



# AEON Credit Service (Asia) Co., Ltd.

Stock Code : 0900

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## 2022/23 Final Results

4 April 2023

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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
AMF	AEON Microfinance Subsidiaries
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

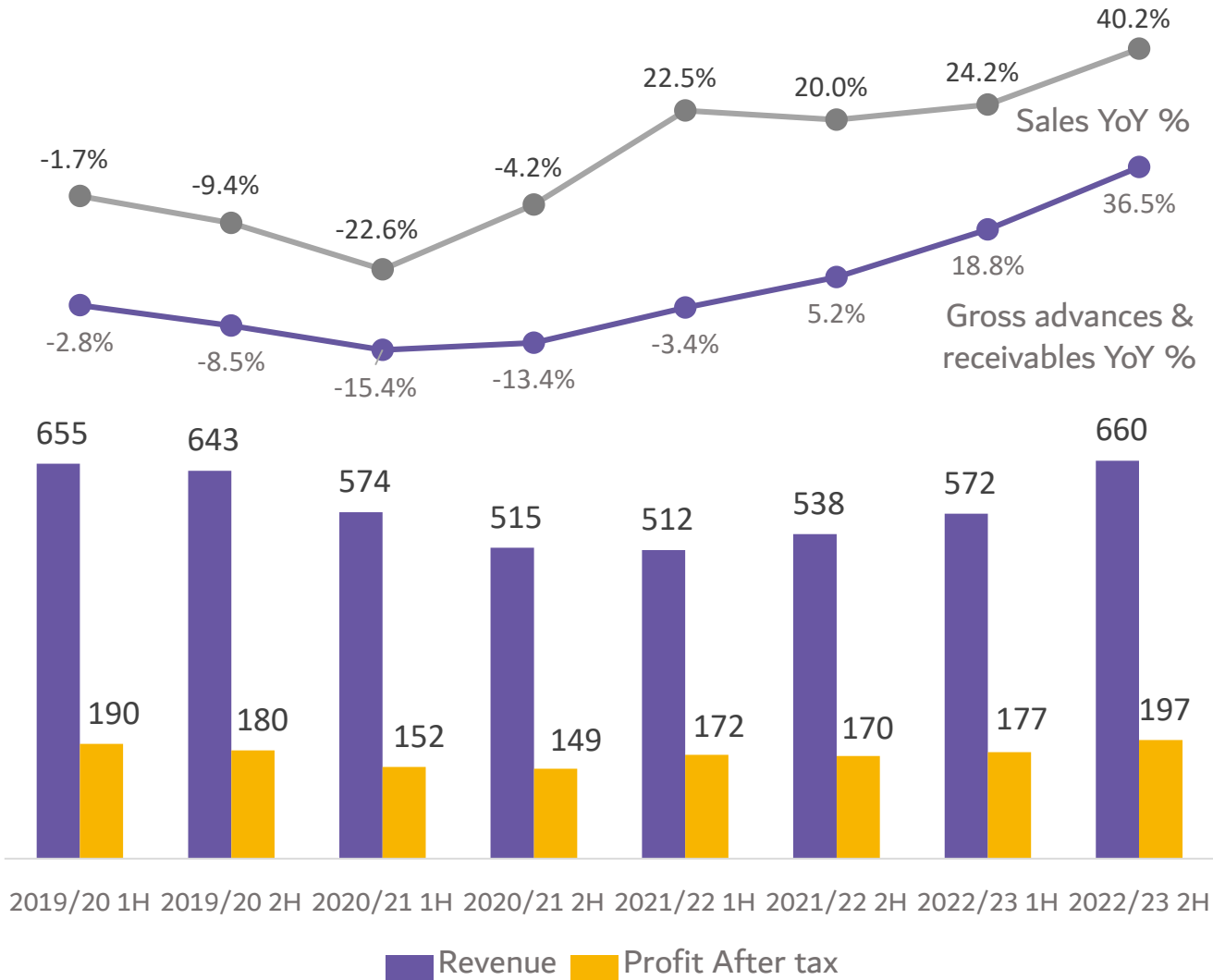
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# Financial Summary

Items	2021/22	2022/23	YoY %
Sales YoY %	+ 21 %	+ 33 % 	
Gross advances & receivables	HK\$ 4,275M	HK\$ 5,836M  + 37%	
Revenue	HK\$ 1,050M	HK\$ 1,232M  + 17%	
Profit after tax	HK\$ 343M	HK\$ 374M  + 9%	

# Performance Achievements

Unit: HK\$ Million



  
**Entered Expansion Phase**

Sales for 2022/23

**YoY 33%**  
 vs. 2021/22 

Gross advances and receivables  
 at 28 February 2023

**YoY 37%**  
 vs. 28 February 2022 

Profit after tax for 2022/23

**YoY 9%**  
 vs. 2021/22 

# Segment Information

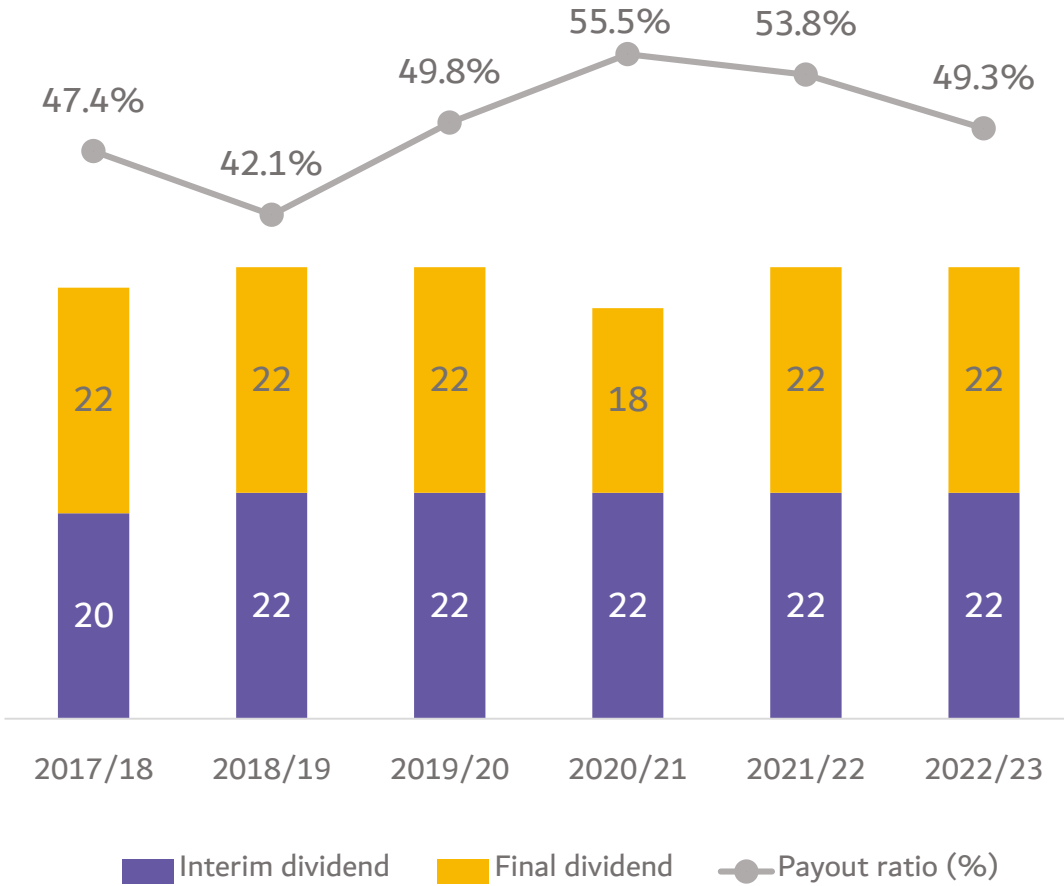
- By business segment, both the card business and the loan business are on a steady upward trend
- By geographical segment, the PRC business has become profitable

Unit: HK\$Million

Items	Card	Loan	Insurance	Consolidation	Hong Kong	PRC	Consolidation
<b><u>2022/23</u></b>							
Revenue	963M	242M	27M	1,232M	1,210M	22M	1,232M
Segment results	337M	100M	21M	458M	454M	4M	458M
Unallocated income (expense)				(9M)			(9M)
Profit before tax				449M			449M
<b><u>2021/22</u></b>							
Revenue	833M	189M	28M	1,050M	1,032M	18M	1,050M
Segment results	310M	67M	13M	390M	393M	(3M)	390M
Unallocated income (expense)				8M			8M
Profit before tax				398M			398M

# Dividend

Unit: HK Cents



**Core Payout Ratio**

Pay-out ratio for 2022/23

**49.3%**

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**

Dividend Total for 2022/23

**HK\$0.44** /share

**> 8%** Yield at Current Share Price





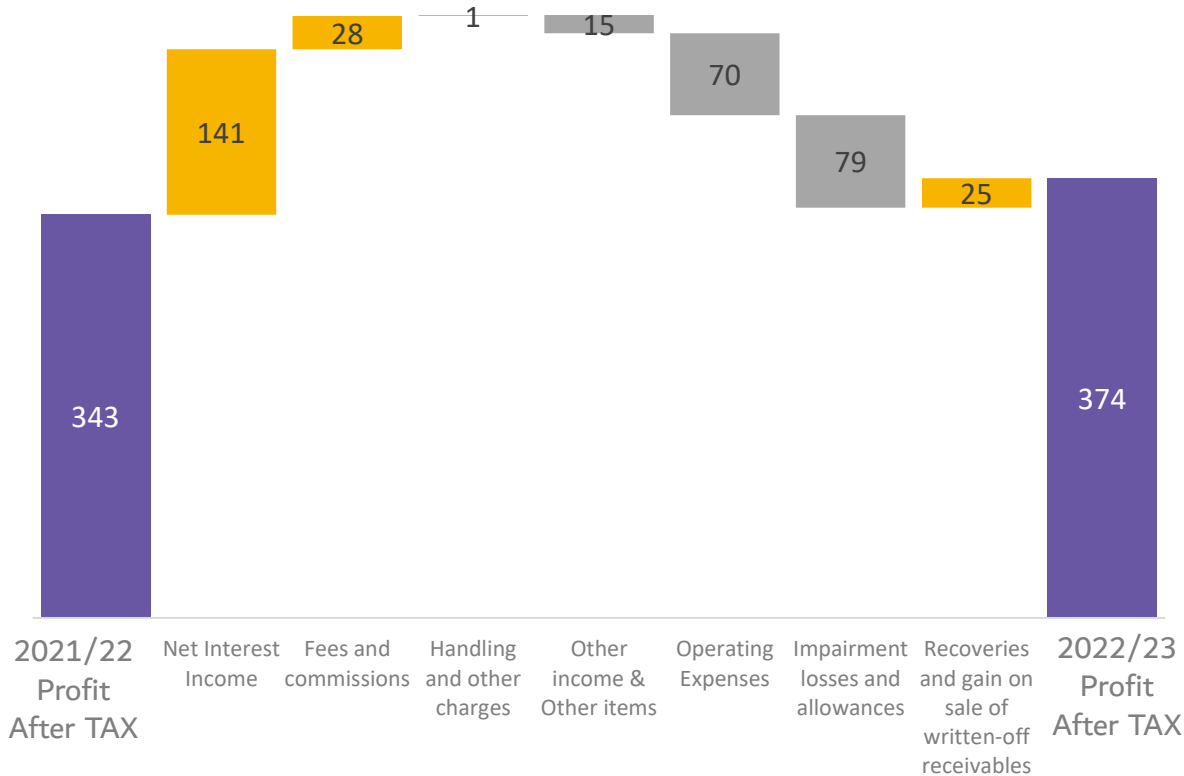
# Financial Highlights

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# Highlights of Statement of Profit or Loss

## Profit Analysis by Waterfall

Unit: HK\$Million



## Financial Highlights

Net interest income, vs 2021/22

**+HK\$ 141M** ↑

Fee and commissions, vs 2021/22

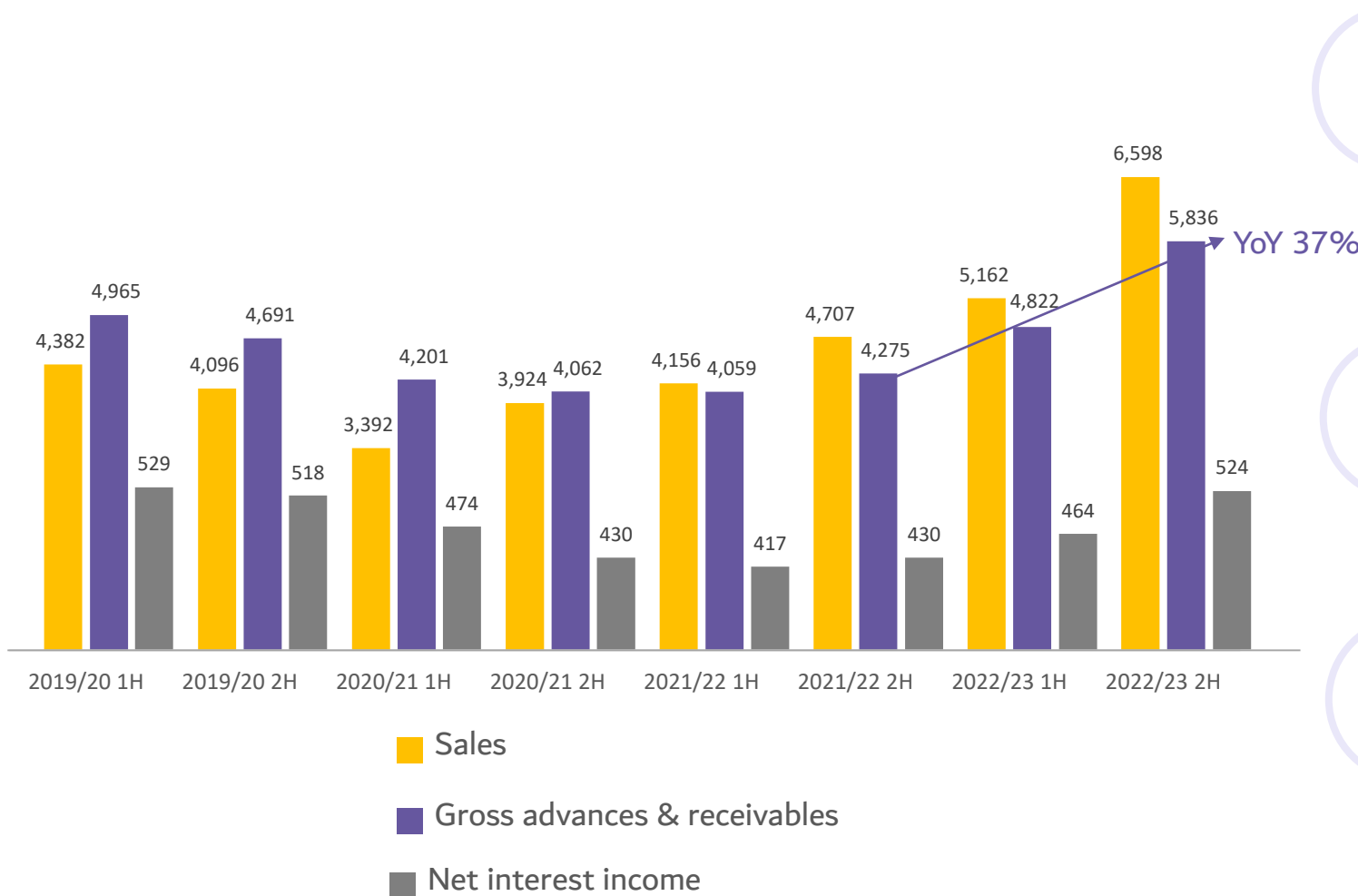
**+HK\$ 28M** ↑

Earnings per share

**89 HK cents**

# Sales, Gross Advances & Receivables Balance Exceeded Past Records, and Net Interest Income Trended Upward

Unit: HK\$ Million



1

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

2

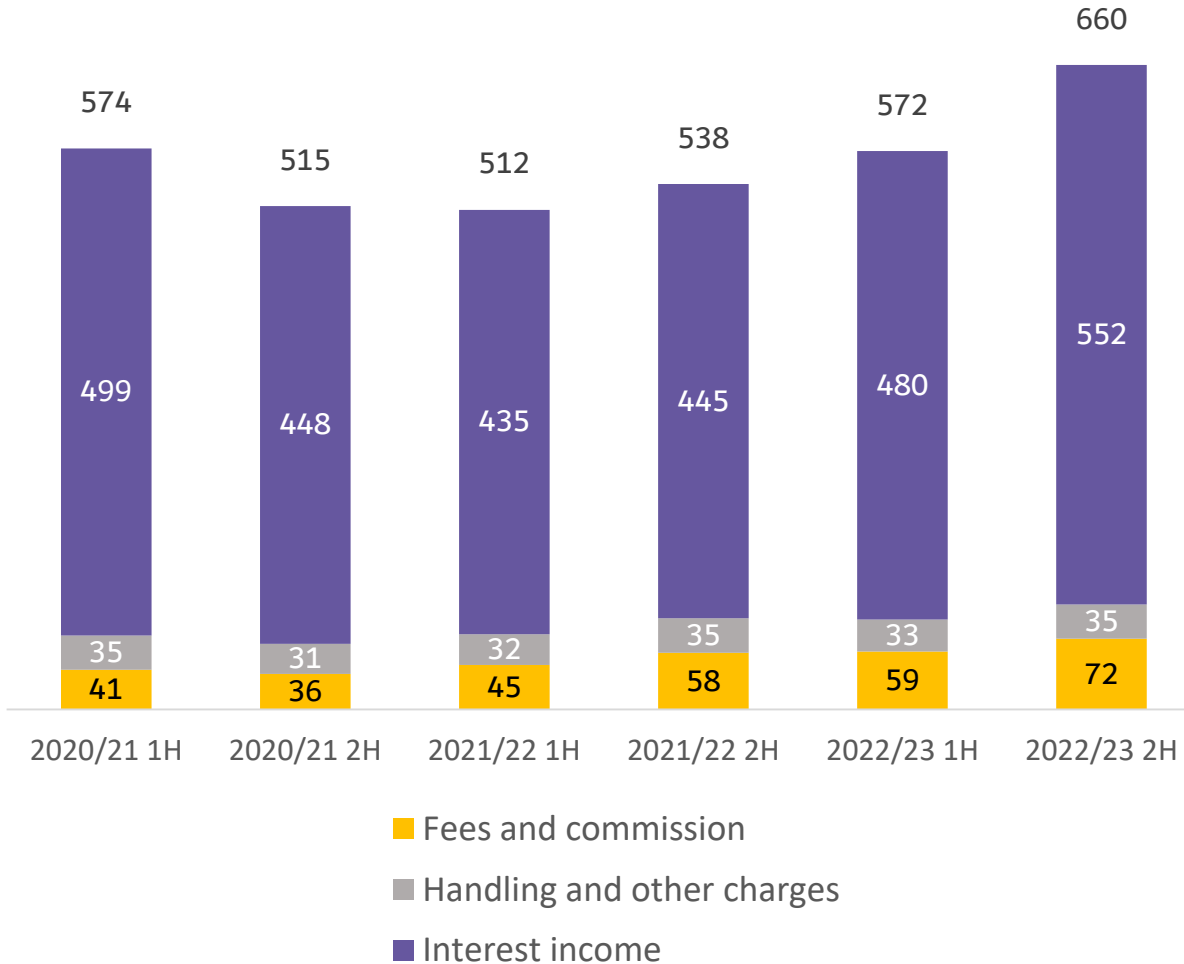
Gross advances & receivables surpassed pre-pandemic level

3

Net interest income remained on an upward trend since the second half of 2021/22

# Revenue

Unit: HK\$ Million



## Diversification of Revenue Sources

1

Interest income showed steady improvement trend

2

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

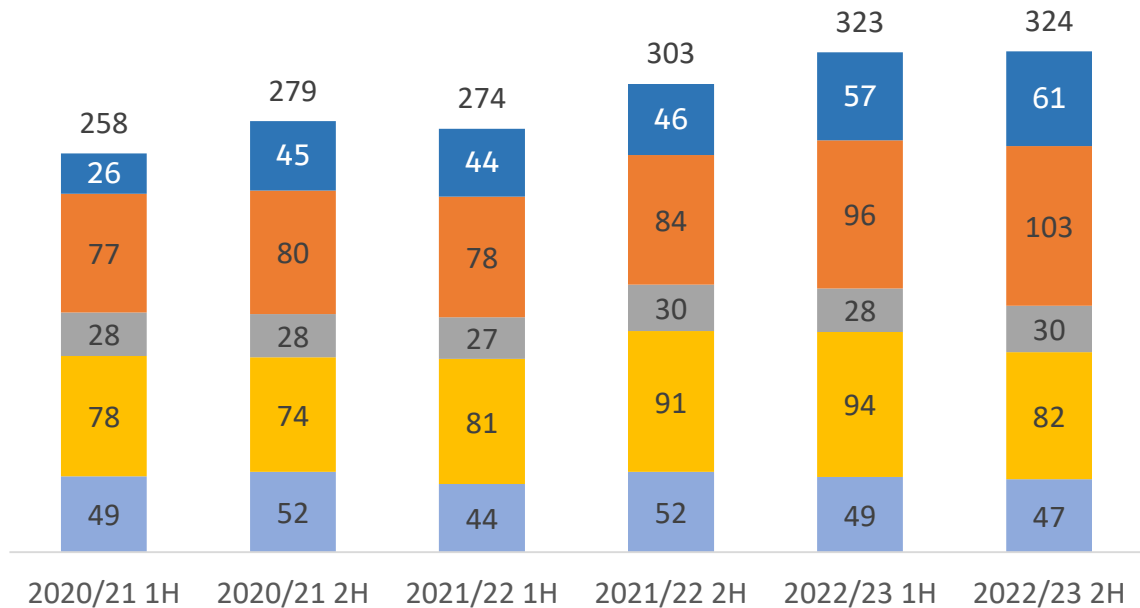
\*Merchant Agreement Services

3

Launched life insurance product from 2022/23 2H with Chubb

# Operating Expenses

Unit: HK\$ Million



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

## Focus on business expansion increased operating expenses

1

Marketing and promotion expenses to promote the Group's brand and capture diverse customer base

2

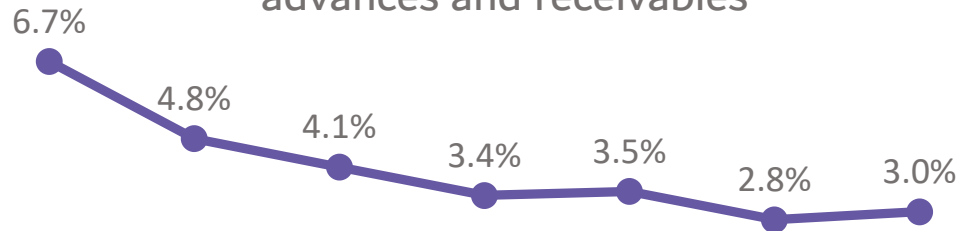
Staff costs for investment in human resources to hire and retain talent staff

3

Investment in digital technologies for new financial services

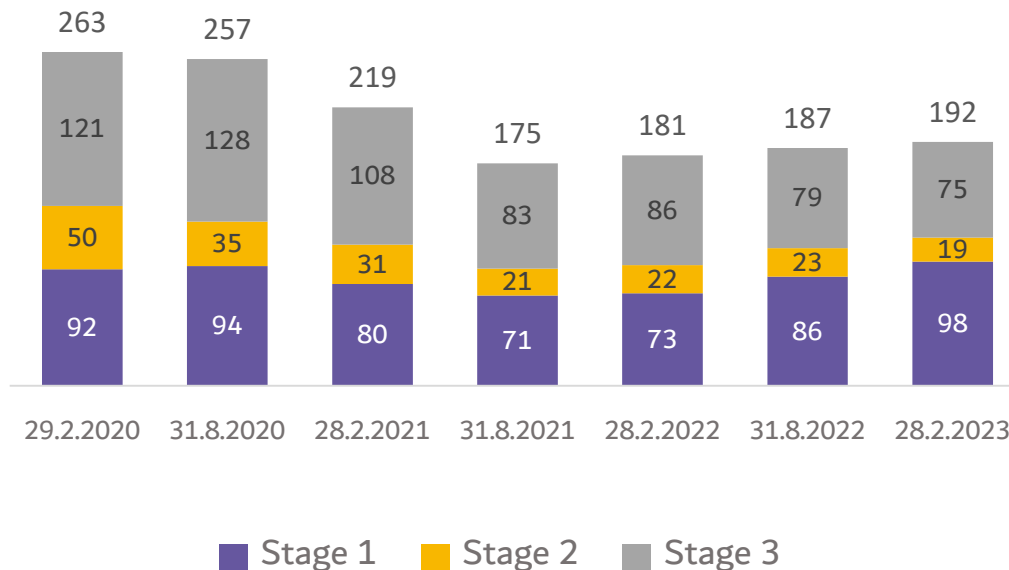
# Sound Credit Management

% of overdue advances and receivables to gross advances and receivables

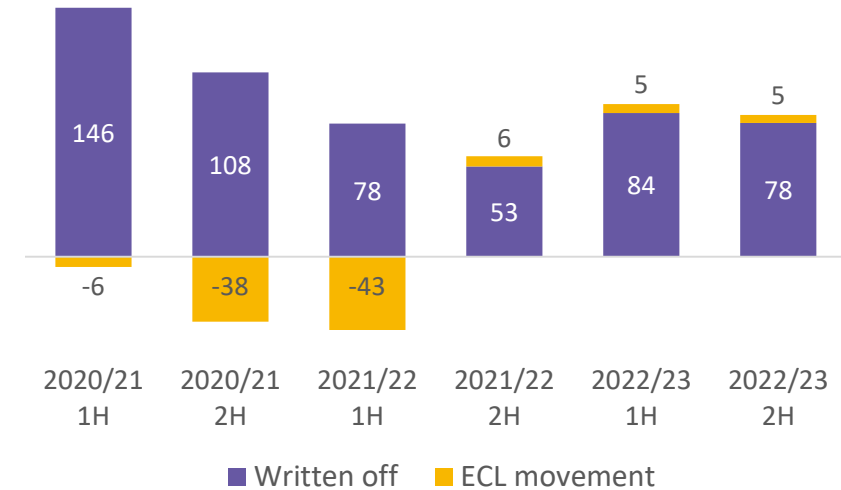


Impairment allowance under HKFRS 9 by stage

Unit: HK\$ Million



Movement of impairment losses and allowances



1

Asset quality remained unchanged, with an overdue rate of 3.0%.

2

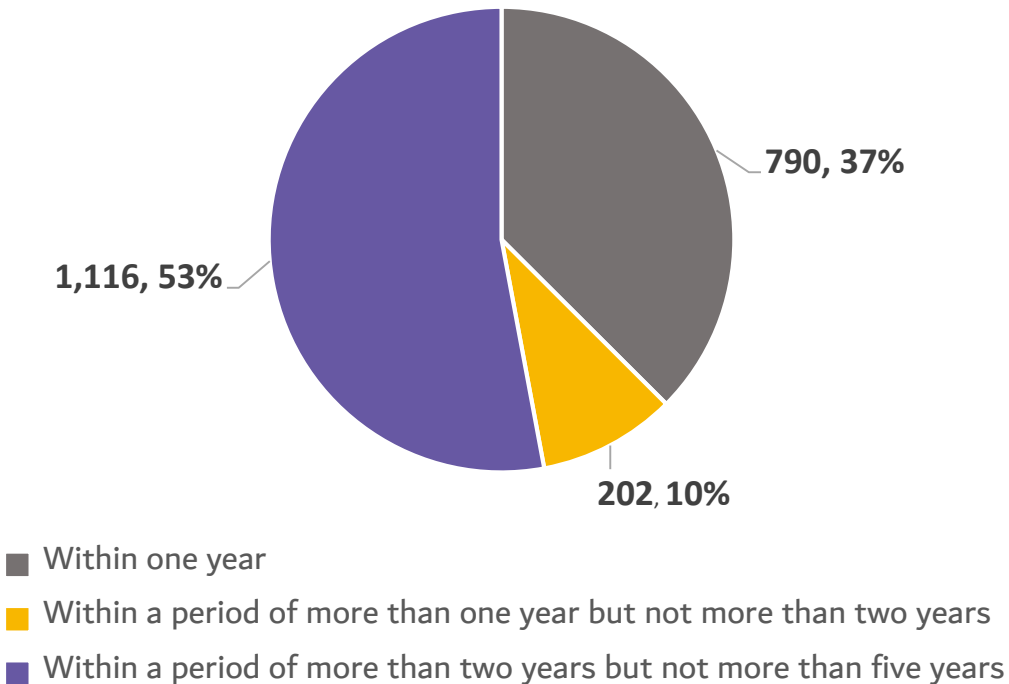
Increase in ECL movement on impairment losses and allowances, mainly due to increase in Stage 1 receivables by business growth

# 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

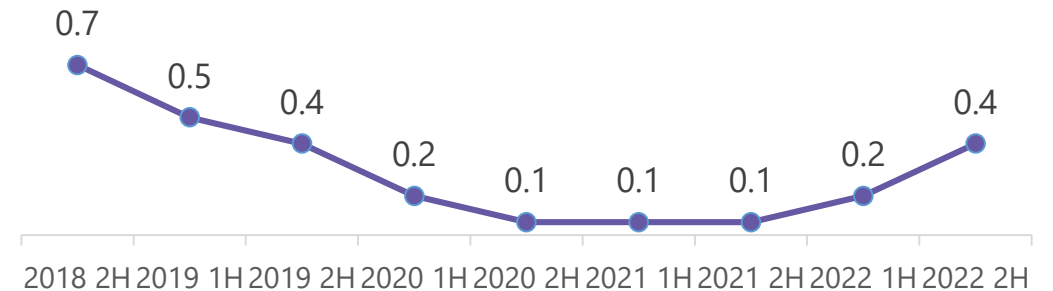


## Liquidity Risk

Unit: HK\$ Million

Maturity profile as at 28.2.2023	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	3,492	913	1,240	5,645
Bank borrowings	623	167	1,318	2,108
Net expected cash inflow (outflow)	2,869	746	(78)	3,537

## Net debt to equity ratio



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



# Growth Strategies

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# Growth Strategies

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- 1. Achieve Digitalization**
- 2. Diversification of Revenue Sources**
- 3. Expansion of Personal Loan Business**
- 4. Capturing Growth Opportunities in Greater Bay Area**
- 5. Investment in Human Resources**

# Sustainability-Linked Loan

- Secured **first Sustainability-Linked Loan** with 3 banks in November 2022
- Raised **HK\$320 million** with a term of 3 years
- **Sustainability targets** are set for regular review and enhancement in areas including:
  - Environmental protection
  - Employee development
  - Community investment
- Entitled to receive **interest rate savings** as an incentive for the achievement of the sustainability targets



# Progress of Sustainability Roadmap



## Customer Focus

Established **customer service sub-committee**



## Corporate Governance

Amended **internal policies** to maintain stringent standards on ESG related matters



## IT Security

- Various **security tests** to simulate evolving attack techniques
- **Annual staff IT training** to avoid cyber breaches



## Environment Protection

- Offset equivalent of **8,000 kg CO<sub>2</sub>** by planting trees
- **Over 20% increase** in paper recycling weight



## Talent Attraction and Development

Conducted a comprehensive **workplace survey** & **selected employee surveys**



## Occupational Health and Safety

Conducted Workstation Risk Online Assessment with **100%** completion



## Workplace Culture

Awarded **“Happy Company”** Logo



## Community Investment

- **70** scholarship beneficiaries in Hong Kong
- Awarded **“Caring Company 15 year+”** Logo





**Thank You!**

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# Q&A Session

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