

Financial Tear Sheet

Corporate Profile

We are a leading online consumer finance platform in China in terms of the outstanding principal balance of loans originated on our platform as of June 30, 2017, according to Oliver Wyman. We strategically focus on serving the credit needs of educated young adults in China. We grow with our customers by offering convenient and innovative loan products to meet their credit needs at different stages of life. We had approximately 3.0 million active customers in 2016 and 3.3 million active customers in the nine months ended September 30, 2017, representing a 103% increase and a 34% increase from 2015 and the nine months ended September 30, 2016, respectively. As of September 30, 2017, we had over 6.5 million customers with an approved credit line and over 20 million registered users.

Our target customer cohort, educated young adults aged between 18 and 36 in China, features young people with high income potential, high educational background, high consumption needs, a strong desire to build their credit profile, and an appreciation for efficient customer experience. As of September 30, 2017, this target customer group represented over 90% of our customer base. A significant portion of educated young adults, however, have been underserved by traditional financial institutions, which lack the relevant credit information to make credit assessment and offer compelling financial products to address their credit needs.

Our online consumer finance platform, Fenqile, addresses our customers' credit needs by offering personal installment loans, installment purchase loans and other loan products. We offer a wide variety of competitively-priced products on our e-commerce channel and allow customers to use their credit lines to finance purchases. We match customer loans with diversified funding sources, including individual investors on our Juzi Licai online investment platform, institutional funding partners in our direct lending programs and investors of our asset-backed securities.

We have scalable and stable funding to meet our customers' needs and grow our platform. With the access to multiple funding sources and the ability to adjust allocation of funding needs to different sources, we are not dependent on any particular type of funding source, and we are able to adapt to seasonality of demand and fluctuations in the supply and costs of funding. We connect qualified customer loan assets directly with the capital of our institutional funding partners in an automated process that minimizes manual review and approval by the institutional funding partners. This efficient and speedy arrangement demonstrates our funding partners' trust and confidence in the quality of loans originated by us and our risk management and technology capabilities.

We adopt a targeted and cost-effective customer acquisition strategy by leveraging our e-commerce channel, word-of-mouth referrals, as well as cooperation with reputable commercial banks. Our educated young adult customers are often geographically concentrated and socially connected, which enables us to achieve effective customer acquisition through customer referrals. In 2016 and the nine months ended September 30, 2017, approximately 36% and 45%, respectively, of our new customers registered on our platform using a referral code obtained from an existing customer. We offer an incentive of RMB10 (US\$1.5) to RMB20 (US\$3.0) in cash to an existing customer for each new customer who successfully signs up on Fenqile using the existing customer's referral code and has been granted a credit line. We cooperate with commercial banks, for example, by promoting co-branded credit cards issued by the bank to reach potential customers. The success of our effective customer acquisition strategy has been demonstrated by our low customer acquisition cost, which is defined as the amount of total costs we incur in connection with acquiring customers divided by the number of new active customers during a given time period. Our customer acquisition cost amounted to RMB114 per new active customer in 2015 and RMB127 (US\$19.1) in 2016 and RMB105 (US\$15.8) in the nine months ended September 30, 2017.

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We believe that we are well positioned to assess credit risks, predict spending and borrowing behavior, and serve the credit needs of educated young adults. Leveraging our data insights and technology capabilities, our Hawkeye credit assessment engine can predict the income potential and behavior of each customer through sophisticated algorithms and a dynamic model. We have developed more than 1,000 decisioning rules utilizing 5,000 potential data variables, and accumulated a massive amount of proprietary data from over 6.5 million customers and 22 million credit applications since inception. The customer behavior and risk profile data enable us to develop machine learning to improve our risk management capabilities. As a result of automation and our data capabilities, we are able to perform a more comprehensive credit analysis on our customers than traditional financial institutions.

We offer a superior customer experience through the highly efficient operation of our platform. Our technology infrastructure enables highly automated loan originations, cost-effective servicing and built-in scalability. Our simple and fast online credit application streamlines the often time-consuming and frustrating loan application process. In general, potential customers can complete the application for our credit line within a few minutes by providing basic personal information and authorizing us to collect information from various data sources. Approximately 95% of all loan applications are handled and approved automatically within seconds on average. Our data insights and technology capabilities enable us to assess credit risks and facilitate effective fraud detection and prevention, while requiring limited efforts by our customers.

We have expanded the scale of our platform rapidly since our inception. From our inception in August 2013 through September 30, 2017, we cumulatively originated RMB60.1 billion (US\$9.0 billion) in loans. In 2016 and the nine months ended September 30, 2017, we originated RMB22.2 billion (US\$3.3 billion) and RMB31.3 billion (US\$4.7 billion) in loans, respectively, representing a 263% increase and a 124% increase from 2015 and the nine months ended September 30, 2016, respectively. As of December 31, 2015 and 2016 and as of September 30, 2017, our outstanding principal balance of loans was approximately RMB3.4 billion, RMB9.9 billion (US\$1.5 billion) and RMB15.9 billion (US\$2.4 billion), respectively. The weighted average tenor of loans originated on our platform in 2016 and the nine months ended September 30, 2017 was approximately 10.0 months and 9.4 months, respectively. Our total operating revenue increased significantly from RMB2,525 million in 2015 to RMB4,339 million (US\$652 million) in 2016, and increased from RMB2,949 million in the nine months ended September 30, 2016 to RMB3,988 million (US\$599 million) in the nine months ended September 30, 2017. Our net loss decreased from RMB310 million in 2015 to RMB118 million (US\$17.7 million) in 2016. We had a net income of RMB140 million (US\$21.0 million) in the nine months ended September 30, 2017, compared to a net loss of RMB105 million in the nine months ended September 30, 2016.

Stock Performance

LX (ADS)

Exchange NASDAQ (US Dollar)

Price \$10.30

Change (%) ▼ 0.58 (5.33%)

Volume 439,795

52 Week High \$20.00

52 Week Low \$10.15

Market Cap \$3,375,496,842

Rolling EPS 0.02

PE Ratio 446.221

Shares Outstanding 327,718,140

Data as of 07/20/18 4:00 p.m. ET



Recent Headlines

05/21/18
[LexinFintech Holdings Ltd. Reports First Quarter 2018 Unaudited Financial Results](#)

05/14/18
[LexinFintech Holdings Ltd. to Report First Quarter 2018 Financial Results on May 21, 2018](#)

04/19/18
[LexinFintech to Invest RMB1 Billion in Partner Cooperation over Next Three Years](#)

SEC Filings

Filing Date	Form
07/03/18	6-K
05/31/18	S-8
05/23/18	6-K
04/26/18	20-F

Data provided by Nasdaq. Minimum 15 minutes delayed.

Upcoming Events

There are currently no events scheduled.

Corporate Governance

Jay Wenjie Xiao	Founder, Chairman and Chief Executive Officer
Jared Yi Wu	President
Craig Yan Zeng	Chief Financial Officer
Kris Qian Qiao	Chief Financing Cooperation Officer
Ryan Huanian Liu	Chief Risk Officer