

Yiren Digital Investor Presentation

4Q21&FY21



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.

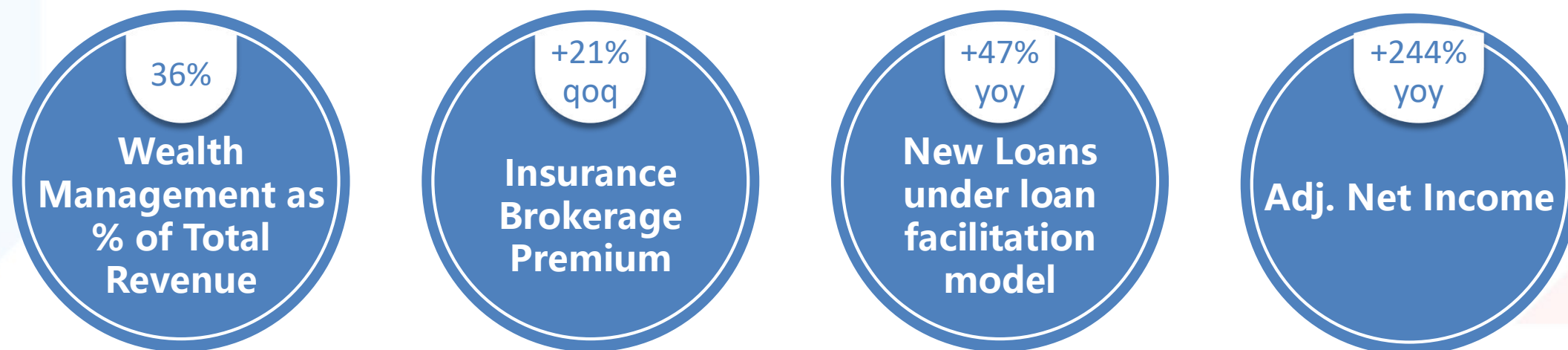
Further information regarding these and other risks, uncertainties or factors is included in Yiren Digital’s filings with the U.S. Securities and Exchange Commission. All information provided in this material is as of the date of this material, and Yiren Digital does not undertake any obligation to update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

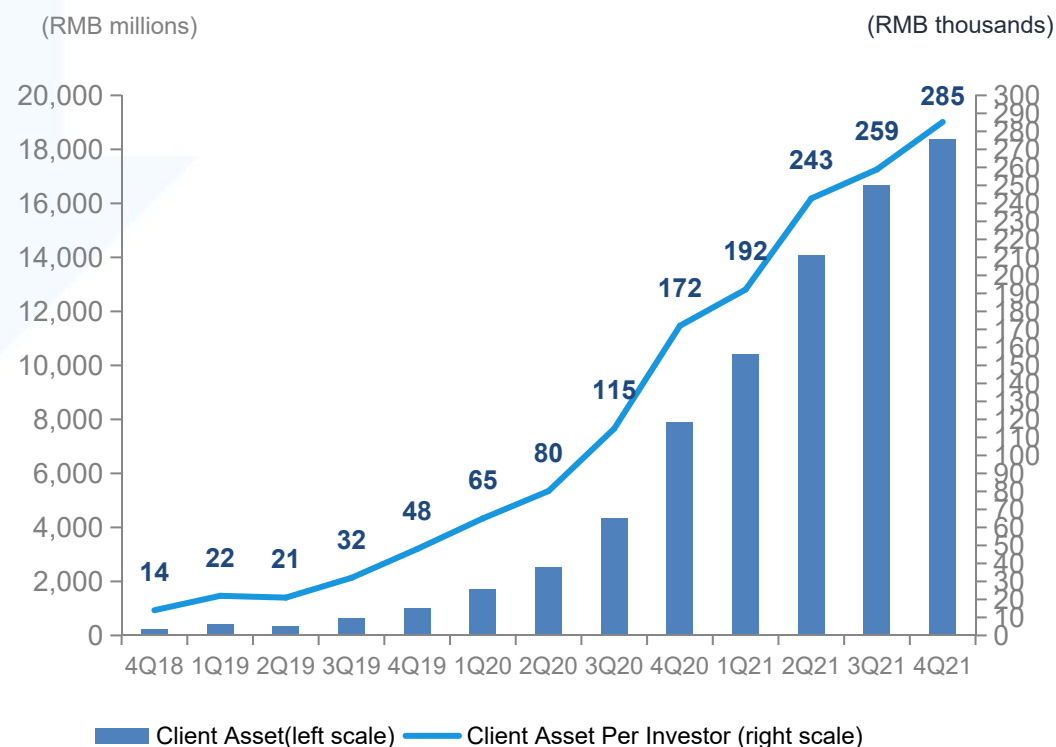


Concrete improvement in profitability and stable growth in wealth management business

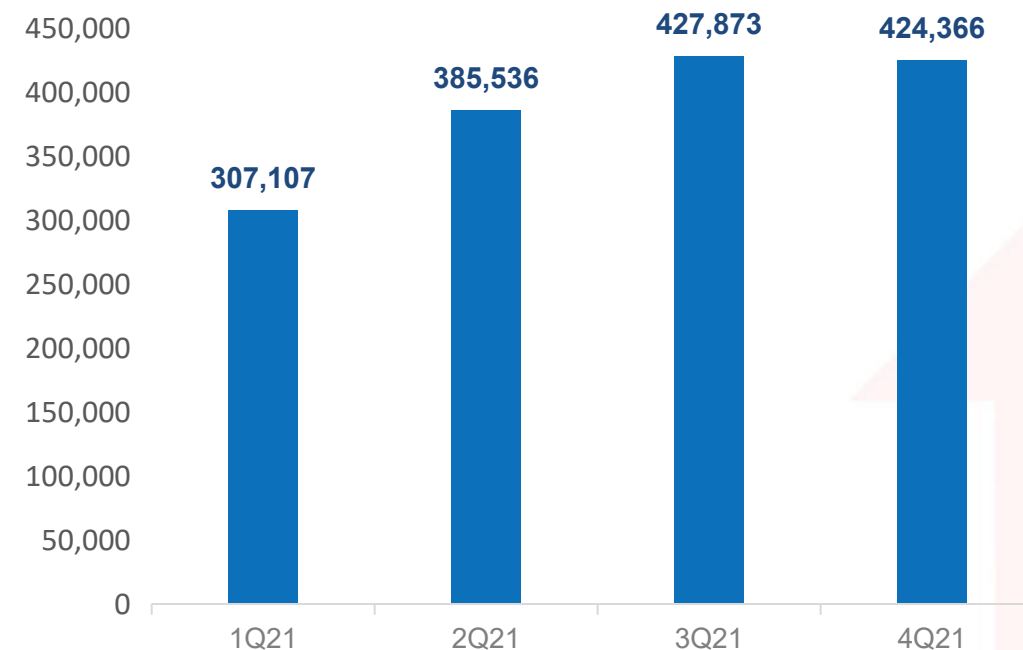
Note: Excluding the impact of the one-time business disposal expenses in 4Q20, adjusted net income in 4Q21 saw an increase of 244% year over year.

Wealth Management Gaining Traction

Client Asset Per Investor¹



Number of Active Investors²



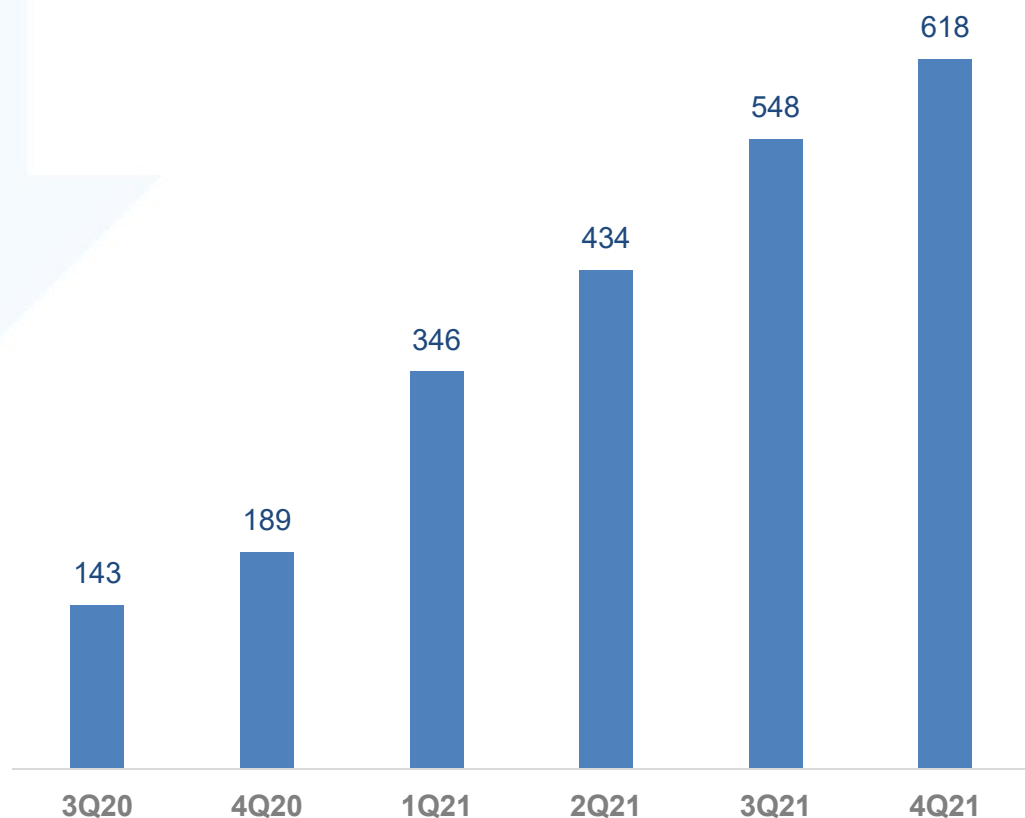
Note 1: Average client asset per investors refer to the investment in fund and short-term investing products per investor, excluding legacy products and insurance products.

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

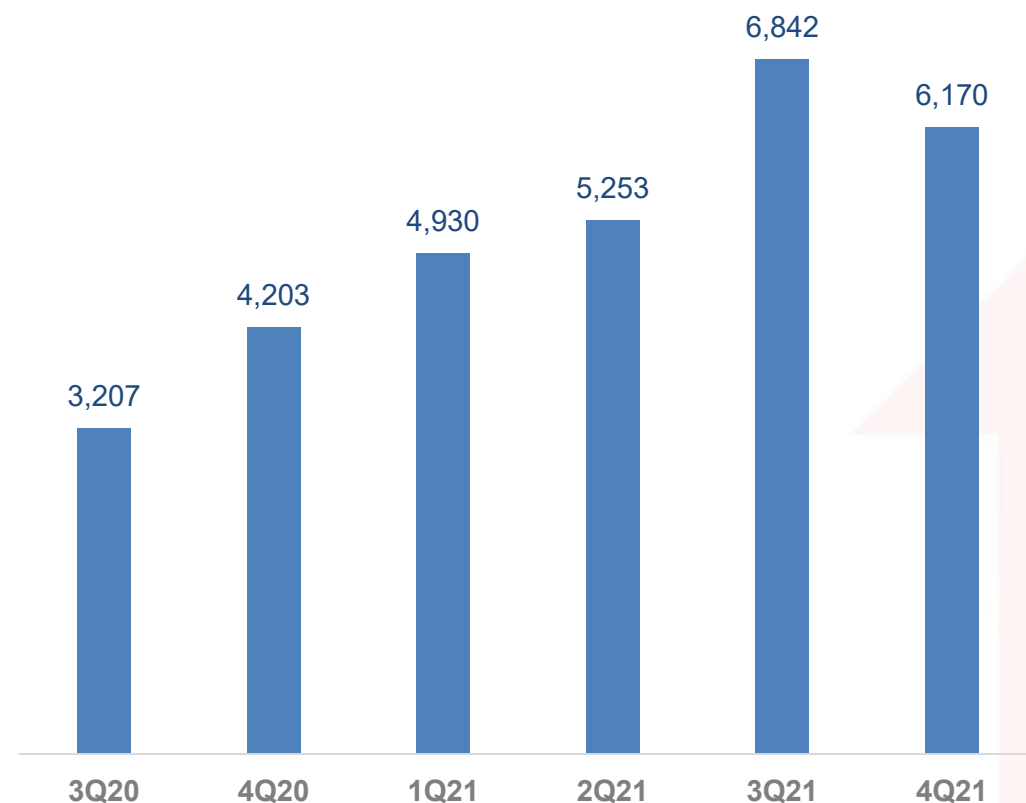
Number of Borrowers

(Thousands)



Loans Facilitated

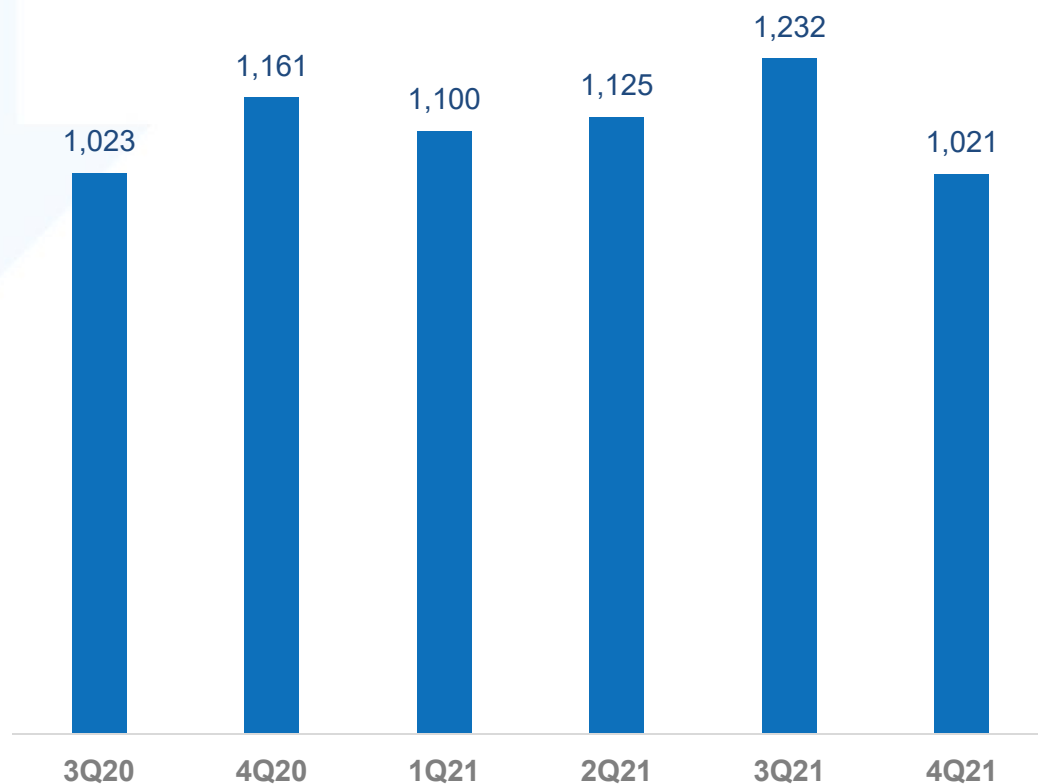
(RMB Million)



Note 1: The decline in loan volumes facilitated was due to the scale back of our offline business as part of our business optimization process, which was offset by the rapid growth of small revolving loans and SME loans (up 15%/328% QoQ/YoY).

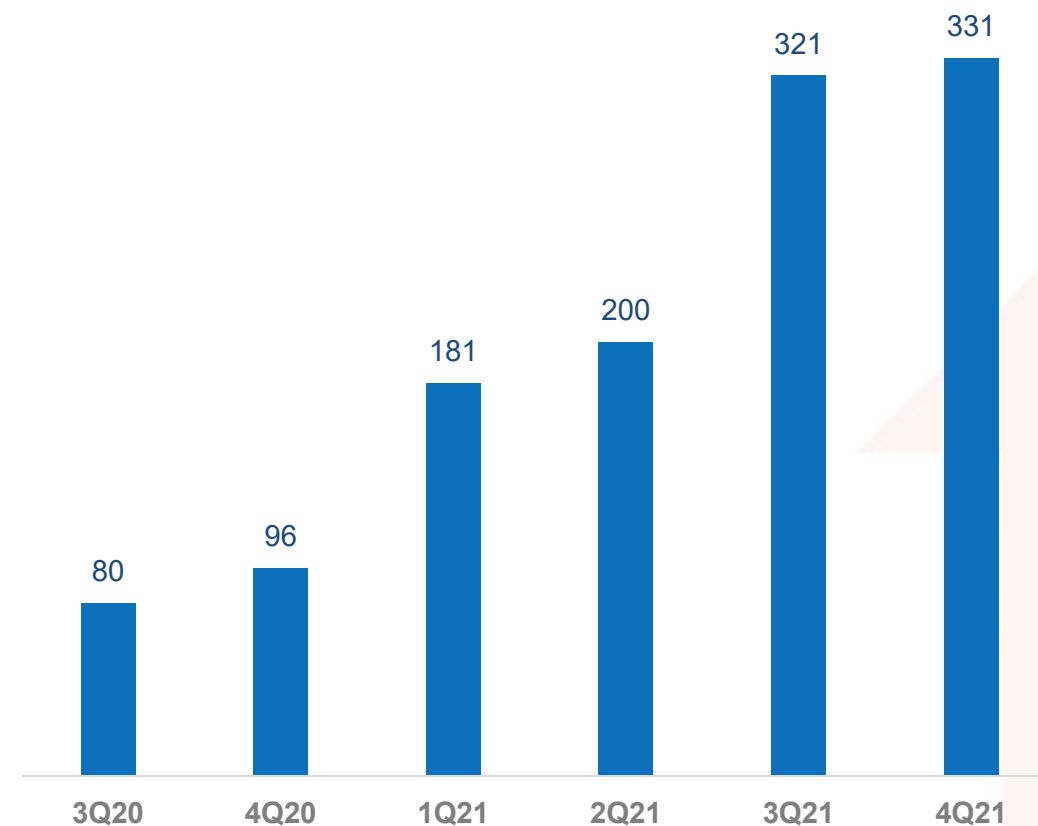
Net Revenue

(RMB Million)



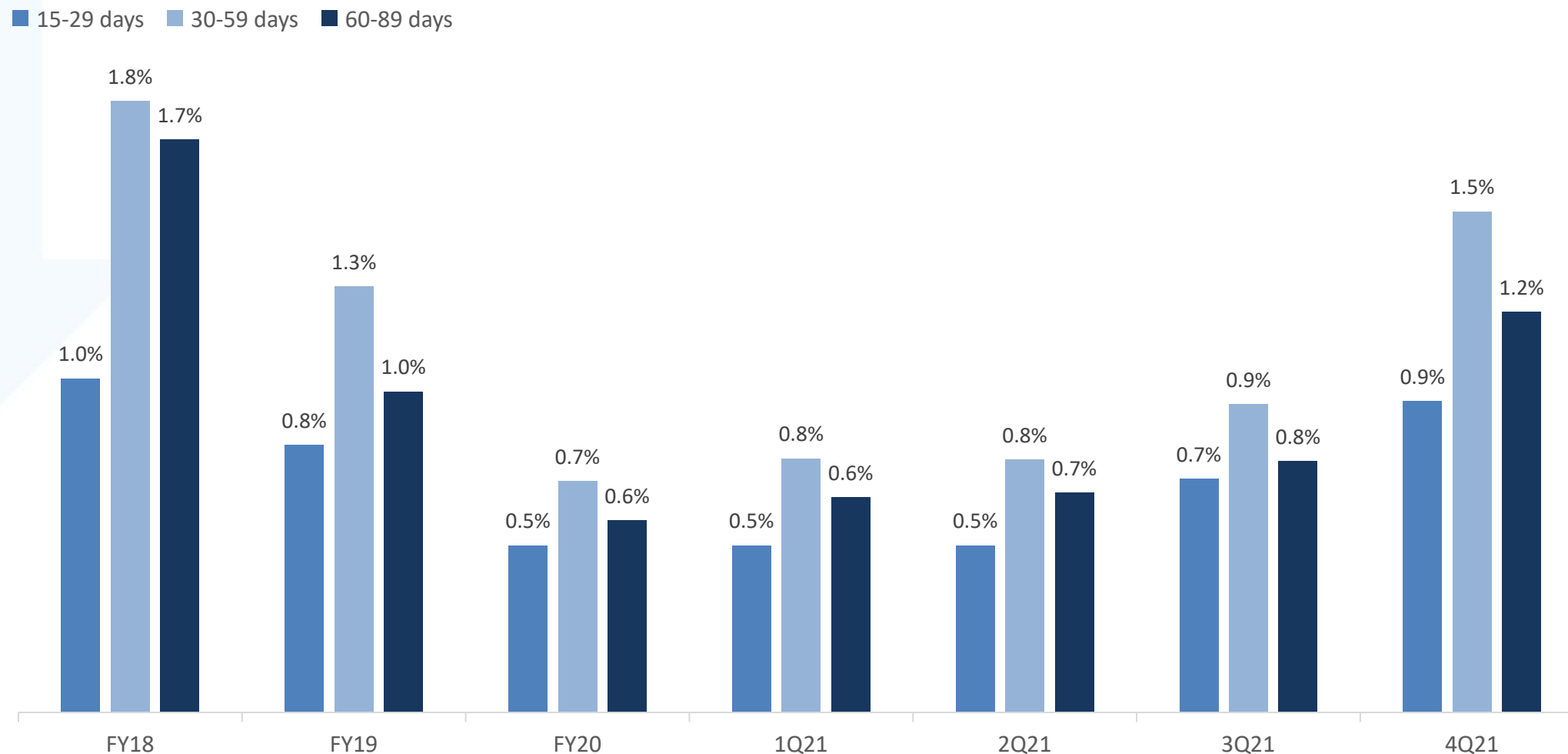
Non-GAAP Net Income

(RMB Million)



Note 1: The company has been proactively optimizing its product structure and shifting towards a shorter-tenor loan portfolio, resulting in a decline in net revenue in 4Q21. Yet due to the continued optimization of acquisition channels and cost efficiencies, net income saw continued growth quarter over quarter.

Delinquency Rates



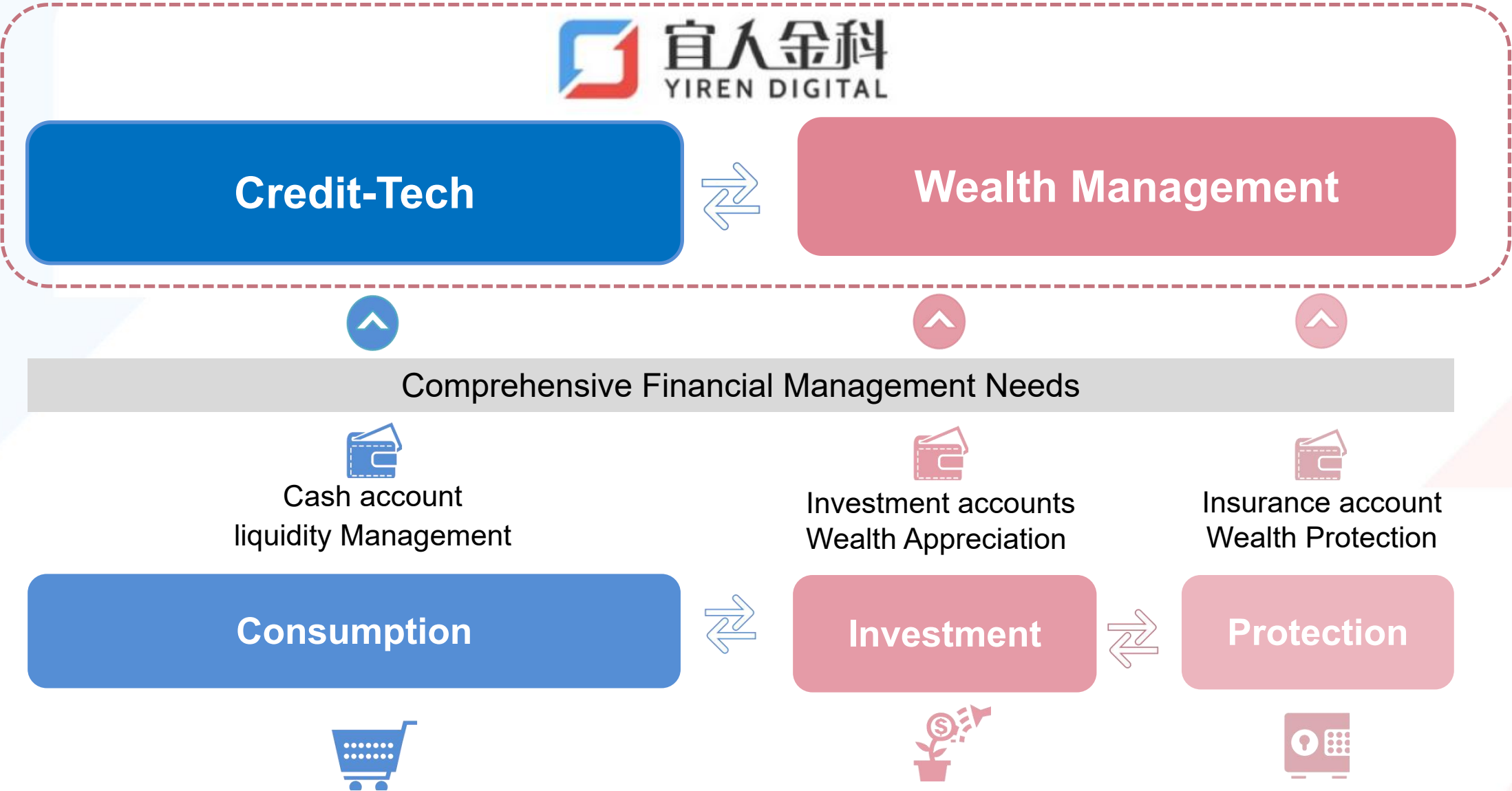
Note: Delinquency rate uptick in 4Q21 was driven by the deterioration of offline asset amid the pandemic. The Company started to optimize its offline business from the second half of 2021.

1

Key Financial Updates

2

Business Models and Strategies



Wealth Management Business Mapping

Customer Spectrum

Retail Investors

Corporates

Mass

Mass Affluent

HNW

UHNW

Credit-Tech



YirenWealth
宜人财富

CreditEase Ecosystem

Customer
Aquisition



Cross-selling



合翔保险经纪
HEXIANG INSURANCE BROKERS

Hexiang Insurance
Brokers



Under the listco

Positioning

◆ One-stop online wealth management platform targeting the mass affluent

◆ Comprehensive national insurance broker

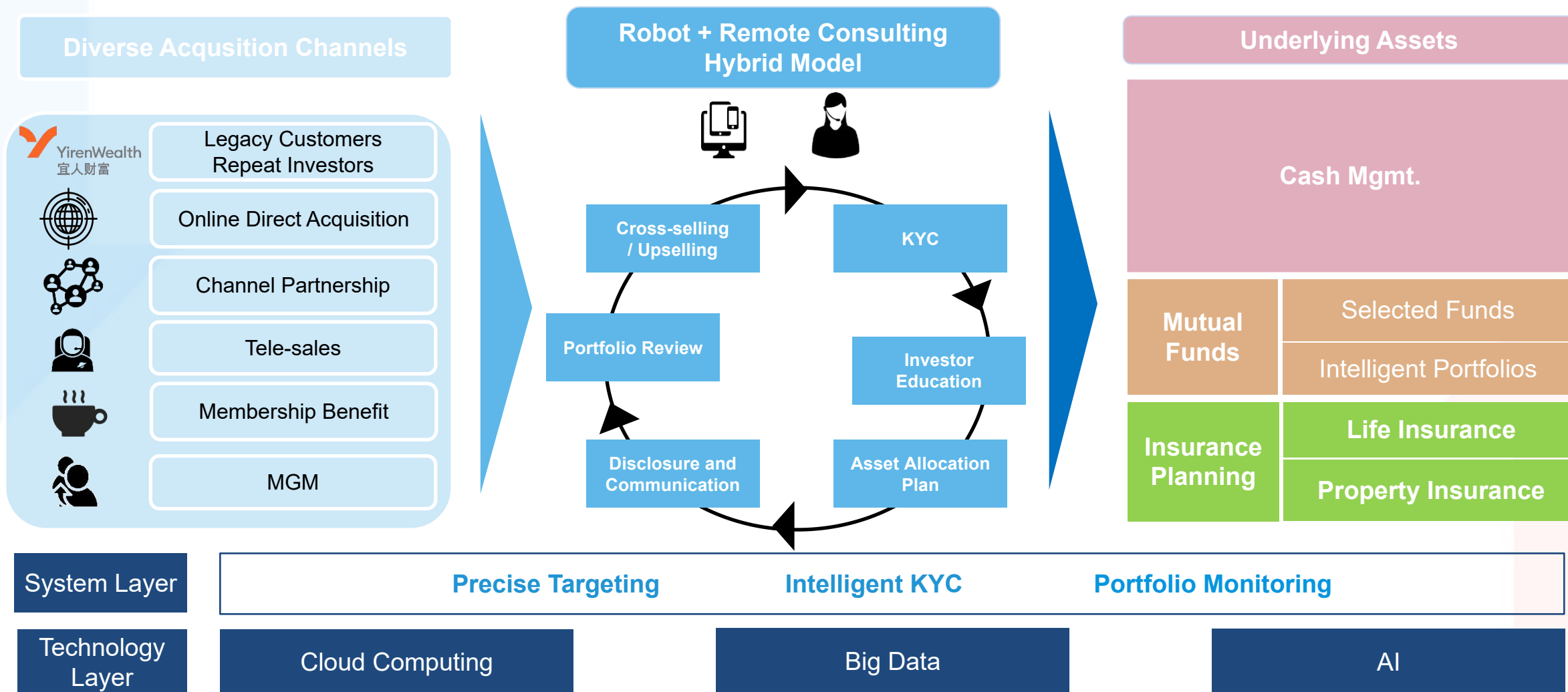
Products

- 7000+ financial products from over 200 financial institutions
- Non-financial products and services
- 520+ products from 100+ insurers
- Life and health insurance and P&C insurance products

Tech-driven platforms

Rich Resouces from CreditEase Wealth Management Ecosystem

Yiren Wealth: One-stop Online Wealth Management Platform





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

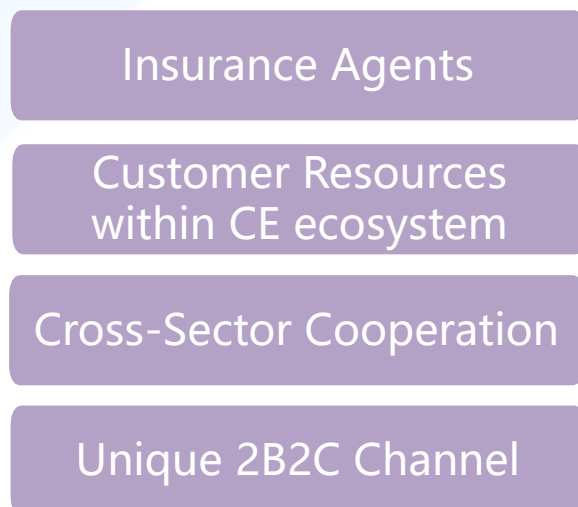


WM service Income

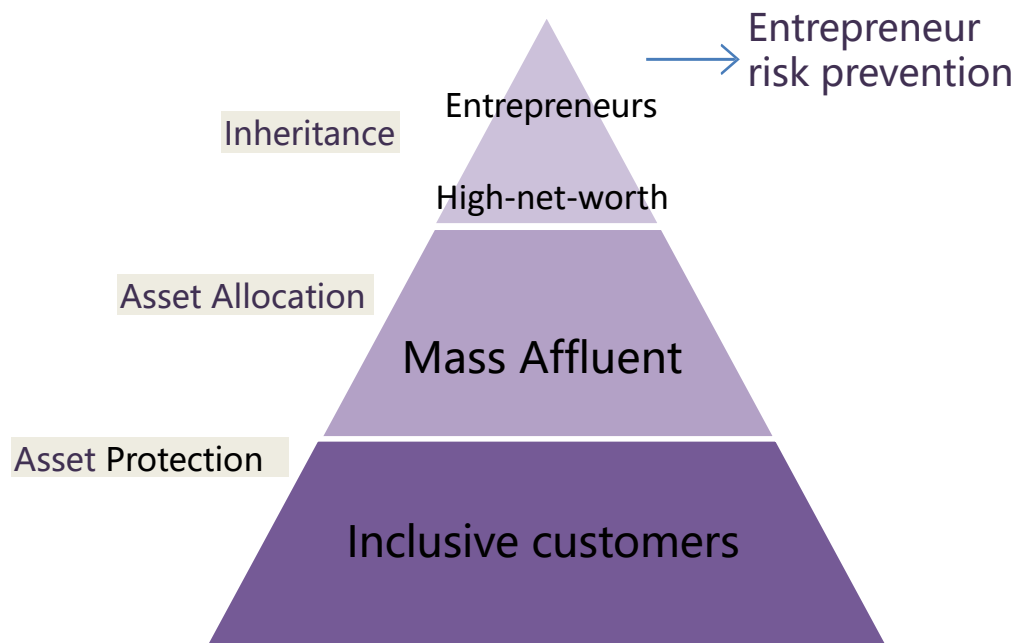
Hexiang Insurance: Business Model and Differentiation

- **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

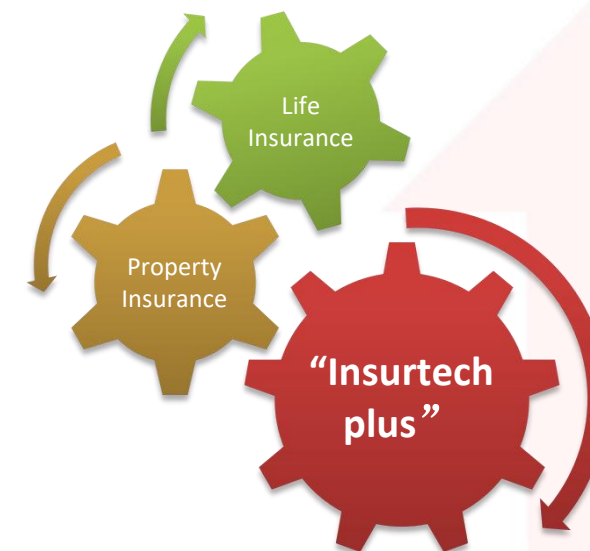
Customer Acquisition



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



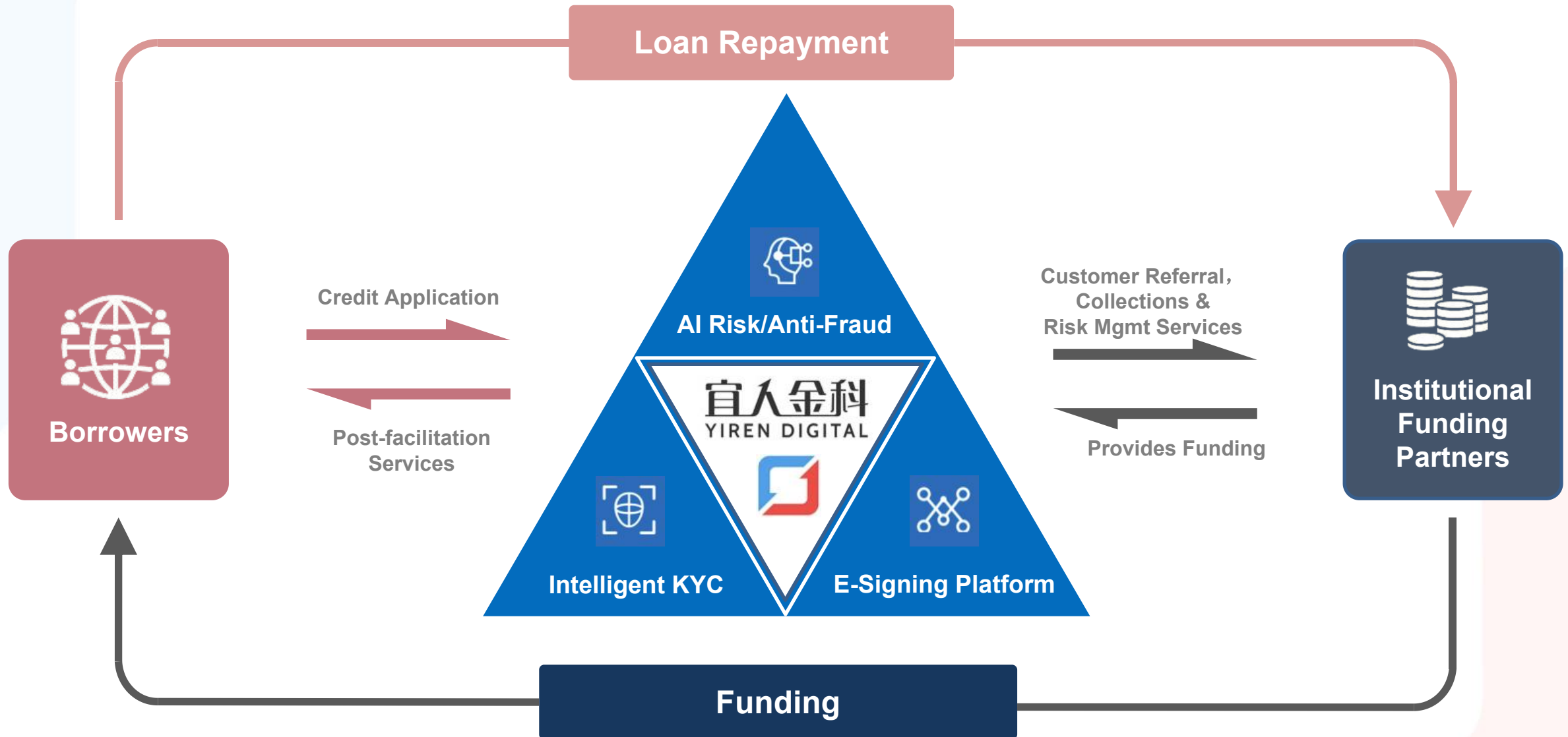
Agriculture & Fisheries



Property Insurance + Life Insurance

Insurance Ecosystem

Credit Tech: Technology Driven Loan Facilitation Model

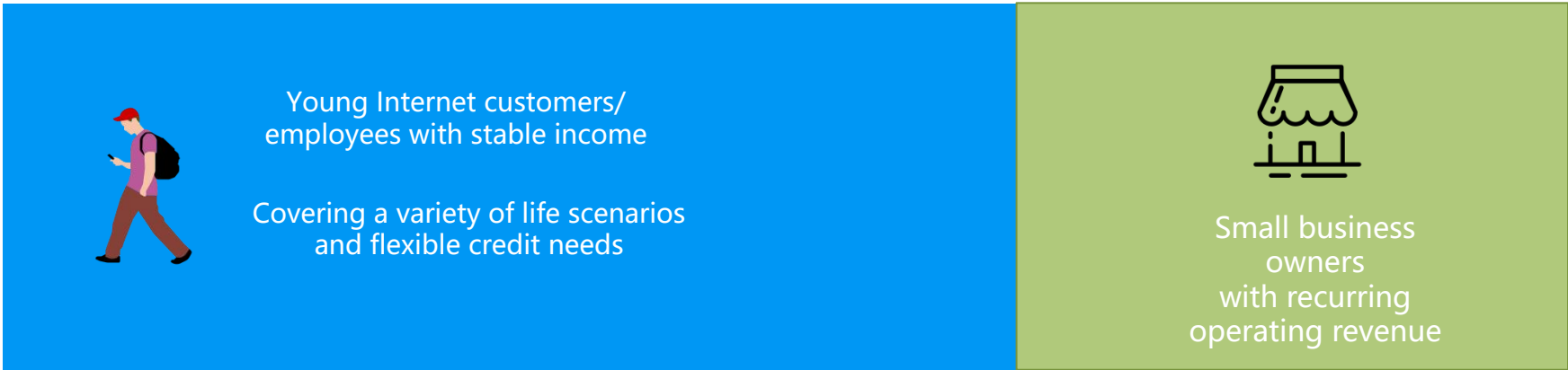


Diversified product matrix, covering different scenarios

Unsecured revolving loans

SME loans

Online
↕
Offline



High frequency & small amount
0.5K-200K

Small and Micro Business
10K-4,000K

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



Average Principal Amt
RMB160k -170k

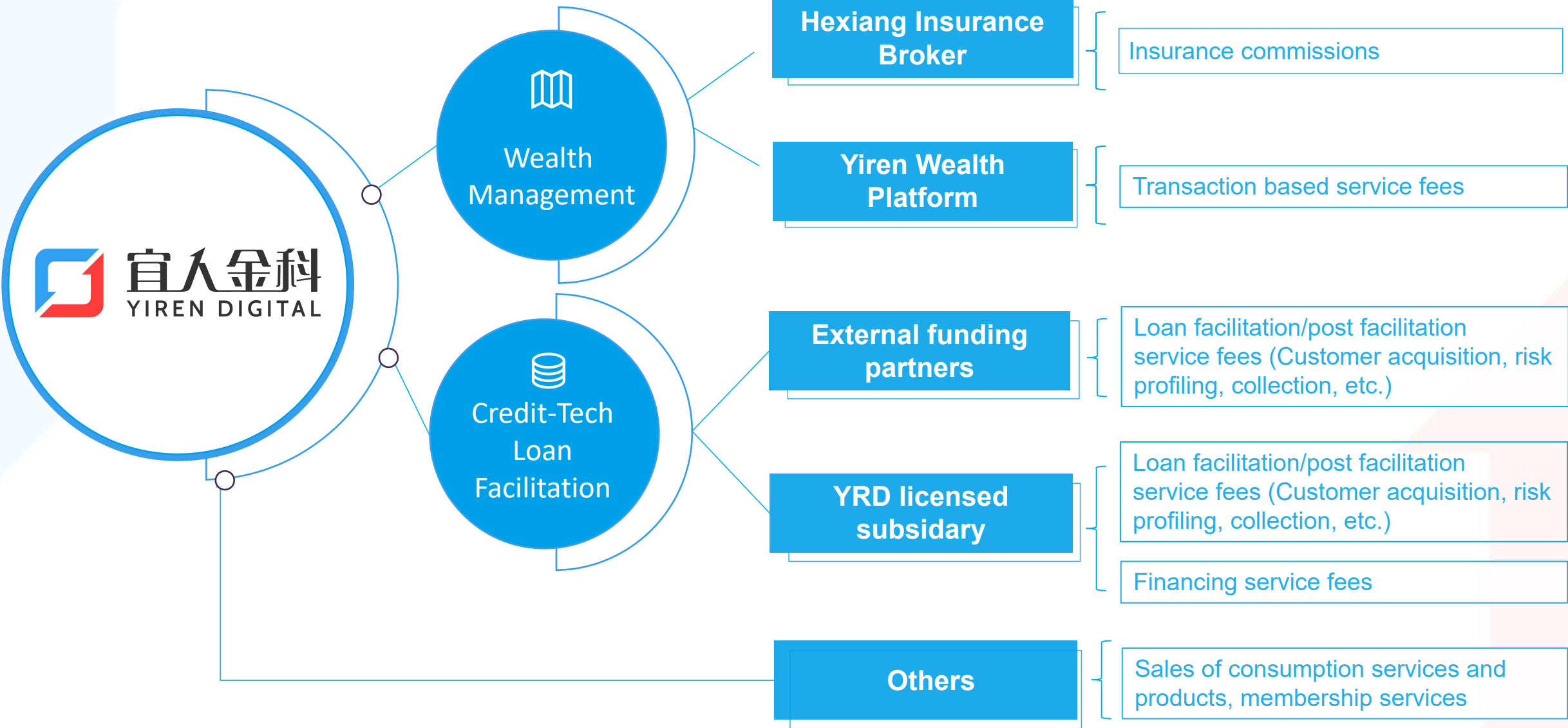


Loan Tenure
3, 4, 6,12 months



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

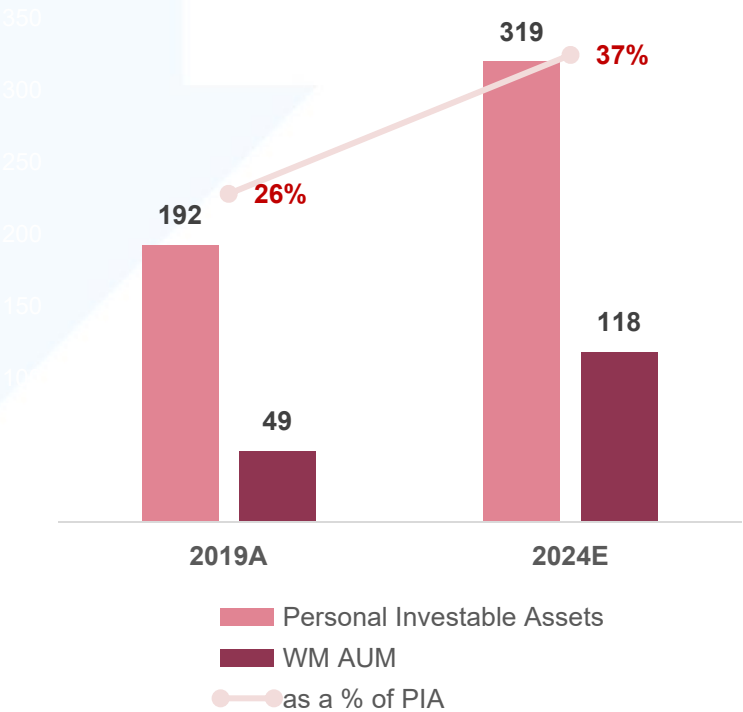


5 Strengthen data and technology capabilities to support growth

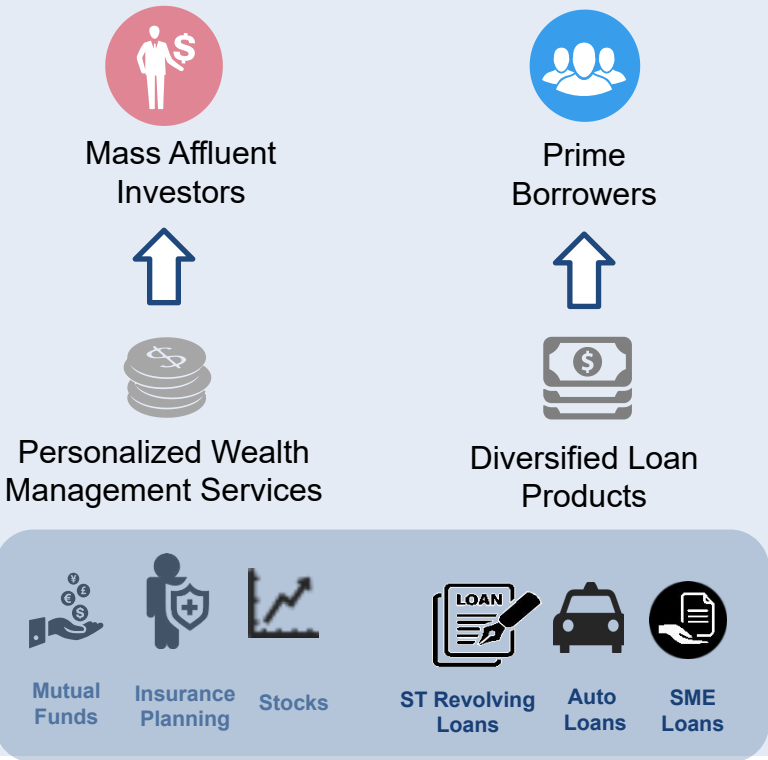
Massive Opportunity in China's Personal Financial Services Industry

Wealth Management

Increasing Investment Needs
(in RMB trillion)

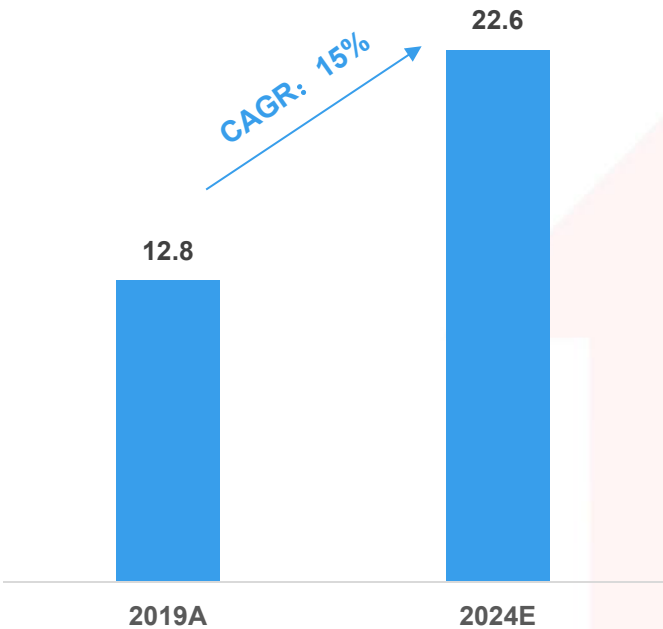


Source: Oliver Wyman



Consumer Credit

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



Source: Oliver Wyman

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 "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 Year Ended		
	December	September 30,	December	December	December	December	December
	31, 2020	2021	31, 2021	31, 2021	31, 2020	31, 2021	31, 2021
	RMB	RMB	RMB	USD	RMB	RMB	USD
Net revenue:							
Loan facilitation services	393,682	601,283	410,988	64,493	1,329,720	2,105,776	330,442
Post-origination services	201,873	39,024	49,861	7,824	670,440	174,255	27,344
Account management services	50,566	-	-	-	921,779	-	-
Insurance brokerage services	308,790	199,406	244,780	38,411	430,830	755,691	118,584
Financing services	54,348	144,614	140,027	21,973	59,658	524,840	82,359
Electronic commerce services	-	-	33,114	5,196	-	33,114	5,196
Others	151,592	247,664	142,170	22,311	549,535	884,253	138,760
Total net revenue	1,160,851	1,231,991	1,020,940	160,208	3,961,962	4,477,929	702,685
Operating costs and expenses:							
Sales and marketing	295,133	407,172	304,114	47,722	1,905,095	1,553,344	243,754
Origination, servicing and other operating costs	596,926	186,915	216,751	34,013	1,104,682	760,858	119,395
General and administrative	149,276	139,321	119,364	18,731	630,555	506,240	79,440
Allowance for contract assets, receivables and others	34,520	83,578	51,911	8,146	371,629	370,154	58,085
Loss of disposal	655,839	-	-	-	655,839	-	-
Total operating costs and expenses	1,731,694	816,986	692,140	108,612	4,667,800	3,190,596	500,674
Other income/(expenses):							
Interest income/(expense), net	8,554	(21,565)	(18,056)	(2,833)	61,623	(73,383)	(11,515)
Fair value adjustments related to Consolidated ABFE	(54,106)	(526)	11,720	1,839	(143,988)	(37,442)	(5,875)
Others, net	3,444	3,934	2,935	460	14,844	26,665	4,183
Total other expenses	(42,108)	(18,157)	(3,401)	(534)	(67,521)	(84,160)	(13,207)
(Loss)/income before provision for income taxes	(612,951)	396,848	325,399	51,062	(773,359)	1,203,173	188,804
Income tax (benefit)/expense	(53,342)	75,923	(5,366)	(842)	(80,611)	170,189	26,706
Net (loss)/income	(559,609)	320,925	330,765	51,904	(692,748)	1,032,984	162,098
Weighted average number of ordinary shares outstanding, basic	167,964,040	170,193,542	169,967,125	169,967,125	180,301,898	169,029,826	169,029,826
Basic (loss)/income per share	(3.3317)	1.8856	1.9461	0.3054	(3.8422)	6.1113	0.9590
Basic (loss)/income per ADS	(6.6634)	3.7712	3.8922	0.6108	(7.6844)	12.2226	1.9180
Weighted average number of ordinary shares outstanding, diluted	167,964,040	171,571,392	171,171,951	171,171,951	180,301,898	170,590,203	170,590,203
Diluted (loss)/income per share	(3.3317)	1.8705	1.9324	0.3032	(3.8422)	6.0554	0.9502
Diluted (loss)/income per ADS	(6.6634)	3.7410	3.8648	0.6064	(7.6844)	12.1108	1.9004

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 Year Ended		
	December 31, 2020	September 30, 2021	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2021
	RMB	RMB	RMB	USD	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data							
Net cash (used in)/generated from operating activities	(219,069)	323,819	189,377	29,717	282,028	158,192	24,824
Net cash (used in)/provided by investing activities	(981,096)	(233,782)	381,870	59,924	(1,796,663)	(346,507)	(54,374)
Net cash provided by/(used in) financing activities	899,487	49,770	(45,831)	(7,192)	955,448	427,446	67,076
Effect of foreign exchange rate changes	(538)	(257)	(283)	(44)	(2,807)	(936)	(147)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(301,216)	139,550	525,133	82,405	(561,994)	238,195	37,379
Cash, cash equivalents and restricted cash, beginning of period	3,008,364	2,280,660	2,420,210	379,785	3,269,142	2,707,148	424,811
Cash, cash equivalents and restricted cash, end of period	2,707,148	2,420,210	2,945,343	462,190	2,707,148	2,945,343	462,190

Balance Sheet

Unaudited Condensed Consolidated Balance Sheets (in thousands)

	As of			
	December 31,	September 30,	December 31,	December 31,
	2020	2021	2021	2021
	RMB	RMB	RMB	USD
Cash and cash equivalents	2,469,909	2,328,380	2,864,543	449,511
Restricted cash	237,239	91,830	80,800	12,679
Accounts receivable	122,742	258,729	305,018	47,864
Contract assets, net	750,174	1,191,497	1,105,905	173,541
Contract cost	65,529	34,707	9,959	1,563
Prepaid expenses and other assets	278,591	358,052	352,015	55,239
Loans at fair value	192,156	82,474	73,734	11,571
Financing receivables	1,253,494	1,969,456	1,697,962	266,449
Amounts due from related parties	884,006	768,646	879,256	137,974
Held-to-maturity investments	3,286	2,200	2,200	341
Available-for-sale investments	175,515	277,934	177,360	27,832
Property, equipment and software, net	147,193	115,326	102,548	16,092
Deferred tax assets	16,745	6,285	7,388	1,159
Right-of-use assets	105,674	70,897	80,752	12,672
Total assets	6,702,253	7,556,413	7,739,440	1,214,487
Accounts payable	9,903	36,799	19,065	2,992
Amounts due to related parties	970,309	474,925	434,127	68,124
Deferred revenue	50,899	11,862	12,379	1,943
Payable to investors at fair value	52,623	50,814	50,686	7,954
Accrued expenses and other liabilities	1,208,915	1,245,263	1,182,783	185,604
Secured borrowings	500,500	1,038,600	1,028,600	161,410
Refund liability	10,845	5,927	5,732	899
Deferred tax liabilities	38,741	147,575	112,535	17,659
Lease liabilities	81,854	53,194	72,101	11,314
Total liabilities	2,924,589	3,064,959	2,918,008	457,899
Ordinary shares	121	123	123	19
Additional paid-in capital	5,058,176	5,096,994	5,100,486	800,378
Treasury stock	(40,147)	(42,502)	(42,897)	(6,731)
Accumulated other comprehensive income	17,108	14,442	11,553	1,812
Accumulated deficit	(1,257,594)	(577,603)	(247,833)	(38,890)
Total equity	3,777,664	4,491,454	4,821,432	756,588
Total liabilities and equity	6,702,253	7,556,413	7,739,440	1,214,487

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 Year Ended		
	December 31,	September 30,	December 31,	December 31,	December 31,	December 31,	December 31
	2020	2021	2021	2021	2020	2021	2021
	RMB	RMB	RMB	USD	RMB	RMB	USD
Operating Highlights							
Amount of investment in current investment products	6,836,906	5,030,228	5,391,760	846,085	15,779,685	21,588,645	3,387,729
Number of investors in current investment products	99,112	127,378	144,987	144,987	153,700	409,281	409,281
Amount of loans facilitated under loan facilitation model	4,202,538	6,841,921	6,170,158	968,232	9,614,819	23,195,224	3,639,837
Number of borrowers	189,117	548,495	618,131	618,131	525,320	1,297,046	1,297,046
Remaining principal of performing loans facilitated under loan facilitation model	8,863,461	13,793,925	14,102,279	2,212,955	8,863,461	14,102,279	2,212,955
Electronic commerce of gross merchandise volume	-	-	61,619	9,669	-	61,619	9,669
Segment Information							
Wealth management:							
Revenue	413,057	337,627	372,304	58,423	1,432,364	1,260,513	197,803
Sales and marketing expenses	39,012	55,463	75,842	11,901	195,671	199,336	31,281
Origination, servicing and other operating costs	266,492	159,348	156,243	24,518	442,507	598,606	93,934
Consumer credit:							
Revenue	747,794	894,364	615,522	96,589	2,529,598	3,184,302	499,686
Sales and marketing expenses	256,121	351,709	227,508	35,702	1,709,424	1,353,244	212,353
Origination, servicing and other operating costs	330,434	27,567	53,396	8,379	662,175	155,140	24,345
Others:							
Revenue	-	-	33,114	5,196	-	33,114	5,196
Sales and marketing expenses	-	-	764	119	-	764	120
Origination, servicing and other operating costs	-	-	7,112	1,116	-	7,112	1,116
Reconciliation of Adjusted EBITDA							
Net (loss)/income	(559,609)	320,925	330,765	51,904	(692,748)	1,032,984	162,098
Interest (income)/expense, net	(8,554)	21,565	18,056	2,833	(61,623)	73,383	11,515
Loss of disposal	655,839	-	-	-	655,839	-	-
Income (benefit)/tax expense	(53,342)	75,923	(5,366)	(842)	(80,611)	170,189	26,706
Depreciation and amortization	16,829	8,449	7,466	1,172	91,772	43,236	6,785
Share-based compensation	(2,274)	11,742	2,497	392	14,173	19,089	2,995
Adjusted EBITDA	48,889	438,604	353,418	55,459	(73,198)	1,338,881	210,099
Adjusted EBITDA margin	4.2%	35.6%	34.6%	34.6%	-1.8%	29.9%	29.9%

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%
December 31, 2021	0.9%	1.5%	1.2%
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%
December 31, 2021	0.8%	1.3%	1.1%
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%
December 31, 2021	1.0%	1.8%	1.4%

M3+ NCO by Vintage

Net Charge-Off Rate (Loan Facilitation Model)			
Loan Issued Period	Amount of Loans Facilitated During the Period	Accumulated M3+ Net Charge-Off as of December 31, 2021	Total Net Charge-Off Rate as of December 31, 2021
2015	4,530,824	243,840	5.4%
2016	3,749,815	317,288	8.5%
2017	5,043,494	523,778	10.4%
2018	4,211,573	413,071	9.8%
2019	3,431,443	390,252	11.4%
2020	9,614,819	560,733	5.8%
2021Q1-Q3	17,025,066	374,843	2.2%

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%	9.7%
2019Q1	0.0%	0.8%	2.0%	3.4%	5.3%	5.9%	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%		
2019Q3	0.2%	2.9%	6.8%	9.0%	10.4%	12.0%	13.2%	13.8%			
2019Q4	0.4%	3.1%	4.9%	6.3%	7.2%	7.9%	8.4%				
2020Q1	0.6%	2.3%	4.1%	5.2%	6.0%	6.2%					
2020Q2	0.5%	2.5%	4.2%	5.3%	6.1%						
2020Q3	1.1%	3.3%	5.1%	6.3%							
2020Q4	0.3%	1.8%	3.2%								
2021Q1	0.4%	2.3%									
2021Q2	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, 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!