

Q3 2019 Investor Presentation

November 2019



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.

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Yiren Digital Overview

2

Business Highlights

3

Key Financial Highlights

Strategic Transformation



Leading digital financial services platform in China



Yiren Credit – Full spectrum of credit products with online/offline customer services channels



Yiren Wealth – One stop asset allocation-based online wealth management service for Mass Affluent Investors













Strong synergies between credit & wealth business to drive next phase growth



Strong management team with deep experiences

Yiren Digital: Strategic Transformation



Positioning	 Online P2P Lending	 Digital Personal Financial Service
Business Model	 Unsecured Consumer Lending	 Consumer Credit and Wealth Management
Monetization	 Loan Facilitation	 Loan & AUM Based Recurring Service Fee
Customer Value	 Transaction Based	 Long Term Value
Capital	 Relatively Heavy	 Light

Yiren Digital At A Glance, Q3 2019



Leading Digital Wealth Management Platform



Investor AUM¹
Q3 2019

~RMB 40Bn

Investor AUA²
Q3 2019

~RMB 767Mn



No. of Active Investors
Q3 2019

~586K



Investment Products

Fixed Income, Mutual Funds, Bank
WM Products & Insurance ...



Accumulatively Served Investors
As of Q3 2019

~ 2.2 Mn



Leading Consumer Creditech Player



Loan Balance
Q3 2019

~RMB 55Bn



No. of Borrowers
Q3 2019

~150K



Customer Service

Online & Offline



Accumulatively Served Borrowers
As of Q3 2019

~ 4.6 Mn

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Business Highlights

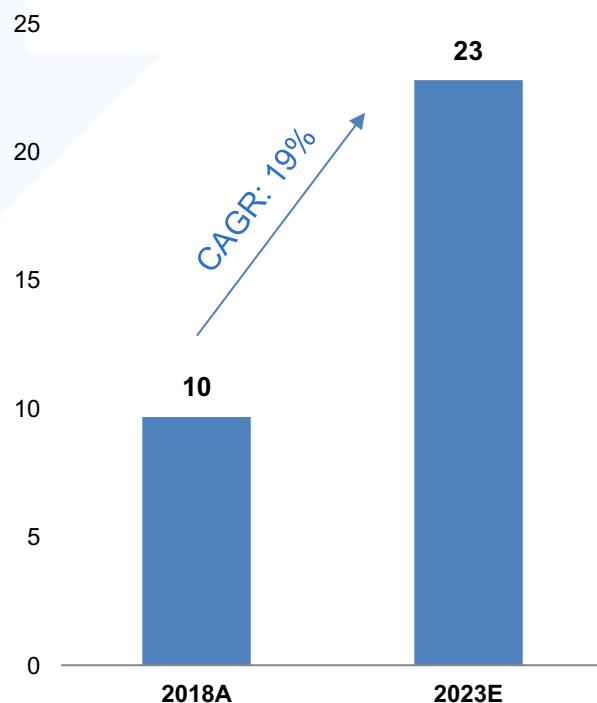


Leading Digital Personal Financial Service Platform

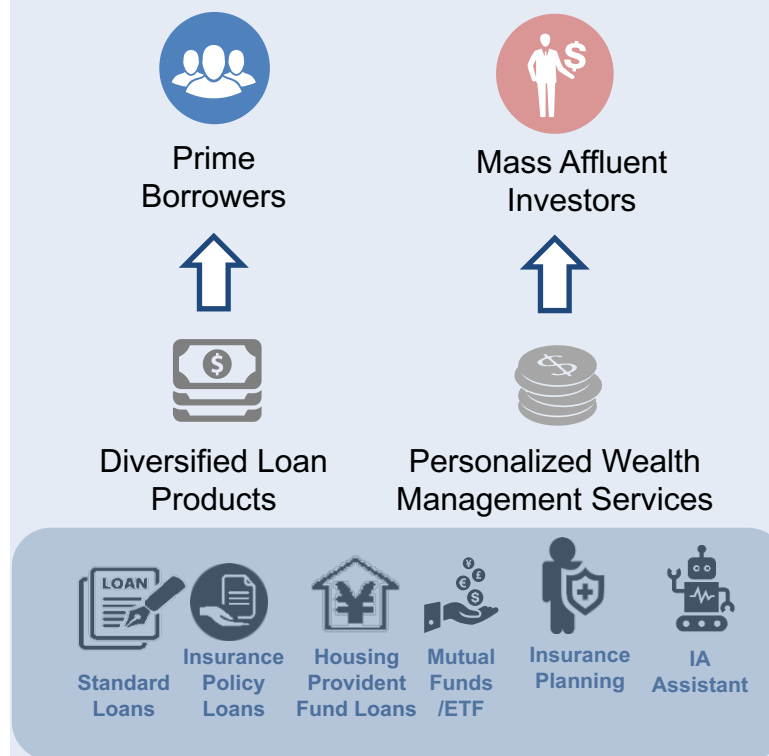
Consumer Credit

Unsecured Customer Finance Market in China

(By outstanding balance, RMB trillion)



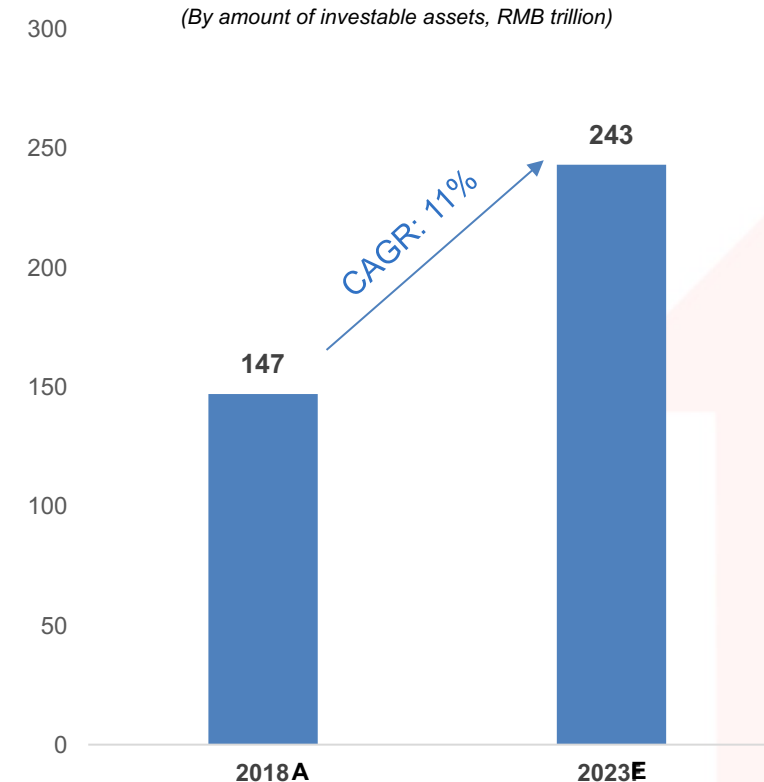
Source: Oliver Wyman report



Wealth Management

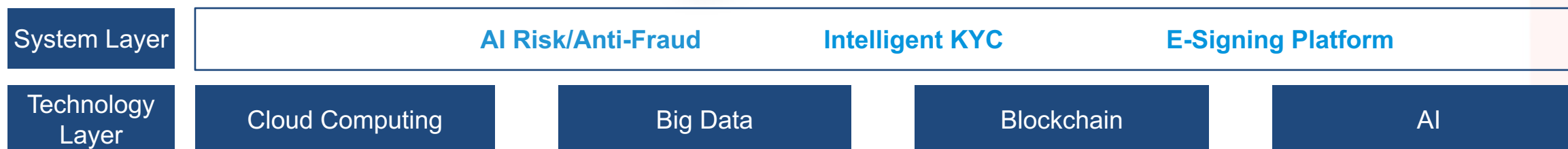
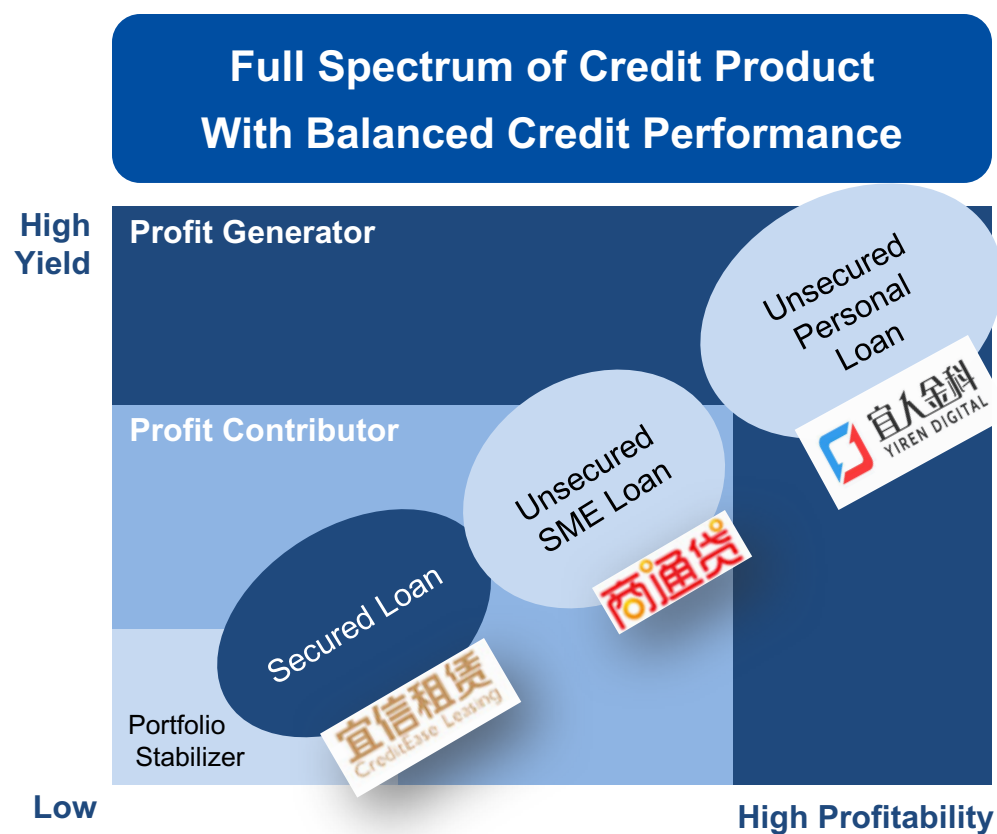
Wealth Management Market in China

(By amount of investable assets, RMB trillion)

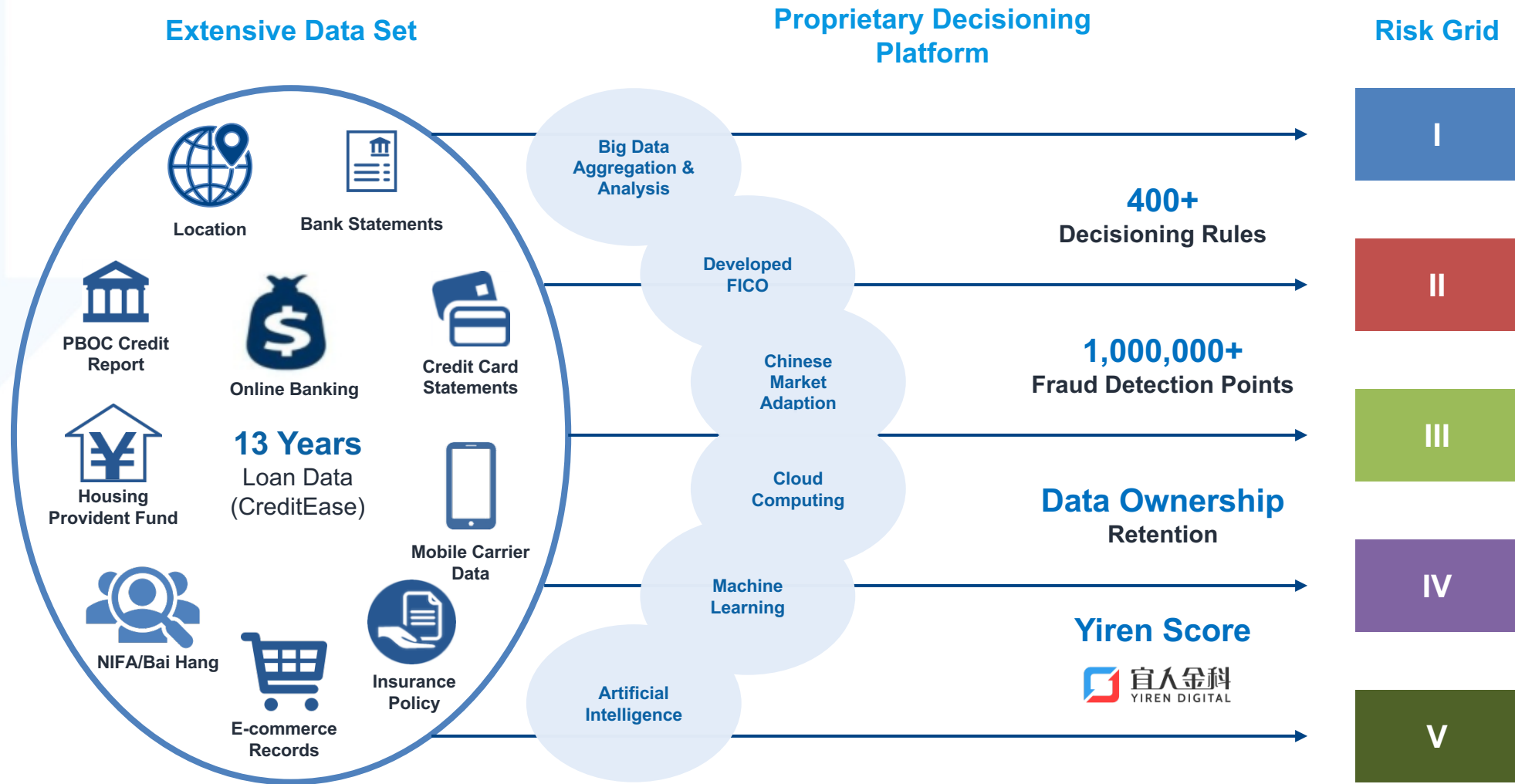


Source: BCG & China Construction Bank, 2019 China Private Bank Report

Leading Creditech Platform



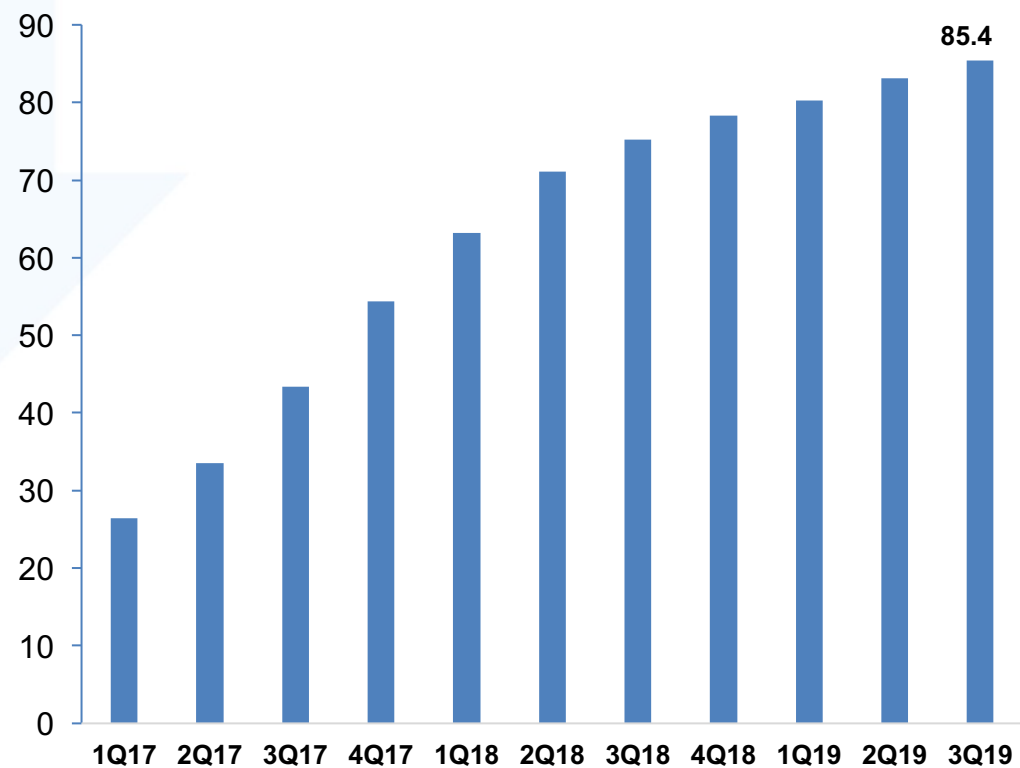
Extensive Data Set And Credit Decisioning Capabilities



Expanding Borrowers Base

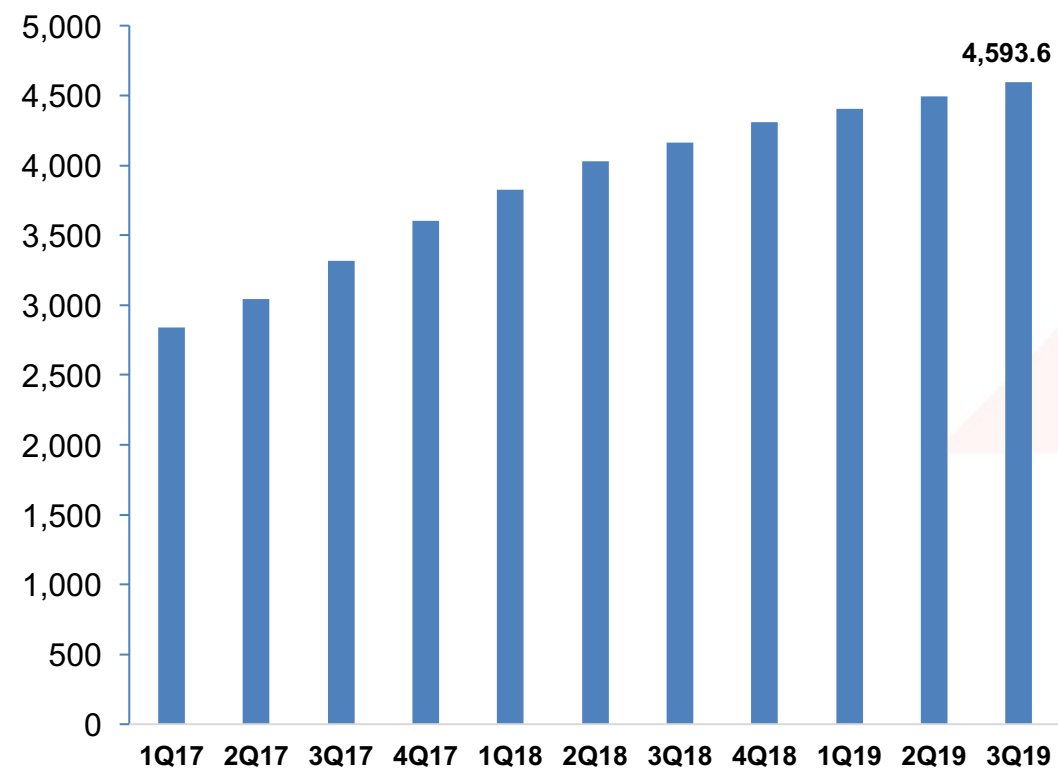
Cumulative Registered Borrowers

(In millions)



Cumulative Served Borrowers

(In thousands)



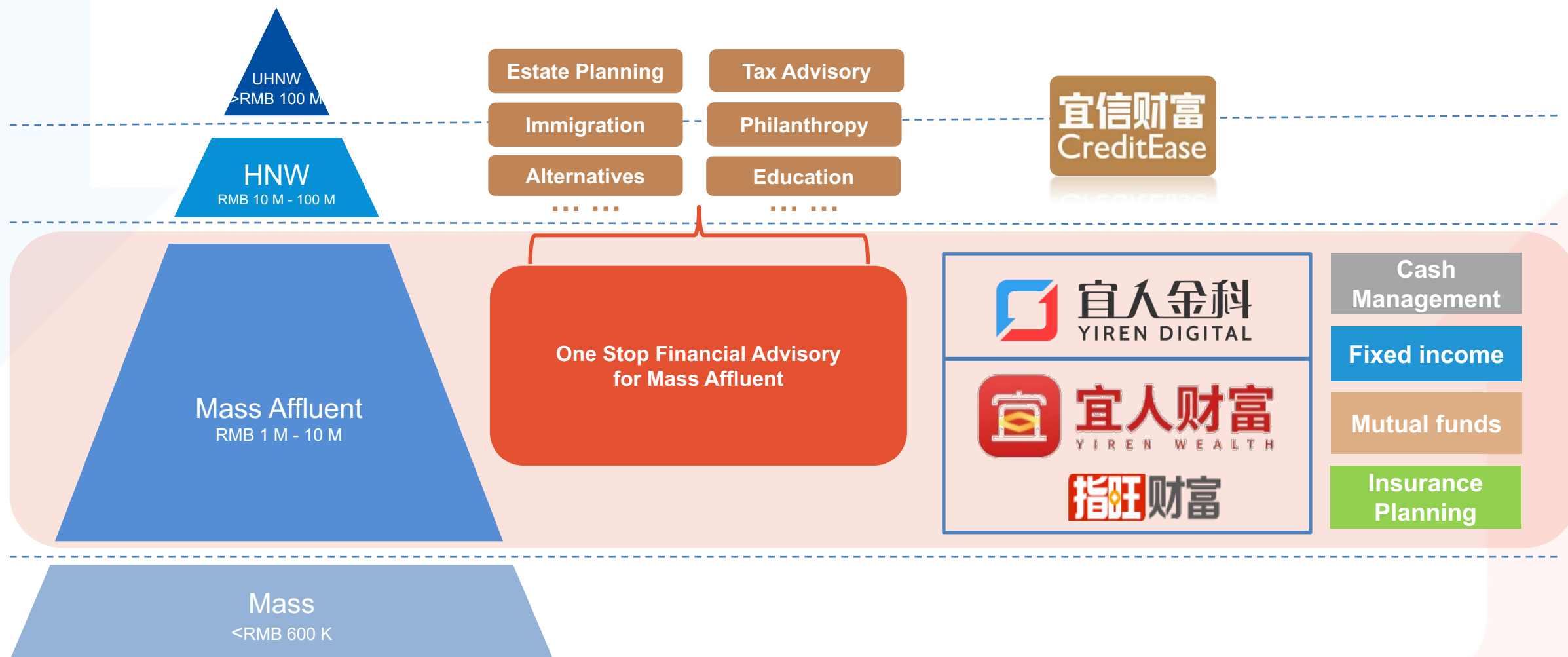
Our Wealth Management Strategy

Total Investable Asset

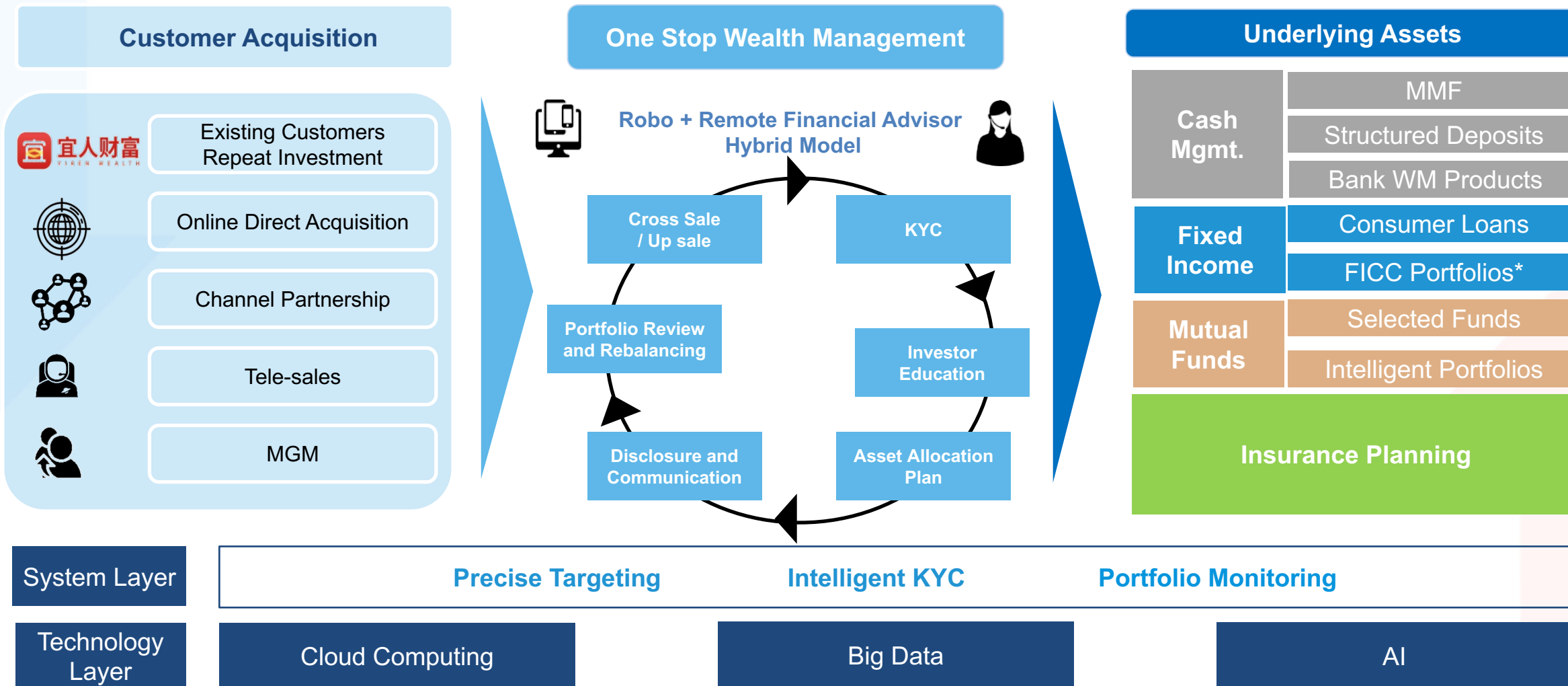
Service Needs

Disruptive Wealth Model

Assets

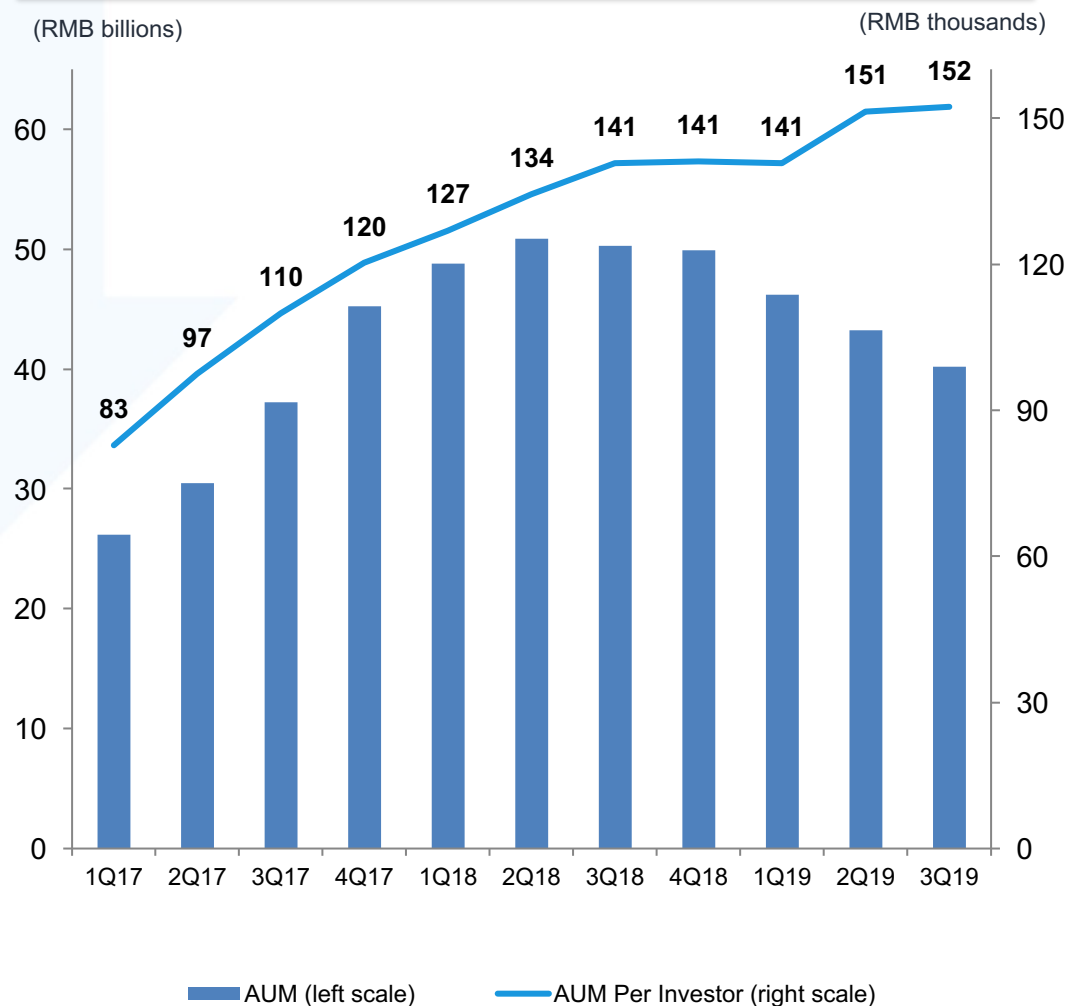


Yiren Wealth Business

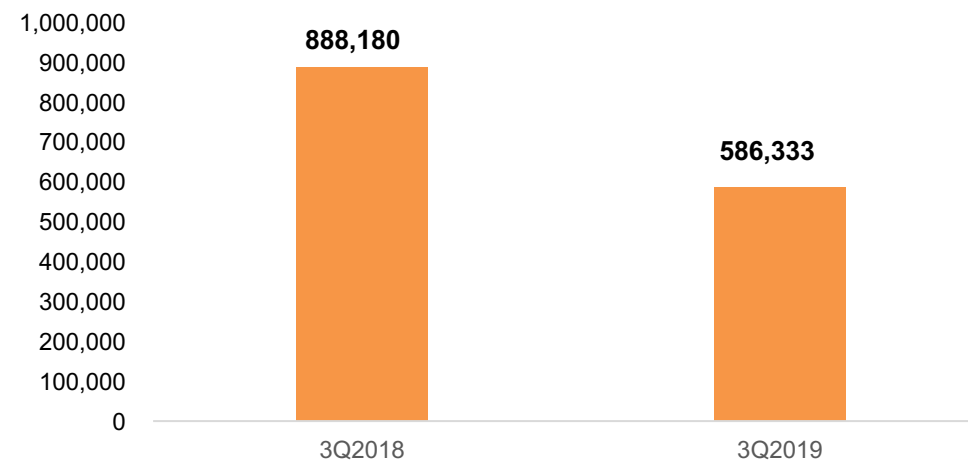


Yiren Wealth's AUM & Investor Base

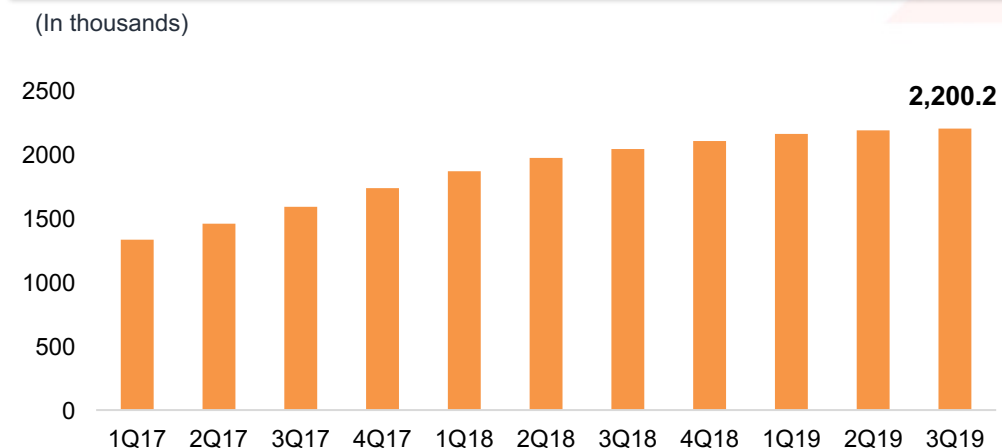
AUM Per Investor ¹



Number of Active Investors



Cumulatively Served Investors



Tech Driven Approach To User Retention & Conversion

Yiri: AI-Based Financial Assistant

Education

Financial Literacy

Investment Q&A

Products

Consumer Loans Insurance Planning Fund of Funds ...

Customer Onboarding

Intelligent KYC

Investment Strategy Recommendation Engine

Tech Layer

Yiren Financial Cloud

AI Engine

- Conversational AI Engine tailored to individual users
- Smart asset allocation on different life goals
- Effective user conversion for various products
- Thoughtful user education to retain users



Growth Strategy



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Yiren Digital Overview

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Business Highlights

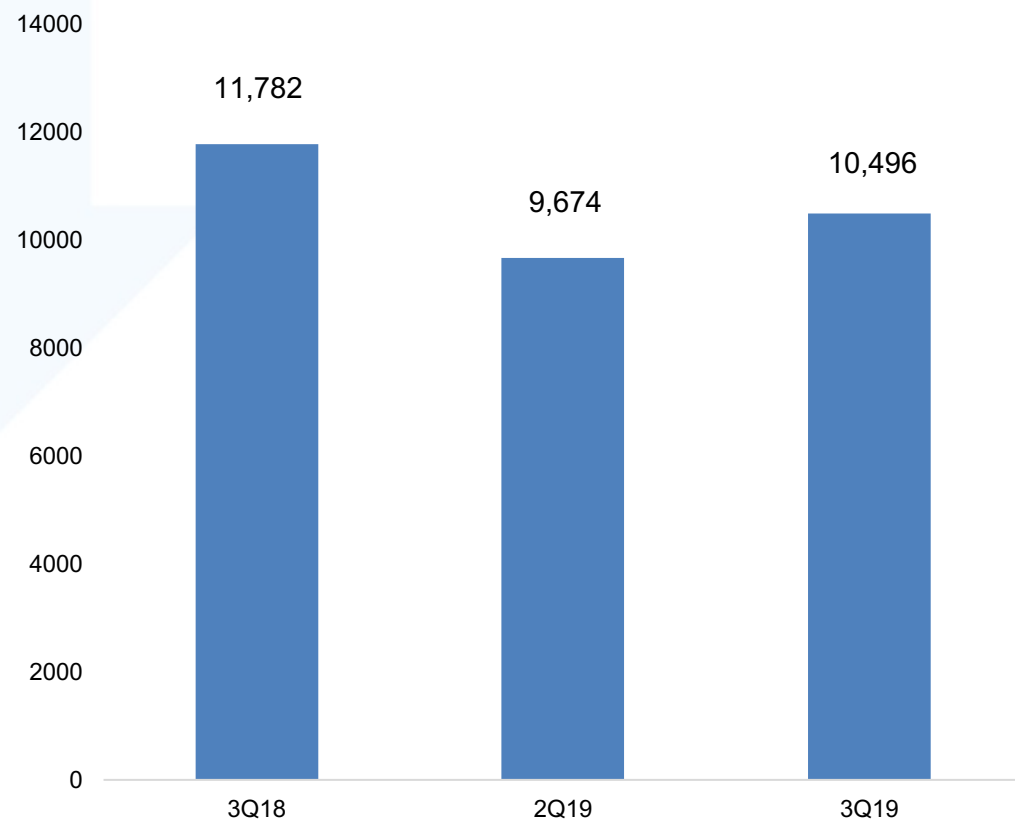
3

Key Financial Highlights

Consolidated Loans Facilitated & Net Revenue

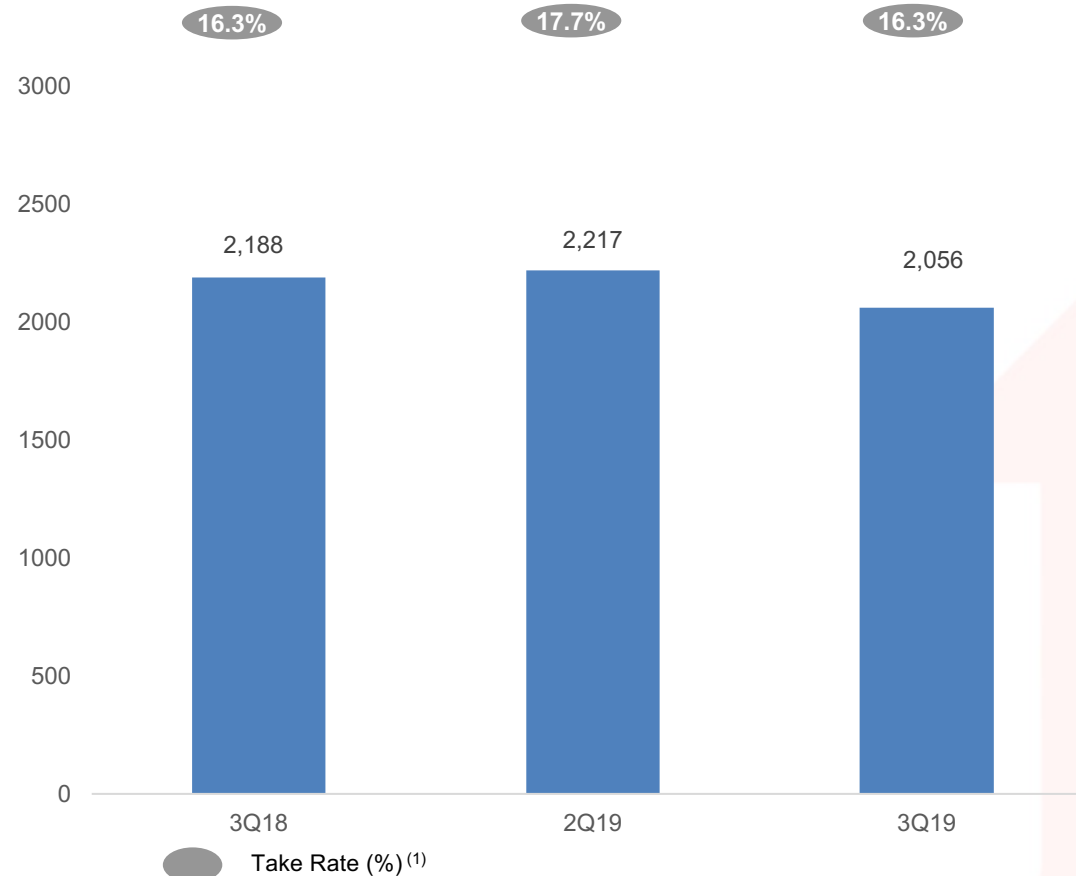
Loans Facilitated

(RMB Million)



Net Revenue

(RMB Million)

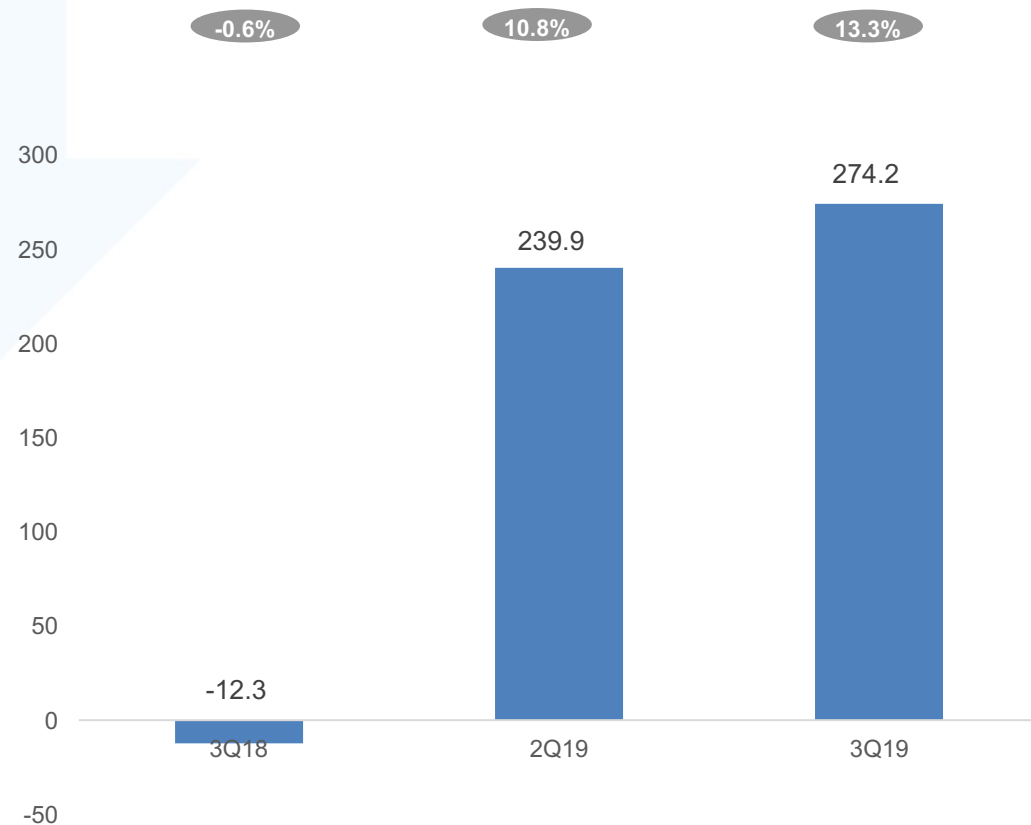


(1) Take rate is calculated as net revenue (net of allowance of contract assets) divided by amount of loans originated.

Consolidated EBITDA & Net Income

EBITDA

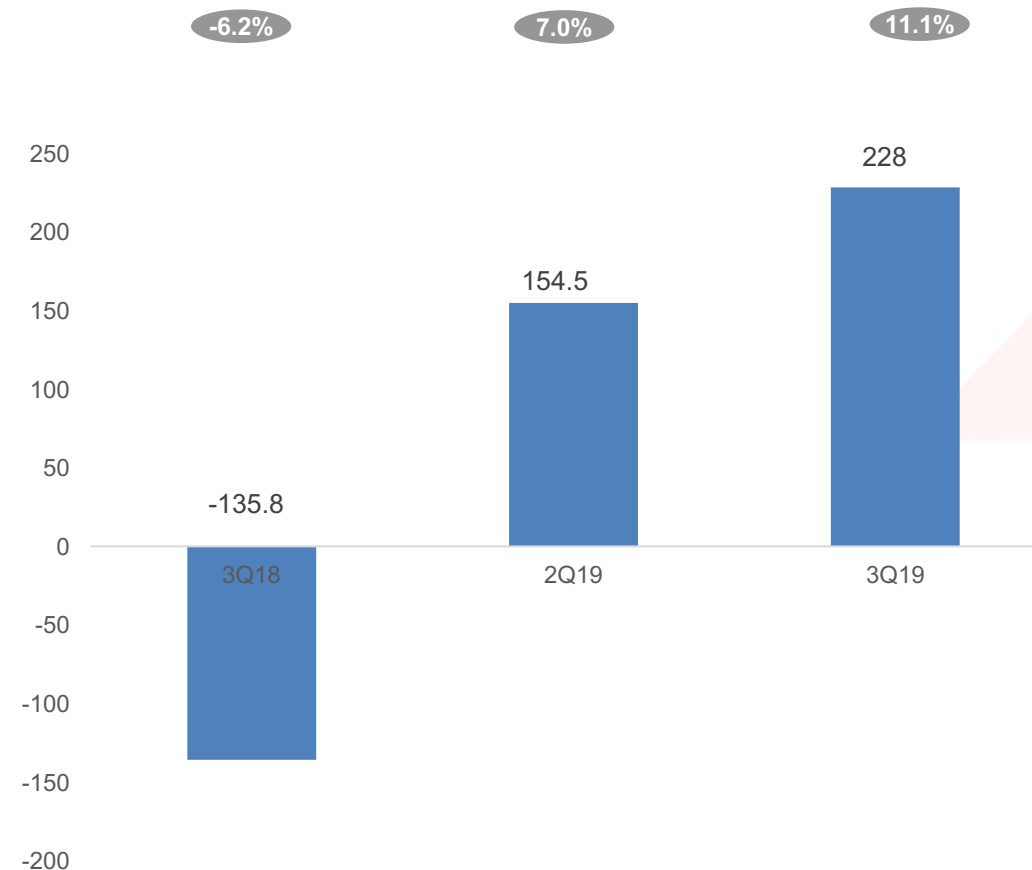
(RMB Million)



EBITDA/Net Income Margin (%)⁽¹⁾

Net Income

(RMB Million)



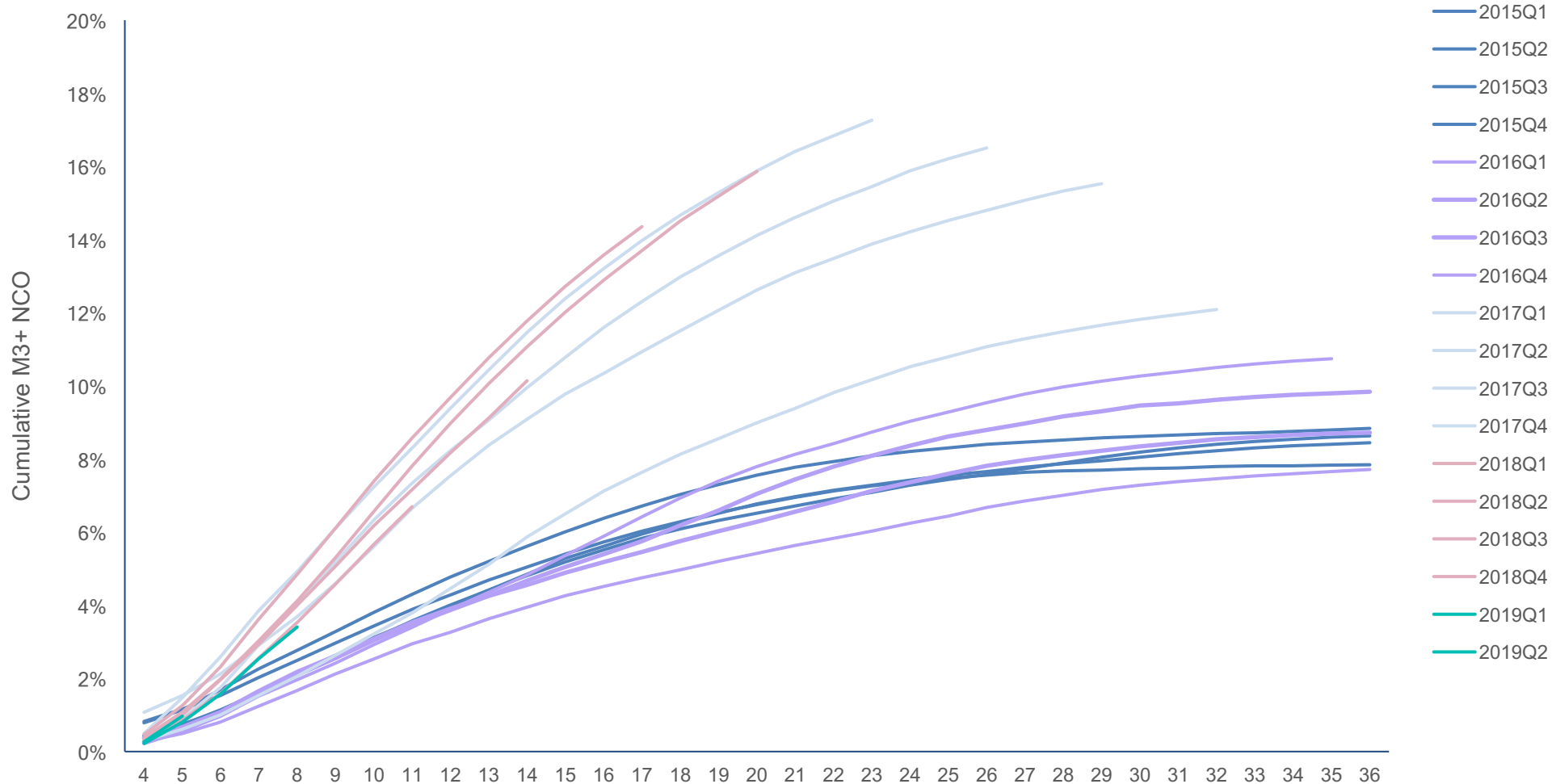
(1) The EBITDA/net income margin is calculated as EBITDA/net income divided by total net revenue.

Unit Economics

	2019 Q2 Combined	2019 Q3 Combined
Net Revenue	22.91%	19.59%
Sales and marketing	12.49%	11.06%
Origination and servicing	1.68%	1.49%
General and administrative	1.81%	1.60%
Allowance for contract assets	5.18%	3.28%
Other Expenses/Income	0.49%	0.20%
Tax	0.64%	0.19%
Net Income	1.60%	2.17%
Weighted average number of ordinary shares outstanding, basic	184,608,337	185,548,214
Basic income per share	0.8367	1.2290
Basic income per ADS	1.6734	2.4580

Proven Credit Performance

Cumulative M3+ NCO (as of September 30, 2019)



An aerial photograph of a city skyline at sunset. The sky is a mix of purple, pink, and orange. Several bright, white, diagonal lines cross the sky from the top left. The city below is densely packed with buildings, many of which are lit up with warm lights. A prominent building with a golden, pyramid-shaped roof is visible in the center. A wide road with traffic is visible in the lower right. The word "THANKS!" is written in large, white, sans-serif capital letters across the middle of the image.

THANKS!

APPENDIX

An aerial photograph of a city skyline at sunset. The sky is a mix of purple, pink, and orange. Several bright, white, diagonal lines cross the sky from the top left. The city below is densely packed with buildings of various heights. In the foreground, a large building with a golden, grid-like roof is prominent. To its right, a wide road with a median strip of trees runs through the city. In the background, a river or bay is visible on the left side. The overall atmosphere is serene and urban.

Income Statement

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 Nine Months Ended		
	September 30, 2018	June 30, 2019	September 30, 2019	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2019
	RMB (Recast*)	RMB	RMB	USD	RMB (Recast*)	RMB	USD
Net revenue:							
Loan facilitation services	1,251,834	1,237,718	1,286,923	180,047	6,303,575	3,579,687	500,817
Post-origination services	269,874	241,321	103,073	14,420	854,749	640,673	89,633
Account management services	508,625	549,024	489,673	68,508	1,302,170	1,527,037	213,640
Others	157,301	188,577	176,439	24,685	479,095	505,759	70,758
Total net revenue	2,187,634	2,216,640	2,056,108	287,660	8,939,589	6,253,156	874,848
Operating costs and expenses:							
Sales and marketing	1,449,556	1,208,647	1,160,365	162,341	5,421,523	3,496,957	489,241
Origination and servicing	262,050	162,945	156,073	21,835	834,187	491,141	68,713
General and administrative	367,894	175,534	168,092	23,517	1,394,173	601,333	84,130
Allowance for contract assets and receivables	272,889	500,861	344,742	48,231	783,596	1,036,707	145,041
Total operating costs and expenses	2,352,389	2,047,987	1,829,272	255,924	8,433,479	5,626,138	787,125
Other income/(expenses):							
Interest income, net	8,440	25,213	13,825	1,934	58,088	62,913	8,802
Fair value adjustments related to Consolidated ABFE	55,658	5,787	(1,323)	(185)	203,278	39,462	5,521
Others, net	1,089	17,480	7,112	995	(5,834)	184,815	25,857
Total other income	65,187	48,480	19,614	2,744	255,532	287,190	40,180
Income before provision for income taxes	(99,568)	217,133	246,450	34,480	761,642	914,208	127,903
Share of results of equity investees	(917)	(816)	1,505	211	(5,946)	(4,268)	(597)
Income tax expense	35,307	61,856	19,924	2,788	161,802	158,314	22,149
Net income	(135,792)	154,461	228,031	31,903	593,894	751,626	105,157
Weighted average number of ordinary shares outstanding, basic	185,024,291	184,608,337	185,548,214	185,548,214	183,933,356	185,095,873	185,095,873
Basic income per share	(0.7339)	0.8367	1.2290	0.1719	3.2289	4.0607	0.5681
Basic income per ADS	(1.4678)	1.6734	2.4580	0.3438	6.4578	8.1214	1.1362
Weighted average number of ordinary shares outstanding, diluted	185,024,291	186,667,233	186,351,678	186,351,678	186,088,414	186,433,058	186,433,058
Diluted income per share	(0.7339)	0.8275	1.2237	0.1712	3.1915	4.0316	0.5640
Diluted income per ADS	(1.4678)	1.6550	2.4474	0.3424	6.3830	8.0632	1.1280

Cash Flow

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 Nine Months Ended		
	September 30, 2018	June 30, 2019	September 30, 2019	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2019
	RMB (Recast*)	RMB	RMB	USD	RMB (Recast*)	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data							
Net cash generated from/ (used in) operating activities	216,874	36,352	808,148	113,064	(2,505,496)	186,065	26,032
Net cash provided by/ (used in) investing activities	2,220,043	240,895	(924,146)	(129,293)	2,426,607	(933,181)	(130,557)
Net cash (used in)/ provided by financing activities	(2,307,038)	(73,385)	6,886	963	(2,272,048)	426,890	59,724
Effect of foreign exchange rate changes	(119,172)	1,532	3,193	448	(122,031)	2,529	354
Net increase/(decrease) in cash, cash equivalents and restricted cash	10,707	205,395	(105,919)	(14,818)	(2,472,968)	(317,697)	(44,447)
Cash, cash equivalents and restricted cash, beginning of period	1,996,647	2,617,311	2,822,706	394,911	4,480,322	3,034,484	424,540
Cash, cash equivalents and restricted cash, end of period	2,007,354	2,822,706	2,716,787	380,093	2,007,354	2,716,787	380,093

Balance Sheet

Unaudited Condensed Consolidated Balance Sheets (in thousands)

	As of			
	December 31, 2018	June 30, 2019	September 30, 2019	September 30, 2019
	RMB (Recast*)	RMB	RMB	USD
Cash and cash equivalents	2,606,939	2,706,530	2,632,952	368,364
Restricted cash	427,546	116,176	83,835	11,729
Accounts receivable	40,326	27,212	67,231	9,406
Contract assets, net	3,909,263	2,958,476	2,598,202	363,502
Contract cost	145,460	141,480	143,066	20,016
Prepaid expenses and other assets	255,231	1,142,757	1,280,784	179,188
Loans at fair value	137,522	677,354	552,648	77,318
Financing receivables	0	25,175	24,630	3,446
Amounts due from related parties	136,180	1,791,515	1,678,499	234,831
Held-to-maturity investments	329,597	9,542	8,051	1,126
Available-for-sale investments	835,565	387,519	426,321	59,644
Long term investments	217,636	143,047	144,552	20,224
Property, equipment and software, net	266,002	230,078	213,962	29,934
Deferred tax assets	184,136	149,269	150,363	21,037
Right-of-use assets	-	398,154	383,545	53,660
Total assets	14,251,815	10,904,284	10,388,641	1,453,425
Accounts payable	307,046	54,158	62,313	8,718
Amounts due to related parties	8,276,459	169,189	289,820	40,547
Liabilities from quality assurance program and guarantee	9,950	6,539	5,644	790
Deferred revenue	569,469	390,621	381,899	53,430
Payable to investors at fair value	626,207	-	-	-
Accrued expenses and other liabilities	2,193,576	2,265,288	2,351,078	328,928
Refund liability	2,145,748	2,039,998	2,002,785	280,200
Deferred tax liabilities	486,773	329,347	267,647	37,445
Lease liabilities	-	341,364	322,832	45,166
Contingent consideration	-	2,626,734	1,780,734	249,134
Total liabilities	14,615,228	8,223,238	7,464,752	1,044,358
Ordinary shares	77	77	121	17
Shares to be issued	0	2,754,444	-	-
Additional paid-in capital	129,396	1,106,153	3,872,219	541,743
Treasury stock	(254)	(37,097)	(37,097)	(5,190)
Accumulated other comprehensive income	16,390	18,367	25,225	3,529
Accumulated deficit	(1,673,594)	(1,160,898)	(936,579)	(131,032)
Total (deficit)/ equity	(363,413)	2,681,046	2,923,889	409,067
Total liabilities and equity	14,251,815	10,904,284	10,388,641	1,453,425

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 Nine Months Ended		
	September 30, 2018	June 30, 2019	September 30, 2019	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2019
	RMB (Recast*)	RMB	RMB	USD	RMB (Recast*)	RMB	USD
Operating Highlights							
Amount of investment	18,235,782	11,939,582	9,037,670	1,264,417	53,890,936	32,412,841	4,534,723
AUM of investment	73,096,052	64,476,635	59,792,510	8,365,280	73,096,052	59,792,510	8,365,280
Number of investors	257,159	157,973	113,955	113,955	647,024	319,538	319,538
Amount of loans facilitated	11,781,947	9,673,818	10,496,261	1,468,481	49,733,287	31,105,001	4,351,750
Number of borrowers	174,630	135,246	150,280	150,280	726,917	423,414	423,414
Remaining principal of performing loans	71,625,593	58,071,303	54,553,702	7,632,343	71,625,593	54,553,702	7,632,343
Segment Information							
Wealth management:							
Revenue	543,857	592,378	540,554	75,626	1,498,458	1,654,366	231,454
Sales and marketing expenses	220,561	213,168	219,390	30,694	1,169,242	576,462	80,650
Consumer credit:							
Revenue	164,377	1,624,262	1,515,554	212,034	7,441,131	4,598,790	643,394
Sales and marketing expenses	122,895	995,479	940,975	131,647	4,252,281	2,920,495	408,591
Reconciliation of Adjusted EBITDA							
Net income	(135,792)	154,461	228,031	31,903	593,894	751,626	105,157
Interest income, net	(8,440)	(25,213)	(13,825)	(1,934)	(58,088)	(62,913)	(8,802)
Income tax expense	35,307	61,856	19,924	2,788	161,802	158,314	22,149
Depreciation and amortization	35,959	31,112	32,153	4,498	111,356	95,767	13,398
Share-based compensation	60,632	17,732	7,954	1,113	99,931	40,385	5,650
Adjusted EBITDA	(12,334)	239,948	274,237	38,368	908,895	983,179	137,552
Adjusted EBITDA margin	-0.6%	10.8%	13.3%	13.3%	10.2%	15.7%	15.7%

* Prior period financials have been recasted to reflect the acquisition from Creditease under common control.

Delinquency Rates

	Delinquency Rates		
	Delinquent for		
	15-29 days	30-59 days	60-89 days
All Loans			
December 31, 2015	0.7%	1.2%	1.0%
December 31, 2016	0.6%	0.9%	0.8%
December 31, 2017	0.8%	1.0%	0.8%
December 31, 2018	1.0%	1.8%	1.7%
March 31, 2019	0.9%	1.9%	1.7%
June 30, 2019	1.1%	1.8%	1.9%
September 30, 2019	1.0%	1.8%	1.6%
Online Channels			
December 31, 2015	0.5%	0.8%	0.6%
December 31, 2016	0.5%	0.9%	0.8%
December 31, 2017	1.1%	1.1%	0.9%
December 31, 2018	1.2%	2.3%	2.2%
March 31, 2019	1.2%	2.6%	2.4%
June 30, 2019	1.4%	2.2%	2.6%
September 30, 2019	1.3%	2.4%	2.3%
Offline Channels			
December 31, 2015	0.7%	1.2%	1.0%
December 31, 2016	0.6%	0.9%	0.8%
December 31, 2017	0.6%	0.9%	0.7%
December 31, 2018	0.9%	1.6%	1.5%
March 31, 2019	0.8%	1.6%	1.5%
June 30, 2019	1.0%	1.6%	1.7%
September 30, 2019	0.9%	1.5%	1.4%

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	Accumulated M3+ Net Charge-Off as of September 30, 2019	Total Net Charge-Off Rate as of September 30, 2019
		(in RMB thousands)	(in RMB thousands)	
2015	I	4,894,936	201,064	4.1%
	II	14,492,035	486,144	3.4%
	III	11,272,838	711,683	6.3%
	IV	11,283,656	1,357,155	12.0%
	V	11,199,563	1,718,367	15.3%
	Total	53,143,029	4,474,413	8.4%
2016	I	5,858,273	234,148	4.0%
	II	12,360,346	532,664	4.3%
	III	9,951,614	749,365	7.5%
	IV	8,652,543	922,419	10.7%
	V	16,982,336	2,603,436	15.3%
	Total	53,805,112	5,042,032	9.4%
2017	I	10,431,218	670,341	6.4%
	II	12,270,230	1,507,339	12.3%
	III	13,837,922	2,183,484	15.8%
	IV	13,663,558	2,356,569	17.2%
	V	19,680,365	3,968,677	20.2%
	Total	69,883,293	10,686,410	15.3%
2018	I	9,451,125	486,383	5.1%
	II	14,656,758	1,338,476	9.1%
	III	13,903,217	1,624,453	11.7%
	IV	13,812,989	1,961,234	14.2%
	V	11,326,230	1,886,516	16.7%
	Total	63,150,319	7,297,061	11.6%
2019H1	I	3,911,679	28,326	0.7%
	II	6,050,230	86,221	1.4%
	III	4,993,682	97,867	2.0%
	IV	3,220,517	63,400	2.0%
	V	2,432,632	56,458	2.3%
	Total	20,608,740	332,273	1.6%

Net Charge-off Rates (2/2)

M3+ Net Charge-Off Rate

[illegible]