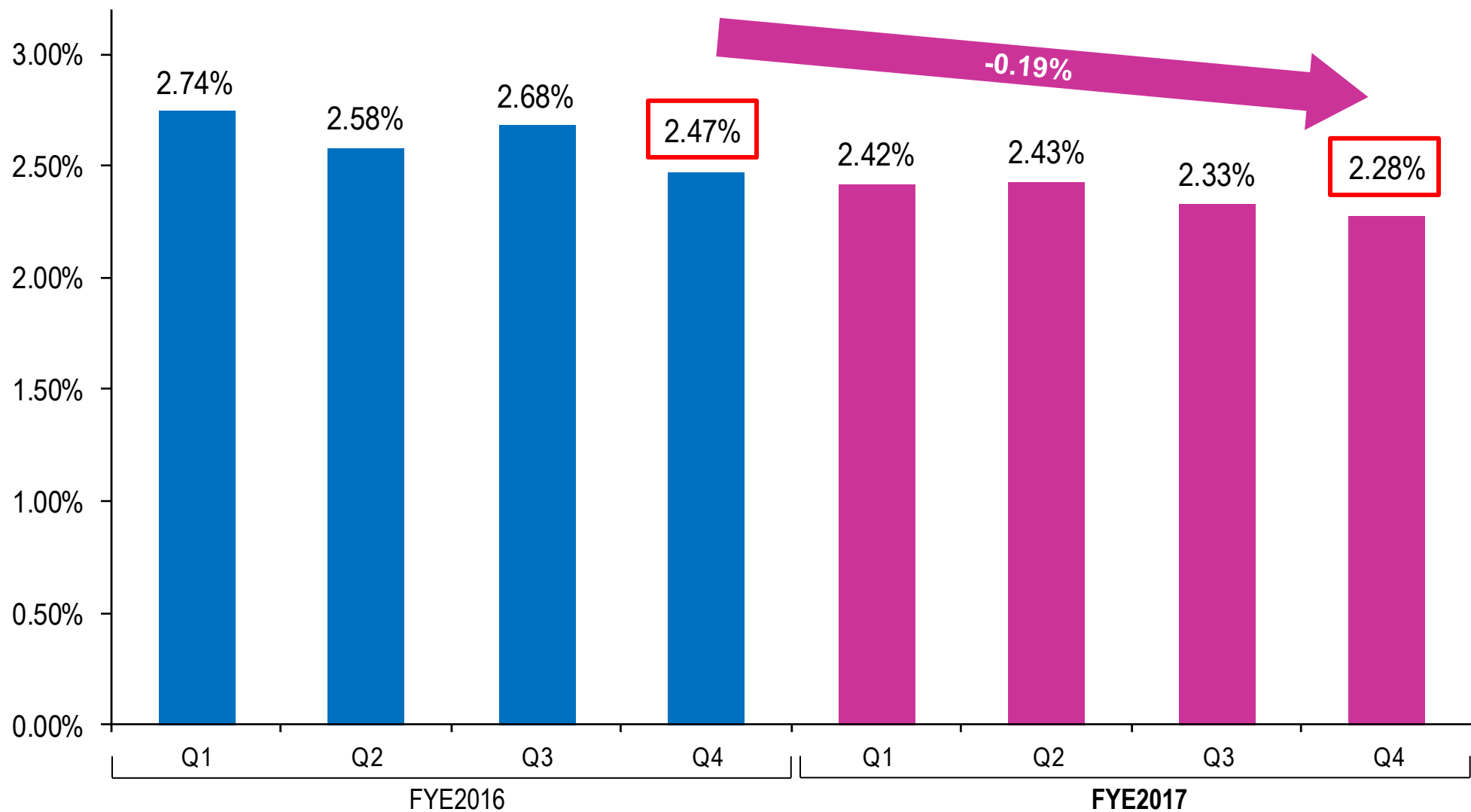
Movement of Collection Ratio FYE 28 Feb 2017

- Collection performance was well managed in FYE2017.
- Improvement in Current (+0.15%), D1 (+0.20%) and D2 (+2.93%).



Ratio of Non-Performing Loan (NPL) FYE 28 Feb 2017

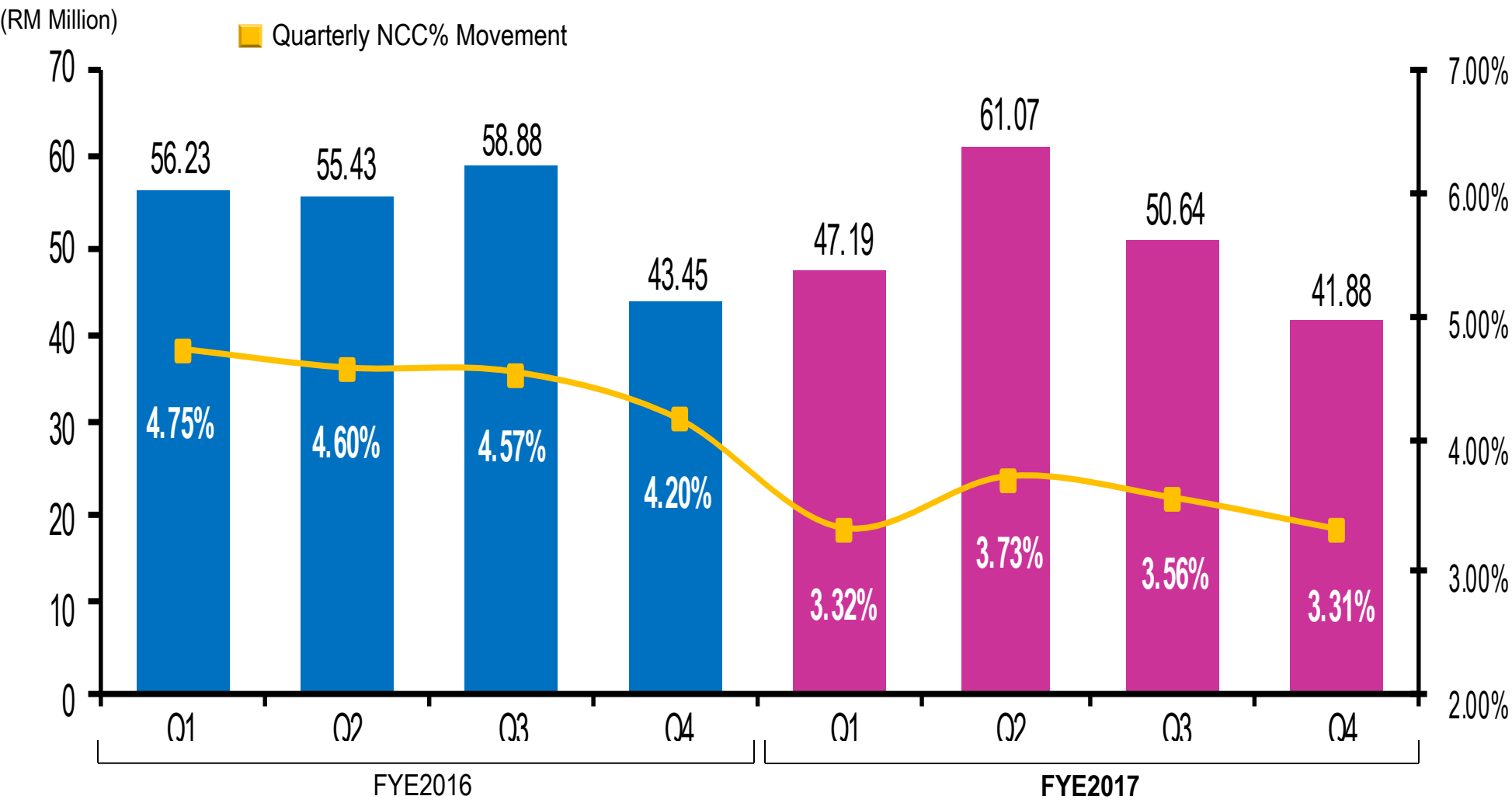
- Improvement in collection and asset quality resulting annualized NPL recorded at 2.28%.
- Motorcycle Easy Payment showed the most significant improvement by 0.91% YOY.



Net Credit Cost (NCC) vs. Receivables FYE 28 Feb 2017

- Annualized Net Credit Cost ratio stood at 3.31%, improved by 0.89%.
- Contributed by lower Impairment Loss growth at 8% and improved in credit loss recovery at 50%.

Net Credit Cost

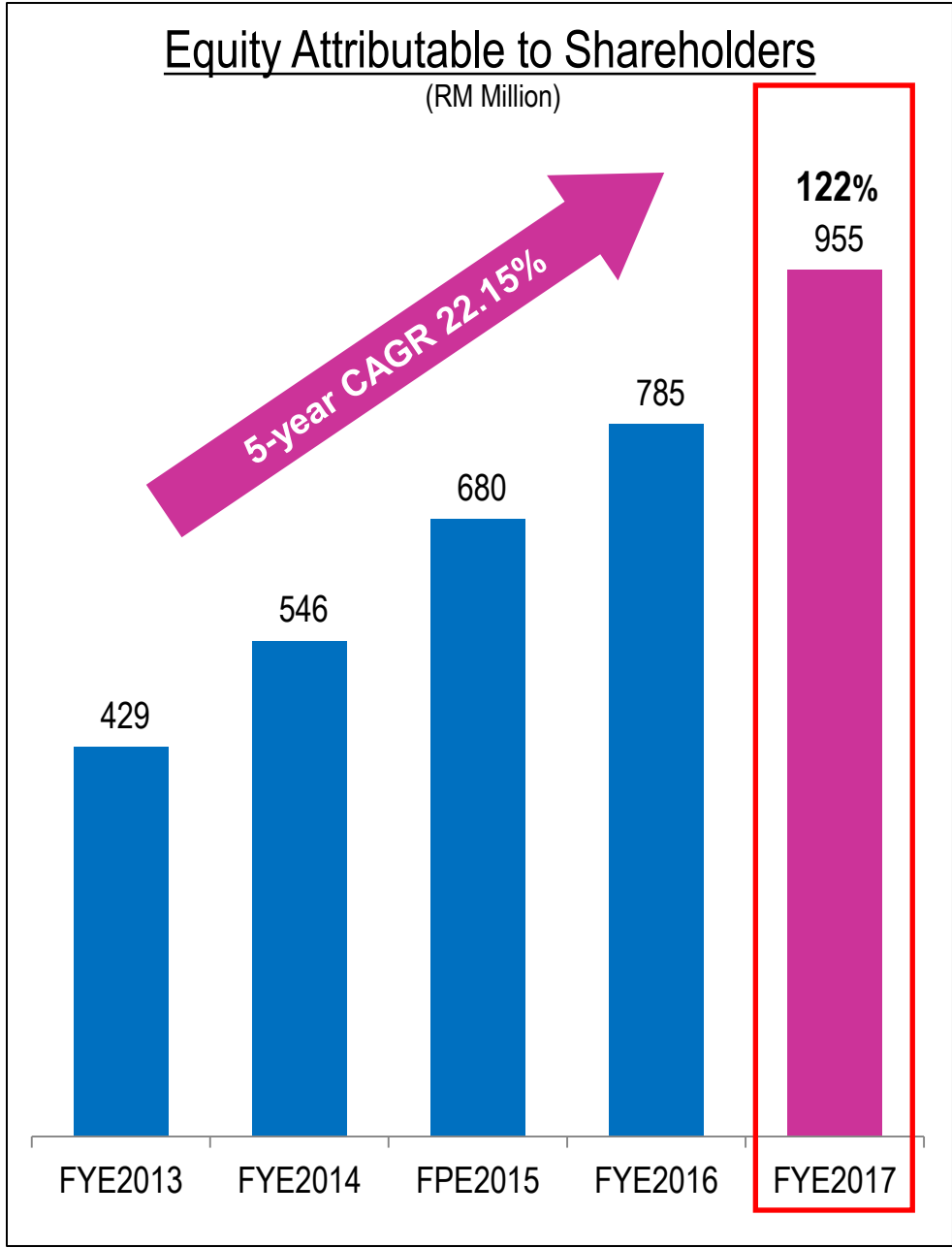
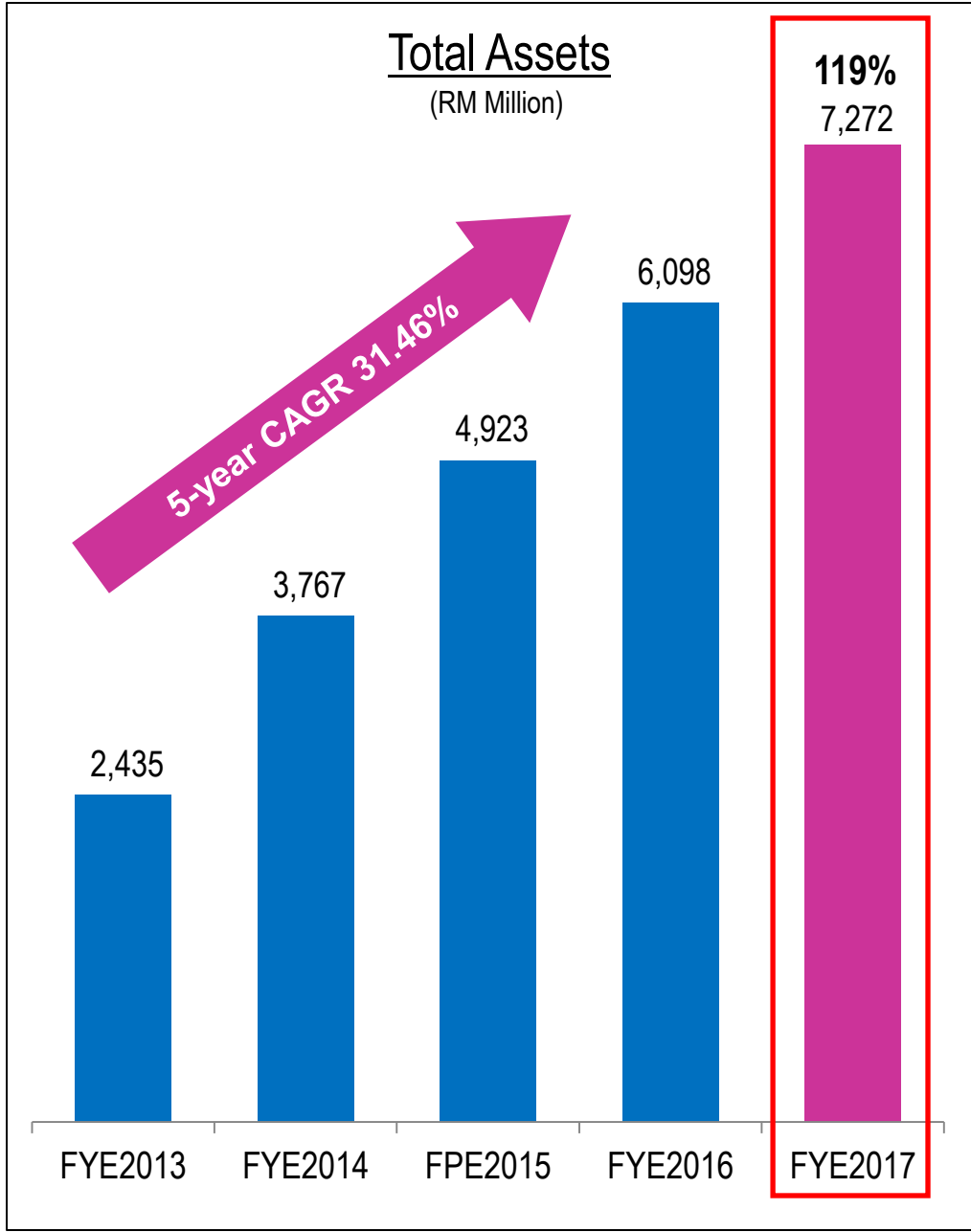


Key Financial Indicators FYE 28 Feb 2017

| Financial Indicators | FYE2013 | FYE2014 | FPE2015 | FYE2016 | FYE2017 |
|------------------------------------|---------|---------|---------|---------|---------|
| Total Income (RM Million) | 500.8 | 711.7 | 928.1 | 1,055.2 | 1,222.2 |
| PBT (RM Million) | 181.1 | 233.9 | 289.3 | 301.6 | 351.2 |
| PAT (RM Million) | 134.1 | 175.4 | 215.7 | 228.2 | 265.0 |
| Earning Per Share* (RM) | 1.03 | 1.22 | 1.46 | 1.49 | 1.75 |
| NTA Per Share (RM) | 2.98 | 3.79 | 4.72 | 5.45 | 6.63 |
| ROE* | 34.8% | 36.0% | 34.2% | 29.3% | 28.9% |
| ROA | 6.7% | 5.7% | 5.0% | 4.1% | 4.0% |
| Capital Ratio Against Receivables | 18.7% | 18.3% | 21.4% | 20.2% | 19.5% |
| Debt Equity Ratio (times) | 4.32 | 4.56 | 3.95 | 4.56 | 4.71 |
| Share Price (RM) | 11.34 | 14.70 | 13.30 | 11.92 | 15.70 |
| PER (times) | 11.03 | 12.05 | 9.11 | 8.00 | 9.00 |
| Market Capitalisation (RM Million) | 1,633 | 2,117 | 1,915 | 1,716 | 2,261 |

*Note: Computed based on profit attributable to ordinary equity holders

Financial Performance FYE 28 Feb 2017



Final Dividend Per Share and Payout Ratio FYE 28 Feb 2017

| Dividend/ Payout | FPE2015 | FYE2016 | FYE2017 | Difference vs. LY |
|------------------------|------------------|------------------|------------------|--------------------------|
| Interim Dividends | 27.4 cent | 29.9 cent | 30.5 cent | 102% 0.6 cent |
| Final Dividends | 29.6 cent | 29.6 cent | 32.5 cent | 110% 2.9 cent |
| Total Dividends | 57.0 cent | 59.5 cent | 63.0 cent | 106% 3.5 cent |
| Payout Ratio | 38.0% | 37.5% | 34.2% | - |

Contents

☐ Result Review

☐ Key Activities of FYE2017

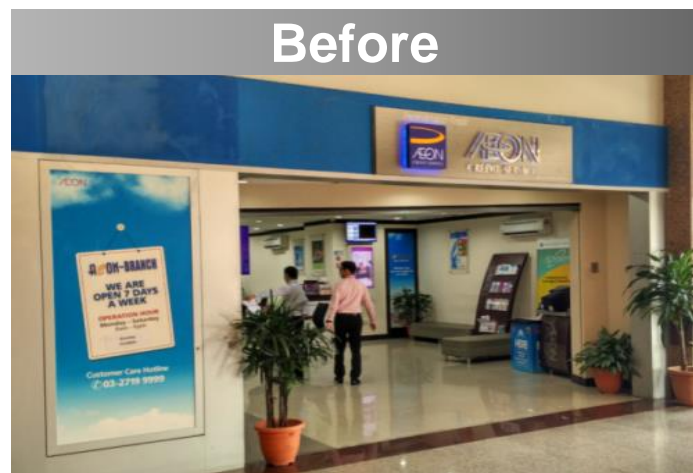
- Value Chain Transformation
- Branch Transformation Project
- E-Platform for Customer and Merchant
- Income Optimization from Existing Business Structure

☐ 20th Anniversary Projects

☐ FYE 2018 Strategic Plan

Key Activities of FYE2017 – Value Chain Transformation

- Expand Cashless Operation Branch in nationwide, 62 out of total 64 branches successfully converted.
- Branches are equipped with tablets for applications and other service enquiries.



Branch Operation Cost FYE2017 vs. FYE 2016 (%)

Staff Overtime Expenses

↓ 9%

Money Collection expenses

↓ 41%

Counter payment Volume

↓ 48%

CDM Transaction

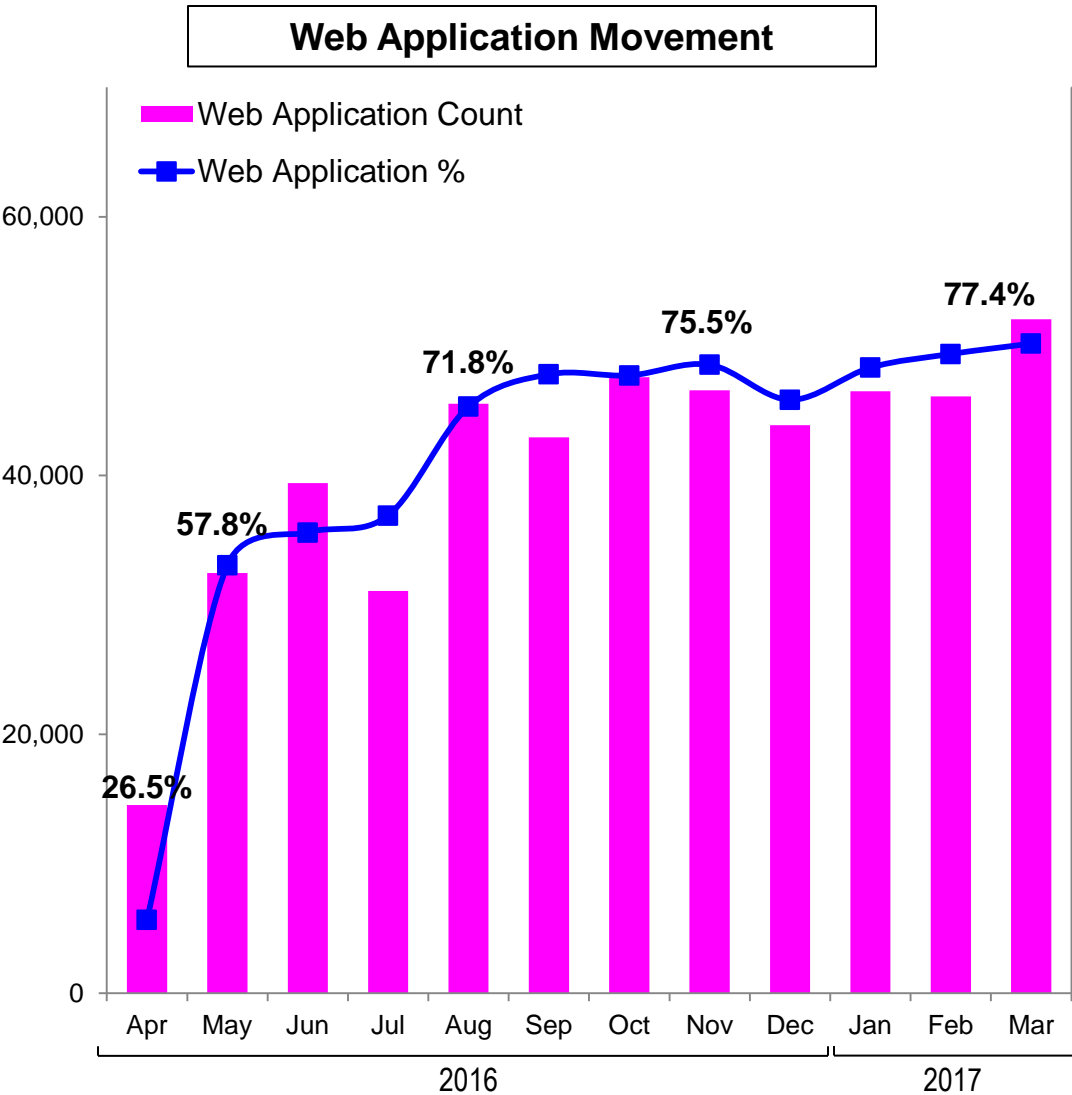
↑ 88%

**Personal Finance Sales
Credit Card Sales**

PF: 121%
CC: 118%

Key Activities of FYE2017 - e-Biz Portal (Web Application)

- Merchant Web Application (Easy Payment Scheme) and Customer Web Application (PF & CC).
- Turn-Around-Time reduced by 30% and cost saving by 20% (per application).



AEON CREDIT SERVICE

Choose a credit card

Credit Card Application

I wish to apply for a...

AEON Gold MasterCard

Minimum Age: 21

Nationality: Malaysian / Japanese

Min. Monthly Salary (Malaysian): RM 3,000

Min. Monthly Salary (Japanese): RM 4,000

NEXT

Customer Web Application

AEON CREDIT SERVICE

Welcome M JAYA MOTOR ENT HQ

AEON CREDIT SERVICE

20th ANNIVERSARY SPECIAL

Thank You CONTEST

Contest Period from 18 October 2016 - 18 April 2017

*Terms & Conditions Apply. Tickets Sponsored by JAPAN AIRLINES

Grand Prize: Nissan X-Trail worth RM150,000

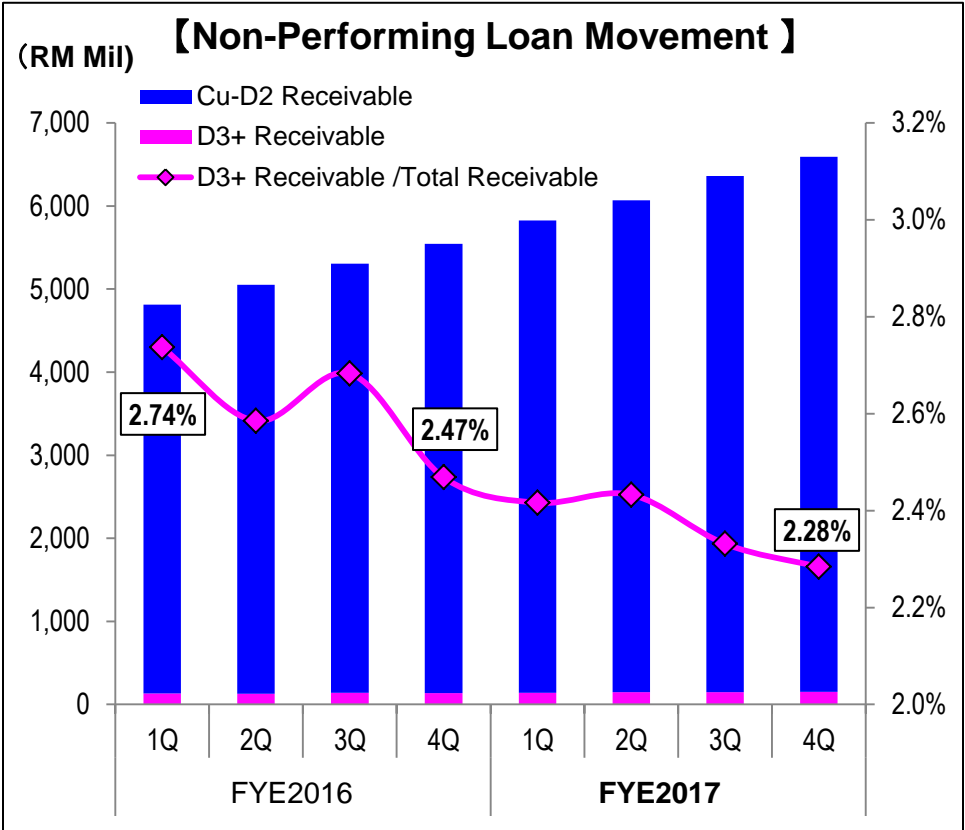
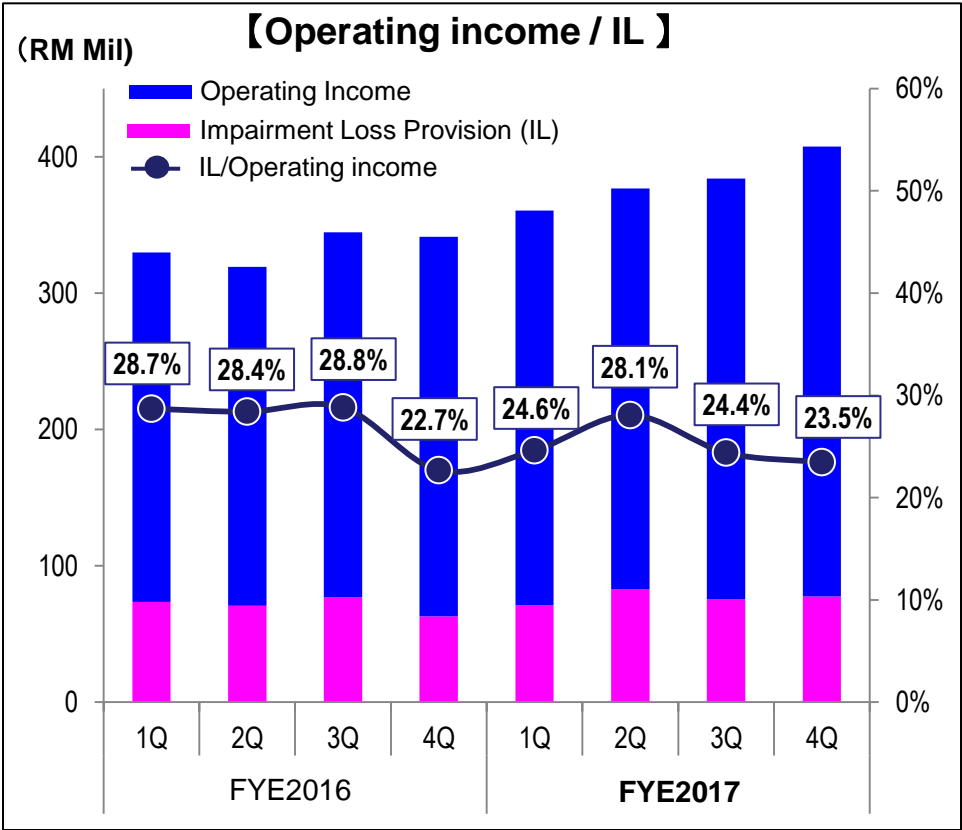
Click here for more info

Merchant Web Application

- Home
- New Application
- Results Listing
- Draft Listing
- Application Status
- E-Application
- E-Hak Milk
- Daily Report
- Unclaimed Sales
- Sales Claim
- Monthly Report
- Product Manual
- Price List
- Change Password

Key Activities of FYE2017 – Optimize Income for Existing Financing Business

- Improved collection operation and reviewed assessment by customer segment & profile.
- Revenue for AF improved compared to last year although sales was lower due to the changes in assessment – assess by merchant grouping which based on default ratio.



| Product | Action |
|-------------------------|---|
| Auto Financing | • Diversified portfolio mixed between local maker and foreign maker |
| Motorcycle Easy Payment | • Expanded premium motorcycle sales, sales increased 117% vs. LY |

20th Anniversary Projects

- ❖ Education Sponsorship – UM, UPM and USM
- ❖ Community Service ~ *Gotong Royong*
- ❖ Thank You Promotion
- ❖ Appreciation Dinner
- ❖ ACS Cup Badminton Championship



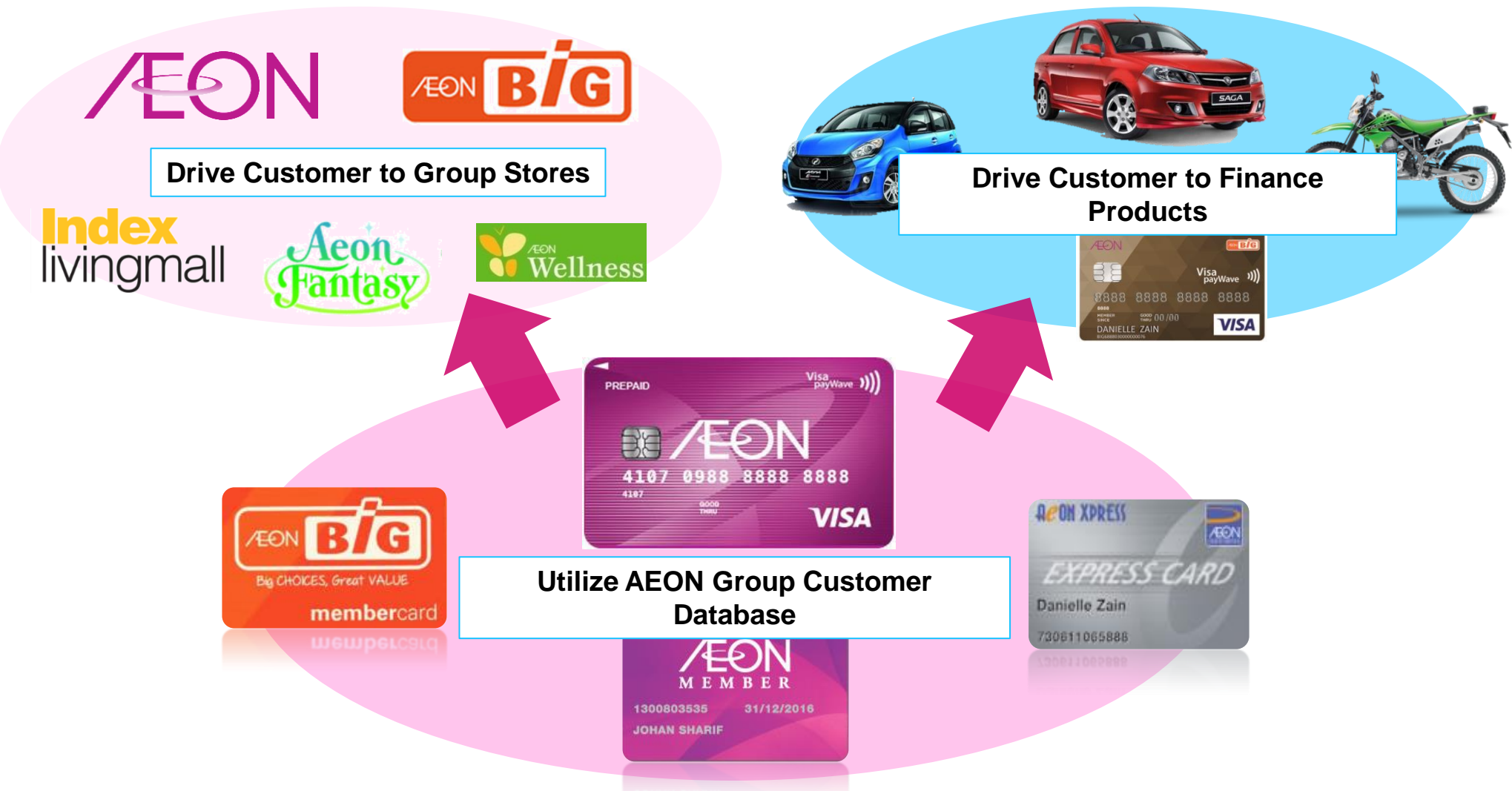
FYE 2018 Strategic Plan

Contents

- ☐ Settlement Business Expansion
- ☐ Value Chain Transformation
- ☐ Digital Marketing
- ☐ 3 Years Investment Planning

Expand Settlement Business/Fee Business and AEON Group Synergy

- Absorb Group retail cash transaction by New E-Money Card/E-Wallet.
- Established Digital Marketing to integrate Group customer database and group marketing.
- Expand Group synergy, drive customers to AEON Credit financial products and services.



Value Chain Transformation

- Continue branch transformation, tablet utilization, proceed cashless operations, digital advertisement and multi-tasking training.
- Instant Credit Card issuance to improve customer experience – create convenience.
- Complete application process digitalization.
- Developing Merchant Management System – for B2B business.



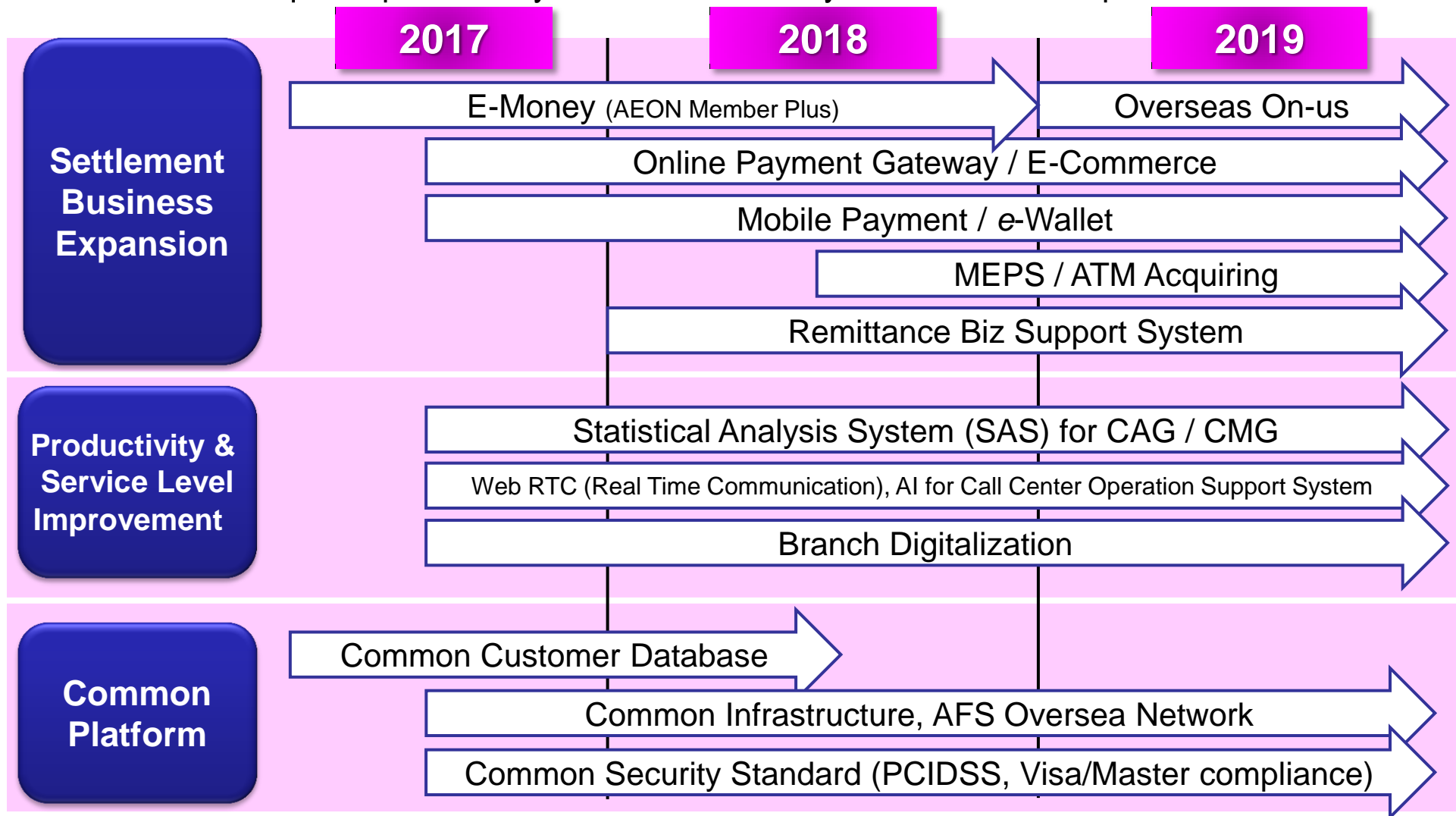
Digital Marketing

- Increase AEON Group customer value to commence Group business synergy.
- To improve customer web experience and interface
- To develop database marketing by use of big data.



3 Years Investment Planning

- To accelerate digital shift, established IT R&D Department.
- Increase investment for settlement business expansion.
- Investment to improve productivity and work efficiency for Branch and Operation Centre.



Thank you
