

Q4 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
112.6 Billion

Cumulative Loan
Facilitations ⁽³⁾



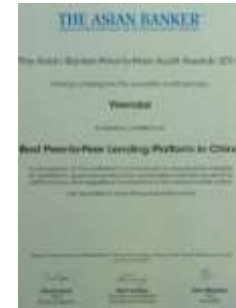
1.5 M

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



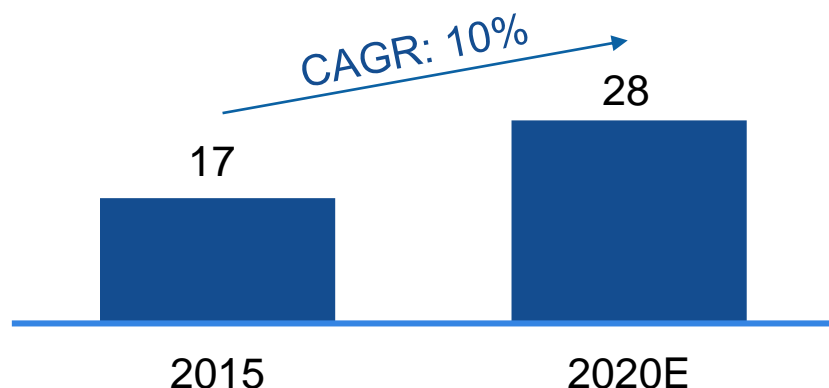
- 1 **Largely Untapped Consumer Credit & Wealth Management Market**
- 2 **Leading FinTech Company in China**
- 3 **Strong Online Credit Business Growth with Leading Market Share**
- 4 **Superior Asset Performance with Leading Online Risk Underwriting Capabilities**
- 5 **Fast Growing Online Wealth Management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

① Large Wealth Management Market

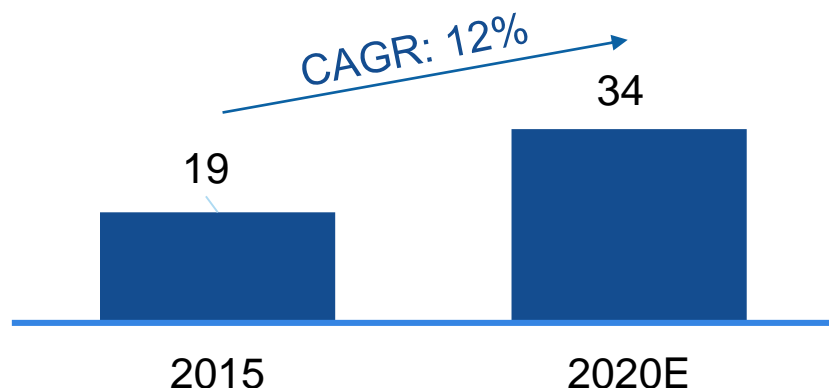


Wealth Management Market in China

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



(By amount of investable assets, USD trillion)



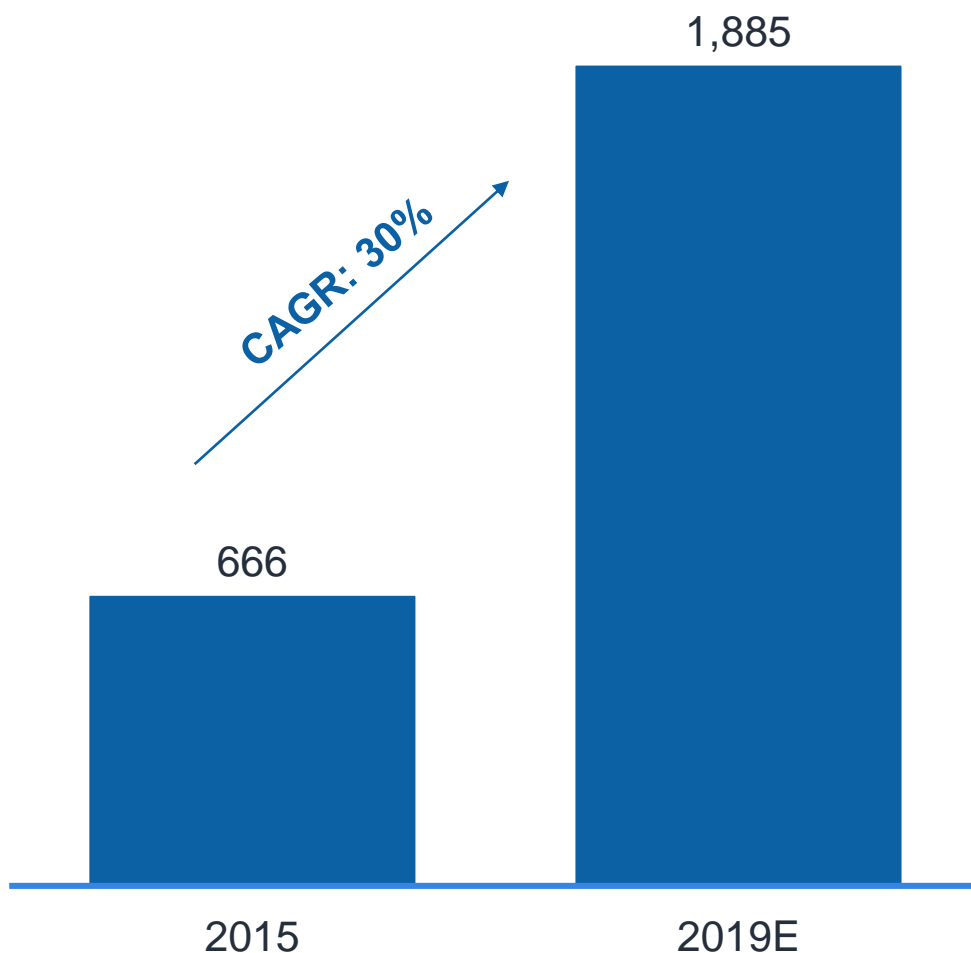
- China's wealth management market is heavily dominated by **retail (over 70%)**
- Individual wealth management market is **just taking off** (individual investable assets expected to increase from **USD 19 trillion in 2015 to USD 34 trillion in 2020**)
- Online wealth management platforms well-positioned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

144,965

Number of investors
in Q4 2018



1.5 M

Cumulative
number of borrowers⁽¹⁾

111,274

Number of borrowers
in Q4 2018



**RMB
112.6 Billion**

Cumulative loan
facilitations ⁽¹⁾

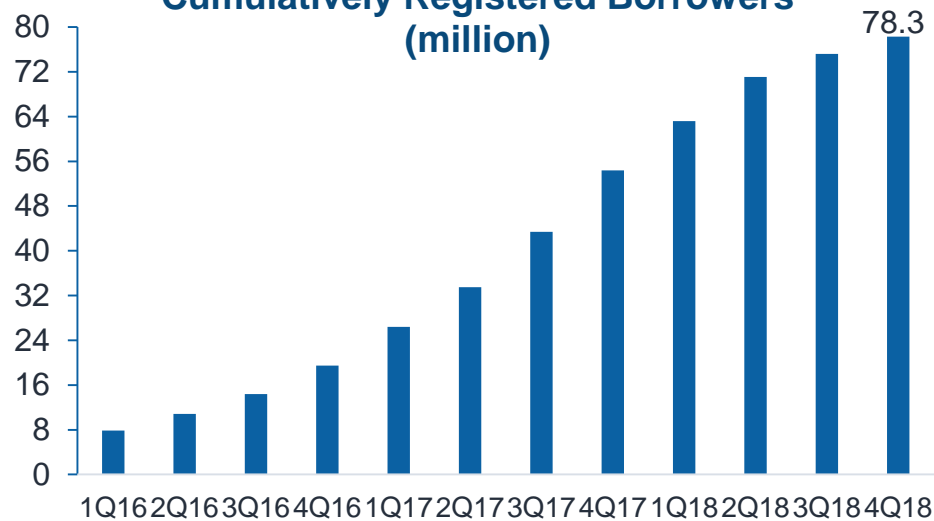
**RMB
40.9 Billion**

Remaining principal of
performing loans⁽²⁾

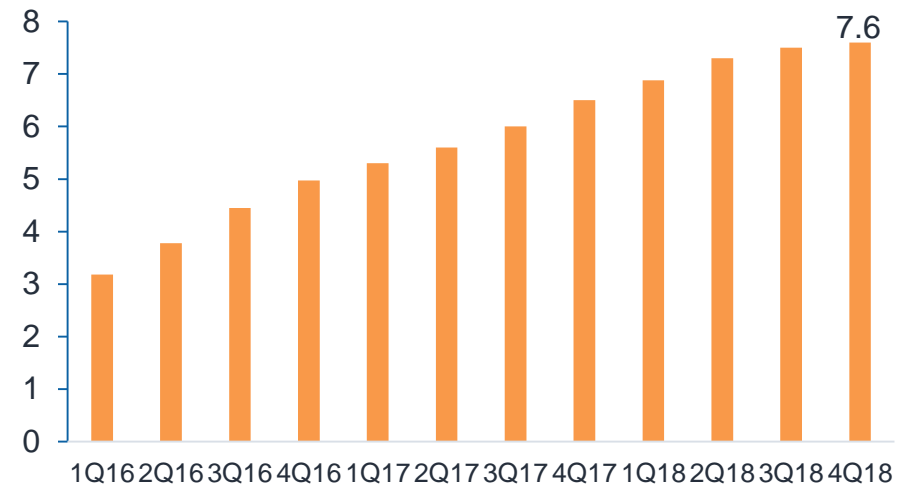
3 Expanding Borrower Universe and Investor Base



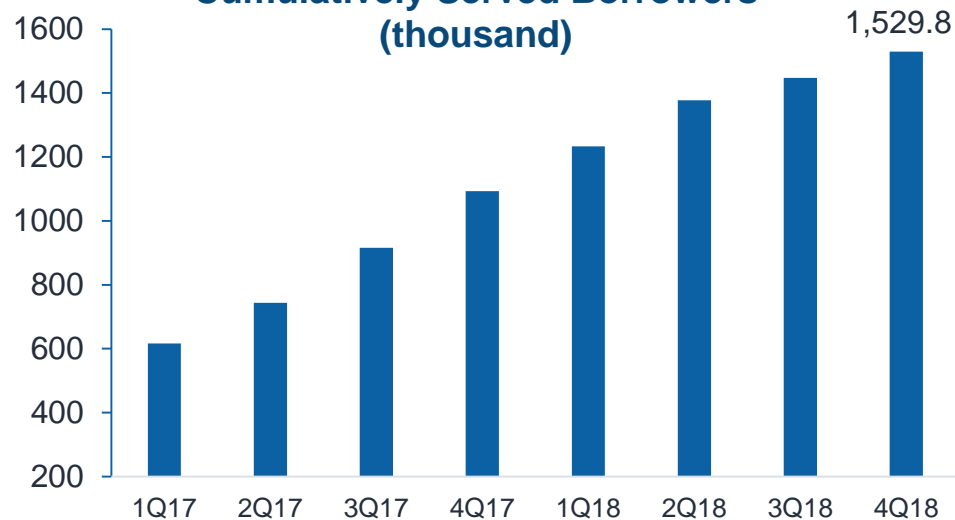
**Cumulatively Registered Borrowers
(million)**



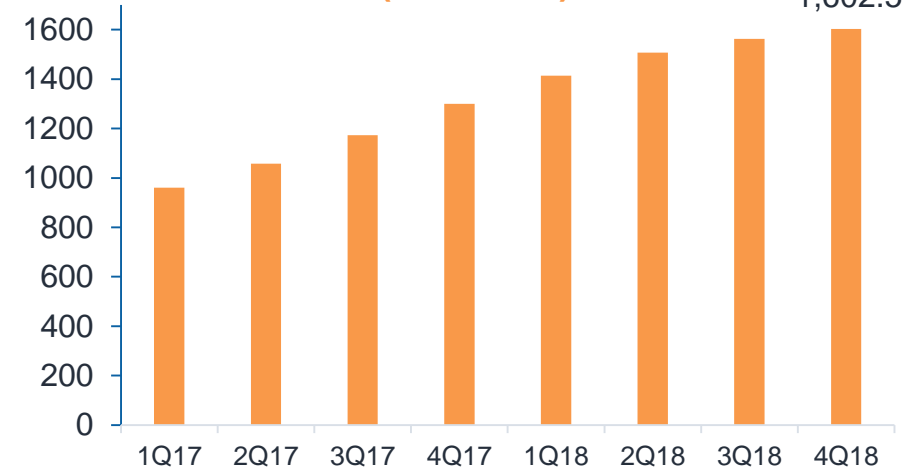
**Cumulatively Registered Investors
(million)**



**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



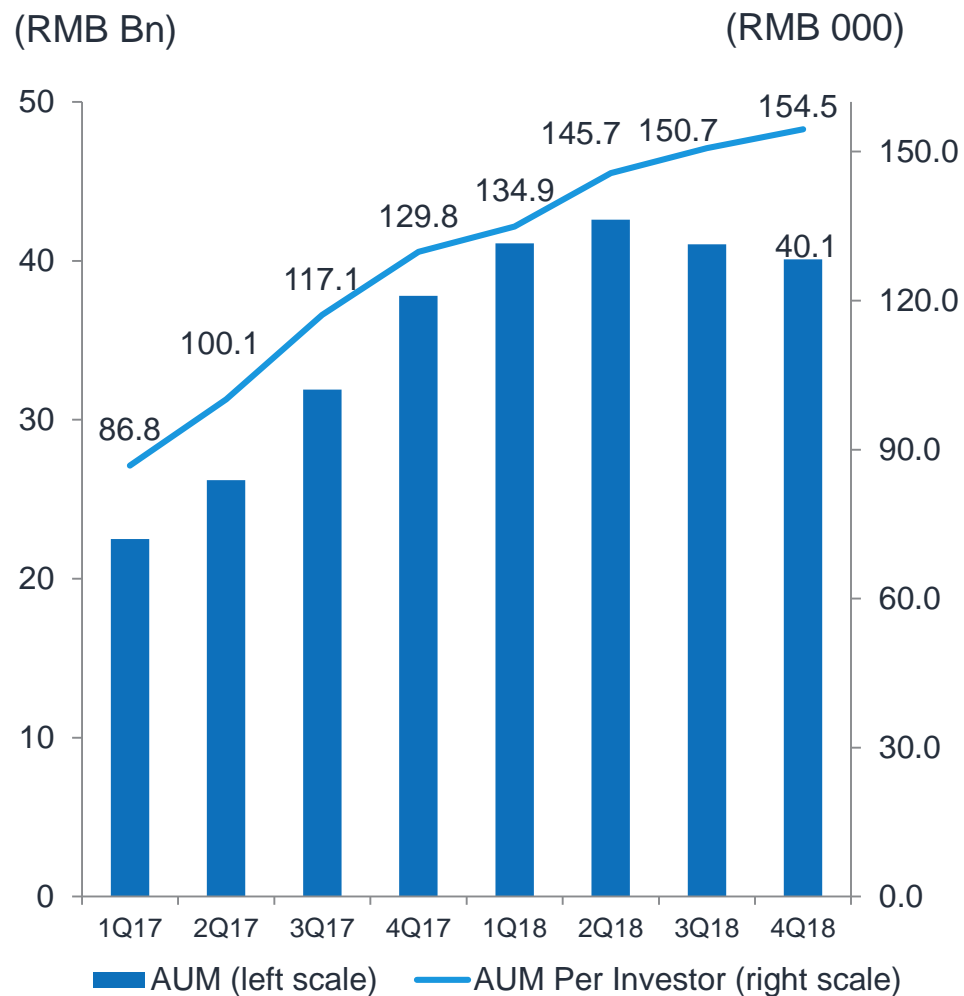
Risk Grid



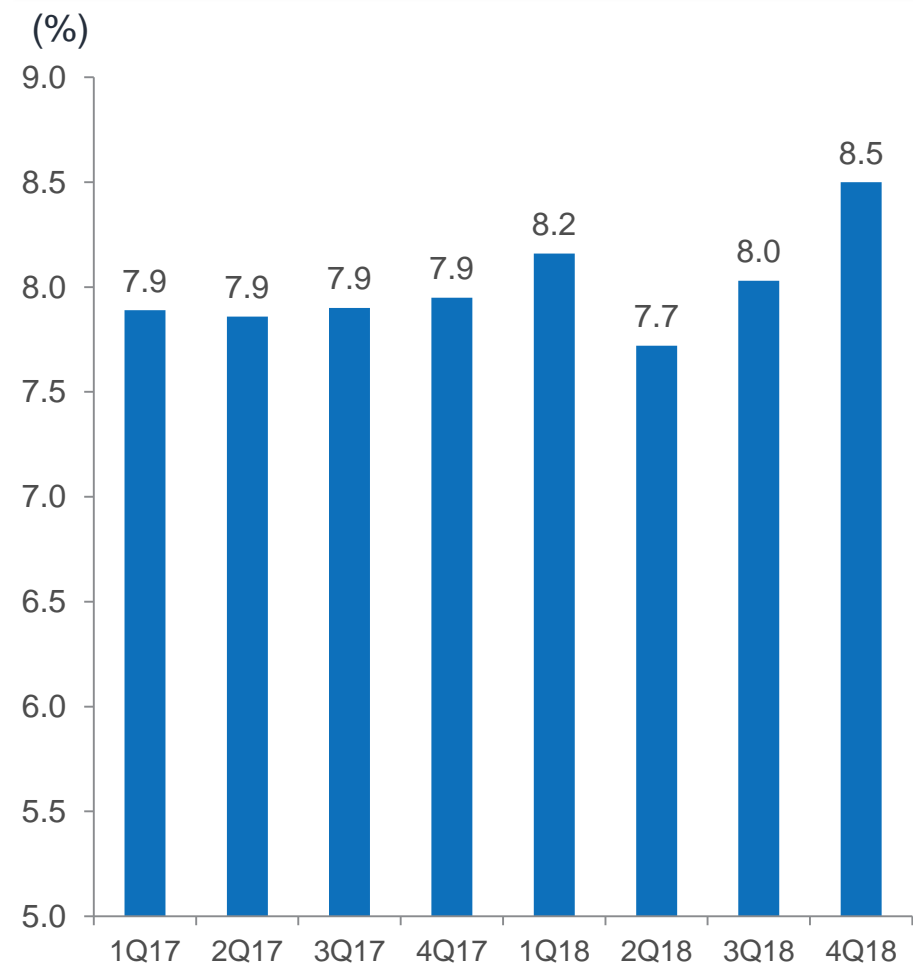
5 Yiren Wealth: Strong Growth Momentum

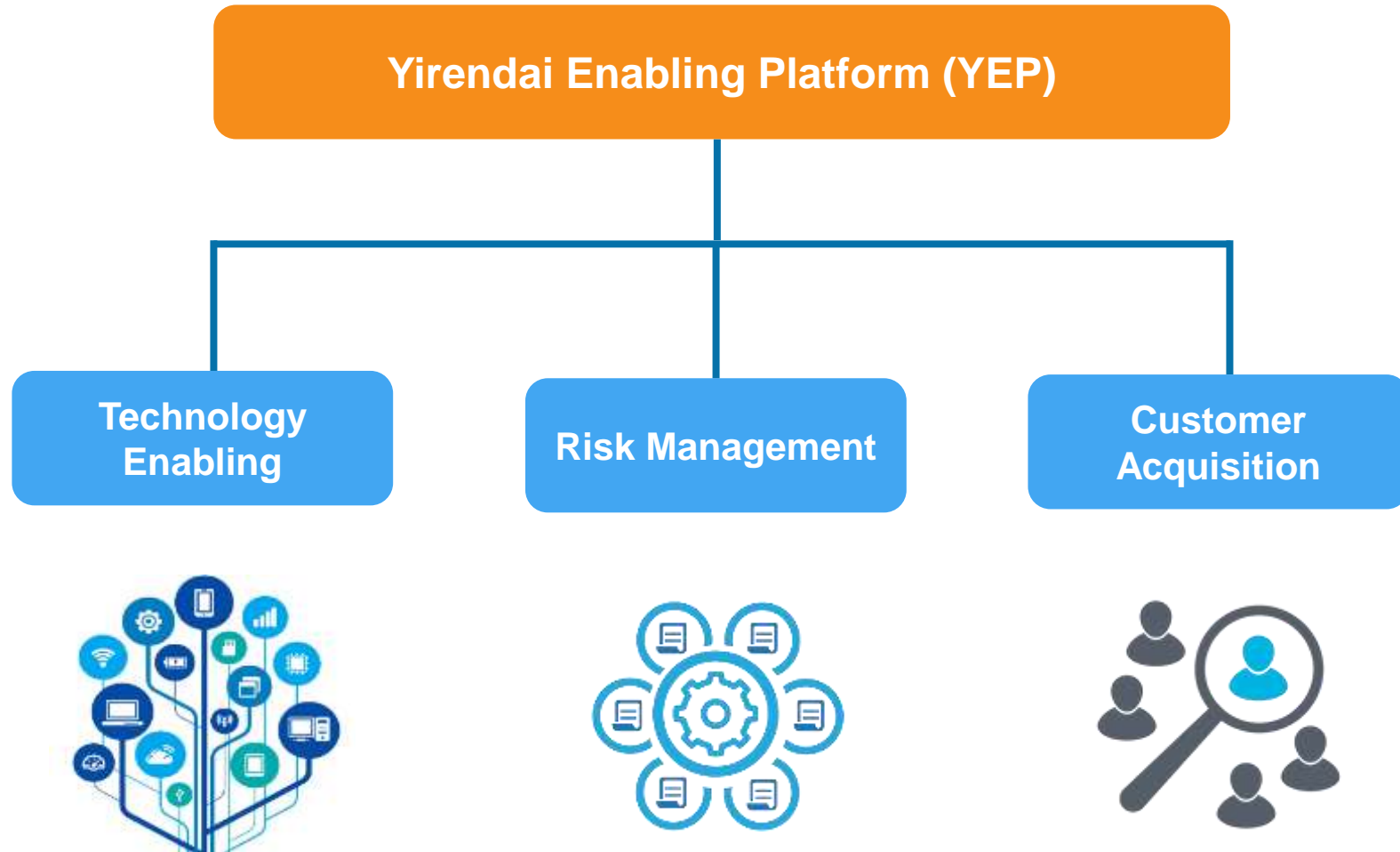


AUM Per Investor ⁽¹⁾



Investment Yield ⁽¹⁾

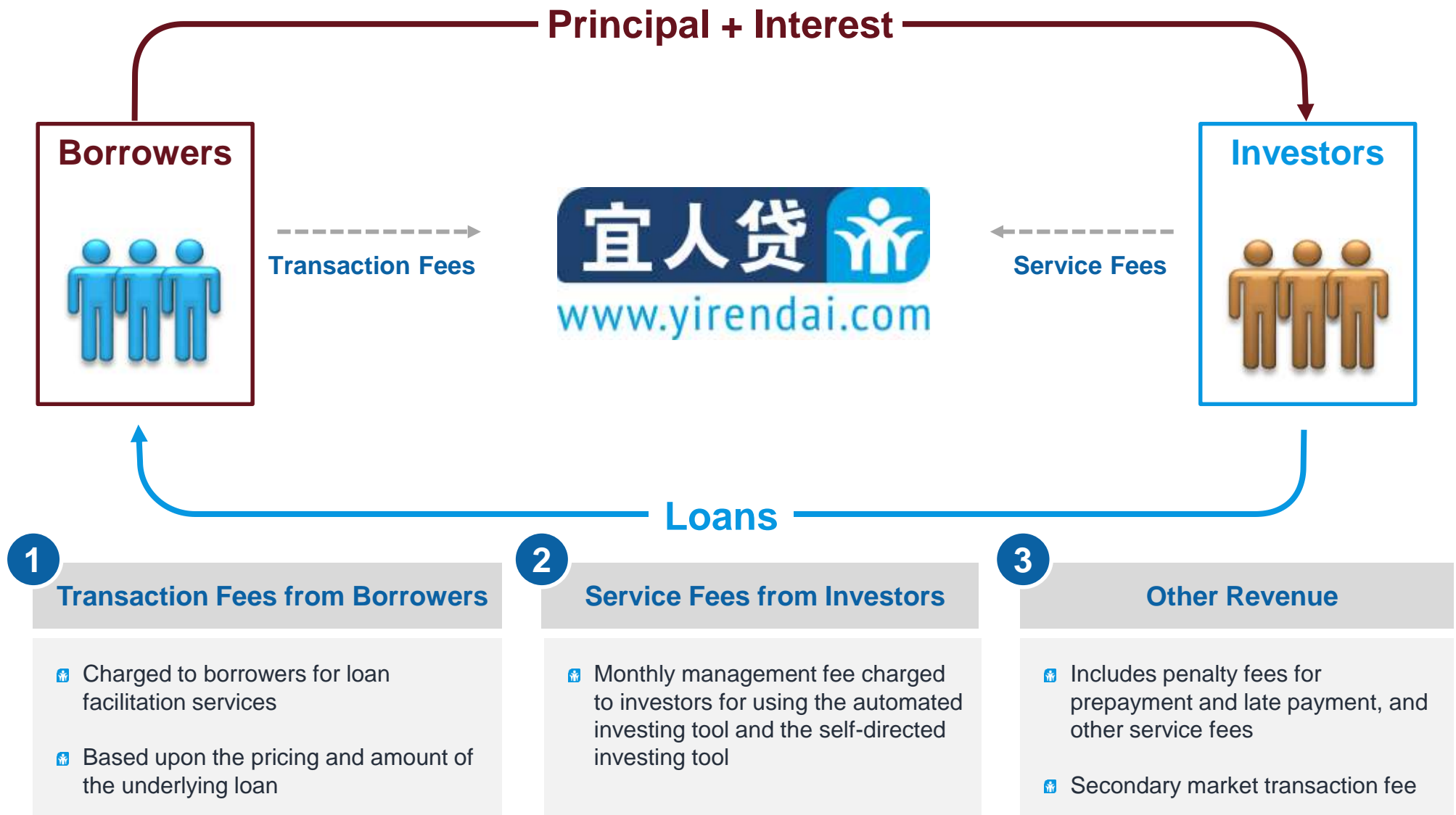






Financial Highlights

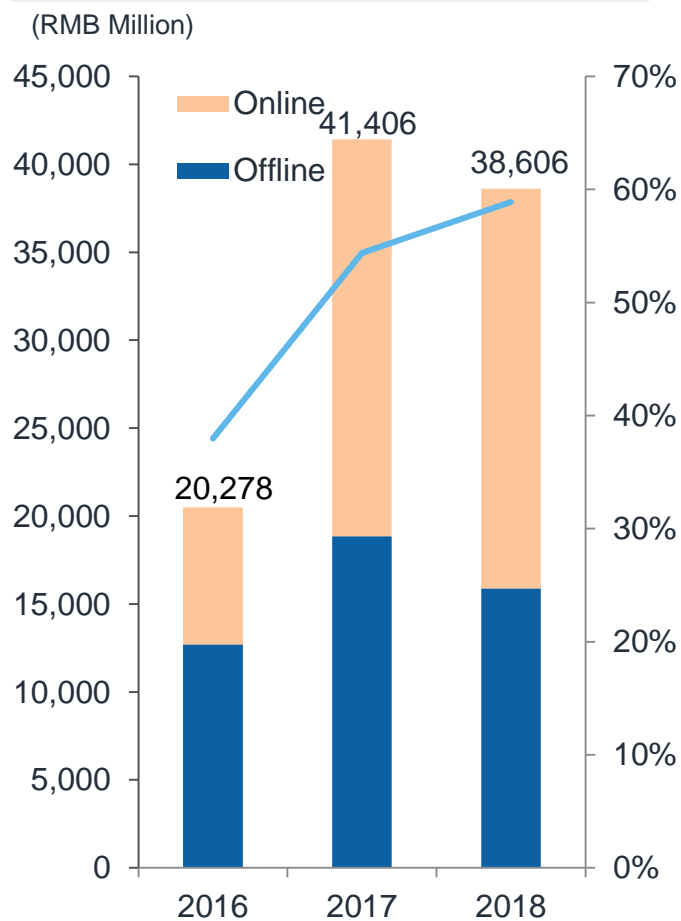
① Marketplace Model



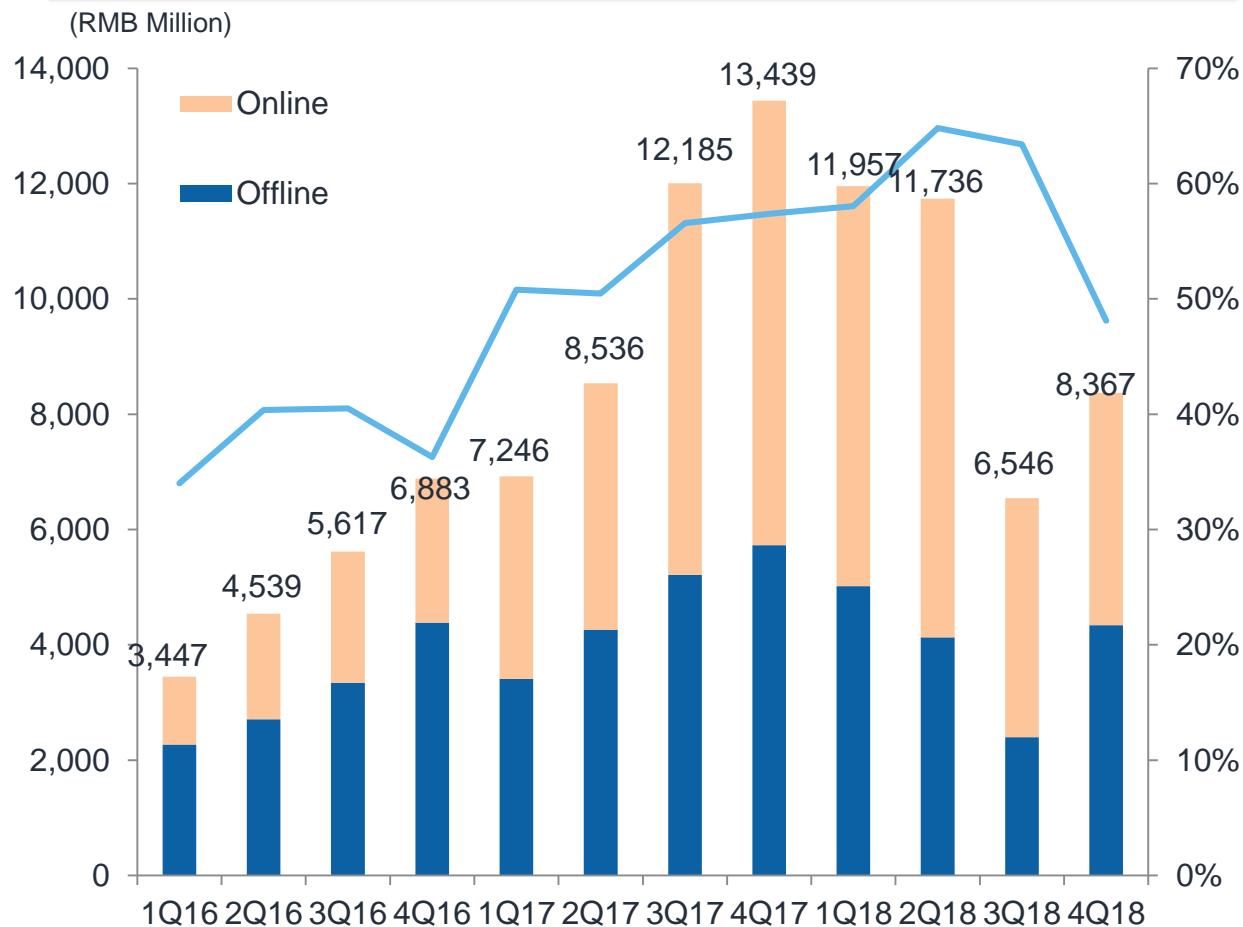
② Disciplined Growth of Loan Facilitations



Annual



Quarterly

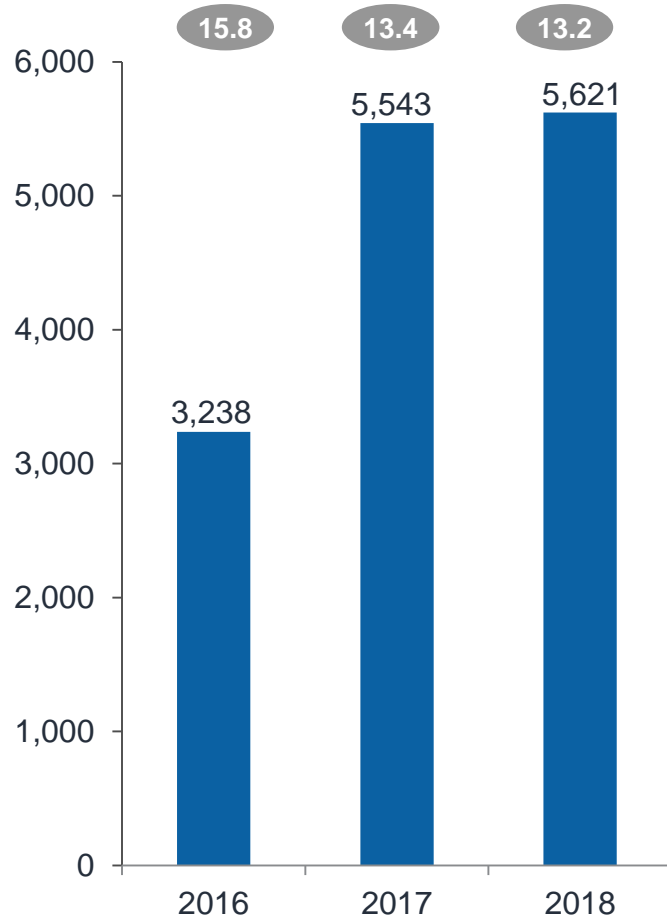


4 Net Revenue Growth

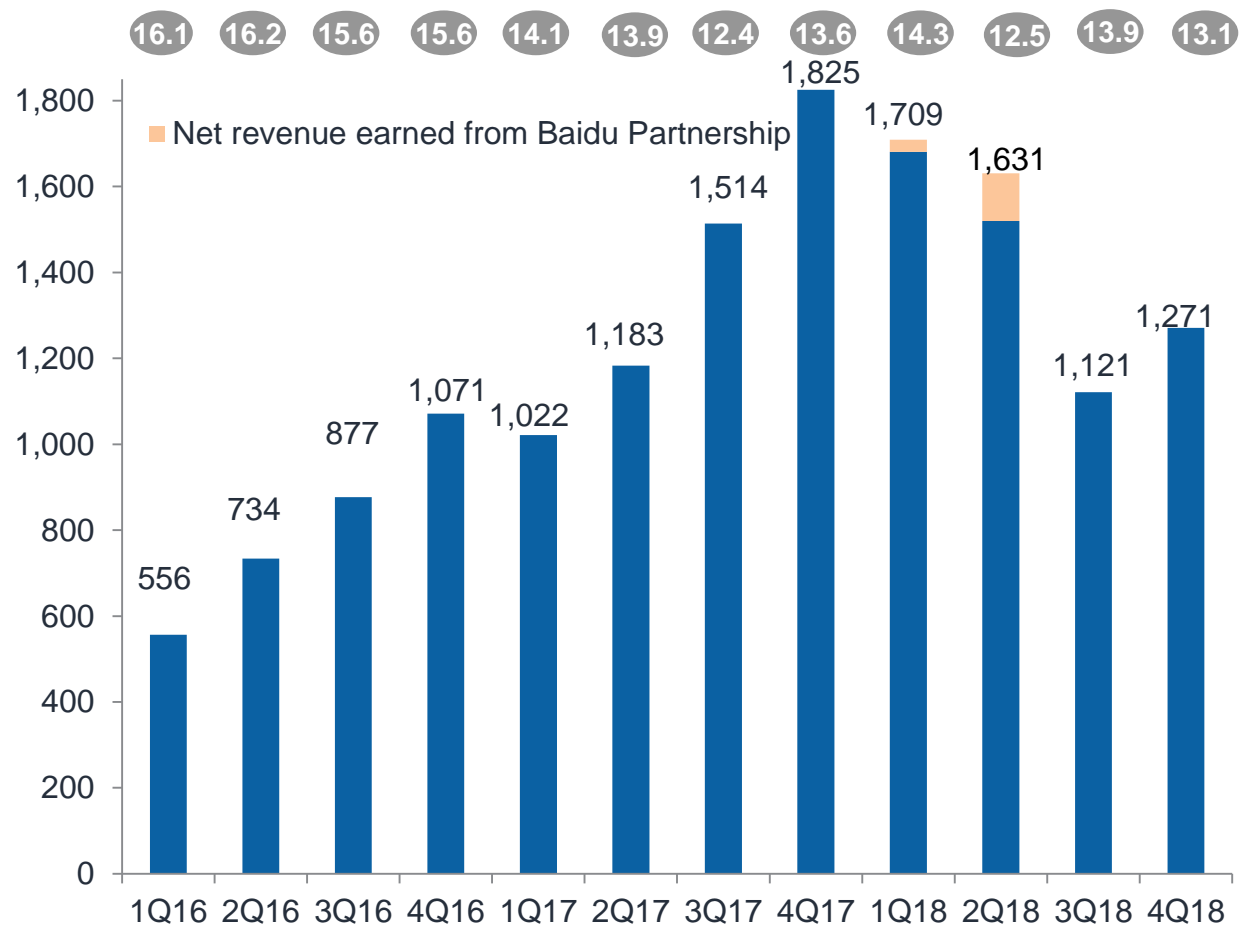


(RMB Million)

Annual



Quarterly

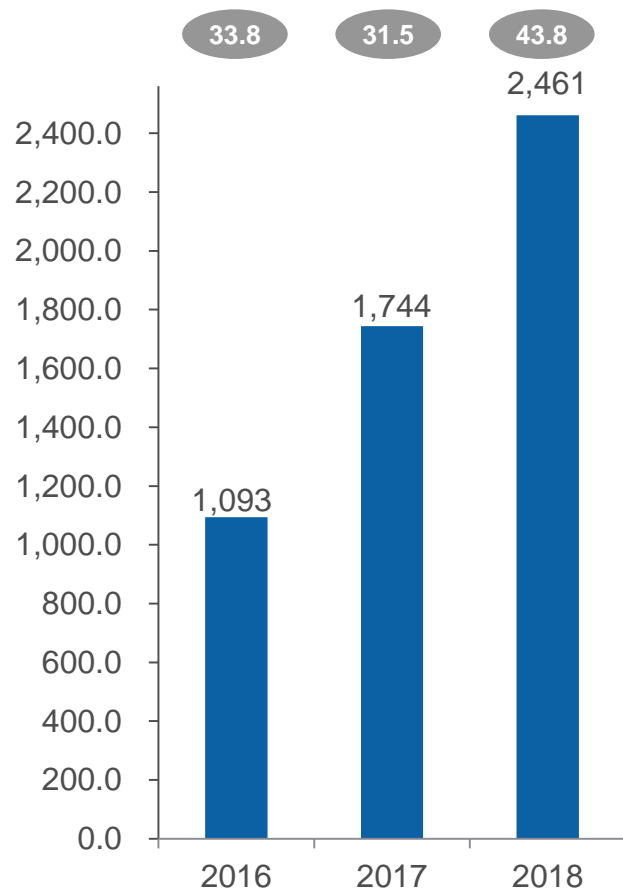


4 Adjusted EBITDA



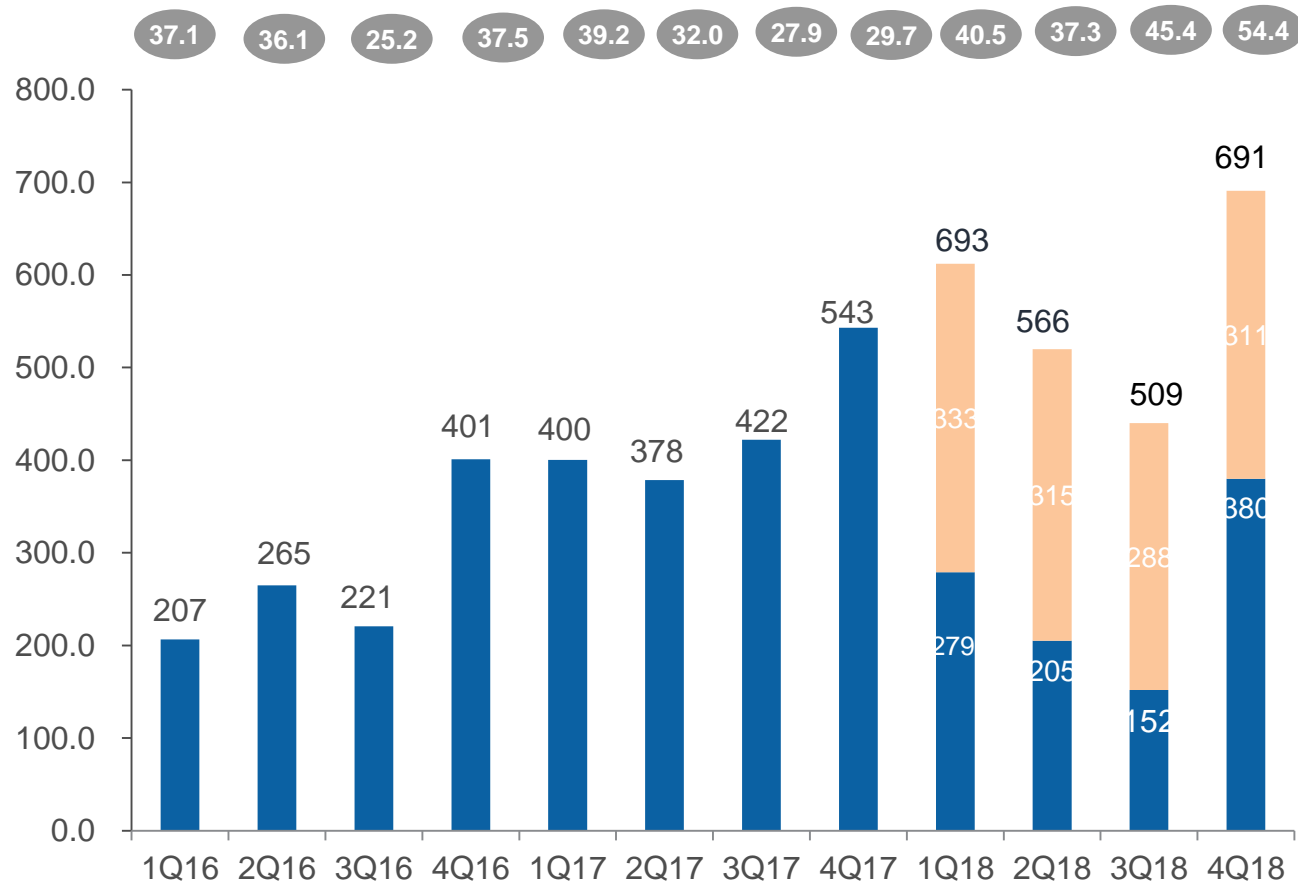
Annual

(RMB Million)



Quarterly

(RMB Million)



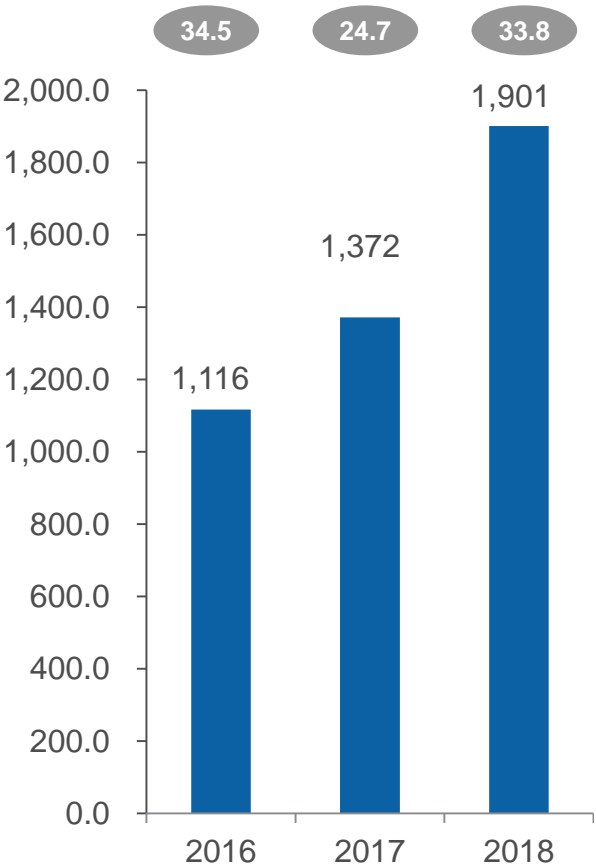
Adjusted EBITDA Margin (%) ⁽¹⁾

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



Annual

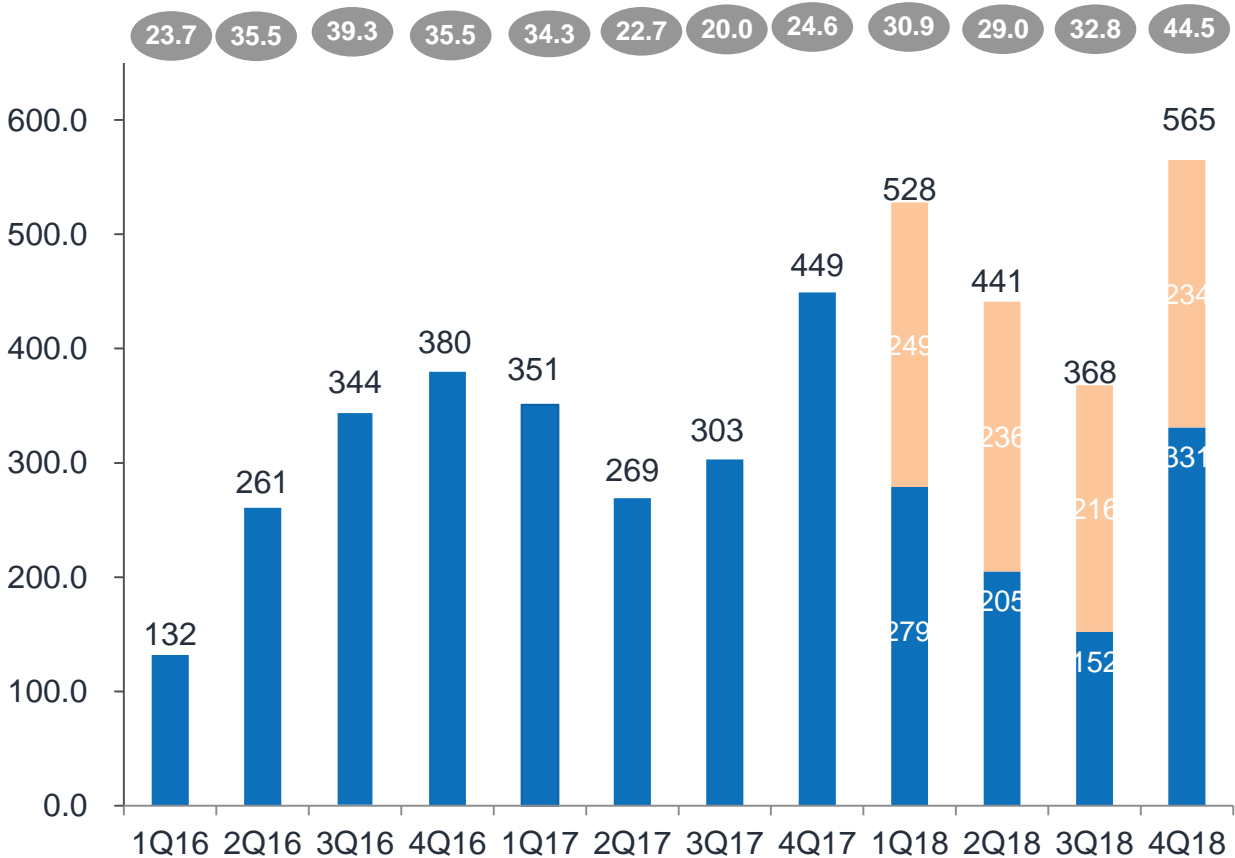
(RMB Million)



(Adjusted) Net Income Margin (%) ⁽¹⁾

Quarterly

(RMB Million)

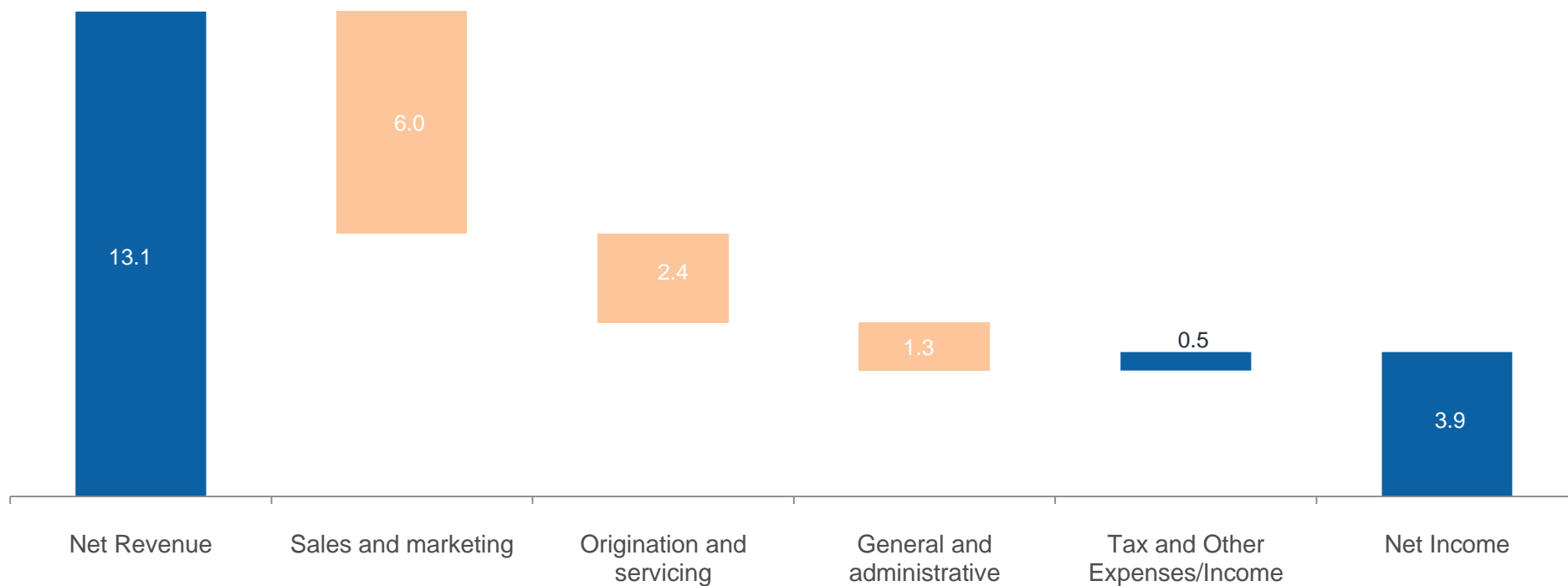


■ Adjustment on income earned from loans facilitated prior to 2018, if ASC 606 was not adopted

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

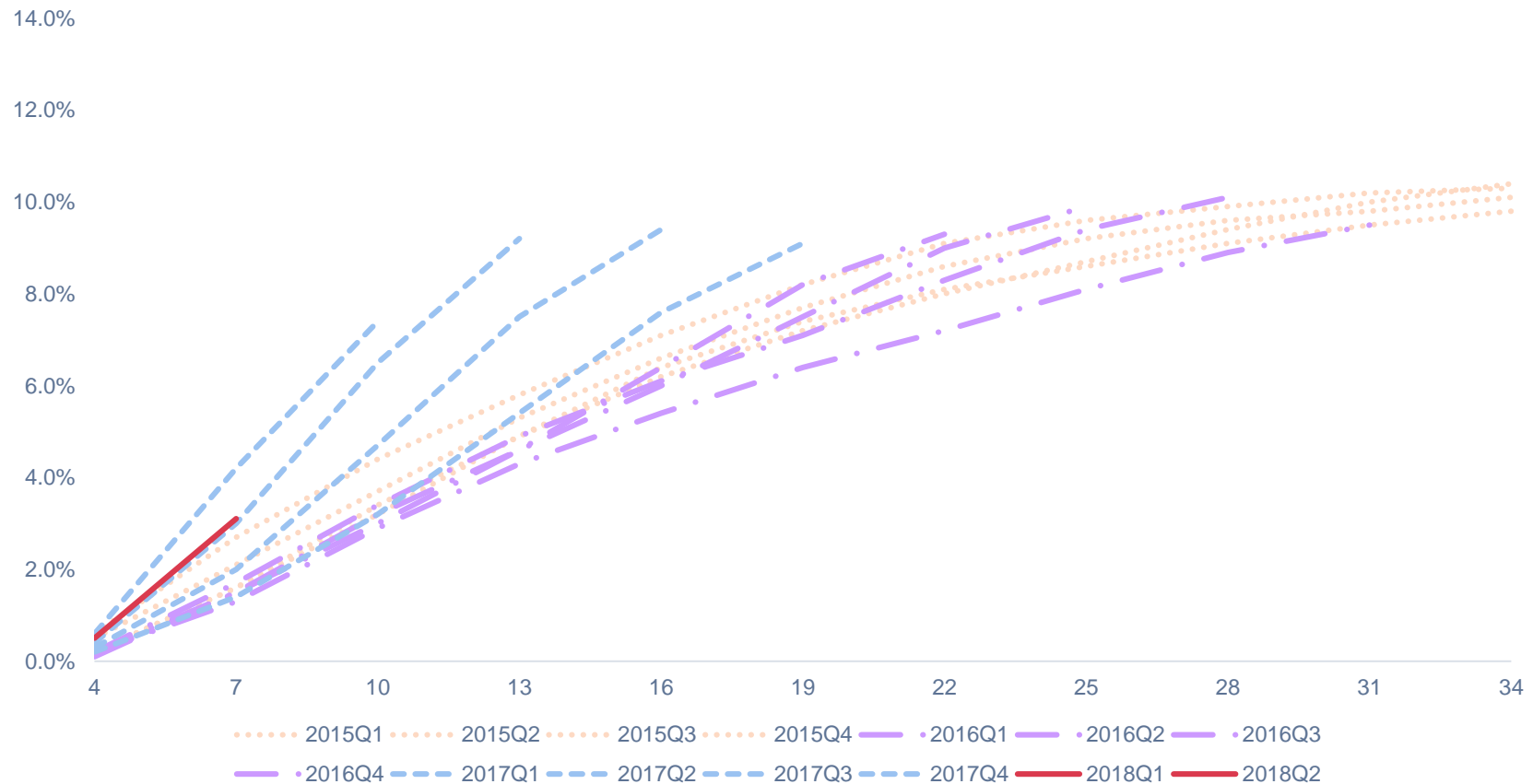
2018Q4 Economics ⁽¹⁾

(Per US\$ 100 loan originated)



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

Loans Facilitated Since 2015



(1) As of Dec 31, 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.



Business Realignment with CreditEase

Strategic Rationale for Business Realignment



- 1 **Leading Fintech Platform in China serving both individual investor and borrower**
- 2 **Online wealth management platform target mass affluent with high quality service**
- 3 **Diversified loan products to meet underserved demand with online and offline service**
- 4 **Multichannel asset sourcing capability coupled with competitive funding cost**
- 5 **More transparent operation to ensure regulatory compliance**
- 6 **Enhanced management team with the combined operation**



1. Target Business: Online wealth management targeting the mass affluent, unsecured and secured consumer lending, financial leasing, SME lending, and other related services or businesses

2. Consideration: 106,917,947 newly issued ordinary shares of Yirendai and RMB 889 million cash

2018 Operational Highlights



in million

Target Businesses	
2018 Loan Volume	
Retained volume	23,236
Referral to YRD	15,884
Cumulative # of borrowers	2.20
Cumulative loan facilitations (RMB Bn)	207
2018 Net Revenue (Unaudited)	6,616
<i>Online WM:</i>	
Active Investors	0.23
AUM	8,550

YRD	
2018 Loan Volume	
Online	22,722
Referral from Target	15,884
Cumulative # of borrowers	1.60
Cumulative loan facilitations (RMB Bn)	113
2018 Net Revenue (Unaudited)	5,621
<i>Yiren Wealth:</i>	
Active Investors	0.62
AUM	40,110



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 Year Ended		
	December	September	December	December	December	December	December
	31, RMB	30, 2018 RMB	31, RMB	31, USD	31, RMB	31, RMB	31, USD
Net revenue:							
Loan facilitation services	1,703,931	516,849	651,137	94,704	5,226,691	3,413,052	496,408
Post-origination services	62,564	79,665	95,985	13,960	187,216	290,728	42,285
Account management services	-	441,146	421,234	61,266	-	1,625,461	236,413
Others	58,295	83,514	102,311	14,881	129,443	291,487	42,395
Total net revenue	1,824,790	1,121,174	1,270,667	184,811	5,543,350	5,620,728	817,501
Operating costs and expenses:							
Sales and marketing	989,811	450,986	499,414	72,637	2,921,236	2,525,876	367,373
Origination and servicing	146,915	154,953	199,579	29,028	417,882	644,303	93,710
General and administrative	155,090	167,288	106,701	15,519	526,845	944,675	137,397
Allowance for contract assets	-	214,695	173,498	25,234	-	667,846	97,135
Total operating costs and expenses	1,291,816	987,922	979,192	142,418	3,865,963	4,782,700	695,615
Interest income, net	30,054	7,856	15,166	2,206	114,851	71,301	10,370
Fair value adjustments related to Consolidated ABFE	(16,802)	44,627	54,591	7,940	(40,124)	246,284	35,821
Non-operating income, net	(44)	41	5,685	827	876	5,279	768
Income before provision for income taxes	546,182	185,776	366,917	53,366	1,752,990	1,160,892	168,845
Income tax expense	97,370	34,163	35,492	5,162	381,207	194,287	28,258
Net income	448,812	151,613	331,425	48,204	1,371,783	966,605	140,587

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 Year Ended		
	December 31, RMB	September 30, 2018 RMB	December 31, RMB	December 31, USD	December 31, RMB	December 31, RMB	December 31, USD
Weighted average number of ordinary shares outstanding, basic	121,319,117	123,042,879	123,111,561	123,111,561	120,457,573	122,244,231	122,244,231
Basic income per share	3.6994	1.2322	2.6921	0.3915	11.3881	7.9072	1.1501
Basic income per ADS	7.3988	2.4644	5.3842	0.7830	22.7762	15.8144	2.3002
Weighted average number of ordinary shares outstanding, diluted	123,744,151	124,875,663	124,825,873	124,825,873	122,256,838	124,289,103	124,289,103
Diluted income per share	3.6269	1.2141	2.6551	0.3862	11.2205	7.7771	1.1311
Diluted income per ADS	7.2538	2.4282	5.3102	0.7724	22.4410	15.5542	2.2622

Balance Sheet



Unaudited Consolidated Balance Sheet (in thousands)

	As of			
	December 31, 2017	September 30, 2018	December 31, 2018	December 31, 2018
	RMB	RMB	RMB	USD
Cash and cash equivalents	1,857,175	806,946	2,028,748	295,069
Restricted cash	1,805,693	112,495	102,163	14,859
Accounts receivable	21,368	6,616	8,782	1,277
Contract assets, net	-	2,115,608	1,891,438	275,098
Contract cost	-	134,577	139,965	20,357
Prepaid expenses and other assets	1,068,990	1,180,650	729,296	106,073
Loans at fair value	791,681	1,335,584	1,075,097	156,366
Amounts due from related parties	117,222	121,864	121,464	17,666
Held-to-maturity investments	9,944	319,639	315,641	45,908
Available-for-sale investments	963,253	833,835	832,465	121,077
Property, equipment and software, net	82,249	96,640	89,831	13,065
Deferred tax assets	801,089	231,655	184,136	26,781
Total assets	7,518,664	7,296,109	7,519,026	1,093,596
Accounts payable	33,841	33,170	30,349	4,414
Amounts due to related parties	73,887	102,844	230,656	33,548
Liabilities from quality assurance program and guar	2,793,948	6,470	9,950	1,447
Deferred revenue	222,906	376,905	275,825	40,117
Payable to third-party credit assurance program	-	353,040	-	-
Payable to investors at fair value	113,445	13,944	7,693	1,119
Accrued expenses and other liabilities	1,299,307	1,074,196	1,088,372	158,296
Refund liability	-	-	252,367	36,705
Deferred tax liabilities	11,277	561,370	502,903	73,144
Total liabilities	4,548,611	2,521,939	2,398,115	348,790
Ordinary shares	76	77	77	11
Additional paid-in capital	1,123,854	1,266,534	1,293,968	188,200
Treasury stock	-	(254)	(254)	(37)
Accumulated other comprehensive income	11,067	18,360	16,390	2,384
Retained earnings	1,835,056	3,489,453	3,810,730	554,248
Total equity	2,970,053	4,774,170	5,120,911	744,806
Total liabilities and equity	7,518,664	7,296,109	7,519,026	1,093,596

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 Year Ended		
	December 31,	September 30, 2018	December 31,	December 31,	December 31,	December 31,	December 31,
	RMB	RMB	RMB	USD	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data							
Net cash generated from/(used in) operating activities	1,275,309	(138,204)	1,025,896	149,211	2,716,513	(820,182)	(119,291)
Net cash (used in)/ provided by investing activities	(193,498)	(82,268)	266,886	38,817	(374,597)	(689,443)	(100,275)
Net cash used in financing activities	(581,752)	(105,574)	(72,397)	(10,530)	(849,450)	(25,963)	(3,776)
Effect of foreign exchange rate changes	9,018	15,405	(8,915)	(1,297)	(16,109)	3,631	528
Net increase/(decrease) in cash, cash equivalents and restricted cash	509,077	(310,641)	1,211,470	176,201	1,476,357	(1,531,957)	(222,814)
Cash, cash equivalents and restricted cash, beginning of period	3,153,791	1,230,082	919,441	133,727	2,186,511	3,662,868	532,742
Cash, cash equivalents and restricted cash, end of period	3,662,868	919,441	2,130,911	309,928	3,662,868	2,130,911	309,928

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 Year Ended		
	December	September	December	December	December	December	December
	31, RMB	30, 2018 RMB	31, RMB	31, USD	31, RMB	31, RMB	31, USD
Operating Highlights							
Amount of loans facilitated	13,438,520	6,546,167	8,367,171	1,216,955	41,406,058	38,606,273	5,615,050
Loans generated from online channels	7,709,403	4,147,761	4,025,837	585,534	22,543,298	22,722,351	3,304,829
Loans generated from offline channels	5,729,117	2,398,406	4,341,334	631,421	18,862,760	15,883,922	2,310,221
Number of borrowers	202,370	96,402	111,274	111,274	649,154	553,726	553,726
Borrowers from online channels	150,982	72,108	67,625	67,625	472,960	397,824	397,824
Borrowers from offline channels	51,388	24,294	43,649	43,649	176,194	155,902	155,902
Number of investors	233,374	164,218	144,965	144,965	592,642	485,519	485,519
Investors from online channels	233,374	164,218	144,965	144,965	592,642	485,519	485,519
Adjusted EBITDA	542,704	509,293	691,342	100,551	1,743,848	2,460,605	357,881
Adjusted EBITDA margin	29.7%	45.4%	54.4%	54.4%	31.5%	43.8%	43.8%

Operating Highlights (2/2)



(in thousands)

	As of			
	December 31, 2017 RMB	September 30, 2018 RMB	December 31, 2018 RMB	December 31, 2018 USD
Operating Highlights				
Remaining principal of performing loans	40,616,167	42,576,846	40,868,161	5,944,027
Remaining principal of performing loans covered by quality assurance program and guarantee	39,717,029	124,811	101,363	14,743
Remaining principal of performing loans covered by third-party credit assurance program	-	38,960,185	37,749,862	5,490,490



	Delinquency Rates		
	Delinquent for		
	15-29 days	30-59 days	60-89 days
All Loans			
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%
December 31, 2018	1.0%	1.9%	1.8%
Online Channels			
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%
December 31, 2018	1.2%	2.4%	2.2%
Offline Channels			
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%
December 31, 2018	0.8%	1.4%	1.3%

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 December 31, 2018 (in RMB thousands)	Total Net Charge-Off Rate as of December 31, 2018
2014	I	-	-	-
	II	1,921,372	82,989	4.3%
	III	303,276	18,937	6.2%
	IV	-	-	-
	V	3,913	518	13.2%
	Total	2,228,561	102,444	4.6%
2015	I	146,490	4,638	3.2%
	II	1,614,354	101,327	6.3%
	III	2,521,705	215,384	8.5%
	IV	2,506,107	272,121	10.9%
	V	2,768,957	391,705	14.1%
	Total	9,557,613	985,174	10.3%
2016	I	497,220	20,336	4.1%
	II	3,137,889	170,796	5.4%
	III	3,763,081	266,983	7.1%
	IV	5,183,233	468,372	9.0%
	V	7,799,180	1,171,998	15.0%
	Total	20,380,603	2,098,484	10.3%
2017	I	2,701,162	111,688	4.1%
	II	9,079,647	749,174	8.3%
	III	10,611,451	1,211,262	11.4%
	IV	10,263,135	1,285,630	12.5%
	V	8,750,663	1,166,265	13.3%
	Total	41,406,058	4,524,019	10.9%
2018	I	4,004,135	45,778	1.1%
	II	11,390,441	260,898	2.3%
	III	11,230,283	340,428	3.0%
	IV	8,174,933	385,731	4.7%
	V	3,806,481	273,467	7.2%
	Total	38,606,273	1,306,302	3.4%

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%	10.4%
2016Q1	0.2%	1.3%	2.9%	4.3%	5.4%	6.4%	7.2%	8.1%	8.9%	9.5%	
2016Q2	0.2%	1.7%	3.4%	4.9%	6.1%	7.1%	8.3%	9.4%	10.1%		
2016Q3	0.1%	1.5%	3.2%	4.6%	6.0%	7.5%	9.0%	9.9%			
2016Q4	0.2%	1.5%	3.0%	4.6%	6.4%	8.2%	9.3%				
2017Q1	0.2%	1.4%	3.2%	5.4%	7.6%	9.1%					
2017Q2	0.3%	2.0%	4.7%	7.5%	9.4%						
2017Q3	0.4%	3.0%	6.5%	9.2%							
2017Q4	0.6%	4.2%	7.4%								
2018Q1	0.5%	3.1%									
2018Q2	0.6%										



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