



Q3 2017 Earnings Conference Call

November 14, 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 and **wealth**
management service through our
online platform

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** serving individual borrowers and investors



Targeting prime borrowers seeking unsecured consumer credit



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



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



Online wealth management for investors

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 #1 among 2000+ online lending platforms⁽²⁾

Asia Banker Award



RMB
60.5 Billion

Cumulative Loan
Facilitations ⁽³⁾



915,000+

Cumulative Number of
Borrowers ⁽³⁾



1.1 M+

Cumulative Number
Of Investors ⁽³⁾

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

Largely Untapped Consumer Credit & Wealth Management Market



2

A 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

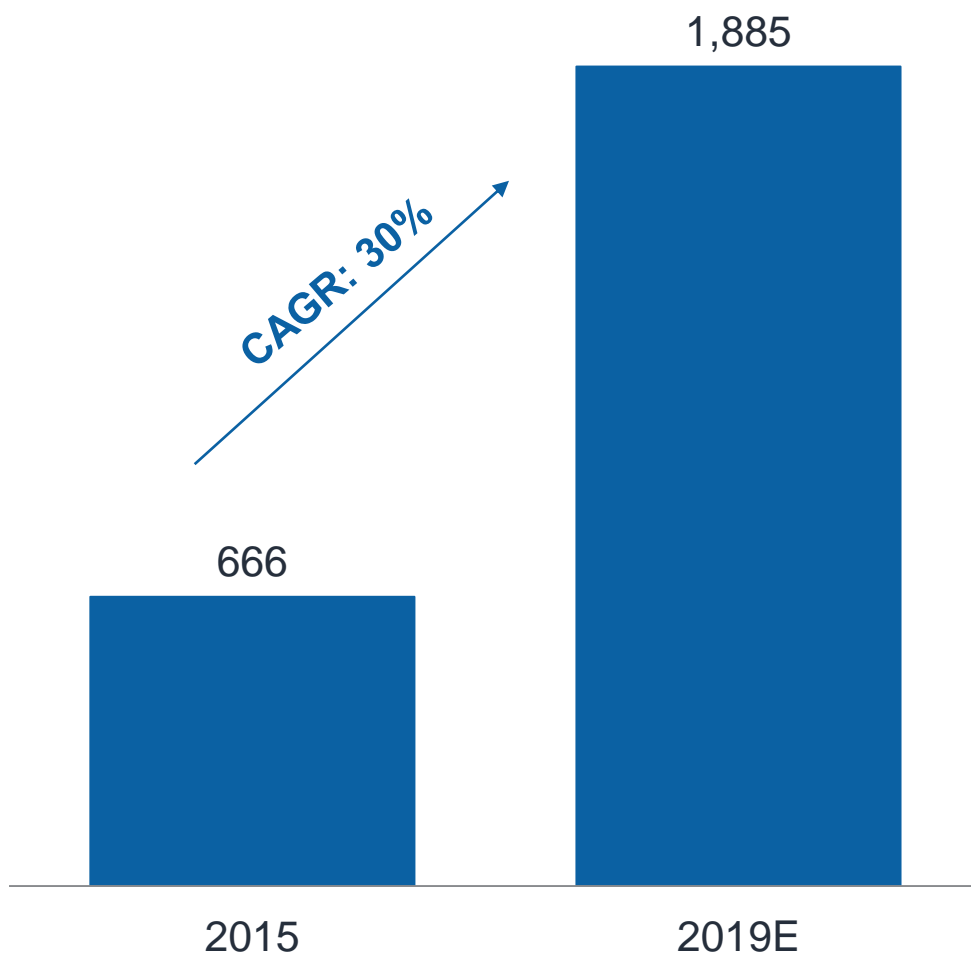


① Large Unsecured Consumer Credit Demand ⁽¹⁾



Unsecured Consumer Finance Market in China ⁽¹⁾

(By outstanding loan balance, USD Billion)



Immediately addressable market:

prime borrowers with unmet unsecured credit needs

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



Future target market may extend to broader unmet unsecured credit needs

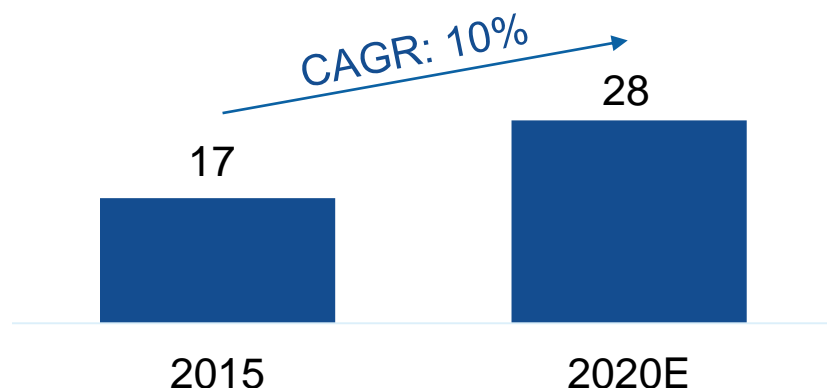
- New products (ie. line of credit product)
- Generation Z (tech-savvy)

① Large Wealth Management Market

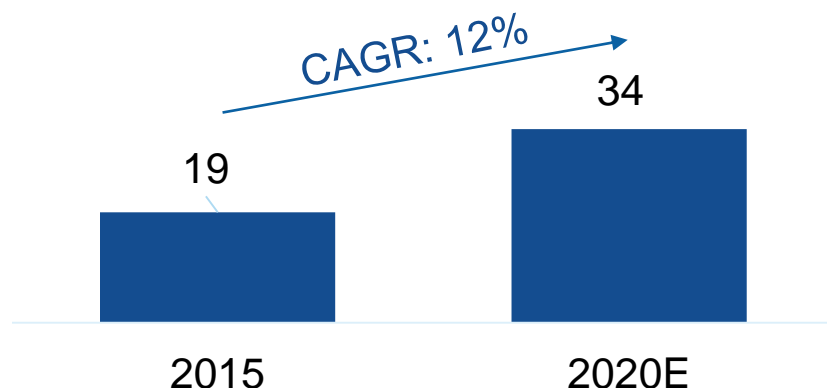


Wealth Management Market in China

(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

2 A Leading Fintech Company in China



RMB
60.5 Billion

Cumulative loan
facilitations ⁽¹⁾

RMB
12.2 Billion

Loan facilitations
in Q3 2017



RMB
34.2 Billion

Remaining principal of
performing loans ⁽²⁾

RMB
2.4 Billion

Liabilities from quality
assurance program ⁽²⁾



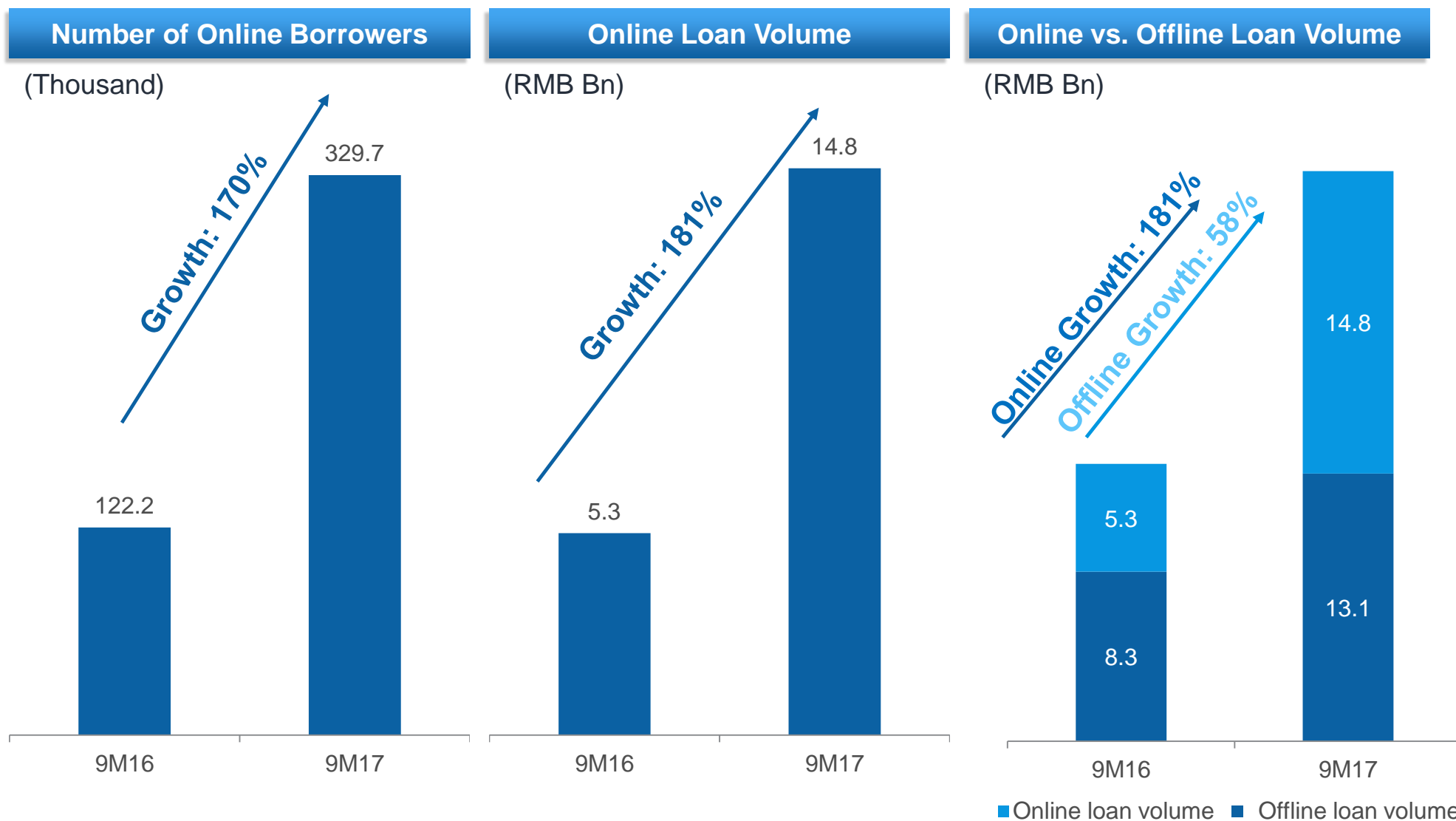
915,900
Cumulative
number of borrowers ⁽¹⁾

192,725
Number of borrowers
in Q3 2017



1.1M+
Cumulative
number of investors ⁽¹⁾

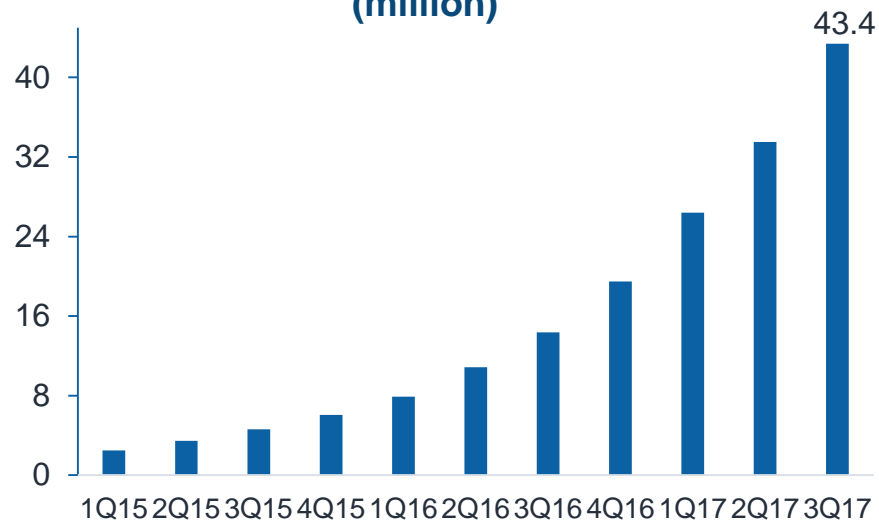
214,967
Number of investors
in Q3 2017



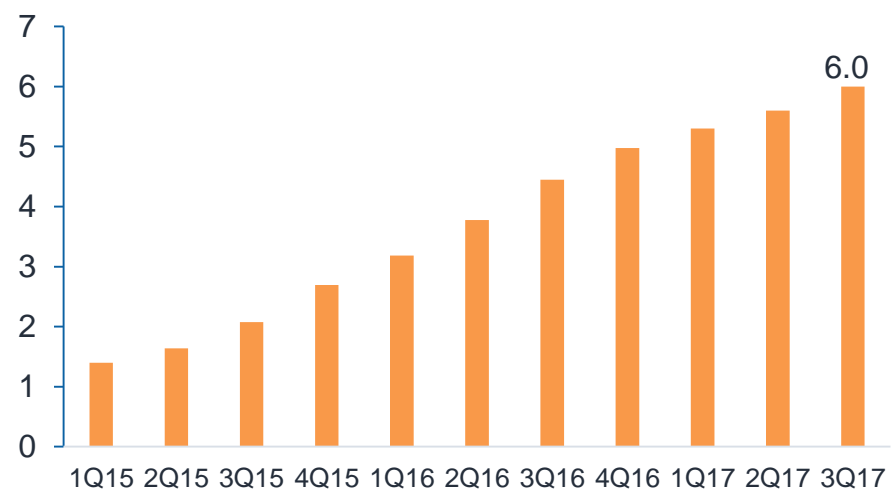
3 Expanding Borrower Universe and Investor Base



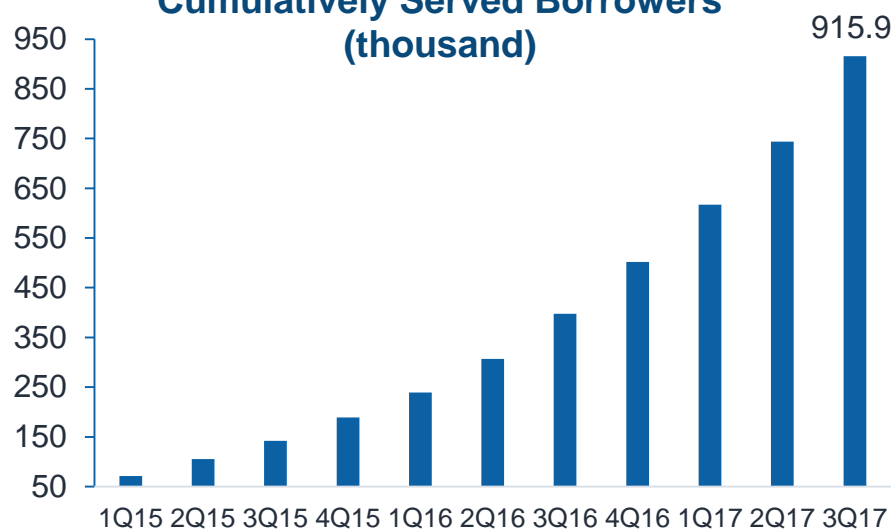
**Cumulatively Registered Borrowers
(million)**



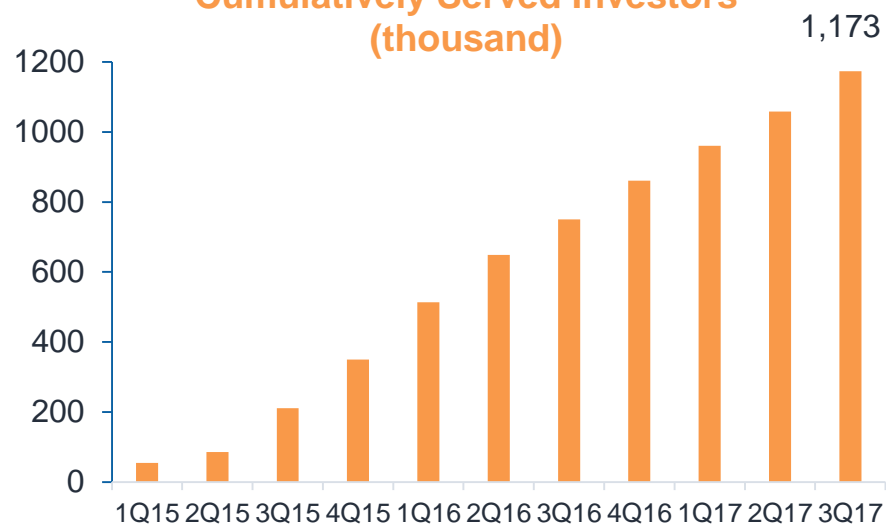
**Cumulatively Registered Investors
(million)**



**Cumulatively Served Borrowers
(thousand)**



**Cumulatively Served Investors
(thousand)**



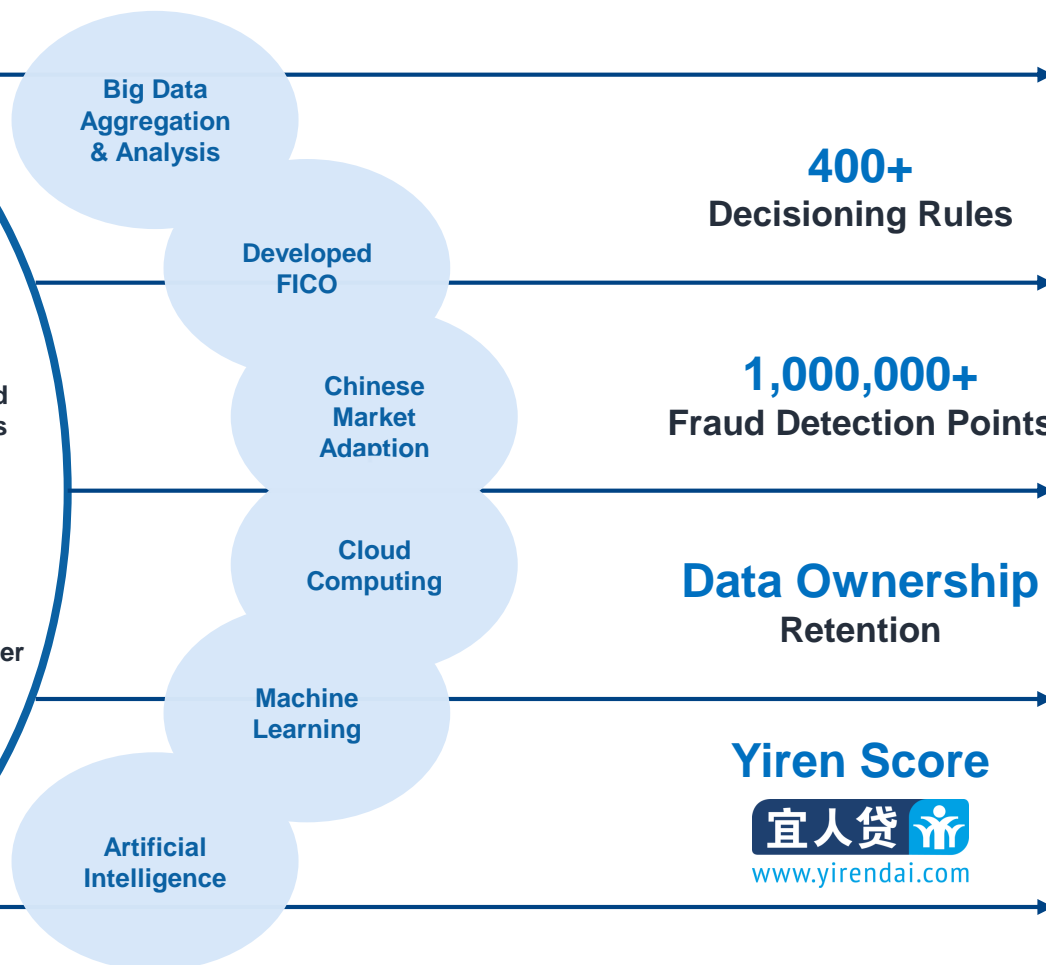
4 Extensive Data Set and Credit Decisioning Capabilities



Extensive Data Set



Proprietary Decisioning Platform



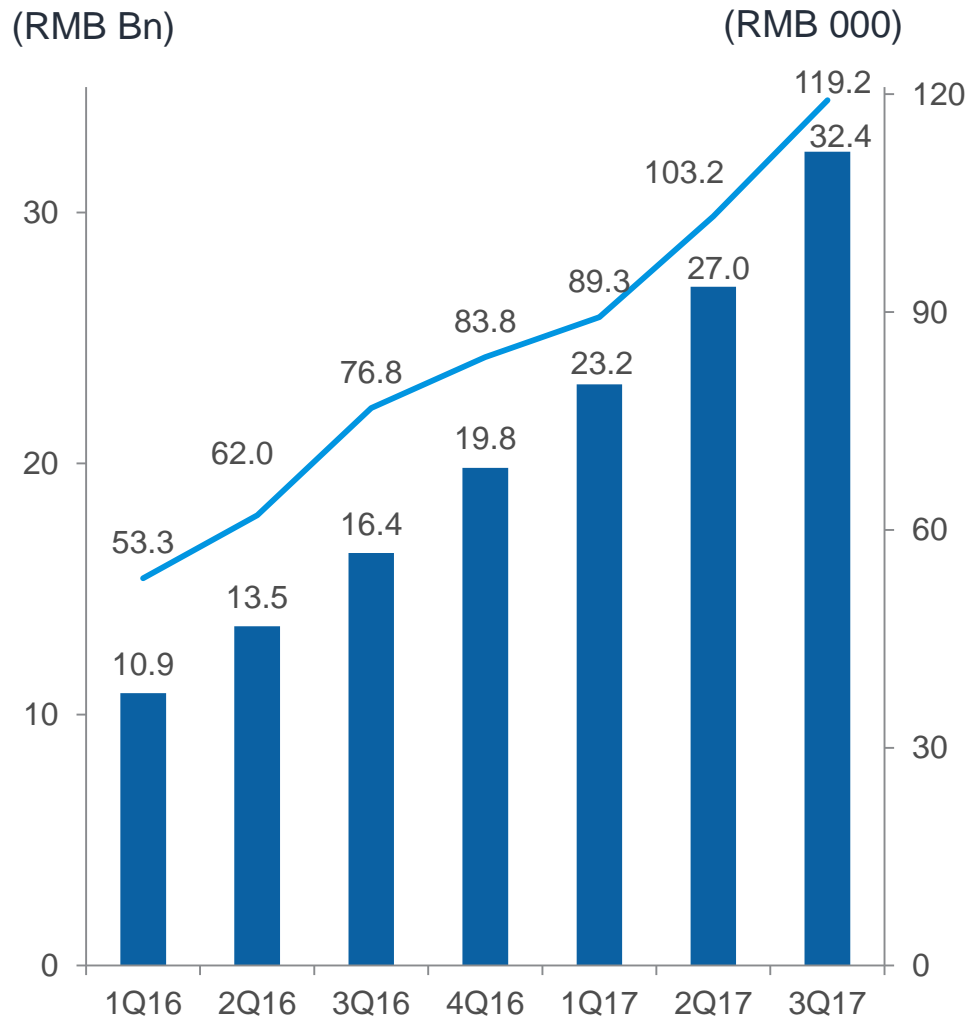
Risk Grid



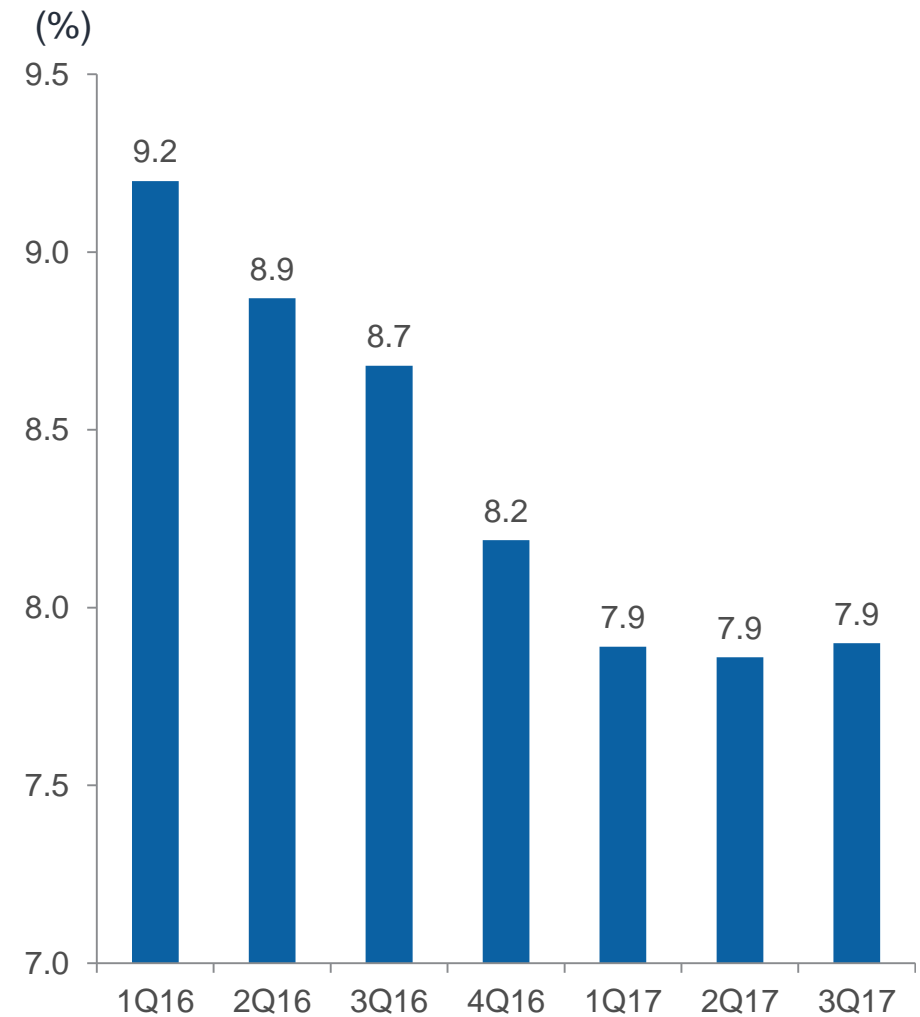


5 Yiren Wealth: Strong Growth Momentum

AUM Per Investor Reach New High



Investment Yield





Financial Highlights

Financial Highlights



1

Marketplace Model

2

Disciplined Growth of Loan Facilitations

3

Sophisticated Risk Pricing Product Portfolio

4

Robust Growth and Profitability

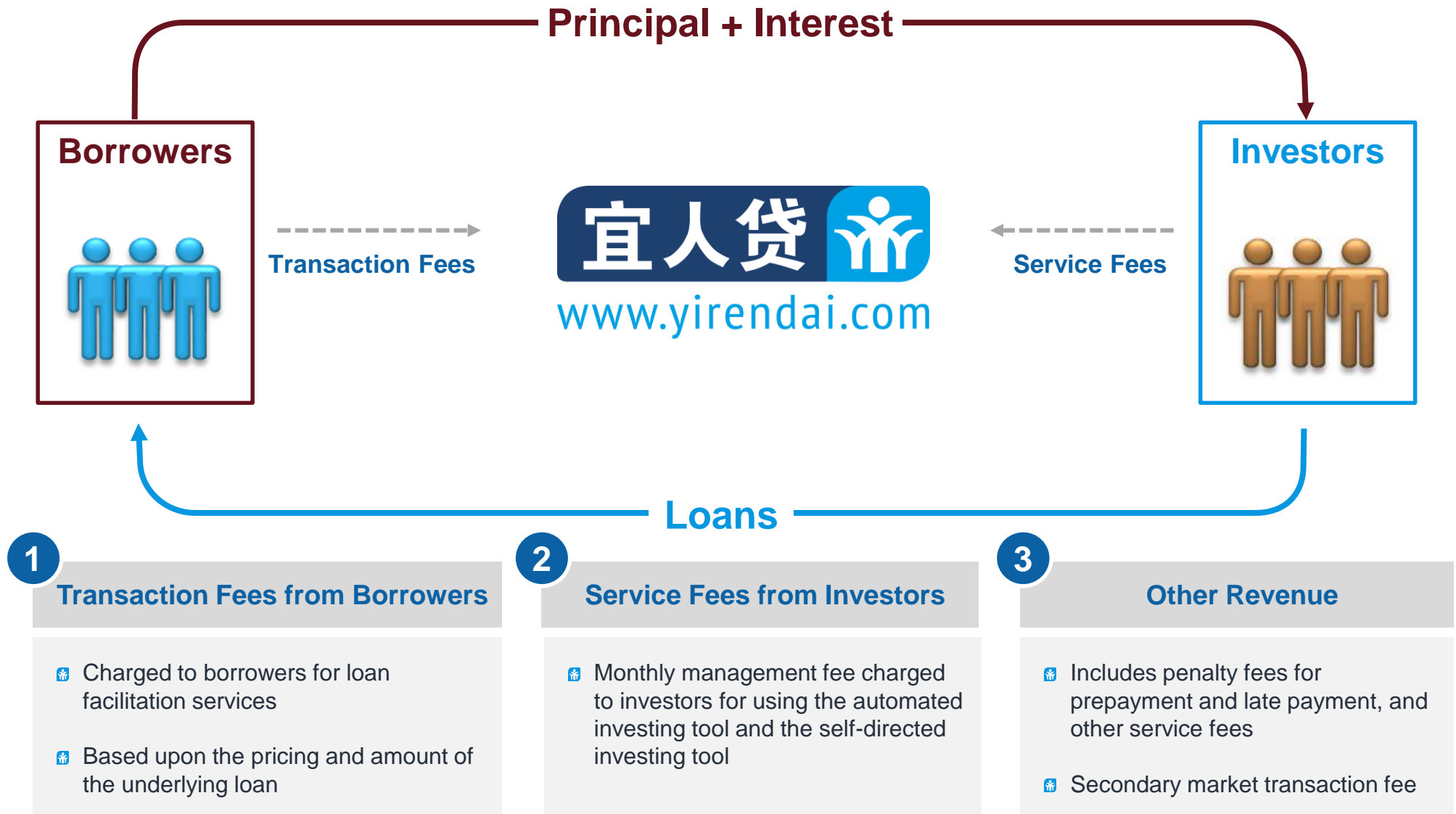
5

Proven Credit Performance

6

Business Outlook

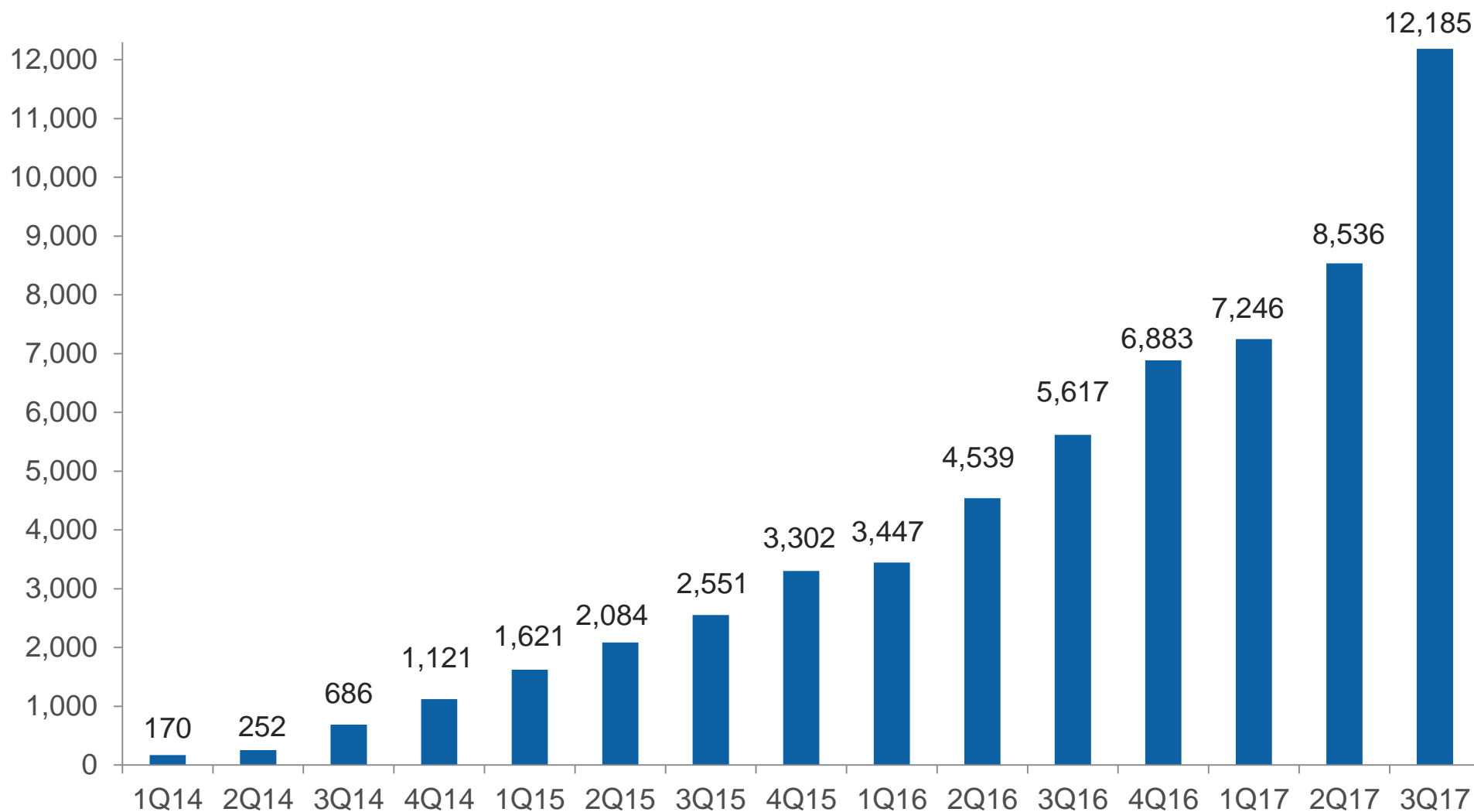
① Marketplace Model



② Disciplined Growth of Loan Facilitations



(RMB Million)





Pricing Grade	9M 2017 Volume (RMB billion)	%
A	0.7	3%
B	2.1	7%
C	3.3	12%
D	21.9	78%
Total	28.0	100%

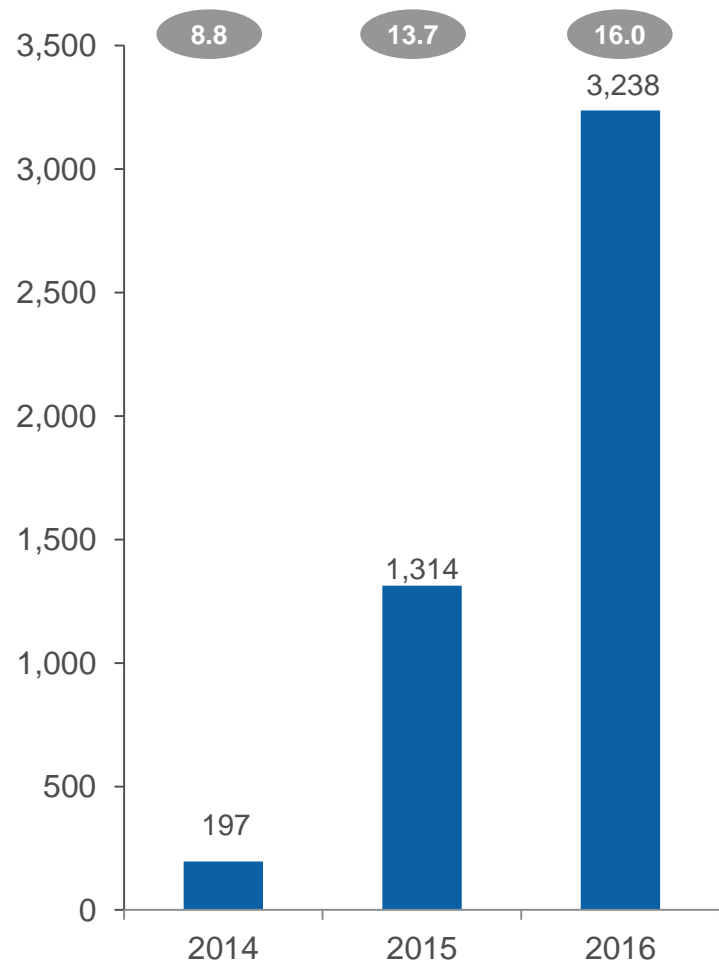
Risk Grade	9M 2017 Volume (RMB billion)	%
I	1.7	6%
II	5.9	21%
III	7.0	25%
IV	6.9	25%
V	6.5	23%
Total	28.0	100%

4 Net Revenue Growth

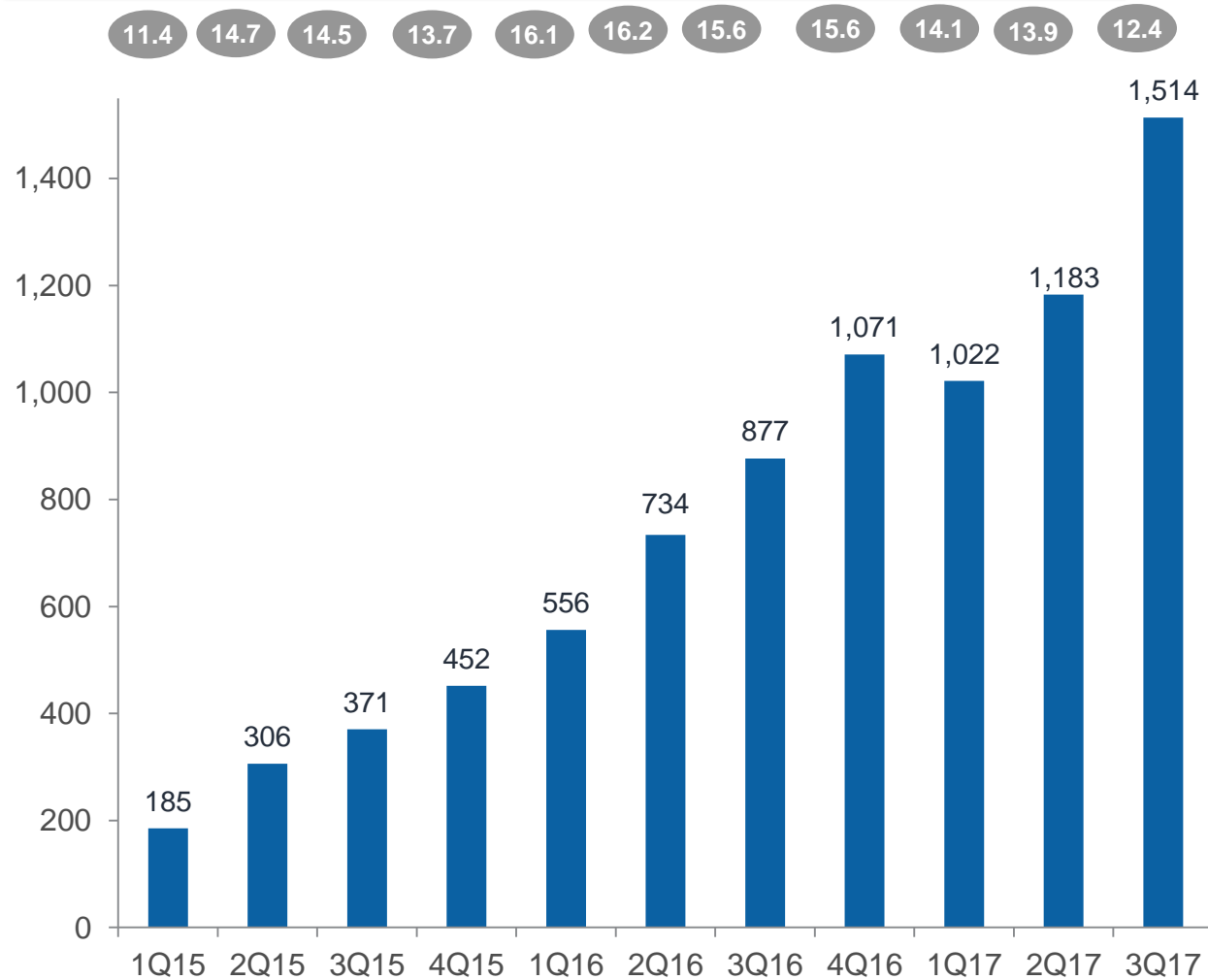


(RMB Million)

Annual



Quarterly

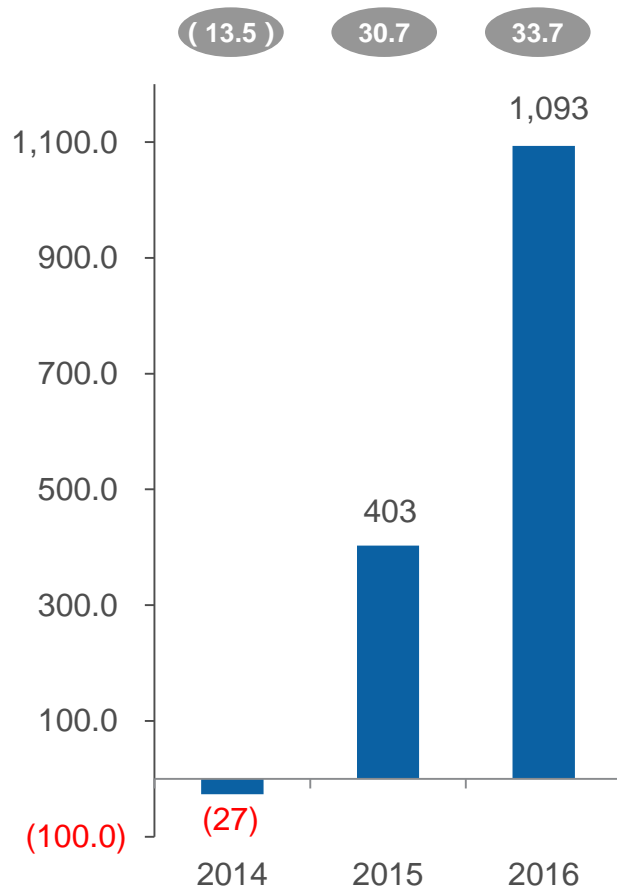


4 Adjusted EBITDA



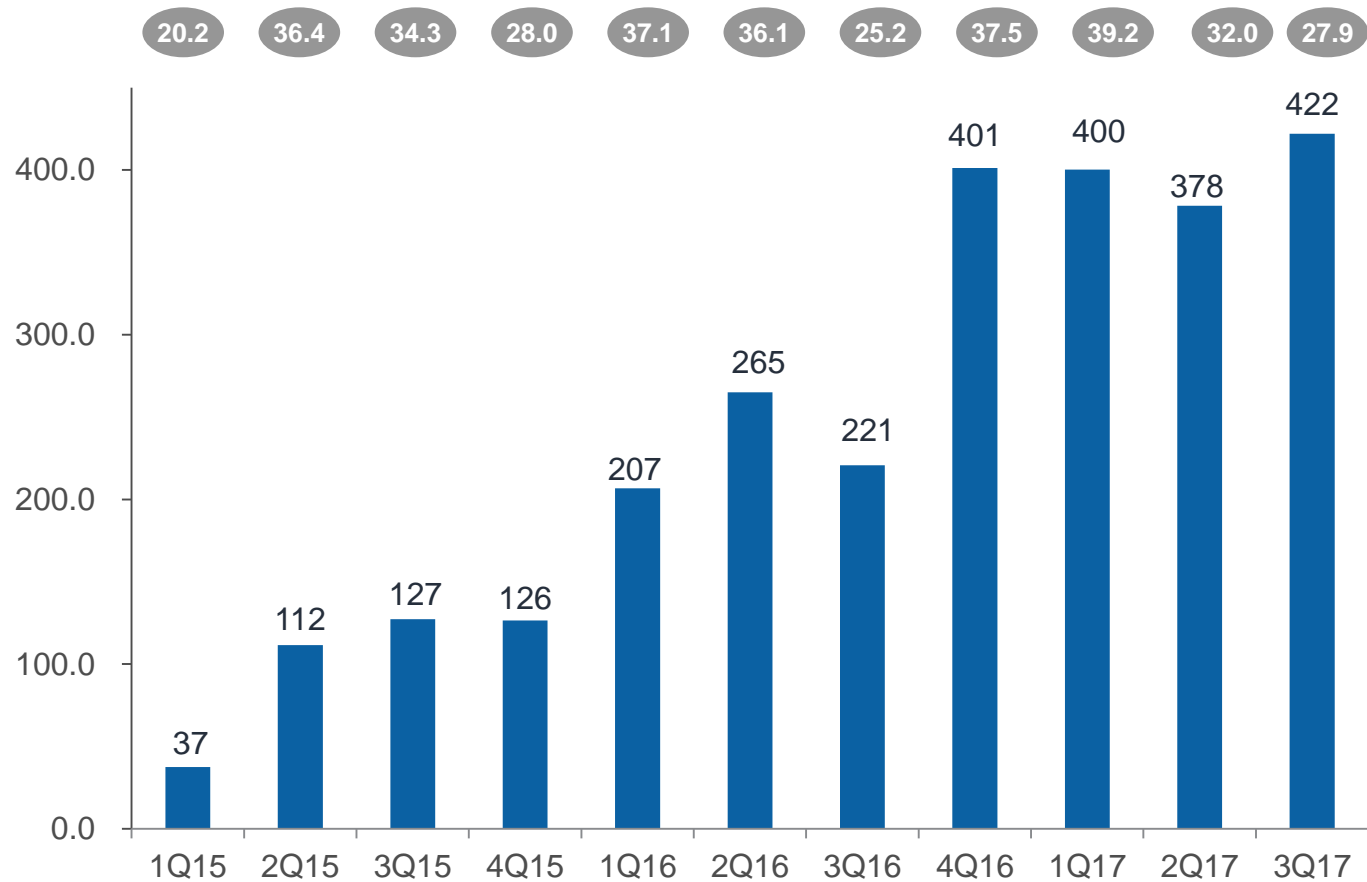
Annual

(RMB Million)



Quarterly

(RMB Million)

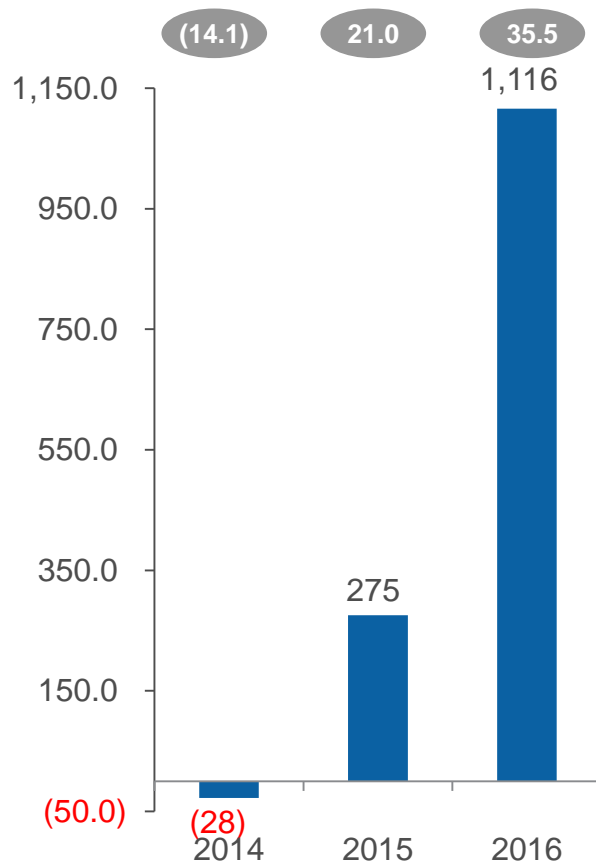


Adjusted EBITDA Margin (%) ⁽¹⁾



Annual

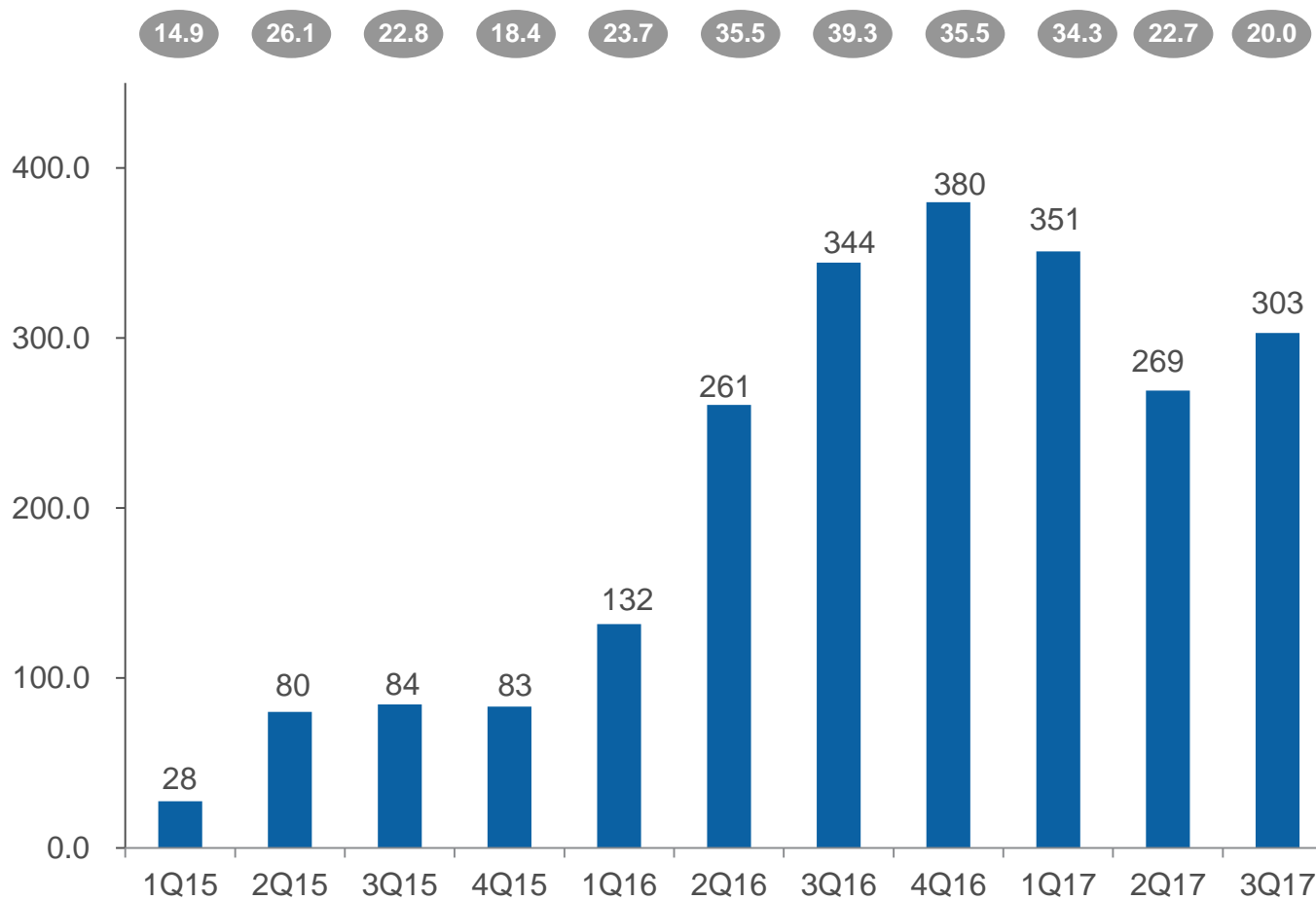
(RMB Million)



Net Income Margin (%) ⁽¹⁾

Quarterly

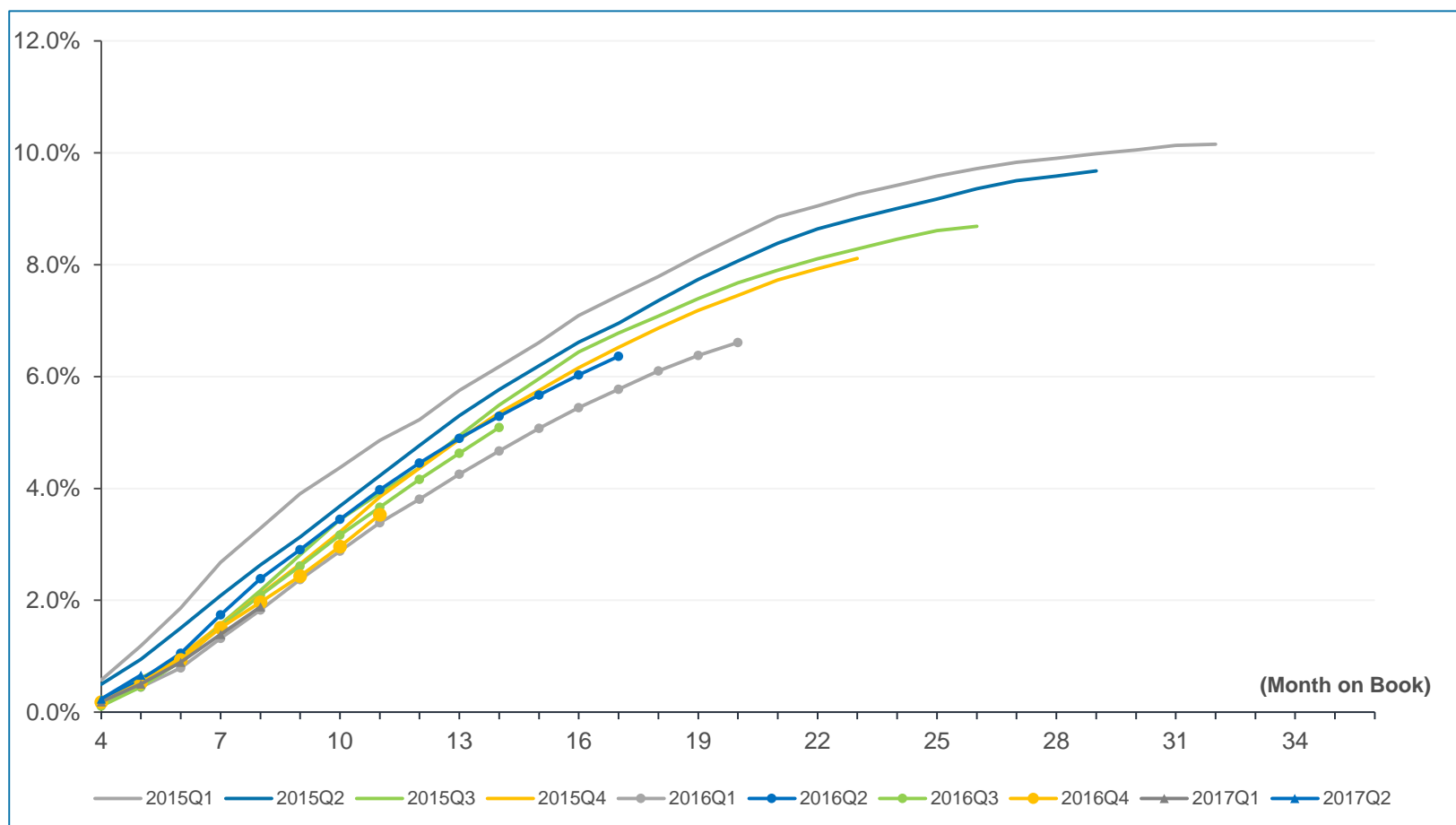
(RMB Million)





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

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






(1) As of Sep 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 quality assurance program, 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.



Full Year 2017 ⁽¹⁾

-  **Total loans facilitated** in the range of RMB 40.0 billion to RMB 40.5 billion
-  **Total net revenue** in the range of RMB 5.2 billion to RMB 5.3 billion
-  **Adjusted EBITDA (non-GAAP)** in the range of RMB 1.60 billion to RMB 1.62 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

	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	September 30, 2017
	RMB	RMB	RMB	RMB	RMB	USD
Net revenue:						
Loan facilitation services	848,322	1,036,630	976,398	1,121,200	1,425,162	214,204
Post-origination services	23,487	25,039	33,312	41,389	49,951	7,508
Others	4,902	9,441	11,889	20,468	38,791	5,830
Total net revenue	876,711	1,071,110	1,021,599	1,183,057	1,513,904	227,542
Operating costs and expenses:						
Sales and marketing	423,003	537,953	469,380	617,880	844,165	126,879
Origination and servicing	47,514	56,668	58,784	93,147	119,036	17,891
General and administrative	188,961	79,714	100,498	98,614	172,643	25,949
Total operating costs and expenses	659,478	674,335	628,662	809,641	1,135,844	170,719
Interest income	9,778	14,778	24,149	27,398	33,250	4,998
Fair value adjustments related to Consolidated ABFE	(14,935)	(1,287)	1,355	(1,915)	(22,762)	(3,421)
Non-operating income, net	259	225	207	555	158	23
Income before provision for income taxes	212,335	410,491	418,648	399,454	388,706	58,423
Income tax expense/(benefit)	(131,946)	30,710	67,747	130,358	85,732	12,886
Net income	344,281	379,781	350,901	269,096	302,974	45,537

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					
	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	September 30, 2017
	RMB	RMB	RMB	RMB	RMB	USD
Weighted average number of ordinary shares outstanding, basic	<u>119,441,029</u>	<u>119,493,662</u>	<u>119,560,832</u>	<u>119,603,286</u>	<u>121,249,448</u>	<u>121,249,448</u>
Basic income per share	<u>2.8824</u>	<u>3.1783</u>	<u>2.9349</u>	<u>2.2499</u>	<u>2.4988</u>	<u>0.3756</u>
Basic income per ADS	<u>5.7648</u>	<u>6.3566</u>	<u>5.8698</u>	<u>4.4998</u>	<u>4.9976</u>	<u>0.7512</u>
Weighted average number of ordinary shares outstanding, diluted	<u>120,861,971</u>	<u>120,859,390</u>	<u>120,842,350</u>	<u>120,833,406</u>	<u>123,509,834</u>	<u>123,509,834</u>
Diluted income per share	<u>2.8485</u>	<u>3.1423</u>	<u>2.9038</u>	<u>2.2270</u>	<u>2.4530</u>	<u>0.3687</u>
Diluted income per ADS	<u>4.4550</u>	<u>5.6970</u>	<u>6.2846</u>	<u>4.4540</u>	<u>4.9060</u>	<u>0.7374</u>

Balance Sheet



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

As of

	September 30, 2016 RMB	June 30, 2017 RMB	September 30, 2017 RMB	September 30, 2017 USD
Cash and cash equivalents	1,106,262	891,154	1,403,529	210,952
Restricted cash	974,345	1,716,768	1,750,262	263,067
Accounts receivable	37,378	18,109	24,050	3,614
Prepaid expenses and other assets	534,041	618,076	1,136,993	170,892
Loans at fair value	367,949	269,952	558,178	83,895
Amounts due from related parties	143,436	4,252	176,867	26,583
Held-to-maturity investments	172,500	589,329	168,917	25,389
Available-for-sale investments	298,000	1,262,260	996,660	149,799
Property, equipment and software, net	29,950	59,838	81,515	12,252
Deferred tax assets	367,141	559,794	685,875	103,088
Total assets	4,031,002	5,989,532	6,982,846	1,049,531
Accounts payable	7,408	15,153	22,634	3,402
Amounts due to related parties	14,137	45,425	23,153	3,480
Liabilities from quality assurance program and guarantee	1,238,689	1,961,315	2,392,794	359,640
Deferred revenue	151,666	173,386	194,646	29,256
Payable to investors at fair value	355,340	200,947	145,200	21,824
Accrued expenses and other liabilities	522,696	780,555	1,704,207	256,145
Deferred tax liability	-	60,000	4,545	683
Total liabilities	2,289,936	3,236,781	4,487,179	674,430
Ordinary shares	75	75	76	11
Additional paid-in capital	922,404	950,151	1,094,916	164,567
Accumulated other comprehensive income	12,264	19,216	4,330	651
Retained earnings	806,323	1,783,309	1,396,345	209,872
Total equity	1,741,066	2,752,751	2,495,667	375,101
Total liabilities and equity	4,031,002	5,989,532	6,982,846	1,049,531

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					
	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	September 30, 2017
	RMB	RMB	RMB	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data						
Net cash generated from operating activities	450,583	836,055	564,504	530,371	346,329	52,054
Net cash provided by/(used in) investing activities	(679,486)	(807,744)	(427,686)	(95,702)	342,289	51,446
Net cash (used in)/provided by financing activities	179,221	60,400	(44,841)	(94,993)	(127,864)	(19,218)
Effect of foreign exchange rate changes	1,323	17,193	(3,779)	(6,463)	(14,885)	(2,237)
Net increase/(decrease) in cash and cash equivalents	(48,359)	105,904	88,198	333,213	545,869	82,045
Cash, cash equivalents and restricted cash, beginning of period	2,128,966	2,080,607	2,186,511	2,274,709	2,607,922	391,974
Cash, cash equivalents and restricted cash, end of period	<u>2,080,607</u>	<u>2,186,511</u>	<u>2,274,709</u>	<u>2,607,922</u>	<u>3,153,791</u>	<u>474,019</u>

Operating Highlights



Operating Highlights

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

For the Three Months Ended

	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	September 30, 2017
	RMB	RMB	RMB	RMB	RMB	USD
Operating Highlights:						
Amount of loans facilitated ⁽¹⁾	5,617,485	6,883,441	7,246,084	8,536,087	12,185,367	1,831,477
Loans generated from online channels	2,275,473	2,462,791	3,590,129	4,271,610	6,972,156	1,047,924
Loans generated from offline channels	3,342,012	4,420,650	3,655,955	4,264,477	5,213,211	783,553
Fees billed	1,322,598	1,630,358	1,583,537	1,862,467	2,475,271	372,037
Remaining principal of performing loans	17,028,346	20,780,617	24,037,078	27,871,922	34,235,727	5,145,676
Remaining principal of performing loans covered by quality assurance program	16,204,583	20,103,043	23,524,227	27,502,314	33,622,142	5,053,454
Number of borrowers	92,479	110,785	124,953	138,529	192,725	192,725
Borrowers from online channels	54,585	63,010	86,095	98,245	145,838	145,838
Borrowers from offline channels	37,894	47,775	38,858	40,284	46,887	46,887
Number of investors	177,499	194,505	192,505	199,591	214,967	214,967
Investors from online channels	177,499	194,505	192,505	199,591	214,967	214,967
Investors from offline channels	-	-	-	-	-	-
Adjusted EBITDA	220,716	401,146	400,297	378,434	422,413	63,489
Adjusted EBITDA margin	25.2%	37.5%	39.2%	32.0%	27.9%	27.9%

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%
September 30, 2017	0.5%	0.7%	0.6%
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%
September 30, 2017	0.6%	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%
September 30, 2017	0.4%	0.6%	0.5%

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



Loan issued period	Loan grade	Net Charge-Off Rate for Previous Risk Grid		
		Amount of loans facilitated during the period (in RMB thousands)	Accumulated M3+ Net Charge-Off as of September 30, 2017 (in RMB thousands)	Total Net Charge-Off Rate as of September 30, 2017
2014	A	1,917,542	90,940	4.7%
	B	303,030	20,541	6.8%
	C	-	-	-
	D	7,989	528	6.6%
	Total	2,228,561	112,009	5.0%
2015	A	873,995	49,849	5.7%
	B	419,630	33,087	7.9%
	C	557,414	59,028	10.6%
	D	7,706,574	701,425	9.1%
	Total	9,557,613	843,389	8.8%
2016	A	1,141,835	19,360	1.7%
	B	749,868	27,287	3.6%
	C	1,403,553	74,550	5.3%
	D	17,085,347	823,171	4.8%
	Total	20,380,603	944,368	4.6%

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 September 30, 2017	Total Net Charge-Off Rate as of September 30, 2017
		(in RMB thousands)	(in RMB thousands)	
2014	I	-	-	-
	II	1,921,372	90,940	4.7%
	III	303,276	20,541	6.8%
	IV	-	-	-
	V	3,913	528	13.5%
	Total	2,228,561	112,009	5.0%
2015	I	146,490	3,583	2.4%
	II	1,614,354	77,638	4.8%
	III	2,521,705	186,541	7.4%
	IV	2,506,107	225,124	9.0%
	V	2,768,957	350,503	12.7%
	Total	9,557,613	843,389	8.8%
2016	I	497,220	5,891	1.2%
	II	3,137,889	60,626	1.9%
	III	3,763,081	110,254	2.9%
	IV	5,183,233	210,862	4.1%
	V	7,799,180	556,735	7.1%
	Total	20,380,603	944,368	4.6%

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%
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%	5.2%
2015Q1	0.6%	2.7%	4.4%	5.8%	7.1%	8.2%	9.1%	9.6%	9.9%	10.1%	
2015Q2	0.5%	2.1%	3.7%	5.3%	6.6%	7.7%	8.6%	9.2%	9.6%		
2015Q3	0.2%	1.6%	3.4%	4.9%	6.4%	7.4%	8.1%	8.6%			
2015Q4	0.2%	1.6%	3.2%	4.9%	6.2%	7.2%	7.9%				
2016Q1	0.2%	1.3%	2.9%	4.3%	5.4%	6.4%					
2016Q2	0.2%	1.7%	3.4%	4.9%	6.0%						
2016Q3	0.1%	1.5%	3.2%	4.6%							
2016Q4	0.2%	1.5%	3.0%								
2017Q1	0.2%	1.4%									
2017Q2	0.2%										



宜人贷 
www.yirendai.com

宜人贷 
www.yirendai.com

A Leading Online Consumer Finance Marketplace in China

