



iFAST Corporation Ltd.

Extraordinary General Meeting: Proposed Acquisition of a UK Bank

14 MARCH 2022



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Banks and Wealth Management

- In most countries around the world, the biggest players in the wealth management industry are banks. This is not surprising given that banks have the advantage of consumers' cash sitting within the banks.
- iFAST Corp has made substantial progress as a wealth management platform without some of the key advantages that the banks have. A lot more can be achieved if the Group has a bank within the Group.
- In the last 3-4 years, the Group has been evaluating ways of being able to add a digital bank to its growing Fintech Ecosystem. The Group believes this will help to accelerate the growth of its overall wealth management platform.
- The Group believes that banks are operating at the 'foundation layer' of the financial industry. Having direct access to this 'foundation layer' will allow the Group to innovate and progress at a faster pace, especially in today's increasingly globalised and digitally-connected world.

The Future of Wealth Management and Digital Banking

- The Group believes that the future of wealth management is one where many investors from various emerging markets will be looking for the best wealth management platforms across the world that can provide them seamless access and connectivity to global products and global exchanges.
- Wealth management platforms with seamless links to good digital banking services that allow consumers and investors to manage payment flows seamlessly across borders while getting attractive deposit rates in various currencies, will have strong advantages.
- With that in mind, the Group believes that one of the central components of the iFAST Ecosystem in the future will be a digital bank located in a trusted jurisdiction.
- A full licensed UK bank will fit these requirements very well, given London's status as a top financial centre with strong connectivity to the world, and given its forward-looking regulatory frameworks.

The Target – BFC Bank Ltd

- Received authorisation from the Prudential Regulatory Authority (“PRA”) and Financial Conduct Authority (“FCA”) in 2016.
- Became fully operational in 2017 as an unrestricted deposit-taking institution operating under the Financial Services Compensation Scheme.
- A direct member of Faster Payments (38 members) and CHAPS (37 members).
- A member of SWIFT.
- To be renamed after the transaction is completed.

iFAST and Digital Banking

1. Accelerate the growth of the Group's cash business.
2. Gain direct access to the payment systems.
3. Complement and enhance the Group's wealth management business.

Accelerate the Growth of the Group's Cash Business

- Since 2006, iFAST started offering Cash Account as part of its overall wealth management product offering.
 - It enhances the platform's capabilities and competitiveness, and
 - Adds an additional source of recurring interest income.
- As an ancillary product offering over the years, the amount of cash and recurring interest revenue has grown.
 - In the recent years, it accounts for about 5% of the total AUA (as at end December 2021) and close to 6% of net revenue (FY2020).
 - In pre-COVID times, just by placing these cash in various banks with high credit rating, the Group could pass on competitive interest rates to customers and yet achieve a net interest margin of around 1.6%.
- Having a digital bank will allow the Group to attract more cash / deposits directly, hence grows the net revenue.
 - Leverage on the existing iFAST ecosystem to tap into the growing demand of customers around the world for good wealth management and digital banking platforms.

Gain Direct Access to Payment Systems

- The bank can provide digital transaction banking services to other financial institutions and corporates.
 - A member of SWIFT.
 - A direct member of Faster Payments (38 members) and CHAPS (37 members).
 - Non-members will have to go through a direct member to process the payments.
- Gives the Group the ability to add payments as an adjacent service that provides our customers an additional reason for keeping their money within the Group's ecosystem and AUA.
 - Cross-border remittances.
 - Pay / Spend globally.
- Gives the Group the ability to directly work on improving payment efficiency and lowering costs for our customers.
 - Reduces dependency on other banks.
 - Increases the Group's overall competitiveness.
 - In line with the Group's continuous efforts in helping customers around the world invest globally and profitably.

Complement and Enhance the Group's Wealth Management Business

- Allows the Group to acquire customers at a faster pace.
 - Customers from around the world especially certain parts of Asia wish to have bank accounts and some deposits in the UK.
 - The digital bank will provide convenient online bank account opening, multi-currency deposits and payments.
- Allows the Group to provide products / securities financing.
 - iFAST's ecosystem has proven to be able to attract cash at a relatively low cost.
 - As the bank builds up its deposits, the bank can work on providing competitively priced financing facilities to the Group's customers and generates an additional source of interest income.
 - This is synergistic to the Group's wealth management business and can help grow the AUA.
- Spill-over to wealth management.
 - In the mid to long term, new customers and cash that come into the UK bank are more likely than not to have spill-over effect into the wealth management products and services available in the iFAST Fintech ecosystem.

Proposed Acquisition and Investment in BFC Bank Ltd

- Total Investment Amount of £40 million, out of which:
 - £22.6 million is intended to be used to fund the acquisition;
 - £2.4 million is intended to be used to offset transactions costs incurred in the process; and
 - £15 million to fund a capital injection to strengthen the capital base and execute the future plans for the business.
- Expects to contribute some initial start-up losses.
 - Based on 85% stake in the bank, its estimated loss to the Group in FY2022 is S\$4.0 million¹.
- Targets to achieve profitability for the UK bank starting 2024.
- To seek approval from shareholders at the Company's EGM.

Note:

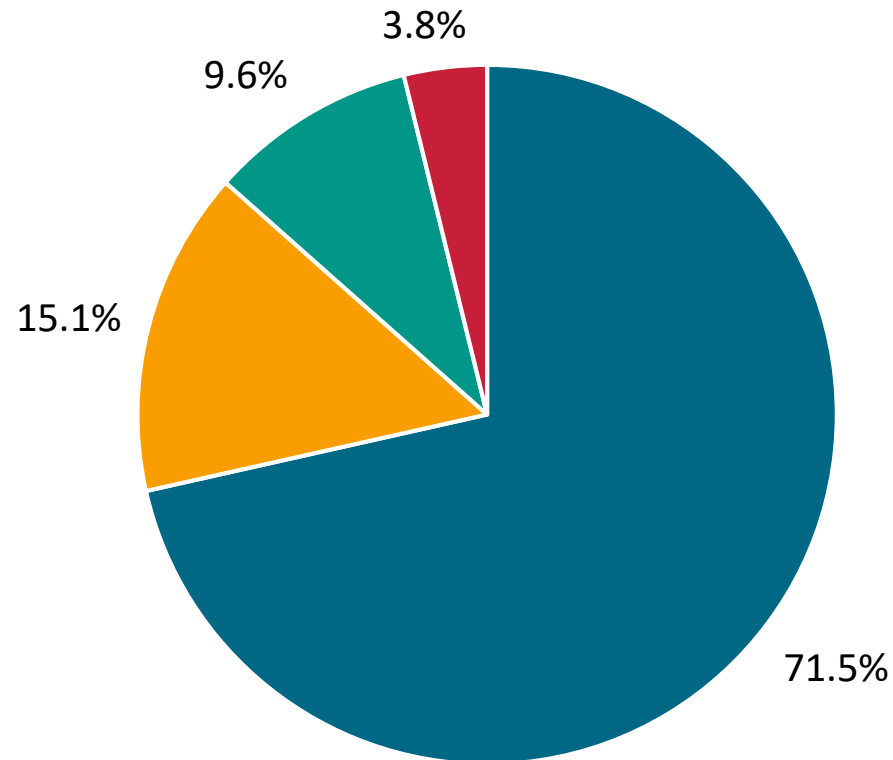
1. Excluding some transaction and other charges charged to balance sheet upon completion.

Appendices



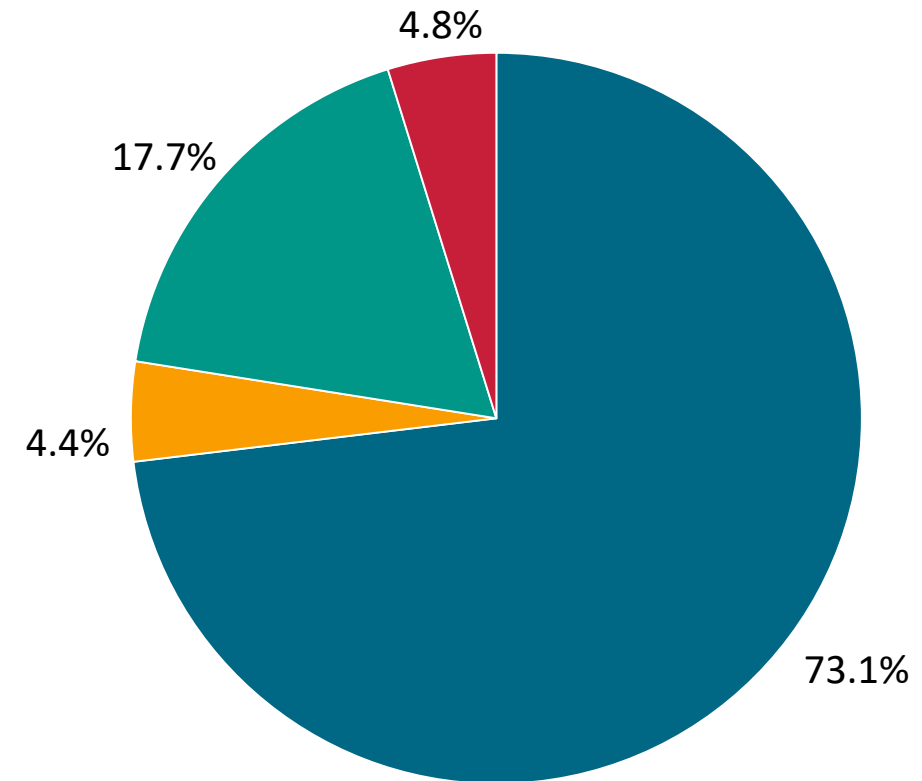
AUA Breakdown: Markets & Products (as at 31 December 2021)

AUA Breakdown By Markets



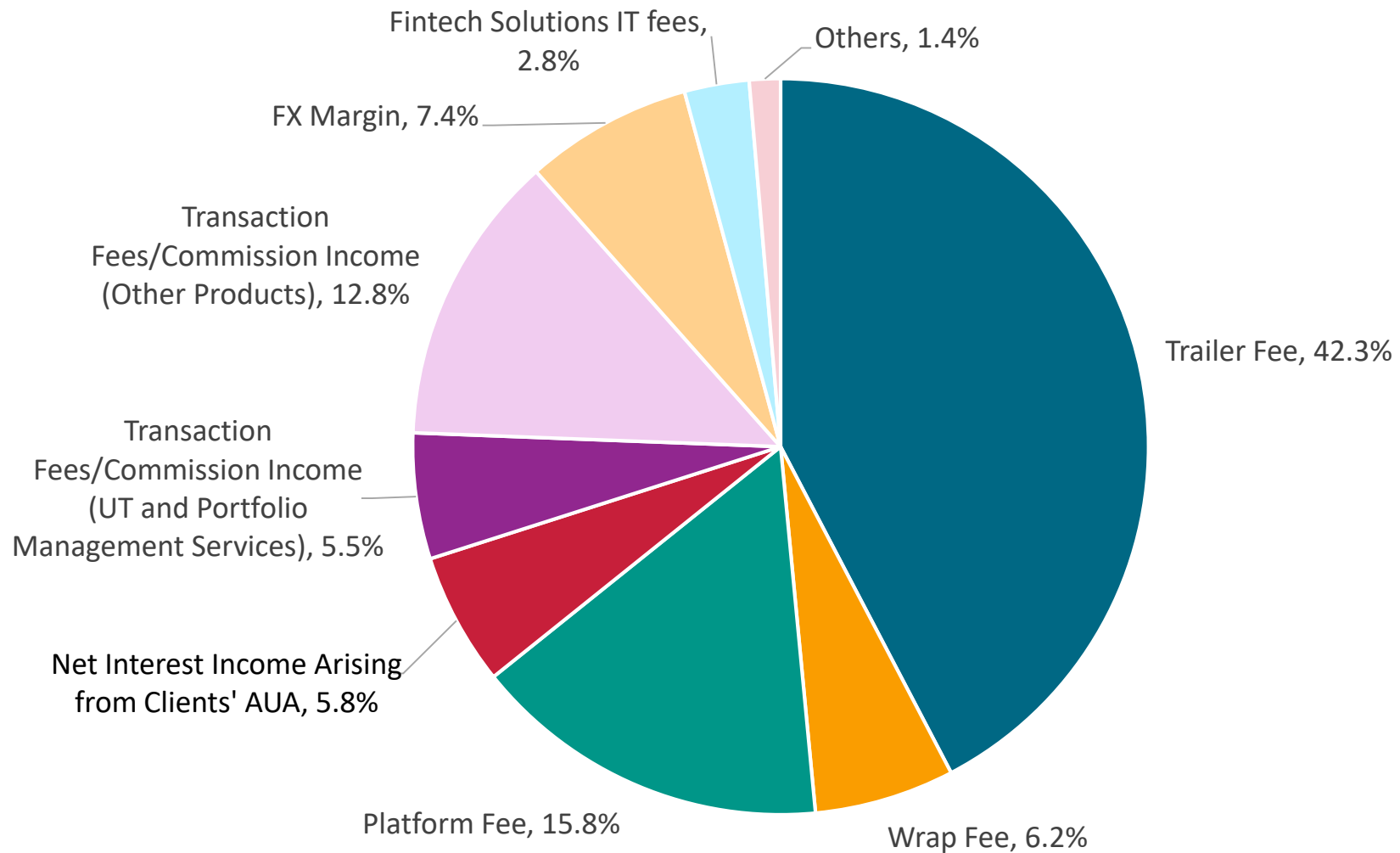
- Singapore
- Hong Kong
- Malaysia
- Others (China & India)

AUA Breakdown By Products



- Unit Trusts
- Bonds
- Stocks & ETFs
- Cash Account

Breakdown of Net Revenue (FY2020)

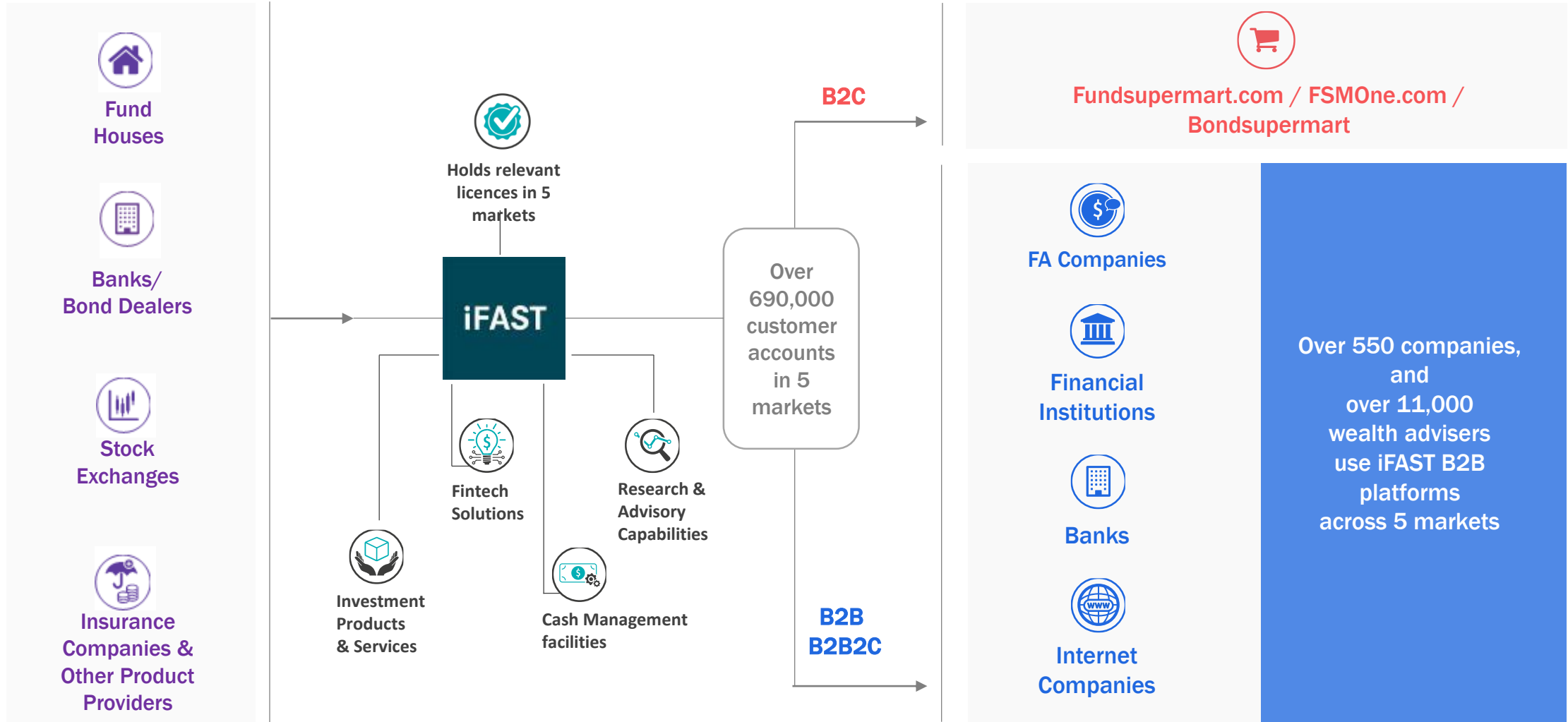


Leverage on iFAST Fintech Ecosystem



(as at 31 Dec 2021)

Connecting All to Help Investors Invest Globally and Profitably

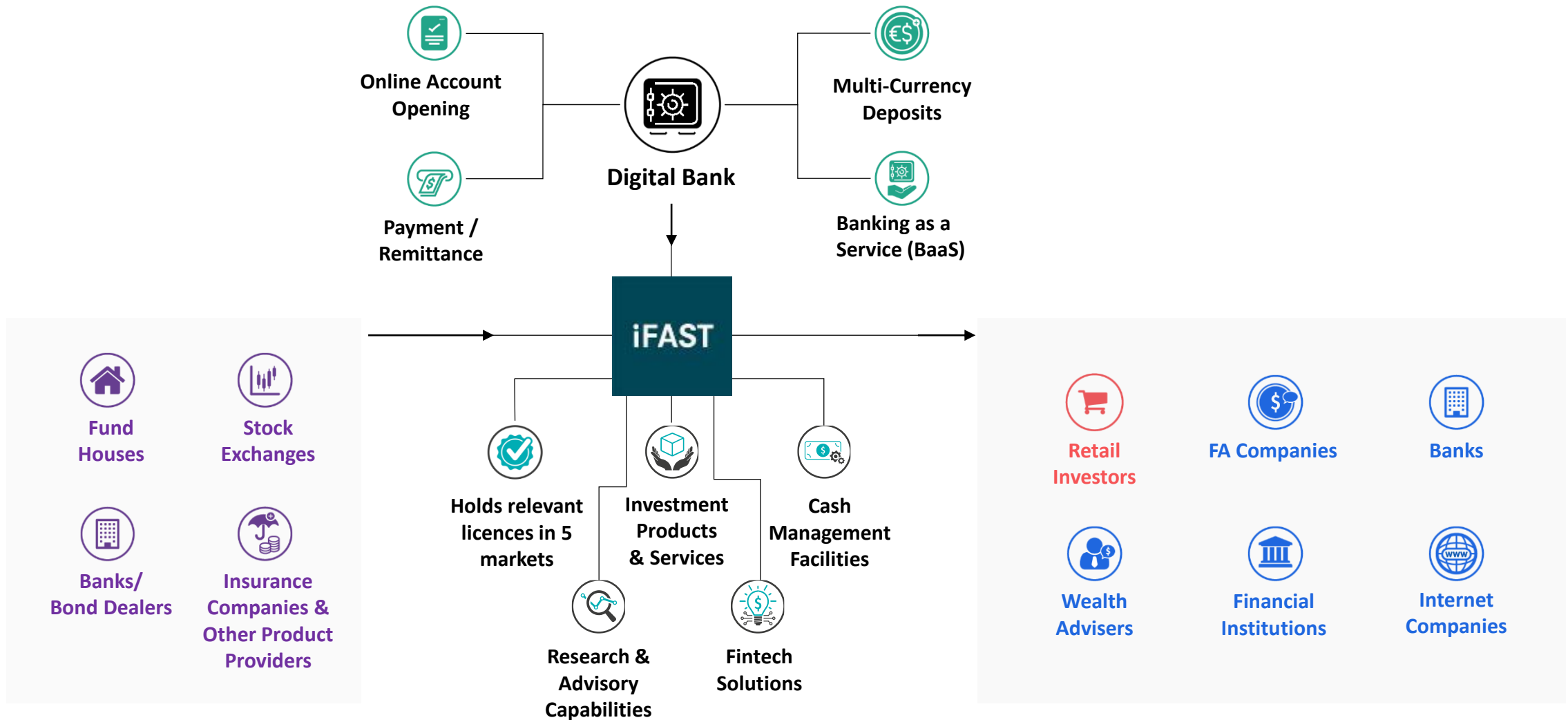


Access to iFAST's Infrastructure & Distribution Network in 5 markets

Leverage on iFAST Fintech Ecosystem

- Over 550 financial institutions and other corporations and over 11,000 wealth advisers using the platform
- Over 690,000 customer accounts in five markets
- Leading wealth management Fintech platform in Asia's two international financial centres (Singapore and Hong Kong)
- Presence in Asia's two giants markets (China and India), with linkages to Singapore and Hong Kong increasingly strengthened

Adding a Digital Bank to the iFAST Fintech Ecosystem



TO HELP INVESTORS AROUND THE WORLD
INVEST GLOBALLY AND PROFITABLY

THANK YOU!

For more information,
please visit: www.ifastcorp.com



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