Impact of iCare Benefits

Proof of Concept Research 2015
Practical Solutions to Today’s Challenges

Industrialization

Workers moving to the cities

Lifestyle changes -> increasing wages

Demand from Stakeholders

- Retention
- Social benefits
- Productivity
- Factory Managers
- Factory Workers
- Global Brands

Leading to turnover

US$300 disengagement cost/worker

New challenges

- Work-life balance
- Education
- Collateral
- Career growth
- Cost of living

iCare Benefits is helping...

- solve common challenges faced by workers
- enable factories to provide social benefits that complement existing workplace offerings
- meet demands from stakeholders

iCare Benefits Impact | LIVING FOR TOMORROW

www.iCareBenefits.com
Stakeholder Needs

**BRANDS**
- improve supplier performance
- facilitate market-based solutions focused on workers
- enhance brand reputation

**FACTORY MGNT**
- raise retention
- lower cost of turnover
- enrich engagement and communication with workers

**WORKERS**
- access essential products that are competitively priced
- heighten quality of life and well-being
- stop informal, risky borrowing
Survey Demographics

- 72% married
- 82% women
- 64% live with children

*Sample Size: 1100 participants in 3 sample factories

Responses

- 90% satisfied with iCare Benefits service
- 93% believe that they have saved time and money
- 64% buy essential products via iCare

Without iCare...

- 47% must travel more than 30 minutes to buy similar products
- 68% wouldn’t be able to afford these products and services
Overview of Sample Factories

Membership is growing across all factories

- **Factory B**: 33k
- **Factory C**: 28k
- **Factory D**: 17k

<table>
<thead>
<tr>
<th>Date</th>
<th>Factory C</th>
<th>Factory B</th>
<th>Factory D</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 10, 2014</td>
<td>2,000</td>
<td>4,000</td>
<td>6,000</td>
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<tr>
<td>June 24, 2014</td>
<td>4,000</td>
<td>8,000</td>
<td>12,000</td>
</tr>
<tr>
<td>July 21, 2014</td>
<td>6,000</td>
<td>12,000</td>
<td>18,000</td>
</tr>
</tbody>
</table>

Registered iCare Benefits Members

- Factory C
- Factory B
- Factory D

Billed iCare Benefits Members

- Factory C
- Factory B
- Factory D

*Registered = employees create account in our system (~62K registered members out of 78K contracted employees)

*Billed = members with at least 1 purchase (17,716 billed members out of ~62K registered members)

Source: iCare Benefits data warehouse
What Workers Are Buying

Workers buy essential products & services

Source: 33% average growth quarter on quarter / ~1-15K transactions monthly / iCare Benefits data warehouse
93% of workers said: “iCare saves me time and money”

12 Days Time Savings Annually*

$226 Cost Savings Annually*

68% said iCare enabled them to buy what they couldn’t before

18% to 2.5% Reduction in Black market borrowing (2015 vs. 2014)

64% trust iCare as their default purchase platform

*Time and cost savings based on active users in sample factories (active user = 2 purchases, 1 cash advance, routine top up annually)
Source: iCare Benefits surveys 2014 (impact assessment) and 2015 (sample factories). Available upon request.
Savings for Workers

iCare Benefits unlocks purchasing power...

| 0% installments | 0% | 0% | 0% | 0% | 0% | 0% |

...creating access to essential, affordable products...

68% said they can now buy things they couldn’t afford before.

...leading to savings in time and money

<table>
<thead>
<tr>
<th>Annual Savings</th>
<th>Active Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time (days)</td>
<td>12</td>
</tr>
<tr>
<td>Cost (USD)</td>
<td>$226</td>
</tr>
</tbody>
</table>

Source: iCare Benefits surveys 2015 sample factories. +90% confidence interval, margin of error of +/- 5%
Results

Workers with more money in their pocket and time for themselves are more engaged, committed and productive
Quality of Life and Productivity

iCARE BENEFITS IS ENABLING WORKERS

71% I can now buy things that I needed but could not afford before

33% I feel that my home environment and living conditions improved

22% I am more in control of how I spend money

19% I now think more about saving money

Workers enjoy a higher sense of well being and improved productivity!

Leading to a better quality of life

92% said they have a better quality of life

Cultivating satisfied, happy employees...

81% said they were more Satisfied at work.

...influencing productivity

77% said they were more productive at work.

Source: iCare Benefits survey 2014-2015. 95% confidence interval, margin of error of +/- 5% (10 Vietnamese factories, representative/randomized sample n=2178; 3 focus groups; 30 one-on-one interviews)
### Economic Value: Smartphone Case Study

<table>
<thead>
<tr>
<th>Creditor</th>
<th>% Interest</th>
<th>Total Payment</th>
<th>Actual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Market</td>
<td>Monthly / Annual 8% / 96%</td>
<td>$343 + $168</td>
<td>$175</td>
</tr>
<tr>
<td>Retailers Colleagues</td>
<td>5% / 60%</td>
<td>$280 + $105</td>
<td>$175</td>
</tr>
<tr>
<td>Banks MFIs</td>
<td>3.5% / 42%</td>
<td>$249 + $74</td>
<td>$175</td>
</tr>
<tr>
<td>iCare Benefits</td>
<td>0% / 0%</td>
<td></td>
<td>$175</td>
</tr>
</tbody>
</table>

- **More workers can easily afford smartphones**
- **Ideal for next generation communications**
Economic Value: Durables Case Study

<table>
<thead>
<tr>
<th>Creditor</th>
<th>% Interest</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Market</td>
<td>Monthly / Annual</td>
<td>$588</td>
</tr>
<tr>
<td></td>
<td>8% / 96%</td>
<td>+$288</td>
</tr>
<tr>
<td>Retailers Colleagues</td>
<td>5% / 60%</td>
<td>$480</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+$180</td>
</tr>
<tr>
<td>Banks MFIs</td>
<td>3.5% / 42%</td>
<td>$426</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+$126</td>
</tr>
<tr>
<td>iCare Benefits</td>
<td>0% / 0%</td>
<td>$300</td>
</tr>
</tbody>
</table>

Actual Cost: $300
Monthly / Annual Interest: 0%
Financial Scenarios:
- Black Market: $588 + Interest
- Retailers Colleagues: $480 + Interest
- Banks MFIs: $426 + Interest

0% Interest: $25.00

www.iCareBenefits.com
### Behavior Change in Spending Habits

Purchasing habits changed from 2014 to 2015 because of...

...building trust and loyalty

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
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<tbody>
<tr>
<td>Banks/MFIs (3%)</td>
<td>0.2%</td>
<td>64%</td>
</tr>
<tr>
<td>Borrow, interest owed – (5%)</td>
<td>22%</td>
<td>6%</td>
</tr>
<tr>
<td>Retailers, Colleagues – (5%)</td>
<td>29%</td>
<td>3%</td>
</tr>
<tr>
<td>Black Market (8%)</td>
<td>18%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Source: iCare Benefits surveys 2014 and 2015. Available upon request. +90% confidence interval, margin of error of +/- 5%

- Workers are less exposed to risk associated with loan sharks and other informal lending!
“I can buy a smartphone through the installment payment program without interest, therefore, I can save more money to spend for my family.” Ngân, worker, Factory D

“Introduce this program to all workers. I will be loyal with my company to be able to join this program.” Huyền, worker, Factory B

“iCare Benefits adds value and the workers really appreciate it.” Factory Manager, Factory C

“Without iCare, it’s really hard for workers to save enough cash to buy essential products.” Vice Chairman of Labor Union, Factory D

“iCare Benefits brings the opportunity for workers to have not only essential but also hi-tech products. This helps workers have more knowledge and connect better with the world.” Commissioner of the Labor Union, Factory B
More Offerings and Channels

**Self-Service**
mPOS/Surveys

**MEMBER CRITERIA**
Considering <1 year Experience

**COMFORT LIVING**
access to essential household goods

**HEALTHY LIVING**
access to essential healthcare products and medical services

**SMART LIVING**
access to essential information, training and education

**PROSPEROUS LIVING**
access to loan products, affordable housing, and long-term financial planning
Annex
Annex: Travel Time

Travel Time to Other Retailers

- LESS THAN 5 MINUTES: 4.9%
- 5-15 MINUTES: 19.8%
- 15-30 MINUTES: 28.2%
- 30-60 MINUTES: 23.4%
- OVER 1 HOUR: 23.8%

Round Trip to Complete Financing Application

- MULTIPLE DAYS: 27.2%
- > 2 HOURS: 9.3%
- 1-2 HOURS: 13.6%
- 30-60 MINUTES: 20.0%
- < 30 MINUTES: 29.8%

Travel Time to Make Installment Payments

- > 1 hour: 14.3%
- 1 hour: 17.8%
- 30-60 minutes: 18.2%
- 15-30 minutes: 29.9%
- < 15 minutes: 19.7%

Source: iCare Benefits surveys 2014 and 2015. Available upon request. +90% confidence interval, margin of error of +/- 5%
Annex: Spending Behavior

When you receive monthly salary, what do you spend it on?

- Food: 36.4%
- Remittances (sending money to family): 23.1%
- Mobile minutes top up: 41.1%
- Utilities (electricity, water, cable TV): 40.0%
- Payment for my home (rent, mortgage): 19.8%
- Mobivi/ iCare Benefits products: 32.7%
- I save some of it: 20.3%
- I prefer not to answer this question (please proceed to question 12 if you select this…): 2.3%

Do you send money to your parents or other people in your family?

- Yes, occasionally: 42%
- Yes, regularly: 38%
- No: 20%

% member responses

Source: iCare Benefits surveys 2014 and 2015. Available upon request. +90% confidence interval, margin of error of +/- 5%
Annex: Product Purchase Breakdown Across Pilot Factories

% Breakdown of average product purchases in the 4 pilot factories

- Mobile top up, 50.26%
- Smart phone, 24.56%
- Cash advance, 13.90%
- Refrigerator, 2.67%
- Washing machine, 1.76%
- Television, 1.73%
- Tablet/PC, 1.71%
- Gas stove, 0.74%
- Rice cooker, 0.64%
- Blender, 0.50%
- Fan, 0.48%
- Bed, 0.25%
- Air Con, 0.19%
- Motorbike, 0.02%

Source: iCare Benefits data warehouse
Annex: Borrowing Frequency and Demand

How often do you need emergency cash in a year before getting your monthly salary?

- **VERY OFTEN (MORE THAN 15 TIMES A YEAR)**: 11.2%
- **OFTEN (BETWEEN 6 TO 14 TIMES A YEAR)**: 16.4%
- **NOT OFTEN (LESS THAN 6 TIMES A YEAR)**: 40.9%
- **NEVER**: 31.5%

Percentage of member responses, frequency of members using cash advance services.

What kind of financial products do you want?

- **INSTANT CASH**: 27.9%
- **QUICK LOAN WITH LOW INTEREST RATES**: 32.4%
- **EASY MONEY TRANSFER TO FAMILY MEMBER OR OTHER WITH LOW FEES**: 23.8%
- **SAVINGS ACCOUNT WITH INTEREST**: 37.4%
- **24 HOUR ACCESS TO ONLINE BANKING**: 23.6%
- **OTHER**: 4.0%

Percentage of member responses, types of financial products desired (multiple selections permitted).

Source: iCare Benefits surveys 2014 and 2015. Available upon request. ±90% confidence interval, margin of error of +/- 5%.
Annex: Borrowing Type

Formal and Informal Borrowing

If you have taken a loan, what was the purpose?

- I never took a loan before: 402/21%
- Pay school fees of a family member: 333/18%
- Party or ceremony (Wedding,...): 214/11%
- Unforeseen expenses: 656/35%
- Investment (building, renovation): 631/34%
- Consumption (to buy something): 685/36%
- Other: 0

% member responses (multiple selections permitted)

Source: iCare Benefits surveys 2014 and 2015. Available upon request. +90% confidence interval, margin of error of +/- 5%
Annex: Product and Service Demand

What more do you want from Mobivi/ iCare Benefits?

- Medical Hotline: 14.0%
- OTC Medicine (for headaches, …): 14.6%
- Other Healthcare Products: 9.1%
- New 24 Hour Emergency Cash: 7.6%
- Loan Products with Low Interest Rates: 25.4%
- Savings Products: 38.9%
- New Training (Skills, …): 13.6%
- Mobile Entertainment: 14.0%
- Other: 2.1%

% member responses (multiple selections permitted)

Do you want to learn about these topics?

- Learning about Different Savings Products: 40.6%
- Learning about Different Insurance: 20.3%
- Understanding Loan Interest Calculation: 19.1%
- Family Financial Planning: 51.0%
- Other: 2.6%

% member responses (multiple selections permitted)

If iCare made it available, how likely are you to sign up for vocational training programs?

- Very Likely: 20%
- Likely: 36%
- Somewhat Likely: 25%
- Not Likely: 19%

% member responses

Source: iCare Benefits surveys 2014 and 2015. Available upon request. +90% confidence interval, margin of error of +/- 5%
Annex: Product and Service Demand

If iCare made it available, how likely are you to sign up for or buy health insurance?

- Very Likely: 36%
- Likely: 37%
- Unlikely: 16%
- Very Unlikely: 11%

% member responses

If iCare made it available, how likely are you to sign up for a savings plan?

- Very Unlikely: 10%
- Unlikely: 20%
- Likely: 41%
- Very Likely: 29%

% member responses

If iCare made it available, how likely are you to sign up for or buy an emergency medical pre-paid plan?

- Very Unlikely: 14%
- Unlikely: 28%
- Likely: 38%
- Very Likely: 19%

% member responses

Source: iCare Benefits surveys 2014 and 2015. Available upon request. +90% confidence interval, margin of error of +/- 5%
Annex: Service Quality

Customer Service Call Center Quality

<table>
<thead>
<tr>
<th>Call Center Rating</th>
<th>% Member Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>45.01</td>
</tr>
<tr>
<td>Good</td>
<td>48.11</td>
</tr>
<tr>
<td>Average</td>
<td>5.89</td>
</tr>
<tr>
<td>Poor</td>
<td>0.84</td>
</tr>
<tr>
<td>Extremely Poor</td>
<td>0.11</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>0.05</td>
</tr>
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</table>

Delivery Service Quality

<table>
<thead>
<tr>
<th>Delivery Service Rating</th>
<th>% Member Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>52.99</td>
</tr>
<tr>
<td>Good</td>
<td>37.20</td>
</tr>
<tr>
<td>Average</td>
<td>7.43</td>
</tr>
<tr>
<td>Poor</td>
<td>1.83</td>
</tr>
<tr>
<td>Extremely Poor</td>
<td>0.17</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>0.39</td>
</tr>
</tbody>
</table>

Warranty Service Quality

- Excellent: 49%
- Good: 30%
- Average: 15%
- Poor: 3%
- Extremely Poor: 3%
- Not Applicable: 3%

Source: iCare Benefits surveys 2014 and 2015. Available upon request. +90% confidence interval, margin of error of +/- 5%