

Fourth Quarter and Full Year 2015 Results

March 10, 2016

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 offline P2P platforms 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 **9+ years of data** from CreditEase



Capital efficient model with no regulatory capital adequacy requirements



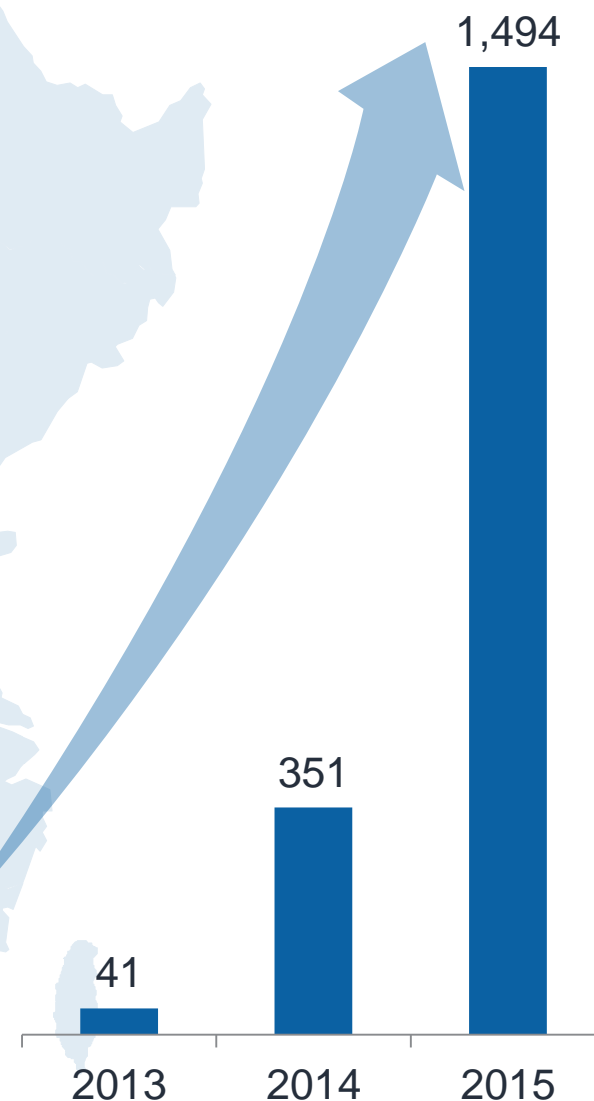
Full end-to-end automation⁽²⁾ from online application through funding and servicing



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

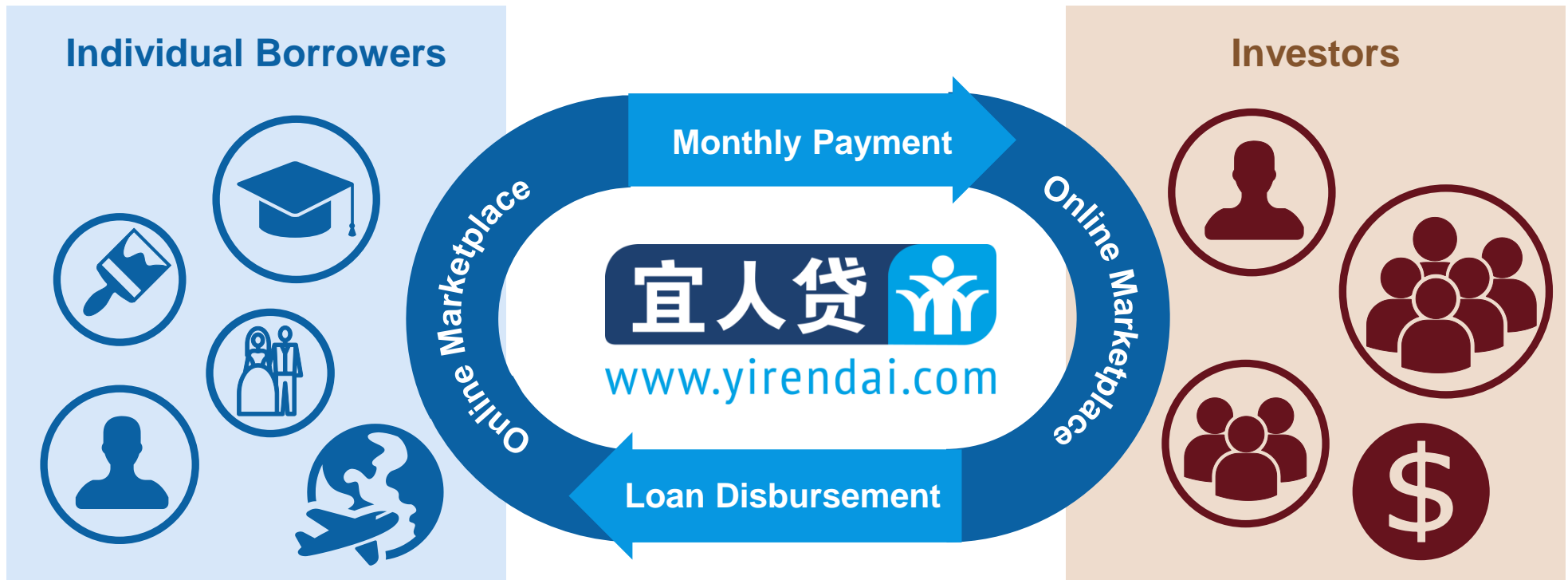


Profitable since Q4 2014



Loan volume growth⁽¹⁾ (US\$MM)

Online Marketplace Connecting Borrowers with Investors



End to End Automated Online Business Process



Addressing China's Consumer Finance Needs




Traditional Banking




Yirendai Solution





Market

 Focus on **Enterprise Lending**

 Huge Unmet **Consumer Finance** Opportunity





Business Model



 **Offline Branch Offices**
 **Long** Application Time

 Innovative **Online Consumer Finance 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



5

Synergistic Relationship with CreditEase



6

Visionary Founder & Experienced Leadership

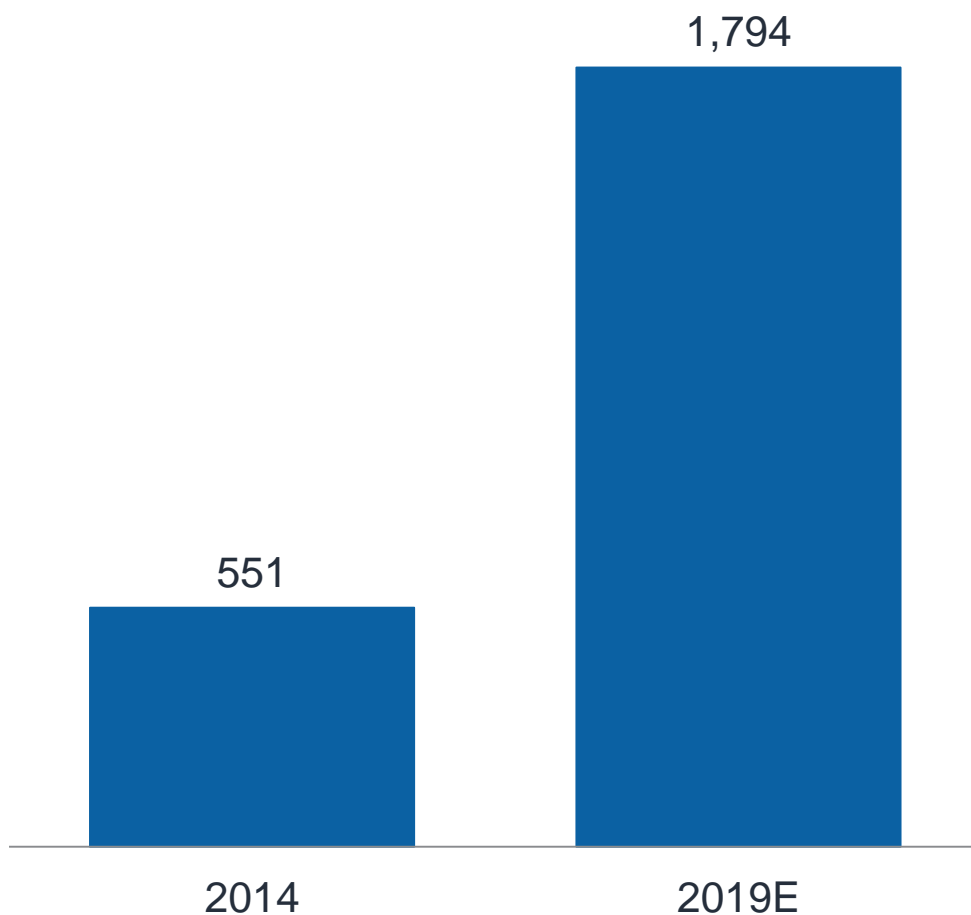





① US\$551 Billion Unsecured Consumer Finance Market ⁽¹⁾



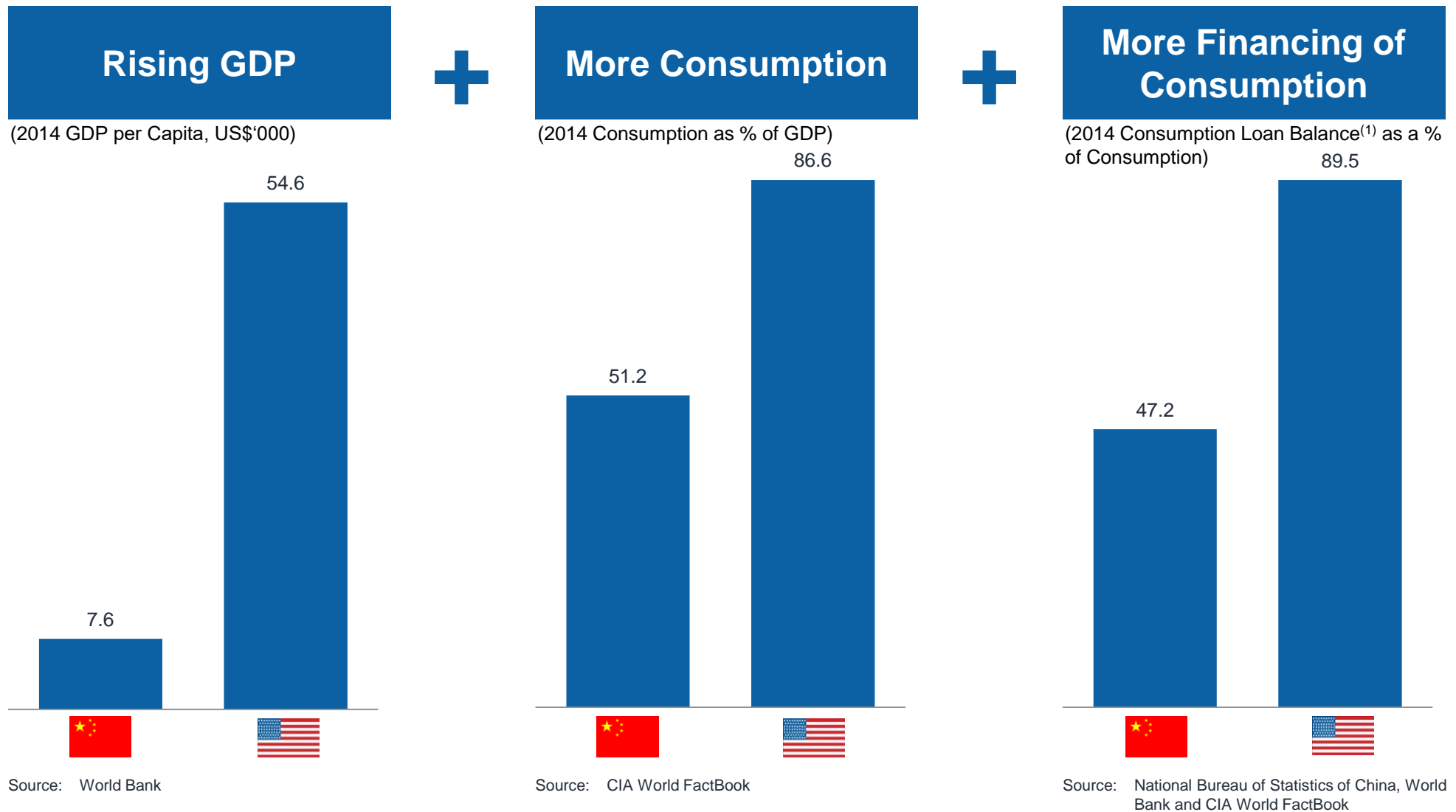
Unsecured Consumer Finance Market in China ⁽¹⁾

(By outstanding loan balance, US\$ Billion)



-  **Immediately addressable market:**
prime borrowers with unmet unsecured credit needs
-  Deepening loan database and continuing to **improve risk assessment algorithms**
-  **Future target market may extend** to address broader unmet unsecured credit needs
 - New borrower groups beyond prime borrowers
 - New industry verticals
 - Other unsecured loan products

① Multiple Drivers of Growth



② A Leading Online Consumer Finance Marketplace



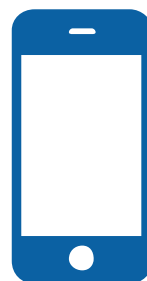
**US\$1.89
Billion**

Total Marketplace Loan
Facilitations ⁽¹⁾



225,573

Borrowers and
Investors
in Q4 2015



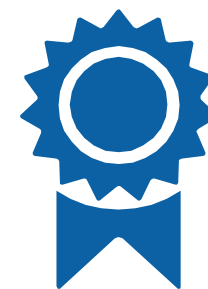
32.5%

Loans facilitated
through Yirendai
Mobile Application ⁽²⁾
in Q4 2015



9 Years

Credit data
supported by
proprietary risk
management
model



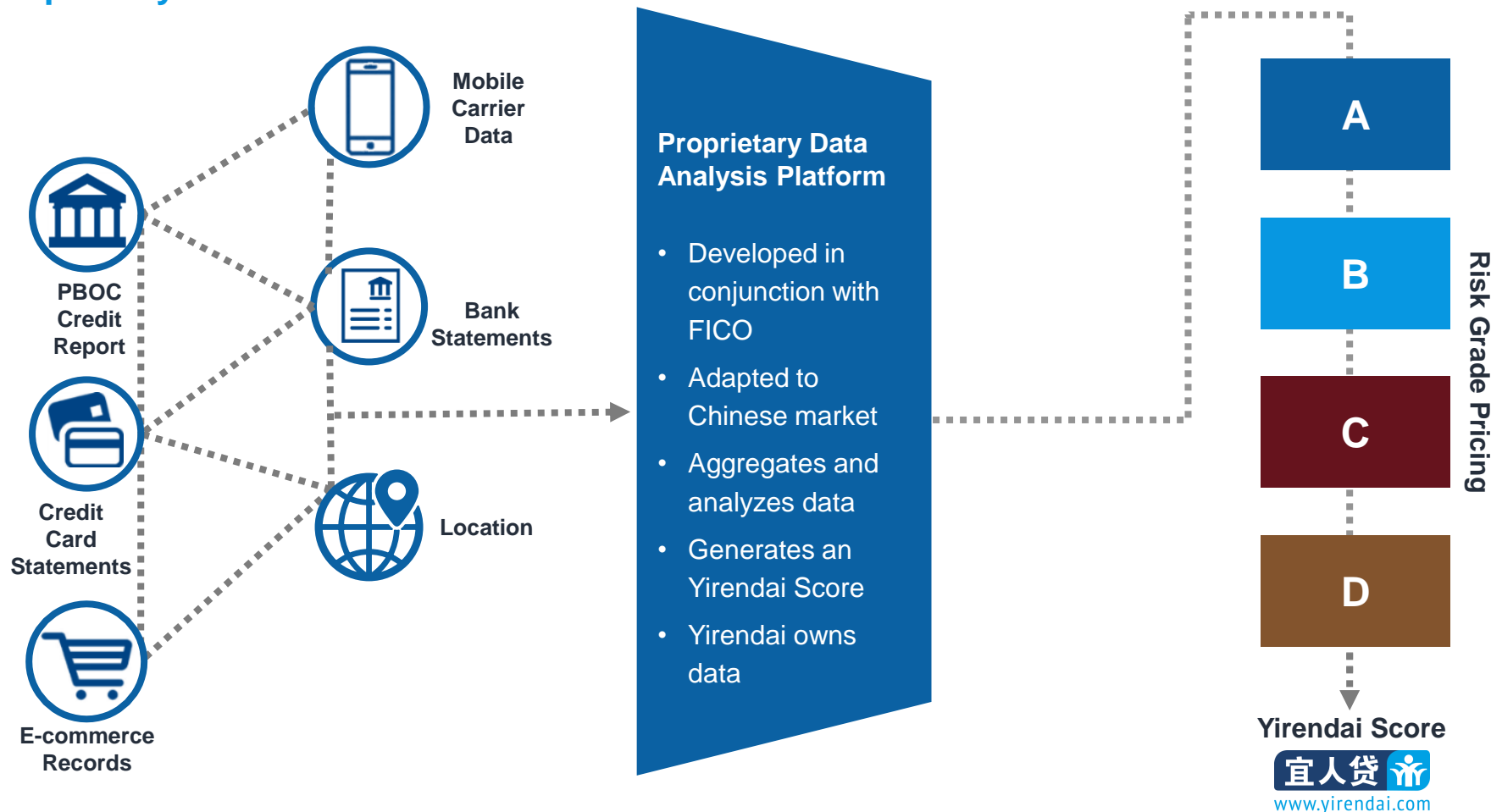
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Brand Amongst
Investors/
Borrowers ⁽³⁾

3 Extensive Data Set and Credit Decisioning Capabilities



Proprietary Yirendai Score



1,000,000+

Fraud Detection Points ⁽¹⁾

250+

Decisioning Rules ⁽¹⁾

9+ Years

Loan Data (CreditEase)



Prime borrowers: credit card holders with salary income



Internet-savvy and more receptive to internet finance solutions



100% applications processed through online platform



**Primary purpose: “life events”
e.g., wedding, education,
travel, home remodeling**



53% acquired from online channels in Q4 2015



**48,072 borrowers
in Q4 2015**

4 Our Investors



Mass affluent investors



100% invest directly through
online platform in Q4 2015



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



Investor protection service
via Risk Reserve Fund



177,501
Investors in Q4 2015



Pilot project for institutional
investors

5 Synergistic Relationship with CreditEase



Current model suitable for nascent Chinese unsecured consumer finance market



Receive borrower referrals from CreditEase's sales network across 200+ locations in China



Leverage CreditEase's loan data to help advance Yirendai's risk algorithms



Utilize CreditEase's collections team

6 Visionary Founder & Experienced Leadership



Ning Tang
*Executive Chairman of Yirendai
and Chief Executive Officer of
CreditEase*



Huan Chen
*Director of Yirendai and Chief
Strategy Officer of CreditEase*



Yihan Fang
*Chief Executive Officer of
Yirendai*



Yu Cong (Dennis)
*Chief Financial Officer of
Yirendai*



Yiting Pan
Chief Risk Officer of Yirendai



Nian Duan
*Chief Technology Officer of
Yirendai*



Jake Chong
Chief Data Scientist of Yirendai



Vivian Wei Song
*Vice President of Product of
Yirendai*





Financial Highlights



1

Marketplace Model

2

Disciplined Growth of Loan Facilitations

3

Sophisticated Risk Pricing Product Portfolio

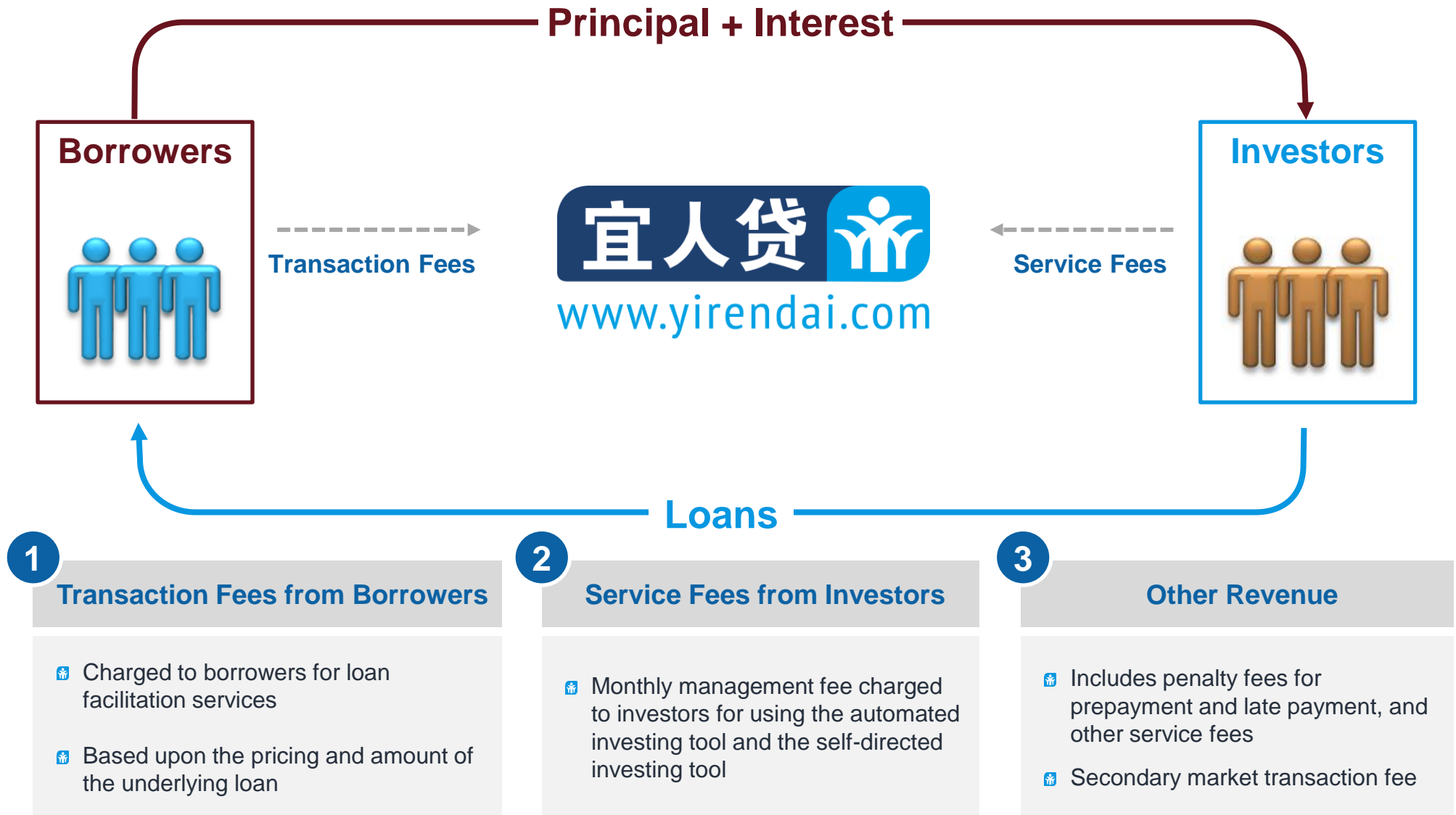
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Robust Growth and Profitability

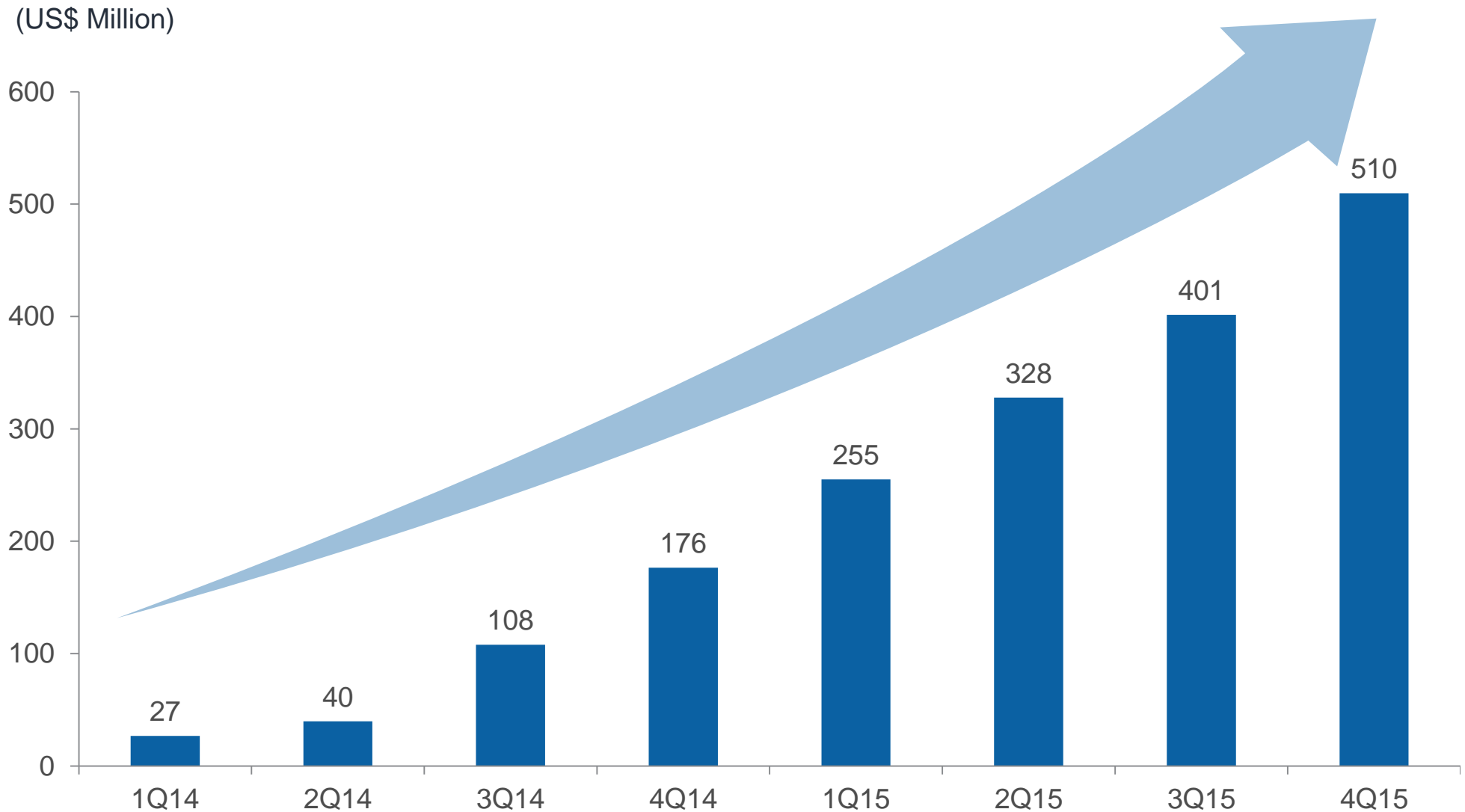
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Proven Credit Performance

Marketplace Model



Disciplined Growth of Loan Facilitations



Q4 2015 Loan Facilitation Breakdown



| | % Q4 2015 Loan Facilitation Volume | Average Transaction Fee ⁽¹⁾ |
|---------------------------------|------------------------------------|--|
| A Excellent Credit | 5% | 5.6% |
| B Very Good Credit | 3% | 18.5% |
| C Good Credit | 7% | 26.4% |
| D Fair Credit | 85% | 28.2% |

(1)

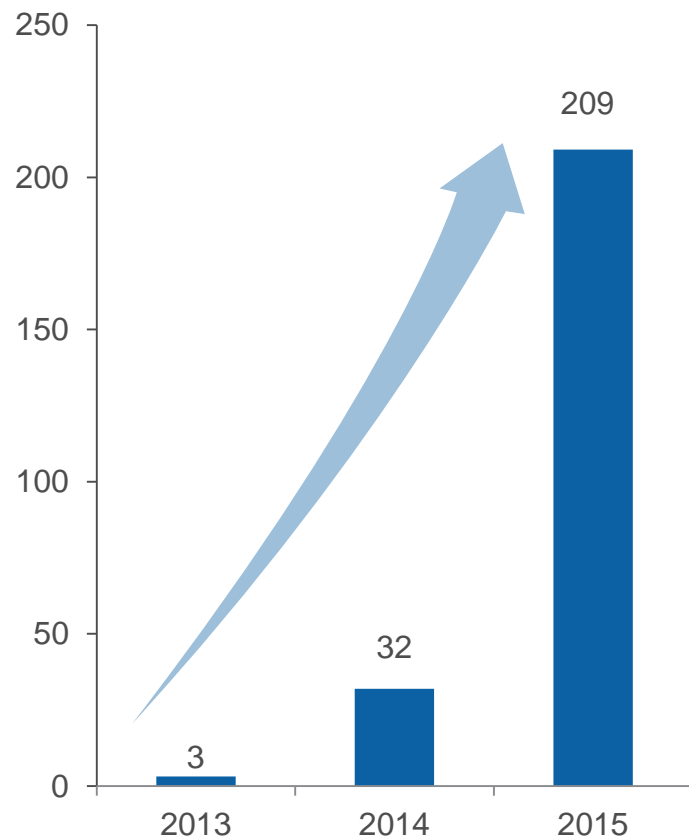
The transaction fee rate is calculated as the total transaction fee that we charge borrowers for the entire life of the loan, divided by the total amount of principal. The average transaction fee rate presented in the table above is the simple average of the transaction fee rates for loans falling under the same pricing grade, but with different tenures and repayment schedules

Net Revenue Growth



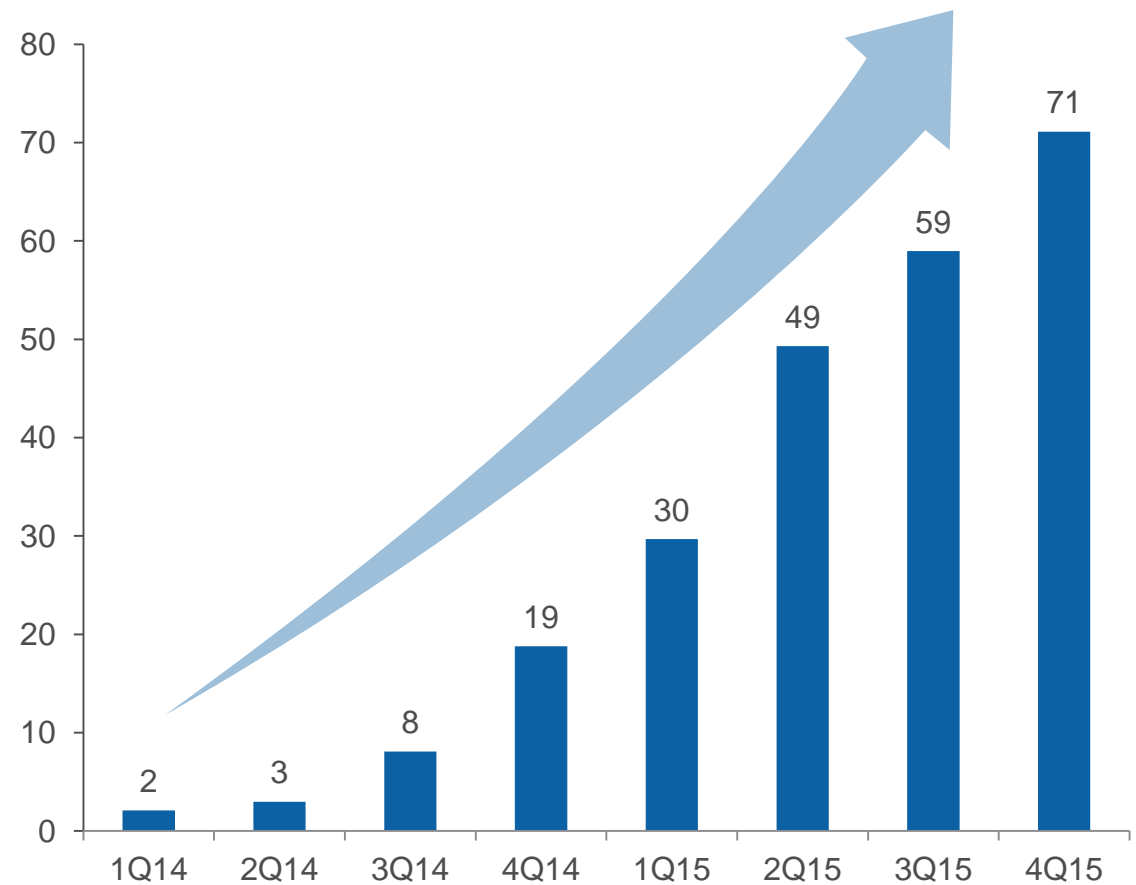
Annual

(US\$ Million)



Quarterly

(US\$ Million)

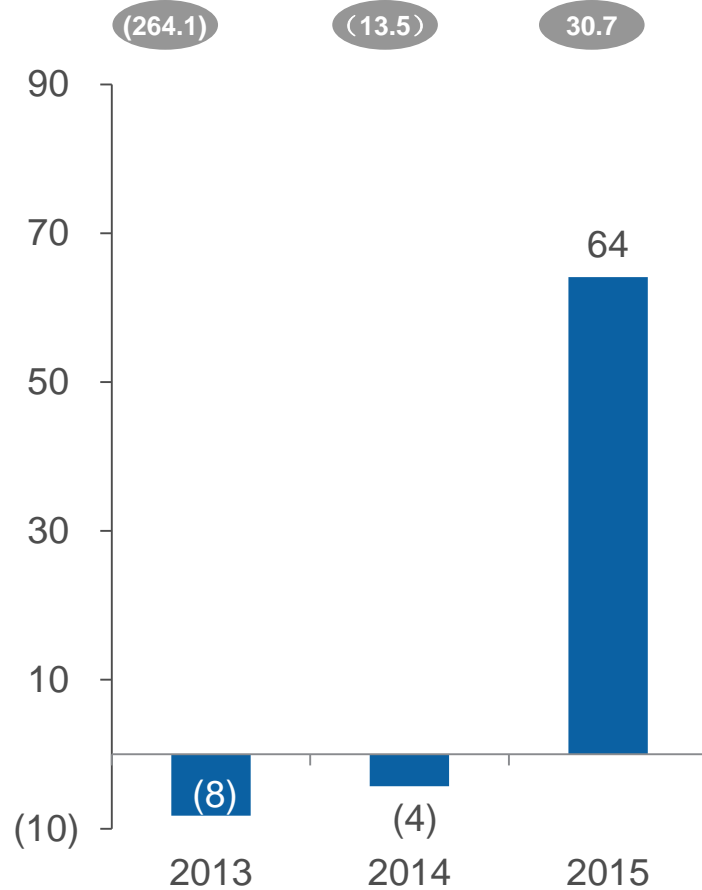


EBITDA Margin



Annual

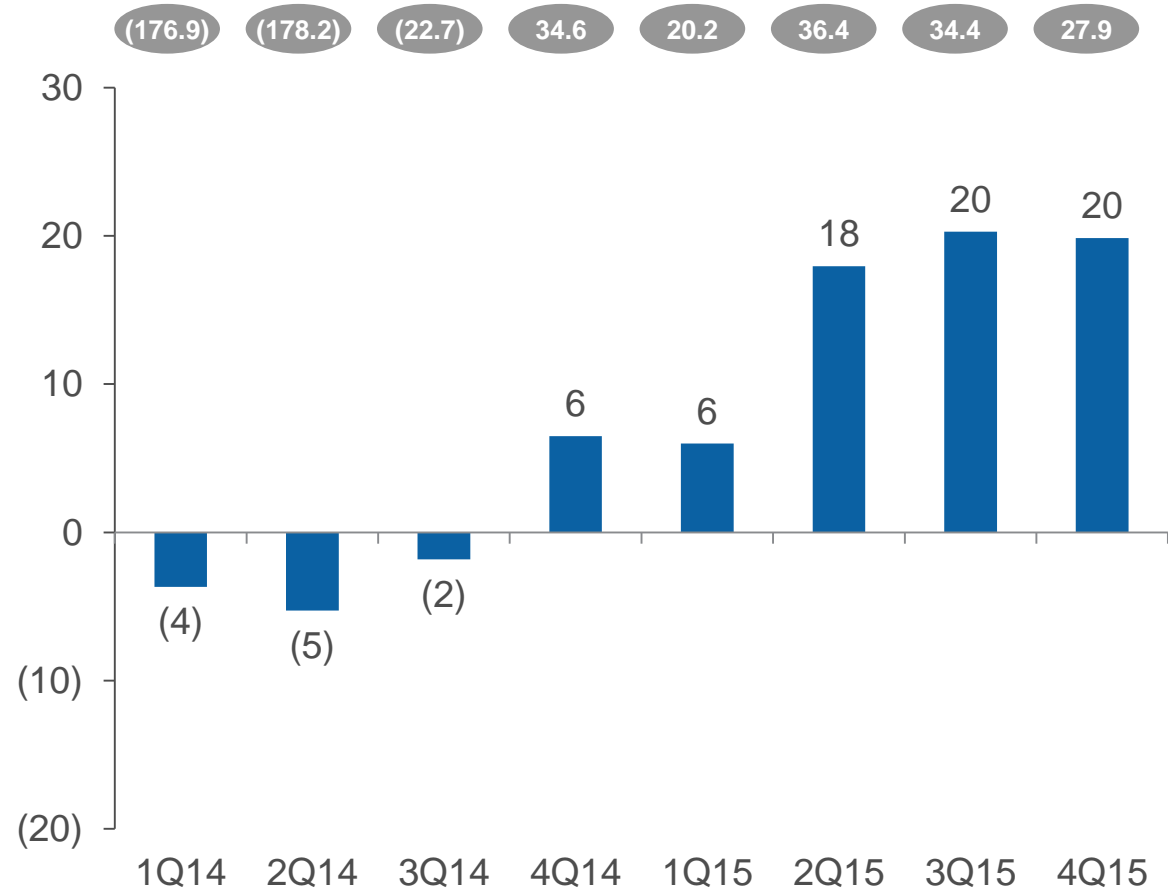
(US\$ Million)



EBITDA Margin (%)

Quarterly

(US\$ Million)

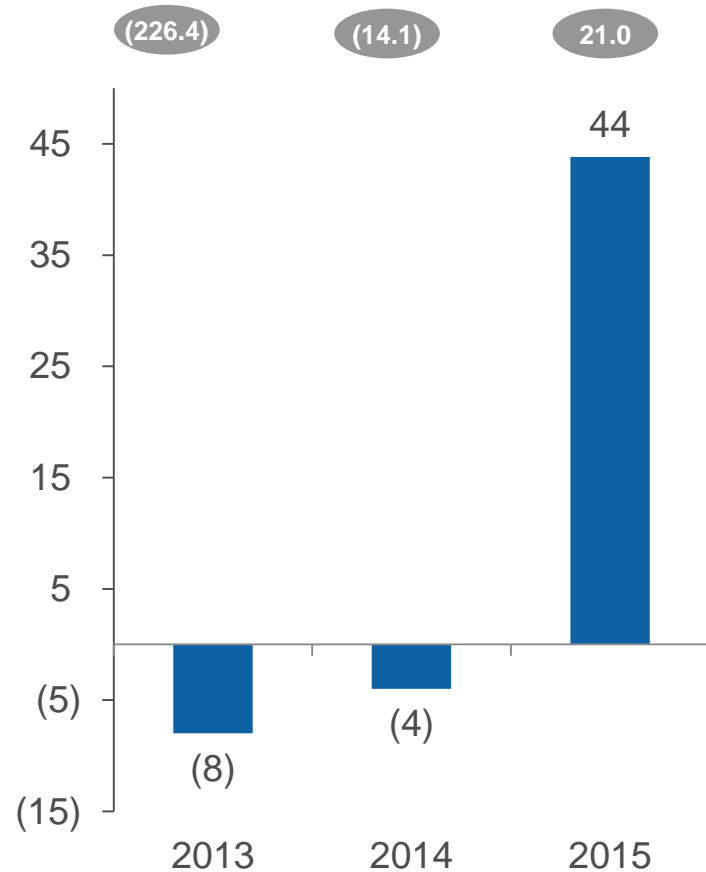


Net Income



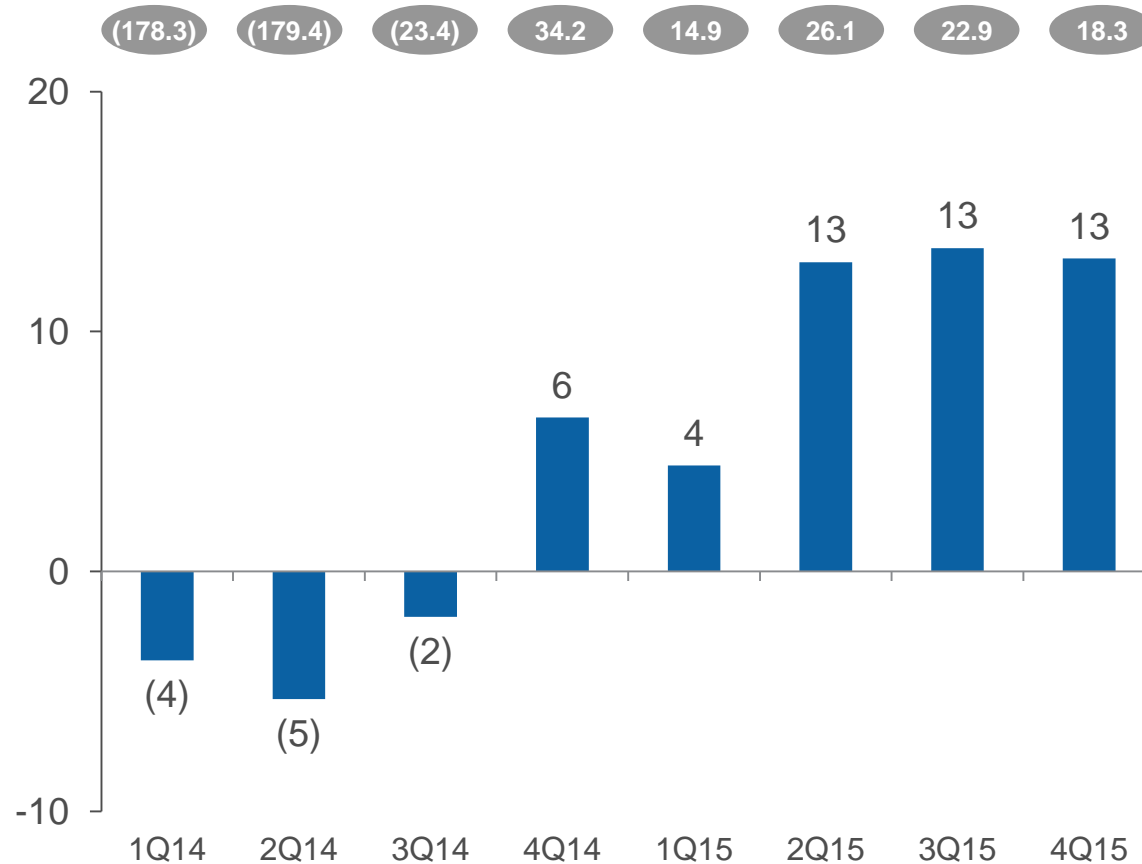
Annual

(US\$ Million)



Quarterly

(US\$ Million)

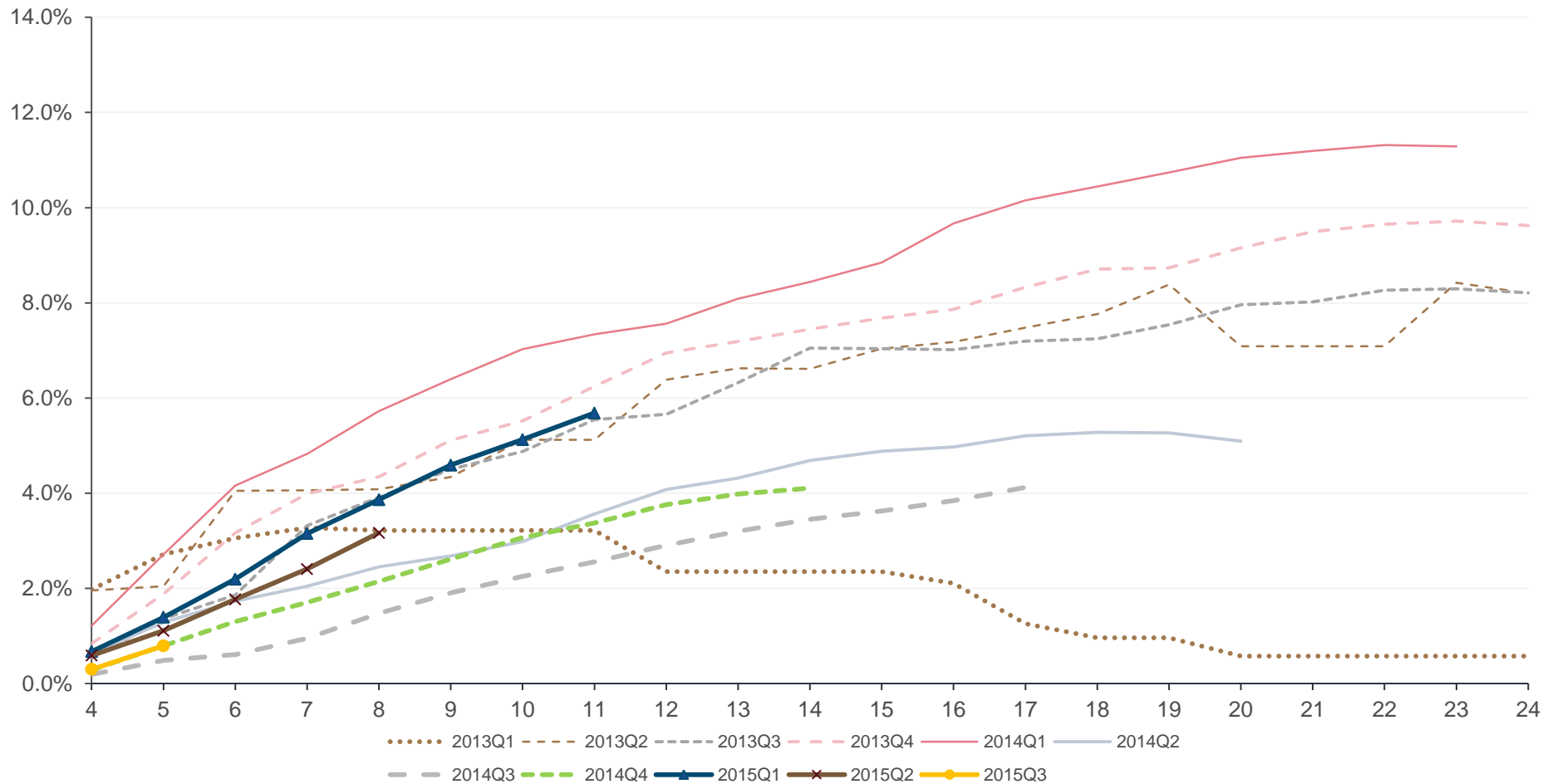


Net Income Margin (%)

Proven Credit Performance



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



(1)
(2)

Data as of December 31, 2015

"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 the remainder of the expected interest for the life of such loans, 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



Primary objective of the risk reserve fund service is to help build Chinese investors' confidence and trust in Yirendai's products and to attract new investors, and retain existing investors, on the platform



Income Statement Impact

- At the inception of each loan, a **risk reserve liability** is recognized at the present value of expected future payout plus a service margin
- Actual payout reduces the risk reserve liability **without income statement impact**
- Yirendai evaluates expected future payouts on a portfolio basis and if it is higher than the risk reserve liability, an **expense** will be recognized




- Yirendai **sets aside in cash** a certain percentage of new loan volume into a risk reserve fund account
- As needed, Yirendai will set aside additional cash into the risk reserve fund to **sufficiently cover** expected future payouts
- As of December 31, 2015, **restricted cash associated with risk reserve fund** was **US\$70 million**, the **corresponding liabilities** of which are considered **sufficient** to cover expected future payouts






Risk Reserve Fund Management



First Quarter 2016

-  **Total loans facilitated** in the range of US\$450 million to US\$460 million
-  **Total net revenue** in the range of US\$60 million to US\$65 million
-  **EBITDA (non-GAAP)** in the range of US\$15 million to US\$16 million

Full Year 2016

-  **Total loans facilitated** in the range of US\$2,800 million to US\$2,900 million
-  **Total net revenue** in the range of US\$400 million to US\$410 million
-  **EBITDA (non-GAAP)** in the range of US\$100 million to US\$105 million



Appendix

Income Statement



Unaudited Condensed Consolidated Statement of Operations (in US\$ thousands, except for share, per share and per ADS data, and percentages)

| | For the Three Months Ended | | For the Full Year Ended | |
|--|----------------------------|----------------------|-------------------------|----------------------|
| | December 31, 2014 | December 31, 2015 | December 31, 2014 | December 31, 2015 |
| Net revenue: | | | | |
| Loan facilitation services | 18,411 | 68,669 | 31,317 | 203,501 |
| Post-origination services | 288 | 1,990 | 405 | 4,311 |
| Others | 72 | 454 | 171 | 1,276 |
| Total net revenue | 18,771 | 71,113 | 31,893 | 209,088 |
| Operating costs and expenses: | | | | |
| Sales and marketing | 6,619 | 38,306 | 22,354 | 108,197 |
| Origination and servicing | 1,314 | 6,104 | 3,541 | 15,549 |
| General and administrative | 4,416 | 7,088 | 10,490 | 21,821 |
| Total operating costs and expenses | 12,349 | 51,498 | 36,385 | 145,567 |
| Interest income | - | 493 | - | 763 |
| Income/(loss) before provision for income taxes | 6,422 | 20,108 | (4,492) | 64,284 |
| Income tax expense | 5 | 7,061 | 5 | 20,456 |
| Net income/(loss) | 6,417 | 13,047 | (4,497) | 43,828 |
| Net income margin | 34.2% | 18.3% | -14.1% | 21.0% |
| Weighted average number of ordinary shares used in computing basic and diluted net income/(loss) per share | 100,000,000 | 102,586,957 | 100,000,000 | 100,652,055 |
| Basic and diluted income/(loss) per share | 0.0642 | 0.1272 | (0.0450) | 0.4354 |
| Basic and diluted income/(loss) per ADS | 0.1284 | 0.2544 | (0.0900) | 0.8708 |

Balance Sheet and Cash Flow Data



Unaudited Condensed Consolidated Balance Sheet and Cash Flow Data (in US\$ thousands)

| | For the Three Months Ended | | For the Full Year Ended | |
|--|----------------------------|----------------------|-------------------------|----------------------|
| | December 31, 2014 | December 31, 2015 | December 31, 2014 | December 31, 2015 |
| Unaudited Condensed Consolidated Balance Sheet | | | | |
| Cash and cash equivalents | 222 | 130,641 | 222 | 130,641 |
| Restricted cash | - | 74,724 | - | 74,724 |
| Loans at fair value | - | 34,164 | - | 34,164 |
| Other assets | 64,603 | 98,607 | 64,603 | 98,607 |
| Total assets | 64,825 | 338,136 | 64,825 | 338,136 |
| Liabilities from risk reserve fund guarantee | - | 84,354 | - | 84,354 |
| Payable to fund at fair value | - | 39,049 | - | 39,049 |
| Other liabilities | 28,813 | 63,906 | 28,813 | 63,906 |
| Total liabilities | 28,813 | 187,309 | 28,813 | 187,309 |
| Total equity | 36,012 | 150,827 | 36,012 | 150,827 |
| Summary Consolidated Cash Flow Data: | | | | |
| Net cash (used in)/generated from operating activities | (11,178) | 29,535 | (36,846) | 63,546 |
| Net cash used in investing activities | (101) | (30,946) | (580) | (44,979) |
| Net cash provided by financing activities | 11,474 | 113,642 | 37,650 | 113,652 |
| Effect of foreign exchange rate changes | 27 | (1,451) | (2) | (1,800) |
| Net increase in cash and cash equivalents | 222 | 110,780 | 222 | 130,419 |
| Cash and cash equivalents, beginning of period | - | 19,861 | - | 222 |
| Cash and cash equivalents, end of period | <u>222</u> | <u>130,641</u> | <u>222</u> | <u>130,641</u> |

Operating Highlights



Operating Highlights

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

| | For the Full Year Ended | | For the Three Months Ended | | | | |
|---------------------------------------|-------------------------|-------------------|----------------------------|----------------|---------------|--------------------|-------------------|
| | December 31, 2014 | December 31, 2015 | December 31, 2014 | March 31, 2015 | June 30, 2015 | September 30, 2015 | December 31, 2015 |
| Operating Highlights: | | | | | | | |
| Amount of loans facilitated | 350,645 | 1,494,010 | 176,422 | 255,015 | 327,896 | 401,428 | 509,671 |
| Loans generated from online channels | 140,978 | 492,613 | 79,071 | 96,264 | 90,969 | 130,075 | 175,305 |
| Loans generated from offline channels | 209,667 | 1,001,397 | 97,351 | 158,751 | 236,927 | 271,353 | 334,366 |
| Fees billed | 31,893 | 342,862 | 18,771 | 50,005 | 77,461 | 93,499 | 121,897 |
| Outstanding loan principal | 335,523 | 1,421,590 | 335,522 | 541,032 | 812,723 | 1,081,205 | 1,421,590 |
| Number of borrowers | 39,344 | 146,390 | 20,998 | 27,581 | 34,568 | 36,493 | 48,072 |
| Borrowers from online channels | 20,422 | 74,000 | 11,656 | 15,072 | 15,319 | 18,299 | 25,506 |
| Borrowers from offline channels | 18,922 | 72,390 | 9,342 | 12,509 | 19,249 | 18,194 | 22,566 |
| Number of investors | 34,527 | 326,055 | 22,833 | 25,124 | 44,000 | 144,107 | 177,501 |
| Investors from online channels | 25,093 | 317,051 | 17,232 | 21,015 | 38,399 | 143,607 | 177,501 |
| Investors from offline channels | 9,434 | 9,004 | 5,601 | 4,109 | 5,601 | 500 | - |
| EBITDA | (4,307) | 64,100 | 6,486 | 6,000 | 17,957 | 20,296 | 19,847 |
| EBITDA margin | -14% | 31% | 35% | 20% | 36% | 34% | 28% |

Reconciliation of GAAP to Non-GAAP Measures



Reconciliation of GAAP to Non-GAAP Measures

(in US\$ thousands)

| | For the Full Year Ended | | For the Three Months Ended | | | | |
|---|-------------------------|-------------------|----------------------------|----------------|---------------|--------------------|-------------------|
| | December 31, 2014 | December 31, 2015 | December 31, 2014 | March 31, 2015 | June 30, 2015 | September 30, 2015 | December 31, 2015 |
| Reconciliation of Net Revenues | | | | | | | |
| Fees billed: | | | | | | | |
| Transaction fees billed to borrowers | 33,196 | 346,922 | 19,516 | 51,233 | 79,210 | 94,285 | 122,194 |
| Service fees billed to investors | 429 | 15,569 | 305 | 1,281 | 2,791 | 4,232 | 7,265 |
| Others | 181 | 1,351 | 76 | 117 | 261 | 492 | 481 |
| VAT | (1,913) | (20,980) | (1,126) | (2,626) | (4,801) | (5,510) | (8,043) |
| Total fees billed | 31,893 | 342,862 | 18,771 | 50,005 | 77,461 | 93,499 | 121,897 |
| Stand-ready liabilities associated with risk reserve fund | - | (108,592) | - | (18,193) | (23,506) | (28,395) | (38,498) |
| Deferred revenue | - | (18,700) | - | (1,953) | (2,218) | (2,937) | (11,592) |
| Cash incentives | - | (12,885) | - | (1,149) | (3,878) | (4,415) | (3,443) |
| VAT | - | 6,403 | - | 982 | 1,456 | 1,216 | 2,749 |
| Net revenues | 31,893 | 209,088 | 18,771 | 29,692 | 49,315 | 58,968 | 71,113 |
| Reconciliation of EBITDA | | | | | | | |
| Net (loss)/income | (4,497) | 43,828 | 6,417 | 4,420 | 12,884 | 13,477 | 13,047 |
| Interest income | - | (763) | - | (11) | (29) | (230) | (493) |
| Income tax expense | 5 | 20,456 | 5 | 1,507 | 4,989 | 6,899 | 7,061 |
| Depreciation and amortization | 185 | 579 | 64 | 84 | 113 | 150 | 232 |
| EBITDA | (4,307) | 64,100 | 6,486 | 6,000 | 17,957 | 20,296 | 19,847 |



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% |
| 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% |
| 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% |

Net Charge-off Rates



Net Charge-Off Rate

| <u>Loan issued period</u> | <u>Pricing grade</u> | <u>Amount of loans facilitated during the period</u> (in RMB thousands) | <u>Accumulated M3+ Net Charge-Off as of December 31, 2015</u> (in RMB thousands) | <u>Total Net Charge-Off Rate as of December 31, 2015</u> |
|---------------------------|----------------------|--|---|--|
| 2013 | A | 258,322 | 23,268 | 9.0% |
| | B | - | - | - |
| | C | - | - | - |
| | D | - | - | - |
| | <u>Total</u> | <u>258,322</u> | <u>23,268</u> | <u>9.0%</u> |
| 2014 | A | 1,917,542 | 88,345 | 4.6% |
| | B | 303,030 | 13,287 | 4.4% |
| | C | - | - | - |
| | D | 7,989 | 465 | 5.8% |
| | <u>Total</u> | <u>2,228,561</u> | <u>102,097</u> | <u>4.6%</u> |
| 2015 | A | 873,995 | 20,962 | 2.4% |
| | B | 419,630 | 5,274 | 1.3% |
| | C | 557,414 | 9,494 | 1.7% |
| | D | 7,706,575 | 106,986 | 1.4% |
| | <u>Total</u> | <u>9,557,613</u> | <u>142,716</u> | <u>1.5%</u> |



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A Leading Online Consumer Finance Marketplace in China

