



Q2 2017 Earnings Conference Call

August 1, 2017

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.

Our Mission

Offering **borrowers** in China easy **access to unsecured credit** and **investors** an **attractive investment opportunity**, by connecting them directly through our **online marketplace**

Yirendai At a Glance



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



A leading **online consumer finance marketplace** connecting borrowers and investors



Targeting prime borrowers seeking unsecured credit



Proprietary risk model leveraging **11 years of data** from CreditEase



Capital efficient model with no regulatory capital adequacy requirements



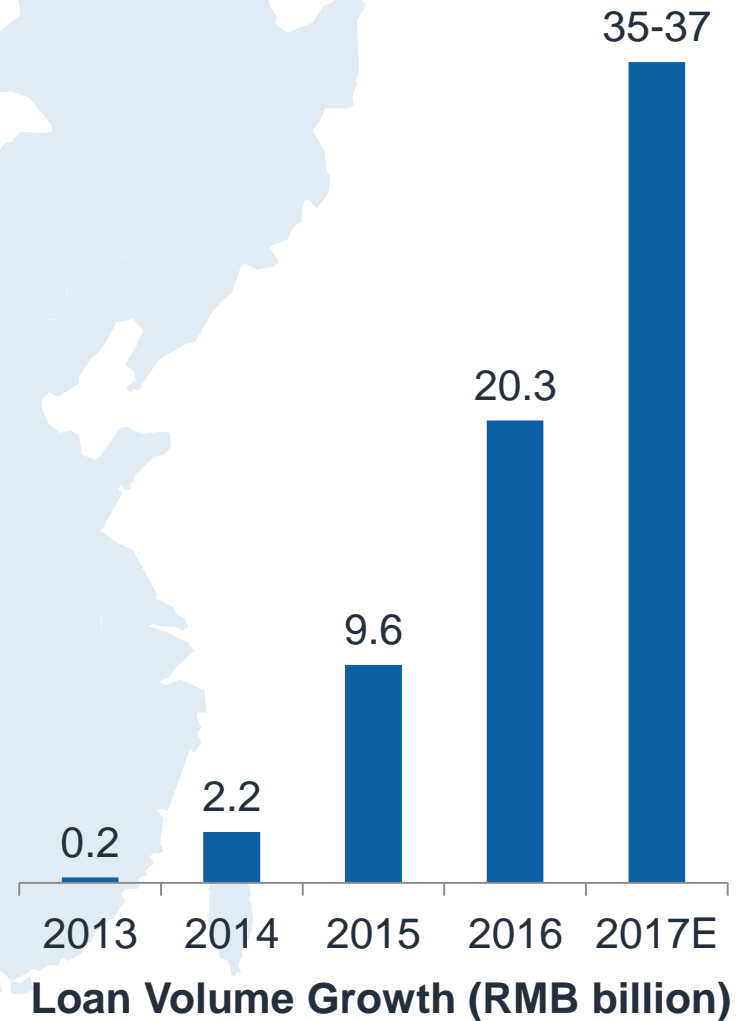
Full end-to-end automation⁽¹⁾ from online application through funding and servicing



Relationship with CreditEase provides borrower referrals, data sharing, and collection support



Profitable since Q4 2014



A Leading Fintech Company in China

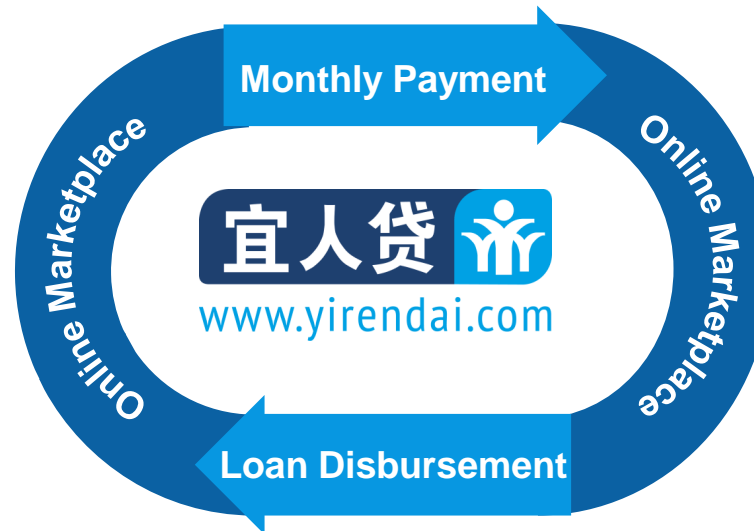


Consumer Credit

Prime borrowers: credit card holders with salary income

Internet-savvy and more receptive to internet finance solutions

Primary purpose: “life events” e.g., home remodeling, car purchasing, wedding, education



Wealth Management

Mass affluent investors with AUM on average between RMB 600k to RMB 6 million

Pilot project for institutional investors (ABS)

Mainly invest via automated investing tool which allocates funds across a diversified pool of loans

End to End Automated Online Business Process



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



Technology

 **Legacy Systems**
 **Back-end Processing**

 **End-to-end Automation**⁽¹⁾
 **Mobile Leadership**

Capital Efficient Marketplace Model



**No Regulatory Capital
Adequacy or Liquidity
Requirements**



No Co-Investing



No Deposits



**Matched Assets and
Liabilities**



Investment Highlights

Key Investment Highlights



1

Huge Market Opportunity



2

A Leading Online Consumer Finance Marketplace



3

Extensive Data Set and Credit Decisioning Capabilities



4

Expanding Borrower Universe and Investor Base

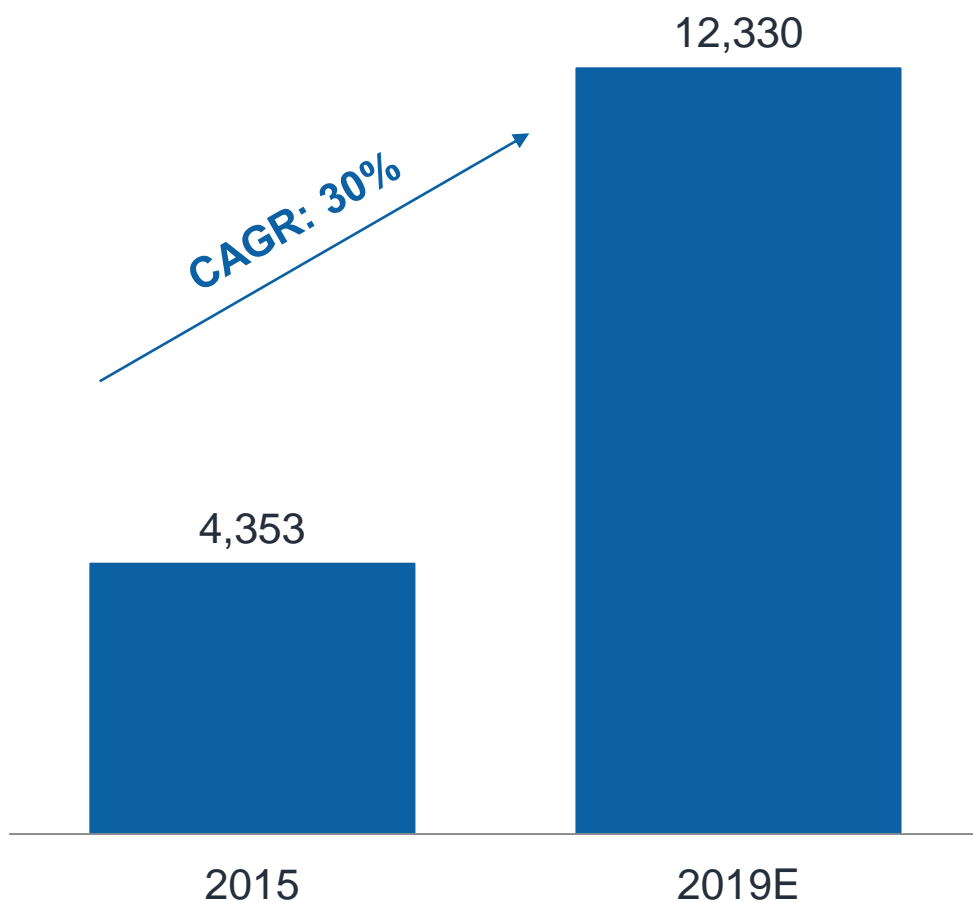


① Huge Unsecured Consumer Credit Demand⁽¹⁾



Unsecured Consumer Finance Market in China ⁽¹⁾

(By outstanding loan balance, RMB Billion)



Immediately addressable market:

prime borrowers with unmet unsecured credit needs

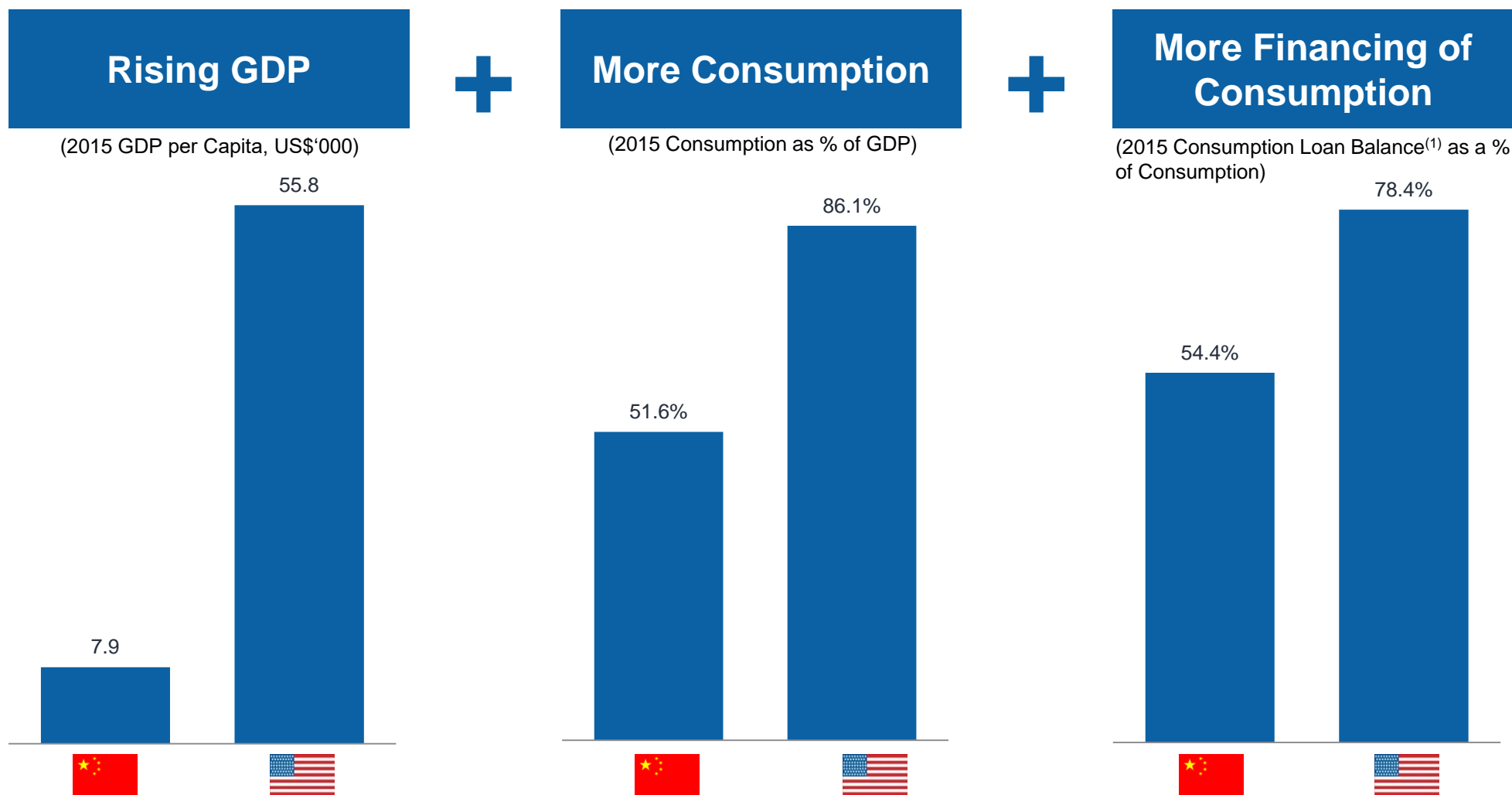
- RMB 4.4 trillion in 2015
- RMB 12.3 trillion expected in 2019



Future target market may extend to broader unmet unsecured credit needs

- New products (ie. line of credit product)
- New industry verticals

① Multiple Drivers of Growth



Source: World Bank

Source: CIA World FactBook

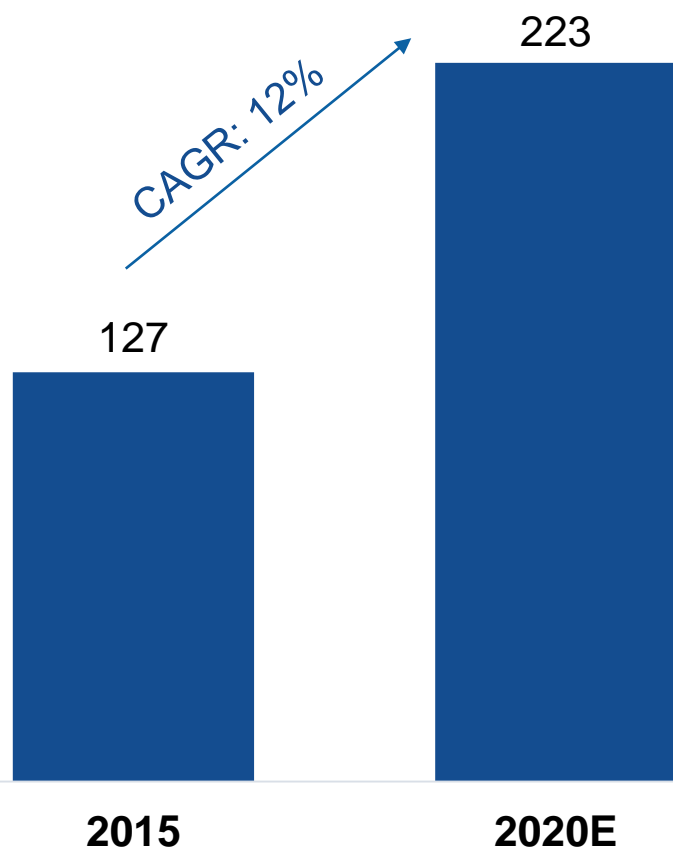
Source: National Bureau of Statistics of China, CIA World FactBook, iResearch and Federal Reserve Bank of New York

① Huge Wealth Management Market



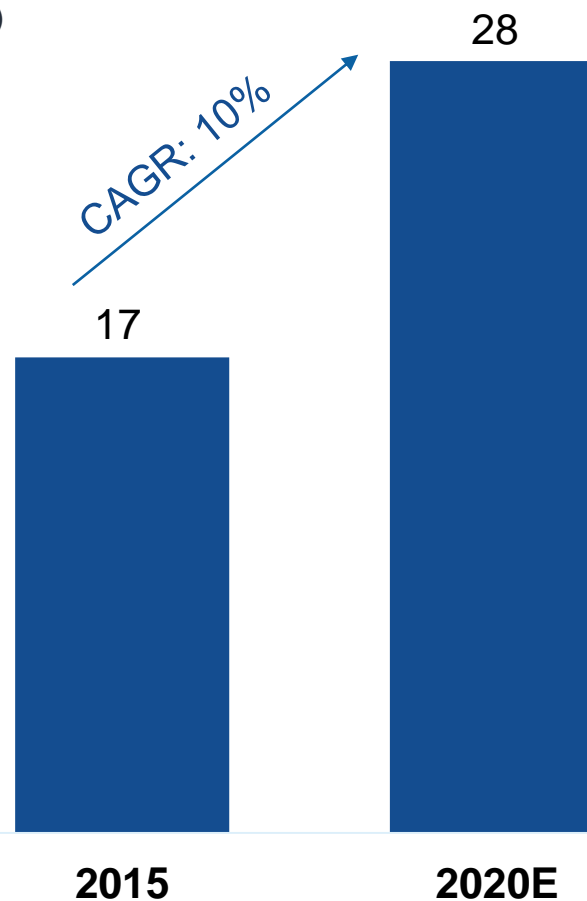
Wealth Management Market in China

(By amount of investable assets, RMB trillion)



Wealth Management Market in China

(By population with investable assets of above RMB 600,000, million)



2 A Leading Fintech Company in China



RMB
47.4 Billion

Cumulative loan
facilitations ⁽¹⁾



RMB
27.9 Billion

Remaining principal of
performing loans⁽²⁾



743,777
Cumulative
Number of borrowers⁽¹⁾



1,058,211
Cumulative
number of investors⁽¹⁾

RMB
8.2 Billion

Loan facilitations
in Q2 2017

RMB
2.0 Billion

Liabilities from quality
assurance program⁽²⁾

138,529

Number of borrowers
in Q2 2017

199,591

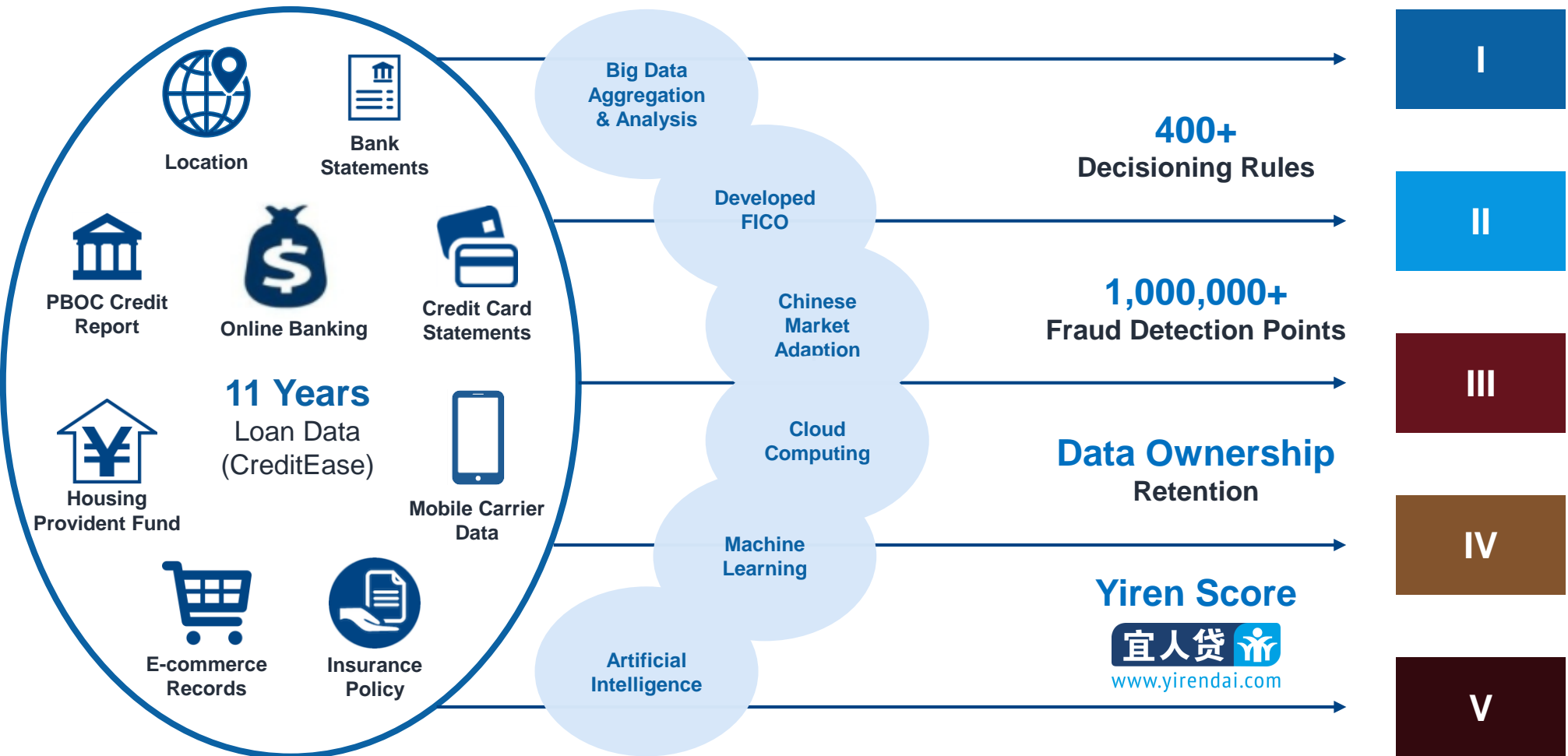
Number of investors
in Q2 2017



Extensive Data Set

Proprietary Decisioning Platform

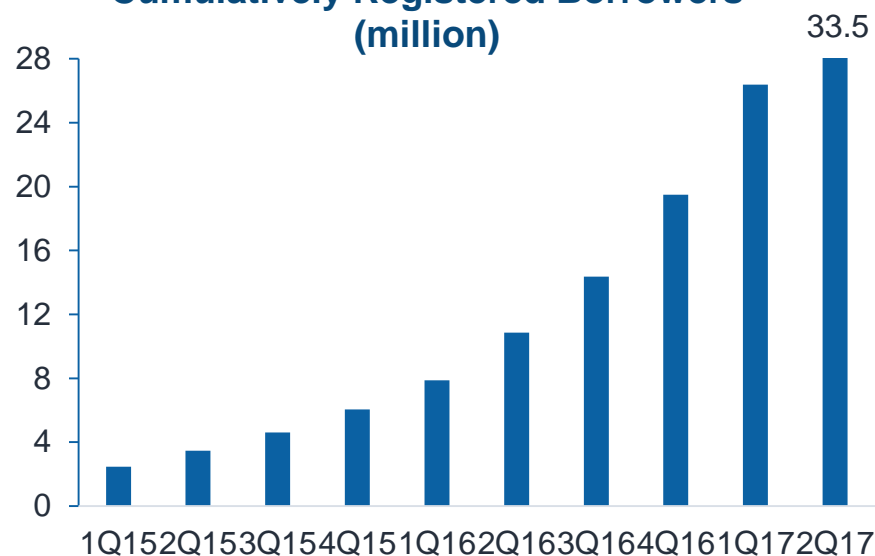
Risk Grid



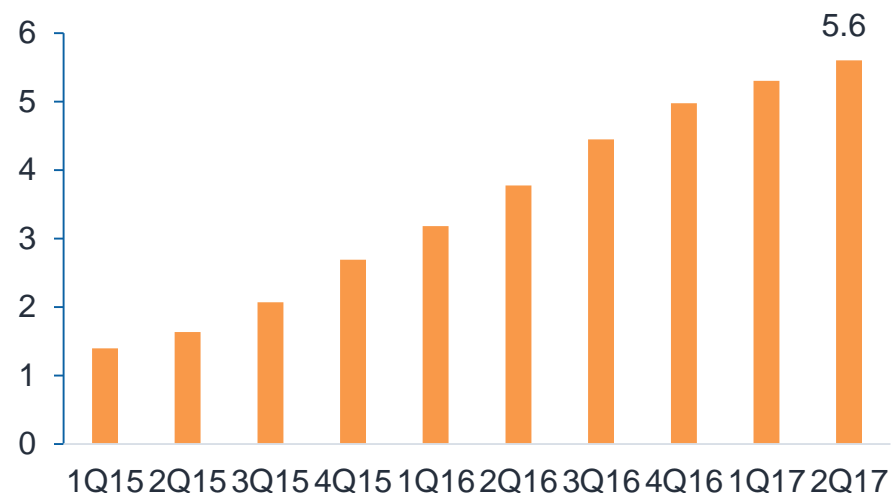
4 Expanding Borrower Universe and Investor Base



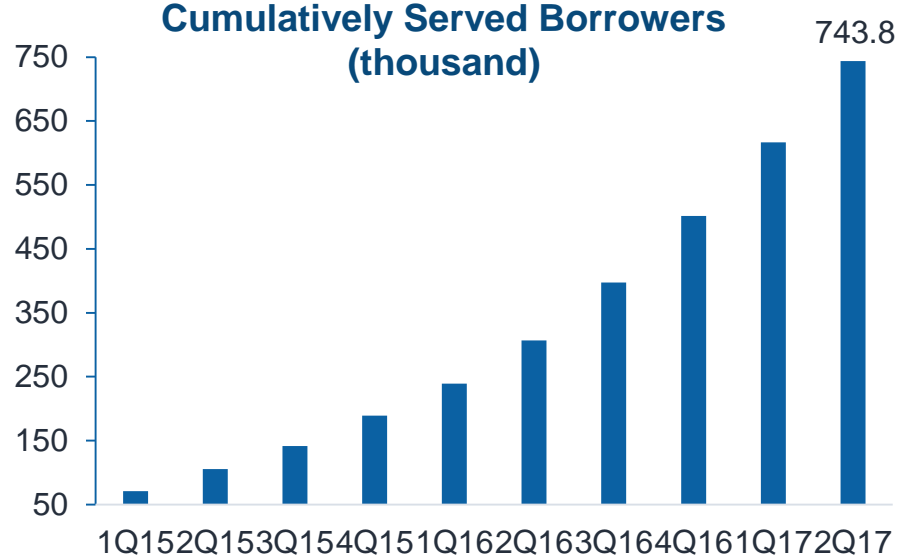
**Cumulatively Registered Borrowers
(million)**



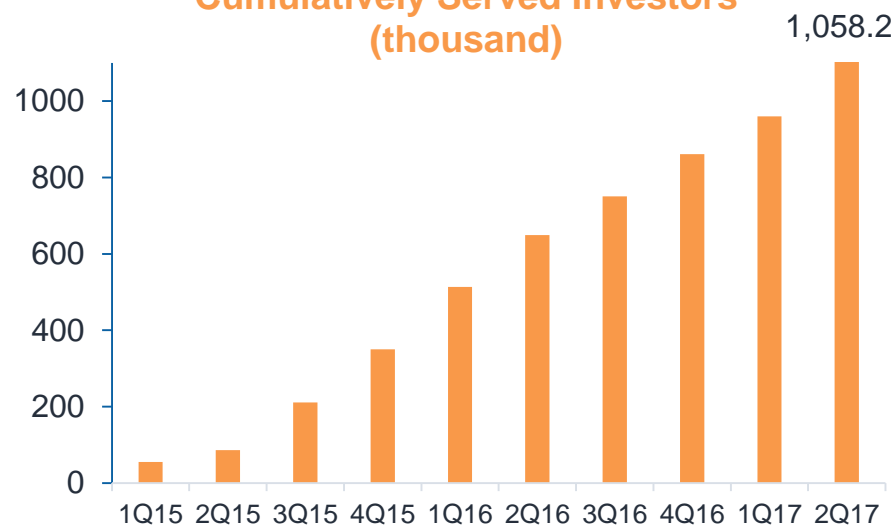
**Cumulatively Registered Investors
(million)**



**Cumulatively Served Borrowers
(thousand)**



**Cumulatively Served Investors
(thousand)**





Financial Highlights

Financial Highlights



1

Marketplace Model

2

Disciplined Growth of Loan Facilitations

3

Sophisticated Risk Pricing Product Portfolio

4

Robust Growth and Profitability

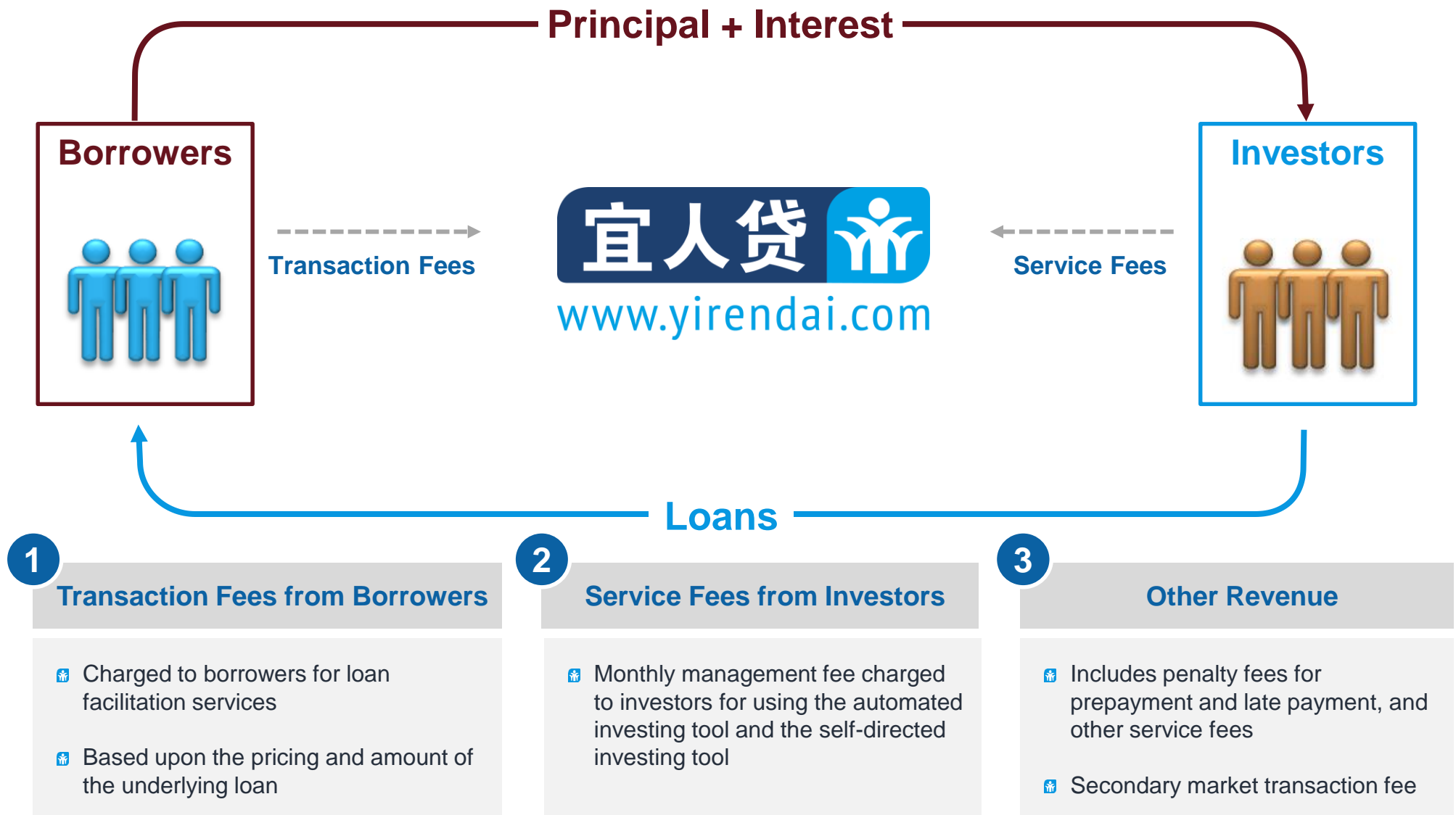
5

Proven Credit Performance

6

Business Outlook

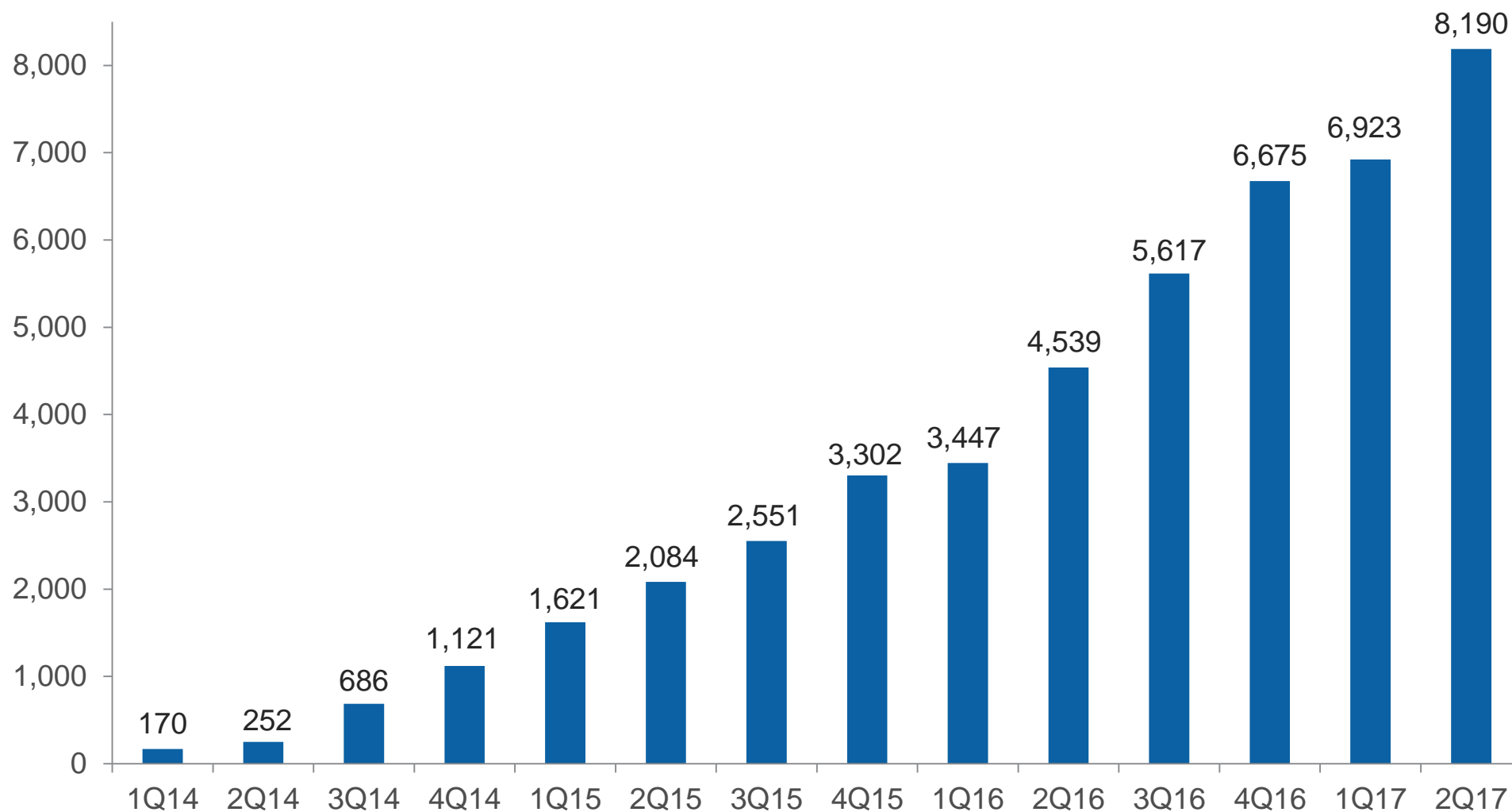
① Marketplace Model



② Disciplined Growth of Loan Facilitations



(RMB Million)

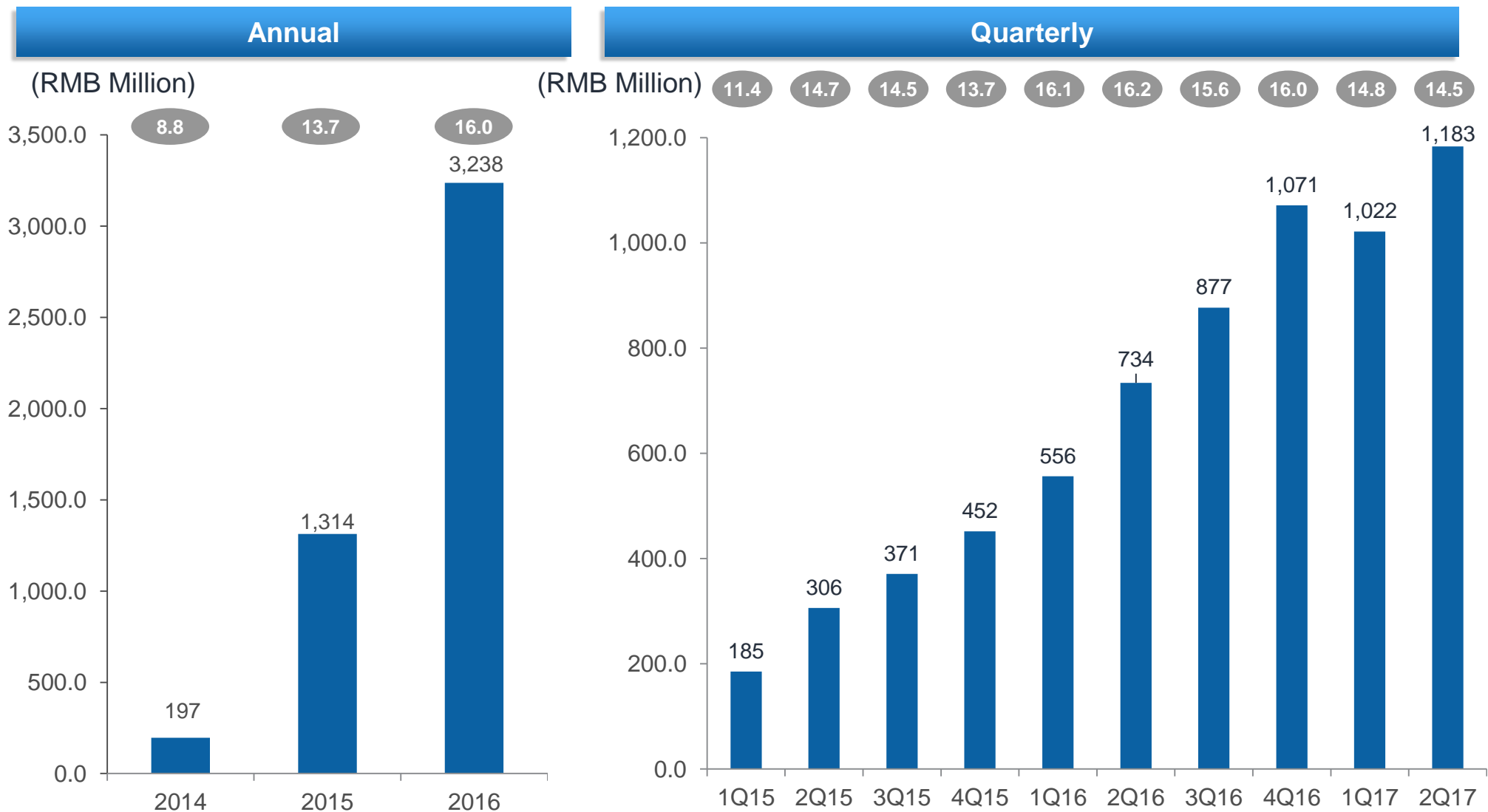




Pricing Grade	1H 2017 Volume (RMB billion)	%
A	0.4	3%
B	1.0	7%
C	1.5	10%
D	12.1	80%
Total	15.1	100%

Risk Grade	1H 2017 Volume (RMB billion)	%
I	0.7	5%
II	2.7	18%
III	3.3	22%
IV	3.4	22%
V	5.1	34%
Total	15.1	100%

4 Net Revenue Growth

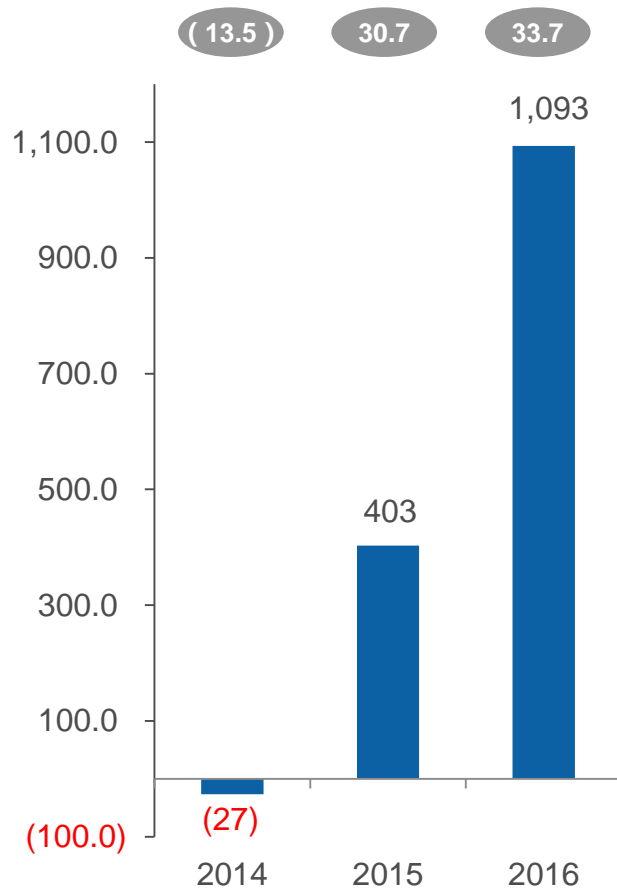


4 Adjusted EBITDA



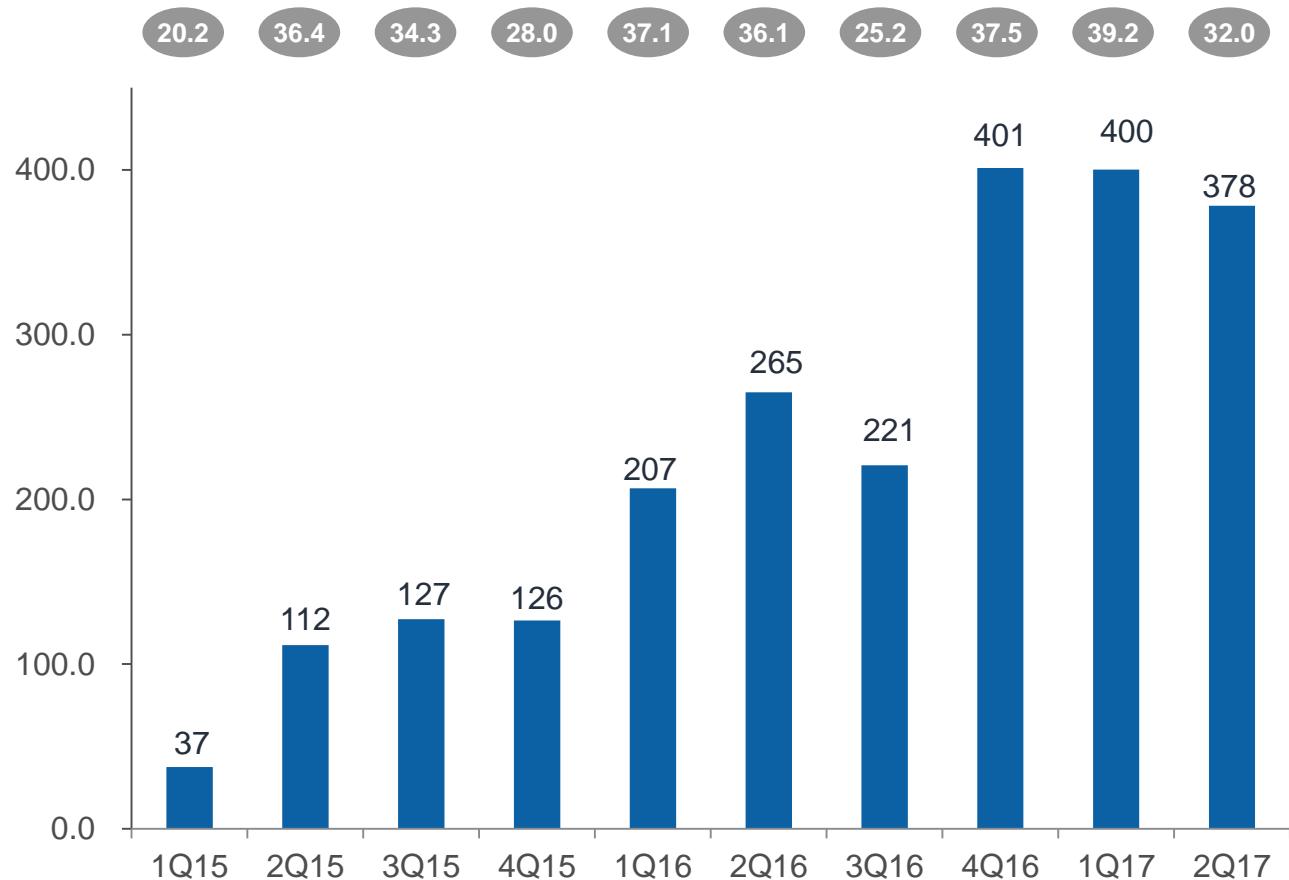
Annual

(RMB Million)



Quarterly

(RMB Million)

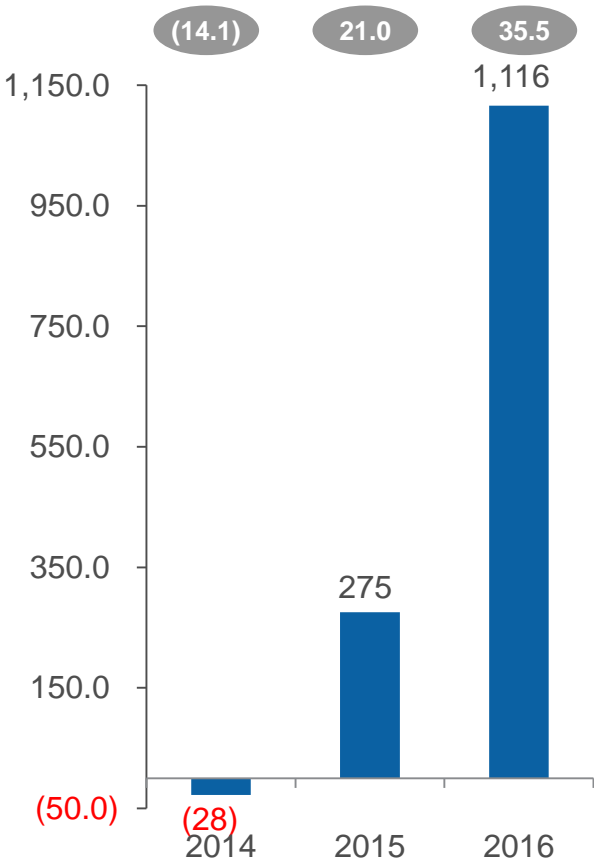


Adjusted EBITDA Margin (%) ⁽¹⁾



Annual

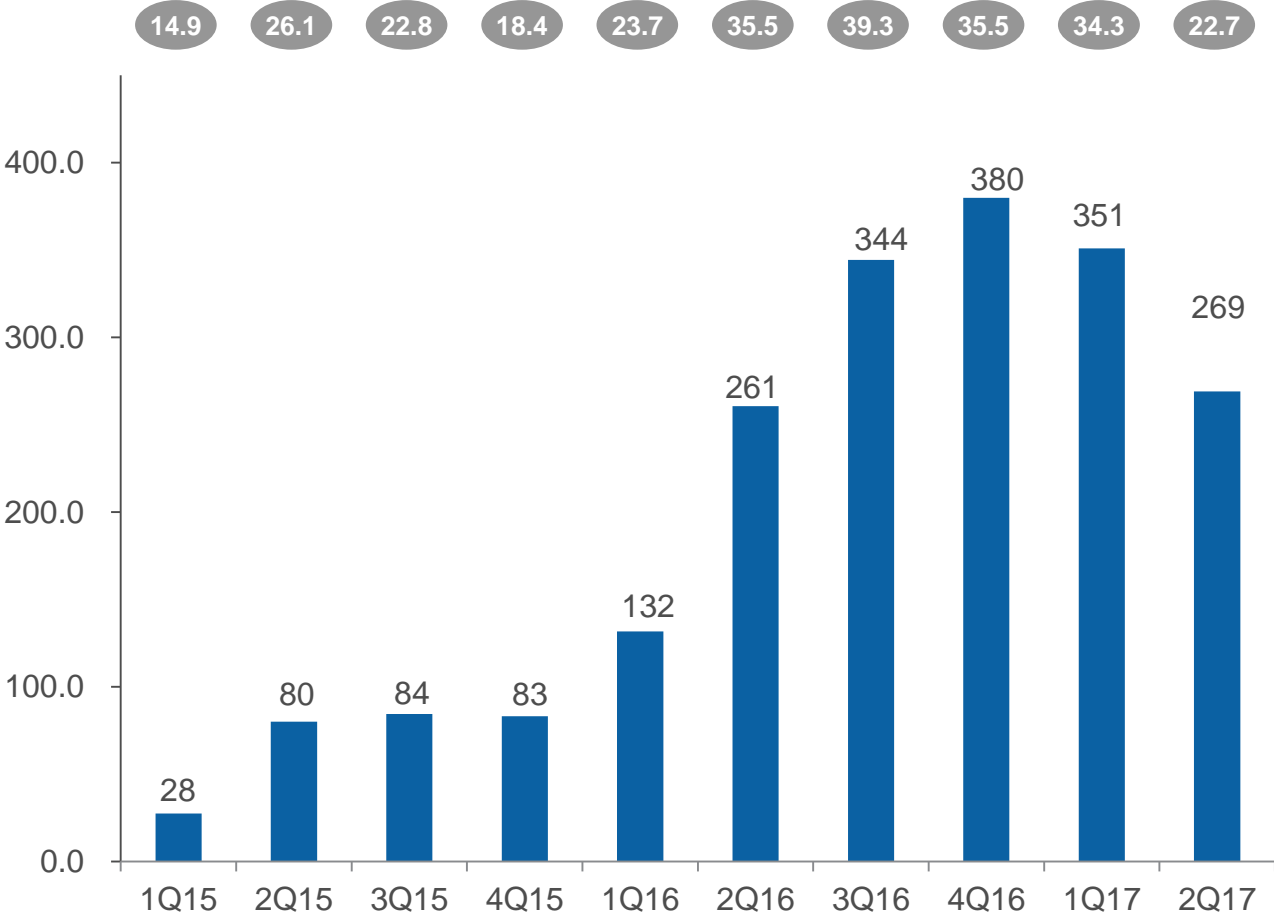
(RMB Million)



Net Income Margin (%) ⁽¹⁾

Quarterly

(RMB Million)

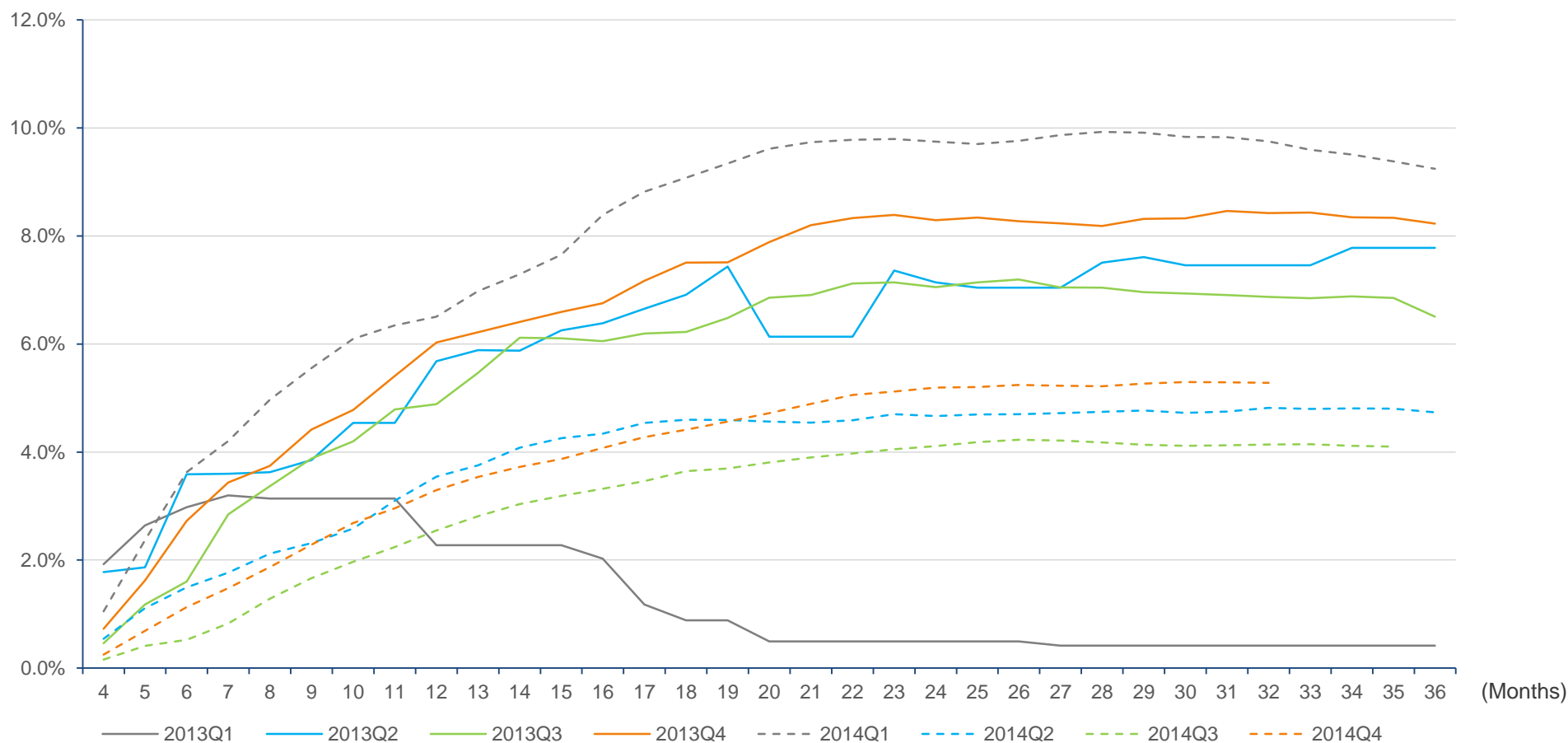


(1) The net income margin is calculated as net income divided by total net revenue.

5 Proven Credit Performance



Cumulative M3+ Net Charge Off Rates ⁽¹⁾ ⁽²⁾
Loans Facilitated Before 2015 (Guarantee Model) ⁽³⁾



(1) As of June 30, 2017

(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.

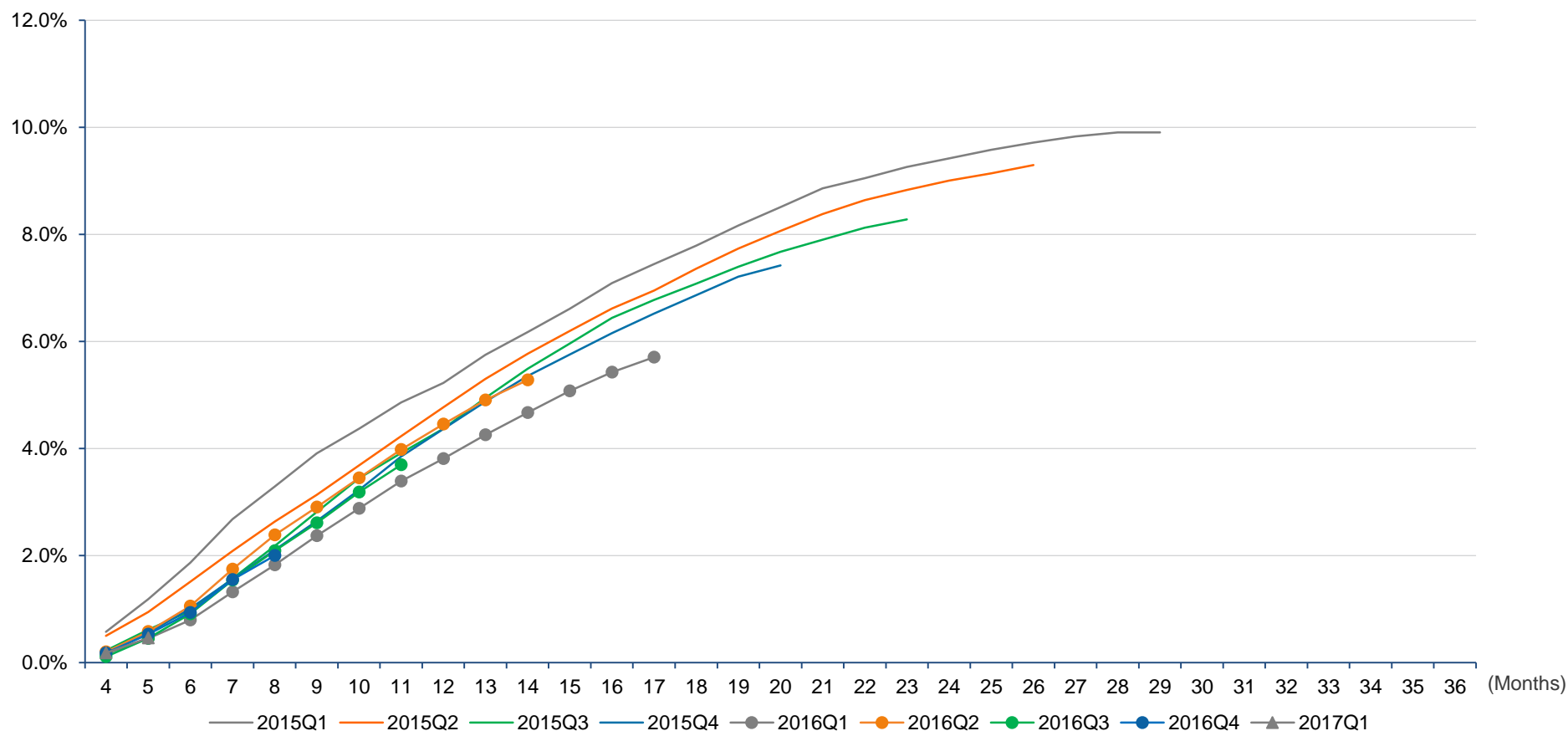
(3) Before January 2015, Yirendai worked with a guarantee company to provide investors with the option of purchasing the assurance that their principal and interest would be repaid if their loans defaulted, and the guarantee company charged investors 10% of the loan interest for the guarantee service.

5 Proven Credit Performance



Cumulative M3+ Net Charge Off Rates ^{(1) (2)}

Loans Facilitated Since 2015 (Quality Assurance Program Model) ⁽³⁾






(1) As of June 30, 2017




(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.

(3) In January 2015, Yirendai launched the risk reserve fund arrangement, under which we set aside a certain amount of cash at the inception of each loan in an interest-bearing custody account. If a loan originated on or after January 1, 2015 defaults, we will withdraw funds from the quality assurance fund to repay the principal and accrued interest for the defaulted loan, unless the quality assurance fund is depleted.

Third Quarter 2017 ⁽¹⁾

-  **Total loans facilitated** in the range of RMB 10 billion to RMB 10.5 billion
-  **Total net revenue** in the range of RMB 1.3 billion to RMB 1.35 billion
-  **Adjusted EBITDA (non-GAAP)** in the range of RMB 280 million to RMB 320 million

Full Year 2017 ⁽¹⁾

-  **Total loans facilitated** in the range of RMB 35 billion to RMB 37 billion
-  **Total net revenue** in the range of RMB 4.8 billion to RMB 5.0 billion
-  **Adjusted EBITDA (non-GAAP)** in the range of RMB 1.3 billion to RMB 1.4 billion



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

	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	June 30, 2017
	RMB	RMB	RMB	RMB	RMB	USD
Net revenue:						
Loan facilitation services	713,383	848,322	1,036,630	976,398	1,121,200	165,386
Post-origination services	17,232	23,487	25,039	33,312	41,389	6,105
Others	3,176	4,902	9,441	11,889	20,468	3,019
Total net revenue	733,791	876,711	1,071,110	1,021,599	1,183,057	174,510
Operating costs and expenses:		-	-	-		
Sales and marketing	355,246	423,003	537,953	469,380	617,880	91,142
Origination and servicing	42,535	47,514	56,668	58,784	93,147	13,740
General and administrative	73,330	188,961	79,714	100,498	98,614	14,546
Total operating costs and expenses	471,111	659,478	674,335	628,662	809,641	119,428
Interest income	7,253	9,778	14,778	24,149	27,398	4,042
Fair value adjustments related to Consolidated ABFE	(118)	(14,935)	(1,287)	1,355	(1,915)	(283)
Non-operating income, net	91	259	225	207	555	82
Income before provision for income taxes	269,906	212,335	410,491	418,648	399,454	58,923
Income tax expense/(benefit)	9,286	(131,946)	30,710	67,747	130,358	19,229
Net income	260,620	344,281	379,781	350,901	269,096	39,694

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

	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	June 30, 2017
	RMB	RMB	RMB	RMB	RMB	USD
Weighted average number of ordinary shares outstanding, basic	<u>117,000,000</u>	<u>119,441,029</u>	<u>119,493,662</u>	<u>119,560,832</u>	<u>119,603,286</u>	<u>119,603,286</u>
Basic income per share	<u>2.2275</u>	<u>2.8824</u>	<u>3.1783</u>	<u>2.9349</u>	<u>2.2499</u>	<u>0.3319</u>
Basic income per ADS	<u>4.4550</u>	<u>5.7648</u>	<u>6.3566</u>	<u>5.8698</u>	<u>4.4998</u>	<u>0.6638</u>
Weighted average number of ordinary shares outstanding, diluted	<u>117,000,000</u>	<u>120,861,971</u>	<u>120,859,390</u>	<u>120,842,350</u>	<u>120,833,406</u>	<u>120,833,406</u>
Diluted income per share	<u>2.2275</u>	<u>2.8485</u>	<u>3.1423</u>	<u>2.9038</u>	<u>2.2270</u>	<u>0.3285</u>
Diluted income per ADS	<u>4.4550</u>	<u>5.6970</u>	<u>6.2846</u>	<u>5.8076</u>	<u>4.4540</u>	<u>0.6570</u>

Cash Flow Data



Unaudited Condensed Consolidated Cash Flow Data
(in thousands, except for share, per share and per ADS data, and percentages)

	For the Three Months Ended					
	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	June 30, 2017
	RMB	RMB	RMB	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data						
Net cash generated from operating activities	392,474	450,583	836,055	564,504	530,371	78,234
Net cash provided by/(used in) investing activities	51,515	(679,486)	(807,744)	(427,686)	(95,702)	(14,117)
Net cash (used in)/provided by financing activities	(87,914)	179,221	60,400	(44,841)	(94,993)	(14,012)
Effect of foreign exchange rate changes	12,733	1,323	17,193	(3,779)	(6,463)	(953)
Net increase/(decrease) in cash and cash equivalents	368,808	(48,359)	105,904	88,198	333,213	49,152
Cash, cash equivalents and restricted cash, beginning of period	1,760,158	2,128,966	2,080,607	2,186,511	2,274,709	335,537
Cash, cash equivalents and restricted cash, end of period	<u>2,128,966</u>	<u>2,080,607</u>	<u>2,186,511</u>	<u>2,274,709</u>	<u>2,607,922</u>	<u>384,689</u>

Balance Sheet



Unaudited Condensed Balance Sheet
(in thousands, except for share, per share and per ADS data, and percentages)

For the Three Months Ended

	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	June 30, 2017
	RMB	RMB	RMB	RMB	RMB	USD
Unaudited Condensed Consolidated Balance Sheets						
Cash and cash equivalents	1,336,329	1,106,262	968,225	864,361	891,154	131,452
Restricted cash	792,637	974,345	1,218,286	1,410,348	1,716,768	253,237
Loans at fair value	175,614	367,949	371,033	319,984	269,952	39,820
Held-to-maturity investments	2,500	172,500	98,917	494,847	589,329	86,931
Available-for-sale investments	-	298,000	1,158,000	1,232,260	1,260,069	186,193
Other assets	734,263	1,111,946	968,927	1,055,039	1,260,069	185,870
Total assets	3,041,343	4,031,002	4,783,388	5,376,839	5,989,532	883,503
Liabilities from quality assurance program	928,166	1,238,689	1,471,000	1,701,519	1,961,315	289,309
Payable to investors at fair value	166,193	355,340	418,686	380,048	200,947	29,641
Other liabilities	566,865	695,907	753,783	806,609	1,014,519	149,650
Total liabilities	1,661,224	2,289,936	2,643,469	2,888,176	3,236,781	477,451
Total equity	1,380,119	1,741,066	2,139,919	2,488,663	2,752,751	406,052

Operating Highlights



Operating Highlights

(in thousands, except for number of borrowers, number of investors and percentages)

For the Three Months Ended

	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	June 30, 2017
	RMB	RMB	RMB	RMB	RMB	USD
Operating Highlights:						
Amount of loans facilitated	4,538,687	5,617,485	6,675,240	6,922,678	8,189,589	1,208,028
Loans generated from online channels	1,832,078	2,275,473	2,462,791	3,515,727	4,195,406	618,855
Loans generated from offline channels	2,706,609	3,342,012	4,212,449	3,406,951	3,994,183	589,173
Fees billed	1,110,849	1,322,598	1,630,358	1,583,537	1,862,467	274,728
Remaining principal of performing loans	13,771,180	17,028,346	20,780,617	24,037,078	27,871,922	4,111,327
Remaining principal of performing loans covered by quality assurance program	12,963,604	16,204,583	20,103,043	23,524,227	27,502,314	4,056,807
Number of borrowers	68,882	92,479	110,785	124,953	138,529	138,529
Borrowers from online channels	40,033	54,585	63,010	86,095	98,245	98,245
Borrowers from offline channels	28,849	37,894	47,775	38,858	40,284	40,284
Number of investors	206,706	177,499	194,505	192,505	199,591	199,591
Investors from online channels	206,706	177,499	194,505	192,505	199,591	199,591
Investors from offline channels	-	-	-	-	-	-
Adjusted EBITDA	264,962	220,716	401,146	400,297	378,434	55,822
Adjusted EBITDA margin	36.1%	25.2%	37.5%	39.2%	32.0%	32.0%

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%
March 31, 2017	0.4%	0.8%	0.6%
June 30, 2017	0.4%	0.7%	0.5%
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%
March 31, 2017	0.5%	1.0%	0.8%
June 30, 2017	0.5%	0.8%	0.7%
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%
March 31, 2017	0.4%	0.6%	0.5%
June 30, 2017	0.4%	0.6%	0.5%

Net Charge-off Rates (Old Pricing Grade-1/3)



Net Charge-Off Rate

Loan issued period	Loan grade	Amount of loans facilitated during the period (in RMB thousands)	Cumulative M3+ Net Charge-Off as of June 30, 2017 (in RMB thousands)	Total Net Charge-Off Rate as of June 30, 2017
2014	A	1,917,542	92,771	4.8%
	B	303,030	20,560	6.8%
	C	-	-	-
	D	7,989	528	6.6%
	Total	2,228,561	113,859	5.1%
2015	A	873,995	49,517	5.7%
	B	419,630	31,969	7.6%
	C	557,414	56,467	10.1%
	D	7,706,575	654,607	8.5%
	Total	9,557,614	792,560	8.3%
2016	A	1,109,094	13,852	1.2%
	B	745,508	19,720	2.6%
	C	1,398,721	55,690	4.0%
	D	16,919,079	587,640	3.5%
	Total	20,172,402	676,902	3.4%

Net Charge-off Rates (New Risk Grade-2/3)



Net Charge-Off Rate

Loan issued period	Loan grade	Amount of loans facilitated during the period	Accumulated M3+ Net Charge-Off as of June 30, 2017	Total Net Charge-Off Rate as of June 30, 2017
		(in RMB thousands)	(in RMB thousands)	
2014	I	-	-	-
	II	1,921,372	92,771	4.8%
	III	303,276	20,560	6.8%
	IV	-	-	-
	V	3,913	528	13.5%
	Total	2,228,561	113,859	5.1%
2015	I	146,490	3,285	2.2%
	II	1,614,354	70,286	4.4%
	III	2,521,705	175,454	7.0%
	IV	2,506,107	209,658	8.4%
	V	2,768,957	333,877	12.1%
	Total	9,557,613	792,560	8.3%
2016	I	445,515	3,705	0.8%
	II	3,011,304	41,257	1.4%
	III	3,757,434	80,212	2.1%
	IV	5,178,402	149,417	2.9%
	V	7,779,747	402,311	5.2%
	Total	20,172,402	676,902	3.4%

Net Charge-off Rates (3/3)



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%
Pre-2014	1.2%	3.3%	4.2%	5.0%	5.3%	5.6%	5.5%	5.8%	5.8%	5.8%	5.9%
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%	
2015Q1	0.6%	2.7%	4.4%	5.8%	7.1%	8.2%	9.1%	9.6%	9.9%		
2015Q2	0.5%	2.1%	3.7%	5.3%	6.6%	7.7%	8.6%	9.1%			
2015Q3	0.2%	1.6%	3.4%	4.9%	6.4%	7.4%	8.1%				
2015Q4	0.2%	1.6%	3.2%	4.9%	6.2%	7.2%					
2016Q1	0.2%	1.3%	2.9%	4.3%	5.4%						
2016Q2	0.2%	1.7%	3.4%	4.9%							
2016Q3	0.1%	1.5%	3.2%								
2016Q4	0.2%	1.5%									
2017Q1	0.2%										



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