



Scaling Up To Be A Key Fintech Player

18 April 2018

iFAST

iFAST Corporation Ltd.



The Journey So Far

iFAST

iFAST Corporation Ltd.

PRIVATE & CONFIDENTIAL. NOT FOR EXTERNAL CIRCULATION. CO. REG. NO. R200007899C

Wealth Management Platform - Designed To Have A Scalable Business Model

- Started in 2000 with Fundsupermart.com in Singapore - B2C online unit trust distributor
- Today we are a comprehensive wealth management platform with presence in 5 markets
 - Unit trusts, ETFs, Bonds, Stocks, Insurance
- Wealth management Fintech player
 - Investment platform Aggregator
- B2B & B2B business models
- Emerging B2B2C model

2000 - 2017 Milestones

2000

Launch of Fundsupermart.com (B2C) in Singapore

2008

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

2014

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

2015

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

2017

- Launch of Stocks & ETFs on FSM Hong Kong
- Launch of Bonds on FSM Malaysia and online robo-advisory 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
- 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



Launch of iFAST Platform Services (B2B) in Singapore

2002

Launch of Fundsupermart.com (B2C) in Hong Kong

2007

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

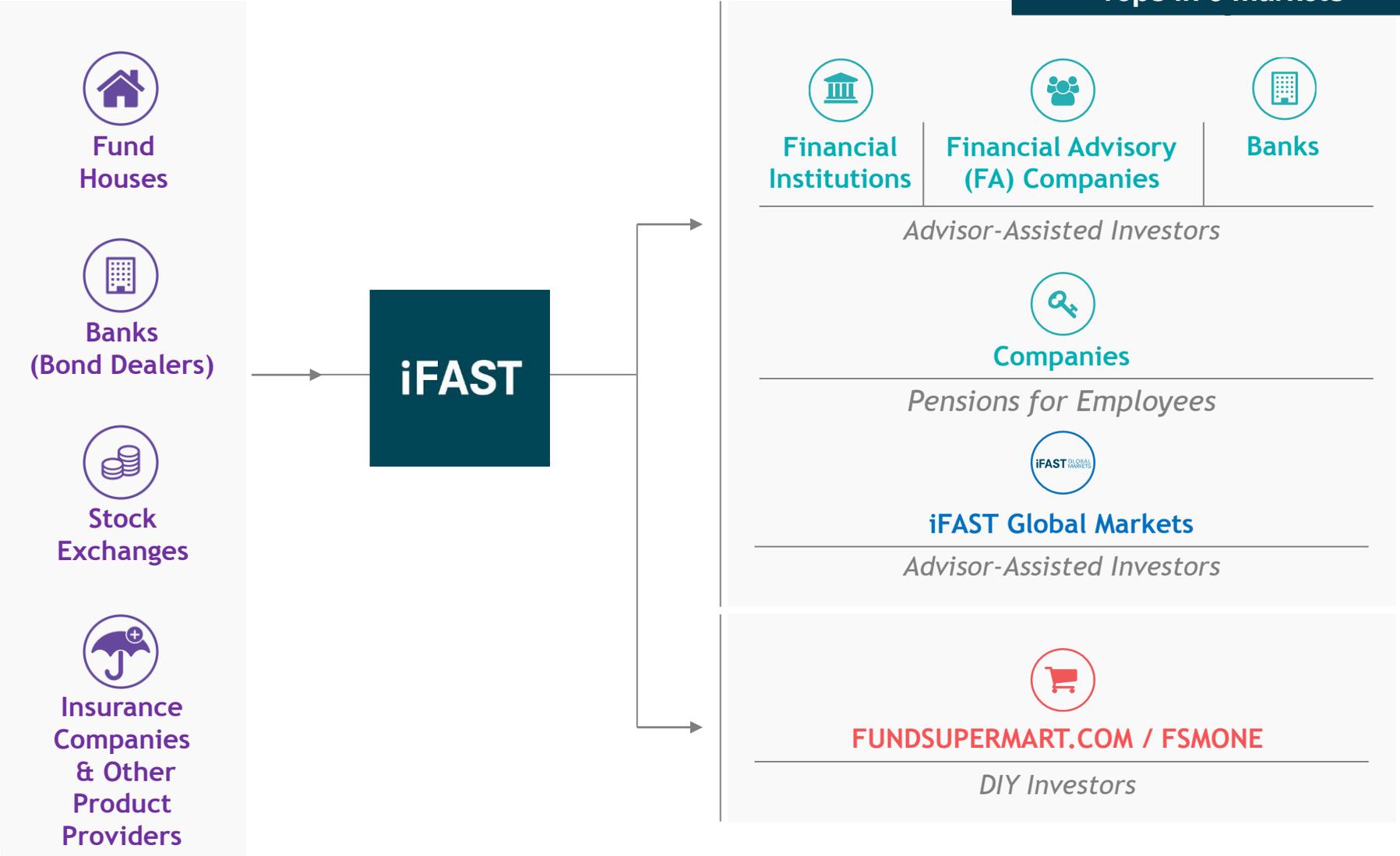
2011

- 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

2016

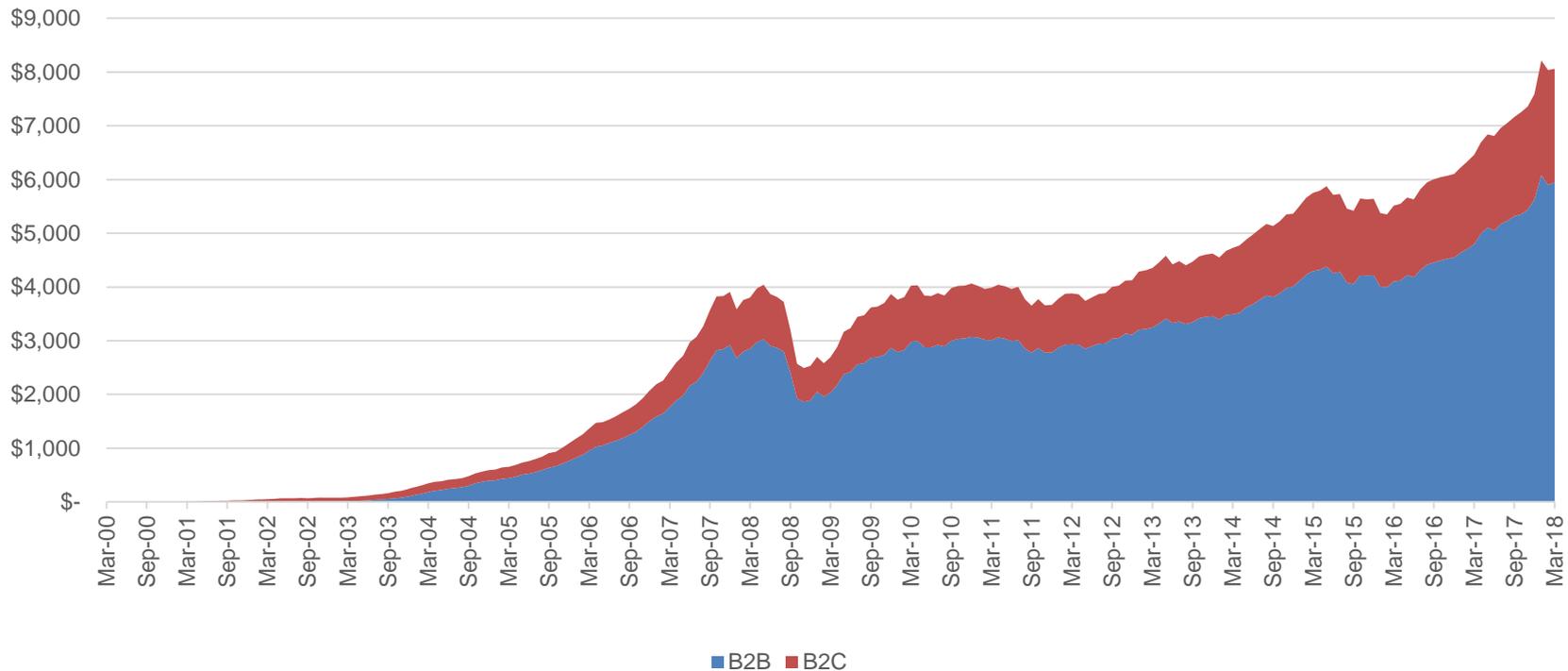
The iFAST Ecosystem

Over 260,000 end customers, 600 corporate business partners and 6,700 financial advisor reps in 5 markets



The Journey So Far – Group AUA

iFAST Group is an **Internet-based** investment products distribution platform with assets under administration (AUA) of **S\$8.07 billion** as at 31 Mar 2018.



Note:

1. The Group's AUA as at 31 Mar 2018 includes its effective 19.2% share of the India Business

Our Key Markets

- Our biggest markets are currently Singapore, Hong Kong and Malaysia
- We have profitable and growing businesses in these 3 markets
- In the last 3 years, we have focused on increasing the products and service capabilities of our platforms in these markets, to position ourselves for the future
- China is still in the initial years of our build-up phase. Our China business is currently generating losses, but we believe that the investments we are putting in currently will serve us well in the future
- We have an effective stake 19.2% in the iFAST India business, which is growing though still incurring some losses

Group AUA Trends (as at 31 March 2018)



Singapore
66.5%



Hong Kong
23.1%



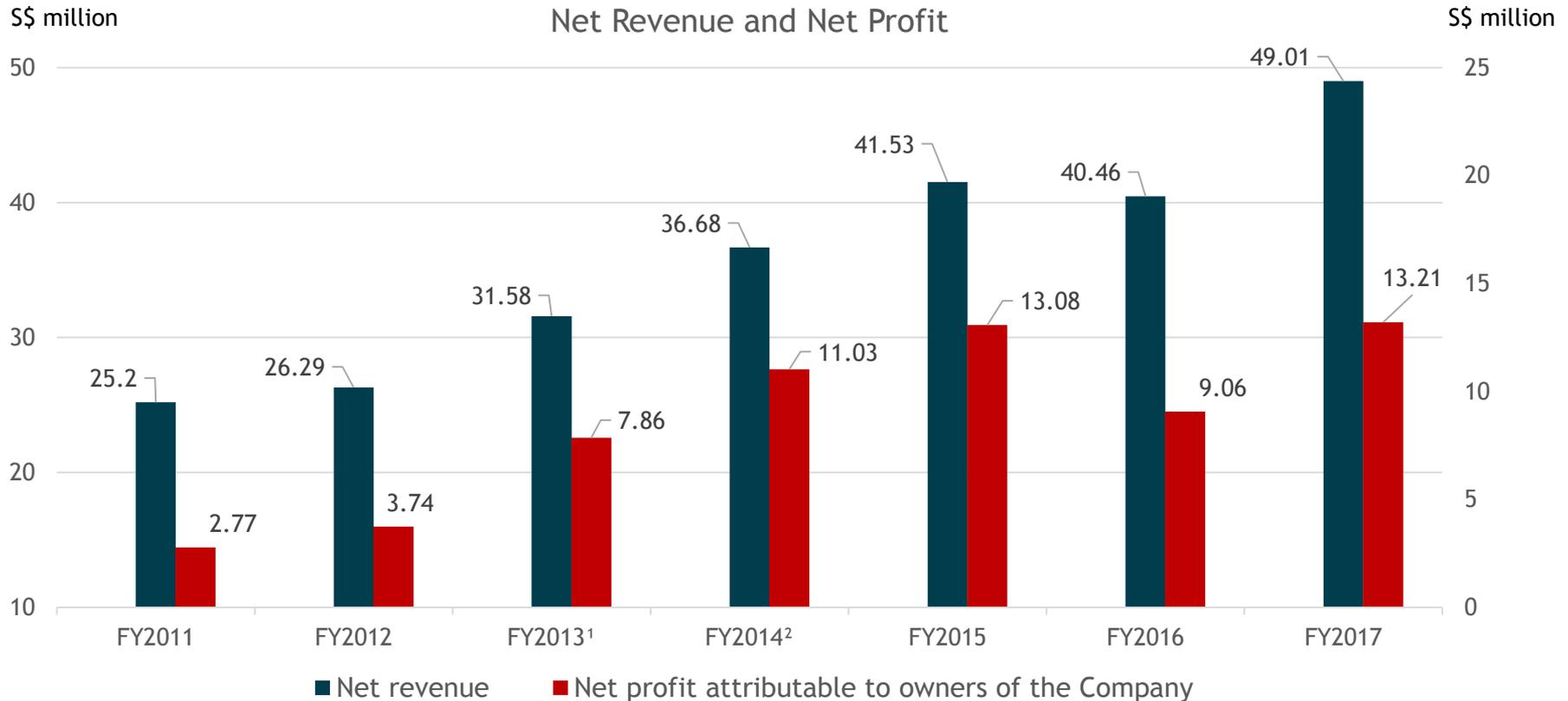
Malaysia
7.4%



Others
3.0%

- The AUA contribution from the China Business and India Business (based on the Group's effective 19.2% share of the India Business) is included in the 'Others' category
- The Group's AUA rose 24.8% YoY and 6.3% QoQ to a record S\$8.07 billion (as at 31 Mar 2018)
- Growth in AUA was across all geographical segments: Singapore's AUA increased 17.6% YoY, Hong Kong's AUA grew 32.6% YoY, while Malaysia's AUA grew 44.3% YoY
- The contribution from the Bonds / ETFs / Stocks business stood at a combined 8.1% of the Group's AUA level (as at 31 Mar 2018)

Group Net Revenue And Net Profit (Excluding China)





The Financials - 2011 to 2017

Financial Highlights (excluding China operation)

	FY2011	FY2012	FY2013 ¹	FY2014 ²	FY2015	FY2016	FY2017
Revenue (S\$ million)	61.12	56.41	69.47	78.35	85.34	79.89	100.65
Revenue (YoY change)	N.A.	-7.7%	23.2%	12.8%	8.9%	-6.4%	26.0%
Net revenue (S\$ million)	25.20	26.29	31.58	36.68	41.53	40.46	49.01
Net revenue (YoY change)	N.A.	4.3%	20.1%	16.1%	13.2%	-2.6%	21.2%
Net Profit (S\$ million)	2.77	3.74	7.86	11.03	13.08	9.06	13.21
Net Profit (YoY change)	N.A.	35.0%	110.2%	40.3%	18.6%	-30.7%	45.8%
PBT Margin (based on net revenue)	9.4%	15.0%	26.0%	31.1%	33.1%	24.3%	29.5%
EPS (cents)	1.38	1.86	3.89	5.31	5.03	3.46	5.01

Notes:

N.A. - Not Applicable

1. Excluding one-off gain of S\$0.62 million on distribution to owners of the Company in October 2013
2. Excluding IPO expenses of S\$1.95 million in December 2014
3. Excluding dividend by way of distribution in specie in October 2013

Financial Highlights (including China operation)

	FY2011	FY2012	FY2013 ¹	FY2014 ²	FY2015	FY2016	FY2017
Revenue (S\$ million)	61.12	56.41	69.47	78.35	85.34	80.60	101.17
Revenue (YoY change)	N.A.	-7.7%	23.2%	12.8%	8.9%	-5.6%	25.5%
Net revenue (S\$ million)	25.20	26.29	31.58	36.68	41.53	40.69	49.45
Net revenue (YoY change)	N.A.	4.3%	20.1%	16.1%	13.2%	-2.0%	21.5%
Net Profit (S\$ million)	2.77	3.74	7.86	10.51	12.10	5.45	9.04
Net Profit (YoY change)	N.A.	35.0%	110.2%	33.7%	15.5%	-55.0%	65.9%
PBT Margin (based on net revenue)	9.4%	15.0%	26.0%	29.6%	30.7%	15.0%	20.4%
EPS (cents)	1.38	1.86	3.89	5.06	4.65	2.08	3.43
Dividend per share (cents)	0.44	0.54	1.98 ³	5.38	2.79	2.79	3.01

Notes:

N.A. - Not Applicable

1. Excluding one-off gain of S\$0.62 million on distribution to owners of the Company in October 2013
2. Excluding IPO expenses of S\$1.95 million in December 2014
3. Excluding dividend by way of distribution in specie in October 2013

Results Overview for Group (excluding China operation)

S\$ (Million)	FY2011	FY2012	FY2013 ¹	FY2014 ²	FY2015	FY2016	FY2017
Revenue	61.12	56.41	69.47	78.35	85.34	79.89	100.65
Net revenue	25.20	26.29	31.58	36.68	41.53	40.46	49.01
Other income	0.06	0.09	0.16	0.24	1.53	1.88	2.50
Operating expenses	22.81	22.41	23.58	25.62	30.06	33.13	37.40
Net finance (expenses)/ income	-0.08	-0.03	0.03	0.10	0.75	0.82	0.72
Share of results of associates, net of tax	-	-	-	-0.01	-0.02	-0.16	-0.33
Profit before tax	2.37	3.94	8.20	11.39	13.73	9.82	14.47
Profit after tax	2.12	3.26	7.62	11.00	13.08	9.06	13.21
Net profit attributable to owners of the Company	2.77	3.74	7.86	11.03	13.08	9.06	13.21
EPS (cents)	1.38	1.86	3.89	5.31	5.03	3.46	5.01

Notes:

1. Excluding one-off gain of S\$0.62 million on distribution to owners of the Company in October 2013
2. Excluding IPO expenses of S\$1.95 million in December 2014
3. Excluding dividend by way of distribution in specie in October 2013

Results Overview for Group (including China operation)

S\$ (Million)	FY2011	FY2012	FY2013 ¹	FY2014 ²	FY2015	FY2016	FY2017
Revenue	61.12	56.41	69.47	78.35	85.34	80.60	101.17
Net revenue	25.20	26.29	31.58	36.68	41.53	40.69	49.45
Other income	0.06	0.09	0.16	0.24	1.53	1.88	2.50
Operating expenses	22.81	22.41	23.58	26.14	31.08	37.16	42.28
Net finance (expenses)/ income	-0.08	-0.03	0.03	0.10	0.80	0.84	0.74
Share of results of associates, net of tax	-	-	-	-0.01	-0.02	-0.16	-0.33
Profit before tax	2.37	3.94	8.20	10.87	12.75	6.09	10.09
Profit after tax	2.12	3.26	7.62	10.48	12.10	5.33	8.83
Net profit attributable to owners of the Company	2.77	3.74	7.86	10.51	12.10	5.45	9.04
EPS (cents)	1.38	1.86	3.89	5.06	4.65	2.08	3.43
Dividend per share (cents)	0.44	0.54	1.98 ³	5.38	2.79	2.79	3.01

Notes:

1. Excluding one-off gain of S\$0.62 million on distribution to owners of the Company in October 2013
2. Excluding IPO expenses of S\$1.95 million in December 2014
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Profit/Loss - Geographical Segment

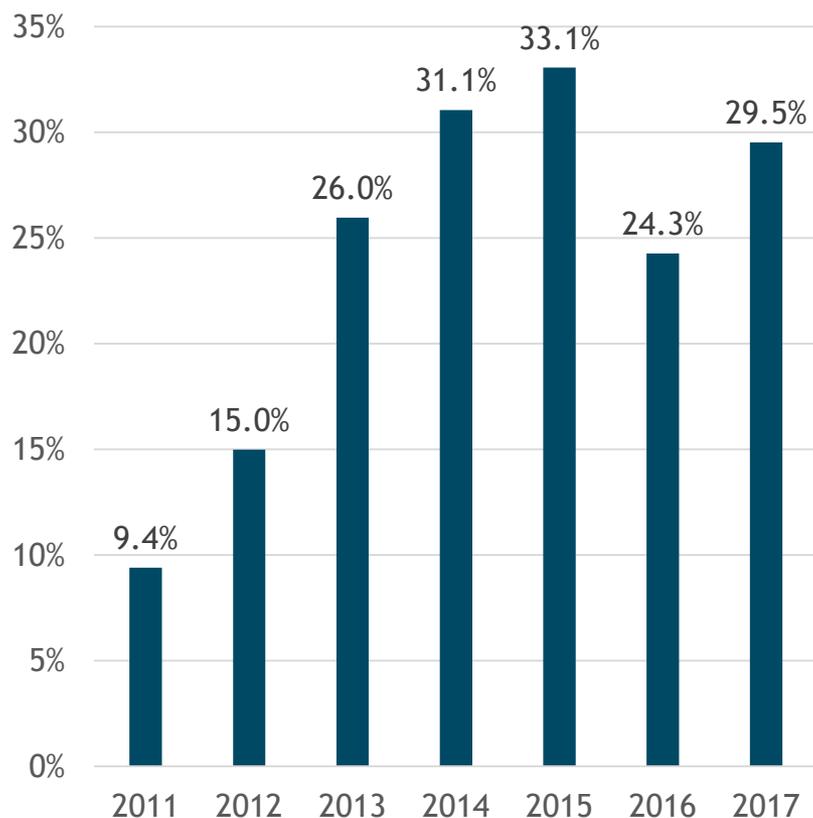
Profit/Loss (S\$ Million)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Singapore	6.10	6.54	8.39 ¹	9.37 ²	11.82	9.07	11.91
Hong Kong	(1.97)	(1.19)	0.40	2.10	1.65	0.53	1.82
Malaysia	(1.11) ⁴	(0.92) ⁴	(0.36) ⁴	(0.04) ⁴	0.28	0.38	1.07
Others ³	-	-	-	(0.01)	(0.02)	(0.16)	(0.33)
Profit before tax (excluding China operation)	3.02 ⁴	4.43 ⁴	8.43 ⁴	11.42 ⁴	13.73	9.82	14.47
Tax expense	(0.25)	(0.69)	(0.57)	(0.39)	(0.65)	(0.76)	(1.26)
Net profit after tax (excluding China operation)	2.77	3.74	7.86	11.03	13.08	9.06	13.21
China operation	-	-	-	(0.52)	(0.98)	(3.61)	(4.17)
Net profit (including China operation)	2.77	3.74	7.86	10.51	12.10	5.45	9.04

Notes:

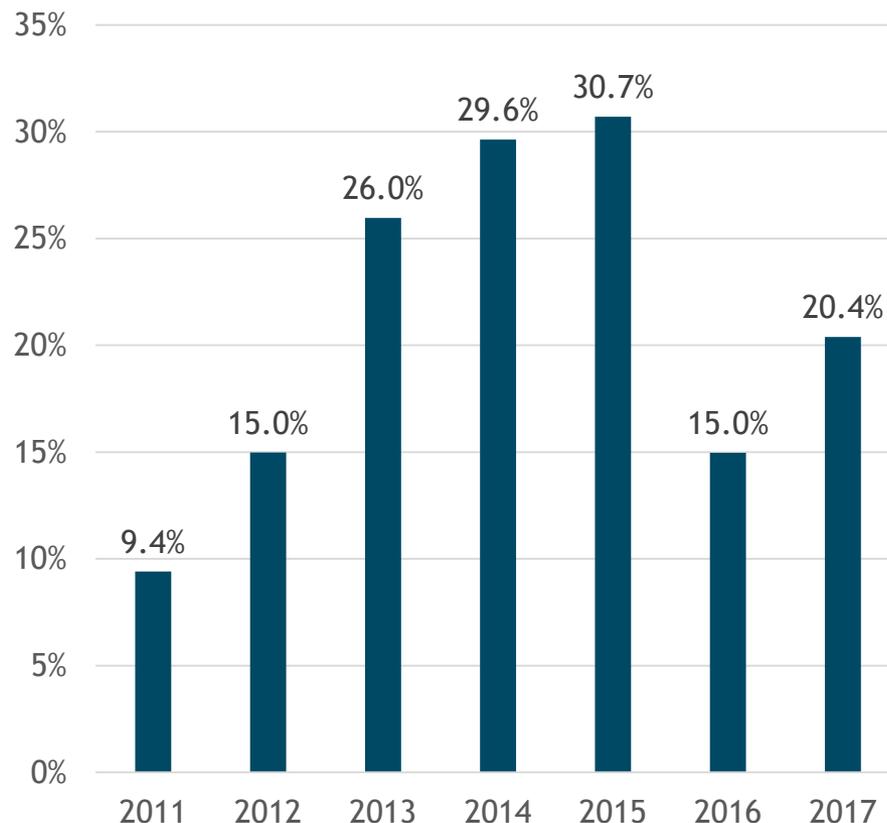
1. Excluding a one-off gain of S\$0.62 million on distribution to owners of the Company in October 2013
2. Excluding IPO expenses of S\$1.95 million in December 2014
3. Representing share of results of associates
4. Excluding shares of non-controlling interest in FY2011 to FY2014

PBT margin for Group (based on net revenue)

(excluding China operation)



(including China operation)



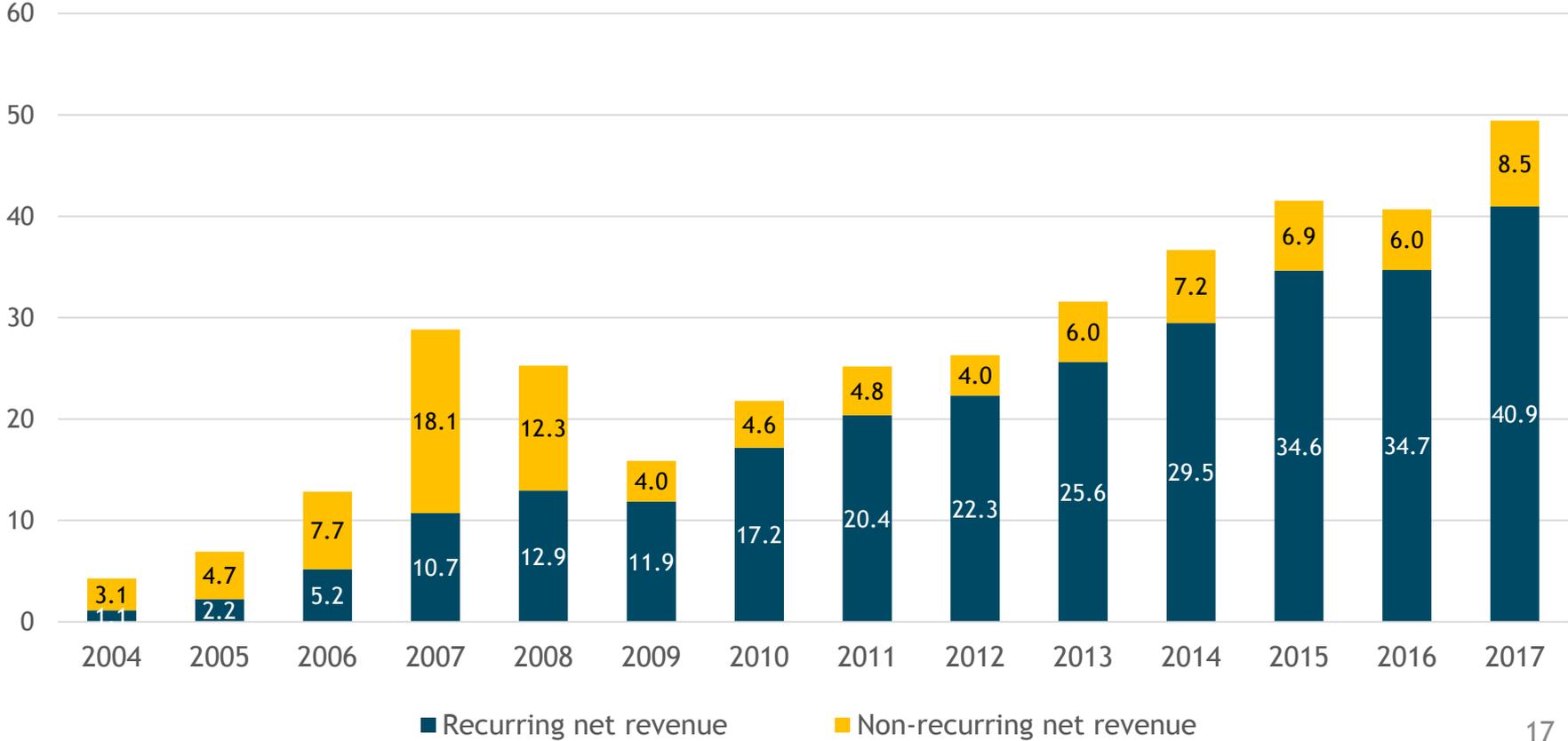
Notes:

1. PBT margins (2013) exclude one-off gain of S\$0.62 million on distribution to owners of the Company in Oct 2013
2. PBT margins (2014) exclude IPO expenses of S\$1.95 million in Dec 2014

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 2012 to 2017 was 83.0%

S\$ million



Recurring and Non-Recurring Net Revenue

S\$ (Million)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Recurring net revenue	20.38	22.34	25.62	29.48	34.64	34.71	40.95
Non-recurring net revenue	4.82	3.95	5.96	7.20	6.89	5.98	8.50
Total net revenue	25.20	26.29	31.58	36.68	41.53	40.69	49.45
YoY Change (%)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Recurring net revenue	N.A.	+9.6	+14.7	+15.1	+17.5	+0.2	+18.0
Non-recurring net revenue	N.A.	-18.0	+50.9	+20.8	-4.4	-13.2	+42.2
Total net revenue	N.A.	+4.3	+20.1	+16.1	+13.2	-2.0	+21.5

Note:

1. N.A. denotes Not Applicable

Net Revenue - Geographical Segment

S\$ (Million)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Singapore	21.15	21.33	24.10	25.72	30.04	29.54	34.77
Hong Kong	3.65	4.39	6.50	9.48	9.55	8.66	10.78
Malaysia	0.40	0.57	0.98	1.48	1.94	2.26	3.47
China	-	-	-	-	-	0.23	0.43
Group	25.20	26.29	31.58	36.68	41.53	40.69	49.45
YoY Change (%)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Singapore	N.A.	+0.9	+13.0	+6.7	+16.8	-1.7	+17.7
Hong Kong	N.A.	+20.3	+48.1	+45.8	+0.7	-9.4	+24.5
Malaysia	N.A.	+42.5	+71.9	+50.5	+31.1	+16.7	+53.5
China	-	-	-	-	-	NM	+83.4
Group	N.A.	+4.3	+20.1	+16.1	+13.2	-2.0	+21.5

Note:

1. N.A. denotes Not Applicable
2. NM denotes Not Meaningful



The Vision

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Wealth Management Fintech Trends

- We believe that the wealth management industry will increasingly become dependent on Fintech capabilities for future growth
- The future direction of the industry will increasingly be shaped by:
 - The Power of the Internet which empowers consumers
 - Evolving regulations that emphasizes transparencies
- Two trends which will increasingly be felt in the years ahead are:
 - Convergence
 - Cross border Fintech opportunities

Convergence

- Life insurance industry, unit trust industry and stockbroking industry are all aiming to serve the investments and long term savings needs of the consumers
- These are however generally seen as different industries for historical reasons.
- We believe that the evolution of Fintech capabilities and evolving global regulatory trends will lead to Convergence - increasing integration of the products and services of the three industries
- Companies that can properly harness the power of the Fintech will be able to serve the consumers better, and have far more competitive business models
- For instance, iFAST's ability to offer the most competitive stockbroking dealing commission through FSMOne (\$10 flat per transaction)

Cross Border Fintech Opportunities

- The Internet has led to the emergence of many global business models
- Financial services has lagged behind, and businesses tend to be still demarcated based on countries.
 - Mainly due to differences in regulations and compliance requirements
- However, the power of the Internet will increasingly be breaking down the geographical barriers
- Many regulators globally are also introducing various regulatory changes and initiatives
- Big opportunities for forward-looking Fintech companies that understand how to tap into the increasing cross border opportunities

Future Outlook

- The Group believes that the efforts over the last 2 to 3 years to broaden the range of products and services are showing some initial results
- The Group now runs a comprehensive wealth management platform that will help bring the Group's AUA and overall business volume to the next level in the years ahead
- Barring a major deterioration of the financial markets, the Group expects the operations in the existing key markets of Singapore, Hong Kong and Malaysia to show further improvement in 2018
- China is still in its initial stages of building up, and losses in 2018 are expected to be comparable to 2017. In the years ahead, we expect China to be an important contributor to the Group
- The Group expects the dividend per share for FY2018 to be higher than FY2017.

Future Outlook

- The Group believes that in the medium to long term, there is still a lot of room for growth as the current AUA is still a small amount relative to the size of the wealth management industry in Singapore and Asia
- Going forward, with the new range of services and capabilities launched across the various markets, the Group will continue to focus on gaining scale as a platform, while also ensuring continuing improvements in the service offerings
- We will also keep a look out for emerging opportunities in the Fintech world as various regulators continue to introduce new regulatory initiatives

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