



Q2 / 1H FYE23 Financial Results







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FINANCIAL OVERVIEW



Financial Performance



Steady asset growth momentum

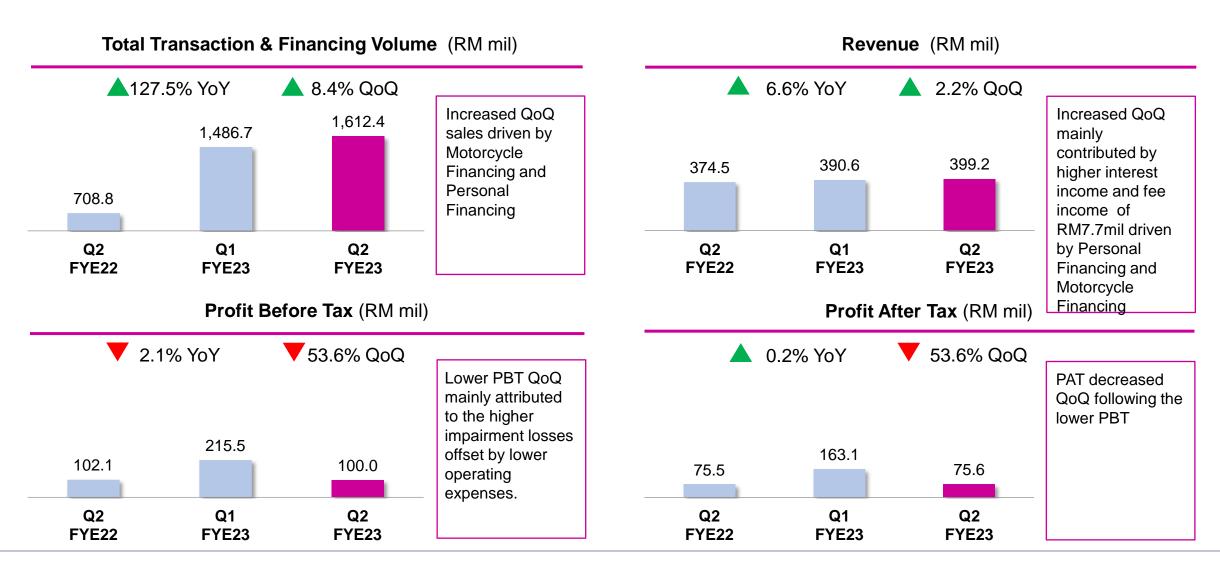
		1H FYE22	1H FYE23	YoY
	Revenue	RM785.4M	RM789.7M	+0.5%
Profitability	PAT	RM238.6M	RM238.7M	+0.1%
	ROE	26.0%	22.3%	-3.7%
	Transaction & Financing Volume	RM2.1B	RM3.1B	+46.4%
ΔŢ	Gross Financing Receivables	RM9.6B	RM10.4B	+7.9%
Asset Quality	Loan Loss Coverage Ratio	343%	276%	-67%
	Non-Performing Loan (NPL)	2.24%	2.91%	+0.7%
	Net Credit Cost (NCC)	0.80%	1.75%	+1.0%
Capital	Capital Adequacy Ratio (CAR)	27.0%	27.5%	+0.5%



Income Statement



Continuance of revenue growth trajectory underpinned by robust sales growth



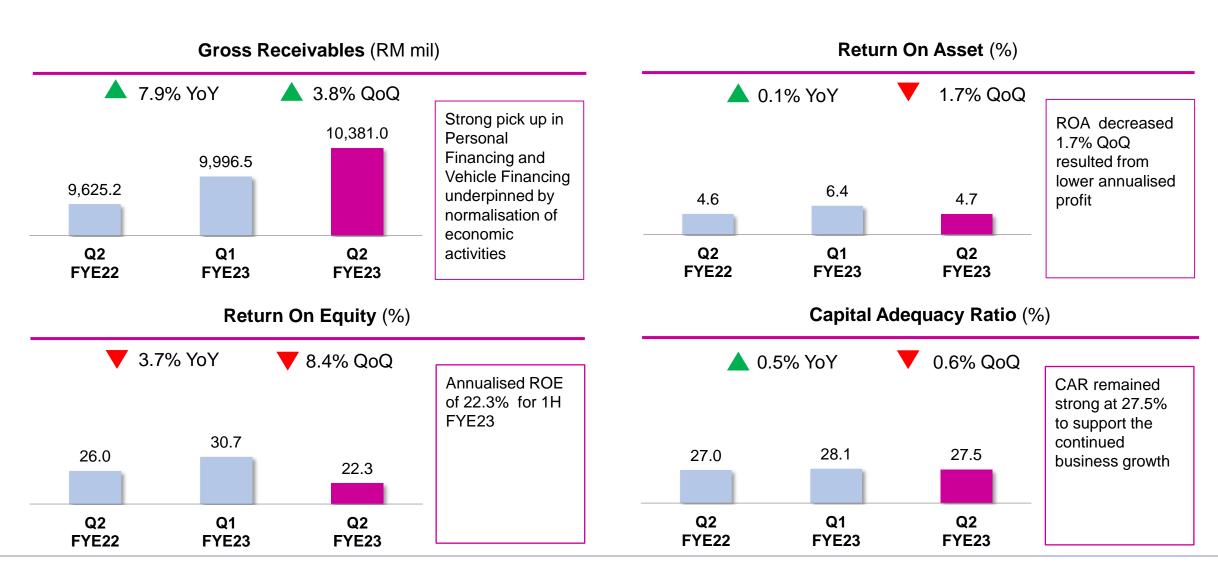




Shareholder Value & Capital Management



Supported by healthy financing receivables growth



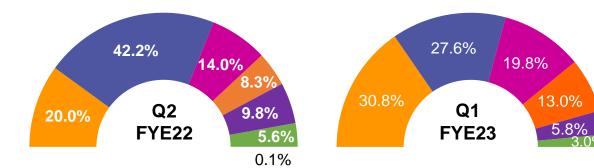


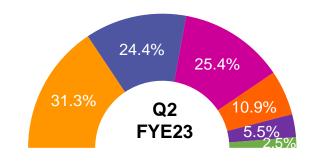


Total Transaction & Financing Volume



Marked increase in Total volume of 8.4% QoQ with strong pick up by Personal Financing Group





Volume (RM mil)	Q2 FYE22	Q1 FYE23	Q2 FYE23	QoQ	YoY	2 nd
Motorcycle Financing	142	458	504	10.1%	255.9%	
Auto Financing	59	194	175	-9.8%	196.4%	
Vehicle Financing Group	201	652	679	4.2%	238.4%	
Credit Card	299	410	394	-3.9%	31.8%	
E-money	40	44	41	-7.6%	2.2%	
Payment Business Group	339	454	435	-4.2%	28.3%	
Personal Financing	99	295	409	38.8%	313.4%	
Objective Financing	70	86	89	3.1%	27.1%	
SME Financing	0.4	-	0.3	-	-37.5%	
Personal Financing Group	169	381	498	30.8%	194.5%	•
Total	709	1,487	1,612	8.4%	127.5%	
	Motorcycle Financing Auto Financing Vehicle Financing Group Credit Card E-money Payment Business Group Personal Financing Objective Financing SME Financing Personal Financing Group	Motorcycle Financing 142 Auto Financing 59 Vehicle Financing Group 201 Credit Card 299 E-money 40 Payment Business Group 339 Personal Financing 99 Objective Financing 70 SME Financing 0.4 Personal Financing Group 169	Volume (RM mil) FYE22 FYE23 Motorcycle Financing 142 458 Auto Financing 59 194 Vehicle Financing Group 201 652 Credit Card 299 410 E-money 40 44 Payment Business Group 339 454 Personal Financing 99 295 Objective Financing 70 86 SME Financing 0.4 - Personal Financing Group 169 381	Volume (RM mil) FYE22 FYE23 FYE23 Motorcycle Financing 142 458 504 Auto Financing 59 194 175 Vehicle Financing Group 201 652 679 Credit Card 299 410 394 E-money 40 44 41 Payment Business Group 339 454 435 Personal Financing 99 295 409 Objective Financing 70 86 89 SME Financing 0.4 - 0.3 Personal Financing Group 169 381 498	Volume (RM mil) FYE22 FYE23 FYE23 Motorcycle Financing 142 458 504 10.1% Auto Financing 59 194 175 -9.8% Vehicle Financing Group 201 652 679 4.2% Credit Card 299 410 394 -3.9% E-money 40 44 41 -7.6% Payment Business Group 339 454 435 -4.2% Personal Financing 99 295 409 38.8% Objective Financing 70 86 89 3.1% SME Financing 0.4 - 0.3 - Personal Financing Group 169 381 498 30.8%	Volume (RM mil) FYE22 FYE23 FYE23 QOQ YoY Motorcycle Financing 142 458 504 10.1% 255.9% Auto Financing 59 194 175 -9.8% 196.4% Vehicle Financing Group 201 652 679 4.2% 238.4% Credit Card 299 410 394 -3.9% 31.8% E-money 40 44 41 -7.6% 2.2% Payment Business Group 339 454 435 -4.2% 28.3% Personal Financing 99 295 409 38.8% 313.4% Objective Financing 70 86 89 3.1% 27.1% SME Financing 0.4 - 0.3 - -37.5% Personal Financing Group 169 381 498 30.8% 194.5%

2nd half year initiatives:

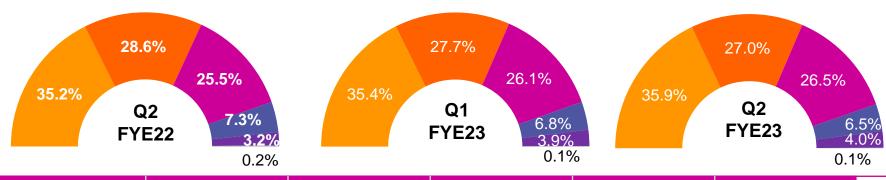
- Expand direct sales team nationwide to drive credit card recruitment and strengthen AEON Group collaboration
- Enhance card features and promote ready cash to drive credit card sales.
- Privilege card for Hawkers & Petty Trades target live in Q3
- Pre-assessment scheme to improve all Easy Payment products lived in end Sep'22
- Launch of pre-approval program to drive Objective Financing



Total Gross Financing Receivables



Improving QoQ for Key Segments; Personal Financing Group & Vehicle Financing Group



Volume (RM mil)	Q2 FYE22	Q1 FYE23	Q2 FYE23	QoQ	YoY	Marginally i QoQ to RM
Motorcycle Financing	3,389	3,537	3,723	5.3%	9.9%	Merchan
Auto Financing	2,748	2,774	2,807	1.2%	2.1%	campaig asset qu
Vehicle Financing Group	6,137	6,311	6,530	3.5%	6.4%	custome
Credit Card	707	676	675	-0.2%	-4.5%	 Progress advertise
Personal Financing	2,450	2,605	2,746	5.4%	12.1%	post EPF scheme
Objective Financing	308	391	419	7.1%	36.0%	Financin
SME Financing	23	14	11	-21.1%	-51.6%	• End-to-e
Personal Financing Group	2,781	3,010	3,176	5.5%	14.2%	boarding Payment
Total	9,625	9,997	10,381	3.8%	7.9%	to drive r

y increased by 3.8% M10.38bil

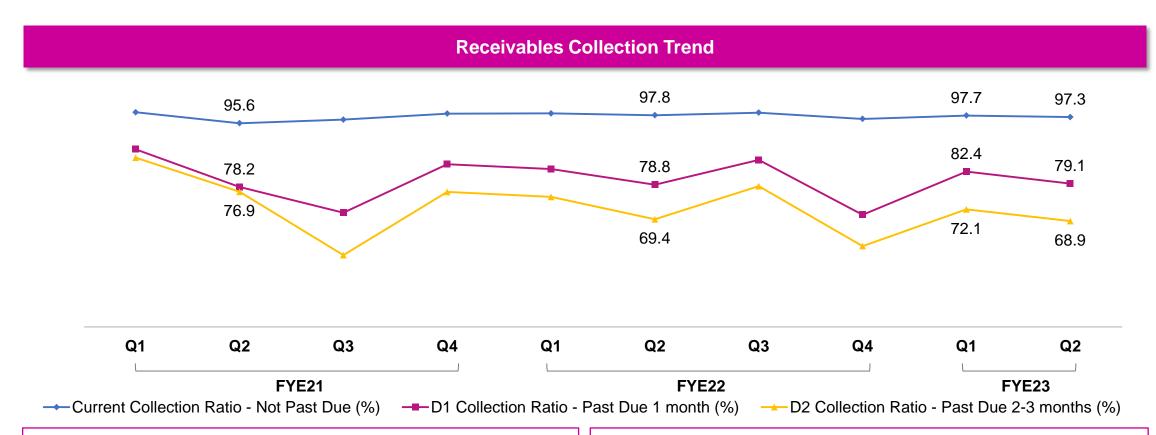
- int incentives igns to increase uality for good score ers
- ssively sement awareness PF withdrawal e to drive Personal ing application
- end digitalisation on ng process for Easy nt target live in Q3 receivable growth



Receivables Collection



Slow collection activities overwhelmed by turbulent external factors



Overall collection result marginal lower in Q2FYE23 compared to Q1FYE23 attributed by

- System disruption and slowness in Q2 resulted lower staff productivity
- Service line contributed higher unpaid share
- Moped customer with lower credit score generated lowest collection performance

Action for Q3:

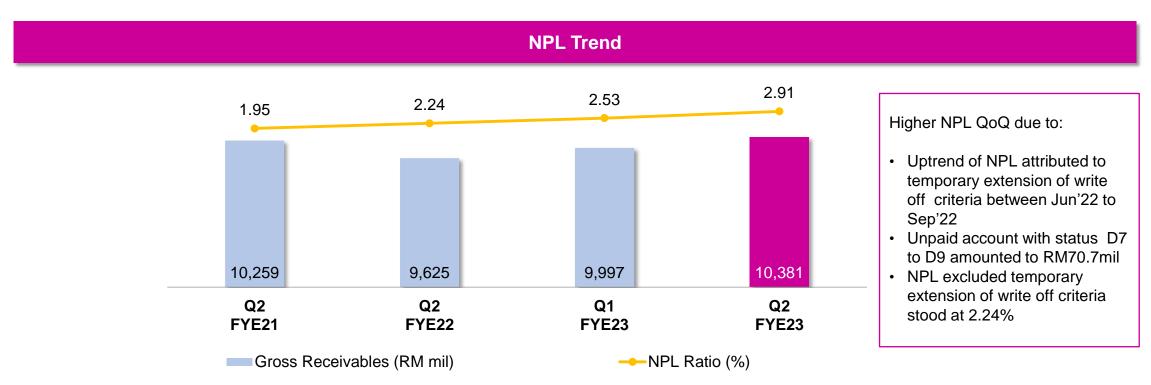
- Refine credit policy to decline applicants with gross pay of RM1,000 lower score customers and increase down payment for Auto Financing
- Merchant incentive scheme to improve good quality customers
- Promote shorten tenure financing such as Ready cash scheme
- · Promote fast & instant financing scheme



Non-Performing Loan (NPL)



Continuous prudent approach on asset quality



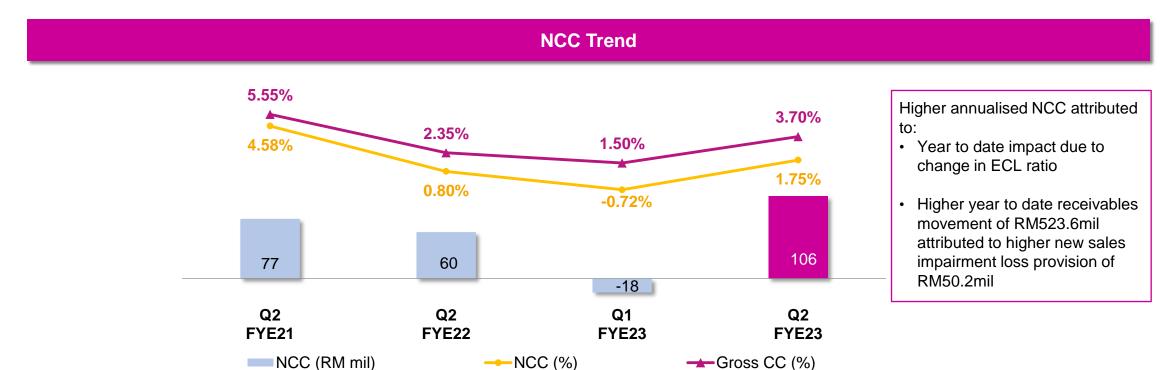
(RM mil)	Q2 FYE21	Q2 FYE22	Q1 FYE23	Q2 FYE23
Receivables	10,259	9,625	9,997	10,381
Balance D3+	200	215	253	302
NPL (%)	1.95	2.24	2.53	2.91



Net Credit Cost (NCC)



Higher NCC QoQ driven by higher impairment loss and lower bad debt recovered



(RM mil)	Q2 FYE21	Q2 FYE22	Q1 FYE23	Q2 FYE23
Total Impairment Loss (IL)	112	92	37	150
(-) Bad Debt Recovered	35	32	55	44
NCC	77	60	-18	106

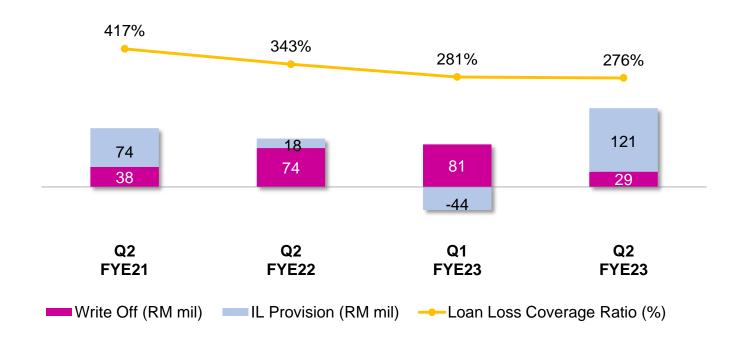




Impairment Loss (IL) Analysis



Higher IL QoQ attributed by higher existing delinquent receivables & lower write back on management overlay



Higher Expected Credit Loss (ECL) provision QoQ mainly due to:

- Current and delinquent account IL movement of RM81.4mil and new sales IL of RM29.0mil
- Additional management overlay provision of RM11.1mil

(RM mil)	Q2 FYE21	Q2 FYE22	Q1 FYE23	Q2 FYE23	QoQ RM mil	QoQ
Write Off	38	74	81	29	-52	-65.0%
IL Provision	74	18	-44	121	165	-374.5%
Total IL	112	92	37	150	113	302.3%



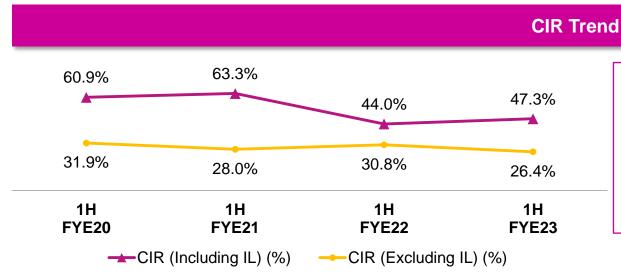


Cost-to-Income Ratio (CIR)



Operational efficiency (excluded IL) improved QoQ and YoY due to prudent cost management

RM mil	Q2 FYE22	Q2 FYE23	YoY	1H FYE22	1H FYE23	YoY
Total Operating Income	413.0	447.0	8.2%	873.2	896.3	2.6%
Personnel Expenses	54.2	52.5	-3.1%	109.6	95.7	-12.7%
Advertisement & Promotion	10.5	5.8	-44.5%	21.3	14.2	-33.5%
Other Operating Expenses	68.8	59.8	-13.1%	138.0	127.2	-7.8%
Operating Expenses	133.5	118.1	-11.5%	268.9	237.1	-11.8%
Total Impairment Loss	92.3	150.0	62.5%	115.5	187.2	62.1%
Total Operating Expenses	225.8	268.1	18.8%	384.4	424.3	10.4%



Total Operating Expenses for 1HFYE23 increased by RM39.9mil to RM424.3mil mainly due to higher impairment losses on financing receivables mitigated by overall lower operating expenses of RM31.8mil

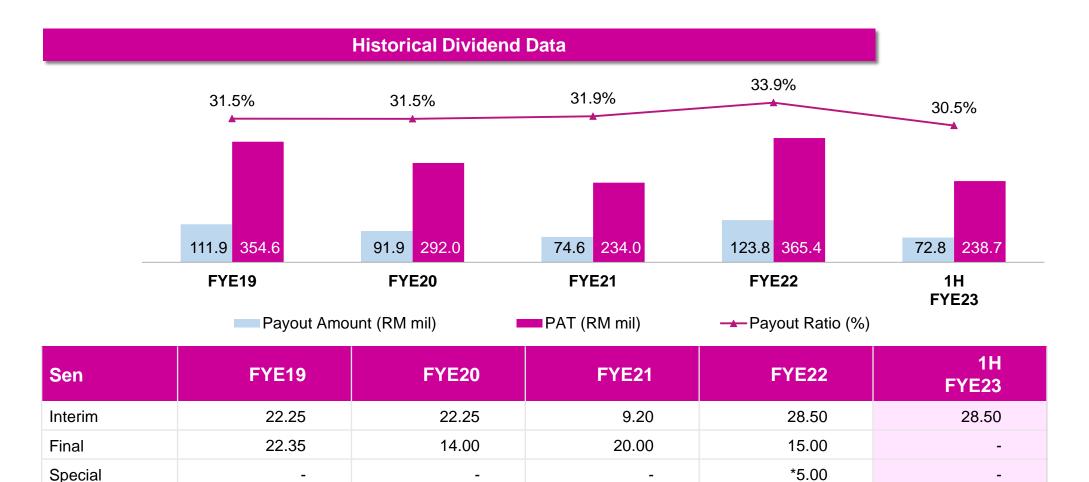
Cost to income ratio excluding IL stood low at 26.4% compared to 30.8% in 1HFYE22







Declared interim dividend of 28.50 sen for FYE2023, translating into dividend payout of 30.5%



29.20

48.50

28.50

36.25

Note: *Declared special dividend in line with AEON Credit's 25th Anniversary celebration

44.60



Total



KEY STRATEGIES and OPERATIONAL UPDATES

FYE2023 Indicator



	Indicators FYE2023	Actual Q2FYE23	Remark
Loan Growth	> 10%	7.9%	 Higher loan growth driven by higher demand and application of financing in the market Accelerate products roll outs on digital platform to increase market penetration
Cost-to-Income	< 60%	47.3%	Driven by higher operating income and lower total operating expenses partially offset by higher credit cost
Dividend Payout Ratio	> 30% of PAT	30.5%	Declared Interim dividend of 28.50 sen
ROE	> 15%	22.3%	Annualised on first half year result



Digitizing The Customers Journey on Product Onboarding



Traditional Approach

- Manual KYC
- No phone & email verification
- 3 Slow TAT Credit Assessment
- Physical agreement sign
- 5 Physical doc for sales claim submission
- 6 Manual stamping process
- Slow Disbursement
- 8 Physical process on Auto Debit form
- 9 High loan delinquency
- 10 Physical Warehouse slow document retrieval















Preliminary Loan Assessment

- Real time conditional approved credit limit
- 2 Mandatory E-KYC (Biometric & OCR + Facial Recognition)
- Mandatory phone no & email validation
- Pre-Assessment during application
- 5 External Credit Bureau check with scoring
- 6 Straight Through Decline

Go Paperless

- e-Mandate real time bank account verification
- 2 Digital Signature
- e-Sales Claim with e-doc
- 4 e-Storage

Instant Approval

- 1 Straight Through Approval & Decline
- 2 Internal score for No CCRIS Customer
- 3 Income estimator with DSR calculation

Extension of Digital Application Channel

- On-boarding via App
- All in One Account Management

Enhancing Risk Modeling to Improve Credit Availability

Progress Updates

Easy Payment End-to-End Digital on Boarding process

To improve customer experience & provide instant conditional approval credit limit. Live: Q3

Personal Financing End-to-End Digital on Boarding process

To improve customer experience & provide instant conditional approval credit limit. Live: Q4

Straight Through Approval

To have instant approval for good customers.
Live: Q1FYE24

E-Mandate & Digital Signature

To improve turnaround time for loan acceptance and better customer experience. Live: Q1FYE24



New AEON App Road Map

ÆON CREDIT SERVICE

Target to complete by Feb 2024



AEON 1st E-WALLET

- Only a touch point by AMPs
- Only can make payment to AEON Retails
- Poor customer experience
- No customer engagement



E-WALLET & IAEON

- Expand AEON Member base from iAEON
- Embedded Financial Services in iAEON for cross selling
- Improve customer experience



- Touch point for all AEON Credit Customer
- Customer engagement Loyalty Program
- Website Responsive Seamless with APP
- Innovative customer experience
- Business Expansion & Cross Selling

Note: P1 = Phase 1 , P2 = Phase 2, P3 = Phase 3



— DIGITAL BANK TIMELINE FOR FYE2022-2023



Launch within 24 months from 8 April 2022



Financial Effects to AEON Credit for the Joint Venture

- AEON Credit proposes to subscribe for 45% equity interest in the JVC equivalent to cash RM90 million for 90 million shares
- Earnings and earnings per share (EPS) not expected to have any material impact on the earning and EPS of AEON Credit for FYE 2023

Joint Venture Consortium (JVC)

- During the foundational phase, the JVC shall:-
 - (a) Operate within an asset limit of RM3.0 billion;
 - (b) Maintain at all times a minimum capital funds of RM100 million unimpaired by losses



Sustainability Implementation



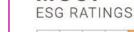
Management Sustainability Committee formed in Nov 2021 to further strengthen and oversee the matters relating to sustainability within the Group.

We appointed Sustainability consultant to assist AEON Credit to expedite sustainability implementations.

The followings are the key milestones achieved and way forward:-

Completed

Way Forward



MSCI

to-date:-



Rated A by MSCI ESG Ratings

ESG Achievement



Constituent of the FTSE4Good Bursa Malaysia Index with 4-star **ESG Grading Band**



Top 100 Companies For **Corporate Governance** Disclosure

Establish ESG Framework

- Completed current state assessment, gap analysis and benchmarking.
- **ESG** Established Mission Statements

Develop 3-year ESG Roadmap and KPI Setting

- Identified 28 strategic initiatives under Environment. **Economic and Social pillars**
- 2) Determined target and formulate milestones for each of strategic initiatives
- Completed Scope and 2 carbon emission profile

TCFD Implementation

- Formulate climate action framework
- Identify business's climate related risk and opportunity
- Formulate climate related metrics and indicators
- Conduct climate scenario analysis
- Establish Scope carbon emission profile

Note: TCFD = Task Force on Climate Financial Relate Disclosure





Corporate Social Responsibility – Q2 FYE23

Corporate social responsibility activities with local community

Malaysia AEON Foundation Mesra Aidiladha Donation at 4 Locations



Nationwide Coastal Cleanup at 6 Locations (in-conjunction with World Ocean Day)



AMP Privilege Card Handover by Prime Minister to 10 Pilot Cardholders



Blood Donation Drive with Sarawak General Hospital and Hospital Tengku Ampuan Afzan



AEON Credit Supports Ministry of Domestic Trade and Consumer Affairs Kuala Lumpur Consumer Fun Ride



River Cleaning at Taman Rimba Templer with Selayang Municipal Council







APPENDIX



Performance Highlights



(RM mil)	Q2 FYE22	Q1 FYE23	Q2 FYE23	QoQ	YoY	1H FYE22	1H FYE23	YoY
Total Transaction & Financing Volume	708.8	1,486.7	1,612.4	8.4%	127.5%	2,116.9	3,099.1	46.4%
Credit Card	299.1	410.0	394.3	-3.9%	31.8%	679.9	804.3	18.3%
Easy Payment Financing	270.8	737.6	767.9	4.1%	183.5%	948.8	1,505.5	58.7%
Personal Financing	99.1	295.0	409.5	38.8%	313.4%	394.0	704.5	78.8%
E-Money	39.8	44.1	40.7	-7.6%	2.2%	94.2	84.8	-9.9%

Total Income	413.0	449.3	447.0	-0.5%	8.2%	873.2	896.3	2.6%
Operating Expenses	-225.8	-156.2	-268.1	71.7%	18.8%	-384.4	-424.3	10.4%
Interest Expenses	-85.1	-77.6	-78.8	1.6%	-7.4%	-170.8	-156.4	-8.4%
Profit Before Tax	102.1	215.5	100.0	-53.6%	-2.1%	318.0	315.6	-0.8%
Income Tax	-26.6	-52.4	-24.4	-53.5%	-8.5%	-79.4	-76.9	-3.2%
Net Profit	75.5	163.1	75.6	-53.6%	0.2%	238.6	238.7	0.1%



Financial Summary



(RM mil)	Q2 FYE22	Q1 FYE23	Q2 FYE23	QoQ	YoY
Credit Card	706.6	676.1	675.1	-0.2%	-4.5%
Card Purchase	688.5	656.9	652.6	-0.7%	-5.2%
Cash Advance	18.1	19.2	22.5	17.0%	24.1%
Personal Financing	2,450.0	2,604.7	2,745.9	5.4%	12.1%
Objective Financing	307.6	390.8	418.4	7.1%	36.0%
Motorcycle Financing	3,389.5	3,536.7	3,723.5	5.3%	9.9%
MOPED	2,637.4	2,769.6	2,941.8	6.2%	11.5%
Superbike	752.1	767.1	781.7	1.9%	3.9%
Auto Financing	2,748.2	2,773.9	2,806.8	1.2%	2.1%
SME Financing	23.3	14.3	11.3	-21.1%	-51.6%
Total Financing Receivables	9,625.2	9,996.5	10,381.0	3.8%	7.9%
Impairment Loss	-842.1	-712.0	-833.5	17.1%	12.9%
Other Assets	1,684.4	1,165.1	952.0	-18.3%	-39.8%
Total Assets	10,467.5	10,449.6	10,499.5	0.5%	0.3%
Total Liabilities	8,374.3	8,027.8	8,066.8	0.5%	-3.7%
Shareholders' Fund	2,093.2	2,421.8	2,432.7	0.5%	16.2%







(RM mil)	Q2 FYE22	Q1 FYE23	Q2 FYE23	QoQ	YoY	1H FYE22	1H FYE23	YoY
Credit Card	30.6	35.3	36.2	2.2%	18.4%	64.5	71.6	11.1%
Personal Financing	103.0	102.8	106.9	4.0%	3.8%	217.5	209.7	-3.6%
Objective Financing	17.8	21.7	22.3	2.6%	25.1%	35.6	43.9	23.4%
Motorcycle Financing	139.4	144.6	148.6	2.8%	6.7%	296.3	293.2	-1.1%
Auto Financing	79.9	79.4	79.5	0.1%	-0.4%	164.4	158.9	-3.3%
SME Financing	0.4	0.3	0.2	-27.7%	-51.1%	0.9	0.5	-49.4%
E money	3.4	4.2	3.3	-20.4%	-5.4%	6.2	7.5	19.8%
Brokerage Fee*	-	2.3	2.2	-3.4%	-	-	4.4	100.0%
Total Revenue	374.5	390.6	399.2	2.2%	6.6%	785.4	789.7	0.5%
Other Operating Income	38.5	58.7	47.8	-18.6%	24.2%	87.8	106.6	21.4%
Total Operating Income	413.0	449.3	447.0	-0.5%	8.2%	873.2	896.3	2.6%

Note: *Insurepro Sdn Bhd becoming a wholly-owned subsidiary of AEON Credit since Oct 2021







(RM mil)	Q2 FYE22	Q1 FYE23	Q2 FYE23	QoQ	YoY	1H FYE22	1H FYE23	YoY
Impairment Loss on Receivables	92.3	37.3	150.0	302.3%	62.5%	115.5	187.2	62.1%
Personnel Expenses	54.2	43.1	52.5	21.7%	-3.1%	109.6	95.7	-12.7%
Advertisement & Promotion (A&P)	10.5	8.3	5.8	-30.1%	-44.5%	21.3	14.2	-33.5%
Other Operating Expenses	68.8	67.5	59.8	-11.3%	-13.1%	138.0	127.2	-7.8%
Operating Expenses	225.8	156.2	268.1	71.1%	18.8%	384.4	424.3	10.4%
Interest expenses	85.1	77.6	78.8	1.6%	-7.4%	170.8	156.4	-8.4%
Total Expenses	310.9	233.8	346.9	48.4%	11.6%	555.2	580.7	4.6%



Financial Indicators



	FYE20	FYE21	FYE22	Q1 FYE23	Q2 FYE23	1H FYE23
PBT (RM mil)	390.4	324.9	526.8	215.5	100.0	315.6
PAT (RM mil)	292.0	234.0	365.4	163.1	75.6	238.7
Weighted average no. of ordinary shares (mil)	255.3	255.3	255.3	255.3	255.3	255.3
Basic EPS (RM)*	1.07	0.88	1.39	2.5	1.9	1.9
NTA per share (RM)	6.1	6.6	7.8	8.7	8.7	8.7
ROE (%)*	18.0	13.8	19.2	30.7	22.3	22.3
ROA (%)*	3.1	2.3	3.6	6.4	4.7	4.7
Capital Adequacy Ratio (%)	18.9	24.0	26.8	28.1	27.5	27.5
Debt-to-Equity Ratio (x)	4.6	3.8	3.1	2.9	3.0	3.0
Share Price (RM)	13.8	11.7	14.7	14.6	14.1	14.1
PER (x)	12.9	13.3	10.6	5.7	7.6	7.6
Market Capitalisation (RM mil)	3,500	2,992	3,748	3,717	3,600	3,600

Note: *Computed based on annualised figures





THANK YOU

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