

Akulaku

Management Presentation

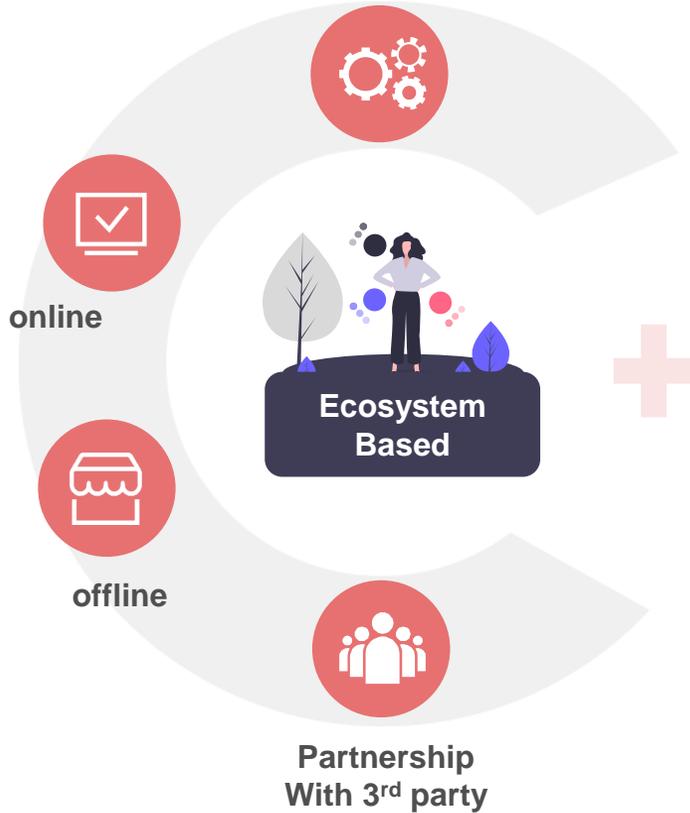
May 2019



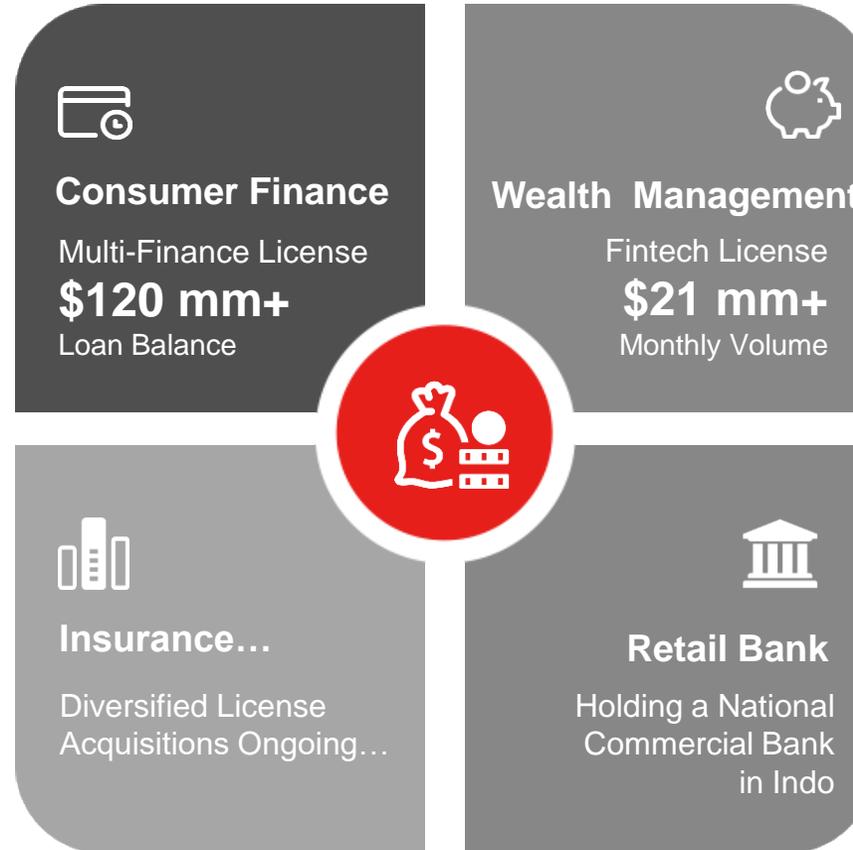


Tech-driven Financial Institution Group in South East Asia with Ecological Layout

Self-built-up use cases



Comprehensive Financial Services



Big Data Analytics





Taking the preemptive opportunities in the promising market

WHERE
is the opportunity

WHY
is Akulaku preemptive



Emerging SEA Market

645 million total population



Insufficient Financial Service

7% credit card penetration*



Growing needs for digital services

56% nondigital users prefer digital

Akulaku is taking the
Leading Position

Data Preemption

>1000TB Data warehousing amount



License Preemption

3 Financial Licenses holding



Ecosystem Preemption

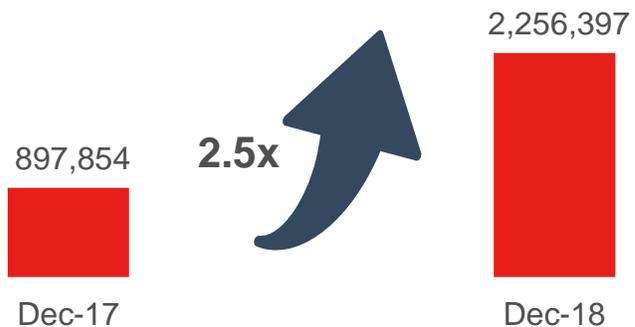
>\$1B Total Transaction Volume





Solid operation leading to exponential growth within 2 Years

No. of Credit Users



Total Credit Users: **300m**

No. of Merchants



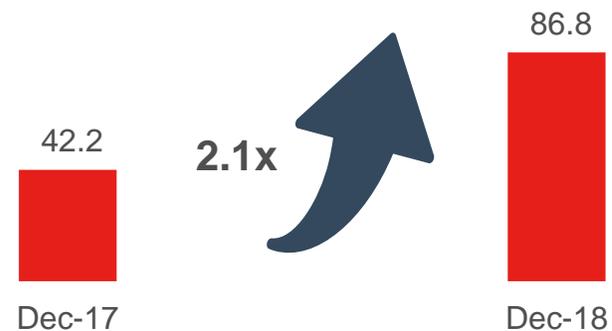
Total Merchants: **130K**

Annual Transaction Volume (\$ mn)



Monthly Transaction Volume: **\$90m+**

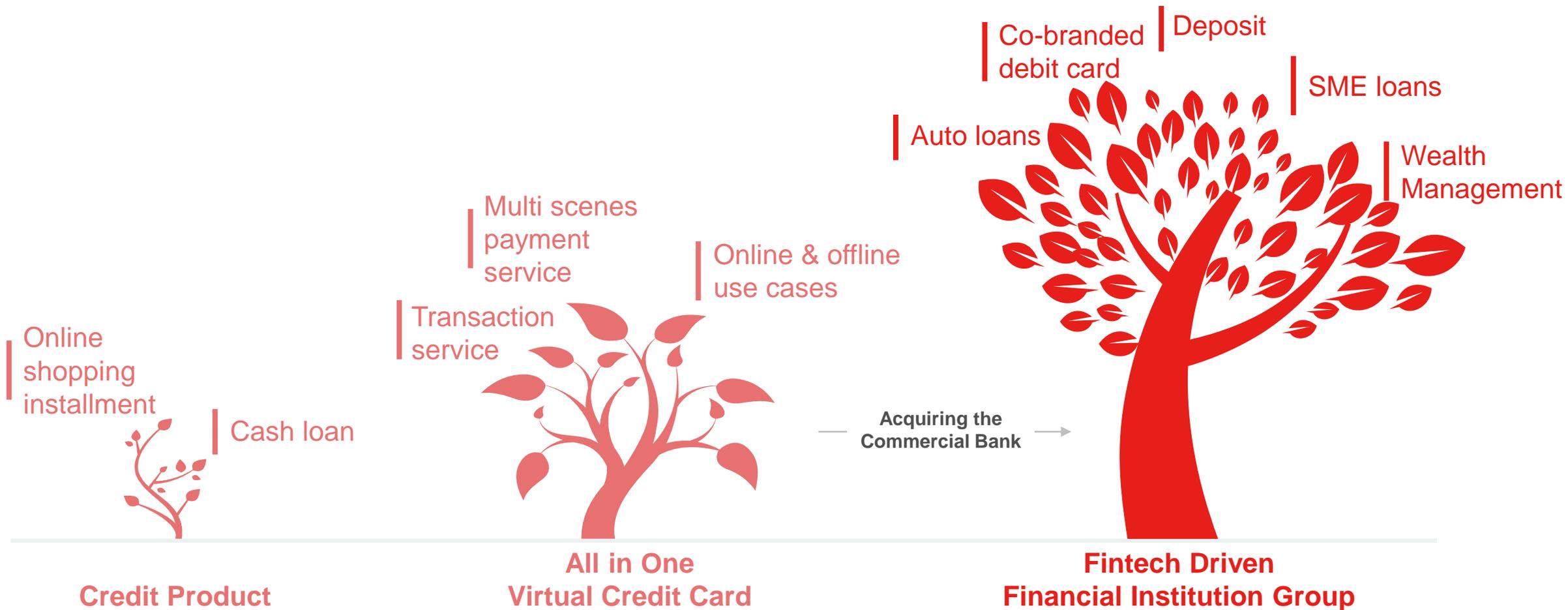
Loan Outstanding (\$ mn)



Ending Loan Balance: **\$100M**



Stepwise evolving to a Comprehensive Financial Institution Group



Growing from a pure Fintech lender to a targeted FIG with license and traffic edge



Investment Highlights along with remarkable business growth

1. Sophisticated experience

A pioneer in SEA market with sophisticated local operation skill and know-how



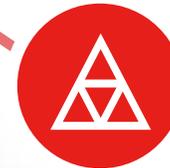
2. Promising market

Targeting the most opportunistic SEA Fintech market with strong growth potential



3. Full licenses

Ability to resisting political risks by holding full financial licenses



4. User&Data base

Accumulated massive and engaged user base through multiple consumption use cases



Investment Highlights

5. Market leader

Market leader with well-recognized brand and multinational scale





01

The Market





Southeast Asia market has great potential and opportunity

645mn

Population for 2018

59.3%

Under the age of 35

5th

Considered as a country
GDP for 2018

\$2926bn

GDP for 2018

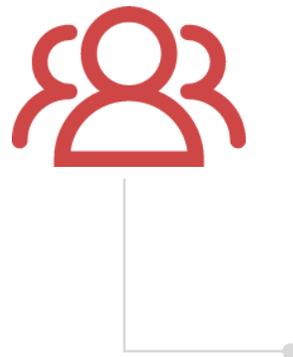
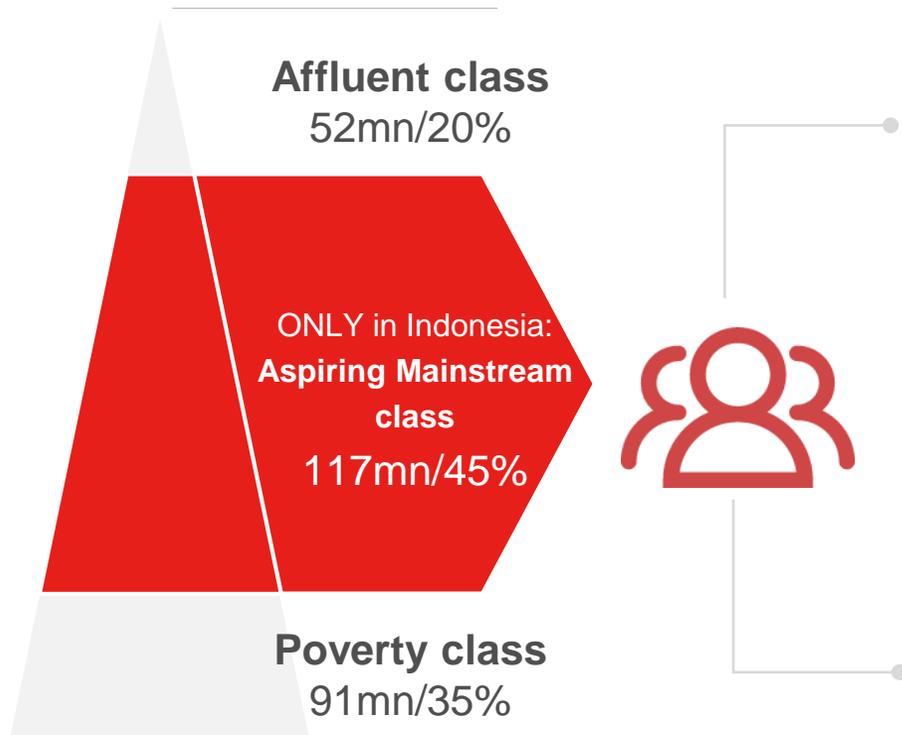
35%

Smartphone Penetration





Underbanked aspiring mainstream class needs more financial services



Quality customer group

- Driving Consumption Needs**
 - \$929 Household expenditure per capita
 - Keeping 9%+ growth rate continuously
- Stable Income and Repayment**
 - Salaried people and self-employed merchant
 - \$500 - \$2,000 monthly disposable income

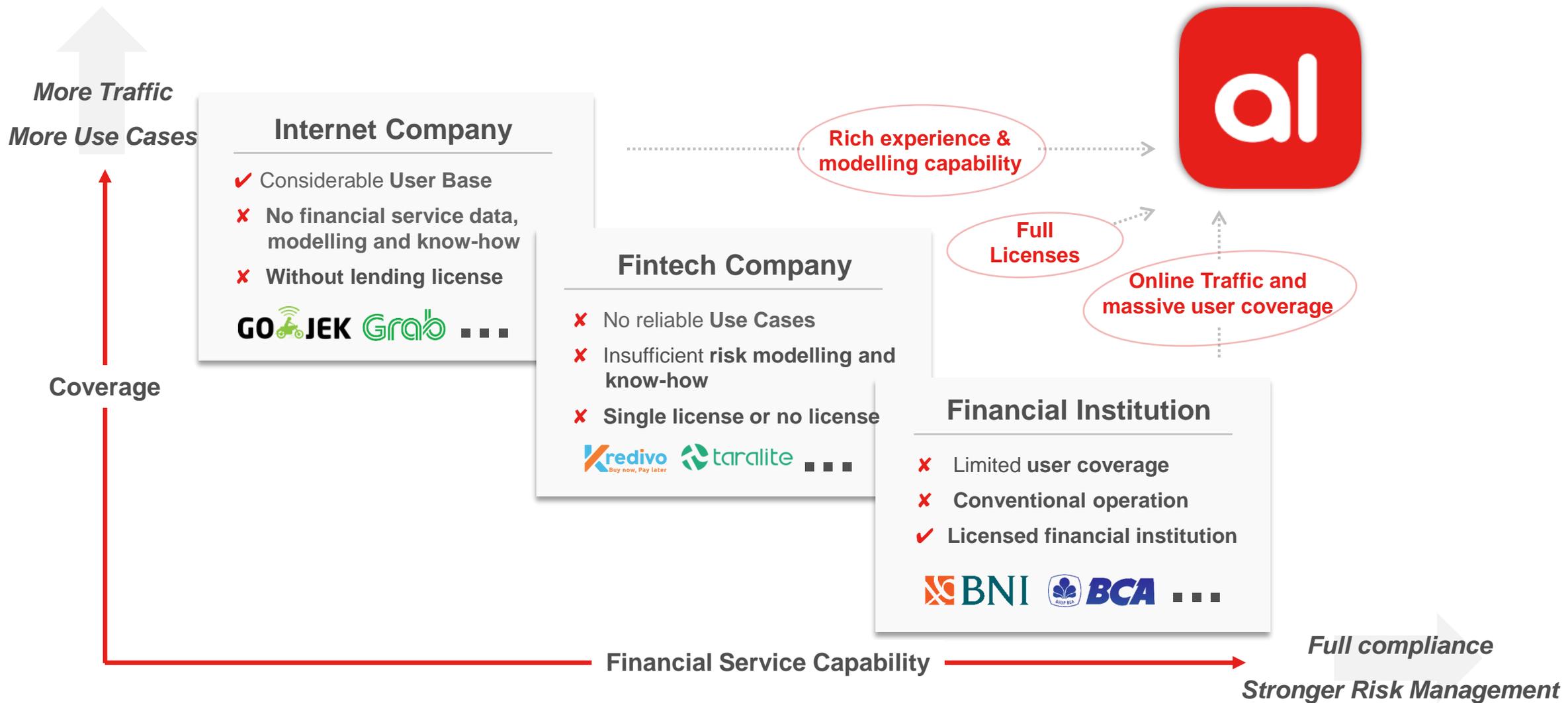
VS

Low credit penetration

-  **7%**
Credit Card Penetration
-  **10.2%**
Household debt to GDP
-  **137 mn**
Total Bankable
Unbanked Population



Rare player with both Internet-Gene and Finance-Gene in the Market





02

Our Business





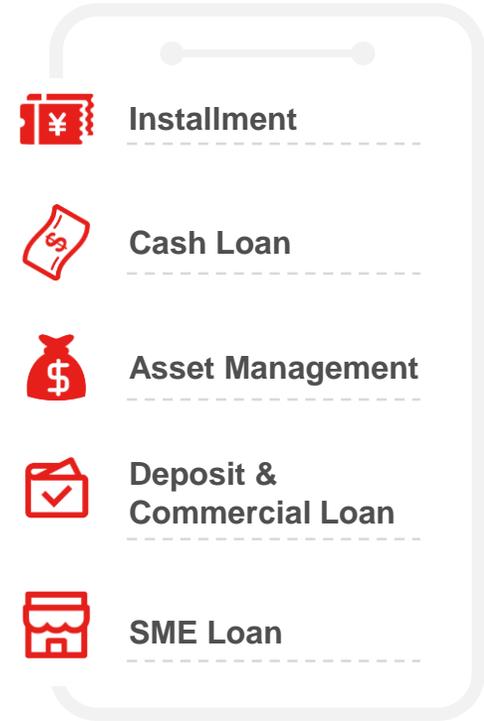
Devoting to build Akulaku Business Eco-System

Targeting 400 million Young Aspiring Mainstream class in SEA

Traffic Flow



Financial Service



Infrastructure

Data-Driven Technology Platform

Localized Operating Model

Diversified Funding Source

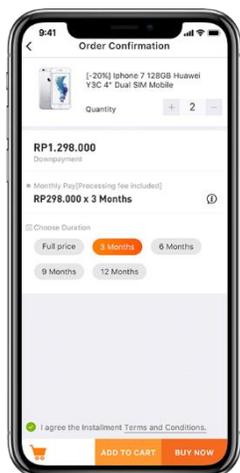
Full License Matrix



Multi-dimensional consumer financial products for diversified use cases

Multi Consumption Use Cases

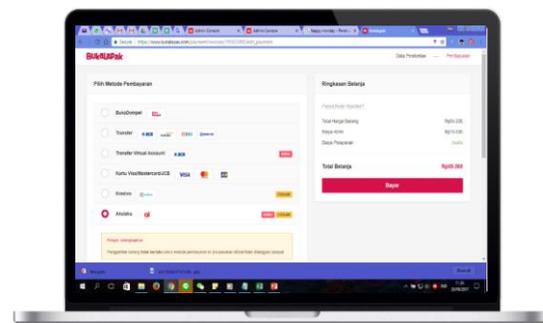
Internal Online Consumption



Online shopping installment loan

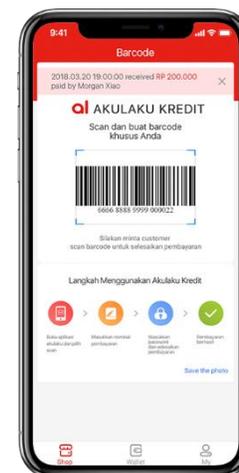
- Terms: 3/6/9/12 months; Average duration: **7 months**
- Both direct sales and marketplace
- Big cash loan provided for proceeds like decoration and tuition. Repay in installments.

External Online & Offline Consumption



Akulaku Pay embedded in 3rd party platform

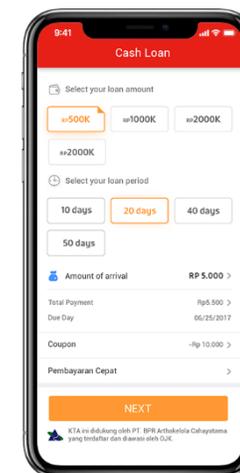
- Embedded as an installment payment on check-out page
- Major E-commerce partners include Bukalapak, Shopee, JD.id



Akulaku Pay with offline barcode

- Provide end customers credit for paying bills 30 days later
- With more than 130k merchants onboard

General Consumption



Online personal cash loan

- Terms: 8/15/22/30 days; Average duration: **20 days**
- Micro cash loan for creditworthy users from the "White List."

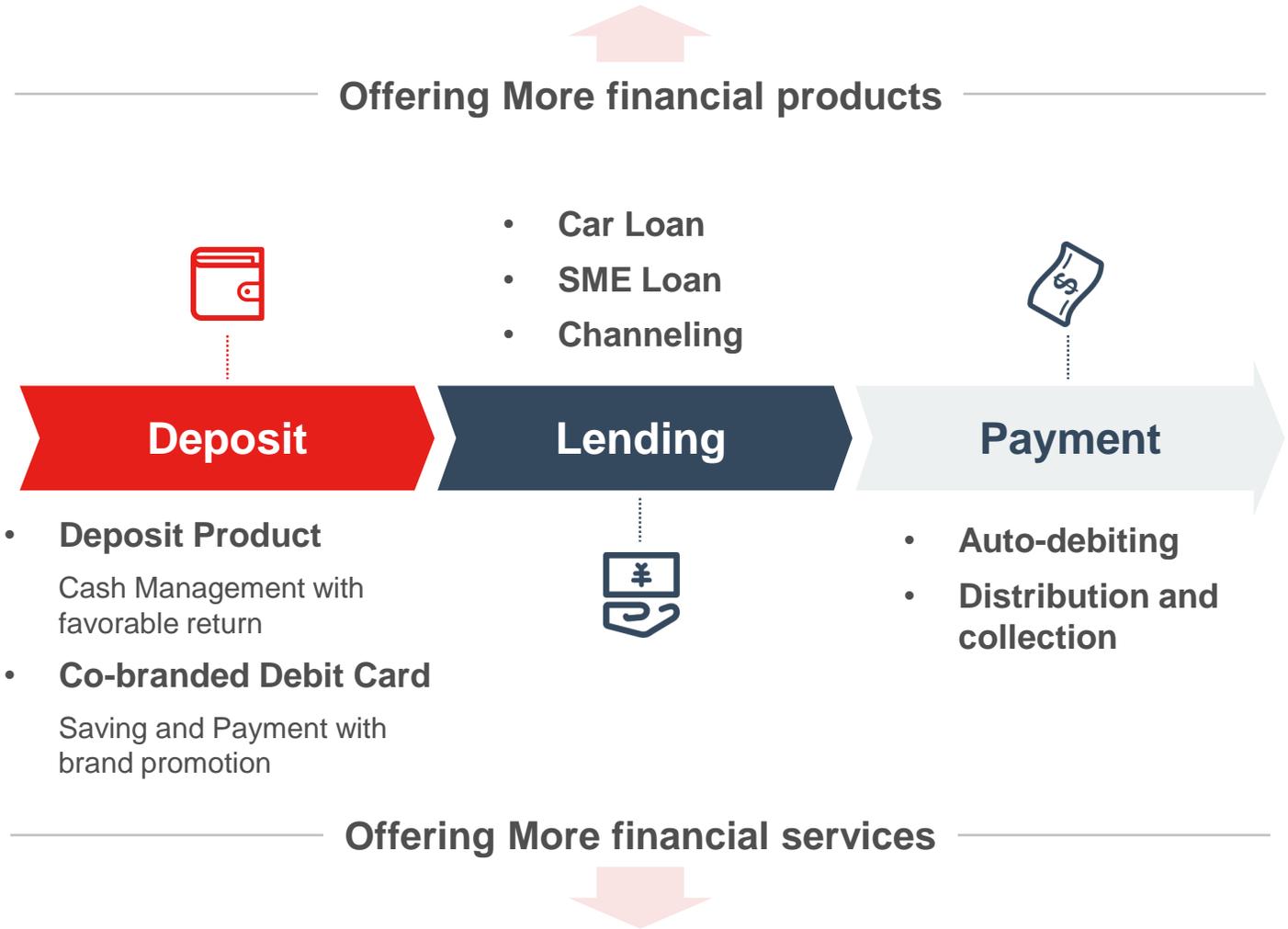


Wealth Management Platform revealing striking momentum





Providing comprehensive retail bank service based on Commercial Bank





Self-Operated E-Commerce Platform grasping massive target customers

Building popular online consumption platform

A unique E-Commerce Platform in Indonesia with 17million Registered Users



Stable and Solid **Customers Pool**

Monthly ordered users: **80K**

Repeat users composition: **80%**



Integrated **Direct Sales and Marketplace**

Direct sale: smart phones as **OPPO, Vivo, Samsung**

Marketplace: both small vendors and E-platforms as **Bukalapak and JD.id**



Distinctive **Operating Strategy**

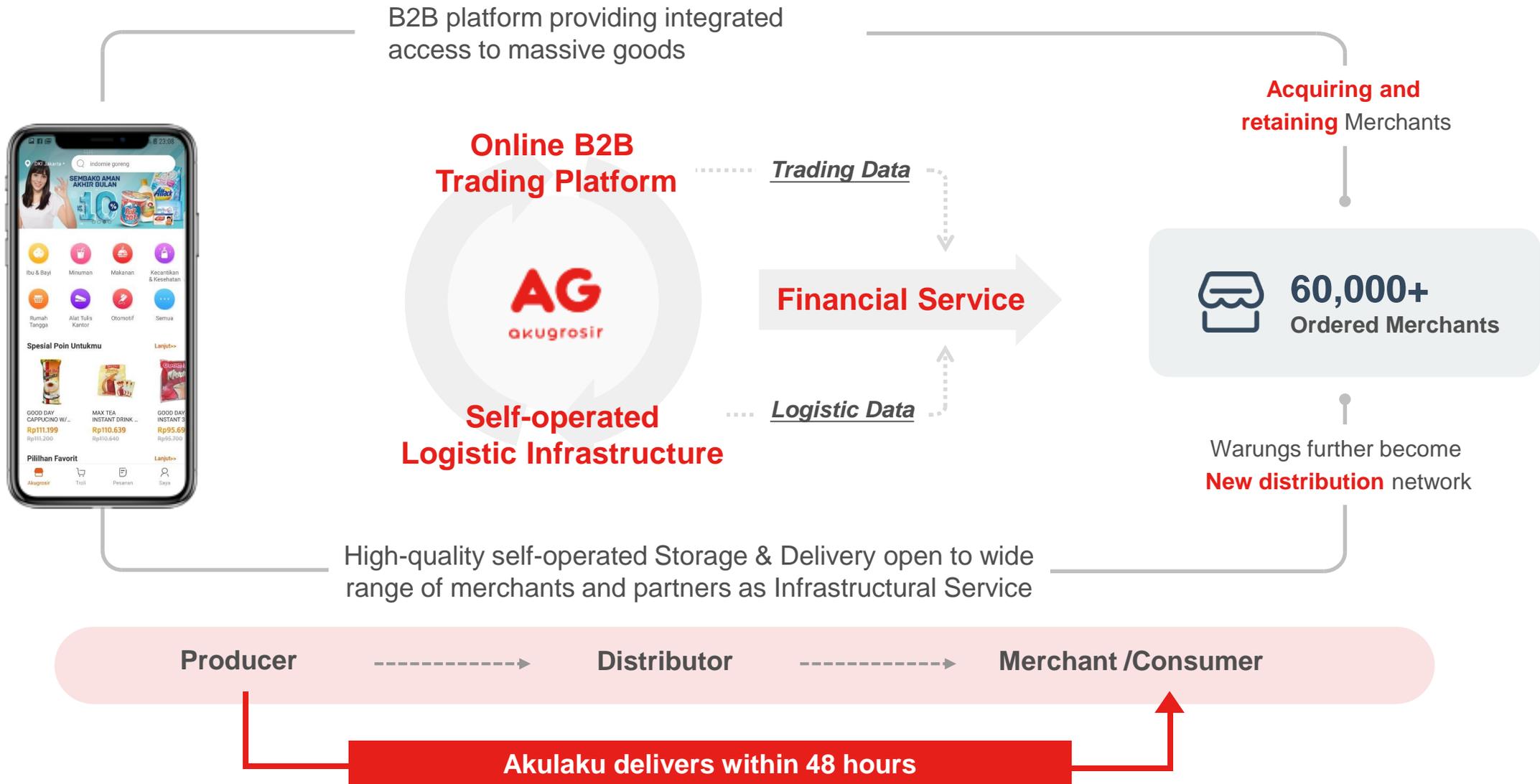
User-oriented: Get customers in first

To male: 3C products with large ticket size

To female: Fashion goods and small items



Developing B2B platform and infrastructural service to expand the ecosystem





03

Our Competence





Highly efficient customer acquisition based on multi consumption use case

Grasping Traffic Close Loop Through Consumption Use Cases

Consumption Use Cases

Extensively touching young Generation pursuing fashion and popular lifestyle

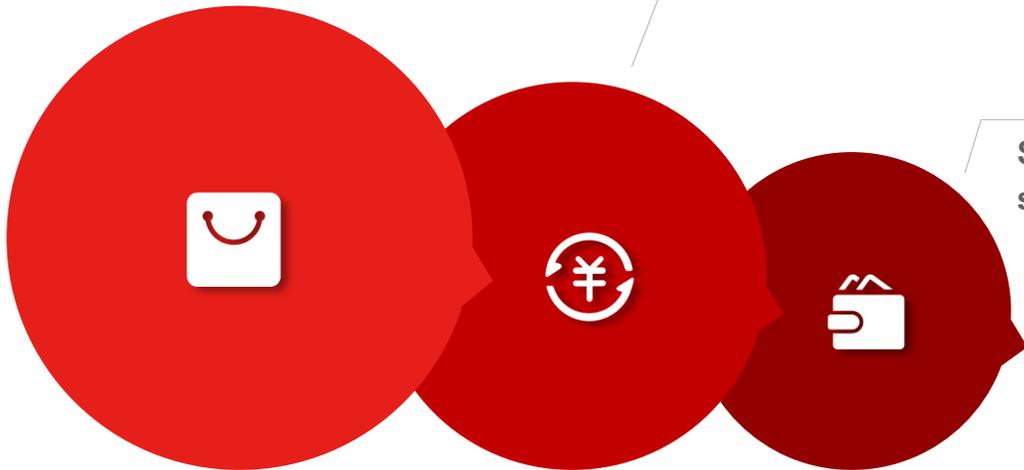


Order & Transaction

Smoothly grasping the key spot of flow and converting the traffic

Credit Account

Sustaining, retaining and serving in the eco-system



Reliability

Reliable and controllable traffic channel ensuring long-term growth



Precision

Popular shopping platform attracting the target group with strong demand



Economy

Independently building traffic pool with long-term value and low expenditure



Scalability

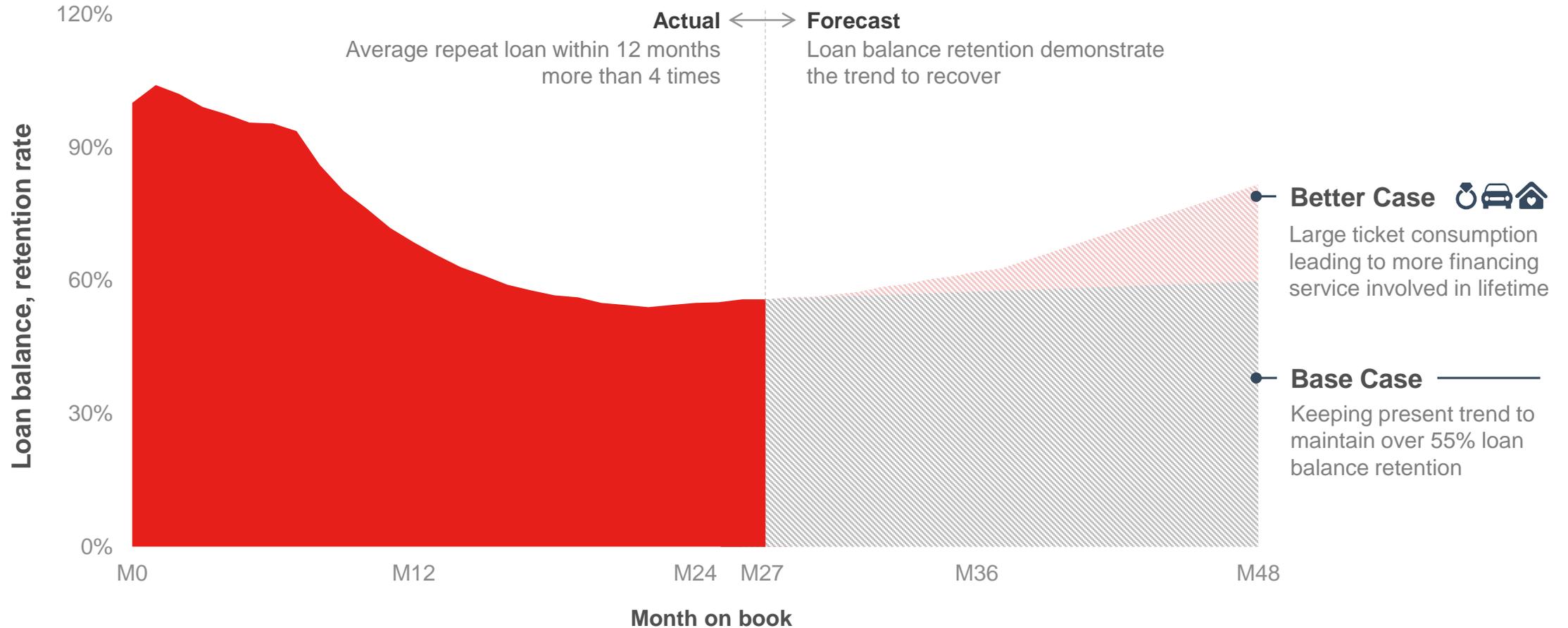
Readily cooperating with wider range of use cases and touch spots to consumer



The stickiness of customer indicating the potential of rising LTV

Average Loan balance retention per customer

Balance retention exceeds 55% because of repeat loans and is expected to rise due to growth of the young customers





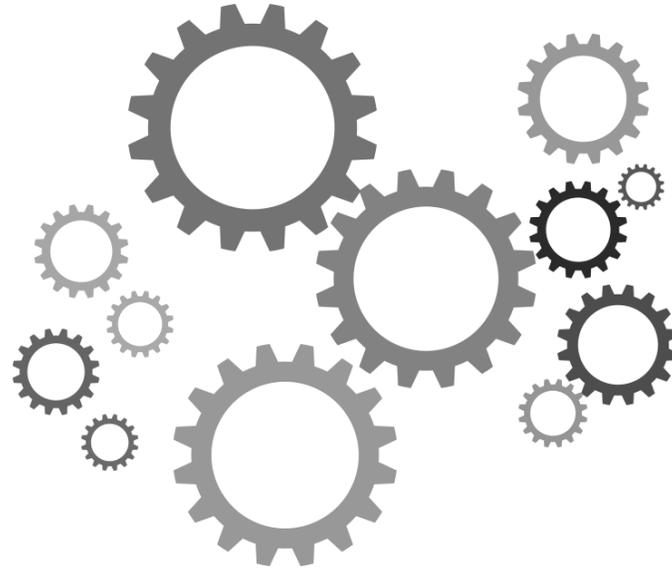
We built up a data-driven and tech-driven financing platform

⚡ Massive data collected

All business databases are growing about 10 ~ 20GB per day (about 10 million records, including basic data of business, risk processing and etc)

Distinct data generated from millions of users and tens of millions transaction volume

Successfully build up Akulaku white list and black list pool through user track record



📊 In house risk technology

300/500
tech team proportion against all Chinese employees

Cutting edge machine learning and biometric recognition technology

Credit scoring system facilitates in differentiated pricing

Although in a tough market with weak credit infrastructure, we successfully built up our own effective **risk management system** through which we have achieved a satisfactory risk control performance



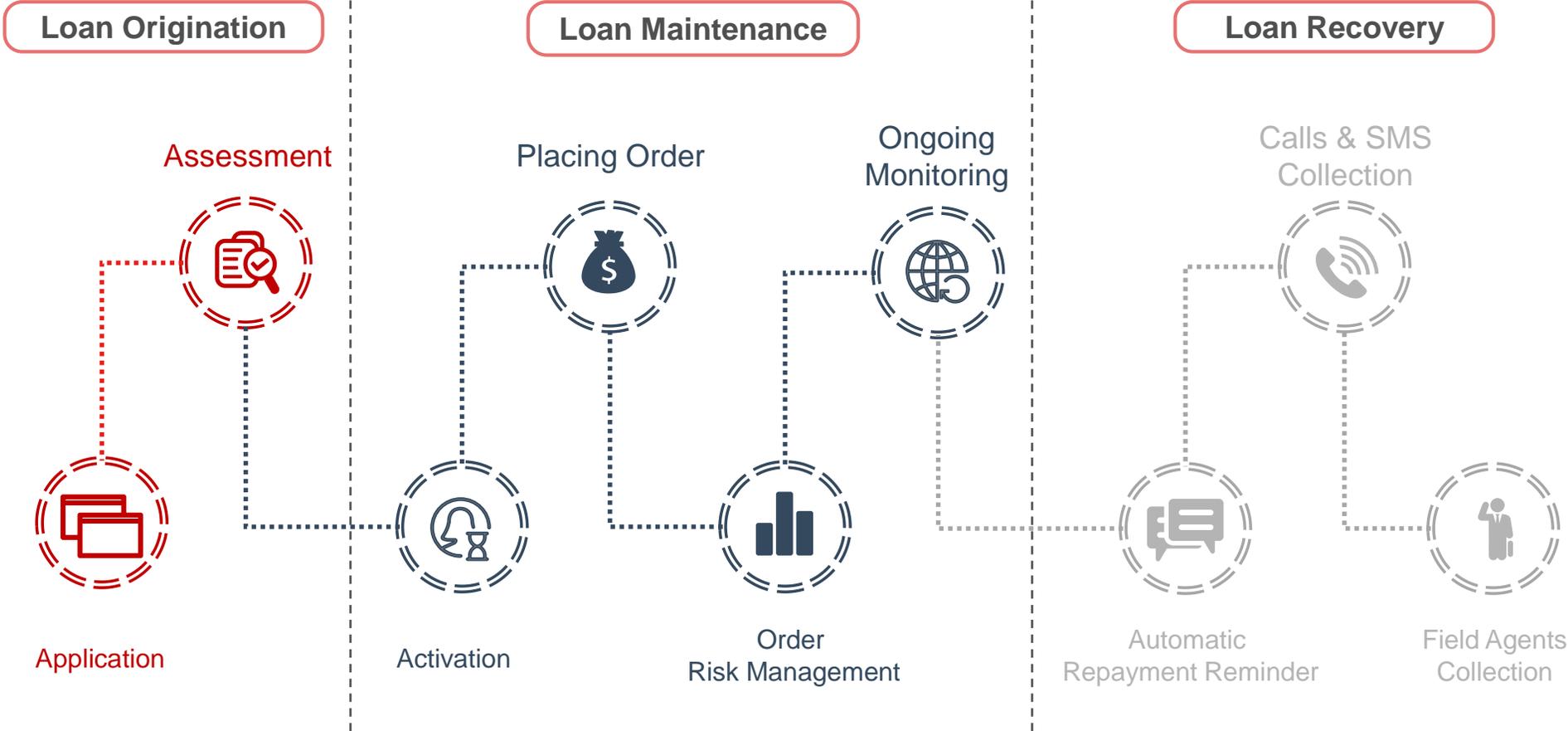
With the most powerful and holistic risk management system

Massive Data Collection:

- Users' primary data
- Mobile data
- User behavioral data
- User transactional and repayment data
- Biometric data

Cutting-edge Algorithm:

- Rule-based engine model to detect potential risks
- Machine learning models to assess fraud and credit risks



30 minutes

Assessment Time¹

<1 Second

Anti-fraud risk detection speed

0.01 Second

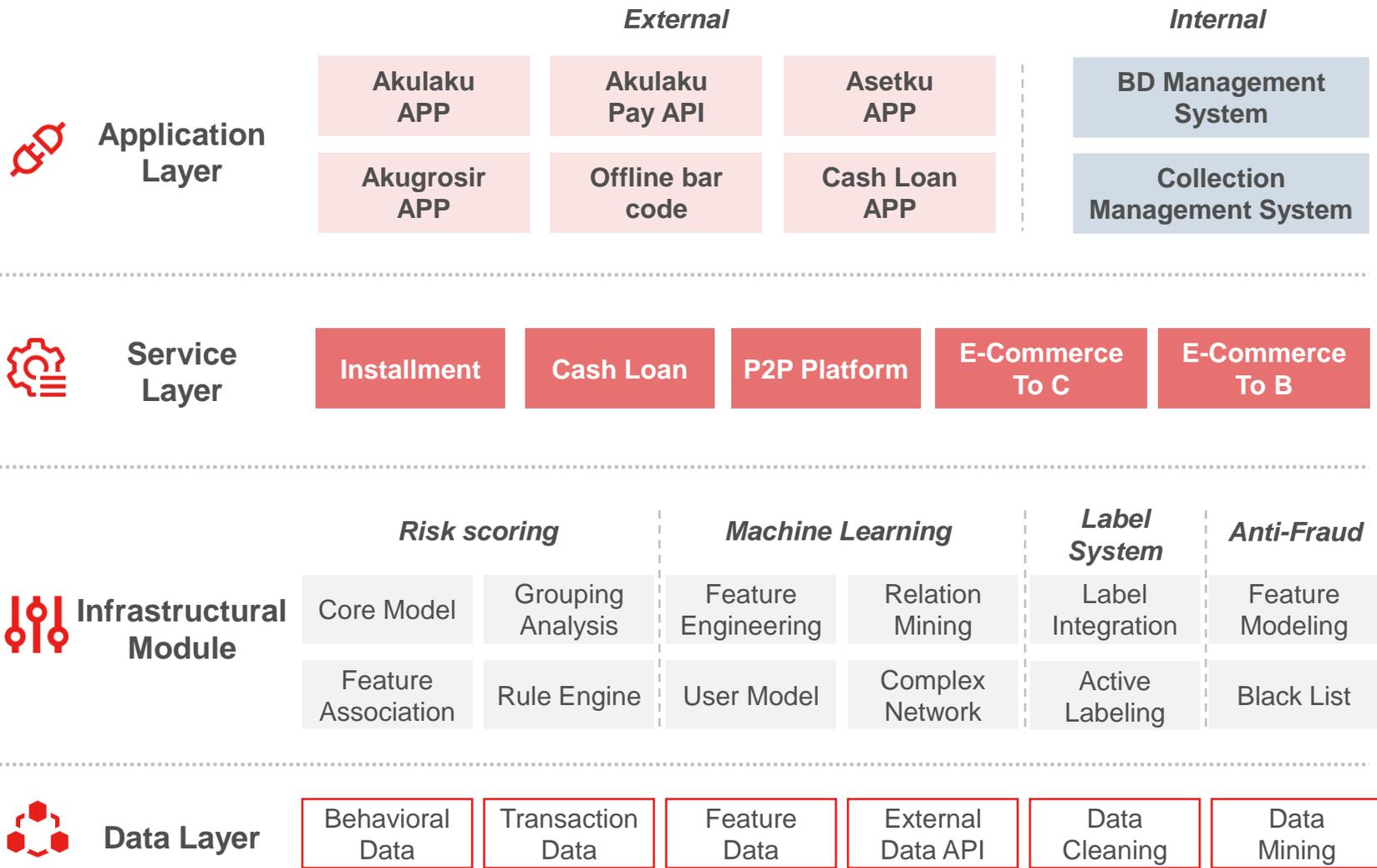
Face detection & recognition reflection speed

~98.8%

Voice & speaker recognition Accuracy



Strong Core IT systems in-house based on solid development capability



Data-centered analytics capability empowering business growth

Multi-financial product supporting Risk Management Module

Orderly backend system ensures stable business performance



Supported by diversified funding partners with decreased funding cost



Local Banks

- First fintech company partnering with Indonesia local bank
- 2 in partnership and 6 in pipeline



Global Credit Fund & Banks

- International credit funds
- Global banks



Wealth Management Platform

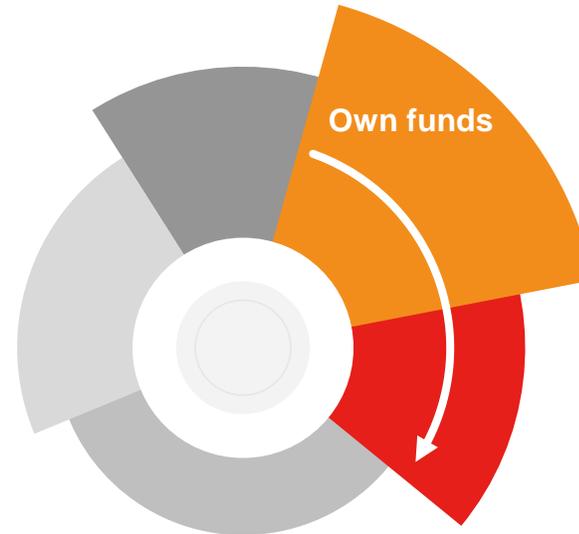
- Chinese overseas P2P lending platform



Global P2P platforms

- Japanese and European P2P lending platform

Diversified funding sources



AsetKu

- Self-operated P2P lending platform



Bank BYB

- Channeling
- Corporate loan

Growing funding balance



But still average loan term is about 8-9 months which limits our business scalability



Holding Commercial Bank addresses funding risk and scales up business

- ✓ More scalability
- ✓ More stability
- ✓ Higher customer LTV



More abundant funding supply

More financing source, lower funding cost and higher leverage ratio



Lower regulatory risk

Qualified to provide loans in extensive category with clear regulation to follow



Stronger capability of comprehensive financial service

Providing more diversified Financial Product, such as deposit, card issuing and transfer



More appealing brand

As the first fintech to acquire a bank in the market improves brand confidence and acknowledgement..





The Sole and Only Credit Provider For "Alipay" Southeast Asia



Financing Service

Stickiness & Monetization:

Pay in credit, consumer lending and SME lending



Payment Aggregation

Traffic & Data: Payment gateways and E-wallet

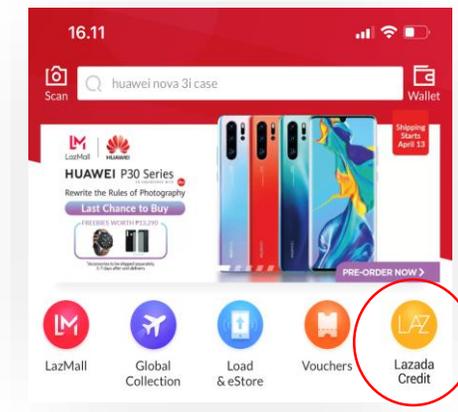


Use Case

Online & Offline: E-commerce platform, offline merchants and new retailing



Typical Opportunity Areas



----Credit powered by Akulaku



04

Strategy Plan

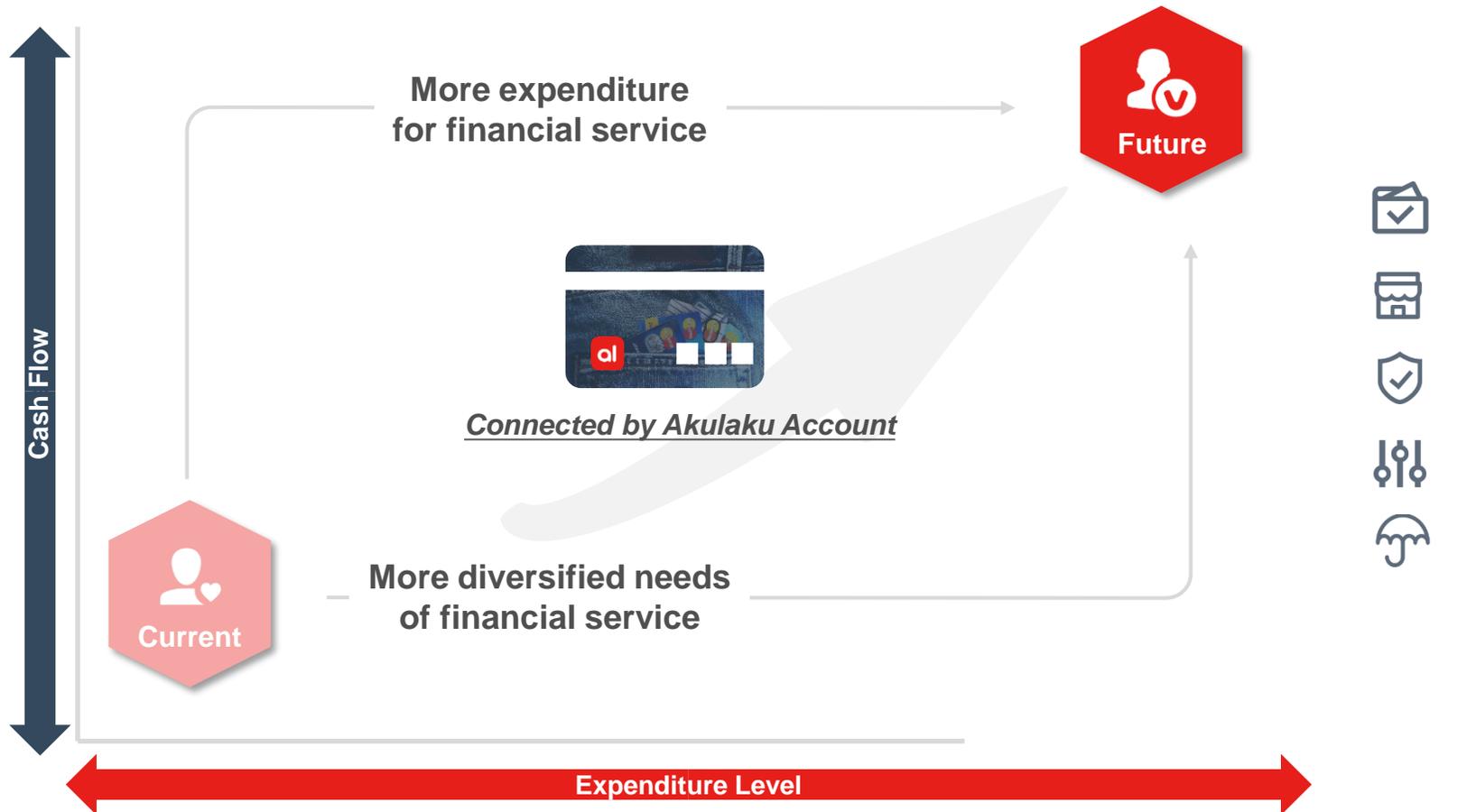




Accumulated young customers as cornerstone for long-term development

Customer Growth Path

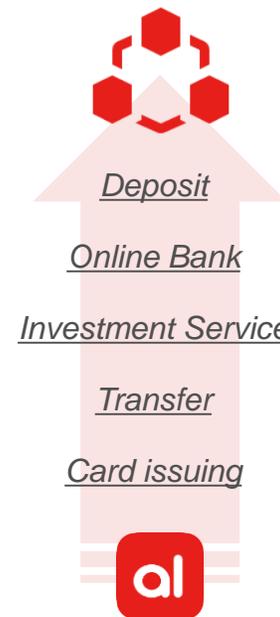
Greater demand of the young and sticky customers will be released along with their growth



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Evolution of Akulaku

Comprehensive Management for Personal Financing, Wealth and Risk



Consumer Finance and Wealth Management Service



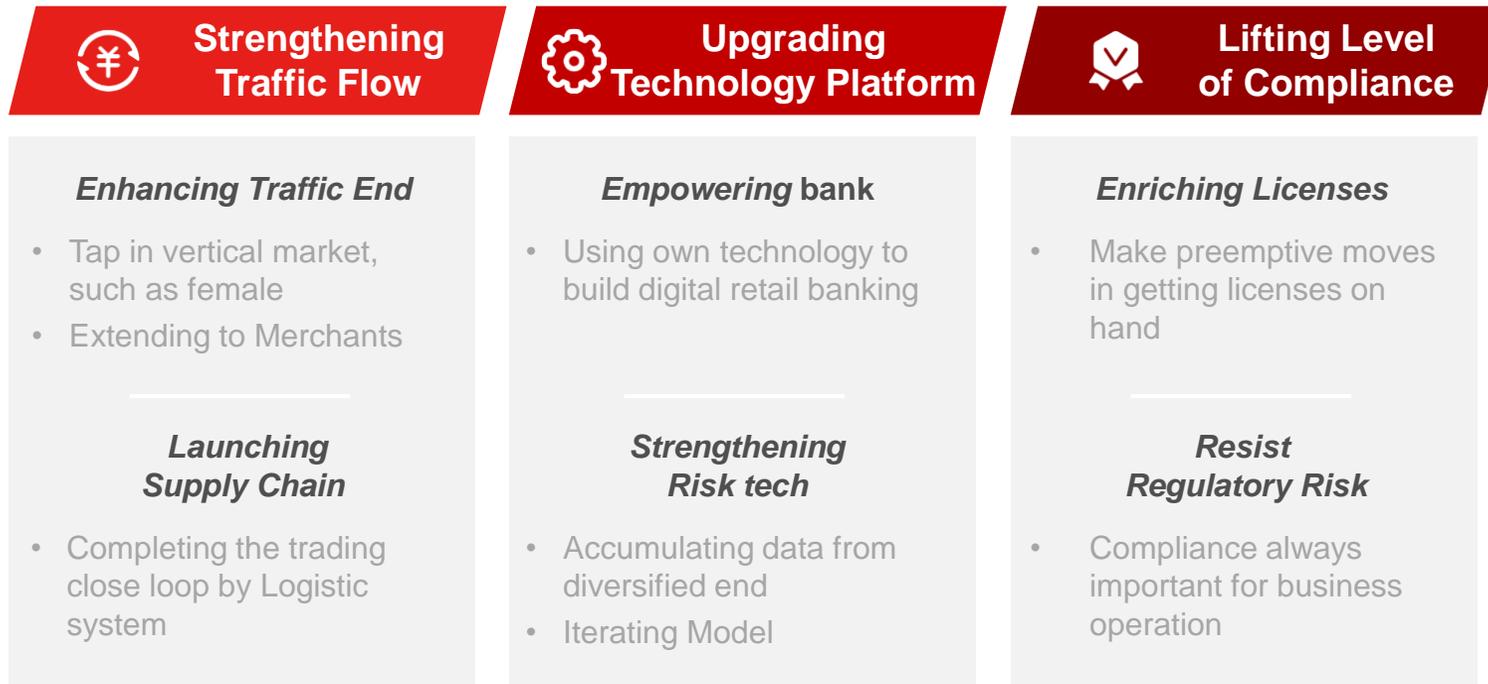
All-round enhancement to form a comprehensive FIG



Specialized Consumption
Financial Server



Comprehensive Financial
Institution Group





The business is expected to keep climbing rapidly in the future

• **\$1+ billion** revenue in year 2020

• **6 million** credit users by end of 2019

• **2.3+ million** credit users

• **3+ million** monthly transactions

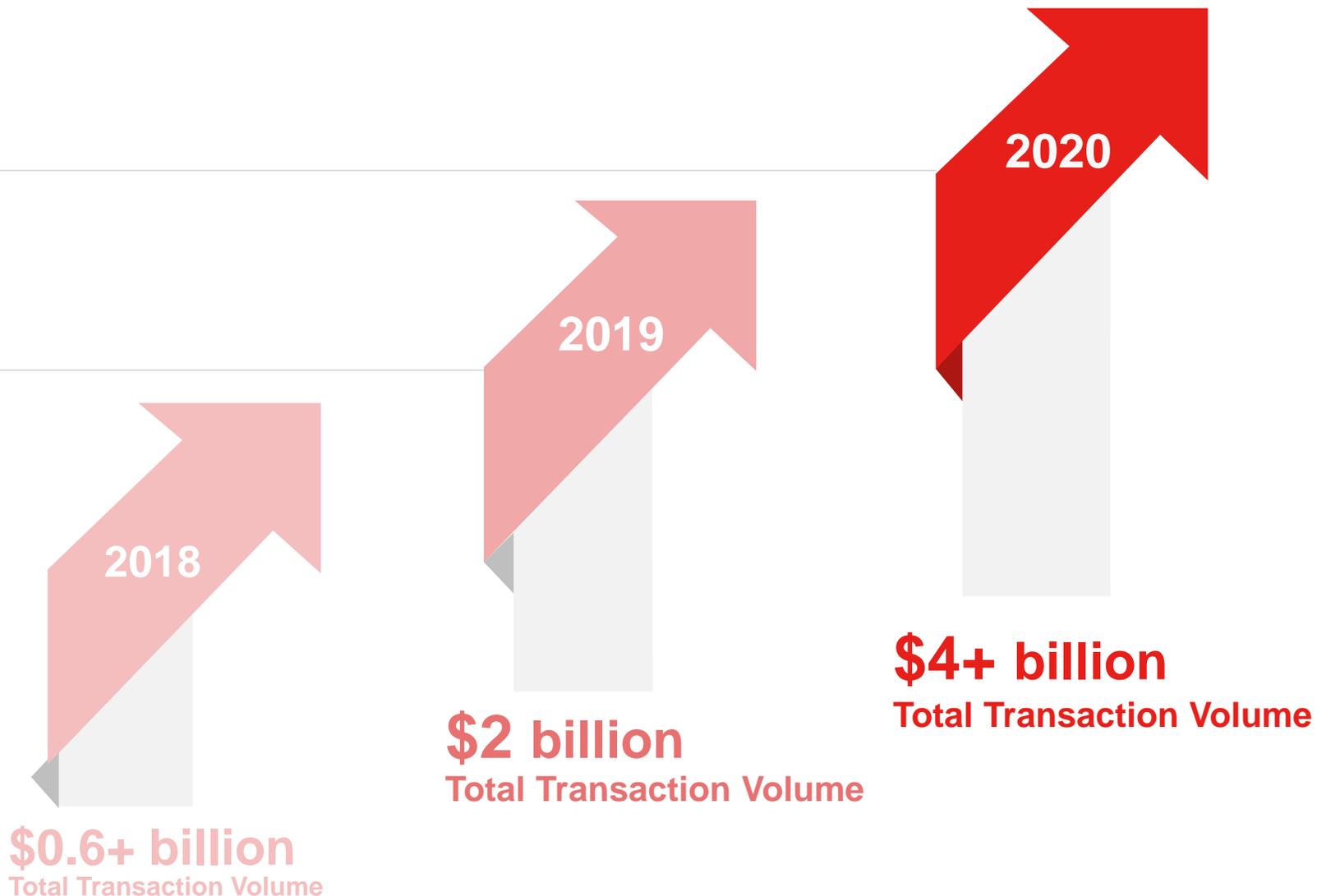
• **90,000** associated merchants

• Significant presence in several SEA

countries

 **\$633+ million**
Transaction Volume

 **\$25+ million**
Transaction Volume



05

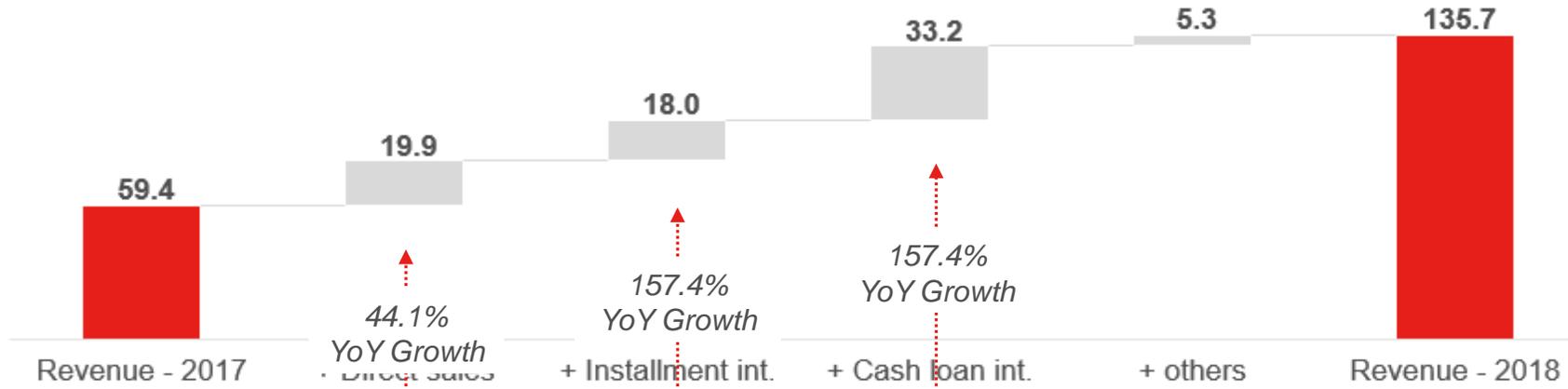
Financial





Strong revenue performance from both E-commerce and financial services

— Revenue Bridge: 2017 - 2018 (Million USD)



Revenue increased 128% last year, driven by **strong growth of financial service business**

— Gross Margin Growth



Thanks to **scale effect and higher operating efficiency**, total gross margin doubled to 46.4%



Investors and Management Team





Backed by prominent international investors

2018.12

Series D



2018.7

Series C



2017

Series B



2016

Series A





Passionate and ambitious management team (1/2)



William Li
Founder & CEO

- More than 10 years in financial industry
- PingAn Investments, investment manager
- King & Wood, M&A and private investment

- Washington and Lee University, M.A. in Law
- Tsinghua University, B.A. in Law



Gordon Hu
Co-founder & CTO

- More than 15 years in technology R&D and implementation
- CITIC Securities, senior software engineer in quant trading and algo trading
- Tencent, senior software engineer
- Oracle, technical consultant

- University of Liverpool, M.S. in Computer Science
- Sun Yat-Sen University, B.S. in Physics



Passionate and ambitious management team (2/2)



Jason Guo

CRO

- Sophisticated data analyst for over 6 year
- One of the founding employees in the group. In charge of comprehensive business operation in Akulaku.
- Zhejiang University, B.A. in Mathematics



Tengqi Ye

Chief Data Scientist

- An expert in machine learning and data analytics, and funded by Irish Research Council as a non-EU (non-European) resident
- Dublin City University, PhD. in Computer Science
- Northeastern University, B.S. in Software Engineering



Eka

Director of AFI

- General Manager at PT Maxima Auto Finance, focused on arranging, managing budget, and taking responsible of the financial flow
- Former OJK fellow
- Won Infobank Multifinance Awards 2013



Dinesvara Airlangga

Government relationship advisor

- Director of Business Development at Jakarta Prima Cranes & M&A Associate at KPMG
- Advisor of Minister of Industry in Indonesia
- Columbia University, MA of Arts in International/Global Studies



Global team with Chinese fintech expertise and local execution





Appendix





Milestone

- **“Silvrr” app** - Cross border remittance service targeting Southeast Asia labor forces in Hong Kong

- **Akulaku App** launched in Indonesia, Malaysia, and the Philippines
- Mobile shopping and installment went live

- **Akulaku Pay** was launched
- First **5 million** registered users on Akulaku App

- **Cash Loan** was launched and referred through whitelist

- **Offline Akupay**

Founded

Akulaku App & Installment

Akulaku Pay

Cash Loan

Offline Pay

Akugrosir

Asetku

2014.5

2016.6

2017.8

2017.11

2018.8

2018.9

2018.9



akulaku pay



The finance regulatory system in Indonesia

Indonesia has a straight forward financial service supervision system, the authorities are mainly distributed between Bank Indonesia and OJK for distinctive sub areas



- eWallets
- Payment gateways
- Principles
- eMoney
- Switching companies
- Card issuers and acquires
- Clearing houses
- Settlement agencies
- Cryptocurrency and blockchain
- National payment gateways
- Parties that support payment transactions



- P2P lending
- Crowdfunding
- Digital banking
- Insurtech
- Fintech in capital markets
- Venture capital
- Online financing
- Data security
- Consumer protection