

13 September 2022

ASX Announcement

## IOUpay signs with Bank Simpanan Nasional

### Highlights

- IOUpay signs Marketing Collaboration Agreement (“MCA”) with Bank Simpanan Nasional (“BSN”) to promote myIOU BNPL offering and BSN card user acquisition and usage;
- BSN is a Government of Malaysia owned bank which replaced Malaysia’s Post Office Savings Bank in a Government reorganisation in 1974;
- BSN has more than 7,000 employees and 390 branches across Malaysia serving more than 6.5 million cardmembers;
- Marketing campaign commences 1 October 2022 - runs for six (6) months with promotions across the consumer and merchant networks of both BSN and IOUpay;
- Target audience is high credit quality bank customers including BSN’s existing more than 6.5 million card users - In particular, the group of BSN’s customers that have been pre-qualified by IOUpay will be targeted with direct marketing promotions;
- IOUpay and BSN will leverage their existing customer and partner networks to encourage consumers to apply for and utilise both myIOU and BSN Credit or Debit card by promoting the collaboration:
  - IOUpay: via its myIOU app, website and extensive merchant network of over 3,000 merchant outlets across Malaysia; and
  - BSN: via its more than 6.5 million BSN Cardmembers and approximately 390 branches nationwide.
- A successful marketing campaign, generating increased BSN Card activity and take-up of myIOU, over the initial six month period will pave the way for extension of the collaboration with a view to future expansion into BSN’s high value customer communities;
- The Agreement represents another significant milestone in the execution of the Company’s strategic growth plans to collaborate with banks and non-bank financial institutions.

**IOUpay Limited (ASX:IOU) (“IOUpay” or “the Company”)** and the Board of Directors are pleased to announce a Marketing Collaboration Agreement with Bank Simpanan Nasional (“**BSN**” or “**the Bank**”) to promote the Company’s myIOU BNPL service and BSN’s card products.

Through the collaboration, the Company is able to leverage the BSN and myIOU brands to originate large numbers of high credit quality bank customers to utilise myIOU. BSN will benefit through adding the myIOU BNPL service to its suite of services available to its most valued customers and the increased card activity generated through utilisation of myIOU encouraged by the various promotional offers planned.

## **Marketing Collaboration Agreement**

The Company is pleased to announce that its wholly-owned subsidiary, IOU Pay (Asia) Sdn Bhd (“IOUpay Asia”) has entered into a Marketing Collaboration Agreement (“MCA” or “the Agreement”) with BSN to collaborate on marketing and promotional campaigns to encourage BSN Cardmembers to utilise the Company’s myIOU BNPL service and to raise brand awareness across the customer and merchant networks of both parties.

Under the MCA, the parties will work together to promote the myIOU BNPL service to BSN Cardmembers. In particular, BSN will communicate the various promotional initiatives at its branches, digital communication including their social media channels and direct email messages to the selected high value customers. The Bank will also promote myIOU to its staff members via internal communications and BSN Staff Portal.

The Company will reward BSN Cardmembers who download and utilise the myIOU BNPL service with extra benefits and promotional offers to encourage take-up and activity.

The large portfolio of BSN Cardmembers represent prime target customers for the Company given the pre-screening requirements, ensuring their high credit quality and proven retail activity.

### **Key terms of the Marketing Collaboration Agreement**

- **Commencement:** 12 September 2022;
- **Objectives:** To acquire new customers and stimulate business activity. In particular:
  - To generate incremental sales and repeat transactions for the myIOU BNPL service by promoting BSN card usage with regard to myIOU;
  - To build brand awareness and create market excitement to attract new customers to use myIOU and/or use or apply for BSN cards;
  - Increase the acquisition and boost the usage of BSN cards via IOUpay’s consumer and merchant networks;
- **Exclusivity:** Non-exclusive;
- **Consideration:** there is no consideration payable to BSN by IOUpay;
- **Intellectual Property:** Each party can apply the other party’s brand for the purposes of the MCA during the Offer Period, in particular to promotional material to be distributed to BSN Cardmembers;
- **Offer Period:** Six (6) months from 1 October 2022, expiring 31 March 2023;
- **Termination:** Either party may terminate the Agreement due to a breach by the other party by giving thirty (30) working day’s prior written notice.

## **About Bank Simpanan Nasional**

Bank Simpanan Nasional (“BSN” or “the Bank”) is a state owned enterprise incorporated in 1974 by the Government of Malaysia under the Minister of Finance with the enactment of the Bank Simpanan Nasional Act 1974. BSN replaced the Post Office Savings Bank which was established in 1948.

BSN employs more than 7,000 people and offers retail banking services via 390 branches as well as BSN Banking Agents around Malaysia. Through its subsidiaries, BSN also offers funds management, life insurance and takaful (Shariah compliant alternative to conventional insurance).

The Bank has clear objectives, including promoting and mobilising savings, encouraging thrift and financial inclusivity amongst Malaysians. Serving more than 9 million Malaysians, BSN has more than 6.5 million cardmembers nationwide.

In FY2020, the Bank reported total assets in excess of RM40 billion (~A\$13 billion <sup>1</sup>) that generated revenues of RM2.0 billion (~A\$656 million <sup>1</sup>) and more than RM204 million (~A\$67 million <sup>1</sup>) profit after tax (information sourced from BSN Annual Report 2020).

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<sup>1</sup> Assumed MYR/AUD exchange rate 3.05 using RBA sourced reference

This marketing collaboration with one of Malaysia's leading retail financial institutions, structured to target high credit quality customers who are active retail consumers, reflects the Company's strategy to develop relationships with reputable partners who manage large communities of credit worthy consumers.

As the Company's first collaboration with a major Malaysian retail bank for its instalment based consumer finance offerings, the Agreement also represents an important and significant milestone in its strategic growth plans to leverage its resources and relationships with the well-established bank and finance industry.

The release of this announcement was authorised by the Board of the Company and released by the Company Secretary.

Yours faithfully,

**IOUpay Limited**

**(Aaron) Lee Chin Wee**  
**Managing Director**

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**About IOUpay (ASX:IOU):**

IOUpay Limited (ASX:IOU) provides fintech and digital commerce software solutions and services that enable its institutional customers to securely authenticate end-user customers and process banking, purchase and payment transactions.

The Company's core technology platform enables large customer communities to connect to end user customers using any mobile device and integrate mobile technology throughout their existing business and customer product offerings. The Company's business divisions consist of Mobile Banking and Digital Payments which service leading banks in Malaysia and large telcos and corporates in Malaysia & Indonesia. IOUpay also works with telecommunication network providers to provide mobile OTT (over-the-top) services that leverage their subscriber base to build active communities.

**Forward Looking Statements**

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements should, or can generally, be identified by the use of forward-looking words such as "believe", "expect", "estimate", "will", "may", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the expected outcome of the acquisition. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of IOUpay and cannot be predicted by IOUpay and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which IOUpay operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

None of IOUpay or any of its subsidiaries, advisors or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statements. Statements about past performance are not necessarily indicative of future performance.