
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of June 2024

Commission File Number: 001-37657

YIREN DIGITAL LTD.

28/F, China Merchants Bureau Building
118 Jianguo Road
Chaoyang District, Beijing 100022
The People's Republic of China
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Yiren Digital Reports First Quarter 2024 Financial Results
99.2	Code of Business Conduct and Ethics, adopted on June 17, 2024

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Yiren Digital Ltd.

By: /s/ Na Mei
Name: Na Mei
Title: Chief Financial Officer

Date: June 24, 2024

Yiren Digital Reports First Quarter 2024 Financial Results

BEIJING – June 21, 2024 – Yiren Digital Ltd. (NYSE: YRD) (“Yiren Digital” or the “Company”), an AI-powered platform providing a comprehensive suite of financial and lifestyle services in China, today announced its unaudited financial results for the quarter ended March 31, 2024.

First Quarter 2024 Operational Highlights

Financial Services Business

- | Total loans facilitated in the first quarter of 2024 reached RMB11.9 billion (US\$1.6 billion), representing an increase of 2.3% from RMB11.6 billion in the fourth quarter of 2023 and compared to RMB6.4 billion in the same period of 2023.
- | Cumulative number of borrowers served reached 9,978,280 as of March 31, 2024, representing an increase of 7.3% from 9,295,666 as of December 31, 2023 and compared to 7,582,435 as of March 31, 2023.
- | Number of borrowers served in the first quarter of 2024 was 1,352,200, representing a decrease of 1.4% from 1,371,501 in the fourth quarter of 2023 and compared to 872,235 in the same period of 2023. The slight decrease was due to seasonal reasons and the ongoing optimization of customer mix.
- | Outstanding balance of performing loans facilitated reached RMB20.2 billion (US\$2.8 billion) as of March 31, 2024, representing an increase of 10.4% from RMB18.3 billion as of December 31, 2023 and compared to RMB11.1 billion as of March 31, 2023.

Insurance Brokerage Business

- | Cumulative number of insurance clients served reached 1,343,660 as of March 31, 2024, representing an increase of 4.7% from 1,283,102 as of December 31, 2023 and compared to 1,007,238 as of March 31, 2023.
- | Number of insurance clients served in the first quarter of 2024 was 73,687, representing a decrease of 28.1% from 102,556 in the fourth quarter of 2023 and compared to 80,856 in the same period of 2023. The decrease was primarily due to the decline in life insurance volume resulting from product changes required by new regulations.
- | Gross written premiums in the first quarter of 2024 were RMB912.4 million (US\$126.4 million), representing a decrease of 24.5% from RMB1,208.7 million in the fourth quarter of 2023 and compared to RMB923.4 million in the same period of 2023. The decrease was mainly attributed to the declined life insurance volume resulting from product changes required by new regulations.

Consumption and Lifestyle Business

- | Total gross merchandise volume generated through our e-commerce platform and “Yiren Select” channel reached RMB625.1 million (US\$86.6 million) in the first quarter of 2024, representing a decrease of 9.8% from RMB692.7 million in the fourth quarter of 2023 and compared to RMB308.6 million in the same period of 2023. The decrease was mainly due to seasonal reasons. As the penetration of our consumption and lifestyle products and services further grows in the existing customer pool, the growth rate of this segment is expected to gradually normalize, aligning with the growth pace of our other business segments

“We are pleased to report another solid quarter, with stable growth in our top line and overall business scale during a traditional off-season in the industry, while maintaining healthy profitability,” said Mr. Ning Tang, Chairman and Chief Executive Officer.

“We are also excited to announce that our ‘AI Lab’ initiative has begun to yield early results, as AI integration continues to permeate all aspects of our operations. Our AI strategy is structured in three comprehensive phases: firstly, empowering existing business; secondly, building advanced AI capabilities and ecosystem; and lastly, for the long-term goal, exploring future AI commercialization. It is not a sudden shift in business direction but a solid, step-by-step approach to upgrading and sharpening our core competitive strengths that we’ve built over the past decade of operations.”

“In the first quarter of 2024, our total revenue reached RMB1.4 billion, marking a 40% increase year-over-year. We generated approximately RMB632 million in net cash from operations during this quarter, reflecting a 62% increase from the previous year,” Ms. Na Mei, Chief Financial Officer commented. “Our balance sheet remained robust with RMB5.9 billion in cash and equivalents as of the end of this quarter. We allocated USD2.1 million to repurchase shares in the public market in the first quarter of this year, bringing our total deployment for the share repurchase program to USD9.5 million by March 31, 2024.”

First Quarter 2024 Financial Results

Total net revenue in the first quarter of 2024 was RMB1,378.1 million (US\$190.9 million), representing an increase of 39.7% from RMB986.3 million in the first quarter of 2023. Particularly, in the first quarter of 2024, revenue from financial services business was RMB738.1 million (US\$102.2 million), representing an increase of 52.5% from RMB483.9 million in the same period of 2023. The increase was attributed to the persistent and growing demand for our small revolving loan products. Revenue from insurance brokerage business was RMB124.9 million (US\$17.3 million), representing a decrease of 36.4% from RMB196.4 million in the first quarter of 2023. The decrease was due to declined sales of life insurance attributed to product changes required by new regulations. Revenue from consumption and lifestyle business and others was RMB515.0 million (US\$71.3 million), representing an increase of 68.3% from RMB306.1 million in the first quarter of 2023. The increase was primarily attributed to the continuous growth in gross merchandise volume generated through our e-commerce platform, as the service and product penetration grows in the expanding base of paying customers.

Sales and marketing expenses in the first quarter of 2024 were RMB277.2 million (US\$38.4 million), compared to RMB106.2 million in the same period

of 2023. The increase was primarily driven by the swift growth of our financial services segment and enhanced marketing endeavors focused on attracting new, high-caliber customers while optimizing our customer composition.

Origination, servicing and other operating costs in the first quarter of 2024 were RMB233.3 million (US\$32.3 million), compared to RMB199.7 million in the same period of 2023. The increase was due to the rapid growth of our financial services business as well as property insurance business.

Research and development expenses¹ in the first quarter of 2024 were RMB40.5 million (US\$5.6 million), compared to RMB29.2 million in the same period of 2023. The increase was mainly attributed to our ongoing investment in AI upgrades and technological innovations.

General and administrative expenses in the first quarter of 2024 were RMB83.7 million (US\$11.6 million), compared to RMB63.4 million in the same period of 2023. The increase was primarily due to adjustments in personnel and the introduction of additional incentives.

Allowance for contract assets, receivables and others in the first quarter of 2024 was RMB102.3 million (US\$14.2 million), compared to RMB39.4 million in the same period of 2023. The increase was primarily attributed to the growing volume of loans facilitated.

Provision for contingent liabilities in the first quarter of 2024 was RMB67.3 million (US\$9.3 million), compared to RMB5.5 million in the same period of 2023. The increase was mainly attributed to a higher volume of loans facilitated under our risk-taking model ².

Income tax expense in the first quarter of 2024 was RMB131.8 million (US\$18.3 million).

Net income in the first quarter of 2024 was RMB485.9 million (US\$67.3 million), as compared to RMB427.2 million in the same period in 2023. The increase was primarily due to the robust growth of our financial services business and the expansion of our consumption and lifestyle business scale.

¹ Research and development expenses have been segregated from general and administrative expenses and restated for historical periods to better reflect the Company's cost and expense structure.

² The risk-taking model refers to the framework in which the company assumes the credit risk for the loans facilitated on our platform.

Adjusted EBITDA³ (non-GAAP) in the first quarter of 2024 was RMB593.0 million (US\$82.1 million), compared to RMB539.3 million in the same period of 2023.

Basic and diluted income per ADS in the first quarter of 2024 were RMB5.6 (US\$0.8) and RMB5.5 (US\$0.8) respectively, compared to a basic income per ADS of RMB4.8 and a diluted income per ADS of RMB4.7 in the same period of 2023.

Net cash generated from operating activities in the first quarter of 2024 was RMB631.7 million (US\$87.5 million), compared to RMB390.3 million in the same period of 2023.

Net cash used in investing activities in the first quarter of 2024 was RMB683.7 million (US\$94.7 million), compared to RMB774.3 million provided by investing activities in the same period of 2023.

Net cash used in financing activities in the first quarter of 2024 was RMB14.8 million (US\$2.0 million), compared to RMB392.8 million in the same period of 2023.

As of March 31, 2024, cash and cash equivalents were RMB5,904.0 million (US\$817.7 million), compared to RMB5,791.3 million as of December 31, 2023. As of March 31, 2024, the balance of held-to-maturity investments was RMB10.4 million (US\$1.4 million), unchanged from December 31, 2023. As of March 31, 2024, the balance of available-for-sale investments was RMB379.5 million (US\$52.6 million), compared to RMB438.1 million as of December 31, 2023. As of March 31, 2024, the balance of trading securities was RMB78.0 million (US\$10.8 million), compared to RMB76.1 million as of December 31, 2023.

Delinquency rates. As of March 31, 2024, the delinquency rates for loans that are past due for 15-29 days, 30-59 days and 60-89 days were 0.9%, 1.6% and 1.4%, respectively, compared to 0.9%, 1.4% and 1.2%, respectively, as of December 31, 2023.

Cumulative M3+ net charge-off rates. As of March 31, 2024, the cumulative M3+ net charge-off rates for loans originated in 2021, 2022 and 2023 were 6.3%, 4.7% and 3.9%, respectively, as compared to 6.4%, 4.7% and 2.8%, respectively, as of December 31, 2023.

Business Outlook

Based on the Company's preliminary assessment of business and market conditions, the Company projects the total revenue in the second quarter of 2024 to be between RMB1.4 billion to RMB1.6 billion, with a healthy net profit margin.

This is the Company's current and preliminary view, which is subject to changes and uncertainties.

³ "Adjusted EBITDA" is a non-GAAP financial measure. For more information on this non-GAAP financial measure, please see the section of "Operating Highlights and Reconciliations of GAAP to Non-GAAP Measures" and the table captioned "Reconciliations of Adjusted EBITDA" set forth at the end of this press release.

Recent Development

1) Board Composition Change

On June 17, 2024, Mr. Qing Li resigned from the board of directors of the Company (the "Board") due to personal reasons. Mrs. Shuo Zheng was appointed by the Board as a director of the Company to succeed Mr. Qing Li. In addition, the Board has appointed Mrs. Zheng as (i) a member of the nominating and corporate governance committee, (ii) a member of the audit committee, (iii) a member of the compensation committee, and (iv) a member

of the newly formed ESG (Environmental, Social, and Governance) committee of the Board. The director change became effective on June 17, 2024.

Mrs. Shuo Zheng has over 28 years of experience in financial control and regulatory compliance within both corporate and personal banking sectors. From June 2016 to July 2023, she had served as the Head of Regulatory Compliance and Branch Compliance at JPMorgan Chase Bank China. Prior to this, from August 2011 to June 2016, she was the Head of North Region Compliance and Approved Compliance Officer for Citibank Beijing branch. Ms. Zheng also held positions at China offices of Deutsche Bank, Standard Chartered Bank and HSBC from 1995 to 2011. Ms. Zheng holds a bachelor's degree in finance from the Financial and Banking Institution of China, now part of the University of International Business and Economics, which she obtained in 1992. She also holds ACCA Certificates (Chinese version) and the Insurance Agent Sales Certificate.

The Board has determined that Mrs. Zheng satisfies the "independence" requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange and Rule 10A-3 under the Securities Exchange Act of 1934, as amended.

"On behalf of the Board, I would like to extend our gratitude to Mr. Qing Li for his years of contributions to Yiren Digital and wish him all the best in his future endeavors," said Mr. Ning Tang, Chairman and Chief Executive Officer of Yiren Digital. "We are also delighted to welcome Mrs. Zheng to the Board. We believe her extensive experience in financial control and regulatory compliance will add significant value to the Board and enhance the overall governance and management of our Company."

2) Establishment of ESG Board Committee

As a strategic imperative that reflects our commitment to sustainable growth and responsible corporate governance, the Board has approved the establishment of an ESG (Environmental, Social, and Governance) Committee under the Board, consisting of Mr. Ning Tang as the committee chair, Mr. Hao Li and Mrs. Shuo Zheng as the committee members, effective June 17, 2024.

By creating this dedicated committee, the Company ensures that ESG considerations are embedded at the highest level of decision-making, aligning our operations with global best practices and stakeholder expectations. This committee will provide focused oversight on ESG matters, drive initiatives that mitigate environmental impact, promote social responsibility, and uphold strong governance standards.

Furthermore, this will enhance our transparency and accountability, attract socially conscious investors and foster long-term value creation for all stakeholders, positioning the Company as a leader in sustainability, ready to address the evolving challenges and opportunities in the industry.

3) Upgrade of Code of Business Conduct and Ethics

In line with our commitment to enhanced non-financial risk control and improved ESG efforts, the Company has amended and restated its Code of Business Conduct and Ethics (the "Code") to incorporate ESG-related topics. The revised Code became effective on June 17, 2024 and is available on our IR website at <https://ir.yiren.com/Committee-Composition>.

Non-GAAP Financial Measures

In evaluating the business, the Company considers and uses several non-GAAP financial measures, such as adjusted EBITDA and adjusted EBITDA margin as supplemental measures to review and assess operating performance. We believe these non-GAAP measures provide useful information about our core operating results, enhance the overall understanding of our past performance and prospects and allow for greater visibility with respect to key metrics used by our management in our financial and operational decision-making. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The non-GAAP financial measures have limitations as analytical tools. Other companies, including peer companies in the industry, may calculate these non-GAAP measures differently, which may reduce their usefulness as a comparative measure. The Company compensates for these limitations by reconciling the non-GAAP financial measures to the nearest U.S. GAAP performance measure, all of which should be considered when evaluating our performance. See "Operating Highlights and Reconciliation of GAAP to Non-GAAP measures" at the end of this press release.

Currency Conversion

This announcement contains currency conversions of certain RMB amounts into US\$ at specified rates solely for the convenience of the reader. Unless otherwise noted, all translations from RMB to US\$ are made at a rate of RMB7.2203 to US\$1.00, the effective noon buying rate on March 29, 2024, as set forth in the H.10 statistical release of the Federal Reserve Board.

Conference Call

Yiren Digital's management will host an earnings conference call at 7:30 a.m. U.S. Eastern Time on June 21, 2024 (or 7:30 p.m. Beijing/Hong Kong Time on June 21, 2024).

Participants who wish to join the call should register online in advance of the conference at: <https://dpregister.com/sreg/10189856/fcb1994da0>

Once registration is completed, participants will receive the dial-in details for the conference call.

Additionally, a live and archived webcast of the conference call will be available at:
<https://event.choruscall.com/mediaframe/webcast.html?webcastid=1RBjWm6O>

Safe Harbor Statement

This press release 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 peer-to-peer lending service industry in China, general economic conditions in China, and Yiren Digital's ability to meet the standards necessary to maintain the 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 press release is as of the date of this press release, 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.

About Yiren Digital

Yiren Digital Ltd. is an advanced, AI-powered platform providing a comprehensive suite of financial and lifestyle services in China. Our mission is to elevate customers' financial well-being and enhance their quality of life by delivering digital financial services, tailor-made insurance solutions, and premium lifestyle services. We support clients at various growth stages, addressing financing needs arising from consumption and production activities, while aiming to augment the overall well-being and security of individuals, families, and businesses.

For investor and media inquiries, please contact:

Yiren Digital
Investor Relations
Email: ir@yiren.com

Unaudited Condensed Consolidated Statements of Operations (in thousands, except for share, per share and per ADS data, and percentages)

	For the Three Months Ended		
	March 31, 2023 RMB	March 31, 2024 RMB	March 31, 2024 USD
Net revenue:			
Loan facilitation services	417,165	676,295	93,666
Post-origination services	6,316	1,772	245
Insurance brokerage services	196,358	124,926	17,302
Financing services	22,577	10,666	1,477
Electronic commerce services	242,858	502,936	69,656
Guarantee services	5,759	16,853	2,334
Others	95,310	44,636	6,182
Total net revenue	986,343	1,378,084	190,862
Operating costs and expenses:			
Sales and marketing	106,212	277,223	38,395
Origination, servicing and other operating costs	199,745	233,270	32,308
Research and development	29,169	40,521	5,612
General and administrative	63,381	83,674	11,589
Allowance for contract assets, receivables and others	39,406	102,334	14,173
Provision for contingent liabilities	5,499	67,258	9,315
Total operating costs and expenses	443,412	804,280	111,392
Other income/(expenses):			
Interest income, net	14,519	27,713	3,838
Fair value adjustments related to Consolidated ABFE	(11,203)	15,468	2,142
Others, net	3,589	677	95
Total other income	6,905	43,858	6,075
Income before provision for income taxes	549,836	617,662	85,545
Income tax expense	122,670	131,779	18,251
Net income	427,166	485,883	67,294
Weighted average number of ordinary shares outstanding, basic	177,782,059	174,282,443	174,282,443
Basic income per share	2.4028	2.7879	0.3861
Basic income per ADS	4.8056	5.5758	0.7722
Weighted average number of ordinary shares outstanding, diluted	180,180,975	176,202,571	176,202,571
Diluted income per share	2.3708	2.7575	0.3819
Diluted income per ADS	4.7416	5.5150	0.7638
Unaudited Condensed Consolidated Cash Flow Data			
Net cash generated from operating activities	390,307	631,743	87,495
Net cash provided by/(used in) investing activities	774,283	(683,697)	(94,691)
Net cash used in financing activities	(392,831)	(14,774)	(2,046)
Effect of foreign exchange rate changes	(181)	1,340	186
Net increase/(decrease) in cash, cash equivalents and restricted cash	771,578	(65,388)	(9,056)
Cash, cash equivalents and restricted cash, beginning of period	4,360,695	6,058,604	839,107
Cash, cash equivalents and restricted cash, end of period	5,132,273	5,993,216	830,051

Unaudited Condensed Consolidated Balance Sheets
(in thousands)

	As of		
	December 31, 2023 RMB	March 31, 2024 RMB	March 31, 2024 USD
Cash and cash equivalents	5,791,333	5,903,995	817,694
Restricted cash	267,271	89,221	12,357
Trading securities	76,053	77,967	10,798
Accounts receivable	499,027	610,745	84,588
Guarantee receivable	2,890	36,787	5,095
Contract assets, net	978,051	994,116	137,683
Contract cost	32	18	2
Prepaid expenses and other assets	423,621	1,273,040	176,314
Loans at fair value	677,835	655,058	90,725
Financing receivables	116,164	73,383	10,163
Amounts due from related parties	820,181	726,991	100,687
Held-to-maturity investments	10,420	10,420	1,443
Available-for-sale investments	438,084	379,489	52,559
Property, equipment and software, net	79,158	77,777	10,772
Deferred tax assets	73,414	59,260	8,207
Right-of-use assets	23,382	18,758	2,598
Total assets	10,276,916	10,987,025	1,521,685
Accounts payable	30,902	41,484	5,745
Amounts due to related parties	14,414	1,122	155
Guarantee liabilities-stand ready	8,802	40,583	5,621
Guarantee liabilities-contingent	28,351	81,921	11,346
Deferred revenue	54,044	46,807	6,483
Payable to investors at fair value	445,762	445,762	61,737
Accrued expenses and other liabilities	1,463,369	1,595,052	220,912
Deferred tax liabilities	122,075	114,222	15,820
Lease liabilities	23,648	19,025	2,635
Total liabilities	2,191,367	2,385,978	330,454
Ordinary shares	130	130	18
Additional paid-in capital	5,171,232	5,172,942	716,444
Treasury stock	(94,851)	(109,444)	(15,158)
Accumulated other comprehensive income	23,669	66,671	9,234
Retained earnings	2,985,369	3,470,748	480,693
Total equity	8,085,549	8,601,047	1,191,231
Total liabilities and equity	10,276,916	10,987,025	1,521,685

Operating Highlights and Reconciliation of GAAP to Non-GAAP Measures

(in thousands, except for number of borrowers, number of insurance clients, cumulative number of insurance clients and percentages)

	For the Three Months Ended		
	March 31, 2023 RMB	March 31, 2024 RMB	March 31, 2024 USD
Operating Highlights			
Amount of loans facilitated	6,420,213	11,910,367	1,649,567
Number of borrowers	872,235	1,352,200	1,352,200
Remaining principal of performing loans	11,129,221	20,156,161	2,791,596
Cumulative number of insurance clients	1,007,238	1,343,660	1,343,660
Number of insurance clients	80,856	73,687	73,687
Gross written premiums	923,382	912,431	126,370
First year premium	627,314	514,141	71,208
Renewal premium	296,068	398,290	55,162
Gross merchandise volume	308,567	625,120	86,578
Segment Information			
Financial services business:			
Revenue	483,873	738,117	102,228
Sales and marketing expenses	62,218	251,922	34,891
Origination, servicing and other operating costs	47,609	85,787	11,882
Allowance for contract assets, receivables and others	40,222	101,127	14,006
Provision for contingent liabilities	5,499	67,258	9,315
Insurance brokerage business:			
Revenue	196,358	124,926	17,302
Sales and marketing expenses	2,289	3,565	494
Origination, servicing and other operating costs	133,617	136,883	18,958
Allowance for contract assets, receivables and others	12	1,012	140
Consumption & lifestyle business and others:			
Revenue	306,112	515,041	71,332
Sales and marketing expenses	41,705	21,736	3,010
Origination, servicing and other operating costs	18,519	10,600	1,468

Allowance for contract assets, receivables and others	(479)	9	1
Reconciliation of Adjusted EBITDA			
Net income	427,166	485,883	67,294
Interest income, net	(14,519)	(27,713)	(3,838)
Income tax expense	122,670	131,779	18,251
Depreciation and amortization	1,868	1,892	262
Share-based compensation	2,089	1,207	167
Adjusted EBITDA	<u>539,274</u>	<u>593,048</u>	<u>82,136</u>
<i>Adjusted EBITDA margin</i>	<i>54.7%</i>	<i>43.0%</i>	<i>43.0%</i>

Delinquency Rates			
	15-29 days	30-59 days	60-89 days
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%
December 31, 2022	0.7%	1.3%	1.1%
December 31, 2023	0.9%	1.4%	1.2%
March 31, 2024	0.9%	1.6%	1.4%

Net Charge-Off Rate			
Loan Issued Period	Amount of Loans Facilitated During the Period (in RMB thousands)	Accumulated M3+ Net Charge-Off as of March 31, 2024 (in RMB thousands)	Total Net Charge-Off Rate as of March 31, 2024
2019	3,431,443	384,442	11.2%
2020	9,614,819	734,218	7.6%
2021	23,195,224	1,451,220	6.3%
2022	22,623,101	1,059,319	4.7%
2023	36,036,301	1,396,260	3.9%

YIREN DIGITAL LTD.

CODE OF BUSINESS CONDUCT AND ETHICS

*(Adopted by the Board of Directors of Yiren Digital Ltd., as amended and restated on June 17, 2024)***I. PURPOSE**

This Code of Business Conduct and Ethics, as amended and restated on June 17, 2024 (the “**Code**”), contains general guidelines for conducting the business of Yiren Digital Ltd., a Cayman Islands company, and its subsidiaries and affiliates (collectively, the “**Company**”) consistent with the highest standards of business ethics, and is intended to qualify as a “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (the “**SEC**”) and in other public communications made by the Company;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

II. APPLICABILITY

This Code applies to all directors, officers and employees of the Company, whether they work for the Company on a full-time, part-time, consultative or temporary basis (each, an “**employee**” and collectively, the “**employees**”). Certain provisions of the Code apply specifically to our chief executive officer, chief financial officer, senior finance officer, controller, senior vice presidents, vice presidents and any other persons who perform similar functions for the Company (each, a “**senior officer**,” and collectively, the “**senior officers**”).

The Board of Directors of the Company (the “**Board**”) has appointed the Company’s General Counsel, as the Compliance Officer for the Company (the “**Compliance Officer**”). If you have any questions regarding the Code or would like to report any violation of the Code, please email the Compliance Officer at compliance.support@yiren.com.

This Code was adopted by the Board on June 17, 2024, and has superseded and replaced all the prior effective Code of Business Conduct and Ethics.

III. ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

The Company is a public company in the United States and is required to report its financial results and other material information about its business to the public and the SEC. It is the Company’s policy to promptly disclose accurate and complete information regarding its business, financial condition and results of operations. Employees must strictly comply with all applicable standards, laws, regulations and policies for accounting and financial reporting of transactions, estimates and forecasts. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

Employees should be on guard for, and promptly report, any possibility of inaccurate or incomplete financial reporting. Particular attention should be paid to:

- financial results that seem inconsistent with the performance of the underlying business;
- transactions that do not seem to have an obvious business purpose; and
- requests to circumvent ordinary review and approval procedures.

The Company’s senior financial officers and other employees working in the finance department have a special responsibility to ensure that all of the Company’s financial disclosures are full, fair, accurate, timely and understandable. Any practice or situation that might undermine this objective should be reported to the Compliance Officer.

Employees are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence the Company’s independent auditors for the purpose of rendering the financial statements of the Company materially misleading. Prohibited actions include but are not limited to:

- issuing or reissuing a report on the Company’s financial statements that is not warranted in the circumstances (due to material violations of U.S. GAAP, generally accepted auditing standards or other professional or regulatory standards);

- not performing audit, review or other procedures required by generally accepted auditing standards or other professional standards;

- not withdrawing an issued report when withdrawal is warranted under the circumstances; or
- not communicating matters required to be communicated to the Audit Committee of the Board.

IV. COMPANY RECORDS

Accurate and reliable records are crucial to the Company's business and form the basis of its earnings statements, financial reports and other disclosures to the public. The Company's records are a source of essential data that guides business decision-making and strategic planning. Company records include, but are not limited to, booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of business.

All Company records must be complete, accurate and reliable in all material respects. There is never an acceptable reason to make false or misleading entries. Undisclosed or unrecorded funds, payments or receipts are strictly prohibited. An employee is responsible for understanding and complying with the Company's recordkeeping policy. An employee should contact the Compliance Officer if he/she has any questions regarding the recordkeeping policy.

V. EMPLOYEES

1. COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with the laws of the cities, provinces, regions and countries in which the Company operates. This includes, without limitation, laws covering commercial bribery and kickbacks, patents, copyrights, trademarks and trade secrets, information privacy, insider trading, offering or receiving gratuities, employment harassment, environmental protection, occupational health and safety, false or misleading financial information, misuse of corporate assets and foreign currency exchange activities. Employees are expected to understand and comply with all laws, rules and regulations that apply to their positions at the Company. If any doubt exists about whether a course of action is lawful, the employee should seek advice immediately from the Compliance Officer.

2. DISCRIMINATION AND HARASSMENT

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination based on race, ethnicity, religion, gender, age, national origin or any other protected class. The Company does not tolerate any form of disrespectful behavior towards the employees, including violence, coercion, and threats.

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The Company has a "zero-tolerance" approach to sexual and non-sexual harassment, regardless of whether it is verbal, physical or through a medium such as the Internet. Harassment includes, but is not limited to, offensive flirting, sexual advances or offenses, and the display of sexually explicit images and objects in the workplace.

For further information, employees should consult the Compliance Officer.

3. HEALTH AND SAFETY

The Company strives to provide employees with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for other employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence or threats of violence are not permitted.

Each employee is expected to perform his/her duty to the Company in a safe manner, not under the influence of alcohol, illegal drugs or other controlled substances. The use of illegal drugs or other controlled substances in the workplace is prohibited.

4. CONFLICTS OF INTEREST

Identifying Conflicts of Interest

A conflict of interest occurs when an employee's private interest interferes, or appears to interfere, in any way with the interests of the Company as a whole. An employee should actively avoid any private interest that may impact such employee's ability to act in the interests of the Company or that may make it difficult to perform the employee's work objectively and effectively. In general, the following should be considered conflicts of interest:

- Competing Business. No employee may be employed by a business that competes with the Company or deprives it of any business.
- Corporate Opportunity. No employee should use corporate property, information or his/her position with the Company to secure a business opportunity that would otherwise be available to the Company. If an employee discovers a business opportunity that is in the Company's line of business through the use of the Company's property, information or position, the employee must first present the business opportunity to the Company before pursuing the opportunity in his/her individual capacity.

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- Financial Interests.

- No employee may have any financial interest (ownership or otherwise), either directly or indirectly through a spouse or other family member, in any other business or entity if such interest adversely affects the employee's performance of duties or responsibilities to the Company, or requires the employee to devote time to it during such employee's working hours at the Company;
- No employee may hold any ownership interest in a privately held company that is in competition with the Company;
- An employee may hold up to 5% ownership interest in a publicly traded company that is in competition with the Company; provided that if the employee's ownership interest in such publicly traded company increases to more than 5%, the employee must immediately report such ownership to the Compliance Officer;

- (iv) No employee may hold any ownership interest in a company that has a business relationship with the Company if such employee's duties at the Company include managing or supervising the Company's business relations with that company; and
- (v) Notwithstanding the other provisions of this Code,
 - (a) a director or any family member of such director (collectively, "**Director Affiliates**") or a senior officer or any family member of such senior officer (collectively, "**Officer Affiliates**") may continue to hold his/her investment or other financial interest in a business or entity (an "**Interested Business**") that:
 - (1) was made or obtained either (x) before the Company invested in or otherwise became interested in such business or entity; or (y) before the director or senior officer joined the Company (for the avoidance of doubt, regardless of whether the Company had or had not already invested in or otherwise become interested in such business or entity at the time the director or senior officer joined the Company); or
 - (2) may in the future be made or obtained by the director or senior officer, provided that at the time such investment or other financial interest is made or obtained, the Company has not yet invested in or otherwise become interested in such business or entity; provided that such director or senior officer shall disclose such investment or other financial interest to the Board;

- (b) an interested director or senior officer shall refrain from participating in any discussion among senior officers of the Company relating to an Interested Business and shall not be involved in any proposed transaction between the Company and an Interested Business; and
- (c) before any Director Affiliate or Officer Affiliate (i) invests, or otherwise acquires any equity or other financial interest, in a business or entity that is in competition with the Company; or (ii) enters into any transaction with the Company, the related director or senior officer shall obtain prior approval from the Audit Committee of the Board.

- **Loans or Other Financial Transactions.** No employee may obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with recognized banks or other financial institutions.
- **Service on Boards and Committees.** No employee shall serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests could reasonably be expected to conflict with those of the Company. Employees must obtain prior approval from the Board before accepting any such board or committee position. The Company may revisit its approval of any such position at any time to determine whether an employee's service in such position is still appropriate.

The above is in no way a complete list of situations where conflicts of interest may arise. The following questions might serve as a useful guide in assessing a potential conflict of interest situation not specifically addressed above:

- Is the action to be taken legal?
- Is it honest and fair?
- Is it in the best interests of the Company?

Disclosure of Conflicts of Interest

The Company requires that employees fully disclose any situations that could reasonably be expected to give rise to a conflict of interest. If an employee suspects that he/she has a conflict of interest, or a situation that others could reasonably perceive as a conflict of interest, the employee must report it immediately to the Compliance Officer. Conflicts of interest may only be waived by the Board, or the appropriate committee of the Board, and will be promptly disclosed to the public to the extent required by law and applicable rules of the applicable stock exchange.

Family Members and Work

The actions of family members outside the workplace may also give rise to conflicts of interest because they may influence an employee's objectivity in making decisions on behalf of the Company. If a member of an employee's family is interested in doing business with the Company, the criteria as to whether to enter into or continue the business relationship and the terms and conditions of the relationship must be no less favorable to the Company compared with those that would apply to an unrelated party seeking to do business with the Company under similar circumstances.

Employees should report any situation involving family members that could reasonably be expected to give rise to a conflict of interest to their supervisor or the Compliance Officer. For purposes of this Code, "family members" or "members of employee's family" include an employee's spouse, parents, children and siblings, whether by blood, marriage or adoption or anyone residing in such employee's home.

5. PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. Any use of the funds or assets of the Company, whether for personal gain or not, for any unlawful or improper purpose is strictly prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- exercise reasonable care to prevent theft, damage or misuse of Company property;
- promptly report any actual or suspected theft, damage or misuse of Company property;

- safeguard all electronic programs, data, communications and written materials from unauthorized access; and
- use Company property only for legitimate business purposes.

Except as approved in advance by the Chief Executive Officer or Chief Financial Officer of the Company, the Company prohibits political contributions (directly or through trade associations) by any employee on behalf of the Company. Prohibited political contributions include:

- any contributions of the Company's funds or other assets for political purposes;

- encouraging individual employees to make any such contribution; and
- reimbursing an employee for any political contribution.

6. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

Employees should abide by the Company's rules and policies in protecting the intellectual property and confidential information, including the following:

- All inventions, creative works, computer software, and technical or trade secrets developed by an employee in the course of performing the employee's duties or primarily through the use of the Company's assets or resources while working at the Company shall be the property of the Company.
- Employees should maintain the confidentiality of information entrusted to them by the Company or entities with which the Company has business relations, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the company or its business associates, if disclosed.
- The Company maintains a strict confidentiality policy. During an employee's term of employment with the Company, the employee shall comply with any and all written or unwritten rules and policies concerning confidentiality and shall fulfill the duties and responsibilities concerning confidentiality applicable to the employee.
- In addition to fulfilling the responsibilities associated with his/her position in the Company, an employee shall not, without obtaining prior approval from the Company, disclose, announce or publish trade secrets or other confidential business information of the Company, nor shall an employee use such confidential information outside the course of his/her duties to the Company.
- Even outside the work environment, an employee must maintain vigilance and refrain from disclosing important information regarding the Company or its business, business associates or employees.
- An employee's duty of confidentiality with respect to the confidential information of the Company survives the termination of such employee's employment with the Company for any reason until such time as the Company discloses such information publicly or the information otherwise becomes available in the public sphere through no fault of the employee.
- Upon termination of employment, or at such time as the Company requests, an employee must return to the Company all of its property without exception, including all forms of medium containing confidential information, and may not retain duplicate materials.

VI. **MARKET**

1. GIFTS AND ENTERTAINMENT

The giving and receiving of appropriate gifts may be considered common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should never compromise, or appear to compromise, an employee's ability to make objective and fair business decisions.

It is the responsibility of employees to use good judgment in this area. As a general rule, employees may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment is in compliance with applicable law, insignificant in amount and not given in consideration or expectation of any action by the recipient. All gifts and entertainment expenses made on behalf of the Company must be properly accounted for on expense reports.

We encourage employees to submit gifts received to the Company. While it is not mandatory to submit small gifts, gifts of over US\$100 must be submitted immediately to the human resources department of the Company.

Bribes and kickbacks are criminal acts, strictly prohibited by law. An employee must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world.

2. FCPA COMPLIANCE

The U.S. Foreign Corrupt Practices Act ("FCPA") prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. A violation of the FCPA does not only violate the Company's policy but also constitute a civil or criminal offense under the FCPA. No employee shall give or authorize directly or indirectly any illegal payments to government officials of any country. While the FCPA does, in certain limited circumstances, allow nominal "facilitating payments" to be made, any such payment must be discussed with and approved by an employee's supervisor in advance before it can be made.

3. FAIR DEALING

Since the establishment of the Company, we have always adhered to the rule of law, compliant operation, and strive to shape a national financial

and lifestyle services platform that is compliant with the law, honest and trustworthy, and independent and innovative. We have the responsibility to comply with the "anti-unfair competition," "anti-monopoly" and other relevant laws to maintain fair competition. Each employee should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. Because the commission of monopolistic acts can give rise to civil, administrative and even criminal liability, the Company's employees are required to always exercise prudent judgment and take action in research and development, pricing, sales of products and services, and expansion of distribution channels to avoid entering into monopolistic agreements with competitors.

VII. SOCIETY AND COMMUNITY

1. ENVIRONMENT

The Company is committed to promoting and maintaining environmentally responsible manufacturing and other business practices. To this end, we regularly assess the environmental impact of our operational activities. At the same time, we are committed to formulating environmental policies and standards that comply with laws and regulations and incorporating industry practices into our daily operations and services.

In addition, the Company will continue to carry out employee education on environmental protection to enhance their awareness of environmental protection. We advocate that every employee can integrate the concept of environmental protection into their daily work and life, start from small things, and reduce the impact on the surrounding environment through energy saving, green travel, paperless office, garbage sorting and other environmental initiatives, so as to jointly contribute to environmental protection.

We fully consider environmental factors in our procurement policies and share our environmental policies and management strategies with our partners, suppliers and others. At the same time, we encourage all partners, including employees, suppliers and users, to fulfill their responsibilities to the environment and practice their environmental commitments together. The Company also communicates its significant environmental information in a timely manner through ESG reports.

2. ANTI-MONEY LAUNDERING

Money laundering refers to the act of disguising, concealing and transforming the illegal income gained from crimes or other illegal and illicit acts to make it legalized in form through various means. We will not directly or indirectly participate in such behavior. Regarding fund transfers and cross-border fund redeployment matters, we operate in strict accordance with relevant laws and regulations to ensure that the Company's fund management is legal and compliant.

In the course of daily work and interaction with customers or partners, we need to be careful in judgment and report to the Company in time when we encounter abnormal or suspicious situations. These abnormal situations include: arranging payment and receipt from non-contractual parties without reasonable reasons, using currencies that are inconsistent with contractual agreements to make payments, and arranging payments to foreign organizations without actual business needs and contractual basis.

3. STATEMENT ON THE PROTECTION OF HUMAN RIGHTS

We are committed to respecting and promoting human rights in our business operations, supply chain and communities. Our principles are set out below:

- We respect the dignity and diversity of all people and treat them in a fair, equal and non-discriminatory manner.
- We respect the right to life, liberty and security of person as set out in the United Nations Universal Declaration of Human Rights.
- We do not tolerate harassment, abuse or violence in our workplace or business relationships.
- We respect the personal freedom and privacy of our employees and protect their personal data.
- We respect our employees' freedom of association and collective bargaining rights and communicate with them in good faith and with constructive dialog.

VIII. VIOLATIONS OF THE CODE

All employees have a duty to report any known or suspected violation of this Code, including any violation of laws, rules, regulations or policies that apply to the Company. Reporting a known or suspected violation of this Code by others will not be considered an act of disloyalty, but an action to safeguard the reputation and integrity of the Company and its employees.

If an employee knows of or suspects a violation of this Code, it is such employee's responsibility to immediately report the violation to the Compliance Officer, who will work with the employee to investigate his/her concern. All questions and reports of known or suspected violations of this Code will be treated with sensitivity and discretion. The Compliance Officer and the Company will protect the employee's confidentiality to the extent possible, consistent with the law and the Company's need to investigate the employee's concern.

It is the Company's policy that any employee who violates this Code will be subject to appropriate discipline, including termination of employment, based upon the facts and circumstances of each particular situation. An employee's conduct, if it does not comply with the law or with this Code, can result in serious consequences for both the employee and the Company.

The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. An employee inflicting reprisal or retaliation against another employee for reporting a known or suspected violation will be subject to disciplinary action, including termination of employment.

IX. WAIVERS OF THE CODE

Waivers of this Code will be granted on a case-by-case basis and only in extraordinary circumstances. Waivers of this Code may be made only by the Board, or the appropriate committee of the Board, and may be promptly disclosed to the public if so required by applicable laws and regulations and rules of the applicable stock exchange.

X. CONCLUSION

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If employees have any questions about these guidelines, they should contact the Compliance Officer. We expect all employees to adhere to these standards. Each employee is separately responsible for his/her actions. Conduct that violates the law or this Code cannot be justified by claiming that it was ordered by a supervisor or someone in higher management positions. If an employee engages in conduct prohibited by the law or this Code, such employee will be deemed to have acted outside the scope of his/her employment. Such conduct will subject the employee to disciplinary action, including termination of employment.