

**ANNUAL**  
**GENERAL MEETING**  
**29 APRIL 2024**

**Resolute for Growth**

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**IFS Capital Limited**

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# 1 2023 in Review

# Financial Review

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- Revenue increased 14% mainly because of the 32% growth in loan book
- Higher talent and technology investments to grow our Accounts Receivable Purchase (ARP), Supply Chain Financing (SCF) and Technology Services businesses
- Resilient portfolio with specific allowances at 39 bp of loans
- Net profit after tax improved by 10% to \$5.3 million

|                                   | FY2023 (\$m) | FY2022 (\$m) | YoY (%)        |
|-----------------------------------|--------------|--------------|----------------|
| <b>Net Operating Income</b>       | <b>30.1</b>  | <b>26.3</b>  | <b>14%</b>     |
| - Lending                         | 30.8         | 26.8         | 15%            |
| - Insurance                       | (0.7)        | (0.5)        | 40%            |
| Operating Expenses                | (21.3)       | (18.6)       | 15%            |
| <b>Profit before allowances</b>   | <b>8.8</b>   | <b>7.7</b>   | <b>14%</b>     |
| Total Allowances                  | (1.7)        | (1.3)        | 31%            |
| <b>Profit before tax</b>          | <b>7.1</b>   | <b>6.4</b>   | <b>11%</b>     |
| Tax expense                       | (1.8)        | (1.6)        | 13%            |
| <b>Profit after tax</b>           | <b>5.3</b>   | <b>4.8</b>   | <b>10%</b>     |
| <b>Earnings per share (cents)</b> | <b>0.91</b>  | <b>0.81</b>  | <b>12%</b>     |
| <b>ROE (%)</b>                    | <b>3.0</b>   | <b>2.7</b>   | <b>30 bp</b>   |
| <b>Group NIM (%)</b>              | <b>4.8</b>   | <b>6.7</b>   | <b>-190 bp</b> |
| <b>Loans (\$'m)</b>               | <b>470.2</b> | <b>356.2</b> | <b>32%</b>     |

## Key Drivers: Lending

|                     | FY2023<br>(\$m) | FY2022<br>(\$m) | YoY (%)    |
|---------------------|-----------------|-----------------|------------|
| <b>Total Income</b> | <b>30.8</b>     | <b>26.8</b>     | <b>15%</b> |
| - Singapore         | 14.2            | 10.0            | 42%        |
| - Thailand          | 14.6            | 14.9            | -2%        |
| - Malaysia          | 1.4             | 1.3             | 8%         |
| - Indonesia         | 0.6             | 0.6             | 0%         |

|                          | FY2023<br>(\$m) | FY2022<br>(\$m) | YoY (%)    |
|--------------------------|-----------------|-----------------|------------|
| <b>Total Loan Book *</b> | <b>470.2</b>    | <b>356.2</b>    | <b>32%</b> |
| - Singapore              | 277.9           | 173.3           | 60%        |
| - Thailand               | 169.9           | 160.2           | 6%         |
| - Malaysia               | 9.3             | 9.2             | 1%         |
| - Indonesia              | 13.1            | 13.5            | -3%        |

**Profit before tax**                      **7.8**                      **6.9**                      **13%**

*\* Total Loan book = Account receivables purchase + Loans & advances*

- Revenue growth driven largely by the loan book rebuild in Singapore
- Income impact from loan growth partially offset by sharp rise in interest expenses
- Thailand and Malaysia developing new client segments for breakthrough
- Indonesia restructuring led by new Country Head

## Key Drivers: Insurance

|                              | FY2023<br>(\$m) | FY2022<br>(\$m) | YoY (%)    |
|------------------------------|-----------------|-----------------|------------|
| <b>Premium written</b>       | <b>9.8</b>      | <b>6.8</b>      | <b>44%</b> |
| <i>Distribution channel:</i> |                 |                 |            |
| - Alternative                | 0.4             | 0.5             | -20%       |
| - Intermediary               | 9.1             | 6.1             | 49%        |
| - Direct                     | 0.3             | 0.2             | 50%        |
| <i>Class of business:</i>    |                 |                 |            |
| - Motor                      | 9.0             | 5.9             | 53%        |
| - Maid                       | 0.2             | 0.3             | -33%       |
| - Bonds                      | 0.0             | 0.2             | -95%       |
| - Others                     | 0.6             | 0.4             | 48%        |
| <b>Combined ratio</b>        | <b>139%</b>     | <b>123%</b>     |            |
| - Claims                     | 57%             | 33%             |            |
| - Management exp             | 70%             | 70%             |            |
| - Commission                 | 12%             | 20%             |            |
| <b>Loss before tax *</b>     | <b>(0.7)</b>    | <b>(0.5)</b>    | <b>40%</b> |

\* before elimination of intercompany transactions

- Premium growth mainly driven by Motor through the agency channel
- Lower claims ratio in FY22 was mainly due to reversal of claims
- Premium volume in FY23 still sub-scale but moving in the right direction

# 2 Update on Strategic Priorities



# Strategic Priorities

## Lending



ARP volume starting to grow again in IFSS (↑8.4%) and IFSM (↑10.6%)



SCF and Export ARP still nascent



Successful implementation of core system to all subsidiaries

## Insurance



Premium written increase (↑44%) driven by partnerships



Significant new partnership with Inchcape, deepening Sgcarmart collaboration



One of the highest in customer satisfaction at 4.8/5.0 based on Google reviews

## Services

### Lendingpot

- ❖ Facilitated transactions amounting to S\$68.6m to date
- ❖ Launch of Lendingpot in Indonesia
- ❖ Customer satisfaction at 4.9/5.0



- ❖ Pioneer in Private Credit
- ❖ Stable performance
- ❖ CAGR from inception to date at 5.24%

### **FR!DAY** **FRIYAY**

- ❖ Onboarded 6 employers and 54 employees for EWA
- ❖ Customer satisfaction at 4.9/5.0

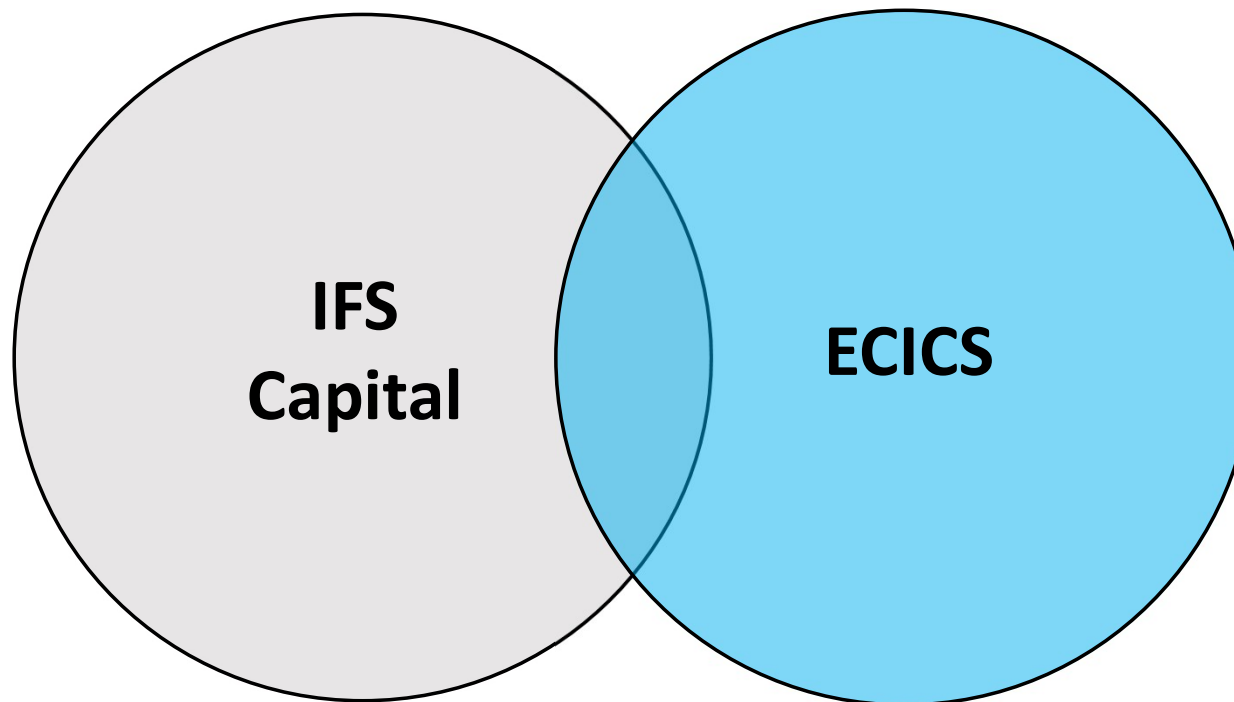
# 3 Moving Forward

# Moving Forward

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## Asset Manager with Specialisation in Private Credit

- Granular Asia-focused private credit
- Build scale and scope in direct origination across segments
- Add capabilities in other asset classes



## Best-in-class Multi-line Insurer

- Build multi-line product offering serving families and businesses
- Focus on community building
- Leverage technology for client experience and productivity



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Responsible Finance in Southeast Asia

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