



2Q18 Financial Results

22 August 2018

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#1 online consumer finance marketplace in China

Marketplace business model

Driving scalability in the long run

11-year operating history

Consistent strategy and continuous innovation

Technology driven

99% of loans processed automatically⁽¹⁾

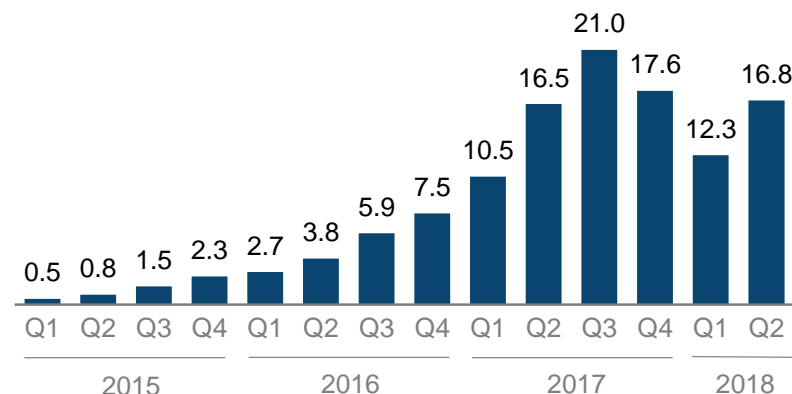
Large user base

78mn registered users⁽²⁾/12.4mn borrowers⁽³⁾

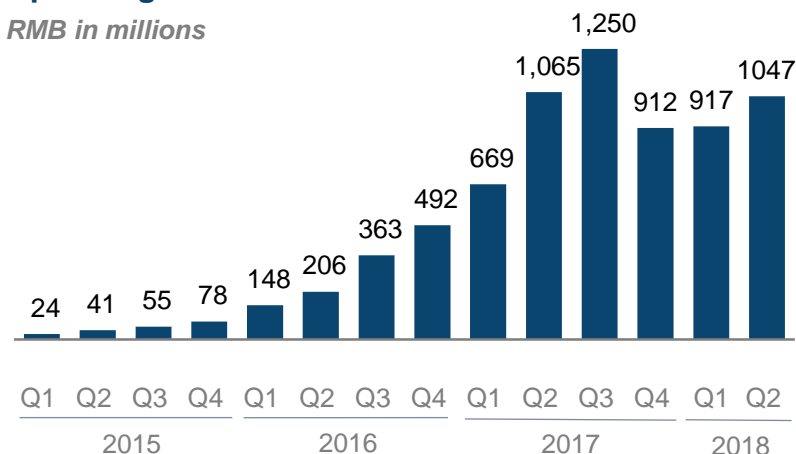
Consistent growth

1.6% y-o-y loan volume growth⁽⁴⁾

Loan origination volume
RMB in billions



Operating revenues
RMB in millions



Note: Rank No.1 among China's online consumer finance marketplaces in terms of number of borrowers as of December 31, 2016 and June 30, 2017.

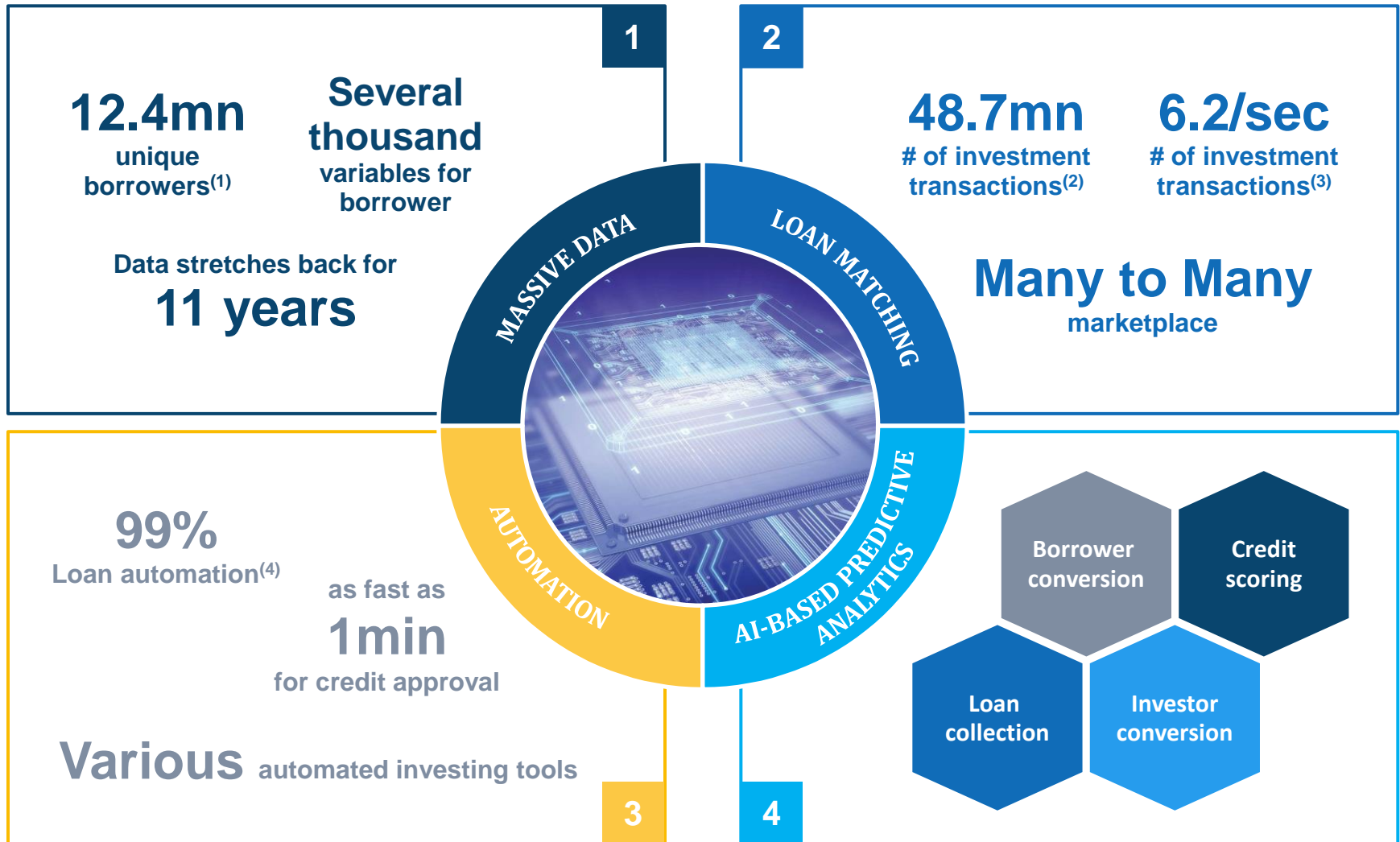
(1) Represents the % of loan applications on the marketplace that go through the automated process. Data for the three months ended June 30, 2018.

(2) As of June 30, 2018.

(3) On a cumulative basis, as of June 30, 2018.

(4) Total origination amount of loans facilitated through our marketplace was RMB16.8bn in the three months ended June 30, 2018, 1.6% growth from RMB16.5bn in the three months ended June 30, 2017.

Automation powered by big data and proprietary technologies



- (1) On a cumulative basis, data as of June 30, 2018.
(2) Data for the three months ended June 30, 2018.
(3) Data for the three months ended June 30, 2018. Calculated by: (i) number of investment transactions, divided by (ii) number of seconds during the period.
(4) Represents the % of loan applications on the marketplace that go through the automated process. Data for the three months ended June 30, 2018.

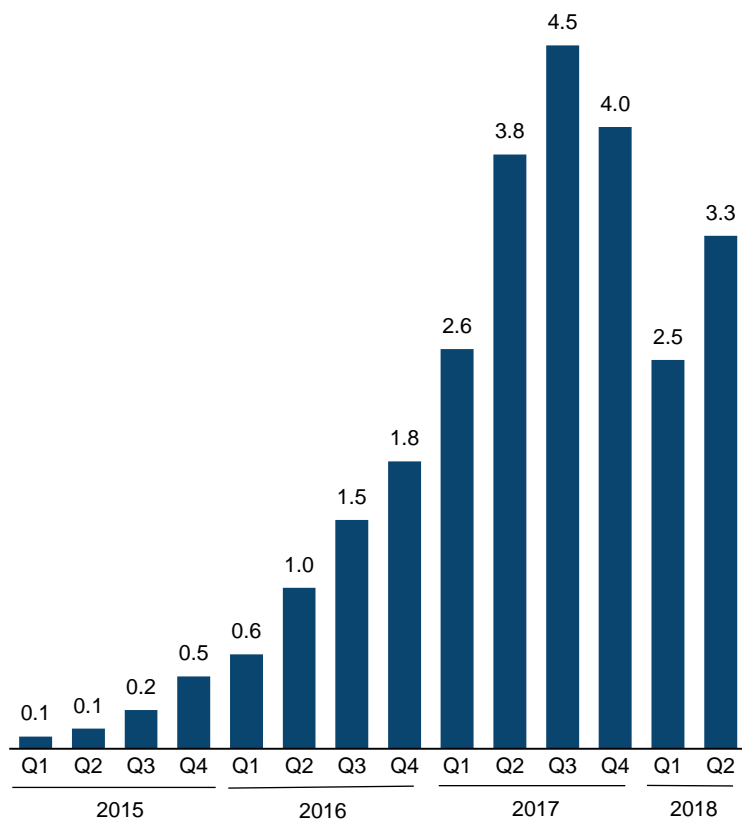
Financials



Solid borrower growth fuels transactions and loan volume

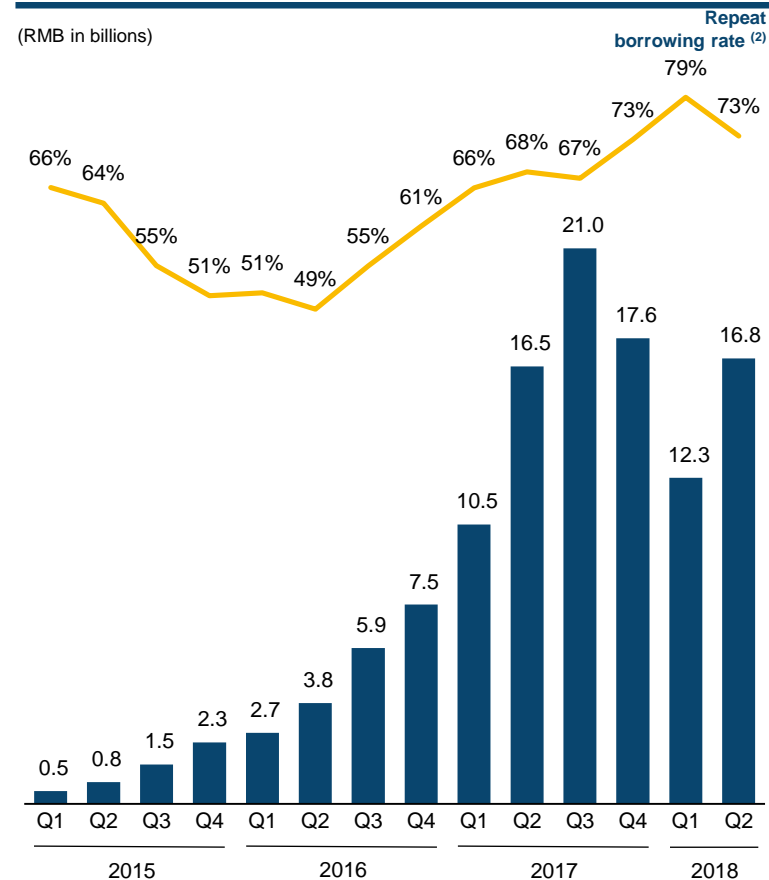
Number of unique borrowers⁽¹⁾

(Millions)



Loan origination volume

(RMB in billions)

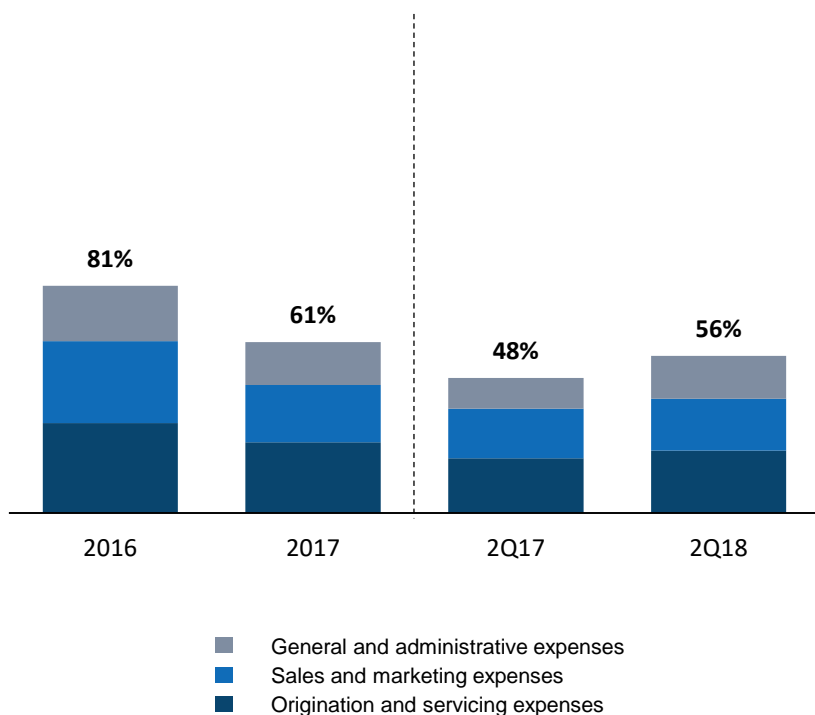


(1) Represents number of borrowers whose loans were funded during each period presented.

(2) % of loan volume generated by repeat borrowers. Repeat borrowers are borrowers who have successfully borrowed on our platform before.

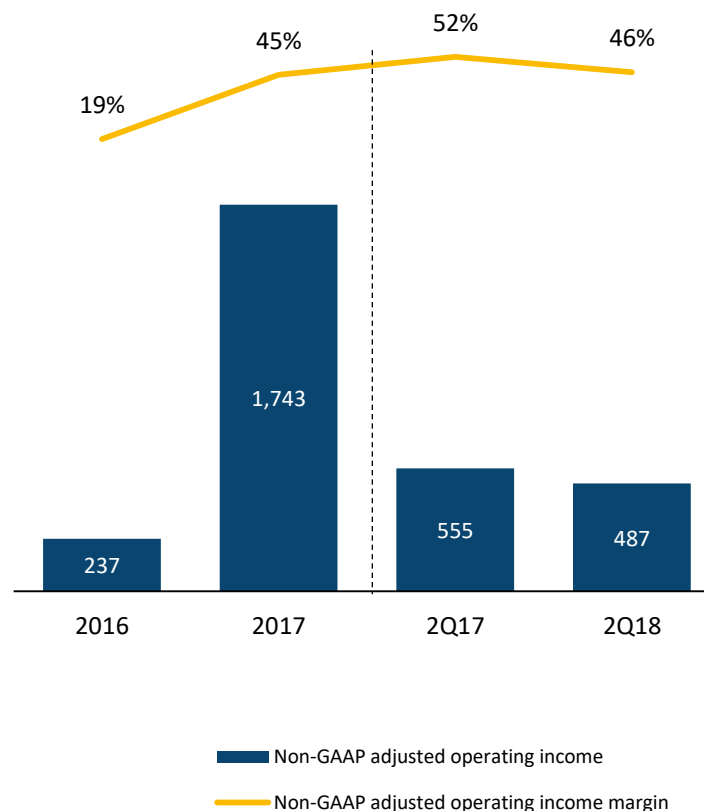
High operating leverage driving profitability

Operating expenses as percentage of net revenue



Non-GAAP adjusted operating income⁽¹⁾

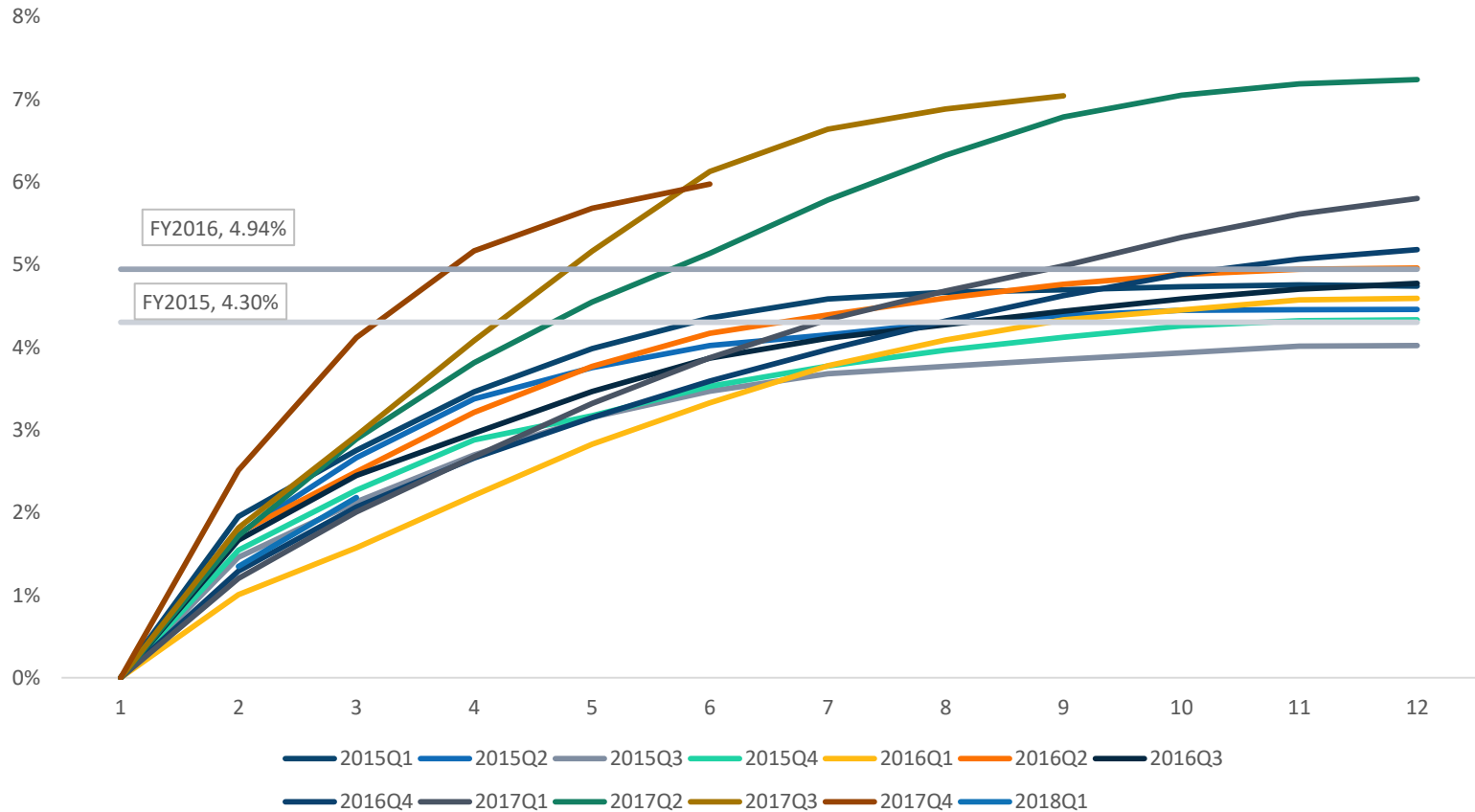
(RMB in millions)



(1) Non GAAP adjusted operating income for FY2017, which excludes share-based compensation expenses of RMB106.2 and a one time provision of RMB107.7 for expected discretionary payments to investors in investment programs protected by the Company's investor reserve funds.

Cumulative delinquency rates by vintage

Delinquency rate by vintage⁽¹⁾



Note: Data as of June 30, 2018. Represents the historical cumulative 30-day plus past due delinquency rates by loan origination vintage for all continuing loan products.
 (1) Vintage is defined as loans facilitated during a specified time period. Delinquency rate by vintage is defined as (i) the total amount of principal for all loans in a vintage that become delinquent, less (ii) the total amount of recovered past due principal for all loans in the same vintage, and divided by (iii) the total amount of initial principal for all loans in such vintage.

Delinquency rate by balance⁽¹⁾

	Delinquent for			
	15–29 days	30–59 days	60–89 days	90–179 days
March 31, 2015	0.79%	1.75%	1.10%	2.56%
June 30, 2015	0.88%	1.06%	0.67%	2.10%
September 30, 2015	0.67%	0.89%	0.61%	1.33%
December 31, 2015	0.80%	0.93%	0.51%	1.20%
March 31, 2016	0.62%	0.93%	0.72%	1.41%
June 30, 2016	0.82%	1.01%	0.63%	1.34%
September 30, 2016	0.83%	1.11%	0.80%	1.50%
December 31, 2016	0.63%	0.91%	0.75%	2.04%
March 31, 2017	0.57%	0.95%	0.79%	1.64%
June 30, 2017	0.86%	1.11%	0.79%	1.58%
September 30, 2017	0.89%	1.40%	1.15%	2.41%
December 31, 2017	2.27%	2.21%	1.72%	4.19%
March 31, 2018	0.87%	2.11%	2.43%	8.01%
June 30, 2018	0.83%	1.21%	1.05%	4.61%

(1) Delinquency rate by balance is defined as the balance of outstanding principal for loans that were 15-29, 30-59, 60-89, 90-179 calendar days past due as of the date indicated as a percentage of the total outstanding principal for loans, excluding those at 180+ days delinquent, as of the same date.

Income statement summary

RMB million	FY2016	FY2017	2Q2017	2Q2018	1H2017	1H2018
Operating revenues	1,209	3,896	1,065	1,047	1,733	1,964
Loan facilitation service fees	911	2,843	811	753	1,316	1,374
Post-facilitation service fees	127	669	156	206	242	433
Other revenue	170	491	98	88	176	157
Expected discretionary payment to IRF investors	-	(108)	-	-	-	-
Net revenues	1,216	3,881	1,066	1,060	1,735	2,004
% YoY growth	521%	219%	415%	(1%)	393%	16%
Operating expenses	(979)	(2,351)	(511)	(591)	(898)	(1,134)
Origination and servicing expenses	(388)	(974)	(207)	(235)	(380)	(482)
Sales and marketing expenses	(353)	(788)	(187)	(194)	(324)	(345)
General and administrative expenses	(238)	(589)	(117)	(162)	(194)	(307)
Operating income⁽¹⁾	237	1,529	555	470	837	869
Operating income margin ⁽²⁾	19%	39%	52%	44%	48%	43%
Other income ⁽³⁾	313	(172)	193	297	402	429
Profit/(Loss) before income tax expenses	550	1,358	749	766	1,239	1,298
Net income/(loss)	502	1,083	632	608	1,049	1,045
Net income/(loss) margin ⁽⁴⁾	41%	28%	59%	57%	60%	52%

(1) Operating income = net revenues – total operating expenses.

(2) Operating income margin = (net revenues – operating expenses) divided by net revenues

(3) Other income includes (i) Gain from quality assurance fund, (ii) Realized gain from financial guarantee derivatives, (iii) Fair value change of financial guarantee derivatives, (iv) Gain from disposal of a subsidiary, and (v) Other income/(expenses), net.

(4) Net income/(loss) divided by net revenues.

Selected balance sheet items

RMB million	As of Dec 31, 2016	As of Dec 31, 2017	As of June 30, 2018
Cash and cash equivalents	405	1,891	2,485
Restricted cash:	803	2,393	2,362
<i>Quality assurance fund</i>	330	1,059	1,565
<i>Investor reserve fund</i>	52	175	28
<i>Cash received from investors or borrowers</i>	422	1,114	689
Short-term investments	260	1,959	1,441
Quality assurance fund receivable	287	1,153	2,043
Financial guarantee derivative	167	-	52
Total assets	2,147	8,604	10,178
Payable to platform customers	422	1,114	689
Quality assurance fund payable	474	2,063	3,249
Financial guarantee derivative	-	216	-
Total liabilities	1,375	4,921	5,348
Total mezzanine equity	1,211	-	-
Total shareholders' equity	(438)	3,682	4,830