

Reference No:		Date	
<u>Requested by</u> Name : Elyas Hinri Position : Assistant Manager, PF-Product Development		<u>Recommended by</u> Name : Kelvin Chin Position : Head of PF	
SUBJECT	Aeon-iCash (PF) Extension Tenure		
DEPARTMENT	PF DIVISION		

Purpose

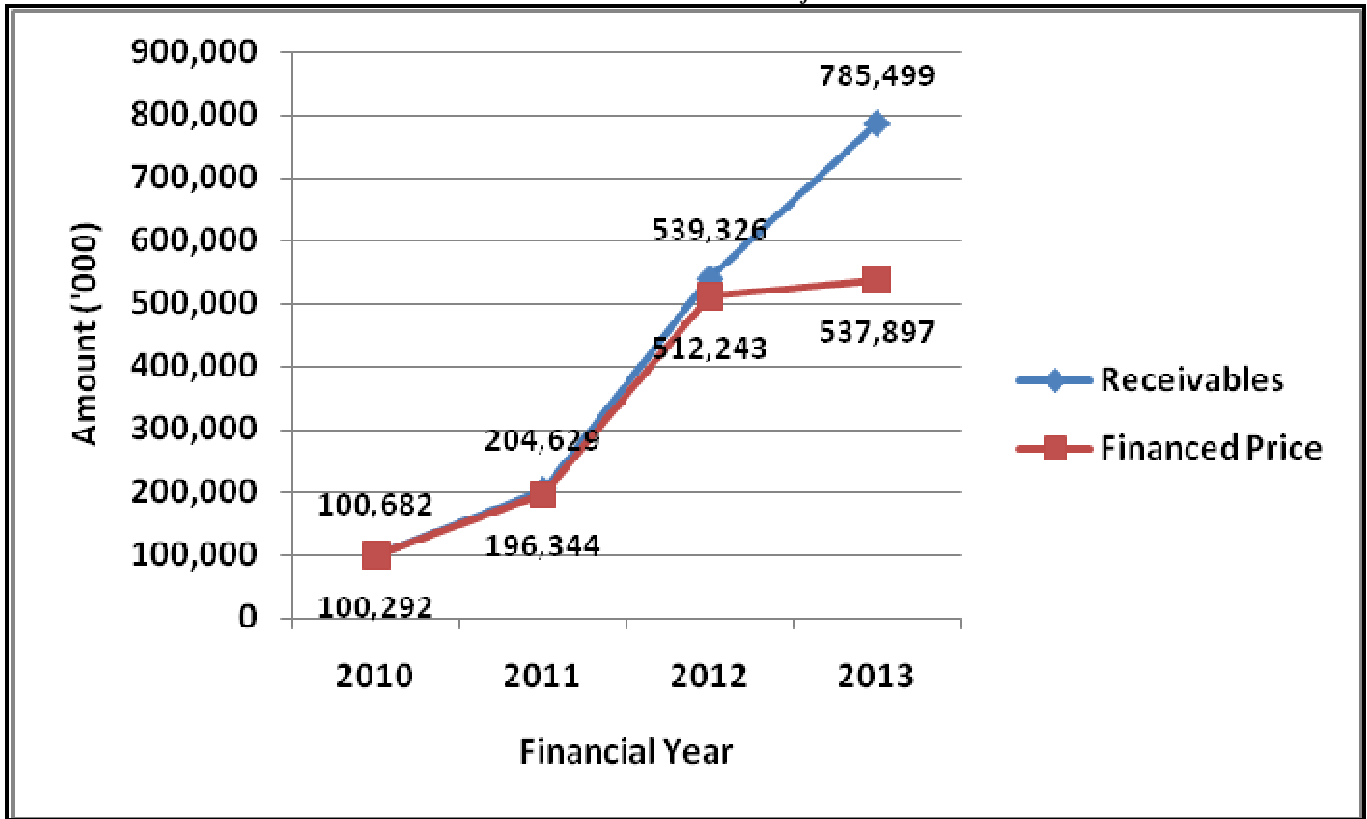
To seek management approval to extend PF tenure up to 96 months.

Objective

1. To increase receivable by 41% upon implementation on this initiative.
2. To increase the average ticket size per PF case from RM4,300 to RM6,300.
3. To expand customer base by offering product features that suits wider target segment

Background

- AEON iCASH (PF) was launched back in 2006 targeted at the low income group earner offering finance amount up to RM50,000 and a maximum tenure of 60 months.
- After a tremendous growth since the launch of PF, therefore PFBG is proposing to embark into the next phase by revising on the following product feature;
 - Extension of finance tenure: maximum of 60 months (existing) and the revised tenure is up to a maximum of 96 months.
- Based on the graph depicted below (*Table 1*) it has shown an increasing trend on the overall sales and ending nett receivable (ENR) growth for PF since 2010 till year to date which reflects steadily portfolio growth with actual YTD ENR at RM785.49 million (as of Feb 2014).
- We foresee substantial demand from customers with the revised loan amount and extension of loan tenure as the market size for personal loan is massive hence enable ACSM to increase and reached out to wider market coverage and provide competitive edge against other market players.
- ACSM market positioning is as per depicted in *Table 2*.



(Table 1: Receivables & Financed Price as at Financial Year 2010 – 2013)

Product Features

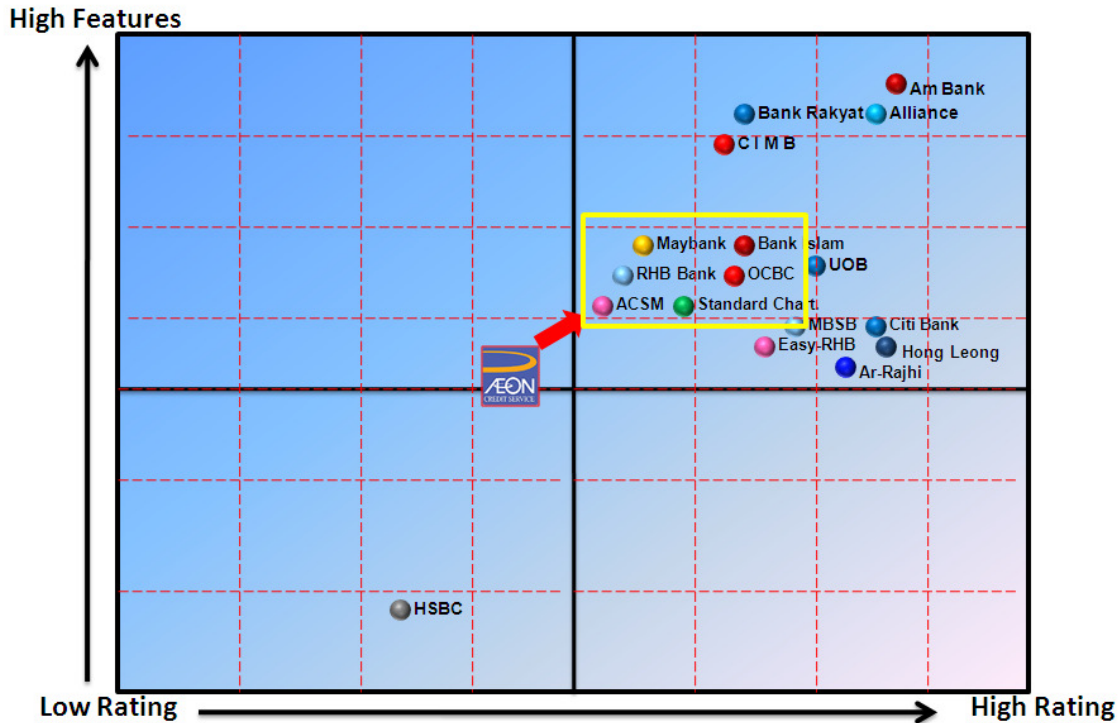
- There would be no change in the product feature except for the tenure. Below are the summary of the existing product feature against the enhanced product feature.
- Personal Financing Department is with the assumption that with the proposed enhanced product feature and risk analysis (kindly refer page 3), this product feature enhancement is a product variation of existing PF product with no material risk.

Item	Existing	Enhanced
Tenure (months)	6, 9, 12, 15, 18, 24, 30, 36, 48, 60	6, 9, 12, 15, 18, 24, 30, 36, 48, 60, 72, 84, 96
Minimum Borrowing	RM1,000	No change
Maximum Borrowing	RM50,000	No change
Guarantor	No	No change
Profit Rate	<ul style="list-style-type: none"> • < RM5k, 1.2%p.a, 1.5% p.a. • >= RM5k, 0.80% p.a., 0.84% p.a. 	No change

Item	Existing	Enhanced
Late Payment Charges	1% p.a. against outstanding amount	No change
Processing Fee	6% for finance amount < RM5k	No Change
Credit Scoring	Based on existing ACSM PF scoring.	No Change
Turnaround time	3 working days (up to crediting into customer account.	No change

Table 2 : Market Positioning

PF Market Analysis: ACSM Market Positioning



Remark:

1. Kindly refer to Appendix I for list of competitors' product features and ratings.
2. ACSM is performing on average for rating & product features offered and having a stiff competition from other Fis.

Product Features (Appendix 1)

No	FI Name	Branch Network	Processing Fee	Min Income	Interest Rate	Tenure	Finance Amount		Insurance	Turn Around Time	(RM10,000/36months)	Total Rating
							Min	Max				
1	Aeon Credit Service	1	2	3	2	2	3	1	3	1	1	19
2	RHB Easy	2	3	2	1	1	2	1	1	3	1	17
3	RHB Blue	2	3	2	2	1	2	2	1	1	1	17
4	MBSB	1	1	2	3	3	1	3	1	1	3	19
5	CIMB	2	3	2	2	1	2	2	1	2	1	18
6	Maybank	3	3	1	2	2	1	2	1	1	2	18
7	Hong Leong Bank	3	3	2	1	1	1	3	3	1	1	19
8	CitiBank	1	3	1	2	1	1	2	2	2	1	16
9	AmBank	2	3	2	2	2	2	2	3	2	2	22
10	Alliance	2	3	2	2	2	2	3	2	1	1	20
11	Bank Rakyat	2	3	2	2	1	2	2	3	1	2	20
12	Bank Islam	2	3	2	2	1	1	3	1	1	2	18
13	OCBC	1	3	2	2	3	1	2	1	1	2	18
14	Ar-Rajhi	1	3	1	2	2	3	2	1	1	1	17
15	Standard Charetered	1	3	2	2	1	2	2	3	1	1	18
16	UOB	1	3	2	2	1	2	2	3	1	1	18
17	HSBC	1	3	2	2	1	1	2	1	1	1	15

Legend :

1 : Poor

2 : Moderate/ Average

3 : Good

Table 2 : Appendix 1

Competitor Analysis

		AEON Credit Services	EASY by RHB	RHB Bank	Maybank	CIMB Bank	Hong Leong Bank	Alliance Bank
	Product Name	AEON iCASH	Easy Pinjaman Eskpres	RHB Personal Financing	Maybank Personal Loan	Cash Plus Personal Loan	Hong Leong Personal Loan	CashFirst Personal Loan
1	Applicant Eligibility	<ul style="list-style-type: none">Malaysian citizen aged between 18 and above.	<ul style="list-style-type: none">Malaysian citizen aged ≥ 21 years to 55 years oldSalaried earner with minimum income of ≥ RM18K per annumApplicant have to have CCRIS record	<ul style="list-style-type: none">Malaysian citizen aged between 21 years to 55 years oldMinimum income of RM18K per annum	<ul style="list-style-type: none">Individual Malaysian citizen aged between 21 years to 60 years oldMinimum income of RM30,000 per annum	<ul style="list-style-type: none">Individual applicant onlyAged between 21 years to 60 years upon applicationMinimum income per month RM2,000 (basic + fixed income only)	<ul style="list-style-type: none">Malaysian citizen onlyAged between 21 years to 60 years oldMinimum income of RM24,000 per annum	<ul style="list-style-type: none">Malaysian and permanent residents working and residing in Malaysia only.Malaysians working in Singapore, but residing in Malaysia will be considered.Aged between 21 years to 60 years oldMinimum income of RM24,000 per annum
2	Loan/ Finance Amount	<ul style="list-style-type: none">Minimum: RM1,000Maximum: RM50,000	<ul style="list-style-type: none">Minimum: RM2,000Maximum: RM50,000	<ul style="list-style-type: none">Minimum: RM2,000Maximum: RM150,000	<ul style="list-style-type: none">Minimum: RM5,000Maximum: RM100,000	<ul style="list-style-type: none">Minimum: RM 2,000Maximum: RM100,000	<ul style="list-style-type: none">Minimum: RM5,000Maximum: RM250,000	<ul style="list-style-type: none">Minimum: RM2,000Maximum: RM200,000
3	Tenure	<ul style="list-style-type: none">Minimum: 1 yearMaximum: 8 years (Proposed)	<ul style="list-style-type: none">Minimum: 1 yearMaximum: 5 years	<ul style="list-style-type: none">Minimum: 1 yearMaximum: 5 years	<ul style="list-style-type: none">Minimum: 2 yearsMaximum: 6 years	<ul style="list-style-type: none">Minimum: 1 yearMaximum: 5 years	<ul style="list-style-type: none">Minimum: 1 yearMaximum: 5 years	<ul style="list-style-type: none">Minimum: 1 yearMaximum: 7 years
4	Pricing	<ul style="list-style-type: none">RM1,000- RM4,999, 1.2%p.a, 1.5% p.a.RM5k- RM50,000, 0.80% p.a., 0.84% p.a.	Tier-1: RM2,000- RM10,000 EIR @ 24% (13.45%) p.a. Tier-2: RM11,000- RM50,000 EIR @ 21% (11.63%)p.a. Tier-3: RM51,000- RM100,000 EIR @ 18% (9.88%)p.a. Tier-4: RM101,000– RM200,000 EIR @ 15% (7.99%) p.a. Note: calculation based on reducing balance method	<ul style="list-style-type: none">Tier1: RM2,000 – RM10,000 @ 13.45% p.aTier2: RM11,000 – RM50,000 @ 11.66% p.aTier3: RM51,000 – RM99,000 @ 9.91% p.aTier4: RM100,000 – RM150,000 @ 8.18% p.a	<ul style="list-style-type: none">Tier 1: RM5,000 – RM20,000 @ 8%p.aTier 2: RM20,001 – RM50,000 @ 7%p.aTier 3: RM50,001 – RM100,000 @ 6.5%p.a Note: calculation based on fixed rate	<ul style="list-style-type: none">Tier 1: RM2,000 – RM24,000 @ 13.38% p.aTier 2: RM25,000 – RM49,000 @ 9.88% p.aTier 3: RM50,000 – RM100,000 @ 6.88%p.a	<ul style="list-style-type: none">12% p.a (flat rate basis)	<ul style="list-style-type: none">10.38% p.a (flat rate basis)
5	Margin Of Financing	Up to 2x nett salary	Up to 5x gross salary	Up to 5x gross salary	~	~	~	Up to 5x gross salary
6	Stamp Duty	0.5% stamp duty based on finance amount	0.5% stamp duty based on loan amount	0.5% stamp duty based on loan amount	NIL	0.5% stamp duty based on loan amount	0.5% stamp duty based on loan amount	0.55% stamp duty based on loan amount

		AEON Credit Services	EASY by RHB	RHB Bank	Maybank	CIMB Bank	Hong Leong Bank	Alliance Bank
7	Insurance/ Takaful coverage	Optional	Compulsory	Compulsory	Compulsory	Compulsory	Optional	NIL
8	Processing Fee	6% for financing amount < RM5k	NIL	NIL	NIL	NIL	NIL	NIL
9	Upfront Payment	Nil	NIL	NIL	NIL	NIL	NIL	NIL
10	Payment Due Date	2 nd of every month.	The following anniversary month	The following anniversary month	Within 30 days from date of disbursement of the Facility or successive intervals of one (1) month	1 month from the date of disbursement	1 month from the date of disbursement	1 month from the date of disbursement
11	Late Payment Charges	1% per annum on the minimum payment due until the arrears have been paid in full	1% per annum on the minimum payment due until the arrears have been paid in full	1% per annum of payment in arrears due, calculated on daily basis until such arrears are paid in full	1% per annum on the amount in arrears, calculated from overdue date till date of full monthly payment	1% per annum on the amount in arrears, calculated from overdue date till date of full monthly payment	1% per annum on the amount in arrears, calculated from overdue date till date of full monthly payment	1% p.a on instalment amount overdue, accruing from the due date up to the date of settlement
12	Lock-in Period	NIL	NIL	YES (6 months from disbursement date)	NIL	YES (1 year from disbursement date)	NIL	NIL
13	Early Exit Fee	NIL	RM200 if the loan fully settled within the first 6 months from the date of approval.	RM100 or 1% whichever is higher, is charge if prepayment in full is made during the lock-in period of 6 months from the date of the letter of approval is issued.	RM200 or a sum equivalent to 3% of the outstanding balance of the loan whichever is higher, only if settled within first half of the tenure.	RM200 for early settlement during the lock-in period.	Three (3) months' prior written notice to the Bank or payment of three (3) months' interest on the amount redeemed, in lieu of notice.	A three (3) months' written notice or three (3) months' interest in lieu of such notice is required.
14	Processing Flow and Time	3 working days	Peer-to-Peer Same day processing + approval Document Based 3 working days	<ul style="list-style-type: none"> 3 working days 	<ul style="list-style-type: none"> 3 working days 	<ul style="list-style-type: none"> Within 24 hours (approval + disbursement) 	<ul style="list-style-type: none"> 48 hours approval (up to 3 working days for disbursement) 	<ul style="list-style-type: none"> Up to 5 working days

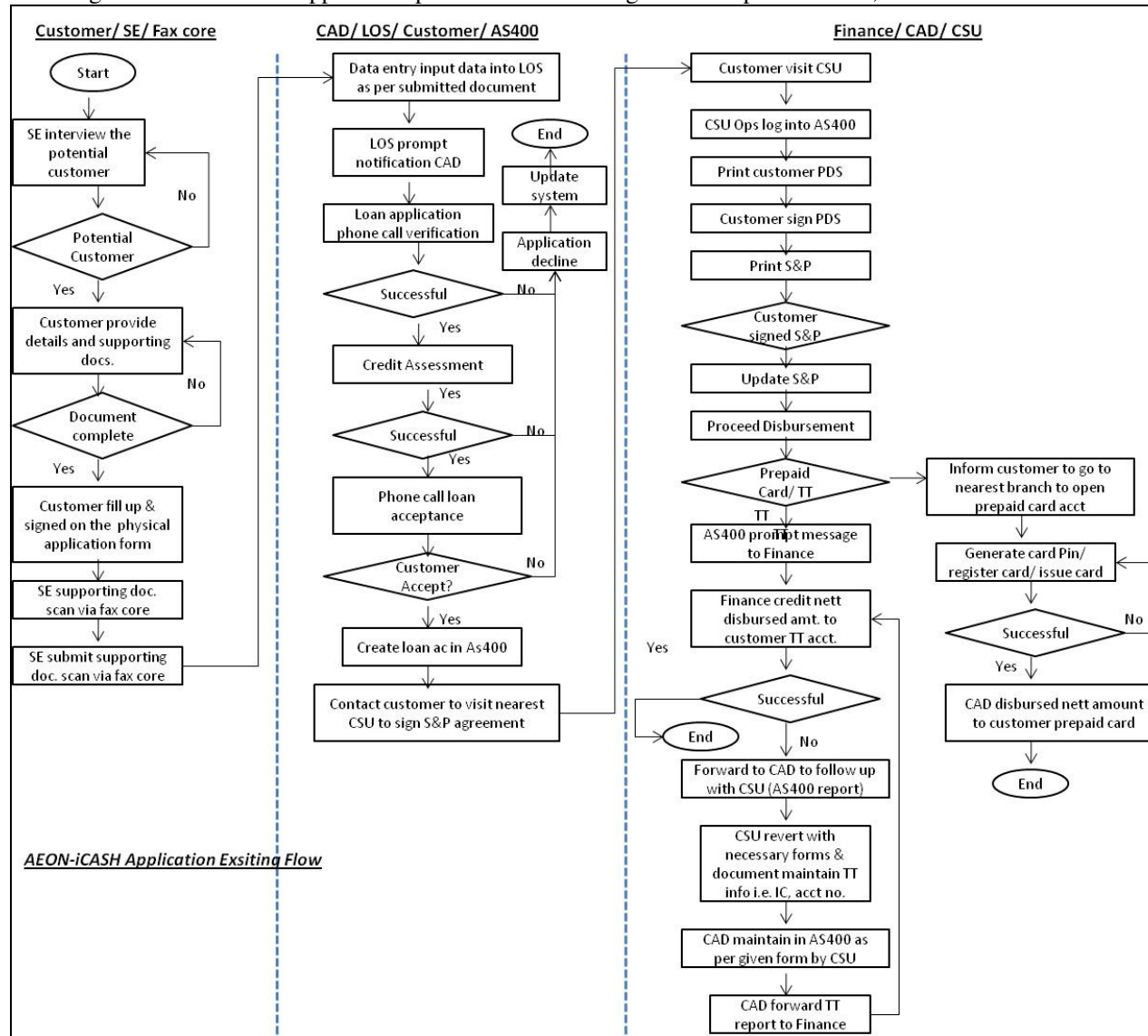
Risk Analysis

Nature of Risk	Increase in risk	Risk Mitigation			
		Impact to ACSM			Impact to Customer
	Yes/No	Monitor	Measure	Control	Meeting needs & affordability
Transactional / Operational Risk	Operational Readiness Increase in Risk = No	<ul style="list-style-type: none"> To follow the existing end-to-end process flow with minimal enhancement to cater for the additional requirement. To use SAFE approach as per guided by Legal & Compliance dept for suspicious transactional activity which consist of; <ol style="list-style-type: none"> Screen for suspicious activity indicator. Ask appropriate question. Find out the customer's record. Evaluate the above information. 	<ul style="list-style-type: none"> All User Change Requirement is spelled out clearly to ensure the delivery both at front end and backend are met. Level of suspicious activity based on evaluation made from SAFE guideline. 	<ul style="list-style-type: none"> SIT and UAT will be carried out to ensure operational process is in placed to cater for the necessary changes prior to the actual product launch. Raise an Internal Suspicious Transaction Report (ISTR) in the event suspicious transaction is detected to ACS compliance officer for further investigation. 	No Impact to customer
Credit Risk	Non-repayment Increase In Risk = No There is no material change to existing risk profile as the credit criteria and score card is following the existing PF credit scoring.	<ul style="list-style-type: none"> Full CCRIS and CTOS checks on all applications Monitor via tripwire/MAT To conduct annual product review at least once a year after the implementation. 	<ul style="list-style-type: none"> All new application submission is to go through the personal financing credit scoring built into the system. Total NPL ratio or ever percentage of 90+date past due 	<ul style="list-style-type: none"> Policy rules constantly reviewed (CPM) to improve asset quality Business to review the portfolio whenever 90+dpd reaches 4.0 %. Business to submit review paper to EC. 	No Impact to customer
Market Risk	Interest Rate Risks, Exchange Rate Risks, Liquidity Risks Increase In Risk = No	<ul style="list-style-type: none"> ACS market risks are managed within approved market limits. 	<ul style="list-style-type: none"> As per company's prevailing accepted value at risk. 	<ul style="list-style-type: none"> The liquidity mismatch arising from these products is consolidated and managed within the company's overall liquidity limits. 	No Impact to customer
Regulatory/ Legal Risk	a.FSA and related notices Increase in Risk = No	<ul style="list-style-type: none"> Credit assessments are governed within BNM guidelines in providing unsecured lending. 	<ul style="list-style-type: none"> ACS is responsible to provide accurate and up-to-date credit information of our borrowers to BNM Credit Bureau. ACS shall comply with and provide all relevant information to facilitate any audit trail as requested by the Regulators. 	<ul style="list-style-type: none"> FSA is to be strictly adhered to. Staff are trained and continuously reminded on the importance of granting credit facilities to staff and directors under the new Guidelines on "Credit Transactions and Exposures with Connected Parties". 	No Impact to customer
	b. Guidelines on BLR, Lending and Deposit Increase in Risk = No	<ul style="list-style-type: none"> The sales staff must clearly explain and disclose to borrowers the pricing method or calculation used for this product. All Rates and Charges are to be printed on the monthly statements. 	<ul style="list-style-type: none"> All existing and new guidelines imposed by BNM are to be adhered to and incorporated into our product requirement. Extensiveness of the terms and conditions governing the product. 	<ul style="list-style-type: none"> Fees and charges are disclosed and explained to Customer prior to loan application. All fees and charges are printed prominently in all of our marketing collaterals. All application forms and Terms and Conditions are vetted and endorsed by Group Legal. Terms and Conditions together with Product Disclosure Sheet (PDS) will be provided to customer and a copy of Terms and Conditions as well as Product Disclosure Sheet (PDS) will be submitted to BNM together with the proposal paper 	Customer will benefit from the explanation of the sales staff together with the Product Disclosure Sheet (PDS) given to the customer for easier understanding and future reference on the product offerings and the Terms and Conditions.

Nature of Risk	Increase in risk	Risk Mitigation			
		Impact to ACSM			Impact to Customer
	Yes/No	Monitor	Measure	Control	Meeting needs & affordability
				for approval prior to product launch.	
IT Risk	Increase in risk = No	<ul style="list-style-type: none">▪ Monitor IT project performance from system development to SIT to UAT.▪ Ensure test scripts are comprehensive to cover all possible (negative and positive tests).▪ To perform system review post implementation.	<ul style="list-style-type: none">▪ User to ensure additional User Requirement is catered for and all other existing system ruling remains unchanged.▪ System development against agreed project timeline.▪ At least 1 month of User Acceptance Tests (UAT).▪ Post review testing results to monitor any inconsistencies of IT hiccups.	<ul style="list-style-type: none">▪ Thorough UAT (end to end) will be done prior to launching the system enhancement	<ul style="list-style-type: none">▪ No Impact to customer
Money Laundering/Terrorism Risk	Anti Money Laundering and Counter Financing of Terrorism (AML/CFT) Increase In Risk = No	<ul style="list-style-type: none">▪ To adhere to AML/CFT program and AML system reference guide.▪ ACS customer black list checking.▪ AML alerts checking.	<ul style="list-style-type: none">▪ Automated screening of customer against the sanction and internal list.	<ul style="list-style-type: none">▪ Training and awareness programmes should be conducted regularly and supplemented with refresher courses for employees, with special emphasis for those employees who are exposed to higher risk of potential money laundering and financing of terrorism activities.▪ System is enabled to perform negative list checking where every New-To- ACS customers go through the screening of AML during assessment queue.	<ul style="list-style-type: none">▪ N/A
Reputational Risk		<ul style="list-style-type: none">▪ Breaches and incidents are reported and remedial actions must be reviewed and agreed by Business Heads.▪ Customer complaints on non-disclosure of product features.	<ul style="list-style-type: none">▪ Staff required to have read and understood the company’s policies.▪ All complaint will be investigated for remedial action.	<ul style="list-style-type: none">▪ All new staff is required to attend product training and induction program.▪ Training and awareness programmes should be conducted regularly and supplemented with refresher courses for employees.▪ To contact customer for investigation and escalate the issue to CSI. The above exercise shall be as per standard operating procedure.	<ul style="list-style-type: none">▪ N/A
Liquidity/Funding Risk	N/A				
Accounting and Financial Reporting	N/A				
Public Relations Risk	N/A				
Human Resource Risk	N/A				

Operating Process and Procedures/ Workflows

- There is no change to the existing end to end finance application process flow. Existing flow is depicted below;



Cost & Benefit Analysis (1st Year Projection)

		Enhanced Tenure (up to 8 years)												
	Weightage	Year 1												Total
Approved:		Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12	Y1
Approved (#)	98.18%	6,241	6,241	6,241	6,241	6,241	6,241	6,241	6,241	6,241	6,241	6,241	6,241	74,896
Ticket Size (RM)	144.22%	6,340	6,340	6,340	6,340	6,340	6,340	6,340	6,340	6,340	6,340	6,340	6,340	76,082
Approved (RM)	App. x Ticket size	39,571,043	39,571,043	39,571,043	39,571,043	39,571,043	39,571,043	39,571,043	39,571,043	39,571,043	39,571,043	39,571,043	39,571,043	474,852,517
Signed & Purchased:														
S&P (#)	89.70%	5,115	5,115	5,115	5,115	5,115	5,115	5,115	5,115	5,115	5,115	5,115	5,115	61,376
B/F Receivables (RM)		0	35,582,282	68,317,981	98,434,825	126,142,321	151,633,217	175,084,841	196,660,336	216,509,791	234,771,290	251,571,868	267,028,401	267,028,401
S&P (RM)	89.92%	35,582,282	35,582,282	35,582,282	35,582,282	35,582,282	35,582,282	35,582,282	35,582,282	35,582,282	35,582,282	35,582,282	35,582,282	426,987,383
Attrition (Bad Debt/ Credit Loss/ Early Settlement)	3%	0	(1,067,468)	(2,049,539)	(2,953,045)	(3,784,270)	(4,548,997)	(5,252,545)	(5,899,810)	(6,495,294)	(7,043,139)	(7,547,156)	(8,010,852)	(54,652,115)
		35,582,282	34,514,813	33,532,742	32,629,237	31,798,012	31,033,285	30,329,737	29,682,472	29,086,988	28,539,143	28,035,126	27,571,430	372,335,268
Paid down (RM)	95%	0	33,803,168	64,902,082	93,513,083	119,835,205	144,051,556	166,330,599	186,827,319	205,684,301	223,032,725	238,993,275	253,676,981	1,730,650,295
C/F Receivables (RM)		35,582,282	68,317,981	98,434,825	126,142,321	151,633,217	175,084,841	196,660,336	216,509,791	234,771,290	251,571,868	267,028,401	281,248,411	281,248,411
Revenue (p/ mth)	0.840%	298,891	573,871	826,853	1,059,595	1,273,719	1,470,713	1,651,947	1,818,682	1,972,079	2,113,204	2,243,039	2,362,487	17,665,079
Cost Of Fund (p/mth)	0.329%	(117,125)	(234,250)	(342,005)	(441,140)	(532,343)	(616,251)	(693,446)	(764,465)	(829,803)	(889,914)	(945,216)	(996,093)	(7,402,052)
Nett Revenue		181,766	339,621	484,847	618,456	741,376	854,462	958,501	1,054,217	1,142,276	1,223,290	1,297,823	1,366,393	10,263,027
Cost/ Expenses:														
Capex	(Internal IT System Enhancement)	0	0	0	0	0	0	0	0	0	0	0	0	0
Overhead - Incentive	1%	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(4,269,874)
Marketing (SMS Blast)														
Marketing (Leaflet+Online Ads)		(100,000)	0	0	0	0	0	0	0	0	0	0	0	(100,000)
Total Cost		(455,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(355,823)	(4,369,874)
Profit /(Loss)														
Total Profit/ (Loss)		(274,057)	(16,202)	129,025	262,633	385,553	498,639	602,678	698,394	786,453	867,467	942,000	1,010,570	5,893,153
Acc Profit/ (Loss)		(274,057)	(290,258)	(161,234)	101,399	486,952	985,591	1,588,269	2,286,663	3,073,116	3,940,583	4,882,583	5,893,153	5,893,153
Breakeven (Mth)	3													
Payback	4													

Cost & Benefit Analysis (5 Years Projection)

	Weightage	Enhanced Tenure (up to 8 years)				
		Total	Total	Total	Total	Total
Approved:		Y1	Y2	Y3	Y4	Y5
Approved (#)	98.18%	74,896	74,896	74,896	74,896	74,896
Ticket Size (RM)	144.22%	76,082	76,082	76,082	76,082	76,082
Approved (RM)	App. x Ticket size	474,852,517	474,852,517	474,852,517	474,852,517	474,852,517
Signed & Purchased:						
S&P (#)	89.70%	61,376	61,376	61,376	61,376	61,376
B/F Receivables (RM)		267,028,401	379,425,778	420,750,516	435,944,233	441,530,452
S&P (RM)	89.92%	426,987,383	426,987,383	426,987,383	426,987,383	426,987,383
Attrition (Bad Debt/ Credit Loss/ Early Settlement)	3%	(54,652,115)	(121,343,173)	(145,863,234)	(154,878,436)	(158,193,023)
		372,335,268	305,644,209	281,124,149	272,108,947	268,794,360
Paid down (RM)	95%	1,730,650,295	3,842,533,824	4,619,002,412	4,904,483,813	5,009,445,728
C/F Receivables (RM)		281,248,411	384,653,998	422,672,757	436,650,976	441,790,298
Revenue (p/ mth)	0.840%	17,665,079	34,844,695	41,161,063	43,483,379	44,337,217
Cost Of Fund (p/mth)	0.329%	(7,402,052)	(14,719,543)	(17,409,938)	(18,399,106)	(18,762,790)
Nett Revenue		10,263,027	20,125,153	23,751,125	25,084,273	25,574,427
Cost/ Expenses:						
Capex	(Internal IT System Enhancement)	0	0	0	0	0
Overhead - Incentive Marketing (SMS Blast)	1%	(4,269,874)	(4,269,874)	(4,269,874)	(4,269,874)	(4,269,874)
Marketing (Leaflet+Online Ads)		(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Total Cost		(4,369,874)	(4,369,874)	(4,369,874)	(4,369,874)	(4,369,874)
Profit /(Loss)						
Total Profit/ (Loss)		5,893,153	15,755,279	19,381,251	20,714,399	21,204,553
Acc Profit/ (Loss)		5,893,153	21,648,432	41,029,683	61,744,082	82,948,635
Breakeven (Mth)	3					
Payback	4					

Cost & Benefit Analysis Business Assumption;

- i. All customer apply for 8 years tenure
- ii. Approved case (#) is the same thru out the year which follows Feb '14 month
- iii. Approved ticket size is based on increase by average 44% (average of Approved Aug'13 - Oct'13 ext. tenure) if the Feb all approved acct extended to 8 years
- iv. Marketing expenses for leaflet is done once a year - Below the line
- v. Zero cost for capital expenditure as the enhancement would be done ACSM IT Group.

System Enhancement

- The extension of tenure enhancement will involve LOS and AS400 which the enhancement will be catered and develop by ITG

Marketing/ Sales Strategy

- i. Print material
 - Below-the-line (BTL) materials to be distributed at all CSU:
 - ✓ Product Brochures/Leaflets
- ii. Local area marketing

Legal Vetting/ Documentation

- All necessary documentation pertaining to the product will be vetted by legal & compliance department prior to product launch.

Implementation Timeline

Below are the summary of the tentative timelines;

#	Task	Tentative Deliverable Date	Action By
1.	New Business/ Product Assessment	21 March 2014	PF Department, RMD, L&C, QIM
3.	Present concept paper to Executive Committee during the EC meeting	27 March 2014	PF Department, Executive Committee members
4.	Obtaining approval from Japan HQ on concept paper	3 April 2014	PF Department
5.	Obtaining BOD approval on concept paper	10 April 2014	PF Department
6.	Present Comprehensive Proposal Paper to EC	17 April 2014	PF Department, Executive Committee members
7.	Obtaining approval from Japan HQ on Comprehensive Proposal Paper	24 April 2014	PF Department
8.	Obtaining approval from BOD on Comprehensive Proposal Paper	2 May 2014	PF Department
9.	System development	5 May 2014	ITG
10.	User Acceptance Test (UAT)	19 May 2014	PF Department, CAD, CPM, ITG
11.	BNM approval	26 May 2014	PF Department
12.	Training & communication to sales ground, CCD, CAD	26 May 2014	PF Department
13.	Product Enhancement Launch	30 May 2014	PF Department

Bank Negara Requirement

In accordance to Bank Negara Malaysia's (BNM) new Guidelines on Introduction of New Products, AEON iCASH product feature enhancement proposition is not listed in the negative list. Upon approval of these initiatives by ACSM management, an approval to Bank Negara will be obtained prior to launching of the initiatives.

Summary Of Approval Sought

We would seek management approval Extend the Aeon-iCash tenure up to 96 months or 8 years with the proposed risk analysis with no material risk to the existing product's risk profile.