

For Immediate Release

IFS Capital takes up minority stake in Payd Pte Ltd to accelerate Earned Wage Access adoption in Southeast Asia

- **IFS Capital Assets Pte Ltd has signed an investment agreement with Payd Pte Ltd for minority shares in the company**
- **Earned Wage Access is a financial wellness program offered by employers to provide employees with easy and on-demand access to their earned wages**
- **IFS believes that this investment enhances the Group's consumer finance value proposition and addresses an underserved consumer need in the region**

Singapore, 21 April 2022 – IFS Capital Limited (“**IFS Capital**” or “**IFS**”) is pleased to announce that its subsidiary, IFS Capital Assets Pte Ltd, has signed an investment agreement (SAFE Note) with Payd Pte Ltd (“**Payd**”).

Incorporated in 2018 and headquartered in Singapore, Payd is a fintech start-up that offers Earned Wage Access (“**EWA**”) platform solutions in the Singapore and Malaysian markets. EWA is an employee financial wellness program that empowers employees with easy and on-demand access to their already earned wages without having to wait for the monthly payroll cycle.

Currently, the conventional payday loan is one of the most common methods that employees use to manage unexpected mid-month expenses. However, such loans tend to come with high interest rate charges and fees that can be as high as 24% for a two-week loan.¹ Based on Singapore's labour force publication for June 2021², there are a total of 1.2 million working residents in Singapore who can potentially benefit from having access to an EWA program. Ernst & Young estimated that there was approximately US\$1 trillion in accrued wages across OECD countries at any given point in time in 2020³, highlighting the relevance of EWA across the world.

The pandemic has accelerated the need for more robust and responsible consumer financial solutions, and EWA is an innovative product to address this growing need. According to a survey by PYMENTS in the United States, 79% of surveyed workers were more willing to switch to employers who are already offering EWA⁴ as it demonstrated the willingness of employers to understand the needs of their employees. With EWA, responsible employers can help their employees address personal credit needs in a seamless manner and protect them against predatory lending practices, achieving higher staff retention and satisfaction.

¹ Value Champion - Personal Loan vs Payday Loan: Why You Should Avoid Getting A Payday Loan (<https://www.valuechampion.sg/personal-loan-vs-payday-loan>)

² Ministry of Manpower - Employment Table(s) - Labour Force In Singapore 2021 (https://stats.mom.gov.sg/iMAS_Tables1/LabourForce/LabourForce_2021/mrsd_2021LabourForce_T33.xlsx)

³ Ernst & Young - On-Demand Pay: payroll that works for all (https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/emeia-financial-services/ey-on-demand-pay.pdf?download)

⁴ PYMNTHS.com - Visa Direct Powers Real-Time Payroll For Frontline Workers (<https://www.pymnts.com/visa/2020/visa-why-real-time-payroll-now-necessity-not-luxury/>)

Recognising the potential of EWA as a socially responsible financial tool for consumers, IFS aims to create greater awareness among employers across Southeast Asia and leverage the platform to bring other important financial products in protection insurance, savings and investment to their workforce.

“We are excited to have the opportunity to invest in the Payd team and accelerate EWA adoption in the Southeast Asian markets. Large and middle-market corporations can think of a well-structured EWA program as an integral pillar of their employee benefits framework. By empowering the financial wellbeing of their employees, they can positively impact worker productivity, promote retention, and reduce absenteeism, resolving some of employers’ biggest pain points. Employers who are interested to learn more about EWA can contact our friendly team at ewa@ifscapital.com.sg. Moving forward, we will continue to identify partnership opportunities and responsible businesses to invest in, with the aim to expand our coverage of the underserved needs of our clients in the region,” said Renchun Zeng, Chief Executive Officer of IFS Capital Limited (Singapore).

“We are honoured to partner with IFS, a leading socially responsible financial services provider,” said Justin Kong, CEO of Payd. “Together, we aim to improve financial wellbeing and promote financial inclusion among the underserved population across Southeast Asia.”

-End-

About IFS Capital Limited

IFS Capital is a leading financial institution specialising in providing customised financing solutions in Southeast Asia. The Group was incorporated in Singapore in 1987 and has been listed on the Singapore Exchange since July 1993. The Group is part of the Phillip Capital network of companies, with a global presence that provides factoring, leasing and lending services covering individuals, family offices, and corporate and institutional clients across Singapore, Thailand, Malaysia and Indonesia. ECICS Limited, a wholly-owned subsidiary of IFS Capital, also provides bonds and guarantees and general insurance services in Singapore. For more information, please visit: <https://www.ifscapital.com.sg>

About Payd Pte Ltd

Payd is a financial wellbeing platform that allows your employees to receive a portion of their salary as they earn it. Via our app, employees are privy to a live view of their earnings and instantly access their earned salary as they need it. This allows them to better budget and to have the flexibility they deserve. By focusing on your financial awareness and flexibility, Payd enables you to drive your employee engagement, productivity and retention.

Additional information about Payd can be found at: <https://www.justpayd.com/>

Issued for and on behalf of IFS Capital Limited by Financial PR

For more information please contact:

Romil Singh - Email: romil@financialpr.com.sg

Shivam Saraf - Email: shivam@financialpr.com.sg

Telephone: +65 6438 2990