

0001104659-24-0910806-K Yiren Digital Ltd. 2024082020240820084112084112084112 0 0001104659-24-091080 6-K 2 20240820 20240820 20240820 Yiren Digital Ltd. 0001631761 6199 000000000 E9 1231 6-K 34 001-37657 241222920 10/F, BUILDING 9, 91 JIANGUO ROAD CHAOYANG DISTRICT BEIJING F4 100022 86-10-5236-1830 10/F, BUILDING 9, 91 JIANGUO ROAD CHAOYANG DISTRICT BEIJING F4 100022 Yirendai Ltd. 20150126 6-K 1 tm2421990d1_6k.htm FORM 6-K Â Â UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Â FORMÂ 6-K Â REPORT OF FOREIGN PRIVATE ISSUERÂ PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934 Â For the month of AugustÂ 2024 Â Commission File Number:Â 001-37657 Â YIREN DIGITAL LTD. Â 28/F, China Merchants Bureau Building 118 Jianguo Road Chaoyang District, Beijing 100022 The People's Republic of China (Address of principal executive offices) Â Indicate by check mark whether the registrant files or will file annual reports under cover of FormÂ 20-FÂ or FormÂ 40-F. Â FormÂ 20-F x Â FormÂ 40-F Â Â Â Â Â ExhibitÂ Index Â ExhibitÂ No. Â Description Â Â Â 99.1 Â Yiren Digital Reports Second Quarter 2024 Financial Results Â Â Â Â SIGNATURES Â 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. Â Â Yiren Digital Ltd. Â Â Â By: /s/ Na Mei Â Â Name: Na Mei Â Â Title: Chief Financial Officer Â Date: AugustÂ 20, 2024 Â Â Â EX-99.1 2 tm2421990d1_ex99-1.htm EXHIBIT 99.1 Â ExhibitÂ 99.1 Â Yiren Digital Reports Second Quarter 2024 Financial Results Â BEIJING æ“ AugustÂ 20, 2024 æ” Yiren Digital Ltd. (NYSE: YRD) (æœYiren Digitalæ or the æœCompanyæ), 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 JuneÂ 30, 2024. Â Second Quarter 2024 Operational Highlights Â Financial Services Business Â Â·Total loans facilitated in the second quarter of 2024 reached RMB12.9 billion (US\$1.8 billion), representing an increase of 8.6% from RMB11.9 billion in the first quarter of 2024 and compared to RMB8.2 billion in the same period of 2023. Â Â·Cumulative number of borrowers served reached 10,807,497 as of JuneÂ 30, 2024, representing an increase of 8.3% from 9,978,280 as of MarchÂ 31, 2024, and compared to 8,002,372 as of JuneÂ 30, 2023. Â Â·Number of borrowers served in the second quarter of 2024 was 1,491,756, representing an increase of 10.3% from 1,352,200 in the first quarter of 2024 and compared to 1,013,972 in the same period of 2023. The increase was due to our ongoing effort in customer acquisition and user experience enhancement. Â Â·Outstanding balance of performing loans facilitated reached RMB21.8 billion (US\$3.0 billion) as of JuneÂ 30, 2024, representing an increase of 8.3% from RMB20.2 billion as of MarchÂ 31, 2024 and compared to RMB12.8 billion as of JuneÂ 30, 2023. Â Insurance Brokerage Business Â Â·Cumulative number of insurance clients served reached 1,410,158 as of JuneÂ 30, 2024, representing an increase of 4.9% from 1,343,660 as of MarchÂ 31, 2024, and compared to 1,133,069 as of JuneÂ 30, 2023. Â Â·Number of insurance clients served in the second quarter of 2024 was 88,766, representing an increase of 20.5% from 73,687 in the first quarter of 2024 and compared to 135,449 in the same period of 2023. The increase was primarily due to the continued growth of our property insurance business. Â Â·Gross written premiums in the second quarter of 2024 were RMB1,060.9 million (US\$146.0 million), representing an increase of 16.3% from RMB912.4 million in the first quarter of 2024 and compared to RMB1,332.5 million in the same period of 2023. The increase was mainly attributed to the continued expansion of our property insurance business. Â Â Â Â Consumption and Lifestyle Business Â Â·Total gross merchandise volume generated through our e-commerce platform and æœYiren Selectæ channel reached RMB554.6 million (US\$76.3 million) in the second quarter of 2024, representing a decrease of 11.3% from RMB625.1 million in the first quarter of 2024 and compared to RMB395.8 million in the same period of 2023. The decrease was mainly due to the already high penetration of our products and services within the existing customer pool, along with our strategic scale-back in product offerings as we shift our focus to upgrading customer segmentation. Â æœDespite the evolving market environment, we are pleased to report another solid quarter with strong unit economics, reflecting the resilience of our business structure and operational strategies, as well as our commitment to quality growth over mere expansion.æ said Mr.Â Ning Tang, Chairman and Chief Executive Officer. Â æœOur continued investments in AI and the seamless integration of technological innovations into our operations have fostered dual growth in both technological advancements and operational efficiency. Our strategic direction positions us well to evolve into a leading AI-driven platform, paving the way for groundbreaking solutions and setting new industry standards.æ Â æœIn the second quarter of 2024, our total revenue reached RMB 1.5 billion, representing 13% increase year-over-year. We generate approximately RMB 369 million net cash from operation in this quarter, remaining healthy and strong.æ Ms.Â Na Mei, Chief Financial Officer commented. æœOn the balance sheet side, our balance sheet remained strong with RMB 5.5 billion in cash and cash equivalents as of the end of this quarter and we are exploring diversified ways to enhance our shareholder returns. Through both our cash dividend policy and share buybacks, we aim to reward our shareholders for their long-term trust and support, while also boosting market confidence.æ Â Second Quarter 2024 Financial Results Â Total net revenue in the second quarter of 2024 was RMB1,496.5 million (US\$205.9 million), representing an increase of 13.0% from RMB1,324.2 million in the second quarter of 2023. Particularly, in the second quarter of 2024, revenue from financial services business was RMB851.0 million (US\$117.1 million), representing an increase of 46.2% from RMB582.0 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 RMB91.5 million (US\$12.6 million), representing a decrease of 77.4% from RMB404.7 million in the second quarter of 2023. The decrease was primarily driven by a decline in life insurance sales, resulting from product modifications mandated by new regulations, along with an industry-wide reduction in commission fee rates due to the implementation of more stringent regulatory standards on rates and terms. Revenue from consumption and lifestyle business and others was RMB554.0 million (US\$76.2 million), representing an increase of 64.1% from RMB337.5 million in the second quarter of 2023. The annual increase was primarily attributed to the continuous growth of the service and product penetration in the expanding base of paying customers. As the penetration rate reached a substantial level in the second quarter of 2024, the growth rate is expected to moderate. Â Â Â Sales and marketing expenses in the second quarter of 2024 were RMB285.1 million (US\$39.2 million), compared to RMB148.9 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 aimed at attracting new, high-caliber customers while optimizing our customer composition. Â Origination, servicing and other operating costs in the second quarter of 2024 were RMB246.5million (US\$33.9 million), compared to RMB346.4 million in the same period of 2023. The decrease was mainly due to the decline in insurance brokerage services. Â Research and development expenses1 in the second quarter of 2024 were RMB55.8 million (US\$7.7 million), compared to RMB33.0 million in the same period of 2023. The increase was mainly attributed to our ongoing investment in AI upgrades and technological innovations. Â General and administrative expenses in the second quarter of 2024 were

RMB68.7 million (US\$9.4 million), compared to RMB63.7 million in the same period of 2023. The increase was primarily due to personnel adjustments. Allowance for contract assets, receivables and others in the second quarter of 2024 was RMB123.3 million (US\$17.0 million), compared to RMB48.9 million in the same period of 2023. The increase reflects the growing volume of loans facilitated on our platform and the more stringent risk estimates in response to the evolving external credit environment. Provision for contingent liabilities in the second quarter of 2024 was RMB278.9 million (US\$38.4 million), compared to RMB12.0 million in the same period of 2023. The increase was mainly attributed to a higher volume of loans facilitated under our risk-taking model. Income tax expense in the second quarter of 2024 was RMB92.0 million (US\$12.7 million). Net income in the second quarter of 2024 was RMB409.5 million (US\$56.4 million), as compared to RMB527.3 million in the same period in 2023. The decrease was primarily due to the growing loan volume facilitated under our risk-taking model, resulting in substantial upfront provisions required by the current accounting principles.

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 second quarter of 2024 was RMB481.1 million (US\$66.2 million), compared to RMB661.7 million in the same period of 2023. Basic and diluted income per ADS in the second quarter of 2024 were RMB4.7 (US\$0.7) and RMB4.7 (US\$0.6) respectively, compared to a basic income per ADS of RMB6.0 and a diluted income per ADS of RMB5.9 in the same period of 2023. Net cash generated from operating activities in the second quarter of 2024 was RMB368.9 million (US\$50.8 million), compared to RMB718.1 million in the same period of 2023. Net cash used in investing activities in the second quarter of 2024 was RMB536.9 million (US\$73.9 million), compared to RMB20.0 million in the same period of 2023. Net cash used in financing activities in the second quarter of 2024 was RMB125.9 million (US\$17.3 million), compared to RMB6.1 million in the same period of 2023. As of June 30, 2024, cash and cash equivalents were RMB5,496.9 million (US\$756.4 million), compared to RMB5,904.0 million as of March 31, 2024. As of June 30, 2024, the balance of held-to-maturity investments was RMB5.1 million (US\$0.7 million), decreased 51.2% from March 31, 2024. As of June 30, 2024, the balance of available-for-sale investments was RMB329.8 million (US\$45.4 million), compared to RMB379.5 million as of March 31, 2024. As of June 30, 2024, the balance of trading securities was RMB83.9 million (US\$11.5 million), compared to RMB78.0 million as of March 31, 2024. Delinquency rates. As of June 30, 2024, the delinquency rates for loans that are past due for 15-29 days, 30-59 days and 60-89 days were 0.8%, 1.4% and 1.6%, respectively, compared to 0.9%, 1.6% and 1.4%, respectively, as of March 31, 2024. Cumulative M3+ net charge-off rates. As of June 30, 2024, the cumulative M3+ net charge-off rates for loans originated in 2021, 2022 and 2023 were 6.1%, 4.6% and 5.9%, respectively, as compared to 6.3%, 4.7% and 3.9%, respectively, as of March 31, 2024.

Management Change The Company announces that Ms. Na Mei will resign from her position as Chief Financial Officer due to personal reasons effective as of the close of business on August 20, 2024 New York time. Ms. Mei will continue to serve CreditEase, Yiren Digital's parent company, and assist in ensuring a smooth transition to the new CFO. The board of directors of the Company (the "Board") extends its gratitude to Ms. Mei for her dedicated service and significant contributions during her tenure.

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.

4 Following this development, the Board has appointed Mr. Yuning Feng as the new Chief Financial Officer to succeed Ms. Mei. Mr. Feng brings extensive experience and expertise in investment banking and financial control to the role, and the Board is confident in his ability to lead the Company's financial operations with distinction. Mr. Feng possesses over a decade of experience in venture capital investment, investment banking and financial control. Before joining Yiren Digital, he was a partner at CE Innovation Capital, from 2015 to 2018 and from 2021 to 2024. In this role, he led investments in fintech, enterprise solutions, and AI sectors, managed investment portfolios, and contributed to fundraising and fund management. From 2018 to 2021, Mr. Feng served as an investment banker at China Renaissance, specializing in corporate finance for fintech and enterprise solutions companies, where he established strong connections with a variety of companies and investors. Earlier in his career, Mr. Feng was a financial controller at Goldman Sachs and UBS from 2008 to 2012. He received a bachelor's degree from Beijing Foreign Studies University in 2008 and an MBA from the University of Warwick in 2014.

Dividend Policy The Company is pleased to announce that the Board has approved a semi-annual dividend policy, reflecting our commitment to delivering value to our shareholders. Pursuant to the policy, the Board plans to declare semi-annual dividends at an amount equivalent to no less than 10% of the Company's anticipated net income after tax in each half year commencing from the first half of 2024. The determination to declare and pay such semi-annual dividends and the amount of dividends in any particular half year will be made at the discretion of the Board and will be based upon the Company's operations, earnings, cash flow, financial condition and other relevant factors that the Board may deem appropriate. The cash dividend for the first half of 2024, a payment of US\$0.2 per American depositary share (the "ADS"), each representing two ordinary shares of the Company, par value US\$0.0001 per share, is expected to be paid on or about October 15, 2024, to holders of the Company's ordinary shares and ADSs of record as of the close of business on September 30, 2024, Hong Kong time and New York time, respectively.

Update on Share Repurchase In September 2022, the Board authorized a share repurchase program under which the Company may repurchase up to US\$20 million worth of its ADSs. The share repurchases may be made in accordance with applicable laws and regulations through open market transactions, privately negotiated transactions or other legally permissible means as determined by the management.

In the second quarter of 2024, the Company allocated US\$4.0 million to repurchase shares in the public market. As of June 30, 2024, the Company had in aggregate purchased approximately 4.3 million ADSs in the open market for a total amount of approximately US\$13.5 million (exclusive of commissions) under the 2022 share repurchase program.

Business Outlook Based on the Company's preliminary assessment of business and market conditions, the Company projects the total revenue in the third quarter of 2024 to be between RMB1.4 billion to RMB1.5 billion, with a healthy net profit margin. This is the Company's current and preliminary view, which is subject to changes and uncertainties.

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 RMB7.2672 to US\$1.00, the effective noon buying rate on June 28, 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 8:00 a.m. U.S. Eastern Time on August 20, 2024 (or 8:00 p.m. Beijing/Hong Kong Time on August 20, 2024). Participants who wish to join the call should register online in advance of the conference at: <https://dpregrister.com/sreg/10191859/fd4b40278f> 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.chorusall.com/mediaframe/webcast.html?webcastid=T01PiHJw>

‐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 June 30, 2023	For the Three Months Ended June 30, 2024	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2024
Net revenue:				
Loan facilitation services	514,353	676,295	695,532	95,708
Post-origination services	5,273	1,772	1,290	178
Insurance brokerage services	404,695	124,926	91,526	12,594
Financing services	29,785	14,896	10,666	19,574
Electronic commerce services	4,161	287,725	502,936	523,641
Guarantee services	530,583	1,026,577	141,262	6,343
Others	9,486	12,102	85,787	11,805
Total net revenue	1,324,206	1,378,084	1,496,536	2,310,549
Operating costs and expenses:				
Sales and marketing	148,947	277,223	285,101	39,231
Origination, servicing and other operating costs	346,367	233,270	246,542	33,925
Research and development	66,024	33,018	40,521	55,812
General and administrative	63,723	83,674	9,449	127,104
Allowance for contract assets, receivables and others	48,865	102,334	123,285	16,965
Provision for contingent liabilities	11,975	67,258	278,925	38,382
Total operating costs and expenses	652,895	804,280	1,058,335	145,632
Other (expenses)/income:				
Interest income, net	10,535	27,713	24,668	3,394
Fair value adjustments related to Consolidated ABFE	(17,470)	15,468	38,706	5,326
Others, net	2,730	677	(11)	(1)
Total other (expenses)/income	(4,205)	43,858	63,363	8,719
Income before provision for income taxes	667,106	617,662	501,564	69,017
Income tax expense	139,758	131,779	92,036	12,664
Net income	527,348	485,883	409,528	56,353
Weighted average number of ordinary shares outstanding, basic	176,929,176	174,282,443	172,831,722	177,353,262
Basic income per				

share 2.9806 2.7879 2.3695 0.3261 5.3820 5.1592 0.7099 Basic
income per ADS 5.9612 5.5758 4.7390 0.6522 10.7640 10.3184 1.4198
1.4198 Weighted average number of
ordinary shares outstanding, diluted 179,124,032 176,202,571 174,711,554 174,711,554
179,650,148 175,457,062 175,457,062 Diluted income per share 2.9440 2.7575
2.3440 0.3225 5.3132 5.1033 0.7022 Diluted income per ADS 5.8880
5.5150 4.6880 0.6450 10.6264 10.2066 1.4044
Unaudited Condensed Consolidated Cash Flow Data
Net cash generated from operating activities 718,058
631,743 368,908 50,763 1,108,365 1,000,651 137,693 Net
cash (used in)/provided by investing activities (19,988) (683,697) (536,883) (73,878)
754,295 (1,220,580) (167,957) Net cash used in financing activities (6,120) (14,774)
(125,884) (17,322) (398,951) (140,658) (19,355) Effect of foreign exchange rate changes
329 1,340 (896) (123) 148 444 61 Net increase/(decrease) in cash, cash
equivalents and restricted cash 692,279 (65,388) (294,755) (40,560) 1,463,857
(360,143) (49,558) Cash, cash equivalents and restricted cash, beginning of period 5,132,273
6,058,604 5,993,216 824,694 4,360,695 6,058,604 833,692 Cash, cash
equivalents and restricted cash, end of period 5,824,552 5,993,216 5,698,461 784,134
5,824,552 5,698,461 784,134
Unaudited Condensed Consolidated Balance Sheets
(in thousands) As of December 31, 2023 March 31, 2024 June 30, 2024 June 30,
2024 RMB RMB RMB USD Cash and cash equivalents 5,791,333 5,903,995
5,496,932 756,403 Restricted cash 267,271 89,221 201,529 27,731
Trading securities 76,053 77,967 83,889 11,544 Accounts receivable 499,027
610,745 654,698 90,089 Guarantee receivable 2,890 36,787 260,759
35,882 Contract assets, net 978,051 994,116 962,482 132,442 Contract cost 32
18 206 28 Prepaid expenses and other assets 423,621 1,273,040
1,662,654 228,789 Loans at fair value 677,835 655,058 473,311 65,130
Financing receivables 116,164 73,383 30,501 4,197 Amounts due from related parties
820,181 726,991 1,509,651 207,735 Held-to-maturity investments 10,420
10,420 5,087 700 Available-for-sale investments 438,084 379,489 329,829
45,386 Equity investments - - 2,500 344 Property, equipment and software, net
79,158 77,777 77,970 10,729 Deferred tax assets 73,414 59,260
44,309 6,097 Right-of-use assets 23,382 18,758 19,462 2,678 Total assets
10,276,916 10,987,025 11,815,769 1,625,904 Accounts payable 30,902
41,484 43,710 6,015 Amounts due to related parties 14,414 1,122 2,485
342 Guarantee liabilities-stand ready 8,802 40,583 278,656 38,344 Guarantee
liabilities-contingent 28,351 81,921 336,190 46,261 Deferred revenue 54,044
46,807 38,843 5,345 Payable to investors at fair value 445,762 445,762
350,000 48,162 Accrued expenses and other liabilities 1,463,369 1,595,052 1,727,182
237,668 Deferred tax liabilities 122,075 114,222 55,520 7,640 Lease
liabilities 23,648 19,025 19,280 2,653 Total liabilities 2,191,367 2,385,978
2,851,866 392,430 Ordinary shares 130 130 130 18 Additional paid-
in capital 5,171,232 5,172,942 5,175,653 712,194 Treasury stock (94,851)
(109,444) (139,380) (19,179) Accumulated other comprehensive income 23,669
47,798 6,576 Retained earnings 2,985,369 3,470,748 3,879,702 533,865
Total equity 8,085,549 8,601,047 8,963,903 1,233,474 Total liabilities and equity
10,276,916 10,987,025 11,815,769 1,625,904
Operating Highlights and
Reconciliation of GAAP to Non-GAAP Measures (in thousands, except for number of
clients, cumulative number of insurance clients and percentages) For the Three Months Ended For the Six
Months Ended June 30, 2023 March 31, 2024 June 30, 2024 June 30, 2024
June 30, 2024 RMB RMB RMB USD RMB RMB
USD Operating Highlights Amount of loans
facilitated 8,156,201 11,910,367 12,936,017 1,780,055 14,576,413
24,846,384 3,418,976 Number of borrowers 1,013,972 1,352,200 1,491,756
1,491,756 1,457,736 2,439,778 2,439,778 Remaining principal of performing loans
12,768,448 20,156,161 21,827,634 3,003,582 12,768,448 21,827,634
3,003,582 Cumulative number of insurance clients 1,133,069 1,343,660 1,410,158
1,410,158 1,133,069 1,410,158 1,410,158 Number of insurance clients 135,449
73,687 88,766 88,766 212,414 153,807 153,807 Gross written premiums
1,332,458 912,431 1,060,885 145,983 2,255,841 1,973,316 1,729,537
First year premium 1,101,928 514,141 577,387 79,451 1,729,243
1,091,528 150,199 Renewal premium 230,530 398,290 483,498 66,532
526,598 881,788 121,338 Gross merchandise volume 395,820 625,120 554,574
76,312 704,387 1,179,695 162,331
Segment Information
Financial services business: Revenue 581,974 738,117 851,031 117,106 1,065,847 1,589,148 218,674
Sales and marketing expenses 103,164 251,922 253,103 34,828 165,382
505,025 69,494 Origination, servicing and other operating costs 38,961 85,787 113,234
15,582 86,570 199,021 27,386 Allowance for contract assets, receivables and others
45,754 101,127 124,765 17,168 85,976 225,892 31,084
Provision for contingent liabilities 11,975 67,258 278,925 38,382 17,474
346,183 47,636
Insurance
brokerage business: Revenue 404,695
124,926 91,526 12,594 601,053 216,452 29,785 Sales and marketing

expenses 3,845 3,565 4,263 587 6,134 7,828 1,077 Origination, servicing and other operating costs 289,851 136,883 122,358 16,837 423,468 259,241 35,673 Allowance for contract assets, receivables and others 3,614 1,012 (1,502) (207) 3,626 (490) (67) Consumption & lifestyle business and others: 337,537 515,041 553,979 76,230 643,649 1,069,020 147,102 Sales and marketing expenses 41,938 21,736 27,735 3,816 83,643 49,471 6,807 Origination, servicing and other operating costs 17,555 10,600 10,950 1,506 36,074 21,550 2,965 Allowance for contract assets, receivables and others (753) 9 (11) (2) (1,232) (2) - Reconciliation of Adjusted EBITDA 527,348 485,883 409,528 56,353 954,514 895,411 123,213 Interest income, net (10,535) (27,713) (24,668) (3,394) (25,054) (52,381) (7,208) Income tax expense 139,758 131,779 92,036 12,664 262,428 223,815 30,798 Depreciation and amortization 1,778 1,892 2,026 279 3,646 3,918 539 Share-based compensation 3,321 1,207 2,136 294 5,410 3,343 460 Adjusted EBITDA 661,670 593,048 481,058 66,196 1,200,944 1,074,106 147,802 Adjusted EBITDA margin 50.0 % 43.0 % 32.1 % 32.1 % 52.0 % 37.4 % 37.4 % 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 % June 30, 2024 0.8 % 1.4 % 1.6 % Net Charge-Off Rate Loan Issued Period Amount of Loans Facilitated During the Period Accumulated M3+ Net Charge-Off as of June 30, 2024 Total Net Charge- Off Rate as of June 30, 2024 (in RMB thousands) (in RMB thousands) 2019 3,431,443 381,533 11.1 % 2020 9,614,819 723,686 7.5 % 2021 23,195,224 1,418,075 6.1 % 2022 22,623,101 1,033,743 4.6 % 2023 36,036,301 2,126,589 5.9 % 2024Q1 11,910,367 105,205 0.9 % M3+ Net Charge-Off Rate Loan Issued Period Month on Book 4 7 10 13 16 19 22 25 28 31 34 2019Q1 0.0 % 0.8 % 2.0 % 3.4 % 5.3 % 5.9 % 6.3 % 6.3 % 6.3 % 6.3 % 2019Q2 0.1 % 1.5 % 4.5 % 7.5 % 8.8 % 9.2 % 9.9 % 10.3 % 10.6 % 10.6 % 2019Q3 0.2 % 2.9 % 6.8 % 9.0 % 10.4 % 12.0 % 13.2 % 13.8 % 14.4 % 14.6 % 2019Q4 0.4 % 3.1 % 4.9 % 6.3 % 7.2 % 7.9 % 8.4 % 8.9 % 9.5 % 9.8 % 2020Q1 0.6 % 2.3 % 4.1 % 5.2 % 6.0 % 6.2 % 6.6 % 7.3 % 7.8 % 7.9 % 2020Q2 0.5 % 2.5 % 4.2 % 5.3 % 6.1 % 6.7 % 7.6 % 8.1 % 8.2 % 8.3 % 2020Q3 1.1 % 3.3 % 5.1 % 6.3 % 7.1 % 8.1 % 8.7 % 8.9 % 8.9 % 8.8 % 2020Q4 0.3 % 1.8 % 3.2 % 4.6 % 6.0 % 7.1 % 7.4 % 7.6 % 7.6 % 7.5 % 2021Q1 0.4 % 2.3 % 3.9 % 5.5 % 6.7 % 7.0 % 7.2 % 7.3 % 7.2 % 7.1 % 2021Q2 0.4 % 2.4 % 4.5 % 5.9 % 6.4 % 6.7 % 6.8 % 6.7 % 6.6 % 6.5 % 2021Q3 0.5 % 3.1 % 5.0 % 5.9 % 6.3 % 6.4 % 6.4 % 6.4 % 6.3 % 6.2 % 2021Q4 0.6 % 3.2 % 4.6 % 5.3 % 5.4 % 5.4 % 5.3 % 5.2 % 5.1 % 2022Q1 0.6 % 2.5 % 3.8 % 4.5 % 4.5 % 4.4 % 4.3 % 4.2 % 2022Q2 0.4 % 2.2 % 3.6 % 4.1 % 4.2 % 4.1 % 4.0 % 2022Q3 0.5 % 2.7 % 4.1 % 4.7 % 4.8 % 4.6 % 2022Q4 0.6 % 3.0 % 4.6 % 5.4 % 5.4 % 2023Q1 0.5 % 3.1 % 4.9 % 5.8 % 2023Q2 0.5 % 3.3 % 5.2 % 2023Q3 0.7 % 4.0 % 2023Q4 0.6 %