

iFAST CORPORATION LTD.

(Company Registration No. 200007899C)

(Incorporated in the Republic of Singapore)

RESPONSE TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Securities Investors Association (Singapore) ("SIAS") had previously announced an initiative to review companies' Annual Reports and raise relevant questions to improve the quality of meetings and the engagement between Boards and Shareholders, while giving the company the opportunity to remove misconceptions and misunderstandings. iFAST Corporation Ltd. ("iFAST Corp" or the "Company", and together with its subsidiaries, the "Group") was selected as one of the companies SIAS has addressed questions to and the Company has provided its replies in this announcement.

Q1. In 2025, the company marks its 25th anniversary with its founding in 2000, and its 10th year as a listed company on the SGX mainboard, following its IPO in December 2014. The theme of this year's annual report is "Reimagining a global future in banking and wealth management."

Management has reiterated a firm commitment to transforming global banking and wealth management, with key updates outlined in the FY2024 Review (page 30). The group's assets under administration (AUA) have reached an all-time high of \$25.01 billion, and its 3-year strategic roadmap (2025–2027) is detailed on page 5.

Milestones of the group's 25-year journey are presented on pages 28–29 of the annual report.

(i) As the group celebrates its 25th anniversary, can the chairman share his long-term vision for the next 25 years? What new verticals does the board foresee building or acquiring to enhance synergy and scale?

iFAST Corp: The Group started sharing its medium-term plans since 2021 and we have continued to do so in the last few years. The latest 3-Year Plan for 2025-2027 was announced in February 2025 together with our 4Q2024 & FY2024 results. Our long-term vision is an extension of several points that we have covered in our 3-Year Plan.

One key vision we have is the ability to develop and strengthen the "truly global business model" we have been sharing in recent years. This model is underpinned by the ecosystem we have been developing over the last 25 years.

While we started business in the wealth management industry in Singapore, today we have a business which has digital banking, wealth management capabilities and pension solutions in different parts of Asia and the UK.

The Group will continue to build upon its "truly global business model", which we believe can operate from just one or a few countries and markets, and serve customers from around the world, providing them with seamless access and connectivity to global products and global exchanges. The Group will continue to work on expanding its global Fintech ecosystem and improve on the overall global connectivity, while being fully compliant with regulations and other requirements in various jurisdictions.

In addition, the Group will continue to increase the scale and quality of our wealth management platforms across our B2B and B2C divisions. With a profitable global digital bank at the core of

our fintech ecosystem, and with our “truly global business model”, we believe the scalability of our platform will be further strengthened.

The Group will work towards enhancing the overall capabilities of its fintech ecosystem, similar to how the Group has gradually expanded the range of products and services over the past decade after its listing, evolving from a unit trust platform to become the wealth management platform that it is today.

The Group will continue to effectively develop innovative fintech services that are complementary to our existing digital banking and wealth management platforms, and such examples that we have cited in the past few years include payment related services and a bond market place targeting individual investors from around the world.

(ii) How integral are China and India’s AUA to the group’s long-term targets?

iFAST Corp: The Group has shared previously that China is a market that we believe has growth potential. The Group believes the China business offers important connectivity between the Chinese offshore clients’ wealth and the rest of the Group’s global digital banking and wealth management capabilities.

iFAST Global Markets (iGM) Singapore launched a China Desk in late 2024 to build a robust bridge between Chinese clients and iFAST’s overseas offices by strengthening and meeting the offshore wealth allocation needs of Chinese clients both within and outside China.

With wealth advisers who specialise in serving expatriates and foreign clientele, the China Desk initiative will allow iGM Singapore to better understand and meet the unique needs of Chinese investors, while providing tailored services and solutions for them. In the first phase, the China Desk will be established in Singapore and Hong Kong, where the focus will be on identifying potential clients, exploring new business opportunities, and expanding iFAST Group’s influence in international markets.

As for the India market, iFAST Corp had previously announced in July 2022 that we had exited the onshore India market.

(iii) How does the group position itself relative to traditional Swiss private banks, US global banks, and the local banks in Singapore? Is iFAST competing head-on with them, or does it occupy a differentiated segment of the wealth value chain?

iFAST Corp: The Group is focused on serving all customers, especially retail and mass affluent customers who are under-served in the wealth management and digital banking segments.

Typically, private banks and US global banks cater exclusively to the higher net worth individuals, and while the Group does offer product classes that cater to this segment (e.g. wholesale bonds), the main clientele is the mass affluent market, which is usually not the target group of private banks and US global banks.

For local banks in Singapore, iFAST Corp’s wealth management platform business does compete with them for market share within the retail investors’ space. Nonetheless, iFAST Corp’s wealth management platform business model also makes it unique when compared to the local banks. The different platforms under iFAST encompass the Business-to-Consumer (B2C) division FSMOne.com which caters to the needs of DIY investors, as well as the Business-to-Business (B2B) division where we work with financial advisers and other financial institutions to provide them with a dedicated platform.

The Group is clear that there are strong opportunities for our business case, where we can tap on the increasing demand from global customers and investors around the world to open bank account overseas and to use a wealth management platform to gain global access. Hence, from

this perspective, we believe we have a competitive advantage, and there are fewer competitors that are interested in this market.

iFAST Global Bank reached \$1 billion in customer deposits at end-2024.

(iv) Is there a regulatory cap or internal threshold for deposit growth? What guidance has the board provided on the scalability and risk controls for its deposit-taking strategy?

iFAST Corp: There are neither regulatory limits nor internal caps on deposit growth for iGB. In terms of scalability, as a fully digital bank, there will be no reliance on physical branches to attract deposits. The fintech capabilities and ecosystem of the Group will also enable the bank to introduce innovative solutions and automation when acquiring and serving customers, and to launch new products and services. This will allow the bank to both lower the cost structure, and help to enhance the overall stickiness of customers and deposits, allowing it to further scale up its business. As a global bank, iGB will also be able to serve customers from around the world, and not just limited to the domestic UK market.

Risk-controls relating to deposit-taking include capital, liquidity and market risks, and iGB will have to ensure that with the additional deposits and capital, the bank will need to possess the ability to invest deposits to achieve a required rate of return, and to deploy the deposits in products within mismatch limits it has set for currency, tenor, interest rate pricing points, etc.

(v) What is the group's stance on digital assets and blockchain? Does the board see a legitimate role for regulated cryptocurrencies in global wealth management over the next 25 years?

iFAST Corp: The Group has been clear to differentiate between digital assets and the blockchain technology behind them. The Group is of the opinion that digital assets are of a speculative nature, and valuation difficulty also means that they are not suitable for the mass retail investors. The Research team has, on various occasions, published content articles and videos to inform investors of the dangers involved in such investments. We believe that prudent wealth creation over the long term to achieve clients' life goals should focus on investment products which can be transparently valued and analysed, and not into speculative assets which, at the very most, should be kept to a small portion of the portfolio.

Q2. The global financial markets experienced extreme volatility and dislocation in the first two weeks of April 2025, triggering broad-based risk aversion and capital outflows across asset classes.

(i) Has the board assessed how this period of market volatility has impacted the group's AUA?

iFAST Corp: Market volatility impacts the Group's AUA in terms of both the asset value of the investment products held by customers, as well as investor sentiments which may affect investing activities. While the recent market volatility may have impacted asset prices, with macroeconomic uncertainties dampening investor sentiments, the Group believes the ecosystem that we have built up in recent years, and our "truly global business model", will help to better position us to tide through short-term market volatility that may affect the Group's AUA.

In the past decade, the Group has expanded distribution across a diversified range of product asset classes, which allows our investors to build up diversified portfolios, or reduce exposure to market volatility by switching to less volatile products.

(ii) Given the large customer base of nearly one million accounts, did actual customer activity during this period fall within the group's internal stress testing and risk limits? Were there any stress points such as mass withdrawals, funding ratio breaches, system capacity constraints, or capital buffers?

iFAST Corp: We did not observe any abnormalities in the listed indicators during the recent market volatility.

Separately, the group's success in delivering ePension solutions has been noted.

(iii) Are there opportunities for the group to leverage its ePension experience to gain more national-level pension administration projects?

iFAST Corp: With its ePension experience, the Group may be better positioned to undertake similar projects going forward, though there may not be similar opportunities for sovereign-related pension projects within the region in the near future. As such, the Group will focus its efforts to further ramp up our capability and resources in the Hong Kong ePension division, including its ORSO (Occupational Retirement Scheme Ordinance) ePension business.

Q3. The word "risk" appears 537 times in the 2024 annual report—reflecting its centrality to the group's operations. Under the material risks section in the corporate governance report, the board and management identified the following categories:

- Business and strategic risk
- Regulatory and compliance risk
- Financial crime risk
- Operational risk
- Technology risk
- Financial risk

(i) What guidance has the board set regarding the level of market risk the group can tolerate on its balance sheet at any one time, especially during periods of heightened volatility? Is the actual level of market risk taken on by the group close to 0?

iFAST Corp: While the Group's core wealth management platform business predominantly generates fee-based income without the assumption of market risk on the balance sheet, the Group's balance sheet is still exposed to a certain level of market risk, primarily through our UK digital banking business and product financing receivables secured by client collateral. To manage these risks, the Board has established clear guidance on risk tolerance within the Enterprise Risk Management Framework, which is reviewed and approved annually by the respective Board Risk Committees. This Framework is further supported by standards and guides that outline the processes for risk identification, assessment, control, monitoring, and reporting. During periods of heightened market stress or volatility, business units and risk management teams may increase the frequency of monitoring and reporting, commensurate with the rapidly changing market conditions, to enable timely and informed decision-making.

(ii) How is the technology risk budget determined, particularly for cybersecurity investment?

iFAST Corp: The technology risk budget, particularly for cybersecurity investment, is typically determined through a combination of factors. These may include:

- Risk assessments: Identifying potential threats and vulnerabilities.
- Business priorities: Aligning investments with business strategic objectives.
- Industry benchmarks: Comparing with peers and best practices.
- Regulatory requirements: Meeting compliance standards.
- Cost-benefit analysis: Evaluating potential returns on investment.

Our organisation regularly reviews and updates its budget to ensure it remains effective in mitigating risks and protecting assets

The group has a group internal audit department. For FY2024, the internal audit covered operations, financial, compliance and information technology controls relating to the group based on the approved internal audit plan.

(iii) What is the typical internal audit cycle length, and how has the size, experience, and structure of the department evolved as the group expanded? Are there local audit resources stationed in key markets like Hong Kong and the UK?

iFAST Corp: Auditable components are typically grouped in cycles between one to three years, depending on the associated risks, complexity, and prevailing regulatory requirements.

The Group has gradually expanded its internal audit team alongside the Group's expansion in recent years. The Group has established internal audit roles based in the local markets of Singapore, Malaysia, as well as Hong Kong/China. In UK, the Group has engaged a vendor to provide internal audit support for iFAST Global Bank (iGB). There are also internal auditors reporting to the Singapore HQ which provides global internal audit support to the Group. Other than conducting internal audit on business operations, the Group has set up IT internal audit roles to ensure the stability and integrity of the Group's IT systems and capabilities.

By Order of the Board

Lim Chung Chun
Chairman / Chief Executive Officer

28 April 2025