

Q2 2021 Investor Presentation

August 2021



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 Yiren Digital’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 credit-tech and wealth management business in China, general economic conditions in China, and Yiren Digital’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 Yiren Digital’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 Yiren Digital 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

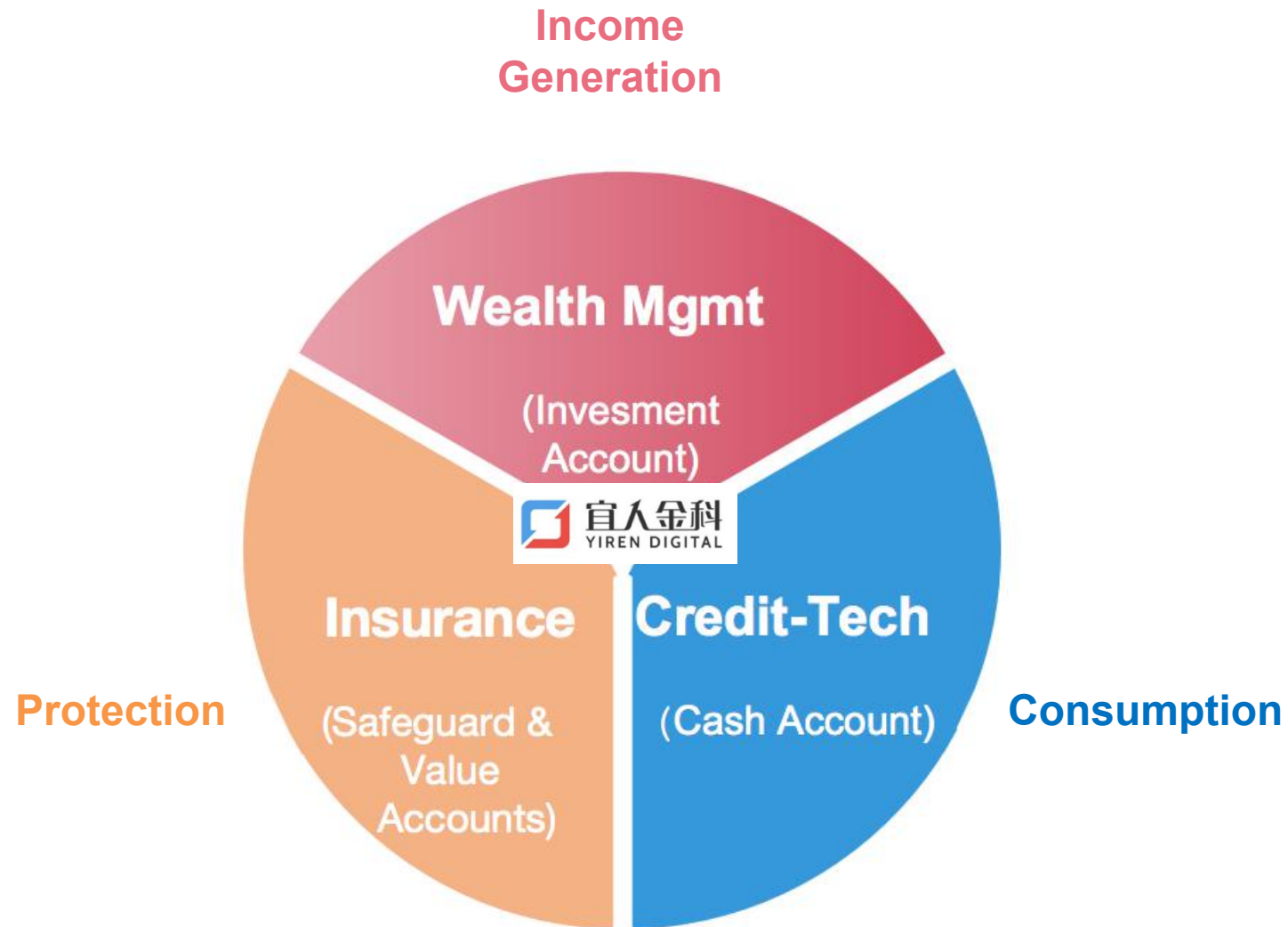
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Key Financial Highlights






Business Highlights



Positioned as a Leading Digital Personal Financial Management Platform





Positioning	 Digital Personal Management Service
Business Model	 Consumer Credit and Wealth Management
Monetization	 Loan & AUM Based Recurring Service Fee
Customer Value	 Long Term Value
Capital	 Light

Yiren Digital At A Glance, Q2 2021



Leading Digital Wealth Management Platform



**Total Client Asset
Q2 2021**
~RMB 14.7Bn



**No. of Active Investors¹
Q2 2021**
~386K



Investor Service
AI Robot + Remote FA



**Accumulatively Served Investors
As of Q2 2021**
~ 2.5 Mn



Leading Consumer Credit-Tech Player



**Loan Balance
Q2 2021**
~RMB 12.5Bn



**No. of Borrowers Served
Q2 2021**
~434K



Customer Service
Online & Offline



**Accumulatively Served Borrowers
As of Q2 2021**
~ 5.6 Mn

Note 1: Total client asset refers to the amount of investment of our current products, excluding our legacy products.

Note 2: Active investors refer to those who hold an investment in one or more of the wealth management products the Company source from financial institutions during the quarter, including funds, insurance, bank products and other products.

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Yiren Digital Overview

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Business Highlights

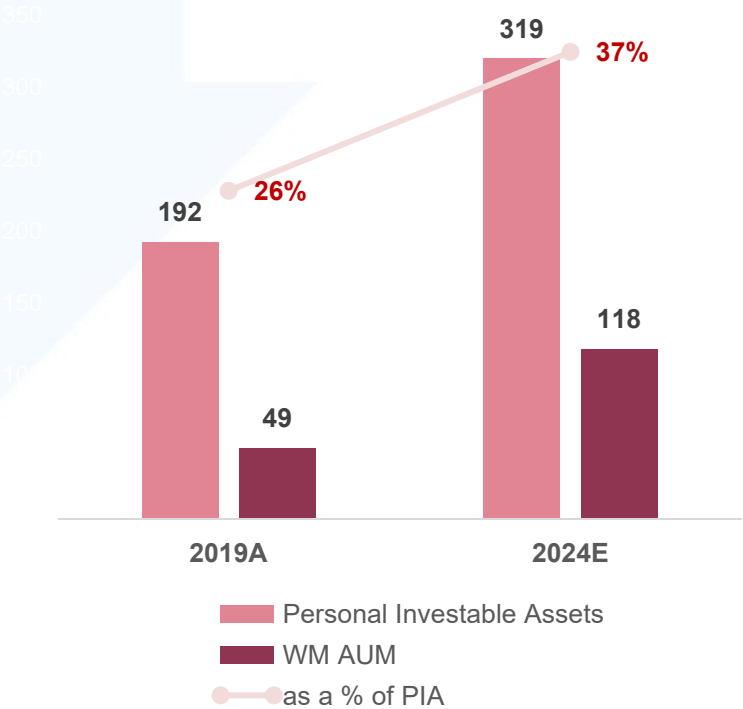
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Key Financial Highlights

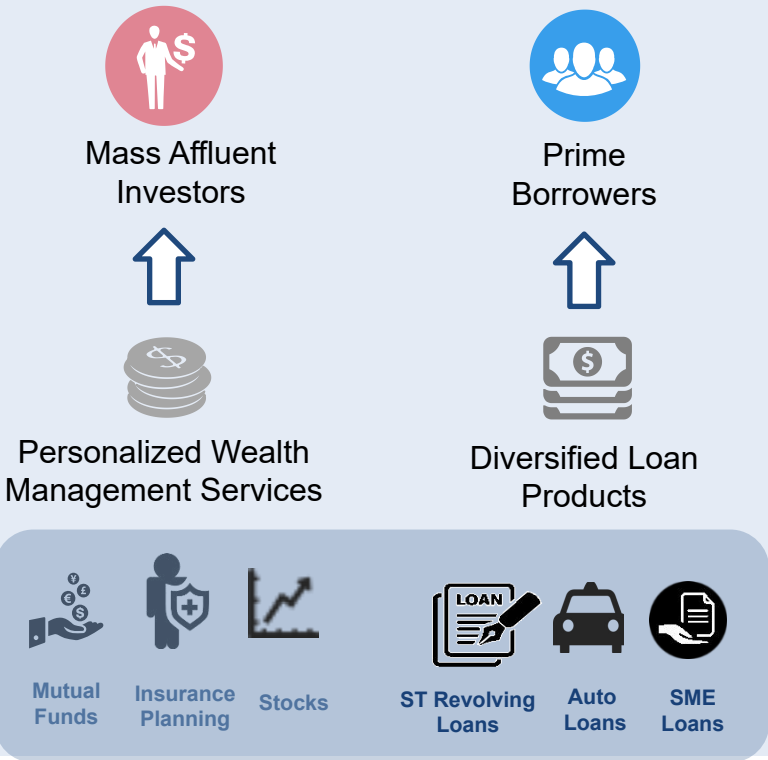
Massive Opportunity in China's Personal Financial Services Industry

Wealth Management

Increasing Investment Needs
(in RMB trillion)

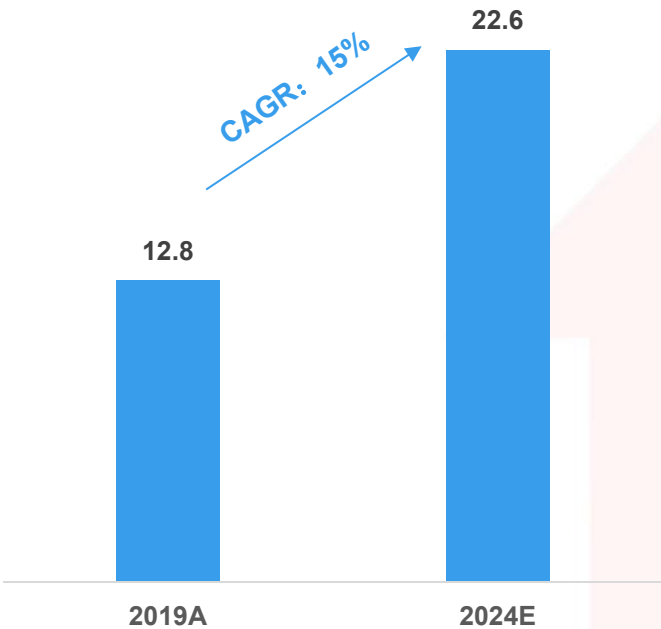


Source: Oliver Wyman



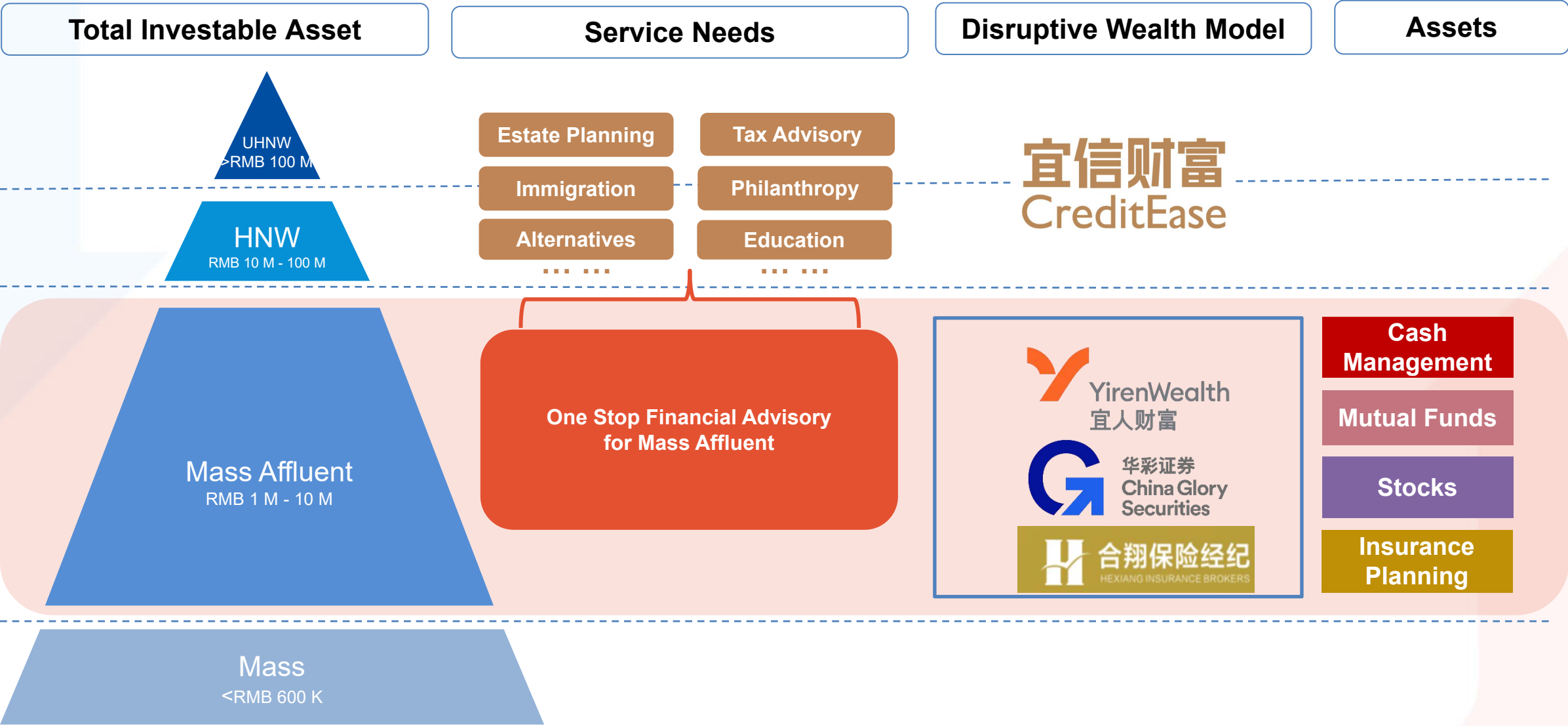
Consumer Credit

Customer Finance Market in China
(By outstanding balance, RMB trillion)

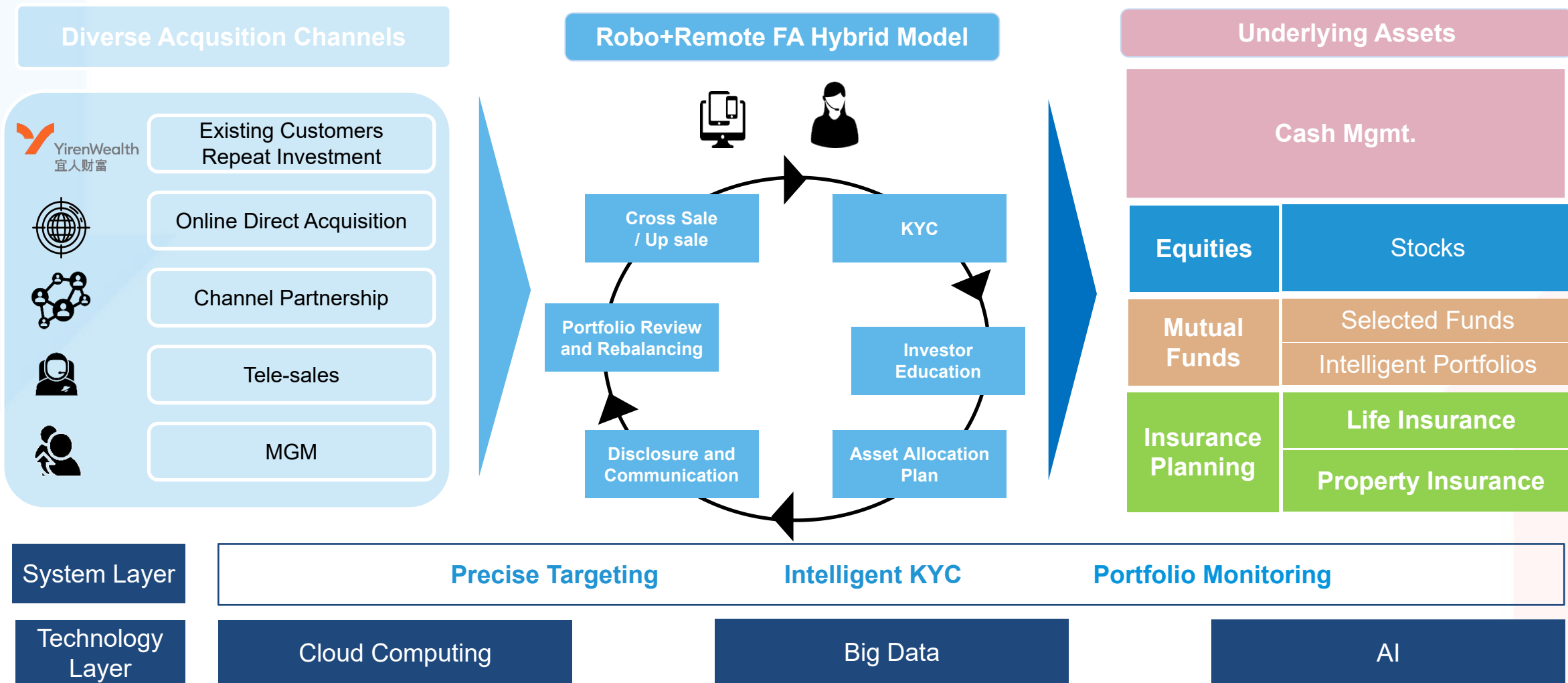


Source: Oliver Wyman

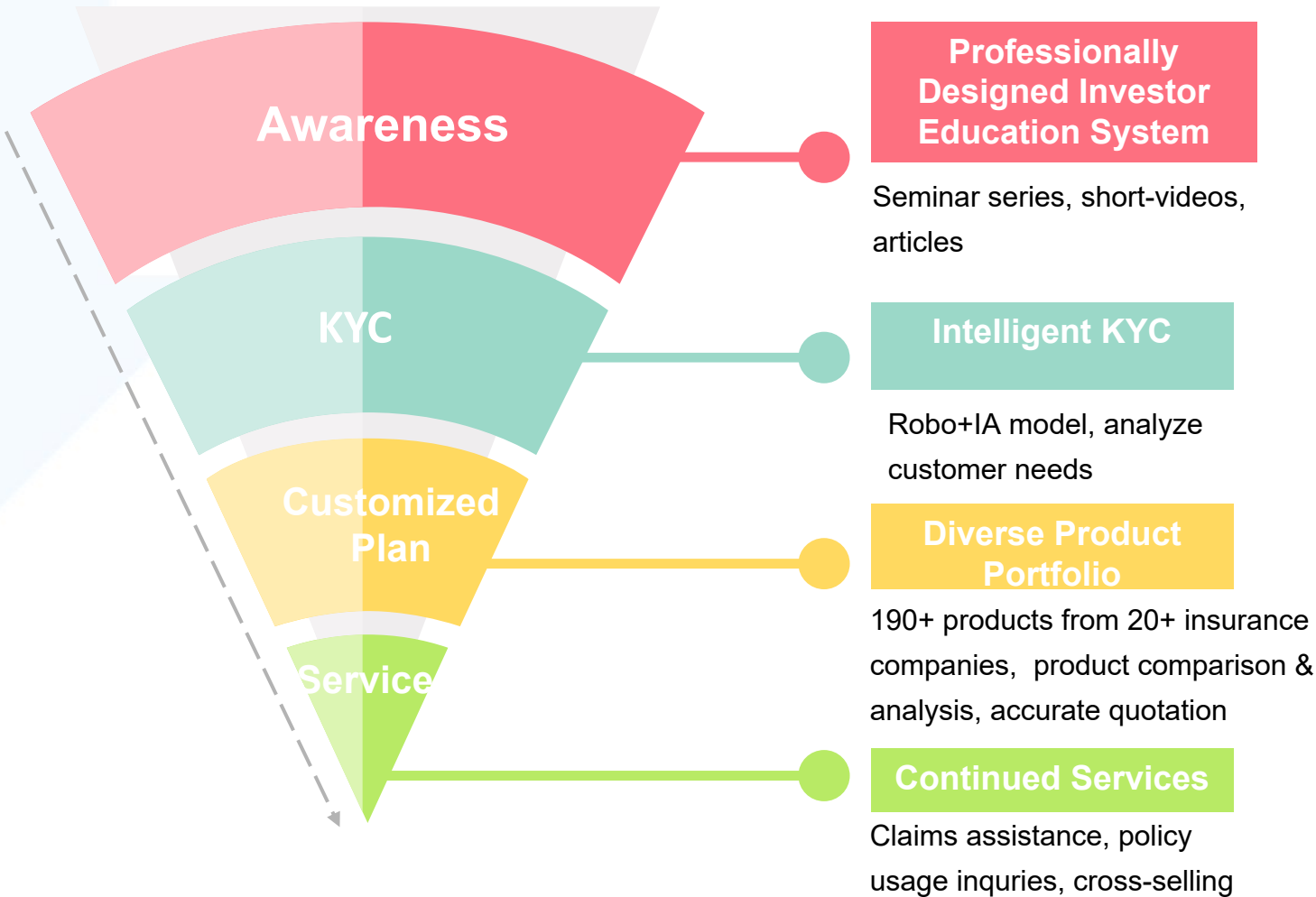
Our Wealth Management Strategy



Wealth Management Business Model



One-Stop Insurance Solution



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

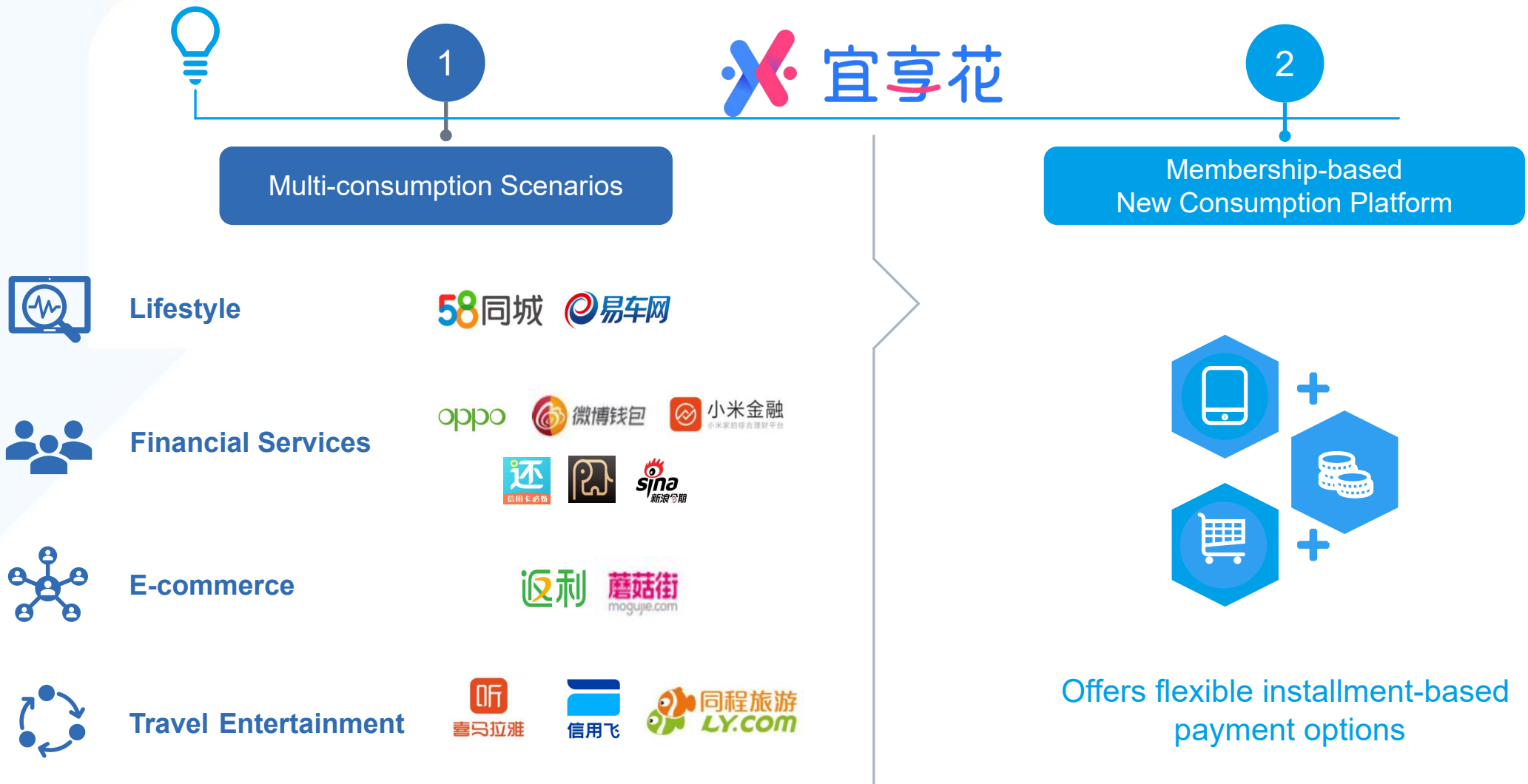
Yiren Financial Cloud

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



Full Spectrum of Credit Products : ST Revolving Loans



Average Principal Amt
< RMB20,000



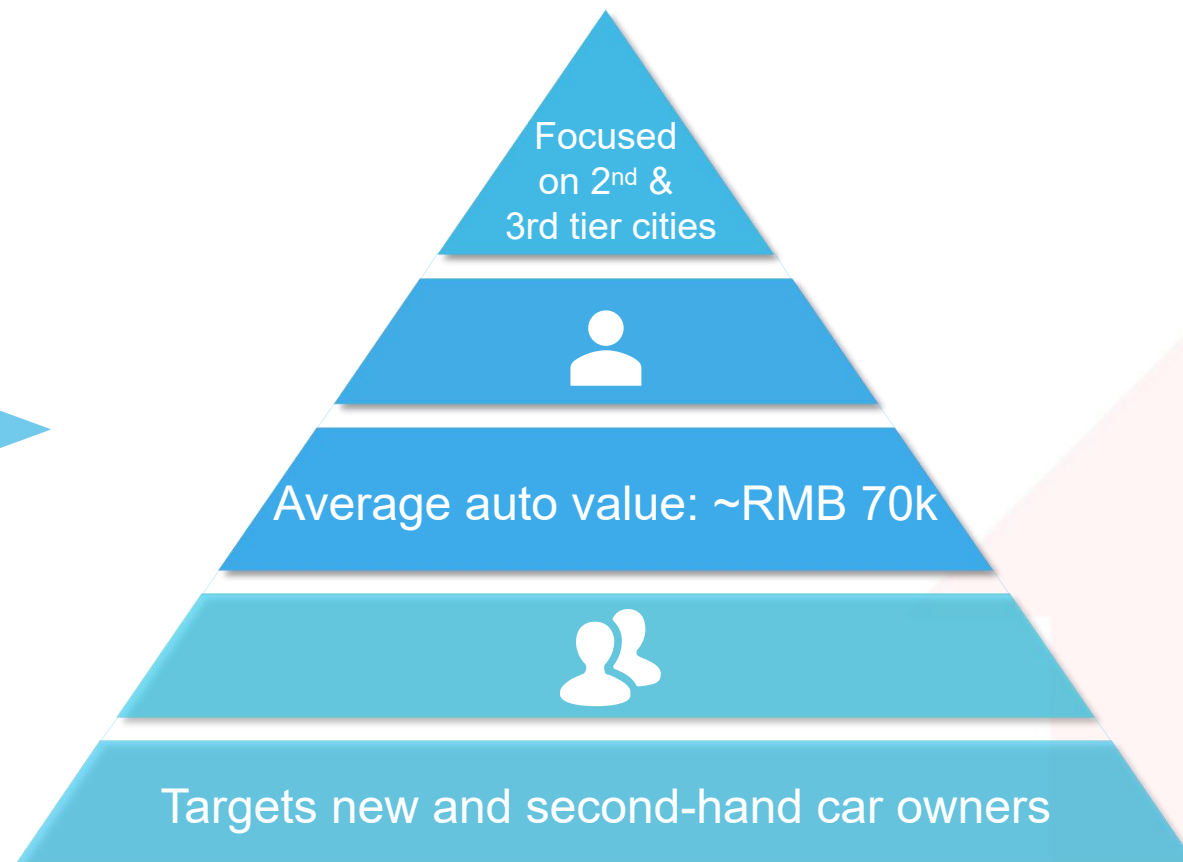
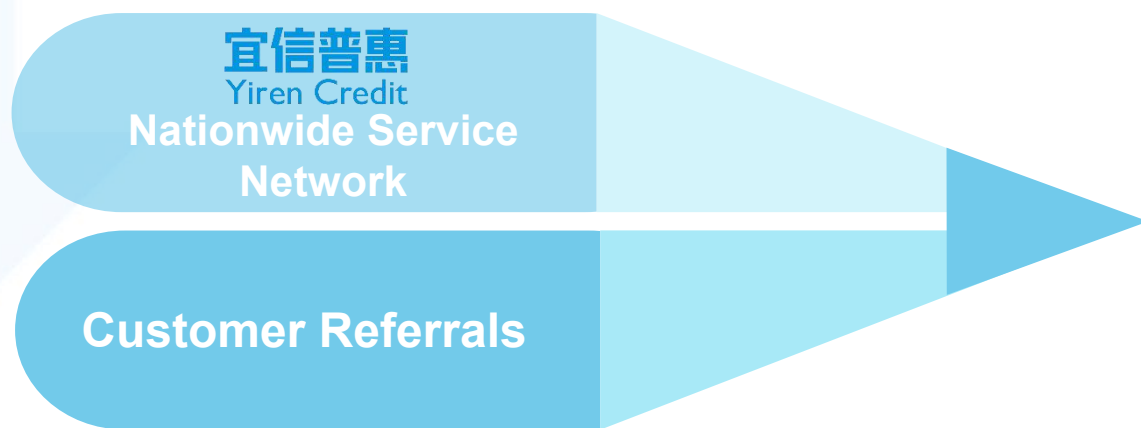
Loan Tenure
3, 6, 9 or 12 months



Target Customer Base
Young & Tech-savy

Full Spectrum of Credit Products : Secured Auto Loans

Customer Acquisition Channels



Average Principal Amt
~RMB 70,000

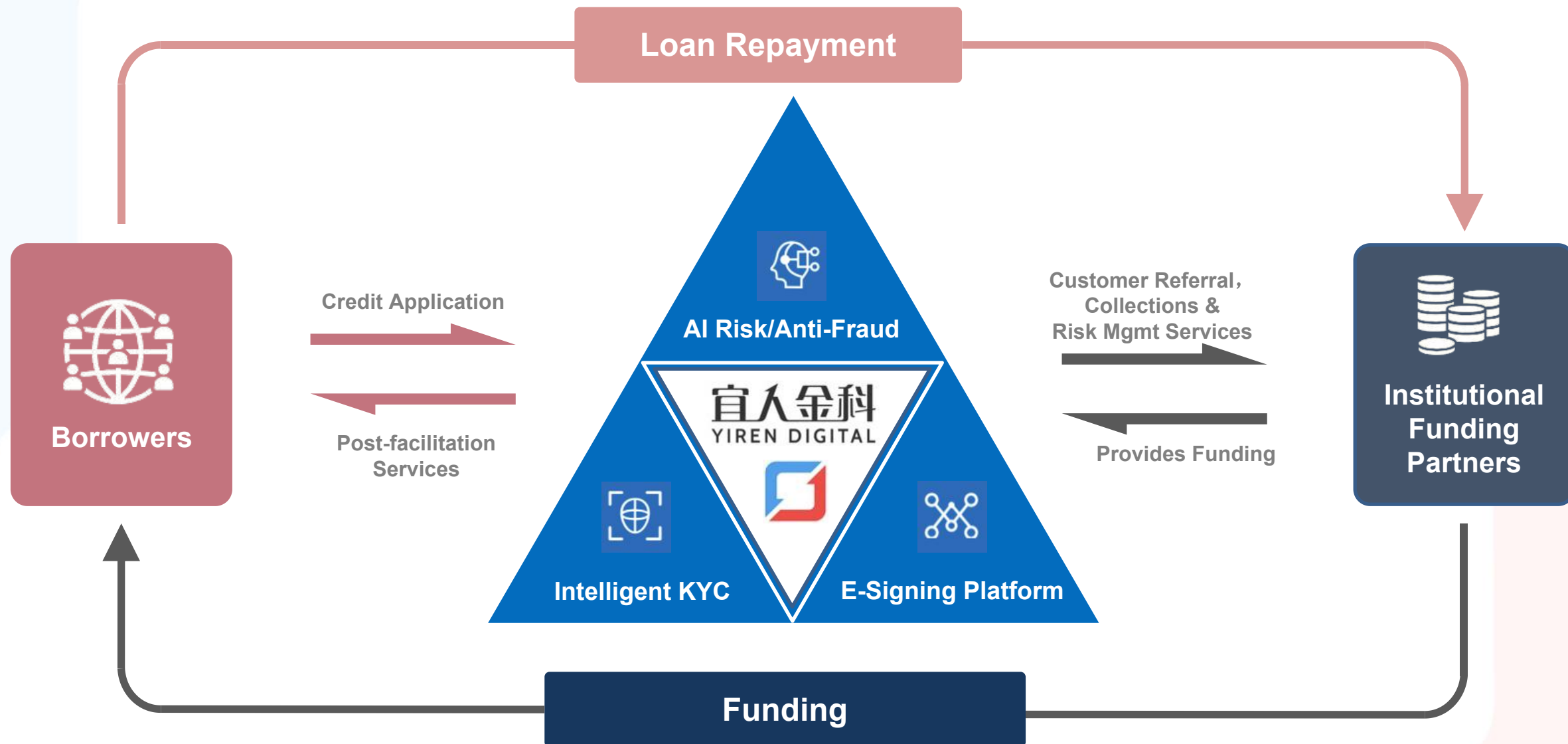


Loan Tenure
Average 30 months



Target Customer Base
Salaried Employees

Technology Driven Loan Facilitation Model





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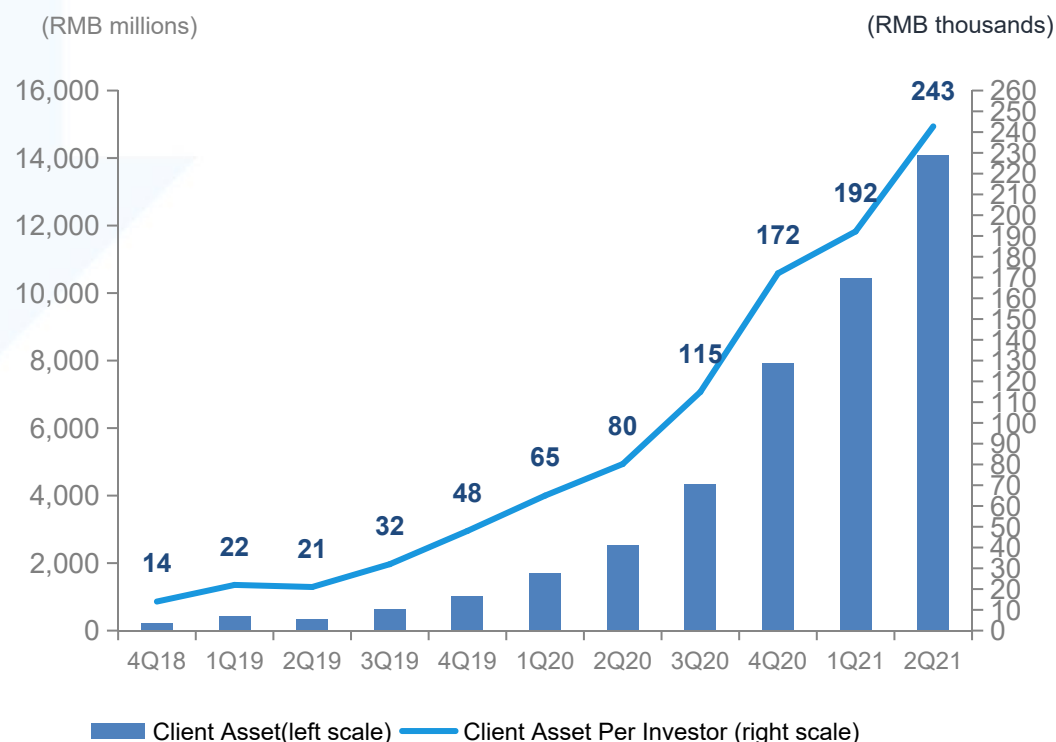
Business Highlights

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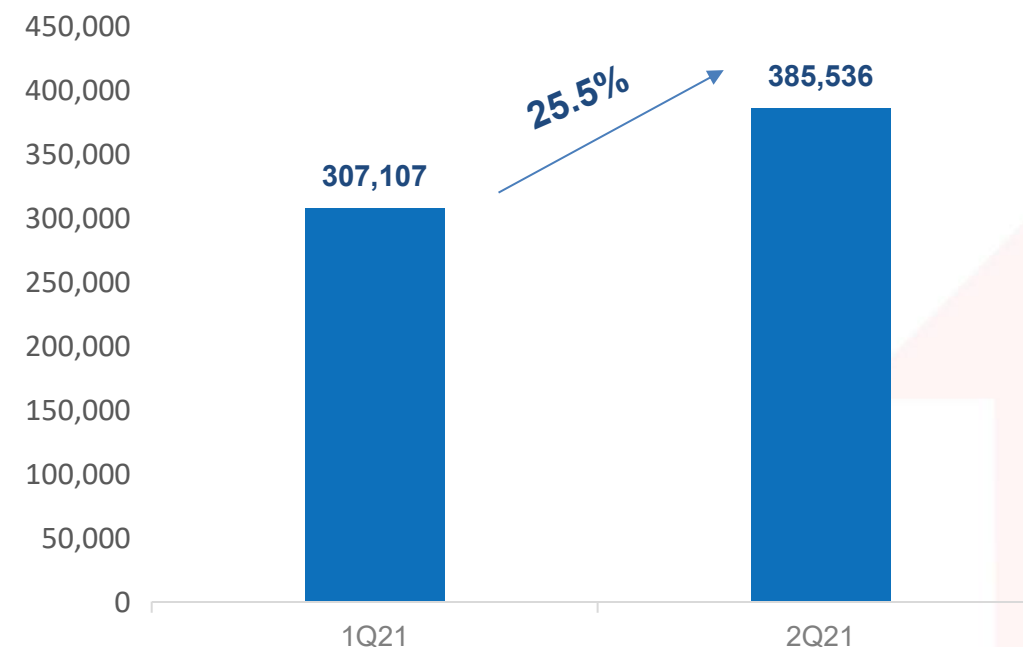
Key Financial Highlights

Wealth Management Gaining Traction

Client Asset Per Investor¹



Number of Active Investors²



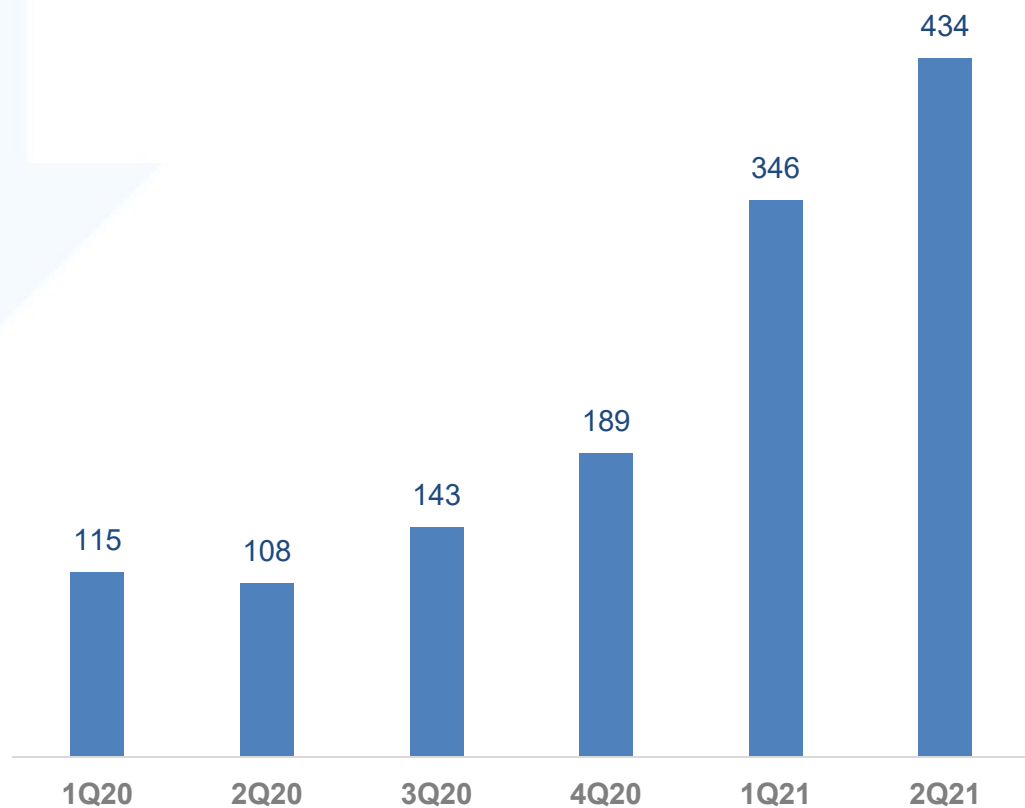
Note 1: Average client asset per investors refer to the investment in fund and short-term investing products per investor, excluding legacy products and insurance products.

Note 2: Active investors refer to those who have made at least one investment through our wealth management platform or have had client assets with us above zero in the past twelve months.

Loan Volume Driven by Our Borrowers

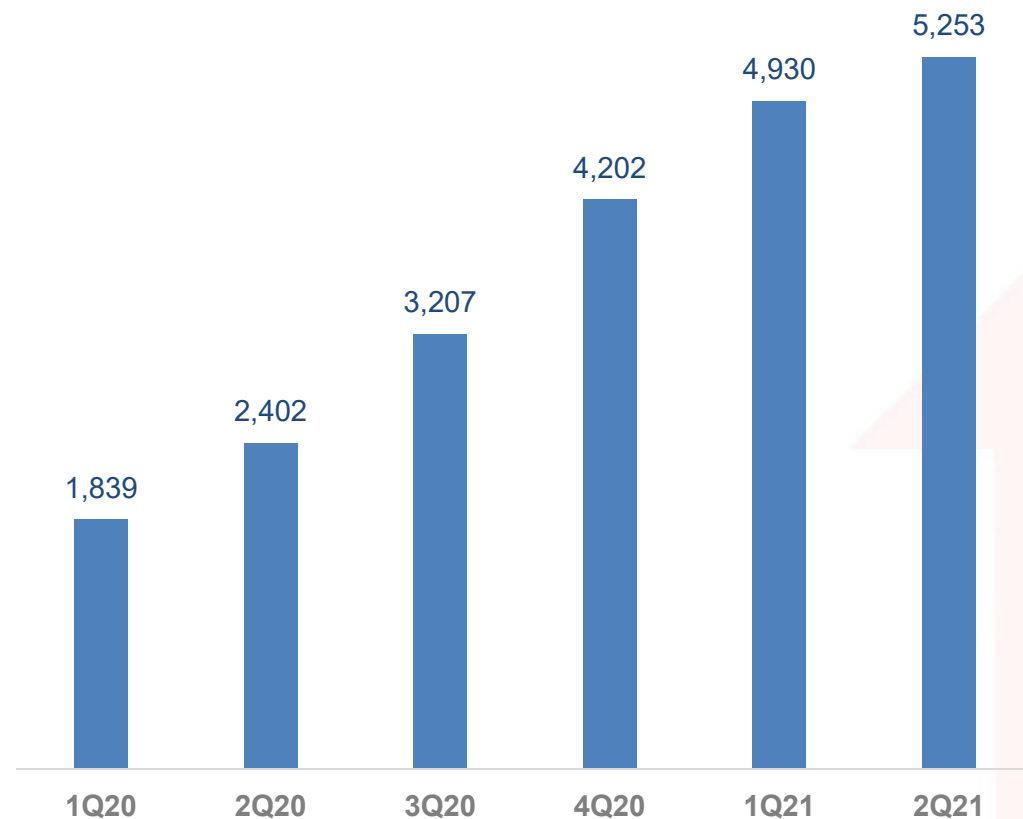
Number of Borrowers

(Thousands)



Loans Facilitated

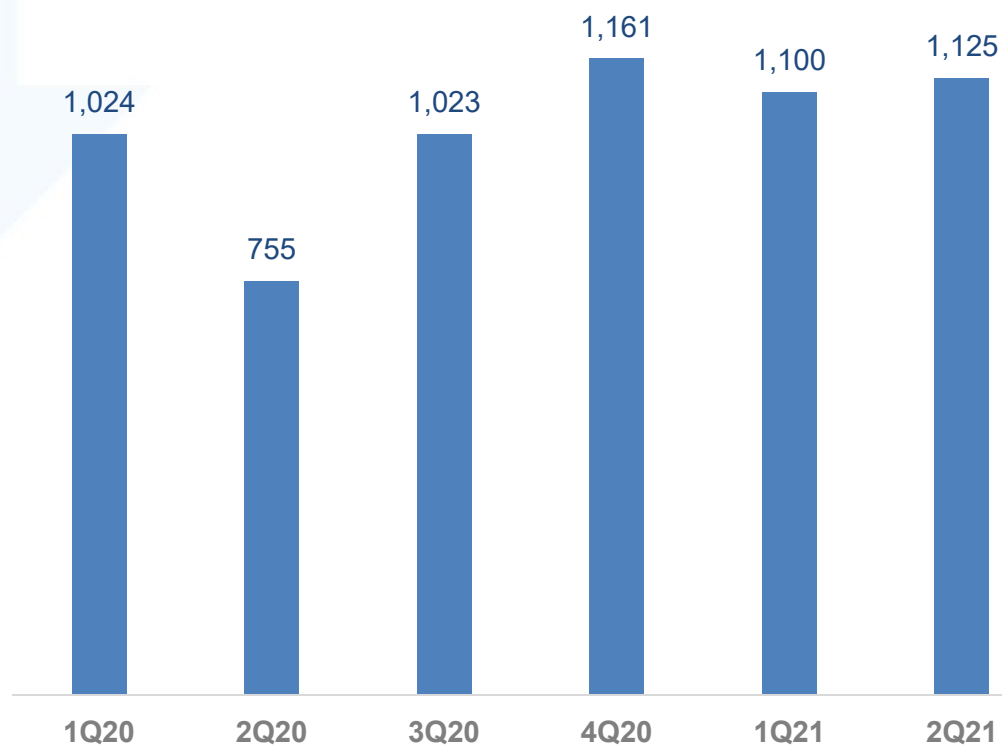
(RMB Million)



Financial Metrics

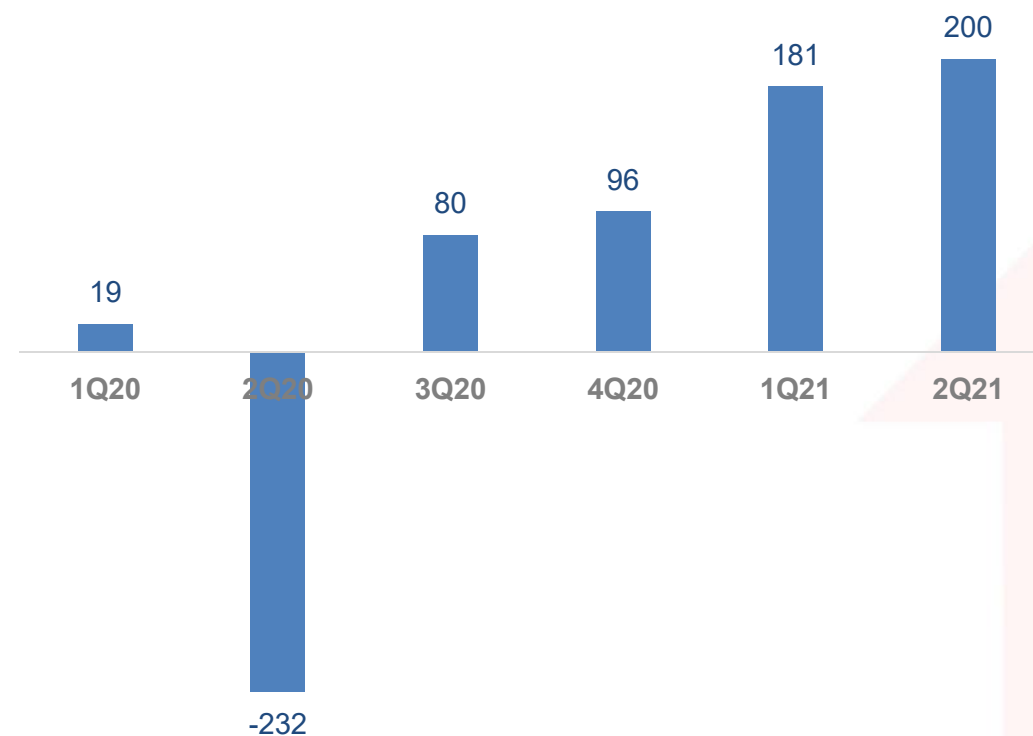
Net Revenue

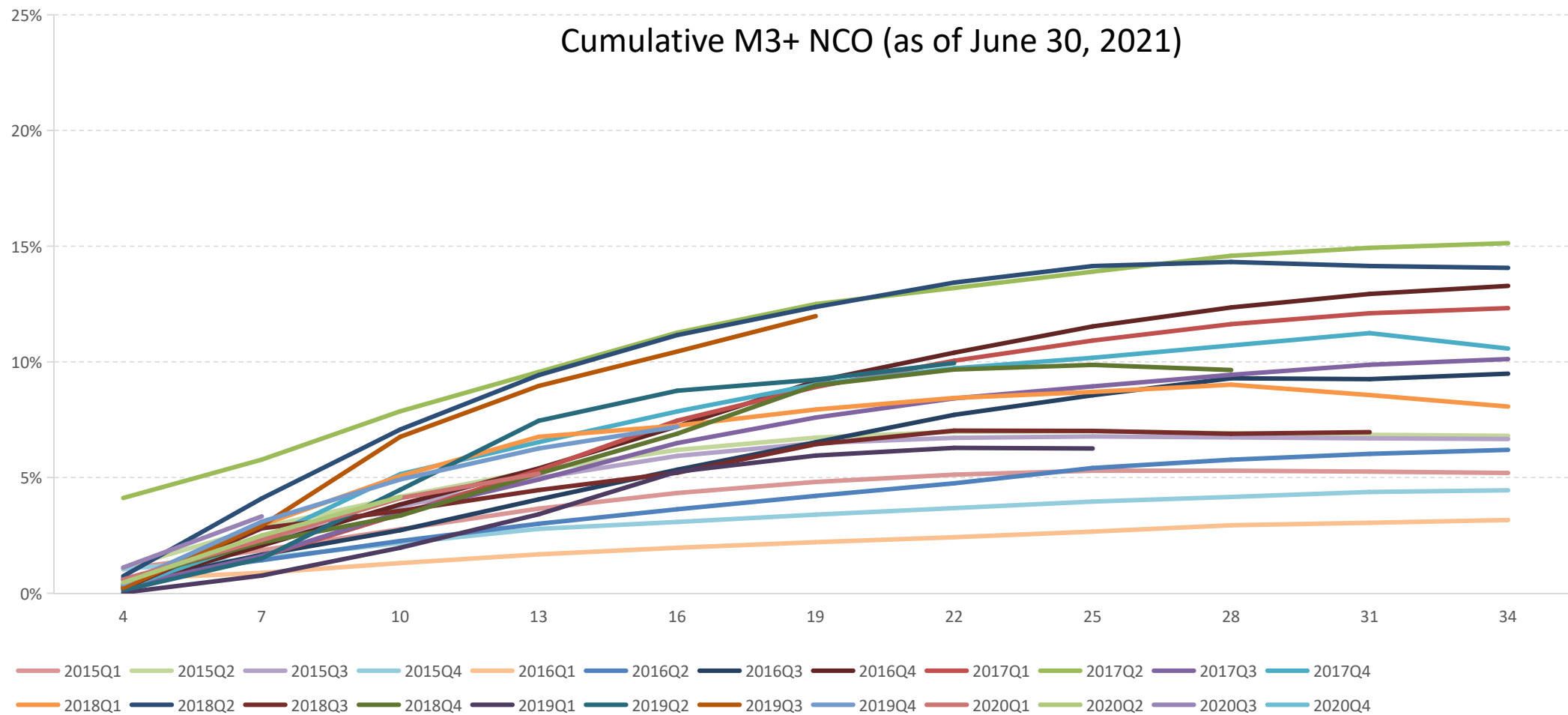
(RMB Million)



Non-GAAP Net Income

(RMB Million)





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 skyscrapers and buildings. In the foreground, a large building with a golden, grid-like roof is prominent. To its right, a wide road with a median runs through the city. The overall scene is a vibrant, high-angle view of a modern urban landscape.

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 Six Months Ended		
	June 30,	March 31,	June 30,	June 30,	June 30,	June 30,	June 30,
	2020	2021	2021	2021	2020	2021	2021
	RMB	RMB	RMB	USD	RMB	RMB	USD
Net revenue:							
Loan facilitation services	171,084	542,132	551,373	85,397	529,625	1,093,505	169,362
Post-origination services	126,477	44,786	40,584	6,286	272,997	85,370	13,222
Account management services	300,720	-	-	-	713,886	-	-
Insurance brokerage services	19,545	159,704	151,801	23,511	19,545	311,505	48,246
Financing services	1,586	114,932	125,267	19,401	2,236	240,199	37,202
Others	135,277	238,409	256,010	39,651	240,060	494,419	76,576
Total net revenue	754,689	1,099,963	1,125,035	174,246	1,778,349	2,224,998	344,608
Operating costs and expenses:							
Sales and marketing	508,466	405,176	436,882	67,663	1,124,907	842,058	130,418
Origination, servicing and other operating costs	165,183	174,525	182,667	28,292	268,101	357,192	55,322
General and administrative	172,568	119,865	127,690	19,777	321,609	247,555	38,341
Allowance for contract assets, receivables and others	168,708	141,232	93,433	14,471	312,093	234,665	36,345
Total operating costs and expenses	1,014,925	840,798	840,672	130,203	2,026,710	1,681,470	260,426
Other income/(expenses):							
Interest income/(expense), net	16,950	(10,980)	(22,782)	(3,529)	42,066	(33,762)	(5,229)
Fair value adjustments related to Consolidated ABFE	(32,957)	(27,720)	(20,916)	(3,239)	(58,977)	(48,636)	(7,533)
Others, net	(3,510)	5,122	14,674	2,273	8,674	19,796	3,066
Total other expenses	(19,517)	(33,578)	(29,024)	(4,495)	(8,237)	(62,602)	(9,696)
(Loss)/income before provision for income taxes	(279,753)	225,587	255,339	39,548	(256,598)	480,926	74,486
Income tax (benefit)/expense	(47,558)	44,373	55,259	8,559	(43,622)	99,632	15,431
Net (loss)/income	(232,195)	181,214	200,080	30,989	(212,976)	381,294	59,055
Weighted average number of ordinary shares outstanding, basic	185,613,735	167,966,603	167,974,463	167,974,463	185,607,348	167,970,515	167,970,515
Basic (loss)/income per share	(1.2510)	1.0789	1.1911	0.1845	(1.1475)	2.2700	0.3516
Basic (loss)/income per ADS	(2.5020)	2.1578	2.3822	0.3690	(2.2950)	4.5400	0.7032
Weighted average number of ordinary shares outstanding, diluted	185,613,735	169,147,563	169,173,603	169,173,603	185,607,348	169,160,565	169,160,565
Diluted (loss)/income per share	(1.2510)	1.0713	1.1827	0.1832	(1.1475)	2.2540	0.3491
Diluted (loss)/income per ADS	(2.5020)	2.1426	2.3654	0.3664	(2.2950)	4.5080	0.6982

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,	March 31,	June 30,	June 30,	June 30,	June 30,	June 30,
	2020	2021	2021	2021	2020	2021	2021
	RMB	RMB	RMB	USD	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data							
Net cash (used in)/generated from operating activities	(64,721)	(142,011)	(212,993)	(32,988)	497,999	(355,004)	(54,984)
Net cash used in investing activities	(186,670)	(286,056)	(208,539)	(32,299)	(716,107)	(494,595)	(76,603)
Net cash provided by/(used in) financing activities	39,905	279,400	144,107	22,319	(25,732)	423,507	65,593
Effect of foreign exchange rate changes	(86)	(118)	(278)	(43)	1,120	(396)	(61)
Net decrease in cash, cash equivalents and restricted cash	(211,572)	(148,785)	(277,703)	(43,011)	(242,720)	(426,488)	(66,055)
Cash, cash equivalents and restricted cash, beginning of period	3,237,994	2,707,148	2,558,363	396,240	3,269,142	2,707,148	419,284
Cash, cash equivalents and restricted cash, end of period	3,026,422	2,558,363	2,280,660	353,229	3,026,422	2,280,660	353,229

Balance Sheet

Unaudited Condensed Consolidated Balance Sheets (in thousands)

	As of			
	December 31,	March 31,	June 30,	June 30,
	2020	2021	2021	2021
	RMB	RMB	RMB	USD
Cash and cash equivalents	2,469,909	2,362,310	2,192,500	339,575
Restricted cash	237,239	196,053	88,160	13,654
Accounts receivable	122,742	148,114	228,554	35,399
Contract assets, net	750,174	917,995	1,063,470	164,711
Contract cost	65,529	62,061	44,684	6,921
Prepaid expenses and other assets	278,591	215,099	213,942	33,135
Loans at fair value	192,156	175,664	112,931	17,491
Financing receivables	1,253,494	1,471,509	1,738,742	269,297
Amounts due from related parties	884,006	911,972	1,064,703	164,901
Held-to-maturity investments	3,286	3,137	2,233	346
Available-for-sale investments	175,515	234,587	224,336	34,745
Property, equipment and software, net	147,193	134,351	123,491	19,126
Deferred tax assets	16,745	13,906	8,629	1,336
Right-of-use assets	105,674	98,467	93,783	14,525
Total assets	6,702,253	6,945,225	7,200,158	1,115,162
Accounts payable	9,903	12,923	64,469	9,985
Amounts due to related parties	970,309	769,744	498,053	77,138
Deferred revenue	50,899	44,408	21,137	3,274
Payable to investors at fair value	52,623	52,082	51,289	7,944
Accrued expenses and other liabilities	1,208,915	1,148,549	1,238,591	191,833
Secured borrowings	500,500	799,200	968,600	150,017
Refund liability	10,845	7,404	6,412	993
Deferred tax liabilities	38,741	76,003	118,654	18,377
Lease liabilities	81,854	76,735	70,114	10,859
Total liabilities	2,924,589	2,987,048	3,037,319	470,420
Ordinary shares	121	121	122	19
Additional paid-in capital	5,058,176	5,058,884	5,065,177	784,496
Treasury stock	(40,147)	(40,147)	(40,147)	(6,218)
Accumulated other comprehensive income	17,108	16,648	16,139	2,500
Accumulated deficit	(1,257,594)	(1,077,329)	(878,452)	(136,055)
Total equity	3,777,664	3,958,177	4,162,839	644,742
Total liabilities and equity	6,702,253	6,945,225	7,200,158	1,115,162

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 Six Months Ended		
	June 30, 2020	March 31, 2021	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2021
	RMB	RMB	RMB	USD	RMB	RMB	USD
Operating Highlights							
Amount of investment in current investment products	2,186,210	5,823,057	5,343,601	827,618	4,349,523	11,166,657	1,729,495
Number of investors in current investment products	30,392	110,072	120,091	120,091	30,142	203,472	203,472
Amount of loans facilitated under loan facilitation model	1,522,646	4,930,287	5,252,859	813,564	2,263,914	10,183,146	1,577,168
Amount of loans facilitated	2,402,494	4,930,287	5,252,859	813,564	4,241,948	10,183,146	1,577,168
Number of borrowers	107,568	345,939	434,153	434,153	220,731	646,486	646,486
Remaining principal of performing loans facilitated under loan facilitation model	4,175,751	11,159,179	12,543,745	1,942,779	4,175,751	12,543,745	1,942,779
Segment Information							
Wealth management:							
Revenue	322,381	263,743	286,839	44,426	738,257	550,582	85,274
Sales and marketing expenses	45,454	38,987	29,044	4,498	112,780	68,031	10,537
Origination, servicing and other operating costs	39,648	132,510	150,505	23,311	70,493	283,015	43,833
Consumer credit:							
Revenue	432,308	836,220	838,196	129,820	1,040,092	1,674,416	259,334
Sales and marketing expenses	463,012	366,189	407,838	63,165	1,012,127	774,027	119,881
Origination, servicing and other operating costs	125,535	42,015	32,162	4,981	197,608	74,177	11,489
Reconciliation of Adjusted EBITDA							
Net (loss)/income	(232,195)	181,214	200,080	30,989	(212,976)	381,294	59,055
Interest (income)/expense, net	(16,950)	10,980	22,782	3,529	(42,066)	33,762	5,229
Income tax (benefit)/expense	(47,558)	44,373	55,259	8,559	(43,622)	99,632	15,431
Depreciation and amortization	24,368	15,151	12,170	1,885	51,539	27,321	4,232
Share-based compensation	2,954	(240)	5,090	788	7,495	4,850	751
Adjusted EBITDA	(269,381)	251,478	295,381	45,750	(239,630)	546,859	84,698
Adjusted EBITDA margin	-35.7%	22.9%	26.3%	26.3%	-13.5%	24.6%	24.6%

Delinquency Rates

Delinquency Rates (Loan Facilitation Model)			
	15-29 days	30-59 days	60-89 days
All Loans			
December 31, 2015	1.3%	1.9%	1.5%
December 31, 2016	0.6%	0.8%	0.7%
December 31, 2017	0.5%	0.8%	0.6%
December 31, 2018	1.0%	1.8%	1.7%
December 31, 2019	0.8%	1.3%	1.0%
December 31, 2020	0.5%	0.7%	0.6%
March 31, 2021	0.5%	0.8%	0.6%
June 30, 2021	0.5%	0.8%	0.7%
Online Channels			
December 31, 2015	0.4%	0.7%	0.5%
December 31, 2016	0.8%	1.1%	1.7%
December 31, 2017	0.3%	0.2%	0.0%
December 31, 2018	0.9%	1.7%	1.5%
December 31, 2019	1.0%	2.1%	1.6%
December 31, 2020	0.6%	1.0%	1.1%
March 31, 2021	0.5%	0.9%	0.7%
June 30, 2021	0.7%	0.9%	0.8%
Offline Channels			
December 31, 2015	1.3%	2.0%	1.6%
December 31, 2016	0.6%	0.8%	0.7%
December 31, 2017	0.5%	0.9%	0.7%
December 31, 2018	1.1%	1.9%	1.8%
December 31, 2019	0.7%	0.9%	0.7%
December 31, 2020	0.4%	0.6%	0.4%
March 31, 2021	0.4%	0.7%	0.6%
June 30, 2021	0.4%	0.7%	0.6%

Net Charge-Off Rate (Loan Facilitation Model)			
Loan Issued Period	Amount of Loans Facilitated During the Period (in RMB thousands)	Accumulated M3+ Net Charge-Off as of June 30, 2021 (in RMB thousands)	Total Net Charge-Off Rate as of June 30, 2021
2015	4,530,824	250,850	5.5%
2016	3,749,815	319,425	8.5%
2017	5,043,494	527,583	10.5%
2018	4,211,573	415,948	9.9%
2019	3,431,443	359,282	10.5%
2020	9,614,819	352,935	3.7%
2021Q1	4,930,287	23,045	0.5%

M3+ NCO by Vintage

M3+ Net Charge-Off Rate (Loan Facilitation Model)

Loan Issued Period	Month on Book										
	4	7	10	13	16	19	22	25	28	31	34
2015Q1	1.0%	1.9%	2.8%	3.7%	4.3%	4.8%	5.1%	5.3%	5.3%	5.3%	5.2%
2015Q2	1.1%	2.8%	4.2%	5.3%	6.2%	6.7%	7.0%	7.0%	6.9%	6.8%	6.8%
2015Q3	0.6%	2.2%	3.8%	5.0%	5.9%	6.5%	6.7%	6.8%	6.7%	6.7%	6.7%
2015Q4	1.0%	1.5%	2.2%	2.8%	3.1%	3.4%	3.7%	4.0%	4.2%	4.4%	4.4%
2016Q1	0.6%	0.9%	1.3%	1.7%	2.0%	2.2%	2.4%	2.7%	2.9%	3.0%	3.2%
2016Q2	0.6%	1.4%	2.3%	3.0%	3.6%	4.2%	4.8%	5.4%	5.8%	6.0%	6.2%
2016Q3	0.4%	1.7%	2.7%	4.1%	5.3%	6.5%	7.7%	8.6%	9.3%	9.3%	9.5%
2016Q4	0.3%	2.1%	3.8%	5.4%	7.2%	9.2%	10.4%	11.5%	12.4%	12.9%	13.3%
2017Q1	0.3%	1.6%	3.4%	5.3%	7.5%	8.9%	10.0%	10.9%	11.6%	12.1%	12.3%
2017Q2	4.1%	5.8%	7.9%	9.6%	11.3%	12.5%	13.2%	13.9%	14.6%	14.9%	15.1%
2017Q3	0.3%	1.6%	3.5%	4.9%	6.5%	7.6%	8.4%	8.9%	9.4%	9.9%	10.1%
2017Q4	0.2%	2.3%	5.1%	6.5%	7.9%	9.0%	9.7%	10.2%	10.7%	11.2%	10.6%
2018Q1	0.2%	2.9%	5.1%	6.8%	7.2%	7.9%	8.4%	8.7%	9.0%	8.6%	8.1%
2018Q2	0.7%	4.1%	7.1%	9.4%	11.2%	12.4%	13.4%	14.1%	14.3%	14.1%	14.1%
2018Q3	0.2%	2.8%	3.6%	4.5%	5.2%	6.4%	7.0%	7.0%	6.9%	7.0%	
2018Q4	0.6%	2.2%	3.4%	5.2%	6.9%	9.0%	9.7%	9.9%	9.6%		
2019Q1	0.0%	0.8%	2.0%	3.4%	5.3%	5.9%	6.3%	6.3%			
2019Q2	0.1%	1.5%	4.5%	7.5%	8.8%	9.2%	9.9%				
2019Q3	0.2%	2.9%	6.8%	9.0%	10.4%	12.0%					
2019Q4	0.4%	3.1%	4.9%	6.3%	7.2%						
2020Q1	0.6%	2.3%	4.1%	5.2%							
2020Q2	0.5%	2.5%	4.2%								
2020Q3	1.1%	3.3%									
2020Q4	0.3%										

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 skyscrapers and buildings, many of which are illuminated with 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!