

**3Q2018 & 9M2018**

# Results Presentation

27 October 2018

**Wealth Management  
Fintech Platform  
- Scaling Up**

# Disclaimer

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# Key Summary

- The Group's Assets Under Administration (AUA) increased 18.7% YoY to S\$8.50 billion as at 30 Sep 2018, achieving a ninth consecutive quarter of record AUA levels despite volatile market conditions in the first nine months of 2018 (9M2018)
- The Group's revenue and profitability have also continued to improve in 9M2018 as a result of the progress made in our overall business, with net revenue increasing 24.0% YoY to S\$44.80 million and net profit rising 40.4% YoY to S\$8.29 million
- Excluding China, the Group's net profit was S\$11.77 million in 9M2018, a YoY increase of 31.6%
- The Group's net cash generated from operating activities stood at S\$14.01 million in 9M2018, higher than S\$13.22 million in the whole of 2017. Excluding China, the Group's net cash generated from operating activities was S\$16.84 million in 9M2018

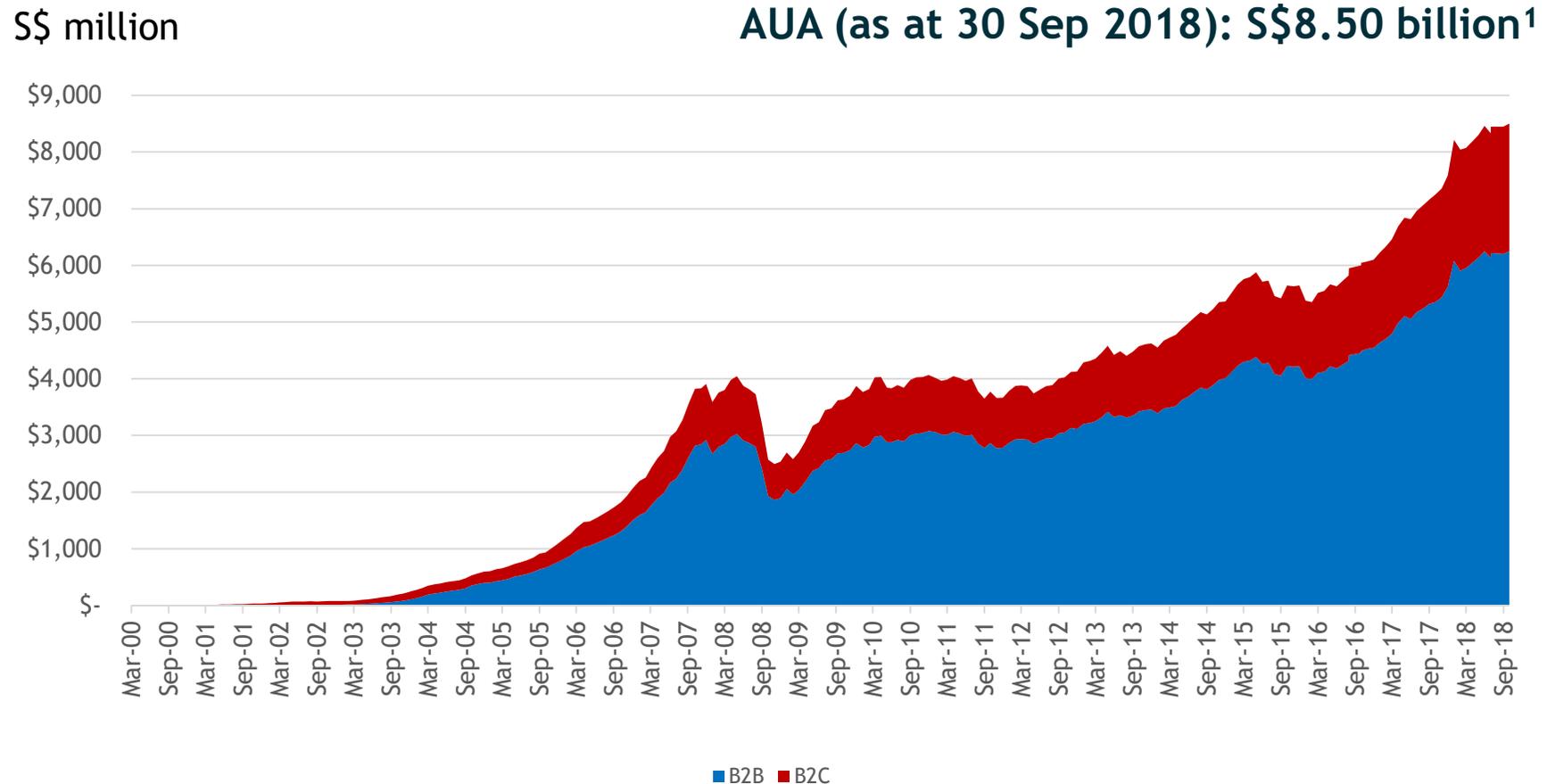
# Key Summary

- In 9M2018, net sales stood at S\$794 million, compared to S\$649 million in 9M2017
- In recent times, the sources of the Group's net revenue have broadened. In 9M2018, contributions from net interest income from client AUA and Fintech Solutions IT fees have become more important
- We continue to work on improving and broadening the iFAST Fintech Ecosystem. This includes stepping up our efforts to offer a broader range of Fintech Solutions to our B2B partners, including helping to empower them with B2C Fintech capabilities
- Barring unforeseen and adverse circumstances, we expect the Group's overall business performance in 2018 to show a healthy improvement over 2017, although the losses of China operation for 2018 are expected to be slightly higher than 2017

# Key Summary

- The Directors have proposed a third interim dividend of 0.75 cents per ordinary share for 3Q2018 (third interim dividend for 3Q2017: 0.75 cents per ordinary share)
- In recent months, we have taken steps to work towards a structure whereby in the medium to long term, our Hong Kong and China businesses could be organised as a separate standalone listed subsidiary. We expect these efforts, when materialised, to strengthen the overall capital base of the Group
- Separately, we have also applied for a Virtual Banking licence in Hong Kong. If successful, this will further improve the ability of the Group to continue growing as a leading Wealth Management Fintech platform in Asia

# Group AUA grew 18.7% YoY to record S\$8.50 billion



**Note:**

1. The Group's AUA as at 30 Sep 2018 includes its effective 19.2% share of the India Business



SECTION I:

# Financial Results

# Presentation of Group's Results

## Presentation of Group's results (including and excluding China)

- In view that our China operation is a relatively new market for the Group, we are presenting our presentation results based on the results of:
  - (1) Group (Singapore, Hong Kong, Malaysia) excluding China operation; and
  - (2) Group (Singapore, Hong Kong, Malaysia) including China operation
- By adopting such a structure in the presentation, investors are able to better assess the performance of the Group in our core operations in Singapore, Hong Kong and Malaysia, with and without the impact from our newer China operation

## Financial Results for Group (excluding China operation) (3Q2018 vs 3Q2017)

S\$ (Million)	3Q2017 <sup>1</sup>	3Q2017 <sup>2</sup>	3Q2018	YoY change (%)
Revenue	26.09	26.09	31.23	+19.7
Net revenue	12.88	12.88	15.32	+18.9
Other income	0.65	0.34	0.34	-
Expenses	9.83	9.83	11.35	+15.5
Net finance income	0.18	0.18	0.22	+25.7
Share of results of associates, net of tax	-0.06	-0.06	-0.02	-69.8
Profit before tax	3.80	3.49	4.49	+28.6
Profit after tax	3.34	3.03	3.88	+27.8
Net profit attributable to owners of the Company	3.34	3.03	3.88	+27.8
EPS (cents)	1.27	1.15	1.46	+27.0

**Notes:**

1. Previously reported
2. Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018 for comparison purpose

## Financial Results for Group (including China operation) (3Q2018 vs 3Q2017)

S\$ (Million)	3Q2017 <sup>1</sup>	3Q2017 <sup>2</sup>	3Q2018	YoY change (%)
Revenue	26.23	26.23	31.38	+19.6
Net revenue	13.02	13.02	15.47	+18.8
Other income	0.65	0.34	0.34	-
Expenses	11.06	11.06	12.86	+16.3
Net finance income	0.18	0.18	0.23	+29.4
Share of results of associates, net of tax	-0.06	-0.06	-0.02	-69.8
Profit before tax	2.73	2.42	3.16	+30.4
Profit after tax	2.27	1.96	2.54	+29.7
Net profit attributable to owners of the Company	2.32	2.01	2.60	+29.5
EPS (cents)	0.88	0.76	0.98	+28.9
Dividend Per Share (cents)	0.75	0.75	0.75	-

**Notes:**

1. Previously reported
2. Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018 for comparison purpose

## Financial Results for Group (excluding China operation) (9M2018 vs 9M2017)

S\$ (Million)	9M2017 <sup>1</sup>	9M2017 <sup>2</sup>	9M2018	YoY change (%)
Revenue	72.61	72.61	92.67	+27.6
Net revenue	35.85	35.85	44.21	+23.3
Other income	1.52	0.89	0.90	+1.1
Expenses	26.80	26.80	32.44	+21.0
Net finance income	0.53	0.53	0.68	+28.3
Share of result of associates, net of tax	-0.31	-0.31	-0.11	-64.5
Profit before tax	10.75	10.12	13.19	+30.3
Profit after tax	9.57	8.94	11.77	+31.6
Net profit attributable to owners of the Company	9.57	8.94	11.77	+31.6
EPS (cents)	3.64	3.40	4.43	+30.3

**Notes:**

1. Previously reported
2. Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018 for comparison purpose

## Financial Results for Group (including China operation) (9M2018 vs 9M2017)

S\$ (Million)	9M2017 <sup>1</sup>	9M2017 <sup>2</sup>	9M2018	YoY change (%)
Revenue	72.99	72.99	93.26	+27.8
Net revenue	36.14	36.14	44.80	+24.0
Other income	1.52	0.89	0.90	+1.1
Expenses	30.33	30.33	36.76	+21.2
Net finance income	0.54	0.54	0.71	+31.2
Share of result of associates, net of tax	-0.31	-0.31	-0.11	-64.5
Profit before tax	7.56	6.93	9.54	+37.6
Profit after tax	6.38	5.75	8.12	+41.2
Net profit attributable to owners of the Company	6.53	5.90	8.29	+40.4
EPS (cents)	2.48	2.24	3.12	+39.3

**Notes:**

1. Previously reported
2. Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018 for comparison purpose

## Results Overview for Group (excluding China operation)

S\$ (Million)	FY2014 <sup>1</sup>	FY2015	FY2016	FY2017	9M2018
Revenue	78.35	85.34	79.89	100.65	92.67
Net revenue	36.68	41.53	40.46	49.01	44.21
Other income	0.24	1.53	1.88	2.50	0.90
Operating expenses	25.62	30.06	33.13	37.40	32.44
Net finance income	0.10	0.75	0.82	0.72	0.68
Share of results of associates, net of tax	-0.01	-0.02	-0.16	-0.33	-0.11
Profit before tax	11.39	13.73	9.82	14.47	13.19
Profit after tax	11.00	13.08	9.06	13.21	11.77
Net profit attributable to owners of the Company	11.03	13.08	9.06	13.21	11.77
EPS (cents)	5.31	5.03	3.46	5.01	4.43
Operating Cashflows	10.46	15.43	8.79	16.92	16.84

**Note:**

1. Excluding IPO expenses of S\$1.95 million in December 2014

## Results Overview for Group (including China operation)

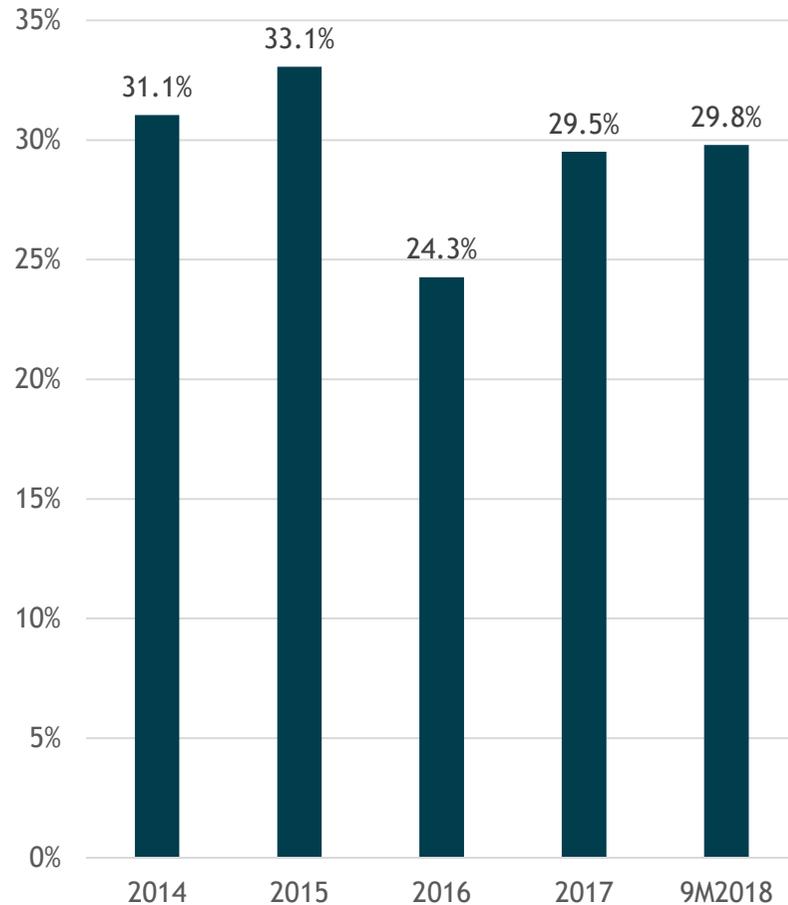
S\$ (Million)	FY2014 <sup>1</sup>	FY2015	FY2016	FY2017	9M2018
Revenue	78.35	85.34	80.60	101.17	93.26
Net revenue	36.68	41.53	40.69	49.45	44.80
Other income	0.24	1.53	1.88	2.50	0.90
Operating expenses	26.14	31.08	37.16	42.28	36.76
Net finance income	0.10	0.80	0.84	0.74	0.71
Share of results of associates, net of tax	-0.01	-0.02	-0.16	-0.33	-0.11
Profit before tax	10.87	12.75	6.09	10.09	9.54
Profit after tax	10.48	12.10	5.33	8.83	8.12
Net profit attributable to owners of the Company	10.51	12.10	5.45	9.04	8.29
EPS (cents)	5.06	4.65	2.08	3.43	3.12
Operating Cashflows	10.18	14.18	5.63	13.22	14.01
Dividend per share (cents)	5.38	2.79	2.79	3.01	2.25

**Note:**

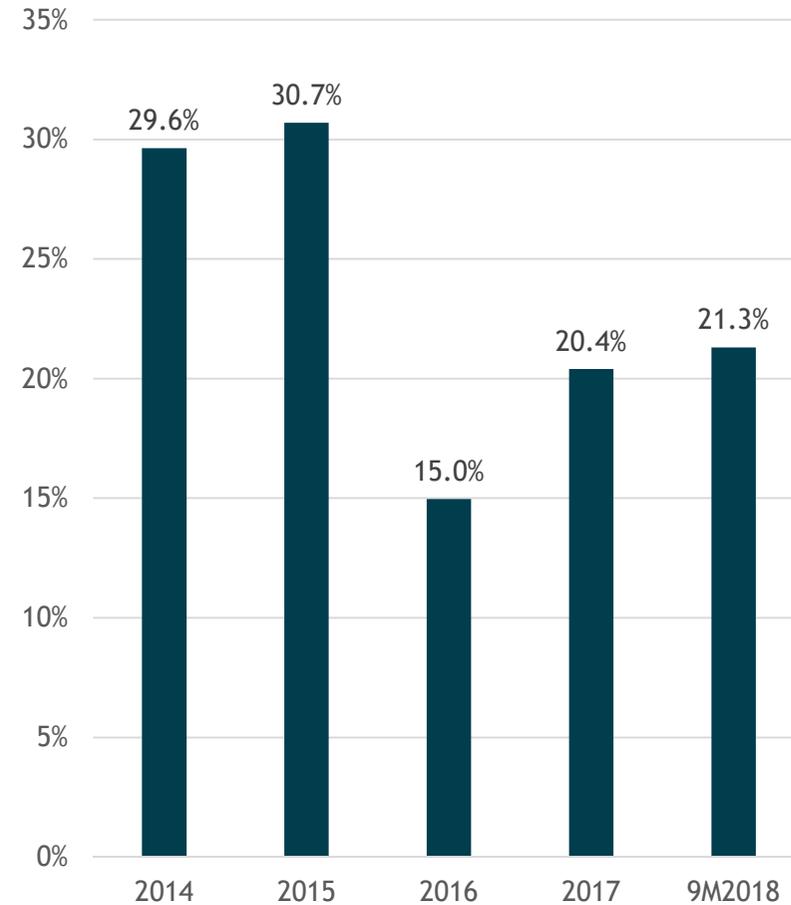
1. Excluding IPO expenses of S\$1.95 million in December 2014.

# PBT margin for Group (based on net revenue)

(excluding China operation)



(including China operation)



Note:

1. PBT margins (2014) exclude IPO expenses of S\$1.95 million in Dec 2014

# Financial Indicators

S\$ (Million)	FY2014	FY2015	FY2016	FY2017	9M2018
Operating Cashflows	10.18	14.18	5.63	13.22	14.01
Operating Cashflows (excluding China Operation)	10.46	15.43	8.79	16.92	16.84
Capital Expenditure	2.34	5.45	6.61	7.47	6.47

S\$ (Million)	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	30 Sep 2018
Net Current Assets	63.16	68.32	64.39	60.18	58.84

S\$ (Million)	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	30 Sep 2018
Shareholders' Equity	66.91	76.56	78.45	81.24	84.49

# Cash position

	As at 31 Dec 2017 (S\$ million)	As at 30 Sep 2018 (S\$ million)
Cash and cash equivalents	33.50	37.86
Other investments <sup>1</sup>	22.41	20.18
Total cash and other investments	55.91	58.04
Less: Short-term Loan	-	(9.97)
Total Cash and Other Investments Net Off Short-Term Loans	55.91	48.07
Debt to Equity Ratio	-	11.83%

**Notes:**

1. Other investments comprise investments in financial assets under current assets
2. The short-term loan taken up in the third quarter of 2018 is for the financing of the initial capital for the virtual banking business that the Group is pursuing in Hong Kong

# Number of issued shares

	As at 31 Dec 2017	As at 30 Sep 2018
Total number of issued shares (excluding treasury shares)	264,672,618	266,512,579

## Our Consolidated Financial Position as at 30 Sep 2018

	S\$'000
<b>NON-CURRENT ASSETS</b>	
Fixed Assets	3,384
Intangible Assets	15,064
Associates	2,322
Other Investments	5,062
Deferred Tax Assets	849
Prepayments & Others	239
<b>TOTAL NON-CURRENT ASSETS</b>	<b>26,920</b>
<b>CURRENT ASSETS</b>	
Trade & Other Receivables	30,409
Uncompleted Contracts - Buyers	11,700
Prepayments	1,327
Other Investments	20,186
Cash & Cash Equivalents	37,858
<b>TOTAL CURRENT ASSETS</b>	<b>101,480</b>
<b>TOTAL ASSETS</b>	<b>128,400</b>
<b>HELD UNDER TRUST</b>	
Cash at Bank - Trust Accounts	360,156
Client Ledger Balances	(360,156)

# Our Consolidated Financial Position as at 30 Sep 2018 (cont'd)

	S\$'000
<b>CURRENT LIABILITIES</b>	
Uncompleted Contracts - Sellers	11,673
Trade & Other Payables	19,533
Short-term Loan	9,974
Finance Lease Liabilities	5
Current Tax Payables	1,458
<b>TOTAL CURRENT LIABILITIES</b>	<b>42,643</b>
<b>NON-CURRENT LIABILITIES</b>	
Deferred Tax Liabilities	1,412
Finance Lease Liabilities	9
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,421</b>
<b>EQUITY</b>	
Share Capital	65,842
Other Reserves	18,650
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>84,492</b>
Non-Controlling Interests	(156)
<b>TOTAL EQUITY</b>	<b>84,336</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>128,400</b>

# Third Interim Dividend for FY2018

Third Interim Dividend for FY2018 - Schedule	
Dividend per share	0.75 cents per ordinary share
Ex-dividend date	2 Nov 2018
Record date and time	7 Nov 2018 (5.00 pm)
Payment date	20 November 2018

- For the third interim dividend for 3Q2018, the Directors proposed a dividend per share of 0.75 cents per ordinary share (third interim dividend for 3Q2017: 0.75 cents per ordinary share)
- The Group has previously announced that the Group expects the dividend per share for FY2018 to be higher than FY2017

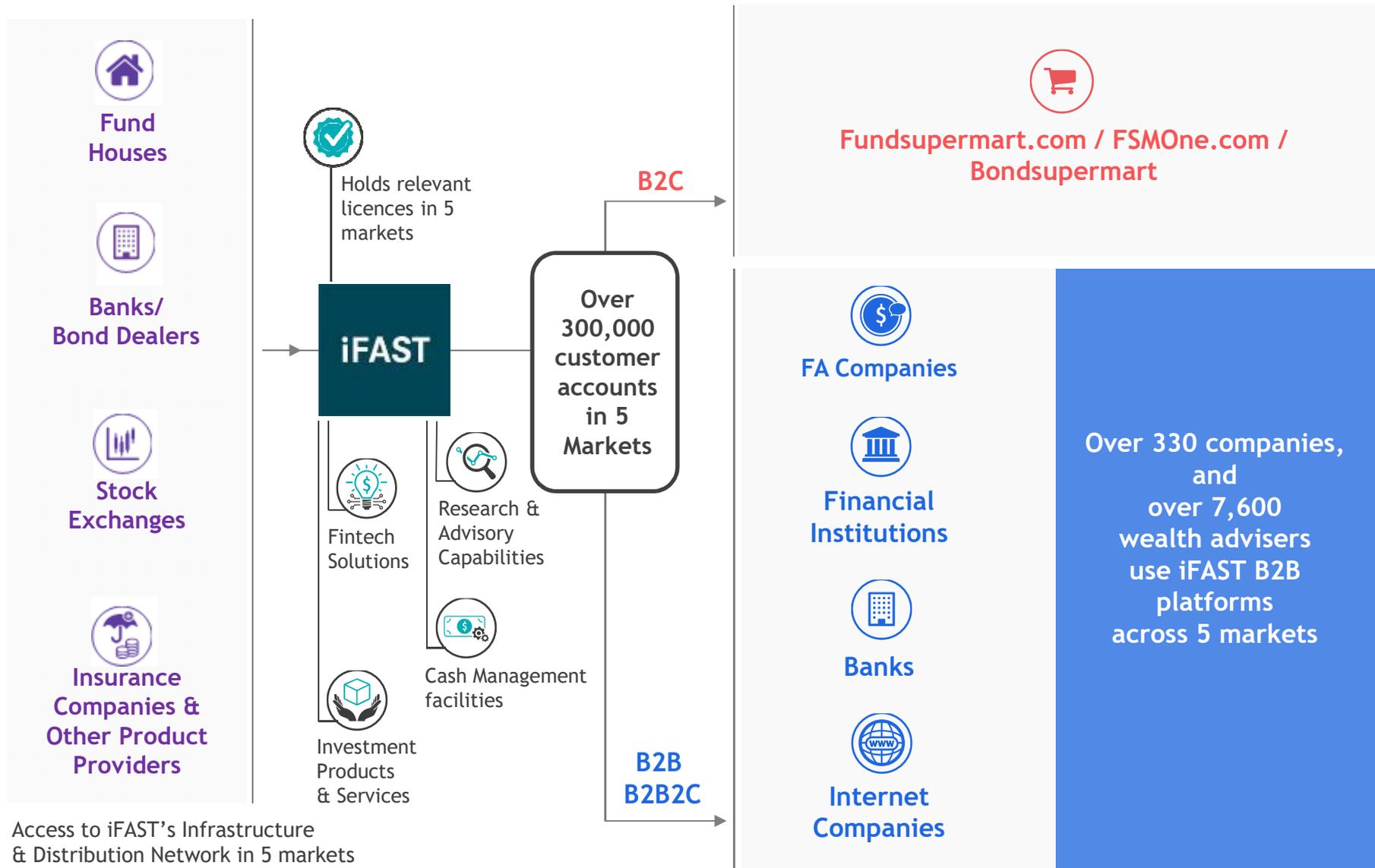
**SECTION II:**

# **Building A Leading Asian Wealth Management Fintech Platform**

# iFAST Fintech Ecosystem



Connecting All to Help Investors Invest Globally and Profitably



# The iFAST Fintech Ecosystem

- Products and services:
  - Unit trusts (over 5,700 funds from over 240 fund houses)
  - Bonds (over 1,000 direct bonds)
  - Stocks & ETFs - in 3 markets (Singapore, Hong Kong and US)
  - Discretionary portfolio management services
- Over 330 financial institutions and other corporations and 7,600 wealth advisers using the platform
- Leading wealth management Fintech platform in Asia's two international financial centres (Singapore and Hong Kong)
- Presence in Asia's two giants markets (China and India), with linkages to Singapore and Hong Kong increasingly strengthened

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SOLUTIONS

**iFAST**

**iFAST Corporation Ltd.**

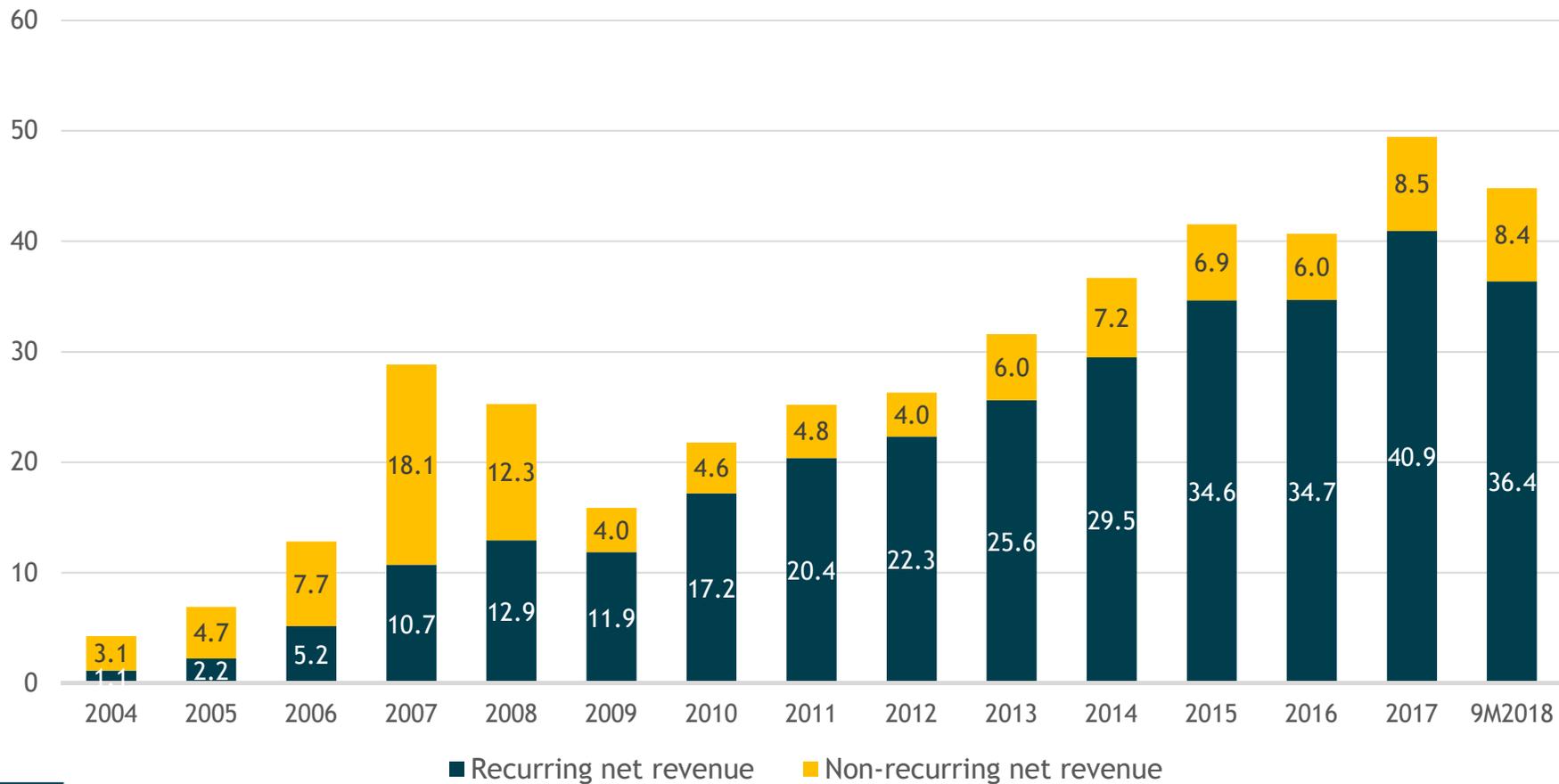
# The Revenue Drivers

- The iFAST business model predominantly involves growing the size of our assets under administration (AUA). Higher AUA will generally lead to higher revenues.
- Recurring income accounts for over 80% of our net revenue
- Sources of Non-Recurring Net Revenue
  - Transaction fees - unit trusts, bonds, stocks, ETFs
  - Forex conversions
  - Fintech Solutions IT set-up fees
  - Insurance commissions
- Sources of Recurring Net Revenue
  - Trailer fees, platform fees, wrap fees
  - Net Interest income
  - Fintech Solutions IT maintenance fees
- In recent times, the sources of the Group's net revenue have broadened. In 9M2018, contributions from net interest income arising from clients' AUA and Fintech Solutions IT fees have become more important.

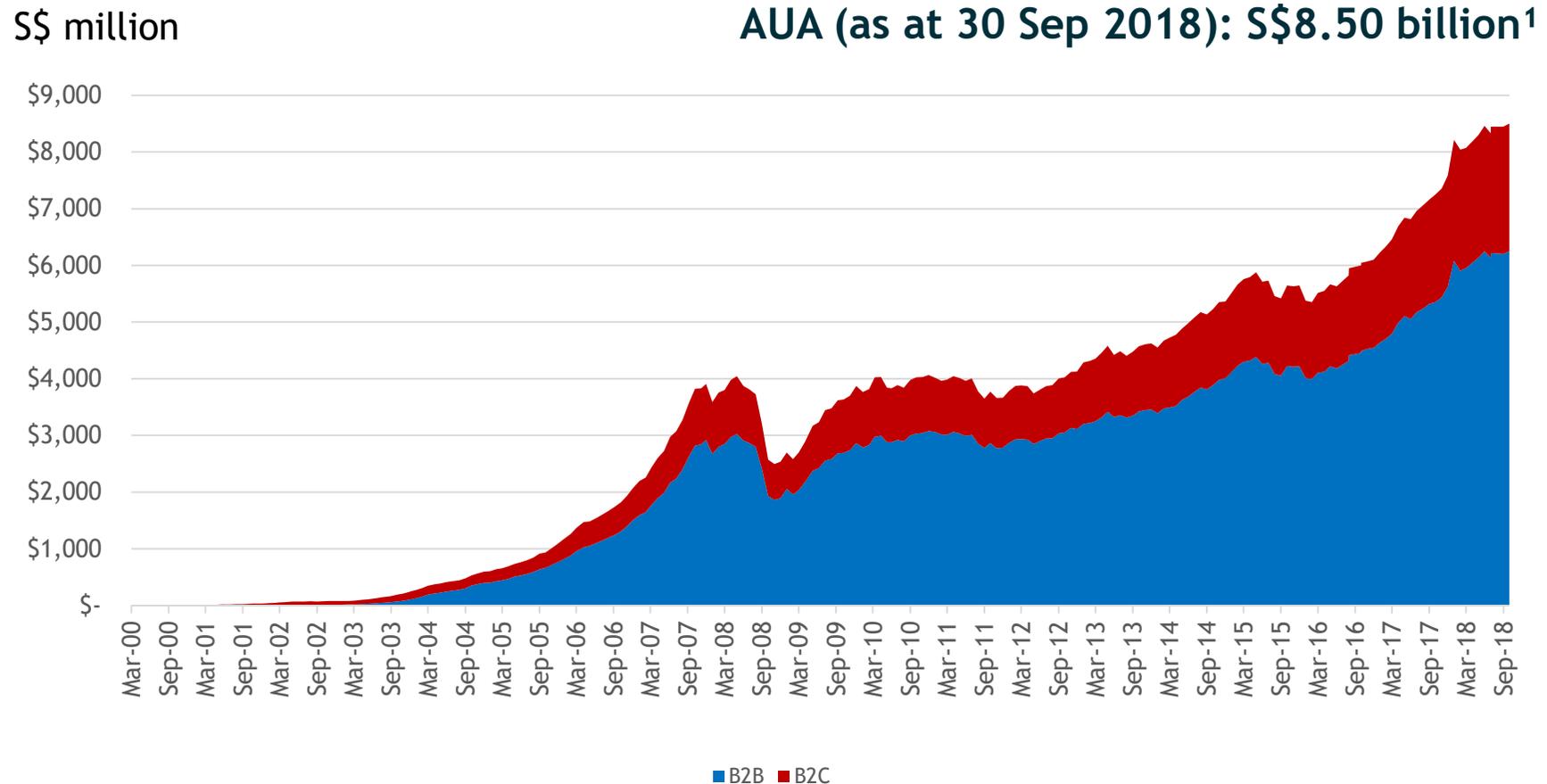
# Net revenue breakdown between recurring and non-recurring sources

Average contribution from recurring net revenue as opposed to non-recurring net revenue in the period from 2013 to 9M2018 was 82.4%

\$ million



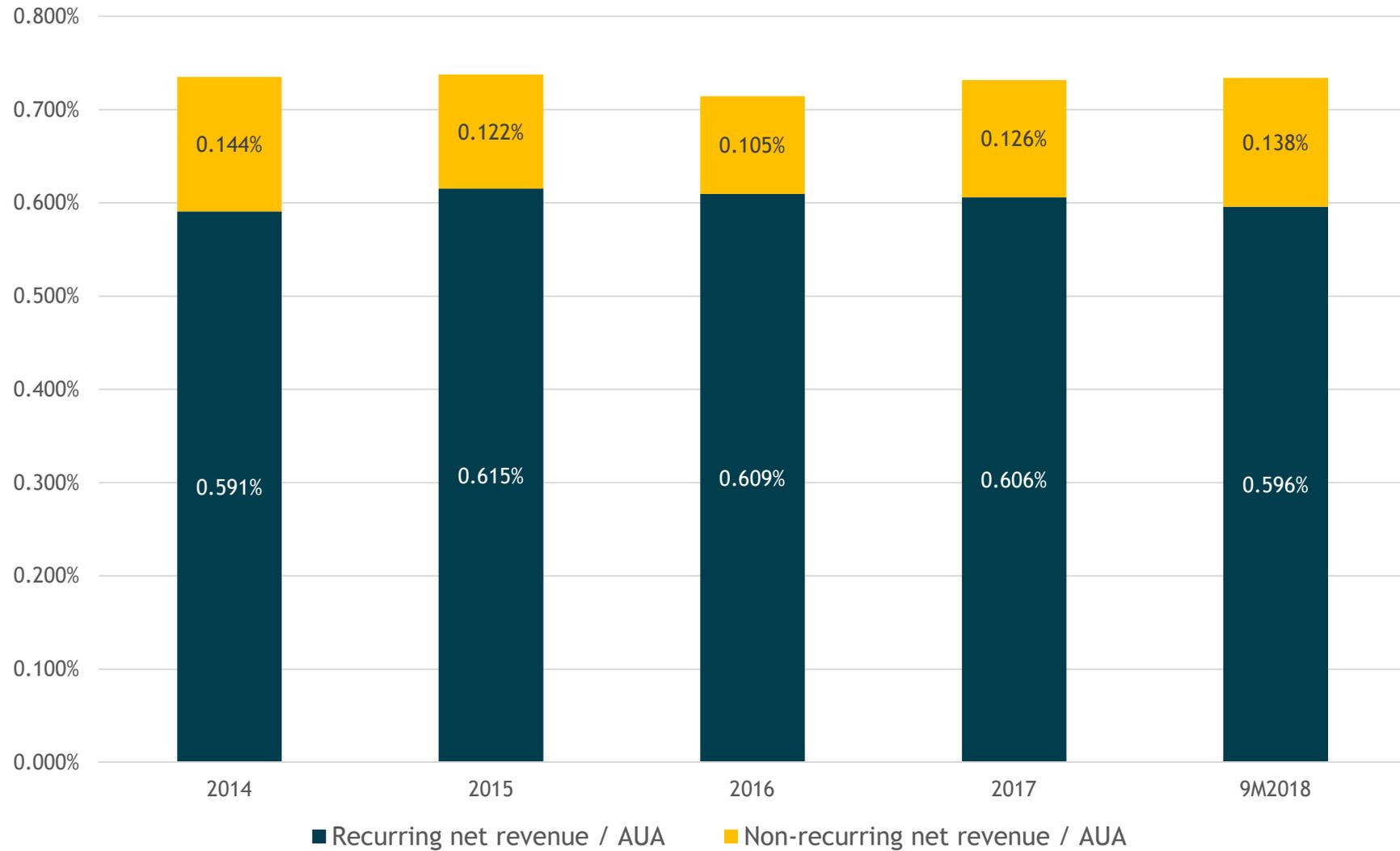
# Group AUA grew 18.7% YoY to record S\$8.50 billion



**Note:**

1. The Group's AUA as at 30 Sep 2018 includes its effective 19.2% share of the India Business

# Net revenue as a ratio of average AUA



# Empowering B2B Partners with Greater Fintech Capabilities

- Over the years, the B2B division of iFAST Corp has been working on providing the best platform services and infrastructure for FA companies and financial institutions to grow their advisory business, client base and AUA. The services we provide have focused on various areas including the range of products (including the addition of new product categories in recent times e.g. stocks and ETFs, bonds and discretionary portfolios); good user experience (for both the wealth advisers and their clients); and other services including research and compliance.
- In more recent times, a new area has emerged for our B2B division - the development of innovative fintech solutions for the B2B companies. The financial industry is undergoing rapid changes, with new entrants providing new services and existing incumbent players upping their user experiences for their clients. The B2B companies using our platform have seen an increasing need to also improve the user experience they provide via their website or mobile application to expand their client base.
- iFAST's in-house IT capabilities and expertise in operating the B2B and B2C platforms puts us in a unique position to help our B2B partners enhance their IT capabilities, including delivering customised solutions to upgrade their IT systems, websites, and mobile applications, with the objectives to improve platform usability, user experience and overall IT capabilities.

# Empowering B2B Partners with Greater Fintech Capabilities

- In response to the increasing demand from our B2B business partners, iFAST Fintech Solutions division was set up in 2017, and iFAST's in-house IT capabilities allow us to help our business partners and other financial institutions develop fintech solutions, and roll out new capabilities rapidly and at affordable costs.
- The iFAST Fintech Solutions division is now present in Singapore, Hong Kong and Malaysia, empowering our B2B partners in the region with Fintech capabilities to advance their wealth management business.
- We continue to work on improving and broadening the iFAST Fintech Ecosystem. This includes stepping up our efforts to offer a broader range of Fintech Solutions to our B2B partners, including helping to empower them with B2C Fintech capabilities.
- The industry-specific knowledge and years of experience in operating a B2C platform also allows us to efficiently provide customisable and reliable B2B2C solutions to assist our business partners to start their own DIY B2C business quickly and at a competitive cost.
- The Group has signed up a number of companies from the wealth management industry to improve their Fintech solutions and the Group expects the revenue contributions to increase from this division.
- For more details on the services provided by the iFAST Fintech Solutions Division, please refer to the Appendices Section (Pg 61).

# Medium to Long-term Planning for iFAST Greater China Business

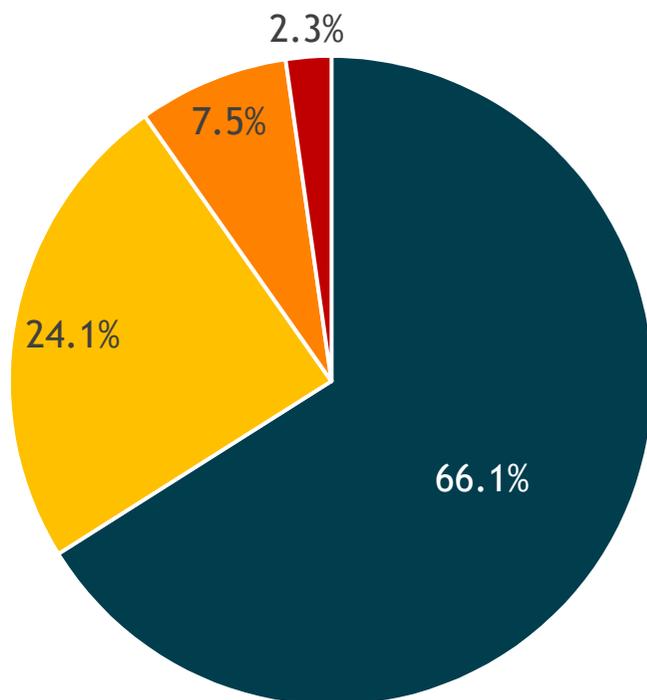
- iFAST Corp has announced on 21 August 2018 the appointment of PricewaterhouseCoopers (“PWC”) as the lead financial adviser to advise and assist the company in identifying and discussing with potential institutional and/or other investors for the Hong Kong and China businesses (“Greater China Business”).
- The Group intends to enlarge the share capital of iFAST Hong Kong Holdings Limited and iFAST China Holdings Pte Ltd, both wholly-owned subsidiaries of iFAST Corp, by about 15%. The Group intends to use the proceeds from the proposed investment to grow the Greater China business, including but not limited to the virtual banking business it is pursuing in Hong Kong.
- iFAST Corp had previously announced in the 2Q2018 & 1H2018 Results Presentation deck that iFAST Hong Kong has put in an application to Hong Kong Monetary Authority (HKMA) for a Virtual Banking licence in Hong Kong. There can be no assurance that iFAST Hong Kong will be successful in its application. However, if successful, we believe that the growth potential of the Group can be substantially enhanced in the medium to long term.
- The Group believes for a group like iFAST that already has a well-established Fintech Ecosystem, a Virtual Banking licence will give the company the ability to provide some basic banking services such as deposit taking and lending, which can potentially enhance the capability of a wealth management platform substantially.
- The Group is of the view that as various business entities continue to grow in scale, higher level of capital may be required to support the continuous growth, and the Group may separately list a subsidiary when a certain scale is reached, to ensure sufficient capital can be injected to support future growth.
- In recent months, we have taken steps to work towards a structure whereby in the medium to long term, our Hong Kong and China businesses could be organised as a separate standalone listed subsidiary. We expect these efforts, when materialised, to strengthen the overall capital base of the Group.

## SECTION III:

# Our Performance Trends

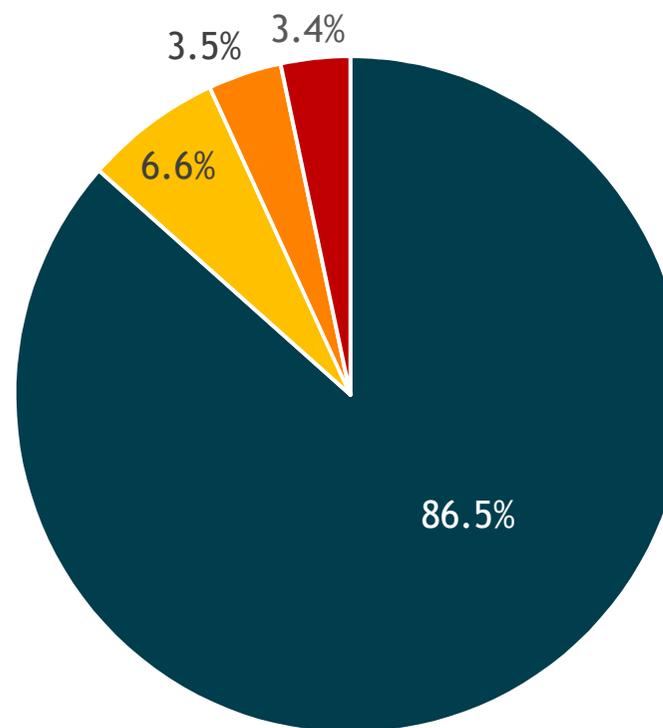
# AUA Breakdown: Markets & Products

## AUA Breakdown By Markets



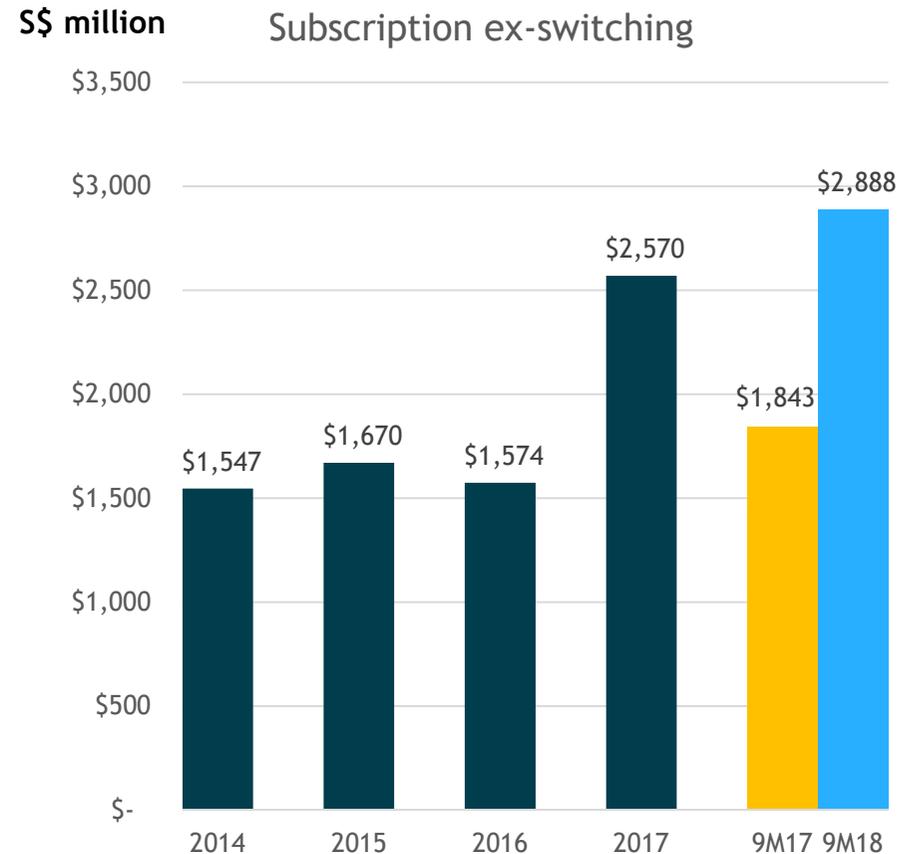
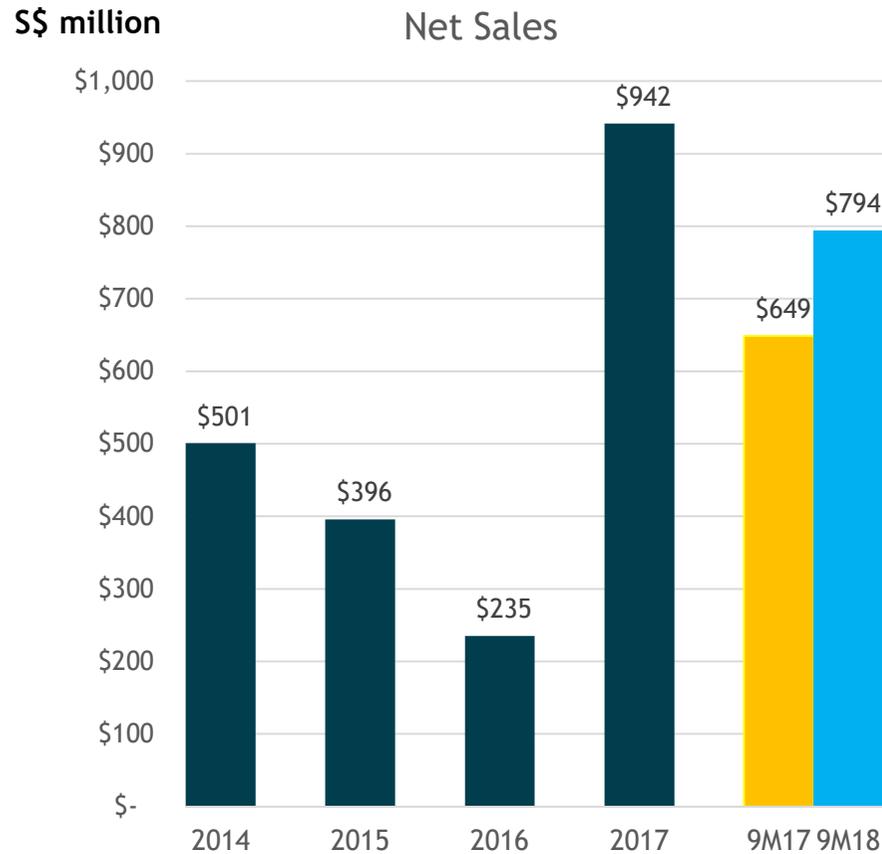
- Singapore
- Hong Kong
- Malaysia
- Others (China & India)

## AUA Breakdown by Products



- Unit Trusts
- Bonds
- Stocks & ETFs
- Cash Account

# Net sales & Subscription ex-switching



# Recurring and Non-Recurring Net Revenue

<b>S\$ (Million)</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>9M2018</b>
Recurring net revenue	29.48	34.64	34.71	40.95	36.38
Non-recurring net revenue	7.20	6.89	5.98	8.50	8.42
Total net revenue	36.68	41.53	40.69	49.45	44.80
<b>YoY Change (%)</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>9M2018</b>
Recurring net revenue	+15.1	+17.5	+0.2	+18.0	+21.4
Non-recurring net revenue	+20.8	-4.4	-13.2	+42.2	+36.5
Total net revenue	+16.1	+13.2	-2.0	+21.5	+24.0

# Net Revenue - Geographical Segment

S\$ (Million)	FY2014	FY2015	FY2016	FY2017	9M2018
Singapore	25.72	30.04	29.54	34.77	29.93
Hong Kong	9.48	9.55	8.66	10.78	10.66
Malaysia	1.48	1.94	2.26	3.47	3.62
China	-	-	0.23	0.43	0.59
Group	36.68	41.53	40.69	49.45	44.80
YoY Change (%)	FY2014	FY2015	FY2016	FY2017	9M2018
Singapore	+6.7	+16.8	-1.7	+17.7	+17.5
Hong Kong	+45.8	+0.7	-9.4	+24.5	+34.9
Malaysia	+50.5	+31.1	+16.7	+53.5	+46.3
China	-	-	NM	+83.4	+101.7
Group	+16.1	+13.2	-2.0	+21.5	+24.0

**Note:**

1. NM denotes Not Meaningful

# Net Revenue - B2B Business Segment

B2B Net Revenue (S\$ Million)	FY2014	FY2015	FY2016	FY2017	9M2018
Recurring net revenue	21.09	24.50	24.49	28.85	25.52
Non-recurring net revenue	4.46	4.09	3.86	5.15	5.25
Total B2B net revenue	25.55	28.59	28.35	34.00	30.77
YoY Change (%)	FY2014	FY2015	FY2016	FY2017	9M2018
Recurring net revenue	+16.1	+16.2	-0.02 <sup>1</sup>	+17.8	+20.7
Non-recurring net revenue	+45.8	-8.3	-5.6	+33.4	+39.7
Total B2B net revenue	+20.4	+11.9	-0.8	+19.9	+23.5

**Note:**

1. The decline is less than 0.1%

# Net Revenue - B2C Business Segment

<b>B2C Net Revenue (S\$ Million)</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>9M2018</b>
Recurring net revenue	8.39	10.15	10.22	12.10	10.86
Non-recurring net revenue	2.74	2.79	2.12	3.35	3.17
Total B2C net revenue	11.13	12.94	12.34	15.45	14.03
<b>YoY Change (%)</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>9M2018</b>
Recurring net revenue	+12.5	+20.9	+0.7	+18.4	+23.1
Non-recurring net revenue	-5.5	+1.9	-24.1	+58.0	+31.5
Total B2C net revenue	+7.4	+16.3	-4.6	+25.2	+24.9

## Profit/Loss - Geographical Segment

Profit/Loss (S\$ Million)	3Q2017 <sup>1</sup>	3Q2018	YoY Change (%)	9M2017 <sup>1</sup>	9M2018	YoY Change (%)
Singapore	2.78	3.46	+24.0	8.43	9.67	+14.7
Hong Kong	0.58	0.83	+44.5	1.23	2.65	+114.5
Malaysia	0.19	0.22	+14.5	0.76	0.98	+29.3
Other <sup>2</sup>	(0.06)	(0.02)	-68.3	(0.30)	(0.11)	-64.2
Profit before tax (excluding China operation)	3.49	4.49	+28.6	10.12	13.19	+30.3
Tax expense	(0.46)	(0.61)	+33.7	(1.18)	(1.42)	+20.4
Net profit after tax (excluding China operation)	3.03	3.88	+27.8	8.94	11.77	+31.6
China operation	(1.02)	(1.28)	+24.4	(3.04)	(3.48)	+14.5
Net profit after tax (including China operation)	2.01	2.60	+29.5	5.90	8.29	+40.4

**Notes:**

1. Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018 for comparison purpose
2. Representing share of results of associates

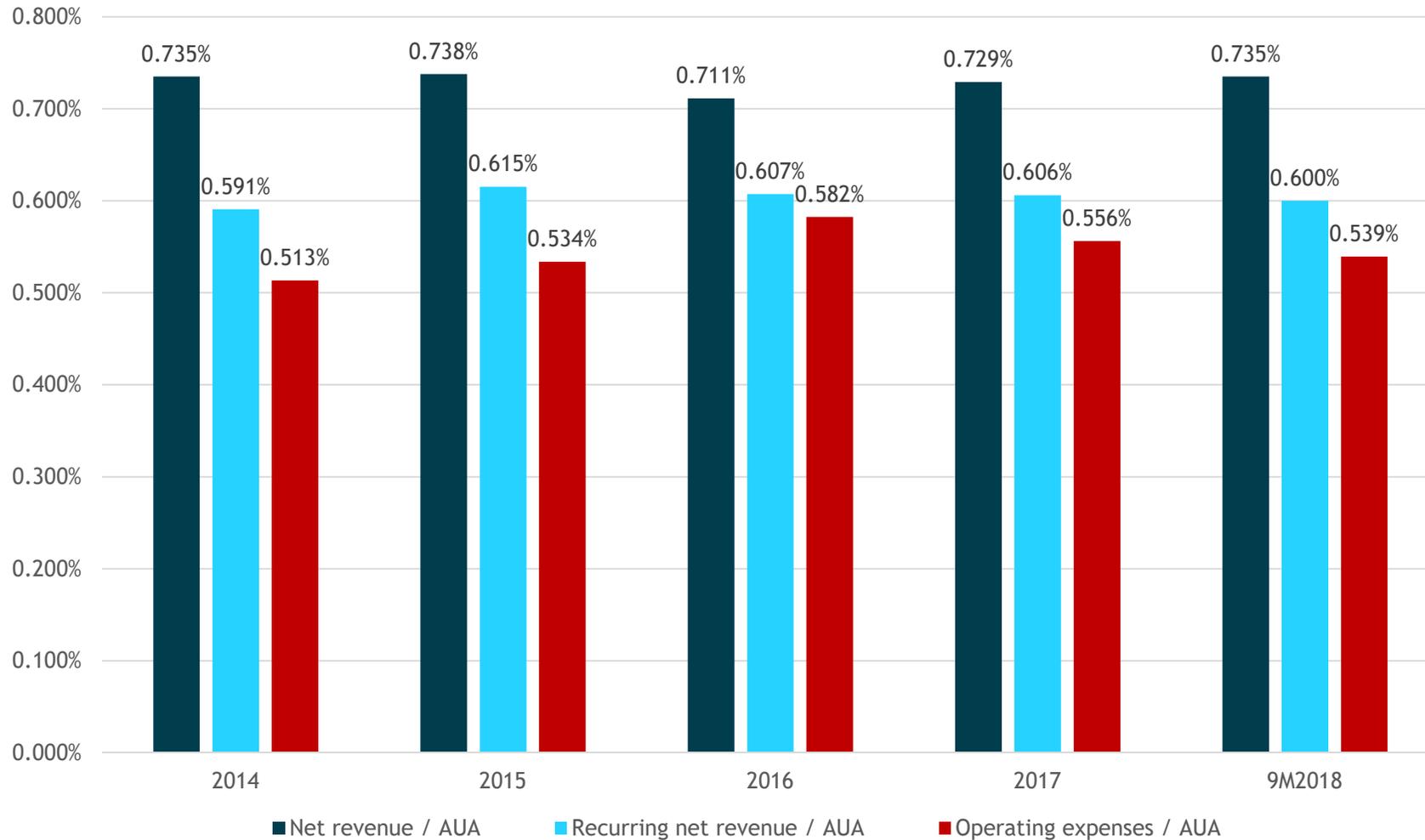
# Profit/Loss - Geographical Segment

Profit/Loss (S\$ Million)	FY2014	FY2015	FY2016	FY2017	9M2018
Singapore	9.37 <sup>1</sup>	11.82	9.07	11.91	9.67
Hong Kong	2.10	1.65	0.53	1.82	2.65
Malaysia	(0.04) <sup>3</sup>	0.28	0.38	1.07	0.98
Other <sup>2</sup>	(0.01)	(0.02)	(0.16)	(0.33)	(0.11)
Profit before tax (excluding China operation)	11.42	13.73	9.82	14.47	13.19
Tax expense	(0.39)	(0.65)	(0.76)	(1.26)	(1.42)
Net profit after tax (excluding China operation)	11.03	13.08	9.06	13.21	11.77
China operation	(0.52)	(0.98)	(3.61)	(4.17)	(3.48)
Net profit after tax (including China operation)	10.51	12.10	5.45	9.04	8.29

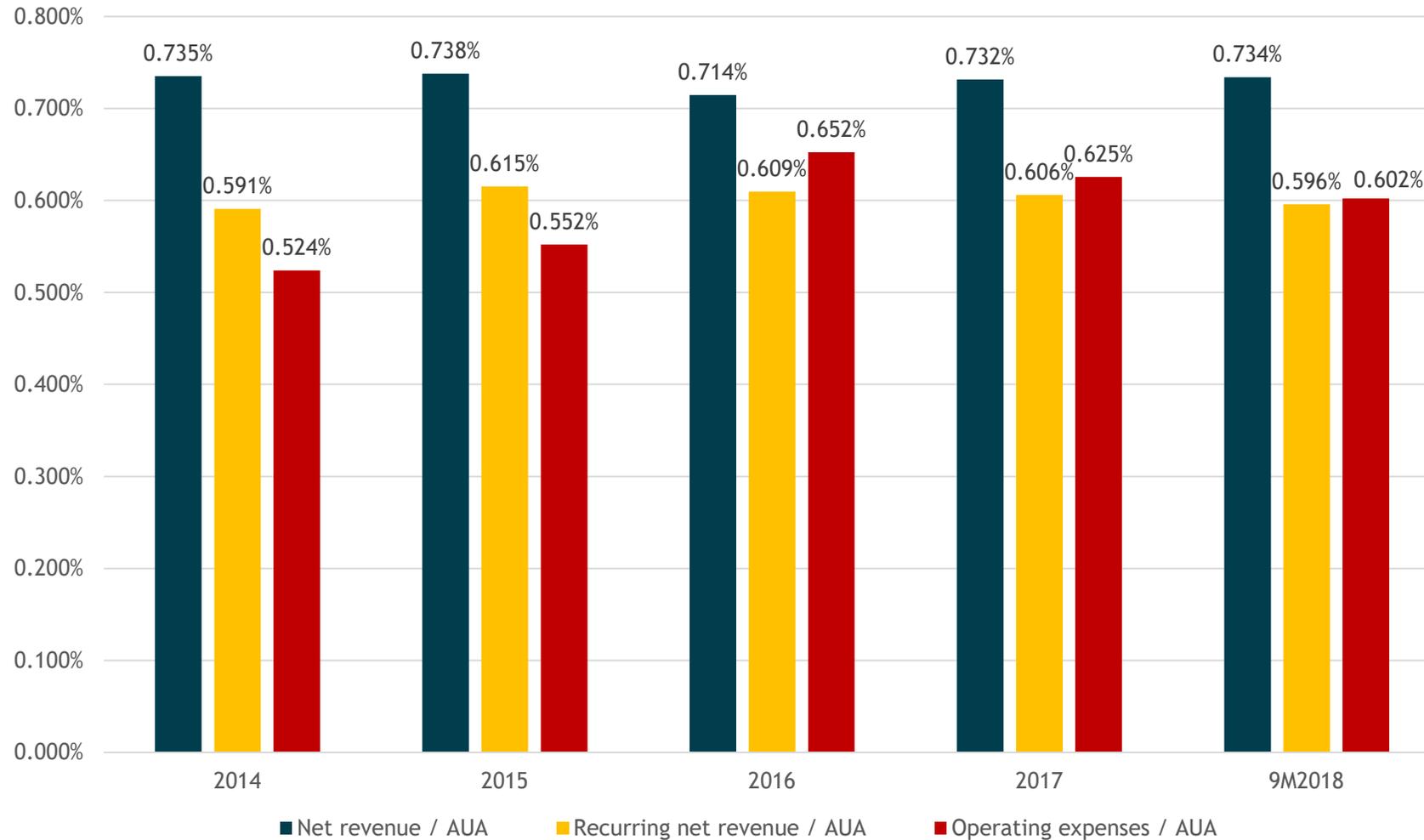
**Notes:**

1. Excluding IPO expenses of S\$1.95 million in December 2014
2. Representing share of results of associates
3. Excluding shares of non-controlling interest

# Net revenue and operating expenses as a ratio of average AUA for Group (excluding China operation)



# Net revenue and operating expenses as a ratio of average AUA for Group (including China operation)



# Progress of Individual Markets



## Singapore

- AUA of the Singapore operation grew 14.2% YoY, reaching S\$5.62 billion as at 30 Sep 2018
- Net revenue grew 17.5% YoY to S\$29.93 million in 9M2018, while net profit before tax grew 14.7% YoY to S\$9.67 million in 9M2018
- Global markets continued to be turbulent in 3Q2018, given escalating tensions over trade wars between the US and China. Despite the volatile market conditions, net sales and net revenue continued to improve
- Net sales of investment products and accounts opened across the B2B and B2C divisions stayed strong in 3Q2018
- For FSMOne.com, the Singapore operation's B2C division, there was positive growth across all product segments, including unit trusts, bonds, stocks and ETFs. The annual Recommended Funds Report was updated with a new list of award-winning funds and campaigns were run in 3Q2018 to highlight the funds that have demonstrated good longer-term performances and across diverse asset classes and global sectors

# Progress of Individual Markets



## Singapore

- In 3Q2018, ETF sales and activities were especially strong as the platform had been raising awareness among investors that they can invest in ETFs (including during Investment Offer Periods for newly-launched ETFs) online and at a low competitive cost. FSMOne.com had a 0% commission rate for one ETF's Initial Offer Period in 3Q2018, which generated good interest and sales. The commission rate on SGX/HKEX/US exchanges is at 0.08% (subject to minimum of S\$10, HK\$50 and US\$8.80 respectively). FSMOne.com's Gold and Diamond clients enjoy a flat rate of S\$10 for SGX trades
- Sales for the companies using the B2B platform were strong in 3Q2018, despite the market volatility. The iGM division also saw good growth in sales in 3Q2018. The B2B division saw an increase in the number of wealth advisers using the platform, as the platform has been signing up new institutional clients. There have also been campaigns to highlight the different wealth advisers and how they can add value to clients' wealth management plans, e.g., via videos to reach out to a larger audience

# Progress of Individual Markets



## Hong Kong

- Hong Kong's AUA grew 27.5% YoY to S\$2.05 billion as at 30 Sep 2018
- Net revenue increased 34.9% YoY to S\$10.66 million and net profit before tax improved 114.5% to S\$2.65 million in 9M2018
- With the recent weak performance in emerging markets and Asian equity markets, including China and Hong Kong, investors' sentiment took a hit as they adopted a "wait-and-see" approach, leading to subdued unit trust subscriptions in 3Q2018
- Cash account AUA for the B2C division increased over 3Q2018, whilst the cash account of the B2B division saw a drop as compared with that of 2Q2018, due to investors deploying cash in their cash account to buy into investment products
- Both the B2C and B2B platforms saw a QoQ growth in Bonds AUA. Investors continued to see value in this asset class, as the hold-to-maturity strategy appealed to some investors. A general increase in yield due partly to the US rate hikes may be beneficial for new investors to include bond investments as part of their portfolios to generate long-term cash flows
- With the launch of US stocks/ETF on both B2C and B2B platforms in 3Q2018, customers have taken advantage of the expanded range of investment products, and have either allocated assets into US stocks/ETFs with new monies, or consolidated their assets into iFAST platforms, and especially so for investors advised by discretionary asset managers with Type 9 licence

# Progress of Individual Markets



## Malaysia

- Malaysia's AUA grew 26.1% YoY to hit S\$641 million as at 30 Sep 2018
- Net revenue grew 46.3% YoY to S\$3.62 million and net profit before tax grew by 29.3% YoY to S\$0.98 million in 9M2018
- Despite volatile market conditions and poor investors sentiment in 3Q2018, revenue and profitability continued to grow YoY for both the B2B and B2C divisions
- The iFAST Fintech Solutions division started to show significant contribution this year, and this has helped propel the revenue and profitability in the Malaysia operation within the year
- Market corrections and negative news in 9M2018 dampened B2C investors' sentiments, and they held back from putting in buy transactions, while some chose to redeem their investment holdings. Though sales growth on the B2B division also slowed in 3Q2018, no significant outflow was observed
- Both the B2B and B2C divisions have continued to push out more client engagement activities despite current market conditions. A new office will also be set up in 4Q2018 in Kota Kinabalu, Sabah, to better support and reach out to customers and B2B partners in East Malaysia. A new B2C website is also targeted to be launched in 4Q2018 to enhance user experience

# Progress of Individual Markets



## China

- China's AUA grew 123.9% YoY to RMB 503 million as at 30 Sep 2018, and also achieved a QoQ growth despite volatile market conditions in 3Q2018
- Benefitting from increasing growth in both the onshore and offshore Chinese segments over the period, net revenue in China operation increased by 101.7% YoY in 9M2018
- The China business remains in the early stages of building the iFAST brand among potential clients and investment practitioners in China's wealth management industry
- For the China B2B onshore business, the China business is well-positioned to continue to grow its AUA through the team of in-house wealth advisers team (under the 'platform-cum-IFA incubator' strategy), while also continuing to expand its network with existing B2B partners in the market
- The China operation has also increased the number of fund house partners and the funds carried on the platform, with over 70 fund houses with over 2,900 funds on its platform as at 30 Sep 2018

# Progress of Individual Markets



## China

- Account opening figures crossed 30,000 in 3Q2018, with a strong QoQ growth in the account opening number seen in 3Q2018.
- iFAST China continues to ramp up the array of services provided to investors and partners, such as new portfolios and technology innovations catering to different investment appetites, and enhancing user experience on the platforms. iFAST China will be putting forth a Private Fund Management licence application. The Group believes that through a Private Fund Management licence, iFAST China will be able to provide a complete financial advisory solution for investors and platform partners. With the Private Fund Management licence, iFAST China will also be able to issue Private Funds with discretionary mandate for sale to accredited investors.
- With the various efforts taken to step up the initial growth of the China operation, the Group expects a slight increase in losses in China for FY2018 as compared to FY2017. In the years ahead, we expect China to show good growth potential. We see our presence in China to be important to the overall Group's strategy of further strengthening our Fintech ecosystem in both our onshore and offshore capabilities

# Progress of Individual Markets



## India

- As at 30 Sep 2018, iFAST Corp holds an effective 19.2% share of iFAST Financial India Pvt Ltd, the key business of the India business
- iFAST Financial India Pvt Ltd is an India-incorporated company engaged in the distribution of investment products including mutual funds in India, and allows opportunities to tap on India's potential strategic role in terms of providing business opportunities to the rest of the Group
- India's AUA increased to India Rupee 25.98 billion (equivalent to approximately S\$490 million) as at 30 Sep 2018
- The India business continues to be in the unique position as a platform that serves the nascent and growing fee-based advisory community
- In September, the Securities and Exchange Board of India (SEBI) reduced the total expense ratio (TER) of mutual funds by up to 30 basis points and banned all forms of upfront commissions and paying beyond TER. This means commissions for distributors will again go down, thus pushing more distributors to transform to an advisory business model
- The re-categorisation of funds has given passive investing through ETFs renewed focus as the outperformance of ETFs becomes more pronounced. As a multi-asset advisory platform, this helps to differentiate our platform as we can offer effective fee charging and recovery mechanism for ETFs unlike other platforms

The background of the slide is a dark blue field filled with abstract digital and data-related graphics. It features a grid of small, glowing blue dots, several vertical bars of varying heights, and various arrows in red and white pointing in different directions. There are also some blurred circular shapes and lines, suggesting a complex data network or a futuristic interface.

SECTION IV:

# Appendices

# Business Overview

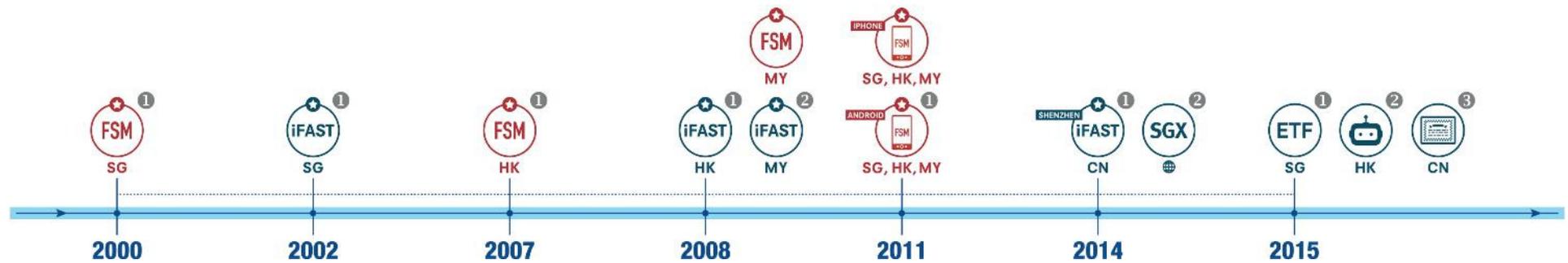
- iFAST Corporation Ltd. is a wealth management fintech platform with assets under administration (AUA) of S\$8.50 billion as at 30 Sep 2018 (stock code: AIY)
- Main business divisions:
  - Business-to-Consumer (B2C) platform, Fundsupermart (including its new FSMOne multi-products account in Singapore and Hong Kong), targeted at DIY investors (AUA of S\$2.25 billion); and
  - Business-to-Business (B2B) platform that caters to the specialised needs of over 330 financial advisory (FA) companies, financial institutions and banks (AUA of S\$6.25 billion), which in turn have more than 7,600 wealth advisers
  - Emerging Fintech Solutions / Business-to-Business-to-Consumer (B2B2C) Model: Our Fintech Solutions department is a relatively new business division that has started contributing revenue to the Group, as we have more institutional clients engaging us for developing and improving their fintech capabilities
- The Group offers access to over 8,800 investment products including unit trusts, bonds and Singapore Government Securities (SGS), stocks, Exchange Traded Funds (ETFs), insurance products, and services including online robo-advisory portfolios, research and investment seminars, financial technology (fintech) solutions, and investment administration and transaction services
- Our mission statement is, “To help investors around the world invest globally and profitably”
- In the Singapore Governance and Transparency Index (SGTI) released in 2016 and 2017, iFAST Corp ranked within the top 15% among SGX-listed companies. iFAST Corp was awarded first runner-up in the "IR Magazine Awards South East Asia 2017" in the "Best in Sector - IT " category. iFAST Corp also won the "Best Investor Relations - Silver Award" in the “Companies with less than S\$300 million in market capitalization category at the Singapore Corporate Awards 2018



iFAST

iFAST Corporation Ltd.

# Milestones



## 2000

Launch of Fundsupermart.com (B2C) in **Singapore**

## 2002

Launch of iFAST Platform Services (B2B) in **Singapore**

## 2007

Launch of Fundsupermart.com (B2C) in **Hong Kong**

## 2008

- Launch of iFAST Platform Services (B2B) in **Hong Kong**
- Launch of Fundsupermart.com (B2C) and iFAST Platform Services (B2B) in **Malaysia**

## 2011

Launch of “FSM Mobile” iPhone application. The Android version of the “FSM Mobile” was launched in the following year

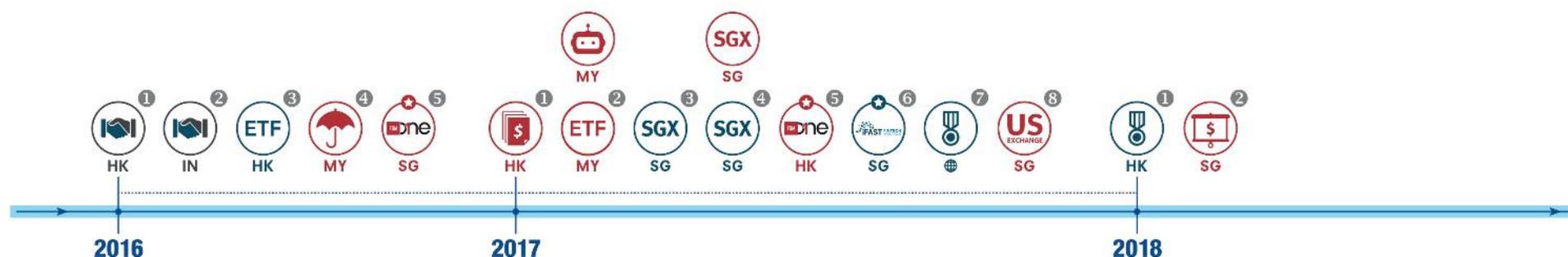
## 2014

- Incorporation of iFAST Platform Services (Shenzhen) Qianhai in **China**
- Listing on SGX-ST

## 2015

- Distribution of bonds and ETFs in **Singapore**
- Launch of online robo-advisory service in **Hong Kong**
- Received Funds Distributor Qualification in **China**

# Milestones (cont'd)



## 2016

- Acquisition of a stockbroking company and an insurance brokerage firm in **Hong Kong**
- Acquisition of a stake in the holding company of iFAST India Business
- Launch of Stocks/ETFs on the B2B platform in **Hong Kong**
- Launch of Insurance on FSM **Malaysia**
- Launch of FSMOne in **Singapore**, including FSM MAPS robo-advisory service, Bond Express and HKEX Stocks/ETFs

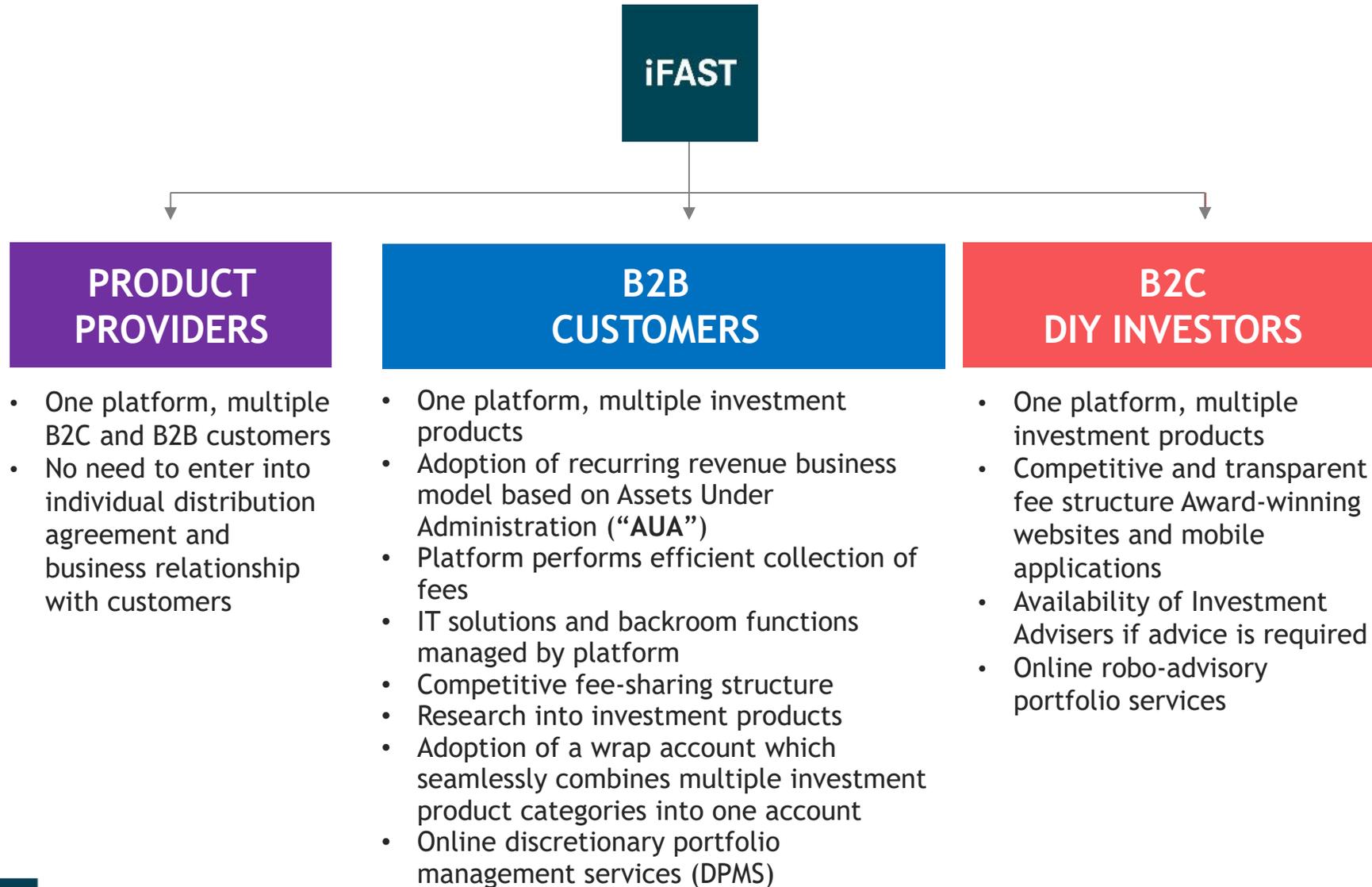
## 2017

- Launch of Stocks & ETFs on FSM **Hong Kong**
- Launch of Bonds on FSM **Malaysia** and online discretionary portfolio management service in **Malaysia**
- iFAST **Singapore** admitted as Trading Member of SGX-ST and Clearing Member of CDP
- Launch of SGX Stockbroking service on FSMOne and B2B in **Singapore**
- Launch of FSMOne in **Hong Kong**
- Launch of iFAST Fintech Solutions
- First runner-up in the IR Magazine Awards South East Asia 2017" in the "Best in Sector - IT " category
- Launch of US stockbroking services in FSM **Singapore**

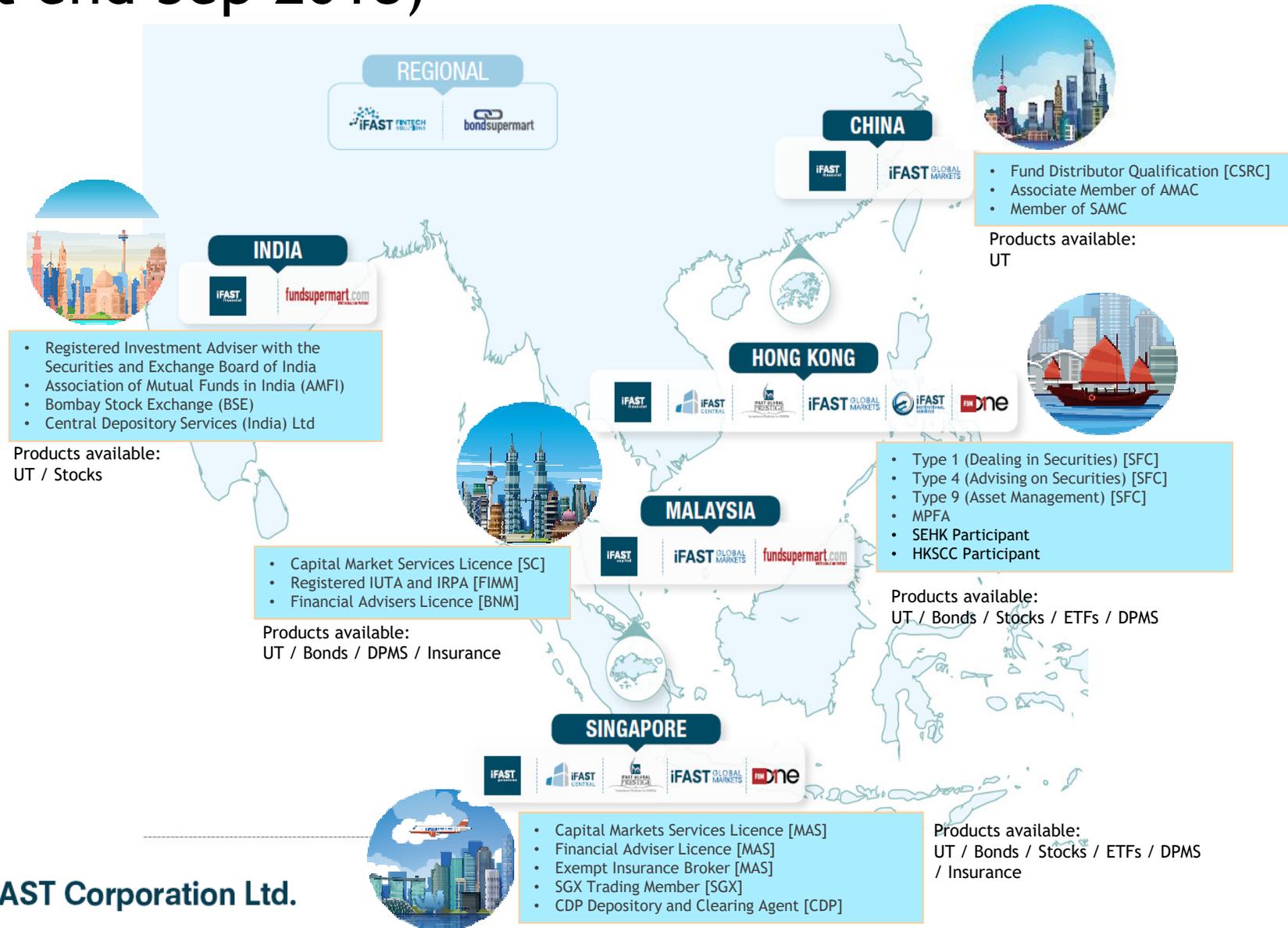
## 2018

- **Hong Kong:** iFAST Platform Services (HK) Limited awarded Internet Finance Award 2017 Bronze prize in the licenced Financial Institution category; FSM (HK) received the Corporate Financial Education Leadership Gold Award in the "IFPHK Financial Education Leadership Awards 2018" organised by the Institute of Financial Planners of Hong Kong (IFPHK)
- The FSM Invest Expo was successfully held in Jan 2018 in **Singapore**; Flagship event "What and Where to Invest 2018" held in January in **Hong Kong** and **Malaysia**
- Launch of US stockbroking capabilities in **Hong Kong**
- iFAST Corporation Ltd. won the "Best Investor Relations - Silver Award" in the Companies with less than S\$300 million in market capitalisation category at the Singapore Corporate Awards 2018
- iFAST China awarded "Ten Most Powerful Fintech Brands in China 2018" and "Top 100 Financial Innovation Brands in China 2018" at the China Finance and Investment Leadership Forum and Investment Year Awards 2018

# Our Value Proposition



# Licences Held and Products and Services Available (as at end Sep 2018)



# Opportunities For A Leading Wealth Management Fintech Platform

- Within the mutual funds markets in Asia, the assets under management (“AUM”) size of authorised and recognised collective investment schemes in Singapore is at S\$101 billion in 2017 (Source: MAS, 2017 Singapore Asset Management Survey<sup>1</sup>)
- According to a PWMA/PwC Report published in Sep 2017, the AUM for private wealth management is over US\$800 billion (Source: PWMA/PwC Hong Kong Private Wealth Management Report 2017<sup>2</sup>)
- With a sizeable wealth management industry in the markets that iFAST Corp has a presence in, there are wide opportunities available for the Group to tap on
- Other than the above AUM numbers for Singapore and Hong Kong, there are also opportunities in the other markets that iFAST has a presence in, and especially so in the huge markets of China and India, which may be able to bring higher growth opportunities; at current AUA of S\$8.50 billion (as of end Sep 2018), we see substantial growth potential as this amount remains small relative to the size of the overall wealth management industry

Source:

1. <http://www.mas.gov.sg/~ /media/MAS/News%20and%20Publications/Surveys/Asset%20Management/2017%20AM%20Survey%20Report.pdf>
2. <https://www.pwchk.com/en/asset-management/hong-kong-private-wealth-management-report.pdf>

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# iFAST's Fintech Footprint: Past and Present

## PAST: Building the Foundation (2000-2013)

*Focus on building Fintech capabilities in-house to efficiently and effectively deliver innovative solutions to our customers and business partners:*

- In-house IT teams developing proprietary IT systems, leveraging on the Internet trends to bring UT transactional process online
- Dedicated B2B and B2C platforms catering to specific needs of Financial Advisers and DIY investors respectively
- Developing innovative and robust IT capabilities, and user-friendly interface, while continuously working to improve the ease of navigation and user experience of the platforms
- Mobile applications developed in-house for both DIY investors (FSM Mobile) and B2B FAs (iFAST Central) on both iOS and Android operating systems
- Emphasis on: information transparency + independent research + relevant product information + investment tools (charting tools)

## PRESENT: Stepping Up the Game (2014-2018)

*Focus on broadening the range and depth of investment products and asset classes available on our platforms*

- Launch of FSMOne.com to streamline and enable transactions of various products with one account and to enhance user experience, alluding to our “Many Ways to Invest, One Place To Do It”
- New tools launched together with the new services (e.g. Stock Screener and Stock Calculator, as well as comparison tools for insurance plans, and portfolio simulators)
- Robo-advisory portfolios: all-in-one online investment advisory service that builds, monitors and rebalances portfolios on-behalf of clients

**IT Partnership** - encourage innovation and to attract and retain talents; around 25% of the work force in iFAST is in IT-related roles to maintain our competitive edge in terms of technological innovation

**iFAST Fintech Solutions** - new business division to empower business partners, leveraging on our IT expertise and platform operations experiences (B2B2C strategy)

# iFAST's Fintech Vision 2028

- The Company sees the financial eco-system undergoing rapid and tremendous changes in the next 10 years because of factors including Financial Technology (Fintech) innovation and regulations, and shifts in consumer behaviour
- The Company believes it has the capabilities and licences to tap on the Fintech opportunities in the markets it operates in, including Asia's major financial centres of Singapore and Hong Kong, and Asia's two economic behemoths of China and India
- The Company has the requisite licences in the various jurisdictions it operates in to provide a wide range of products and services. In particular, the period of 2015 to 2017 has seen the Company strengthening its capabilities. The Company's offerings now include over 8,800 products across unit trusts, bonds, stocks and ETFs, as well as services such as managed portfolios and insurance
- The Company has applied for a virtual banking licence in Hong Kong, which is subject to regulatory approval. If approved, the Company sees the licence as a way to provide more efficient cash management facilities for its customers (including greater transactional convenience and cross-border opportunities, and securities financing)
- The Company's vision is to be a leading wealth management Fintech platform in Asia. The Management has decided to share the "Fintech Vision 2028" in greater details with the investor community because the Fintech opportunities are tangible and will only increase in the next decade
- The Company's increased capabilities means the addressable market size for the Company has grown larger in the markets it operates in. With the Company's enhanced capabilities (current and future), the addressable market size has expanded from investors searching for better investment options from unit trusts and bonds, to include the opportunities in the stockbroking and cash deposits space

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# iFAST's Fintech Vision 2028

- The Company has set an AUA target of \$100 billion to be achieved by the year 2028\*. This works out to a compound annual growth rate (CAGR) of 28%
- For Singapore, our key market currently, we have set a 10-year target of AUA S\$35 billion\*
  - This works out to a CAGR of 20%
- Given the tremendous size of Asia's wealth management industry, and given the robust growth potential for a scalable Fintech platform, we believe that the targets are achievable if we are able to execute well
- Markets like China and India are not big contributors to iFAST today, but will be growing in importance
- The Company believes its revenue model, where recurring revenue contributions have been especially significant, will continue to stay high from the additional sources of revenue from fintech solutions and cash management facilities.

\*These targets do not constitute as forecasts or profit guidance

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# iFAST Fintech Solutions

- The iFAST Fintech Solutions business division was set up in 2017, with the objectives to empower our business partners in advancing their wealth management business by delivering innovative fintech solutions that can better suit their clients' needs, while combining business and industry insights with Fintech Solutions created in-house to propel their business forward. The business division is currently available in Hong Kong, Singapore, and Malaysia.
- Building on the strong foundation established since the beginning of the company's operations to bring the unit trust transactional process online, our in-house IT teams have over the past few years come up with newer proprietary systems and capabilities to cope with the wider range products and services on iFAST platforms, including bonds, stocks, ETFs, robo-advisory portfolios and etc., enabling and streamlining the transactional processes for the various new asset classes brought on board.
- Services offered to our B2B business partners include iFAST API and customised B2B2C solutions, white-label robo-advisory solutions, iFAST Touch 2FA security tools, and bespoke Fintech solutions.
- Our objective is to empower our B2B partners with the Fintech capabilities to access a wide range of product data, research content, and also transaction channels for the different investment products iFAST offers, not just for customers under their advisory model, and also for them to establish their B2C business
- The industry-specific knowledge and years of experience in operating a B2C platform allows us to efficiently provide customisable and reliable B2B2C solutions to assist our business partners to start their own DIY B2C business quickly and at a competitive cost. White-label solutions also empowers our business partners to launch their own services in a shorter period of time, allowing them to focus on their business, without having to worry about the technology and other back-office issues

# 3Q2018 Activities



(L-R) FSM HK Asia Investment Opportunities Seminar (Hong Kong); FSM Choice Awards 2018 - Fund House Panel Discussion (Singapore)



(L-R) iFAST Corp - 202018 & 1H2018 Results Briefing & Fintech Vision Presentation (Singapore); FSM MY Recommended Unit Trust Awards 2018/19

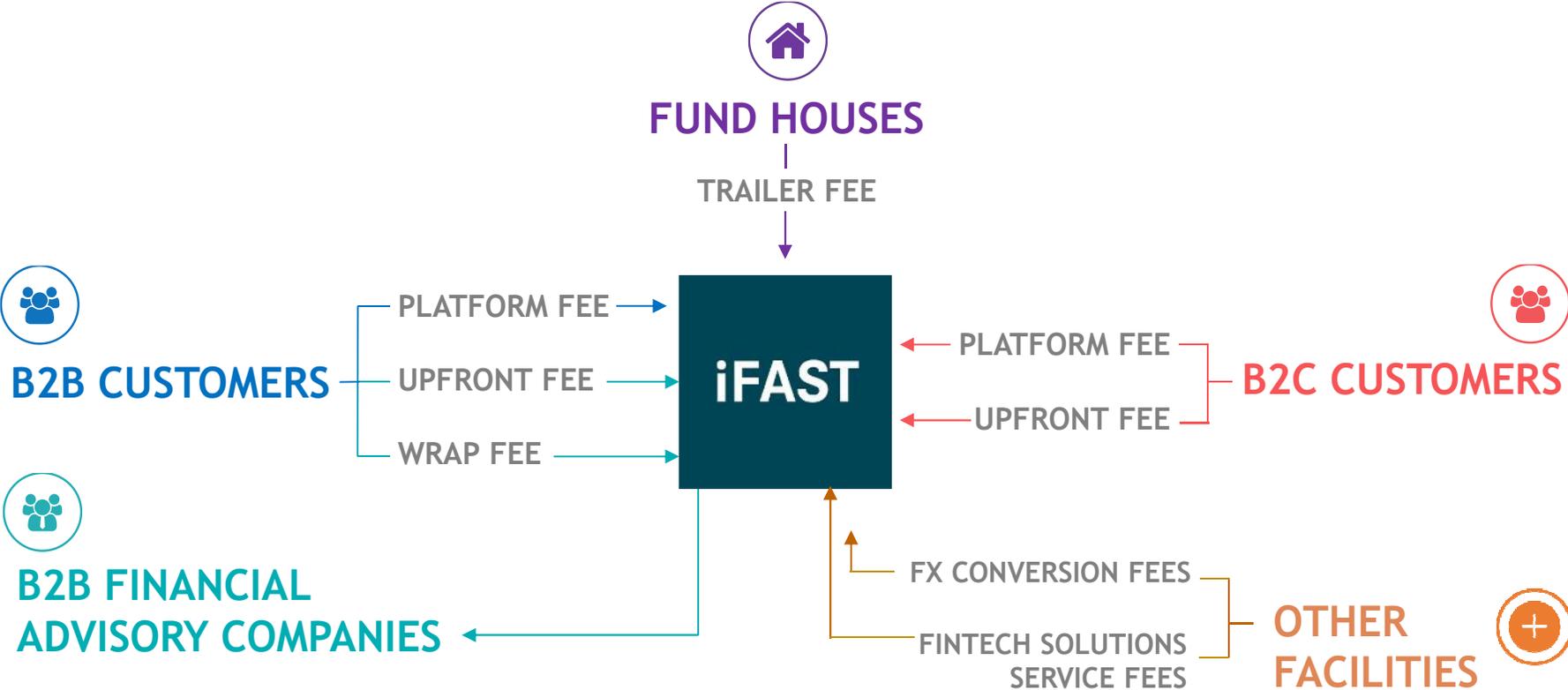


(L-R) Singapore Corporate Awards 2018 - Best Investor Relations (Silver; less than S\$300 million market cap category); iFAST Financial China Limited was awarded "Ten Most Powerful Fintech Brands in China 2018" (China)

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# Fees Illustration



*Thank you.*

For more information,  
Please visit [www.ifastcorp.com](http://www.ifastcorp.com)