



AEON Credit Service (Asia) Co., Ltd.

Stock Code : 0900

2022/23 Interim Results

26 September 2022

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Glossary

2019/20 1H	First half of 2019/20
2019/20 2H	Second half of 2019/20
2020/21 1H	First half of 2020/21
2020/21 2H	Second half of 2020/21
2021/22 1H	First half of 2021/22
2021/22 2H	Second half of 2021/22
2022/23 1H	First half of 2022/23
2022/23 2H	Second half of 2022/23
2021/22 Q1	First quarter of 2021/22
2021/22 Q2	Second quarter of 2021/22
2021/22 Q3	Third quarter of 2021/22
2021/22 Q4	Fourth quarter of 2021/22
2022/23 Q1	First quarter of 2022/23
2022/23 Q2	Second quarter of 2022/23
AIS	AEON Information Service (Shenzhen) Co., Ltd.
HK\$	Hong Kong Dollars

Agenda

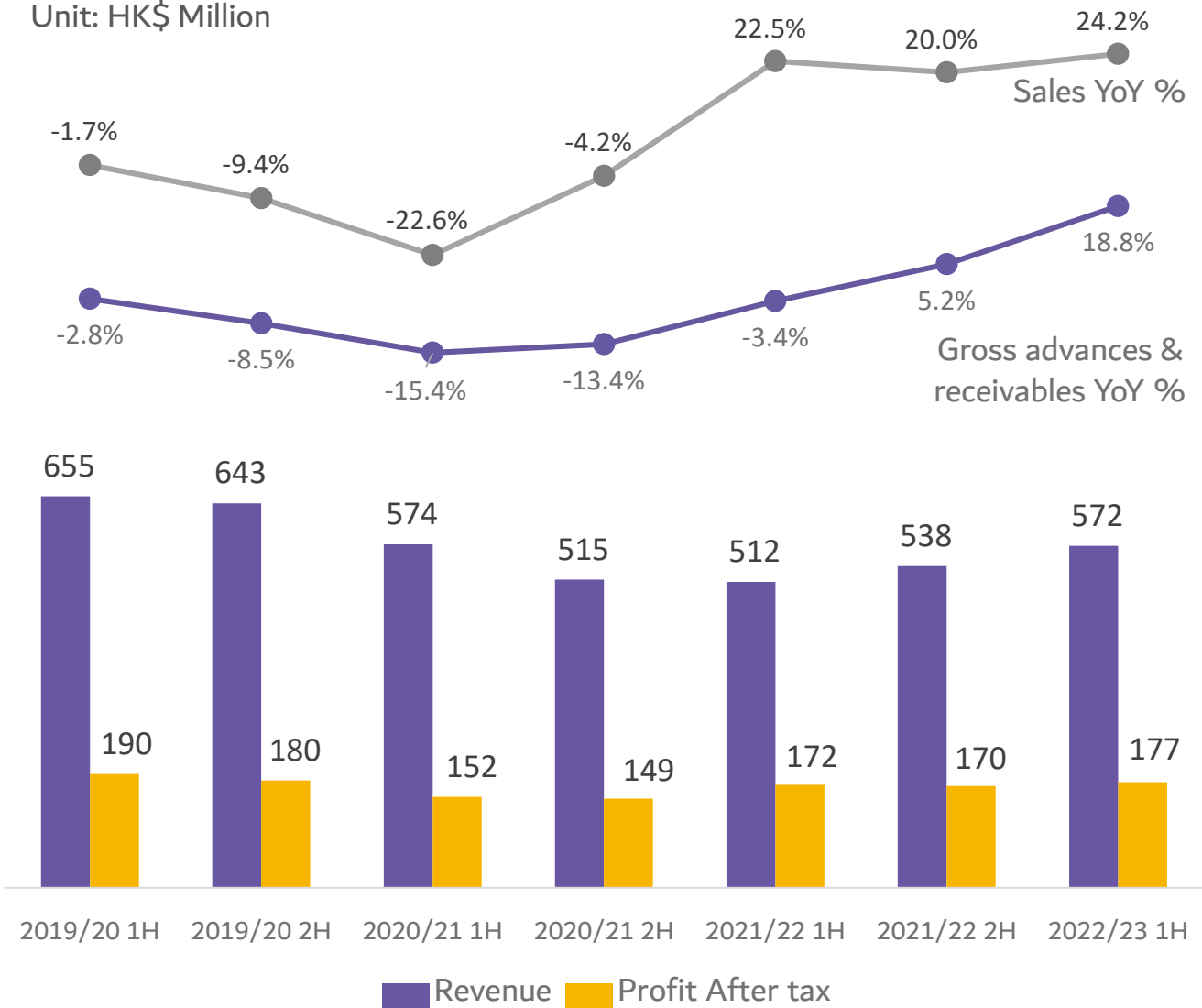
- 1 Major Achievements & Financial Highlights**
- 2 Growth Strategies**
- 3 Q&A Session**



Major Achievements in 2022/23 1H

Performance Achievements

Unit: HK\$ Million



Returned to Growth

Sales for 2022/23 1H

24.2% vs. 2021/22 1H ↑

Gross advances and receivables at 31 August 2022

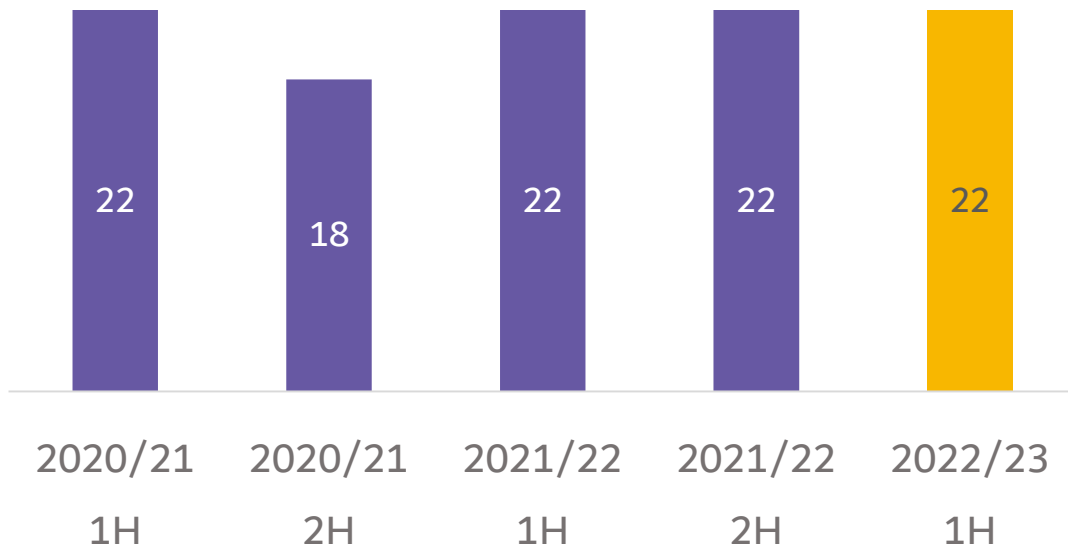
18.8% vs. 31 August 2021 ↑

Profit after tax for 2022/23 1H

2.6% vs. 2021/22 1H ↑

Interim Dividend

Unit: HK Cents



Core Payout Ratio

Pay-out ratio for 2022/23 1H

52.1%

Dividend Policy :
Annual dividend payout ratio of not less than 30% of the net profit attributable to shareholders of the Company for the financial year.

Return to Shareholders

Interim Dividend for 2022/23

HK\$0.22 /share

> 8%

Yield at Current Share Price

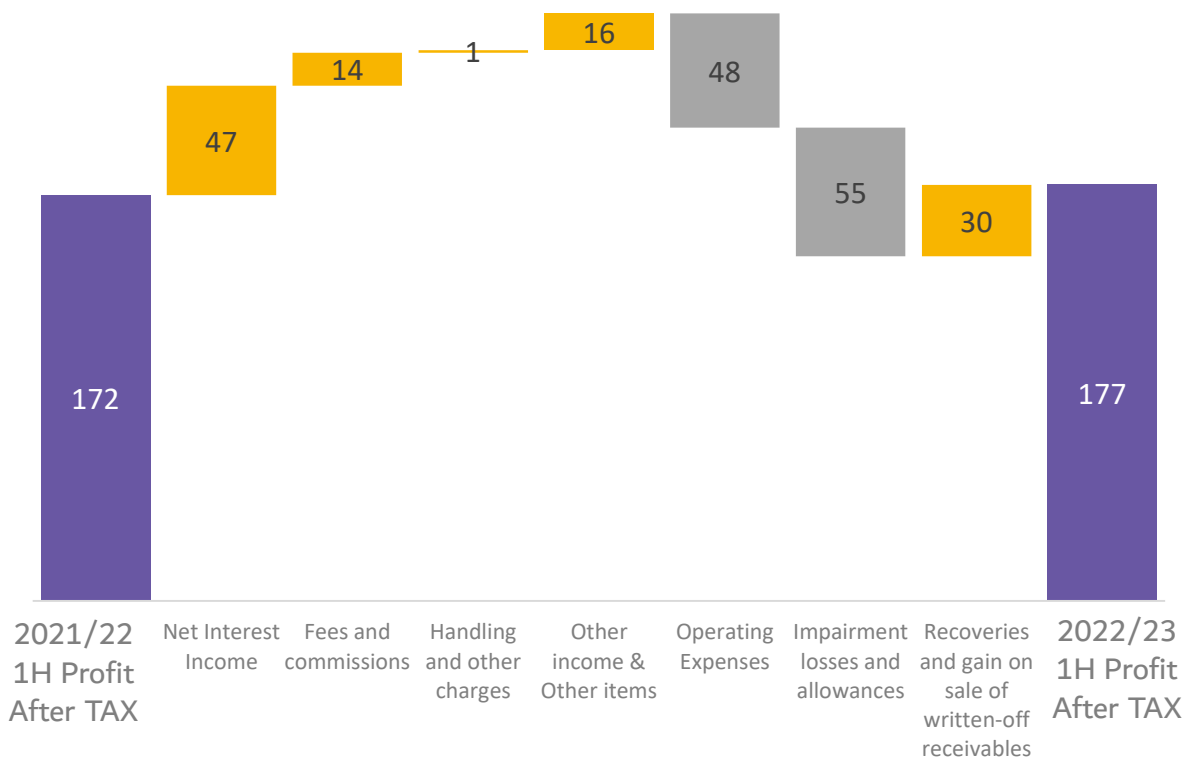


Financial Highlights

Highlights of Statement of Profit or Loss

Profit Analysis by Waterfall

Unit: HK\$Million



Financial Highlights

Net interest income, vs 2021/22 1H

+HK\$ 47M ↑

Fee and commissions, vs 2021/22 1H

+HK\$ 14M ↑

Earnings per share

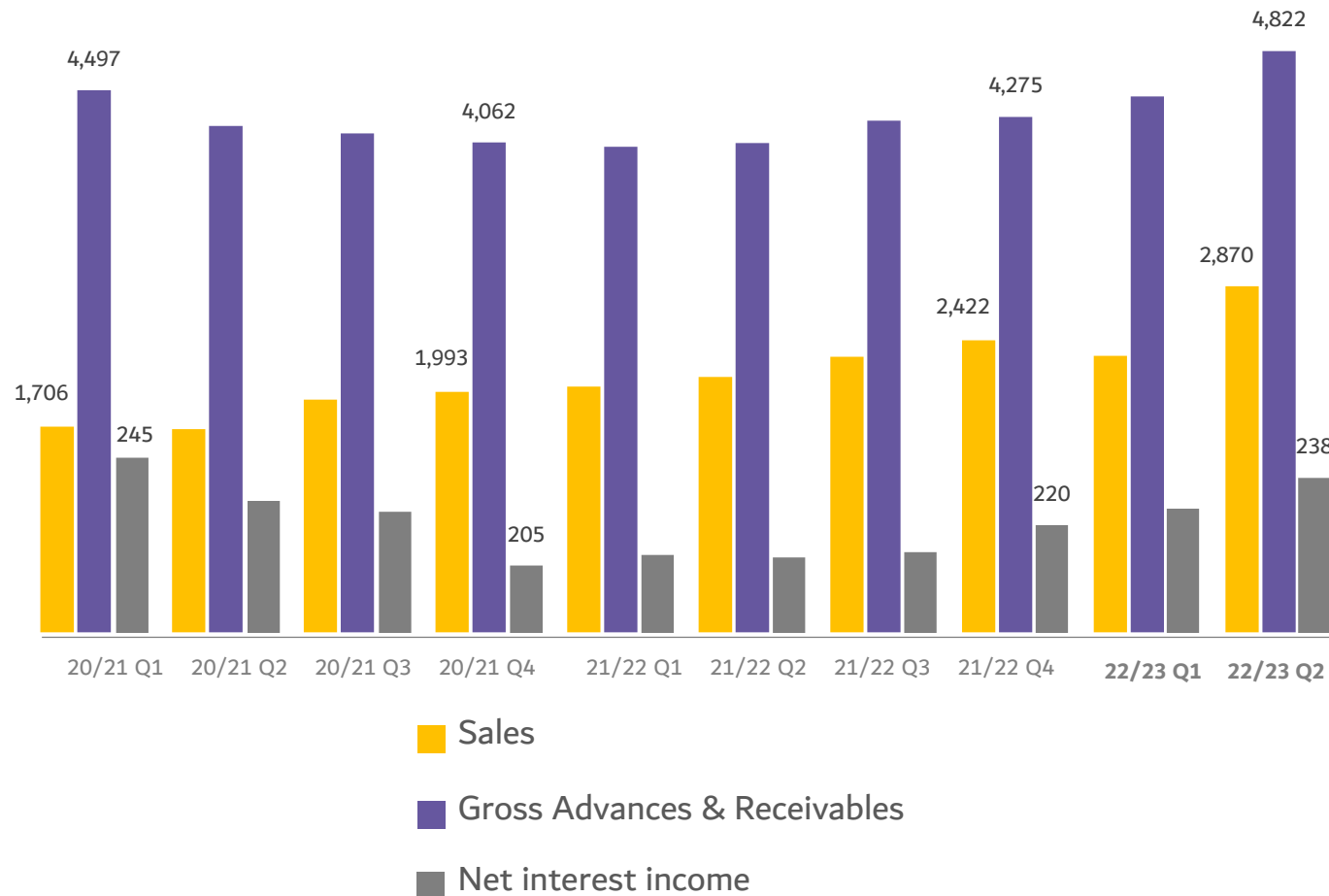
42 HK cents

Segment Information

Items	Card	Loan	Insurance	Consolidation	Hong Kong	PRC	Consolidation
<u>2022/23 1H</u>							
Revenue	447M	111M	14M	HK\$ 572M	561M	11M	HK\$ 572M
Segment results	158M	37M	15M	HK\$ 210M	208M	2M	HK\$ 210M
Unallocated income (expense)				HK\$ 1M			HK\$ 1M
Profit before tax				HK\$ 211M			HK\$ 211M
<u>2021/22 1H</u>							
Revenue	406M	92M	14M	HK\$ 512M	503M	9M	HK\$ 512M
Segment results	158M	45M	7M	HK\$ 210M	212M	- 2M	HK\$ 210M
Unallocated income (expense)				(HK\$ 3M)			(HK\$ 3M)
Profit before tax				HK\$ 207M			HK\$ 207M

Upward Trend in Sales, Gross Advances & Receivables Balance and Net Interest Income

Unit: HK\$ Million



1

Sales increased drastically by capturing 'new normal' consumption and customer needs

2

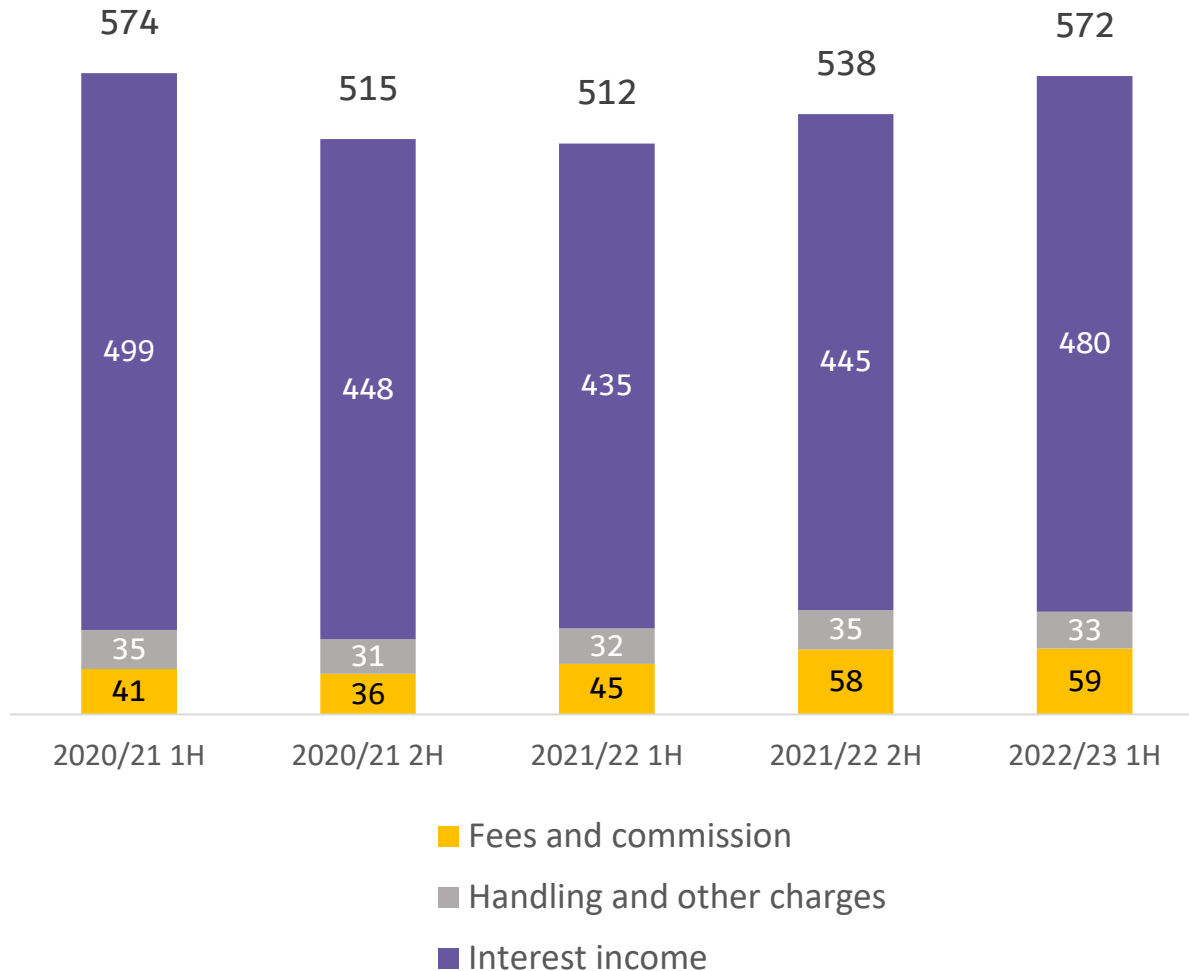
Gross Advances & Receivables surpassed pre-pandemic level

3

Net interest income remained on an upward trend since the fourth quarter of 2021/22

Revenue

Unit: HK\$ Million



1

Interest income showed steady improvement trend

2

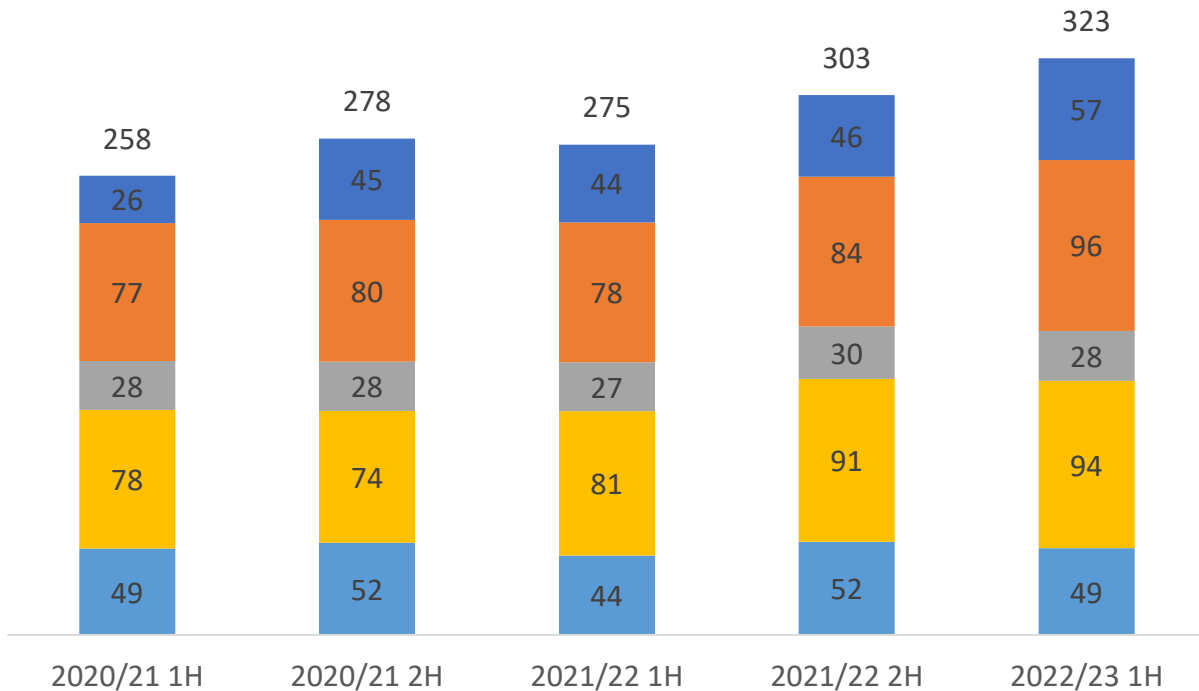
Additional fee income from the commencement of acquiring service in AEON stores since 2021/22 2H

3

Revenue maintained on an upward trend

Operating Expenses

Unit: HK\$ Million

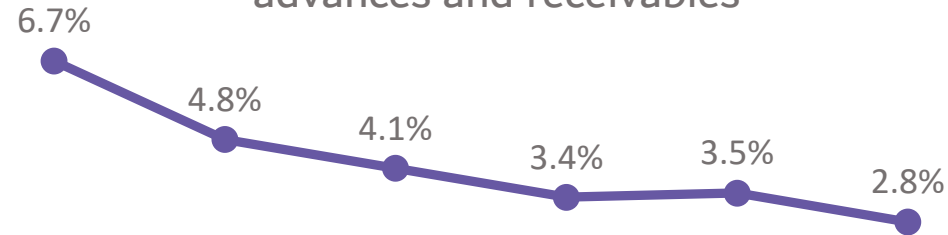


- Marketing and promotion expenses
- Staff costs
- Leases-related expenses
- General administrative expenses
- Depreciation and other operating expenses

- 1 Marketing and promotion expenses for promoting Group's brand and capturing diverse customer base
- 2 Staff costs for investment in human resources to hire and retain talent staff
- 3 Investment in digital technologies for new financial service

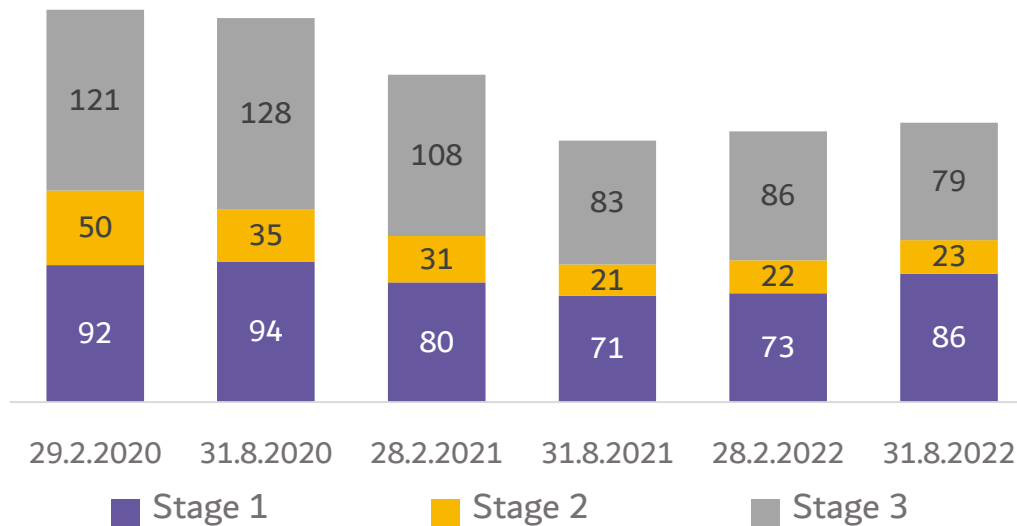
Sound Credit Management

% of overdue advances and receivables to gross advances and receivables

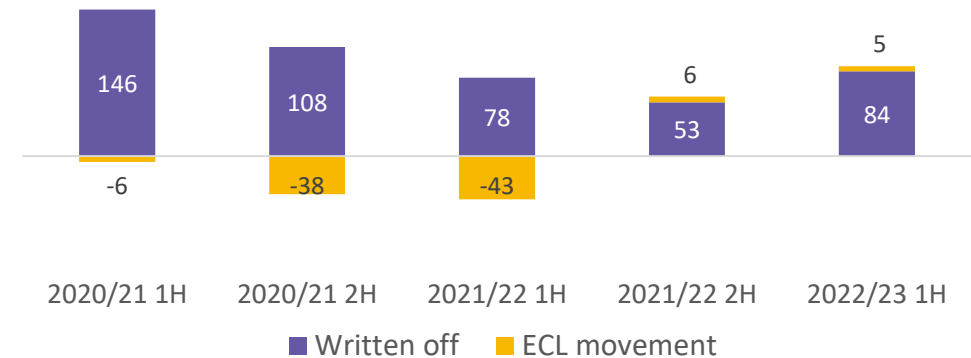


Impairment allowance under HKFRS 9 by stage

Unit: HK\$ Million



Movement of impairment losses and allowances



1

Asset quality improved with overdue ratio reduced to 2.8%

2

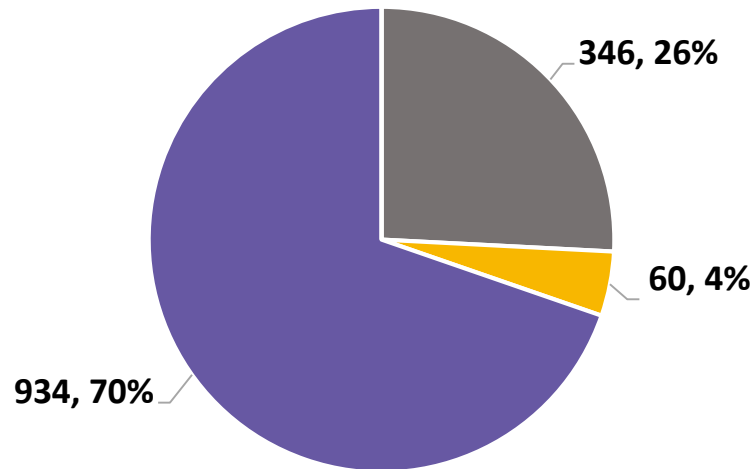
Increase in impairment losses and allowances due to weakened expected economic indicators and increase in Stage 1 receivables

Strong Capital Base and Stable Funding Source

- Evenly distributed maturity profile of bank borrowings
- No liquidity risk
- Strong capital base

Maturity Profile of Bank Borrowings

Unit: HK\$ Million



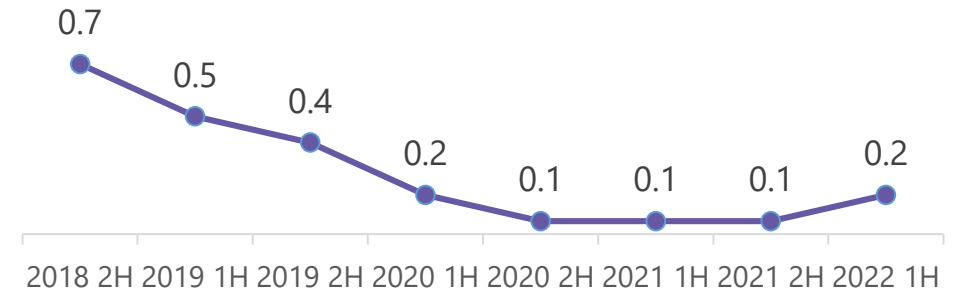
- Within one year
- Within a period of more than one year but not more than two years
- Within a period of more than two years but not more than five years

Liquidity Risk

Unit: HK\$ Million

Maturity profile as at 31.8.2022	Within 3 months	More than 3 months but less than 1 year	More than 1 year but not more than 5 years	Total
Advances and Receivables	2,945	726	964	4,635
Bank borrowings	210	136	994	1,340
Net expected cash inflow (outflow)	2,735	590	(30)	3,295

Net debt to equity ratio



Remark : Net debt to equity ratio
 = (Total bank borrowings - Cash and cash equivalents)
 / Total equity



Growth Strategies

Business Strategies

1 Diversification of sales channels

- Digitalized financial products and services via “AEON HK” Mobile App
- Branch network for financial products and services that need financial consultation

2 Diversification of customer segment

- Develop young customer segment

3 Diversification of revenue source

- Expanding acquiring merchant network
- Develop insurance intermediary business



Progress of Sustainability Roadmap

Customer Focus

Established customer service sub-committee

Corporate Governance

Amended the Articles of Association to allow hybrid general meetings and reflect the statutory changes

IT Security

Simulate various security tests on evolving attack techniques and educate staff to avoid cyber breaches

Environment Protection

Offset 8,000 kg CO2 by planting trees

Talent Attraction and Development

Conducted comprehensive workplace survey

Occupational Health and Safety

98.6% of staff attended OHS training

Workplace Culture

Awarded “Happiness at Work”

Community Investment

17% increase in direct beneficiaries





Thank You!



Q&A Session
