

Yiren Digital Investor Presentation

3Q22



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.

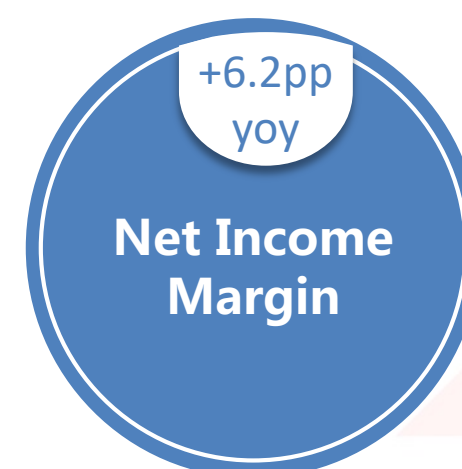
Further information regarding these and other risks, uncertainties or factors is included in Yiren Digital’s filings with the U.S. Securities and Exchange Commission. All information provided in this material is as of the date of this material, and Yiren Digital does not undertake any obligation to update 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

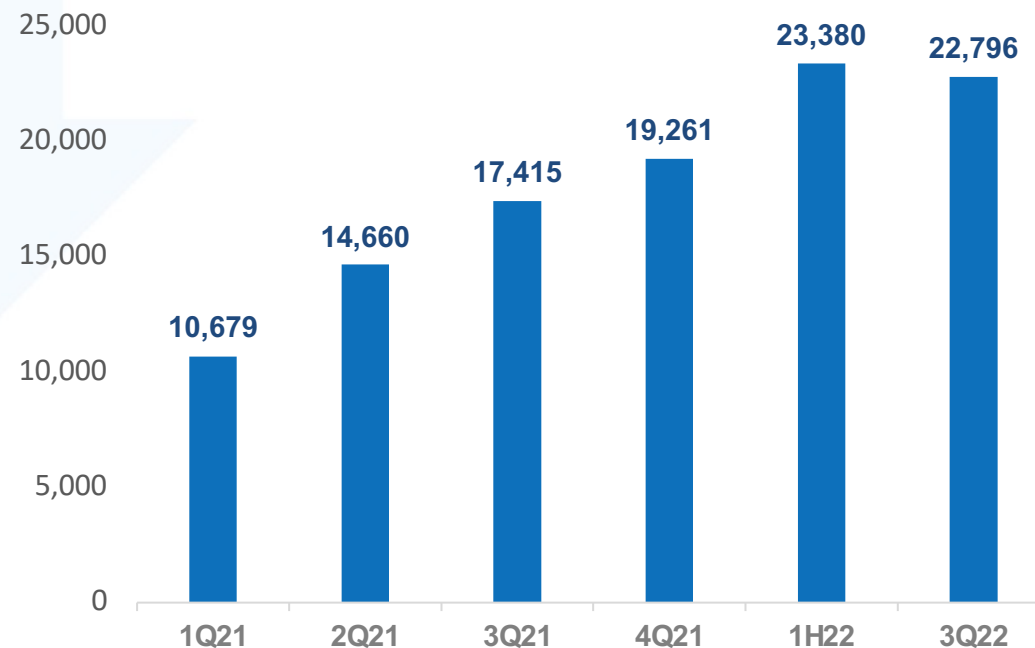


Continued improvement in profitability and recovery in scale growth

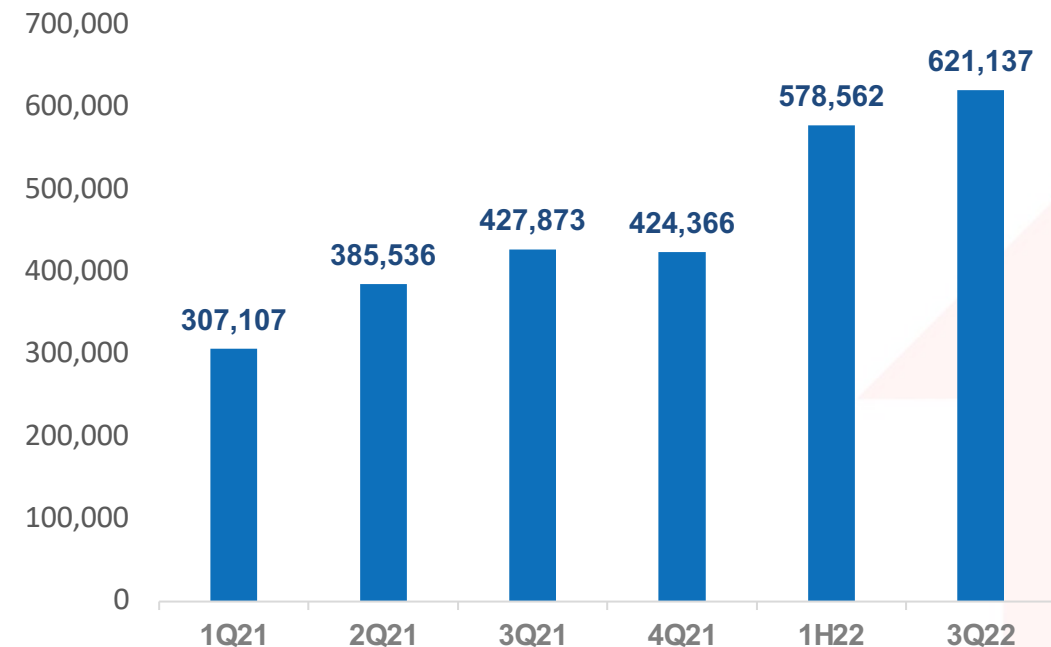
Wealth Solutions Gaining Traction

Total Client Asset

(RMB Million)



Number of Active clients from Hexiang and Yiren Select

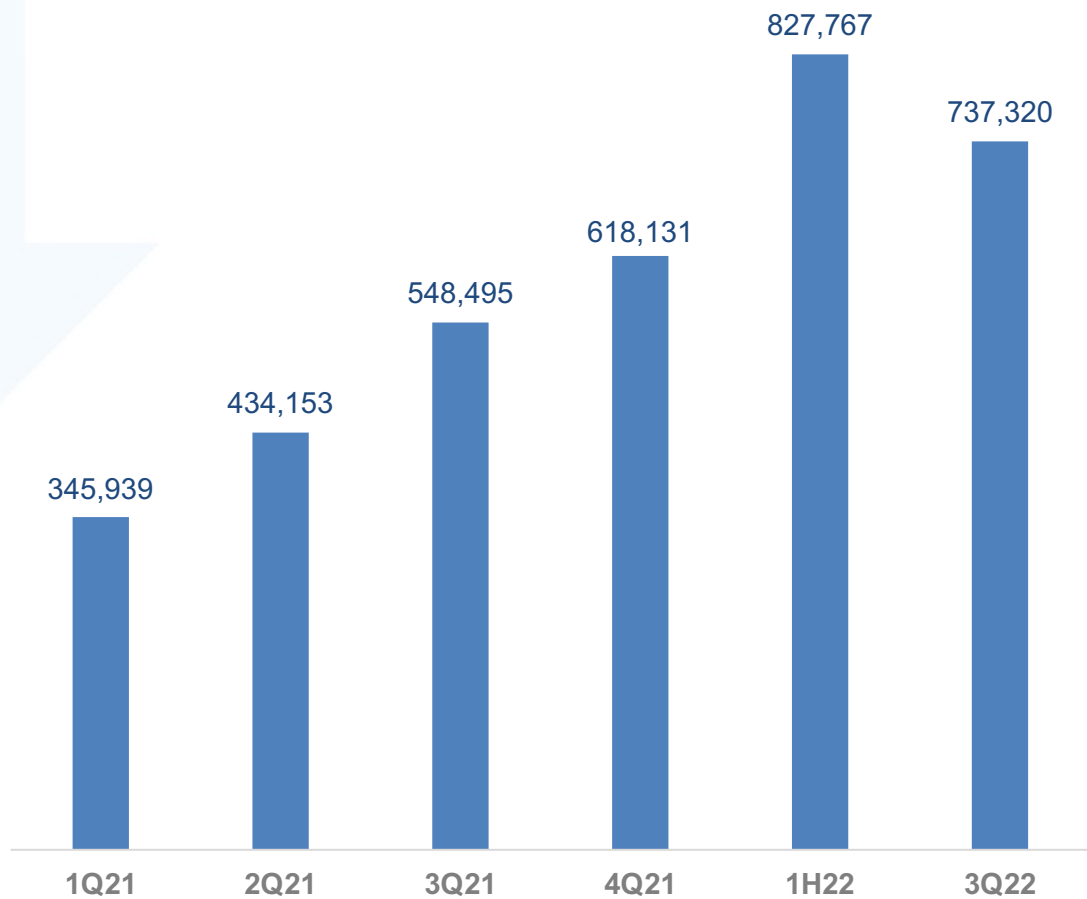


Note 1: Active clients refer to those who have made at least one investment through our holistic wealth ecosystem or have client assets with us above zero in the past twelve months.

Note 2: Client assets refer to the outstanding balance of client asset generated through our platforms, where an asset is counted towards the outstanding balance for so long as it continues to be held by the clients who acquired it through our platform.

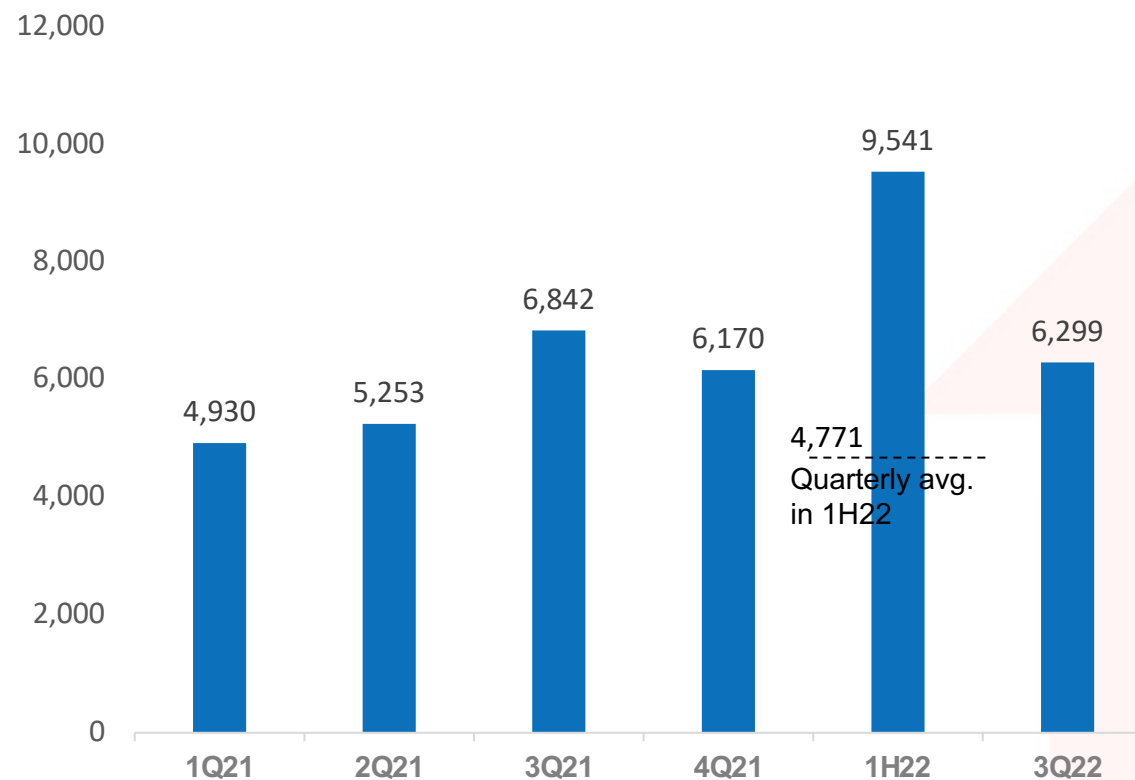
Loan Volume Driven by Our Borrowers

Number of Borrowers



Loans Facilitated

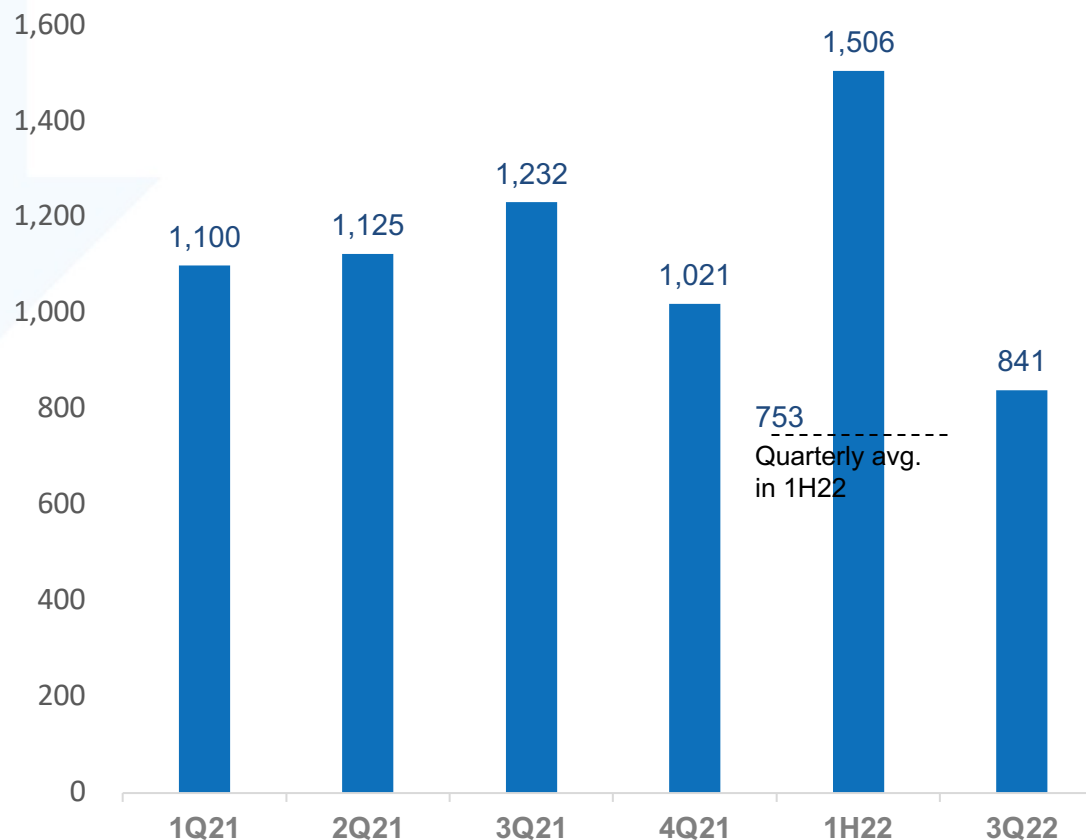
(RMB Million)



Note 1: 3Q22 loan volume accounted for 66% of total loan volumes facilitated in 1H22 and reached close to pre-restructuring level. Accelerated growth is expected in the quarters to come.

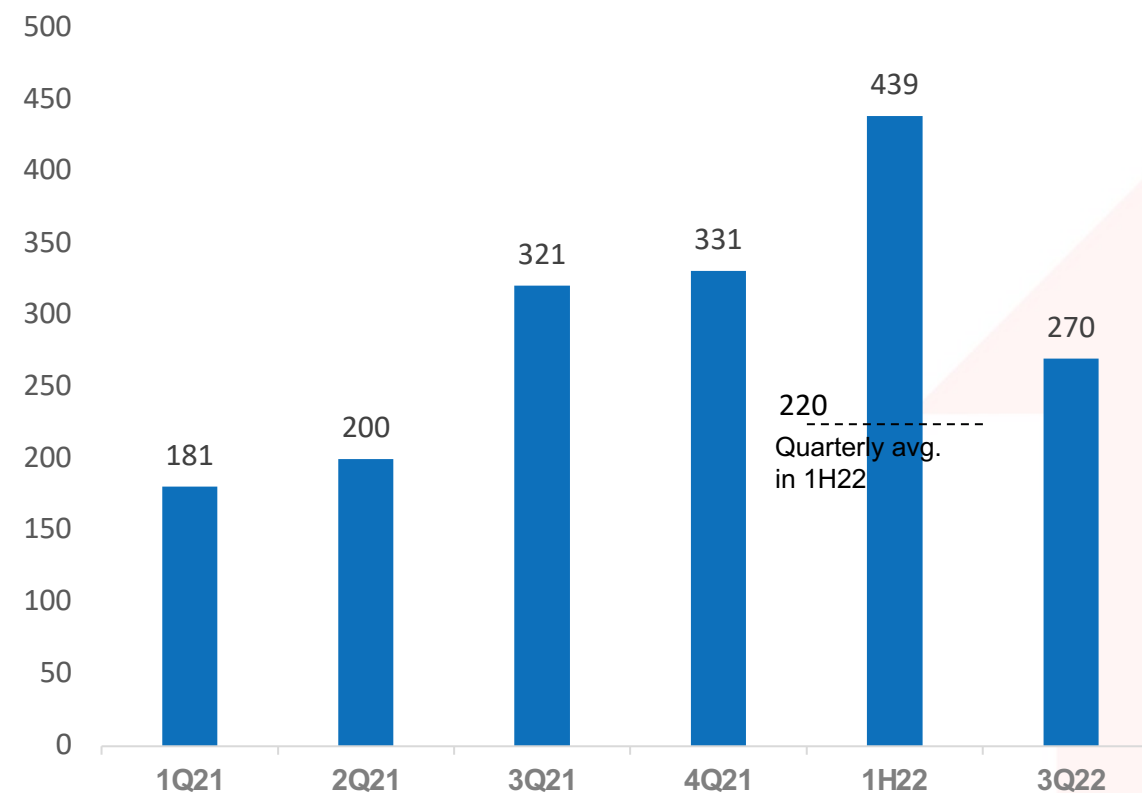
Net Revenue

(RMB Million)



GAAP Net Income

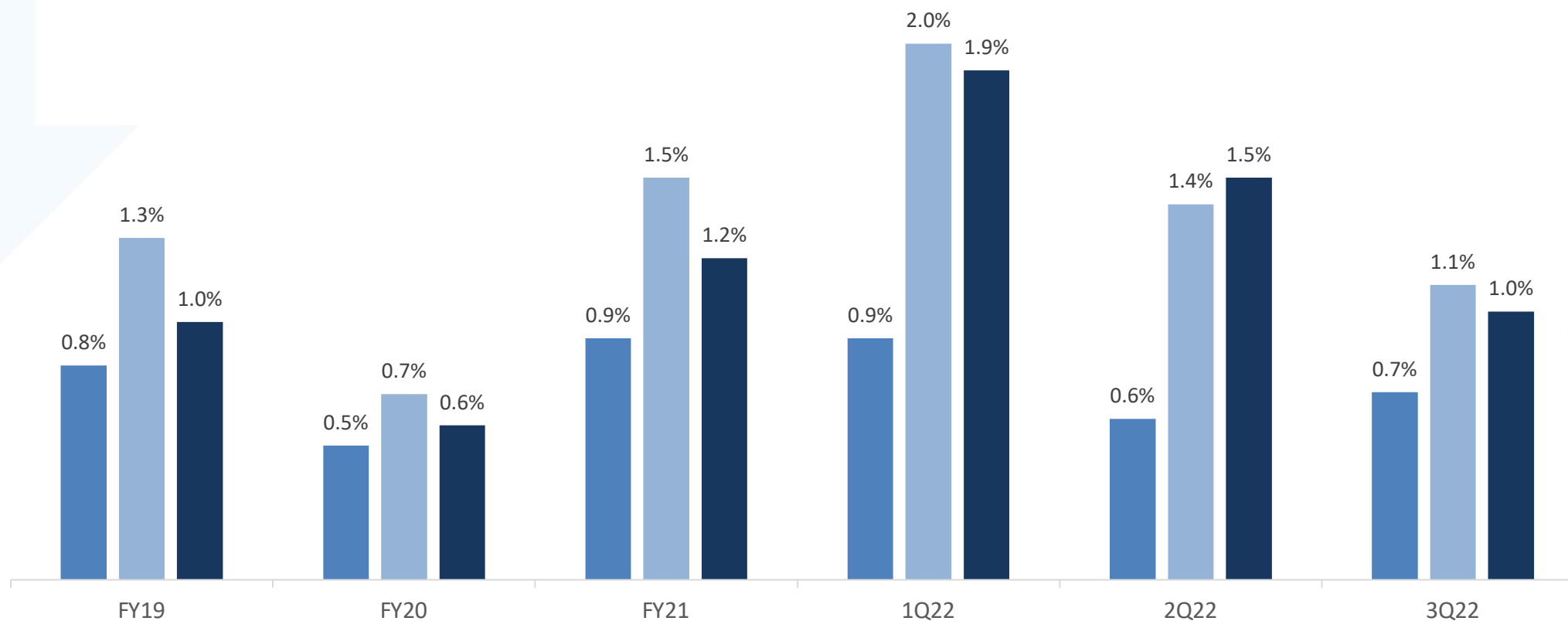
(RMB Million)



Note 1: The third quarter of 2022 saw solid business recovery and continued improvement in profitability post our product restructuring, with 3Q22 net revenue accounting for 56% of total net revenue in 1H22 and 3Q22 net income margin increasing by three percentage points compared to 1H22.

Delinquency Rates

■ 15-29 days ■ 30-59 days ■ 60-89 days



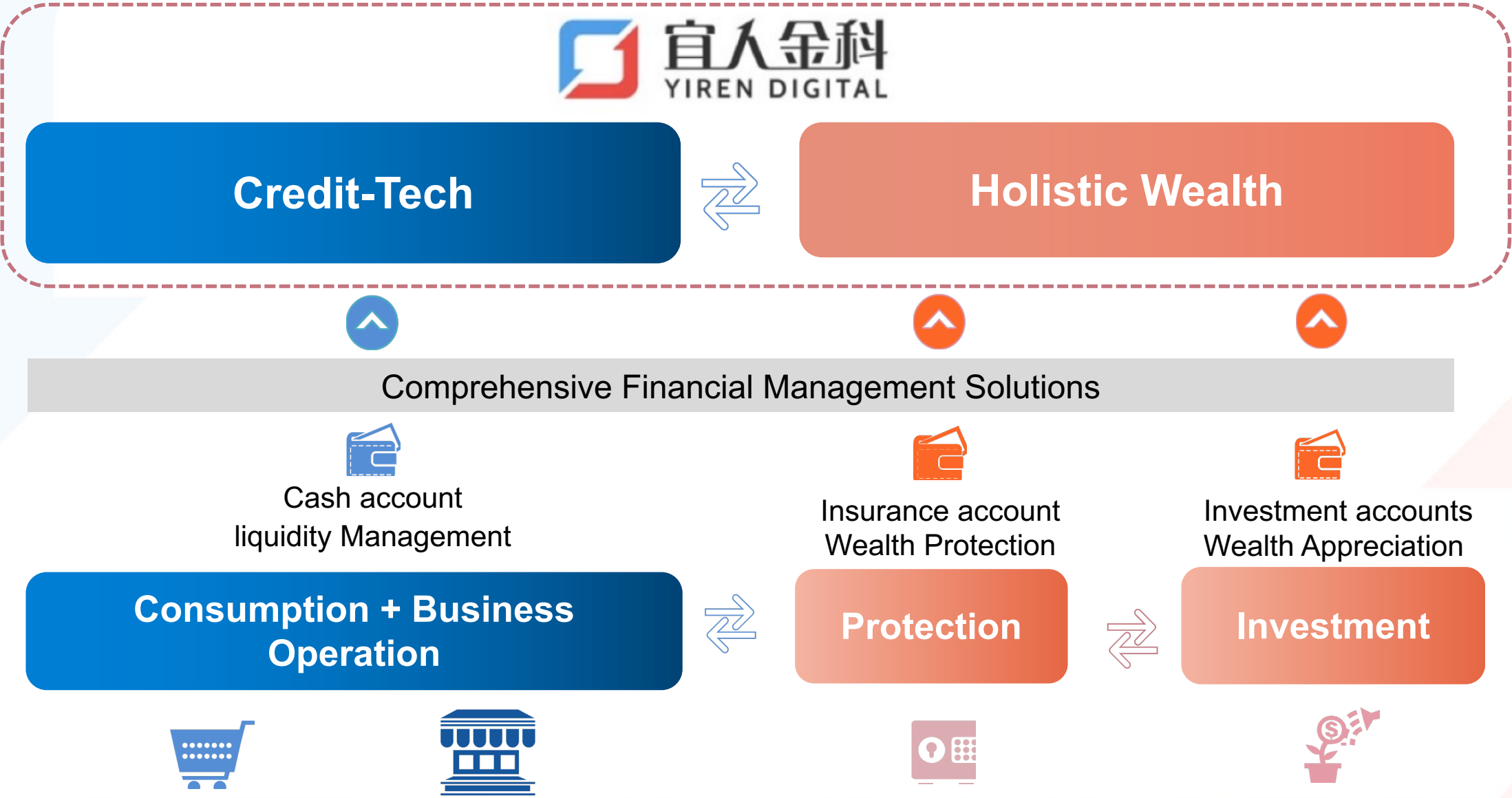
Note: The asset quality is stabilizing and improving quarter over quarter as the company has finished its strategic product re-structuring and continues to optimize customer mix.

1

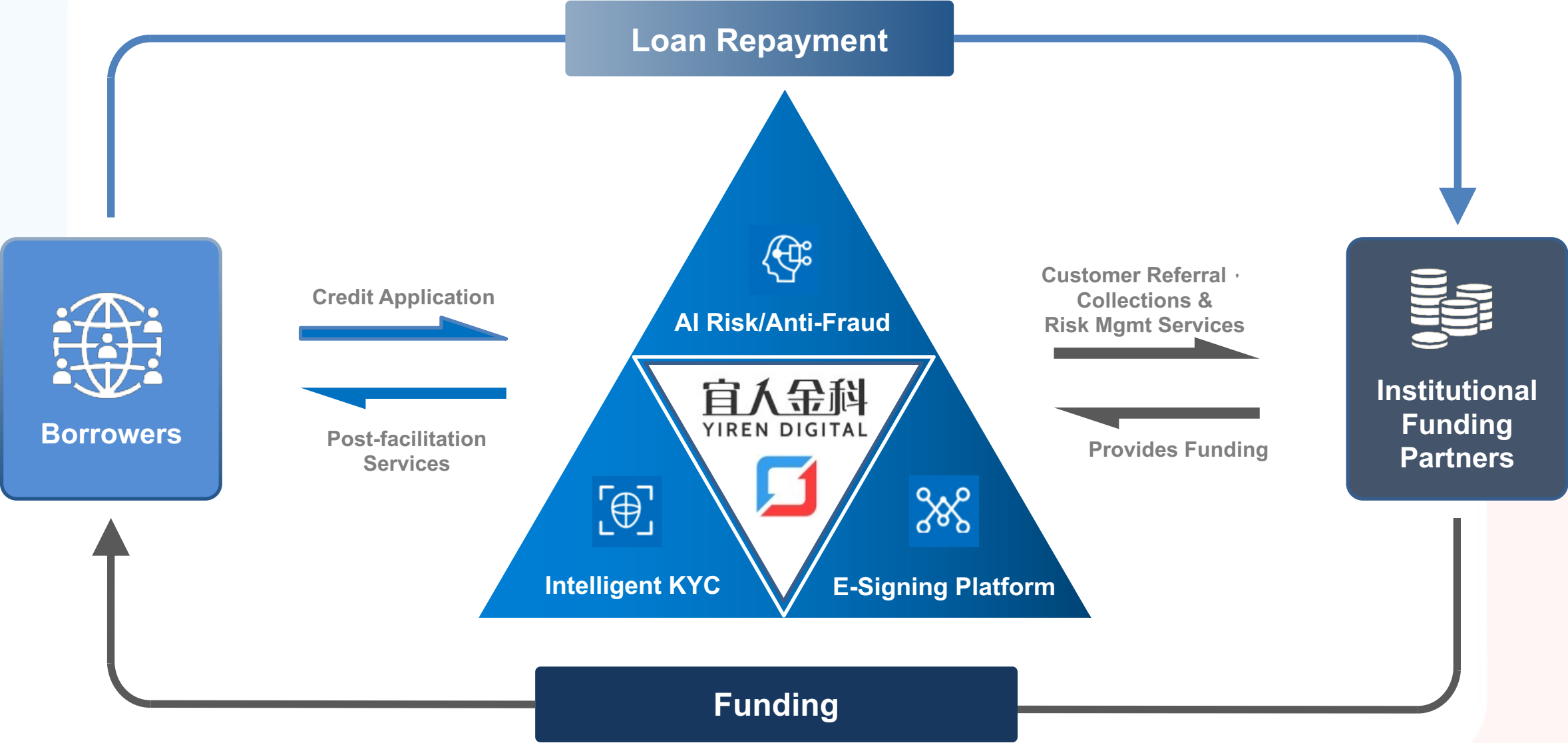
Key Financial Updates

2

Business Models and Strategies



Credit Tech: Technology Driven Loan Facilitation Model

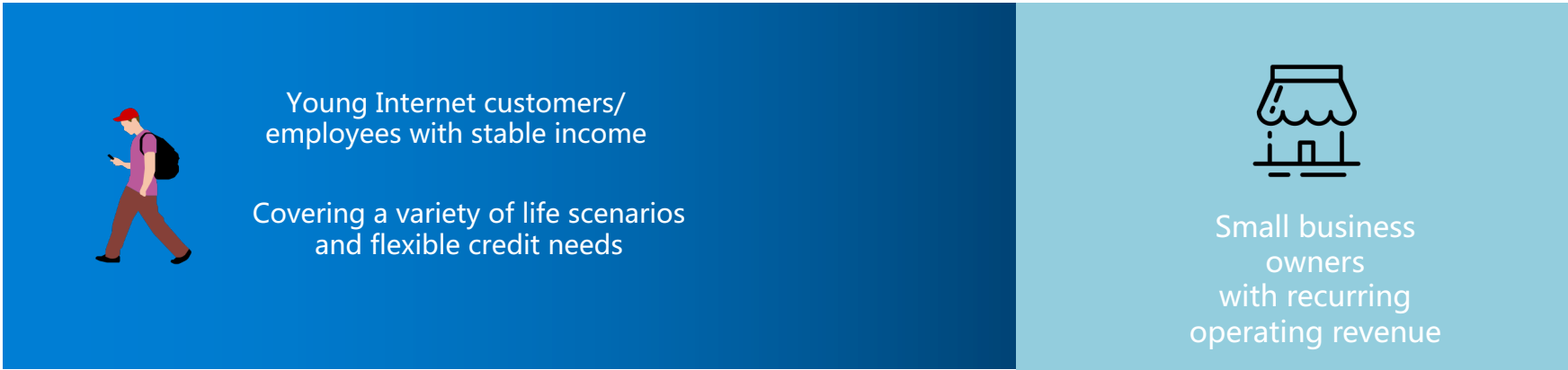


Diversified product matrix, covering different scenarios

Unsecured revolving loans

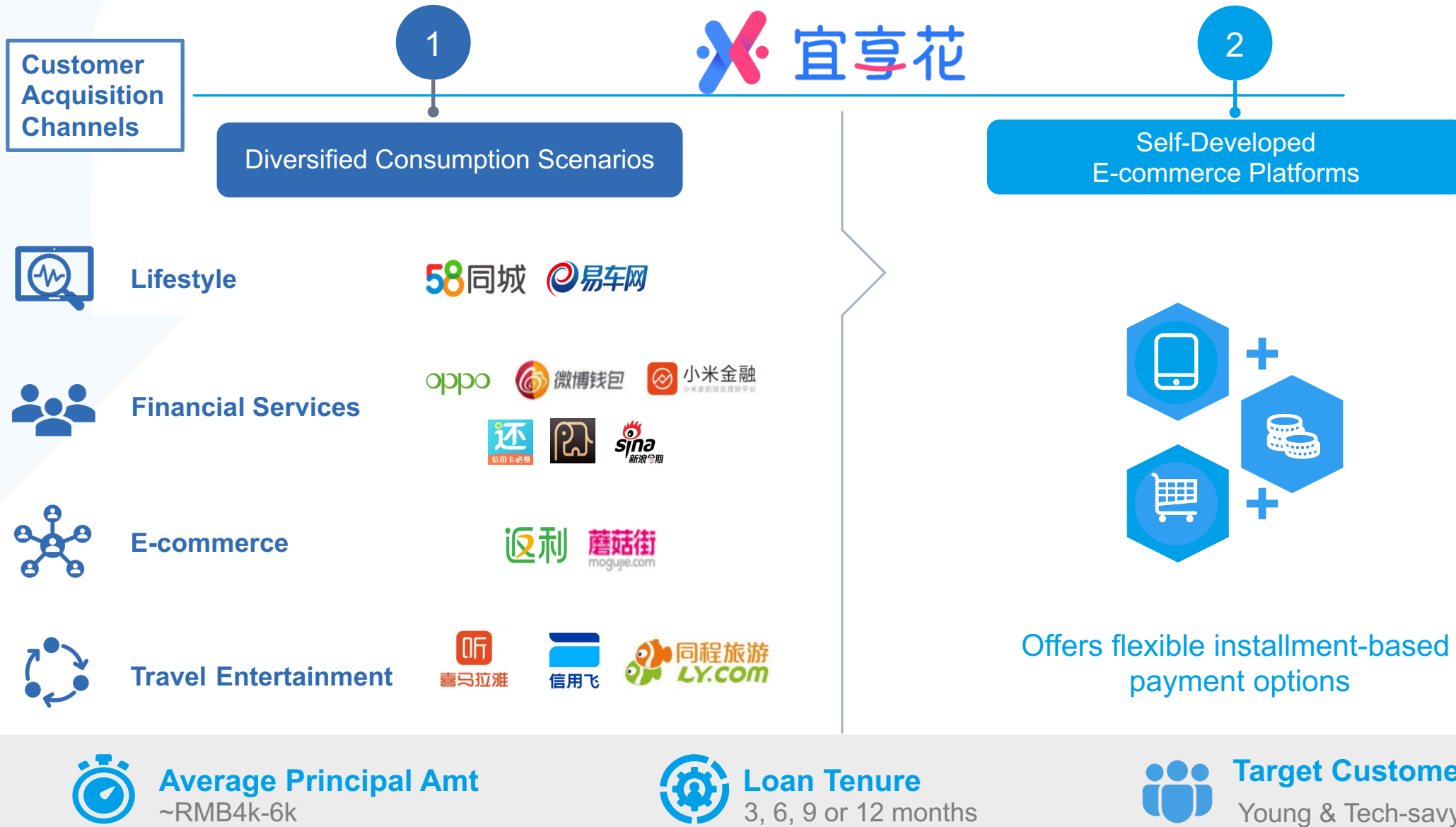
SME loans

Online
↕
Offline



Online
↕
Offline

Full Spectrum of Credit Products : Small Revolving Loans



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



Average Principal Amt
RMB160k -170k



Loan Tenure
3, 4, 6, 12 months



Target Customer Base
Small Business Owners

Holistic Wealth Solutions

Customer Spectrum

Retail Clients	Corporates
----------------	------------

Mass	Mass Affluent	HNW	UHNW
------	---------------	-----	------



Under the listco

Positioning

◆ One-stop holistic wealth solutions platform targeting the mass affluent

◆ Comprehensive national insurance broker

Products

- Partnering with over 200 corporates/institutions
- Catering to the comprehensive needs of mass affluent group
- 750+ products from 100+ insurers
- Life and health insurance and P&C insurance products

Tech-driven platforms

Rich Resources from CreditEase Wealth Management Ecosystem

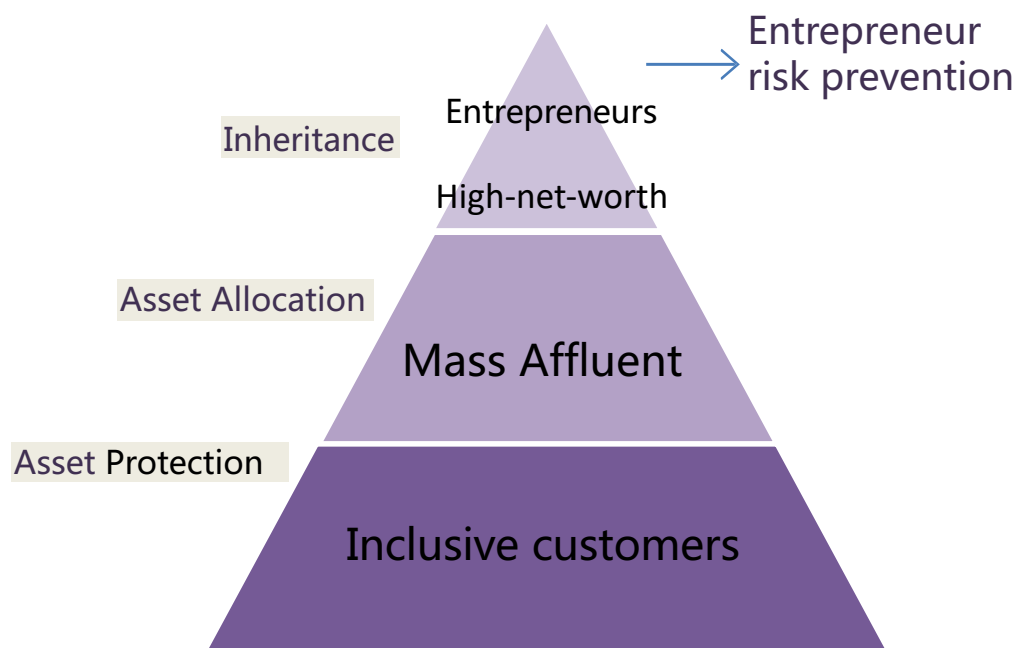
Hexiang Insurance: Business Highlight and Differentiation

- **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

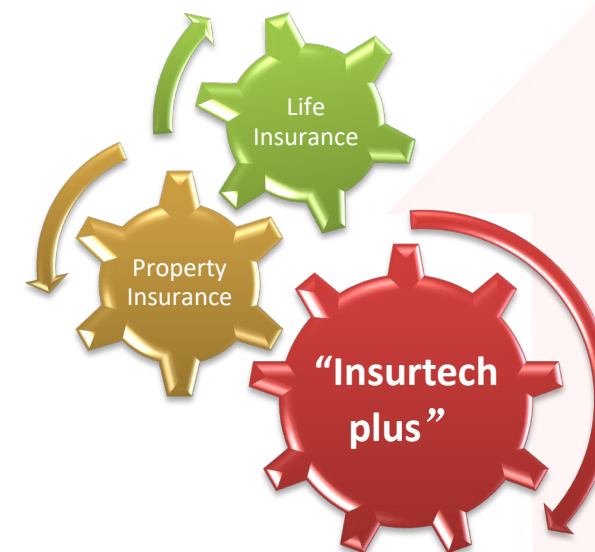
Customer Acquisition



Multi-layer of customer needs



Product Strategy



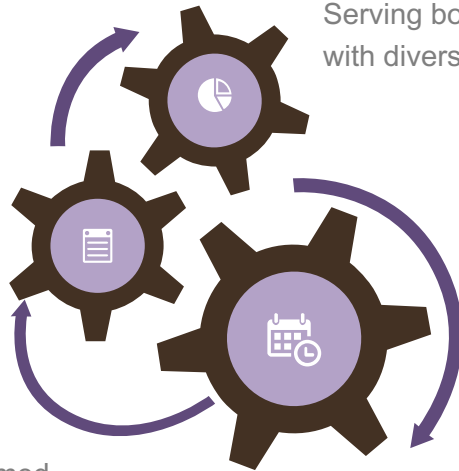
Hexiang Growth Strategy: 2B2C Model

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



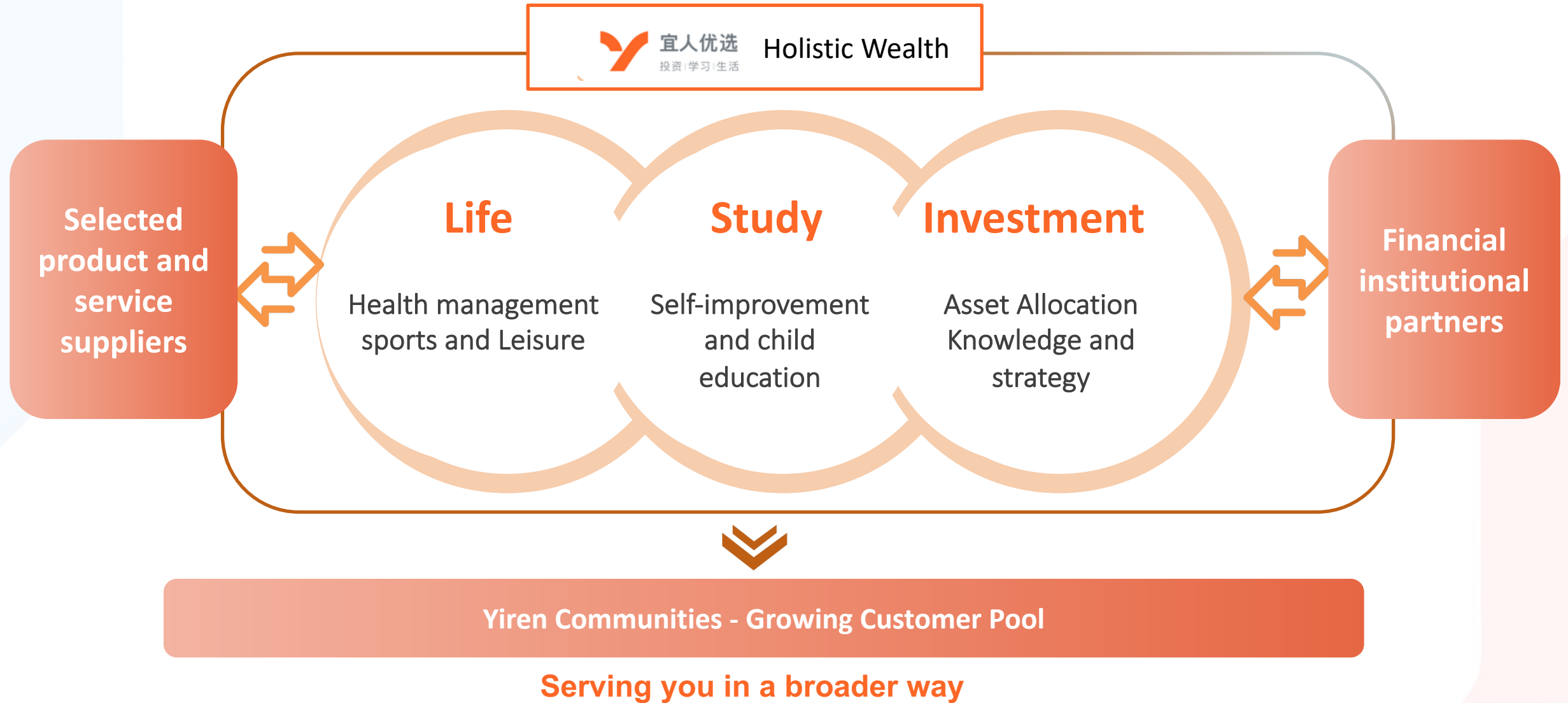
Agriculture & Fisheries



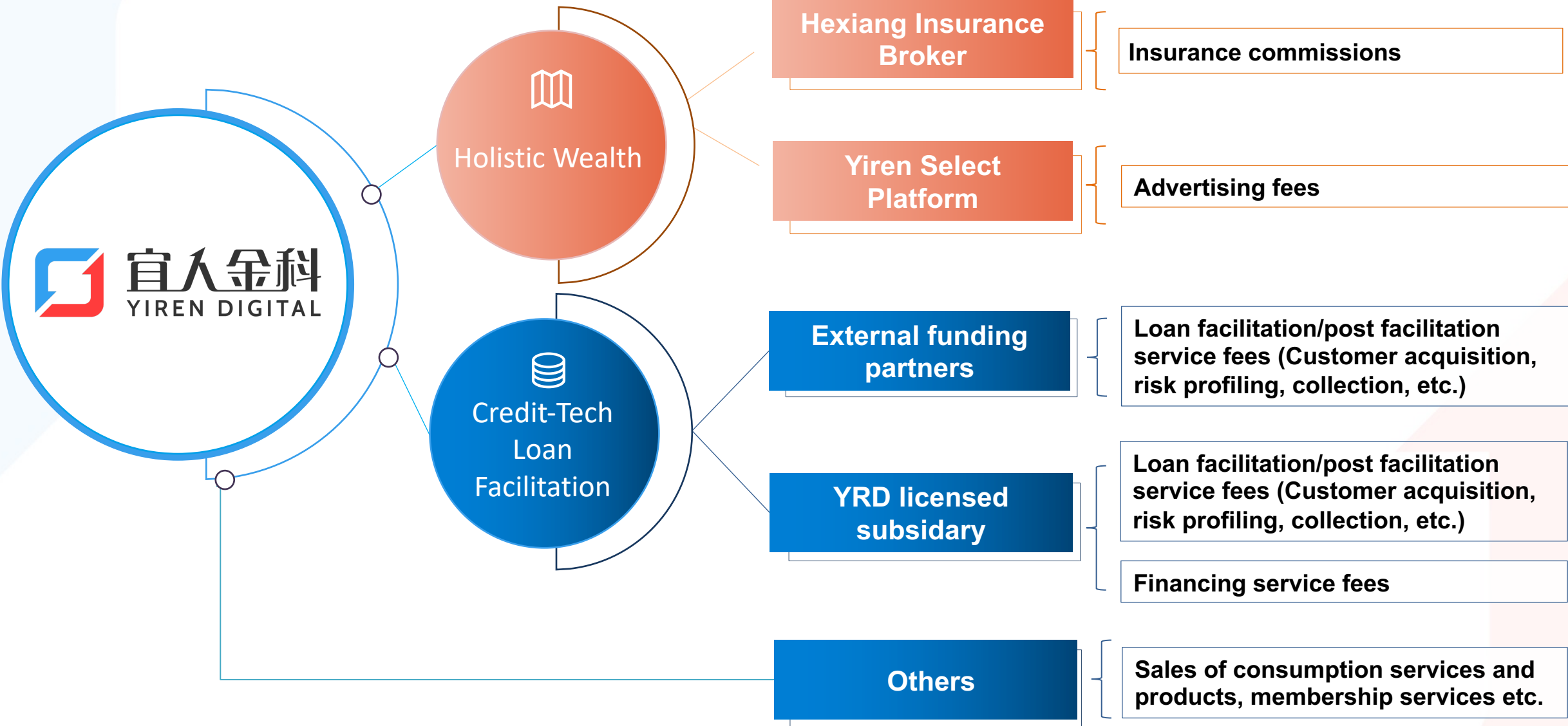
Property Insurance + Life Insurance

Insurance Ecosystem

Yiren Select: One-stop Holistic Wealth Solution Platform



Revenue Models and Monetization





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

Wealth Solutions



2 Holistic Wealth solutions: scaling up through increasingly enriched products and Hexiang and Yiren Select 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

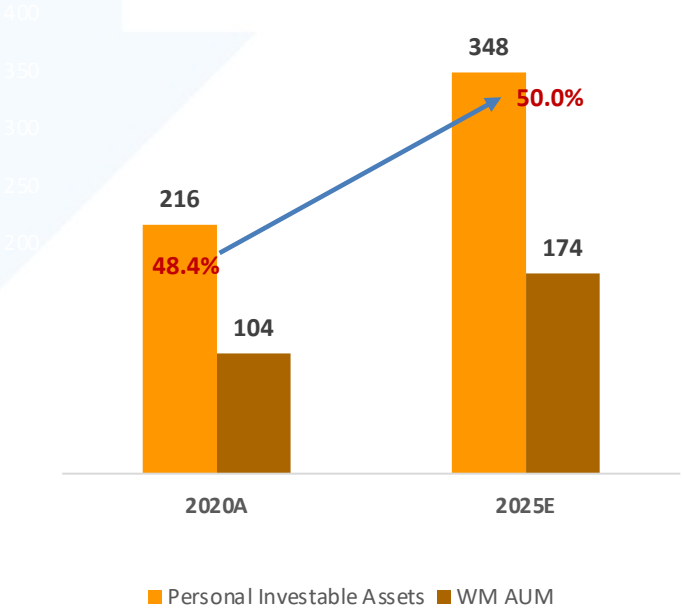


5 Strengthen data and technology capabilities to support growth

Wealth Solution

Increasing Investment Needs

(in RMB trillion)



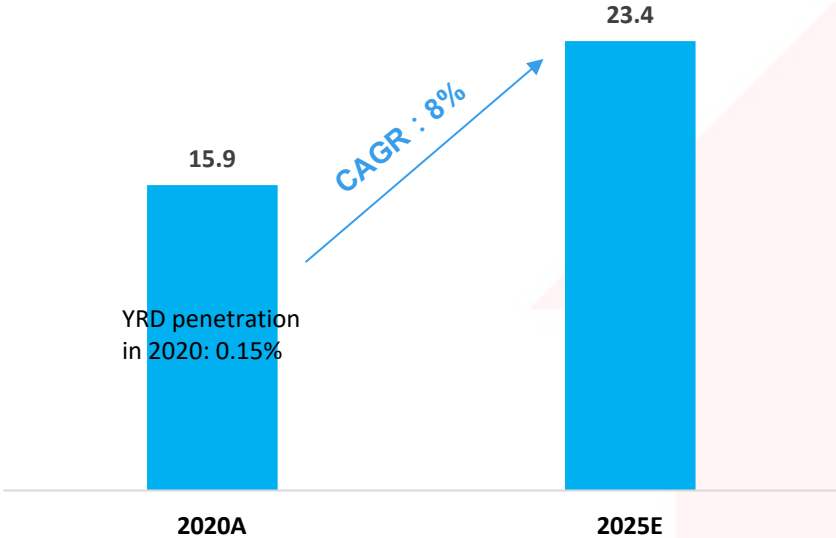
As a % of PIA

Source: KPMG

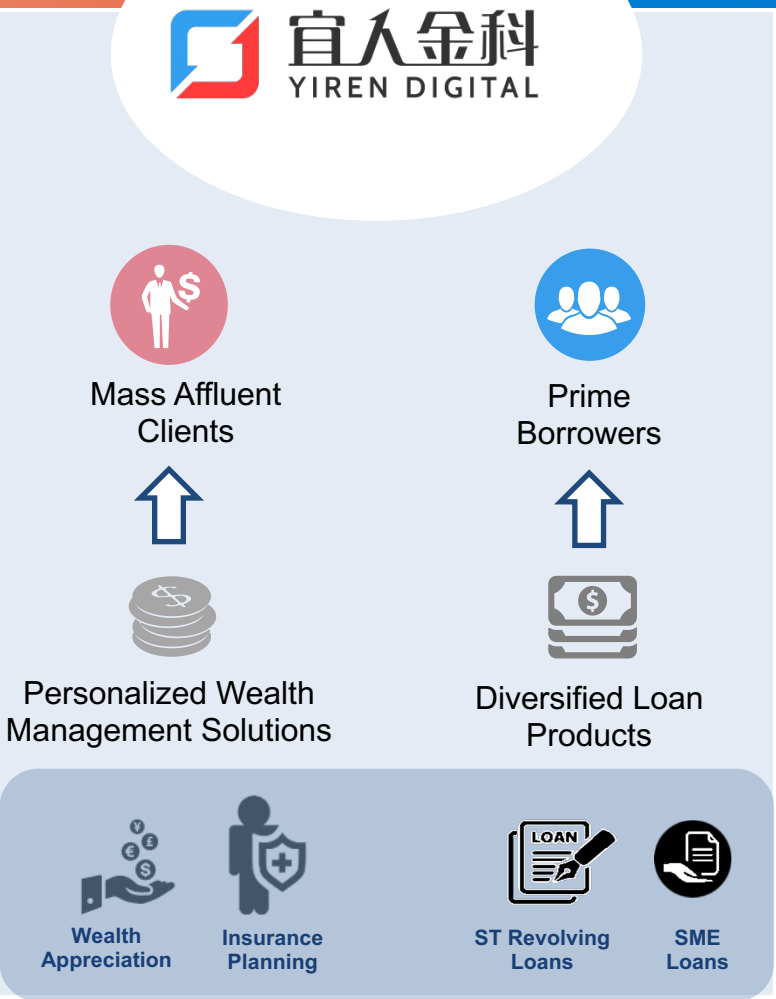
Consumer Credit

Consumer Finance Market in China

(By outstanding balance, RMB trillion)



Source: iResearch



An aerial photograph of a city skyline at dusk. 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 is visible on the left, and a tall, slender skyscraper stands out against the horizon. The word "APPENDIX" is written in large, white, sans-serif capital letters across the center of the image.

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, 2021	September 30, 2022	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2022
	RMB	RMB	USD	RMB	RMB	USD
Net revenue:						
Loan facilitation services	601,283	334,162	46,976	1,694,788	837,548	117,741
Post-origination services	39,024	74,433	10,464	124,394	166,720	23,437
Insurance brokerage services	199,406	189,019	26,572	510,911	532,770	74,896
Financing services	144,614	54,702	7,690	384,813	242,843	34,138
Electronic commerce services	-	52,954	7,444	-	173,742	24,424
Others	247,664	135,385	19,031	742,083	392,921	55,236
Total net revenue	1,231,991	840,655	118,177	3,456,989	2,346,544	329,872
Operating costs and expenses:						
Sales and marketing	407,172	136,406	19,176	1,249,230	470,547	66,149
Origination, servicing and other operating costs	186,915	223,622	31,436	544,107	565,250	79,462
General and administrative	139,321	109,947	15,456	386,876	338,459	47,580
Allowance for contract assets, receivables and others	83,578	35,074	4,931	318,243	132,476	18,622
Total operating costs and expenses	816,986	505,049	70,999	2,498,456	1,506,732	211,813
Other (expenses)/income:						
Interest expense, net	(21,565)	(378)	(53)	(55,327)	(29,741)	(4,181)
Fair value adjustments related to Consolidated ABFE	(526)	2,077	292	(49,162)	21,862	3,073
Others, net	3,934	3,035	427	23,730	18,930	2,661
Total other (expenses)/income	(18,157)	4,734	666	(80,759)	11,051	1,553
Income before provision for income taxes	396,848	340,340	47,844	877,774	850,863	119,612
Income tax expense	75,923	70,020	9,843	175,555	141,227	19,853
Net income	320,925	270,320	38,001	702,219	709,636	99,759
Weighted average number of ordinary shares outstanding, basic	170,193,542	179,409,525	179,409,525	168,719,693	173,174,370	173,174,370
Basic income per share	1.8856	1.5067	0.2118	4.1620	4.0978	0.5761
Basic income per ADS	3.7712	3.0134	0.4236	8.3240	8.1956	1.1522
Weighted average number of ordinary shares outstanding, diluted	171,571,392	179,841,065	179,841,065	169,972,343	173,962,494	173,962,494
Diluted income per share	1.8705	1.5031	0.2113	4.1314	4.0792	0.5735
Diluted income per ADS	3.7410	3.0062	0.4226	8.2628	8.1584	1.1470

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,	September 30,	September 30,	September 30,	September 30,	September 30,
	2021	2022	2022	2021	2022	2022
	RMB	RMB	USD	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data						
Net cash generated from/(used in) operating activities	323,819	342,888	48,202	(31,185)	1,377,540	193,651
Net cash (used in)/provided by investing activities	(233,782)	(835,064)	(117,391)	(728,377)	(230,586)	(32,415)
Net cash provided by/(used in) financing activities	49,770	(276,198)	(38,827)	473,277	(434,572)	(61,091)
Effect of foreign exchange rate changes	(257)	2,284	321	(653)	3,592	505
Net increase/(decrease) in cash, cash equivalents and restricted cash	139,550	(766,090)	(107,695)	(286,938)	715,974	100,650
Cash, cash equivalents and restricted cash, beginning of period	2,280,660	4,427,408	622,395	2,707,148	2,945,344	414,050
Cash, cash equivalents and restricted cash, end of period	2,420,210	3,661,318	514,700	2,420,210	3,661,318	514,700

Balance Sheet

Unaudited Condensed Consolidated Balance Sheets (in thousands)

	As of			
	December 31, 2021	June 30, 2022	September 30, 2022	September 30, 2022
	RMB	RMB	RMB	USD
Cash and cash equivalents	2,864,543	4,354,487	3,612,972	507,904
Restricted cash	80,800	72,921	48,346	6,796
Accounts receivable	305,018	297,939	274,623	38,606
Contract assets, net	1,105,905	634,079	502,936	70,702
Contract cost	9,959	2,545	1,610	226
Prepaid expenses and other assets	352,015	266,636	361,258	50,785
Loans at fair value	73,734	19,812	11,109	1,562
Financing receivables	1,697,962	960,238	713,411	100,290
Amounts due from related parties	879,256	935,714	1,124,738	158,113
Held-to-maturity investments	2,200	102,200	1,800	253
Available-for-sale investments	177,360	136,362	1,109,408	155,958
Property, equipment and software, net	102,548	92,714	82,184	11,553
Deferred tax assets	7,388	75,555	102,934	14,470
Right-of-use assets	80,752	48,151	39,133	5,501
Total assets	7,739,440	7,999,353	7,986,462	1,122,719
Accounts payable	19,065	30,903	31,711	4,458
Amounts due to related parties	434,127	411,530	244,185	34,327
Deferred revenue	12,379	1,713	526	74
Payable to investors at fair value	50,686	49,605	39,598	5,567
Accrued expenses and other liabilities	1,182,783	1,242,139	1,234,738	173,577
Secured borrowings	1,028,600	869,300	767,900	107,950
Refund liability	5,732	5,390	351	49
Deferred tax liabilities	112,535	80,200	78,819	11,079
Lease liabilities	72,101	49,724	40,968	5,759
Total liabilities	2,918,008	2,740,504	2,438,796	342,840
Ordinary shares	123	123	129	18
Additional paid-in capital	5,100,486	5,107,095	5,158,676	725,195
Treasury stock	(42,897)	(42,897)	(42,897)	(6,030)
Accumulated other comprehensive income	11,553	4,772	7,509	1,056
Accumulated deficit	(247,833)	189,756	424,249	59,640
Total equity	4,821,432	5,258,849	5,547,666	779,879
Total liabilities and equity	7,739,440	7,999,353	7,986,462	1,122,719

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, 2021	September 30, 2022	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2022
	RMB	RMB	USD	RMB	RMB	USD
Operating Highlights						
Amount of investment in current investment products	5,030,228	4,476,390	629,281	16,196,885	15,394,970	2,164,191
Number of investors in current investment	127,378	176,787	176,787	299,186	437,296	437,296
Amount of loans facilitated under loan facilitation model	6,841,921	6,298,522	885,432	17,025,066	15,839,577	2,226,693
Number of borrowers	548,495	737,320	737,320	967,057	1,228,435	1,228,435
Remaining principal of performing loans facilitated under loan facilitation model	13,793,925	10,630,352	1,494,391	13,793,925	10,630,352	1,494,391
Gross merchandise volume	-	249,624	35,092	-	395,762	55,635
Segment Information						
Holistic Wealth:						
Revenue	337,627	294,332	41,376	888,209	852,237	119,806
Sales and marketing expenses	55,463	46,698	6,565	123,494	142,480	20,030
Origination, servicing and other operating costs	159,348	165,605	23,280	442,363	403,738	56,757
Consumer credit:						
Revenue	894,364	493,369	69,357	2,568,780	1,320,565	185,642
Sales and marketing expenses	351,709	88,714	12,471	1,125,736	325,934	45,819
Origination, servicing and other operating costs	27,567	39,951	5,616	101,744	113,454	15,949
Others:						
Revenue	-	52,954	7,444	-	173,742	24,424
Sales and marketing expenses	-	994	140	-	2,133	300
Origination, servicing and other operating costs	-	18,066	2,540	-	48,058	6,756
Reconciliation of Adjusted EBITDA						
Net income	320,925	270,320	38,001	702,219	709,636	99,759
Interest expense, net	21,565	378	53	55,327	29,741	4,181
Income tax expense	75,923	70,020	9,843	175,555	141,227	19,853
Depreciation and amortization	8,449	8,514	1,197	35,770	23,893	3,359
Share-based compensation	11,742	15,760	2,216	16,592	20,642	2,902
Adjusted EBITDA	438,604	364,992	51,310	985,463	925,139	130,054
Adjusted EBITDA margin	35.6%	43.4%	43.4%	28.5%	39.4%	39.4%

Delinquency Rates

Delinquency Rates (Loan Facilitation Model)

	15-29 days	30-59 days	60-89 days
All Loans			
December 31, 2019	0.8%	1.3%	1.0%
December 31, 2020	0.5%	0.7%	0.6%
December 31, 2021	0.9%	1.5%	1.2%
March 31, 2022	0.9%	2.0%	1.9%
June 30, 2022	0.6%	1.4%	1.5%
September 30, 2022	0.7%	1.1%	1.0%
Online Channels			
December 31, 2019	1.0%	2.1%	1.6%
December 31, 2020	0.6%	1.0%	1.1%
December 31, 2021	0.8%	1.3%	1.1%
March 31, 2022	0.7%	1.5%	1.3%
June 30, 2022	0.6%	1.1%	1.2%
September 30, 2022	0.6%	0.9%	0.8%
Offline Channels			
December 31, 2019	0.7%	0.9%	0.7%
December 31, 2020	0.4%	0.6%	0.4%
December 31, 2021	1.0%	1.8%	1.4%
March 31, 2022	1.1%	2.7%	2.9%
June 30, 2022	0.8%	2.0%	2.3%
September 30, 2022	1.3%	1.9%	1.9%

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, 2022 (in RMB thousands)	Total Net Charge-Off Rate as of September 30, 2022
2019	3,431,443	401,135	11.7%
2020	9,614,819	768,606	8.0%
2021	23,195,224	1,414,959	6.1%
2022H1	9,541,056	140,742	1.5%

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
2019Q1	0.0%	0.8%	2.0%	3.4%	5.3%	5.9%	6.3%	6.3%	6.3%	6.3%	6.3%
2019Q2	0.1%	1.5%	4.5%	7.5%	8.8%	9.2%	9.9%	10.3%	10.6%	10.6%	10.6%
2019Q3	0.2%	2.9%	6.8%	9.0%	10.4%	12.0%	13.2%	13.8%	14.4%	14.6%	14.6%
2019Q4	0.4%	3.1%	4.9%	6.3%	7.2%	7.9%	8.4%	8.9%	9.5%	9.8%	
2020Q1	0.6%	2.3%	4.1%	5.2%	6.0%	6.2%	6.6%	7.2%	7.7%		
2020Q2	0.5%	2.5%	4.2%	5.3%	6.1%	6.7%	7.5%	8.1%			
2020Q3	1.1%	3.3%	5.1%	6.3%	7.1%	8.1%	8.7%				
2020Q4	0.3%	1.8%	3.2%	4.6%	6.0%	7.0%					
2021Q1	0.4%	2.3%	3.9%	5.5%	6.6%						
2021Q2	0.4%	2.4%	4.5%	5.9%							
2021Q3	0.5%	3.1%	5.0%								
2021Q4	0.6%	3.2%									
2022Q1	0.6%										

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!