

# AEON CREDIT RECORDS AN IMPROVEMENT IN PBT AND PAT IN Q3FYE22

*The higher net profit recorded due to lower impairment loss of RM33.10 million incurred in the current quarter*

**KUALA LUMPUR, 23 DECEMBER 2021** – AEON Credit Service (M) Berhad (“**AEON Credit**” or “The Group”) today announced that it has recorded a higher profit before tax (“**PBT**”) of RM164.03 million for the third quarter ended 30 November 2021 (“**Q3FYE22**”) as compared to RM57.71 million recorded in the recorded in the preceding year’s corresponding quarter ended 30 November 2020 (“**Q3FYE21**”), while profit after tax (“**PAT**”) is recorded at RM103.46 million, an increase of 145.5% as compared to RM42.15 million in Q3FYE21. The improvement in performance was largely driven by lower impairment losses on financing receivables of RM33.09 million as compared to RM156.91 million in Q3FYE21, partially offset by higher operating expenses.

AEON Credit’s transaction and financing volume for Q3FYE22 decreased 2.9% to RM1.19 billion as compared to RM1.22 billion in Q3FYE21 which is due to the impact of business restrictions under the National Recovery Plan (NRP) implementation that resulted in many businesses facing with various challenges. The NRP entails opening up the economy in stages in line with the progress made in managing the pandemic.

The Group recorded a revenue of RM376.47 million for Q3FYE22 compared to Q3FYE21 of RM401.47 million which is lower by 6.2%.

Due to the challenging pandemic economic environment, the Group’s gross financing receivables contracted by 6.0% to RM9.61 billion in Q3FYE22 compared to RM10.22 billion recorded in Q3FYE21. Non-Performing Loans (“**NPL**”) ratio improved to 1.75% as compared to 2.88% as at 30 November 2020.

For the nine-months period ended 30 November 2021 (“**9MFYE22**”), revenue increased by 0.6% to RM1.16 billion compared to RM1.15 billion recorded in the preceding year’s nine-months period ended 30 November 2020 (“**9MFYE21**”) mainly due to higher interest income as the revenue of 9MFYE21 was impacted by Day One net modification loss related to AEON Relief Programme.

Both PBT and PAT recorded at RM482.03 million and RM342.04 million for 9MFYE22, an increase of 181.4% and 184.5% respectively, compared to the 9MFYE21 mainly due to higher revenue and lower allowance for impairment losses of RM294.68 million.

### Prospects

The Malaysian Gross Domestic Product (“**GDP**”) contracted by 4.5% year-on-year in the third quarter of 2021 as compared to 16.1% expansion in second quarter. This was mainly attributed to the stricter containment measures which have impacted all the economic sectors in the country. However, Bank Negara Malaysia (“**BNM**”) has forecasted that the Malaysia’s economy to rebound in 2022, supported by the increase in economic activities due to the progressive relaxation of the containment measures in the country.

The domestic demand recovery is projected to continue in 2022, anchored by private consumption, following the gradual improvement in labour market conditions amid a relaxation of containment measures, improved consumer sentiments and spending from the vaccine rollout as well as targeted policy support for vulnerable households.

The Group will remain cautious but also optimistic about its business prospects. It will closely monitor and assess the inherent credit risks in its financing portfolio, with proactive attention focused on the enhancement of asset quality, prudent cost management, and improvement on financial and operational efficiencies by leveraging AEON Credit's positive business fundamentals.

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#### **ABOUT AEON CREDIT SERVICE (M) BERHAD**

AEON Credit Service (M) Berhad ("AEON Credit" or the "Company") was incorporated on 6 December 1996 and was converted into a public limited company on 9 February 2007 and 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 purchase of consumer durables through appointed retail merchants and chain stores.

Today, the business of the Company had expanded to include issuance of Credit Cards, Prepaid Card, Easy Payment, hire purchases financing for motor vehicles, Personal Financing schemes and other services.

The Company currently has five Regional Offices, 64 branches and service centres located in the major shopping centres and towns and a network of more than 13,479 participating merchant outlets nationwide.

Insurepro Sdn. Bhd. ("Insurepro"), a wholly-owned subsidiary of AEON Credit offering insurance broking services for Conventional, Takaful insurance and reinsurance service.

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#### **Issued by Esente Communications (M) Sdn Bhd on behalf of AEON Credit Service (M) Berhad**

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