

Yiren Digital Investor Presentation

Nov. 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.

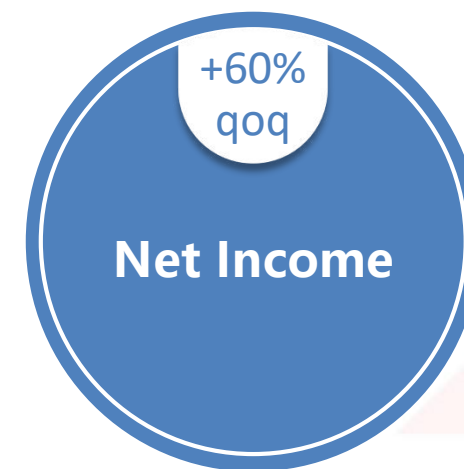
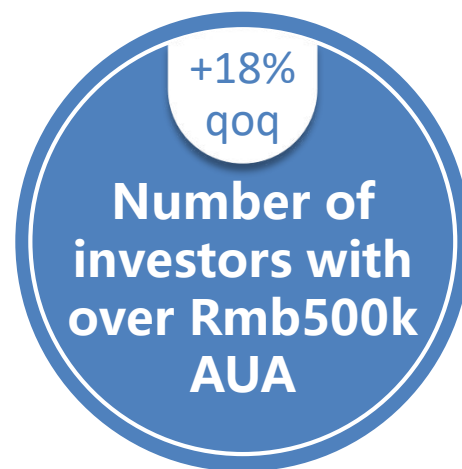
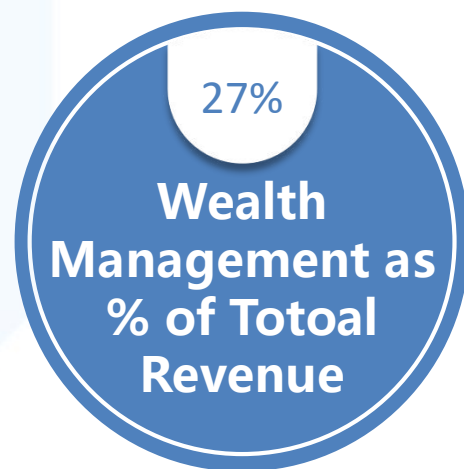
Further information regarding these and other risks, uncertainties or factors is included in Yiren Digital’s filings with the U.S. Securities and Exchange Commission. All information provided in this material is as of the date of this material, and Yiren Digital does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under applicable law.

1

Key Financial Updates

2

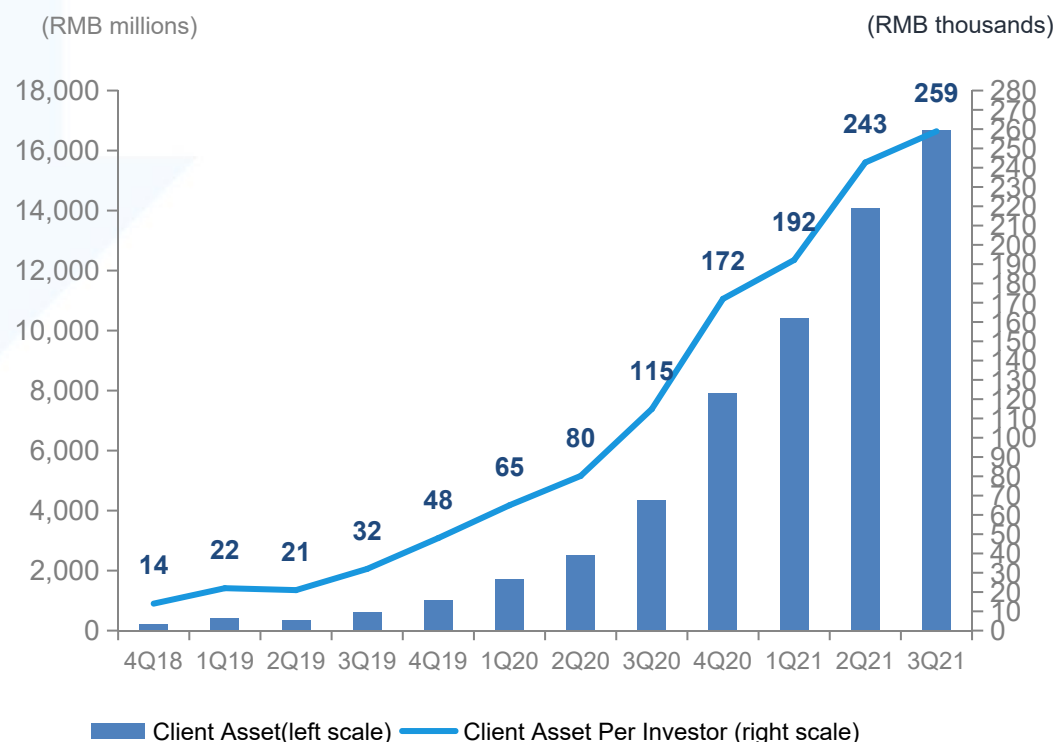
Business Models and Strategies



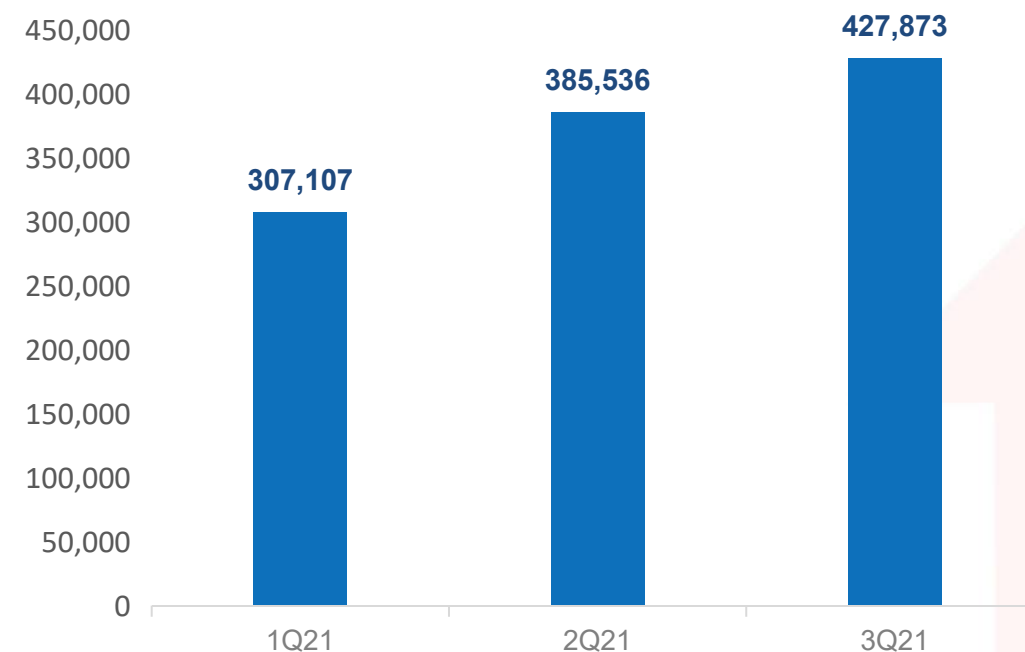
Concrete improvement in profitability and healthy growth of business scale

Wealth Management Gaining Traction

Client Asset Per Investor¹



Number of Active Investors²



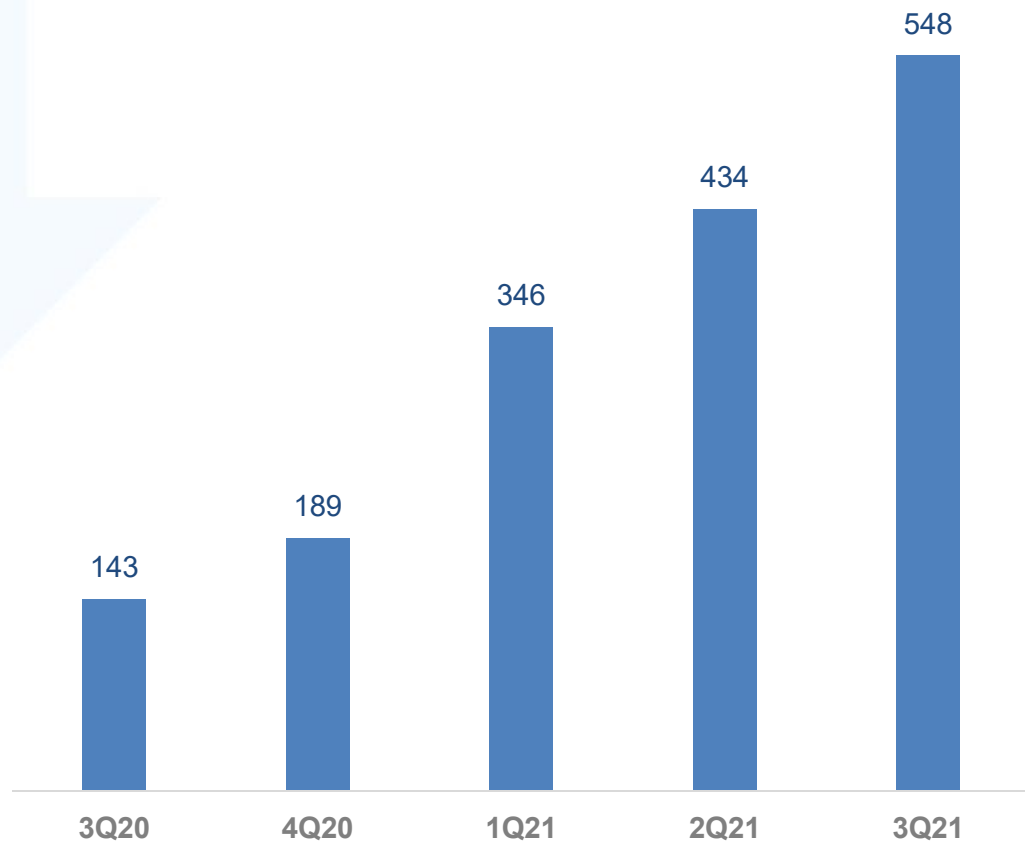
Note 1: Average client asset per investors refer to the investment in fund and short-term investing products per investor, excluding legacy products and insurance products.

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

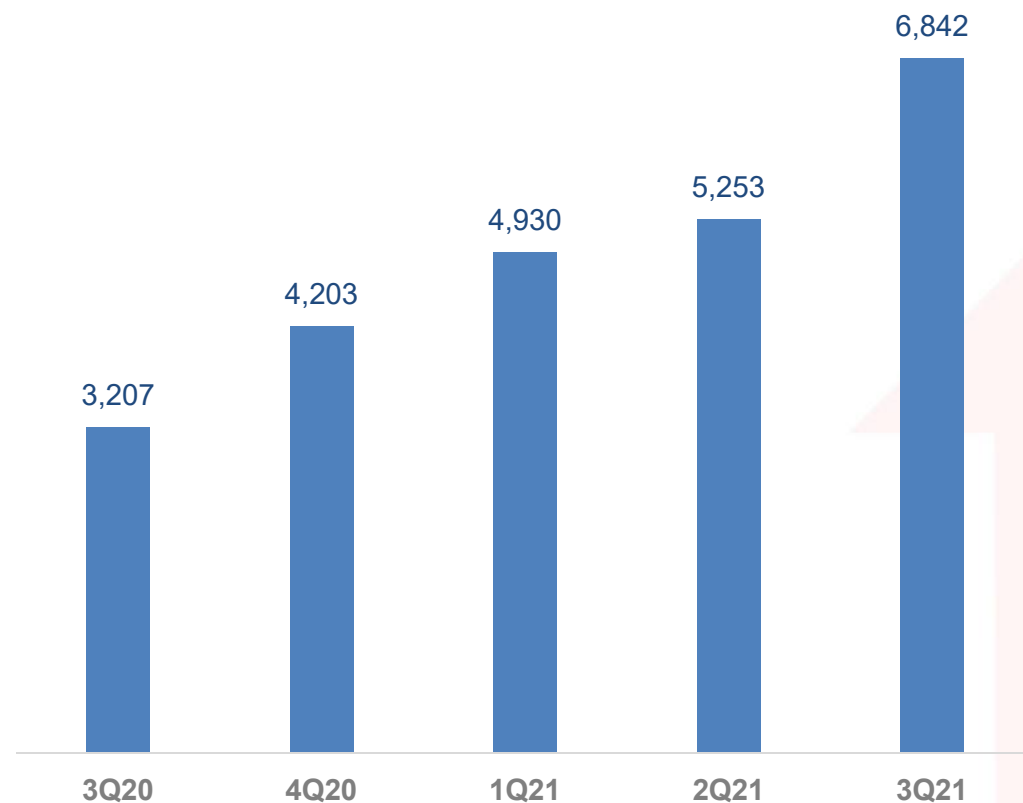
Number of Borrowers

(Thousands)



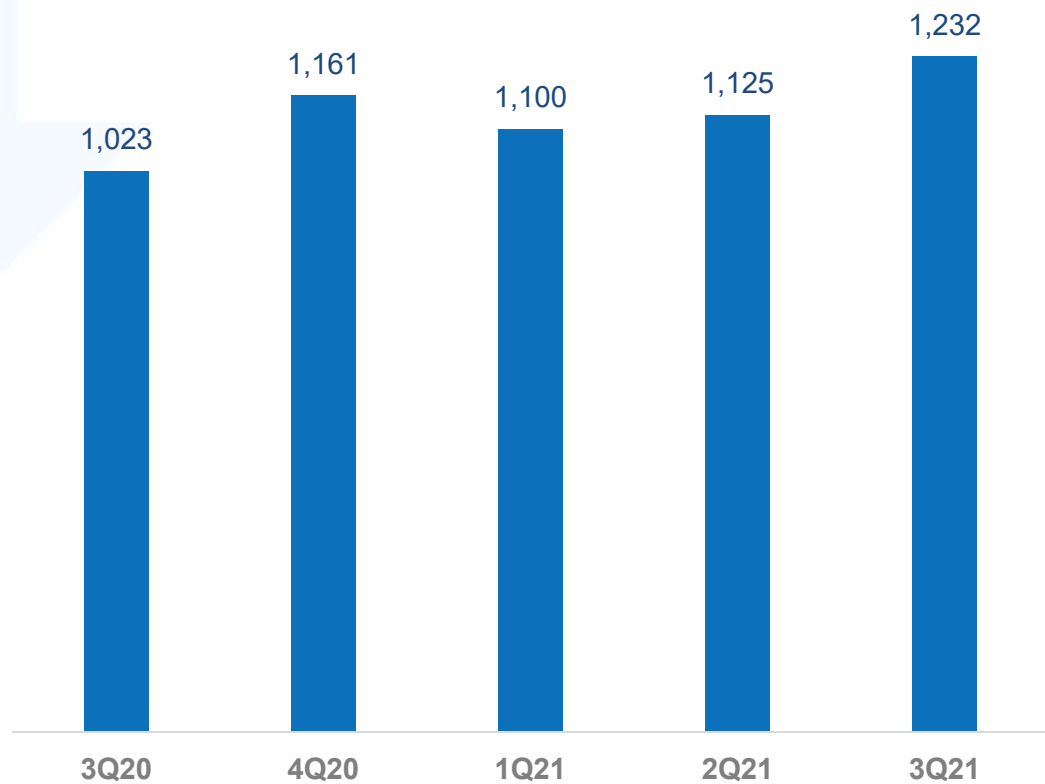
Loans Facilitated

(RMB Million)



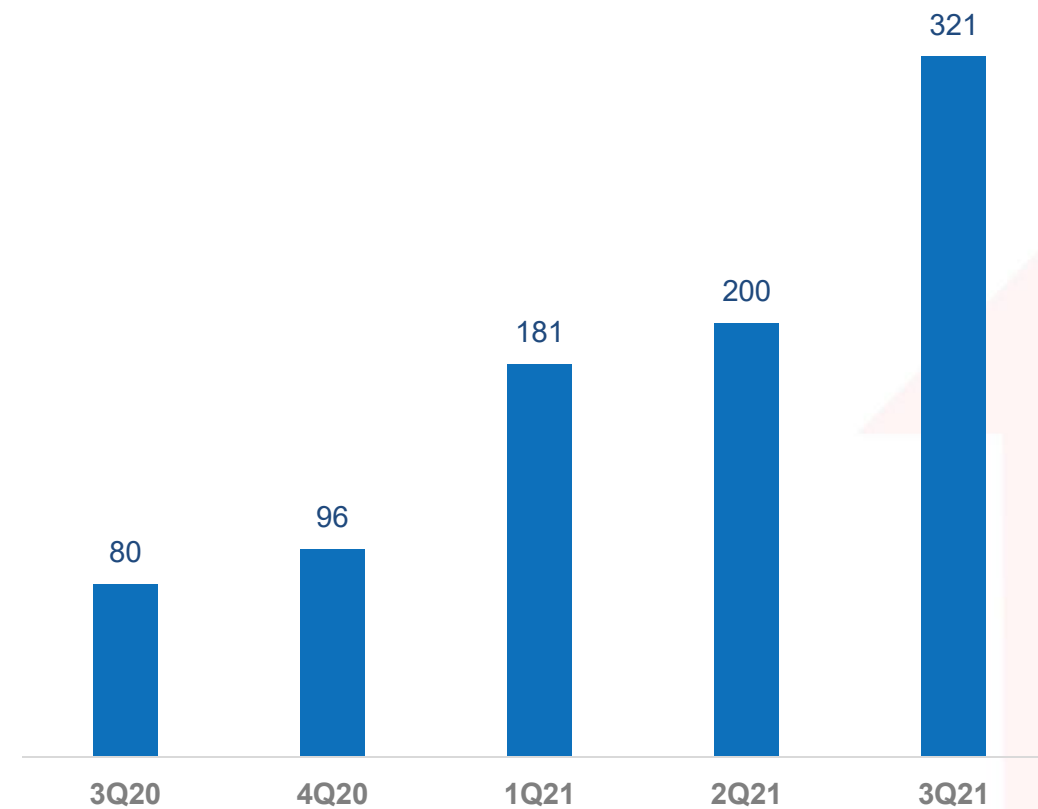
Net Revenue

(RMB Million)

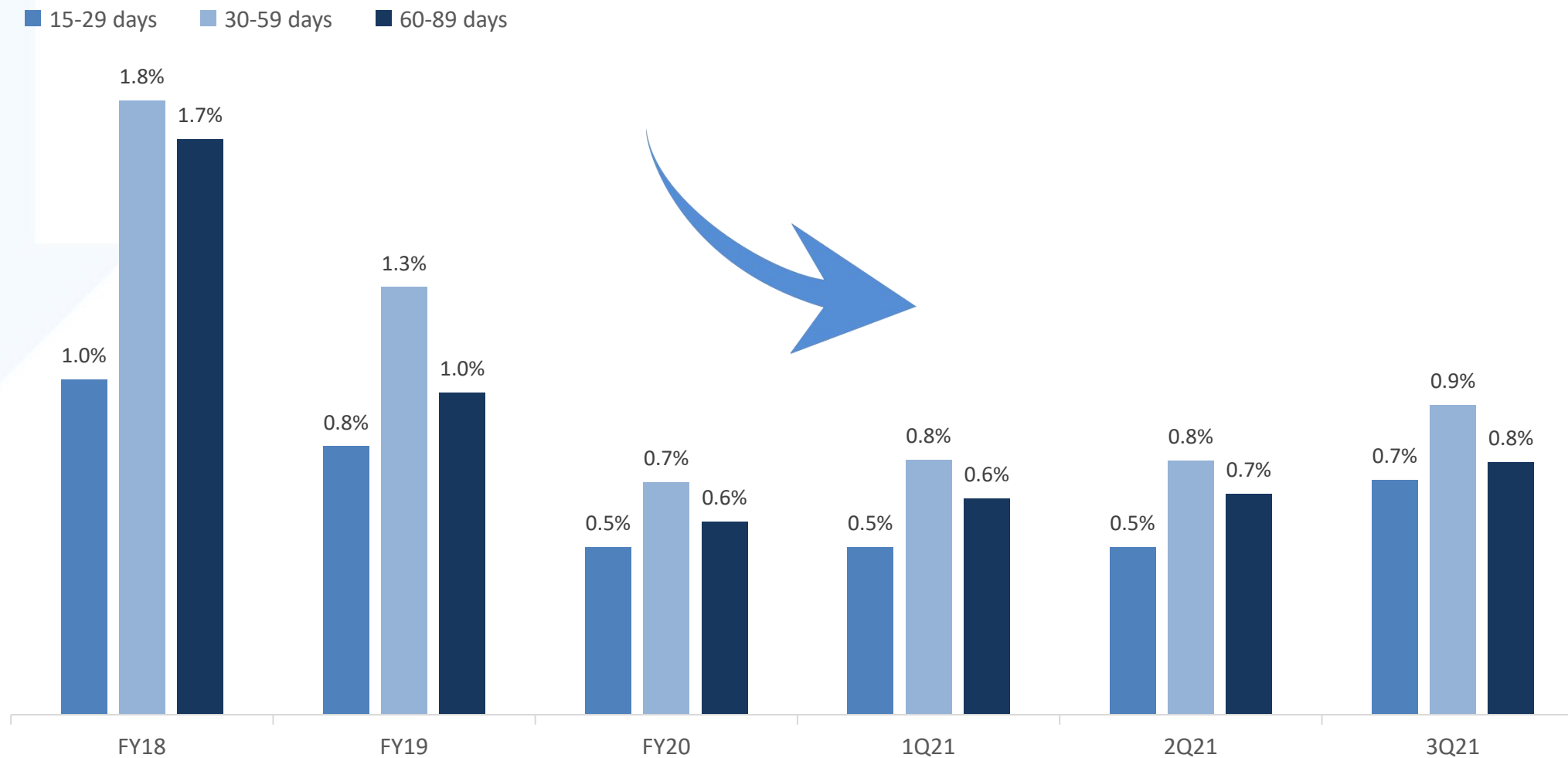


Non-GAAP Net Income

(RMB Million)



Declining Delinquency Rate Remains Stable

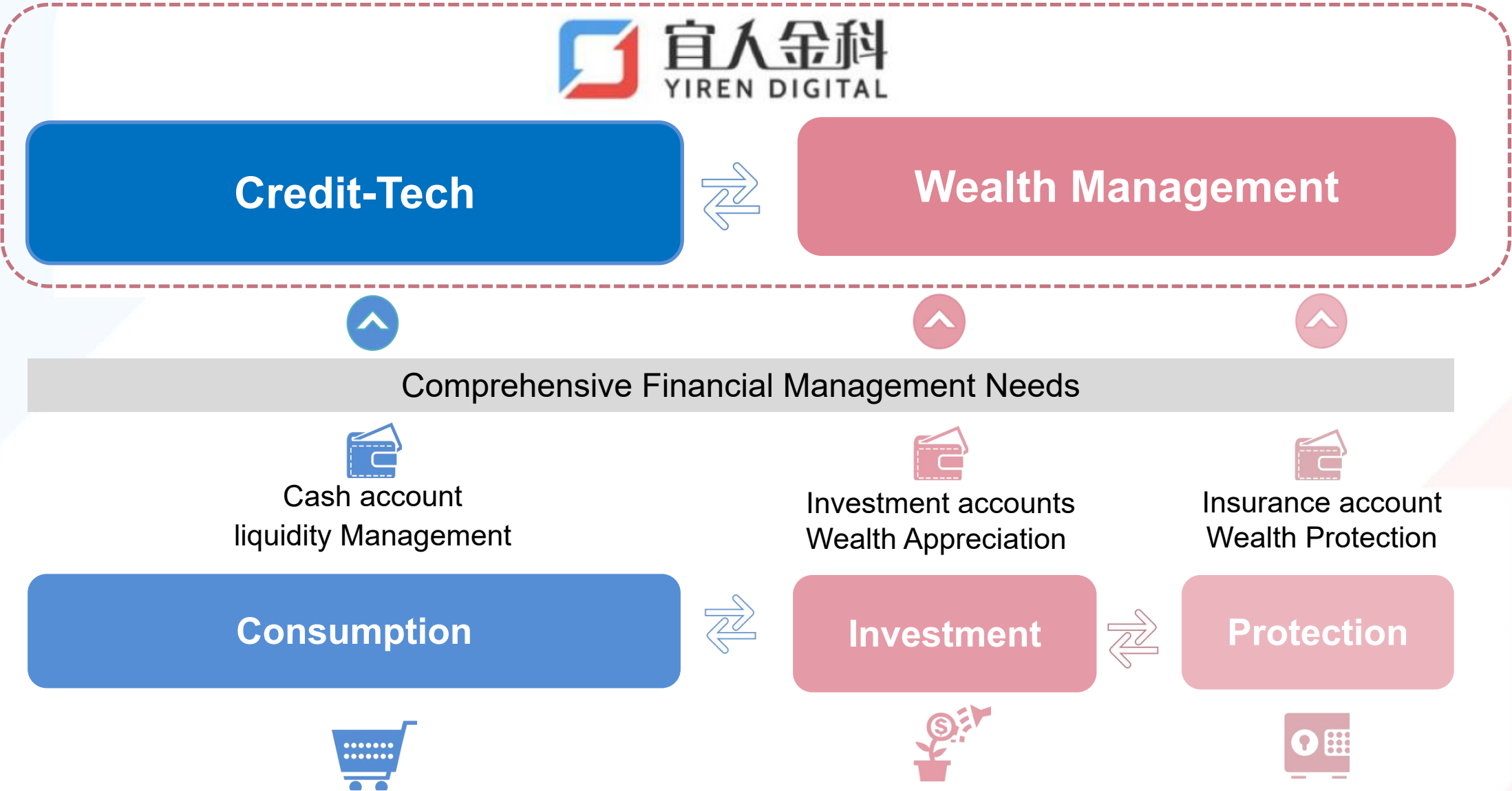


1

Key Financial Updates

2

Business Models and Strategies



Wealth Management Business Mapping

Customer Spectrum

Retail Investors	Corporates
------------------	------------

Mass	Mass Affluent	HNW	UHNW
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Customer Aquisition ↑↓ Cross-selling ↑↓



Under the listco

Positioning

◆ One-stop Wealth Management Platform targeting the mass affluent

◆ Comprehensive national insurance broker

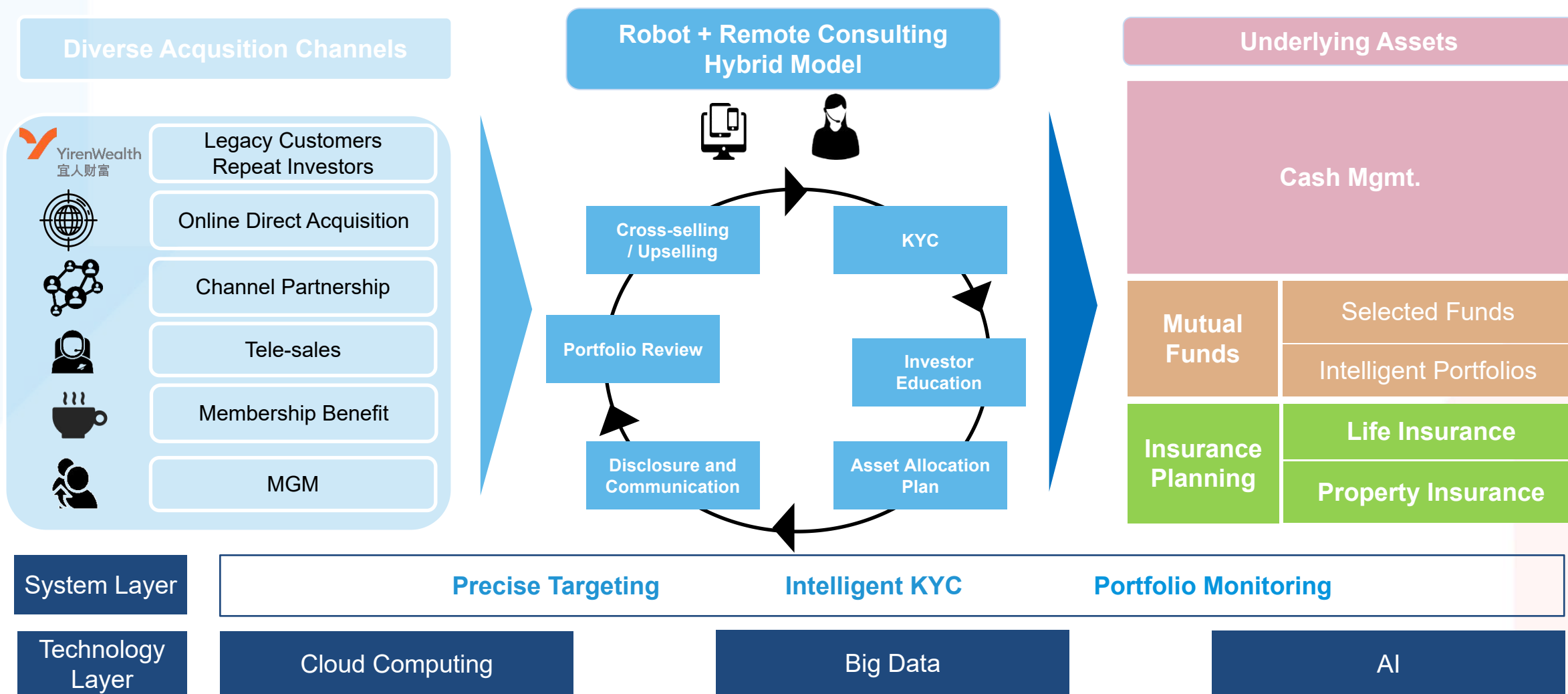
Products

- 4000+ financial products from over 60 financial institutions
- Non-financial products and services
- 510+ products from 100+ insurers and brokers
- Both life and property insurance

Tech-driven platforms

Rich Resouces from CreditEase Wealth Management Ecosystem

Yiren Wealth: One-stop Online Wealth Management Platform





YirenWealth
宜人财富

Mass
Affluent

Serving you in a broader way

Targeting Four Key Common Need Scenarios



Health

Medical treatment,
health management,
home doctoring...



Study

Investment lessons,
career management,
financial planning
courses...



Lifestyle

Membership malls,
selected entry lux,
food, life services...



Family

Parenting education,
training campaigns
for teens...

Yiren Wealth Communities - Growing Customer Pool

Non-financial Income

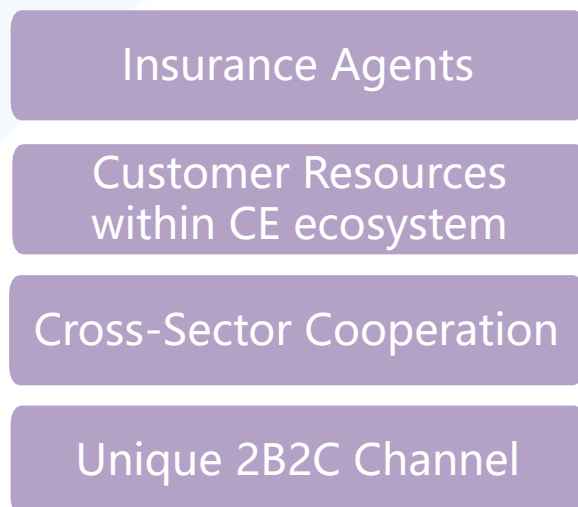


WM service Income

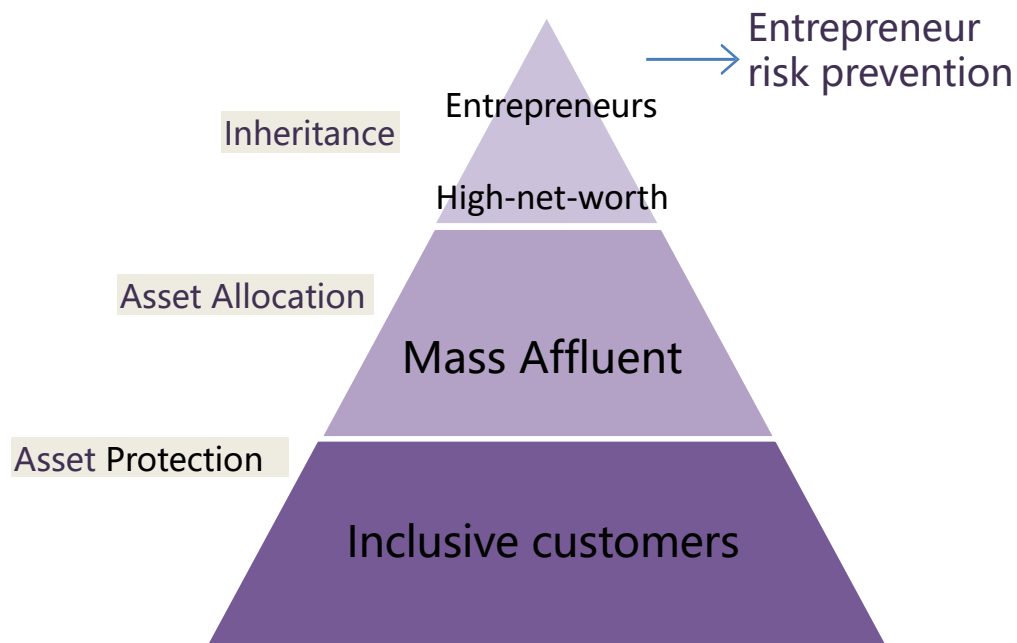
Hexiang Insurance: Business Model and Differentiation

- **Differentiated positioning:** Providing comprehensive customized and scenario-based insurance services
- **Competitive edges:**
 - 1) Nationwide business deployment
 - 2) Experienced teams on property, life insurance and internet industry
 - 3) Strong capacities in market expansion

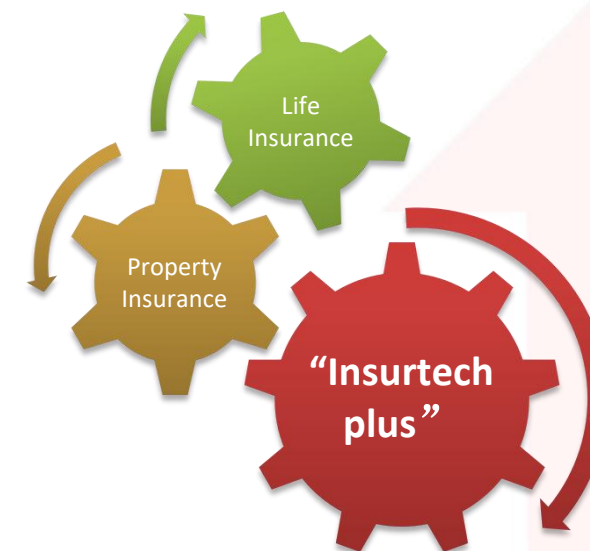
Customer Acquisition



Multi-layer of customer needs



Product Strategy



Hexiang Growth Strategy: 2B2C Model

Customized Scenario-based Insurance products under 2B2C model

2B Corporate Clients

After being served by Hexiang, working with Hexiang to design tailor-made insurance products for its own customers, realizing additional revenue stream.

Partially transformed into 2B corporate clients by Hexiang

Hexiang Insurance

Serving both 2B and 2C clients with diversified products.

Corporate's Customers

Provided with Hexiang's scenario-based insurance products embedded into related consumption platforms.

Customization & Digitalization

Servicing Capabilities

Tech-driven KYC



Rich Application Scenarios

Medicine & Healthcare



Travel & Leisure



Wealth & Finance



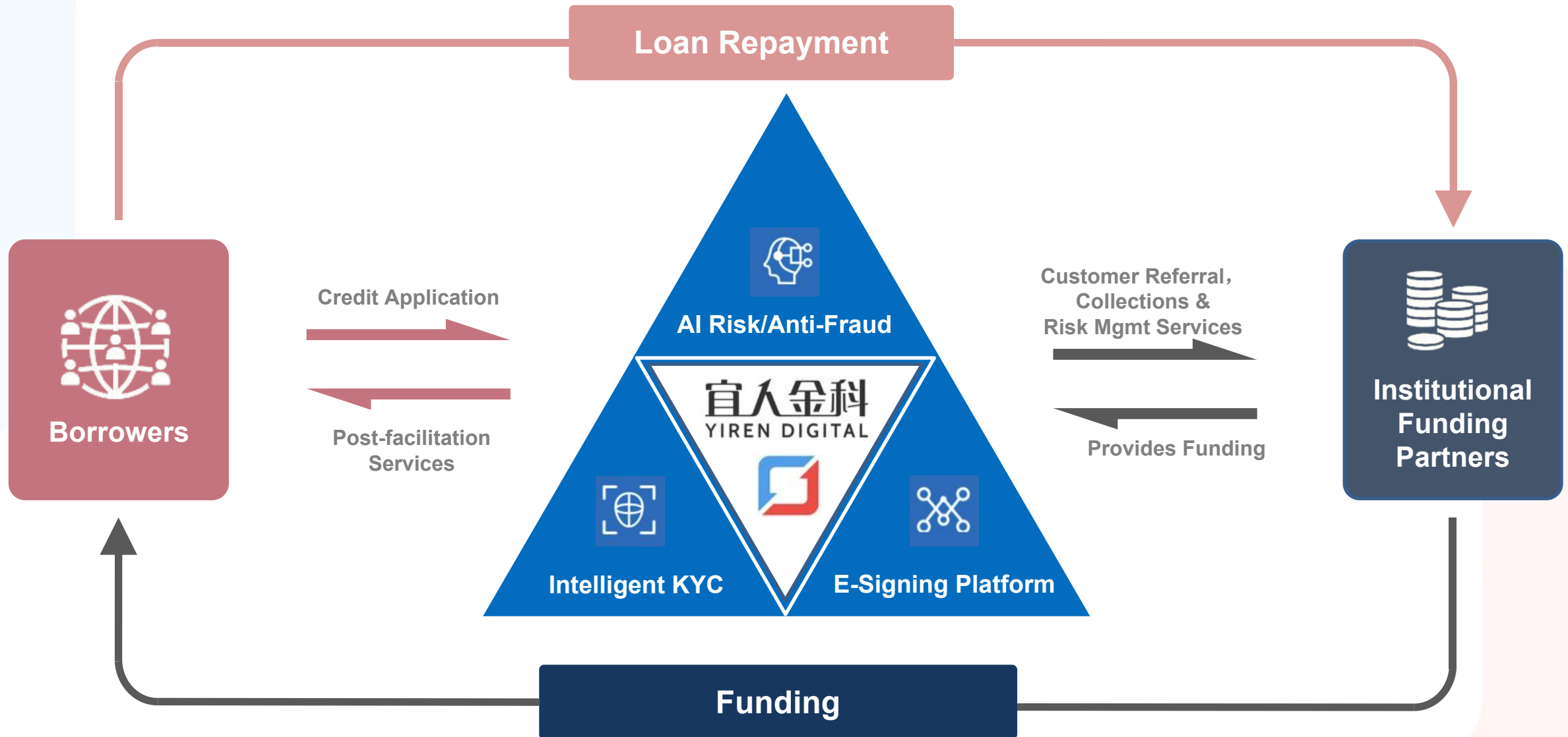
Agriculture & Fisheries



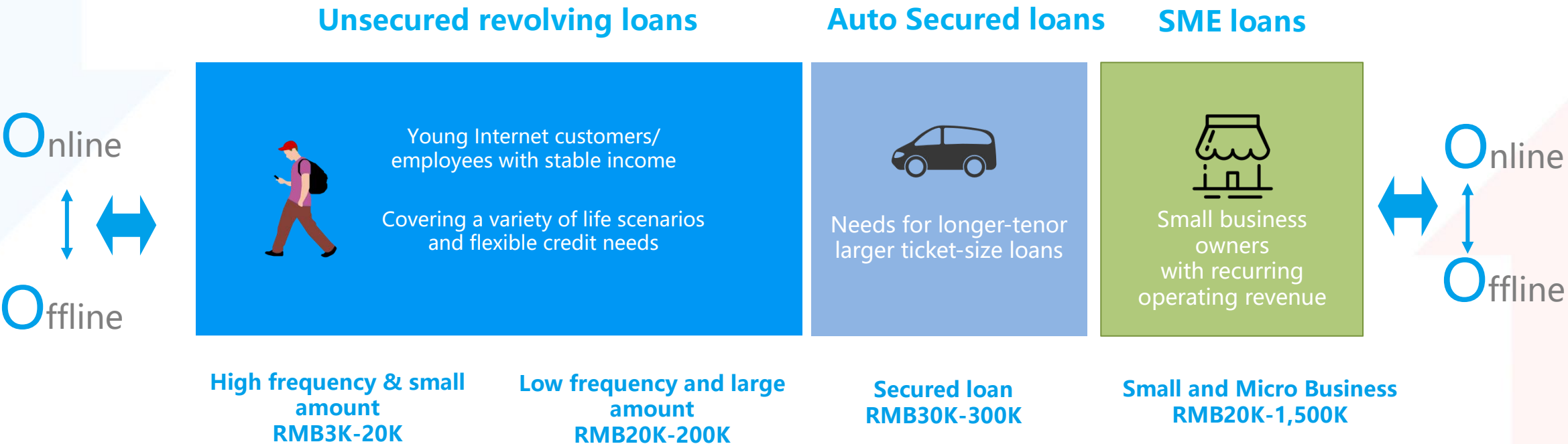
Property Insurance + Life Insurance

Insurance Ecosystem

Credit Tech: Technology Driven Loan Facilitation Model



Diversified product matrix + Integration of on/offline channels



Full Spectrum of Credit Products : Small Revolving Loans



Average Principal Amt
~RMB4k-6k



Loan Tenure
3, 6, 9 or 12 months



Target Customer Base
Young & Tech-savvy

Full Spectrum of Credit Products : SME loans

SMEs Across Varied Industries



Accumulatively Served
40,000+ SMEs

Diversified Channel Partners

SaaS



E-commerce



Offline Stores



Tech-driven Credit Service



Machine Learning &
Model Building



Data-driven Risk Pricing



Cross-platform
Customized Service

Offers fast-track installment-based
payment options



Principal Amt
RMB20k -1,500k

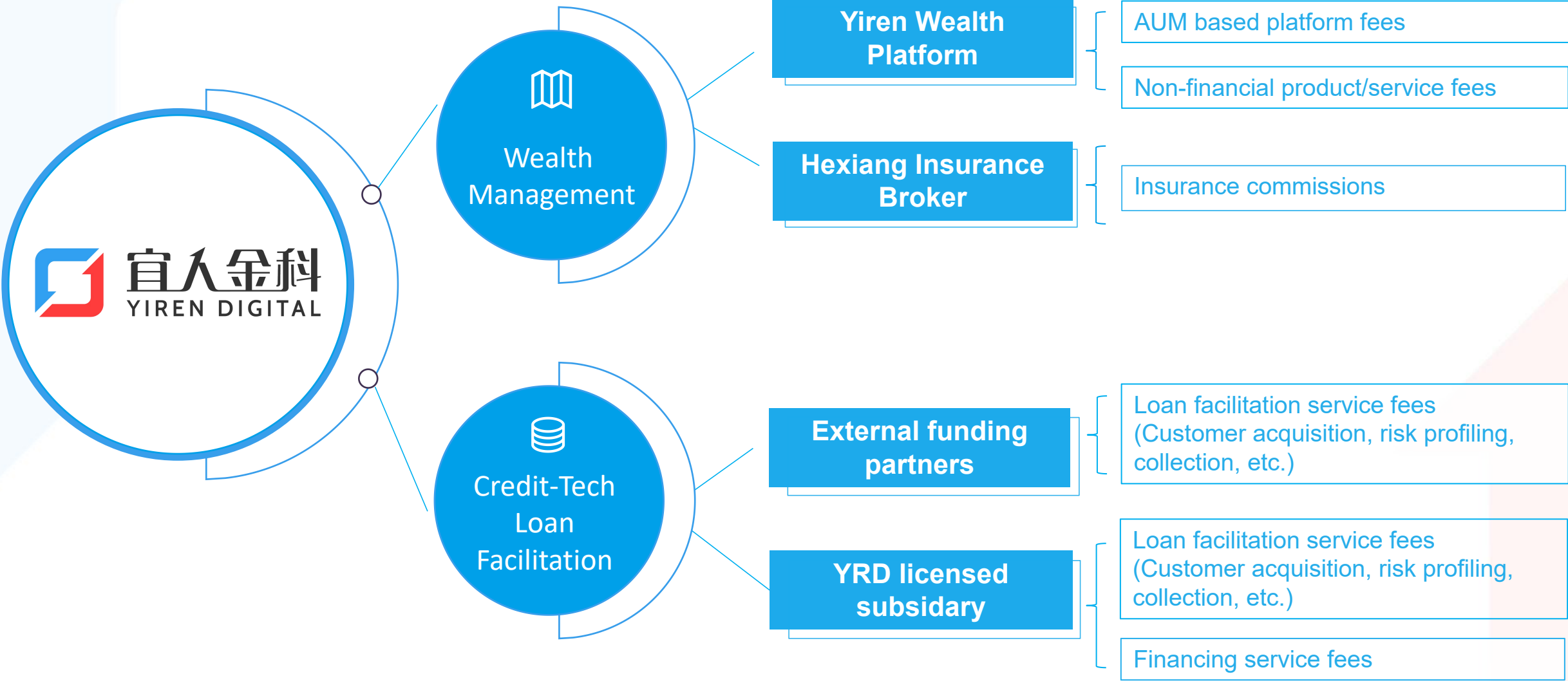


Loan Tenure
3, 4, 6, 12, 24 months



Target Customer Base
Small Business Owners

Revenue Models and Monetization





1 Integrating different business lines to explore customers' long-term comprehensive financial management needs

Wealth Appreciation



2 Wealth management: scaling up through increasingly enriched products and “finance plus life” service networks

Consumption



Protection



3 Credit-tech: In response to regulatory direction, transitioning to C (moving to 24% APR customers)+ B strategy (SMEs)



4 Driving up synergies within Yiren Digital business ecosystem

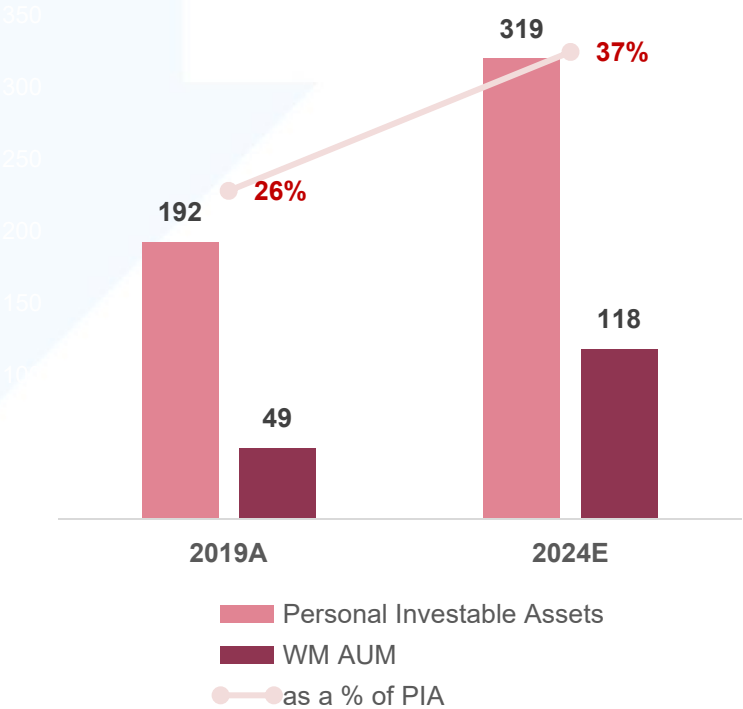


5 Strengthen data and technology capabilities to support growth

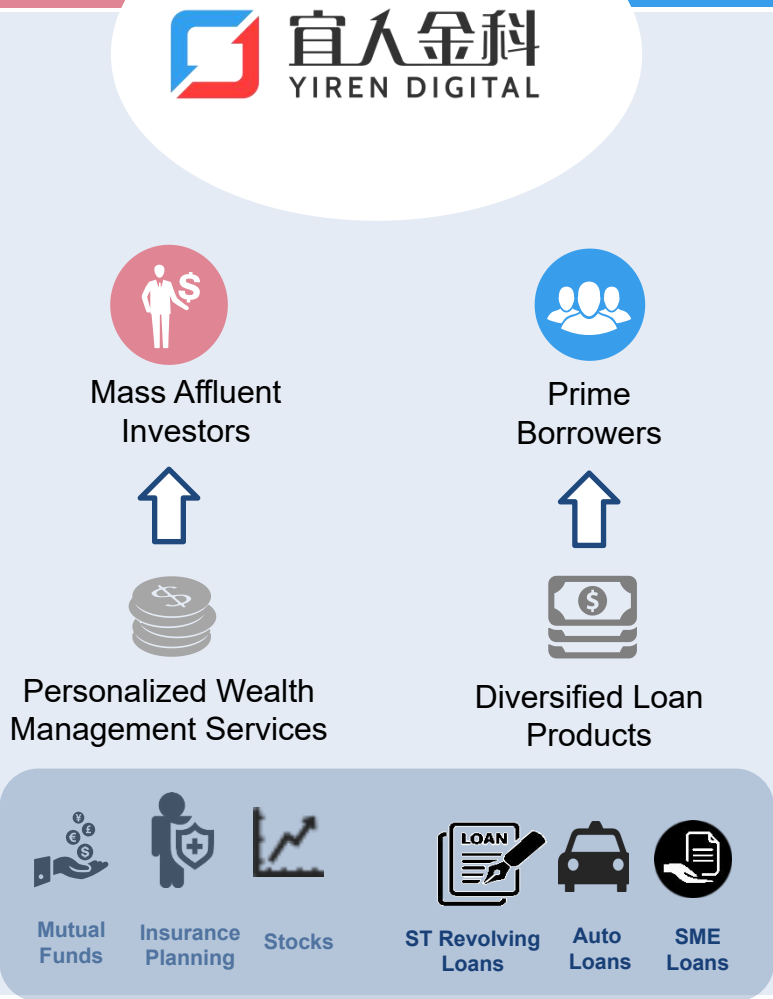
Massive Opportunity in China's Personal Financial Services Industry

Wealth Management

Increasing Investment Needs
(in RMB trillion)

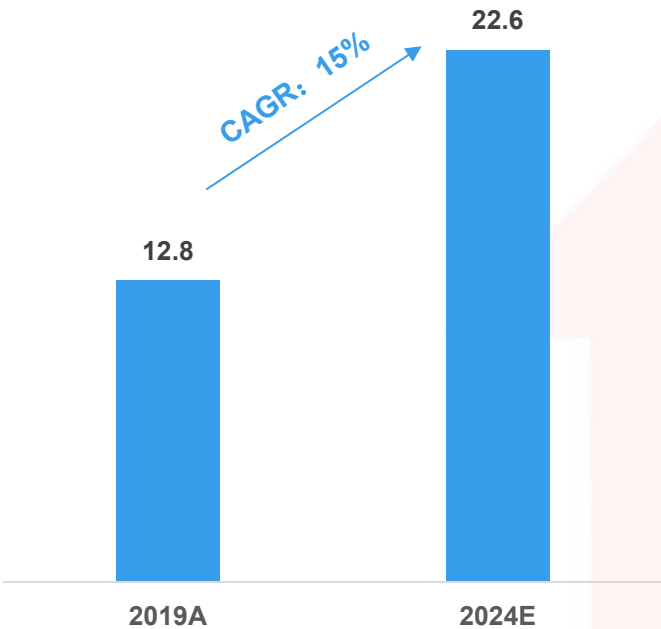


Source: Oliver Wyman



Consumer Credit

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



Source: Oliver Wyman

APPENDIX

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,	June 30,	September 30,	September 30,	September 30,	September 30,	September 30,
	2020	2021	2021	2021	2020	2021	2021
	RMB	RMB	RMB	USD	RMB	RMB	USD
Net revenue:							
Loan facilitation services	406,413	551,373	601,283	93,318	936,038	1,694,788	263,027
Post-origination services	195,570	40,584	39,024	6,056	468,567	124,394	19,306
Account management services	157,327	-	-	-	871,213	-	-
Insurance brokerage services	102,495	151,801	199,406	30,947	122,040	510,911	79,292
Financing services	3,075	125,267	144,614	22,444	5,310	384,813	59,722
Others	157,882	256,010	247,664	38,437	397,943	742,083	115,169
Total net revenue	1,022,762	1,125,035	1,231,991	191,202	2,801,111	3,456,989	536,516
Operating costs and expenses:							
Sales and marketing	485,055	436,882	407,172	63,192	1,609,962	1,249,230	193,877
Origination, servicing and other operating costs	239,655	182,667	186,915	29,009	507,756	544,107	84,444
General and administrative	159,670	127,690	139,321	21,622	481,279	386,876	60,042
Allowance for contract assets, receivables and others	25,016	93,433	83,578	12,971	337,109	318,243	49,391
Total operating costs and expenses	909,396	840,672	816,986	126,794	2,936,106	2,498,456	387,754
Other income/(expenses):							
Interest income/(expense), net	11,003	(22,782)	(21,565)	(3,347)	53,069	(55,327)	(8,587)
Fair value adjustments related to Consolidated ABFE	(30,905)	(20,916)	(526)	(82)	(89,882)	(49,162)	(7,630)
Others, net	2,726	14,674	3,934	611	11,400	23,730	3,683
Total other expenses	(17,176)	(29,024)	(18,157)	(2,818)	(25,413)	(80,759)	(12,534)
Income/(loss) before provision for income taxes	96,190	255,339	396,848	61,590	(160,408)	877,774	136,228
Income tax expense/(benefit)	16,353	55,259	75,923	11,783	(27,269)	175,555	27,245
Net income/(loss)	79,837	200,080	320,925	49,807	(133,139)	702,219	108,983
Weighted average number of ordinary shares outstanding, basic	182,144,192	167,974,463	170,193,542	170,193,542	184,444,536	168,719,693	168,719,693
Basic income/(loss) per share	0.4383	1.1911	1.8856	0.2926	(0.7218)	4.1620	0.6459
Basic income/(loss) per ADS	0.8766	2.3822	3.7712	0.5852	(1.4436)	8.3240	1.2918
Weighted average number of ordinary shares outstanding, diluted	182,730,892	169,173,603	171,571,392	171,571,392	184,444,536	169,972,343	169,972,343
Diluted income/(loss) per share	0.4369	1.1827	1.8705	0.2903	(0.7218)	4.1314	0.6412
Diluted income/(loss) per ADS	0.8738	2.3654	3.7410	0.5806	(1.4436)	8.2628	1.2824

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,	June 30,	September 30,	September 30,	September 30,	September 30,	September 30,
	2020	2021	2021	2021	2020	2021	2021
	RMB	RMB	RMB	USD	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data							
Net cash generated/(used in) from operating activities	3,098	(212,993)	323,819	50,259	501,097	(31,185)	(4,840)
Net cash used in investing activities	(99,460)	(208,539)	(233,782)	(36,283)	(815,567)	(728,377)	(113,042)
Net cash provided by financing activities	81,693	144,107	49,770	7,723	55,961	473,277	73,451
Effect of foreign exchange rate changes	(3,389)	(278)	(257)	(41)	(2,269)	(653)	(101)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(18,058)	(277,703)	139,550	21,658	(260,778)	(286,938)	(44,532)
Cash, cash equivalents and restricted cash, beginning of period	3,026,422	2,558,363	2,280,660	353,953	3,269,142	2,707,148	420,143
Cash, cash equivalents and restricted cash, end of period	3,008,364	2,280,660	2,420,210	375,611	3,008,364	2,420,210	375,611

Balance Sheet

Unaudited Condensed Consolidated Balance Sheets (in thousands)

	As of			
	December 31,	June 30,	September 30,	September 30,
	2020	2021	2021	2021
	RMB	RMB	RMB	USD
Cash and cash equivalents	2,469,909	2,192,500	2,328,380	361,359
Restricted cash	237,239	88,160	91,830	14,252
Accounts receivable	122,742	228,554	258,729	40,154
Contract assets, net	750,174	1,063,470	1,191,497	184,917
Contract cost	65,529	44,684	34,707	5,386
Prepaid expenses and other assets	278,591	213,942	358,052	55,569
Loans at fair value	192,156	112,931	82,474	12,800
Financing receivables	1,253,494	1,738,742	1,969,456	305,656
Amounts due from related parties	884,006	1,064,703	768,646	119,292
Held-to-maturity investments	3,286	2,233	2,200	341
Available-for-sale investments	175,515	224,336	277,934	43,135
Property, equipment and software, net	147,193	123,491	115,326	17,898
Deferred tax assets	16,745	8,629	6,285	975
Right-of-use assets	105,674	93,783	70,897	11,003
Total assets	6,702,253	7,200,158	7,556,413	1,172,737
Accounts payable	9,903	64,469	36,799	5,711
Amounts due to related parties	970,309	498,053	474,925	73,707
Deferred revenue	50,899	21,137	11,862	1,841
Payable to investors at fair value	52,623	51,289	50,814	7,886
Accrued expenses and other liabilities	1,208,915	1,238,591	1,245,263	193,262
Secured borrowings	500,500	968,600	1,038,600	161,188
Refund liability	10,845	6,412	5,927	920
Deferred tax liabilities	38,741	118,654	147,575	22,903
Lease liabilities	81,854	70,114	53,194	8,256
Total liabilities	2,924,589	3,037,319	3,064,959	475,674
Ordinary shares	121	122	123	19
Additional paid-in capital	5,058,176	5,065,177	5,096,994	791,041
Treasury stock	(40,147)	(40,147)	(42,502)	(6,596)
Accumulated other comprehensive income	17,108	16,139	14,442	2,241
Accumulated deficit	(1,257,594)	(878,452)	(577,603)	(89,642)
Total equity	3,777,664	4,162,839	4,491,454	697,063
Total liabilities and equity	6,702,253	7,200,158	7,556,413	1,172,737

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, 2020	June 30, 2021	September 30, 2021	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2021
	RMB	RMB	RMB	USD	RMB	RMB	USD
Operating Highlights							
Amount of investment in current investment products	4,593,256	5,343,601	5,030,228	780,679	8,942,780	16,196,885	2,513,717
Number of investors in current investment products	76,707	120,091	127,378	127,378	90,888	299,186	299,186
Amount of loans facilitated under loan facilitation model	3,148,367	5,252,859	6,841,921	1,061,849	5,412,281	17,025,066	2,642,249
Number of borrowers	143,238	434,153	548,495	548,495	360,170	967,057	967,057
Remaining principal of performing loans facilitated under loan facilitation model	6,250,343	12,543,745	13,793,925	2,140,784	6,250,343	13,793,925	2,140,784
Segment Information							
Wealth management:							
Revenue	281,050	286,839	337,627	52,399	1,019,307	888,209	137,848
Sales and marketing expenses	43,879	29,044	55,463	8,608	156,659	123,494	19,166
Origination, servicing and other operating costs	105,522	150,505	159,348	24,731	176,015	442,363	68,654
Consumer credit:							
Revenue	741,712	838,196	894,364	138,803	1,781,804	2,568,780	398,668
Sales and marketing expenses	441,176	407,838	351,709	54,584	1,453,303	1,125,736	174,711
Origination, servicing and other operating costs	134,134	32,162	27,567	4,278	331,741	101,744	15,790
Reconciliation of Adjusted EBITDA							
Net income/(loss)	79,837	200,080	320,925	49,807	(133,139)	702,219	108,983
Interest (income)/expense, net	(11,003)	22,782	21,565	3,347	(53,069)	55,327	8,587
Income tax expense/(benefit)	16,353	55,259	75,923	11,783	(27,269)	175,555	27,245
Depreciation and amortization	23,404	12,170	8,449	1,311	74,943	35,770	5,551
Share-based compensation	8,952	5,090	11,742	1,822	16,447	16,592	2,575
Adjusted EBITDA	117,543	295,381	438,604	68,070	(122,087)	985,463	152,941
Adjusted EBITDA margin	11.5%	26.3%	35.6%	35.6%	-4.4%	28.5%	28.5%

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%
September 30, 2021	0.7%	0.9%	0.8%
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%
September 30, 2021	0.8%	1.1%	0.9%
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%
September 30, 2021	0.6%	0.8%	0.7%

M3+ NCO by Vintage

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 September 30, 2021 (in RMB thousands)	Total Net Charge-Off Rate as of September 30, 2021
2015	4,530,824	249,527	5.5%
2016	3,749,815	318,255	8.5%
2017	5,043,494	525,863	10.4%
2018	4,211,573	415,810	9.9%
2019	3,431,443	375,802	11.0%
2020	9,614,819	465,215	4.8%
2021H1	10,183,146	136,363	1.3%

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%	6.9%	
2018Q4	0.6%	2.2%	3.4%	5.2%	6.9%	9.0%	9.7%	9.9%	9.6%	9.7%		
2019Q1	0.0%	0.8%	2.0%	3.4%	5.3%	5.9%	6.3%	6.3%	6.3%			
2019Q2	0.1%	1.5%	4.5%	7.5%	8.8%	9.2%	9.9%	10.3%				
2019Q3	0.2%	2.9%	6.8%	9.0%	10.4%	12.0%	13.2%					
2019Q4	0.4%	3.1%	4.9%	6.3%	7.2%	7.9%						
2020Q1	0.6%	2.3%	4.1%	5.2%	6.0%							
2020Q2	0.5%	2.5%	4.2%	5.3%								
2020Q3	1.1%	3.3%	5.1%									
2020Q4	0.3%	1.8%										
2021Q1	0.4%											

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, pyramid-shaped roof is prominent. 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 center of the image.

THANKS!