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China Rapid Finance



First Quarter 2018 Earnings Presentation

June 15, 2018

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Our Mission

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



China Rapid Finance At a Glance

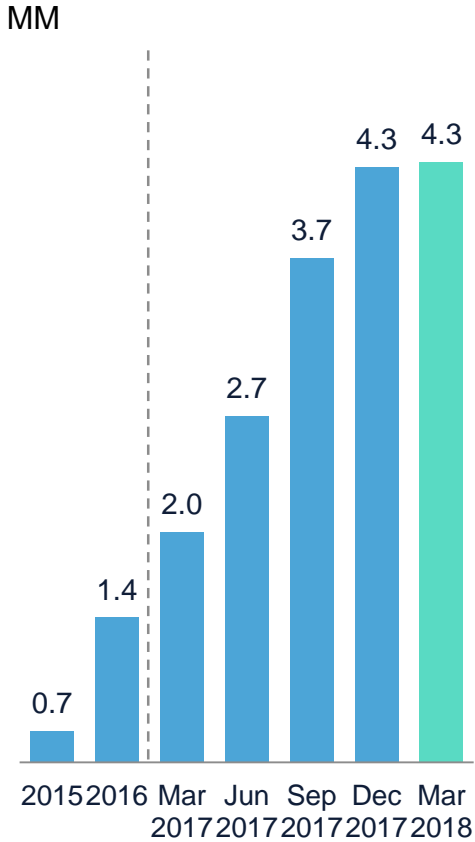
✓ We **choose** our borrowers

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

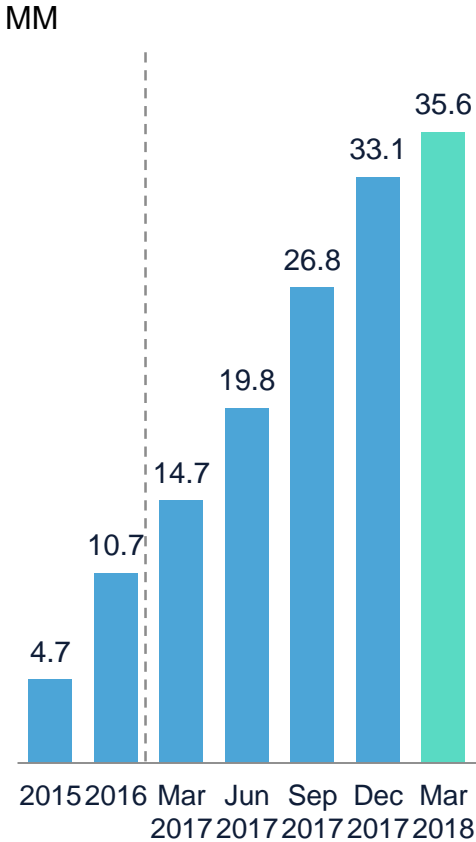
✓ We operate a **service model** matching consumer borrowers with a diversified set of sophisticated investors

✓ Over **17 years** experience in China credit analytics

Cum. # of Borrowers¹

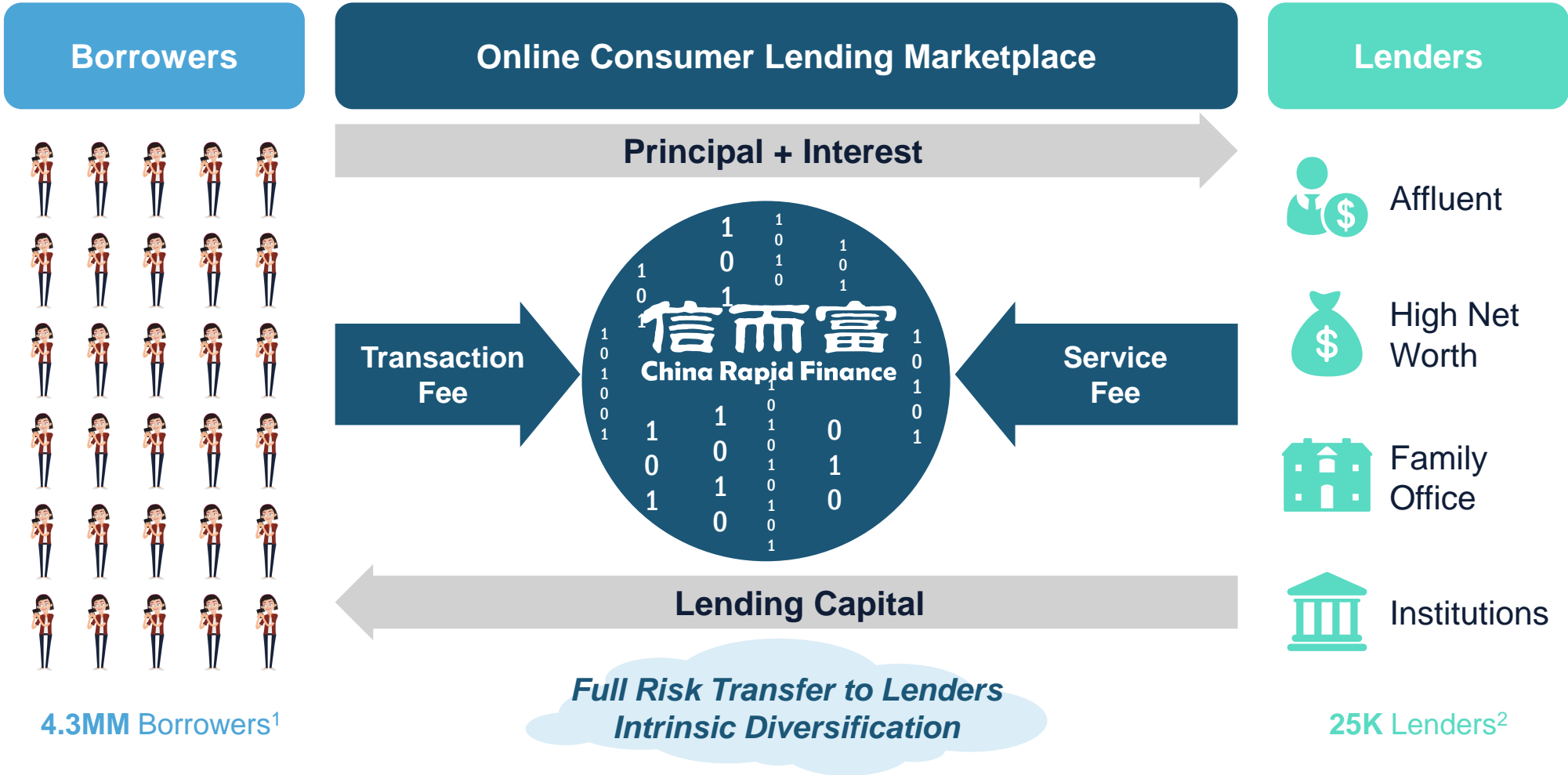


Cum. # of Loans¹



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 number of borrowers as of March 31, 2018.
2. Active lenders as of March 31, 2018.

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

76% Repeat¹

Targeted

Prime / Near prime

Affordable

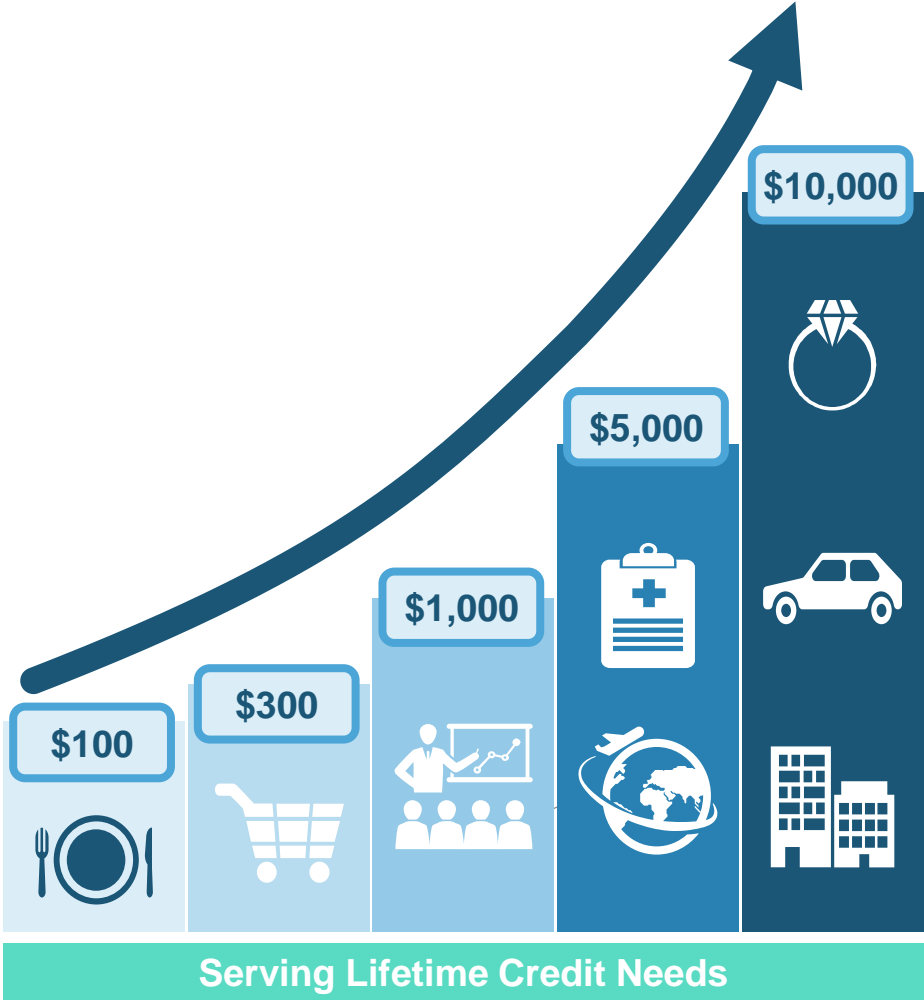
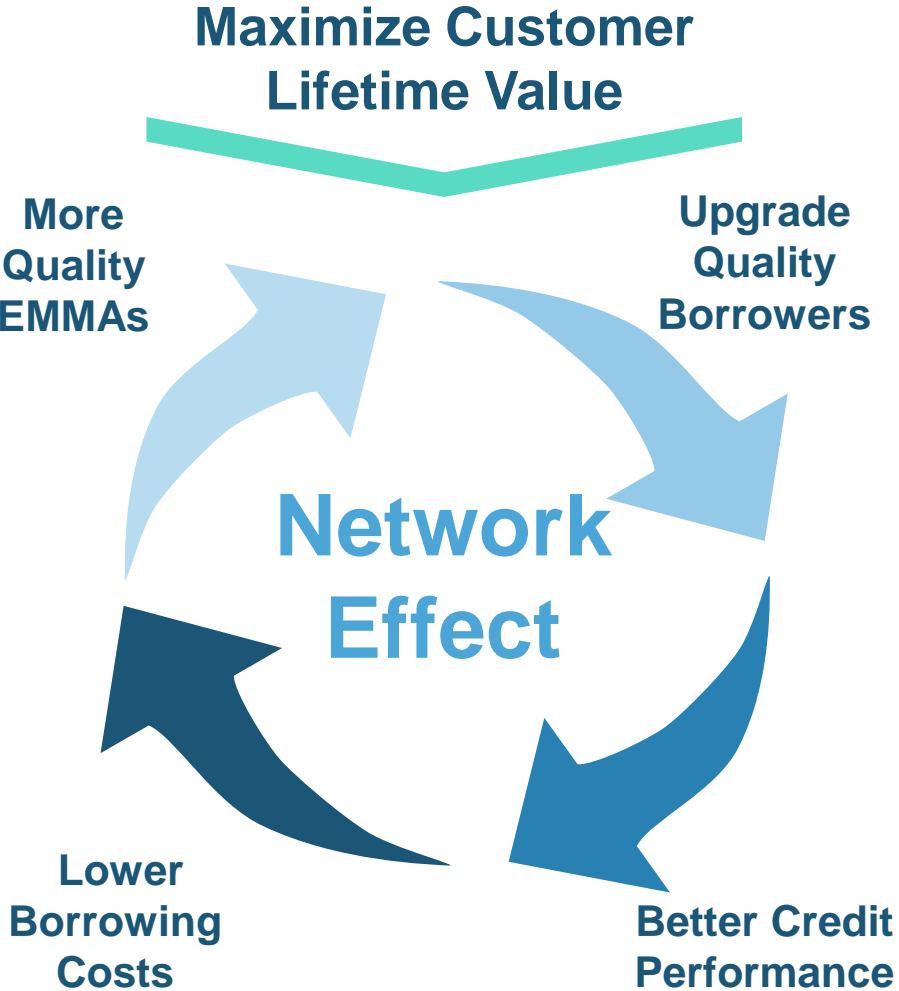
In Line with Prime
Credit Card

Responsive

10x Borrowing Per
Year²

Note: 1. The number of borrowers who have borrowed more than once since our inception divided by the cumulative number of borrowers since our inception as measured as of March 31, 2018.
2. Based on the cohort of first-time consumption loan borrowers from the fourth quarter of 2016.

Differentiated “Low and Grow” Business Strategy



Components of Our Business Built Over 17 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

First Quarter 2018 Operating Results



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First Quarter 2018 Highlights

4.3
Million

Cumulative Number of Borrowers Grew 120% from Q1 2017

35.6
Million

Cumulative Number of Loans Facilitated Grew 141% from Q1 2017

\$491
Million

Total Loan Volume in Q1 2018 Flat YoY, Driven by Increasing Average Loan Size to Proven Repeat Borrowers

\$31.9
Million

Total Gross Billings in Q1 2018 Grew 90% YoY

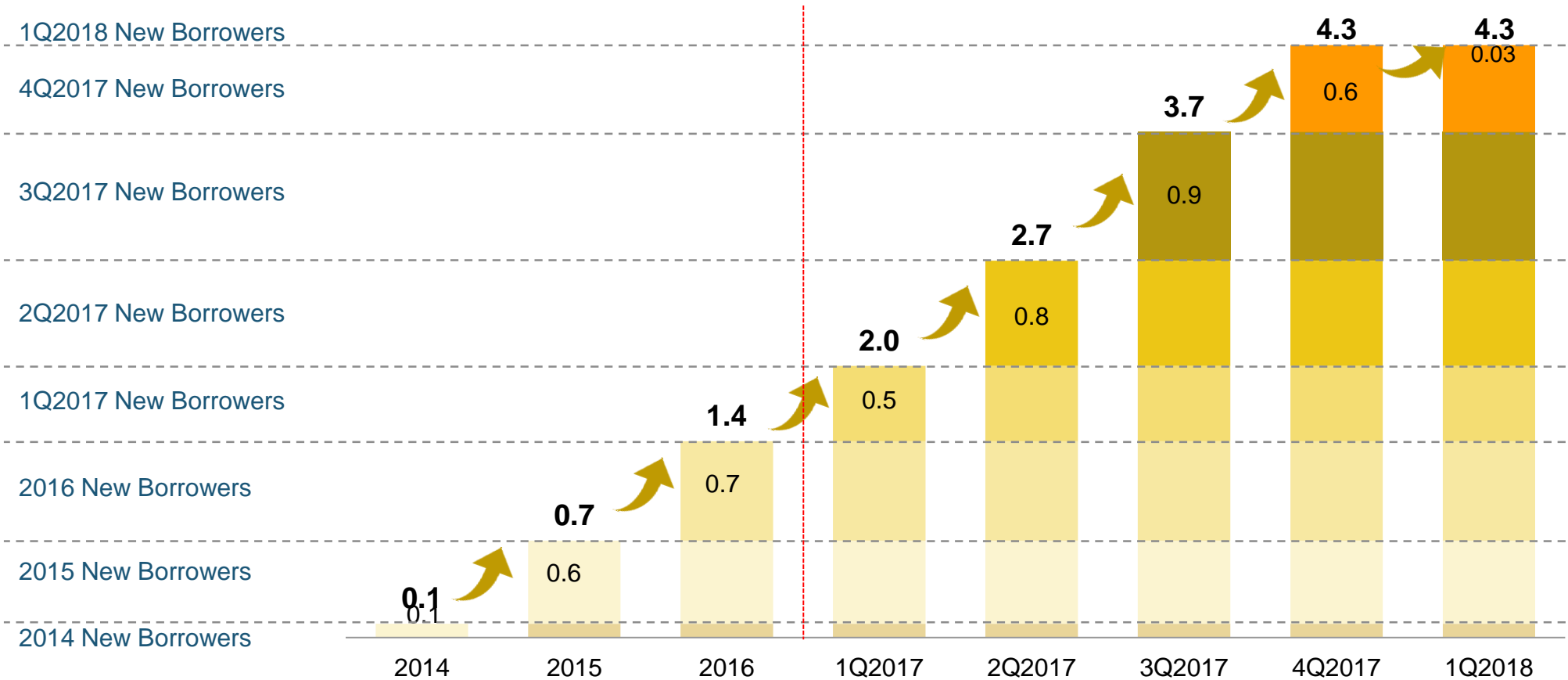
62%

Total Gross Billings attributable to Consumption Loans grew 194% YoY to \$19.7 MM

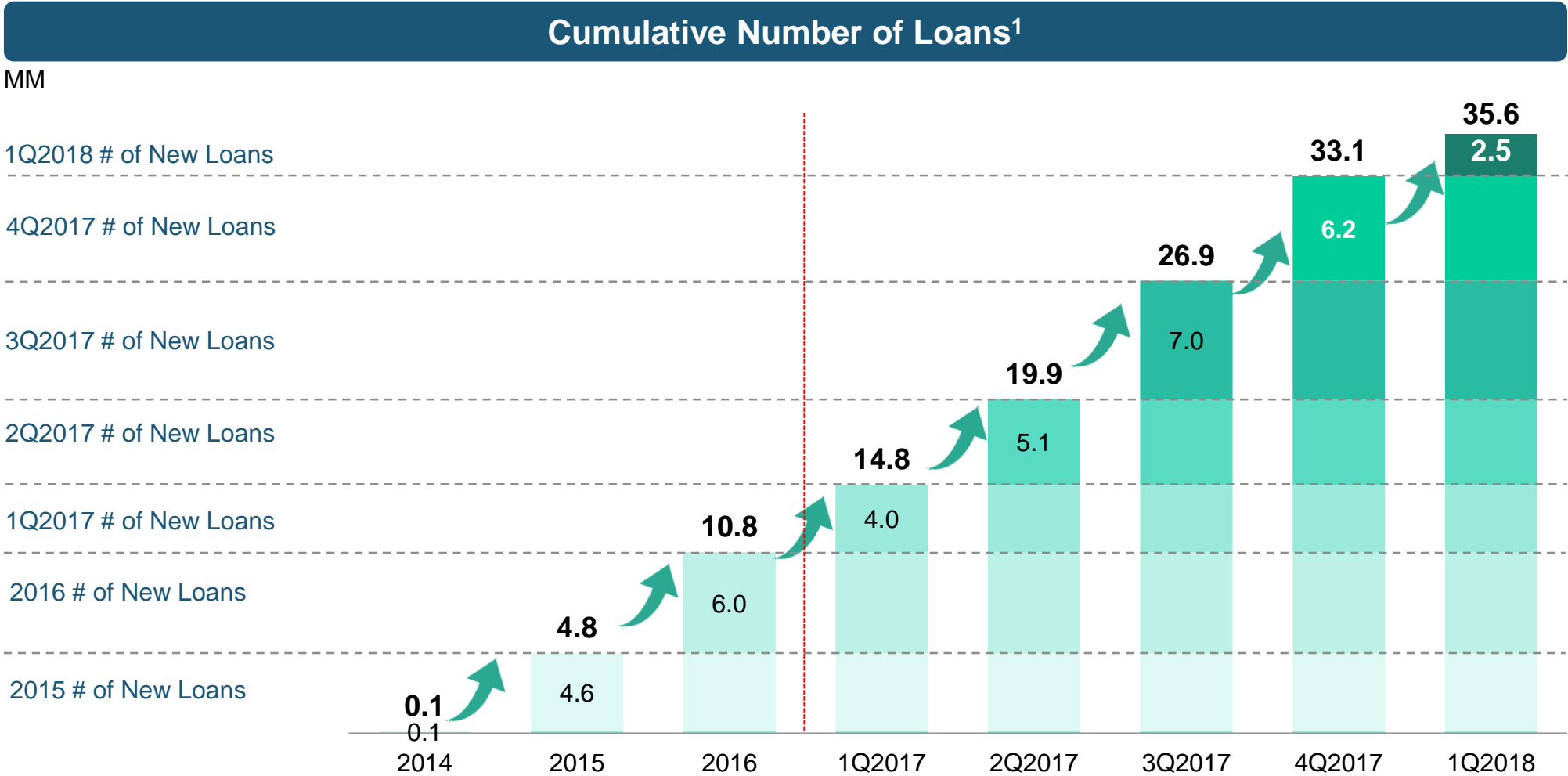
Cumulative Borrowers Exceeds 4.3 Million

Cumulative Number of Borrowers

MM



Cumulative Loans Reached 35.6 Million



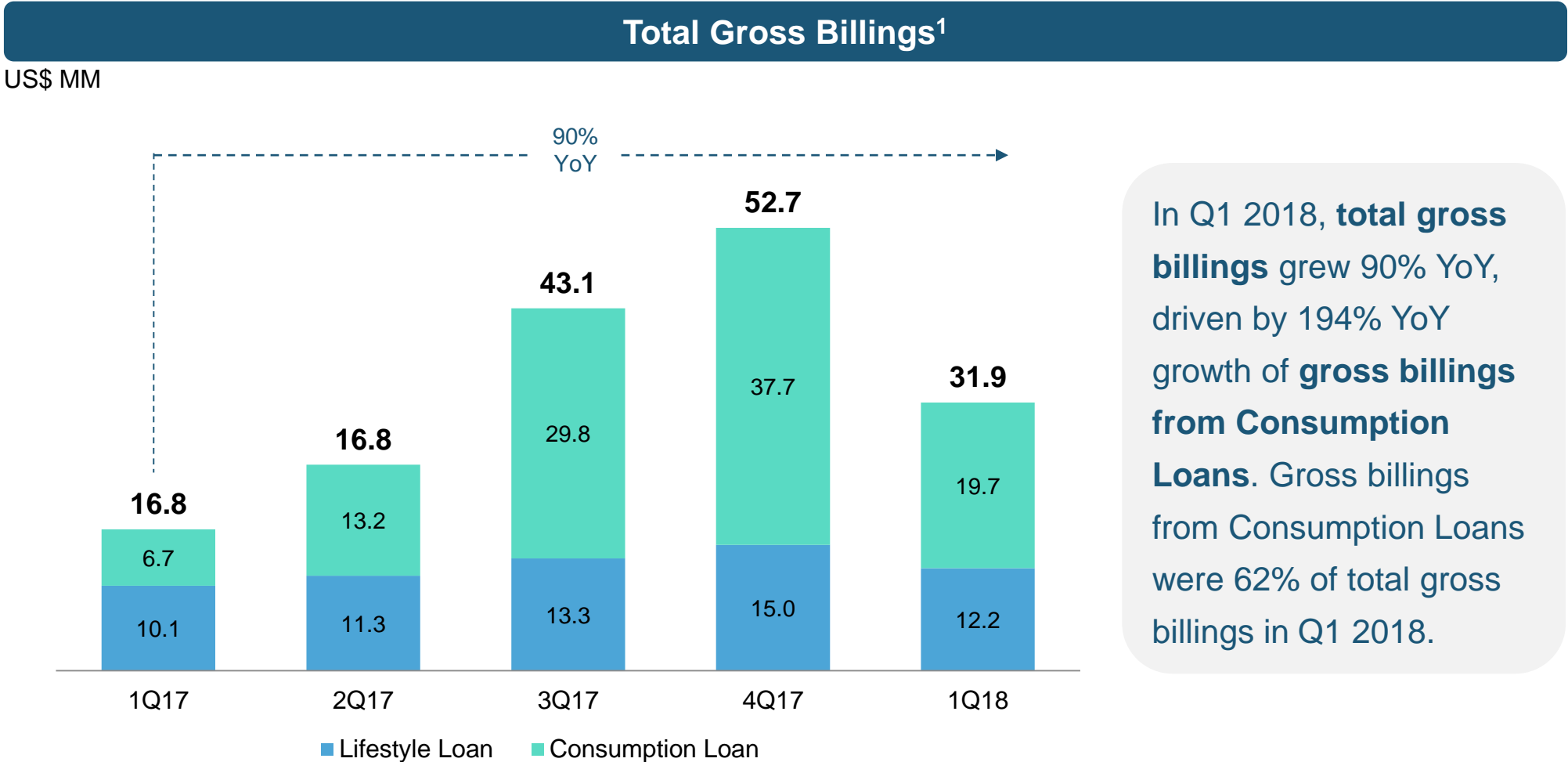
Note: 1. Number of cumulative loans facilitated is defined as the total number of loans facilitated on our marketplace as of the end of the relevant period.

First Quarter 2018 Financial Results



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Gross Billings Grew 90% YoY in Q1 Driven by Accelerated Growth Rate of Consumption Loans



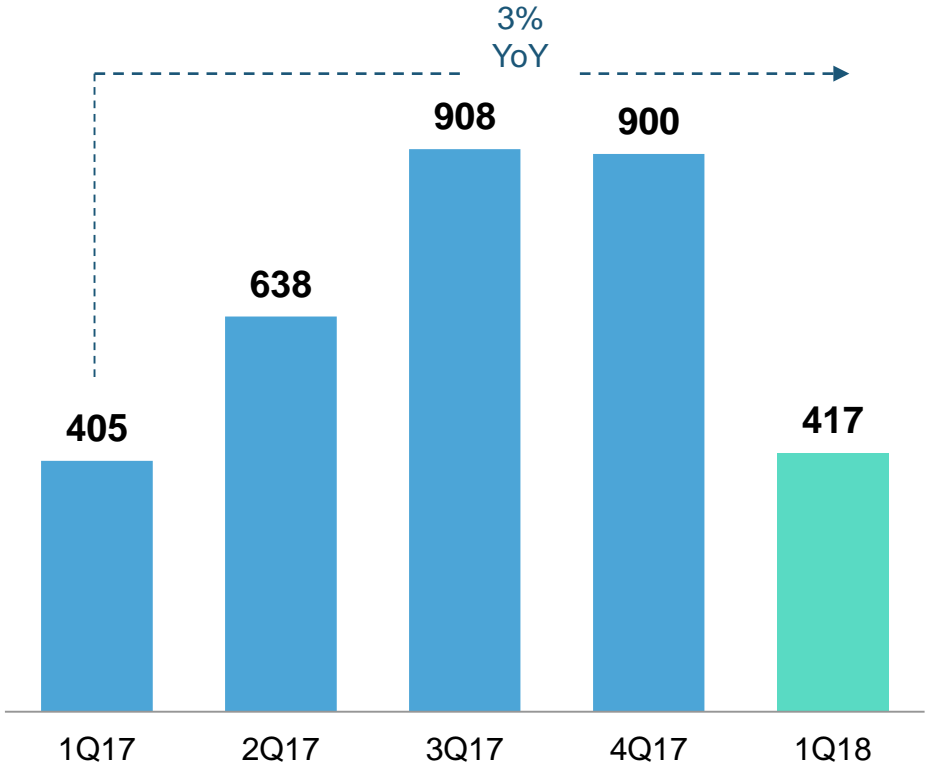
In Q1 2018, **total gross billings** grew 90% YoY, driven by 194% YoY growth of **gross billings from Consumption Loans**. Gross billings from Consumption Loans were 62% of total gross billings in Q1 2018.

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

Consumption Loans: Fees Grew Faster Than Volume

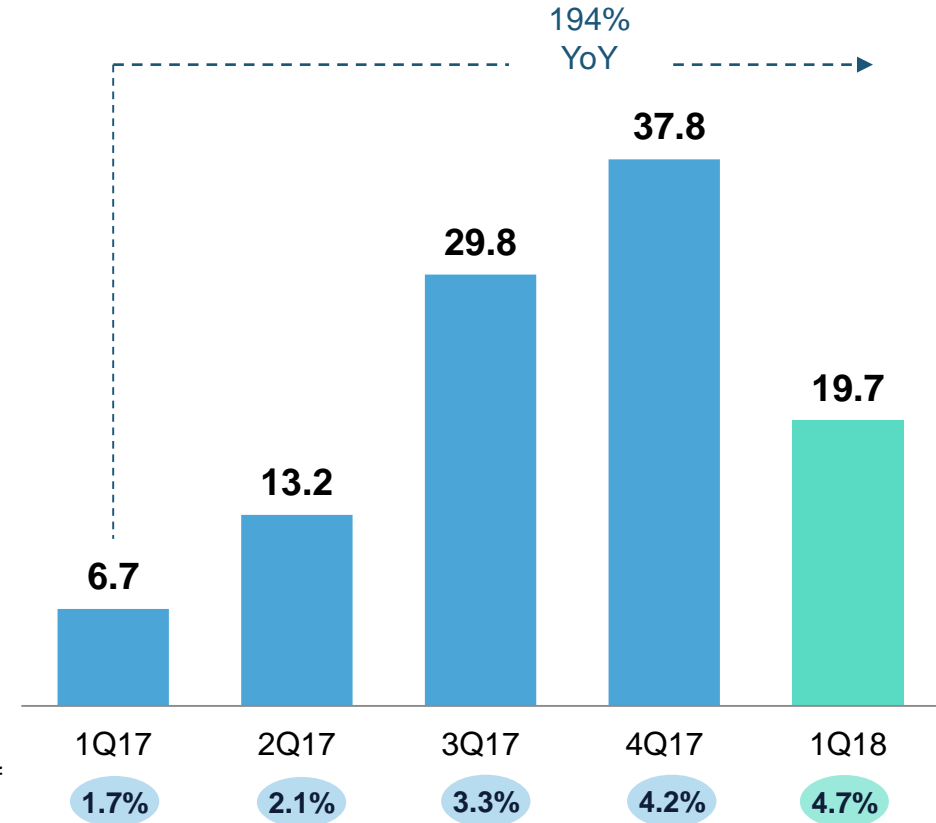
Consumption Loan Volume¹

US\$ MM



Gross Billings of Consumption Loans

US\$ MM

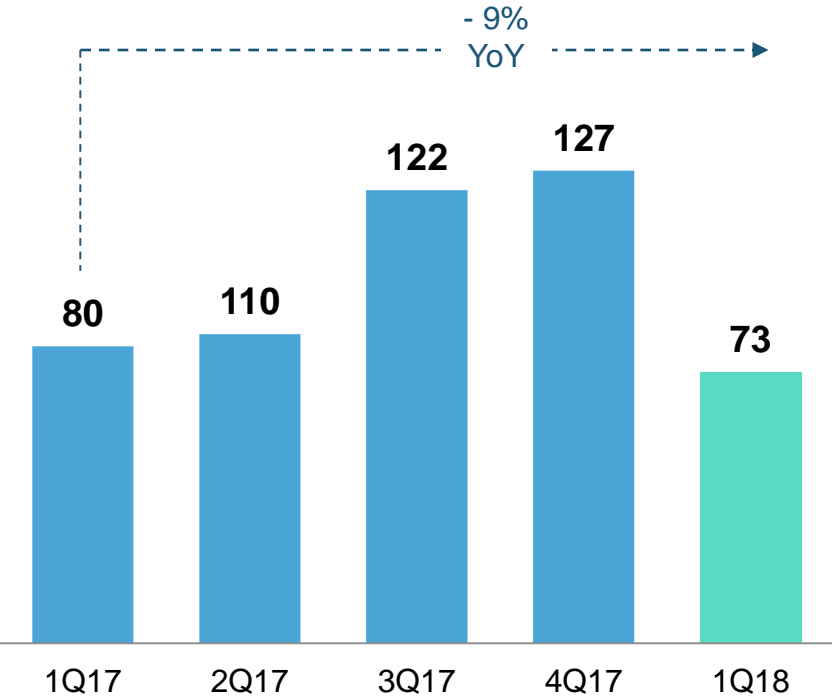


Note: 1. Loan volume in this presentation is defined as the total principal amount of loans facilitated on our marketplace during the relevant period.

Lifestyle Loans: Higher Fees Offset Lower Volume

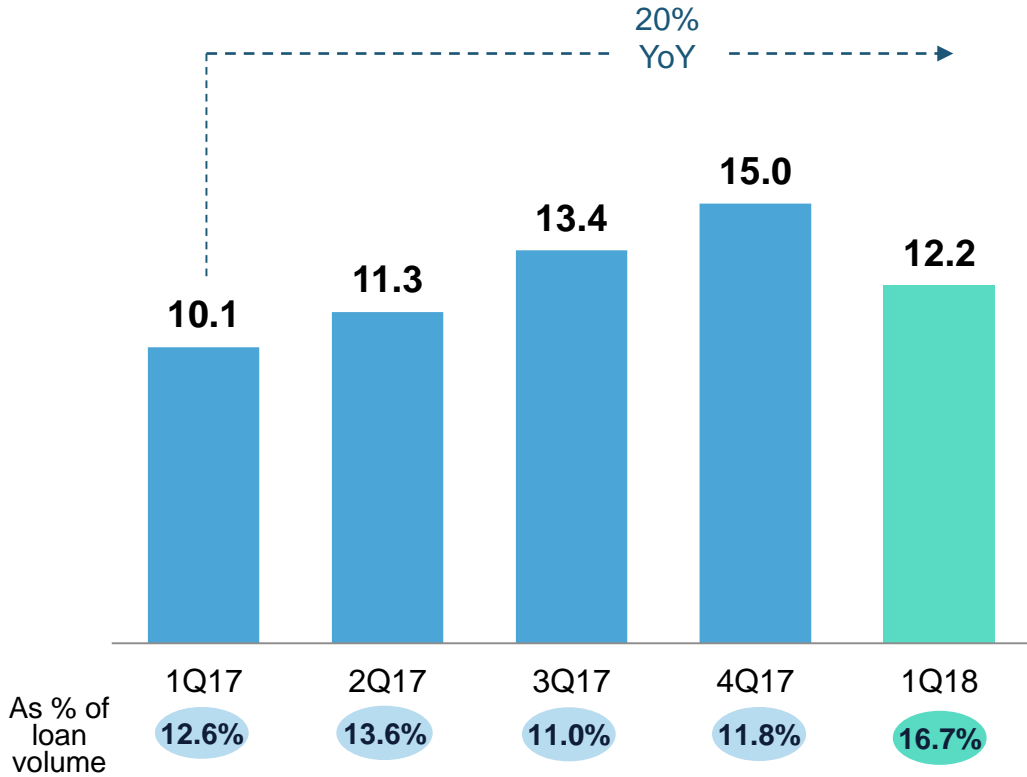
Lifestyle Loan Volume

US\$ MM



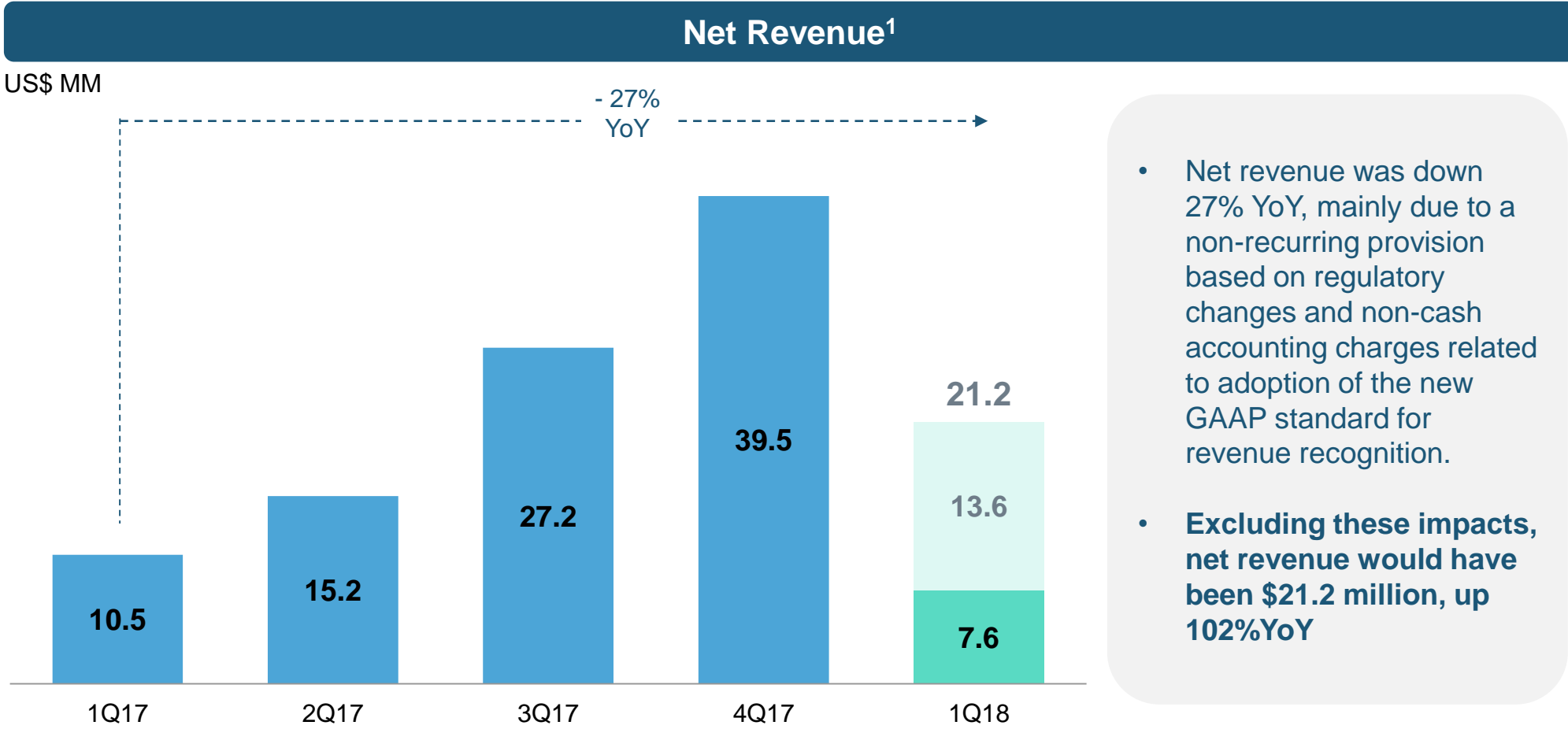
Gross Billings of Lifestyle Loans

US\$ MM



Net Revenue Down 27% YoY in Q1 2018

Impacted by Non-Recurring Provision



- Net revenue was down 27% YoY, mainly due to a non-recurring provision based on regulatory changes and non-cash accounting charges related to adoption of the new GAAP standard for revenue recognition.
- **Excluding these impacts, net revenue would have been \$21.2 million, up 102%YoY**

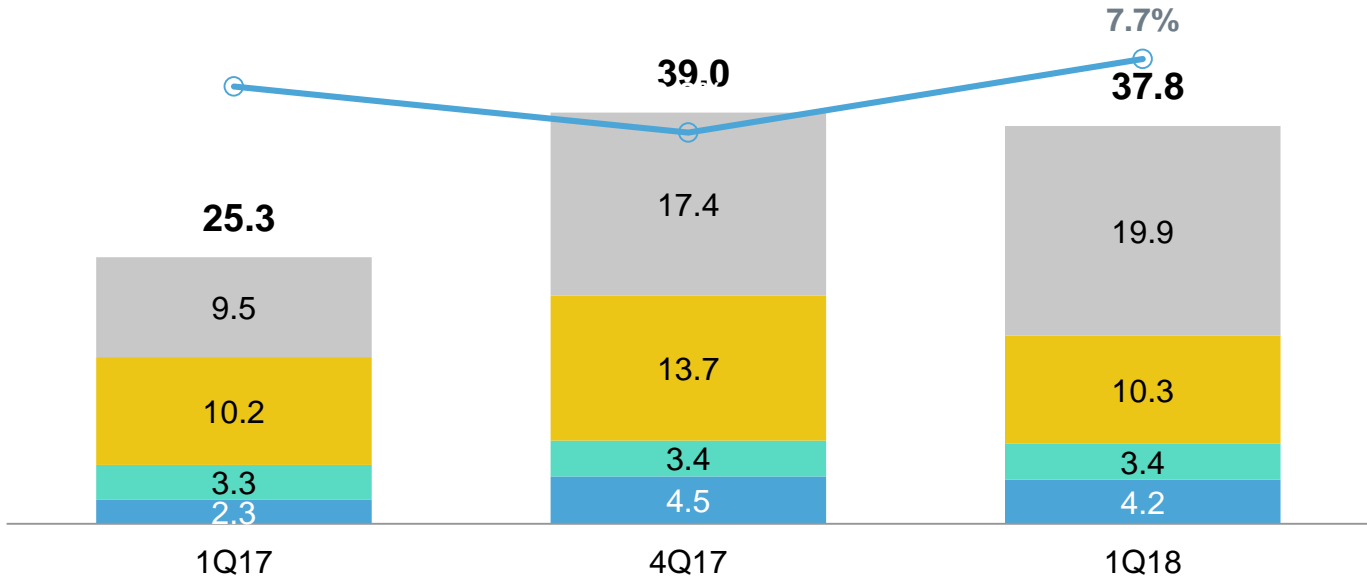
Note: 1. Net revenue is equal to transaction and service fees net of customer acquisition incentive, plus other revenue, provision for loan losses, and business related taxes and surcharges.
 2. Customer acquisition incentives ("CAI") are amounts paid to investors who lend to first-time borrowers,

Operating Expense Ratio Increased

Operating Expenses

US\$ MM

- Product Development Expenses
- Servicing Expenses
- Sales and Marketing Expenses
- General and Administrative Expenses
- Operating Expenses / Total Loan Volume



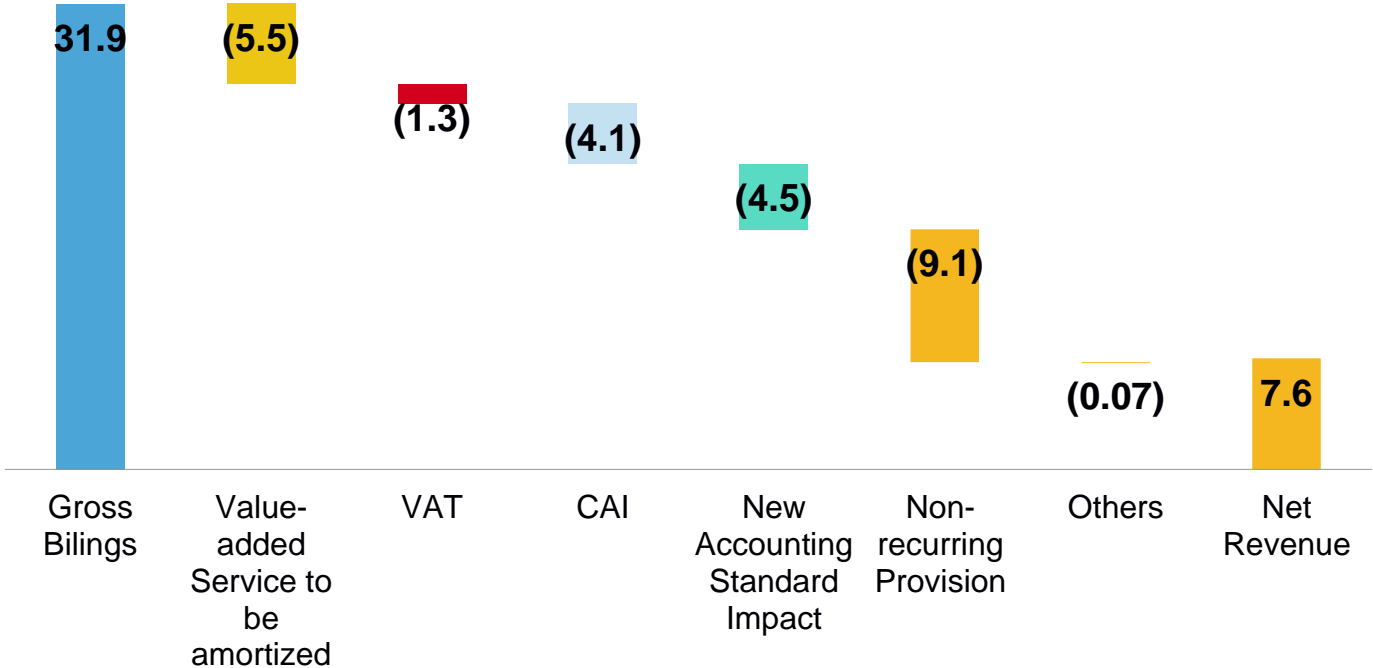
Operating expenses as a percentage of total loan volume increased 250 basis points, mainly due to:

- Consumption Loan-related infrastructure
- Registration preparation
- Third party collection services

Gross Billings to Net Revenue Reconciliation

1Q 2018 Reconciliation

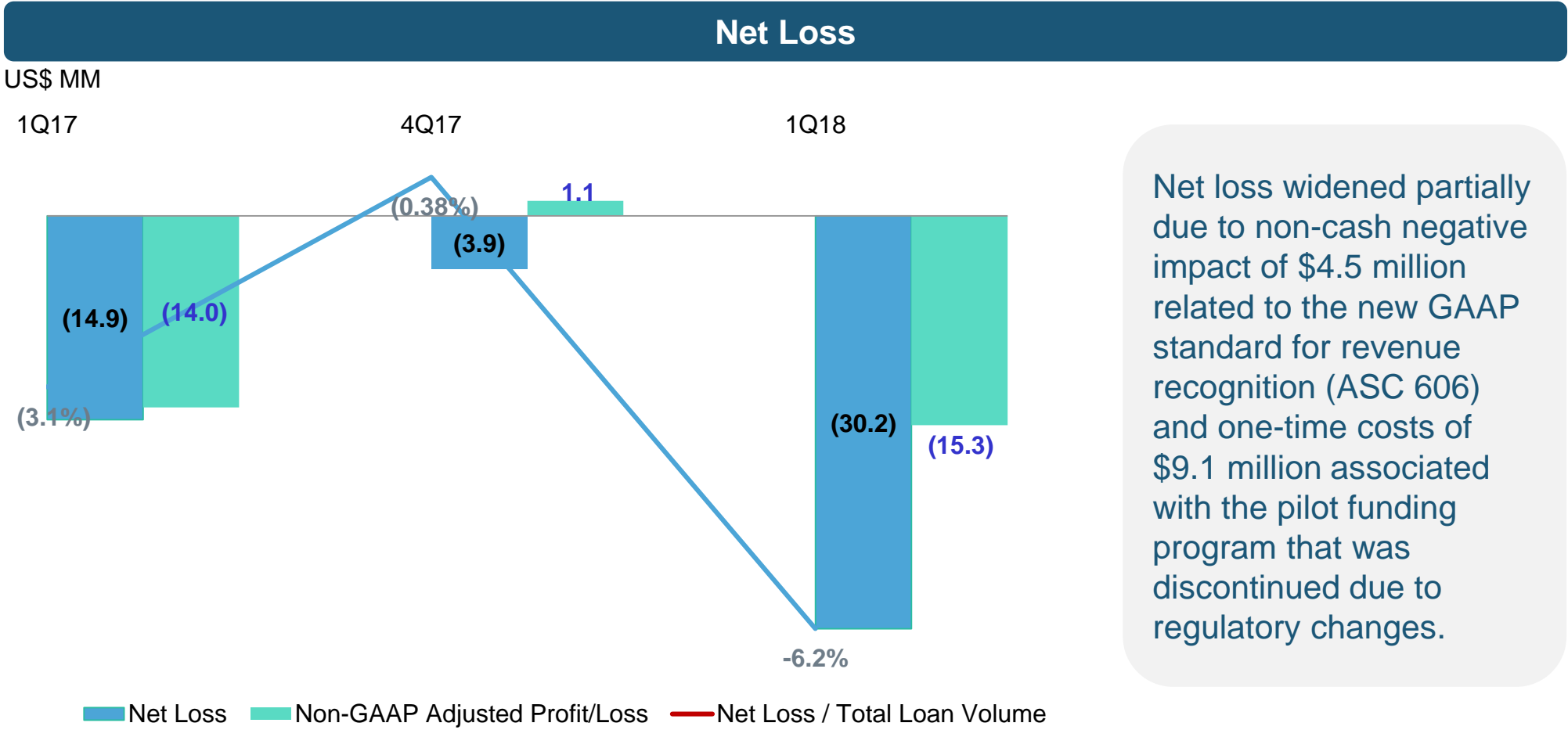
US\$ MM



Excluding impact from the non-recurring provision for a pilot funding program and non-cash impact of the accounting policy change, net revenue would have been \$21.2 million, up 102% year-on-year.

Note: 1. Customer acquisition incentives (“CAI”) are amounts paid to investors who lend to first-time borrowers.

Net Loss Impacted by Non-Operating Expenses



Net loss widened partially due to non-cash negative impact of \$4.5 million related to the new GAAP standard for revenue recognition (ASC 606) and one-time costs of \$9.1 million associated with the pilot funding program that was discontinued due to regulatory changes.

Unique Low & Grow Strategy and Business Model

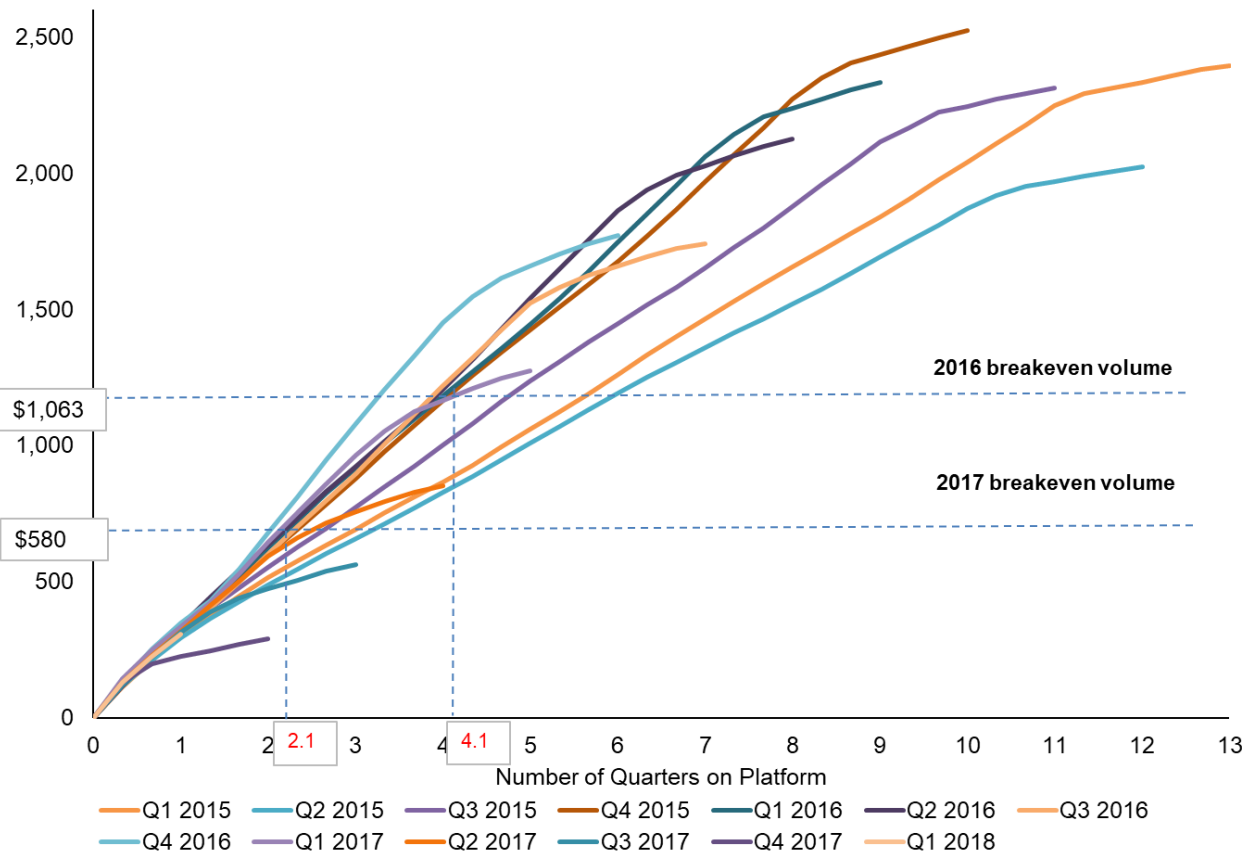


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Economics per Borrower Increasingly More Attractive

Cumulative Consumption Loan Volume Per Borrower

Cumulative Loan Volume Per Borrower (US\$)



Cumulative loan volume per borrower is arrived at by tracking the cumulative loan volume by each borrower cohort in a particular quarter divided by the total number of borrowers at the beginning of each cohort as a constant (including good, bad and inactive borrowers)

CFO Commentary:

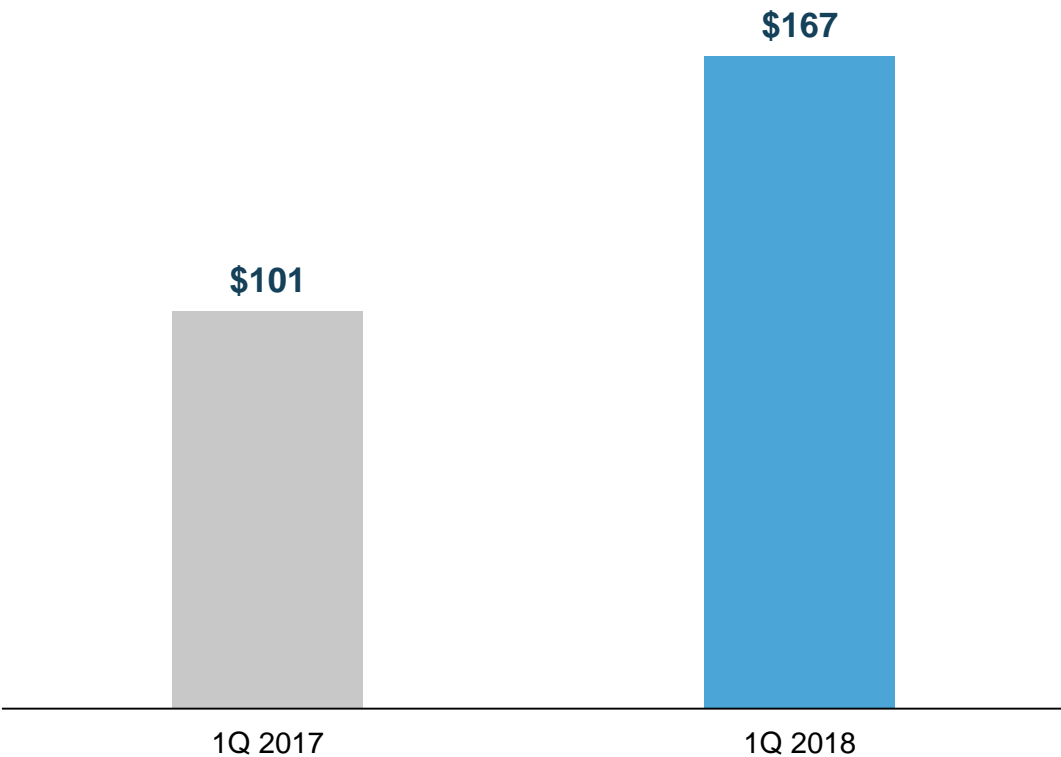
- Growth of cumulative loan volume per borrower slowed across all cohorts due to our strategy to proactively limit borrowing by tightening underwriting criteria.
- Active borrowers within each cohort continued to borrow more and in larger size, in line with past experience

Note: 1. In this presentation, RMB/USD = 6.2881 (as of 3/31/2018)

Significant Borrower Lifetime Value: Increasing Loan Size with Mitigated Risk

Increasing Average Consumption Loan Size

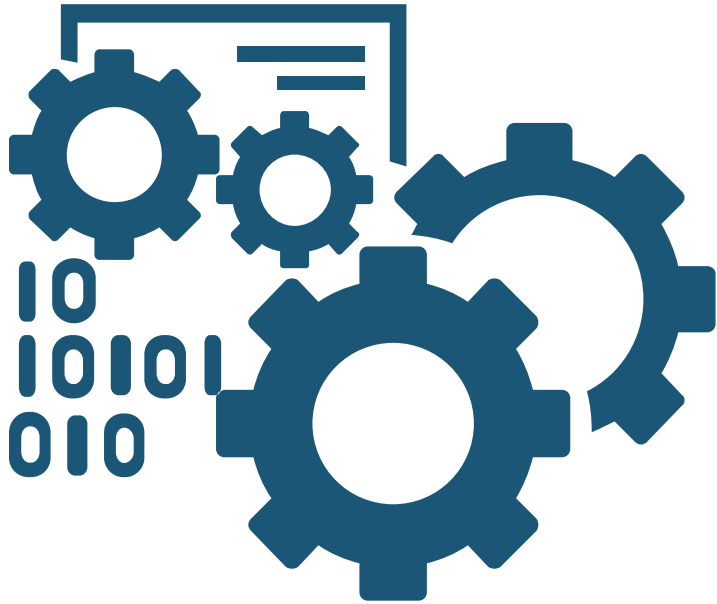
Increasing Average Consumption Loan Size US\$



CFO Commentary:

- The increasing average loan size is a result of active line-of-credit management using our ADT technology
- Average size of consumption loans increased 65% YoY to \$167 in the first quarter of 2018, the result of nearly all new loans going to more seasoned borrowers, who borrow more under the Company's "low & grow" approach.

Appendix



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Historical Financials – KPIs

	For the Quarter of		
	1Q17	4Q17	1Q18
Cumulative Number of Borrowers ('000) ⁽¹⁾	1,963	4,282	4,313
Number of New Borrowers of the period ('000)	544	627	31
Repeat Borrower Rate	73%	76%	76%
Number of Loans Facilitated ('000) ⁽²⁾	4,002	6,246	2,513
—Consumption Loans	3,996	6,235	2,507
—Lifestyle Loans	6	11	6
Loan Volume (US\$ MM) ⁽³⁾	486.0	1,027.6	490.5
—Consumption Loans	405.6	900.3	417.4
—Lifestyle Loans	80.4	127.3	73.1
Gross Billings on Transaction and Service Fee (US\$ MM) ⁽⁴⁾	16.8	52.7	31.8
—Consumption Loans	6.7	37.8	19.7
—Lifestyle Loans	10.1	15.0	12.2
Customer Acquisition Incentive (US\$ MM)	(6.2)	(10.7)	(4.1)
Net Revenue (US\$ MM)	10.5	34.9	7.6
Net Profit (Loss) (US\$ MM)	(14.9)	(3.9)	(30.2)
Average Loan Size (\$)	121	165	195
—Consumption Loans	101	144	167
—Lifestyle Loans	13,966	11,910	12,407
Average Fee Rate			
—Consumption Loans	1.7%	4.2%	4.7%
—Lifestyle Loans	12.5%	11.8%	16.6%

Note: 1. Number of borrowers is defined as the total number of unique borrowers on XRF's marketplace since XRF's inception as measured as of the relevant date

2. Number of loans facilitated is defined as the total number of loans facilitated on XRF's marketplace during the relevant period

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

4. 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

	For the Three Months Ended		
	(US \$000) Mar 31, 2017	Dec 31, 2017	Mar 31, 2018
Revenue:			
Transaction and service fees (net of customer acquisition incentive)	10,416	39,696	16,329
Other revenue	39	255	351
	10,455	39,951	16,680
Reversal/(Provision) for loan losses	1	4	8
Discretionary payments	-	-4,576	-9,052
Business related taxes and surcharges	-5	-465	-3
Net revenue	10,451	34,914	7,633
Operating expense:			
Servicing expenses	-3,314	-3,424	-3,401
Sales and marketing expenses	-10,216	-13,740	-10,283
General and administrative expenses	-9,459	-17,377	-19,896
Product development expenses	-2,292	-4,494	-4,188
Total operating expenses	-25,281	-39,035	-37,768
Other income (expense)			
Other income (expense), net	-23	247	291
Loss before income tax expense	-14,853	-3,874	-29,844
Income tax expense	-	-44	-345
Net loss	-14,853	-3,918	-30,189
Accretion on Series A convertible redeemable preferred shares to redemption value	-72	-	-
Accretion on Series B convertible redeemable preferred shares to redemption value	-405	-	-
Accretion on Series C convertible redeemable preferred shares to redemption value	-1,579	-	-
Deemed dividend to Series C convertible redeemable preferred shares at modification	-	-	-
Deemed dividend to Series C convertible redeemable preferred shares upon Initial Public Offering	-	-	-
Net loss attributable to ordinary shareholders	-16,909	-3,918	-30,189
Net loss	-14,853	-3,918	-30,189
Foreign currency translation adjustment, net of nil tax	-50	177	288
Comprehensive loss	-14,903	-3,741	-29,901
Weighted average number of ordinary shares used in computing net loss per share			
Basic	16,798,776	64,699,758	65,131,066
Diluted	16,798,776	64,699,758	65,131,066
Loss per share attributable to ordinary shareholders			
Basic	-1.01	-0.06	-0.46
Diluted	-1.01	-0.06	-0.46

Historical Financials – Balance Sheet

	As of		
(US \$000)	Mar 31, 2017	Dec 31, 2017	Mar 31, 2018
Cash and Cash Equivalents	24,524	94,881	71,661
Restricted Cash	11,321	14,673	2,913
Total Assets	64,145	137,528	114,996
Total Liabilities	45,211	78,490	79,721
Safeguard Program Payable	17,248	17,950	17,310
Total Mezzanine Equity	137,221	-	-
Total Shareholders' (Deficit) Equity	(118,287)	59,038	35,275



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