

Q4 2020 Investor Presentation

March 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

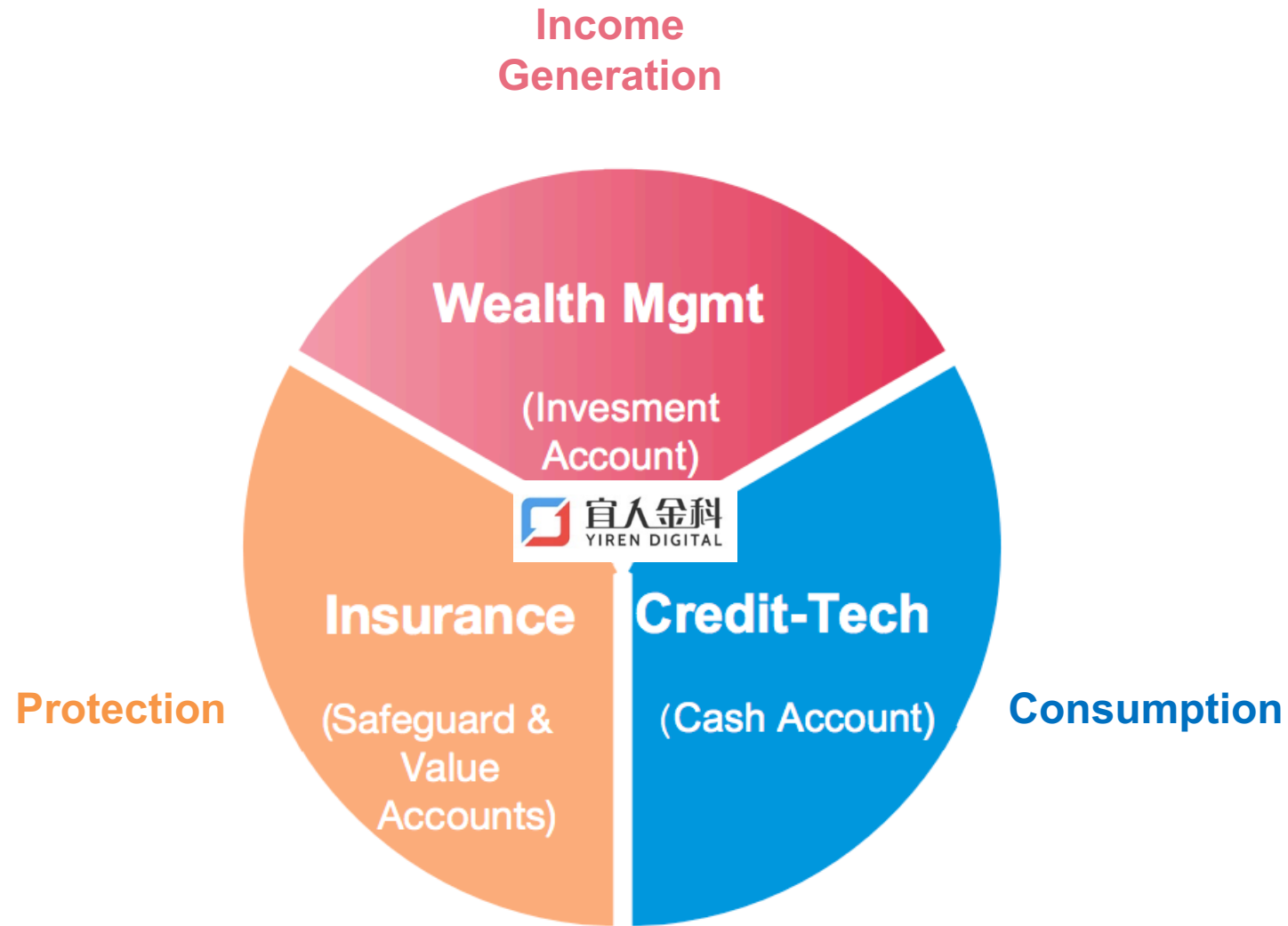
3

Key Financial Highlights

Business Highlights








Positioned as a Leading Digital Personal Financial Services Platform



Differentiated Business Model



Positioning	 Digital Personal Financial 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, Q4 2020



Leading Digital Wealth Management Platform



Total Client Asset
Q4 2020
~RMB 8.6Bn



No. of Active Investors¹
Q4 2020
~164k



Investor Service
AI Robot + Remote FA



Accumulatively Served Investors
As of Q4 2020
~ 2.3 Mn



Leading Consumer Credit-Tech Player



Loan Balance
Q4 2020
~RMB 23.6Bn



No. of Borrowers Served
Q4 2020
~189K



Customer Service
Online & Offline



Accumulatively Served Borrowers
As of Q4 2020
~ 5.2 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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Key Financial Highlights

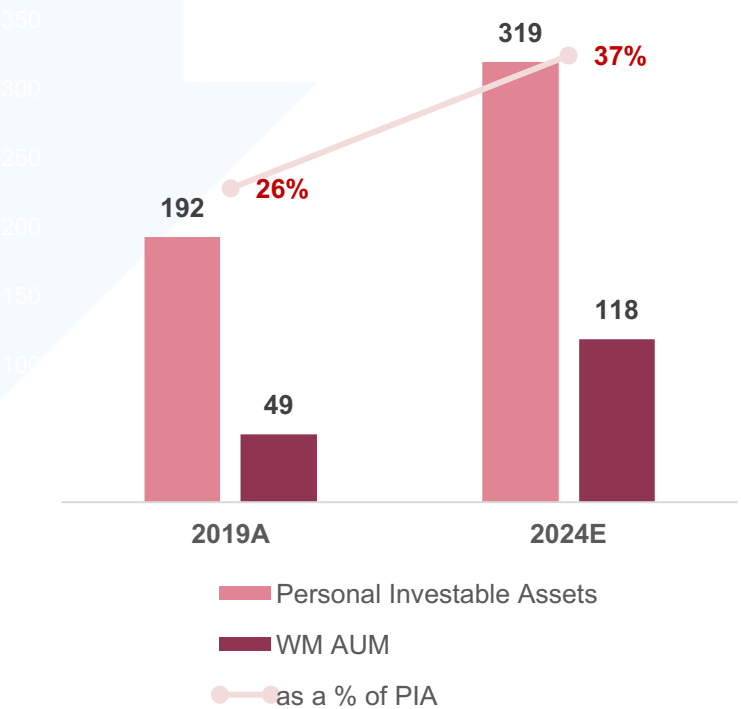
Massive Opportunity in China's Personal Financial Services Industry



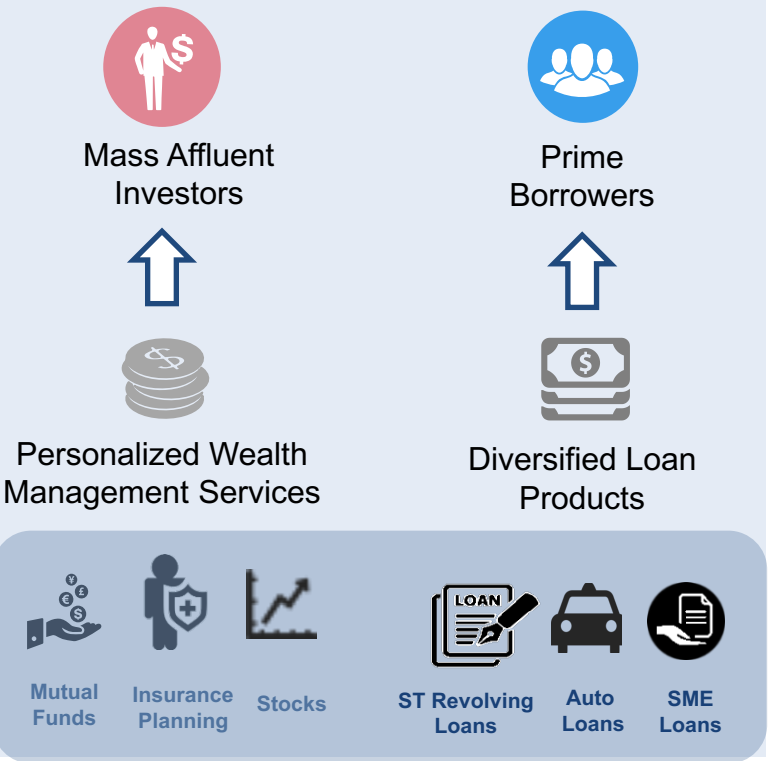
Wealth Management

Increasing Investment Needs

(in RMB trillion)



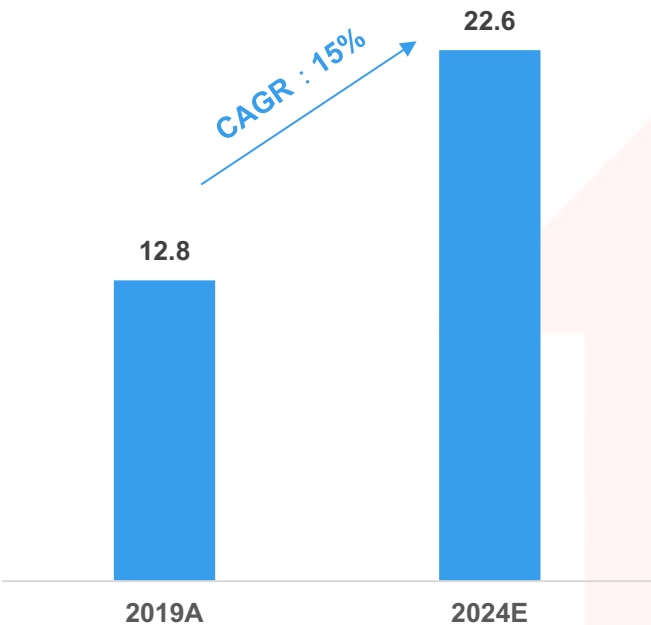
Source: Oliver Wyman



Consumer Credit

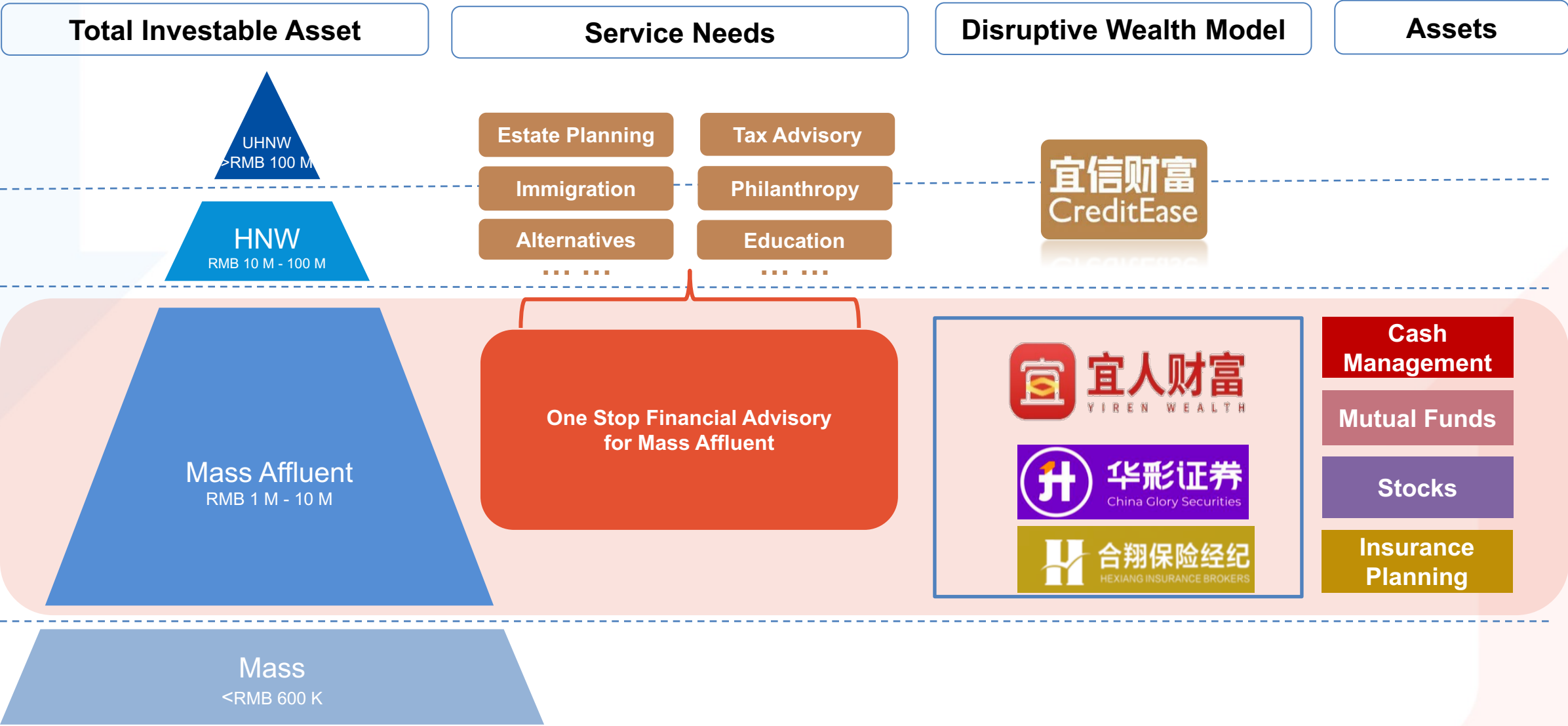
Customer Finance Market in China

(By outstanding balance, RMB trillion)

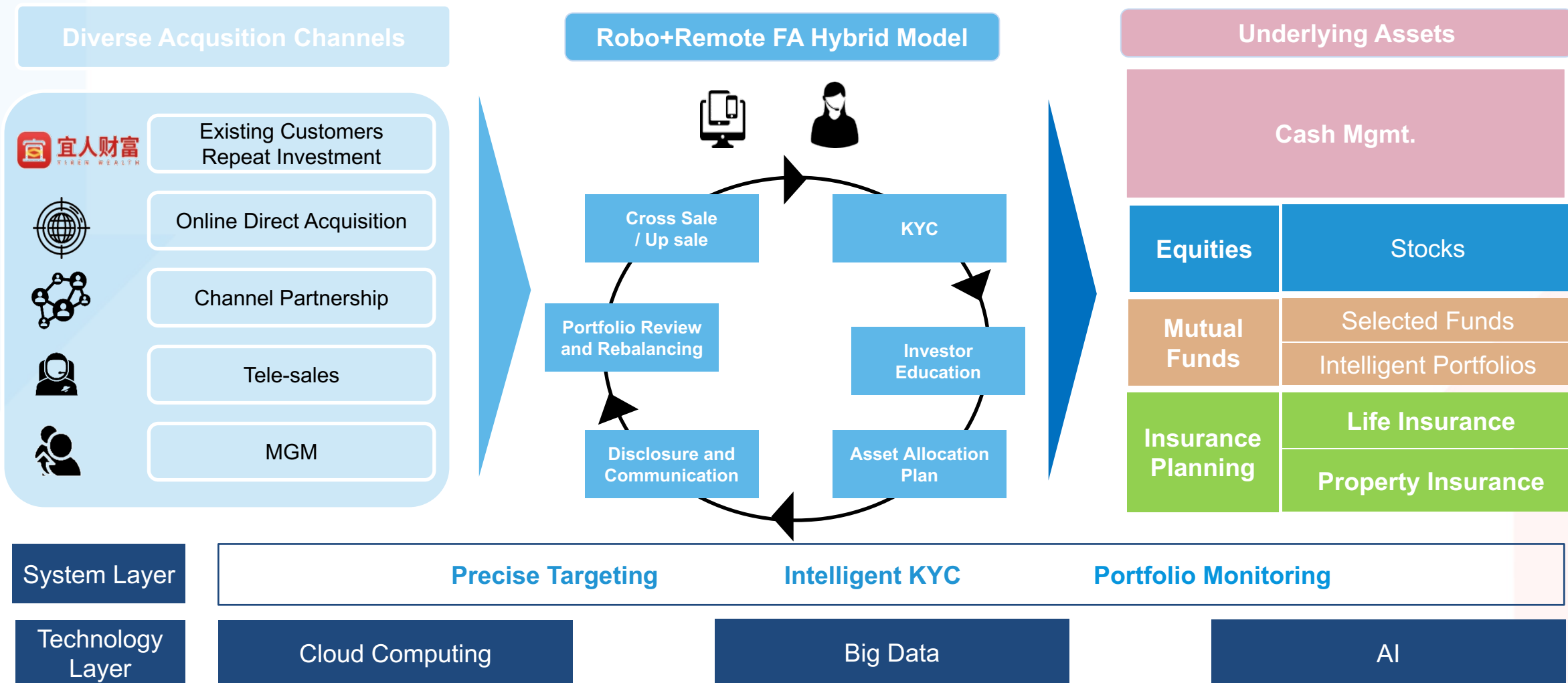


Source: Oliver Wyman

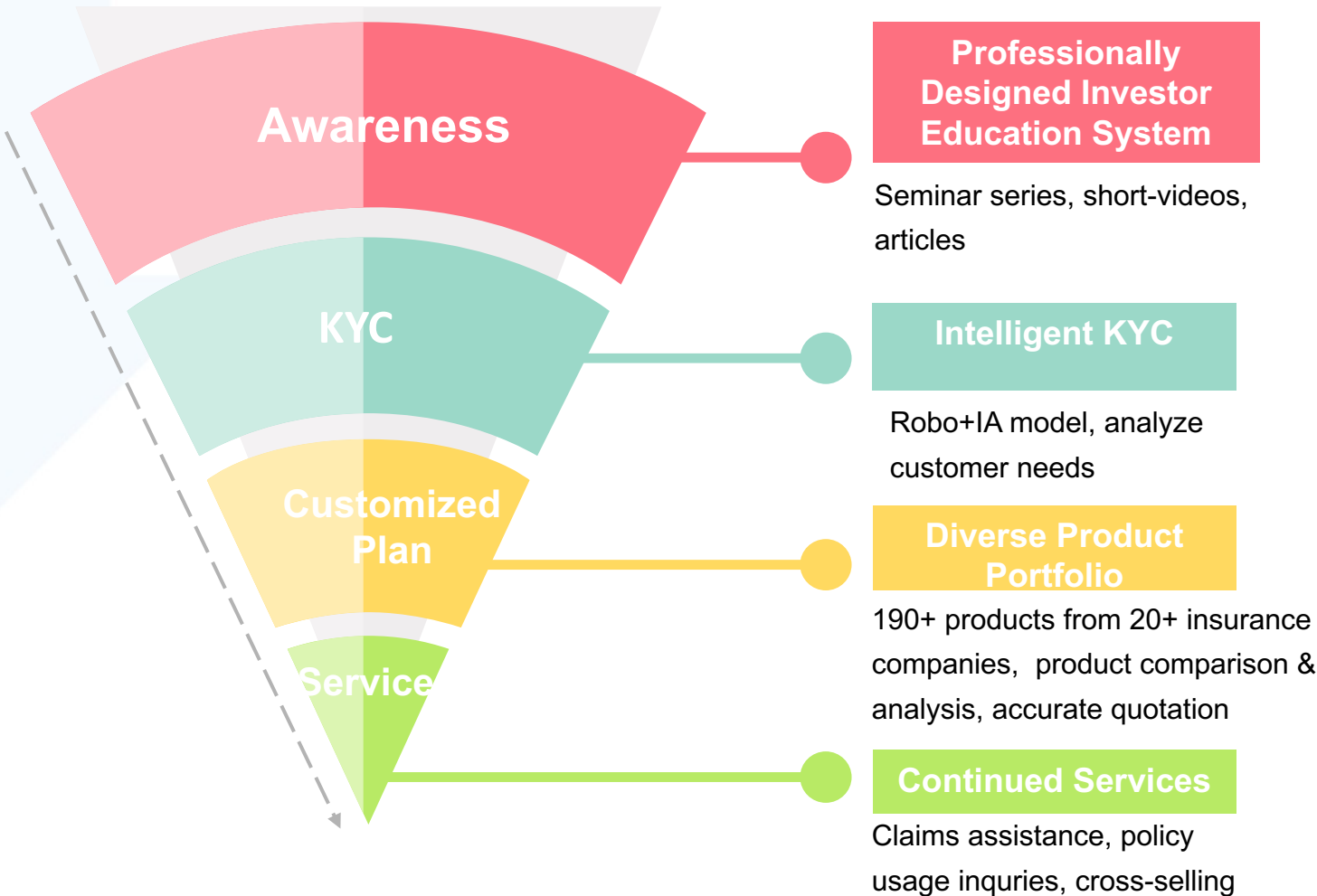
Our Wealth Management Strategy



Wealth Management Business Model

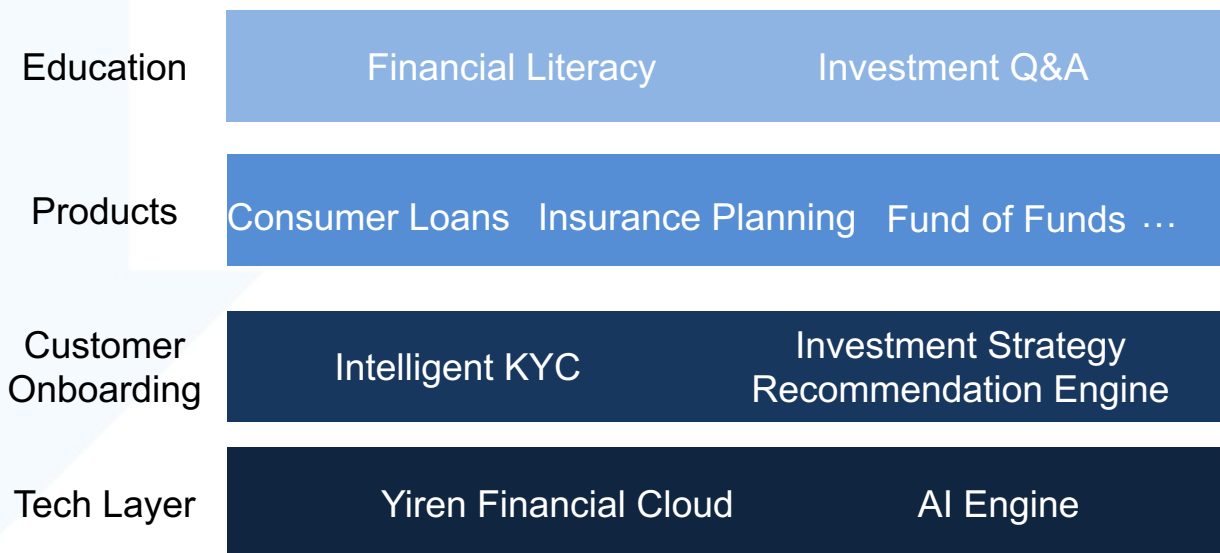


One-Stop Insurance Solution



Tech Driven Approach To User Retention & Conversion

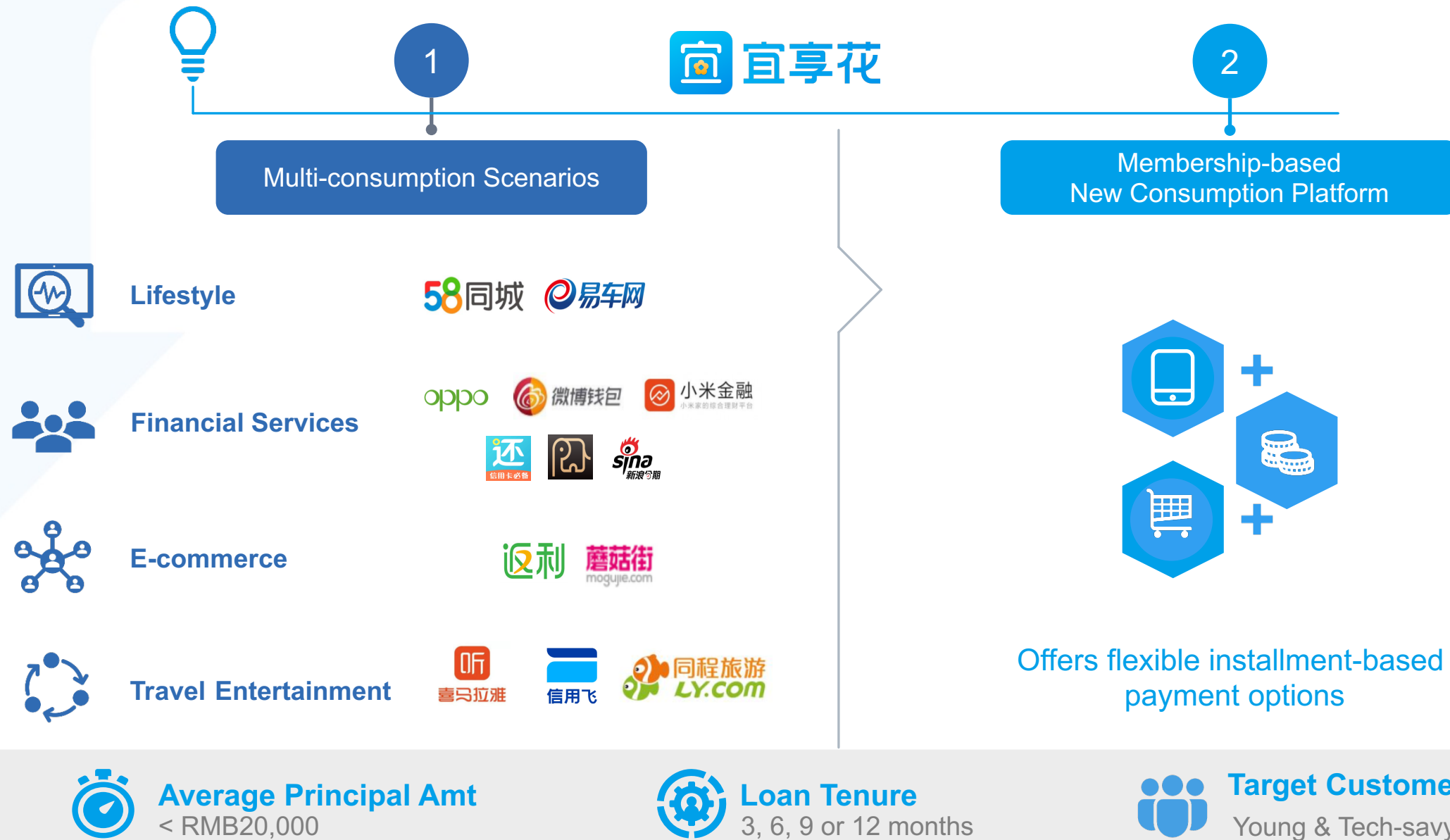
Yiri: AI-Based Financial Assistant



- 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

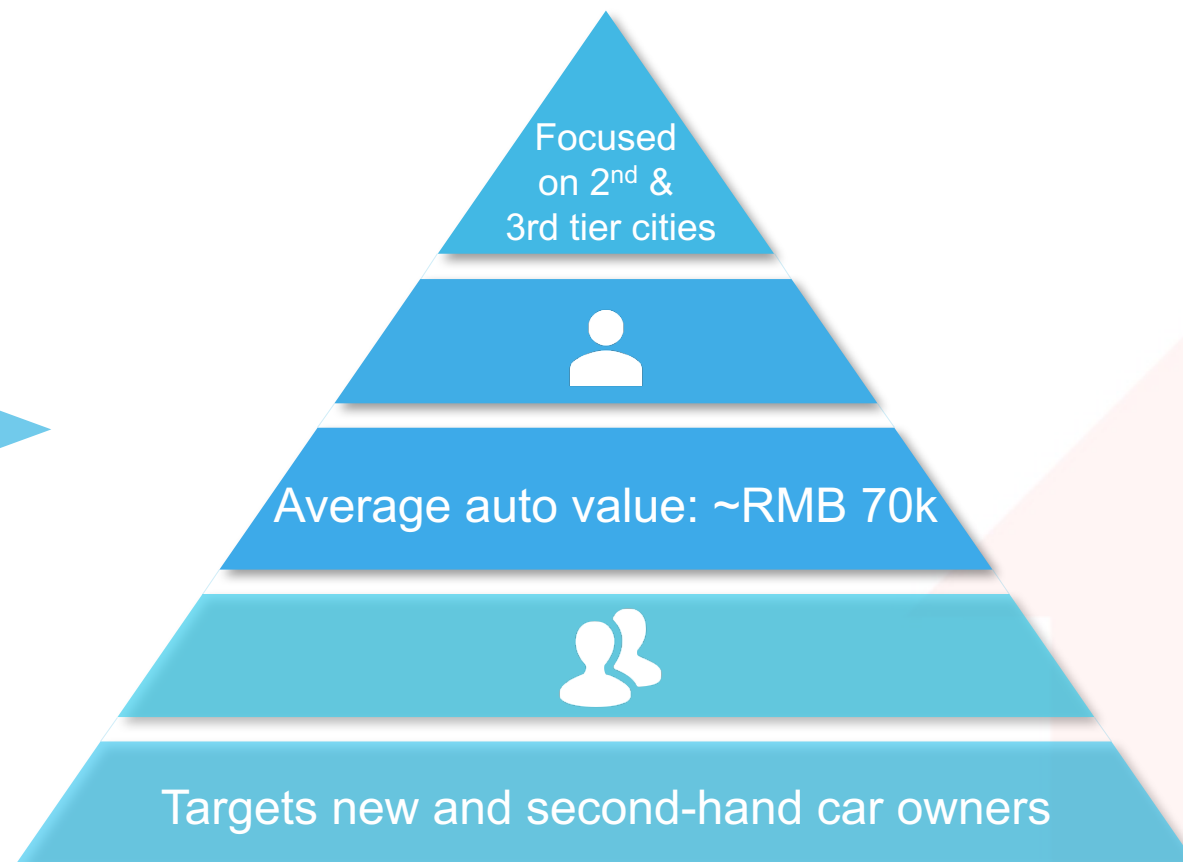
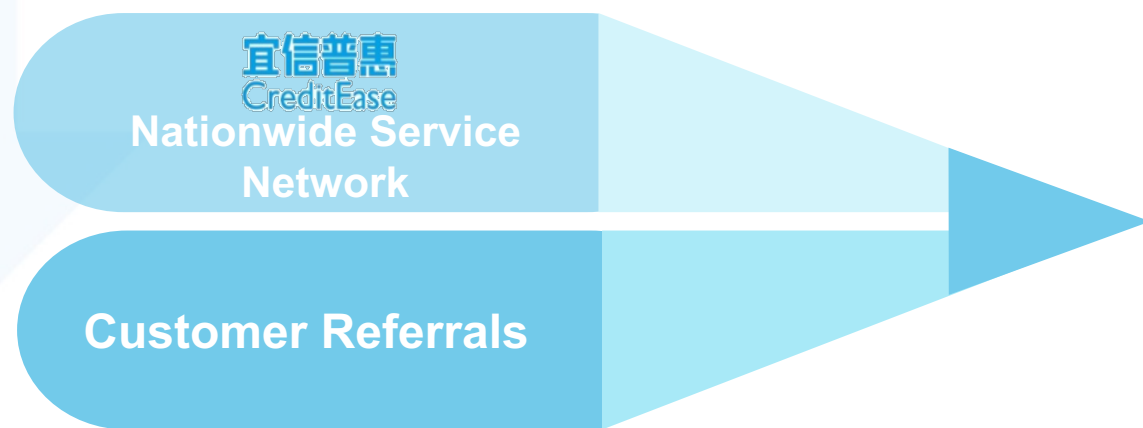


Full Spectrum of Credit Products : ST Revolving Loans



Full Spectrum of Credit Products : Secured Auto Loans

Customer Acquisition Channels



Average Principal Amt
~RMB 70,000

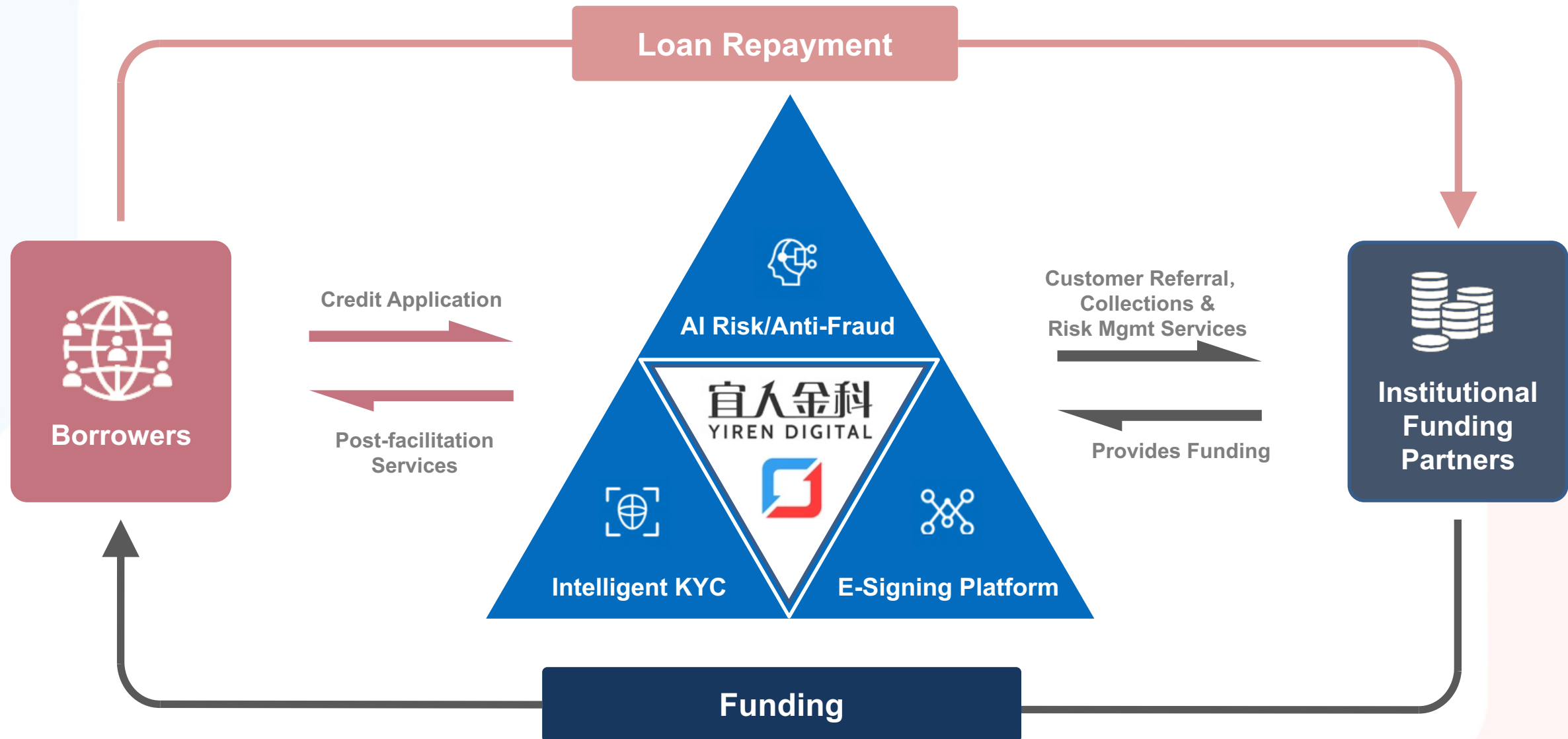


Loan Tenure
Average 30 months



Target Customer Base
Salaried Employees

Technology Driven Loan Facilitation Model



Growth Strategy



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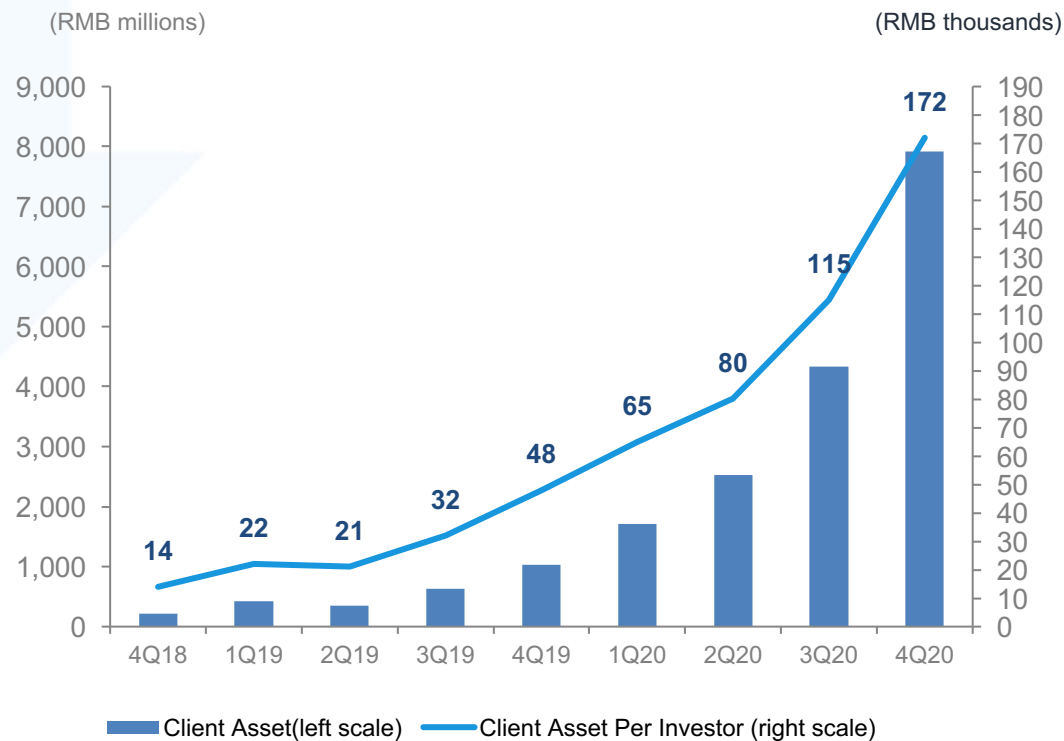
Business Highlights

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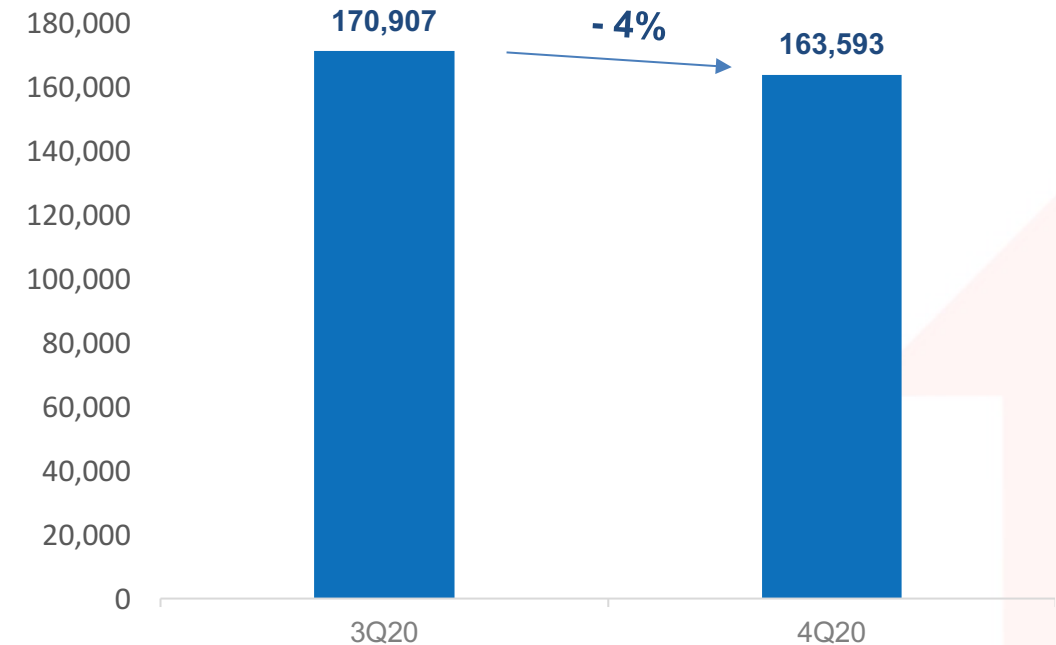
Key Financial Highlights

Wealth Management Gaining Traction

Client Asset Per Investor¹



Number of Active Investors²



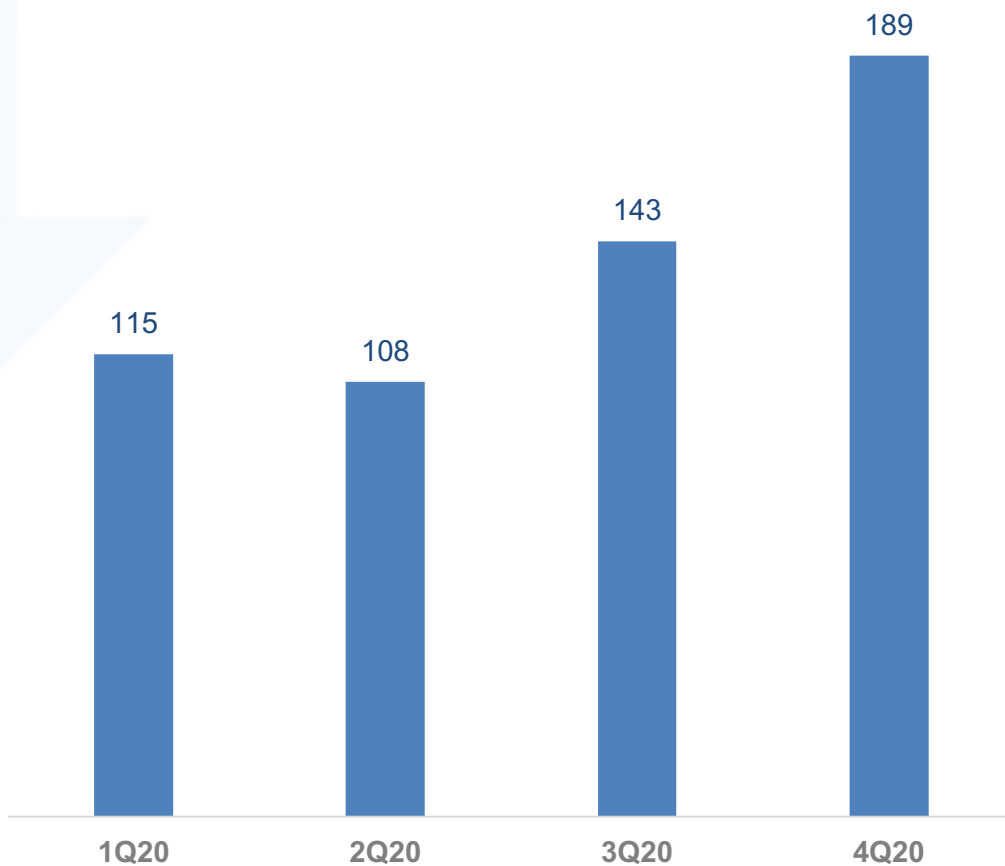
Note 1: Average client asset per investors refer to the investment in fund and short-term investing products per investor, excluding legacy products and insurance products.

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

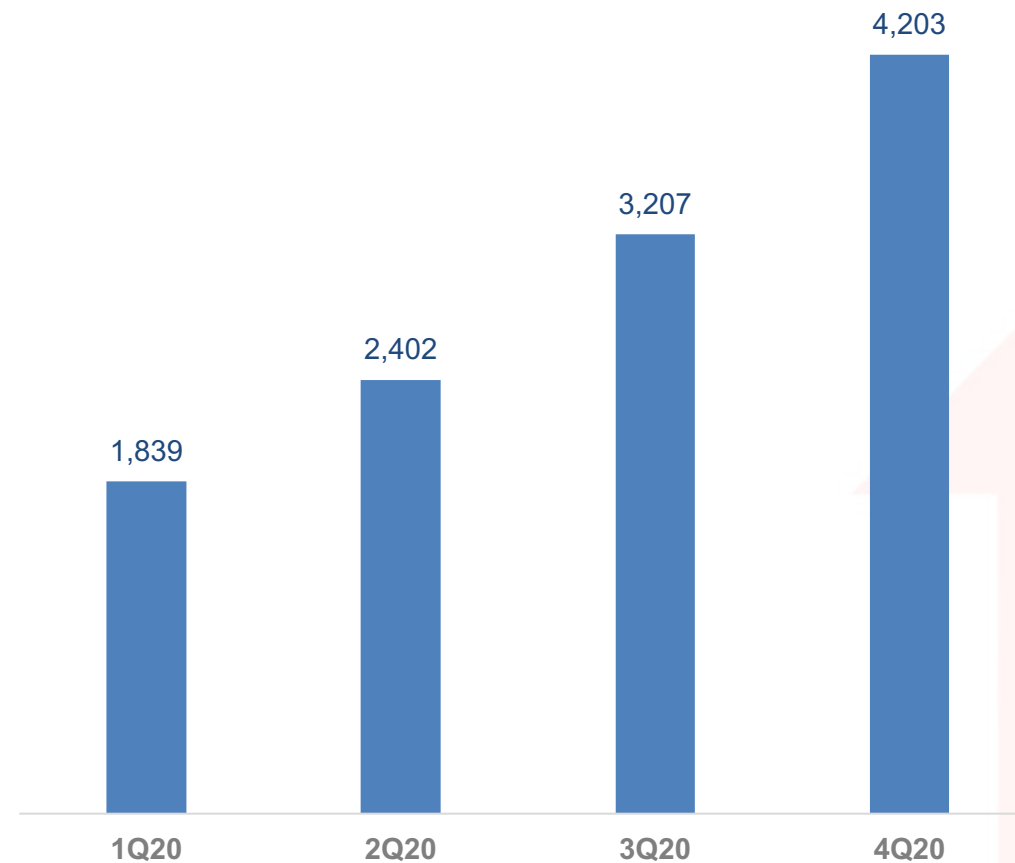
Number of Borrowers

(Thousands)



Loans Facilitated

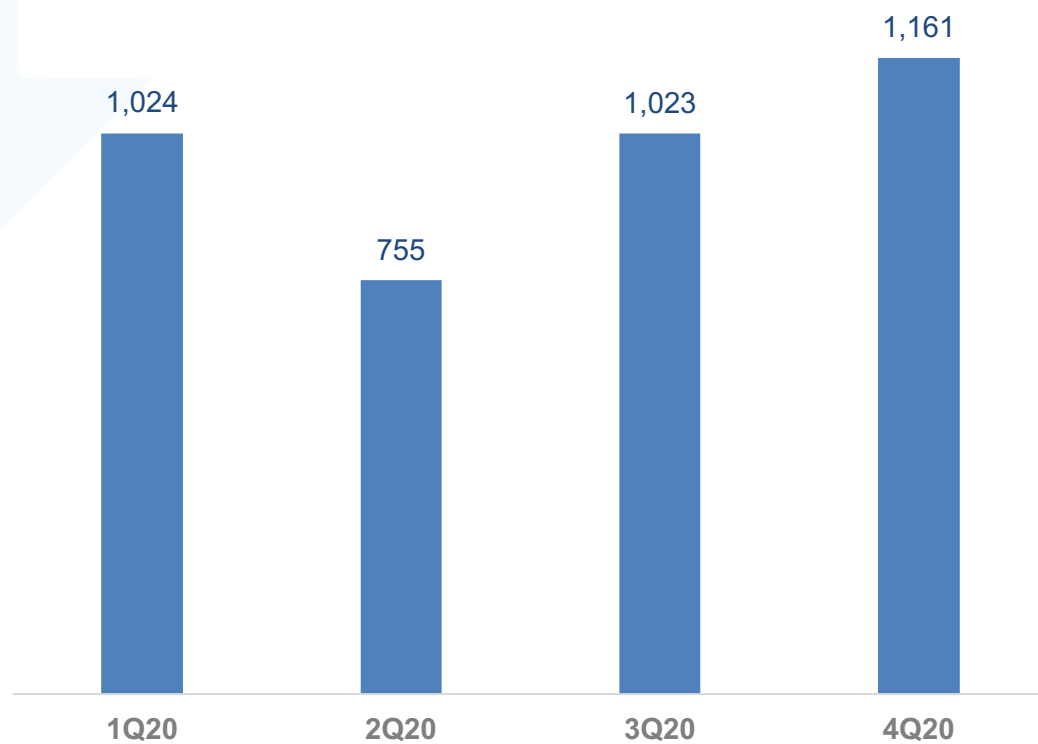
(RMB Million)



Financial Metrics

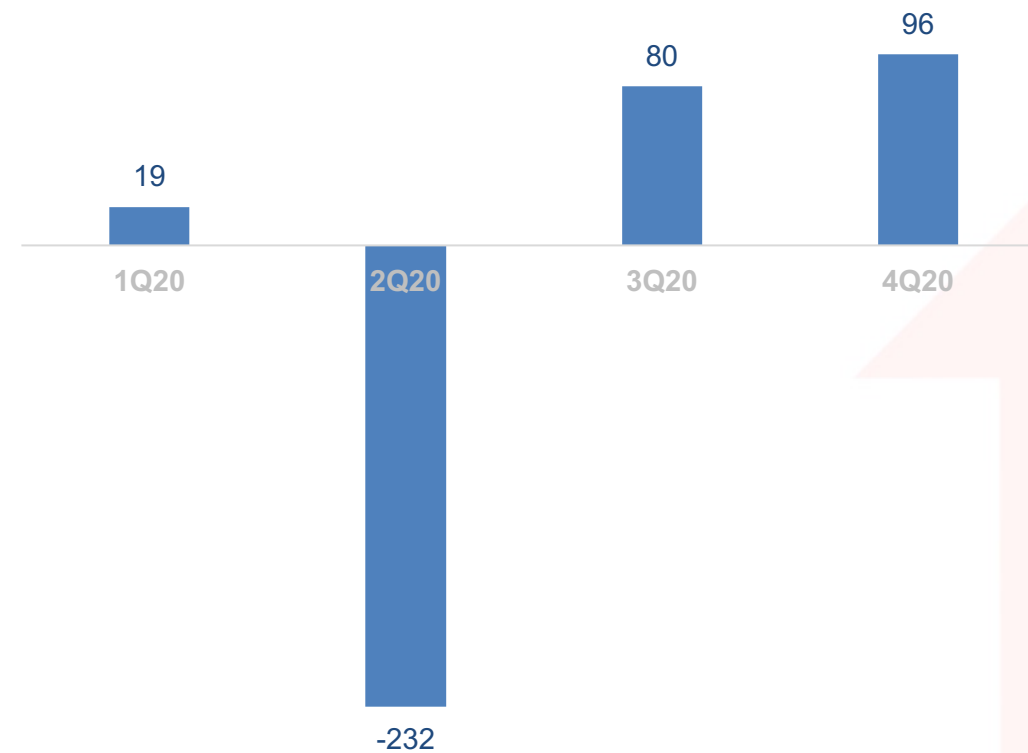
Net Revenue

(RMB Million)



Non-GAAP Net Income

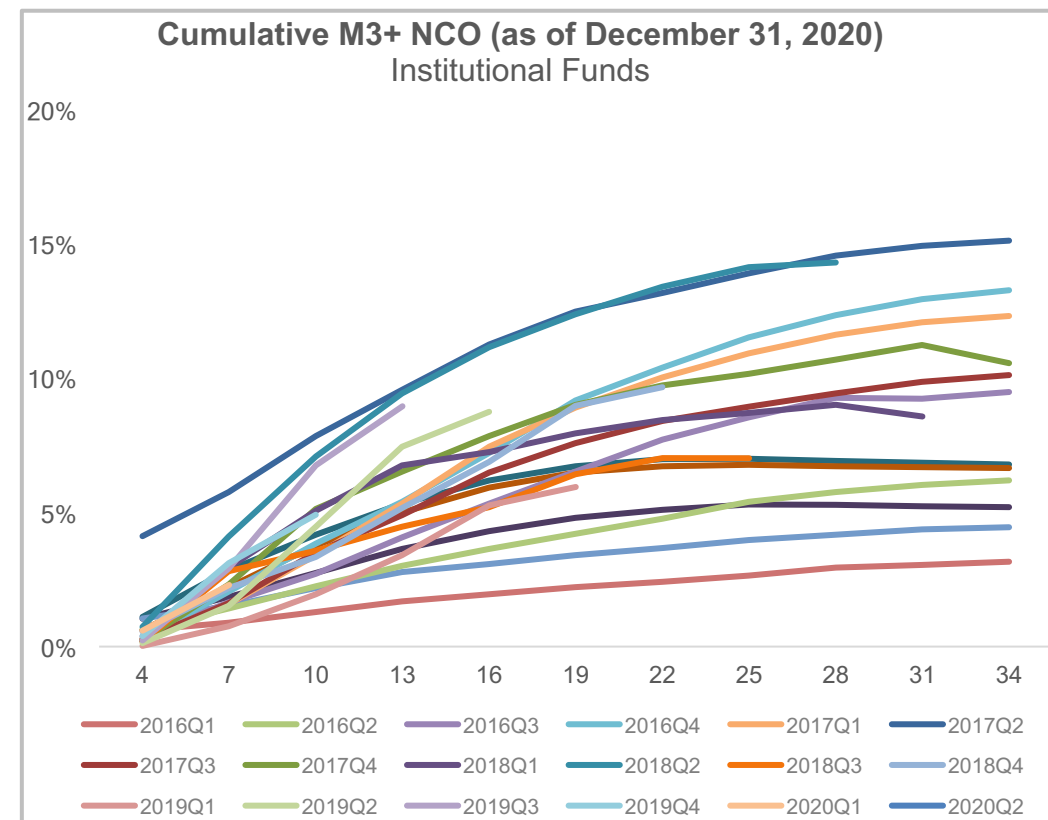
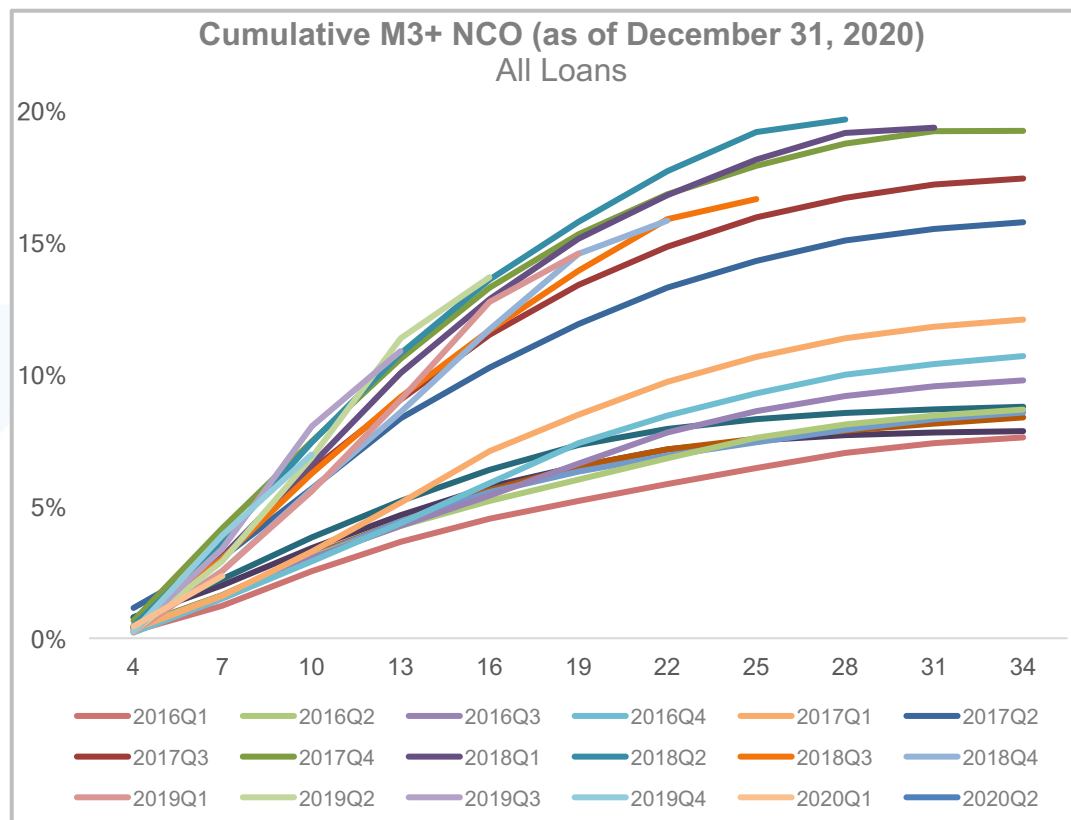
(RMB Million)



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!

Proven Credit Performance



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 "APPENDIX" is overlaid in the center in a large, white, sans-serif font.

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 31, 2019	September 30, 2020	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2020
	RMB	RMB	RMB	USD	RMB	RMB	USD
Net revenue:							
Loan facilitation services	1,602,341	406,413	393,682	60,334	5,182,028	1,329,720	203,789
Post-origination services	117,110	195,570	201,873	30,938	757,783	670,440	102,750
Account management services	489,641	157,327	50,566	7,750	2,016,678	921,779	141,269
Others	154,536	263,452	514,730	78,886	660,295	1,040,023	159,391
Total net revenue	2,363,628	1,022,762	1,160,851	177,908	8,616,784	3,961,962	607,199
Operating costs and expenses:							
Sales and marketing	960,396	485,055	295,133	45,231	4,457,353	1,905,095	291,969
Origination, servicing and other operating costs	173,942	239,655	596,926	91,483	665,083	1,104,682	169,300
General and administrative	139,935	159,670	149,276	22,878	741,268	630,555	96,637
Provision for contract assets, receivables and others	588,344	25,016	34,520	5,290	1,625,051	371,629	56,955
Loss of disposal	-	-	655,839	100,512	-	655,839	100,512
Total operating costs and expenses	1,862,617	909,396	1,731,694	265,394	7,488,755	4,667,800	715,373
Other income/(expenses):							
Interest income, net	10,454	11,003	8,554	1,311	73,367	61,623	9,444
Fair value adjustments related to Consolidated ABFE	(35,596)	(30,905)	(54,106)	(8,292)	3,866	(143,988)	(22,067)
Others, net	6,942	2,726	3,444	528	191,757	14,844	2,275
Total other (expenses)/income	(18,200)	(17,176)	(42,108)	(6,453)	268,990	(67,521)	(10,348)
Income/(loss) before provision for income taxes	482,811	96,190	(612,951)	(93,939)	1,397,019	(773,359)	(118,522)
Share of results of equity investees	2,088	-	-	-	(2,180)	-	-
Income tax expense/(benefit)	80,914	16,353	(53,342)	(8,175)	239,228	(80,611)	(12,354)
Net income/(loss)	403,985	79,837	(559,609)	(85,764)	1,155,611	(692,748)	(106,168)
Weighted average number of ordinary shares outstanding, basic	185,586,690	182,144,192	167,964,040	167,964,040	185,219,586	180,301,898	180,301,898
Basic income/(loss) per share	2.1768	0.4383	(3.3317)	(0.5106)	6.2391	(3.8422)	(0.5888)
Basic income/(loss) per ADS	4.3536	0.8766	(6.6634)	(1.0212)	12.4782	(7.6844)	(1.1776)
Weighted average number of ordinary shares outstanding, diluted	186,322,276	182,730,892	167,964,040	167,964,040	186,535,464	180,301,898	180,301,898
Diluted income/(loss) per share	2.1682	0.4369	(3.3317)	(0.5106)	6.1951	(3.8422)	(0.5888)
Diluted income/(loss) per ADS	4.3364	0.8738	(6.6634)	(1.0212)	12.3902	(7.6844)	(1.1776)

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, 2019	September 30, 2020	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2020
	RMB	RMB	RMB	USD	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data							
Net cash generated from/(used in) operating activities	88,104	3,098	(219,069)	(33,576)	274,168	282,028	43,222
Net cash provided by/(used in) investing activities	1,197,182	(99,460)	(981,096)	(150,359)	1,110,001	(1,796,663)	(275,351)
Net cash (used in)/provided by financing activities	(730,595)	81,693	899,487	137,853	(1,149,705)	955,448	146,429
Effect of foreign exchange rate changes	(2,336)	(3,389)	(538)	(82)	193	(2,807)	(430)
Net decrease in cash, cash equivalents and restricted cash	552,355	(18,058)	(301,216)	(46,164)	234,657	(561,994)	(86,130)
Cash, cash equivalents and restricted cash, beginning of period	2,716,787	3,026,422	3,008,364	461,052	3,034,485	3,269,142	501,018
Cash, cash equivalents and restricted cash, end of period	3,269,142	3,008,364	2,707,148	414,888	3,269,142	2,707,148	414,888

Balance Sheet

Unaudited Condensed Consolidated Balance Sheets (in thousands)

	As of			
	December 31, 2019	September 30, 2020	December 31, 2020	December 31, 2020
	RMB	RMB	RMB	USD
Cash and cash equivalents	3,198,086	2,836,229	2,469,909	378,530
Restricted cash	71,056	172,135	237,239	36,358
Accounts receivable	3,398	100,657	122,742	18,811
Contract assets, net	2,398,685	1,231,190	750,174	114,969
Contract cost	160,003	124,005	65,529	10,043
Prepaid expenses and other assets	1,333,221	986,747	278,591	42,697
Loans at fair value	418,492	180,058	192,156	29,449
Financing receivables	29,612	267,938	1,253,494	192,106
Amounts due from related parties	988,853	1,584,084	884,006	135,480
Held-to-maturity investments	6,627	2,349	3,286	504
Available-for-sale investments	460,991	511,267	175,515	26,899
Property, equipment and software, net	195,855	163,696	147,193	22,558
Deferred tax assets	45,407	50,175	16,745	2,566
Right-of-use assets	334,134	160,825	105,674	16,195
Total assets	9,644,420	8,371,355	6,702,253	1,027,165
Accounts payable	43,583	24,757	9,903	1,517
Amounts due to related parties	106,645	293,620	970,309	148,706
Liabilities from quality assurance program and guarantee	4,397	2,065	22,783	3,492
Deferred revenue	358,203	135,590	50,899	7,801
Payable to investors at fair value	-	9,876	52,623	8,065
Accrued expenses and other liabilities	2,338,745	1,993,273	1,686,632	258,488
Refund liability	1,801,535	1,285,109	10,845	1,662
Deferred tax liabilities	218,888	150,486	38,741	5,937
Lease liabilities	282,334	135,544	81,854	12,545
Total liabilities	5,154,330	4,030,320	2,924,589	448,213
Ordinary shares	121	121	121	19
Additional paid-in capital	5,038,691	5,059,529	5,058,176	775,199
Treasury stock	(37,097)	(40,147)	(40,147)	(6,153)
Accumulated other comprehensive income	21,855	18,595	17,108	2,622
Accumulated deficit	(533,480)	(697,063)	(1,257,594)	(192,735)
Total equity	4,490,090	4,341,035	3,777,664	578,952
Total liabilities and equity	9,644,420	8,371,355	6,702,253	1,027,165

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, 2019 RMB	September 30, 2020 RMB	December 31, 2020 RMB	December 31, 2020 USD	December 31, 2019 RMB	December 31, 2020 RMB	December 31, 2020 USD
Operating Highlights							
Amount of investment in legacy products	8,790,755	2,620,252	531,062	81,389	41,203,595	12,372,812	1,896,216
Number of investors in legacy products	105,849	41,851	15,610	15,610	348,832	122,085	122,085
Amount of investment in current investment products	2,548,414	4,593,256	6,836,906	1,047,802	3,929,131	15,779,685	2,418,343
Number of investors in current investment products	13,896	76,707	99,112	99,112	32,668	153,700	153,700
Amount of loans facilitated under loan facilitation model	1,086,746	3,148,367	4,202,538	644,067	3,431,443	9,614,819	1,473,535
Amount of loans facilitated	7,998,046	3,206,977	4,202,538	644,067	39,103,048	11,651,463	1,785,665
Number of borrowers	125,622	143,238	189,117	189,117	541,955	525,320	525,320
Remaining principal of performing loans facilitated under loan facilitation model	3,627,706	6,250,343	8,863,461	1,358,385	3,627,706	8,863,461	1,358,385
Remaining principal of performing loans	51,157,313	28,007,249	23,593,103	3,615,801	51,157,313	23,593,103	3,615,801
Segment Information							
Wealth management:							
Revenue	521,849	281,050	413,057	63,303	2,176,215	1,432,364	219,520
Sales and marketing expenses	67,080	43,879	39,012	5,979	643,542	195,671	29,988
Origination, servicing and other operating costs	3,061	105,522	266,492	40,842	87,477	442,507	67,817
Consumer credit:							
Revenue	1,841,779	741,712	747,794	114,605	6,440,569	2,529,598	387,679
Sales and marketing expenses	893,316	441,176	256,121	39,252	3,813,811	1,709,424	261,981
Origination, servicing and other operating costs	170,881	134,133	330,434	50,641	577,606	662,175	101,483
Reconciliation of Adjusted Net Income/(Loss)							
Net income/(loss)	403,985	79,837	(559,609)	(85,764)	1,155,611	(692,748)	(106,168)
Loss of disposal	-	-	655,839	100,512	-	655,839	100,512
Adjusted net income/(loss)	403,985	79,837	96,230	14,748	1,155,611	(36,909)	(5,656)
Reconciliation of Adjusted EBITDA							
Net income/(loss)	403,985	79,837	(559,609)	(85,764)	1,155,611	(692,748)	(106,168)
Interest income, net	(10,454)	(11,003)	(8,554)	(1,311)	(73,367)	(61,623)	(9,444)
Loss of disposal	-	-	655,839	100,512	-	655,839	100,512
Income tax expense/(benefit)	80,914	16,353	(53,342)	(8,175)	239,228	(80,611)	(12,354)
Depreciation and amortization	30,083	23,404	16,829	2,579	125,850	91,772	14,065
Share-based compensation	3,556	8,952	(2,274)	(349)	43,941	14,173	2,172
Adjusted EBITDA	508,084	117,543	48,889	7,492	1,491,263	(73,198)	(11,217)
Adjusted EBITDA margin	21.5%	11.5%	4.2%	4.2%	17.3%	-1.8%	-1.8%

Delinquency Rates

	Delinquency Rates			Including: Loan Facilitation Model		
	15-29 days	30-59 days	60-89 days	15-29 days	30-59 days	60-89 days
All Loans						
December 31, 2015	0.7%	1.2%	0.9%	1.3%	1.9%	1.5%
December 31, 2016	0.6%	0.9%	0.8%	0.6%	0.8%	0.7%
December 31, 2017	0.8%	1.0%	0.8%	0.5%	0.8%	0.6%
December 31, 2018	1.0%	1.8%	1.7%	1.0%	1.8%	1.7%
December 31, 2019	1.2%	2.0%	1.7%	0.8%	1.3%	1.0%
December 31, 2020	1.2%	1.7%	1.4%	0.5%	0.7%	0.6%
Online Channels						
December 31, 2015	0.5%	0.8%	0.6%	0.4%	0.7%	0.5%
December 31, 2016	0.5%	0.9%	0.8%	0.8%	1.1%	1.7%
December 31, 2017	1.3%	1.2%	0.9%	0.3%	0.2%	0.0%
December 31, 2018	1.2%	2.3%	2.2%	0.9%	1.7%	1.5%
December 31, 2019	1.6%	2.9%	2.5%	1.0%	2.1%	1.6%
December 31, 2020	0.9%	1.5%	1.6%	0.6%	1.0%	1.1%
Offline Channels						
December 31, 2015	0.7%	1.2%	1.0%	1.3%	2.0%	1.6%
December 31, 2016	0.6%	0.9%	0.8%	0.6%	0.8%	0.7%
December 31, 2017	0.6%	0.9%	0.7%	0.5%	0.9%	0.7%
December 31, 2018	0.9%	1.6%	1.5%	1.1%	1.9%	1.8%
December 31, 2019	1.0%	1.7%	1.5%	0.7%	0.9%	0.7%
December 31, 2020	1.3%	1.8%	1.3%	0.4%	0.6%	0.4%

M3+ NCO by Vintage

Net Charge-Off Rate				Including: Loan Facilitation Model		
Loan Issued Period	Amount of Loans Facilitated During the Period	Accumulated M3+ Net		Amount of Loans Facilitated During the Period	Accumulated M3+ Net	
		Charge-Off as of December 31, 2020	Total Net Charge-Off Rate as of December 31, 2020		Charge-Off as of December 31, 2020	Total Net Charge-Off Rate as of December 31, 2020
	(in RMB thousands)	(in RMB thousands)		(in RMB thousands)	(in RMB thousands)	
2015	53,143,029	4,409,316	8.3%	4,530,824	253,460	5.6%
2016	53,805,112	5,024,432	9.3%	3,749,815	321,396	8.6%
2017	69,883,293	11,815,925	16.9%	5,043,494	535,515	10.6%
2018	63,176,149	11,725,429	18.6%	4,211,573	427,707	10.2%
2019	39,103,048	5,305,343	13.6%	3,431,443	293,272	8.5%
2020Q1-Q3	6,781,464	45,840	0.7%	5,412,281	44,695	0.8%

M3+ NCO by Vintage

Loan Issued Period	M3+ Net Charge-Off Rate												Including: Loan Facilitation Model											
	Month on Book												Month on Book											
	4	7	10	13	16	19	22	25	28	31	34		4	7	10	13	16	19	22	25	28	31	34	
2015Q1	0.8%	2.0%	3.4%	4.7%	5.7%	6.5%	7.1%	7.5%	7.7%	7.8%	7.8%		1.0%	1.9%	2.7%	3.6%	4.3%	4.8%	5.1%	5.3%	5.3%	5.2%	5.2%	
2015Q2	0.8%	2.3%	3.8%	5.2%	6.4%	7.3%	7.9%	8.3%	8.5%	8.7%	8.8%		1.1%	2.8%	4.2%	5.3%	6.2%	6.7%	7.0%	7.0%	6.9%	6.8%	6.8%	
2015Q3	0.4%	1.6%	3.1%	4.4%	5.6%	6.5%	7.1%	7.6%	7.9%	8.1%	8.4%		0.6%	2.2%	3.8%	5.0%	5.9%	6.5%	6.7%	6.8%	6.7%	6.7%	6.7%	
2015Q4	0.4%	1.6%	3.1%	4.4%	5.5%	6.3%	6.9%	7.4%	7.9%	8.3%	8.5%		1.0%	1.5%	2.2%	2.8%	3.1%	3.4%	3.7%	4.0%	4.2%	4.4%	4.4%	
2016Q1	0.3%	1.2%	2.5%	3.6%	4.5%	5.2%	5.8%	6.4%	7.0%	7.4%	7.6%		0.6%	0.9%	1.3%	1.7%	2.0%	2.2%	2.4%	2.7%	2.9%	3.0%	3.2%	
2016Q2	0.4%	1.6%	3.1%	4.3%	5.2%	6.0%	6.8%	7.6%	8.1%	8.4%	8.7%		0.6%	1.4%	2.3%	3.0%	3.6%	4.2%	4.8%	5.4%	5.8%	6.0%	6.2%	
2016Q3	0.3%	1.6%	3.1%	4.3%	5.4%	6.6%	7.8%	8.6%	9.2%	9.5%	9.8%		0.4%	1.7%	2.7%	4.1%	5.3%	6.5%	7.7%	8.6%	9.3%	9.3%	9.5%	
2016Q4	0.2%	1.5%	2.9%	4.4%	5.9%	7.4%	8.4%	9.3%	10.0%	10.4%	10.7%		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%	3.3%	5.1%	7.1%	8.5%	9.7%	10.7%	11.3%	11.8%	12.1%		0.3%	1.6%	3.4%	5.3%	7.5%	8.9%	10.0%	10.9%	11.6%	12.1%	12.3%	
2017Q2	1.1%	3.0%	5.7%	8.3%	10.2%	11.9%	13.3%	14.3%	15.1%	15.5%	15.8%		4.1%	5.8%	7.9%	9.6%	11.3%	12.5%	13.2%	13.9%	14.6%	14.9%	15.1%	
2017Q3	0.4%	3.1%	6.4%	9.0%	11.5%	13.4%	14.8%	15.9%	16.7%	17.2%	17.4%		0.3%	1.6%	3.5%	4.9%	6.5%	7.6%	8.4%	8.9%	9.4%	9.9%	10.1%	
2017Q4	0.7%	4.1%	7.5%	10.6%	13.3%	15.3%	16.8%	17.9%	18.7%	19.2%	19.2%		0.2%	2.3%	5.1%	6.5%	7.9%	9.0%	9.7%	10.2%	10.7%	11.2%	10.6%	
2018Q1	0.4%	3.1%	6.6%	10.0%	12.9%	15.1%	16.8%	18.1%	19.1%	19.3%			0.2%	2.9%	5.1%	6.8%	7.2%	7.9%	8.4%	8.7%	9.0%	8.6%		
2018Q2	0.5%	3.7%	7.4%	10.8%	13.6%	15.8%	17.7%	19.2%	19.6%				0.7%	4.1%	7.1%	9.4%	11.2%	12.4%	13.4%	14.1%	14.3%			
2018Q3	0.4%	3.0%	6.2%	9.1%	11.7%	13.9%	15.9%	16.6%					0.2%	2.8%	3.6%	4.5%	5.2%	6.4%	7.0%	7.0%				
2018Q4	0.3%	2.5%	5.6%	8.6%	11.7%	14.5%	15.8%						0.6%	2.2%	3.4%	5.2%	6.9%	9.0%	9.7%					
2019Q1	0.2%	2.5%	5.6%	9.0%	12.7%	14.6%							0.0%	0.8%	2.0%	3.4%	5.3%	5.9%						
2019Q2	0.3%	2.9%	6.9%	11.3%	13.7%								0.1%	1.5%	4.5%	7.5%	8.8%							
2019Q3	0.3%	3.4%	8.0%	10.9%									0.2%	2.9%	6.8%	9.0%								
2019Q4	0.3%	3.9%	7.0%										0.4%	3.1%	4.9%									
2020Q1	0.5%	2.4%											0.6%	2.3%										
2020Q2	0.4%												0.5%											