



Q3 2018 Investor Presentation

Safe Harbor Statement



This material contains forward-looking statements. These statements constitute “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “target,” “confident” and similar statements.

Such statements are based upon management’s current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond Yirendai’s control. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those contained in any such statements.

Potential risks and uncertainties include, but are not limited to, uncertainties as to Yirendai’s ability to attract and retain borrowers and investors on its marketplace, its ability to introduce new loan products and platform enhancements, its ability to compete effectively, PRC regulations and policies relating to the peer-to-peer lending service industry in China, general economic conditions in China, and Yirendai’s ability to meet the standards necessary to maintain listing of its ADSs on the NYSE or other stock exchange, including its ability to cure any non-compliance with the NYSE’s continued listing criteria.

Further information regarding these and other risks, uncertainties or factors is included in Yirendai’s filings with the U.S. Securities and Exchange Commission. All information provided in this material is as of the date of this material, and Yirendai does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under applicable law.

Yirendai at a Glance



Our founders started CreditEase in 2006, and **created our online-dedicated business, Yirendai, in 2012**



A leading FinTech company in China



Targeting prime consumers



Online wealth management for investors



Full end-to-end online automation with open technology enabling platform

The Leading Fintech Company in China



FIRST lending **mobile app** in China at scale



LARGEST online platform for consumption loans⁽¹⁾



WELL-KNOWN brand name in China for FinTech



Ranked top among 1000+ online lending platforms⁽²⁾



RMB
104.2 Billion

Cumulative Loan
Facilitations ⁽³⁾



1.5 M

Cumulative Number of
Borrowers ⁽³⁾



1.6 M

Cumulative Number
of Investors ⁽³⁾



Asian Banker
Award 2017



Asian Banker
Award 2018



Lendit Industry
Award 2018

Addressing China's Consumer Finance Needs




Traditional Banking




Yirendai Solution




Market


 Focus on **Enterprise Lending** and **High Net Worth Individuals**


 Huge Unmet **Consumer Credit** and **Wealth Management** Opportunity



Business Model


 **Offline Branch Offices**


 **Long** Application Time


 Innovative **Online Marketplace** Model
Leveraging **Big Data** and **Machine Learning**




Technology

 **Legacy Systems**

 **Back-end Processing**

 **End-to-end Automation**⁽¹⁾

 **Mobile Leadership**

Leading Fintech Company



Consumer Credit



Prime
Borrowers



Yirendai



Diversified Loan
Products



Standard
Loans



Fast Track
Loans



Insurance
Policy Loans



Housing
Provident Fund
Loans



Wealth Management



Mass Affluent
Investors



Yiren Wealth



Personalized Wealth
Management
Services



Mutual Funds



Insurance



Robo Advisor



ETF



Investment Highlights

Key Investment Highlights



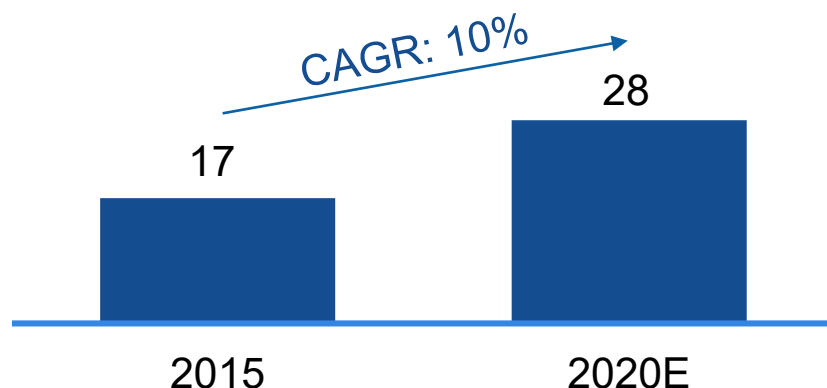
- 1 Largely Untapped Consumer Credit & Wealth Management Market**
- 2 Leading FinTech Company in China**
- 3 Strong Online Credit Business Growth with Leading Market Share**
- 4 Superior Asset Performance with Leading Online Risk Underwriting Capabilities**
- 5 Fast Growing Online Wealth Management Platform**
- 6 Superior Technology Enabling Platform**

① Large Wealth Management Market

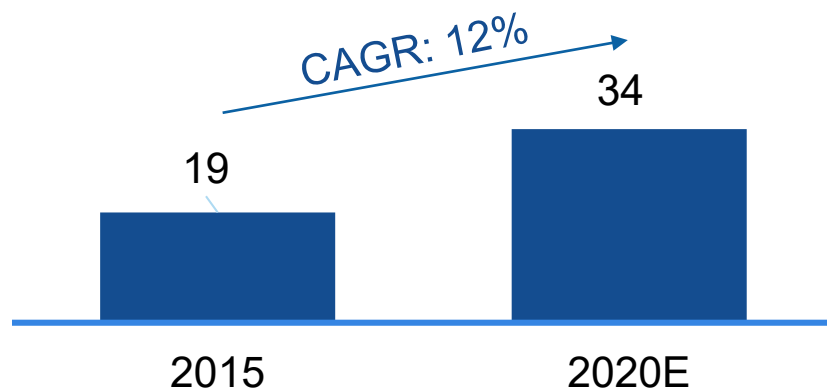


Wealth Management Market in China

(By population with investable assets of above RMB 600K, million)



(By amount of investable assets, USD trillion)



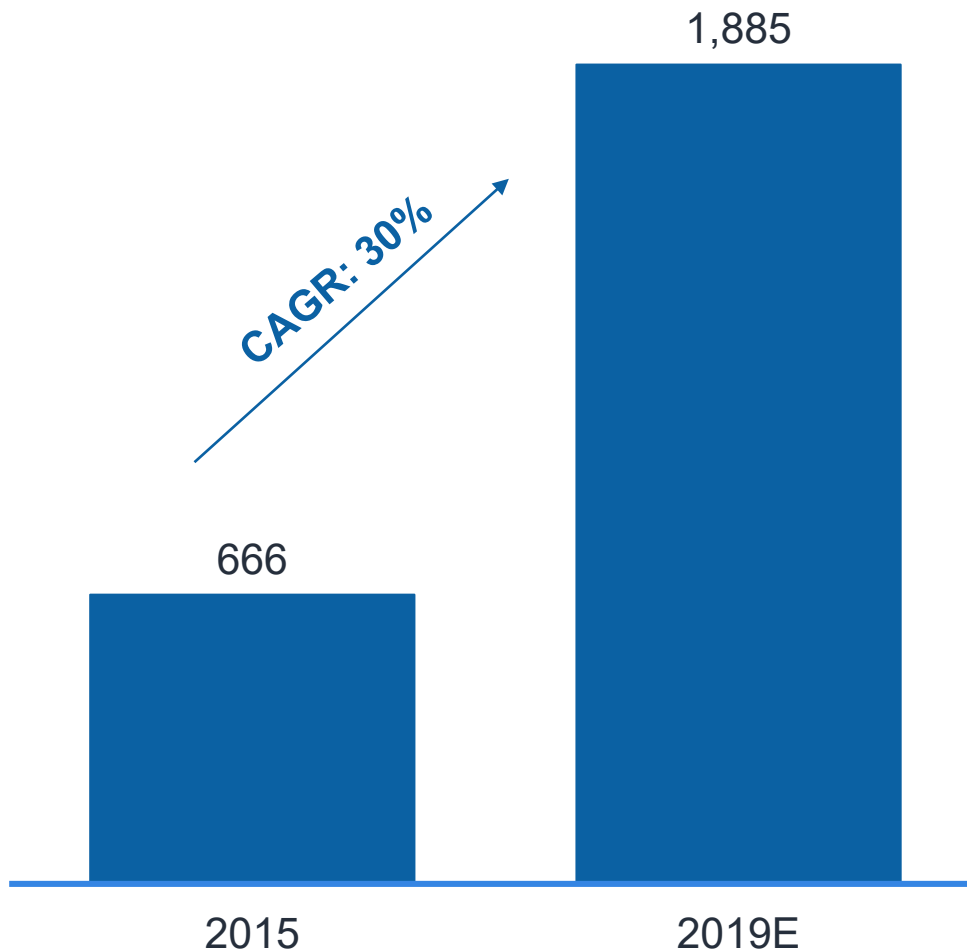
- China's wealth management market is heavily dominated by **retail (over 70%)**
- Individual wealth management market is **just taking off** (individual investable assets expected to increase from **USD 19 trillion in 2015 to USD 34 trillion in 2020**)
- Online wealth management platforms well-positioned to capture the huge market opportunity

① Large Unsecured Consumer Credit Demand ⁽¹⁾



Unsecured Consumer Finance Market in China ⁽¹⁾

(By outstanding loan balance, USD Billion)



Immediately addressable market:

prime borrowers with unmet credit needs

- USD 666 billion in 2015
- USD 1,885 billion expected in 2019



Future target market may extend to broader unmet credit needs

- New products (ie. line of credit product)
- Generation Z (tech-savvy)

2 A Leading Fintech Company in China



1.6 M

Cumulative
number of investors⁽¹⁾

164,218

Number of investors
in Q3 2018



1.5 M

Cumulative
number of borrowers⁽¹⁾

96,402

Number of borrowers
in Q3 2018



**RMB
104.2 Billion**

Cumulative loan
facilitations ⁽¹⁾

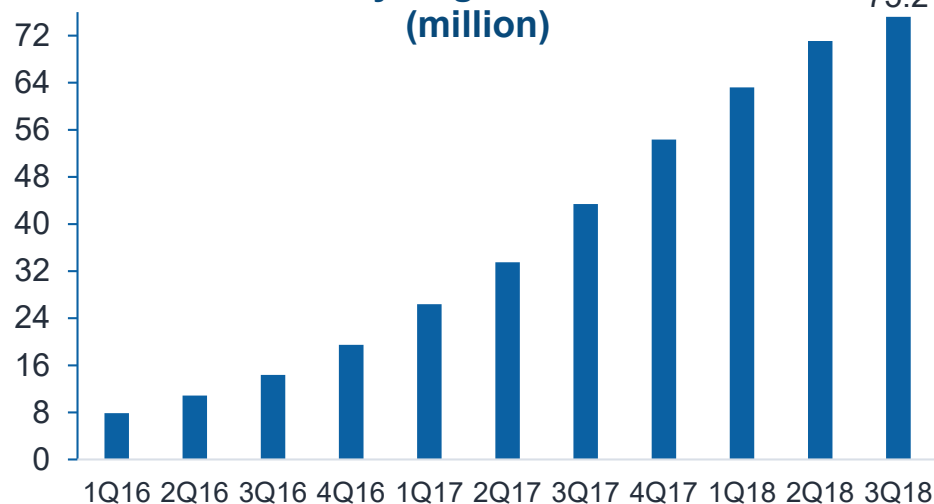
**RMB
42.6 Billion**

Remaining principal of
performing loans⁽²⁾

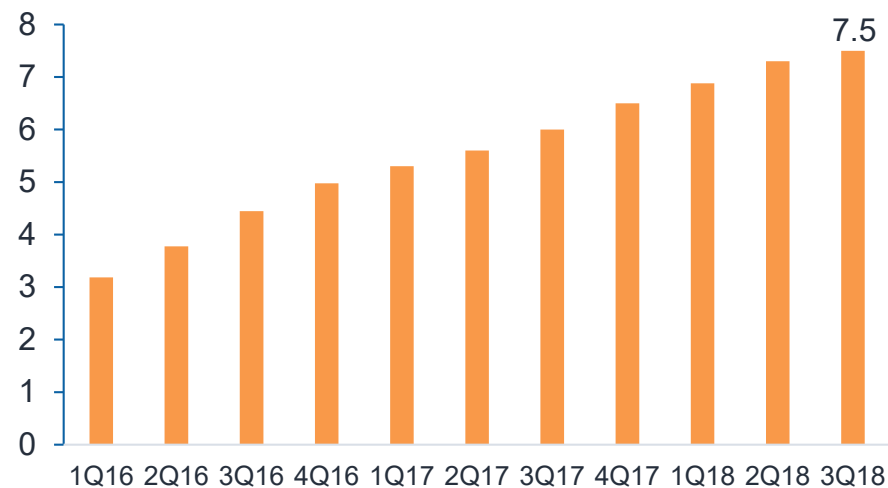
3 Expanding Borrower Universe and Investor Base



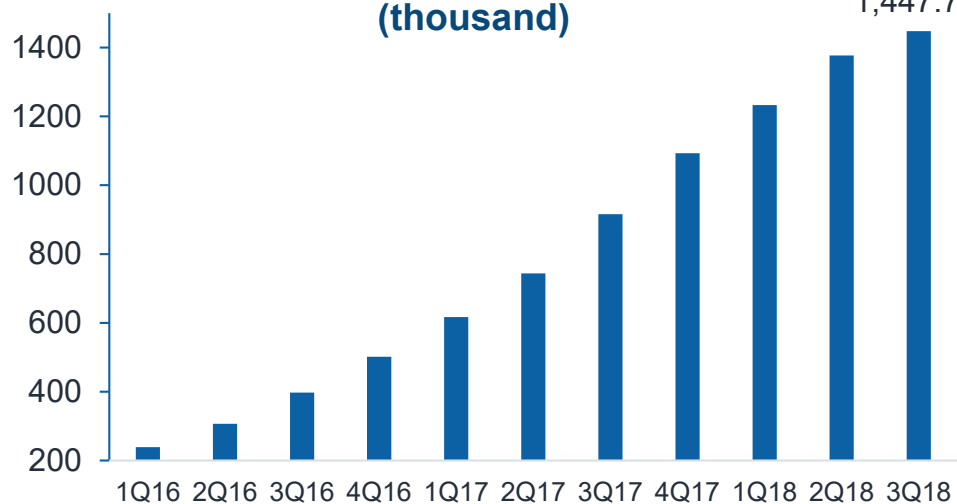
**Cumulatively Registered Borrowers
(million)**



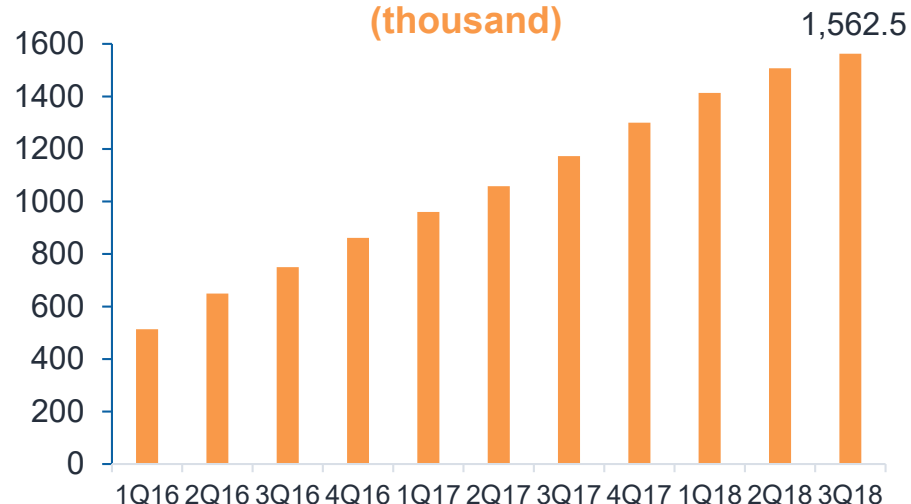
**Cumulatively Registered Investors
(million)**



**Cumulatively Served Borrowers
(thousand)**



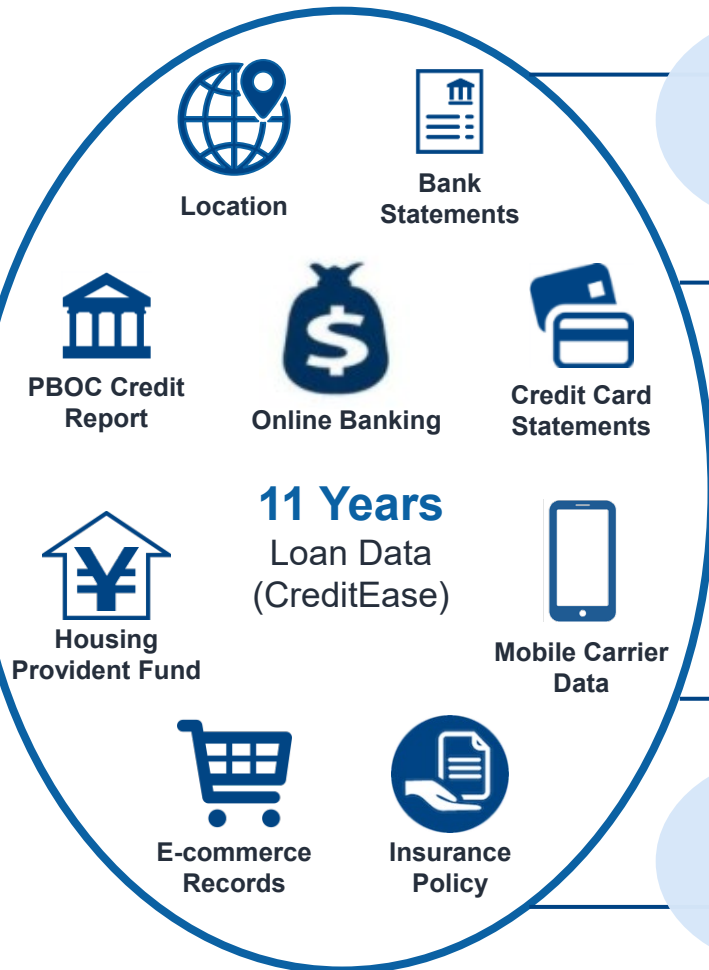
**Cumulatively Served Investors
(thousand)**



4 Extensive Data Set and Credit Decisioning Capabilities



Extensive Data Set



Proprietary Decisioning Platform

Big Data Aggregation & Analysis

Developed FICO

Chinese Market Adaption

Cloud Computing

Machine Learning

Artificial Intelligence

400+
Decisioning Rules

1,000,000+
Fraud Detection Points

Data Ownership
Retention

Yiren Score



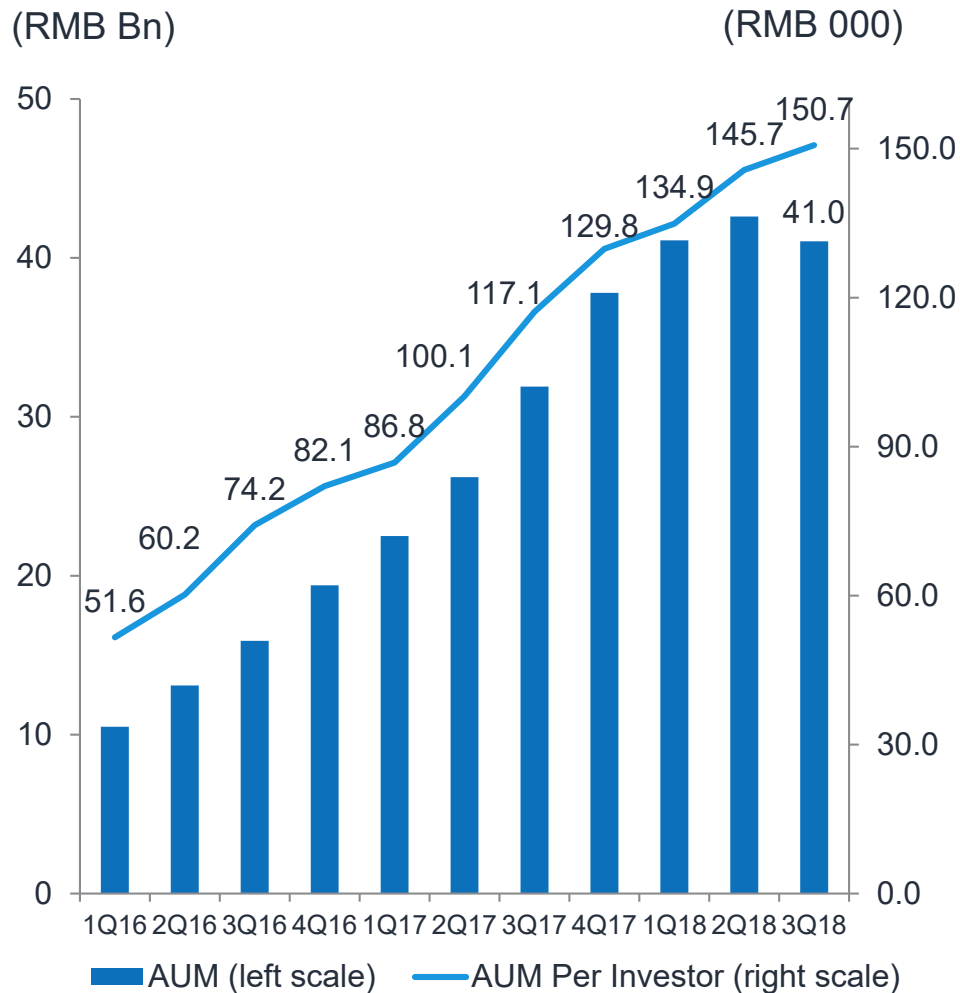
Risk Grid



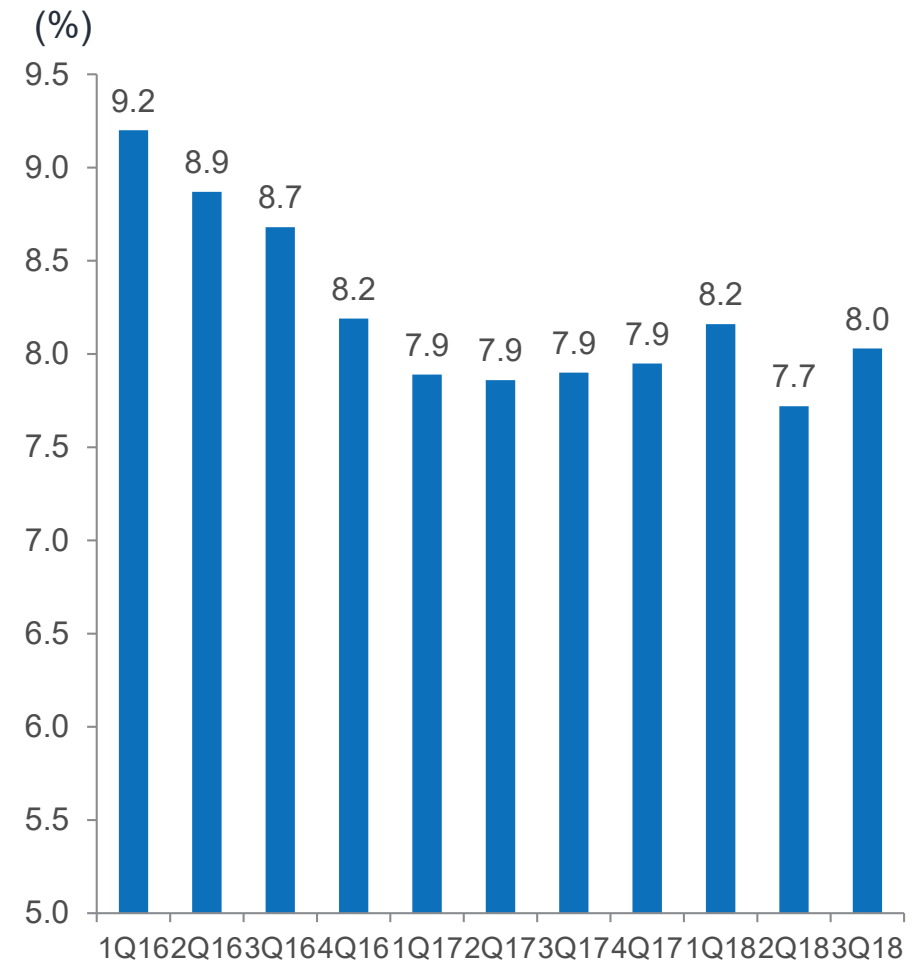


5 Yiren Wealth: Strong Growth Momentum

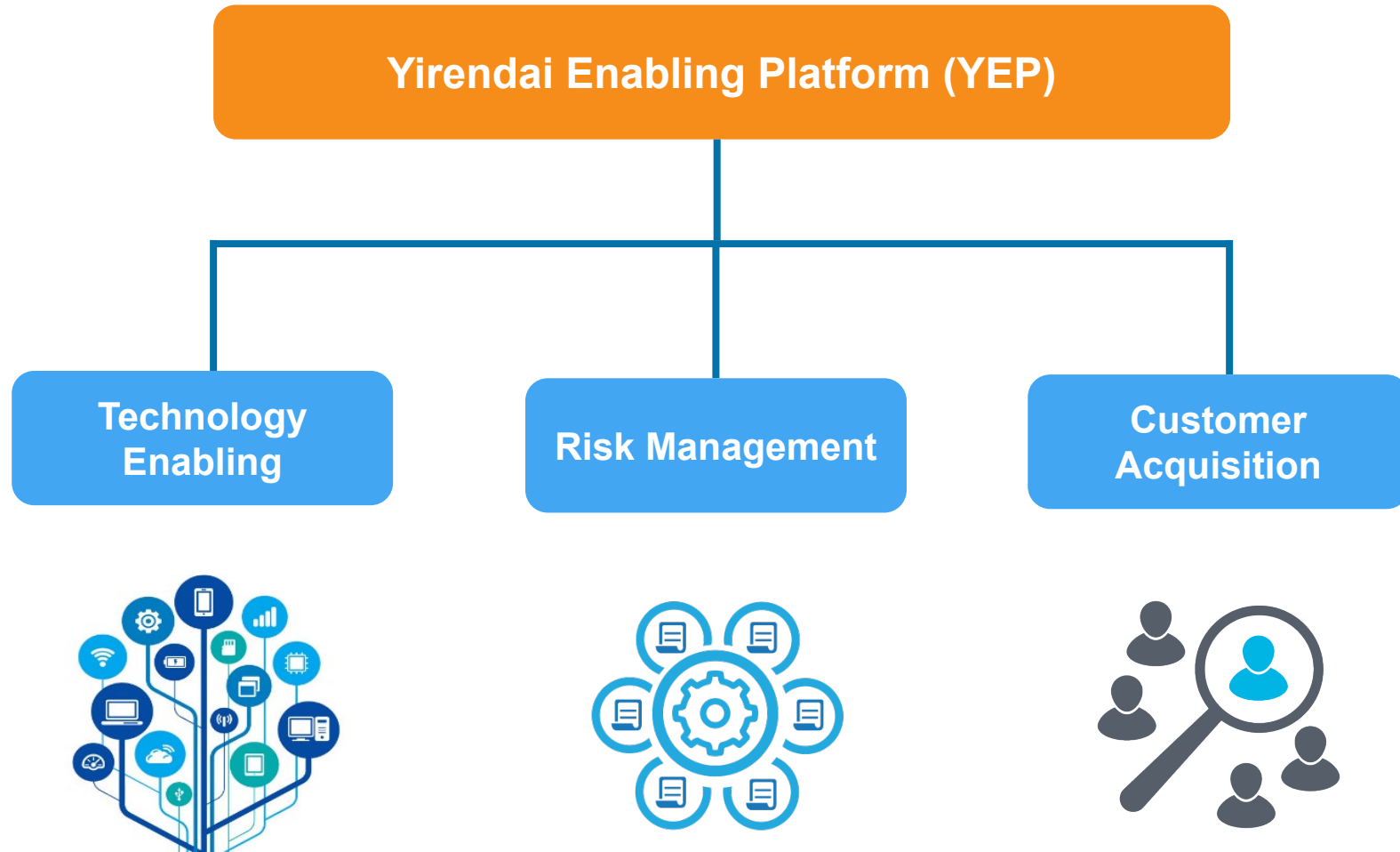
AUM Per Investor ⁽¹⁾



Investment Yield ⁽¹⁾



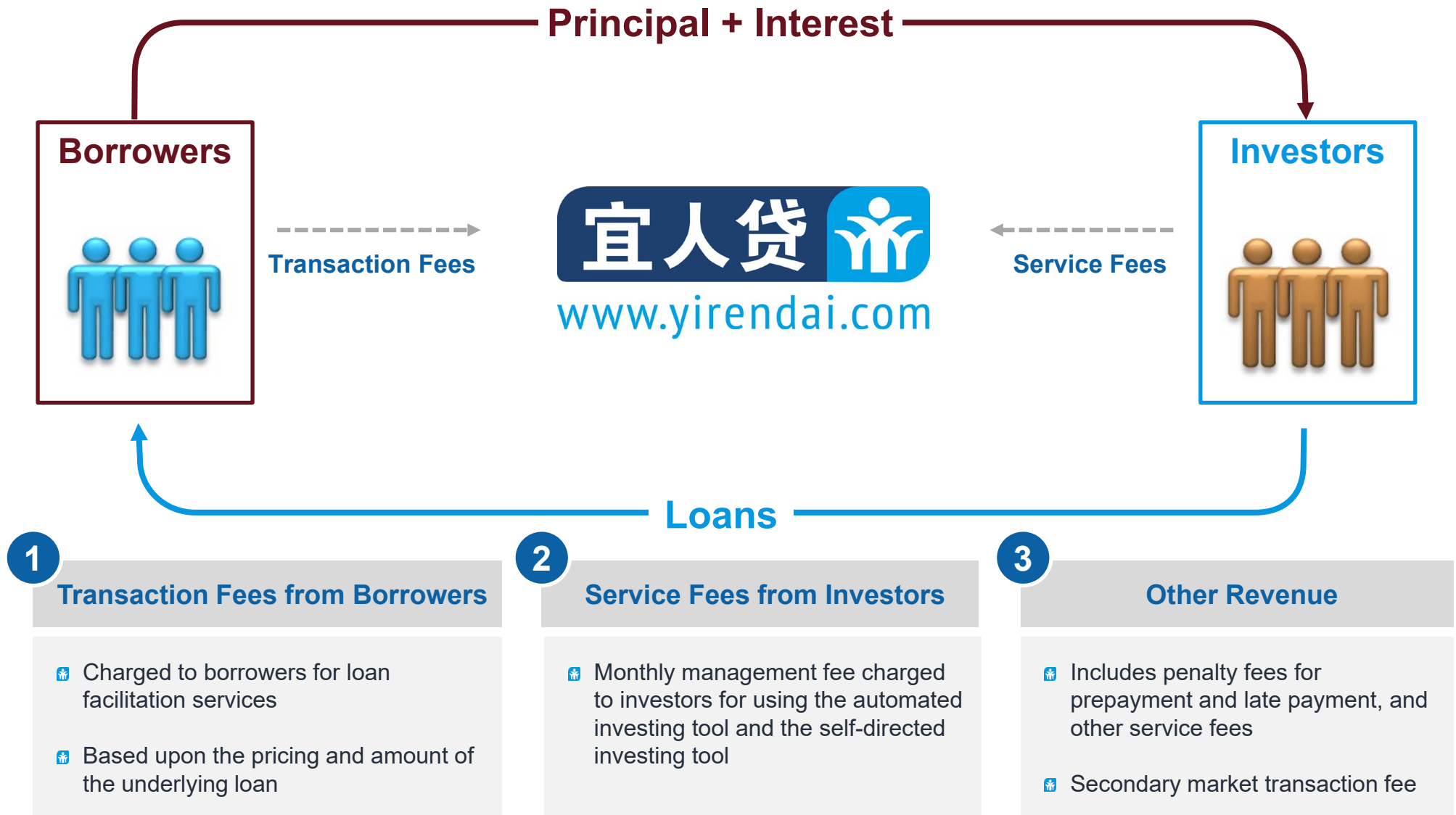
6 Superior Technology Enabling Platform





Financial Highlights

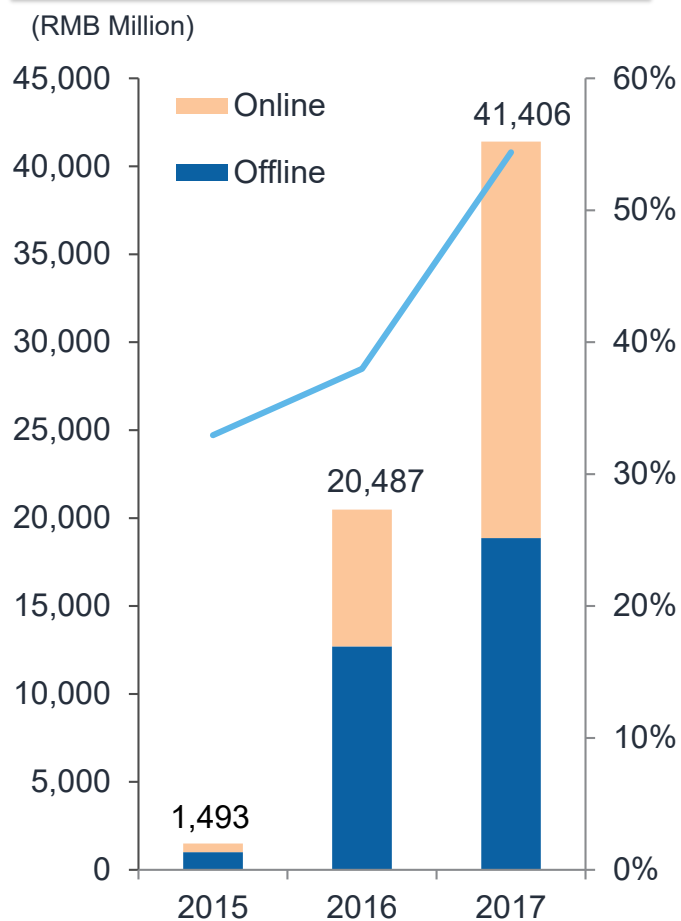
① Marketplace Model



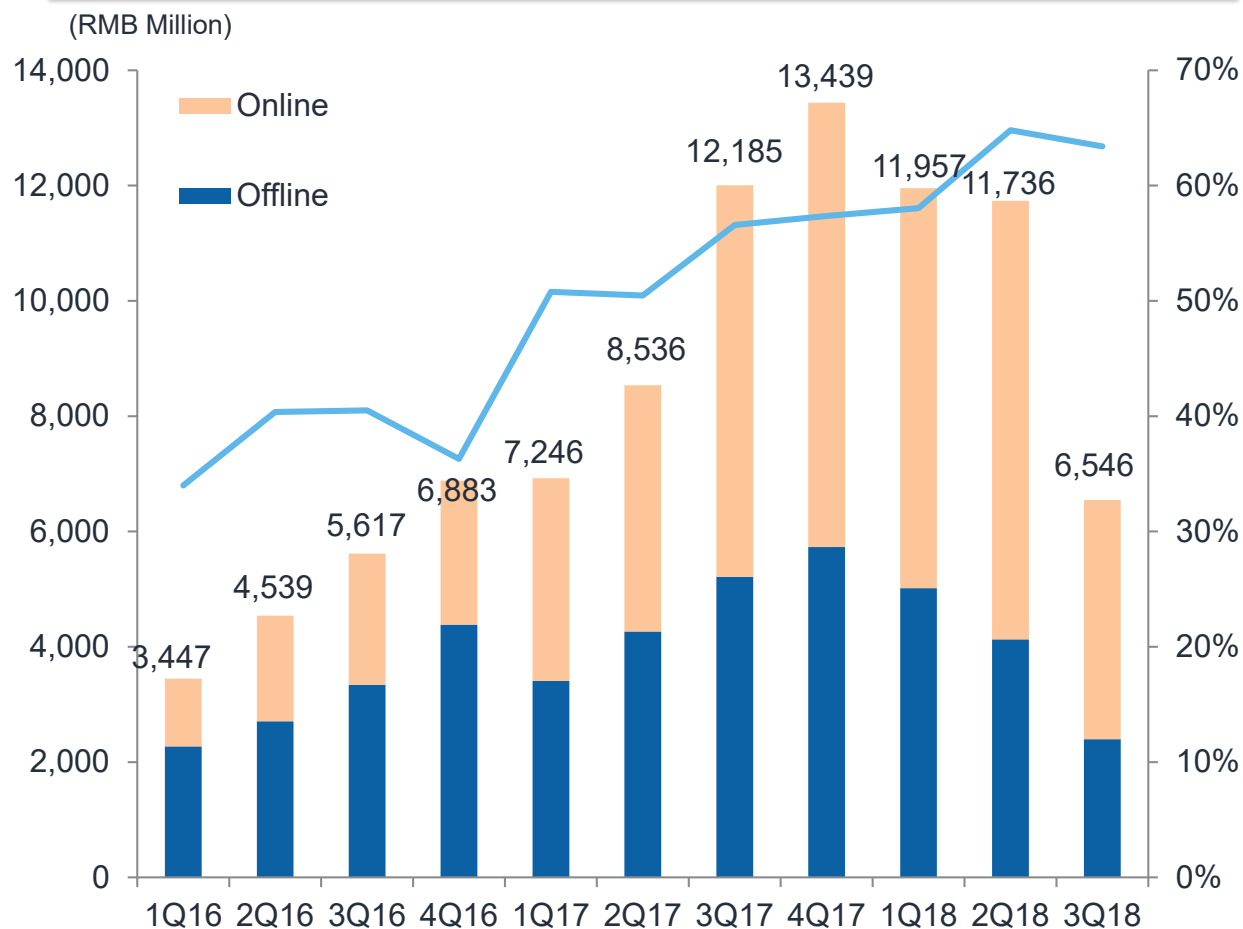
② Disciplined Growth of Loan Facilitations



Annual



Quarterly





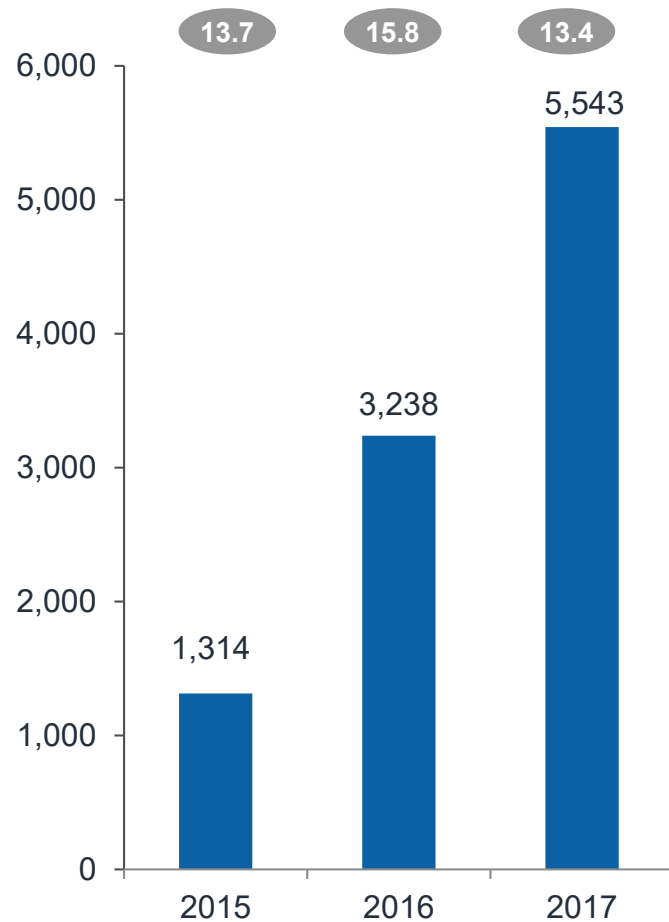
Risk Grade	Q1-Q3 2018 Volume (RMB billion)	%
I	2.9	10%
II	8.3	27%
III	8.3	27%
IV	6.9	23%
V	3.8	13%
Total	30.2	100%

4 Net Revenue Growth

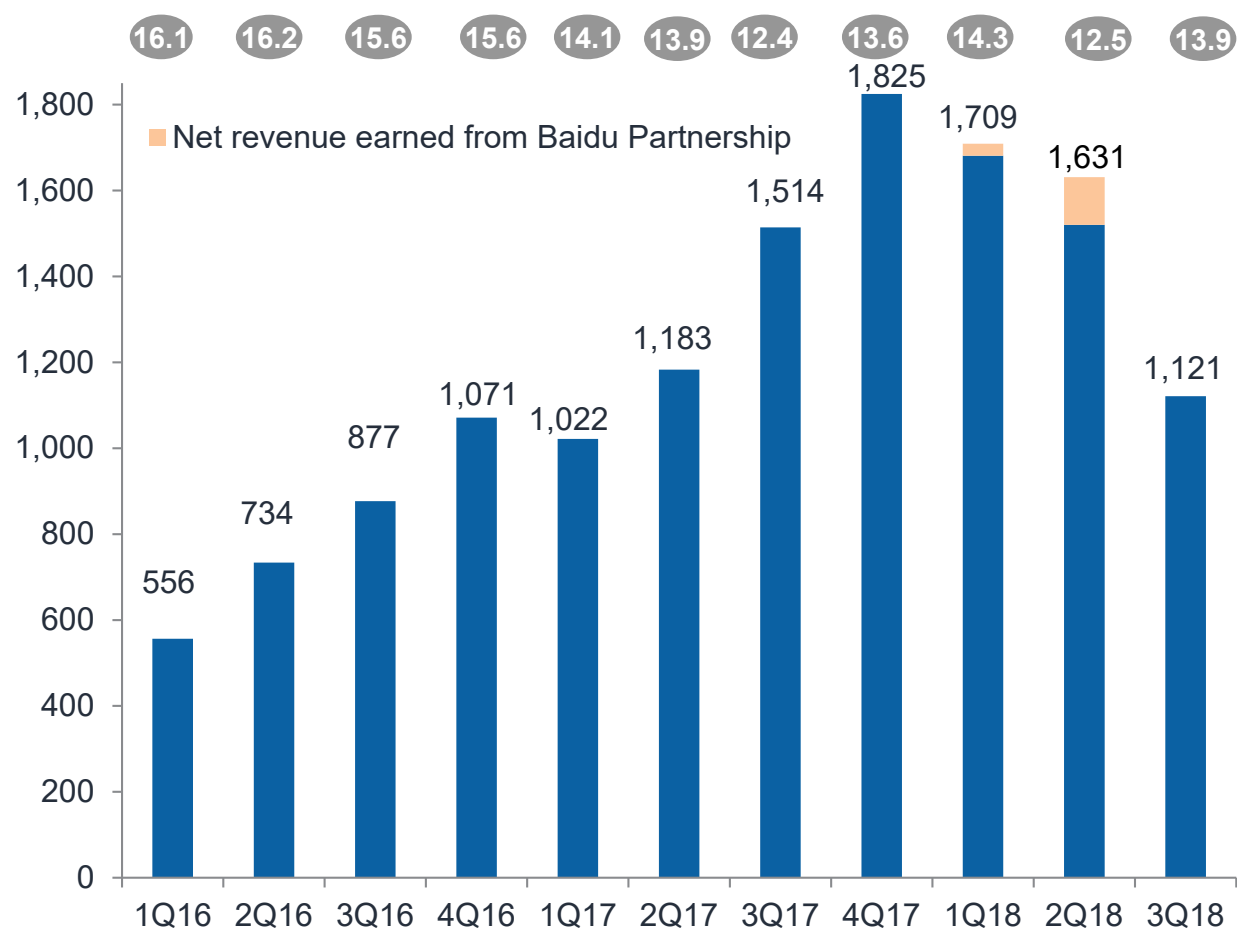


(RMB Million)

Annual



Quarterly

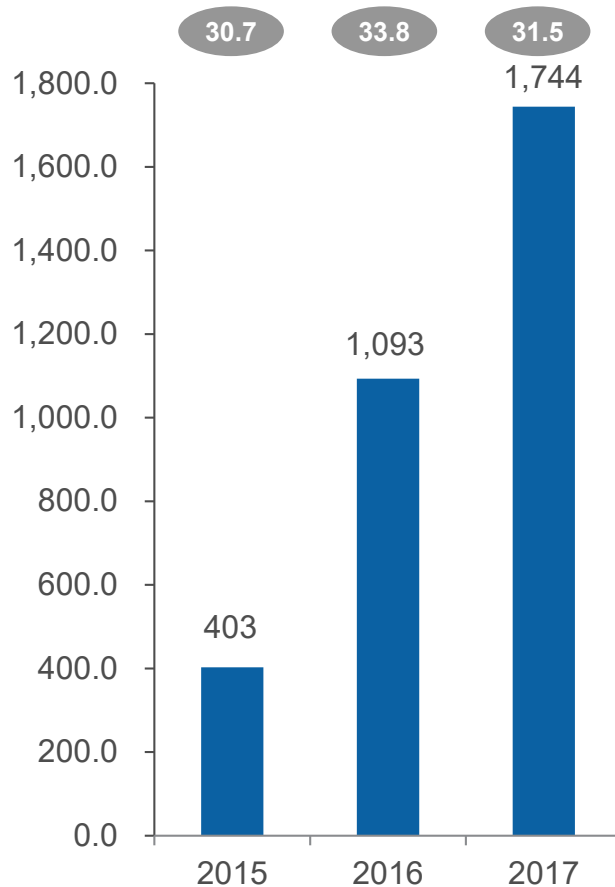


4 Adjusted EBITDA



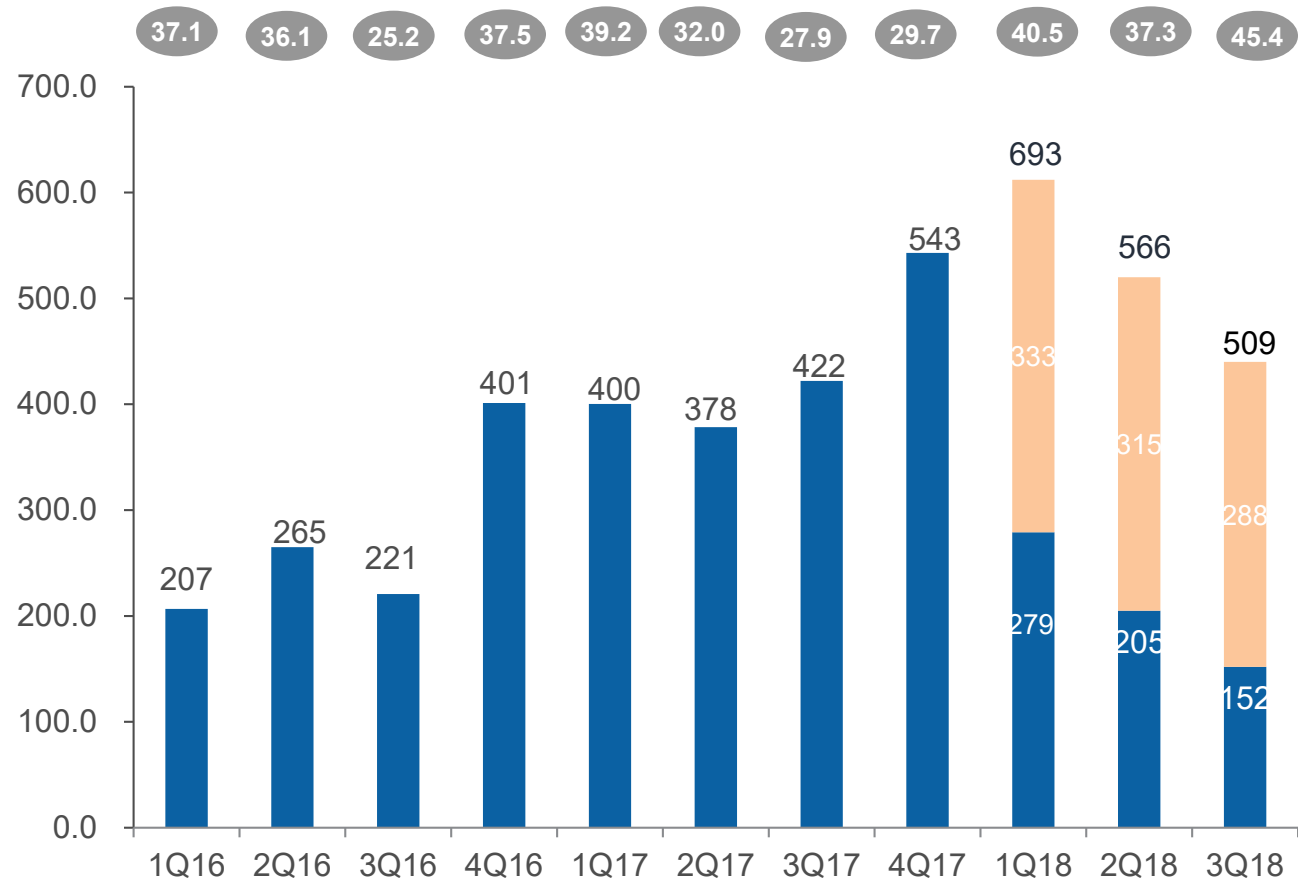
Annual

(RMB Million)



Quarterly

(RMB Million)



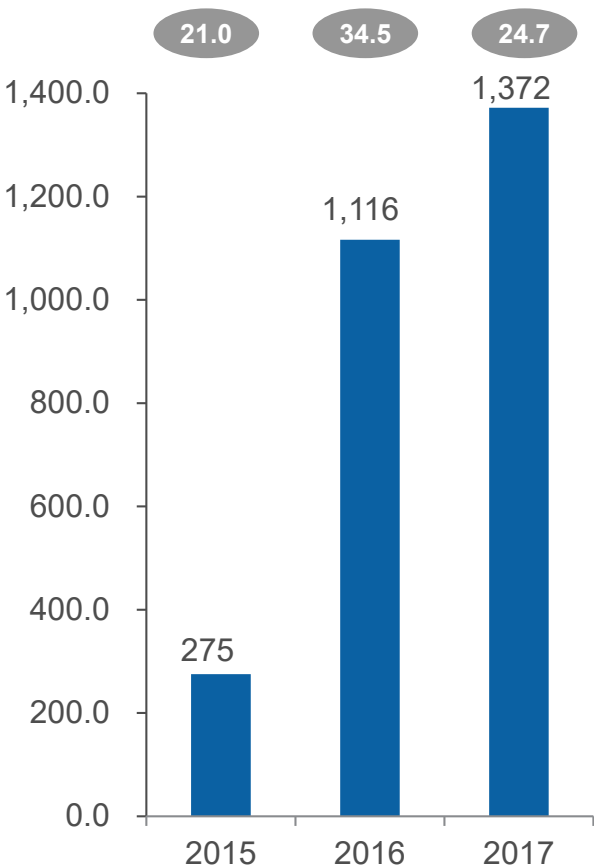
Adjusted EBITDA Margin (%)⁽¹⁾

Adjustment on pre-tax income earned from loans facilitated prior to 2018, if ASC 606 was not adopted.



Annual

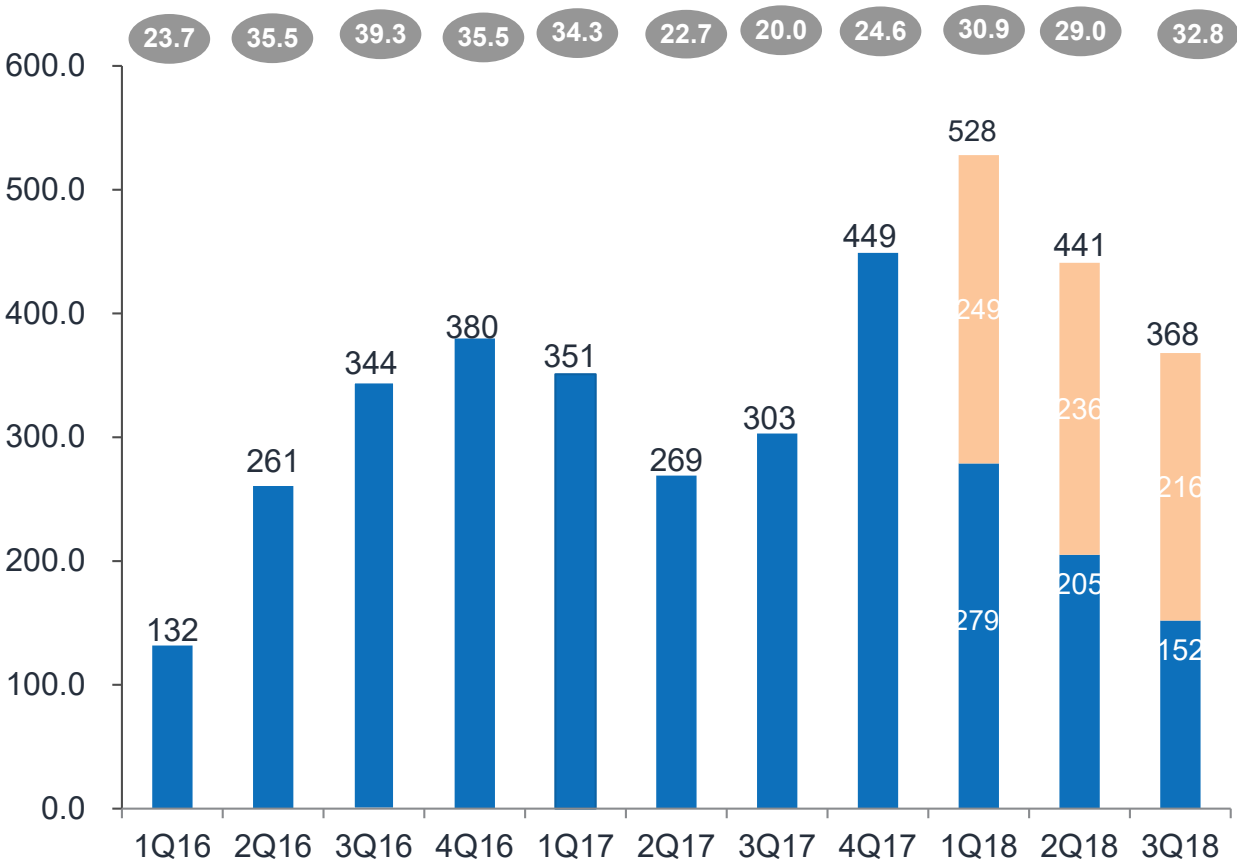
(RMB Million)



(Adjusted) Net Income Margin (%) ⁽¹⁾

Quarterly

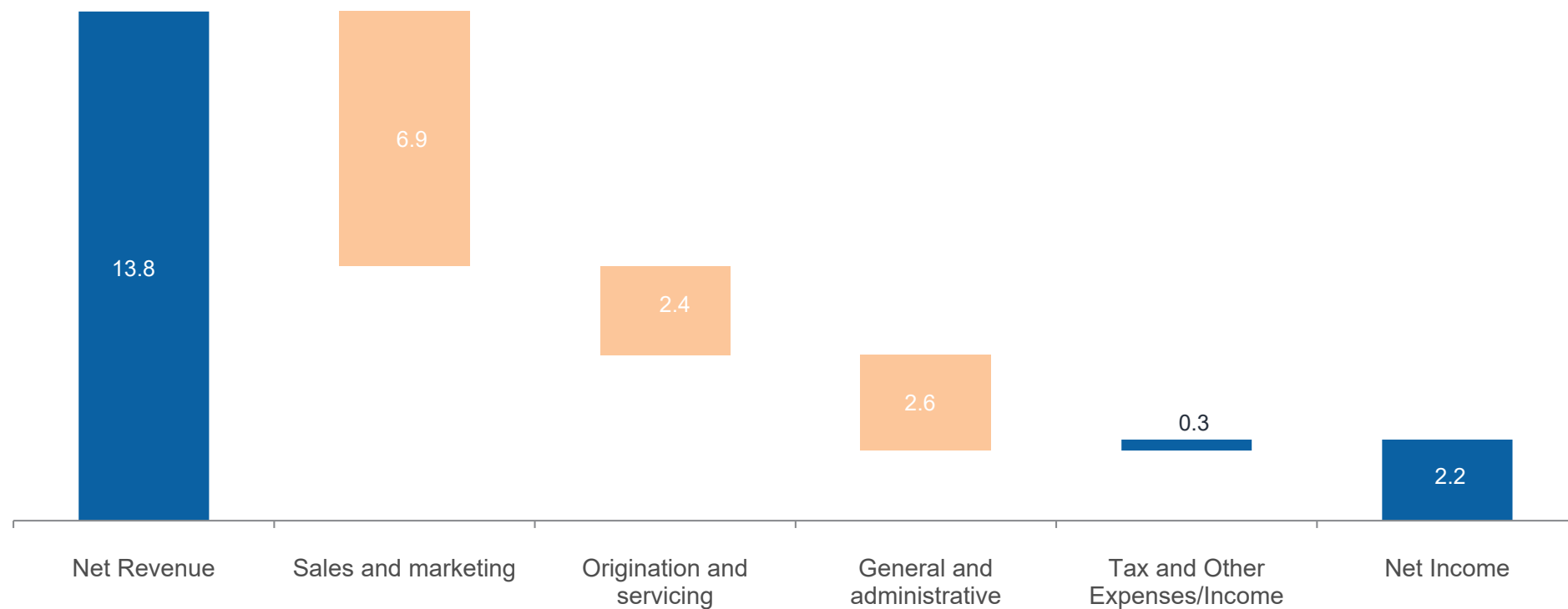
(RMB Million)



Adjustment on income earned from loans facilitated prior to 2018, if ASC 606 was not adopted

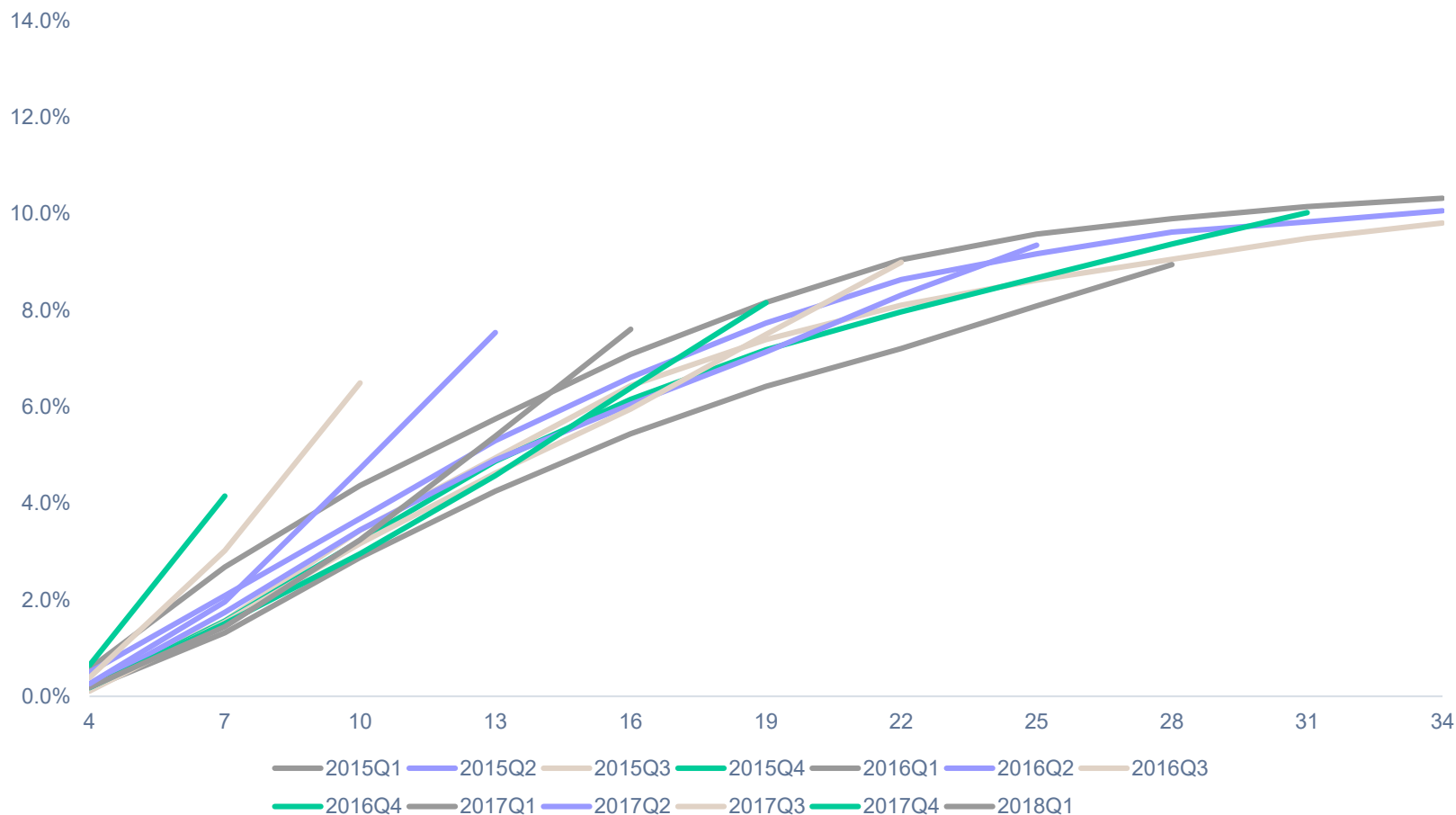
2018Q3 Economics ⁽¹⁾

(Per US\$ 100 loan originated)



Cumulative M3+ Net Charge Off Rates ⁽¹⁾ ⁽²⁾

Loans Facilitated Since 2015



(1) As of Sep 30, 2018

(2) "M3+ Net Charge Off Rate", with respect to loans facilitated during a specified time period, which we refer to as a vintage, as the difference between (i) the total balance of outstanding principal of loans that become over three months delinquent during a specified period, and (ii) the total amount of recovered past due payments of principal and accrued interest in the same period with respect to all loans in the same vintage that have ever become over three months delinquent, divided by (iii) the total initial principal of the loans facilitated in such vintage.



Appendix

Income Statement (1/2)



Unaudited Condensed Consolidated Statements of Operations (in thousands, except for share, per share and per ADS data, and percentages)

	For the Three Months Ended				For the Nine Months Ended		
	September 30, 2017	June 30, 2018	September 30, 2018	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2018
	RMB	RMB	RMB	USD	RMB	RMB	USD
Net revenue:							
Loan facilitation services	1,425,162	997,450	516,849	75,254	3,522,760	2,761,915	402,143
Post-origination services	49,951	61,673	79,665	11,600	124,652	194,743	28,355
Account management services	-	401,960	441,146	64,232	-	1,204,227	175,339
Others	38,791	58,489	83,514	12,160	71,148	189,176	27,545
Total net revenue	1,513,904	1,519,572	1,121,174	163,246	3,718,560	4,350,061	633,382
Operating costs and expenses:							
Sales and marketing	844,165	793,750	450,986	65,665	1,931,425	2,026,462	295,059
Origination and servicing	119,036	147,031	154,953	22,562	270,967	444,724	64,753
General and administrative	172,643	333,406	167,288	24,358	371,755	837,974	122,011
Provision expenses	-	163,029	214,695	31,260	-	494,348	71,978
Total operating costs and expenses	1,135,844	1,437,216	987,922	143,845	2,574,147	3,803,508	553,801
Interest income, net	33,250	20,753	7,856	1,144	84,797	56,135	8,173
Fair value adjustments related to Consolidated ABFE	(22,762)	142,603	44,627	6,498	(23,322)	191,693	27,911
Non-operating income, net	158	5	41	6	920	(406)	(59)
Income before provision for income taxes	388,706	245,717	185,776	27,049	1,206,808	793,975	115,606
Income tax expense	85,732	41,054	34,163	4,974	283,837	158,795	23,121
Net income	302,974	204,663	151,613	22,075	922,971	635,180	92,485

Income Statement (2/2)



Unaudited Condensed Consolidated Statements of Operations
(in thousands, except for share, per share and per ADS data, and percentages)

	For the Three Months Ended				For the Nine Months Ended		
	September 30, 2017	June 30, 2018	September 30, 2018	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2018
	RMB	RMB	RMB	USD	RMB	RMB	USD
Weighted average number of ordinary shares outstanding, basic	121,249,448	121,429,290	123,042,879	123,042,879	120,167,235	121,951,944	121,951,944
Basic income per share	2.4988	1.6855	1.2322	0.1794	7.6807	5.2084	0.7584
Basic income per ADS	4.9976	3.3710	2.4644	0.3588	15.3614	10.4168	1.5168
Weighted average number of ordinary shares outstanding, diluted	123,509,834	123,656,710	124,875,663	124,875,663	121,757,910	124,107,002	124,107,002
Diluted income per share	2.4530	1.6551	1.2141	0.1768	7.5804	5.1180	0.7452
Diluted income per ADS	4.9060	3.3102	2.4282	0.3536	15.1608	10.2360	1.4904

Balance Sheet



Unaudited Consolidated Balance Sheet (in thousands)

	As of			
	September 30, 2017	June 30, 2018	September 30, 2018	September 30, 2018
	RMB	RMB	RMB	USD
Cash and cash equivalents	1,403,529	567,502	806,946	117,494
Restricted cash	1,750,262	662,580	112,495	16,380
Accounts receivable	24,050	6,856	6,616	962
Prepaid expenses and other assets	1,136,993	1,228,150	1,180,650	171,906
Loans at fair value	558,178	1,659,310	1,335,584	194,465
Amounts due from related parties	176,867	119,616	121,864	17,744
Held-to-maturity investments	168,917	312,101	319,639	46,540
Available-for-sale investments	996,660	530,057	833,835	121,409
Property, equipment and software, net	81,515	96,769	96,640	14,071
Deferred tax assets	685,875	429,964	231,655	33,730
Contract assets, net	-	2,552,900	2,250,185	327,633
Total assets	6,982,846	8,165,805	7,296,109	1,062,334
Accounts payable	22,634	36,657	33,170	4,830
Amounts due to related parties	22,740	54,954	102,844	14,974
Liabilities from quality assurance program and guarantee	2,392,794	12,152	6,470	942
Deferred revenue	194,646	-	-	-
Payable to third-party credit assurance program	-	1,241,859	353,040	51,404
Payable to investors at fair value	145,200	51,988	13,944	2,030
Accrued expenses and other liabilities	1,704,620	1,234,407	1,074,196	156,406
Deferred tax liabilities	4,545	658,156	561,370	81,737
Contract liabilities	-	294,680	376,905	54,879
Total liabilities	4,487,179	3,584,853	2,521,939	367,202
Ordinary shares	76	76	77	11
Additional paid-in capital	1,094,916	1,174,158	1,266,534	184,411
Treasury stock	-	-	-254	-37
Accumulated other comprehensive income/	4,330	9,005	18,360	2,673
Retained earnings	1,396,345	3,397,713	3,489,453	508,074
Total equity	2,495,667	4,580,952	4,774,170	695,132
Total liabilities and equity	6,982,846	8,165,805	7,296,109	1,062,334

Cash Flow Data



Unaudited Condensed Consolidated Statements of Operations
(in thousands, except for share, per share and per ADS data, and percentages)

	For the Three Months Ended				For the Nine Months Ended		
	September 30, 2017	June 30, 2018	September 30, 2018	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2018
	RMB	RMB	RMB	USD	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data							
Net cash generated from/(used in) operating activities	346,329	(1,370,147)	(138,204)	(20,123)	1,441,204	(1,846,078)	(268,794)
Net cash provided by/ (used in) investing activities	342,289	(491,870)	(82,268)	(11,978)	(181,099)	(956,329)	(139,244)
Net cash (used in)/ provided by financing activities	(127,864)	197,184	(105,574)	(15,372)	(267,698)	46,434	6,761
Effect of foreign exchange rate changes	(14,885)	8,117	15,405	2,244	(25,127)	12,546	1,827
Net increase/(decrease) in cash, cash equivalents and restricted cash	545,869	(1,656,716)	(310,641)	(45,229)	967,280	(2,743,427)	(399,450)
Cash, cash equivalents and restricted cash, beginning of period	2,607,922	2,886,798	1,230,082	179,103	2,186,511	3,662,868	533,324
Cash, cash equivalents and restricted cash, end of period	<u>3,153,791</u>	<u>1,230,082</u>	<u>919,441</u>	<u>133,874</u>	<u>3,153,791</u>	<u>919,441</u>	<u>133,874</u>

Operating Highlights (1/2)



Operating Highlights and Reconciliation of GAAP to Non-GAAP Measures (in thousands, except for number of borrowers, number of investors and percentages)

	For the Three Months Ended				For the Nine Months Ended		
	September 30, 2017	June 30, 2018	September 30, 2018	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2018
	RMB	RMB	RMB	USD	RMB	RMB	USD
Operating Highlights							
Amount of loans facilitated	12,185,367	11,736,216	6,546,167	953,141	27,967,538	30,239,102	4,402,898
Loans generated from online channels	6,972,156	7,608,411	4,147,761	603,926	14,833,895	18,696,514	2,722,265
Loans generated from offline channels	5,213,211	4,127,805	2,398,406	349,215	13,133,643	11,542,588	1,680,633
Number of borrowers	192,725	177,754	96,402	96,402	455,507	447,791	447,791
Borrowers from online channels	145,838	135,686	72,108	72,108	329,736	333,765	333,765
Borrowers from offline channels	46,887	42,068	24,294	24,294	125,771	114,026	114,026
Number of investors	214,967	202,380	164,218	164,218	455,251	430,293	430,293
Investors from online channels	214,967	202,380	164,218	164,218	455,251	430,293	430,293
Adjusted EBITDA	422,413	566,377	509,293	74,154	1,201,144	1,769,263	257,612
Adjusted EBITDA margin	27.9%	37.3%	45.4%	45.4%	32.3%	40.7%	40.7%

Operating Highlights (2/2)



Operating Highlights (in thousands)

	As of			
	September 30, 2017	June 30, 2018	September 30, 2018	September 30, 2018
	RMB	RMB	RMB	USD
Operating Highlights				
Remaining principal of performing loans	34,235,727	45,849,674	42,576,846	6,199,308
Remaining principal of performing loans covered by quality assurance program and guarantee	33,622,142	148,523	124,811	18,173
Remaining principal of performing loans covered by third-party credit assurance program	-	42,149,174	38,960,185	5,672,712

Delinquency Rates



	Delinquency Rates		
	Delinquent for		
	15-29 days	30-59 days	60-89 days
All Loans			
December 31, 2013	0.2%	0.4%	0.3%
December 31, 2014	0.3%	0.2%	0.2%
December 31, 2015	0.4%	0.5%	0.4%
December 31, 2016	0.4%	0.7%	0.6%
December 31, 2017	0.8%	0.9%	0.7%
March 31, 2018	0.8%	1.6%	1.3%
June 30, 2018	0.8%	1.2%	1.3%
September 30, 2018	1.1%	1.8%	1.5%
Online Channels			
December 31, 2013	0.1%	0.9%	0.3%
December 31, 2014	0.4%	0.3%	0.2%
December 31, 2015	0.6%	0.8%	0.6%
December 31, 2016	0.6%	1.0%	0.8%
December 31, 2017	1.2%	1.2%	0.9%
March 31, 2018	1.0%	2.2%	1.8%
June 30, 2018	0.9%	1.5%	1.6%
September 30, 2018	1.2%	2.2%	1.9%
Offline Channels			
December 31, 2013	0.3%	0.2%	0.2%
December 31, 2014	0.3%	0.2%	0.2%
December 31, 2015	0.3%	0.4%	0.3%
December 31, 2016	0.4%	0.6%	0.4%
December 31, 2017	0.5%	0.7%	0.5%
March 31, 2018	0.6%	1.1%	0.8%
June 30, 2018	0.7%	1.0%	1.0%
September 30, 2018	0.9%	1.3%	1.1%

Net Charge-off Rates (1/2)



Net Charge-Off Rate for Upgraded Risk Grid

Loan issued period	Customer grade	Amount of loans facilitated during the period (in RMB thousands)	Accumulated M3+ Net Charge-Off as of September 30, 2018 (in RMB thousands)	Total Net Charge-Off Rate as of September 30, 2018
2014	I	-	-	-
	II	1,921,372	84,573	4.4%
	III	303,276	19,105	6.3%
	IV	-	-	-
	V	3,913	518	13.2%
	Total	2,228,561	104,196	4.7%
2015	I	146,490	4,533	3.1%
	II	1,614,354	98,803	6.1%
	III	2,521,705	215,455	8.5%
	IV	2,506,107	270,642	10.8%
	V	2,768,957	392,692	14.2%
	Total	9,557,613	982,126	10.3%
2016	I	497,220	17,223	3.5%
	II	3,137,889	148,707	4.7%
	III	3,763,081	245,613	6.5%
	IV	5,183,233	436,959	8.4%
	V	7,799,180	1,111,359	14.2%
	Total	20,380,603	1,959,861	9.6%
2017	I	2,701,162	79,896	3.0%
	II	9,079,647	549,698	6.1%
	III	10,611,451	928,899	8.8%
	IV	10,263,135	1,010,216	9.8%
	V	8,750,663	969,227	11.1%
	Total	41,406,058	3,537,937	8.5%
Q1-Q3 2018	I	2,871,763	14,498	0.5%
	II	8,326,827	91,292	1.1%
	III	8,289,580	123,465	1.5%
	IV	6,944,551	139,122	2.0%
	V	3,806,381	95,347	2.5%
	Total	30,239,102	463,723	1.5%

Net Charge-off Rates (2/2)



M3+ Net Charge-Off Rate

Loan issued period	Month on Book										
	4	7	10	13	16	19	22	25	28	31	34
2013Q1	1.9%	3.2%	3.1%	2.3%	2.0%	0.9%	0.5%	0.5%	0.4%	0.4%	0.4%
2013Q2	1.8%	3.6%	4.5%	5.9%	6.4%	7.4%	6.1%	7.0%	7.5%	7.5%	7.8%
2013Q3	0.5%	2.8%	4.2%	5.5%	6.1%	6.5%	7.1%	7.1%	7.0%	6.9%	6.9%
2013Q4	0.7%	3.4%	4.8%	6.2%	6.8%	7.5%	8.3%	8.3%	8.2%	8.5%	8.3%
2014Q1	1.0%	4.2%	6.1%	7.0%	8.4%	9.3%	9.8%	9.7%	9.9%	9.8%	9.5%
2014Q2	0.5%	1.8%	2.6%	3.8%	4.3%	4.6%	4.6%	4.7%	4.7%	4.7%	4.8%
2014Q3	0.2%	0.8%	2.0%	2.8%	3.3%	3.7%	4.0%	4.2%	4.2%	4.1%	4.1%
2014Q4	0.3%	1.5%	2.7%	3.5%	4.1%	4.6%	5.1%	5.2%	5.2%	5.3%	5.3%
2015Q1	0.6%	2.7%	4.4%	5.8%	7.1%	8.2%	9.1%	9.6%	9.9%	10.2%	10.3%
2015Q2	0.5%	2.1%	3.7%	5.3%	6.6%	7.7%	8.6%	9.2%	9.6%	9.8%	10.1%
2015Q3	0.2%	1.6%	3.4%	4.9%	6.4%	7.4%	8.1%	8.6%	9.1%	9.5%	9.8%
2015Q4	0.2%	1.6%	3.2%	4.9%	6.2%	7.2%	8.0%	8.7%	9.4%	10.0%	
2016Q1	0.2%	1.3%	2.9%	4.3%	5.4%	6.4%	7.2%	8.1%	8.9%		
2016Q2	0.2%	1.7%	3.4%	4.9%	6.1%	7.1%	8.3%	9.4%			
2016Q3	0.1%	1.5%	3.2%	4.6%	6.0%	7.5%	9.0%				
2016Q4	0.2%	1.5%	3.0%	4.6%	6.4%	8.2%					
2017Q1	0.2%	1.4%	3.2%	5.4%	7.6%						
2017Q2	0.3%	2.0%	4.7%	7.5%							
2017Q3	0.4%	3.0%	6.5%								
2017Q4	0.6%	4.2%									
2018Q1	0.5%										



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