

Q4 & Full Year 2017 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.



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 #1 among 2000+ online lending platforms⁽²⁾

Asian Banker Award



RMB
73.9 Billion

Cumulative Loan
Facilitations ⁽³⁾



1.1 M

Cumulative Number of
Borrowers ⁽³⁾



1.3 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
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



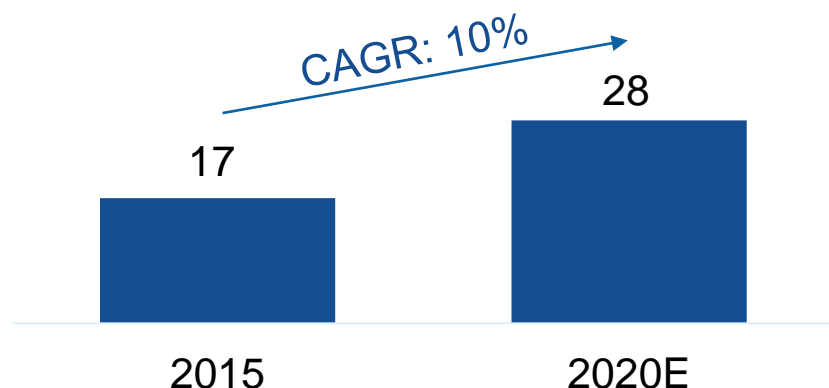
- 1 **Largely Untapped Consumer Credit & Wealth Management Market**
- 2 **Leading FinTech Company in China**
- 3 **Strong Online Credit Business Growth with Leading Market Share**
- 4 **Superior Asset Performance with Leading Online Risk Underwriting Capabilities**
- 5 **Fast Growing Online Wealth Management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

① Large Wealth Management Market

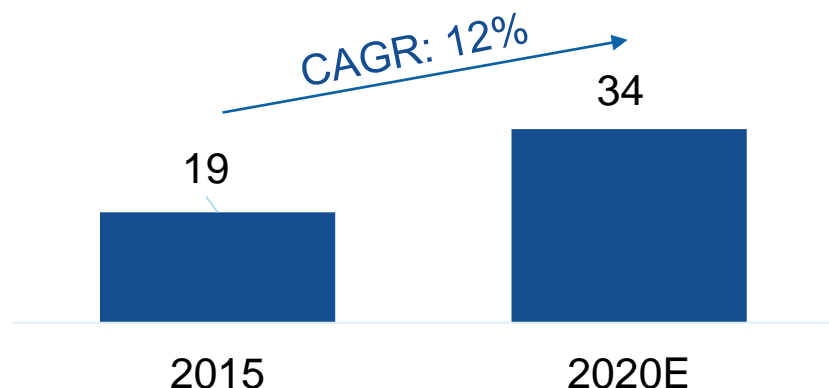


Wealth Management Market in China

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



(By amount of investable assets, USD trillion)



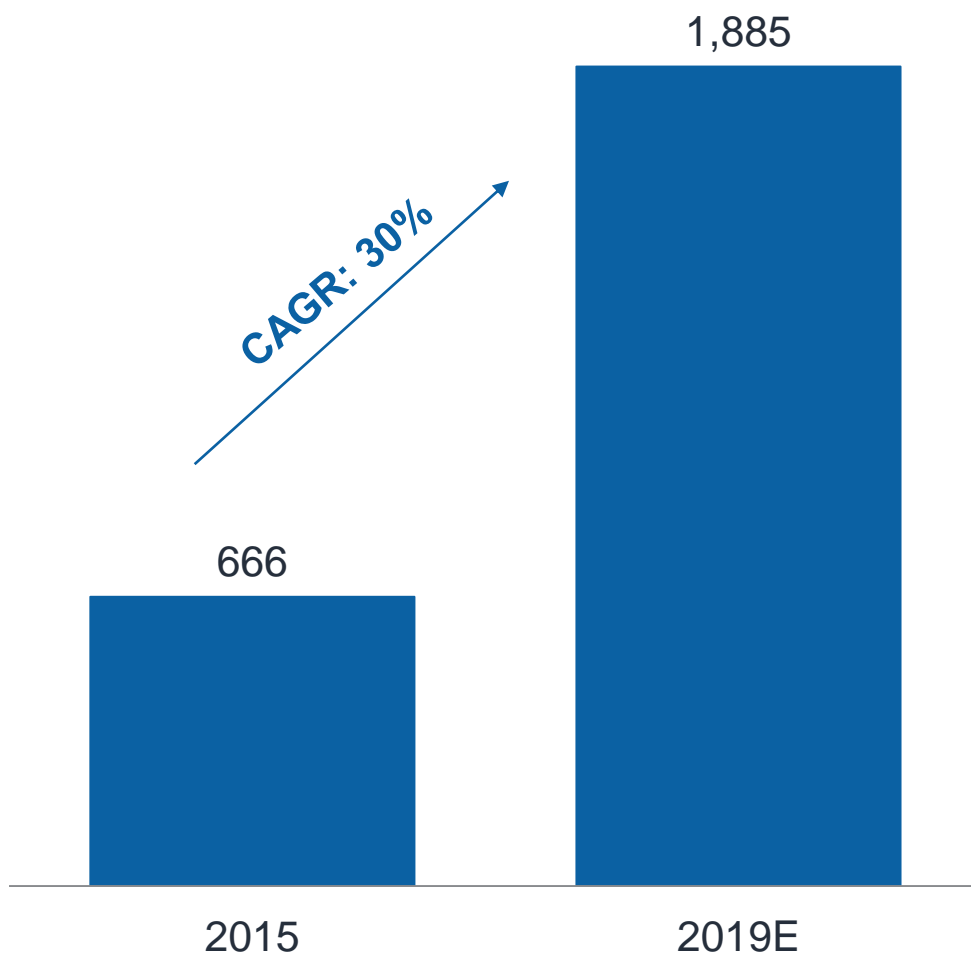
- China's wealth management market is heavily dominated by **retail (over 70%)**
- Individual wealth management market is **just taking off** (individual investable assets expected to increase from **USD 19 trillion in 2015 to USD 34 trillion in 2020**)
- Online wealth management platforms well-positioned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

2 A Leading Fintech Company in China



1.3 M

Cumulative
number of investors⁽¹⁾

233,374

Number of investors
in Q4 2017



1.1 M

Cumulative
number of borrowers⁽¹⁾

202,370

Number of borrowers
in Q4 2017



**RMB
73.9 Billion**

Cumulative loan
facilitations ⁽¹⁾

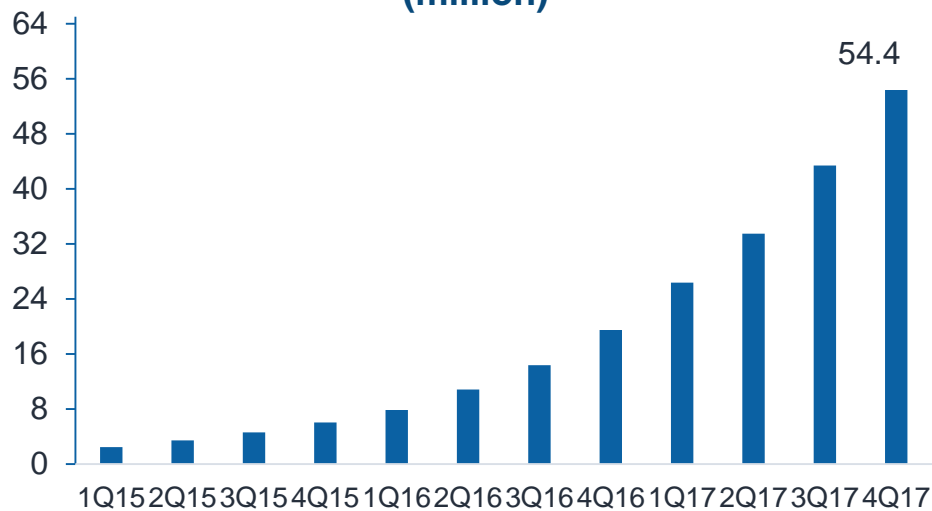
**RMB
40.6 Billion**

Remaining principal of
performing loans⁽²⁾

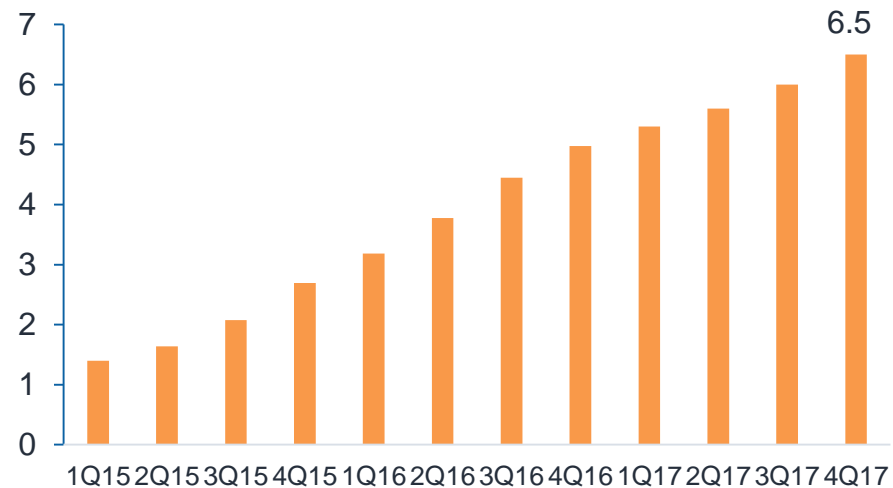
3 Expanding Borrower Universe and Investor Base



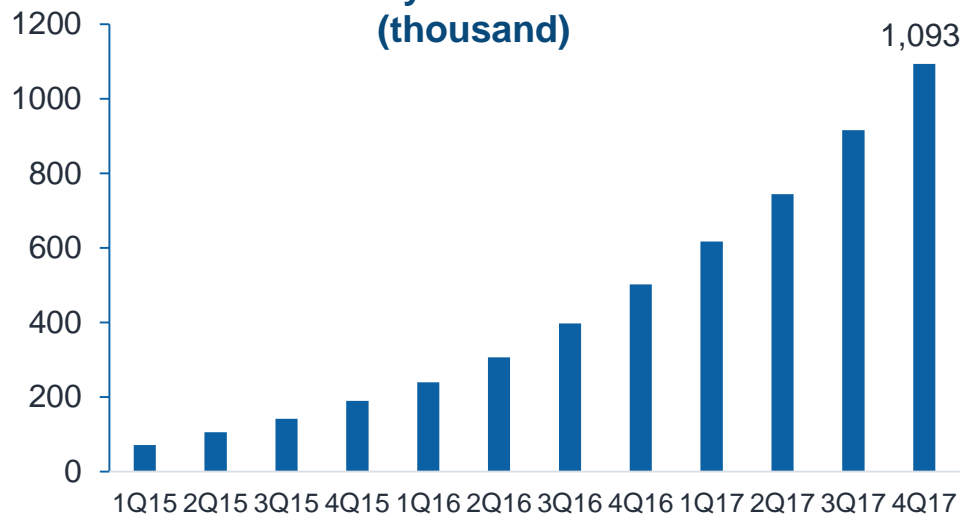
**Cumulatively Registered Borrowers
(million)**



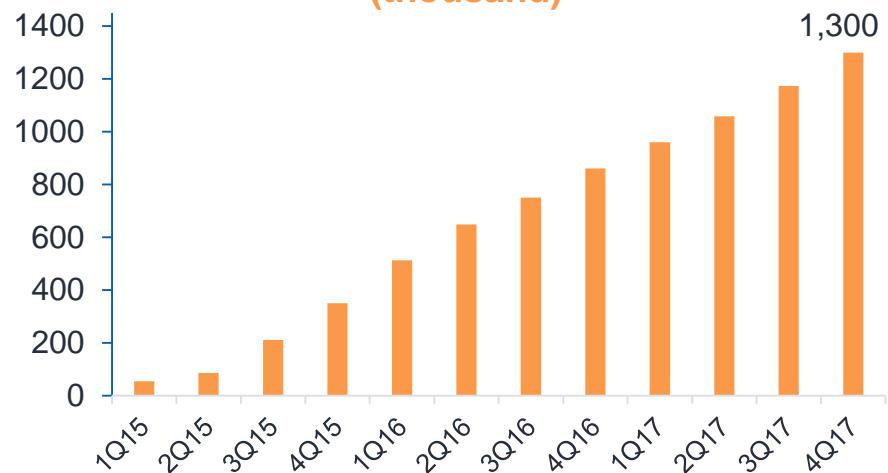
**Cumulatively Registered Investors
(million)**

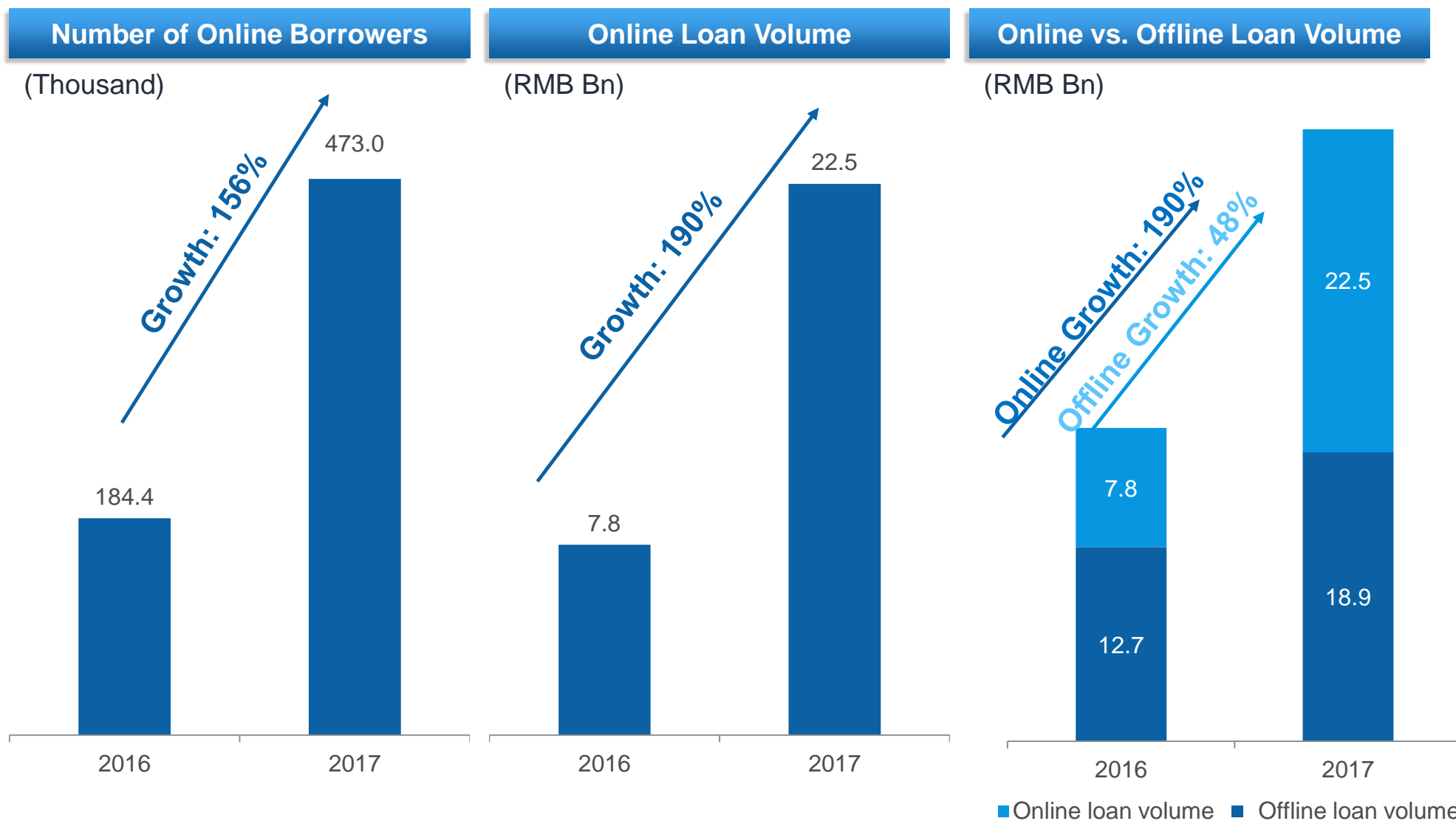


**Cumulatively Served Borrowers
(thousand)**



**Cumulatively Served Investors
(thousand)**





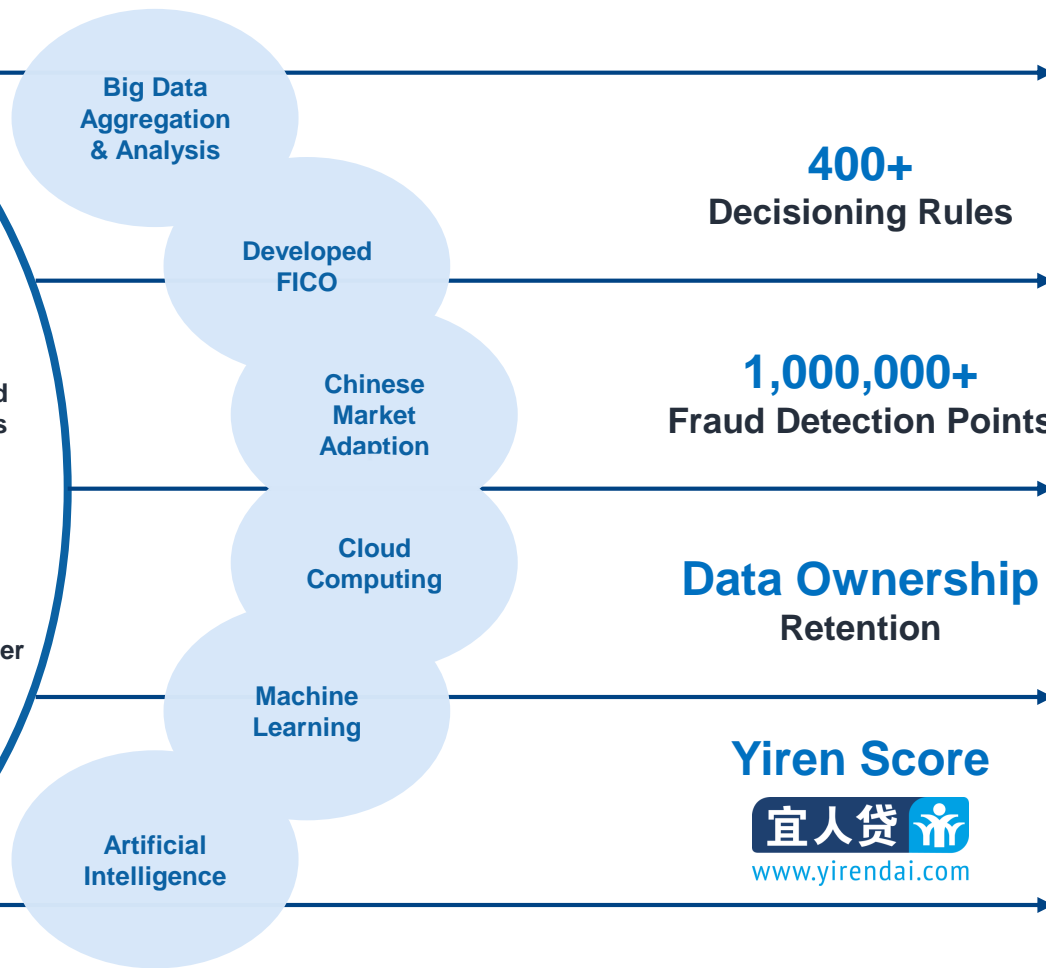
4 Extensive Data Set and Credit Decisioning Capabilities



Extensive Data Set



Proprietary Decisioning Platform



Risk Grid



400+
Decisioning Rules

1,000,000+
Fraud Detection Points

Data Ownership
Retention

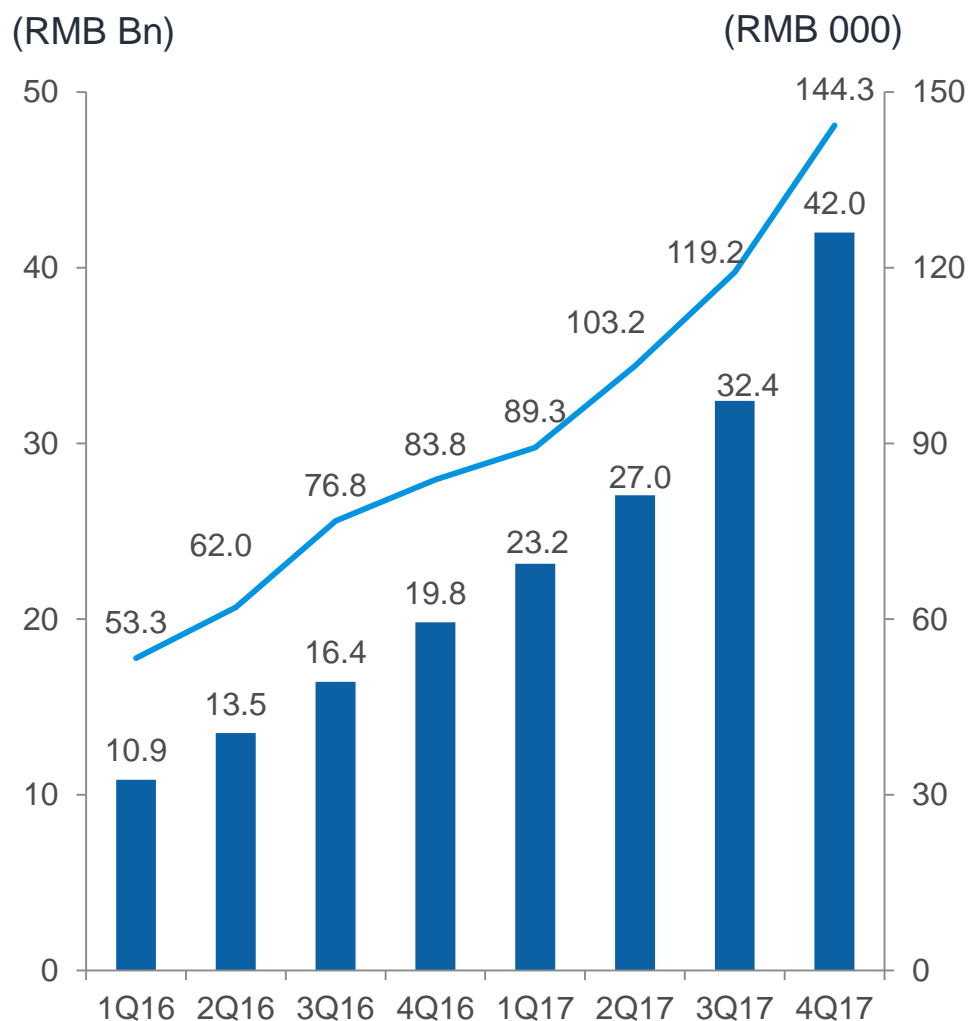
Yiren Score



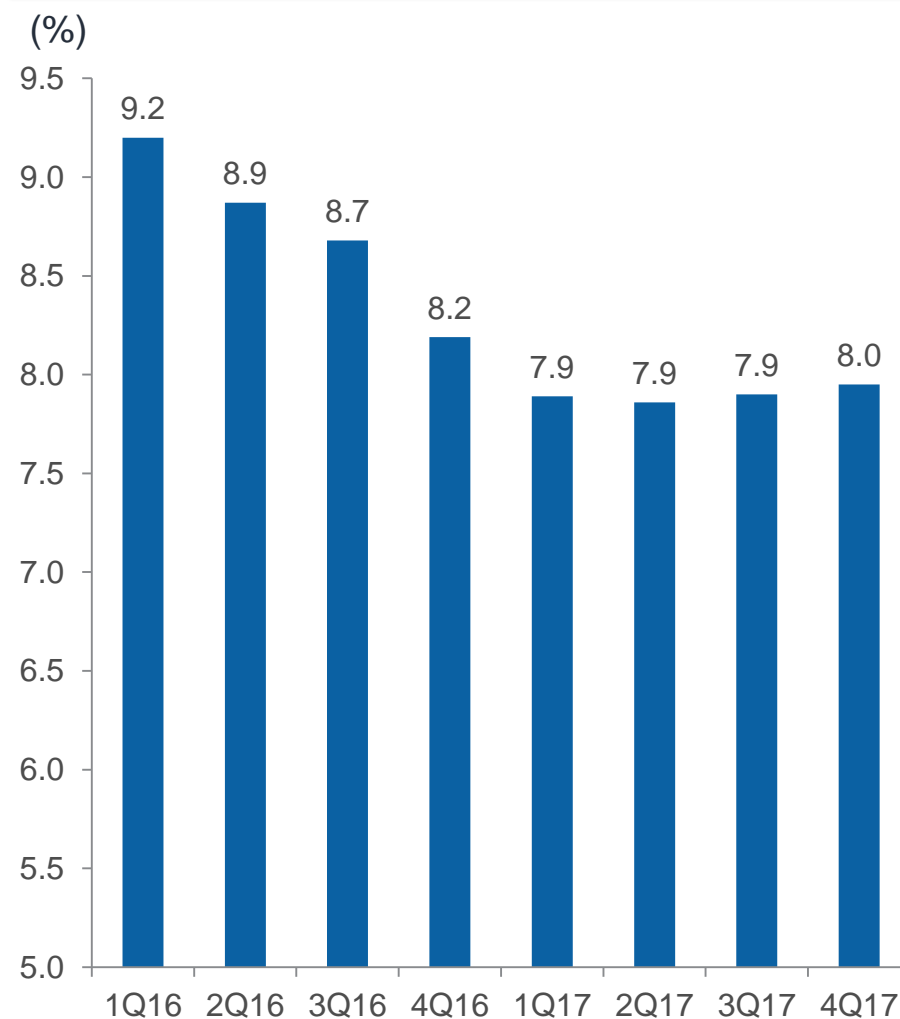
5 Yiren Wealth: Strong Growth Momentum



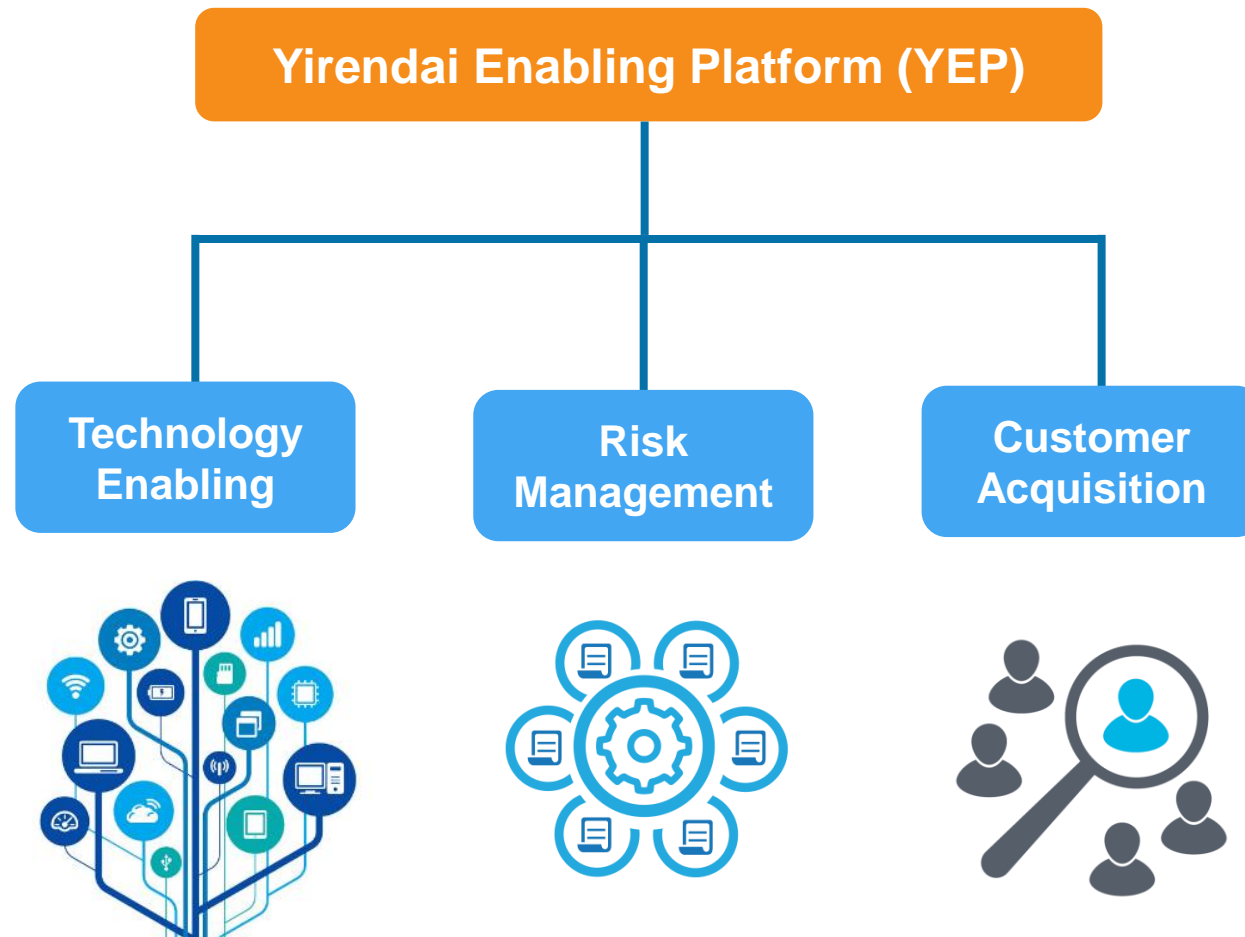
AUM Per Investor Reach New High



Investment Yield



6 Superior Technology Enabling Platform



Launched in **March 2017**

40 industry partners

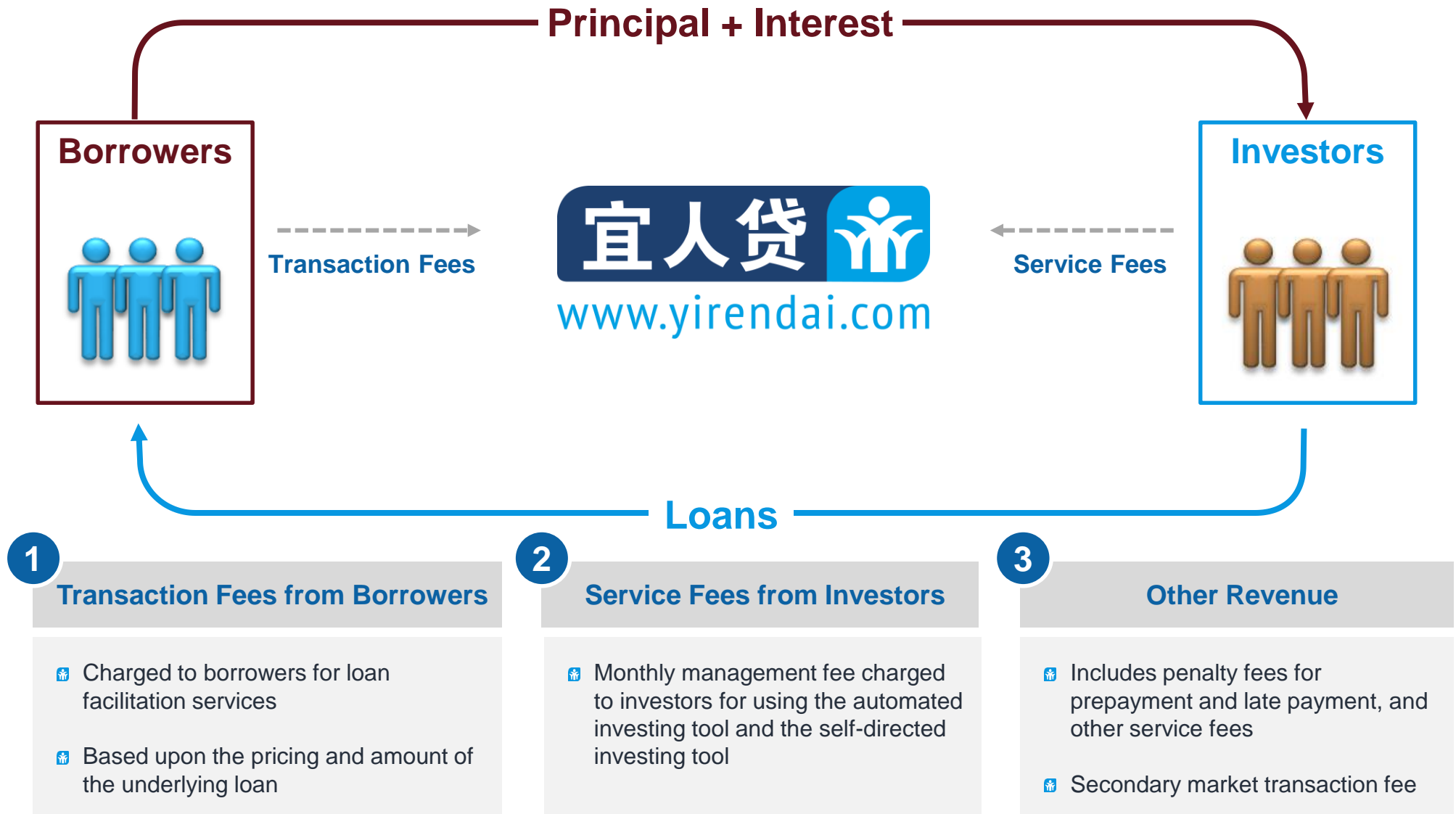
connected as of December 31, 2017

RMB 95 million
of revenue in FY 2017



Financial Highlights

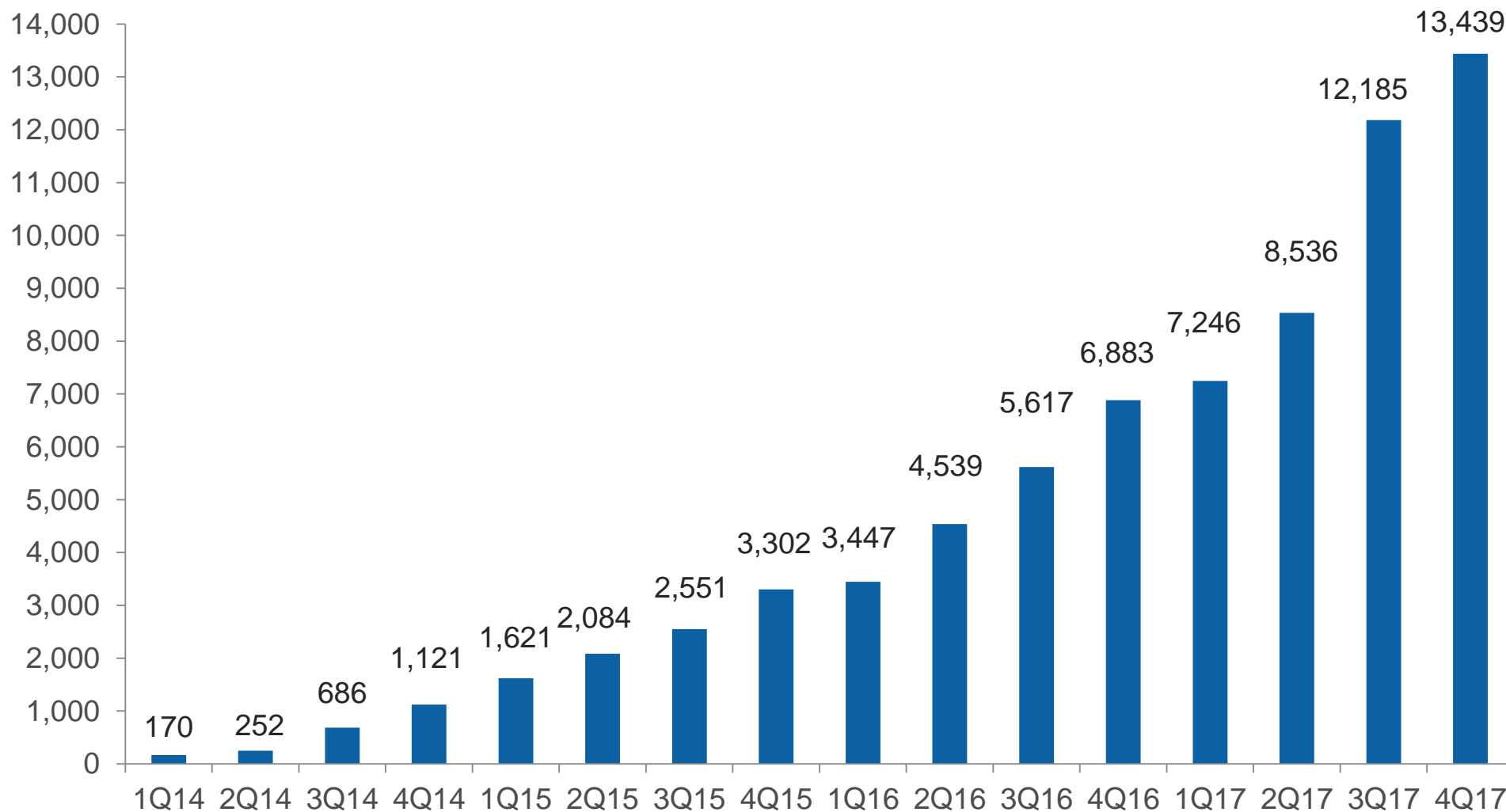
① Marketplace Model



② Disciplined Growth of Loan Facilitations



(RMB Million)





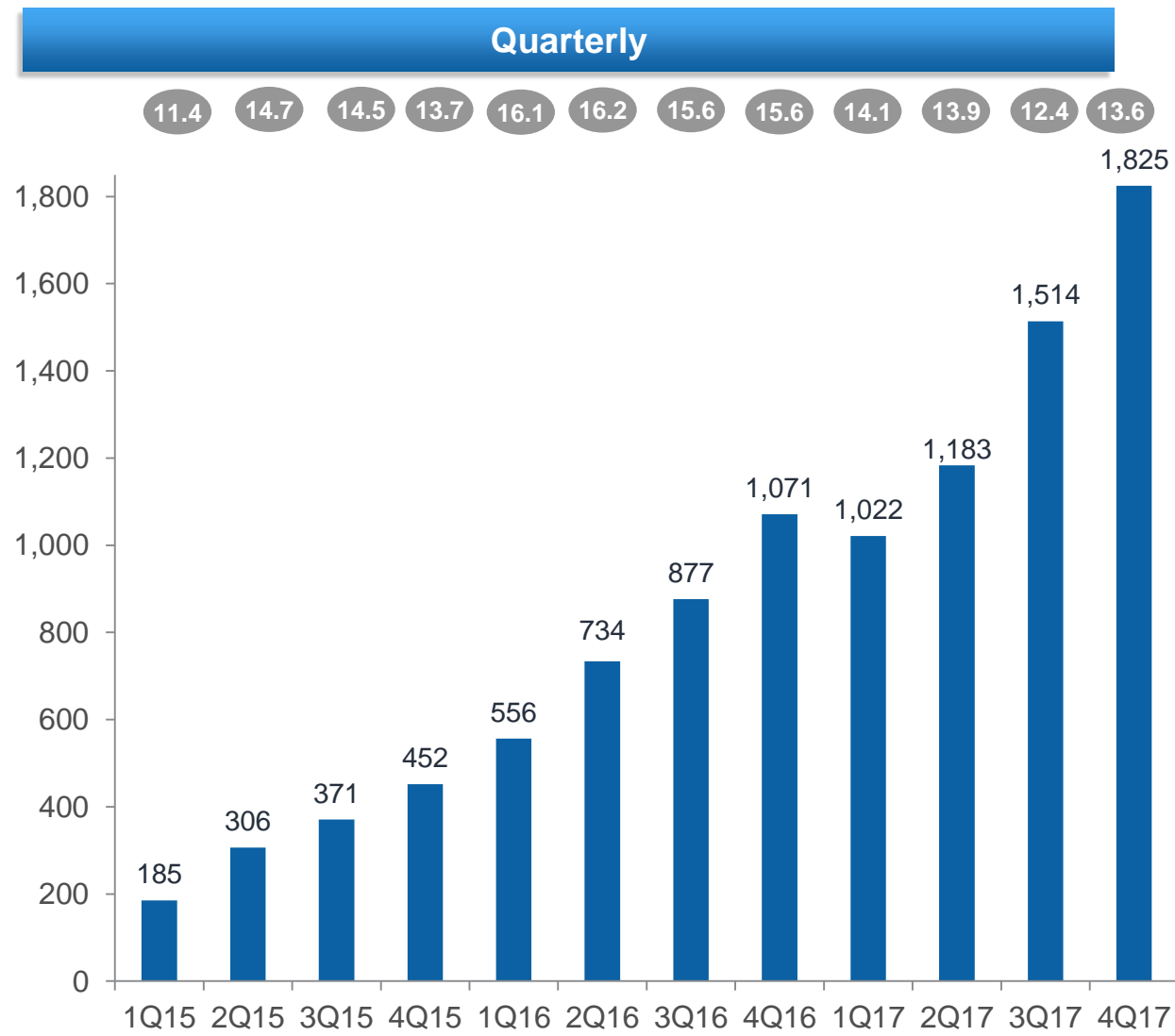
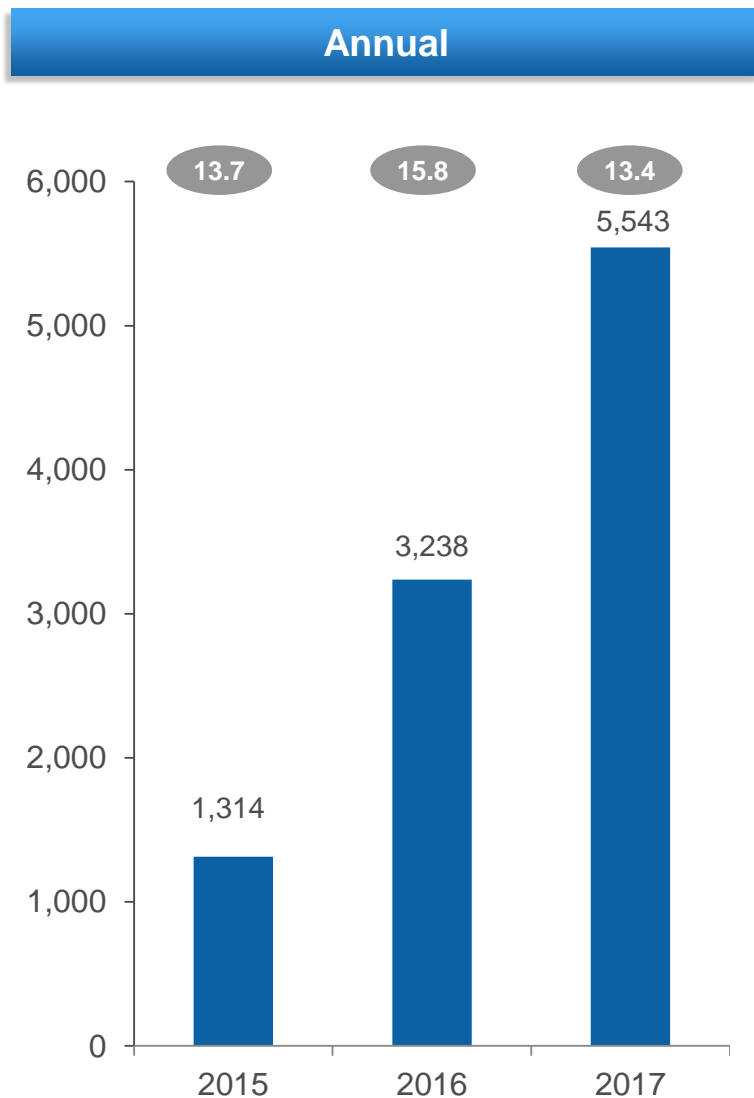
Pricing Grade	2017 Volume (RMB billion)	%
A	1.0	2%
B	3.3	8%
C	5.0	12%
D	32.1	78%
Total	41.4	100%

Risk Grade	2017 Volume (RMB billion)	%
I	2.7	6%
II	9.1	22%
III	10.5	26%
IV	10.3	25%
V	8.8	21%
Total	41.4	100%

4 Net Revenue Growth



(RMB Million)

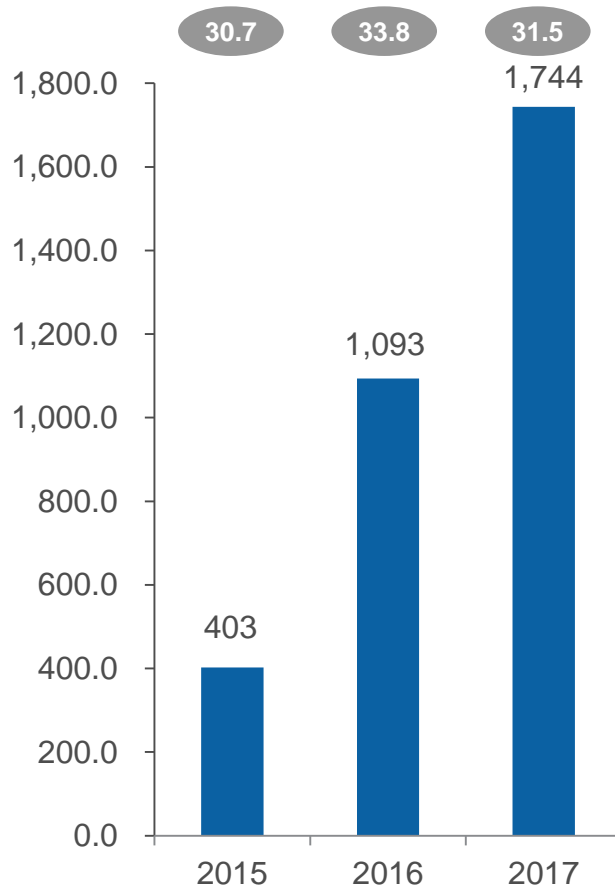


4 Adjusted EBITDA



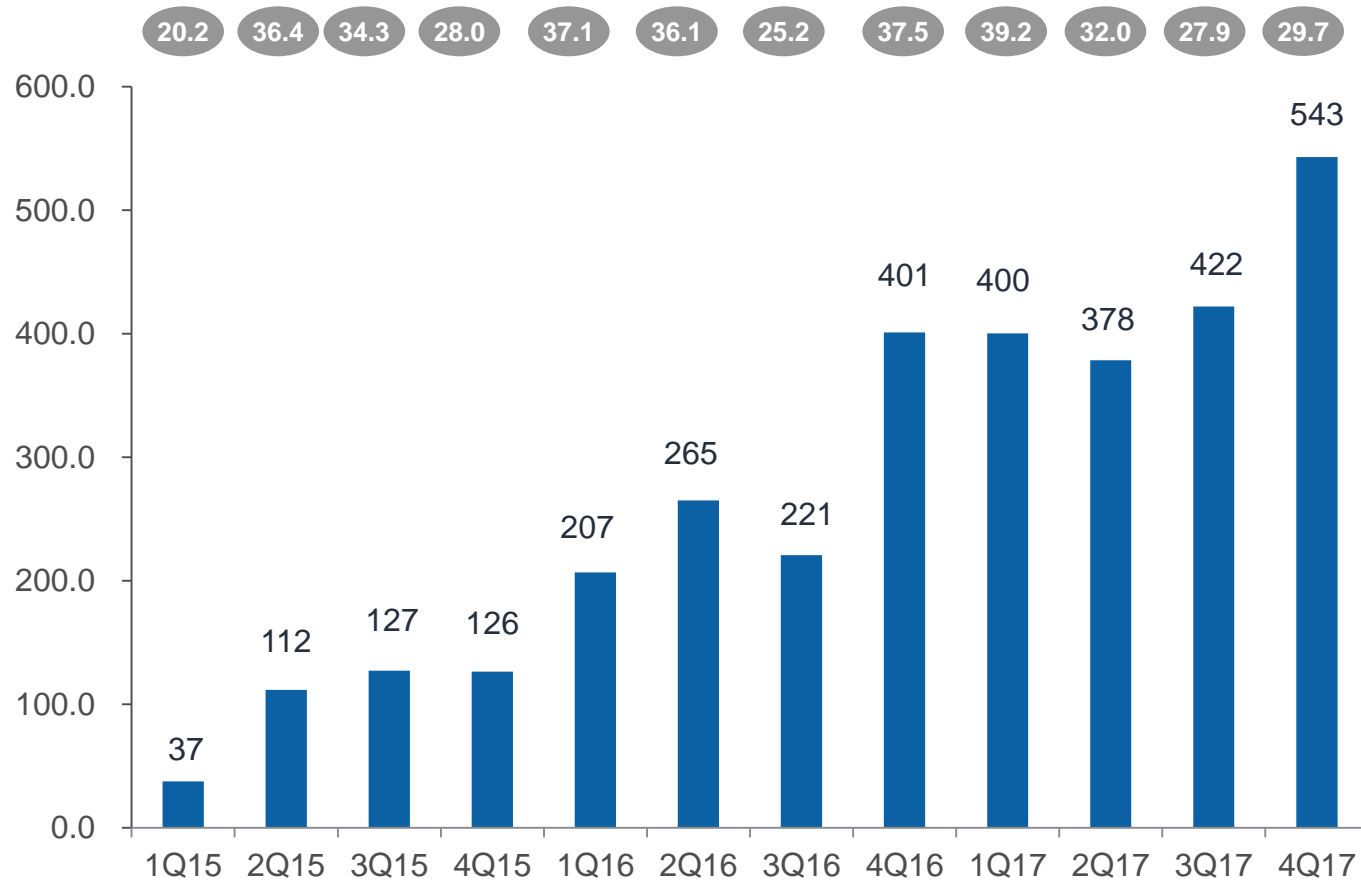
Annual

(RMB Million)



Quarterly

(RMB Million)

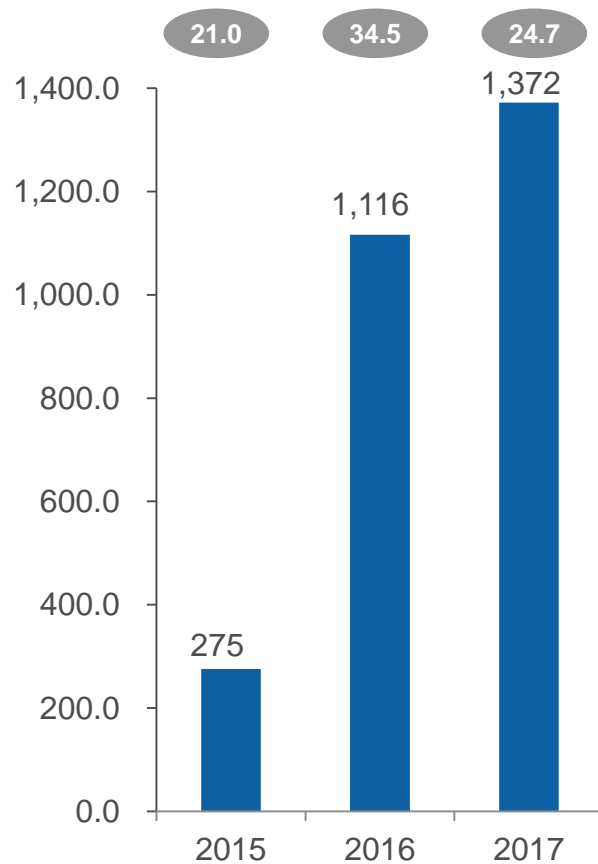


Adjusted EBITDA Margin (%) ⁽¹⁾



Annual

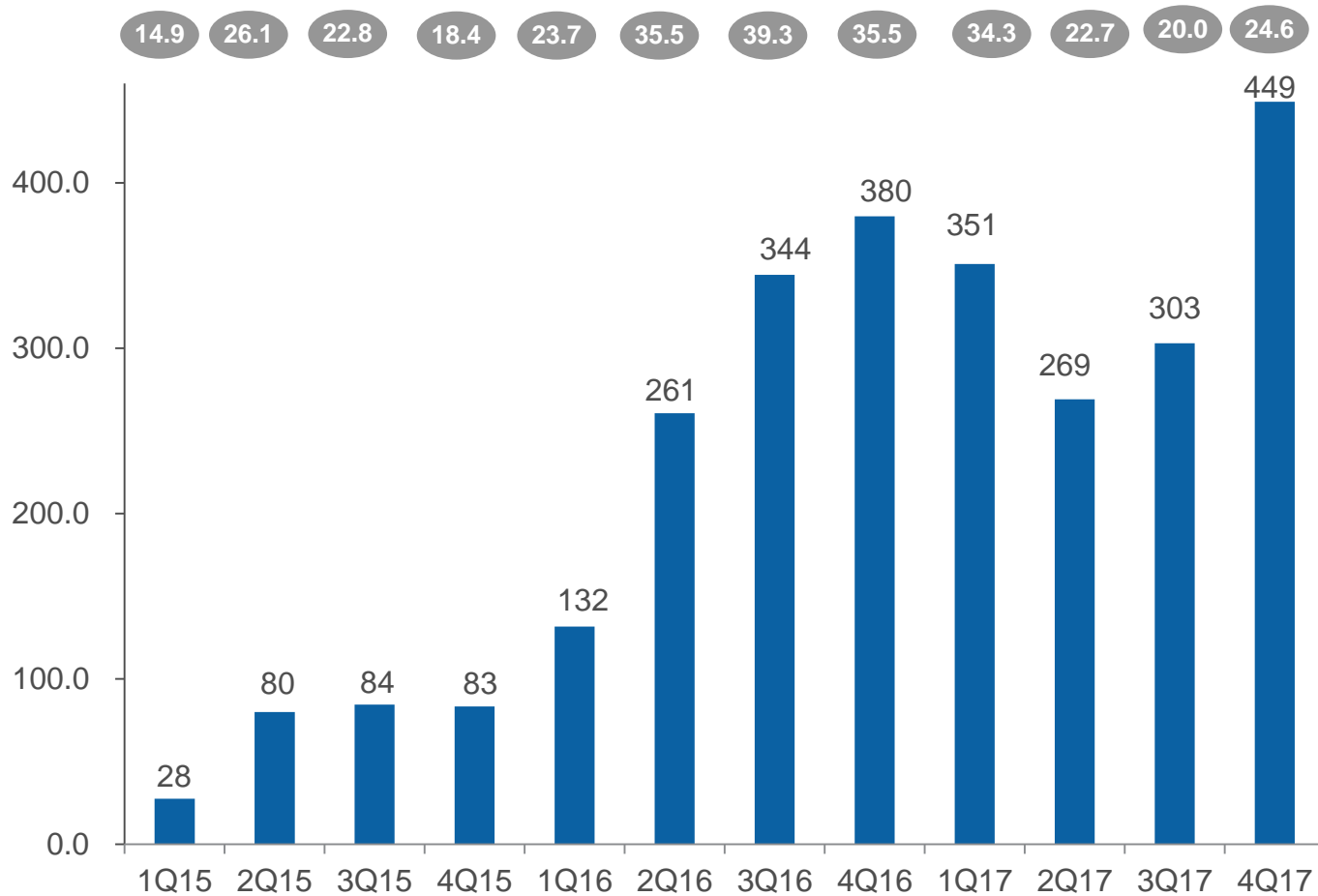
(RMB Million)



Net Income Margin (%) ⁽¹⁾

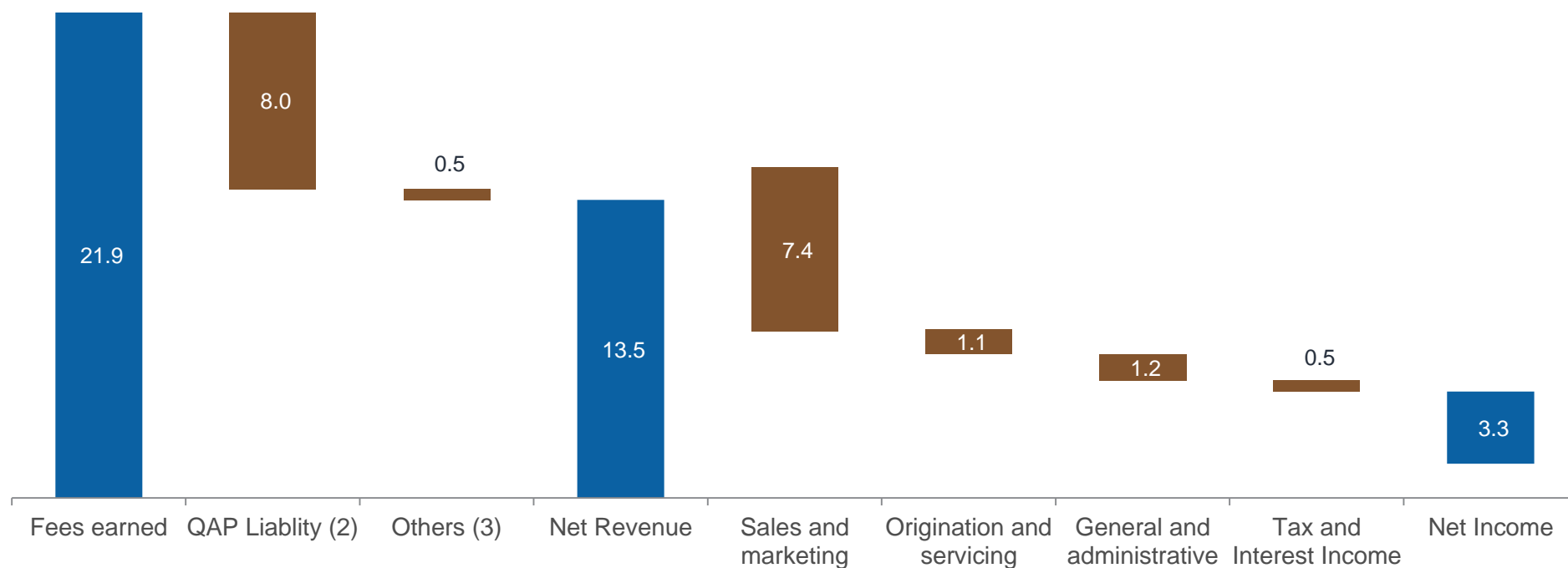
Quarterly

(RMB Million)



2017Q4 Economics ⁽¹⁾

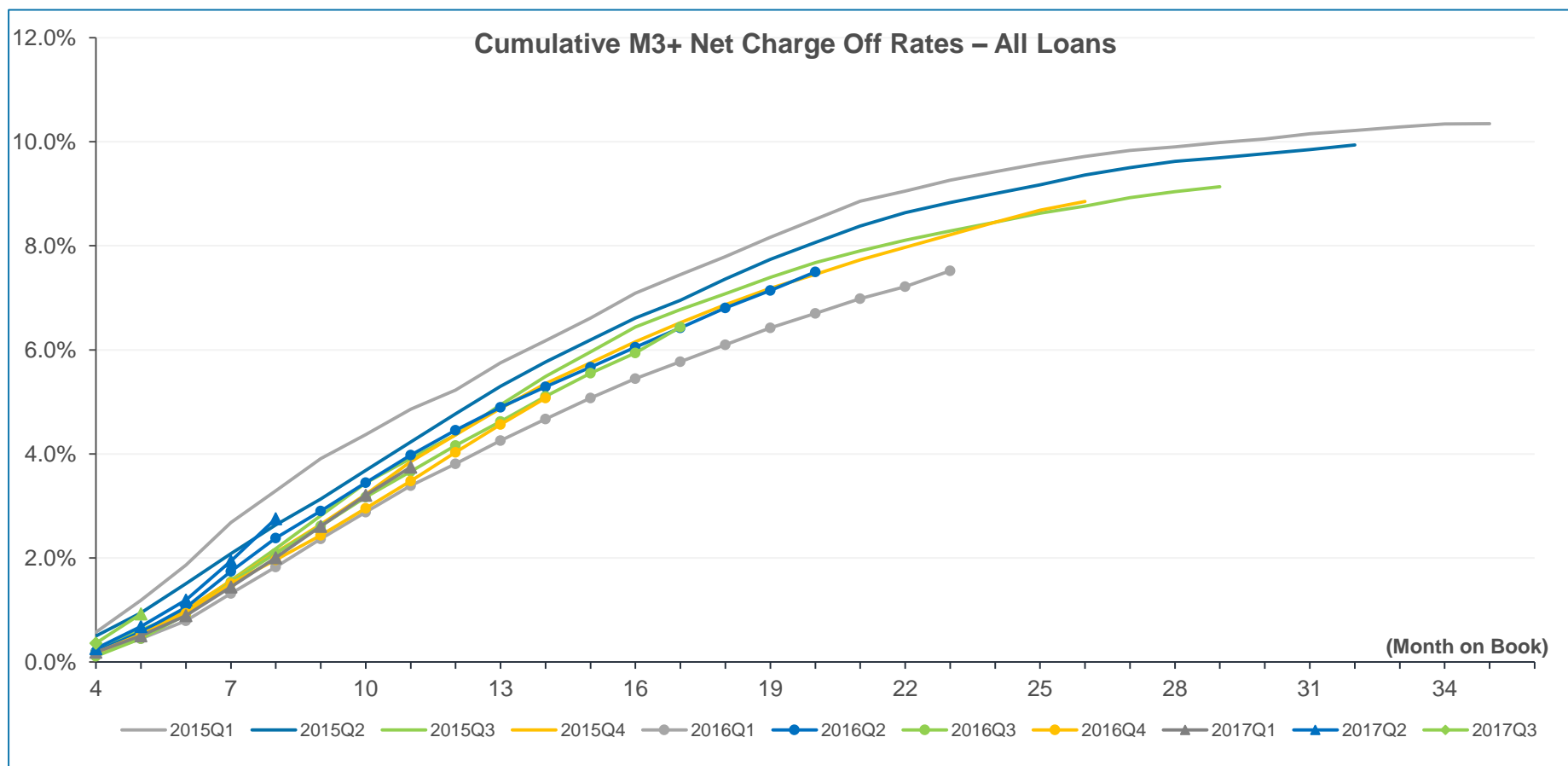
(Per US\$ 100 loan originated)





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

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






(1) As of Dec 31, 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.



Q1 2018 ⁽¹⁾

-  **Total loans facilitated** in the range of RMB 11.0 billion to RMB 11.2 billion
-  **Total net revenue** in the range of RMB 1.53 billion to RMB 1.57 billion
-  **Adjusted EBITDA (non-GAAP)** in the range of RMB 0.43 billion to RMB 0.45 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				For the Full Year Ended		
	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2017
	RMB	RMB	RMB	USD	RMB	RMB	USD
Net revenue:							
Loan facilitation services	1,036,630	1,425,162	1,703,931	261,889	3,133,423	5,226,691	803,328
Post-origination services	25,039	49,951	62,564	9,616	84,154	187,216	28,775
Others	9,441	38,791	58,295	8,960	20,414	129,443	19,895
Total net revenue	1,071,110	1,513,904	1,824,790	280,465	3,237,991	5,543,350	851,998
Operating costs and expenses:							
Sales and marketing	537,953	844,165	989,811	152,131	1,571,038	2,921,236	448,986
Origination and servicing	56,668	119,036	146,915	22,580	180,076	417,882	64,227
General and administrative	79,714	172,643	155,090	23,837	402,111	526,845	80,976
Total operating costs and expenses	674,335	1,135,844	1,291,816	198,548	2,153,225	3,865,963	594,189
Interest income	14,778	33,250	30,054	4,619	36,843	114,851	17,652
Fair value adjustments related to Consolidated ABFE	-1,287	-22,762	-16,802	-2,582	-19,735	-40,124	-6,167
Non-operating income, net	225	158	-44	-7	575	876	135
Income before provision for income taxes	410,491	388,706	546,182	83,947	1,102,449	1,752,990	269,429
Income tax expense/(benefit)	30,710	85,732	97,370	14,966	-13,949	381,207	58,590
Net income	379,781	302,974	448,812	68,981	1,116,398	1,371,783	210,839

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 Full Year Ended		
	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2017
	RMB	RMB	RMB	USD	RMB	RMB	USD
Weighted average number of ordinary shares outstanding, basic	<u>119,493,662</u>	<u>121,249,448</u>	<u>121,319,117</u>	<u>121,319,117</u>	<u>118,240,414</u>	<u>120,457,573</u>	<u>120,457,573</u>
Basic income per share	<u>3.1783</u>	<u>2.4988</u>	<u>3.6994</u>	<u>0.5686</u>	<u>9.4418</u>	<u>11.3881</u>	<u>1.7503</u>
Basic income per ADS	<u>6.3566</u>	<u>4.9976</u>	<u>7.3988</u>	<u>1.1372</u>	<u>18.8836</u>	<u>22.7762</u>	<u>3.5006</u>
Weighted average number of ordinary shares outstanding, diluted	<u>120,859,390</u>	<u>123,509,834</u>	<u>123,744,151</u>	<u>123,744,151</u>	<u>118,937,082</u>	<u>122,256,838</u>	<u>122,256,838</u>
Diluted income per share	<u>3.1423</u>	<u>2.4530</u>	<u>3.6269</u>	<u>0.5574</u>	<u>9.3865</u>	<u>11.2205</u>	<u>1.7246</u>
Diluted income per ADS	<u>6.2846</u>	<u>4.9060</u>	<u>7.2538</u>	<u>1.1148</u>	<u>18.7730</u>	<u>22.4410</u>	<u>3.4492</u>

Balance Sheet



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

	As of			
	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2017
	RMB	RMB	RMB	USD
Cash and cash equivalents	968,225	1,403,529	1,857,175	285,443
Restricted cash	1,218,286	1,750,262	1,805,693	277,530
Accounts receivable	28,581	24,050	21,368	3,284
Prepaid expenses and other assets	466,763	1,136,993	1,062,484	163,301
Loans at fair value	371,033	558,178	791,681	121,679
Amounts due from related parties	1,678	176,867	117,222	18,017
Held-to-maturity investments	98,917	168,917	9,944	1,528
Available-for-sale investments	1,158,000	996,660	969,759	149,049
Property, equipment and software, net	35,503	81,515	82,249	12,641
Deferred tax assets	436,402	685,875	801,089	123,125
Total assets	4,783,388	6,982,846	7,518,664	1,155,597
Accounts payable	13,691	22,634	33,841	5,201
Amounts due to related parties	11,609	23,153	76,544	11,765
Liabilities from quality assurance program and guarantee	1,471,000	2,392,794	2,793,948	429,422
Deferred revenue	164,318	194,646	222,906	34,260
Payable to investors at fair value	418,686	145,200	113,445	17,436
Accrued expenses and other liabilities	564,165	1,704,207	1,296,650	199,291
Deffered tax liability		4,545	11,277	1,733
Total liabilities	2,643,469	4,487,179	4,548,611	699,108
Ordinary shares	75	76	76	12
Additional paid-in capital	933,272	1,094,916	1,123,443	172,670
Accumulated other comprehensive income	29,457	4,330	11,478	1,764
Retained earnings	1,177,115	1,396,345	1,835,056	282,043
Total equity	2,139,919	2,495,667	2,970,053	456,489
Total liabilities and equity	4,783,388	6,982,846	7,518,664	1,155,597

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 Full Year Ended		
	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2017
	RMB	RMB	RMB	USD	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data							
Net cash generated from operating activities	836,055	346,329	1,275,309	196,012	2,113,435	2,716,513	417,520
Net cash (used in)/provided by investing activities	(807,744)	342,289	(193,498)	(29,740)	(1,421,663)	(374,597)	(57,574)
Net cash provided by/(used in) financing activities	60,400	(127,864)	(581,752)	(89,414)	135,298	(849,450)	(130,558)
Effect of foreign exchange rate changes	17,193	(14,885)	9,018	1,386	29,356	(16,109)	(2,476)
Net increase in cash, cash equivalents and restricted cash	105,904	545,869	509,077	78,244	856,426	1,476,357	226,912
Cash, cash equivalents and restricted cash, beginning of period	2,080,607	2,607,922	3,153,791	484,729	1,330,085	2,186,511	336,061
Cash, cash equivalents and restricted cash, end of period	<u>2,186,511</u>	<u>3,153,791</u>	<u>3,662,868</u>	<u>562,973</u>	<u>2,186,511</u>	<u>3,662,868</u>	<u>562,973</u>

Operating Highlights



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 Full Year Ended		
	December 31, 2016 RMB	September 30, 2017 RMB	December 31, 2017 RMB	December 31, 2017 USD	December 31, 2016 RMB	December 31, 2017 RMB	December 31, 2017 USD
Operating Highlights:							
Amount of loans facilitated	6,883,442	12,185,367	13,438,520	2,065,463	20,486,128	41,406,058	6,363,995
Loans generated from online channels	2,497,623	6,972,156	7,709,403	1,184,914	7,780,555	22,543,298	3,464,842
Loans generated from offline channels	4,385,819	5,213,211	5,729,117	880,549	12,705,573	18,862,760	2,899,153
Fees billed	1,630,358	2,475,271	2,943,953	452,478	4,911,221	8,865,228	1,362,561
Remaining principal of performing loans	20,780,617	34,235,727	40,616,167	6,242,591	20,780,617	40,616,167	6,242,591
Remaining principal of performing loans covered by quality assurance program and guarantee	20,103,043	33,622,142	39,717,029	6,073,096	20,103,043	39,717,029	6,073,096
Number of borrowers	110,785	192,725	202,370	202,370	321,019	649,154	649,154
Borrowers from online channels	63,010	145,838	150,982	150,982	184,430	472,960	472,960
Borrowers from offline channels	47,775	46,887	51,388	51,388	136,589	176,194	176,194
Number of investors	194,505	214,967	233,374	233,374	597,765	592,642	592,642
Investors from online channels	194,505	214,967	233,374	233,374	597,765	592,642	592,642
Investors from offline channels	-	-	-	-	-	-	-
Adjusted EBITDA	401,146	422,413	542,704	83,412	1,093,437	1,743,848	268,024
Adjusted EBITDA margin	37.5%	27.9%	29.7%	29.7%	33.8%	31.5%	31.5%

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%
December 31, 2017	0.8%	0.9%	0.7%
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%
December 31, 2017	1.2%	1.2%	0.9%
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%
December 31, 2017	0.5%	0.7%	0.5%

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



Net Charge-Off Rate for Previous Risk Grid

Loan issued period	Loan grade	Amount of loans facilitated during the period (in RMB thousands)	Accumulated M3+ Net Charge-Off as of December 31, 2017 (in RMB thousands)	Total Net Charge-Off Rate as of December 31, 2017
2014	A	1,917,542	88,935	4.6%
	B	303,030	20,243	6.7%
	C	-	-	-
	D	7,989	518	6.5%
	Total	2,228,561	109,696	4.9%
2015	A	873,995	50,703	5.8%
	B	419,630	33,646	8.0%
	C	557,414	60,527	10.9%
	D	7,706,574	743,268	9.6%
	Total	9,557,613	888,144	9.3%
2016	A	1,141,835	25,183	2.2%
	B	749,868	36,335	4.8%
	C	1,403,553	94,914	6.8%
	D	17,085,347	1,053,336	6.2%
	Total	20,380,603	1,209,768	5.9%
2017	A	970,550	3,328	0.3%
	B	3,277,816	16,763	0.5%
	C	5,030,271	31,014	0.6%
	D	32,127,421	391,318	1.2%
	Total	41,406,058	442,423	1.1%

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



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, 2017 (in RMB thousands)	Total Net Charge-Off Rate as of December 31, 2017
2014	I	-	-	-
	II	1,921,372	88,935	4.6%
	III	303,276	20,243	6.7%
	IV	-	-	-
	V	3,913	518	13.2%
	Total	2,228,561	109,696	4.9%
2015	I	146,490	3,865	2.6%
	II	1,614,354	83,880	5.2%
	III	2,521,705	195,378	7.7%
	IV	2,506,107	238,742	9.5%
	V	2,768,957	366,279	13.2%
	Total	9,557,613	888,144	9.3%
2016	I	497,220	7,824	1.6%
	II	3,137,889	81,607	2.6%
	III	3,763,081	141,208	3.8%
	IV	5,183,233	269,657	5.2%
	V	7,799,180	709,472	9.1%
	Total	20,380,603	1,209,768	5.9%
2017	I	2,701,162	6,522	0.2%
	II	9,079,647	43,501	0.5%
	III	10,611,451	83,420	0.8%
	IV	10,263,135	106,168	1.0%
	V	8,750,663	202,812	2.3%
	Total	41,406,058	442,423	1.1%

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%	5.3%
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%	9.9%	
2015Q3	0.2%	1.6%	3.4%	4.9%	6.4%	7.4%	8.1%	8.6%	9.0%		
2015Q4	0.2%	1.6%	3.2%	4.9%	6.2%	7.2%	8.0%	8.7%			
2016Q1	0.2%	1.3%	2.9%	4.3%	5.4%	6.4%	7.2%				
2016Q2	0.2%	1.7%	3.4%	4.9%	6.1%	7.1%					
2016Q3	0.1%	1.5%	3.2%	4.6%	5.9%						
2016Q4	0.2%	1.5%	3.0%	4.6%							
2017Q1	0.2%	1.4%	3.2%								
2017Q2	0.3%	1.9%									
2017Q3	0.4%										



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