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China Rapid Finance



Management Presentation

May 31 2017

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Technology Innovator in Consumer Credit



Dr. Zane Wang
Founder, CEO &
Chairman

Sears Credit

PhD in Statistics

16 Years at CRF



Kerry Shen
Chief Financial
Officer

PwC

Arthur Andersen

4 Years at CRF



Joseph Wang
Chief Strategy Officer

Ping An Group, Strategy

McKinsey - FIG

3 Years at CRF

Our Mission

*Use Technology to Fulfill the
Lifetime Consumer Credit Needs
of China's Emerging Middle Class*



China Rapid Finance At a Glance

✓ We **choose** our borrowers

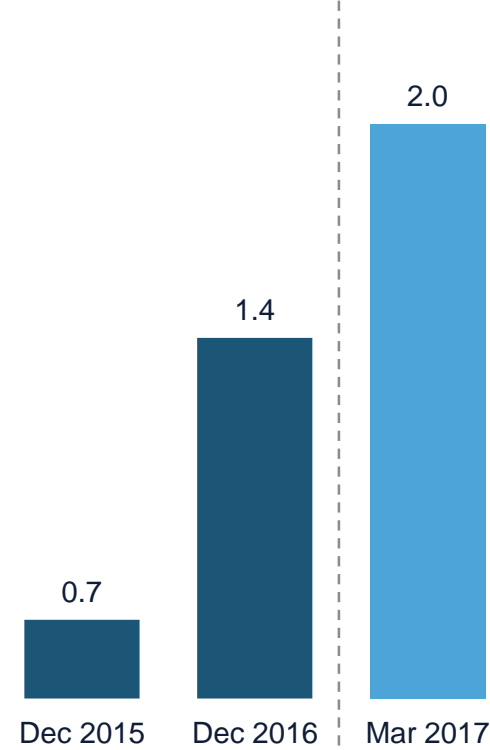
✓ We build **long-term** customer relationships by offering **affordable credit**

✓ We operate a **service model** matching consumer borrowers with diversified set of sophisticated investors

✓ Experience in China credit analytics over **16 years**

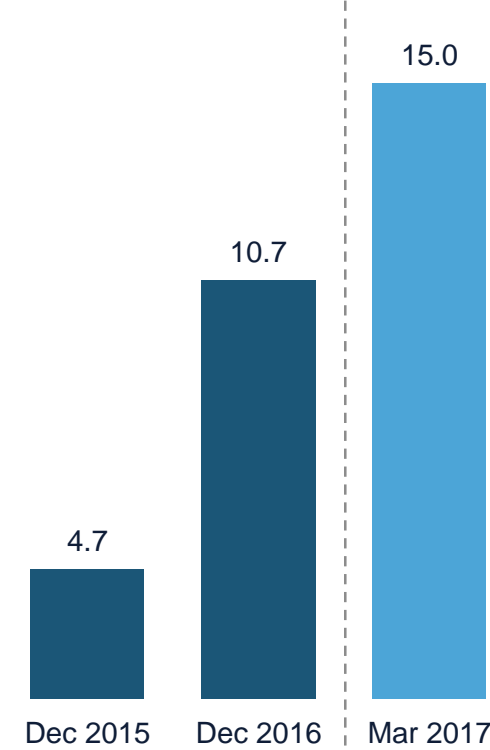
Cum. # of Borrowers¹

MM



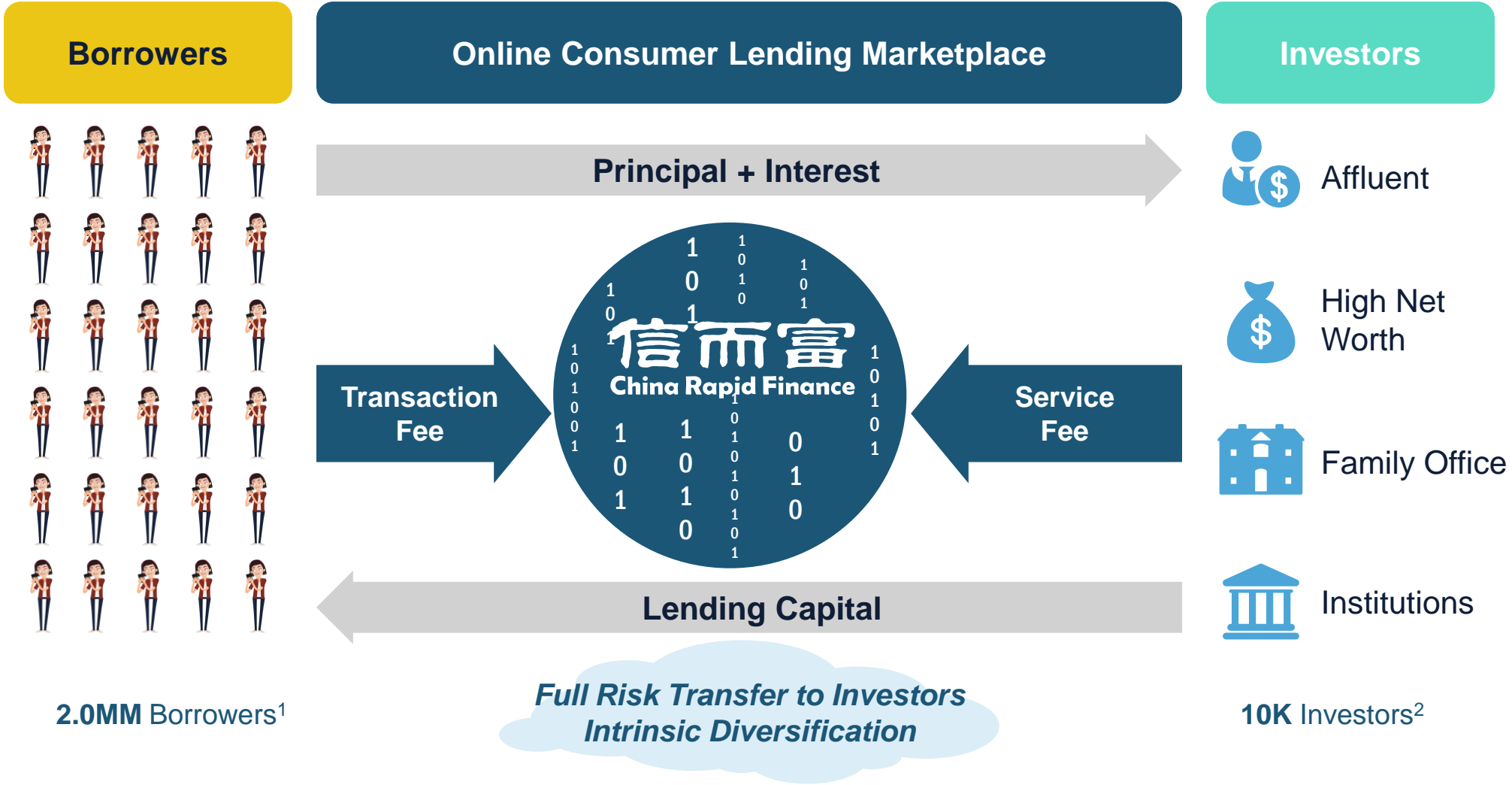
Cum. # of Loans¹

MM



Note:1. Represents the cumulative number of borrowers and loans facilitated on our platform since inception as of each date presented

Our Service Model



Note: 1. Cumulative borrowers as of March 31, 2017
2. Active investors as of March 31, 2016

Our Borrowers

Quality EMMAs with High Lifetime Value




Emerging Middle-class Mobile Active consumer

Characteristics

-  Quality career
-  Growing spending
-  Credit demand



Issues

-  No credit history
-  No access to bank credit
-  Price sensitive

Stickness

73% Repeat ¹

Targeted

Prime / Near prime

Affordable

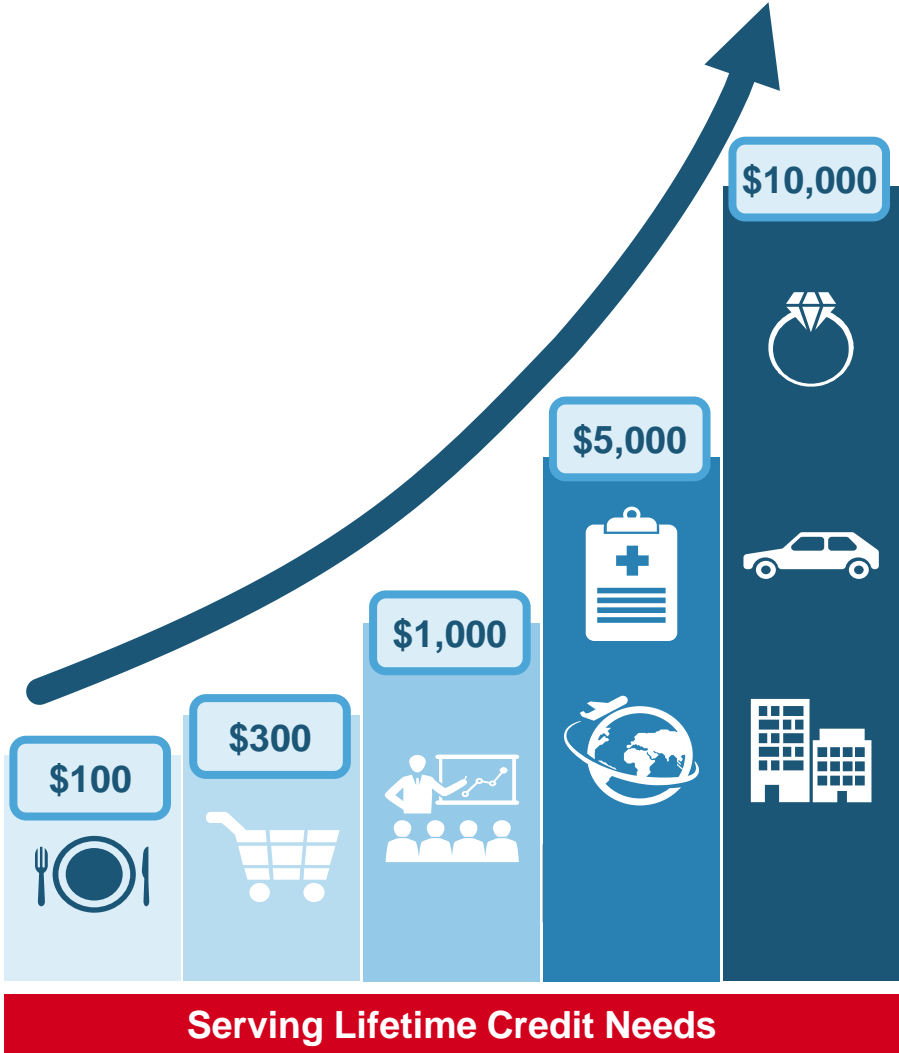
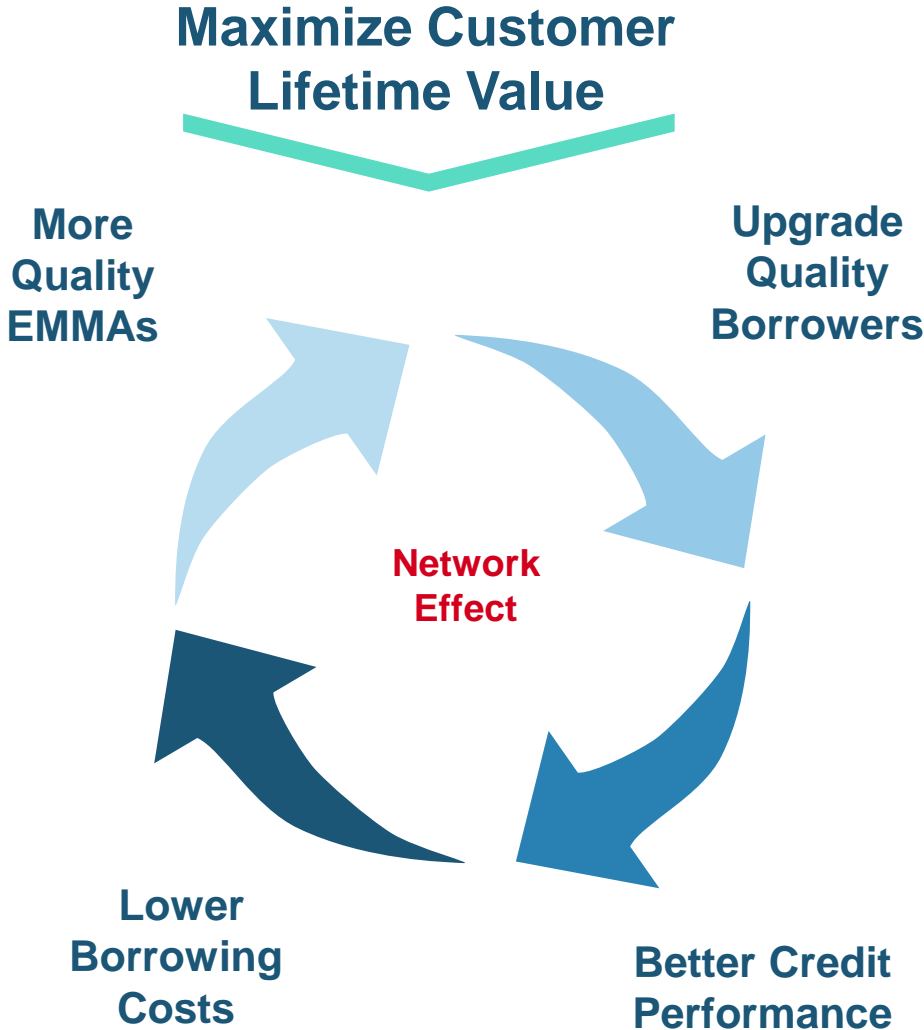
In Line with Prime
Credit Card

Responsive

10x Borrowing Per Year²

Notes: 1. The number of borrowers who borrowed more than once on CRF since our inception divided by the number of borrowers on CRF since our inception as measured as of March 31, 2017
2. Based on the cohort of first-time consumption loan borrowers from the fourth quarter of 2015

Differentiated “Low and Grow” Business Strategy



Components of Our Business Built Over 16 Years

Building Credit Score and Decisioning System

Testing EMMA's Credit Behavior

Acquiring Borrowers at Large Scale

2001

Credit analytics for large Chinese banks; decisioning engine helped banks issue

100MM+ credit cards

2010

Launched lending marketplace

2014

Launched mobile-based consumption loans



Investment Highlights

1 Massive Underserved Opportunity in China Consumer Credit Market

2 A Leading Online Consumer Lending Marketplace

3 “White-Listing” Quality Borrowers via Multiple Data Partners

4 “Low and Grow”: Valuable Long-Term Customer Relationships with Repeat Borrowings

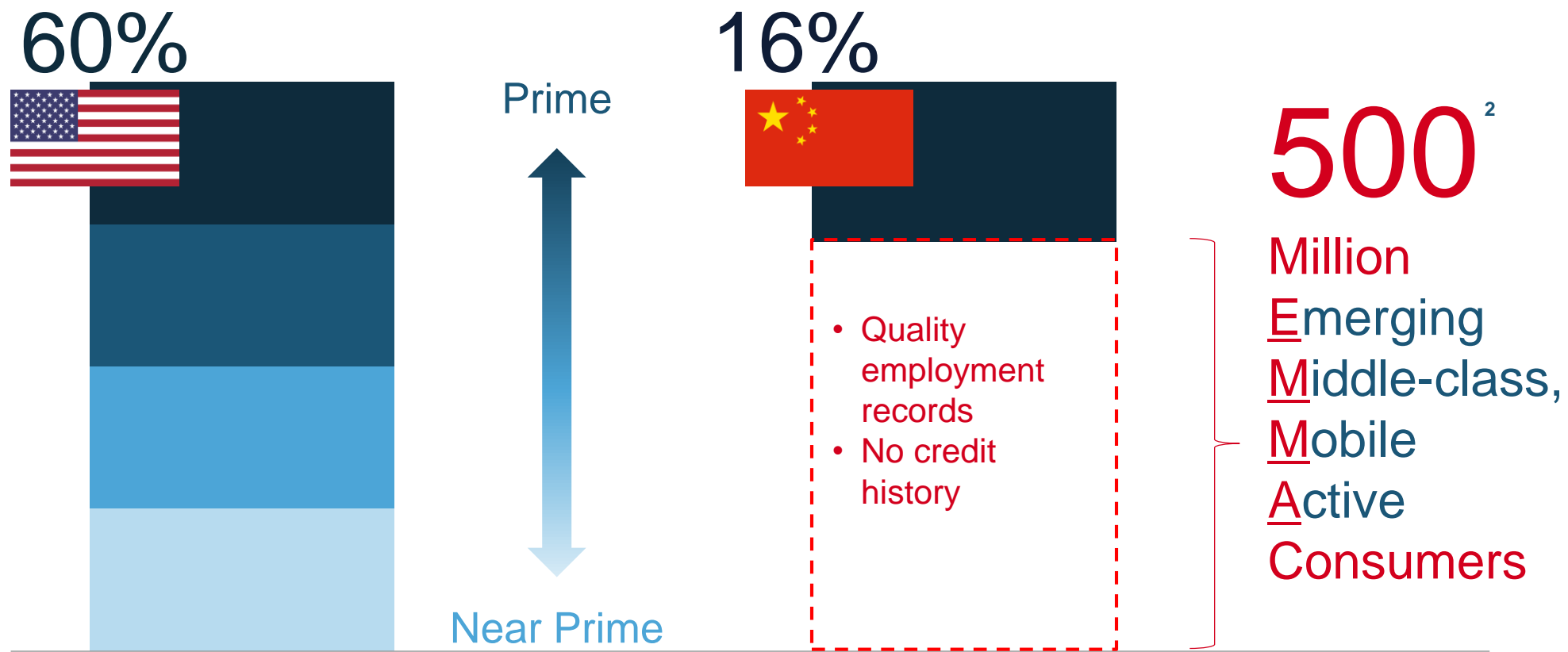
5 Proprietary Technology

6 Sophisticated and Diversified Investor Base

7 Experienced Board and Advisor Team

1 Tapping into 500MM Underserved “EMMA”s

% of Adult Population with Credit Cards¹



Notes: 1. Source: The World Bank Global Findex Database
2. As of the end of 2015, according to PBOC

2

A Leading Online Consumer Lending Marketplace: Building Loyal Customers



Notes: 1. Number of borrowers and loans as of March 31, 2017. Number of investors as of December 31, 2016

2. Based on the cohort of first-time consumption loan borrowers from the fourth quarter of 2015

3

“White-Listing” Quality Borrowers



Predictive Selection Technology to assess the creditworthiness



Whitelist Approach only allows pre-approved borrowers

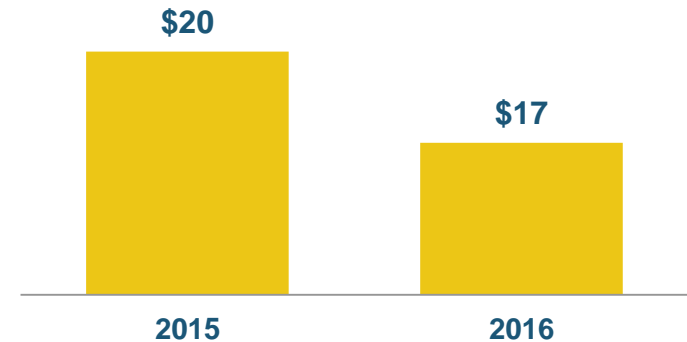


Create **Credit Score** based on alternative sources of data



Continuously Refine credit assessment technology to adapt to new data

Low Customer Acquisition Cost¹



Quality EMMAs

2%

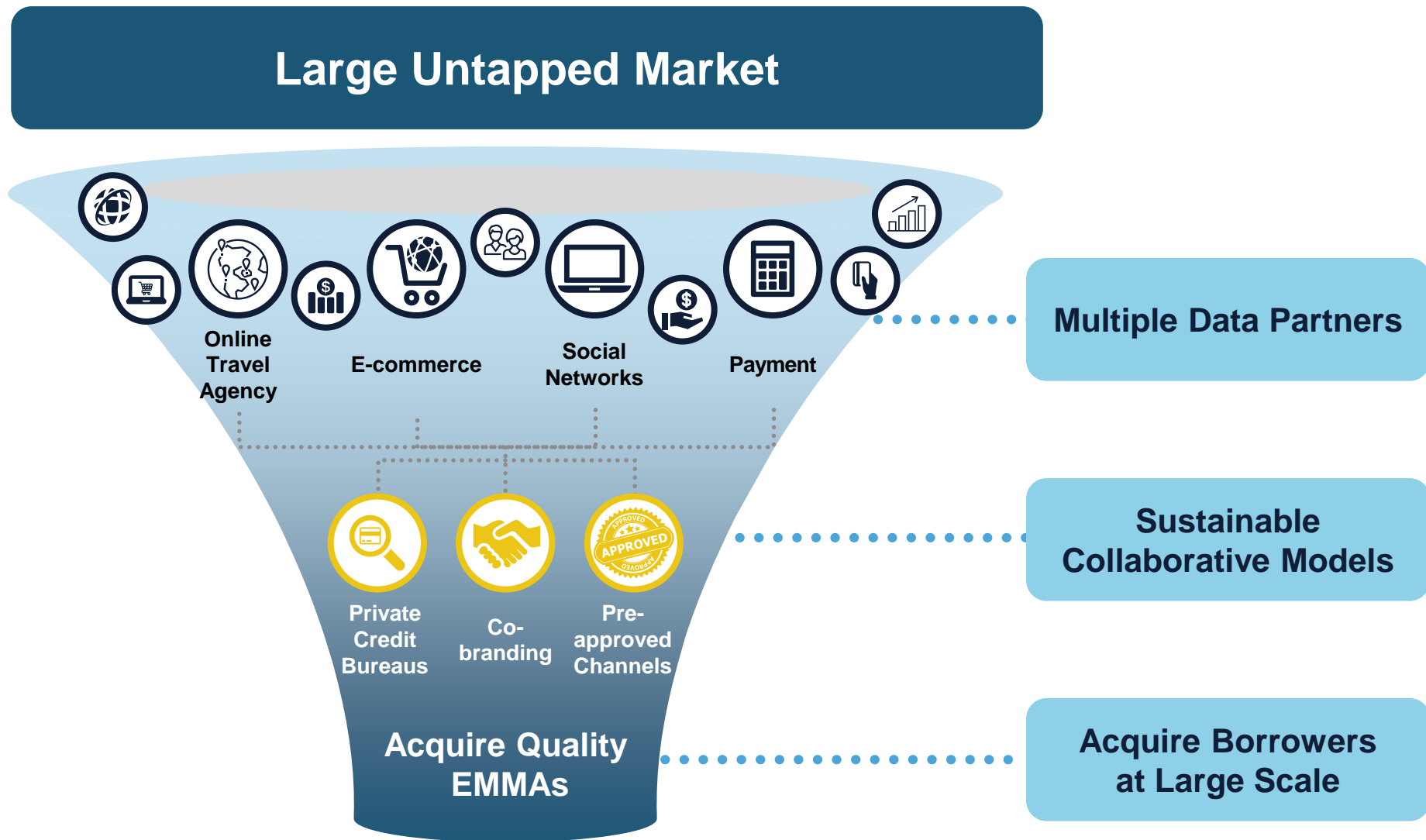
Default Rate for Consumption Loan²

Notes: 1. Customer acquisition cost for predictive selection technology. The customer acquisition incentive is applicable to consumption loans only

2. For the year ended Dec 31, 2016. Default rate defined as any loan principal that remains delinquent for more than 90 days as a percent of total loans originated (net of consumption loans issued that could not result in such delinquency)

3

Expansive Customer Reach through Multiple Data Partners



4 Attract Quality Borrowers with Affordable Credit

Who Is EMMA ¹

- > 23 to 29 years old
- > Well educated
- > Works in private sector
- > Price-sensitive



Why They Borrow

- > Shopping
- > Entertainment
- > Daily Supplies
- > Phone / Internet bills

RMB500



RMB4



RMB5-10



RMB509-514

Principal

Loan Size of
1st Loan for 14 days

Interest

21% p.a.

Transaction Fee

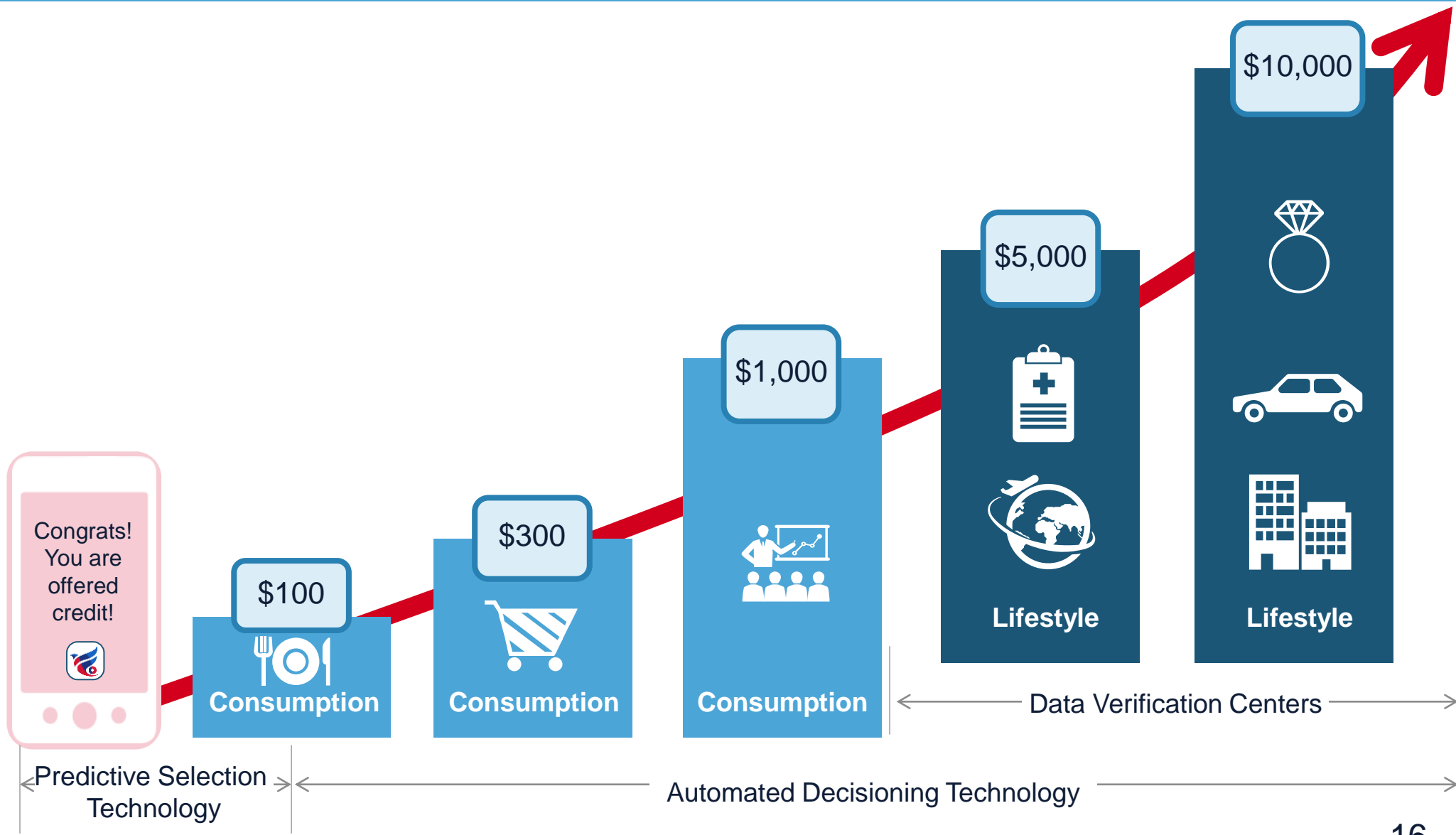
1-2% of loan principal

Repayment

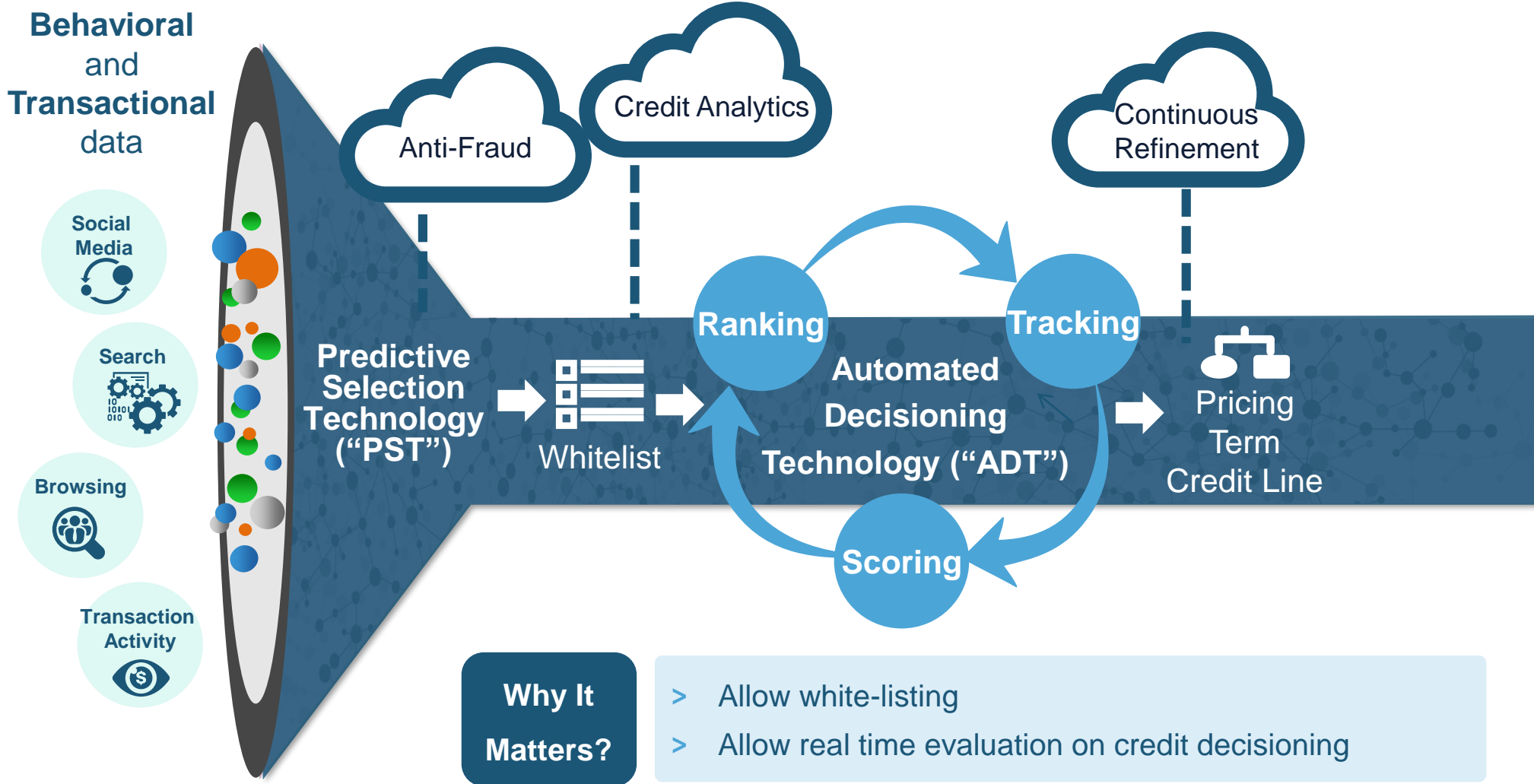
in 14 days

4

“Low and Grow”: Long-Term Customer Relationships

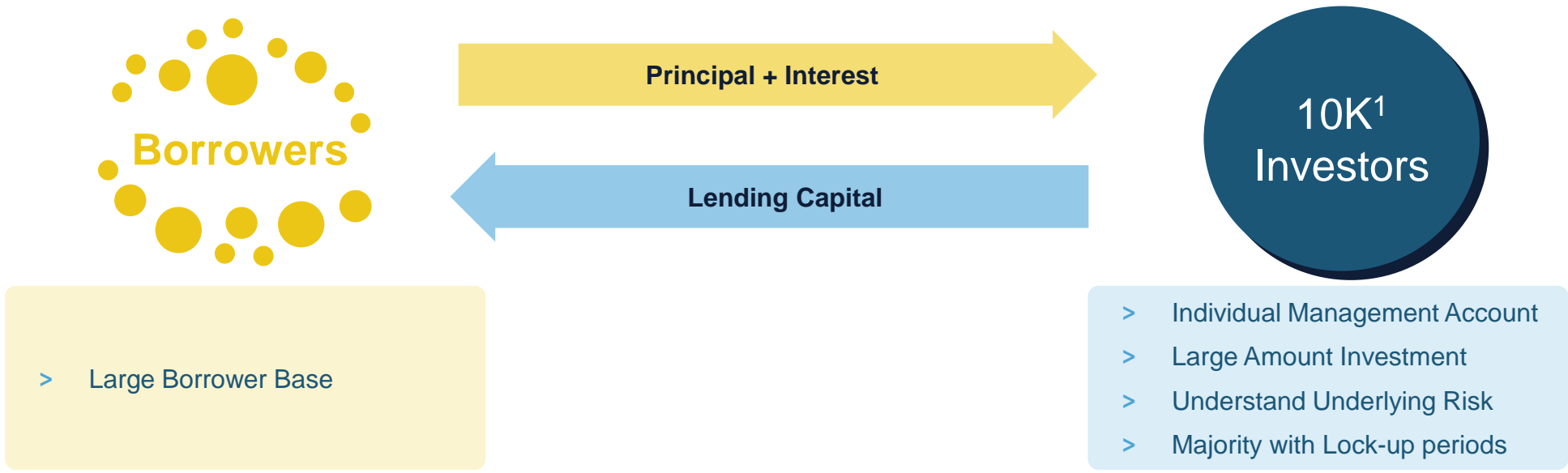


5 Our Proprietary Technologies



6 Sophisticated and Diversified Investor Base

Sophisticated Investors Take Full Credit Risk



Diversified Investor Base

A row of four blue rounded rectangular boxes, each containing an icon and a label:

- Affluent Individuals**: Icon of a person with a dollar sign.
- High Net Wealth Individuals**: Icon of a money bag with a dollar sign.
- Family Offices**: Icon of a house.
- Institutional Investors**: Icon of a classical building with columns.

Note: 1. Number of active investors as of December 31, 2016

Why Investors Choose CRF



- Range of loan durations available
- Risk-adjusted Investment Returns
- Track record
- Intrinsic Diversification

Attractive Investment Return

Consumption Loan¹

10.4%

Lifestyle Loan²

11.3%

Notes: 1. For the year ended at Dec 31, 2016. Calculated as total interest income received by the investors, plus customer acquisition incentives given to investors, less service fees paid to us by the investors, less credit losses from consumption loans borne by the investors, all divided by the investors' weighted average balance of lending capital.

2. For the year ended at Dec 31, 2016. Calculated as total interest income received by the investors, less service fees paid to us by the investors, less subsequent contributions to the Safeguard Program borne by the investors, all divided by the investors' weighted average balance of lending capital

7 Experienced Board and Advisor Team

Experienced Board Members with International Vision



Dr. Zane Wang



Douglas L. Brown



Andrew Mason



Christopher Thorne



Russell Krauss



Joe Zhang

Recognized World-Class Industry Leaders as Advisors

Nigel Morris



Phillip Riese



Frank Rotman



Our Roadmap

1

Rapidly Grow Our Borrower Base Using Our Predictive Selection Technology

2

Help EMMAs Build Their Credit Histories and Meet Their Evolving Lifetime Credit Needs

3

Continue to Work with Multiple Channels and Further Penetrate Our Total Addressable Market

4

Further Diversify Our Marketplace's Investor Base

5

Invest in Our Technology Platform

Financial Highlights



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Financial Model Highlights

1 Cost Effective Customer Acquisition at Scale

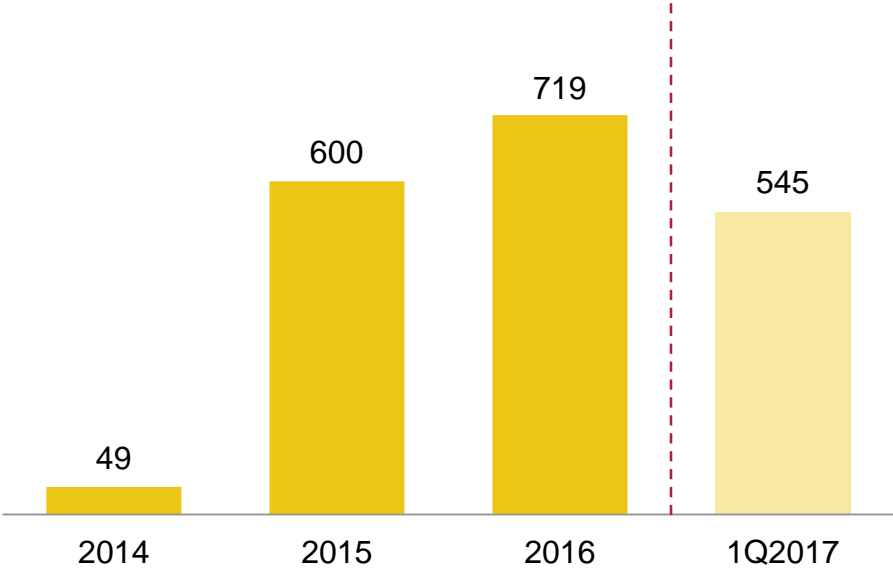
2 Growth of Loan Origination

3 Customer Lifetime Value

Cost Effective Customer Acquisition at Scale

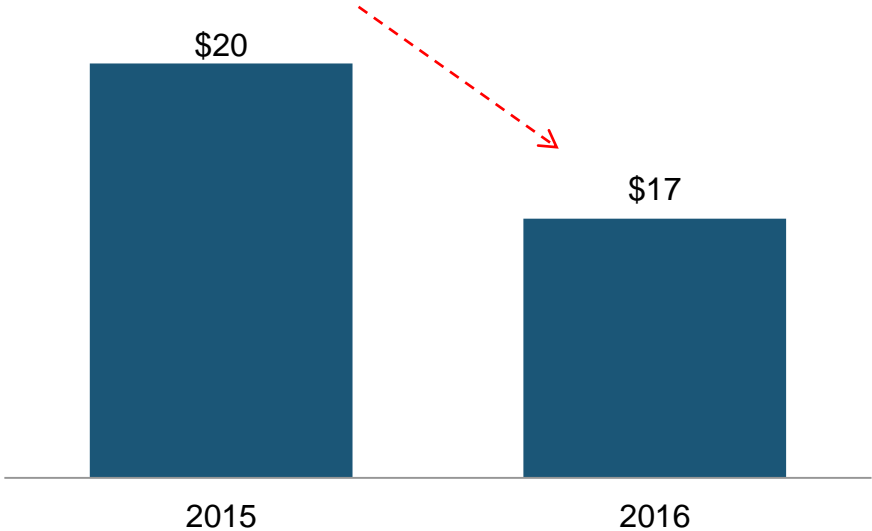
Number of New Borrowers

US\$ '000



Declining Customer Acquisition Cost¹

CAC per Borrower



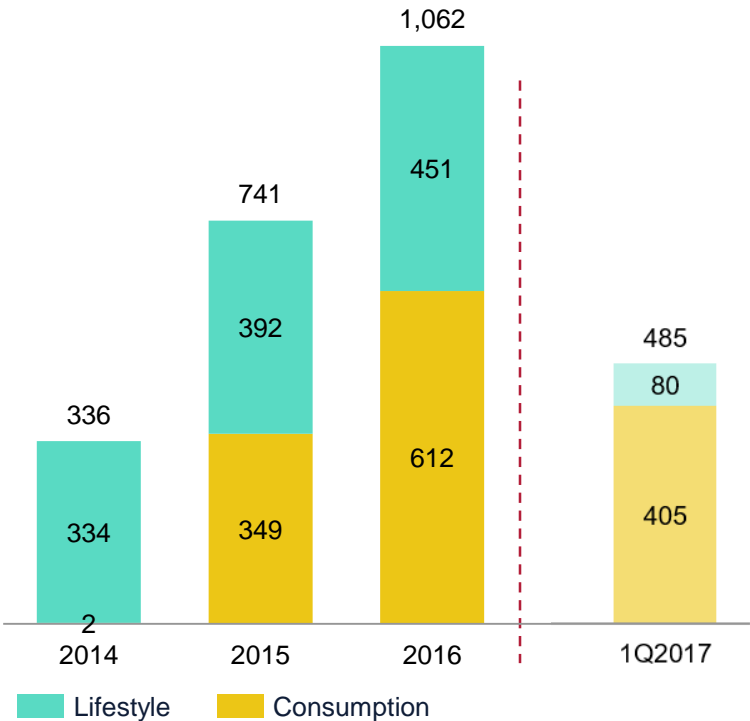
- > Customer Acquisition Cost (“CAC”)¹ mainly consists of incentives offered to investors who make consumption loans to first-time borrowers

Note: 1. Customer acquisition cost for predictive selection technology. The customer acquisition incentive is applicable to consumption loans only

Strong Growth of Loan Origination

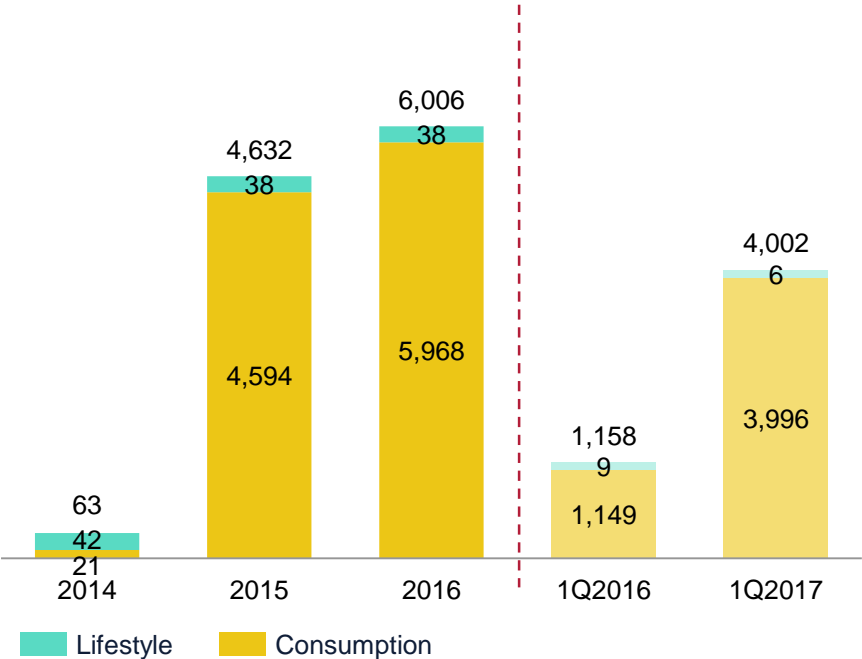
Loan Volume ¹

US\$ MM



Number of Loans Facilitated ²

US\$ '000

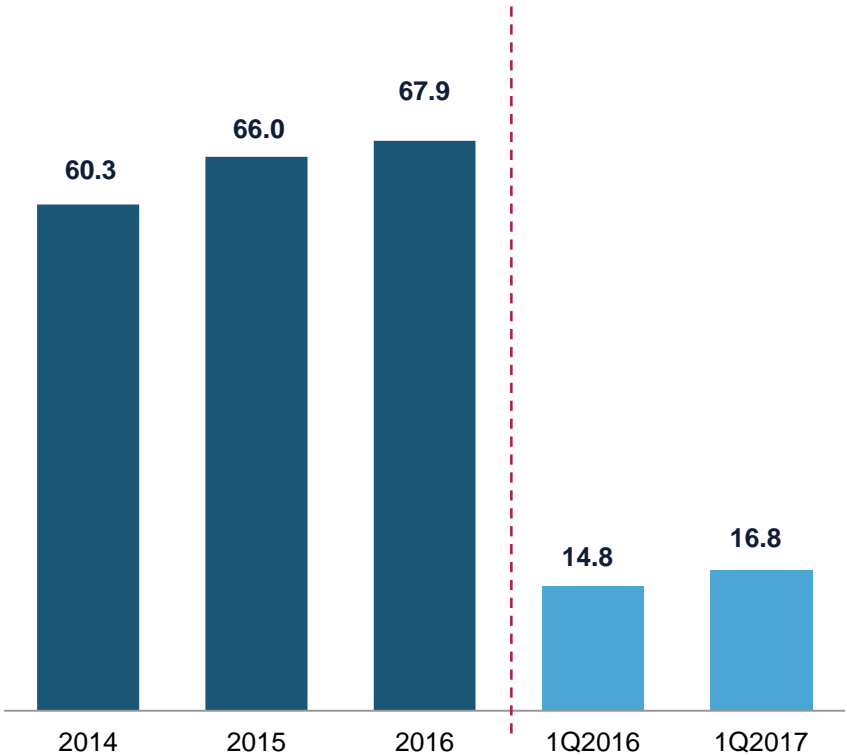


Notes: 1. Loan volume is defined as the total principal amount of loans facilitated on our marketplace during the relevant period
 2. Number of loans facilitated is defined as the total number of loans facilitated on our marketplace during the relevant period

Gross Billings on Transaction and Service Fee

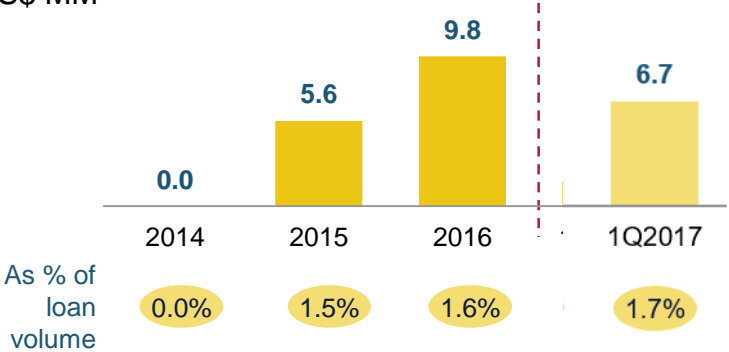
Total Gross Billings¹

US\$ MM



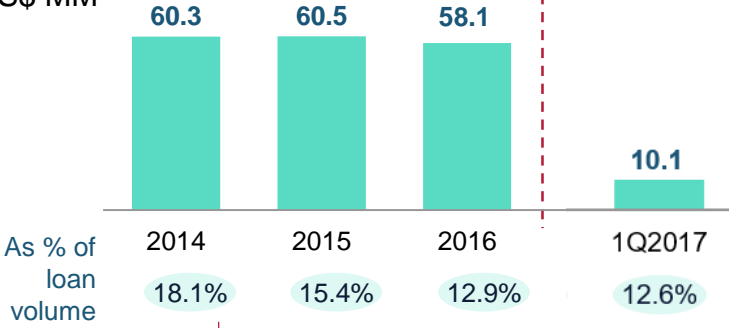
Consumption Loan

US\$ MM



Lifestyle Loan

US\$ MM



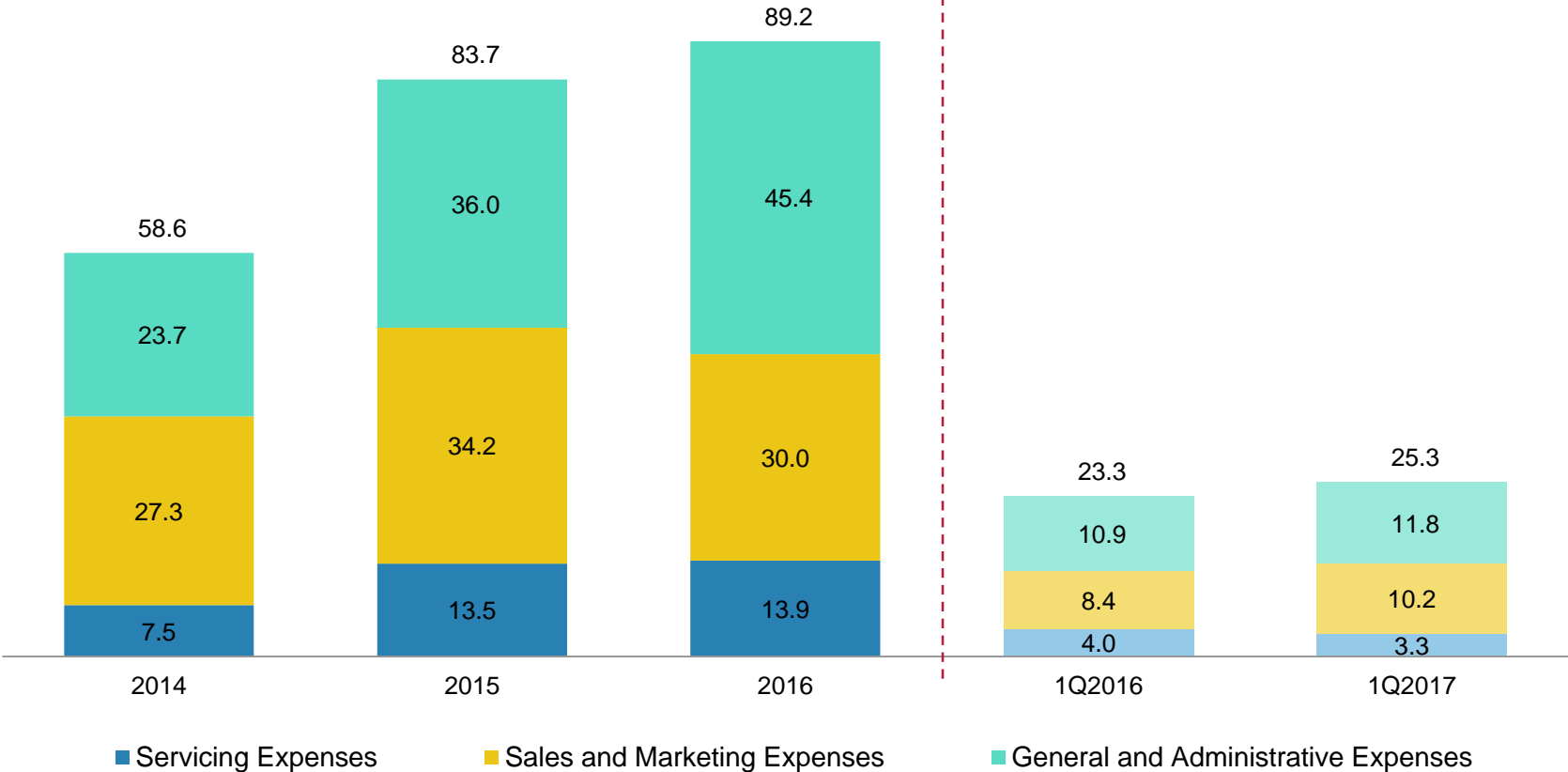
Decreasing % as a result of improved borrower credit quality

Note: 1. Gross billings on transaction and service fee is defined as transaction and service fee billed to customers, inclusive of related value added tax, before deduction of customer acquisition incentive

Operating Expenses

Total Operating Expenses¹

US\$MM

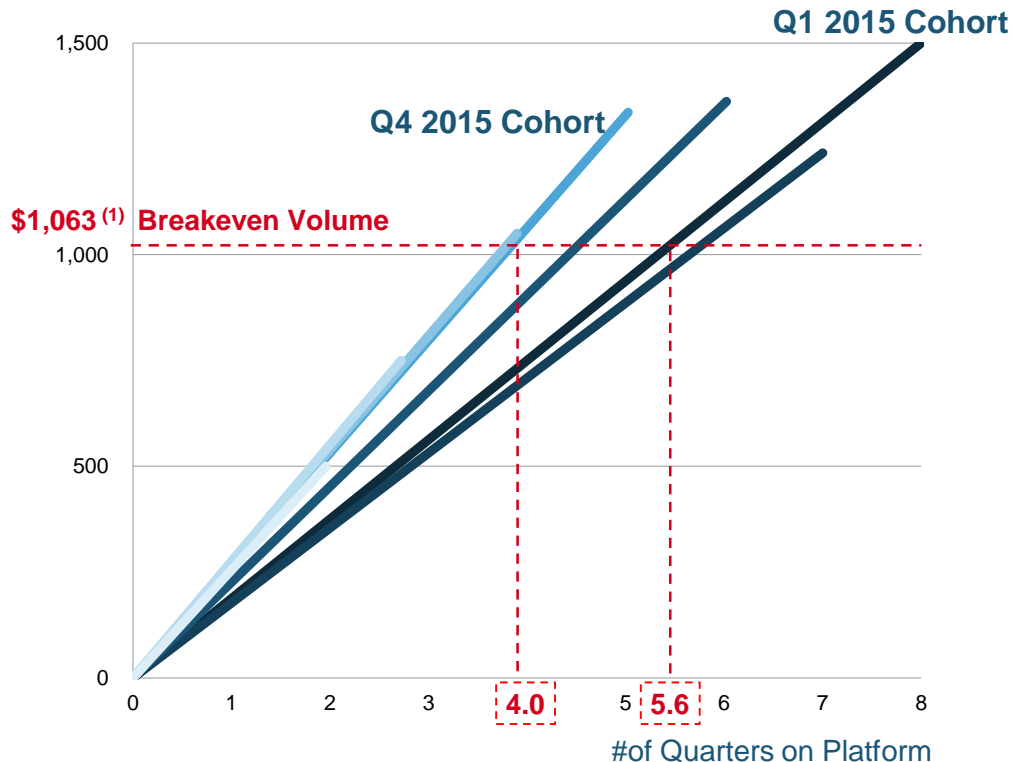


Note: 1. Adjusted for share-based compensation

Attractive Economics per Customer

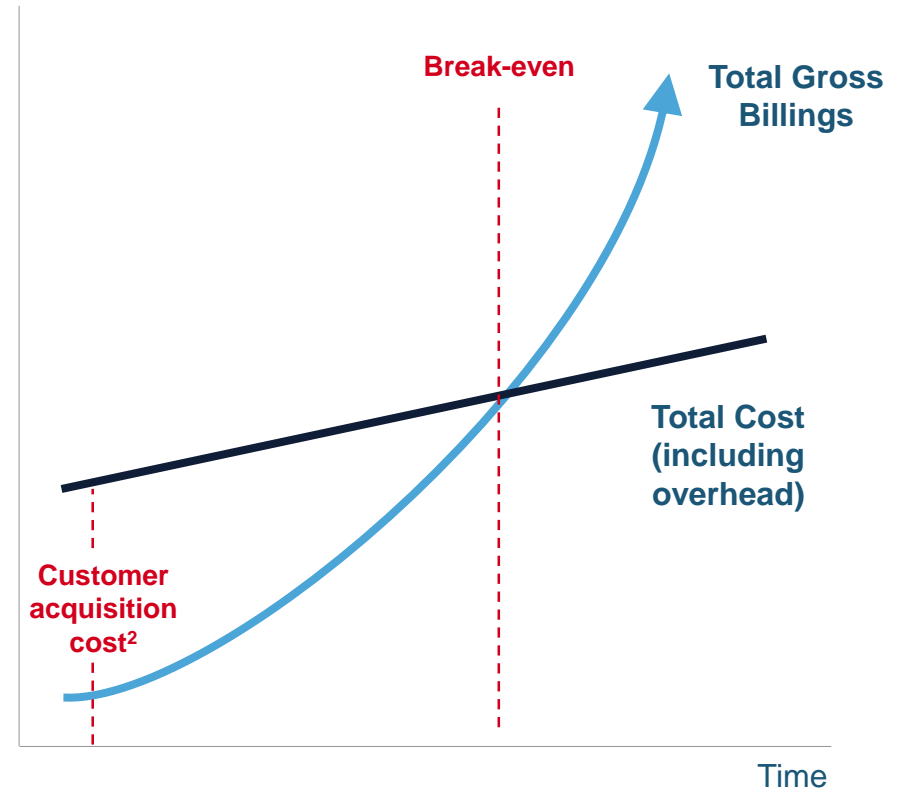
Breakeven Period Shortened to 4.0 Quarters in Recent Cohort

Cum. Loan Volume Per Borrower (US\$)



Customer Lifetime Value

Gross Billings

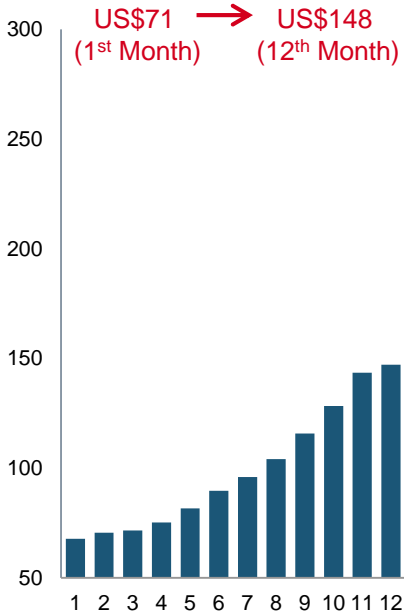


Notes: 1. Represents breakeven volume to recover customer acquisition costs, which is based on an average transaction and service fee of 1.6% for consumption loans for 2016, and the customer acquisition cost for consumption loans on an average per borrower basis of US\$17 for 2016
 2. Customer acquisition incentive is applicable to consumption loans only.

Significant Customer Lifetime Value

Borrow More

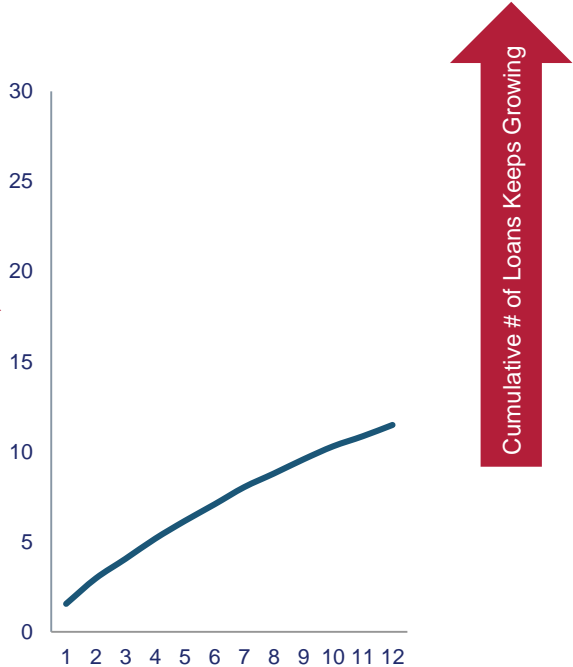
Average Consumption Loan Size per Borrower ¹



Average Size Keeps Growing

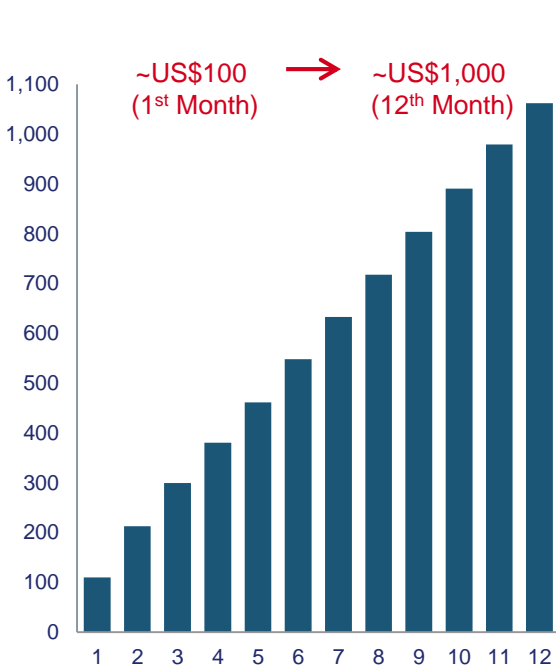
Borrow Repeatedly

Average Cumulative # of Consumption Loans per Borrower ¹



Rapidly Increasing Loan Volume

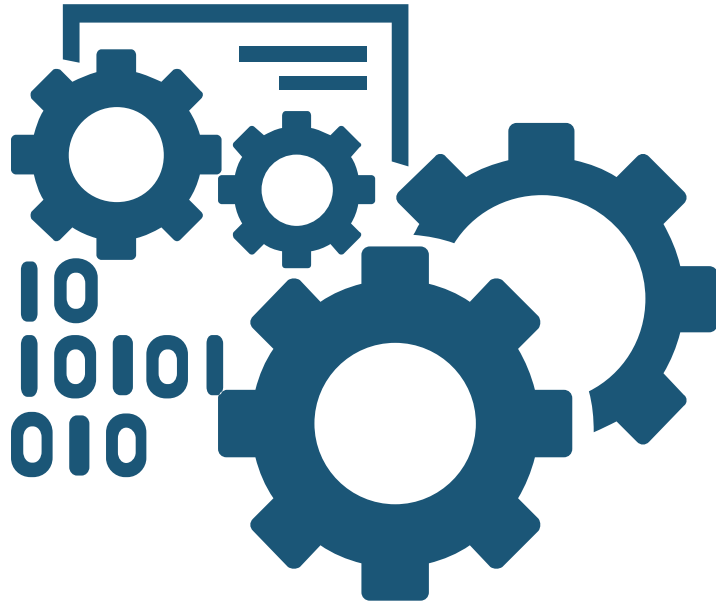
Average Cumulative Consumption Loan Volume per Borrower ¹



Lifetime Value

Note: 1. Based on the cohort of first-time consumption loan borrowers from the fourth quarter of 2015

Appendix



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Historical Financials – KPI

(US\$MM, unless otherwise stated)	As of or for the Year Ended Dec 31			As of or for the Quarter Ended Mar 31	
	2014	2015	2016	1Q2016	1Q2017
Number of Loans Facilitated ('000) ⁽¹⁾	63	4,632	6,006	1,158	4,002
Consumption Loans	21	4,594	5,968	1,149	3,996
Lifestyle Loans	42	38	38	9	6
Number of Borrowers ('000) ⁽²⁾	101	701	1,420		1,965
Repeat Borrower Rate (%) ⁽³⁾	10%	65%	67%		73%
Loan Volume ⁽⁴⁾	335.5	740.7	1,062.0	210.5	485.0
Consumption Loans	1.5	349.1	611.5	106.0	405.0
Lifestyle Loans	334.0	391.6	450.5	104.5	80.0
Gross Billings on Transaction and Service Fee ⁽⁵⁾	60.3	66.0	67.9	14.8	16.8
Consumption Loans	0.0	5.6	9.8	1.5	6.7
Lifestyle Loans	60.3	60.5	58.1	13.3	10.1
Customer Acquisition Incentive	0.0	(7.1)	(9.0)	(1.4)	(6.2)
Net Revenue	57.8	56.1	55.9	13.1	10.5
Net Profit (Loss)	0.1	(30.0)	(33.4)	(10.2)	(14.9)

Note: 1. Number of loans facilitated is defined as the total number of loans facilitated on CRF's marketplace during the relevant period

2. Number of borrowers is defined as the total number of unique borrowers on CRF's marketplace since CRF's inception as measured as of the relevant date

3. Repeat borrower rate is defined as the total number of borrowers who borrowed more than one loan on CRF's marketplace since its inception divided by the total number of borrowers on CRF's marketplace since its inception as measured as of the relevant date

4. Loan volume is defined as the total principal amount of loans facilitated on CRF's marketplace during the relevant period

5. Gross billings on transaction and service fee is defined as transaction and service fee billed to customers, inclusive of related value added tax, before deduction of customer acquisition incentive

Historical Financials – Income Statement

(US\$000)	For the Year Ended December 31			As of or for the Quarter Ended Mar 31	
	2014	2015	2016	1Q2016	1Q2017
Revenue	61,308	63,481	56,983	13,850	10,455
Transaction and service fees (Net of customer acquisition incentives)	60,281	62,535	55,891	13,447	10,416
Other Revenue	1,027	946	1,092	403	39
Provision for loan losses	(580)	(3,924)	–	(12)	1
Business related taxes and surcharges	(2,960)	(3,424)	(1,122)	(721)	(5)
Net Revenue	57,768	56,133	55,861	13,117	10,451
Total Operating Expenses	(58,551)	(83,696)	(89,215)	(23,267)	(25,281)
Servicing Expenses	(7,465)	(13,484)	(13,889)	(3,996)	(3,314)
Sales and Marketing Expenses	(27,347)	(34,182)	(29,954)	(8,396)	(10,216)
General and Administrative Expenses	(23,739)	(36,030)	(45,372)	(10,875)	(11,751)
Other Income (Expense), Net	1,267	(2,456)	(9)	(66)	(23)
Profit (Loss) Before Income Tax Expense	484	(30,019)	(33,363)	(10,216)	(14,853)
Income Tax Expense	(353)	(7)	(3)	-	-
Net Profit (Loss)	131	(30,026)	(33,366)	(10,216)	(14,853)

Historical Financials – Balance Sheet

(US\$000)	For the Year Ended December 31			As of March 31, 2017
	2015	2016	2016 Pro Forma	
Cash and Cash Equivalents	25,045	18,983	18,983	24,524
Restricted Cash	11,890	12,685	12,685	11,321
Total Assets	68,272	58,468	58,468	64,145
Total Liabilities	44,907	44,460	44,460	45,211
Safeguard Program Payable	18,555	19,511	19,511	17,248
Total Mezzanine Equity	84,950	116,218	–	137,221
Total Shareholders' (Deficit) Equity	(61,585)	(102,210)	14,008	(118,287)



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