



和信贷
hexindai.com

HX
NasdaqListed



Company Presentation

Q3 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 7th in the unsecured medium-sized consumer loans market in China



Typical Terms for Borrowers (Core Business)

- 100% credit loan
- Loan range: US\$3K~20K
- Average ticket size: US\$16k
- Loan term: ~95%, 36 months
- Equal Monthly Payments

1,771

Borrowers
for quarter ended December 31, 2018

29.1 million

US\$ loans facilitated
for quarter ended December 31, 2018

20,325

Investors
for quarter ended December 31, 2018

175,599⁽²⁾

Borrowers
as of December 31, 2018

3.1 billion⁽²⁾

US\$ loans facilitated
as of December 31, 2018

264,118⁽²⁾

Investors
as of December 31, 2018

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) Calculated on a cumulative basis from inception of our business in March 2014 to December 31, 2018.

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 **23.3%** companies in the industry cooperate with finance guarantee companies

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

Custodian Bank

- Total assets as of Sep 30, 2018: RMB413 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 **17.1%** companies in the industry can reach the level



iTrust AAA Certificate

- Certified according to National Enterprise Credit Evaluation and Bank Credit Rating standards
- Only **6.6%** of companies in the industry have received iTrust AAA certificate, the highest level possible.



RMB1.1bn Credit Line Issued by Commercial Banks



In the Right Sector

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

- Information intermediary only
- Focusing on medium-sized installment loans
- Funded by pure individual investors
- Loan used mainly for consumption upgrades

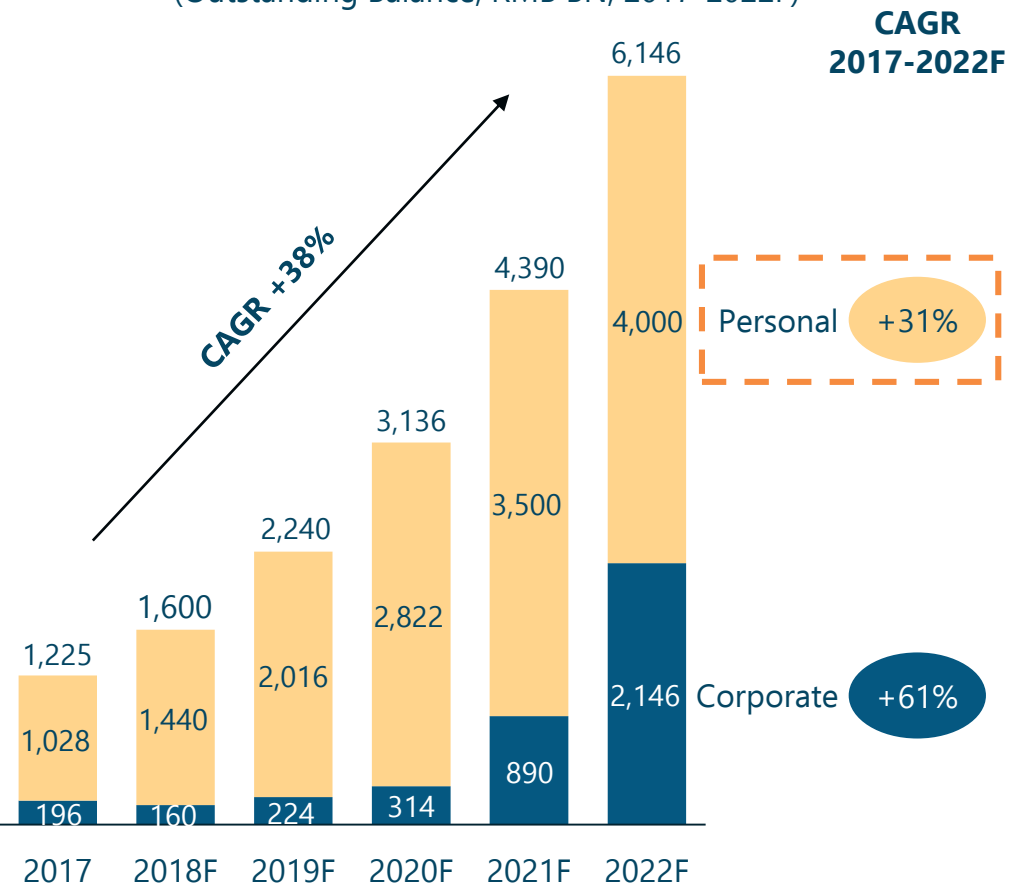
- **Compliant with online lending industry guidelines**

- Completed the submission of our P2P Compliance Self-Inspection Report
- Completed the on-site inspection conducted by the Beijing Internet Finance Industry Association
- On track to complete the verification of inspection results by the Beijing Municipal Bureau of Financial Work

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)



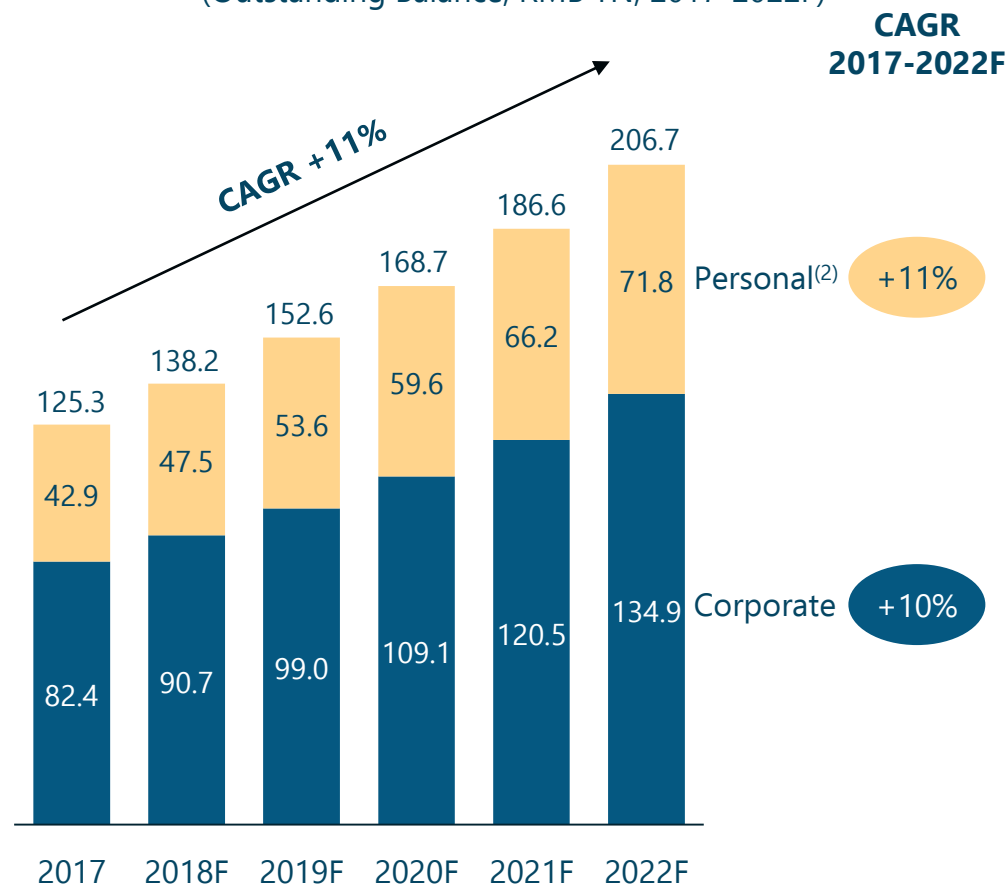
Source: CBRC, PBOC, CEIC, WIND, WDZJ, Literature Research, Oliver Wyman estimation

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).

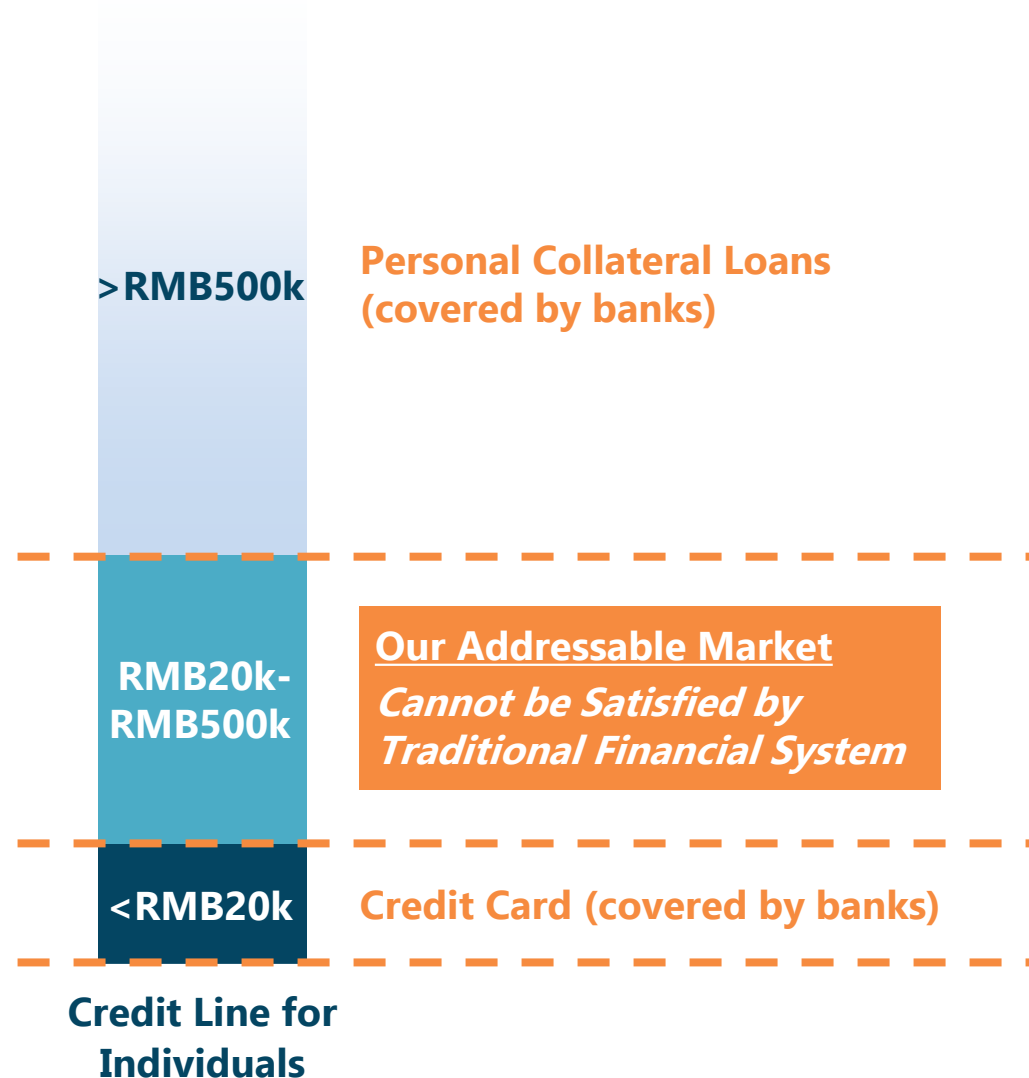
(2) According to Oliver Wyman, personal section in credit market refers to consumer lending market where personal loans such as home mortgages, auto loans, personal business operations loans and consumption loans are provided

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

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

0.47
YoY +30.6%
Average credit card
per capita
as of September 30, 2018

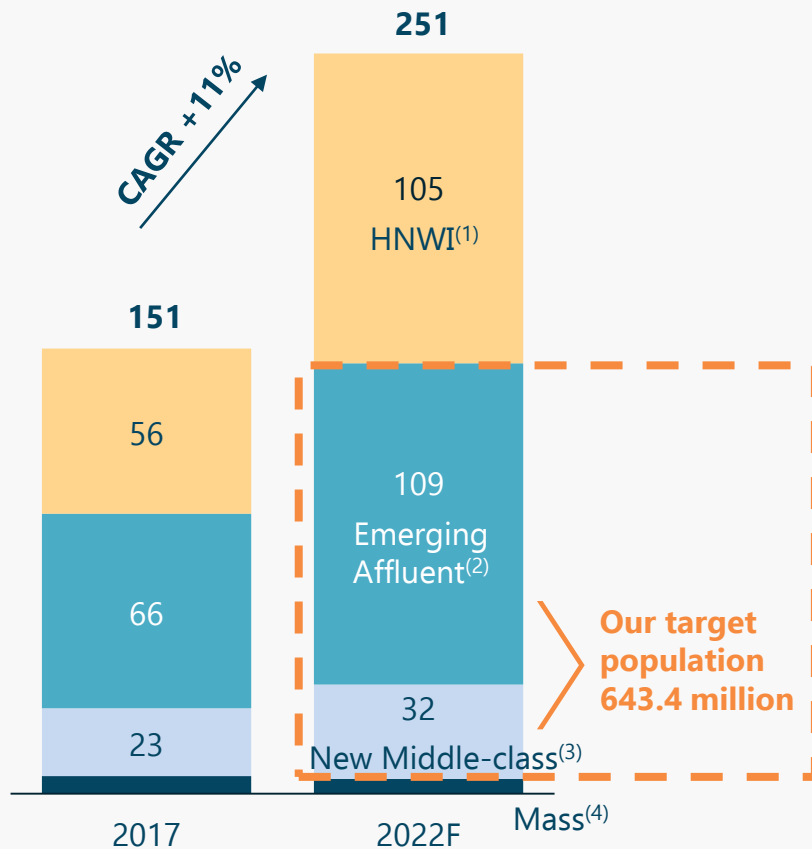
RMB22.3k
YoY +3.2%
Average credit line per
credit card
as of September 30, 2018



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.

Position our Core Business in the Medium-sized Installment Loan Segment

Market Segments				Hexindai
Loan Type (Purpose)	Loan Size (RMB)	Duration	Current P2P Size ¹ (RMB)	
Large-amount (Consumption/ Invest)	> 140k	> 36 months	~210 billion	
Medium-amount (Consumption Upgrade)	20k-140k	12-36 months	~640 billion	√
Small-amount (Basic Consumption)	3k-20k	3-12 months	~160 billion	
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

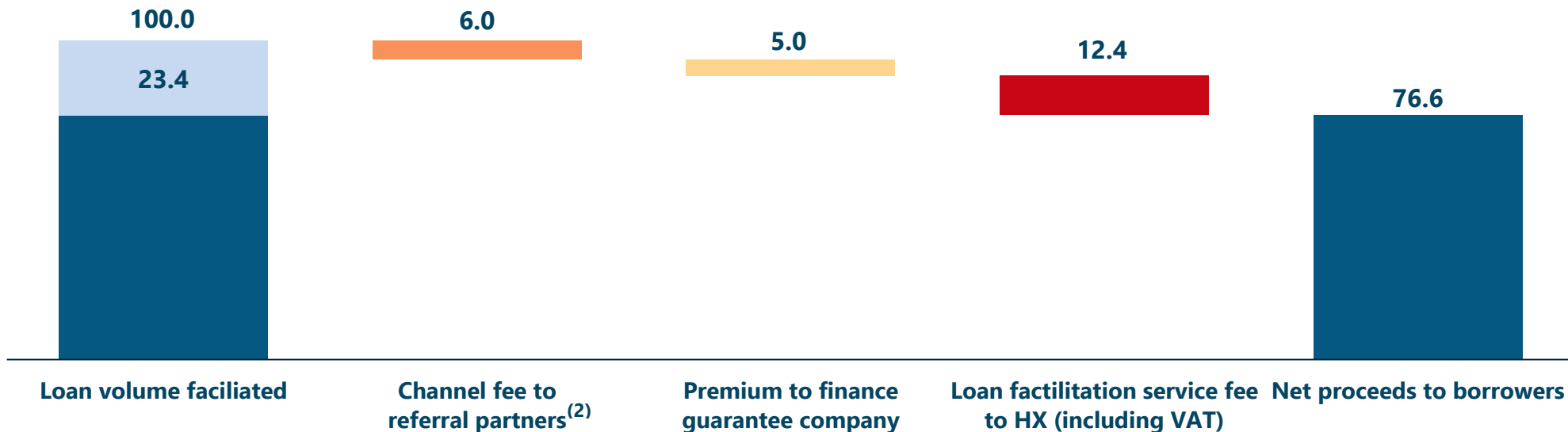
We are a pure information and service platform matching investors with individual borrowers. Loans are not held on our balance sheet and we bear no default risk.



Source: Company Information.

Our Economics Illustration⁽¹⁾

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



	PV	Rate	PMT
Investor	Loan volume facilitated=US\$100 =PV(9.63%/12, 36, -3.21)	Yield rate=9.63% Investor yield rate keeps trending down, spread transferring into our revenue.	Equal monthly payment=US\$3.21 =PMT(9.63%/12, 36, -100) Making fully amortizing periodic payments is cheaper for borrowers than making a lump-sum payment.
Borrower	Net proceeds=US\$76.6 =PV(29.0%/12, 36, -3.21)	All inclusive APR ⁽³⁾ =29.0% =RATE(36, 3.21, -76.6)*12	 ■ Interest ■ Principle

Note:

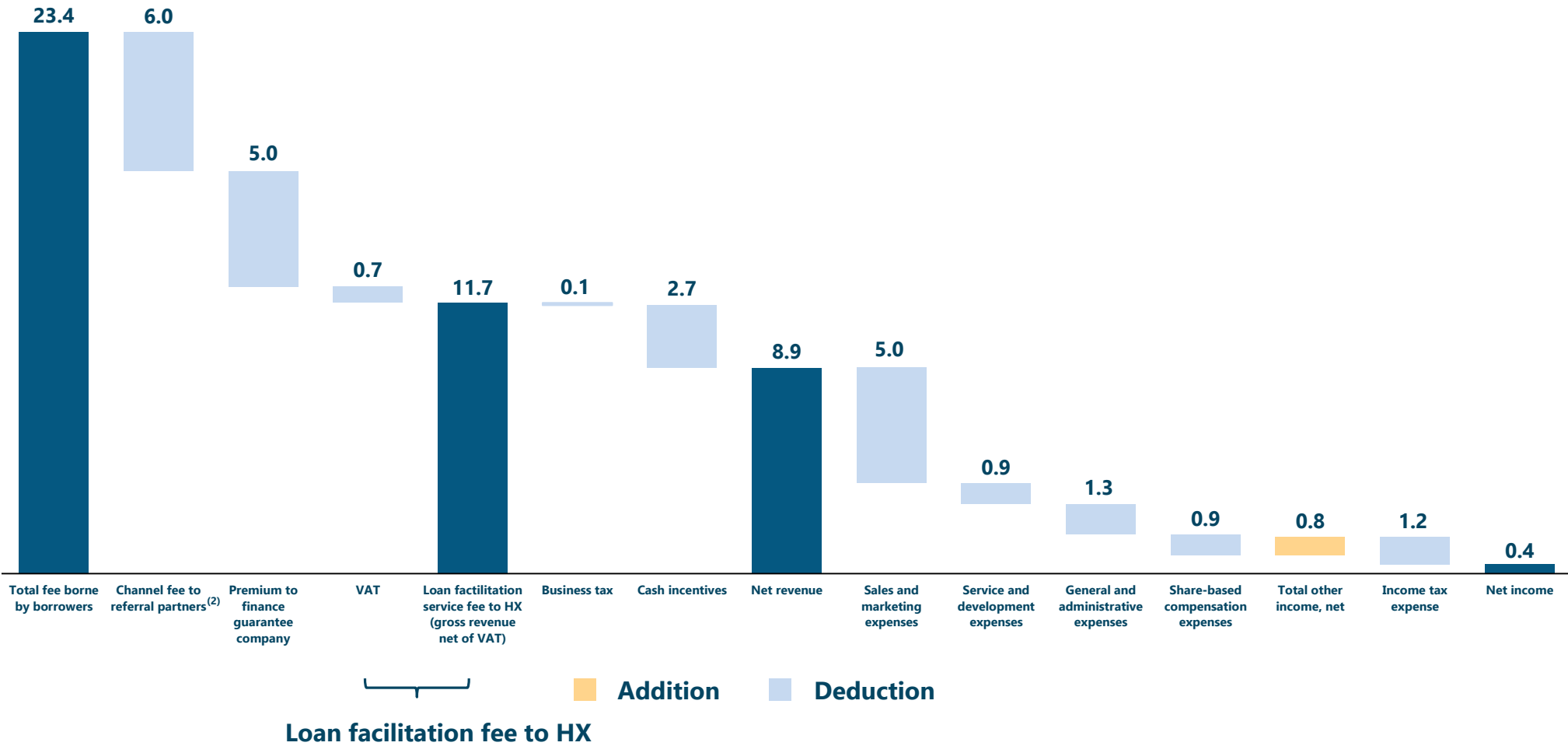
(1) This is an illustration built to reflect the economics of our business model as accurately as possible.

(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⁾ (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⁾

- 233 branches in 127 cities⁽³⁾
- 2 call centers: Beijing and Hefei
- Combined branch network reaches nearly 62%⁽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 2017, National Bureau of Statistics of the PRC.

Note:

(1) For the nine months ended December 31, 2018.

(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 January 31, 2019, our offline cooperation partner had a total of 233 branches in 127 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



Emerging Middle Class with Stable Income

 100% credit card holders

 In emerging tier 1 and tier 2 cities

 **>80%** of our borrowers earn **RMB10k+** in monthly income
Disposable income at ~2.7x of average monthly repayments



 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



 1. Portfolio Investments

 2. Individual Investments

 3. Loan Transfer

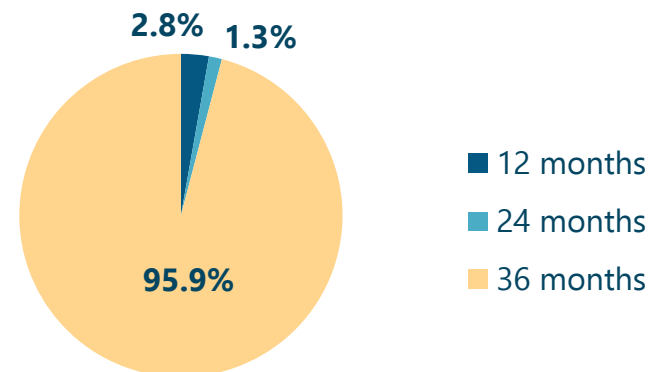
Risk-based Pricing Focusing on Quality Borrowers

Use for Higher-end Items

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

Take up ~10%
of the total loan
consumption

Loan Volume Proportion by Terms⁽¹⁾



Grade ⁽²⁾	All Inclusive APR ⁽³⁾	Interest Rate ⁽⁴⁾	Average Gross Billing Ratio ⁽⁵⁾	Transaction Volume (US\$ thousand)	Percentage of Total Transaction Volume
A	24.7%	9.6%	7.9%	34,921	6.9%
B	25.7%	9.6%	8.9%	179,744	35.7%
C	29.3%	9.6%	12.3%	180,384	35.8%
D	34.3%	9.6%	16.8%	108,684	21.6%
Total			11.7%	503,732	100.00%

* For the nine months ended December 31, 2018.

Source: Company Information.

Note:

(1) Calculated based on RMB loan volume.

(2) 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.

(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. These all inclusive APRs represent the average annual percentage rates for each credit grade of borrowers during the specified period.

(4) The average nominal interest rate paid to investors.

(5) 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.

(6) 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
VIP 0	10%
VIP 1	9%
VIP 2	8%
VIP 3	7%
VIP 4	6%
VIP 5	5%
Super VIP	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 December 31, 2018 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.

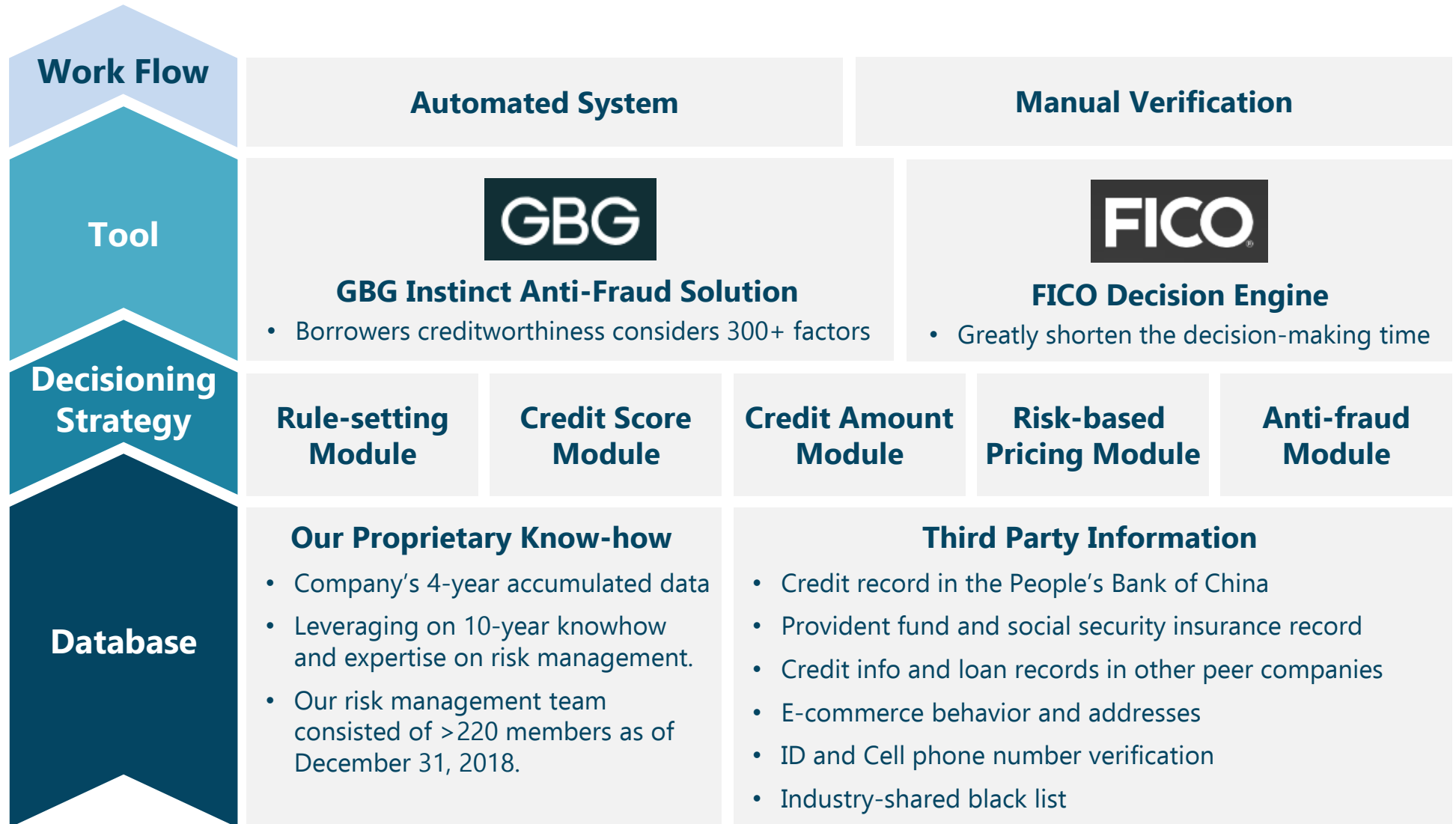
• Investor Loyalty Rewards Program

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 December 31, 2018
Inception to March 31, 2015	82%
FY2016	74%
FY2017	47%
FY2018	54%

Cutting-edge Risk Management System



Only 9% of borrower applicants are accepted during Q3 FY19

Strong Loan Performance Due to Solid Risk Management

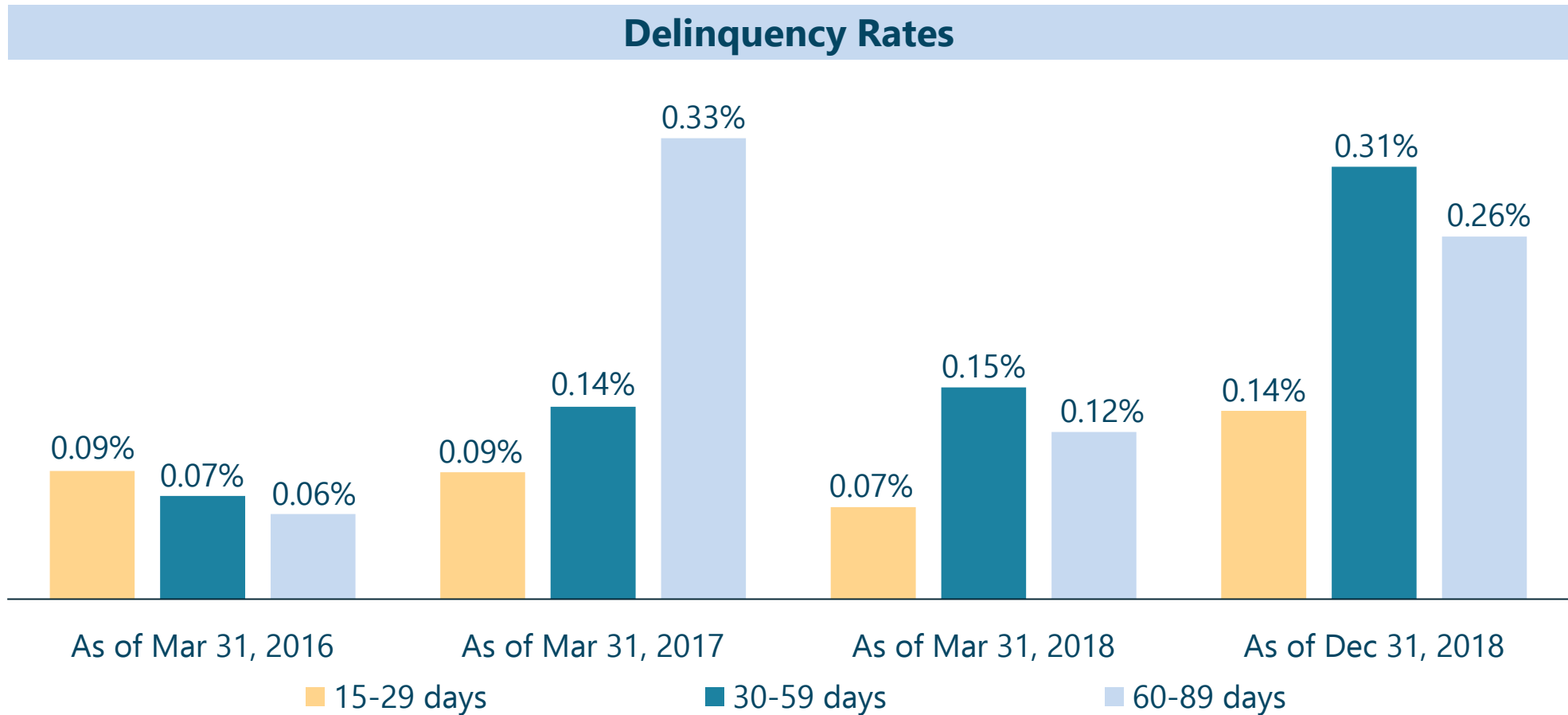
M3+ Net Charge Off Rates For Credit Loan

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

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

- (i) the total balance of outstanding principal of 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 loans facilitated in such vintage.

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



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.

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.

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 small-sized online consumer credit loan
Payday (Survival)	<3k	<30 days	~20 billion		

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

Note:

(1) Estimated 2017 outstanding balance.

We Are Evolving to Diversify Funding Sources

Our large individual investor base

20,325⁽¹⁾

Number of investors who made loan investments on our marketplace

64,148⁽²⁾

Number of investors who have investments on our marketplace

264,118⁽³⁾

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

2,803,798⁽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 quarter ended December 31, 2018.

(2) As of December 31, 2018.

(3) Calculated on a cumulative basis from inception of our business in March 2014 to December 31, 2018.

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 P2P compliance inspection is expected to be completed by the end of 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



Seasoned Management Team with Extensive Banking and Technology Experience



Mr. Xiaobo An
Founder and Chairman

Mr. Xinming Zhou
Chief Executive Officer

Mr. Johnson Zhang
Chief Financial Officer

Ms. Dongling Wang
Chief Risk Officer

Ms. Lili Hua
Chief Operations Officer

- Founded and has held the position of our chairman since the inception of our business
- Founder of Beijing Zhongdashixing Business Co., Ltd, Hexin Information Services Co., Ltd. and Hexin Financial Information Services (Beijing) Co., Ltd.
- Huaxia Bank
- Hebei University

- Joined the Company in 2014 and served as CEO since August 2016
- CEO of Beijing Triangle Technology
- Senior Product Manager of JD.com (NASDAQ: JD)
- Product Director of Ninetowns Group (Ninetowns Internet Technology Group Company Limited was a NASDAQ-listed company from 2004 to 2014 (NASDAQ:NINE))
- Beijing University of Technology

- Joined the Company in August 2016 and 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

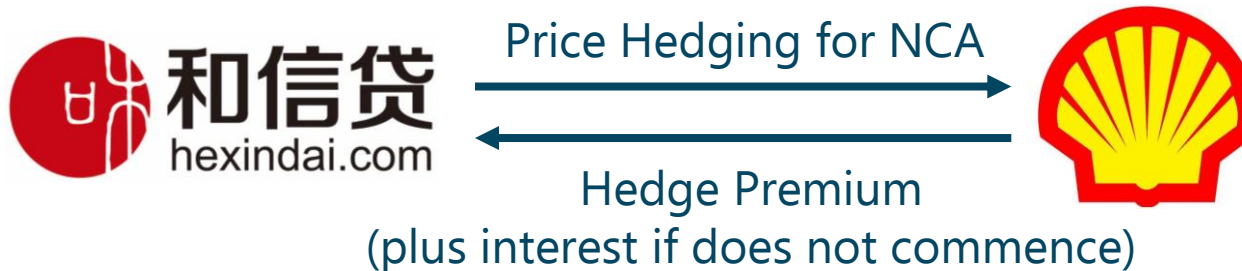
- Joined the Company in 2015 and served as CRO since 2016
- Approval Manager of Pinganpuhui Finance, a subsidiary of Ping An focused on consumer finance
- Investment advisor of Shenzhen Newrand Securities Investment Consulting Firm
- Heilongjiang School of Economic Management

- Joined the Company and served as 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

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 4 years, we have carried out **17 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

Q3 FY2019 Snapshot

US\$29.1 million
-92%⁽¹⁾ YoY
Volume Facilitated⁽²⁾

US\$1.9 million
-96% YoY
Net Revenue

9.1%

Gross Billing Ratio⁽³⁾

US\$9.6 million

Net Loss

Cash Position: US\$47.4 million
-64% vs. 31 March 2018

Net Cash per Share: US\$1.0
-65% vs. 31 March 2018

US\$0.2

Diluted loss per 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
in FY2019
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**

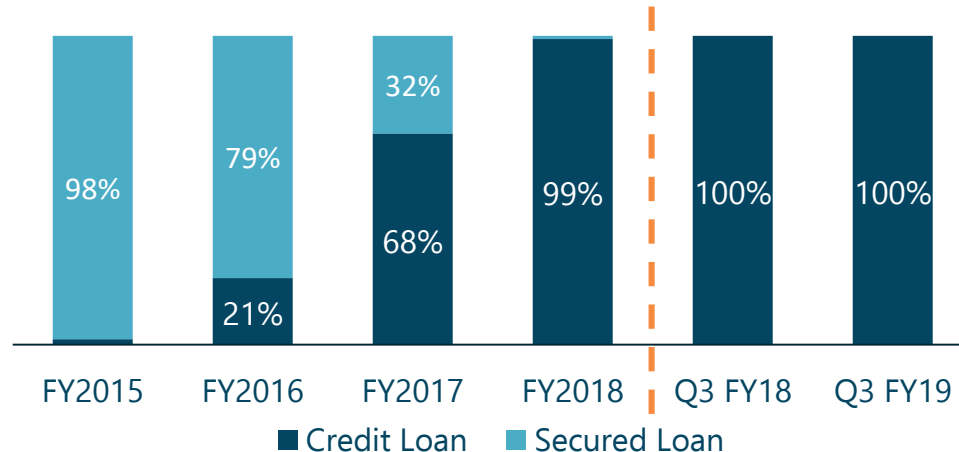
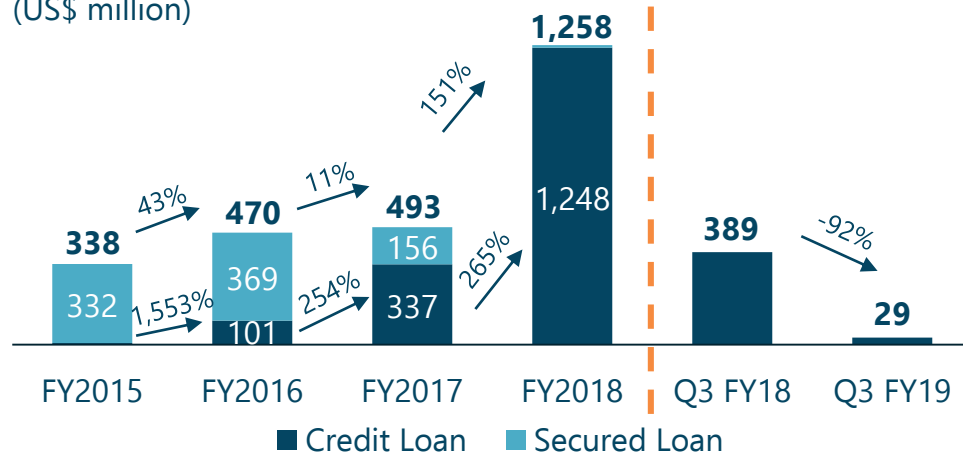


Operating and Financial Highlights

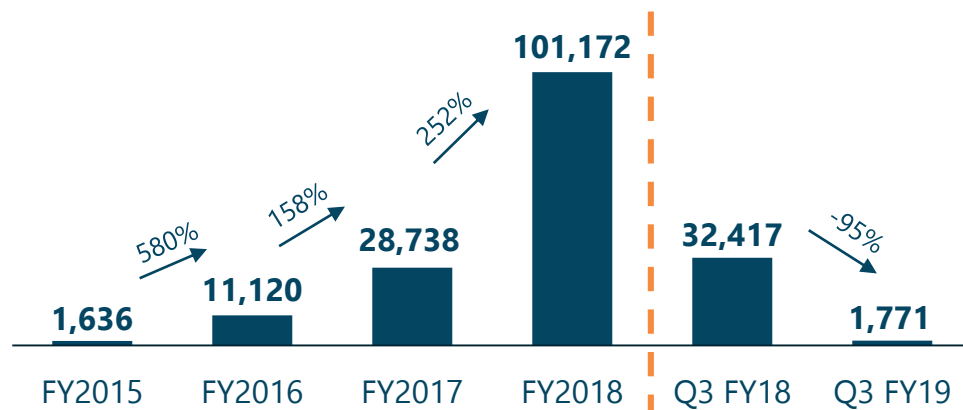
Operational Results

Loan Volume Facilitated⁽¹⁾⁽²⁾

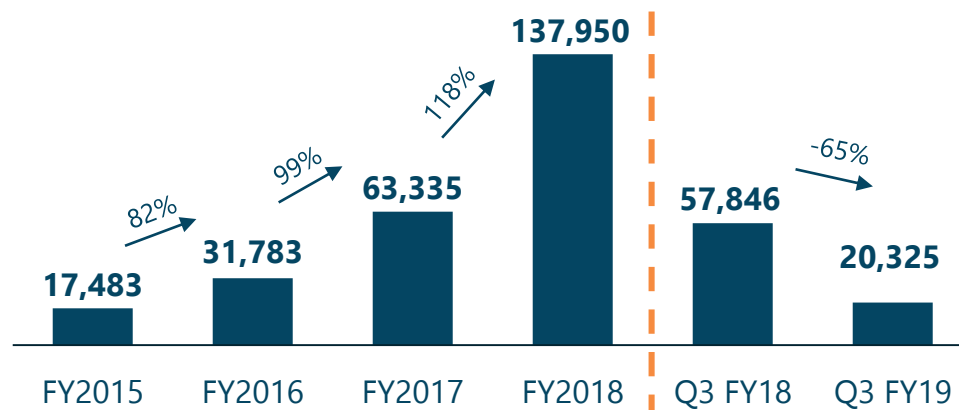
(US\$ million)



Number of Borrowers



Number of Investors

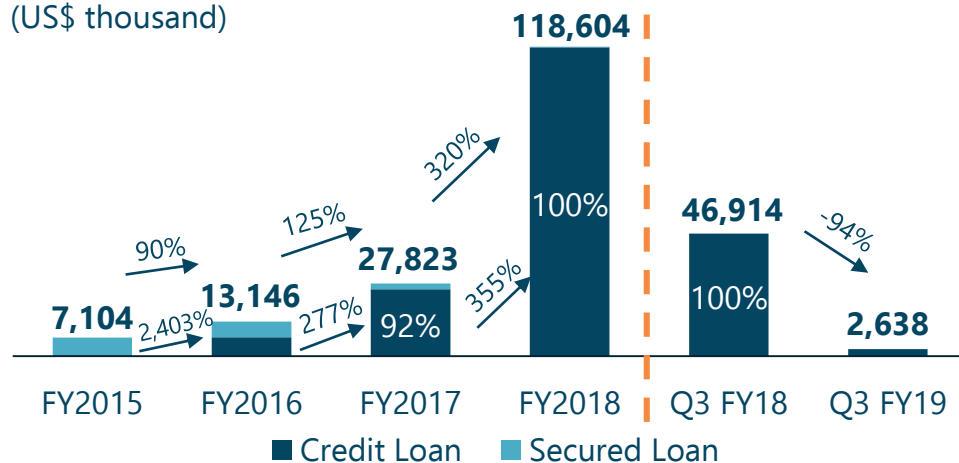


- Notes:
- (1) Loan volume is defined as the total principal amount of loans facilitated on our marketplace during the relevant period.
 - (2) Growth rates are calculated by RMB amount, therefore the impact from exchange rate in different reporting periods is excluded.
 - (3) Fiscal year end is March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

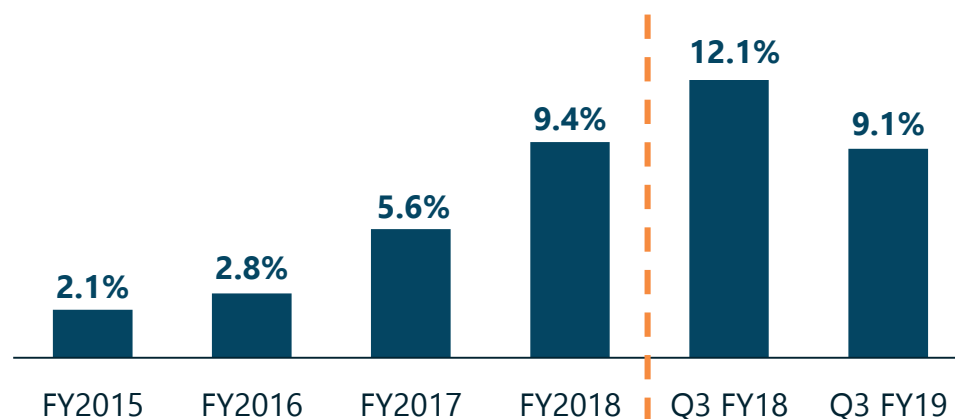
Key Drivers for Revenue Growth

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

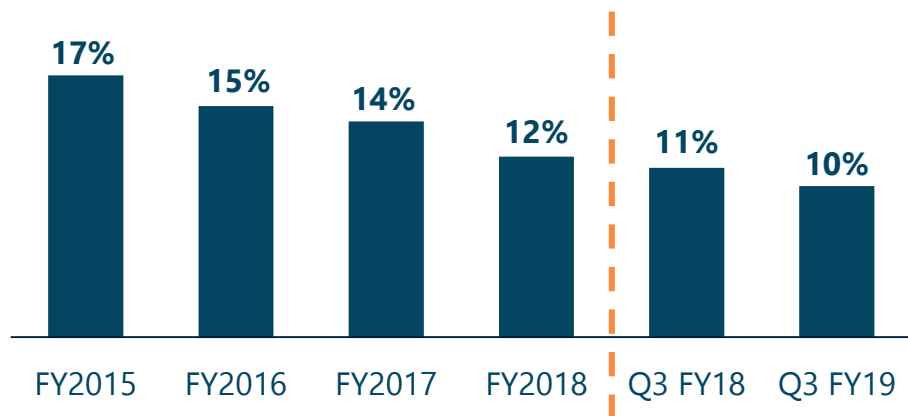
(US\$ thousand)



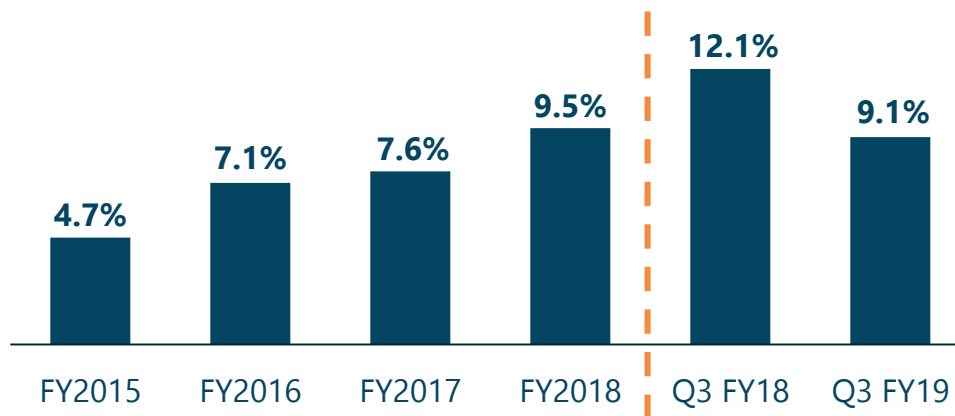
Gross Billing Ratio (net of VAT)



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.

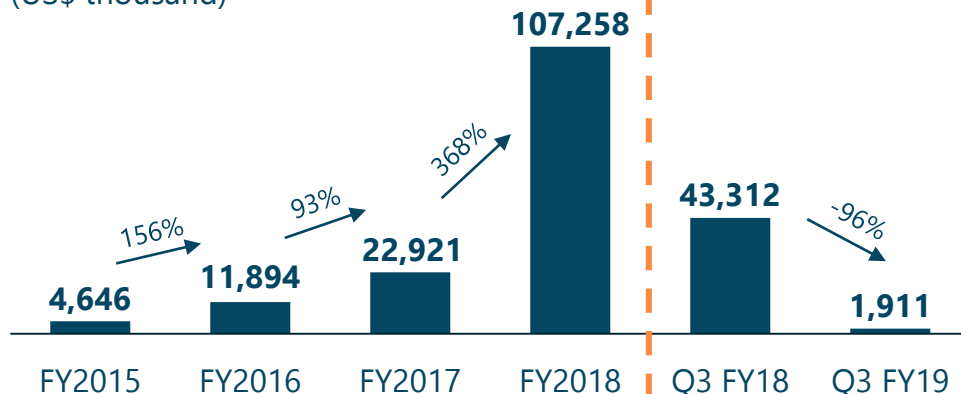
(2) Gross billings is total loan facilitation fees and loan management fees billed to borrowers before cash incentives, net of VAT.

(3) Fiscal year end is March 31.

Financial Performance

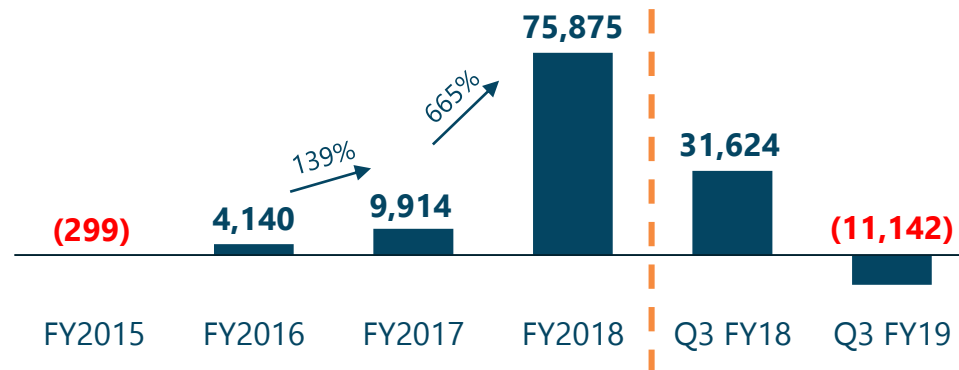
Net Revenue

(US\$ thousand)



Operating Profit (Loss)

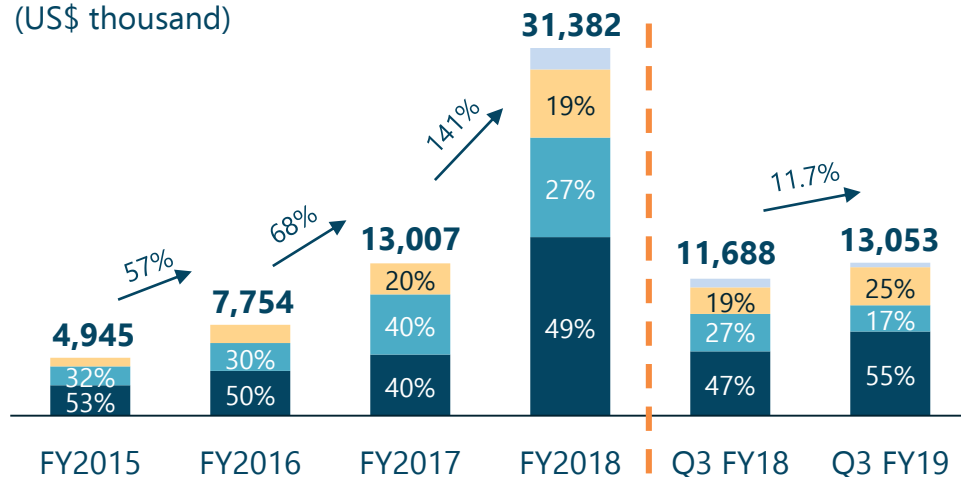
(US\$ thousand)



Margin (6.4%) 34.8% 43.3% 70.7% 73.0% NM

Operating Expenses

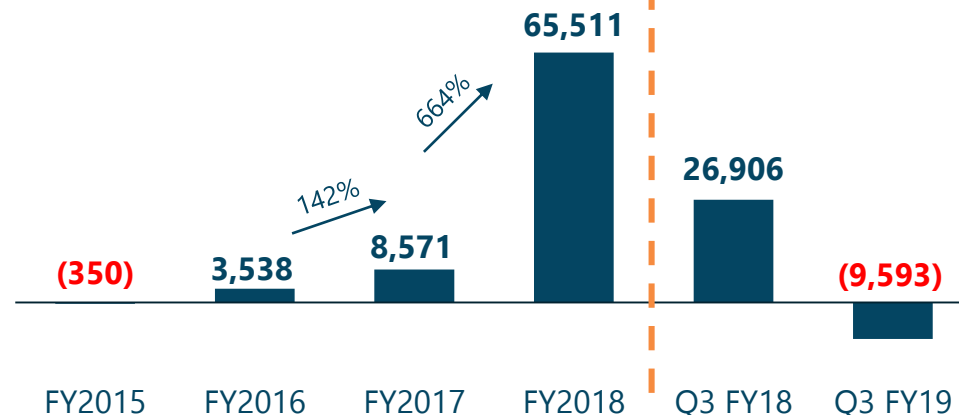
(US\$ thousand)



■ Sales and marketing ■ Service and development
 ■ General and administration ■ Share-based compensation

Net Income (Loss)

(US\$ thousand)

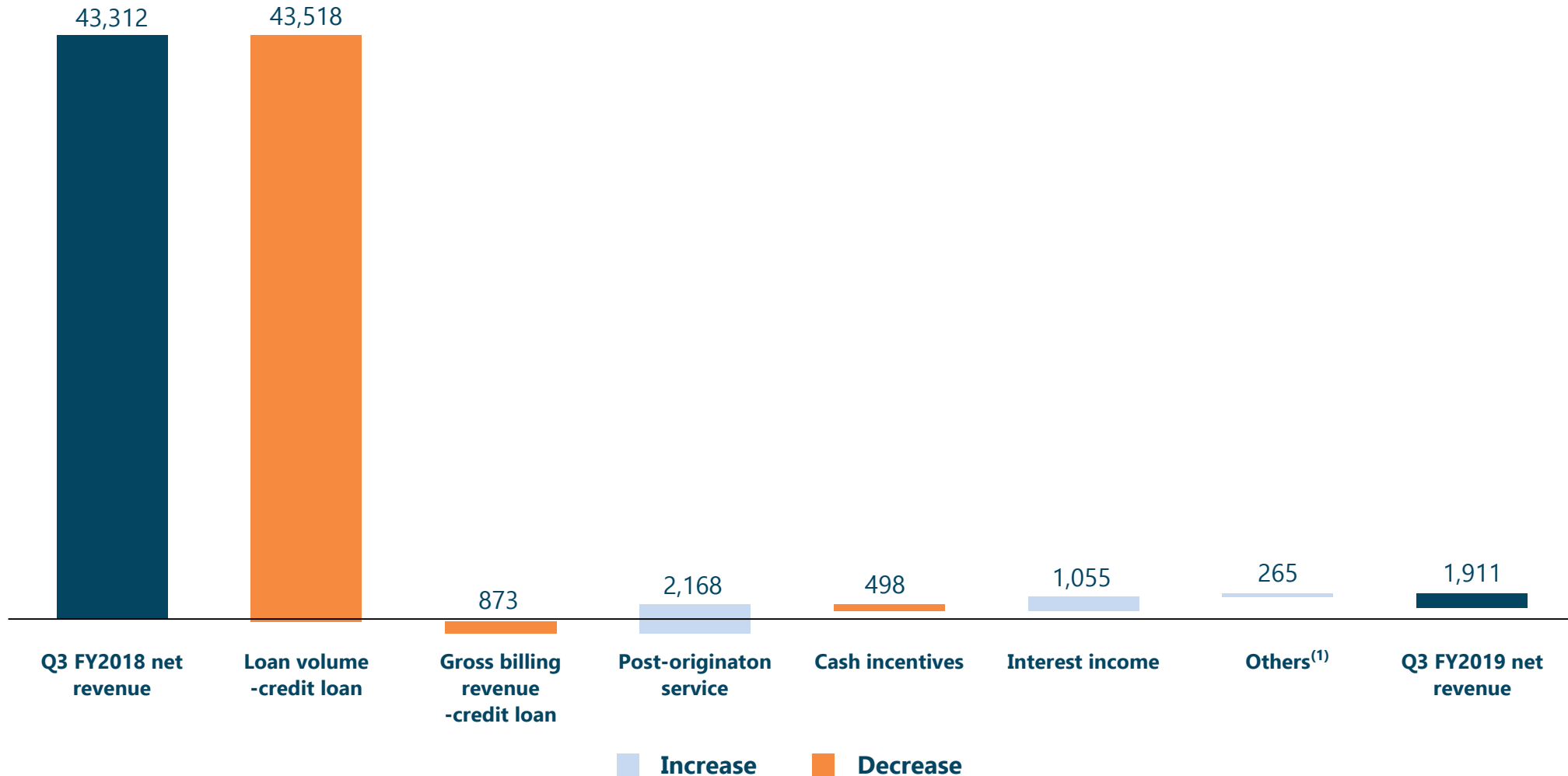


Margin (7.5%) 29.7% 37.4% 61.1% 62.1% NM

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)

	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	December 31, 2018 compared to March 31, 2018
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	
Cash	139,293	132,622	148,413	53,069	47,434	-64.2%
Receivables, prepayments and other assets	4,490	1,249	10,212	20,320	3,834	207.1%
Loans receivable-current, net of provision	-	28,696	29,469	56,757	43,614	52.0%
Interest receivable	-	556	1,086	914	370	-33.3%
Total current assets	143,783	163,123	189,180	131,060	95,252	-41.6%
Loans receivable-non current, net of provision	-	-	-	16,329	29,736	NM
Long term investment	-	-	-	1,600	1,600	NM
Property, equipment and software at cost, net	620	767	813	1,224	1,292	68.5%
Deferred tax assets	439	-	-	-	2,378	NM
Other non-current assets	-	-	-	-	7,272	NM
Total assets	144,842	163,890	189,993	150,213	137,530	-16.1%
Deferred revenue	-	-	-	-	128	NM
Accrued expenses and other current liabilities	4,059	3,787	2,153	5,421	2,253	-40.5%
Taxes payable	17,289	20,060	23,106	16,614	14,628	-27.1%
Total liabilities	21,348	23,847	25,259	22,035	17,009	-28.7%
Total shareholders' equity	118,854	140,043	164,734	128,178	120,521	-13.9%
Non-controlling interest	4,640	-	-	-	-	0.0%
Total equity	123,494	140,043	164,734	128,178	120,521	-13.9%
Total liabilities and shareholders' equity	144,842	163,890	189,993	150,213	137,530	-16.1%

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, 2018 compared to March 31, 2017
	(Audited)	(Audited)	(Audited)	(Audited)	
Cash	955	7,819	19,232	132,622	589.6%
Prepayments and other assets	893	1,802	4,139	1,249	-69.8%
Amounts due from related parties	-	-	4,183	-	-100.0%
Loans receivable	-	-	-	28,696	NM
Interest receivable	-	-	-	556	NM
Total current assets	1,848	9,620	27,554	163,123	492.0%
Amounts due from related parties	5,123	11,951	-	-	NM
Property, equipment and software at cost, net	205	253	428	767	79.3%
Deferred tax assets	220	568	400	-	-100.0%
Total assets	7,396	22,393	28,382	163,890	477.4%
Accrued expenses and other current liabilities	2,486	3,515	789	3,787	379.9%
Risk reserve liability	928	2,717	-	-	NM
Taxes payable	627	2,101	4,089	20,060	390.6%
Amounts due to related party	-	48	-	-	NM
Total liabilities	4,041	8,381	4,878	23,847	388.9%
Total shareholders' equity	3,355	14,012	23,504	140,043	495.8%
Total liabilities and shareholders' equity	7,396	22,393	28,382	163,890	477.4%

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						
	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	December 31, 2018 compare to December 31, 2017
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	
Net revenue						
Loan facilitation, post-origination and other service	43,652	27,992	52,197	3,645	2,011	-95.4%
Business and sales related taxes	(340)	(378)	(545)	(24)	(100)	-70.6%
Total net revenue	43,312	27,614	51,652	3,621	1,911	-95.6%
Operating expenses						
Sales and marketing	5,485	3,497	11,665	11,750	7,176	30.8%
Service and development	3,205	2,055	1,365	2,177	2,247	-29.9%
General and administrative	2,998	1,697	2,314	2,237	3,247	8.3%
Share-based compensation	-	1,105	214	4,910	384	NM
Total operating expenses	11,688	8,354	15,558	21,074	13,053	11.7%
Income (loss) from operations	31,624	19,260	36,094	(17,453)	(11,142)	NM
Other income	255	179	485	608	1,177	362.2%
Other expense	(15)	(2)	(20)	(3)	(3)	-76.3%
Total other income (expense), net	240	167	465	605	1,174	389.1%
Income (loss) before income taxes	31,864	19,427	36,559	(16,847)	(9,968)	NM
Income tax (benefit) expense	4,958	2,382	6,880	553	(375)	NM
Net income (loss)	26,906	17,045	29,679	(17,401)	(9,593)	NM
Less: net income attributable to non-controlling interest	31	-	-	-	-	-100.0%
Net income attributable to Hexindai	26,875	17,045	29,679	(17,401)	(9,593)	NM
Other comprehensive income (loss)						
Foreign currency translation adjustment	1,560	3,420	(6,005)	(4,518)	(202)	NM
Comprehensive income	28,466	20,465	23,674	(21,919)	(9,795)	NM
Less: comprehensive income attributable to non-controlling interest	133	-	-	-	-	-100.0%
Comprehensive income attributable to Hexindai	28,333	20,465	23,674	(21,919)	(9,795)	NM
Earnings per common share-basic	0.58	0.36	0.62	(0.36)	(0.20)	NM
Earnings per common share-diluted	0.52	0.32	0.56	(0.36)	(0.20)	NM
Weighted average number of shares outstanding-basic	46,131,964	47,958,550	47,999,127	48,728,095	48,937,900	
Weighted average number of shares outstanding-diluted	51,534,829	53,269,615	53,011,074	48,728,095	48,937,900	

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	2018 compare to 2017
	(Audited)	(Audited)	(Audited)	(Audited)	
Net revenue					
Loan facilitation, post-origination and other service	4,648	11,918	23,092	108,148	368.3%
Business and sales related taxes	(2)	(24)	(172)	(890)	418.1%
Total net revenue	4,646	11,894	22,920	107,258	368.0%
Operating expenses					
Sales and marketing	2,605	3,840	5,212	15,242	192.4%
Service and development	1,606	2,359	5,149	8,496	65.0%
General and administrative	734	1,555	2,646	5,816	119.8%
Share-based compensation	-	-	-	1,829	NM
Total operating expenses	4,945	7,754	13,007	31,383	141.3%
Income from operations	(299)	4,140	9,913	75,875	665.4%
Other income	5	38	199	683	244.1%
Other expense	(13)	(11)	(19)	(22)	17.9%
Total other income (expense), net	(8)	26	180	661	268.1%
Income before income taxes	(306)	4,167	10,093	76,536	658.3%
Income tax expense	44	628	1,522	11,026	624.3%
Net income (loss)	(350)	3,538	8,571	65,510	664.3%
Less: net income attributable to non-controlling interest	-	-	-	29	NM
Other comprehensive income (loss)					
Foreign currency translation adjustment	17	(482)	(1,080)	6,028	-658.1%
Comprehensive income	(333)	3,056	7,491	71,539	855.0%
Less: comprehensive income attributable to non-controlling interest	-	-	-	133	NM
Comprehensive income attributable to Hexindai	(333)	3,056	7,491	71,406	853.2%
Earnings per common share-basic	(0.01)	0.08	0.20	1.46	630.0%
Earnings per common share-diluted	(0.01)	0.08	0.20	1.37	585.0%
Weighted average number of shares outstanding-basic	42,080,000	42,080,000	42,331,200	44,977,780	
Weighted average number of shares outstanding-diluted	42,080,000	42,080,000	42,331,200	47,656,263	

Key Operating Data

	For Three Months Ended December 31,				For Nine Months Ended December 31,				Growth Rates(5)	
	2018		2017		2018		2017			
	(RMB)	(US\$)	(RMB)	(US\$)	(RMB)	(US\$)	(RMB)	(US\$)	Three months ended December 31, 2018 compared to December 31, 2017	For nine months ended December 31, 2018 compared to December 31, 2017
	(in thousands, except percentages and numbers)				(in thousands, except percentages and numbers)					
Loan volume facilitated(1)										
Credit loan principal	201,173	29,095	2,570,798	388,745	3,371,882	503,732	5,610,349	835,471	-92.2%	-39.9%
Secured loan principal	-	-	-	-	-	-	63,220	9,414	-	-100.0%
Total	201,173	29,095	2,570,798	388,745	3,371,882	503,732	5,673,569	844,885	-92.2%	-40.6%
Number of transactions facilitated(2)										
Credit loan transactions	1,771	1,771	32,511	32,511	32,946	32,946	67,965	67,965		
Secured loan transactions	-	-	-	-	-	-	49	49		
Total	1,771	1,771	32,511	32,511	32,946	32,946	68,014	68,014		
Average individual transaction amount										
Credit loan transactions	114	16	79	12	102	15	83	12		
Secured loan transactions	-	-	-	-	-	-	1,290	192		
Overall average	114	16	79	12	102	15	83	12		
Gross billing amount (net of VAT)										
Credit loan	18,239	2,638	310,244	46,914	396,072	59,170	582,109	86,686	-94.1%	-32.0%
Secured loan	-	-	-	-	-	-	1,458	217	-	-100.0%
Total	18,239	2,638	310,244	46,914	396,072	59,170	583,567	86,903	-94.1%	-32.1%
Gross billing ratio (net of VAT)										
Credit loan	9.1%	9.1%	12.1%	12.1%	11.7%	11.7%	10.4%	10.4%		
Secured loan	-	-	-	-	-	-	2.3%	2.3%		
Total	9.1%	9.1%	12.1%	12.1%	11.7%	11.7%	10.3%	10.3%		
Number of borrowers										
Credit loan transactions	1,771	1,771	32,417	32,417	32,933	32,933	67,815	67,815		
Secured loan transactions	-	-	-	-	-	-	35	35		
Total	1,771	1,771	32,417	32,417	32,933	32,933	67,850	67,850	-94.5%	-51.5%
Number of investors										
Credit loan transactions(3)	18,006	18,006	45,452	45,452	91,554	91,554	80,836	80,836		
Secured loan transactions(4)	-	-	-	-	-	-	91	91		
Credit and secured loan transactions	2,319	2,319	12,394	12,394	11,255	11,255	19,918	19,918		
Total	20,325	20,325	57,846	57,846	102,809	102,809	100,845	100,845	-64.9%	1.9%

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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