



## Q2 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<sup>(1)</sup>



**WELL-KNOWN brand name** in China for FinTech



**Ranked #1** among 1000+ online lending platforms<sup>(2)</sup>



**RMB**  
**97.6 Billion**

Cumulative Loan  
Facilitations <sup>(3)</sup>



**1.4 M**

Cumulative Number of  
Borrowers <sup>(3)</sup>



**1.5 M**

Cumulative Number  
of Investors <sup>(3)</sup>



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**<sup>(1)</sup>

 **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**

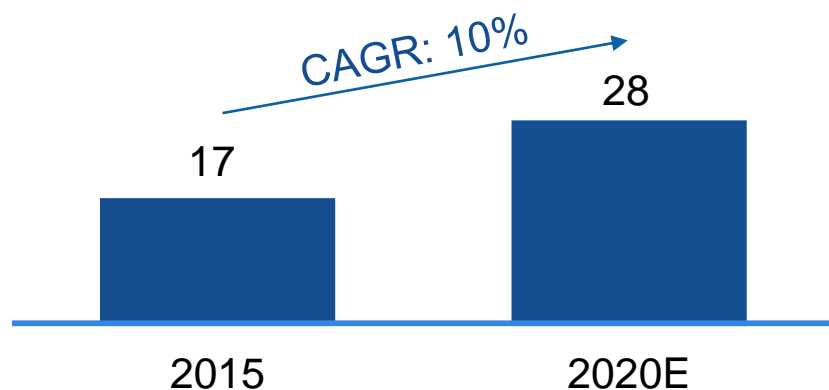


# ① Large Wealth Management Market

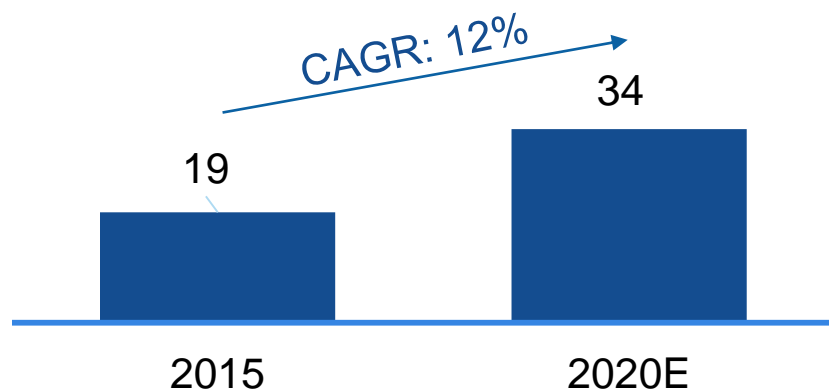


## Wealth Management Market in China

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



(By amount of investable assets, USD trillion)



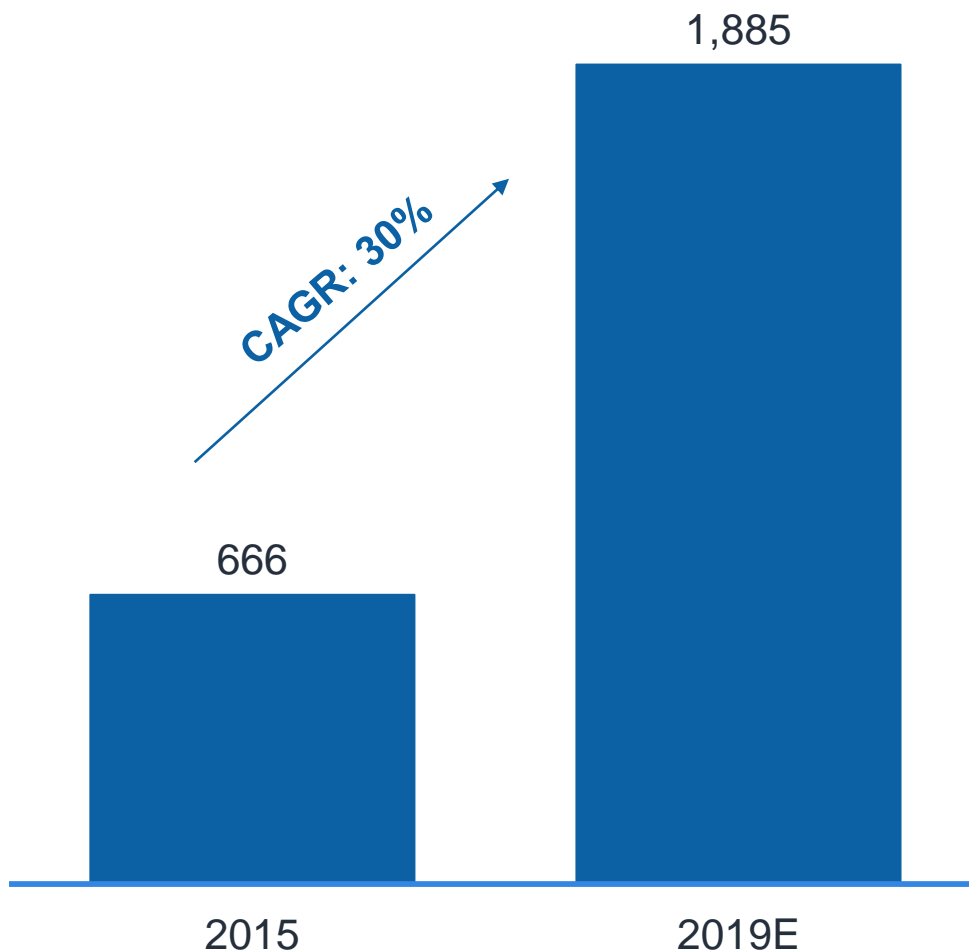
- China's wealth management market is heavily dominated by **retail (over 70%)**
- Individual wealth management market is **just taking off** (individual investable assets expected to increase from **USD 19 trillion in 2015 to USD 34 trillion in 2020**)
- Online wealth management platforms well-positioned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

# ① Large Unsecured Consumer Credit Demand <sup>(1)</sup>



## Unsecured Consumer Finance Market in China <sup>(1)</sup>

(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



**1.5 M**

Cumulative  
number of investors<sup>(1)</sup>

**202,380**

Number of investors  
in Q2 2018



**1.4 M**

Cumulative  
number of borrowers<sup>(1)</sup>

**177,754**

Number of borrowers  
in Q2 2018



**RMB  
97.6 Billion**

Cumulative loan  
facilitations <sup>(1)</sup>

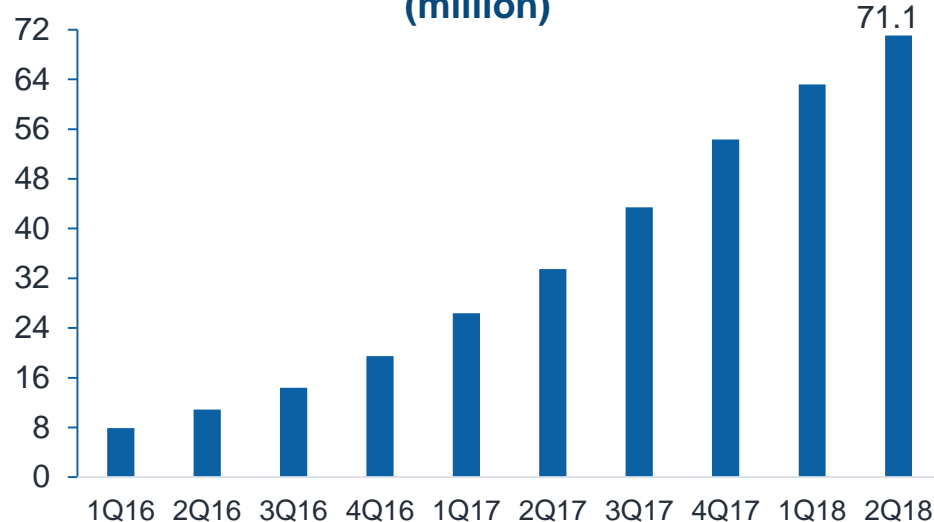
**RMB  
45.8 Billion**

Remaining principal of  
performing loans<sup>(2)</sup>

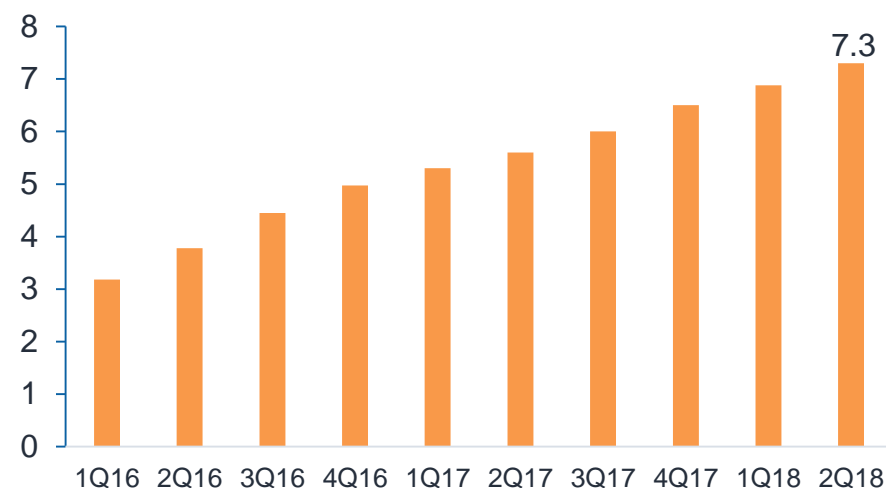
# 3 Expanding Borrower Universe and Investor Base



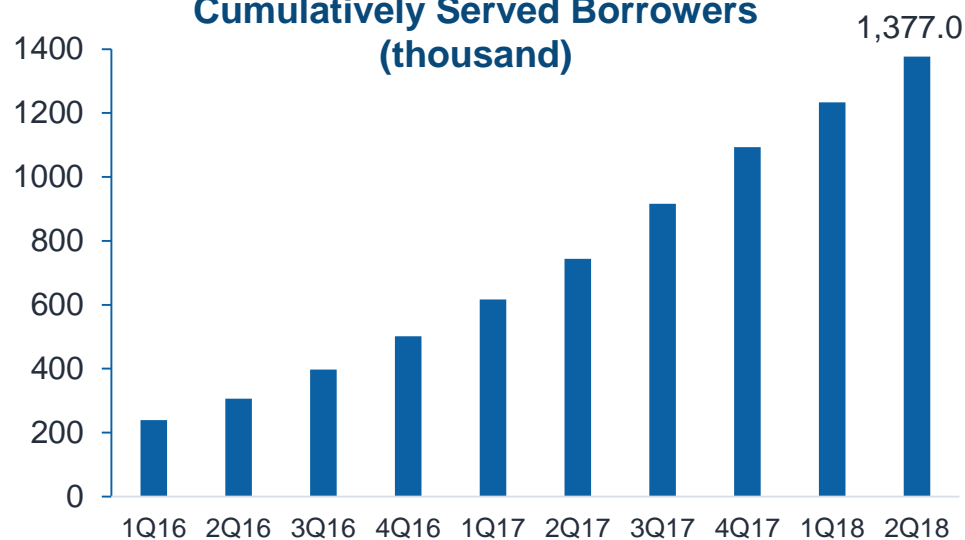
**Cumulatively Registered Borrowers  
(million)**



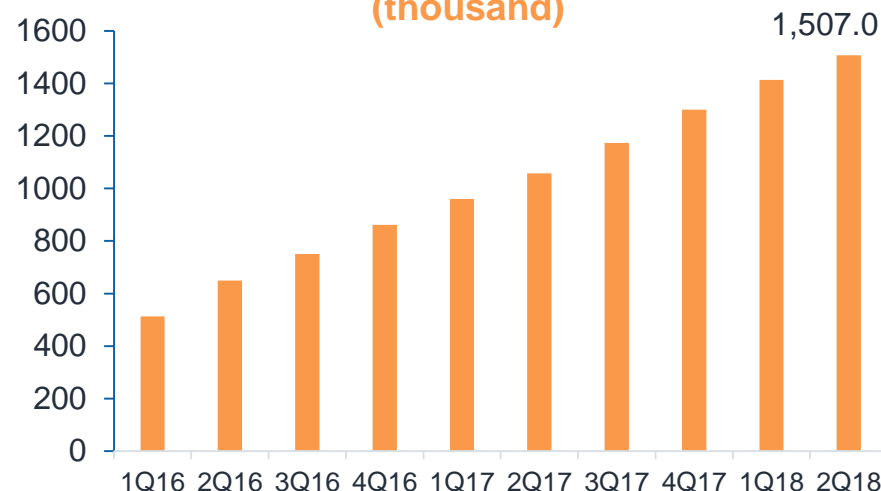
**Cumulatively Registered Investors  
(million)**



**Cumulatively Served Borrowers  
(thousand)**



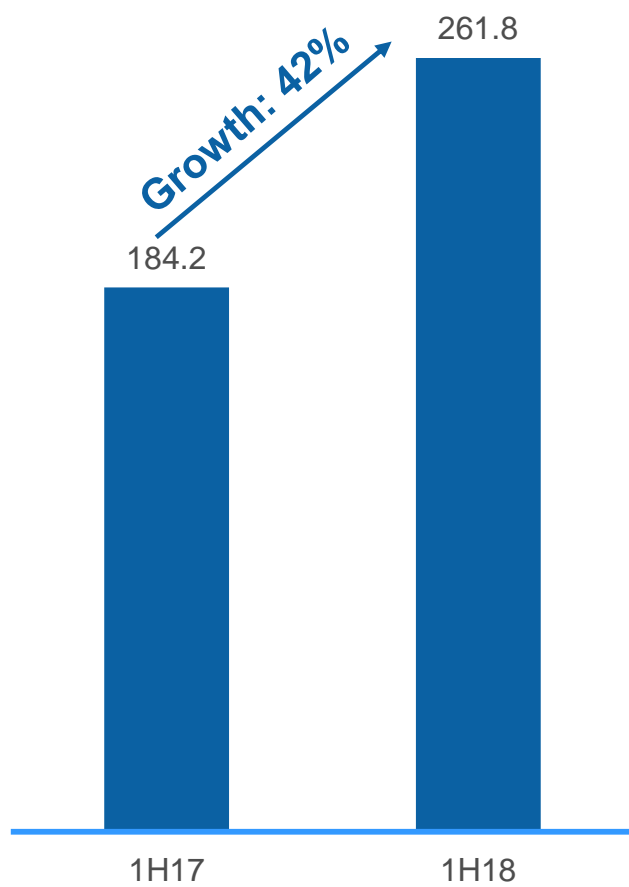
**Cumulatively Served Investors  
(thousand)**





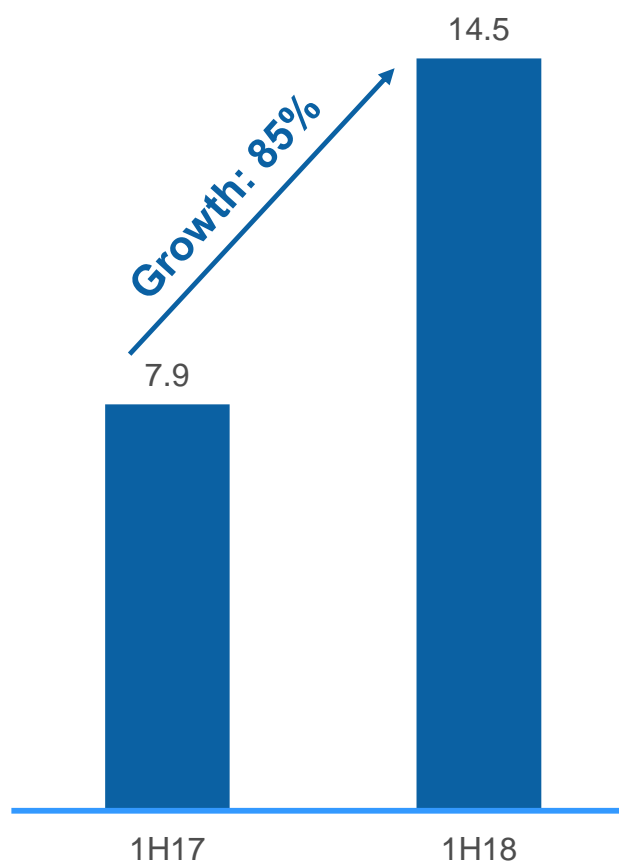
### Number of Online Borrowers

(Thousand)



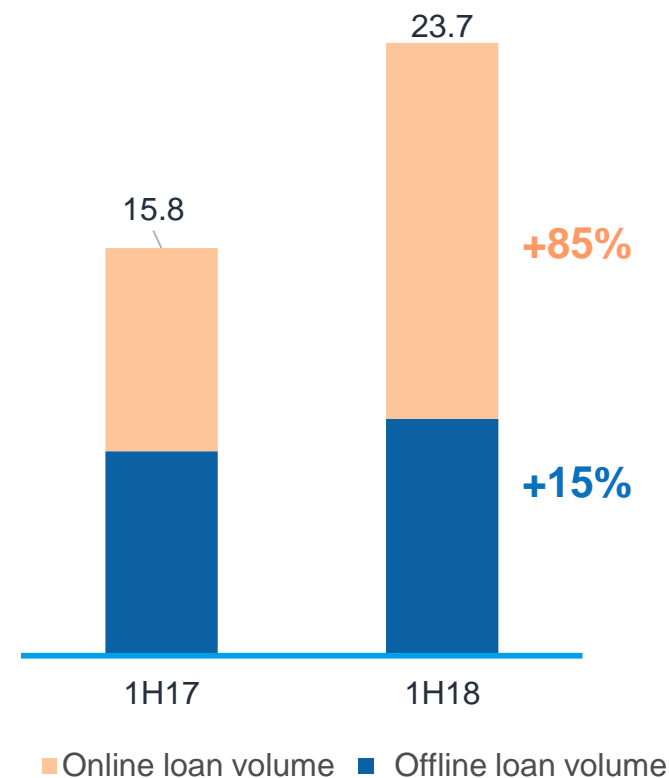
### Online Loan Volume

(RMB Bn)



### Online vs. Offline Loan Volume

(RMB Bn)



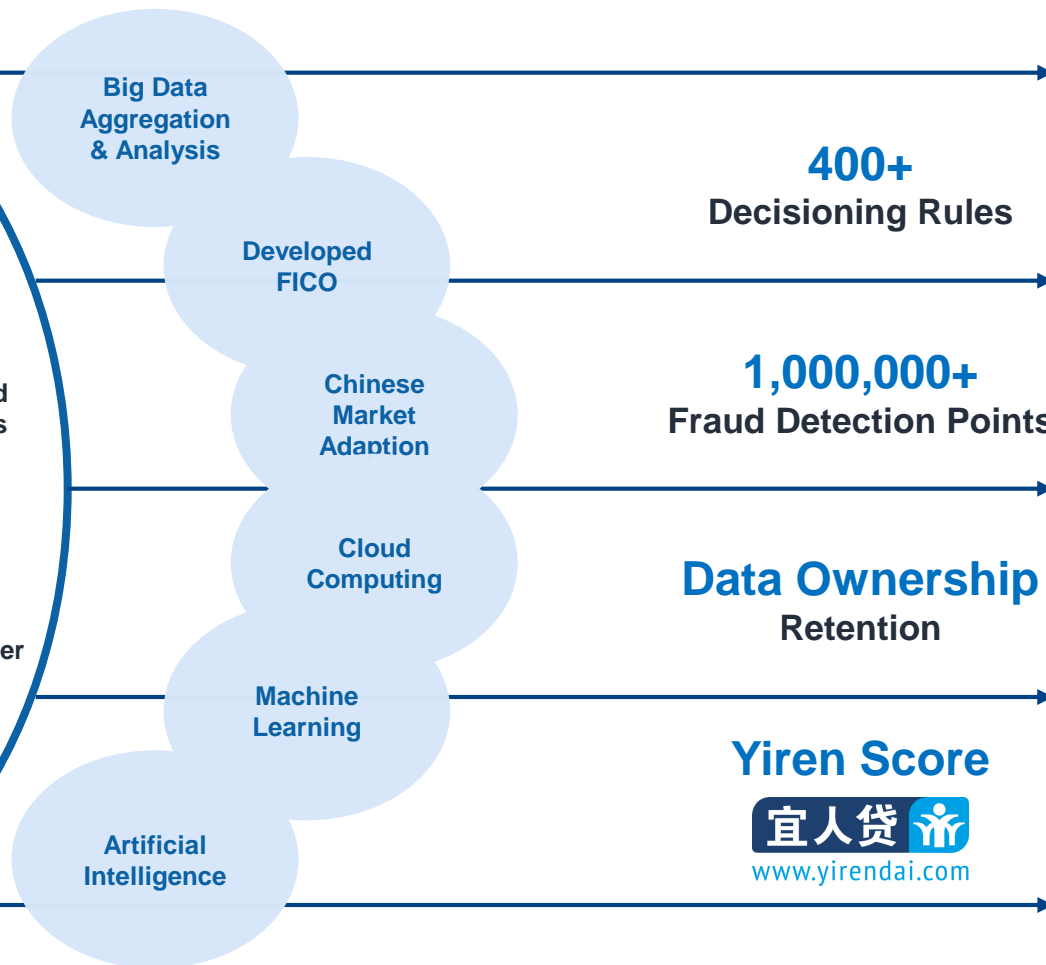
# 4 Extensive Data Set and Credit Decisioning Capabilities



## Extensive Data Set



## Proprietary Decisioning Platform



## Risk Grid



400+  
Decisioning Rules

1,000,000+  
Fraud Detection Points

Data Ownership  
Retention

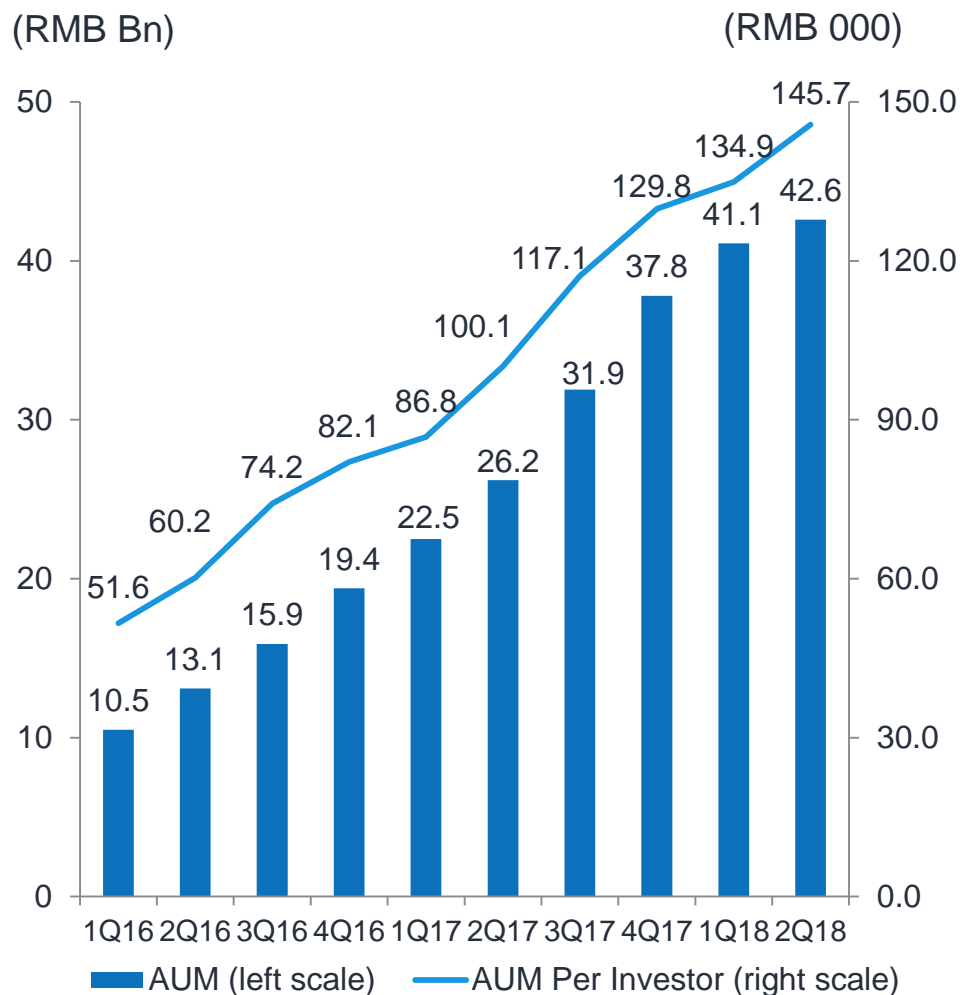
Yiren Score



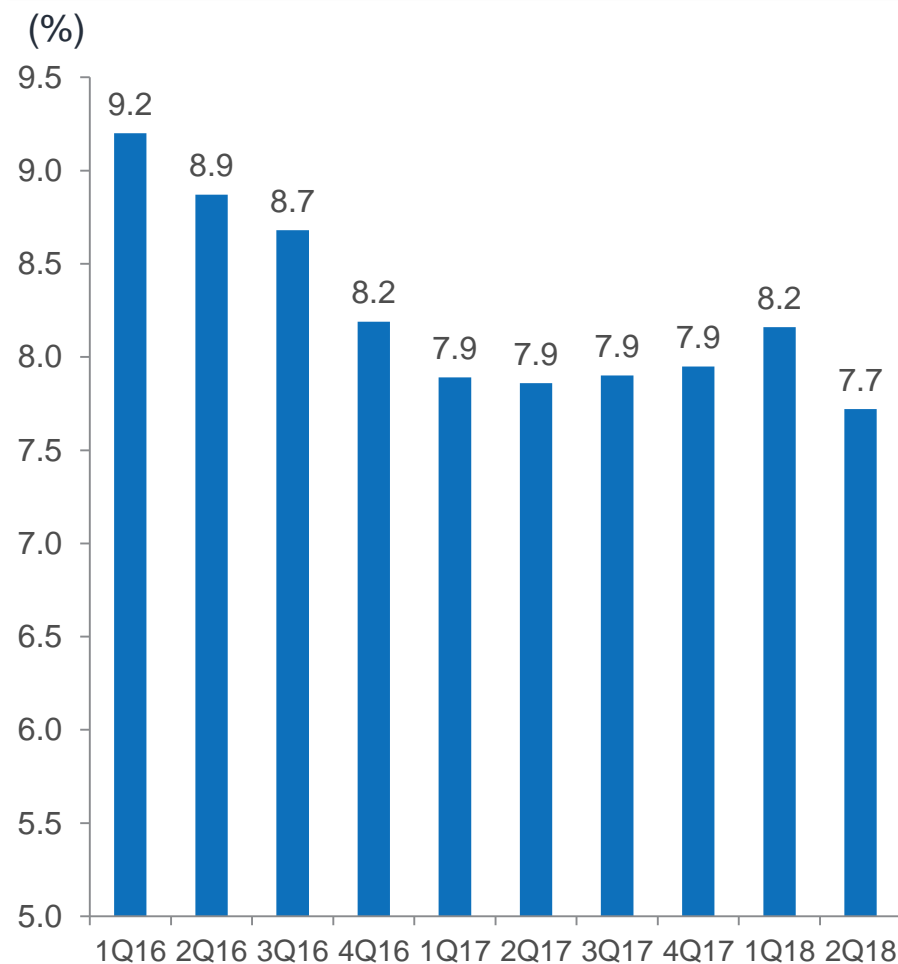
## 5 Yiren Wealth: Strong Growth Momentum



### AUM Per Investor <sup>(1)</sup>

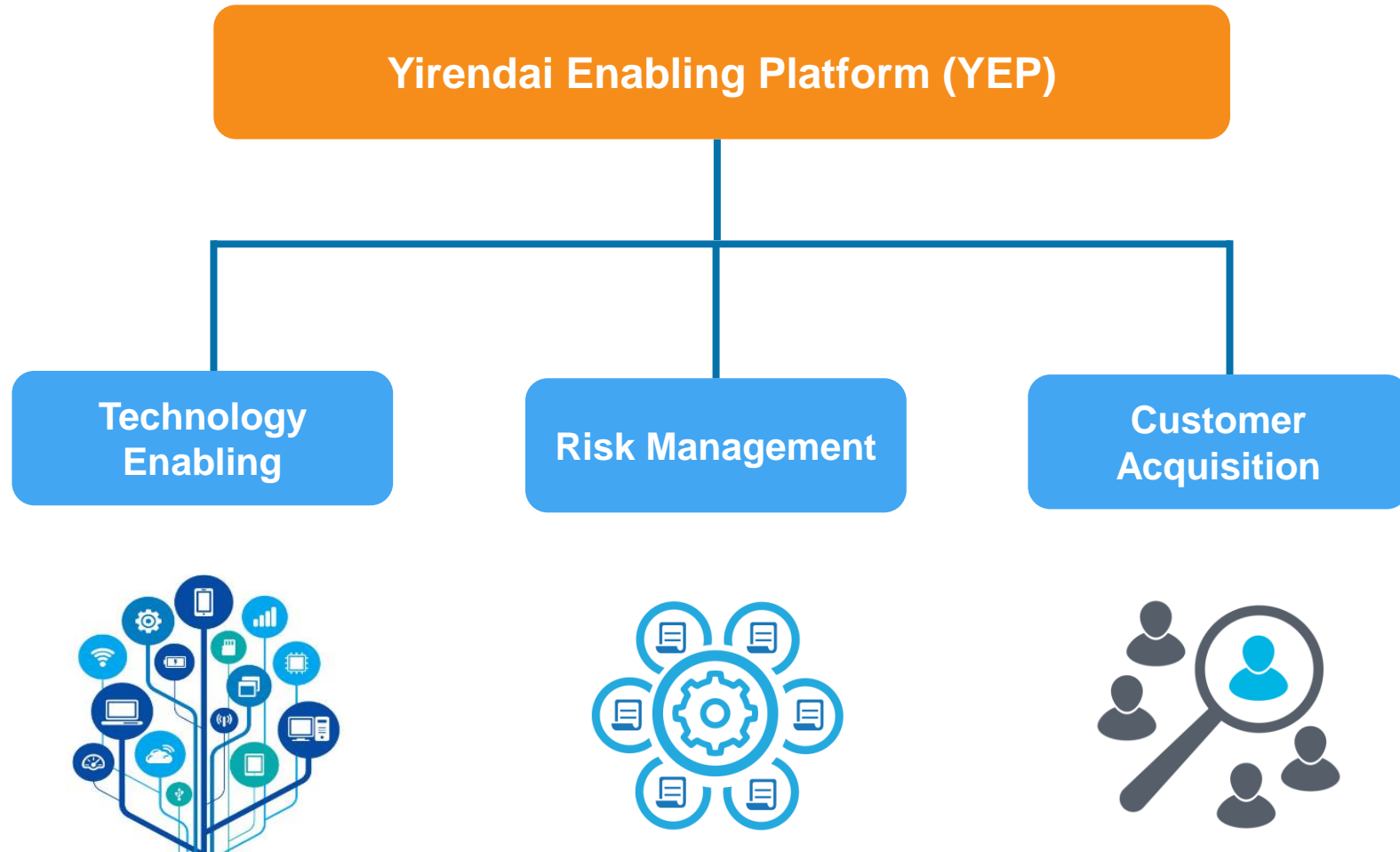


### Investment Yield <sup>(1)</sup>





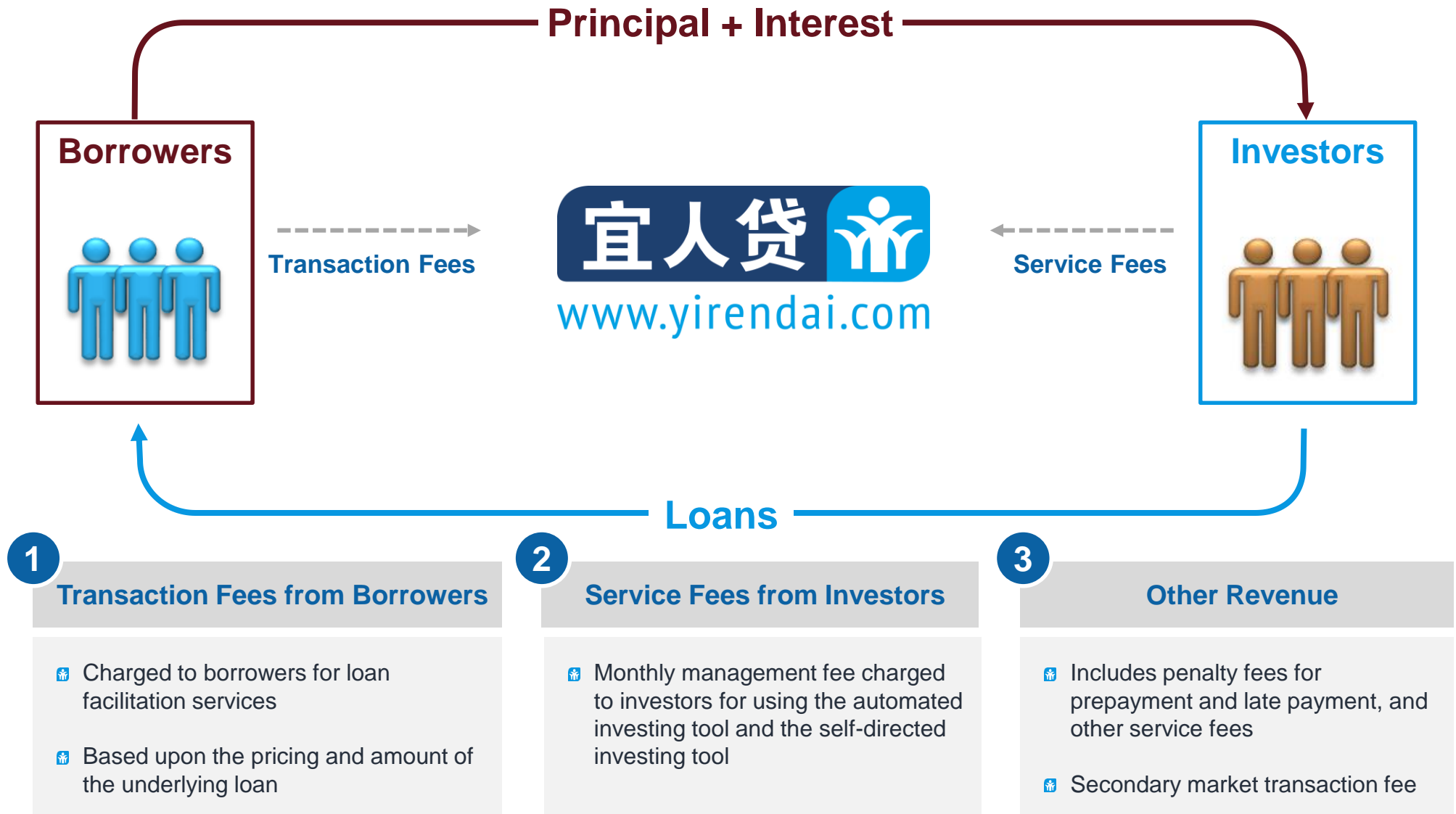
## 6 Superior Technology Enabling Platform





## Financial Highlights

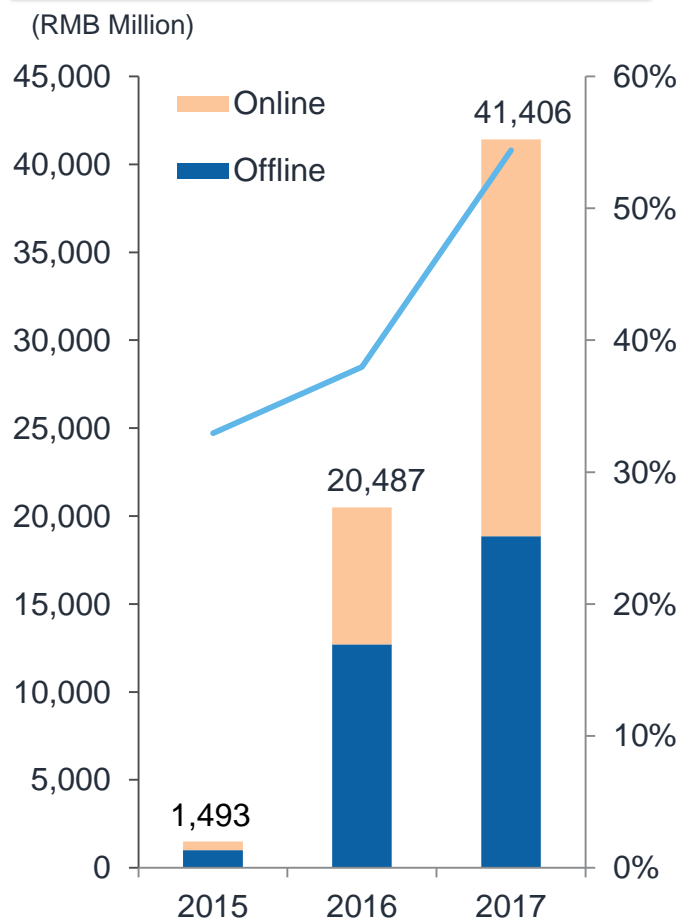
# ① Marketplace Model



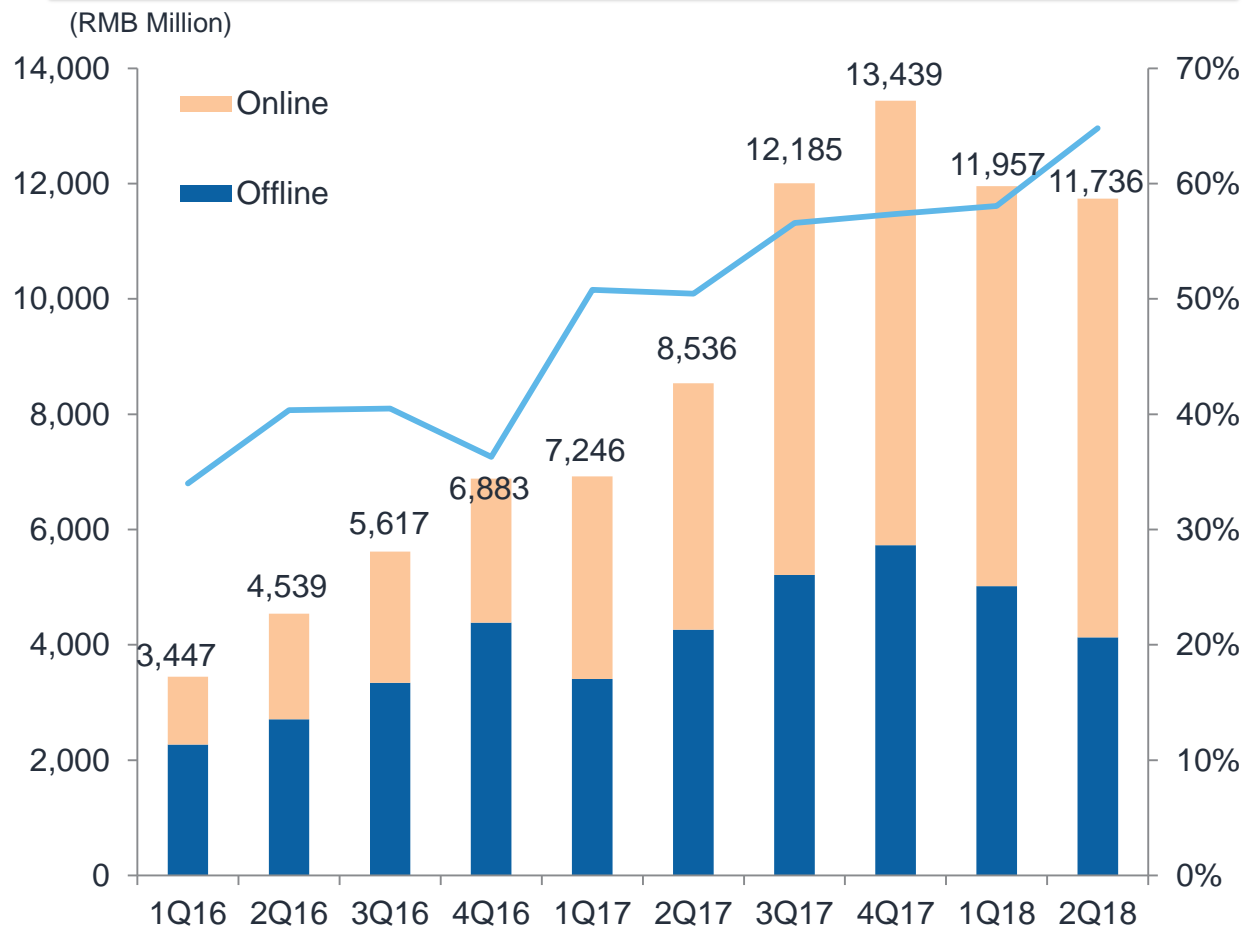
## ② Disciplined Growth of Loan Facilitations



### Annual



### Quarterly





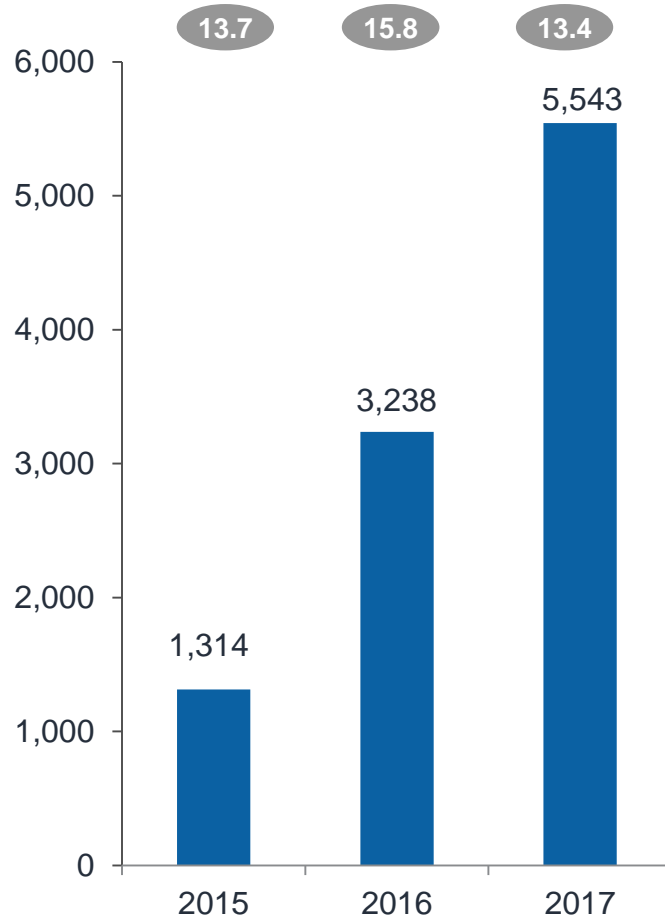
Risk Grade	1H 2018 Volume (RMB billion)	%
I	2.1	9%
II	6.2	26%
III	6.2	26%
IV	5.8	24%
V	3.4	14%
Total	23.7	100%

## 4 Net Revenue Growth

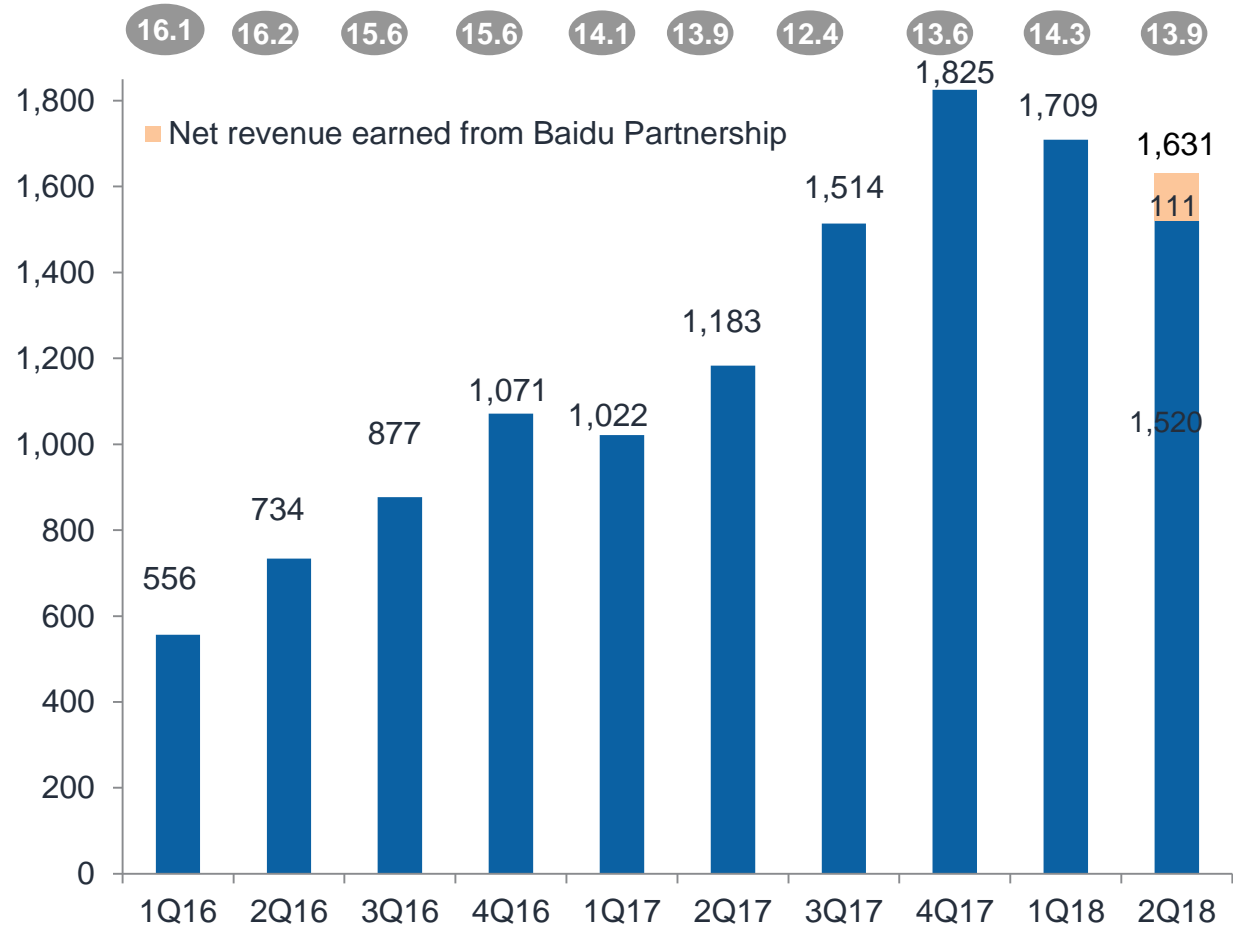


(RMB Million)

Annual



Quarterly

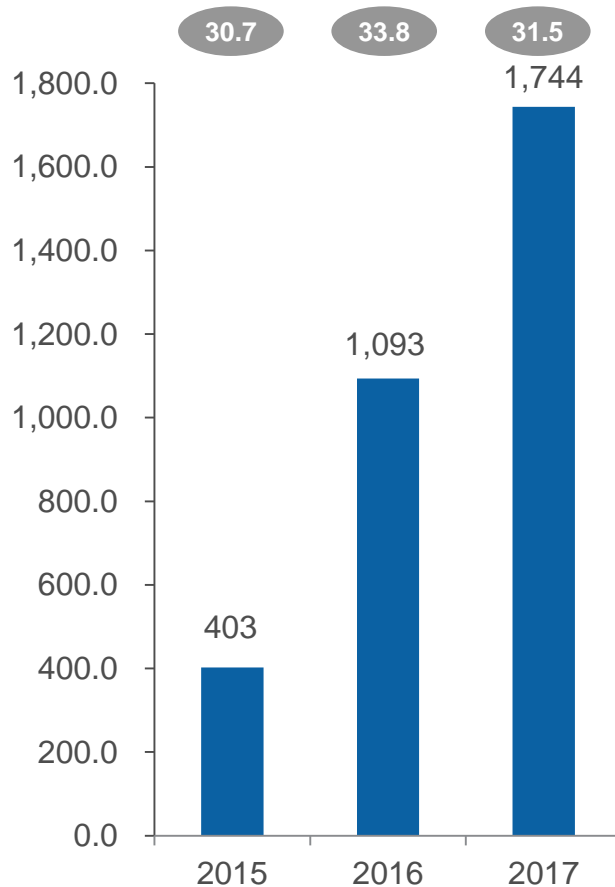


## 4 Adjusted EBITDA



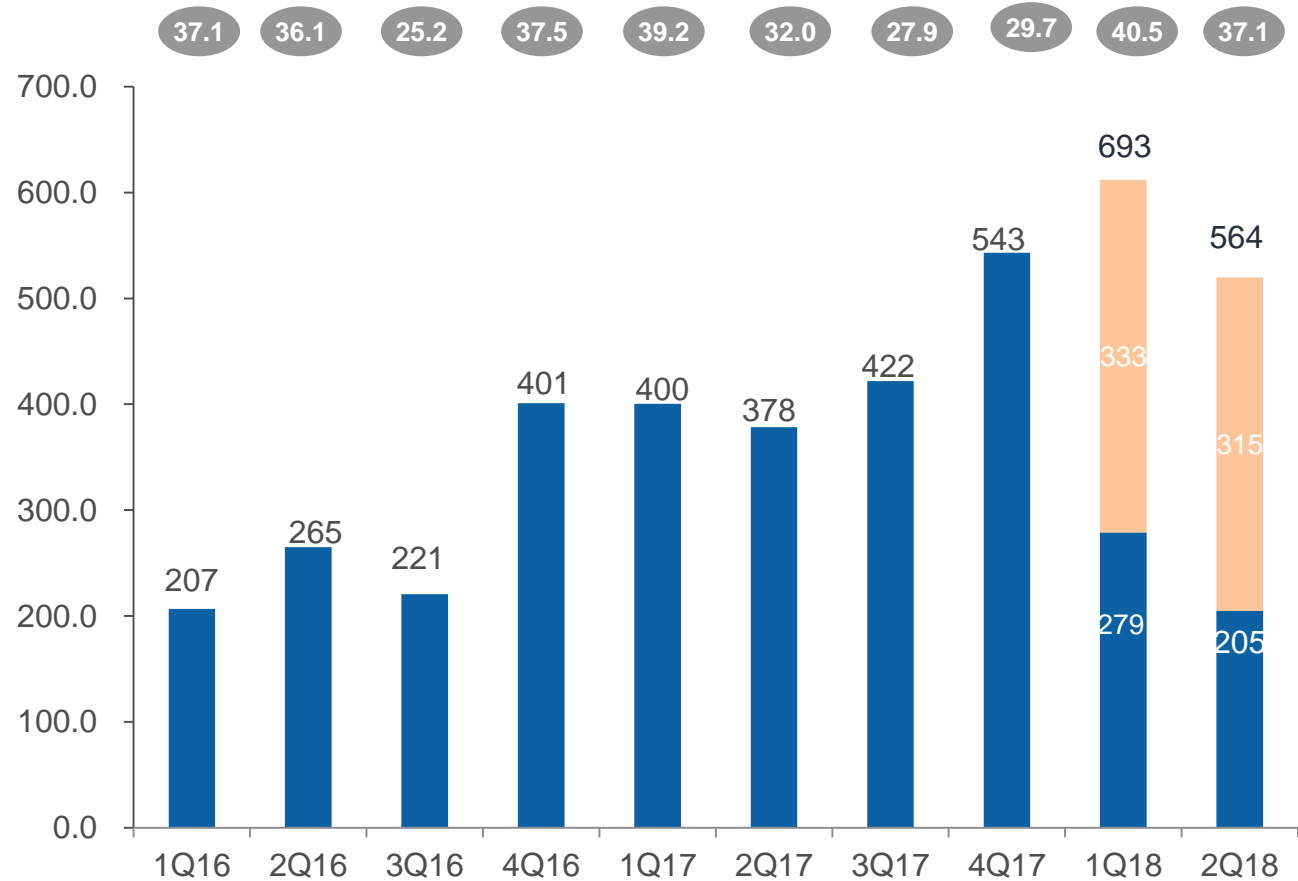
### Annual

(RMB Million)



### Quarterly

(RMB Million)



Adjusted EBITDA Margin (%) <sup>(1)</sup>

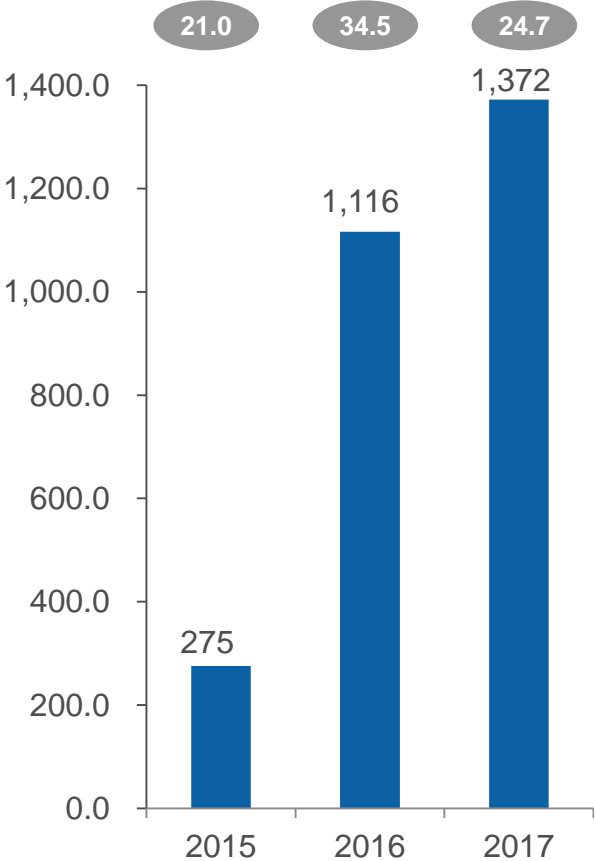
Adjustment on pre-tax income earned from loans facilitated prior to 2018, if ASC 606 was not adopted.





## Annual

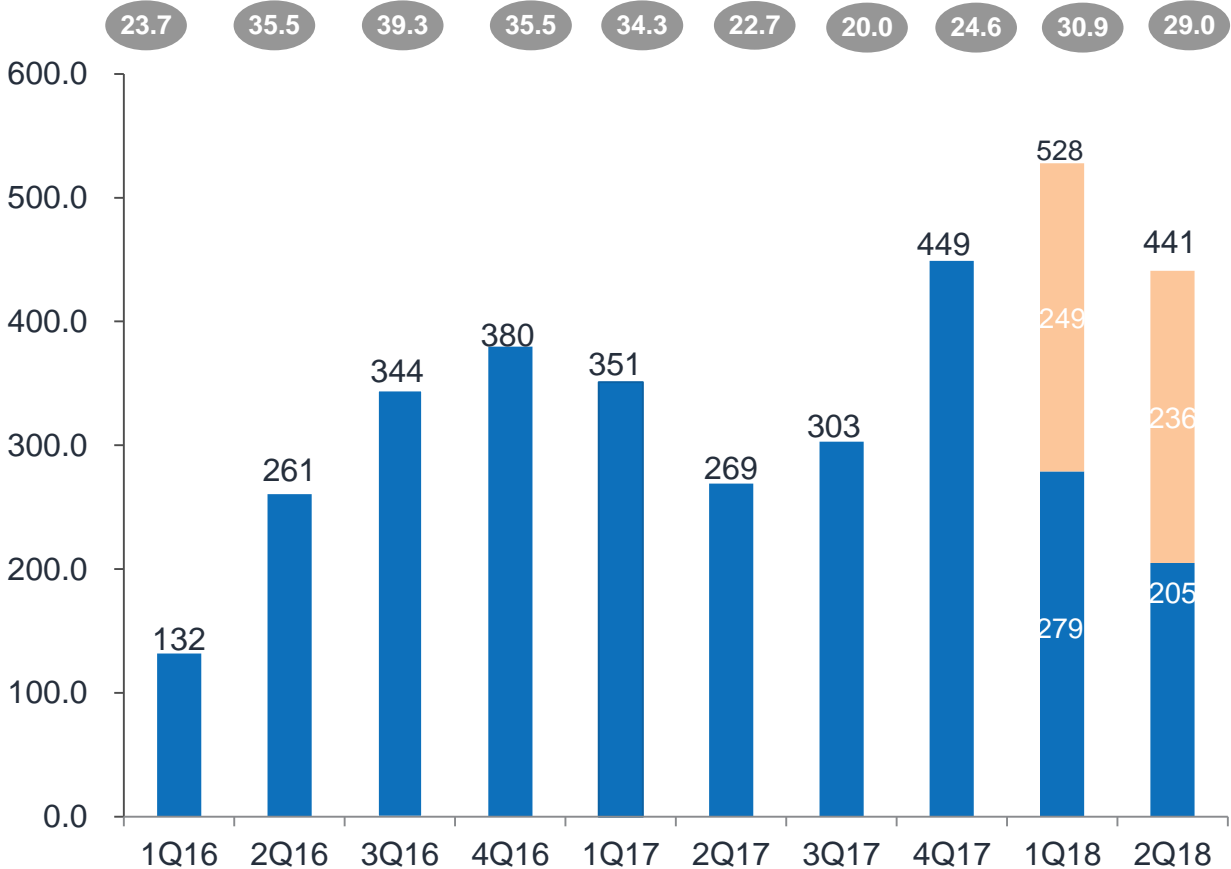
(RMB Million)



(Adjusted) Net Income Margin (%) <sup>(1)</sup>

## Quarterly

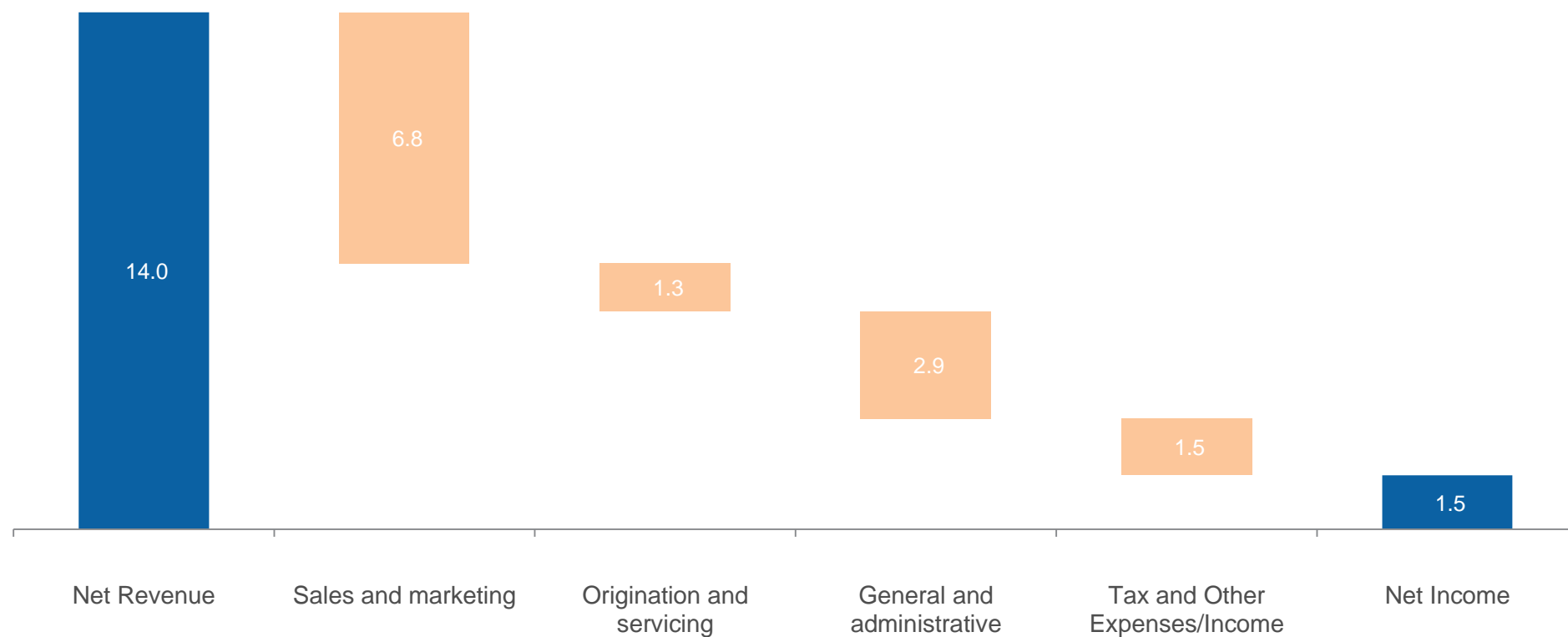
(RMB Million)



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

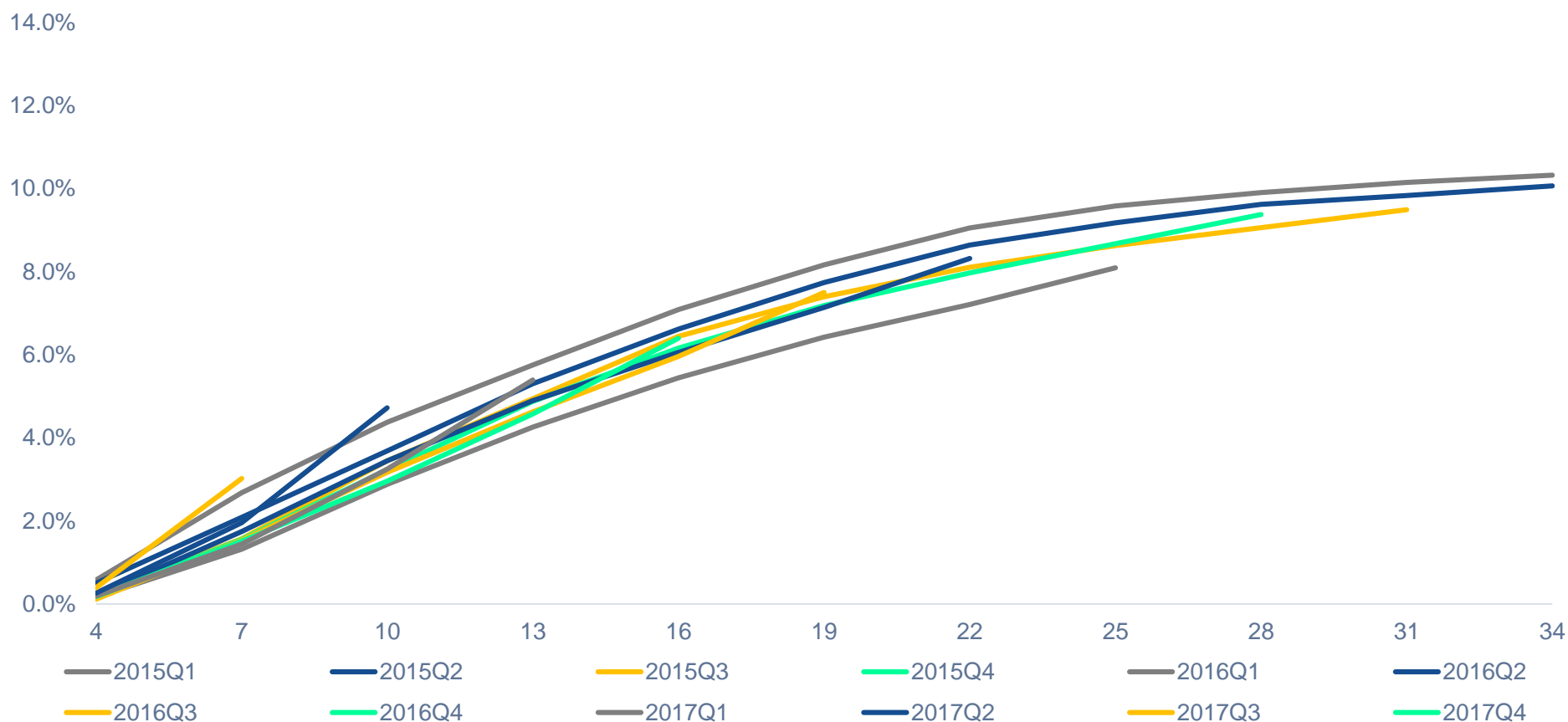
2018Q2 Economics <sup>(1)</sup>

(Per US\$ 100 loan originated)



Cumulative M3+ Net Charge Off Rates <sup>(1)</sup> <sup>(2)</sup>

Loans Facilitated Since 2015



(1) As of June 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 Six Months Ended		
	June 30, 2017	March 31, 2018	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2018
	RMB	RMB (Revised*)	RMB	USD	RMB	RMB	USD
Net revenue:							
Loan facilitation services	1,121,200	1,247,616	997,450	150,736	2,097,598	2,245,066	339,283
Post-origination services	41,389	53,405	61,673	9,320	74,701	115,078	17,391
Account management services	-	361,121	401,960	60,746	-	763,081	115,320
Others	20,468	47,173	58,489	8,839	32,357	105,662	15,968
Total net revenue *	1,183,057	1,709,315	1,519,572	229,641	2,204,656	3,228,887	487,962
Operating costs and expenses:							
Sales and marketing	617,880	781,726	793,750	119,954	1,087,260	1,575,476	238,092
Origination and servicing	93,147	142,740	147,031	22,220	151,931	289,771	43,791
General and administrative	98,614	338,030	336,062	50,787	199,112	674,092	101,871
Total operating costs and expenses	809,641	1,262,496	1,276,843	192,961	1,438,303	2,539,339	383,754
Interest income	27,398	28,276	23,409	3,538	51,547	51,685	7,811
Fair value adjustments related to Consolidated ABFE	(1,915)	4,463	142,603	21,551	(560)	147,066	22,225
Provision expenses *	-	(116,624)	(163,029)	(24,637)	-	(279,653)	(42,262)
Non-operating income, net	555	(452)	5	1	762	(447)	(68)
Income before provision for income taxes	399,454	362,482	245,717	37,133	818,102	608,199	91,914
Income tax expense/(benefit)	130,358	83,578	41,054	6,204	198,105	124,632	18,836
Net income	269,096	278,904	204,663	30,929	619,997	483,567	73,078

# 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 Six Months Ended		
	June 30, 2017	March 31, 2018	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2018
	RMB	RMB (Revised*)	RMB	USD	RMB	RMB	USD
Weighted average number of ordinary shares outstanding, basic	119,603,286	121,368,093	121,429,290	121,429,290	119,582,176	121,397,446	121,397,446
Basic income per share	2.2499	2.2980	1.6855	0.2547	5.1847	3.9833	0.6020
Basic income per ADS	4.4998	4.5960	3.3710	0.5094	10.3694	7.9666	1.2040
Weighted average number of ordinary shares outstanding, diluted	120,833,406	123,773,063	123,656,710	123,656,710	120,837,995	123,713,641	123,713,641
Diluted income per share	2.2270	2.2533	1.6551	0.2501	5.1308	3.9088	0.5907
Diluted income per ADS	4.4540	4.5066	3.3102	0.5002	10.2616	7.8176	1.1814

# Balance Sheet



## Unaudited Consolidated Balance Sheet (in thousands)

	As of			
	June 30, 2017	March 31, 2018	June 30, 2018	June 30, 2018
	RMB	RMB (Revised*)	RMB	USD
Cash and cash equivalents	891,154	1,666,866	567,502	85,762
Restricted cash	1,716,768	1,219,932	662,580	100,132
Accounts receivable	18,109	10,956	6,856	1,036
Prepaid expenses and other assets	619,504	1,191,191	1,228,150	185,603
Loans at fair value	269,952	888,786	1,659,310	250,761
Amounts due from related parties	2,824	129,229	119,616	18,077
Held-to-maturity investments	589,329	9,679	312,101	47,166
Available-for-sale investments	1,262,260	990,873	530,057	80,104
Property, equipment and software, net	59,838	83,279	96,769	14,624
Deferred tax assets *	559,794	806,798	429,964	64,978
Contract assets *	-	2,410,688	2,552,900	385,803
<b>Total assets</b>	<b>5,989,532</b>	<b>9,408,277</b>	<b>8,165,805</b>	<b>1,234,046</b>
Accounts payable	15,153	35,747	36,657	5,540
Amounts due to related parties	45,425	70,875	54,954	8,305
Liabilities from quality assurance program and guarantee	1,961,315	2,745,530	12,152	1,836
Deferred revenue	173,386	-	-	-
Payable to third-party credit assurance program	-	-	1,241,859	187,674
Payable to investors at fair value	200,947	75,983	51,988	7,857
Accrued expenses and other liabilities *	780,555	1,170,206	1,234,407	186,548
Deferred tax liabilities *	60,000	627,321	658,156	99,463
Contract liabilities *	-	334,658	294,680	44,533
<b>Total liabilities</b>	<b>3,236,781</b>	<b>5,060,320</b>	<b>3,584,853</b>	<b>541,756</b>
Ordinary shares	75	76	76	11
Additional paid-in capital	950,151	1,149,698	1,174,158	177,443
Accumulated other comprehensive income	19,216	(1,502)	9,005	1,361
Retained earnings*	1,783,309	3,199,685	3,397,713	513,475
<b>Total equity</b>	<b>2,752,751</b>	<b>4,347,957</b>	<b>4,580,952</b>	<b>692,290</b>
<b>Total liabilities and equity</b>	<b>5,989,532</b>	<b>9,408,277</b>	<b>8,165,805</b>	<b>1,234,046</b>



# 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 Six Months Ended		
	June 30, 2017	March 31, 2018	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2018
	RMB	RMB (Revised*)	RMB	USD	RMB	RMB	USD
<b>Unaudited Condensed Consolidated Cash Flow Data</b>							
Net cash generated from/(used in) operating activities	530,371	(337,727)	(1,370,147)	(207,062)	1,094,875	(1,707,874)	(258,101)
Net cash used in investing activities	(95,702)	(382,191)	(491,870)	(74,333)	(523,388)	(874,061)	(132,091)
Net cash used in financing activities	(94,993)	(45,176)	197,184	29,799	(139,834)	152,008	22,972
Effect of foreign exchange rate changes	(6,463)	(10,976)	8,117	1,227	(10,242)	(2,859)	(432)
Net increase/(decrease) in cash, cash equivalents and restricted cash	333,213	(776,070)	(1,656,716)	(250,369)	421,411	(2,432,786)	(367,652)
Cash, cash equivalents and restricted cash, beginning of period	2,274,709	3,662,868	2,886,798	436,263	2,186,511	3,662,868	553,546
Cash, cash equivalents and restricted cash, end of period	2,607,922	2,886,798	1,230,082	185,894	2,607,922	1,230,082	185,894

# 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 Six Months Ended		
	June 30, 2017	March 31, 2018	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2018
	RMB	RMB (Revised*)	RMB	USD	RMB	RMB	USD
<b>Operating Highlights</b>							
Amount of loans facilitated	8,536,087	11,956,720	11,736,216	1,773,620	15,782,171	23,692,936	3,580,562
Loans generated from online channels	4,271,610	6,940,343	7,608,411	1,149,811	7,861,739	14,548,754	2,198,660
Loans generated from offline channels	4,264,477	5,016,377	4,127,805	623,809	7,920,432	9,144,182	1,381,902
Number of borrowers	138,529	174,128	177,754	177,754	263,319	351,725	351,725
Borrowers from online channels	98,245	126,276	135,686	135,686	184,190	261,814	261,814
Borrowers from offline channels	40,284	47,852	42,068	42,068	79,129	89,911	89,911
Number of investors	199,591	214,231	202,380	202,380	324,672	349,526	349,526
Investors from online channels	199,591	214,231	202,380	202,380	324,672	349,526	349,526
Adjusted EBITDA *	378,434	692,843	563,721	85,191	778,731	1,256,564	189,897
Adjusted EBITDA margin *	32.0%	40.5%	37.1%	37.1%	35.3%	38.9%	38.9%

# Operating Highlights (2/2)



## Operating Highlights (in thousands)

	As of			
	June 30, 2017	March 31, 2018	June 30, 2018	June 30, 2018
	RMB	RMB	RMB	USD
<b>Operating Highlights</b>				
Remaining principal of performing loans	27,871,922	43,843,775	45,849,674	6,928,968
Remaining principal of performing loans covered by quality assurance program and guarantee	27,502,314	40,855,141	148,523	22,445
Remaining principal of performing loans covered by third-party credit enhancement program	-	-	42,149,174	6,369,735



	Delinquency Rates		
	Delinquent for		
	15-29 days	30-59 days	60-89 days
<b>All Loans</b>			
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%
<b>Online Channels</b>			
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%
<b>Offline Channels</b>			
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%

# Net Charge-off Rates (1/2)



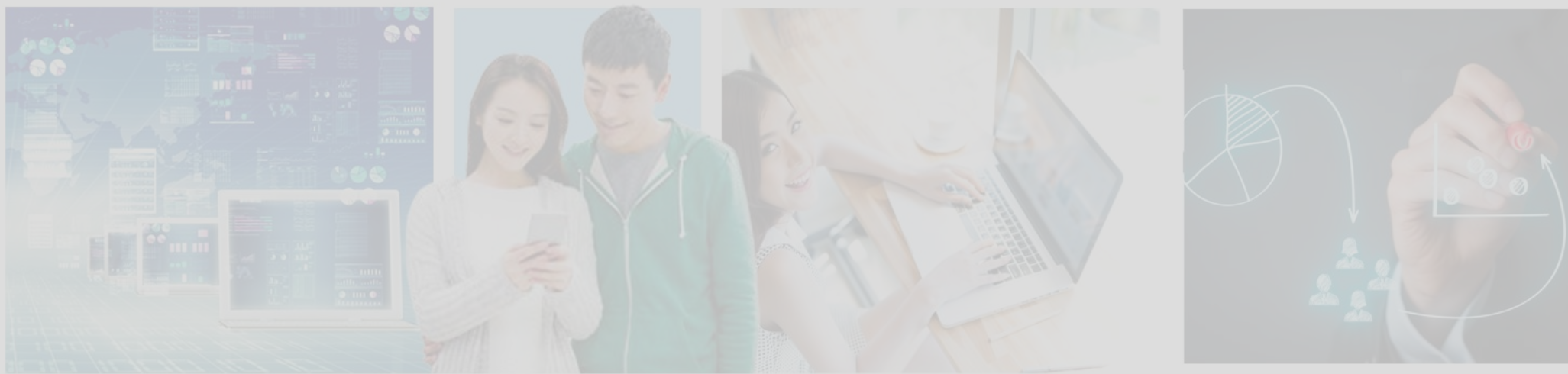
Net Charge-Off Rate for Upgraded Risk Grid

Loan issued period	Customer grade	Amount of loans facilitated during the period (in RMB thousands)	Accumulated M3+ Net Charge-Off as of June 30, 2018 (in RMB thousands)	Total Net Charge-Off Rate as of June 30, 2018
2014	I	-	-	-
	II	1,921,372	85,697	4.5%
	III	303,276	19,295	6.4%
	IV	-	-	-
	V	3,913	518	13.2%
	Total	2,228,561	105,510	4.7%
2015	I	146,490	4,254	2.9%
	II	1,614,354	94,718	5.9%
	III	2,521,705	210,958	8.4%
	IV	2,506,107	264,606	10.6%
	V	2,768,957	389,048	14.1%
	Total	9,557,613	963,584	10.1%
2016	I	497,220	14,806	3.0%
	II	3,137,889	127,756	4.1%
	III	3,763,081	217,374	5.8%
	IV	5,183,233	394,979	7.6%
	V	7,799,180	1,025,257	13.1%
	Total	20,380,603	1,780,172	8.7%
2017	I	2,701,162	48,174	1.8%
	II	9,079,647	358,000	3.9%
	III	10,611,451	633,448	6.0%
	IV	10,263,135	707,636	6.9%
	V	8,750,663	745,081	8.5%
	Total	41,406,058	2,492,339	6.0%
1H 2018	I	2,118,371	2,080	0.1%
	II	6,186,170	18,023	0.3%
	III	6,242,087	20,918	0.3%
	IV	5,780,058	20,785	0.4%
	V	3,366,250	14,766	0.4%
	Total	23,692,936	76,572	0.3%

# Net Charge-off Rates (2/2)



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%		
2015Q4	0.2%	1.6%	3.2%	4.9%	6.2%	7.2%	8.0%	8.7%	9.4%			
2016Q1	0.2%	1.3%	2.9%	4.3%	5.4%	6.4%	7.2%	8.1%				
2016Q2	0.2%	1.7%	3.4%	4.9%	6.1%	7.1%	8.3%					
2016Q3	0.1%	1.5%	3.2%	4.6%	6.0%	7.5%						
2016Q4	0.2%	1.5%	3.0%	4.6%	6.4%							
2017Q1	0.2%	1.4%	3.2%	5.4%								
2017Q2	0.3%	2.0%	4.7%									
2017Q3	0.4%	3.0%										
2017Q4	0.6%											



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