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## **1Q2022 Revenue up by 9.7% to HK\$279.1 million**

### **New AEON Card Wakuwaku Launched to Address Shifting Consumer Behaviour**

AEON Credit Service (Asia) Company Limited (“AEON Credit” or the “Group”; Stock Code: 00900) today announced its unaudited results for the three months ended 31 May 2022 (“1Q2022”, or the “reporting period”).

For 1Q2022, the Group’s revenue increased 9.7% year-on-year to HK\$279.1 million and operating profit before impairment losses and impairment allowances was up by 16.4% to HK\$126.9 million. The Group recorded profit of HK\$82.7 million (1Q2021: HK\$97.0 million) and earnings per share of 19.74 HK cents for the reporting period.

Overall sales for 1Q2022 increased by 12.3% against 1Q2021, with gross advances and receivables balance up by 4.0% relative to the amount at end of February 2022. With an increase in sales for the Group, both as a credit card issuer and acquirer and an insurance intermediary, the Group recorded a year-on-year increase of HK\$7.4 million in fees and commissions, reaching a total of HK\$28.9 million. Interest income, meanwhile, increased by HK\$15.8 million to HK\$233.9 million, driven by the continued rise in receivable balances. These, combined with the increase in handling and late charges due to the rising demand in cash advance, led to the robust growth in the Group’s revenue and operating profit. However, the expectation of slow economic recovery in the reporting period in stark contrast with the expected rebound in key economic indicators in 1Q2021, resulted in a relatively significant increase in impairment losses and impairment allowances in 1Q2022, which led to the decline in profit during the reporting period, despite the solid top-line growth.

As part of its strategy to cater for the shift in customer spending towards the Internet under the new normal and expand its customer base, the Group launched its first ever cashback credit card, AEON Card Wakuwaku (the “Wakuwaku card”), in May 2022, which allows cardholders to enjoy special spending rebates for online and overseas spending in Japan. Supported by celebrity endorsement to attract a younger generation of customers, it has received a favourable response with more than 5,000 Wakuwaku cards issued in the first month of its debut.



Following its successful marketing and brand building efforts for the Wakuwaku card, the Group will place yet more emphasis on using both digital and traditional marketing channels to promote its credit card and personal loan products and to roll out different marketing programmes to enrich customers' user experience.

Regarding its technology development endeavours, AEON Credit's card and loan system replacement project is targeted to be completed towards the end of the current financial year, after which the Group will be able to launch new payment solutions, enjoy flexibility in offering product benefits and have access to even better data analysis tools. With a strong capital position, the Group will continue to dedicate resources to the expansion of its branch network, providing higher quality customer experiences, accelerating digitalisation and exploring new investment opportunities to expand and diversify its businesses.

**Mr. Tomoharu Fukayama, Managing Director of AEON Credit said,** "The Group is glad to have achieved positive revenue and operating profit growth in 1Q2022 despite the challenging operating environment amid the fifth wave of the Pandemic. The implementation of our strategy to address the shift in customer spending behaviour and appeal to the younger generation has made good progress with the successful launch of our Wakuwaku card. To embrace changing customer needs and capture the arising market opportunities, we will also continue to ramp up our marketing and promotions using a variety of channels and increase our technology upgrade and digitalisation efforts."

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**About AEON Credit Service (Asia) Company Limited (Stock Code: 00900)**

AEON Credit Service (Asia) Company Limited, a subsidiary of AEON Financial Service Co., Ltd. (TSE: 8570) and a member of the AEON Group, was set up in 1987 and listed on the Main Board of The Stock Exchange of Hong Kong Limited in 1995. The Group is principally engaged in the consumer finance business, which includes the issuance of credit cards and the provision of personal loan financing, card payment processing services, insurance agency and brokerage business in Hong Kong and microfinance business in Mainland China.