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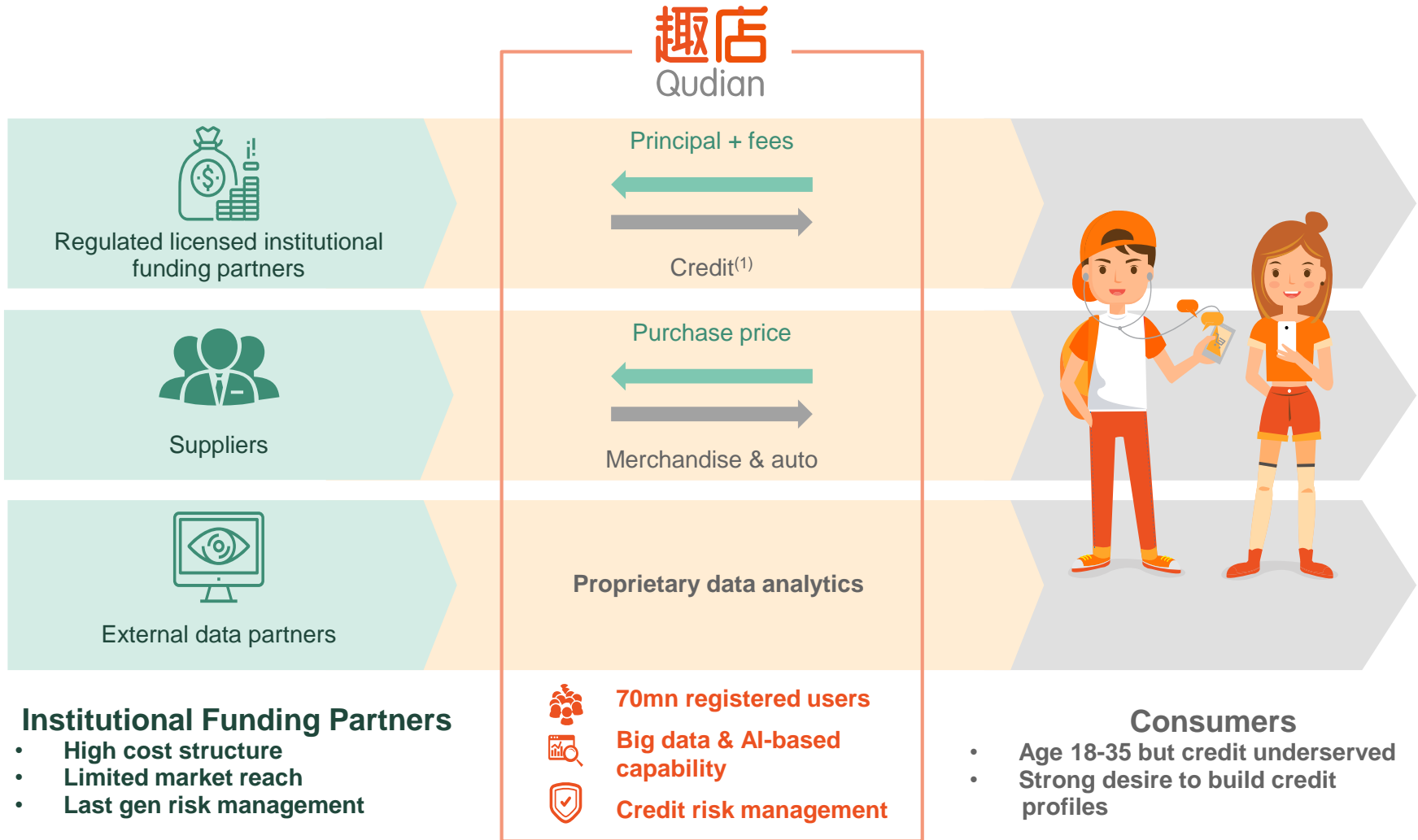
In addition to U.S. GAAP financials, this presentation includes adjusted net income, a non-GAAP financial measure. This non-GAAP financial measure is not defined under U.S. GAAP and is not presented in accordance with U.S. GAAP. The non-GAAP measure has limitations as an analytical tool and you should not consider it in isolation or as a substitute for an analysis of the Company’s results under U.S. GAAP. There are a number of limitations related to the use of the non-GAAP financial measure versus its nearest GAAP equivalent. First, adjusted net income is not a substitute for net income or other consolidated statements of operations data prepared in accordance with U.S. GAAP. Second, other companies may calculate such non-GAAP financial measure differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the non-GAAP financial measure as a tool for comparison. Finally, the non-GAAP financial measure does not reflect the impact of share-based compensation expenses, which have been and may continue to be incurred in the Company’s business. See the Appendix for reconciliation between adjusted net income to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP, which is net income.

# Leading Global FinTech Innovators

#1		Ant Financial	
#2		ZhongAn	
<b>#3</b>		<b>Qudian</b>	
#4		Oscar	
#5		Avant	
#6		Lufax	
#7		Kreditech	
#8		Atom Bank	
#9		JD Finance	
#10		Kabbage	

Source: "Fintech100" in 2017 by H2 Ventures and KPMG, based on comprehensive analysis relating to total capital raised, rate of capital raising, geographic diversity, sectorial diversity, X-factor (degree of product, service and business model innovation).

# Leading Facilitator for Accessible and Affordable Small Consumption Credit



Note:  
 (1) We have established a variety of funding arrangements. For example, certain of our institutional funding partners directly provide funding to borrowers for credit drawdowns we facilitate. We also utilize our own capital to fund credit drawdowns in many instances to enable borrowers to access credit instantly.

# Focused on Serving Large Population of Underbanked 趣店 Qudian

## Large credit transactions <sup>(1)</sup>

- PBOC credit record
- Traditional mortgage and auto loans
- **APR 3.5-18%**

~150mm  
people

## Mainly served by

- Banks
- Leading technology conglomerates

## Mid credit transactions

- Key contributors of banks' credit card overdrafts interest income
- **APR 18-25%**

~230mm  
people

- Banks & consumer finance
- Leading technology conglomerates
- Some P2P

## Micro credit transactions

- Lack of traditional credit metrics
- **APR ≤ 36%**

~430mm  
people

趣店  
Qudian

Other online  
lending platforms

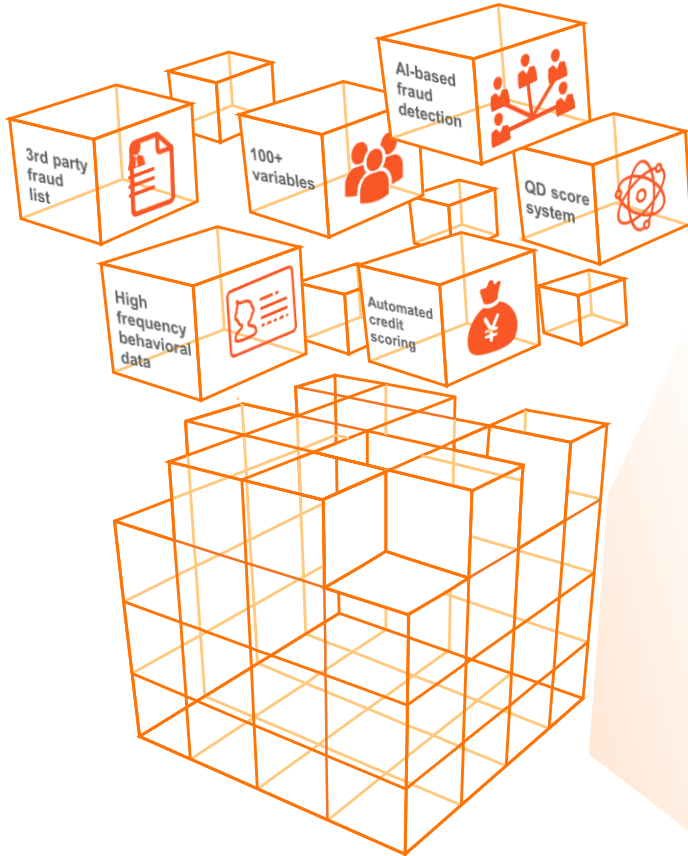
High risk loans

Source: Public information and Company's estimation

Note:

(1) We offer budget auto financing products under the brand Dabai Auto to individuals with strong credit profiles.

# Differentiated and Dynamic Risk Management Empowered by High Velocity Transaction Data



## Data abundance



- **27K** transactions / hour <sup>(1)</sup>
- **160mn+** actual transaction backed analytics

## Robust decision tree



- **Diverse credit sources**
- **300+** credit policy rules

## Automation & AI



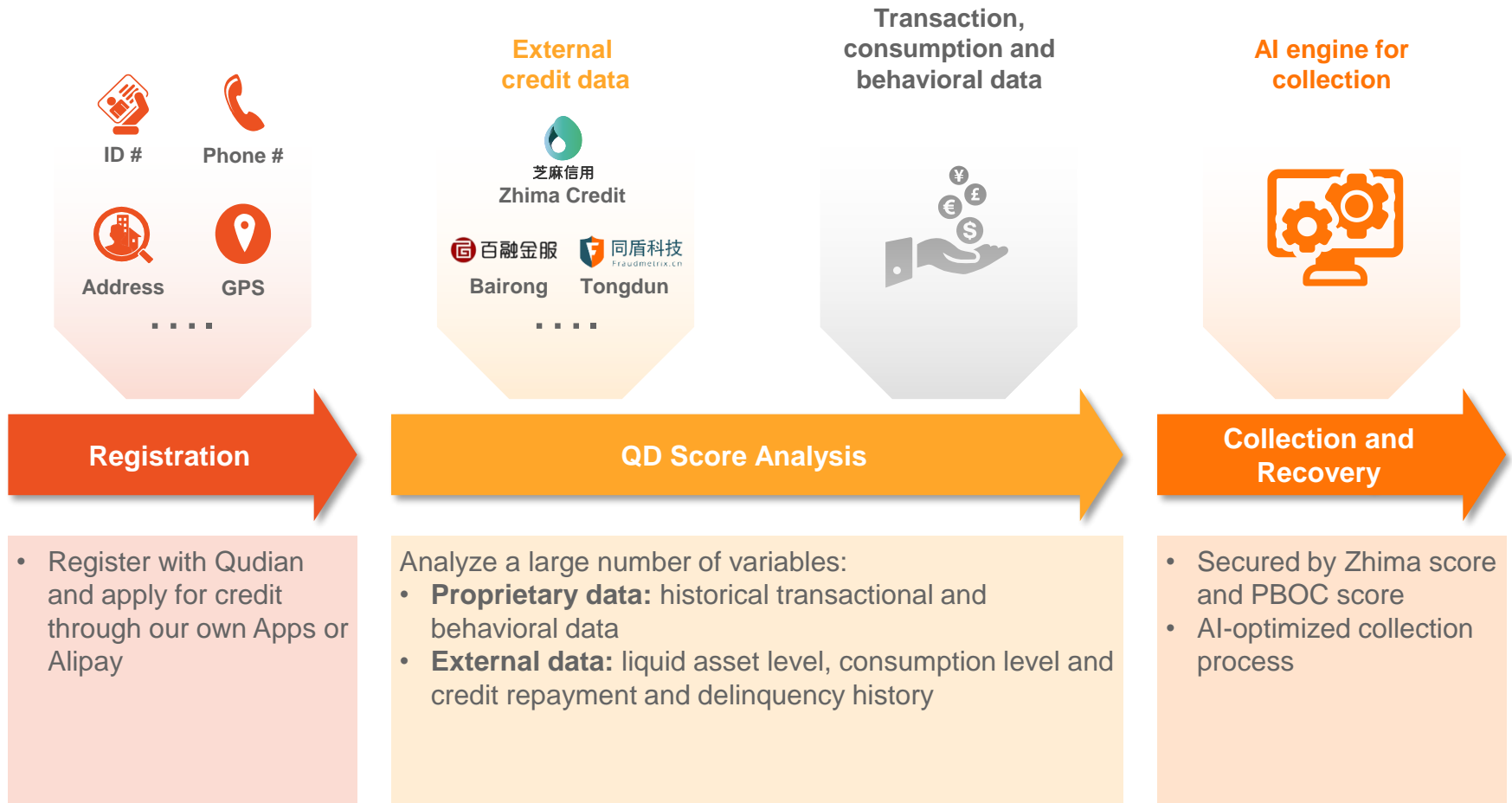
- Automated decision-making
- Minimized labour costs

Unique risk management model focusing on **willingness to repay**

Note:

(1) Refers to average total numbers of credit drawdowns and repayments per hour during 3Q18.

# Streamlined Credit Approval and Servicing Process



Within 10 seconds, 100% mobile and 100% automated

# 3Q 2018 Operational Highlights



**70mn** registered users  
**29.1mn** users with approved credit  
As of September 30, 2018



**RMB13.1bn** total amount of transactions  
**RMB694mn** non-GAAP net income  
In 3Q18



**4.9mn** outstanding borrowers<sup>(1)</sup>  
**~91%** repeat borrowers<sup>(2)</sup>  
In 3Q18



**RMB15.3bn** outstanding loans<sup>(3)</sup>  
As of September 30, 2018



**<1.7%** M1+ delinquency rate<sup>(4)</sup>  
For loans generated in 2018 through  
October 31, 2018



**21,355** number of cars sold  
In 2018, as of September 30



Serve the “**credit underserved**”



Superior **efficiency** enabled by technology



**Massive** amount of high frequency data



**Consumption** scenarios

## Notes:

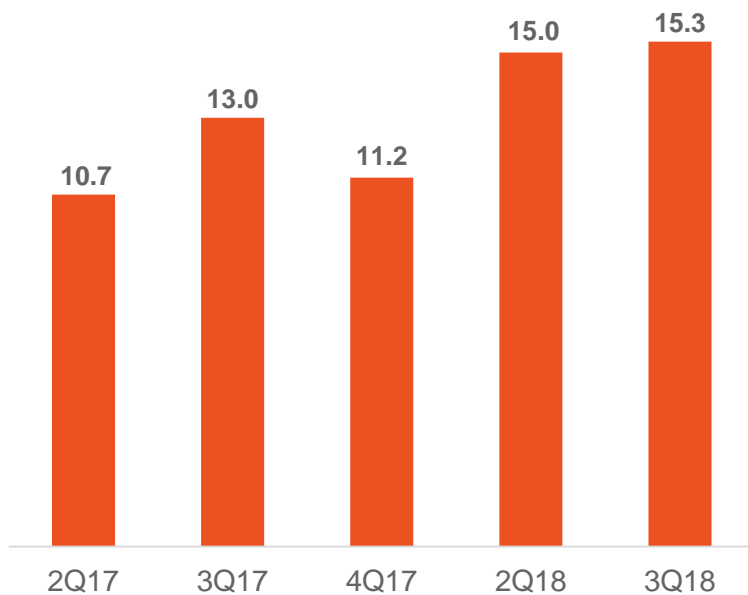
- (1) Borrowers who have loans outstanding as of September 30, 2018.
- (2) Repeat borrowers in the specified period who have made at least two drawdowns.
- (3) Includes both on-balance and off-balance sheet loan principal outstanding.
- (4) M1+ delinquency rate by vintage is defined as the total balance of outstanding principal of a vintage for which any installment payment is over 30 calendar days past due as of a particular date (adjusted to reflect total amount of recovered past due payments for principal, before charge-offs), divided by the total initial principal in such vintage.



# 3Q 2018 Financial Highlights

## Loan balance <sup>(1)</sup> increased by 17.7% YoY

(RMB bn)

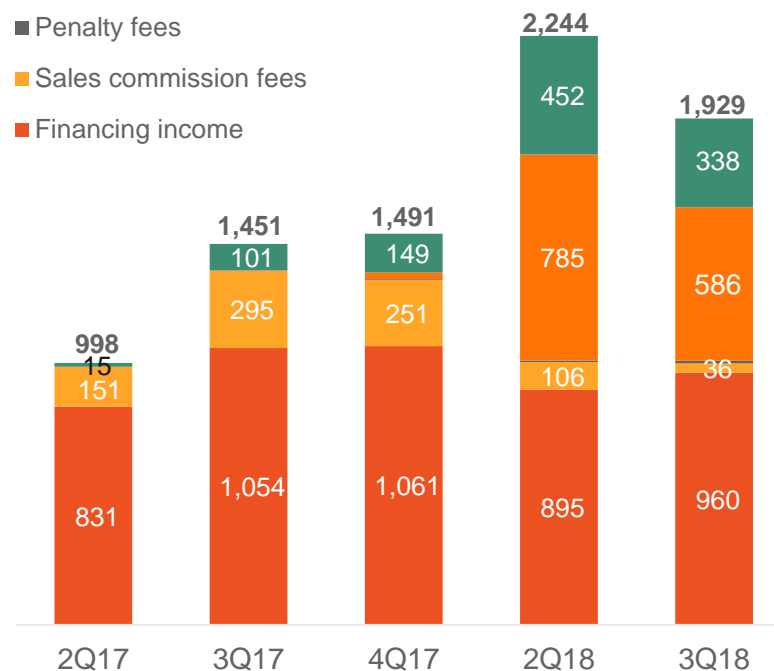


## Revenue increased by 32.9% YoY

(RMB mn)



- Loan facilitation income and others
- Sales income
- Penalty fees
- Sales commission fees
- Financing income



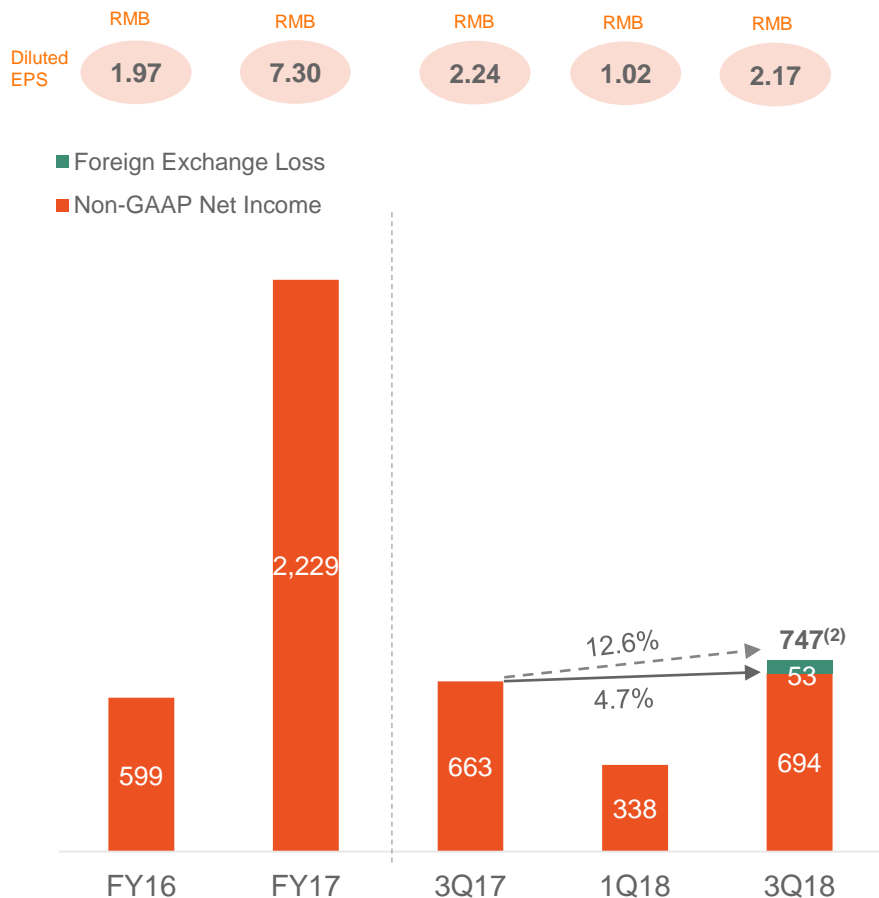
Note:

(1) Includes on & off balance sheet funding and excludes Dabai Auto.

# 3Q 2018 Financial Highlights (Cont'd)

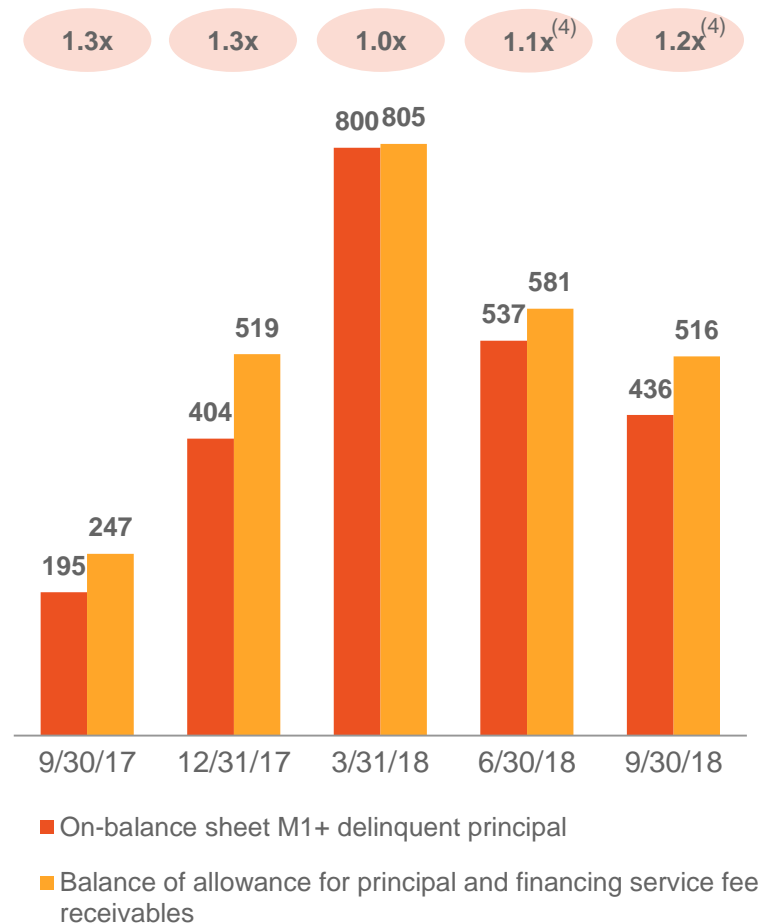
## Record Net Income Growth<sup>(1)</sup>

(RMB mn, except for EPS numbers)



## M1+ Delinquency Coverage Ratio<sup>(3)</sup>

(RMB mn)



Notes:

(1) Non-GAAP net income represents net income before share-based compensation expense.

(2) Adjusted for one-time foreign exchange loss.

(3) Defined as the balance of allowance for principal and financing service fee receivables at the end of a period, divided by the total balance of outstanding principal for on-balance sheet transactions for which any installment payment was more than 30 calendar days past due as of the end of such period, excluding charged-off amounts. The amount charged-off has been fully covered by allowance provided by the Company.

(4) Includes on-balance sheet M1+ delinquent principal and financing service fee receivables.

# 3Q 2018 Financial Highlights (Cont'd)

## Cost of Revenue

(RMB mn)

As % of Revenue

19%

18%

11%<sup>(1)</sup>

8%<sup>(1)</sup>

9%<sup>(1)</sup>

## Operating Expenses

(RMB mn)

As % of Revenue

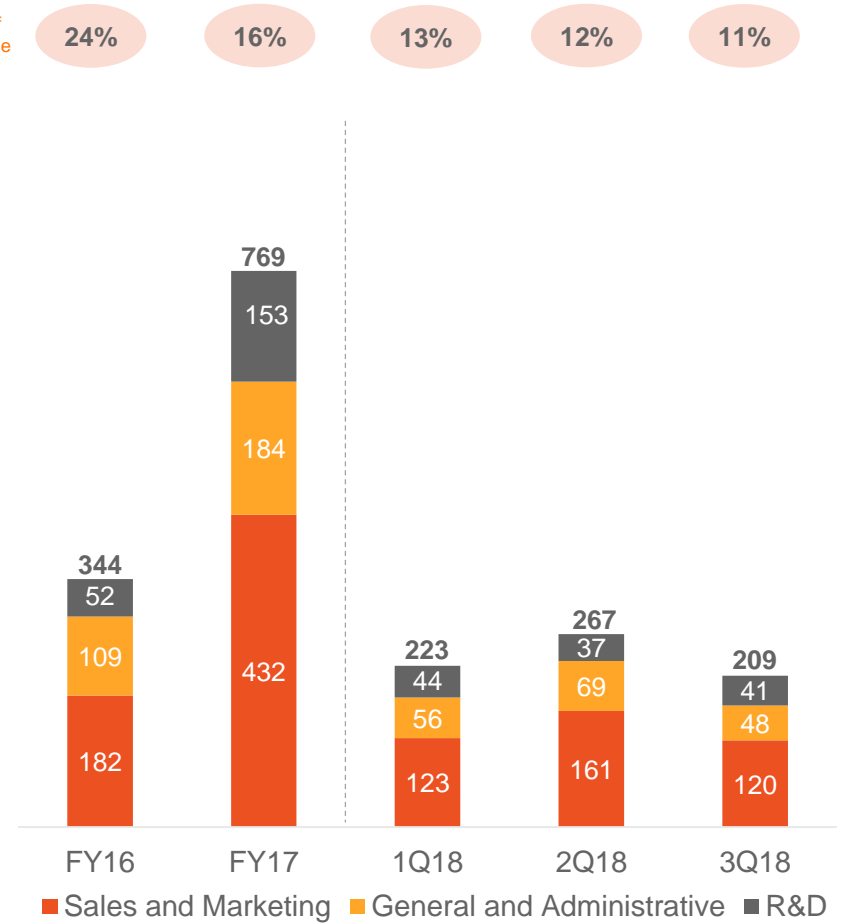
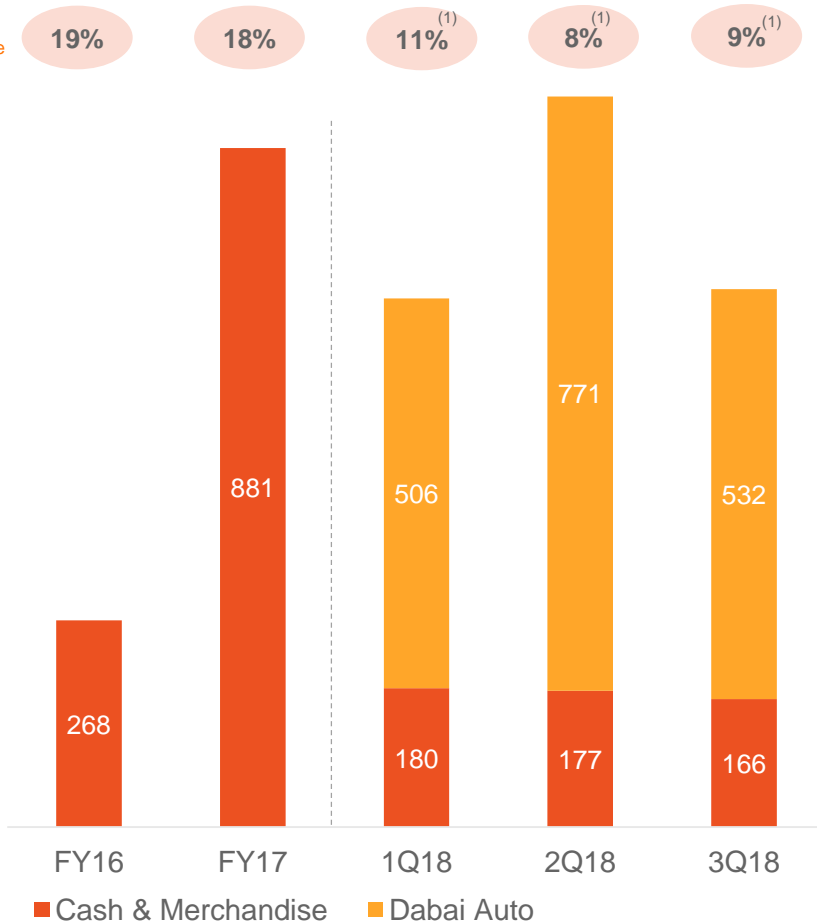
24%

16%

13%

12%





11%

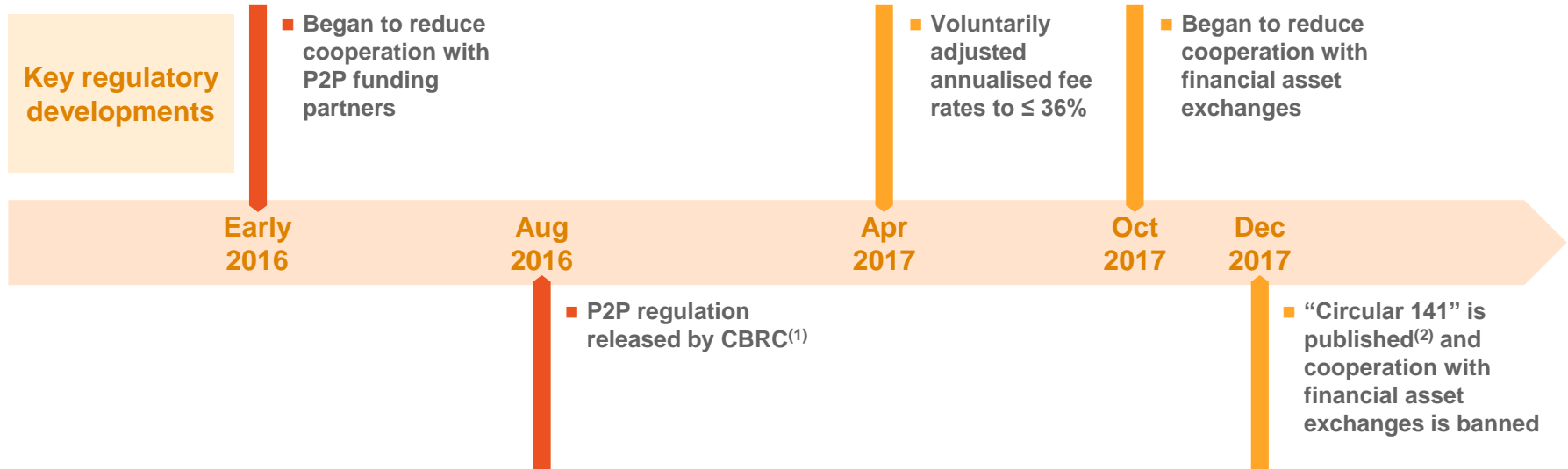


Note:

(1) Excludes Dabai Auto-related cost of revenue.

# Anticipates and Proactively Complies with Regulations

<p><b>Protect investors</b></p> <ul style="list-style-type: none"> <li>✓ Regulated licensed institutional funding</li> </ul> 	<p><b>Protect borrowers</b></p> <ul style="list-style-type: none"> <li>✓ APR within regulatory cap</li> <li>✓ Legal collection practices</li> </ul> 	<p><b>M2 money supply</b></p> <ul style="list-style-type: none"> <li>✓ Lending through regulated licensed institutions</li> </ul> 	<p><b>Governing Unit of China Internet Finance Association</b></p> 
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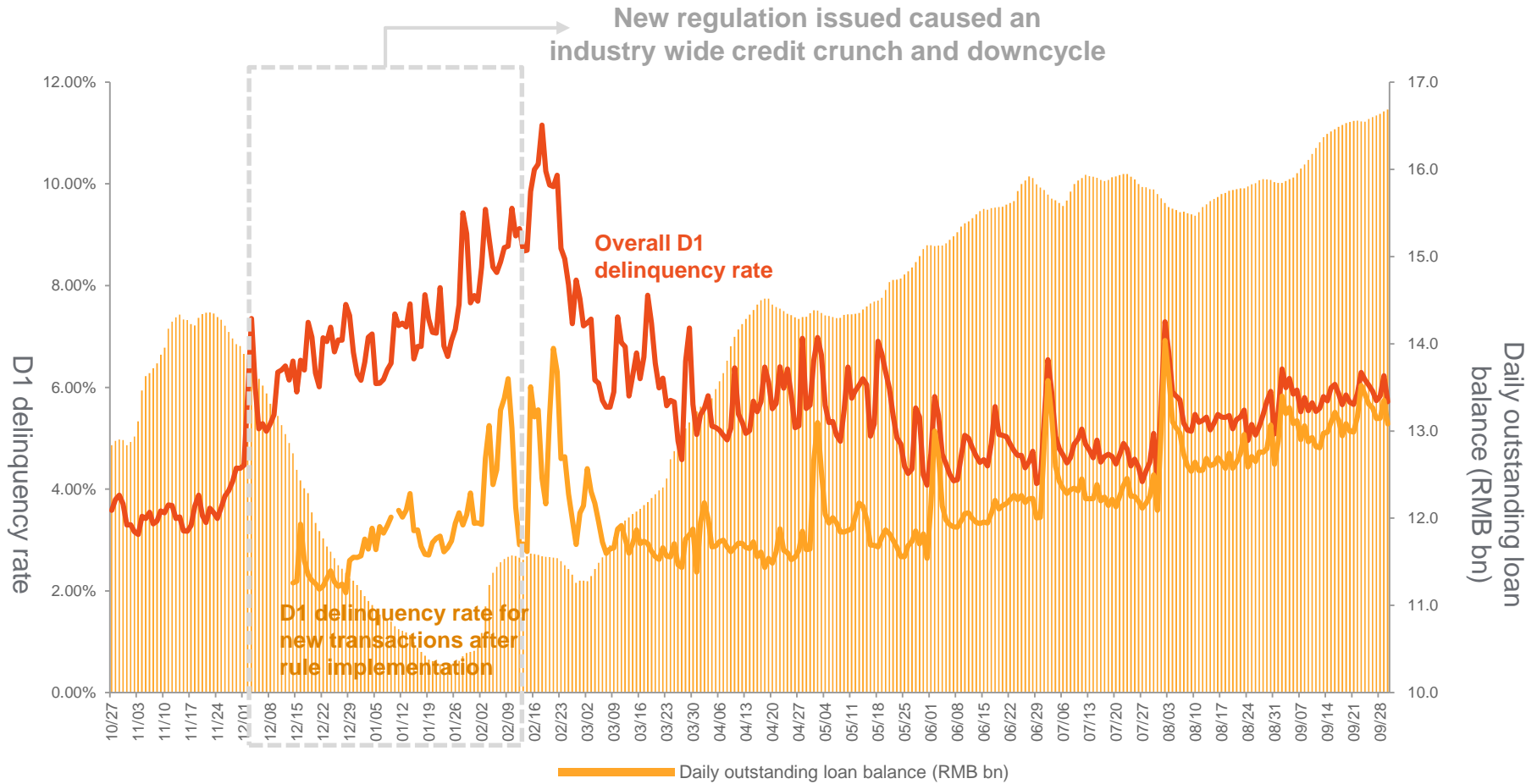


Notes:

(1) Refers to 网络借贷信息中介机构业务活动管理暂行办法 released on August 24, 2016.

(2) Refers to 关于规范整顿“现金贷”业务的通知 released on December 1, 2017.

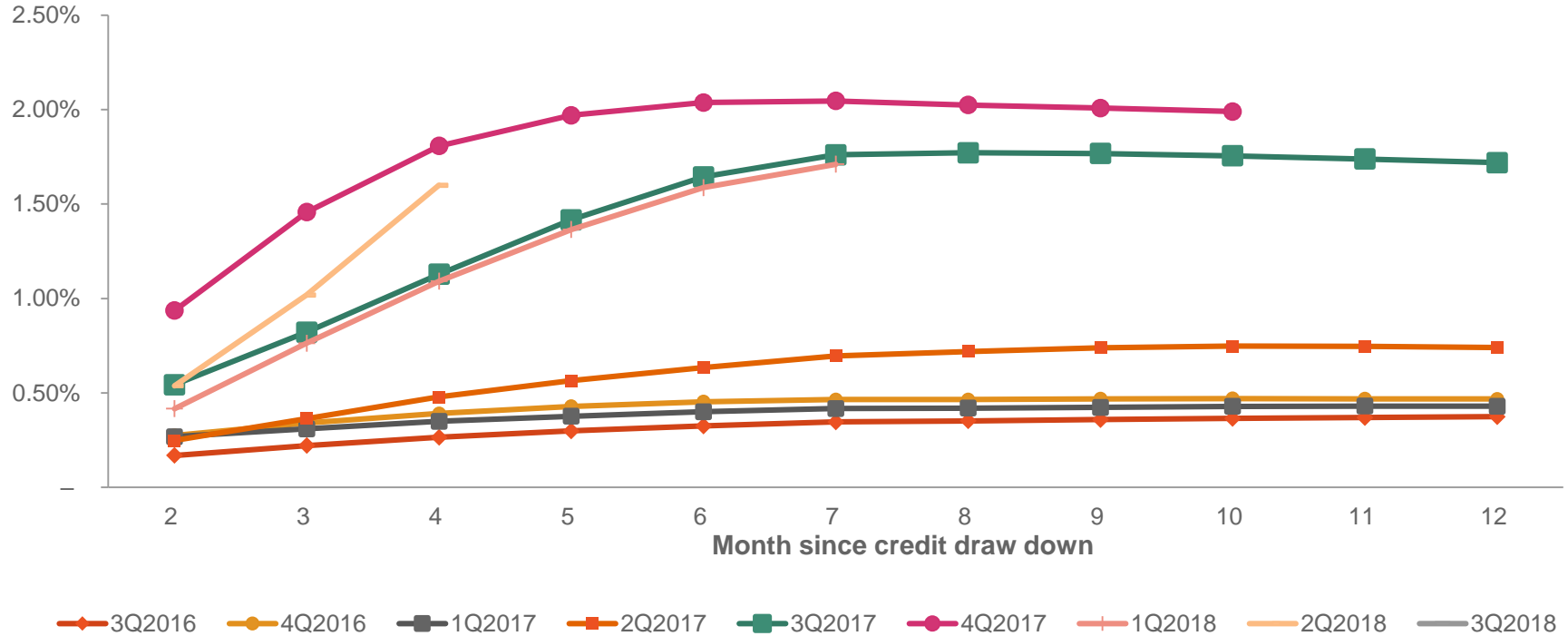
# Optimized Risk Model to Quickly React to Credit Cycle and De-risk Our Balance



D1 delinquency rate for new transactions fell back to a low level after new credit model was implemented

# Superior Credit Performance

M1+ Delinquency Rate by Vintage (1)





M1+ delinquency rate for loans generated in 2018 : <1.7%

Note:

(1) Defined as the total balance of outstanding principal of a vintage for which any installment payment is over 30 calendar days past due as of a particular date (adjusted to reflect total amount of recovered past due payments for principal and without taking into account charge-offs), divided by the total initial principal in such vintage.

# Continue to Optimize Credit Size and Tenure<sup>(1)</sup>

✓ Adjusted product strategy and significantly reduced high risk weekly credit product

	2Q18	3Q18
		 More affordable  Lower risk
Average ticket size	RMB1,430	RMB1,420
Credit tenure	7.4 months	10.2 months
Average monthly total payment	~220 RMB	~160 RMB <sup>(2)</sup>
Monthly fee payment	~25 RMB	~22 RMB <sup>(2)</sup>

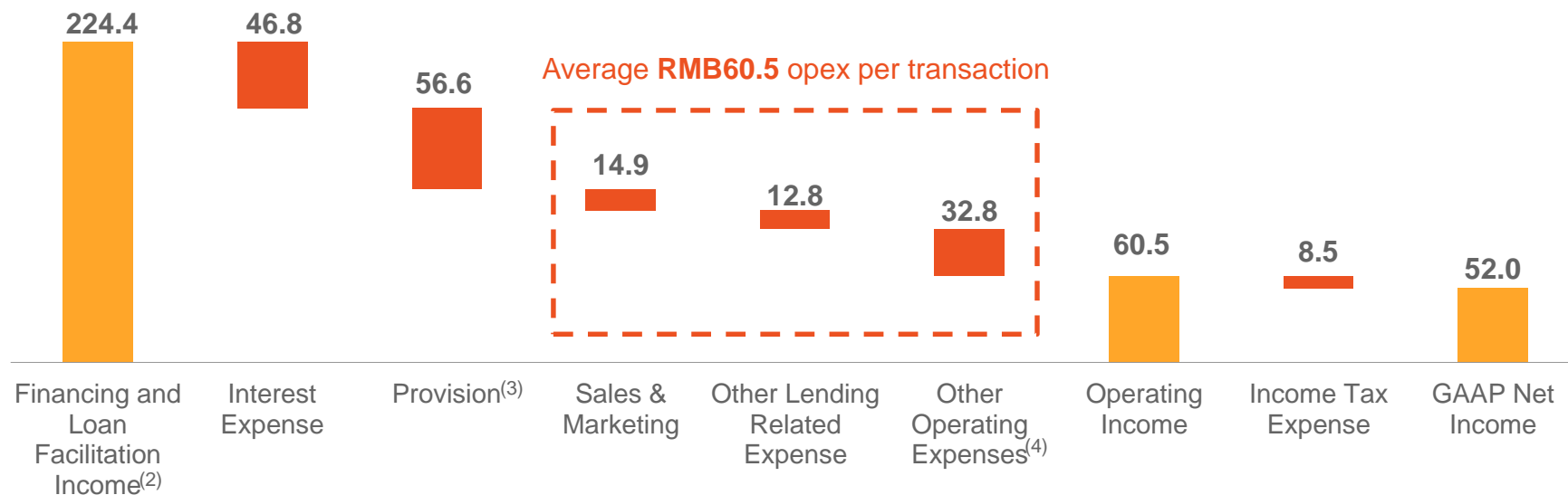
Notes:

- (1) Excludes Dabai Auto.  
(2) Based on effective APR of approximately 32%.

# Customer Acquisition Driven by Word of Mouth

## Illustrative average economics per transaction<sup>(1)</sup>

Per transaction facilitated (average size of RMB1420, effective APR of ~32%, average duration of ~10.2 months), based on RMB13.1bn total transactions during 3Q18



**Low customer acquisition cost**

**Low transaction processing cost**

**Technology-focused operating structure**

**Operating results reflect the maximum APR cap of 36% since April 2017**

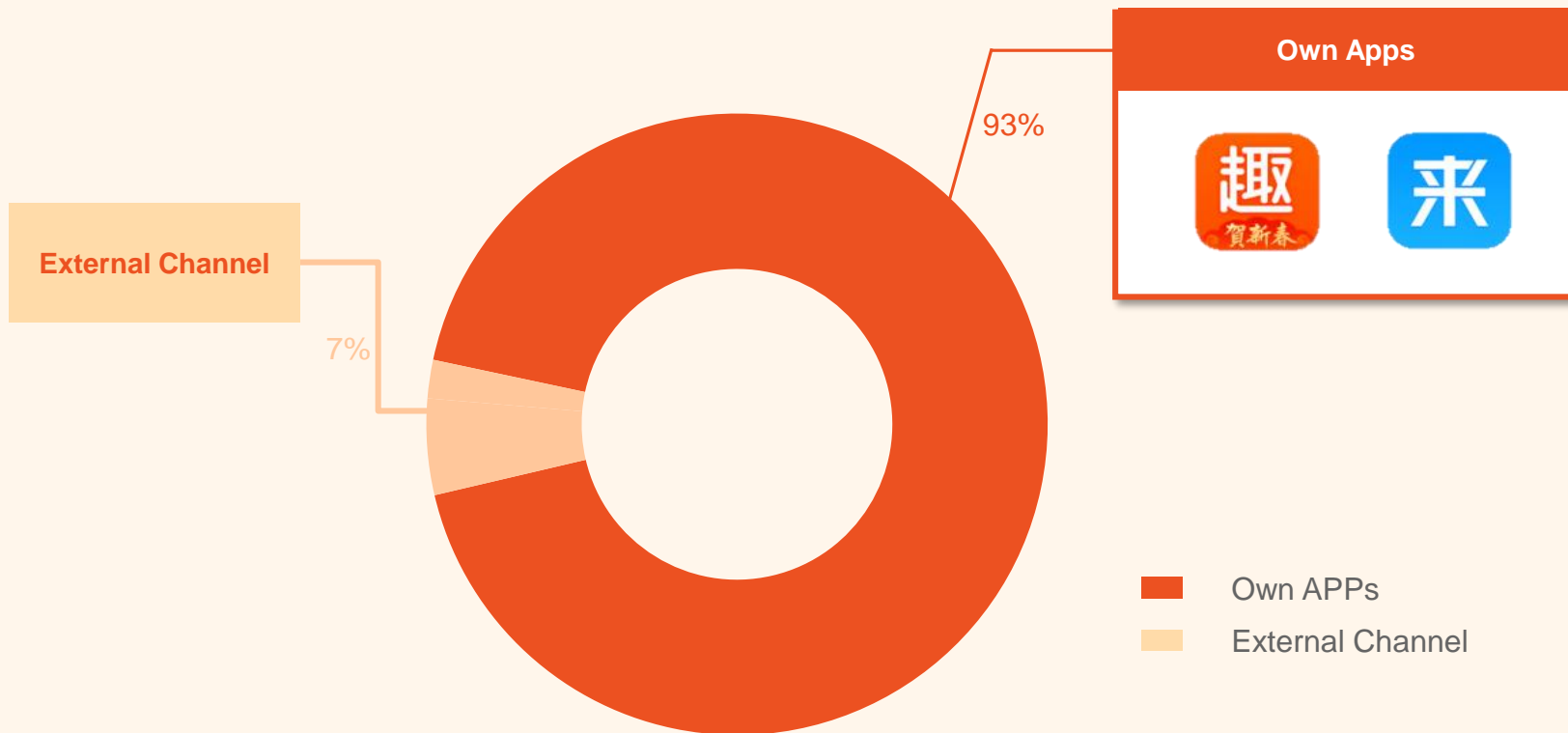
Notes:

- (1) Excludes sales income, cost of sales-type lease (Dabai Auto).
- (2) Excludes sales commission and penalty income; loan facilitation income does not adjust for guarantee liability.
- (3) Based on 4% provision rate.
- (4) Includes G&A and R&D expenses.



# Cost Effective User Engagement Strategy

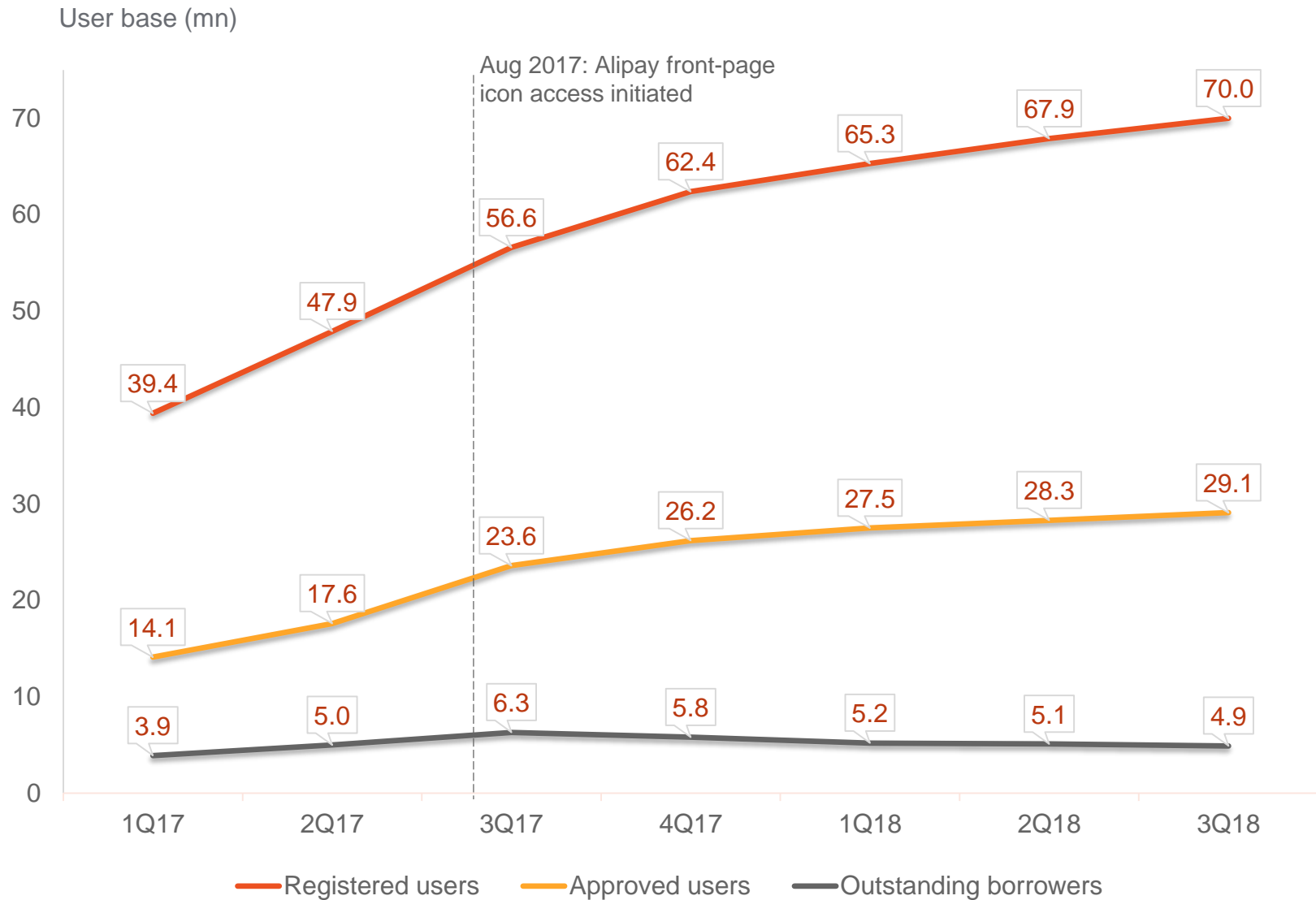
Channel breakdown by transactions<sup>(1)</sup>



Engage our returning borrowers primarily through our own apps and free service window on Alipay

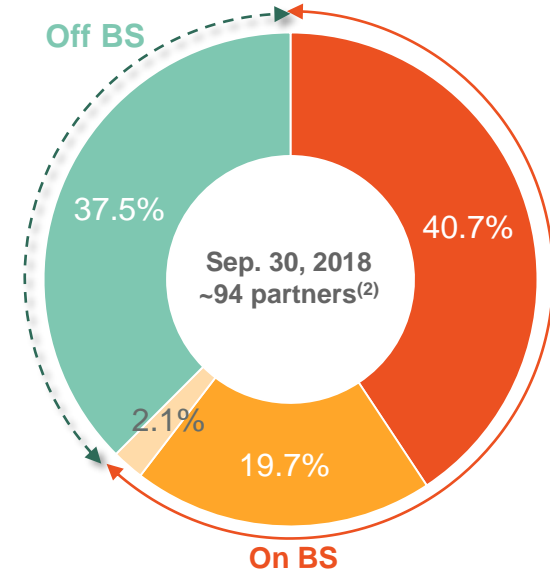
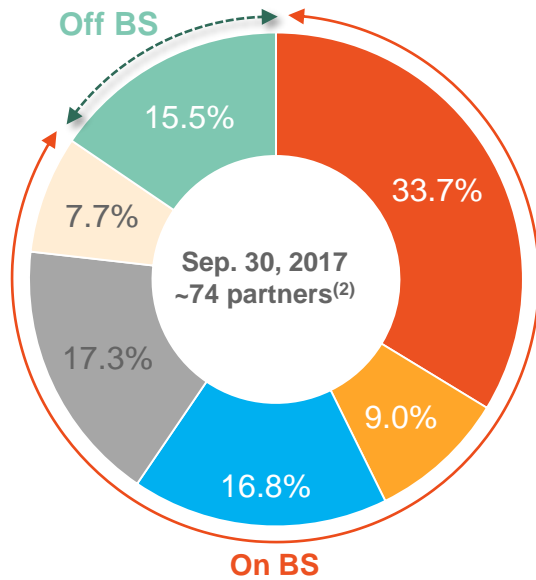
Note:  
(1) By number of transactions in 3Q18.

# Under-penetrated User Base Unlocks Huge Opportunities



# Diversified and Scalable Funding

Continue to increase off BS funding and expand partnerships<sup>(1)</sup>



On BS

- Own Equity
- Borrowings from P2P Institutions
- Trust (external)

- Financial Asset Exchange
- Others

Off BS

- Off-Balance Sheet Funding (banks and consumer finance company)

Notes:

- (1) Based on outstanding principal as end of each fiscal period.
- (2) Cumulative number of funding partners.

# Visible Growth with Significant Upside

On + Off balance sheet  
focusing on  
micro consumption loans

Offer a broader range of financial  
products and services for excess  
traffic

5mm  
core users

29mm  
approved users

70mm  
registered users

**10bn+** own equity  
&

**20+** licensed institutional  
funding partners

**10+** credit referral partners

Growing user base served by strong self-funding, proven external funding + extensive credit referral program

# Appendix



# Unaudited Income Statement

	Year Ended		Three Months Ended	
	Dec 31, 2016	Dec 31, 2017	Sep 30, 2017	Sep 30, 2018
(in millions, except for EPS numbers)	RMB	RMB	RMB	RMB
Financing income	1,271	3,642	1,054	960
Sales commission fee	127	797	295	36
Sales income	-	26	-	586
Penalty fees	23	8	1	9
Loan facilitation income and others	22	302	101	338
<b>Total revenues</b>	<b>1,443</b>	<b>4,775</b>	<b>1,451</b>	<b>1,929</b>
<b>Operating cost and expenses:</b>	<b>(744)</b>	<b>(2,405)</b>	<b>(758)</b>	<b>(1,229)</b>
Cost of revenue	(268)	(881)	(259)	(699)
Sales and marketing	(182)	(432)	(188)	(120)
General and administrative	(109)	(184)	(51)	(48)
Research and development	(52)	(153)	(53)	(41)
Loss of guarantee liability	(1)	(150)	(39)	(29)
Provision for loan principal, financing service fee receivables and other receivables	(132)	(605)	(168)	(292)
<b>Total operating cost and expenses</b>	<b>(744)</b>	<b>(2,405)</b>	<b>(758)</b>	<b>(1,229)</b>
Other operating income	15	51	2	3
<b>Income from operations</b>	<b>713</b>	<b>2,421</b>	<b>696</b>	<b>703</b>
Interest and investment income	2	4	1	23
Foreign exchange loss	(10)	(7)	-	(53)
<b>Net income before income taxes</b>	<b>703</b>	<b>2,420</b>	<b>697</b>	<b>676</b>
Income tax expenses	(127)	(256)	(46)	8
<b>Net income</b>	<b>577</b>	<b>2,164</b>	<b>651</b>	<b>684</b>
Basic EPS	7.27	17.12	9.07	2.15
Diluted EPS	1.90	7.09	2.20	2.13
Add: share-based compensation expenses	22	64	13	11
<b>Non-GAAP net income</b>	<b>599</b>	<b>2,229</b>	<b>663</b>	<b>694</b>

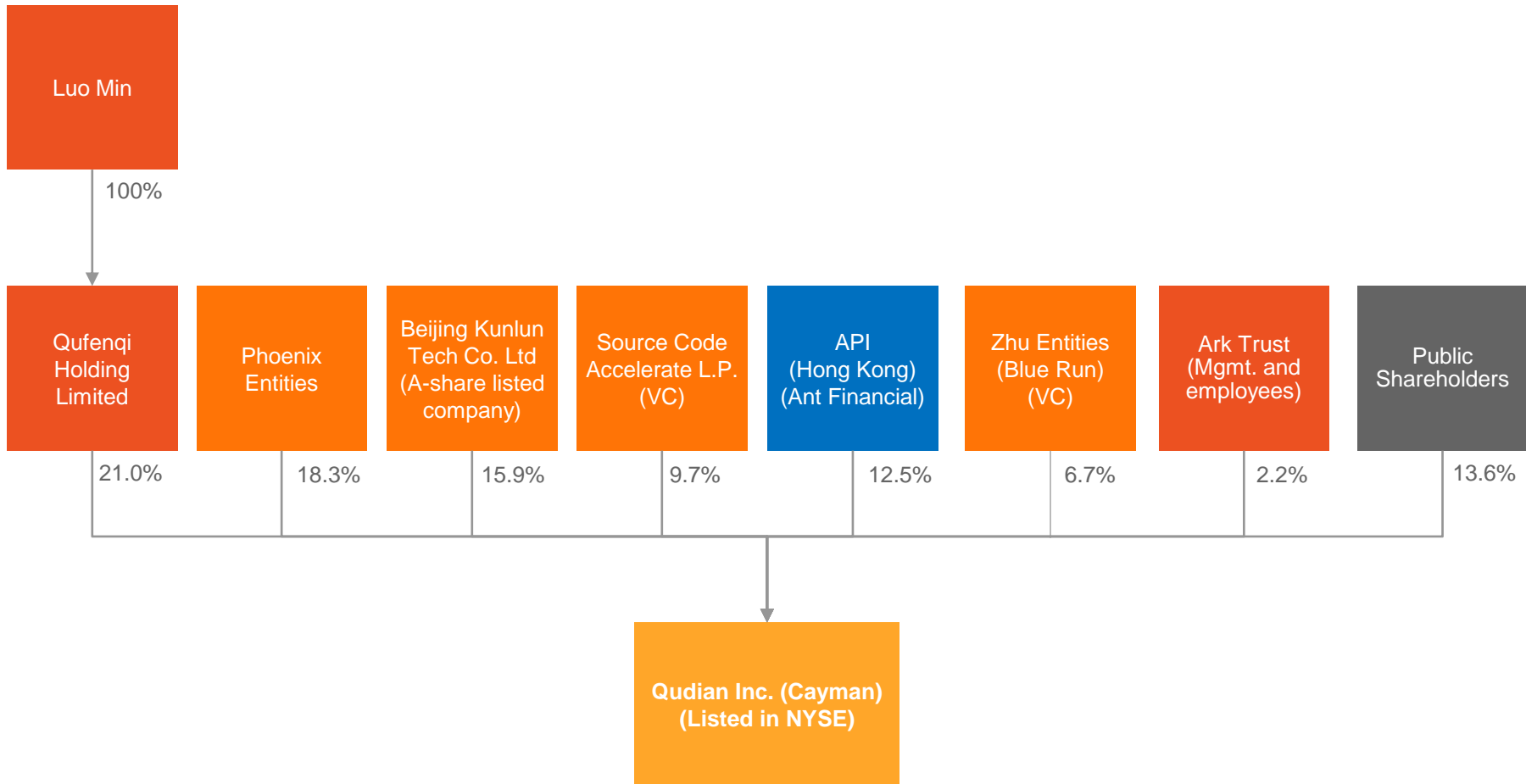
# Unaudited Balance Sheet

	As of				
	Dec 31, 2015	Dec 31, 2016	Dec 31, 2017	Jun 30, 2018	Sep 30, 2018
(in millions)	RMB	RMB	RMB	RMB	RMB
Cash and cash equivalents	210	786	6,832	2,905	2,754
Restricted cash <sup>(1)</sup>	-	-	2,253	1,458	1,183
Short-term amounts due from related parties	35	586	551	336	258
Short-term loan principal and financing service fee receivables	2,061	4,827	8,759	10,099	9,063
Other current assets	90	300	482	1,242	1,059
Long-term finance lease receivables	-	-	18	691	680
<b>Total assets</b>	<b>2,676</b>	<b>7,118</b>	<b>19,380</b>	<b>17,986</b>	<b>16,437</b>
Short-term borrowings and interest payables	1,563	4,183	7,979	6,032	4,811
Short-term amounts due to related parties	1,606	20	720	1,112	2
<b>Total liabilities</b>	<b>3,307</b>	<b>4,604</b>	<b>9,840</b>	<b>7,848</b>	<b>5,848</b>
<b>Total mezzanine equity</b>	<b>5,944</b>	<b>5,944</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholders' equity / (deficit)</b>	<b>(6,575)</b>	<b>(3,430)</b>	<b>9,540</b>	<b>10,138</b>	<b>10,589</b>
<b>Total liabilities, mezzanine equity and shareholders' equity</b>	<b>2,676</b>	<b>7,118</b>	<b>19,380</b>	<b>17,986</b>	<b>16,437</b>

Note:

(1) Restricted cash mainly represents the cash in trusts which can only be used to fund credit drawdowns in such trusts or settle these trusts' obligations. Such restricted cash is not available to fund the general liquidity needs of the Company.

# Shareholding Structure



Notes:

- (1) Shareholding information is based on shareholders' announcements as of Nov 11<sup>th</sup>, 2018.
- (2) Total number of shares outstanding is 302,281,548 as of Nov 11<sup>th</sup>, 2018.