



AEON Credit Service (Asia) Co., Ltd.

Stock Code: 900

FY2020/2021 Annual Results

8 April 2021



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Financial Review



FY2020/2021 Annual Results Highlights

	<u>FY2020/21</u>	<u>FY2019/20</u>
Revenue	HK\$ 1,090M	HK\$ 1,298M
Earnings per share	72.02 HK cents	88.37 HK cents
Profit after tax	HK\$ 302M	HK\$ 370M
Impairment losses & impairment allowances	HK\$ 211M	HK\$ 259M
Interest expense	HK\$ 42M	HK\$ 68M

- Return on equity: 8.8% (FY2019/2020: 11.2%)
- Cost-to-income ratio: 50.4% (FY2019/2020: 46.2%)
- Net debt to equity ratio: 0.1 (FY2019/2020: 0.4)
- Net asset value per share (after final dividend): HK\$8.0 (29/2/2019: HK\$7.7)



Financial Summary

	2019	2020	2021
	US-China Trade War	Social Unrest and Pandemic	Global Economy Halt under Pandemic
Profit (HK\$ million)	437	370	302
Earnings per share (HK cents)	104	88	72
Total equity (HK\$ million)	3,191	3,314	3,422
Total assets (HK\$ million)	6,181	5,730	5,083



Geographical Segment Results

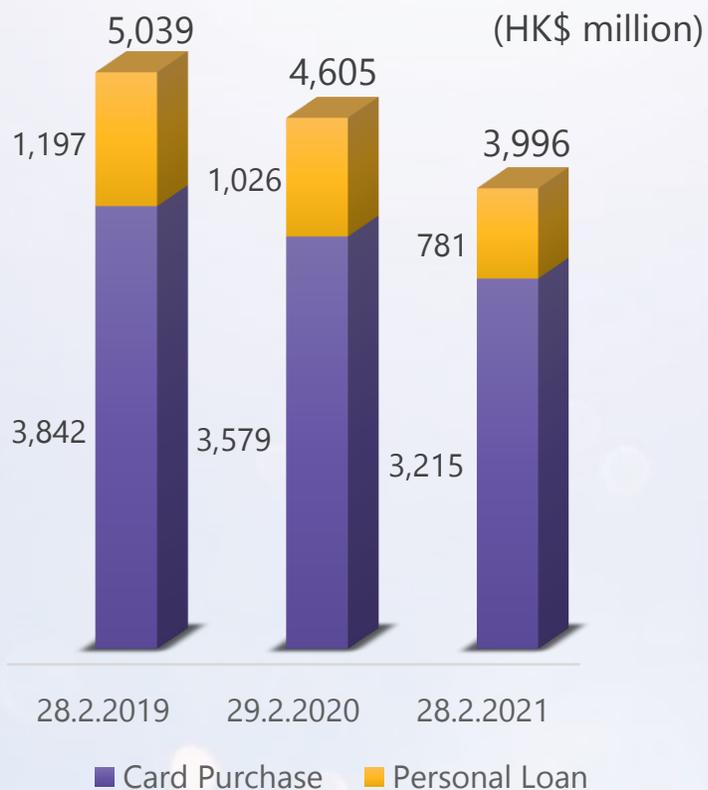
(HK\$ million)

	Revenue			Segment Results		
	Consolidated	Hong Kong	PRC	Consolidated	Hong Kong	PRC
FY2020/21	1,090	1,077	13	357	364	-7
FY2019/20	1,298	1,285	13	445	460	-15
FY2018/19	1,323	1,288	35	523	539	-16

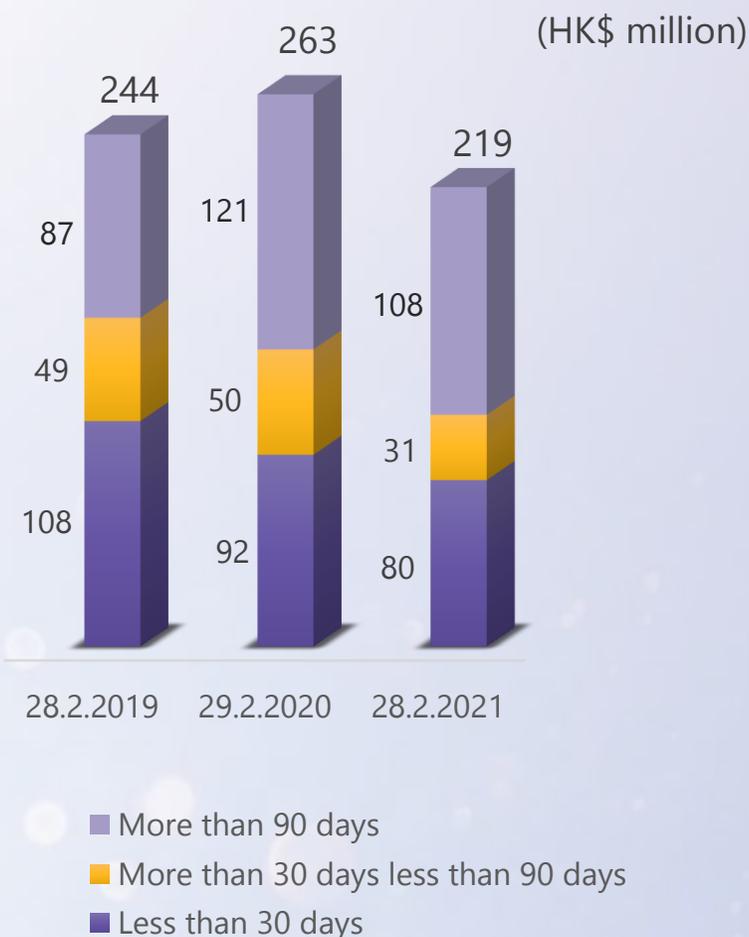


Advances & Receivables, Impairment Allowances

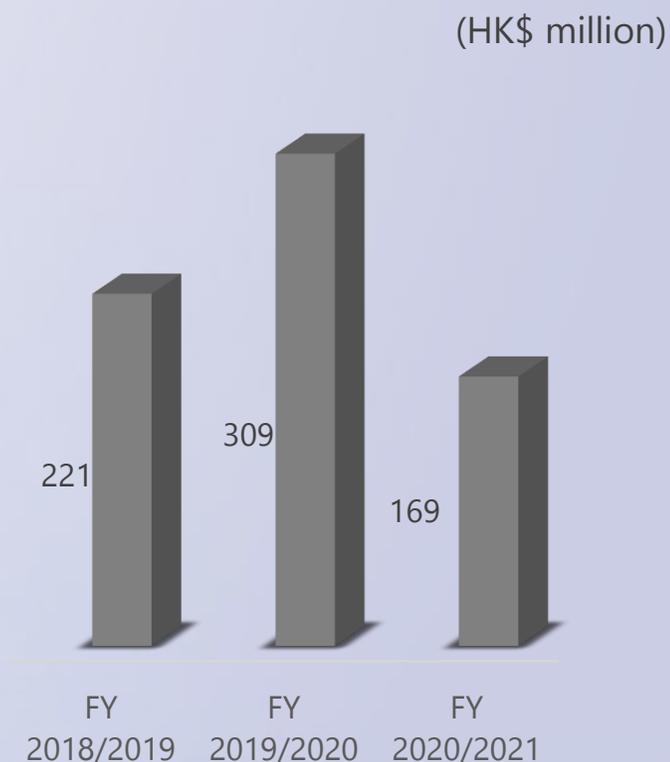
Advances and Receivables (by Product)



Impairment Allowances (by Stage Allocation)



Total Overdue Advances and Receivables



Overdue / Principal Total Ratio		
4.3%	6.7%	4.1%

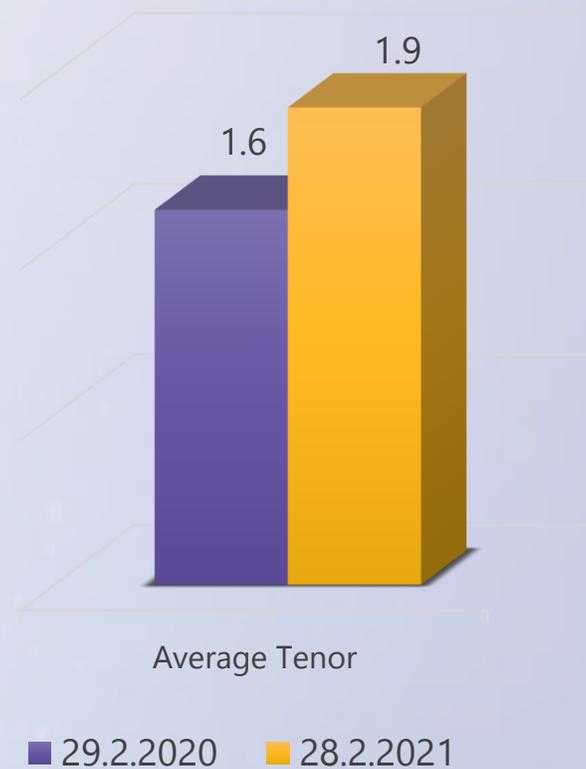


Funding Profile

(HK\$ million)



(In Years)

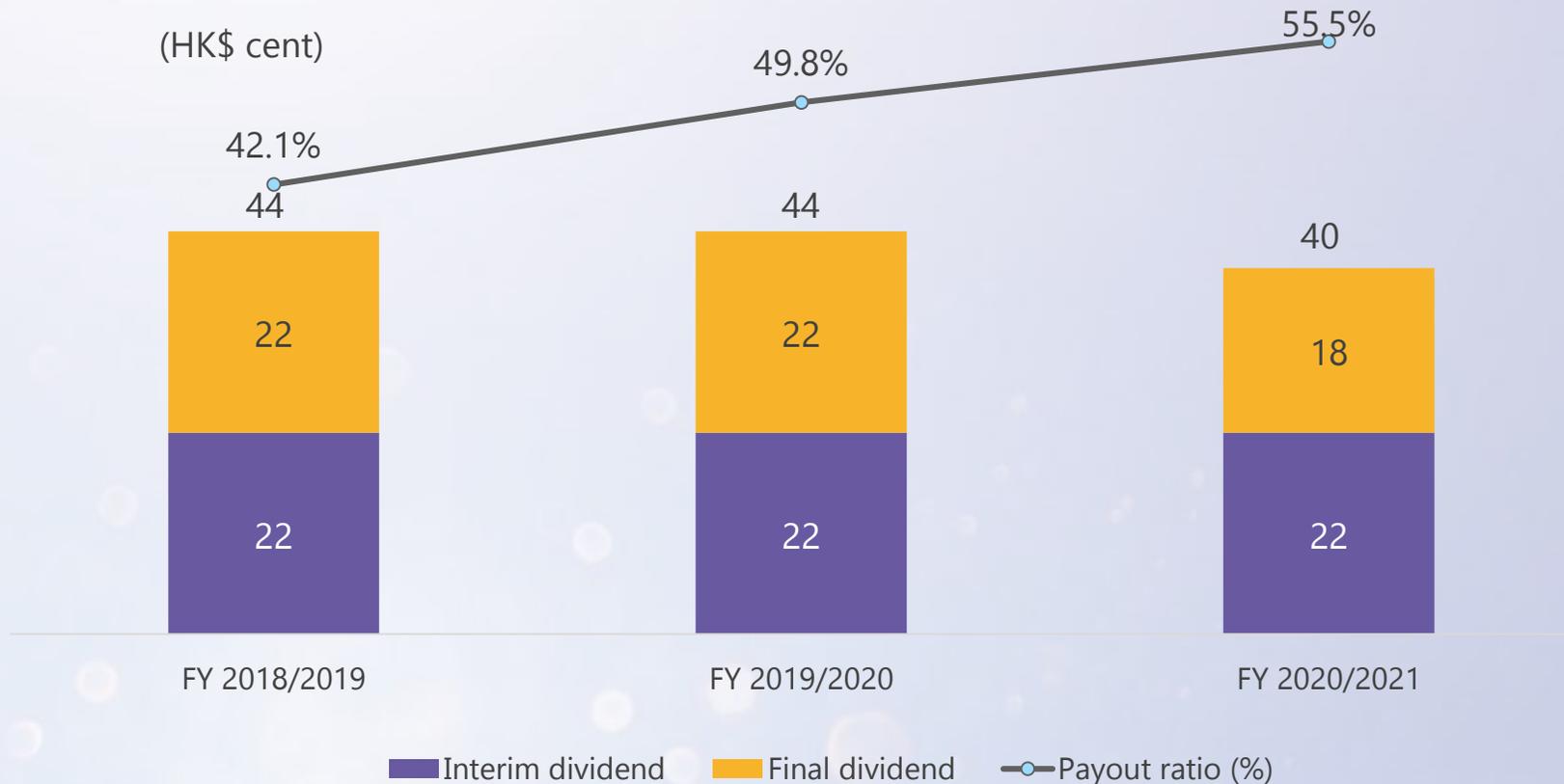




Stable Dividend Payout

Dividend policy:

Target annual dividend payout ratio of not less than **30%** of the net profit attributable to shareholders of the Company for the financial year





Strategic Overview



Digital Transformation for Card & Loan Business Mobile First

Further enhanced mobile APP

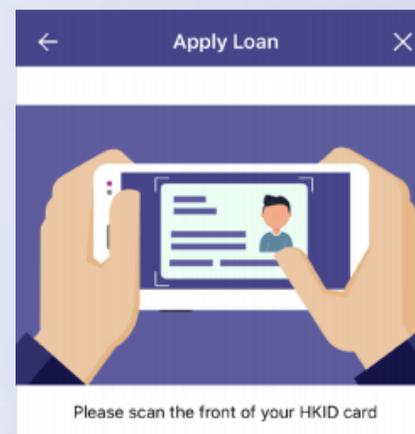


Faster
Better
More Convenient

Example:



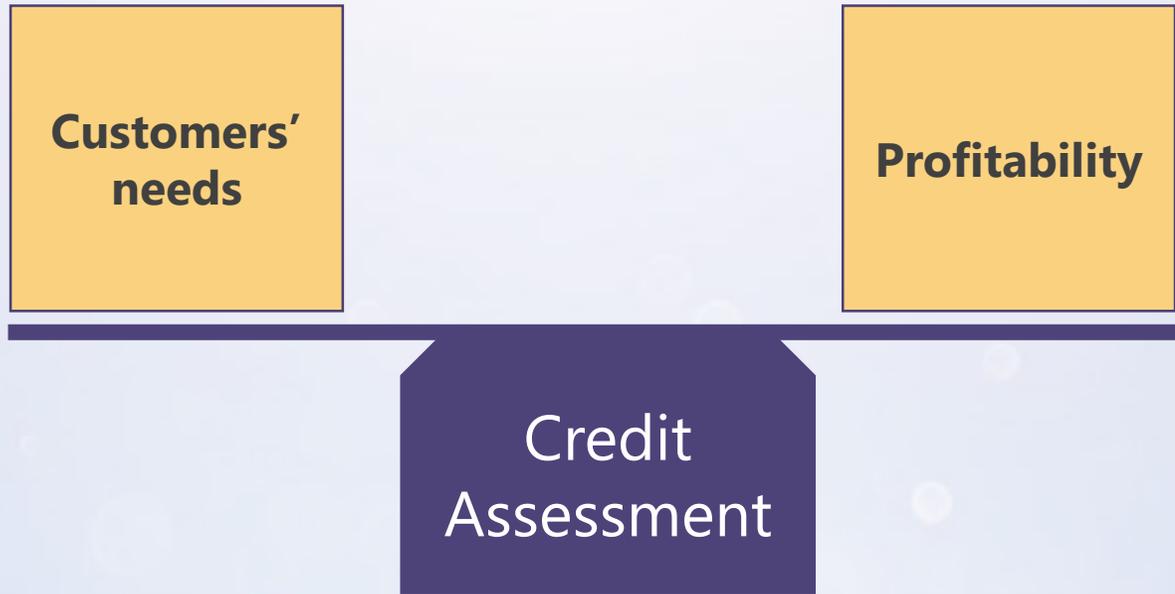
Bonus points to CASH



Support new generation of
HKID card



Credit Assessment - Balance Between Customers' Needs & Return to Maximize Profitability



- **Optimize** personal credits according to customers financial needs
- Refine production model with **Artificial Intelligence (AI)** to raise credit assessment accuracy



Sales Potential Preparation for Market Rebound

MARKET PROMOTIONS

Targeting the "New Normal" spending

Examples:



Recurring Transactions

AEON x REAP Joint Promotion



Overseas Online Transactions

AEON x From Japan Joint Promotion



Daily Necessities

Spending Rewards Mass Promotion

AEON Store cooperation

Examples:



AEON Day Promotion

Sales Omni-channel

AEON Store Branch

Mobile Kiosks

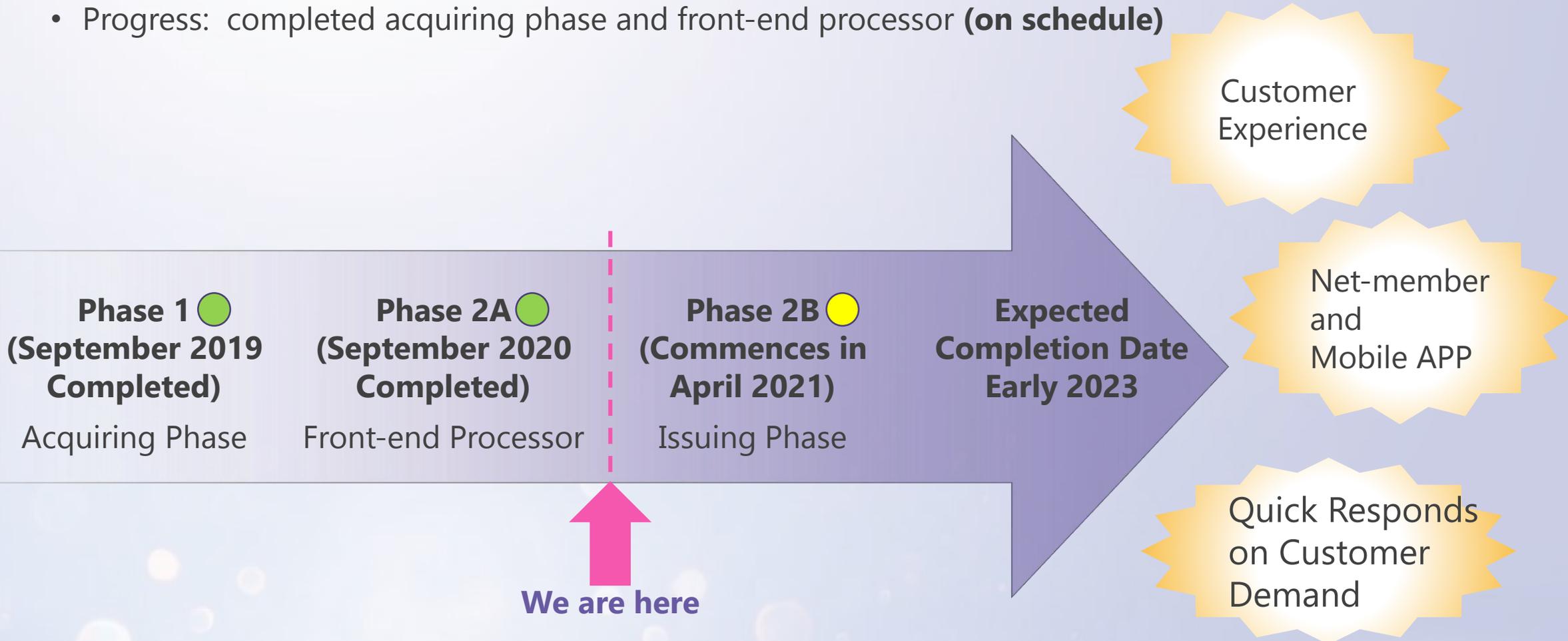
Online Application Channels

Advertising Spots with QR Code



Upgrading Platform for New Technology - Progress of New Card & Loan System

- Progress: completed acquiring phase and front-end processor (**on schedule**)





Expanding Acquiring Business – Diversify Business Partnership



E-commerce Acquiring Service



Retail Acquiring Service

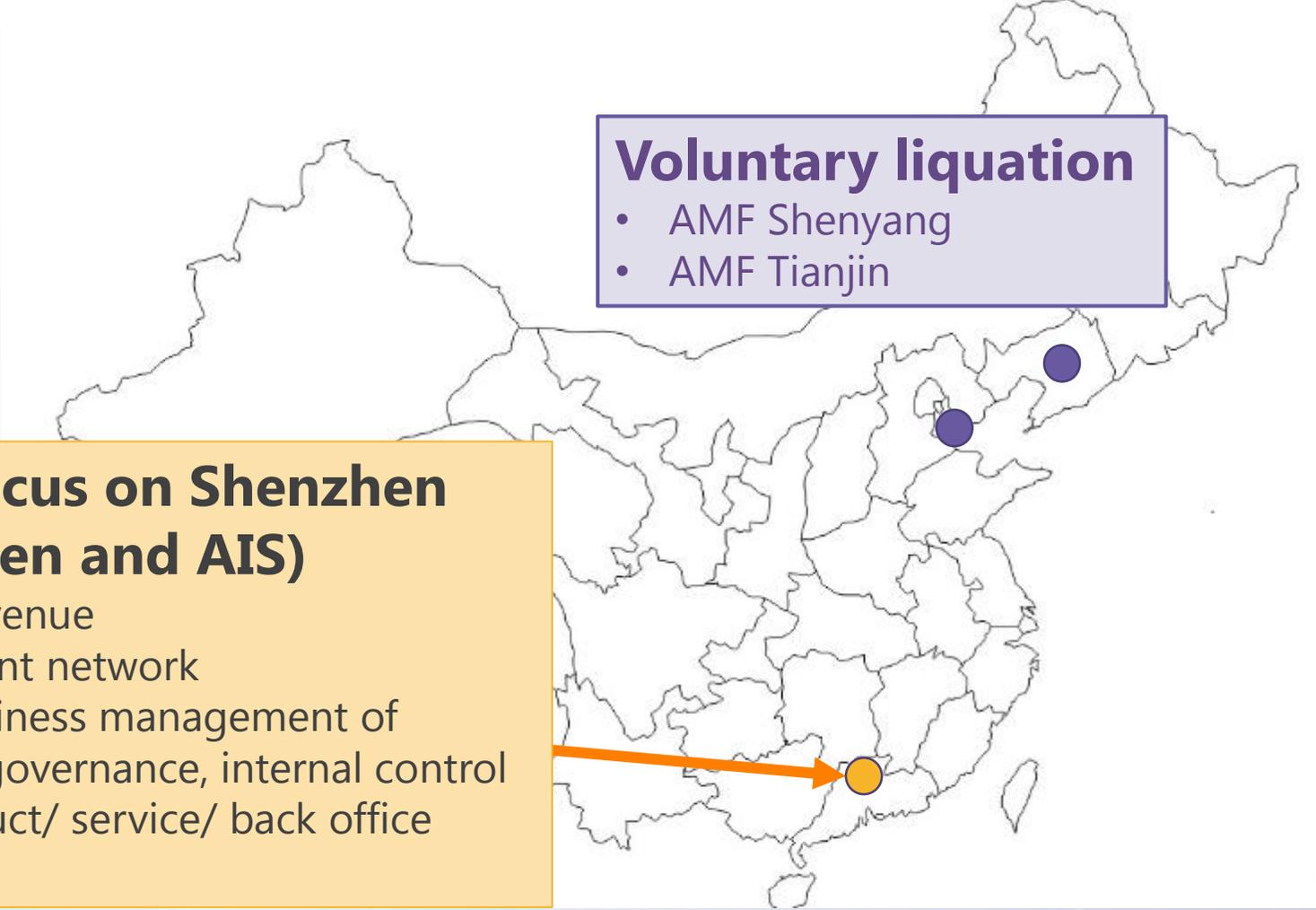


Recurring Payment Service

Card Scheme



Consolidation of China Business - Break-even & Focus on Greater Bay Area



The map shows the outline of China with several markers. Two blue dots are located in the northern region, and one orange dot is located in the southern region. An orange arrow points from the text box on the left to the orange dot.

Voluntary liquation

- AMF Shenyang
- AMF Tianjin

Upcoming Focus on Shenzhen (AMF Shenzhen and AIS)

- Increased in revenue
- Expand merchant network
- Strengthen business management of subsidiary, i.e. governance, internal control
- Digitalize product/ service/ back office operation



Thank you

Up next: Q & A

