



Yiren Digital

Investor Presentation

November, 2024



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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 Yiren Digital’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.

Our Vision

“Our vision is to elevate customers' life quality by delivering AI-powered digital services, while also empowering the technological capabilities of selected sectors.”

Better tech. Better life.

01 Company Overview

A Leading AI-Driven Financial & Lifestyle Services Platform

Diversified Business Lines Driving Innovation and Value



Financial Services

Revolving loan services provide liquidity to individuals, families, and businesses, aiding in financial health by offering balanced repayment and consumption plans.



Life & Property Insurance

Customized insurance services to cater to wide-ranging needs in education, healthcare, retirement planning, asset protection, and business growth.



Consumption and lifestyle

Satisfying diverse quality-of-life needs through membership benefits and various products and services, including entertainment, travel, skincare and more.



Intelligent Customer Service



Intelligent Marketing/Operations

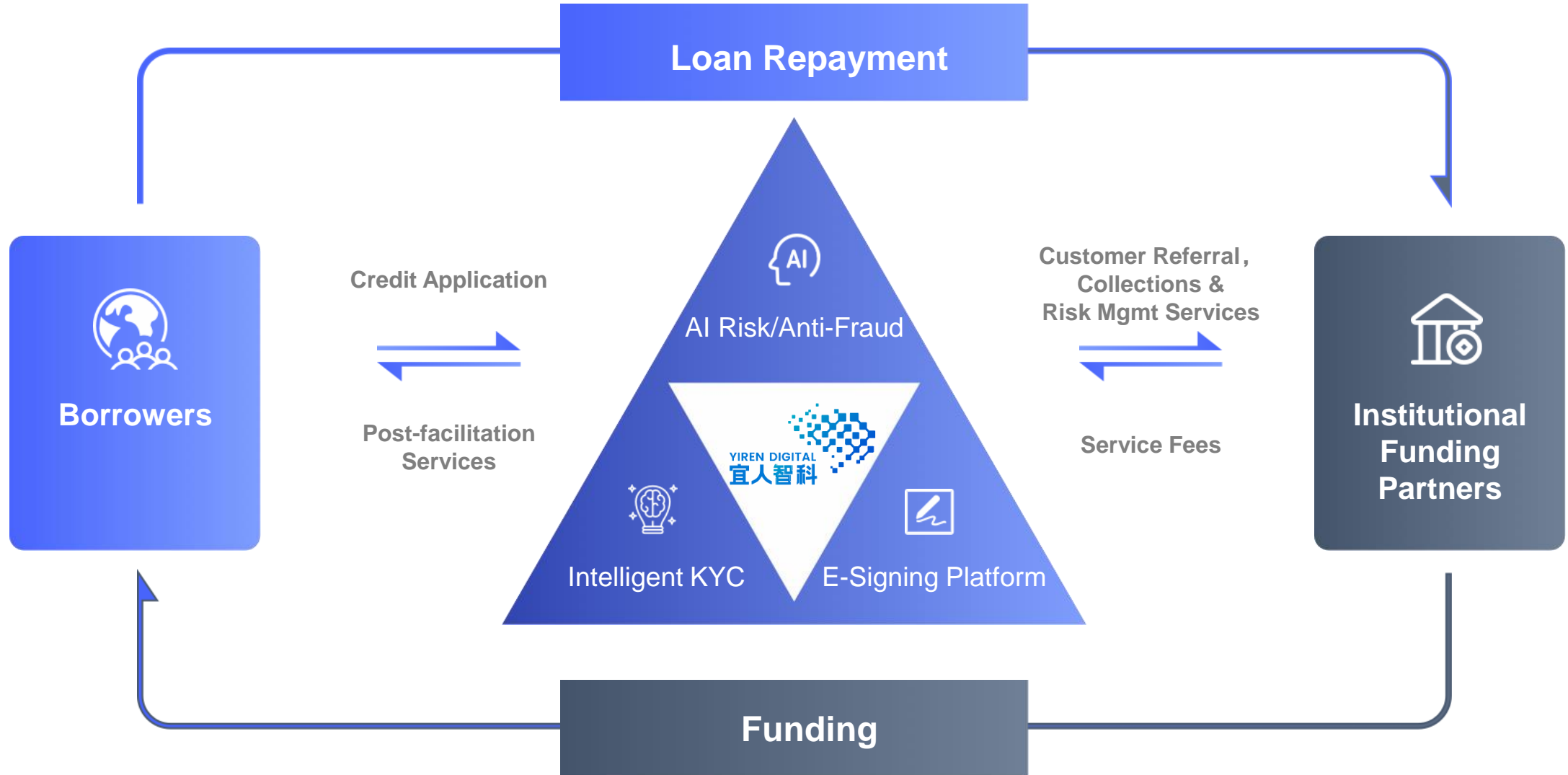


Intelligent Risk Management



Intelligent Product Selection

Financial Services: Technology Driven Loan Facilitation Model



Revolving Financing Services

Precise Targeting, Diverse Acquisition

Precise-targeting Customers

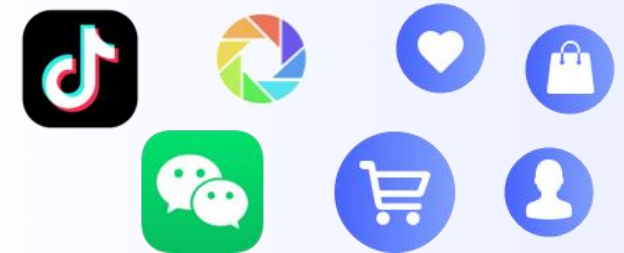
- **100mn+** borrowers served
- Mainly aged 25-40
- Stable salary or self-employed



Revolving loans
ranging from
4-200k

Multi-acquisition Channels

- Social media marketing
- E-commerce & life service platforms



Average Principal
Amt RMB 6k-7k



Loan Tenor
3, 6, 9 or 12 months



Flexible
repayment options

Strong Risk Control Capability

Extensive Data Accumulation

- **18 years** of experience and data accumulation in the credit-tech business
Strong capability to understand data across economic cycles and the lifecycle of loans.
- **Over 100 million** of registered users, and **millions** of customers' database

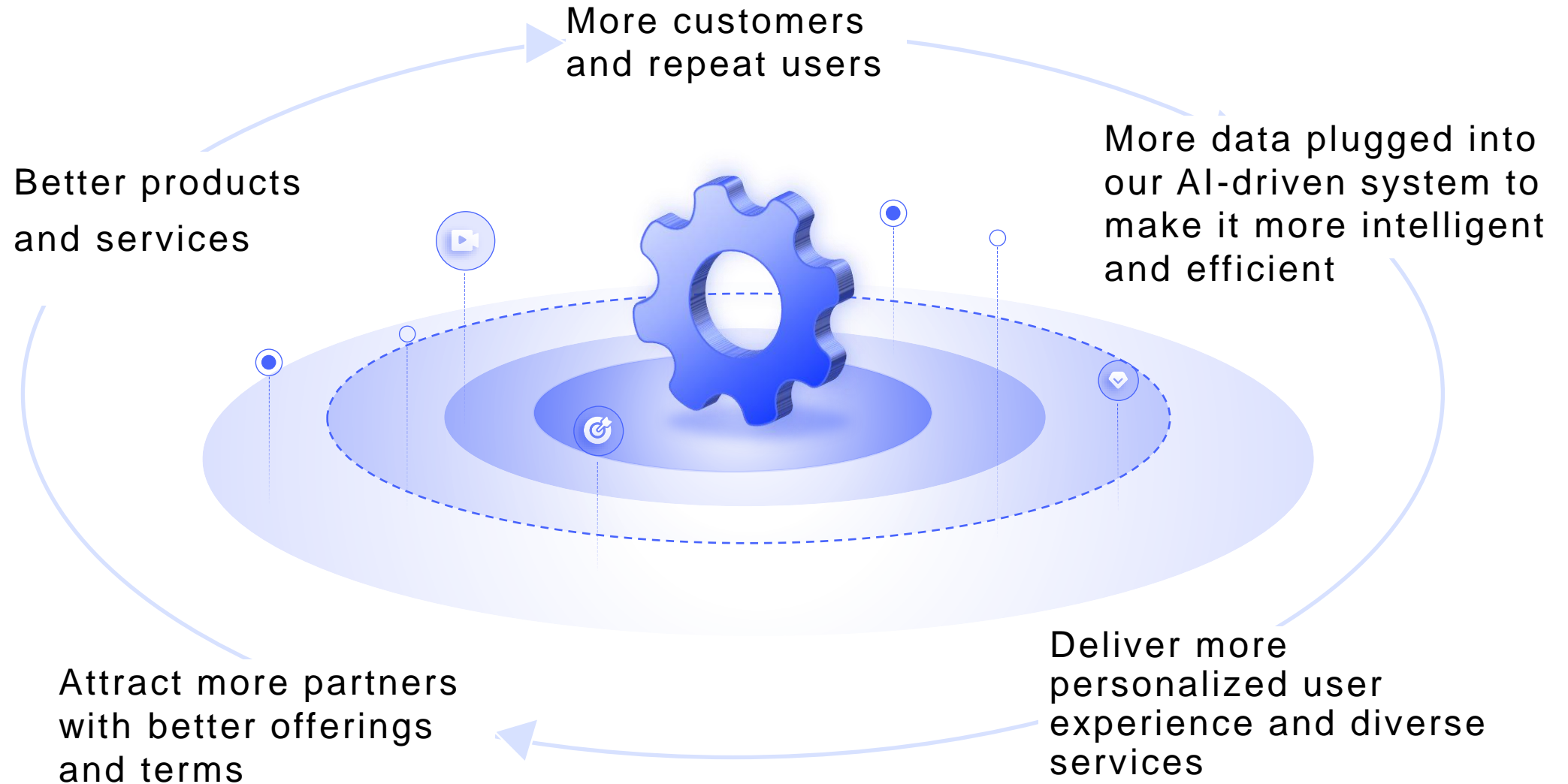
Comprehensive Credit Data

- **30+** Credit Enhancement Agencies , **60+** Products.
Over **11,000 dimensions** of external data are incorporated.
- Rich data pool covering credit records, income details, bank statements, consumption records, shopping behaviors, anti-fraud info etc.
- Identified approx. **20,000** features based on the second-generation credit reports

Anti-fraud and Blacklist Database

- Implemented a social-network-based anti-fraud monitoring system.
- Owns an **800 million-entry** blacklist, covering high-bit IDs, phone numbers, devices, and IP addresses.

Data-powered Flywheel to Drive Growth



Insurance: Providing Full Spectrum Products and Services

- Competitive edges:**
- 1) Nationwide business deployment
 - 2) Experienced teams on property, life insurance and internet industry
 - 3) Strong capacities in product innovation and market expansion

Customer Acquisition

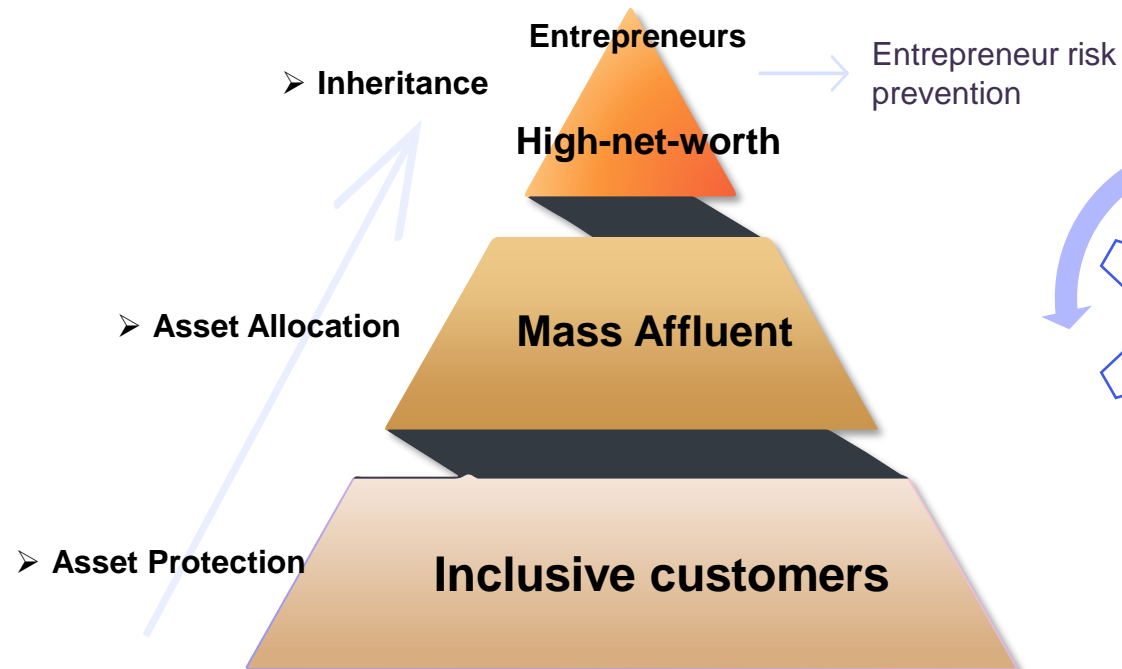
450+ Insurance Agents from
30+ Branches Nationwide

Customer Resources
within CE ecosystem

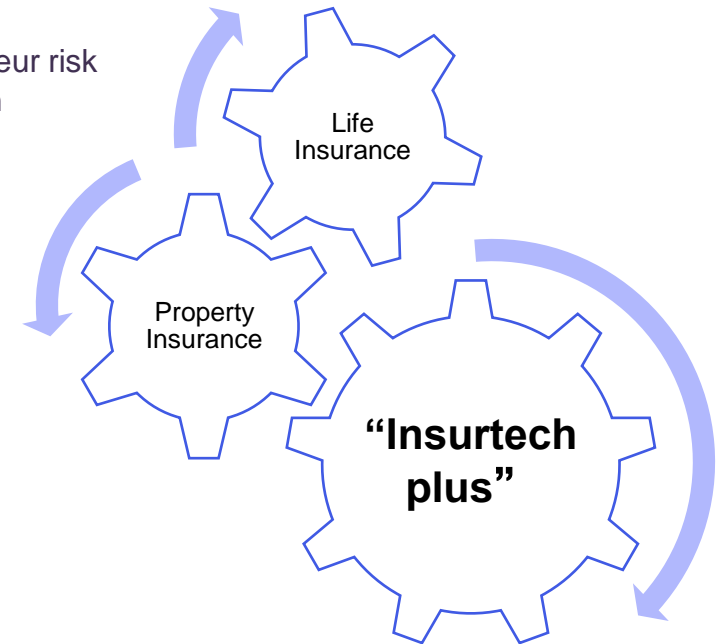
Cross-Sector Cooperation
and Online Marketing

Unique 2B2C Channel

Multi-layer of customer needs



Product Strategy



Note: As a licensed insurance broker, Hexiang does not take any underwriting risks.

Insurance 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.

合翔保险经纪
HEXIANG INSURANCE BROKERS

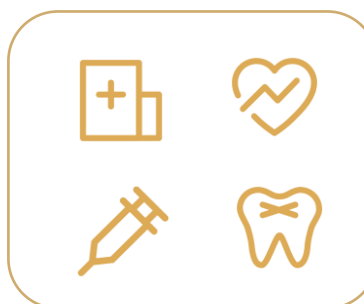
Customization & Digitalization

Servicing Capabilities

Tech-driven KYC

Rich Application Scenarios

Medicine & Healthcare



Travel & Leisure



Wealth & Finance



Engineering & Construction



Property Insurance + Life Insurance

Insurance Ecosystem

Note: As a licensed insurance broker, Hexiang does not take any underwriting risks.

Insurance: Diverse and Rich Resources and Networks

► As of September.30
2024,

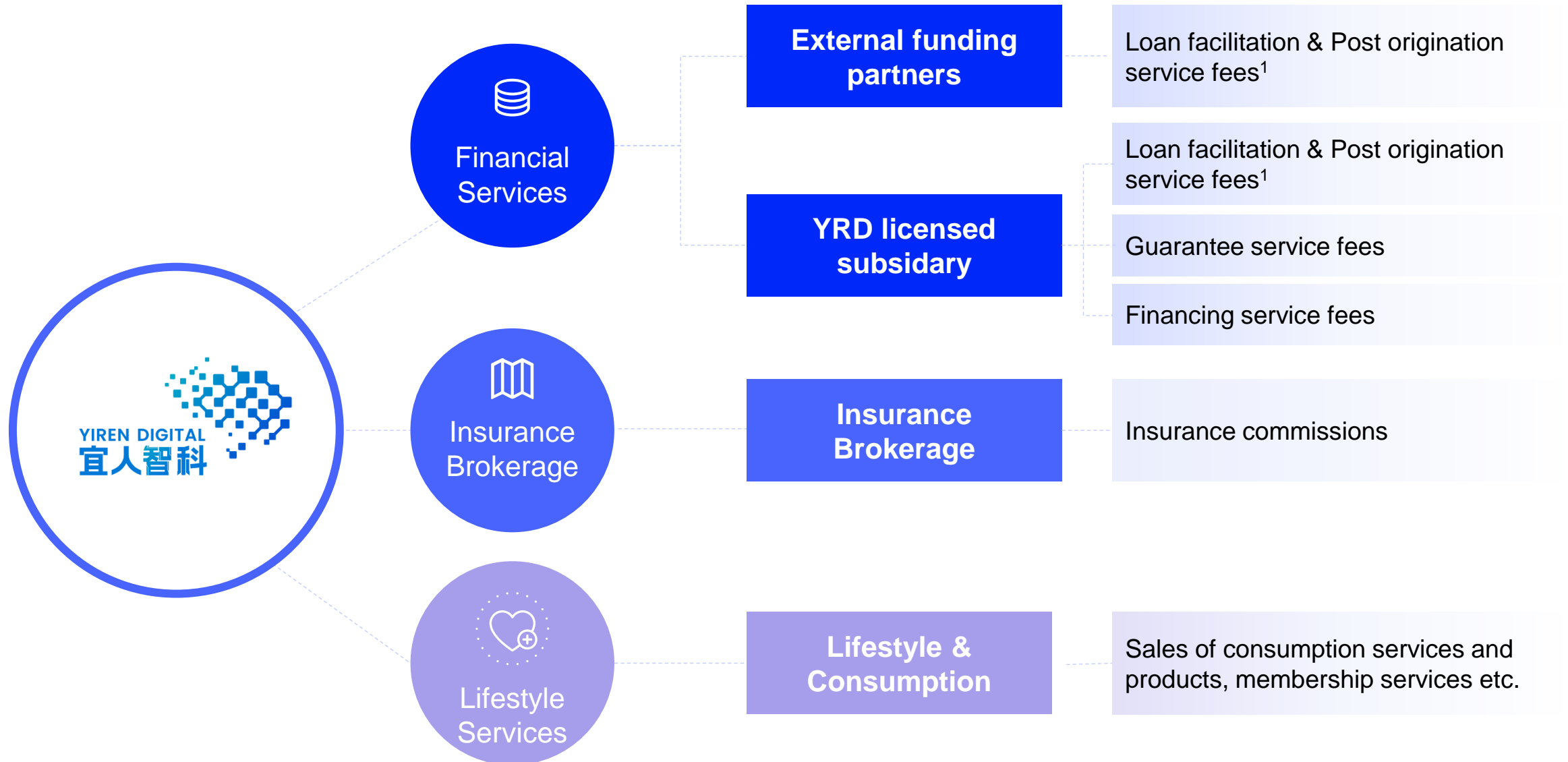
130+ Partner
Institutions
Nationwide

1000+ insurance
products on the shelf



Our Partnering Insurers

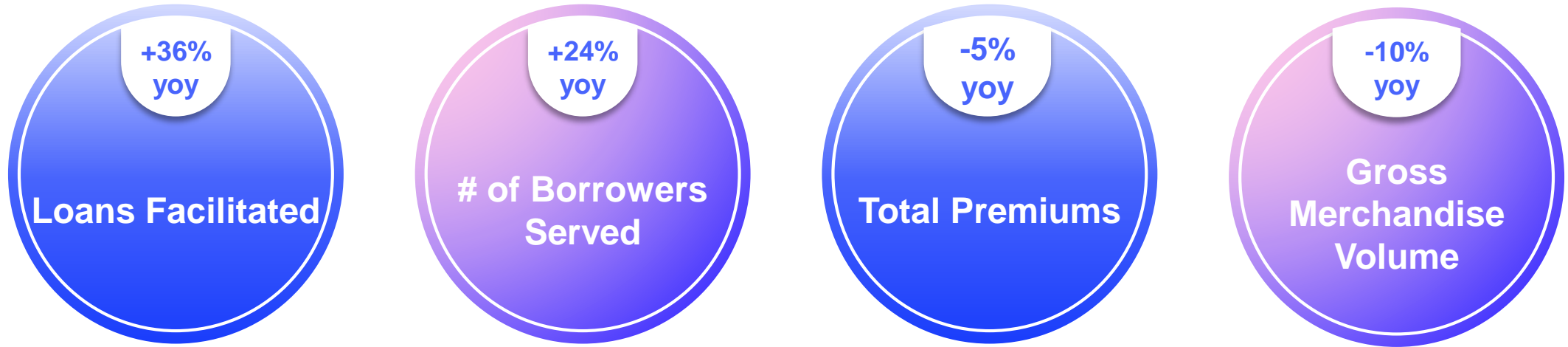
Revenue Models and Monetization



Note¹: Including customer acquisition, risk profiling, collection, etc.

02 Key Financial Highlights

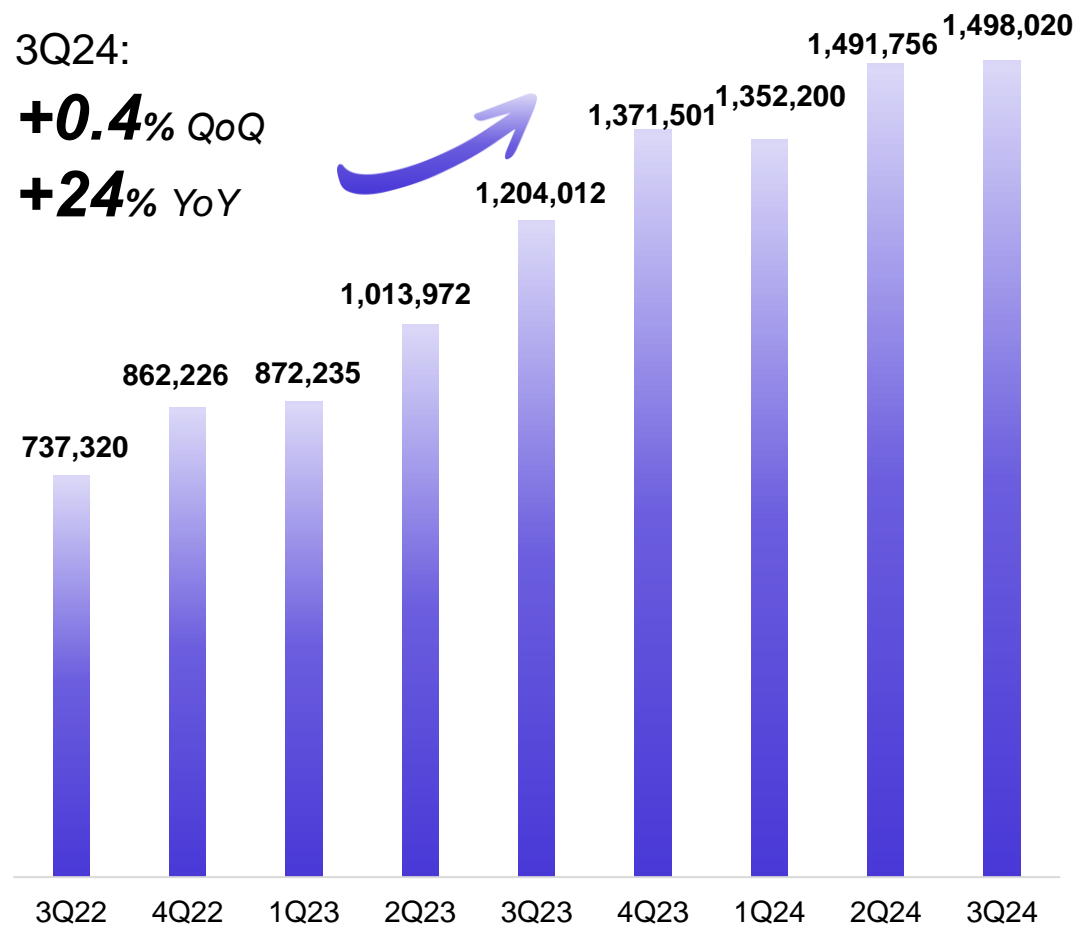
What We Achieved in 3Q24



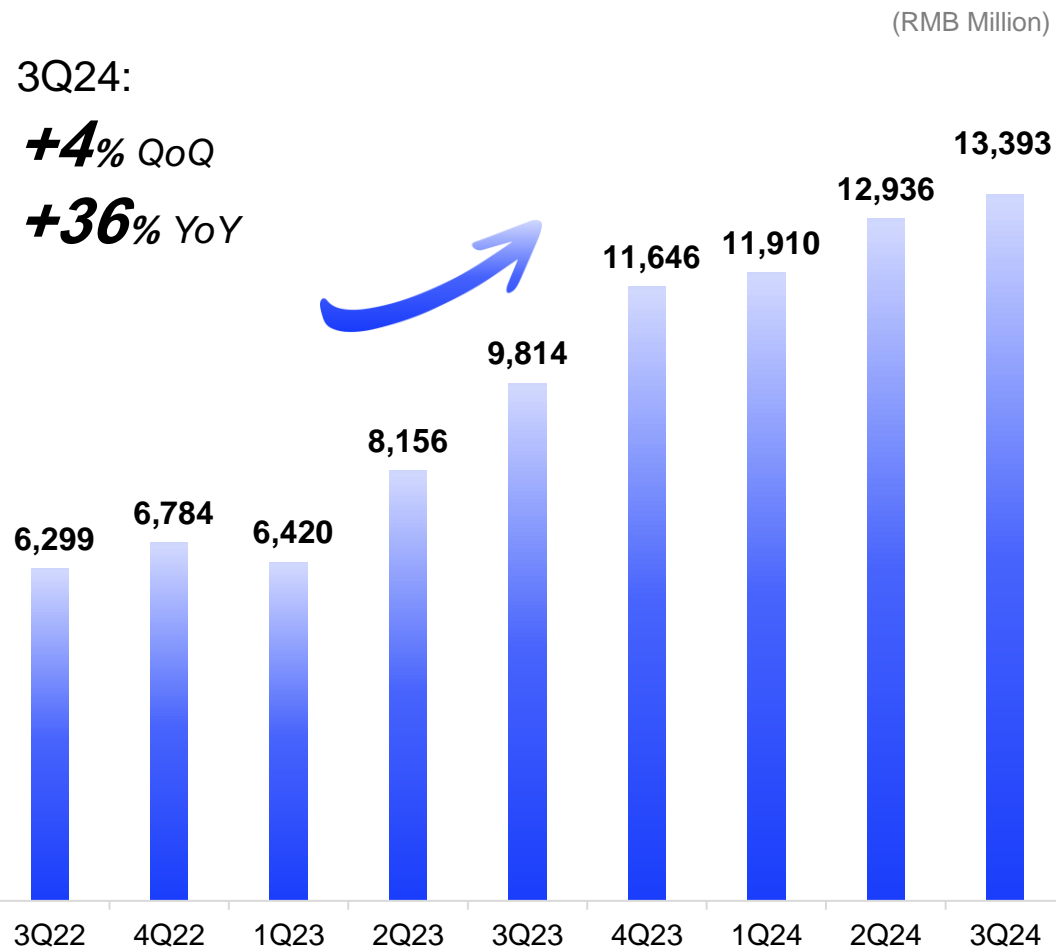
- Sustainable growth in revenue and business scale
- Strong cash position and proactive shareholder returns
- 'AI Lab' enhances core competitive advantages across all operations

Continuous Expansion in Borrower Base Driving Stable Volume Growth

Number of Borrowers



Loans Facilitated



Insurance Brokerage Business : Key Strategic Pillar

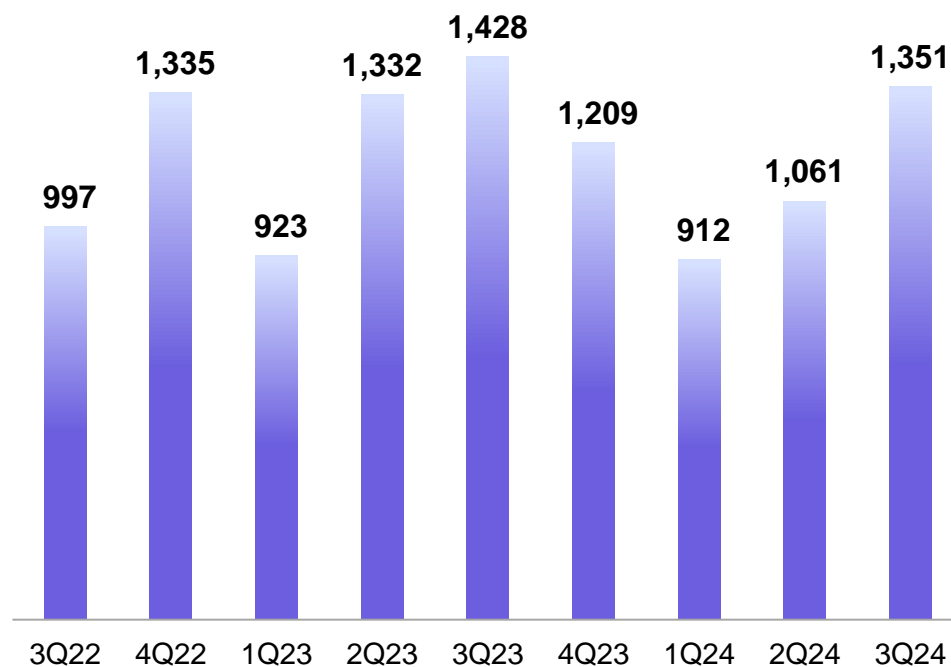
Gross Written Premiums

3Q24:

+27% QoQ

-5% YoY

(RMB Million)

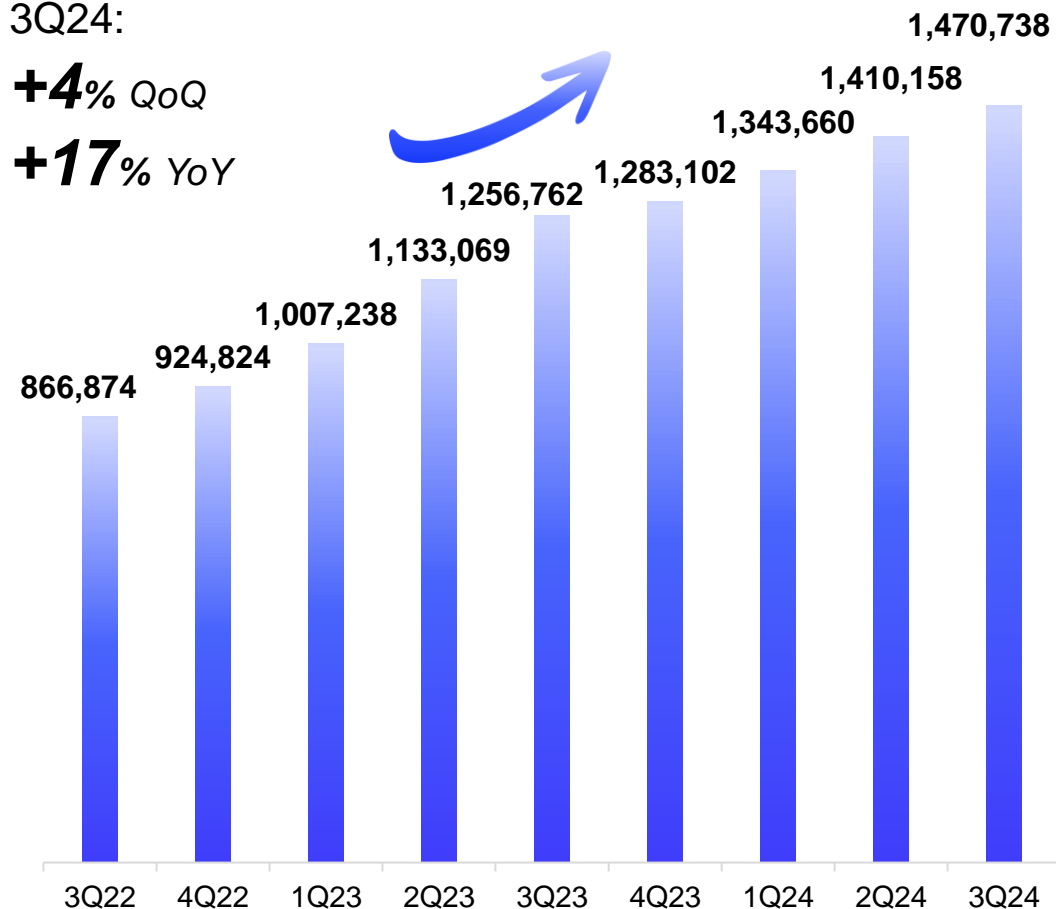


Cumulative Number of Insurance Clients

3Q24:

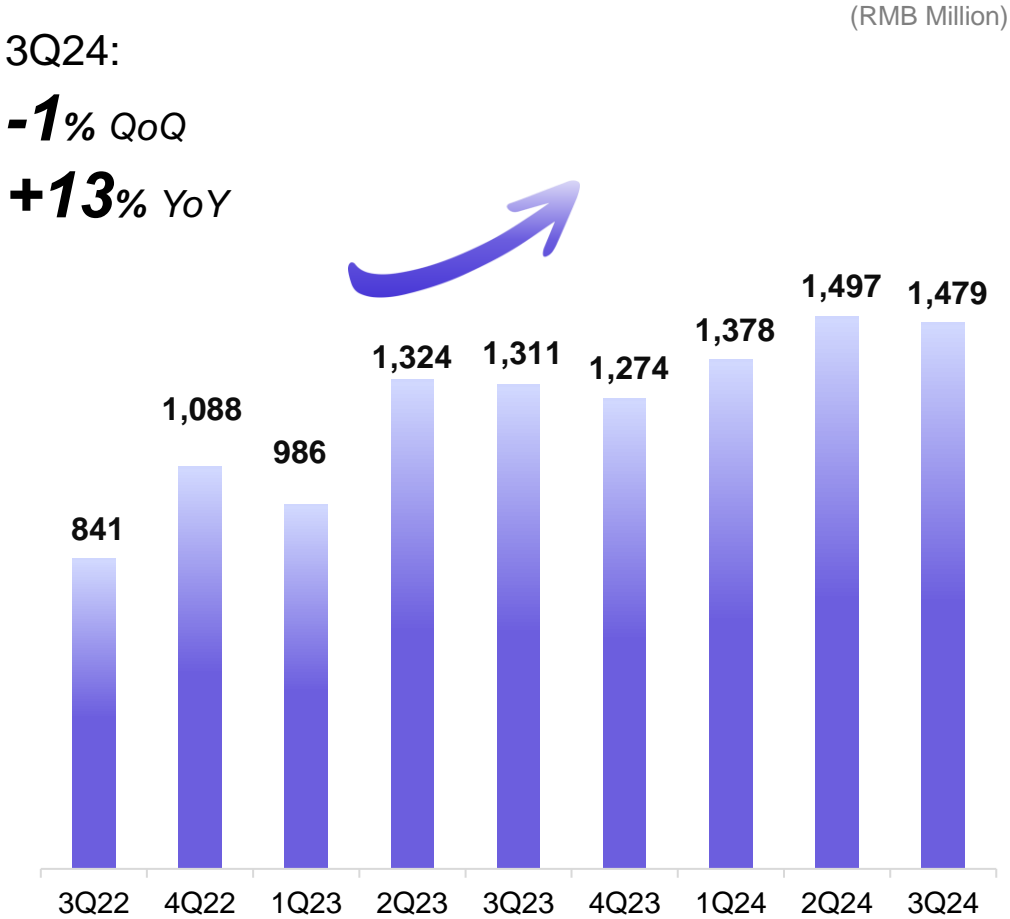
+4% QoQ

+17% YoY

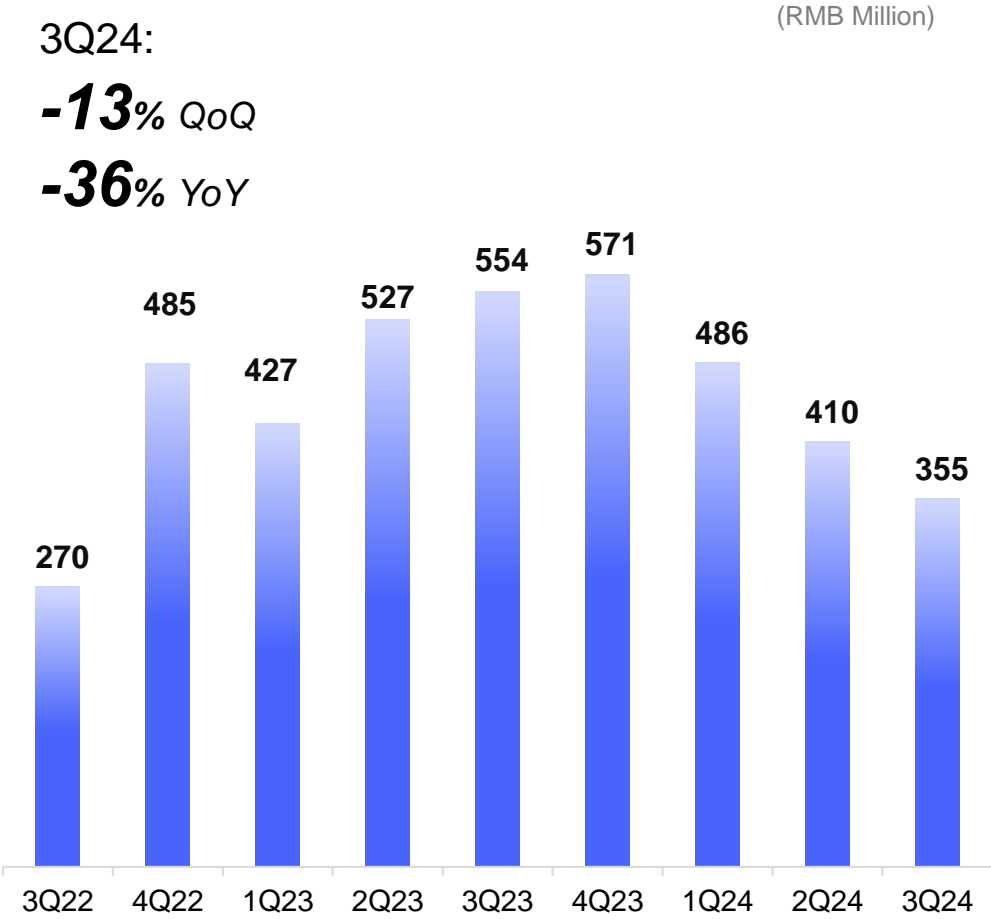


Resilient Business Structure Driving Sustainable Growth

Net Revenue

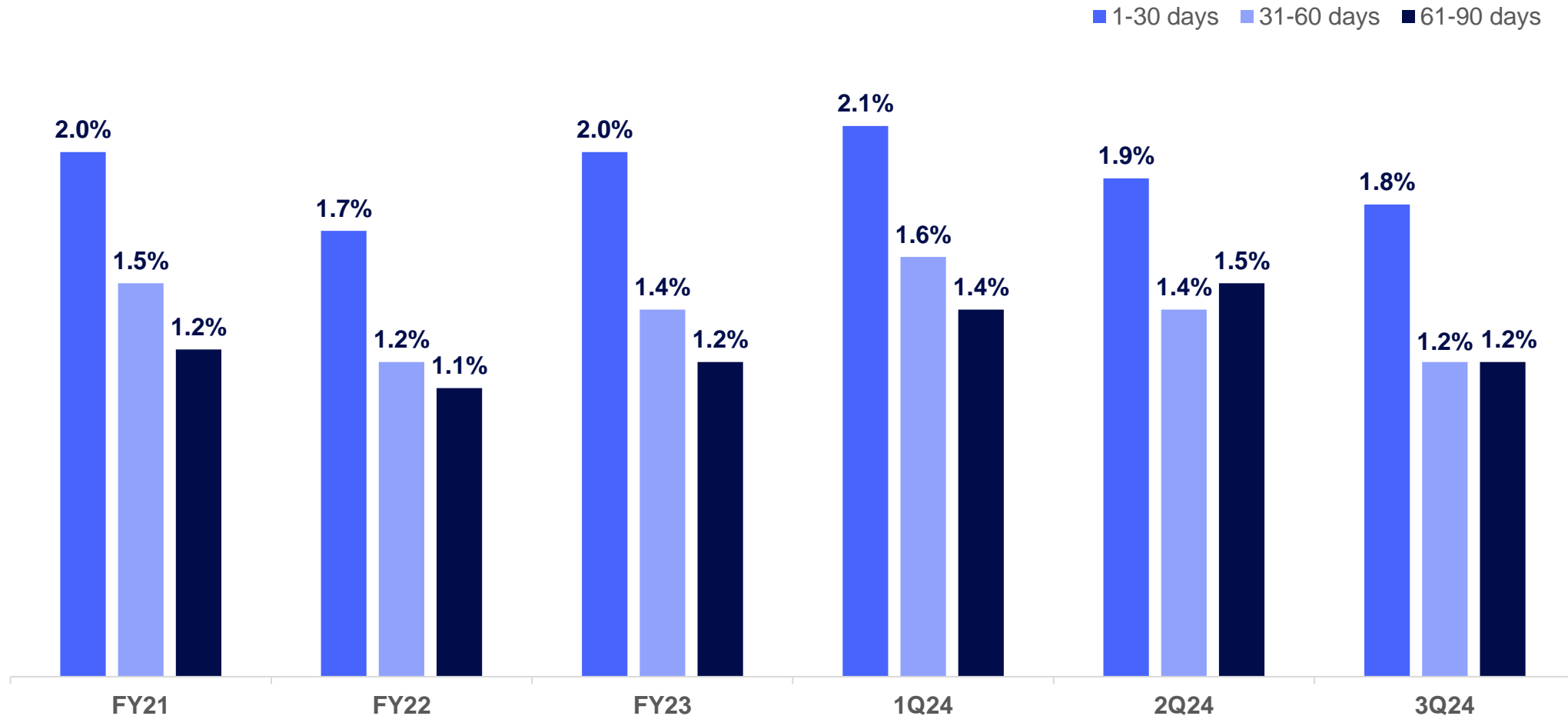


GAAP Net Income



Note: The decline in net profit margin in 3Q24 was attributed to: 1) continued growth in loan volume under the risk-taking model, resulting in substantial provisions under current accounting principles; 2) decreased profitability in the insurance brokerage business due to regulatory changes;

Delinquency Rates



Future Strategies

01

Financial service business

Expanding customer base and increasing line of credits for high quality borrowers through constantly-evolving AI systems and improved services

02

Insurance brokerage

Proactively adapting products and partnerships to embrace new regulations in the short-term, and enhancing partnerships via both 2B2C and B2B models while expanding market reach through long-term product innovation and customization

03

International expansion

The financial services business in Southeast Asia is thriving and strategically expanding into global markets, capitalizing on insights and expertise acquired from its business activities in the Philippines

04

AI upgrade

Developing an LLMOps platform and LLMs for fintech and selected sectors, fostering a leading AI-powered service platform for both individuals and businesses.

Investment Highlights

Diversified Business Lines Driving Innovation and Value

Comprehensive services covering a wide range of financial needs and consumption demands, strong synergies, healthy unit economics with multiple growth drivers

A Leading AI Business in the Making

Harnessing AI expertise from fintech verticals to extend services to selected sectors, a highly scalable LLMOps platform with open-source functionalities, and an expanding AI ecosystem through strategic partnerships



01

02

03

04

High Profitability and Sufficient Cash Reserve

Continued growth in profitability with improved operational efficiency, strong cash position ready to seize any new opportunities ahead

18 Years of Operation & Strong Management Team

Strong management team with decades of experience in the industry, solid operation fully tested by external changing environment

03 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, 2023	June 30, 2024	September 30, 2024	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2024
	RMB	RMB	RMB	USD	RMB	RMB	USD
Net revenue:							
Loan facilitation services	586,883	695,532	600,899	85,627	1,518,401	1,972,726	281,111
Post-origination services	984	1,290	1,421	203	12,573	4,483	639
Insurance brokerage services	264,611	91,526	85,530	12,188	865,664	301,982	43,032
Financing services	9,937	19,574	31,448	4,481	47,410	61,688	8,790
Electronic commerce services	350,635	523,641	546,366	77,856	881,218	1,572,943	224,143
Guarantee services	30,173	68,934	136,746	19,486	42,275	222,533	31,711
Others	67,551	96,039	76,678	10,927	253,782	217,353	30,972
Total net revenue	1,310,774	1,496,536	1,479,088	210,768	3,621,323	4,353,708	620,398
Operating costs and expenses:							
Sales and marketing	195,714	285,101	335,647	47,829	450,873	897,971	127,960
Origination, servicing and other operating costs	245,360	246,542	205,913	29,342	791,472	685,725	97,715
Research and development	38,981	55,812	150,840	21,495	101,168	247,173	35,222
General and administrative	53,519	68,670	80,097	11,413	180,623	232,441	33,123
Allowance for contract assets, receivables and others	72,652	123,285	94,913	13,525	160,923	320,532	45,675
Provision for contingent liabilities	11,104	278,925	272,406	38,818	28,578	618,589	88,148
Total operating costs and expenses	617,330	1,058,335	1,139,816	162,422	1,713,637	3,002,431	427,843
Other income/(expenses):							
Interest income, net	25,815	24,668	21,877	3,117	50,869	74,258	10,582
Fair value adjustments related to Consolidated ABFE	(8,104)	38,706	36,423	5,190	(36,777)	90,597	12,910
Others, net	5,177	(11)	2,535	362	11,496	3,201	456
Total other income/(expenses)	22,888	63,363	60,835	8,669	25,588	168,056	23,948
Income before provision for income taxes	716,332	501,564	400,107	57,015	1,933,274	1,519,333	216,503
Income tax expense	161,917	92,036	44,665	6,365	424,345	268,480	38,258
Net income	554,415	409,528	355,442	50,650	1,508,929	1,250,853	178,245
Weighted average number of ordinary shares outstanding, basic	176,866,653	172,831,722	175,018,644	175,018,644	177,189,206	173,557,082	173,557,082
Basic income per share	3.1346	2.3695	2.0309	0.2894	8.5159	7.2072	1.0270
Basic income per ADS	6.2692	4.7390	4.0618	0.5788	17.0318	14.4144	2.0540
Weighted average number of ordinary shares outstanding, diluted	178,366,565	174,711,554	176,035,324	176,035,324	179,220,434	175,457,062	175,457,062
Diluted income per share	3.1083	2.3440	2.0192	0.2877	8.4194	7.1291	1.0159
Diluted income per ADS	6.2166	4.6880	4.0384	0.5754	16.8388	14.2582	2.0318

Cash Flow Data

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, 2023	June 30, 2024	September 30, 2024	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2024
	RMB	RMB	RMB	USD	RMB	RMB	USD
Unaudited Condensed Consolidated Cash Flow Data							
Net cash generated from operating activities	645,416	368,908	50,393	7,181	1,753,781	1,051,044	149,773
Net cash (used in)/provided by investing activities	(393,919)	(536,883)	(1,859,587)	(264,989)	360,376	(3,080,167)	(438,920)
Net cash used in financing activities	(502,636)	(125,884)	(22,227)	(3,167)	(901,587)	(162,885)	(23,211)
Effect of foreign exchange rate changes	2,395	(896)	(6,252)	(891)	2,543	(5,808)	(828)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(248,744)	(294,755)	(1,837,673)	(261,866)	1,215,113	(2,197,816)	(313,186)
Cash, cash equivalents and restricted cash, beginning of period	5,824,552	5,993,216	5,698,461	812,024	4,360,695	6,058,604	863,344
Cash, cash equivalents and restricted cash, end of period	5,575,808	5,698,461	3,860,788	550,158	5,575,808	3,860,788	550,158

Balance Sheets

Unaudited Condensed Consolidated Balance Sheets (in thousands)

	As of			
	December 31,	June 30,	September 30,	September 30,
	2023	2024	2024	2024
	RMB	RMB	RMB	USD
Cash and cash equivalents	5,791,333	5,496,932	3,705,866	528,082
Restricted cash	267,271	201,529	154,922	22,076
Trading securities	76,053	83,889	63,276	9,017
Accounts receivable	499,027	654,698	668,757	95,297
Guarantee receivable	2,890	260,759	391,547	55,795
Contract assets, net	978,051	962,482	916,543	130,606
Contract cost	32	206	279	40
Prepaid expenses and other assets	423,621	1,662,654	2,291,397	326,521
Loans at fair value	677,835	473,311	414,803	59,109
Financing receivables	116,164	30,501	28,672	4,086
Amounts due from related parties	820,181	1,509,651	3,338,868	475,785
Held-to-maturity investments	10,420	5,087	5,087	725
Available-for-sale investments	438,084	329,829	321,550	45,820
Equity investments	-	2,500	7,105	1,012
Property, equipment and software, net	79,158	77,970	80,224	11,432
Deferred tax assets	73,414	44,309	54,595	7,780
Right-of-use assets	23,382	19,462	14,454	2,060
Total assets	10,276,916	11,815,769	12,457,945	1,775,243
Accounts payable	30,902	43,710	42,712	6,085
Amounts due to related parties	14,414	2,485	96,498	13,751
Guarantee liabilities-stand ready	8,802	278,656	449,759	64,090
Guarantee liabilities-contingent	28,351	336,190	512,004	72,960
Deferred revenue	54,044	38,843	18,348	2,615
Payable to investors at fair value	445,762	350,000	350,000	49,875
Accrued expenses and other liabilities	1,463,369	1,727,182	1,672,111	238,274
Deferred tax liabilities	122,075	55,520	16,434	2,342
Lease liabilities	23,648	19,280	15,226	2,170
Total liabilities	2,191,367	2,851,866	3,173,092	452,162
Ordinary shares	130	130	132	19
Additional paid-in capital	5,171,232	5,175,653	5,198,271	740,748
Treasury stock	(94,851)	(139,380)	(160,534)	(22,876)
Accumulated other comprehensive income	23,669	47,798	21,226	3,024
Retained earnings	2,985,369	3,879,702	4,225,758	602,166
Total equity	8,085,549	8,963,903	9,284,853	1,323,081
Total liabilities and equity	10,276,916	11,815,769	12,457,945	1,775,243

Operating Highlights

	For the Three Months Ended				For the Nine Months Ended		
	September 30, 2023	June 30, 2024	September 30, 2024	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2024
	RMB	RMB	RMB	USD	RMB	RMB	USD
Operating Highlights							
Amount of loans facilitated	9,814,359	12,936,017	13,392,676	1,908,441	24,390,773	38,239,060	5,449,022
Number of borrowers	1,204,012	1,491,756	1,498,020	1,498,020	2,128,924	3,365,960	3,365,960
Remaining principal of performing loans	15,090,800	21,827,634	22,768,555	3,244,493	15,090,800	22,768,555	3,244,493
Cumulative number of insurance clients	1,256,762	1,410,158	1,470,738	1,470,738	1,256,762	1,470,738	1,470,738
Number of insurance clients	123,693	88,766	82,291	82,291	293,254	226,191	226,191
Gross written premiums	1,428,484	1,060,885	1,351,311	192,560	3,684,325	3,324,627	473,756
First year premium	914,839	577,387	511,377	72,871	2,644,082	1,602,905	228,412
Renewal premium	513,645	483,498	839,934	119,689	1,040,243	1,721,722	245,344
Gross merchandise volume	563,224	554,574	507,585	72,330	1,267,611	1,687,280	240,435
Segment Information							
Financial services business:							
Revenue	667,966	851,031	836,193	119,157	1,733,813	2,425,341	345,608
Sales and marketing expenses	146,369	253,103	307,459	43,812	311,751	812,484	115,778
Origination, servicing and other operating costs	59,300	113,234	119,706	17,058	145,870	318,727	45,418
Allowance for contract assets, receivables and others	77,135	124,765	93,248	13,288	163,111	319,140	45,477
Provision for contingent liabilities	11,104	278,925	272,406	38,818	28,578	618,589	88,148
Insurance brokerage business:							
Revenue	264,611	91,526	85,530	12,188	865,664	301,982	43,032
Sales and marketing expenses	3,175	4,263	3,545	505	9,309	11,373	1,621
Origination, servicing and other operating costs	176,182	122,358	78,466	11,181	599,650	337,707	48,123
Allowance for contract assets, receivables and others	(3,981)	(1,502)	(414)	(59)	(355)	(904)	(129)
Consumption & lifestyle business and others:							
Revenue	378,197	553,979	557,365	79,423	1,021,846	1,626,385	231,758
Sales and marketing expenses	46,170	27,735	24,643	3,512	129,813	74,114	10,561
Origination, servicing and other operating costs	9,878	10,950	7,741	1,103	45,952	29,291	4,174
Allowance for contract assets, receivables and others	(313)	(11)	1,666	237	(1,545)	1,664	237
Reconciliation of Adjusted EBITDA							
Net income	554,415	409,528	355,442	50,650	1,508,929	1,250,853	178,245
Interest income, net	(25,815)	(24,668)	(21,877)	(3,117)	(50,869)	(74,258)	(10,582)
Income tax expense	161,917	92,036	44,665	6,365	424,345	268,480	38,258
Depreciation and amortization	1,664	2,026	2,401	342	5,310	6,319	901
Share-based compensation	513	2,136	13,235	1,886	5,923	16,578	2,362
Adjusted EBITDA	692,694	481,058	393,866	56,126	1,893,638	1,467,972	209,184
Adjusted EBITDA margin	52.8%	32.1%	26.6%	26.6%	52.3%	33.7%	33.7%

Delinquency Rates

	Delinquency Rates		
	1-30 days	31-60 days	61-90 days
December 31, 2019	2.1%	1.2%	0.9%
December 31, 2020	1.3%	0.7%	0.6%
December 31, 2021	2.0%	1.5%	1.2%
December 31, 2022	1.7%	1.2%	1.1%
December 31, 2023	2.0%	1.4%	1.2%
March 31, 2024	2.1%	1.6%	1.4%
June 30, 2024	1.9%	1.4%	1.5%
September 30, 2024	1.8%	1.2%	1.2%

Delinquency Rates by Vintage

30+ Days Delinquency Rates by Vintage¹

Loan Issued Period	Month on Book											
	2	4	6	8	10	12	14	16	18	20	22	24
2019Q1	0.0%	0.5%	1.6%	2.3%	3.3%	4.4%	5.9%	6.1%	6.4%	6.9%	6.9%	6.9%
2019Q2	0.3%	1.4%	2.8%	5.0%	7.8%	8.9%	9.5%	10.0%	10.3%	10.7%	10.9%	11.2%
2019Q3	0.3%	2.0%	5.1%	7.6%	9.1%	10.4%	11.3%	12.4%	13.3%	14.1%	14.7%	15.2%
2019Q4	0.7%	3.0%	4.4%	5.7%	6.6%	7.3%	8.1%	8.5%	9.0%	9.4%	9.7%	10.3%
2020Q1	0.8%	2.0%	3.4%	4.5%	5.4%	5.9%	6.5%	6.8%	7.1%	7.5%	8.1%	8.5%
2020Q2	0.6%	2.0%	3.3%	4.5%	5.3%	6.0%	6.4%	6.9%	7.4%	8.0%	8.6%	8.8%
2020Q3	1.3%	2.8%	4.3%	5.4%	6.3%	6.9%	7.5%	8.2%	8.9%	9.3%	9.5%	9.5%
2020Q4	0.3%	1.4%	2.4%	3.4%	4.3%	5.4%	6.4%	7.3%	7.7%	8.0%	8.2%	8.3%
2021Q1	0.5%	1.8%	3.0%	4.2%	5.3%	6.3%	7.1%	7.3%	7.5%	7.7%	7.8%	7.9%
2021Q2	0.5%	2.1%	3.8%	5.5%	6.8%	7.5%	7.7%	7.9%	8.1%	8.3%	8.2%	8.2%
2021Q3	0.6%	2.5%	4.2%	5.4%	6.1%	6.5%	6.7%	6.9%	6.9%	6.9%	6.9%	6.8%
2021Q4	0.8%	2.7%	4.1%	4.9%	5.4%	5.8%	5.8%	5.8%	5.7%	5.6%	5.6%	5.5%
2022Q1	0.7%	2.1%	3.2%	4.0%	4.6%	4.8%	4.7%	4.6%	4.6%	4.5%	4.5%	4.4%
2022Q2	0.5%	1.8%	2.9%	3.8%	4.3%	4.5%	4.4%	4.3%	4.3%	4.2%	4.2%	4.1%
2022Q3	0.6%	2.2%	3.5%	4.3%	4.8%	5.0%	5.0%	4.9%	4.9%	4.8%	4.7%	4.7%
2022Q4	0.7%	2.5%	3.9%	4.9%	5.6%	5.9%	5.8%	5.8%	5.7%	5.6%	5.5%	
2023Q1	0.6%	2.4%	4.0%	5.2%	5.9%	6.2%	6.1%	6.0%	5.9%	5.5%		
2023Q2	0.7%	3.0%	4.9%	6.3%	7.0%	7.3%	7.2%	6.9%				
2023Q3	0.9%	3.7%	5.8%	7.1%	7.9%	8.1%	7.8%					
2023Q4	0.8%	3.6%	5.8%	7.0%	7.6%							
2024Q1	0.7%	3.2%	5.0%	6.4%								
2024Q2	0.6%	2.7%										
2024Q3	0.6%											

1. The 30+ days delinquency rate by vintage refers to the outstanding principal balance of loans facilitated over a specified period that are more than 30 days past due, as a percentage of the total loans facilitated during that same period. Loans originating outside mainland China are excluded from the calculation.



THANKS!

For more information, please contact our IR team at ir@yiren.com

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