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hexindai.com

HX
NasdaqListed



Company Presentation

Q4 FY2019

(NASDAQ: HX)

This presentation of Hexindai Inc. (the “Company”) contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “potential,” “continue,” “ongoing,” “targets,” “guidance” and similar statements. The Company may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Any statements that are not historical facts, including statements about the Company’s beliefs and expectations, are forward-looking statements that involve factors, risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such factors and risks include, but not limited to the following: the Company’s goals and strategies; its future business development, financial condition and results of operations; the expected growth of the credit industry, and marketplace lending in particular, in China; the demand for and market acceptance of its marketplace’s products and services; its ability to attract and retain borrowers and investors on its marketplace; its relationships with its strategic cooperation partners; competition in its industry; and relevant government policies and regulations relating to the corporate structure, business and industry. Further information regarding these and other risks, uncertainties or factors is included in the Company’s filings with the SEC. All information provided in this presentation is current as of the date of this presentation, and the Company does not undertake any obligation to update such information, except as required under applicable law.

Who We Are

A Fast-growing Online Consumer Lending Marketplace Focusing on Meeting the Growing Consumption Demand of the Emerging Middle Class in China

Hexindai Inc. (NASDAQ: HX)

- Established in March 2014, with headquarters in Beijing
- Listed on NASDAQ in Nov 2017
- Rank 6th in the unsecured medium-sized consumer loans market in China



Typical Terms for Borrowers (Core Business)⁽²⁾

- 100% credit loan
- Loan range: US\$3k~30k
- Average ticket size: US\$15k
- Loan term: ~96%, 36 months
- Equal Monthly Payments

84,891

Borrowers
for the fiscal year ended March 31, 2019

564.9 million

US\$ loans facilitated
for the fiscal year ended March 31, 2019

118,247

Investors
for the fiscal year ended March 31, 2019

227,557⁽³⁾

Borrowers
as of March 31, 2019

3.1 billion⁽³⁾

US\$ loans facilitated
as of March 31, 2019

278,937⁽³⁾

Investors
as of March 31, 2019

Source: Company Information.

Note:

(1) Growth rates are calculated by RMB amount, therefore the impact from exchange rate in different reporting periods is excluded.

(2) For the year ended March 31, 2019

(3) Calculated on a cumulative basis from inception of our business in March 2014 to March 31, 2019.

Why Hexindai – Key Differentiators

Industry-leading Advantages

Finance Guarantee

- All loans are covered by Shanxi Zhengxuan
- Controlled by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC)
- Only **22.0%** companies in the industry cooperate with finance guarantee companies

**Shanxi Zhengxuan
Finance Guarantee Co., Ltd.**

Custodian Bank

- Total assets as of Dec 31, 2018: RMB419 billion
- Being integrated with a custodian bank becomes **mandatory for compliance.**



Multi-Level Protection Scheme Level 3 Certification

- Same information security level as commercial banks
- Only **16.0%** companies in the industry can reach the level



iTrust AAA Certificate

- Certified according to National Enterprise Credit Evaluation and Bank Credit Rating standards
- Only **6.0%** of companies in the industry have received iTrust AAA certificate, the highest level possible.



RMB1.22bn Credit Line Issued by Commercial Banks

Source: Company Information, WDZJ, P2P Heibanbao, iTrust.
Note: (1) Formerly the Beijing Municipal Bureau of Financial Work



In the Right Sector

- **Management strategic foresight to position the business within regulator-supported field**

- Information intermediary only
- Focusing on medium-sized installment loans
- Loan used mainly for consumption upgrades

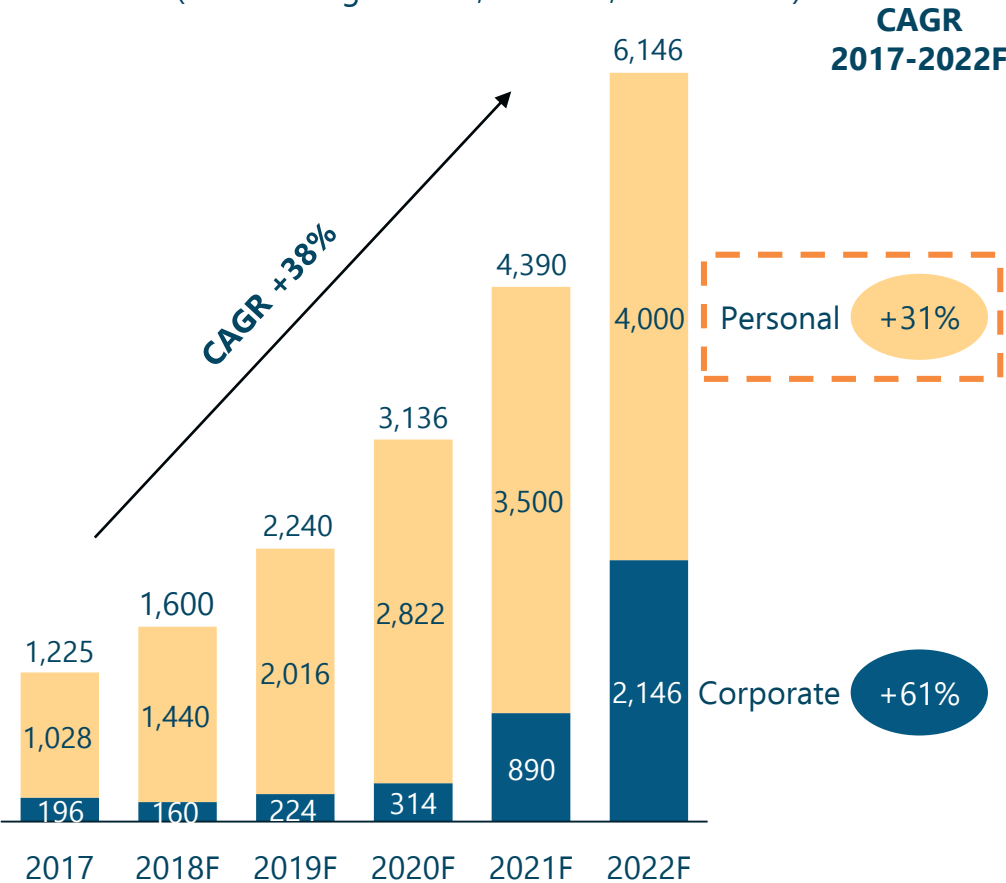
- **Compliant with online lending industry guidelines**

- Completed the submission of our P2P Compliance Self-Inspection Report
- Completed the on-site inspection conducted by the Beijing Internet Finance Industry Association
- Completed the field inspection by the Beijing Local Financial Supervision and Administration⁽¹⁾

Rapidly Rising Market Demand Ensures Future Growth for Sector

Vast Addressable Market

Forecast for China's Marketplace Lending⁽¹⁾ Market
(Outstanding Balance, RMB BN, 2017-2022F)



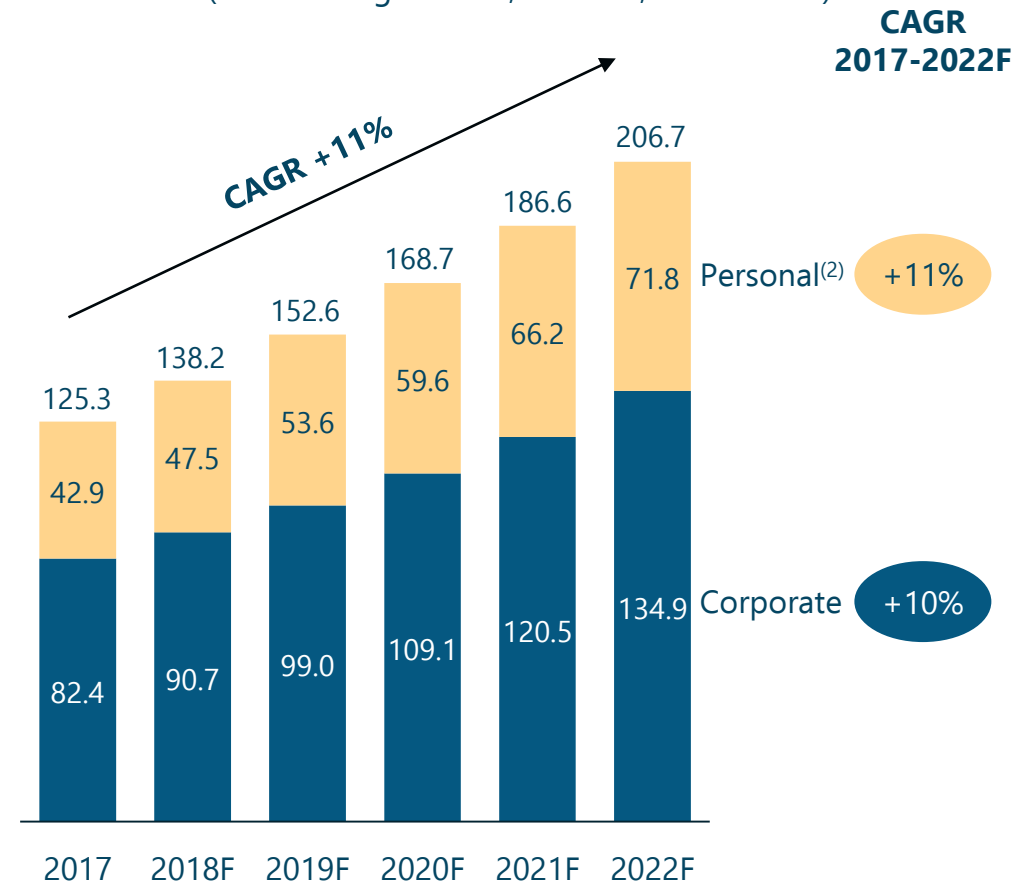
Source: CBRC, PBOC, CEIC, WIND, WDZJ, Literature Research, Oliver Wyman estimation

Note:

(1) According to Oliver Wyman, marketplace lending is defined as any marketplace for lending and investing, where individuals or corporates borrow and lend money from other individuals or corporates without the use of a credit-intermediating financial institution such as banks. The chart shows the expected growth of the total marketplace lending outstanding balance by borrower types (including

High Demand for Credit from Borrowers

Forecast for China Credit Market
(Outstanding Balance, RMB TN, 2017-2022F)



both online and offline borrower acquisition models).

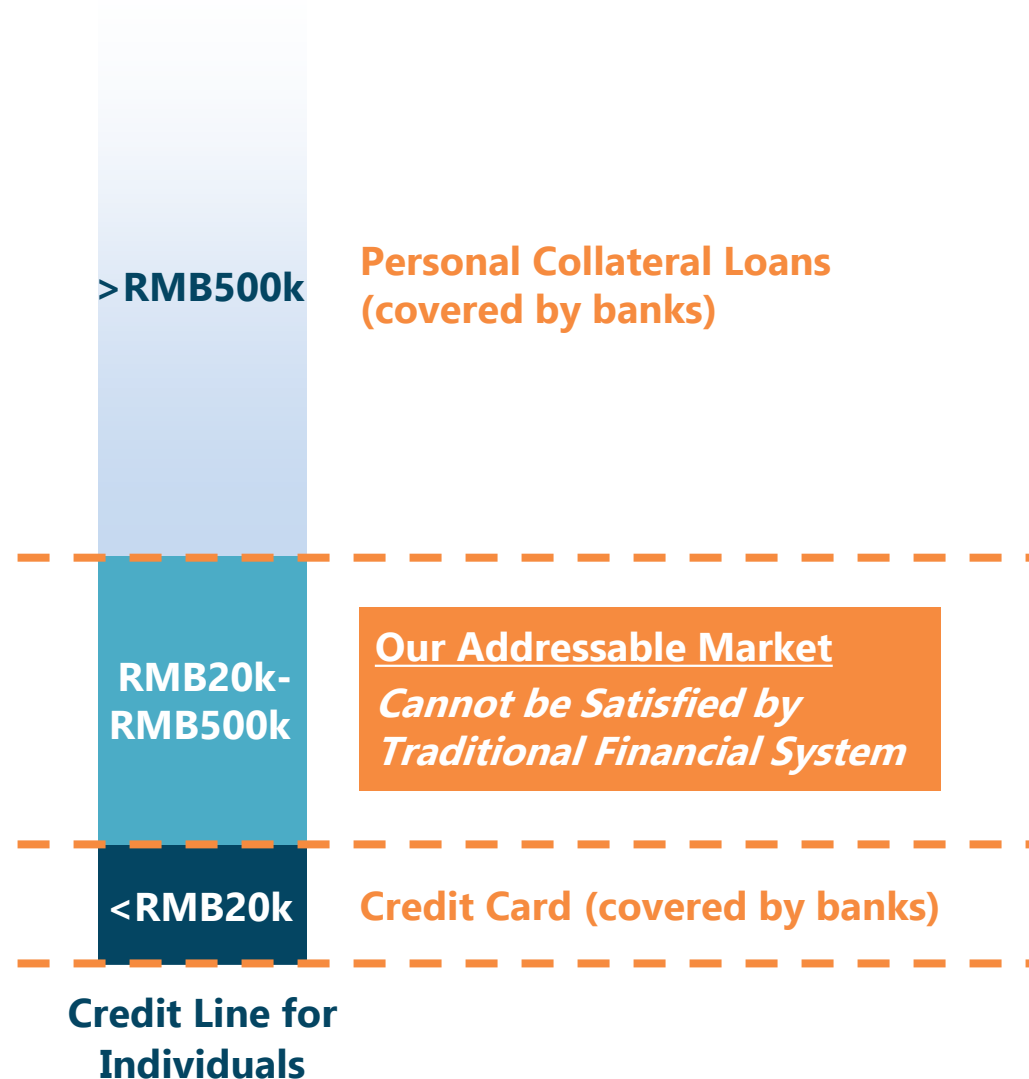
(2) According to Oliver Wyman, personal section in credit market refers to consumer lending market where personal loans such as home mortgages, auto loans, personal business operations loans and consumption loans are provided

(3) Numbers may not add up due to rounding.

Demand for Credit by Individual Borrowers Cannot be Satisfied by Traditional Financial System

0.49
YoY +16.1%
Average credit card
per capita
as of December 31, 2018

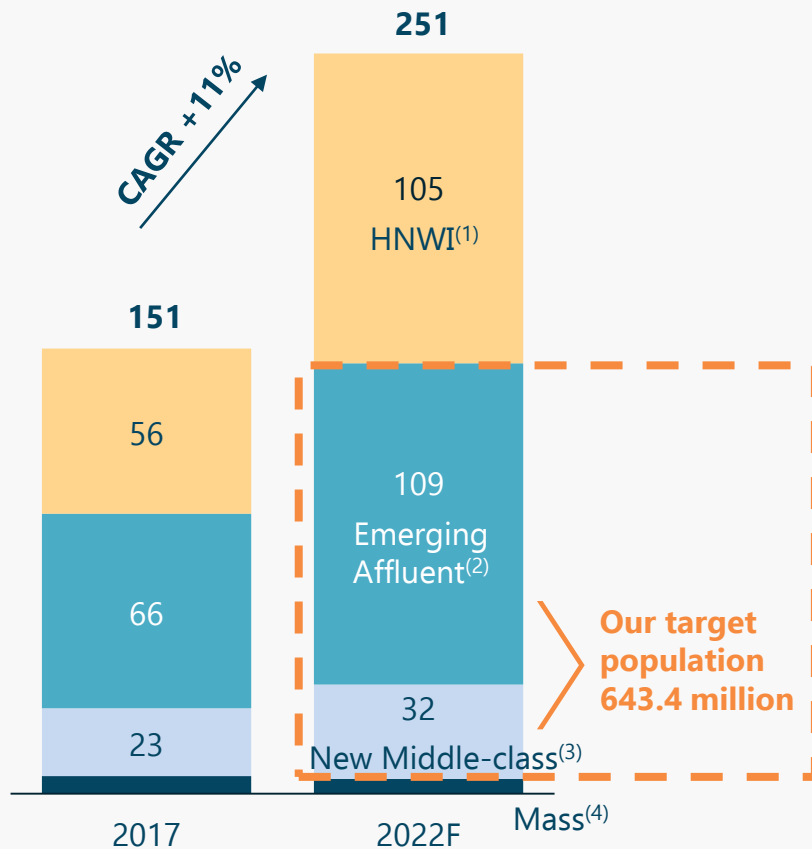
RMB22.4k
YoY +5.7%
Average credit line per
credit card
as of December 31, 2018



Increasing Demand for Investments among Chinese Citizens

Increasing Personal Investable Assets is a Fundamental Driver of Industry Growth

(RMB TN)



Source: Forbes, Credit Suisse, World Bank, Oliver Wyman analysis.

Note:

(1) High net worth individuals: individuals with more than RMB10MN accumulated disposable assets.

Tightened regulations on foreign currency transactions

- Stringent requirements for
 - Overseas cash withdrawals, and
 - Annual quotas for foreign exchange purchases and overseas remittance by Chinese individuals.

Geographical Restrictions

New asset management policies released

- Higher investment thresholds now in place for those seeking to invest through banks and wealth management institutions.
- Fewer fixed income investment products are now offered to retail investors.

Limited Investment Options

P2P platforms are easily accessible and are the favored investment channel for Chinese individuals:

- ✓ Low investment threshold with a **minimum investment of RMB1,000**
- ✓ Investments on P2P platforms have **clearly stated expected yield rates**
- ✓ Investments on P2P platforms have **well-defined investment periods**
- ✓ Upon completion of filing and registration, the P2P sector will be under the strict supervision of the CBRC. Therefore, **reputation will be enhanced**

(2) Emerging affluent: individuals who hold RMB300K to 10MN accumulated disposable assets.

(3) New middle class: individuals with RMB60K to 300K of accumulated disposable assets

(4) Mass: individuals with less than RMB60K accumulated disposable assets.

Expanding Our Business Vertically to Capture Growth Opportunities

Market Segments				Hexindai	
Loan Type (Purpose)	Loan Size (RMB)	Duration	Current P2P Size ¹ (RMB)	Previous	Now
Large-amount (Consumption /Invest)	>140k	>36 months	~210 billion		√ Microlending business
Medium-amount (Consumption Upgrade)	20k-140k	12-36 months	~640 billion	√	√ P2P medium- sized credit loan (core business)
Small-amount (Basic Consumption)	3k-20k	3-12 months	~160 billion		√ P2P microfinancing loan
Payday (Survival)	<3k	<30 days	~20 billion		

Source: industry expert interview, company website, Oliver Wyman analysis

Note:

(1) Estimated 2017 outstanding balance.

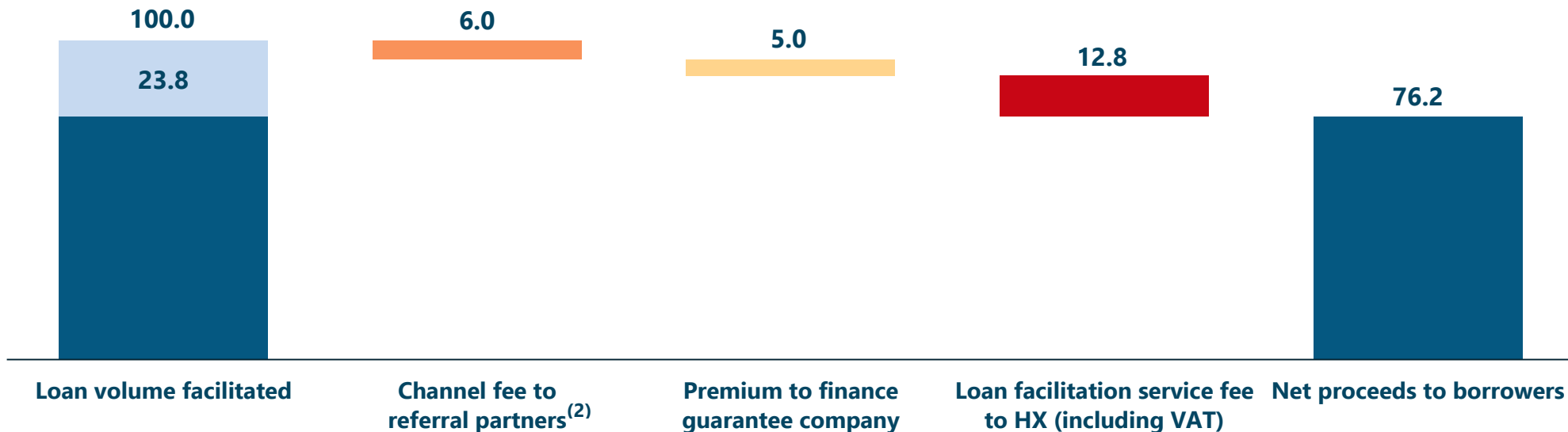
The Benefit of Our Business Model on Our Marketplace


We are a pure information and service platform matching investors with individual borrowers.
Loans are not held on our balance sheet and we bear no default risk.



Our Economics Illustration⁽¹⁾ – Core Business

(Per US\$100 loan facilitated, for example)



	PV	Rate	PMT
Investor	Loan volume facilitated=US\$100 =PV(9.69%/12, 36, -3.21)	Yield rate=9.69% Investor yield rate keeps trending down, spread transferring into our revenue.	Equal monthly payment=US\$3.21 =PMT(9.69%/12, 36, -100) Making fully amortizing periodic payments is cheaper for borrowers than making a lump-sum payment.
Borrower	Net proceeds=US\$76.2 =PV(29.4%/12, 36, -3.21)	All inclusive APR ⁽³⁾ =29.4% =RATE(36, 3.21, -76.2)*12	 ■ Interest ■ Principle

Note:

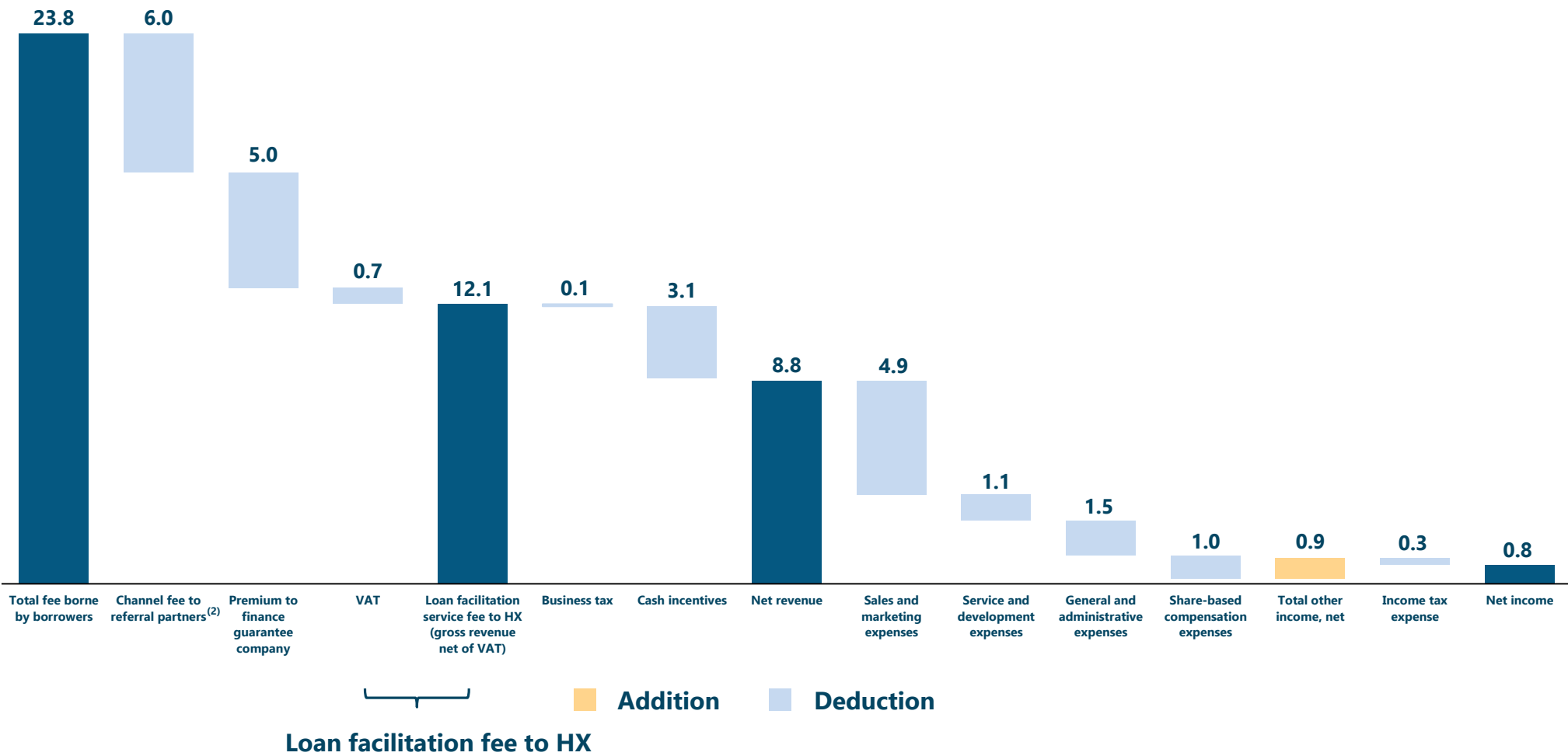
(1) This is an illustration built to reflect the economics of our business model as accurately as possible.

(2) The channel referral fee to referral partners represents the consultancy services fee borrowers directly pay to referral partners. It is not recognized as part of our revenue.

(3) 'All inclusive APR' refers to the rate that is charged to borrowers, including a nominal interest rate, a loan facilitation or management service fee, channel fee and premium, expressed as a single percentage number that represents the actual annualized cost of borrowing over the term of a loan.

Our Economics Illustration⁽¹⁾ – Core Business (Cont'd)

(Per US\$100 loan facilitated, for example)



Note:
 (1) This is an illustration built to reflect the economics of our business model as accurately as possible.
 (2) The channel referral fee to referral partners represents the consultancy services fee borrowers directly pay to referral partners. It is not recognized as part of our revenue.
 (3) Numbers may not add up due to rounding.

Solid User Acquisition Capabilities that Combine Efficient Online Channels with Extensive Offline Network



Offline borrowers referral by business partners⁽²⁾

- 189 branches in 99 cities⁽³⁾
- 2 call centers: Beijing and Hefei
- Combined branch network reaches nearly 49%⁽⁴⁾ of China's population.



Online acquisition of investors/borrowers through various distribution channels.

Apps Distribution⁽⁵⁾



Search Engine



Cost per Sale



Source: Company Information, China Statistical Yearbook, National Bureau of Statistics of the PRC.

Note:

(1) For the fiscal year ended March 31, 2019.

(2) We have built a multi-channel marketplace to reach and serve borrowers and investors, leveraging both our online platform and the nationwide physical network of our offline cooperation partner, Hexin Group, which is majority-owned by our controlling shareholder.

(3) As of April 30, 2019, our offline cooperation partner had a total of 189 branches in 99 cities.

(4) Calculated based on latest population data from National Bureau of Statistics of the PRC.

(5) Unlike in the US where the app market is split between Apple's App Store and Google Play, China is a highly fragmented mobile phone market with a wide variety of mobile device configurations and hundreds of app stores and distributions channels.

User Demographics – Medium-sized Credit Loan Business



Emerging Middle Class with Stable Income



100% credit card holders



In tier 2 and tier 3 cities



~75% of our borrowers earn **RMB10k+** in monthly income
Disposable income at ~2.9x of average monthly repayments

Repayment Capability



Life insurance policy



Housing fund payment history



Salary with banking transaction history



White Collar Middle Class



In tier 1, emerging tier 1 and tier 2 cities



Emerging affluent and new middle-class are our target population

Types of Investments



1. Portfolio Investments



2. Individual Investments



3. Loan Transfer

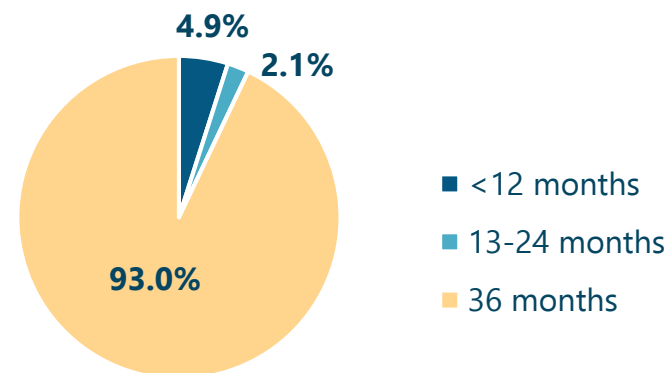
Risk-based Pricing Focusing on Quality Borrowers

Use for Higher-end Items

- Continuing Education
- House Decoration
- Cosmetic Surgery
- Travel
- Luxury Goods

Take up ~12.5%
of the total loan
consumption

Loan Volume Proportion by Terms



Grade ⁽¹⁾	All Inclusive APR ⁽²⁾	Interest Rate ⁽³⁾	Average Gross Billing Ratio ⁽⁴⁾	Transaction Volume (US\$ thousand) ⁽⁵⁾	Percentage of Total Transaction Volume
A	25.6%	6%-12%	8.6%	39,395	7.0%
B	26.6%	6%-12%	8.8%	205,768	36.4%
C	30.3%	6%-12%	13.0%	199,825	35.4%
D	35.5%	6%-12%	17.2%	119,907	21.2%
Total			12.1%	564,895	100.00%

* For the fiscal year ended March 31, 2019.

Source: Company Information.

Note:

- (1) We have developed our proprietary credit scoring and decision-making algorithms to efficiently process and consolidate all the data collected, and generate a credit score and grade for each borrower applicant. All borrowers on Hexindai's platform are graded with a credit score of A (High Creditworthiness) to D (High Risk). Grade B "Good" credit scores account for the largest percentage of Hexindai's loan transaction volumes and are given to borrowers with relatively high creditworthiness and stable income sources.
- (2) "All inclusive APR" refers to the rate that is charged to borrowers, including a nominal interest rate, a loan facilitation or management service fee, channel fee and premium, expressed as a single percentage number that represents the actual annualized cost of borrowing over the term of a loan. These all inclusive APRs represent the average annual percentage rates for each credit grade of borrowers during the specified period.
- (3) The annual nominal interest rate that borrowers pay to investors varies from 6% to 12% depending on the duration of the loan. Calculation of the annual nominal interest rate excludes returns to institutional investors under the Loan Assistance Program.
- (4) The gross billing ratio is calculated as the total loan facilitation fees or loan management fees that we charge borrowers for the entire life of the loan, divided by the total amount of principal. The average transaction fee rate presented in the table above is the average of the transaction fee rates for loans falling under the same pricing grade, but with different tenures and repayment schedules. As the interest rate and APR are both annualized rates while the average gross billing ratio is calculated as described above, the sum of the annual interest rate and the average gross billing ratio is not equal to the APR.
- (5) Fiscal year end is March 31.

High Investor Loyalty is a Foundation of Our Business Expansion



Referral Incentive Program

Cash rewards are given to existing investors who successfully refer a friend. Existing investors receive a cash reward of up to 0.8% of the annualized funds invested by the referred friend during the first year. Existing investors will receive a second cash reward of 0.5% of the annualized funds invested by any 2nd degree friends during that same year.

VIP Investor Loyalty Program⁽¹⁾

VIP Level	Post Origination Fee% as of interest
Non-VIP	10%
VIP 1	9%
VIP 2	8%
VIP 3	7%
VIP 4	6%
VIP 5	5%
Supreme	0%

Source: Company Information.

Note:

(1) Hexindai's loyalty program for investors consists of seven VIP tiers that are based on the annualized outstanding investment amount and length of the lock-up period. Investors can upgrade VIP tiers by investing larger amounts with longer lock-up periods.

(2) Repeat Investment rate refers to the number of new investors who invested for the first time on our marketplace during the relevant loan issued period and have invested more than once on our marketplace since the first time to March 31, 2019 divided by the number of new investors who invested for the first time on our marketplace during the relevant loan issued period. New investors are those who never invested on our platform before a certain loan issued period.

Continuous Investor Education to Increase Investor Stickiness

• Hexindai Community Forums

A social community and message board system for users to exchange industry information, post news, educate themselves financially, ask questions, and engage in interesting discussions.

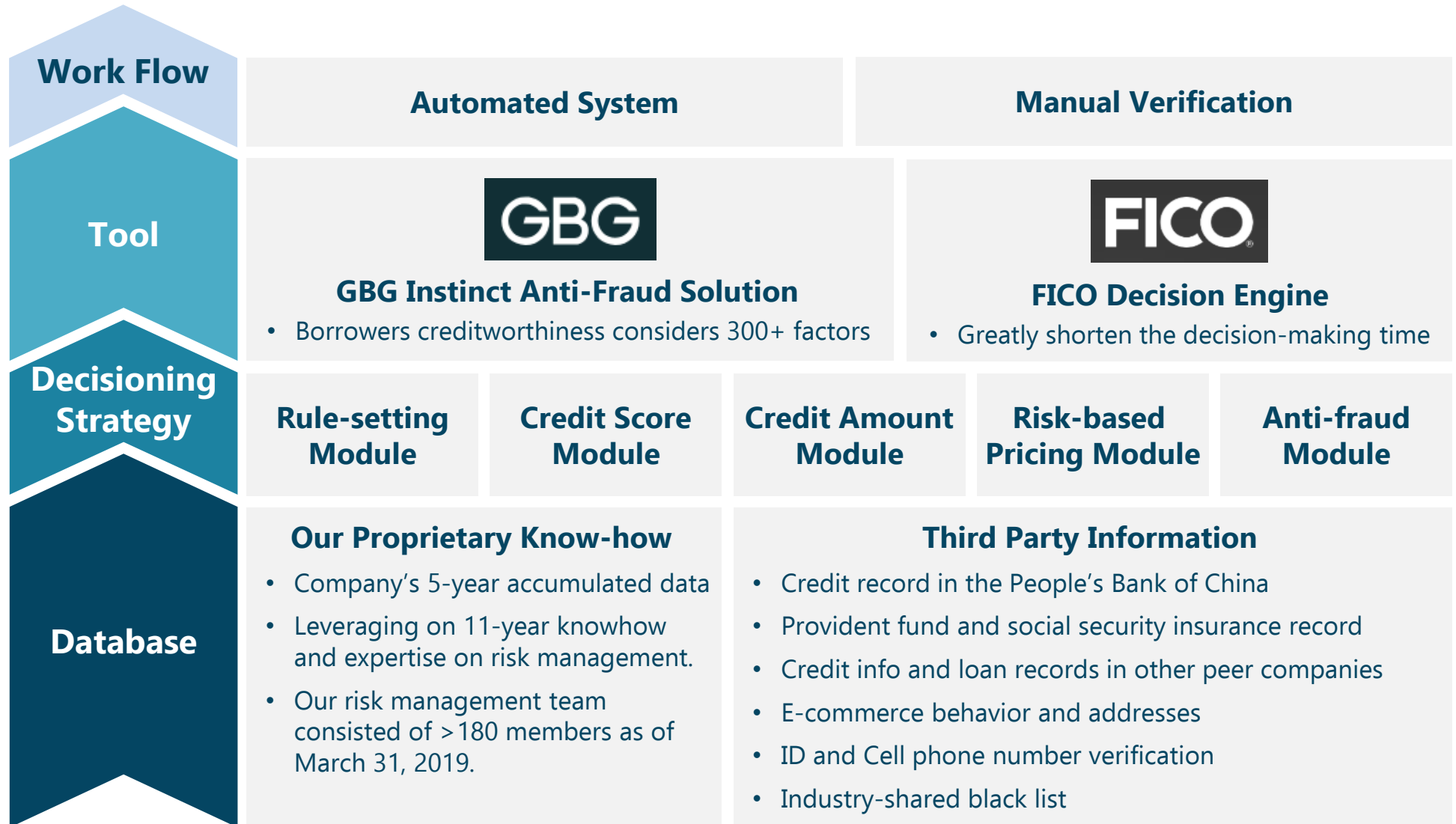
• Investor Loyalty Rewards Program

A loyalty program that rewards investors with retail coupons for consistently logging in, lending, and referring friends

Repeat Investment Rate⁽²⁾

Loan Issued Period	Repeat Rate as of March 31, 2019
Inception to March 31, 2015	82%
FY2016	74%
FY2017	47%
FY2018	54%
FY2019	35%

Cutting-edge Risk Management System



Only 14% of borrower applicants are accepted during FY2019

Strong Loan Performance Due to Solid Risk Management

M3+ Net Charge Off Rates for Credit Loan

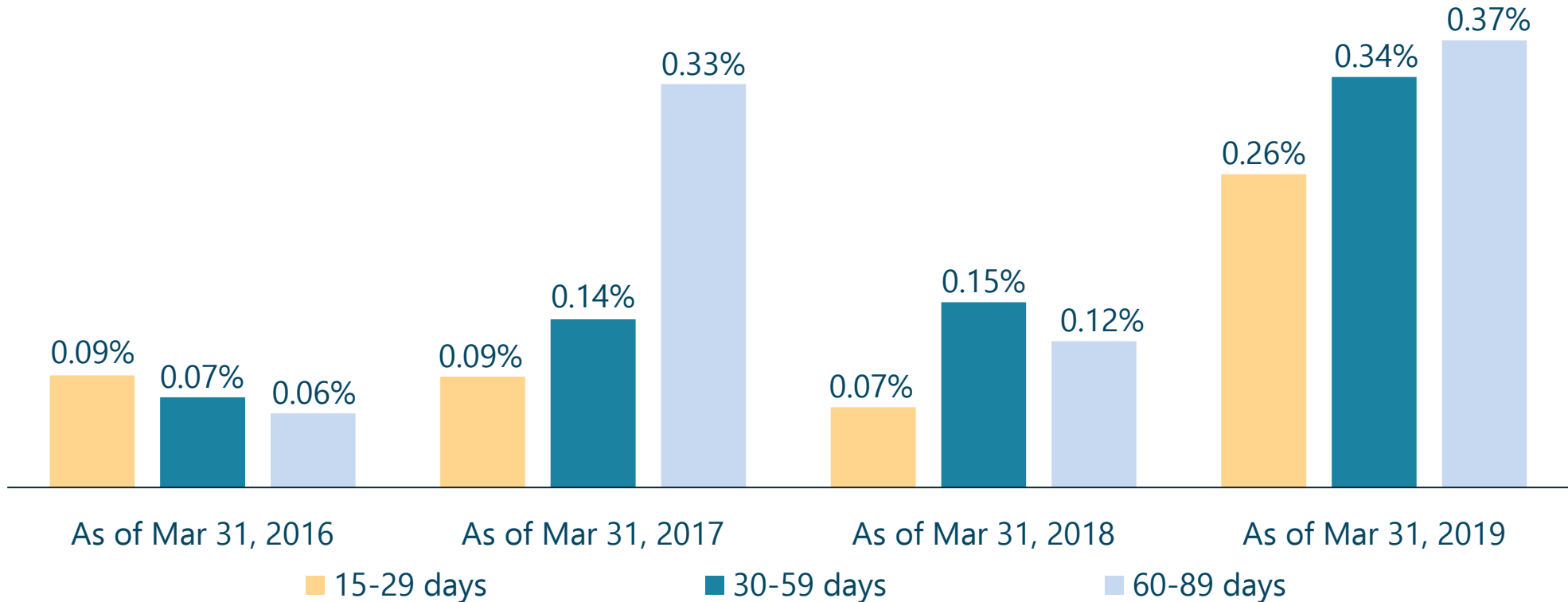
Loan issued period	As of Mar 31, 2018	As of Jun 30, 2018	As of Sep 30, 2018	As of Dec 31, 2018	As of Mar 31, 2019
Since inception to March 31, 2016	3.95%	4.79%	5.51%	5.81%	5.99%
From April 1, 2016 to March 31, 2017	2.58%	3.38%	4.11%	4.56%	4.94%
From April 1, 2017 to March 31, 2018	0.11%	0.30%	0.73%	1.35%	1.97%
From April 1, 2018 to March 31, 2019	NA	NA	NA	NA	0.63%

We define “M3+ Net Charge-off Rates”, with respect to credit loans facilitated during a specified time period or the “vintage”, as

- (i) the total balance of outstanding principal of credit loans that become delinquent for over three months during a specified period and the remainder of the expected interest for the life of such loans, divided by
- (ii) the total initial principal of the credit loans facilitated in such vintage.

Strong Loan Performance Due to Solid Risk Management (Cont'd)

Delinquency Rates for Credit Loan



We define the delinquency rates as of the end of the period as the outstanding balance of principal and interest that were 15 to 29, 30 to 59 and 60 to 89 calendar days delinquent as a percentage of the total outstanding balance of principal and interest for the relevant group of loans during such period.

Insurance services fee prepaid to **Shanxi Zhengxuan** equals to:

- (i) Insurance policy premium: 4.5% of the loan principal
- (ii) Service fee: 0.5% of the loan principal.

We Are Evolving to Diversify Funding Sources

Our large individual investor base

118,247⁽¹⁾

Number of investors who made loan investments on our marketplace

64,355⁽²⁾

Number of investors who have investments on our marketplace

278,937⁽³⁾

Number of investors who have invested at least once on our marketplace

2,866,762⁽³⁾

Total accumulated registered users

Funding Sources

Micro-Lending Business Company Cash

Registered capital RMB500 million

Strategic Peer Partners

Phoenix Finance

 鳳凰智信 | 鳳凰金融旗下
fengwd.com | 网贷平台

Funding of RMB10 billion over a term of three years

Financial Institutions

• Bohai International Trust

 渤海国际信托股份有限公司
Bohai International Trust Co.,Ltd.

Funding of RMB300 million over a term of five years

• Kunming Aotou

 奥投金融 | 您的理财专家
cnaotou.com | Your financial expert

An initial funding of RMB30 million

Source: Company Information.

Note:

(1) For the fiscal year ended March 31, 2019.

(2) As of March 31, 2019.

(3) Calculated on a cumulative basis from inception of our business in March 2014 to March 31, 2019.

Upgraded Business Foundations Ensures Future Revenue Growth



Borrower Acquisition

- Online Borrowers acquired from our online platform
- Offline borrowers referral by business partners

Expanded Revenue Streams

- Loan facilitation service revenues from **borrowers**
- Referral and consulting services fees from **funding partners**
- Post-origination service revenues from **managing monthly interest for investors**
- Interest income on **loans**

Funding Sources

- Large individual investor base
- Company Cash
- Strategic Peer Partners
- Financial Institutions

Compliant with Regulatory Framework

Key regulation shaping P2P industry

Interim Measures for the Administration of the Business Activities of Online Lending Information Intermediary Institutions (August 2016)

- Act as information intermediary only ✓
- No credit enhancement services and/or illegal fund raising ✓
- Custodian accounts for borrowers and investors ✓
- Capped amount limited to 200,000 RMB for personal loans and 1 million RMB for Corporate ✓
- Full information disclosure to customers ✓
- No bundle sales ✓
- Protect customers' personal information ✓
- Establish a customer identification program and report suspicious transactions ✓

Notice issued for a regulatory compliance inspection campaign which lays out 108 criteria for platform self-examination and correction (August 2018)

- The new inspection rules are only compliance related. P2P platforms will not be able to complete the subsequent record-filing process until they have passed the compliance inspection and have maintained full compliance for a certain period of time.
- We expect the record-filing phase to be complete sometime during the second half of 2019 at the earliest.
- We expect the specific standards and procedures for record-filing will be announced separately in the near future.

Clear and Definitive Regulations



High Compliance Standards – Our Best Practice Creates Regulatory Benchmark

"108 criteria":

- ✓ Custodian bank
- ✓ Platform should not provide guarantee to lenders
- ✓ Strict information security
- ✓ Electronic signature
- ✓ Three key steps for platform self-examination and correction
 - ✓ Step 1: Submit P2P Compliance Self-inspection Report (completed)
 - ✓ Step 2: On-site Inspection by Beijing Internet Finance Association (completed)
 - ✓ Step 3: Field Inspection by the Beijing Local Financial Supervision and Administration⁽¹⁾ (completed)

First Regulatory Hurdle

Issue P2P License

Stricter regulations strengthen our competitive advantage

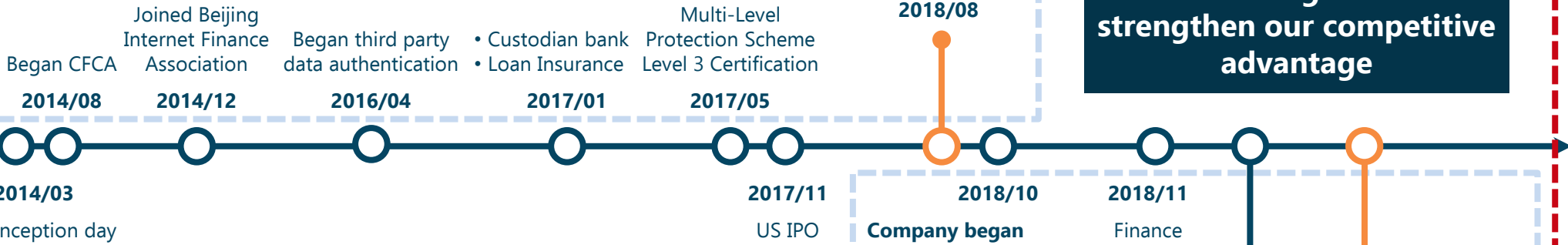
Second Regulatory Hurdle

Company began diversifying funding sources prior to new regulations:

- Obtained fund consignment license
- Closed private placement

"Pilot work plan for conditional filing":

- Limits investment amount
- Requires investor qualifications



Regulations Recap

Hexindai

No of P2P Platform Survived

2017 Sep	2017 Dec	2018 Mar	2018 Jun	2018 Sep	2018 Dec	2019 Mar	2019 May
2,487	2,415	2,218	1,960	1,360	1,080	978	914

Source: Company Information, WDZJ.
 Note: (1) Formerly the Beijing Municipal Bureau of Financial Work

Seasoned Management Team with Extensive Banking and Technology Experience



Mr. Xiaobo An

Founder, Chairman and Chief Executive Officer

Mr. Johnson Zhang

Chief Financial Officer

Mr. Weixiong Huang

Chief Risk Officer

Ms. Lili Hua

Chief Operations Officer

Mr. Chen Zhang

Chief Marketing Officer

- Joined the Company in August 2016, and has served as CFO since February 2017
- Board Secretary and Investor Relations Director of China Ming Yang Wind Power Group Limited (NYSE: MY)
- Director of FunTalk China Holdings Ltd. (NASDAQ: FTLK)
- H&D Investment Consulting.
- International Data Corporation.
- University of International Business and Economics

- Joined the Company in April 2018 as the VP of risk management department, and has served as CRO since May 2019.
- Director of the risk management department of Fox Financial (Beijing) Technology Co., Ltd. (NASDAQ: SOHU)
- The head of credit loan risk management department of Standard Chartered Bank (Shenzhen)
- The head of credit loan anti-fraud department of Shenzhen Home Credit Financial Service Co., Ltd.
- Responsible for post loan management in Standard Chartered Bank (Hong Kong)
- Shenzhen Institute of Information Technology

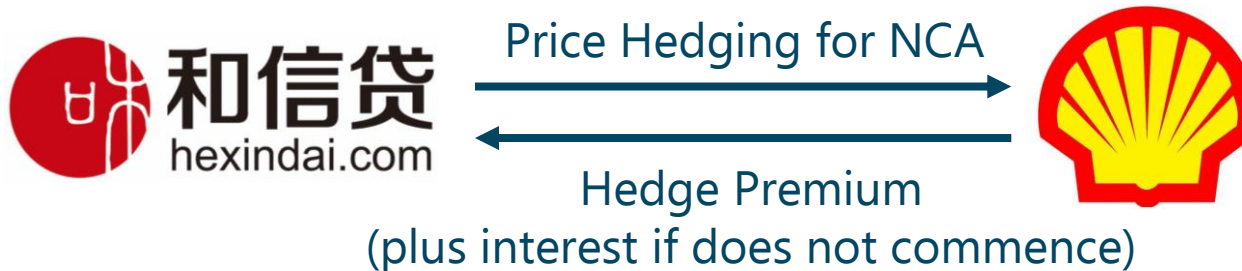
- Joined the Company, and has served as our COO since June 2017
- Operations Manager of Souyidai (Beijing) Information Technology Consulting Company Limited, a subsidiary of the Sohu Group (NASDAQ: SOHU)
- Operating Director of Baoshang Bank
- Apps Operations Manager of VIP Shop (NYSE: VIPS)
- Operations Manager of Qihoo 360 Technology Co., Ltd.
- Operations manager of Taobao, a subsidiary of the Alibaba Group (NYSE: BABA)
- Beijing Fashion Academy

- Has served as our Marketing Director since November 2016, and became our CMO since May 2019
- Planning Director and Senior Brand Manager in China Bright
- Director of China Planning Center at China Internet News Center Alliance
- Communication University of China

ESG Disclosure in Progress – Environmental Protection Efforts

Support of Emissions Reduction

- We have reached an agreement with Shell Energy (China) Limited, to **support liquidity and market developments of China's national emissions trading scheme (ETS)**.
- Hexindai will provide price hedging for a substantial volume of **National Carbon Allowances (NCA)** for three years.
- Leveraging market mechanisms and financing tools, carbon financing is an innovative and effective method to support emissions reduction projects and to achieve sustainable growth



Background Information

- The Chinese government announced at the end of 2017 plans to establish a nationwide emissions trading scheme (ETS). The scheme will initially cover the power industry, and be expanded to cover seven other sectors, including petrochemicals, chemicals, cement and other building materials, and iron and steel.
- Under such carbon emissions trading schemes, polluting companies have emissions quotas and they can trade carbon credits to meet the imposed quotas. Cleaner companies are rewarded by selling such credits to companies that exceed their quotas.
- NCA is a unit equal to one ton of Carbon Dioxide Equivalent.

ESG Disclosure in Progress – High Social Responsibility

Heixin Caring Foundation

- In April 2014, we established **Hexin Caring Foundation**, a volunteer organization approved by the Beijing Volunteer Service Federation (BVF) under the Beijing Communist Youth League.
- Hexin Caring Foundation provides various **non-paid volunteer services to the sociality** and carry out **public welfare programs** in a regular basis.
- During the past 5 years, we have carried out **20 public welfare programs**, including:
 - Donating foods, daily necessities, stationery to schools
 - Promoting environmental protection and fire protection
 - Visiting orphans and lonely old people
 - Establishing scholarships in several universities
 - Caring the disable



ESG Disclosure in Progress – Strong Corporate Governance

Independent Directors



Stephen Markscheid, Mr. Markscheid is a partner at DealGlobe, a Shanghai based boutique investment bank. He currently serves as an independent director of ZZ Capital International (HK GEM: 08295), Ener-Core (OTCQB: ENCR), Fanhua Inc., formerly known as “CNinsure Inc.” (NASDAQ: FANH), and Jinko Solar Inc. (NYSE: JKS). Mr. Markscheid had previously worked in **General Electric Capital**, the Boston Consulting Group, **Chase Manhattan Bank** and **First National Bank of Chicago** and has years of professional experience in the financial services industry. He obtained a BA degree from Princeton University, a master’s degree in international affairs from Johns Hopkins University and an MBA degree from Columbia University.



Dagang Guo is the former Secretary General of **Beijing Internet Finance Industry Association**. Mr. Guo served as Investment Director in Beyond Fund and Member of Investment Committee in Guotai Venture Capital Co. Ltd.. Prior to that Mr. Guo served as the General Manager of Business Development in ECS Technology China Ltd. and Product Director of Digital China (SZ: 000034). Mr. Guo obtained his bachelor’s degree in Taiyuan University of Technology, and his master’s degree in FMBA from Cheung Kong Graduate School of Business.



David Wei Tang, prior to joining our Company, Mr. Tang served as President of Huakang Financial Holdings, a Chinese multi-disciplinary financial holdings group. Prior to that, Mr. Tang served as Vice President, Chief Financial Officer, Chief Strategy Officer of Nasdaq listed Vimicro Corporation (NASDAQ: VIMC) and the Chief Financial Officer of Fanhua Inc., formerly known as “CNinsure Inc.” (NASDAQ: FANH), Chief Financial Officer of both IRICO Group (HK: 438) and Chinasoft International (HK Main Board: 354). Mr. Tang also previously worked in Merrill Lynch & Co. in New York. Mr. Tang received an MBA degree from the Stern School of Business, New York University.

Committee Composition

	Nominating and Corporate Governance Committee	Audit Committee	Compensation Committee
Stephen Markscheid			
Dagang Guo			
David Wei Tang			

Chairman Member

Corporate Governance

- Nominating and Corporate Governance Committee Charter
- Audit Committee Charter
- Compensation Committee Charter
- Code of Business Conduct and Ethics
- Corporate Governance Guidelines
- Policy on Disclosure Controls and Procedures
- Anti-Money Laundering Policy
- Whistleblower Policy
- Insider Trading Policy
- Anti-corruption Policy and Procedures

FY2019 Snapshot

US\$564.9 million
-55%⁽¹⁾ YoY
Volume Facilitated⁽²⁾

US\$61.3 million
-43% YoY
Net Revenue

12.1%

Gross Billing Ratio⁽³⁾

US\$5.5 million
-92% YoY
Net Income

Cash Position: US\$57.4 million
-57% vs. 31 March 2018
Net Cash per Share: US\$1.2
-58% vs. 31 March 2018

US\$0.1
Diluted Earnings per
Common Share

Notes:

(1) Growth rates are calculated by RMB amount, therefore the impact from exchange rate in different reporting periods is excluded.

(2) Loan volume is defined as the total principal amount of loans facilitated on our marketplace during the relevant period

(3) The gross billing ratio is calculated as the total loan facilitation fees or loan management fees that we charge borrowers for the entire life of the loan (net of VAT), divided by the total amount of principal.

(4) Fiscal year end is March 31.

Balanced Cash Deployment

Annual Dividend Policy to Return Value to Shareholders

- **Policy:** annual dividend will be approximately **15-25% of our anticipated net income** after tax in each fiscal year.
- For FY2019, we paid **US\$0.27** per ordinary share/ADS **annual dividend** + **US\$0.13** per ordinary share/ADS **special cash dividend**.

Dividend Paid
US\$0.4
per Ordinary Share/ADS

Actively Seeking M&A Targets to Explore Overseas Opportunities

- In August 2018, we acquired **20% Equity Stake in Indonesian Online Lending Platform “Musketeer”**
- This is our **first cross-border investment**, leveraging our extensive experience and expertise in new high-growth markets
- Musketeer is an **Indonesian online lending platform** that offers online consumption installment loans



US\$1.6 million
↕
20% Equity Stake

Musketeer

Hexindai – An Attractive Investment

- 1. Great position in a fast-growing industry**
- 2. Efficient business model with industry-leading advantages**
- 3. Proven online and offline user acquisition capabilities**
- 4. Cutting-edge risk management systems**
- 5. Strong management team and high compliance**
- 6. High earnings growth and cash flow generation**

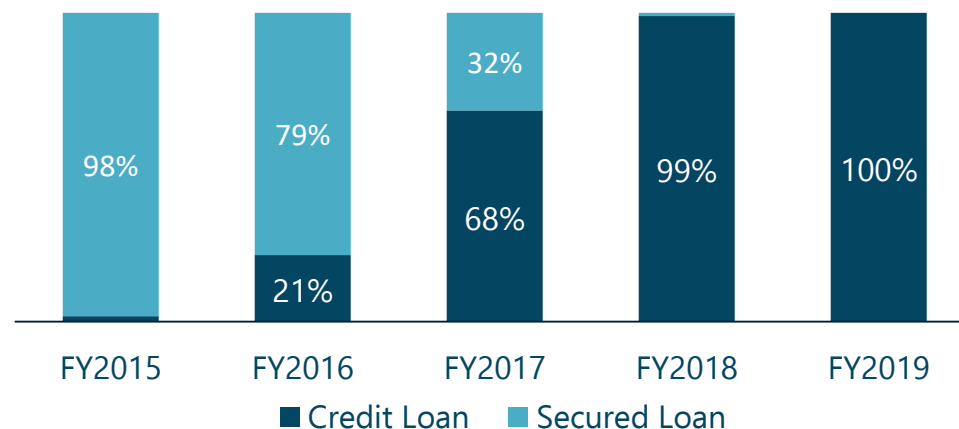
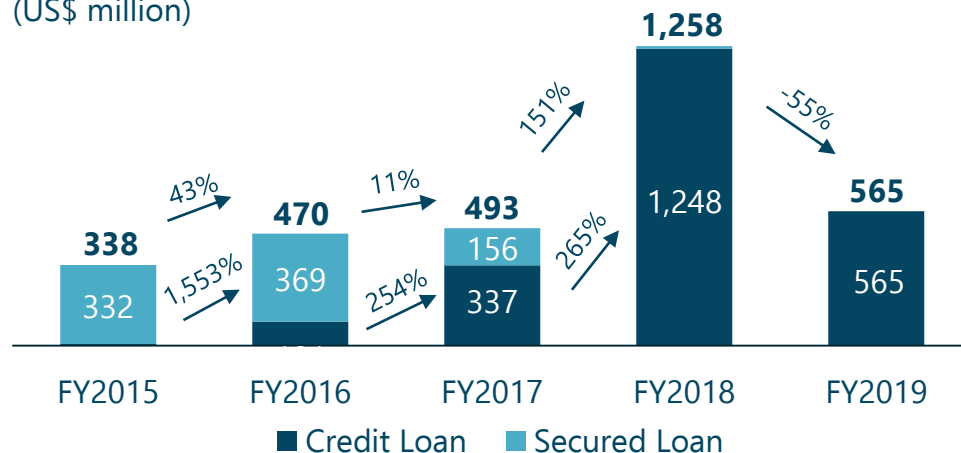


Operating and Financial Highlights

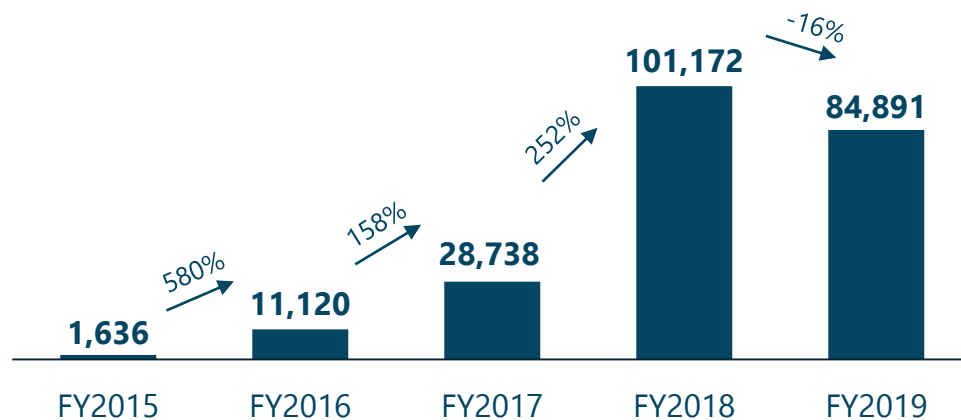
Operational Results

Loan Volume Facilitated⁽¹⁾⁽²⁾

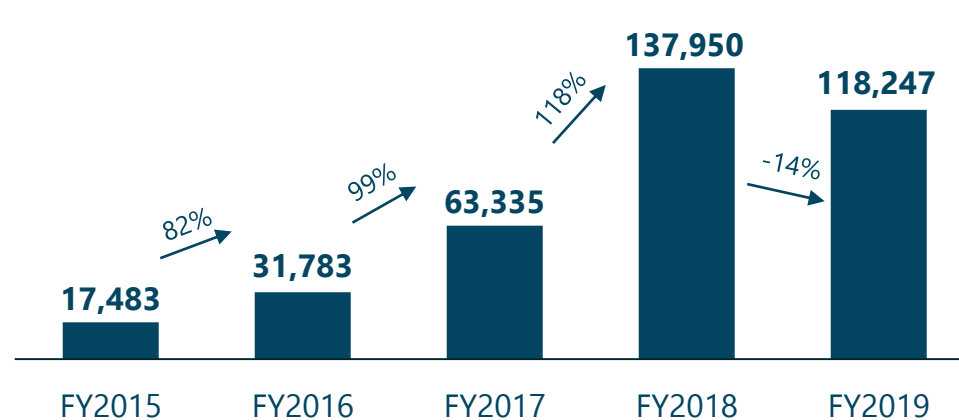
(US\$ million)



Number of Borrowers



Number of Investors

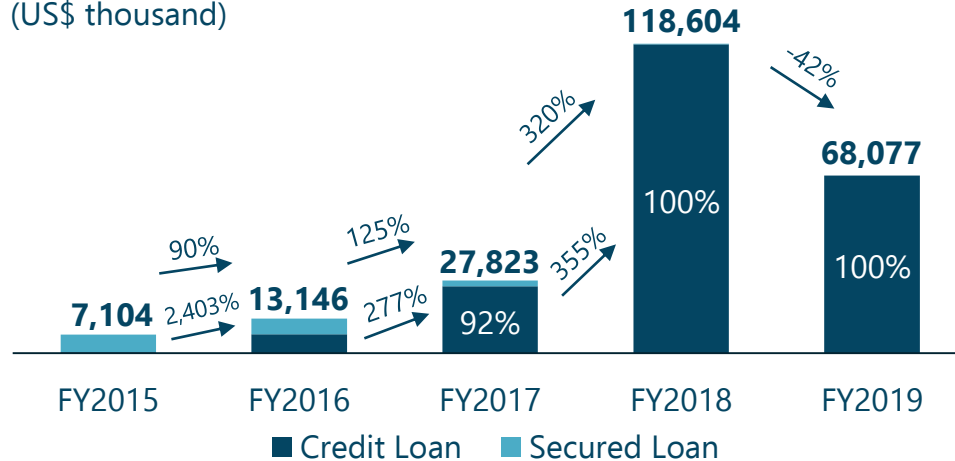


- Notes:
- (1) Loan volume is defined as the total principal amount of loans facilitated on our marketplace during the relevant period.
 - (2) Growth rates are calculated by RMB amount, therefore the impact from exchange rate in different reporting periods is excluded.
 - (3) Fiscal year end is March 31.

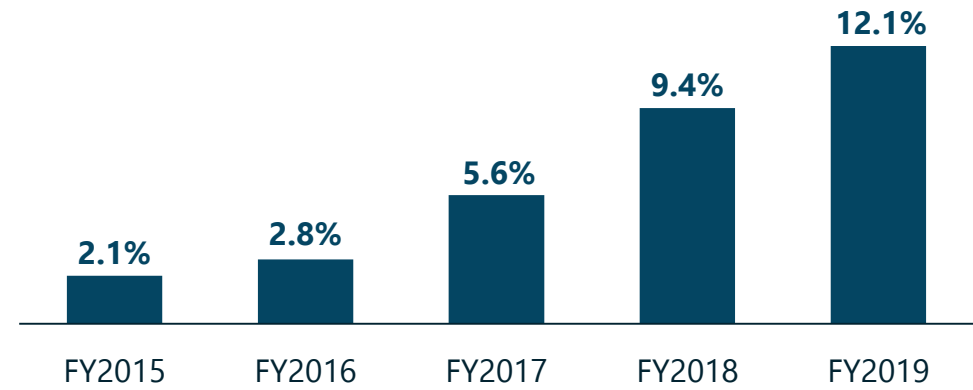
Key Drivers for Revenue Growth

Gross Billing Amount (net of VAT)⁽¹⁾⁽²⁾

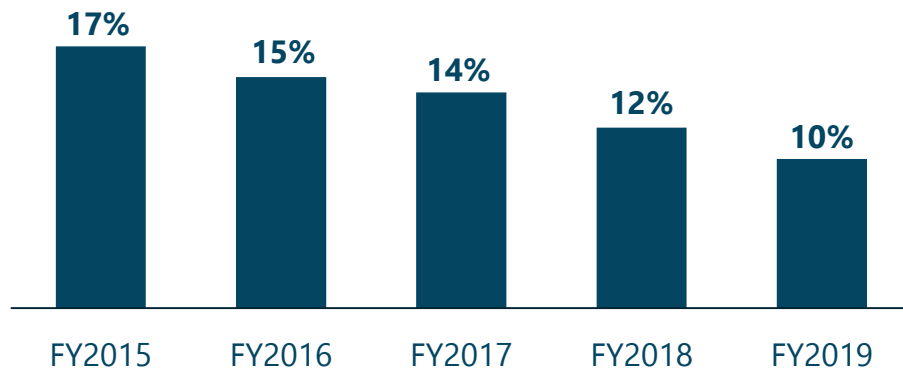
(US\$ thousand)



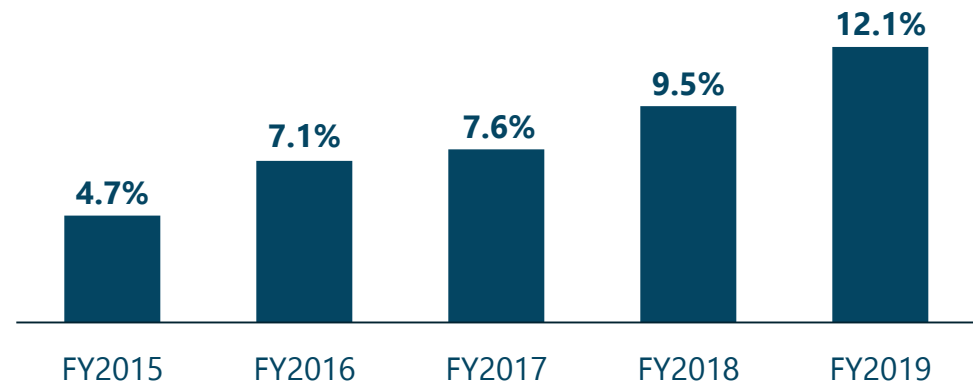
Gross Billing Ratio (net of VAT)



Annual Average Investment Yield



Gross Billing Ratio of Credit Loans (net of VAT)

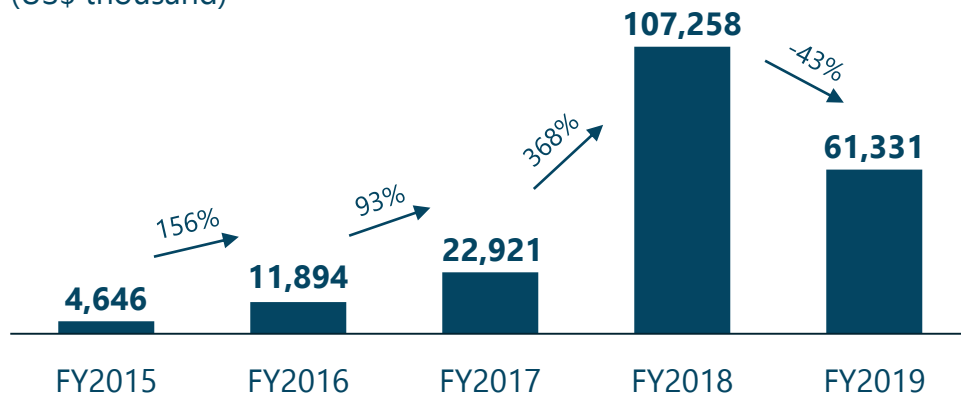


- Notes:
- (1) Growth rates are calculated by RMB amount, therefore the impact from exchange rate in different reporting periods is excluded.
 - (2) Gross billings is total loan facilitation fees and loan management fees billed to borrowers before cash incentives, net of VAT.
 - (3) Fiscal year end is March 31.

Financial Performance

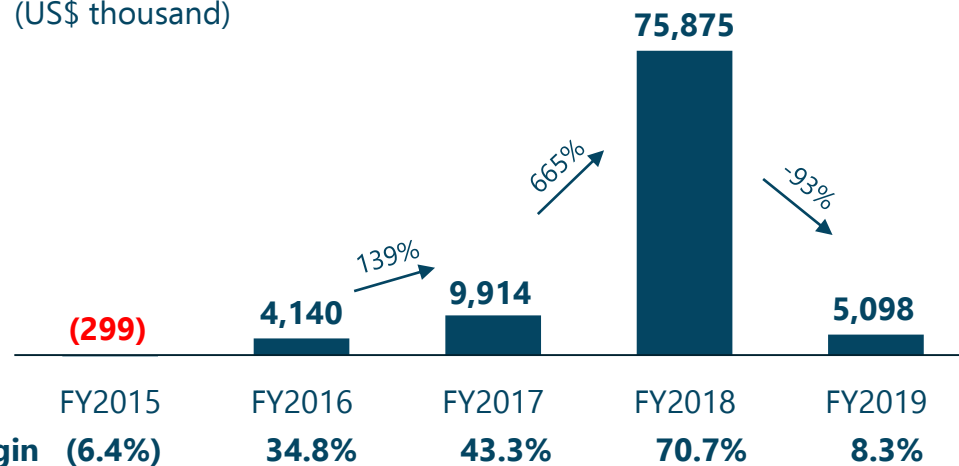
Net Revenue

(US\$ thousand)



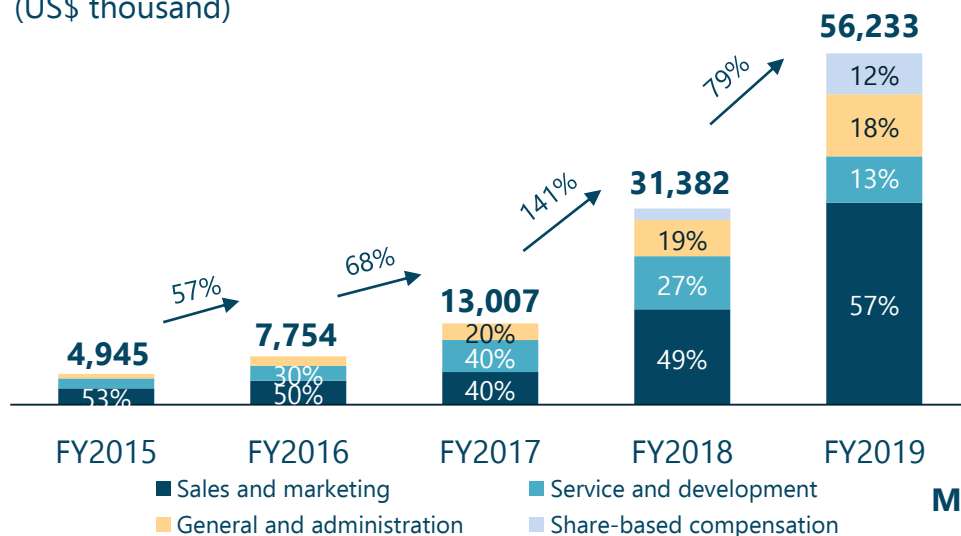
Operating Profit (Loss)

(US\$ thousand)



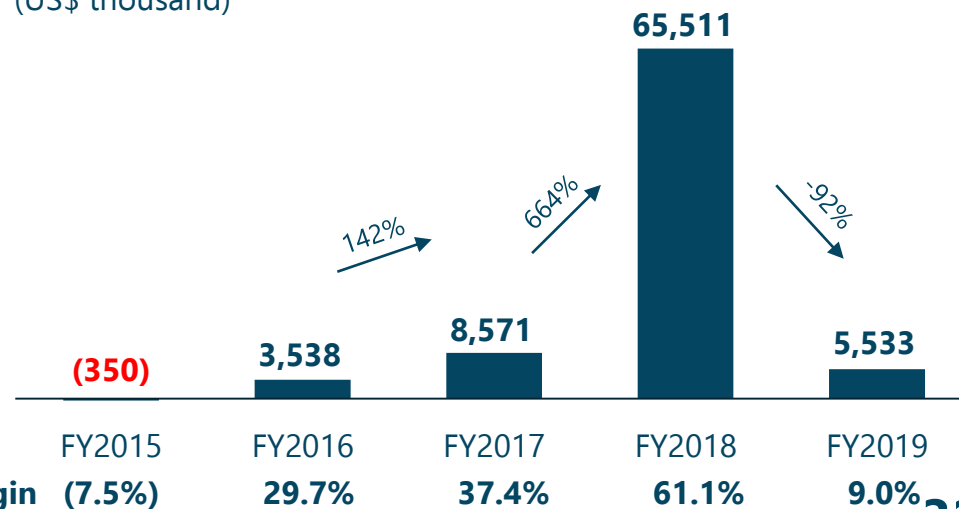
Operating Expenses

(US\$ thousand)



Net Income (Loss)

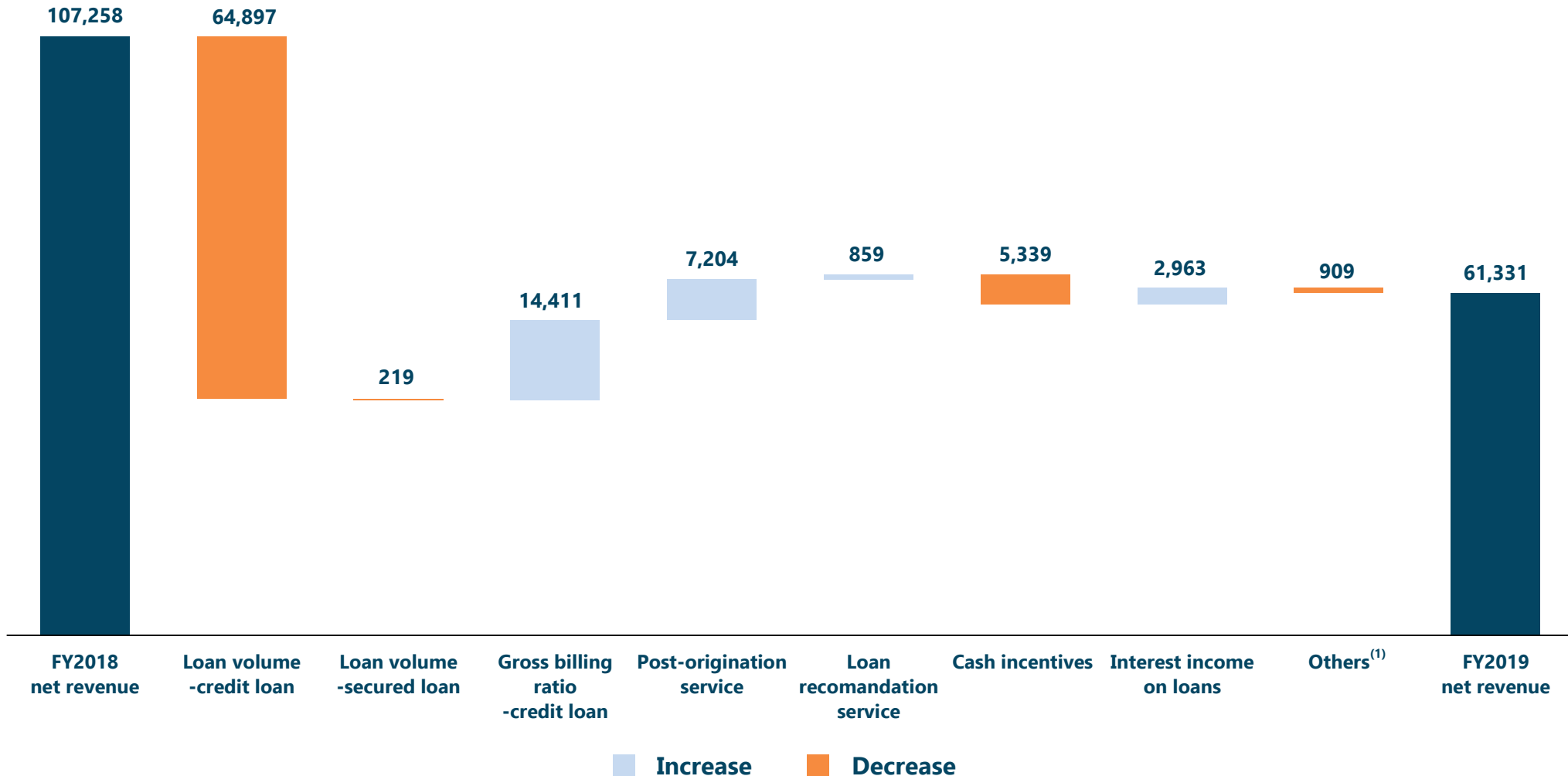
(US\$ thousand)



Note: Fiscal year end is March 31.

Revenue Growth Analysis

(US\$ thousands)



Notes:

(1) "Others" include business and sales related tax, other expenses and a reconciliation between the analytic model and the final revenue numbers.

(2) Fiscal year end is March 31.

(3) Numbers may not add up due to rounding.



Appendix

Condensed Consolidated Balance Sheets

Hexindai Inc.

Condensed Consolidated Balance Sheets

(in US\$ thousands, except for share, per share and per ADS data, and percentages)

	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	March 31, 2019 compared to March 31, 2018
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Cash	132,622	148,413	53,069	47,434	57,372	-56.7%
Receivables, contract assets, prepayments and other assets	1,249	10,212	20,320	3,834	3,754	200.6%
Loans receivable-current, net of provision for loan losses	28,696	29,469	56,757	43,614	36,555	27.4%
Interest receivable	556	1,086	914	370	-	-100.0%
Total current assets	163,123	189,180	131,060	95,252	97,681	-40.1%
Loans receivable-non current, net of provision for loan losses	-	-	16,329	29,736	39,810	NM
Long term investment	-	-	1,600	1,600	30,790	NM
Property, equipment and software at cost, net	767	813	1,224	1,292	1,254	63.4%
Deferred tax assets	-	-	-	2,378	3,721	NM
Other non-current assets	-	-	-	7,272	-	0.0%
Total assets	163,890	189,993	150,213	137,530	173,256	5.7%
Deferred revenue - current	-	-	-	128	111	NM
Accrued expenses and other current liabilities	3,787	2,153	5,421	2,253	2,791	-26.3%
Taxes payable	20,060	23,106	16,614	14,628	9,372	-53.3%
Consideration payable	-	-	-	-	14,289	NM
Total current liabilities	23,847	25,259	22,035	17,009	26,563	11.4%
Note payable	-	-	-	-	20,000	NM
Deferred revenue-non-current	-	-	-	-	190	NM
Total liabilities	23,847	25,259	22,035	17,009	46,753	96.1%
Total shareholders' equity	140,043	164,734	128,178	120,521	126,503	-9.7%
Non-controlling interest	-	-	-	-	-	0.0%
Total equity	140,043	164,734	128,178	120,521	126,503	-9.7%
Total liabilities and shareholders' equity	163,890	189,993	150,213	137,530	173,256	5.7%

Condensed Consolidated Balance Sheets (Cont'd)

Hexindai Inc.

Condensed Consolidated Balance Sheets

(in US\$ thousands, except for share, per share and per ADS data, and percentages)

	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2019 compared to March 31, 2018
	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	
Cash	955	7,819	19,232	132,622	57,372	-56.7%
Receivables, contract assets, prepayments and other assets	893	1,802	4,139	1,249	3,754	200.6%
Amounts due from related parties	-	-	4,183	-	-	-
Loans receivable-current, net of provision for loan losses	-	-	-	28,696	36,555	27.4%
Interest receivable	-	-	-	556	-	-100.0%
Total current assets	1,848	9,620	27,554	163,123	97,681	-40.1%
Amounts due from related parties	5,123	11,951	-	-	-	0.0%
Loans receivable-non-current, net of provision for loan losses	-	-	-	-	39,810	NM
Long term investments	-	-	-	-	30,790	NM
Property, equipment and software at cost, net	205	253	428	767	1,254	63.4%
Deferred tax assets	220	568	400	-	3,721	NM
Total assets	7,396	22,393	28,382	163,890	173,256	5.7%
Deferred revenue - current	-	-	-	-	111	NM
Accrued expenses and other current liabilities	2,486	3,515	789	3,787	2,791	-26.3%
Taxes payable	627	2,101	4,089	20,060	9,372	-53.3%
Consideration payable	-	-	-	-	14,289	NM
Risk reserve liability	928	2,717	-	-	-	0.0%
Amounts due to related party	-	48	-	-	-	0.0%
Total liabilities	4,041	8,381	4,878	23,847	26,563	11.4%
Note payable	-	-	-	-	20,000	NM
Deferred revenue-non-current	-	-	-	-	190	NM
Total liabilities	4,041	8,381	4,878	23,847	46,753	96.1%
Total shareholders' equity	3,355	14,012	23,504	140,043	126,503	-9.7%
Total liabilities and shareholders' equity	7,396	22,393	28,382	163,890	173,256	5.7%

Note: In thousands, rounded up.

Condensed Consolidated Statements of Income and Comprehensive Income

Hexindai Inc.						
Condensed Consolidated Statements of Income and Comprehensive Income						
(in US\$ thousands, except for share, per share and per ADS data, and percentages)						
For Three Months Ended						
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	March 31, 2019 compare to March 31, 2018
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Revenue						
Loan facilitation, post-origination and other service, net	27,992	52,197	3,645	2,011	4,251	-84.8%
Business and sales related taxes	(378)	(545)	(24)	(100)	(105)	-72.3%
Net revenue	27,614	51,652	3,621	1,911	4,147	-85.0%
Operating costs and expenses						
Sales and marketing	3,497	11,665	11,750	7,176	1,732	-50.5%
Service and development	2,054	1,365	2,177	2,247	1,609	-21.7%
General and administrative	1,697	2,314	2,237	3,247	2,131	25.6%
Share-based compensation	1,105	214	4,910	384	1,077	-2.5%
Total operating costs and expenses	8,354	15,558	21,074	13,053	6,548	-21.6%
Income (loss) from operations	19,260	36,094	(17,453)	(11,142)	(2,402)	NM
Other income	170	485	608	1,177	66	-61.3%
Other expense	(2)	(20)	(3)	(3)	(2)	-0.1%
Total other income (expense), net	167	465	605	1,174	63	-62.1%
Income (loss) before income taxes	19,428	36,559	(16,847)	(9,968)	(2,338)	NM
Income taxes (credit) expenses	2,382	6,880	553	(375)	(5,185)	NM
Net income (loss)	17,045	29,679	(17,401)	(9,593)	2,847	-83.3%
Less: net income attributable to non-controlling interest	-	-	-	-	-	NM
Net income attributable to Hexindai's shareholders	17,045	29,679	(17,401)	(9,593)	2,847	-83.3%
Other comprehensive income (loss)						
Foreign currency translation adjustment	3,420	(6,005)	(4,518)	(202)	4,589	34.2%
Comprehensive income	20,465	23,674	(21,919)	(9,795)	7,436	-63.7%
Less: comprehensive income attributable to non-controlling interest	-	-	-	-	-	0.0%
Comprehensive income attributable to Hexindai's shareholders	20,465	23,674	(21,919)	(9,795)	7,436	-63.7%
Earnings per common share-basic	0.36	0.62	(0.36)	(0.20)	0.06	-83.7%
Earnings per common share-diluted	0.32	0.56	(0.36)	(0.20)	0.05	-83.0%
Weighted average number of shares outstanding-basic	47,958,550	47,999,127	48,728,095	48,937,900	49,104,693	
Weighted average number of shares outstanding-diluted	53,269,615	53,011,074	48,728,095	48,937,900	52,438,134	

Condensed Consolidated Statements of Income and Comprehensive Income (Cont'd)

Hexindai Inc.

Condensed Consolidated Statements of Income and Comprehensive Income
(in US\$ thousands, except for share, per share and per ADS data, and percentages)

For The Fiscal Years Ended March 31,

	2015	2016	2017	2018	2019	2019 compare to 2018
	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	
Revenue						
Loan facilitation, post-origination and other service, net	4,648	11,918	23,092	108,148	62,104	-42.6%
Business and sales related taxes	(2)	(24)	(172)	(890)	(773)	-13.1%
Net revenue	4,646	11,894	22,920	107,258	61,331	-42.8%
Operating costs and expenses						
Sales and marketing	2,605	3,840	5,212	15,242	32,322	112.1%
Service and development	1,606	2,359	5,149	8,496	7,397	-12.9%
General and administrative	734	1,555	2,646	5,816	9,929	70.7%
Share-based compensation	-	-	-	1,829	6,585	260.1%
Total operating costs and expenses	4,945	7,754	13,007	31,383	56,233	79.2%
Income (loss) from operations	(299)	4,140	9,913	75,875	5,098	-93.3%
Other income	5	38	199	683	2,336	241.8%
Other expense	(13)	(11)	(19)	(22)	(29)	26.7%
Total other income (expense), net	(8)	26	180	661	2,307	249.2%
Income (loss) before income taxes	(306)	4,167	10,093	76,536	7,405	-90.3%
Income taxes (credit) expenses	44	628	1,522	11,026	1,873	-83.0%
Net income (loss)	(350)	3,538	8,571	65,510	5,533	-91.6%
Less: net income attributable to non-controlling interest	-	-	-	29	-	-100.0%
Other comprehensive income (loss)						
Foreign currency translation adjustment	17	(482)	(1,080)	6,028	(6,136)	NM
Comprehensive income	(333)	3,056	7,491	71,539	(604)	NM
Less: comprehensive income attributable to non-controlling interest	-	-	-	133	-	-100.0%
Comprehensive income attributable to Hexindai's shareholders	(333)	3,056	7,491	71,406	(604)	NM
Earnings per common share-basic	(0.01)	0.08	0.20	1.46	0.11	-92.5%
Earnings per common share-diluted	(0.01)	0.08	0.20	1.37	0.10	-92.7%
Weighted average number of shares outstanding-basic	42,080,000	42,080,000	42,331,200	44,977,780	48,693,162	
Weighted average number of shares outstanding-diluted	42,080,000	42,080,000	42,331,200	47,656,263	52,912,826	

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Note: In thousands, rounded up.

Key Operating Data

	For Three Months Ended March 31,				For the Fiscal Year Ended March 31,				Growth Rates(5)	
	2019		2018		2019		2018		Three months ended March 31, 2019 compared to March 31, 2018	Fiscal year ended March 31, 2019 compared to March 31, 2018
	(RM B)	(US\$)	(RMB)	(US\$)	(RMB)	(US\$)	(RMB)	(US\$)		
	(in thousands, except percentages and numbers)				(in thousands, except percentages and numbers)					
Loan volume facilitated(1)										
Credit loan principal	416,302	61,723	2,658,495	418,427	3,788,185	564,895	8,268,844	1,248,033	-84.3%	-54.2%
Secured loan principal	-	-	-	-	-	-	63,220	9,542	-	-100.0%
Total	416,302	61,723	2,658,495	418,427	3,788,185	564,895	8,332,064	1,257,575	-84.3%	-54.5%
Number of transactions facilitated(2)										
Credit loan transactions	51,958	51,958	33,396	33,396	84,904	84,904	101,361	101,361		
Secured loan transactions	-	-	-	-	-	-	49	49		
Total	51,958	51,958	33,396	33,396	84,904	84,904	101,410	101,410		
Average individual transaction amount										
Credit loan transactions	8	1	80	13	45	7	82	12		
Secured loan transactions	-	-	-	-	-	-	1,290	195		
Overall average	8	1	80	13	45	7	82	12		
Gross billing amount (net of VAT)										
Credit loan	60,455	8,963	202,246	31,832	456,526	68,077	784,355	118,384	-70.1%	-41.8%
Secured loan	-	-	-	-	-	-	1,458	220	-	-100.0%
Total	60,455	8,963	202,246	31,832	456,526	68,077	785,813	118,604	-70.1%	-41.9%
Gross billing ratio (net of VAT)										
Credit loan	14.5%	14.5%	7.6%	7.6%	12.1%	12.1%	9.5%	9.5%		
Secured loan	-	-	-	-	-	-	2.3%	2.3%		
Total	14.5%	14.5%	7.6%	7.6%	12.1%	12.1%	9.4%	9.4%		
Number of borrowers										
Credit loan transactions	51,958	51,958	33,322	33,322	84,891	84,891	101,137	101,137		
Secured loan transactions	-	-	-	-	-	-	35	35		
Total	51,958	51,958	33,322	33,322	84,891	84,891	101,172	101,172	55.9%	-16.1%
Number of investors										
Credit loan transactions(3)	19,587	19,587	52,231	52,231	106,764	106,764	117,016	117,016		
Secured loan transactions(4)	-	-	-	-	-	-	76	76		
Credit and secured loan transactions	1,307	1,307	9,808	9,808	11,483	11,483	20,858	20,858		
Total	20,894	20,894	62,039	62,039	118,247	118,247	137,950	137,950	-66.3%	-14.3%

Note:

(1) Loan volume is defined as the total principal amount of loans facilitated on our marketplace during the relevant period.
(2) Number of loan transactions facilitated is defined as the total number of loans facilitated on our marketplace during the relevant period.

(3) Refers to investors who exclusively invested in credit loan transactions during the relevant period.

(4) Refers to investors who exclusively invested in secured loan transactions during the relevant period.

(5) Growth rates are calculated by RMB amount, therefore the impact from exchange rate in different reporting periods is excluded.

Thank you!

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