



# Yiren Digital

(NYSE: YRD)

## Investor Presentation

August 2025



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# 01 Company Overview





## Yiren Digital Overview (NYSE: YRD)

- Listed in 2015 with **19 years of expertise** in lending technology, backed by a proven track record of success
- A robust financial foundation supported by **steady cash flow** from the core lending business, supported by strong AI-driven products and services
- Proprietary AI-powered platform, designed to drive **recurring business opportunities**, enhanced by **proprietary LLM Zhiyu**, commercially approved in April
- International Expansion Underway, Supported by Cutting-Edge Technological Expertise and Strong Local Partnerships

# Investment Highlights

*Established AI-powered Financial Service Platform Serving China and Southeast Asia*

## Compelling Growth Drivers

- **Domestic:** Strong demand for small revolving loans; deepening penetration in underserved markets
- **Acquisition engine:** featuring a large customer base, high traffic, and strong monetization capabilities.
- **AI monetization:** AIGC LLM “Zhiyu” commercially approved in 1Q25, driving business growth, reducing costs and deepening competitive moat

## Strong Financials & Returns\*

- RMB20.3B loan facilitation, +57% YoY
- Delinquency rates remain stable (1.7% / 1.1% / 1.0% for 1-30 days/31-60 days/61-90 days delinquent cases)
- RMB4.1B cash & equivalents supporting growth, M&A, and shareholder returns
- Dividend yield 7.5%, as of August 20<sup>th</sup>, 2025

## Advantageous Market Position

- Premium borrower focus — 77% repeat borrowing in Q2 2025, improving unit economics
- On regulatory “whitelist” for funding partners, gaining share as smaller players exit
- Primary operations in markets resilient to geopolitical tension and tariff wars (China & Southeast Asia)

## Differentiated Technology

- Cutting edge-insurance platform
- Proprietary AI (Zhiyu) embedded across acquisition, engagement, risk management and collections
- Proven cost savings and higher conversions; scalable for international markets

# AI-Driven Financial Service Platform Delivering High Growth, Low Risk and Global Scalability

## Financial Services

### Growth Engine, Steady Growth

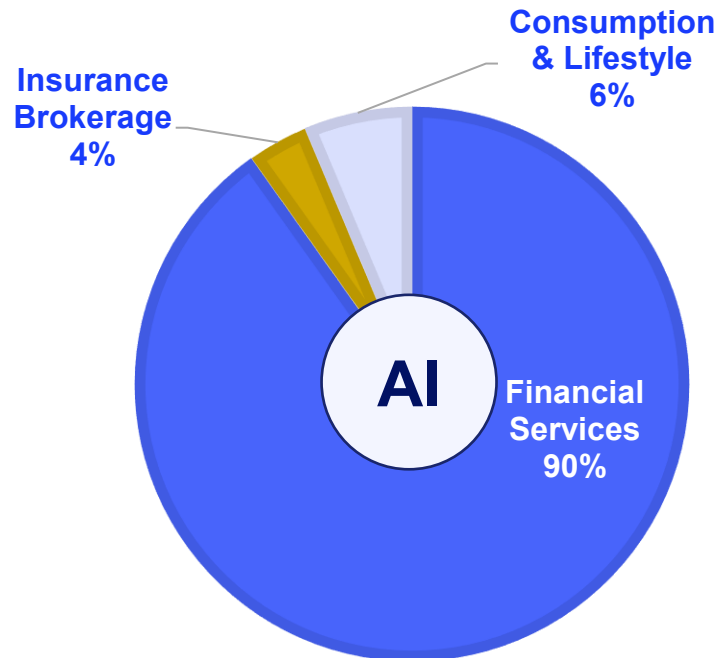
- Rev. RMB1.5B in Q2 2025, up 75% YoY
- Loan volume +57% YoY

## Insurance Brokerage

### Cross-Sell Driver, Rebounding

- GWP of digital products up 103% QoQ

## REVENUE MIX Q2 2025



## AI Technologies Driving Impact

### Customer Analysis

Automated KYC and  
Multiple credit rating tiers

### AI Marketing

+1700 AIGC marketing tasks  
and outreach strategies daily

### Fraud Detection

Detects and blocks over 30k  
high-risk identity documents daily

### AI Assurance Agent

Real-time quality checks on  
2mn+ sales records daily

## Performance by AI

**200+**

AI-generated marketing  
& video pieces

**1.0%**

loan delinquency rate improving  
(61-90 days delinquent )

**81%**

Tier-1 debt  
collection automated

**5 min**

Average loan approval time

# Financial Services

A Steady Growth Engine,  
Expanding Domestically  
and Overseas

- **Target demographics:** High-quality borrowers (stable income and self-employed individuals) comprising a potential borrower pool of **734 million**.
- **Digital-first approach:** Leveraging digital channels and partnerships to broaden traffic channel mix, increasing customer acquisition and engagement at lower cost
- **High-value transactions:** Average loan size of **RMB8,000**, reflecting significant spending power
- **Q2 2025 total loan facilitation:** RMB20.3 billion (**up 57% YoY**), 77% of loans in Q2 2025 from repeat borrowers. (**up 21 ppt YoY**)
- **AI applications and overseas expansion** driving growth and efficiency



# Scaling High Quality Borrow Growth Through Precision AI

## Target Marketing, Omni-Channel Client Acquisition

### Target Customers

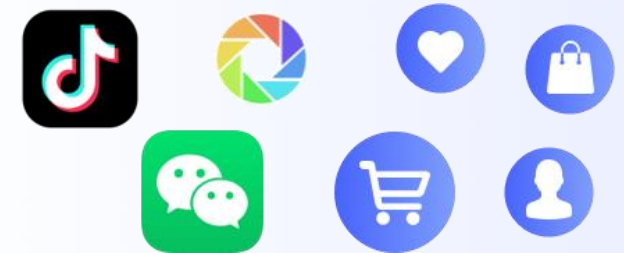
- **100mn+** borrowers served <sup>1</sup>
- Mainly aged 25-40
- Stable salary or self-employed



Revolving loans  
ranging from  
4-200k

### Omni-customer acquisition Channels

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



Average loan size  
RMB8k



Loan Tenor  
3, 6, 9 or 12 months

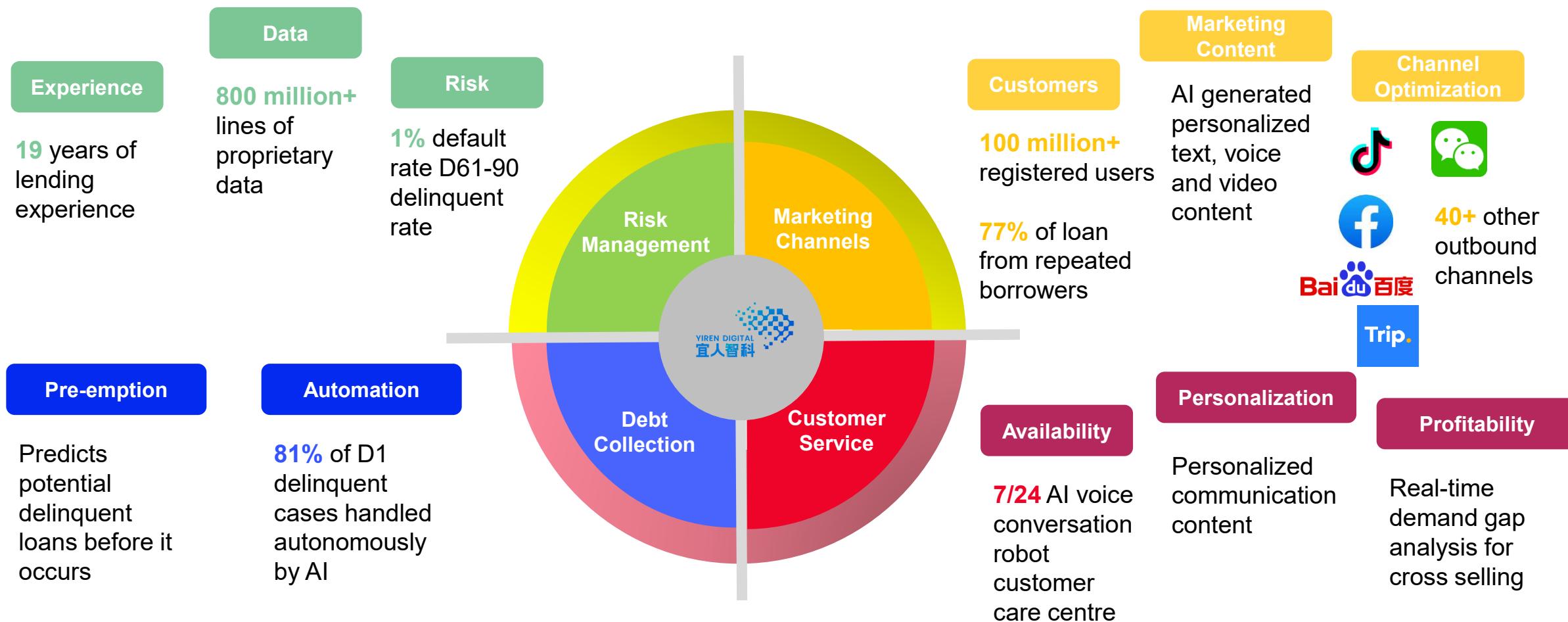


Flexible  
repayment options

Note 1: This refers to the cumulative number of borrowers historically served by Yiren Digital.



# Seamless Finance and Technology Integration



Combination of finance know-how and  
LLM technology innovation

# Strong Risk Management Capabilities

## Extensive Data Collection

- **19 years** of experience and data accumulation in the credit-tech business
- **Over 100 million** of registered users, and comprehensive customers' database spanning millions of customer profiles

## Artificial Intelligence

- **Robust capability to interpret data across economic cycles and loan lifecycles**
- **40+** Credit Enhancement Agencies , **120+** Products
- Over **11,000 dimensions** of external data comprised of credit records, income demographics, bank transaction record, consumption records, shopping behaviors, etc.
- Identified approx. **10,000** features based on the second-generation credit reports

## Fraud Detection

- Implemented an AI driven social-network-based fraud monitoring system
- Possess **800 million fraudster** blacklist, covering high-bit IDs, phone numbers, devices, and IP addresses

Home grown model: **Zhiyu**



# Overseas Expansion Driving Growth

Overseas market is expected to contribute 4% revenue in 2025  
>10% in 2026

## Philippines

- Launched worker **salary credit product** in 2023
- **>100%** growth in origination and revenue growth
- Cash flow positive after **14** months

## Indonesia

- **JV agreement** with AG Group, a leading financial group in Indonesia
- Launch **operations in 2H25**

## Rest of the World

- Exploring **collaboration opportunities** in North America and the Middle East

Covering 1.8 billion population in Asia



# AI-Driven Technology Services

Expediting Expansion,  
Efficiency and Deepening  
Competitive Moats

## Enterprise-Grade AI Leadership, Enhancing Marketing and Customer Engagement

- Zhiyu (智语) LLM officially approved in Apr 2025; built in-house for document understanding, reasoning, automation
- Powers meeting management, high-fidelity translation, legal contract review, tax-form automation
- Compliant—regulatory filing completed; deployed across Yiren operations

## Technology Services Delivering Revenue

- Consumer lending suite: precision marketing, AI risk management, customer service automation
  - Scaled AI personalized marketing growth 30x, from 20k to 600k daily user targets in 2Q25
  - Block 30k + high-risk IDs daily, preventing over RMB180 mm in annual fraud losses
  - AI collection robots expanded coverage and boosted monthly labor cost savings by 42% QoQ
- Insurance brokerage tech: smarter policy matching, streamlined operations

## Expanding the AI Ecosystem

- Strategic stakes in 9 AI innovators in agentic AI, edtech, enterprise automation
- Partner network accelerating adoption of Zhiyu-powered solutions globally

# Insurance Overview

*Driving Insurance Growth Through Diversification and Digital Innovation*

## Strong Insurance Ecosystem

- **450+** agents
- **30+** branches nationwide
- **1,200+** insurance products
- Q2 2025 Financials
  - GWP: RMB850 million
  - Revenue: RMB58 million

## Life & Health Insurance

- High commission & long-term revenue from **stable client base**
- **Cross-sell** to Property & Casualty products
- **High-margin** in-patient coverage

## Digital Insurance

- Pure online client acquisition via our lending platform
- Q2 2025 GWP growth 66% QoQ
- Over 70% margin, open to a wide variety of products

## 02 Market Overview & Growth Strategy



# China's Consumer Finance Market: Solid Outlook & Growth

## Market Outlook

### Rapid Consumption Growth

- Consumption expenditure increased by 5.1% in 2024
- Projected **CAGR of ~4%** from 2025 to 2030.

### Expanding Market Size

- **RMB25T (US\$3.5T) by 2027**
- Consumer finance market **growing ~7% annually** over the next 5 years

### Surging Loan Balance

The total outstanding online consumer loan balance to reach **RMB8.1 trillion (US\$1.1 trillion) by 2026**, representing **5.7x** growth vs. 2017

## Key Growth Drivers

**Policy Tailwinds** fueling demand

**AI-driven Credit Tech** unlocking new borrower segments through improved risk management solutions and optimized borrower acquisition

**Industry Consolidation**  
smaller players exiting; share shifts to scaled leaders



# Yiren's Growth Roadmap

## Build on Solid Fundamentals

Drive steady domestic growth driven by government's stimulus policies

- Sustainable revenue stream, steady growth in customer base & innovative insurance products
- Higher monetization of existing customer acquisition channels through cross-selling

## International Growth

- Accelerated strategic partnership in emerging markets
- Continuous development of localized product offerings, enhancing customer base & customer engagement

## AI Advancement

- Personalized customer experiences with digital engagement
- Quantitative-based decision making
- More monetization of AI technology

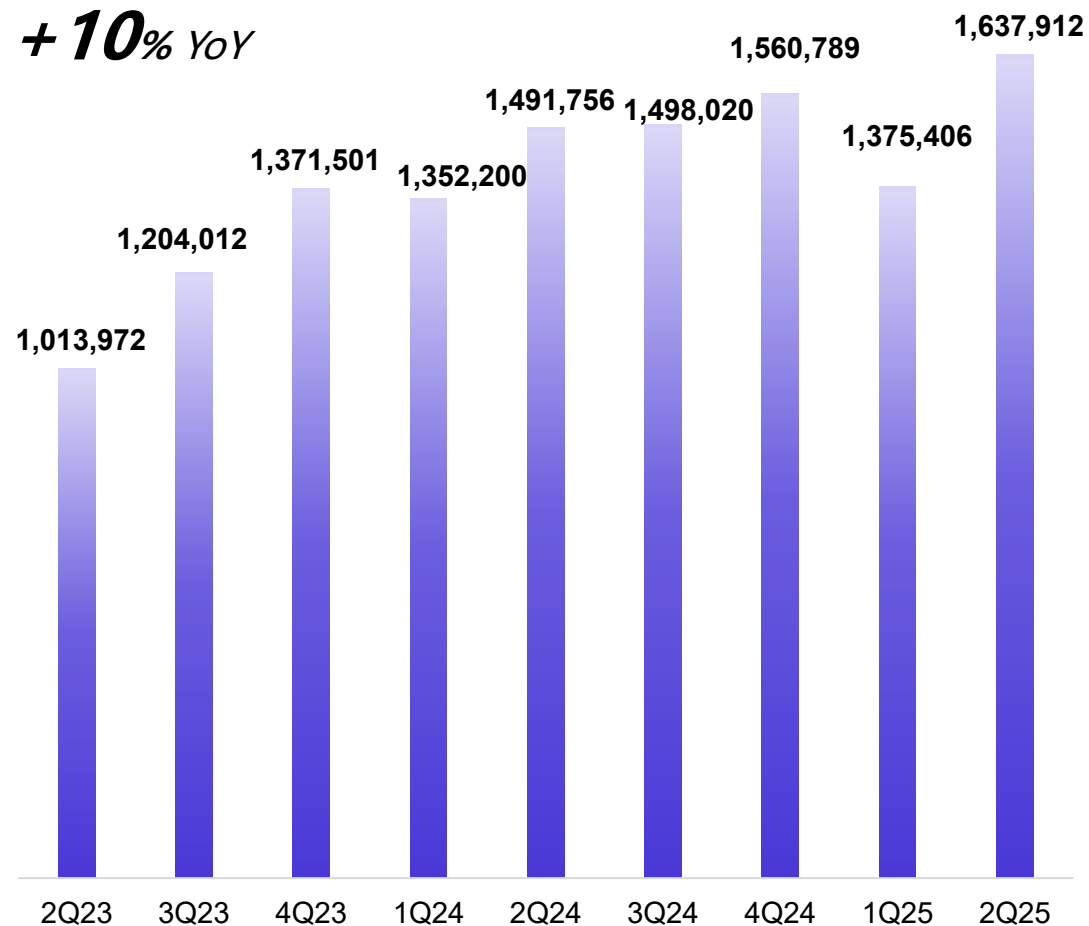
# 03 Key Financial Highlights

# Stable Volume Growth Supported by Expanded Borrower Pool

## Number of Borrowers

2Q25:

**+10% YoY**

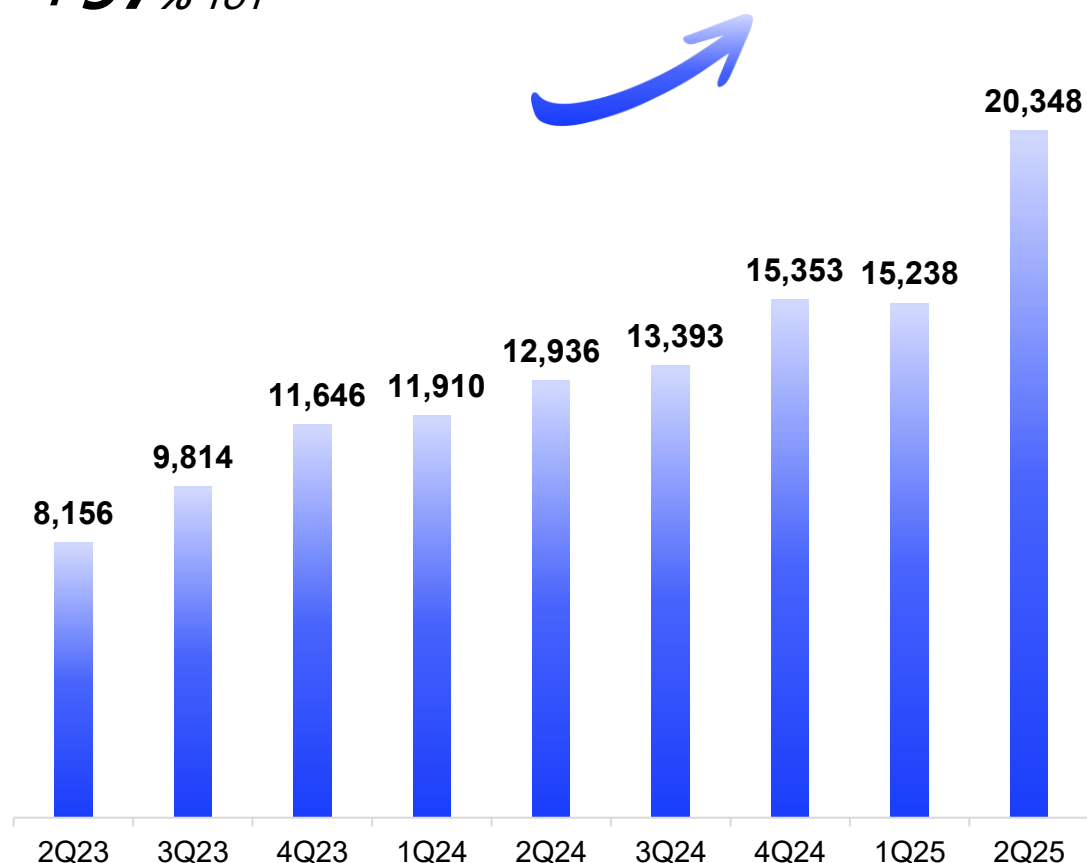


## Loans Facilitated

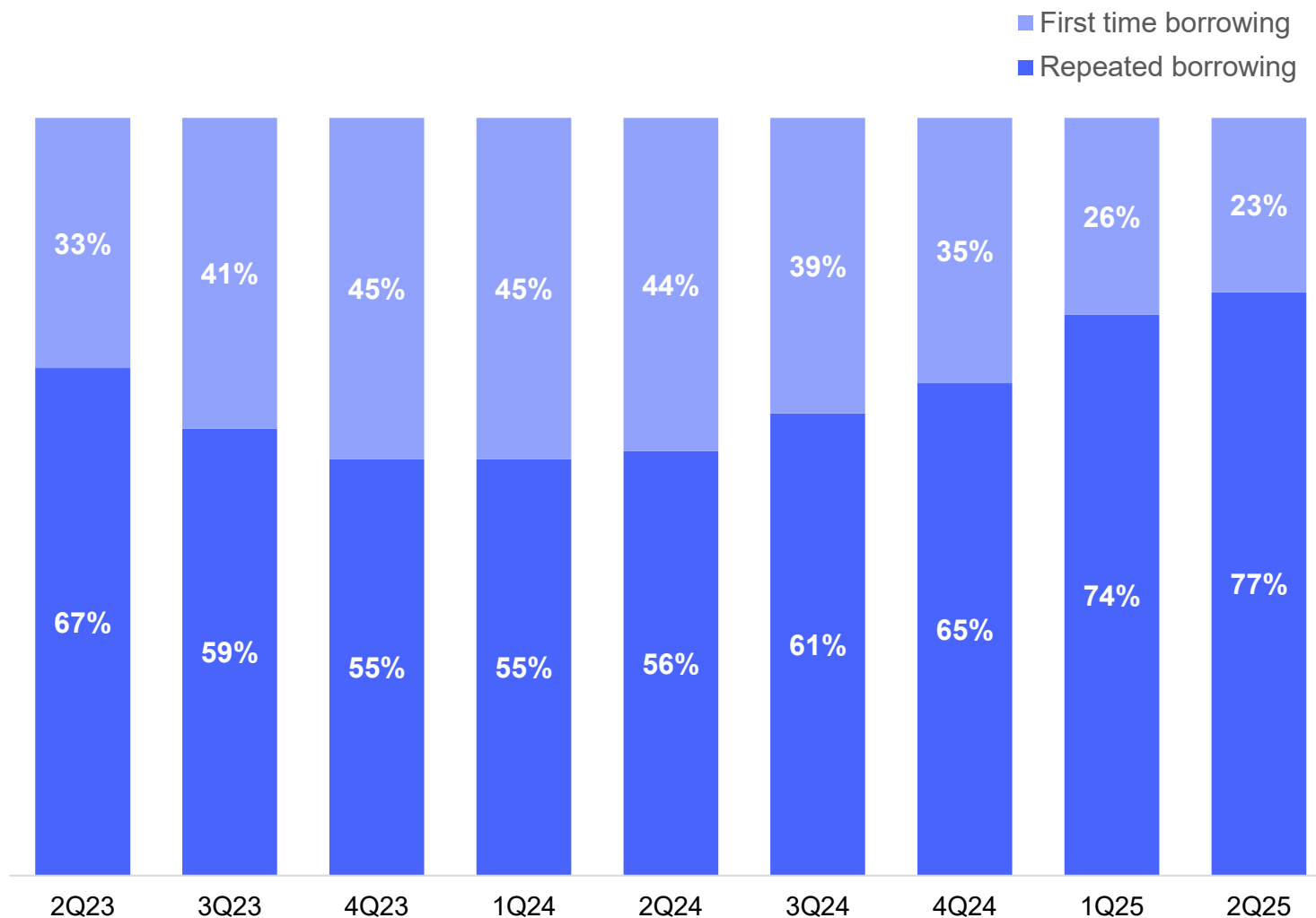
2Q25:

**+57% YoY**

Million RMB



# Solid Dynamics of New and Repeat Borrowing on Yixianghua Platform



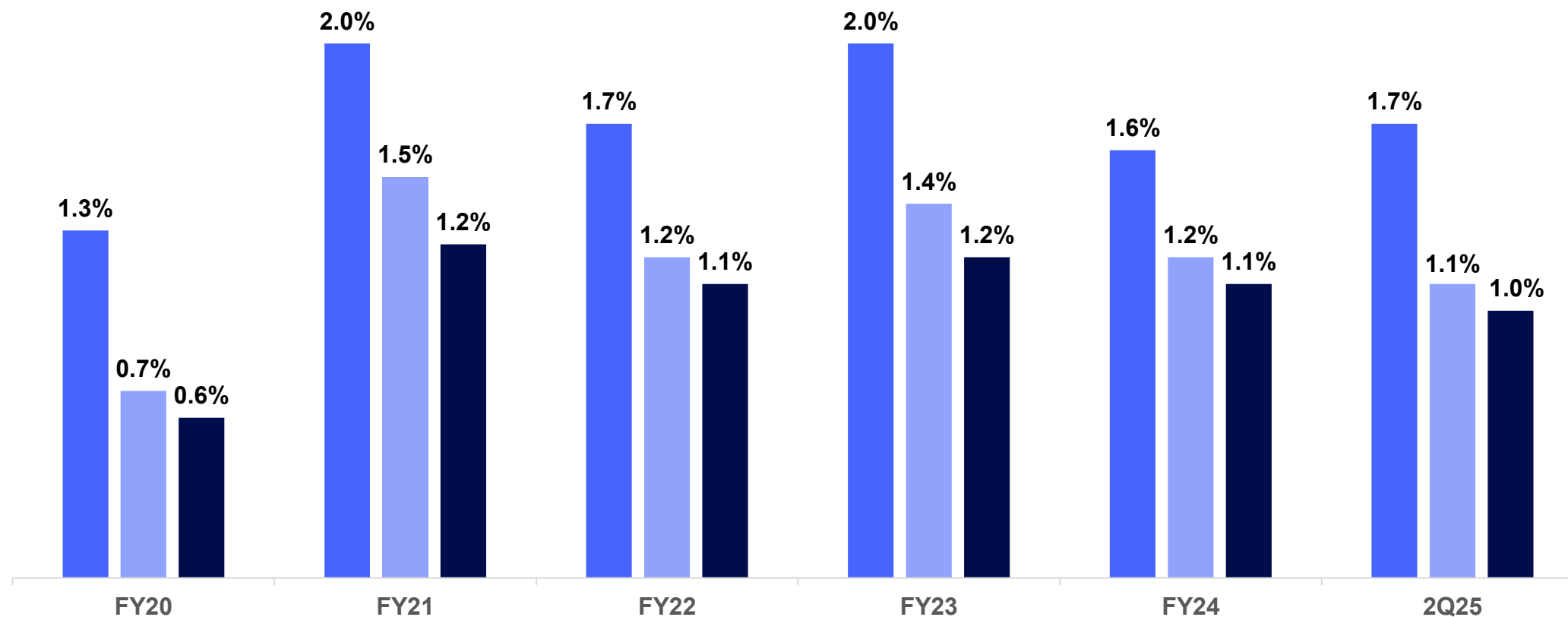
*In H2 2024, the company implemented a full scope customer segmentation strategy to optimize credit quality and new customer conversion.*

*In Q2 2025, 77% of the total loan-facilitated amount was from returning borrowers. The average customer acquisition cost decreased by 18% QoQ.*

# Stable Delinquency Rates

Delinquency rate decreases by 20% from the peak in Q2 2023

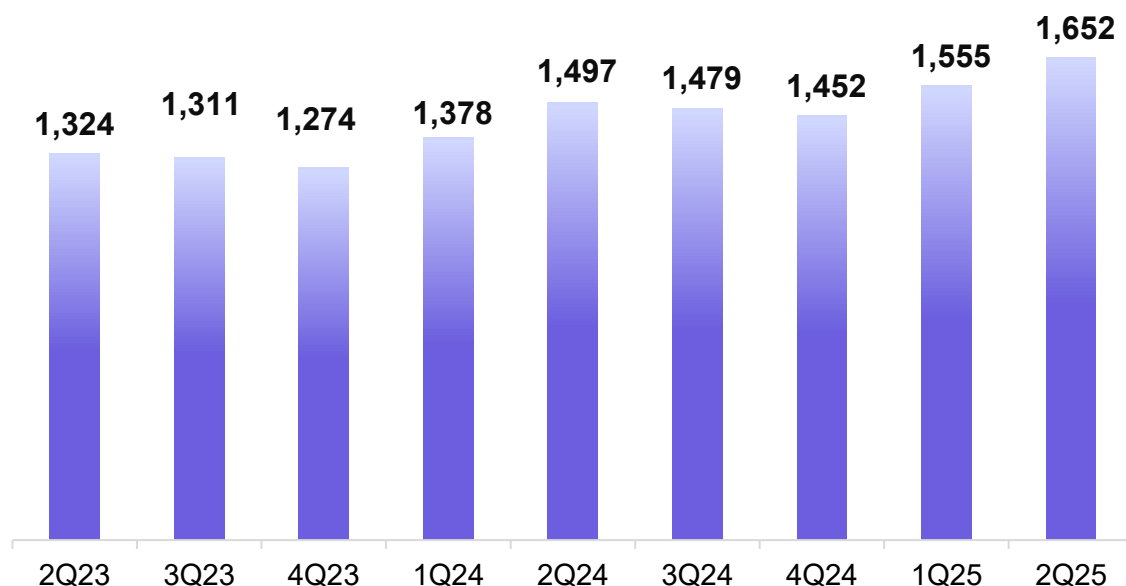
■ 1-30 days ■ 31-60 days ■ 61-90 days



# Key Financial Highlights

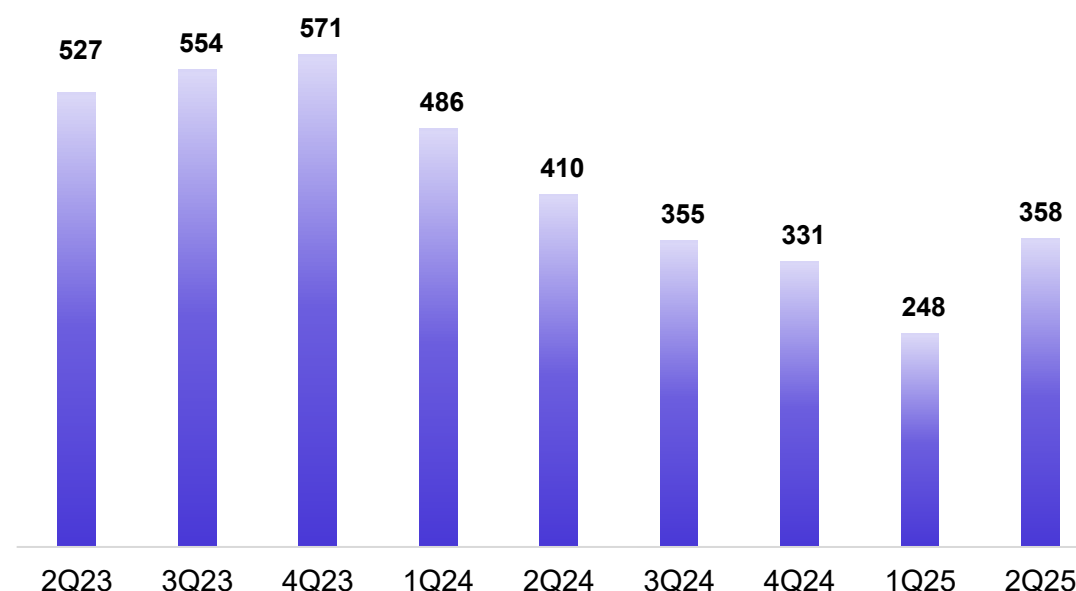
## Revenue

RMB million



## Net Income

RMB million



The decline in net income and margin stems from increased loan volume facilitated under "risk-taking model" since Q2 2024. Under US GAAP, we are required to record an accounting provision for a loan's expected lifetime losses at its origination (Day 1), while the corresponding guarantee income is recognized on a monthly basis over the loan's lifetime.



# THANKS!

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