

LEXIN 乐信

Presentation

November 2018



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01

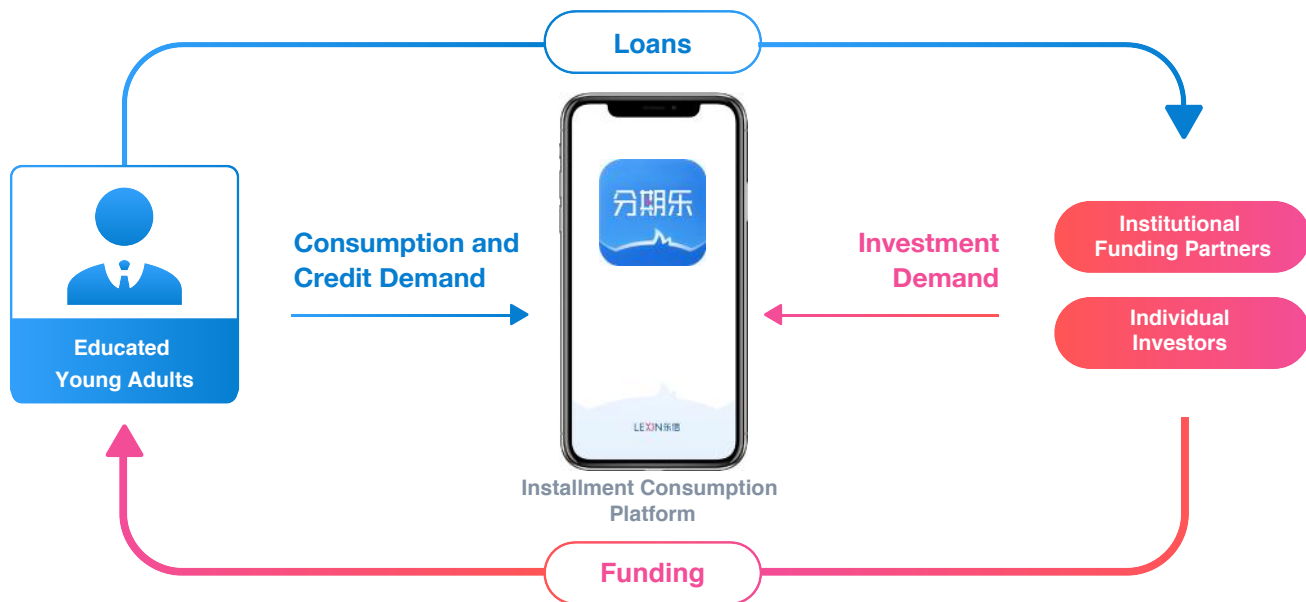
**WHO
WE ARE**



Who We Are

Leading Online Consumer Finance Platform For Educated Young Adults in China

LEXIN 乐信



32.6mm

Registered Users as of Sep 30, 2018

9.6mm

Customers with Credit Line as of Sep 30, 2018

RMB13.7bn

Loan Origination in 3Q 2018

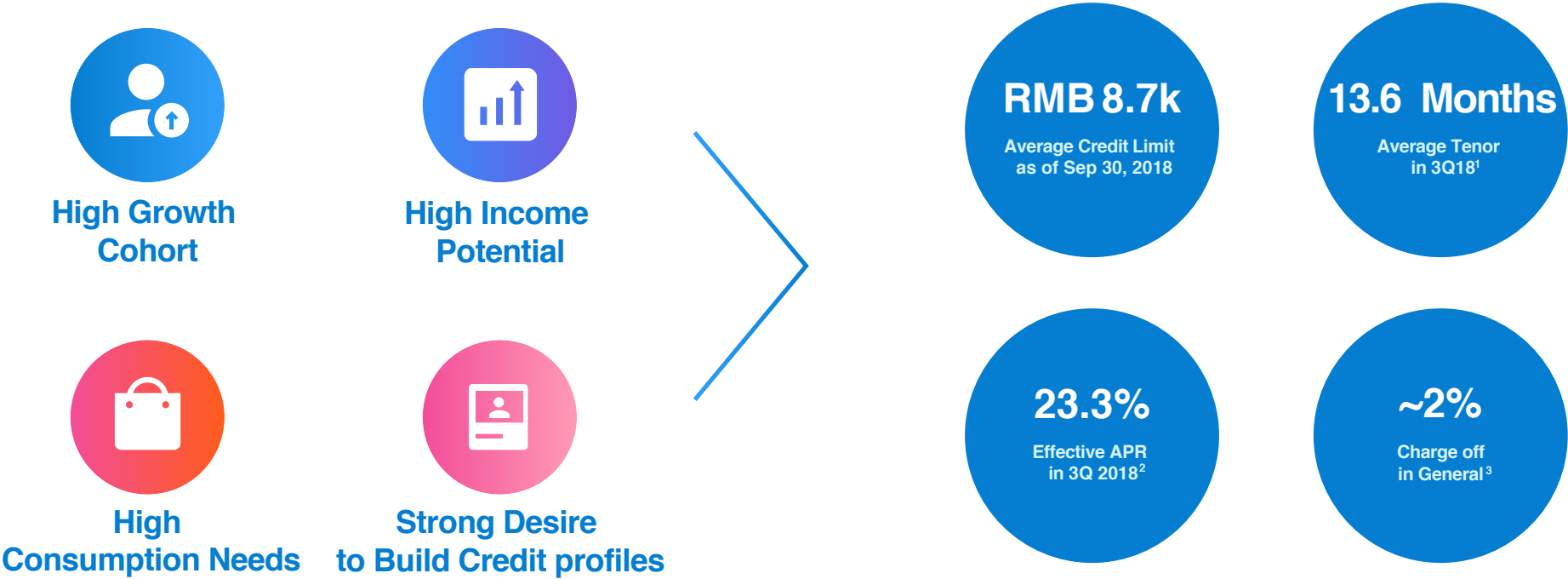
RMB25.8bn

Outstanding Loan Balance as of Sep 30, 2018

分期乐 Fenqile 桔子理财 Juzi Licai 鼎盛资产 Dingsheng

We Serve Educated Young Adults in China

Our Differentiated Customer Cohort



Note: Educated young adults refer to (i) students enrolled in college programs or associate degree programs in colleges, or college students, and (ii) working population with college or associate degrees and under the age of 36, or educated young professionals

¹ Represents the weighted average loan tenor for the loans originated in 2Q 2018

² Represents the annualized effective APR of the on-balance sheet loans in 2Q 2018

³ Represents charge-off rates as of Jun 30, 2018 for each vintage of a three-month period from January 1, 2015 to Dec 31, 2017

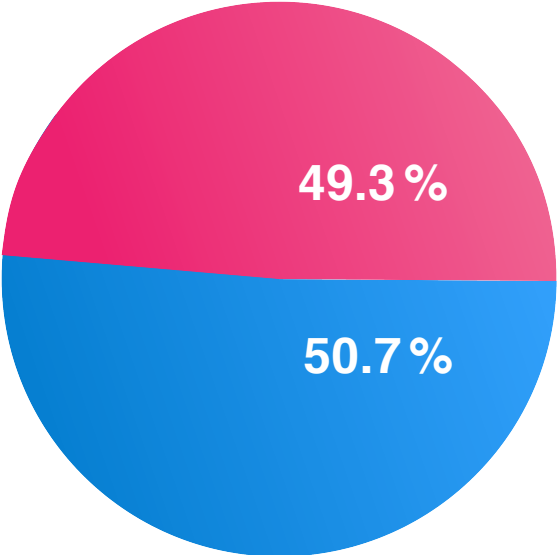
Our Unique and Competitive e-Commerce Platform



- Tailored for Educated Young Adults
- Effective Partnership with Reputable Brands
- Focused on Installment-Friendly Product Categories

Offering a Superior e-Commerce User Experience with an Asset Light Model

Diversified and Scalable Funding Sources



-  Institutional Funding Partners | 30+ Funding Partners ¹

-  Individual Investors |  桔子理财 Online Investment Platform 350k+ Individual Investors ²

¹Represents number of partners including commercial banks, other licensed financial institutions and peer-to-peer lending platforms as of Dec 31,2017

²Represents cumulative number of individual investors who have invested on Juzi Lical as of Sep 30,2018

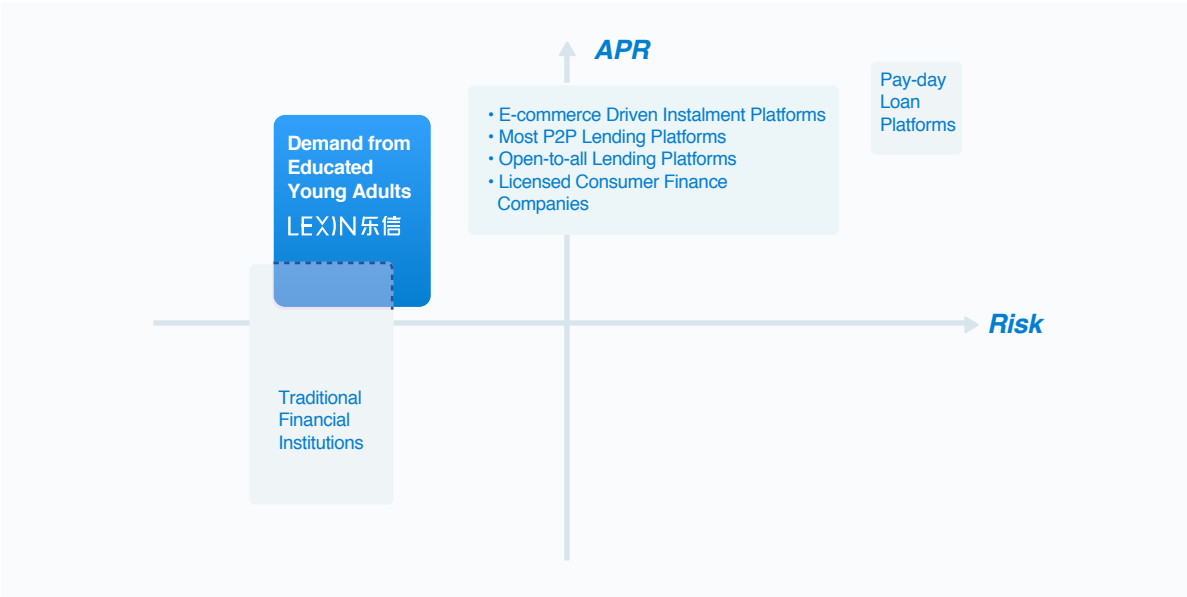
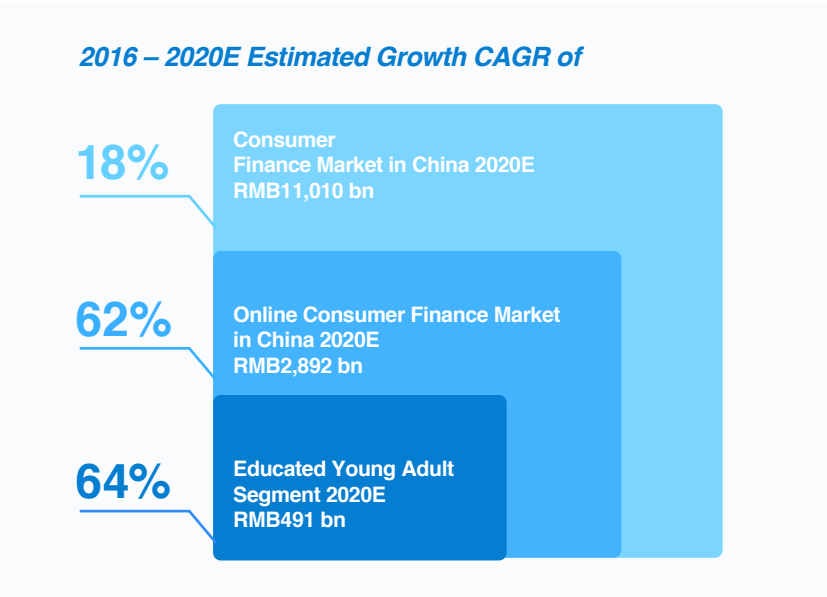
02

**INVESTMENT
HIGHLIGHTS**



We Capture the Sweet Spot of the Online Consumer Finance Market

Leveraging the Tremendous Market Opportunity, Loans to Educated Young Adults Represent Balance between Risk and Return

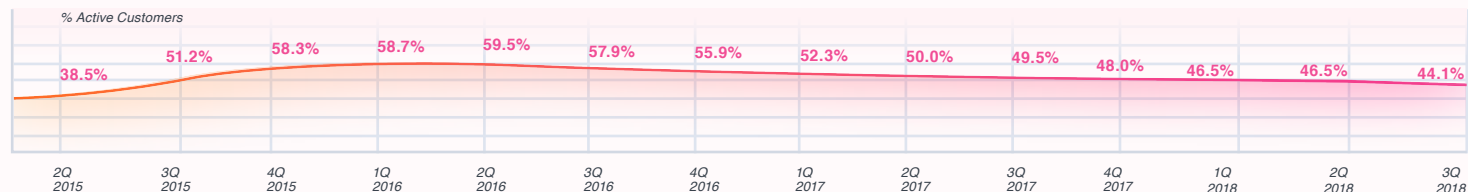


Source: Oliver Wyman
Note: Represents outstanding loan balance by 2020YE for each layer of market.

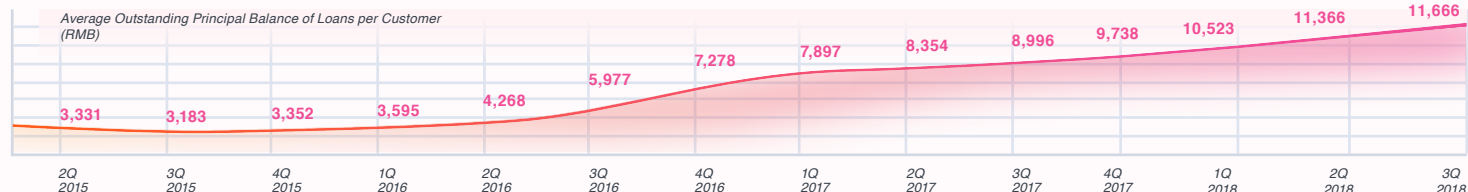
We Serve Educated Young Adults in China

— Tracking the Same Customer Cohort Acquired In 1Q15¹

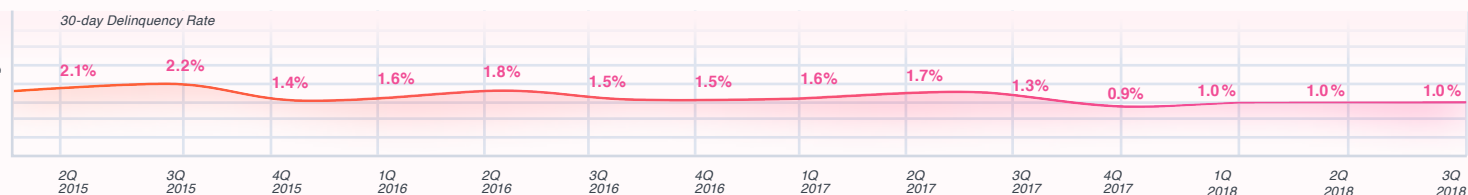
Loyal and Active Customer Base



Grow With Customers' Demands



Superior Credit Performance



Unique Insights into Current and Future Consumption Needs



Strong Understanding of Credit Profiles and Behaviors

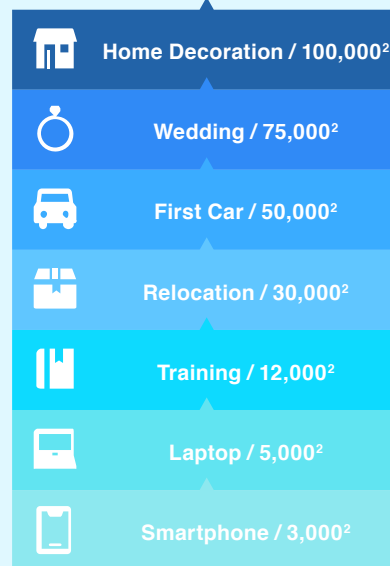


Targeted Offerings, Larger Credit Lines and Improved Pricing over Time

— We Are Many Customers' First Touchpoint for Consumer Finance Services

Illustrative Credit Line Size (RMB)

And More

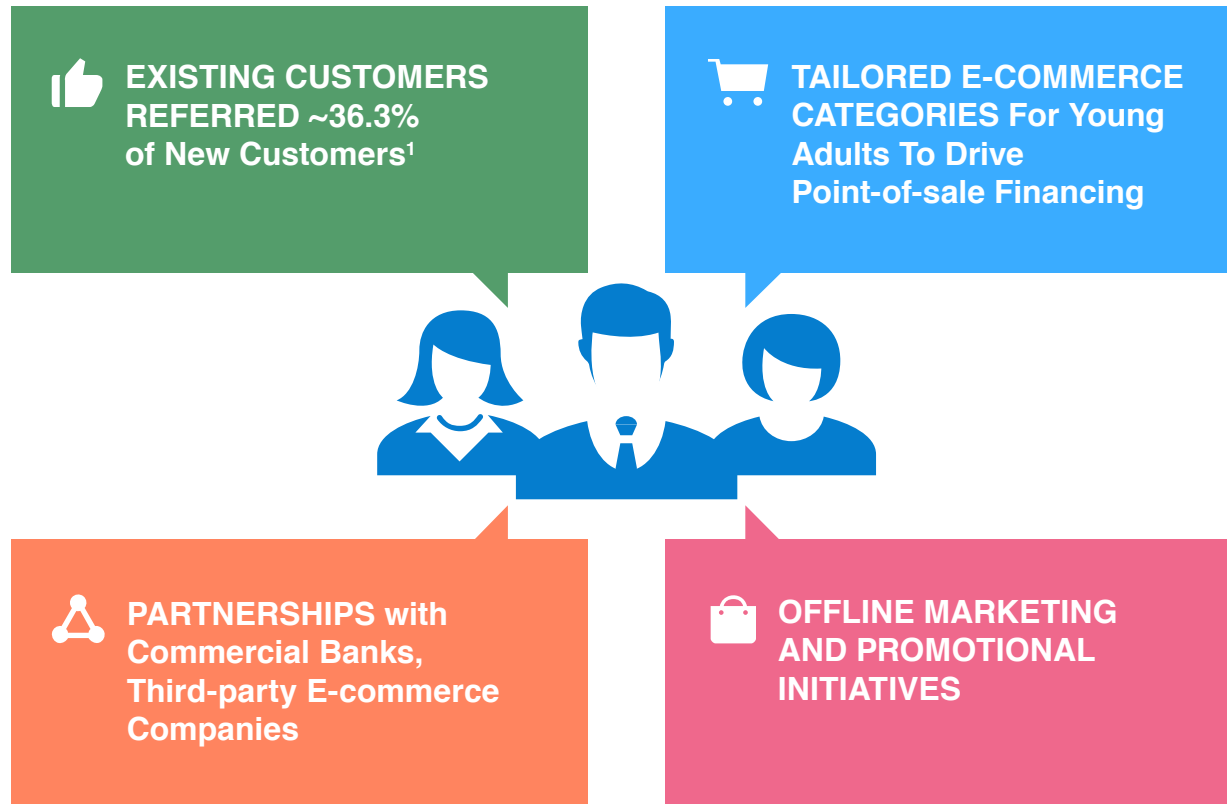


Note: Educated young adults refer to (i) students enrolled in college programs or associate degree programs in colleges, or college students, and (ii) working population with college or associate degrees and under the age of 36, or educated young professionals

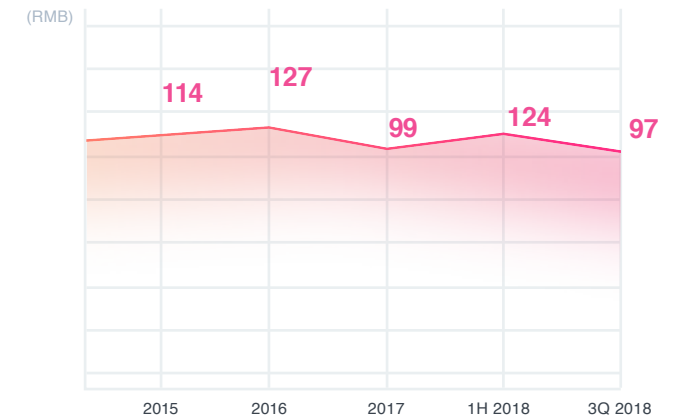
¹ Represents a cohort analysis on the customers acquired in the three months ended March 31, 2015. This analysis compares certain metrics of this customer cohort for each three month period from April 1, 2015 through Sep 30, 2018. Active customers refer to customers who have made at least one transaction during a specified period on our consumer finance platform

² Illustrative amount only; does not represent actual credit lines granted by the Company

Our Targeted and Cost-efficient Customer Acquisition



— Stable Customer Acquisition Cost²

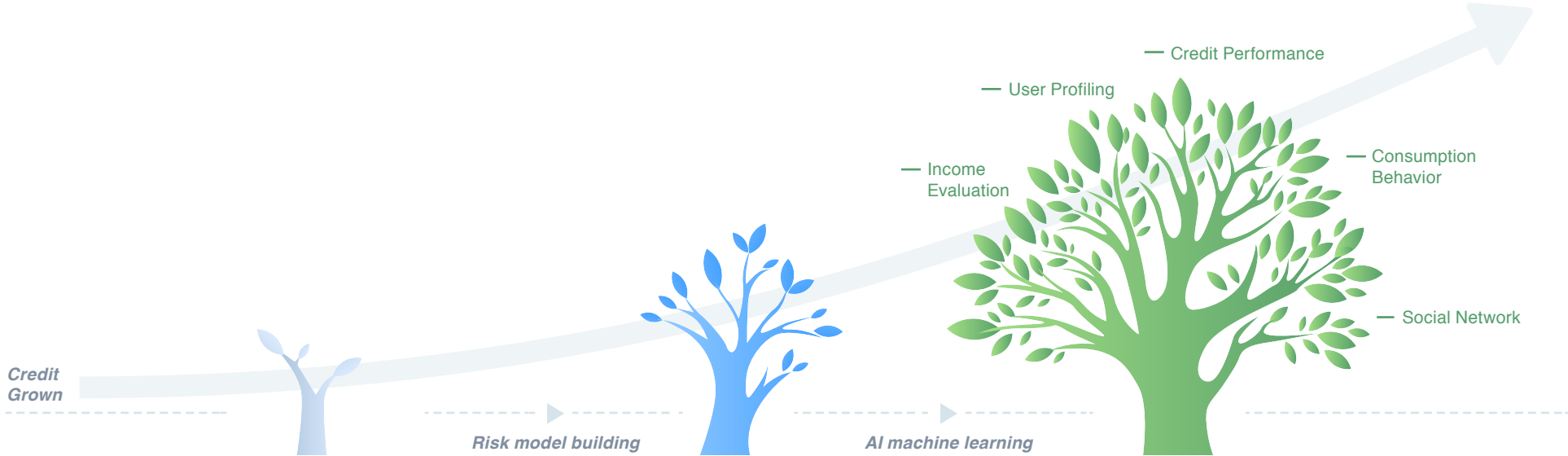


Sustainable Organic Growth | Diversified | Customized

¹ Represents the percentage of new customers who registered by using a referral code obtained from an existing customer in 3Q 2018
² Refers to the amount of total costs incurred in connection with acquiring customers divided by the number of the new active customers during the relevant period. Only includes cost related to acquiring borrowing customers

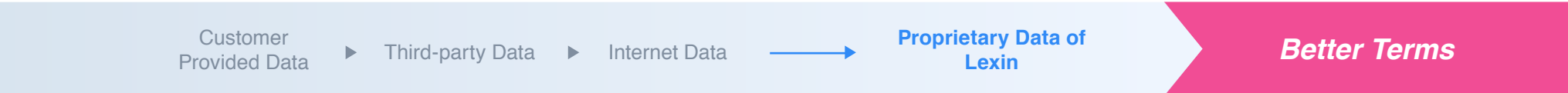
Our Advanced and Customized Credit Risk Management (1/2)

— Data-driven Customer-Behavior-and-Risk Profiling

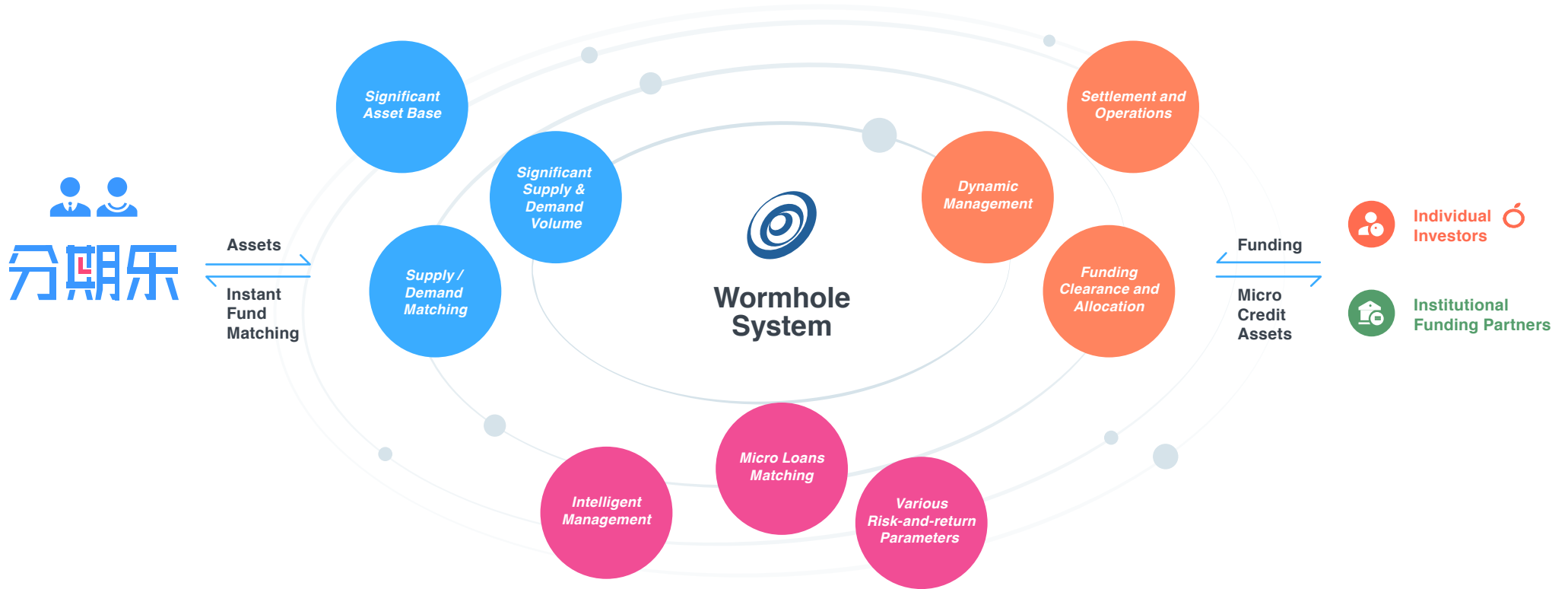


 Build Up Credit Profile

 Develop Credit Profile



Our Efficient Capital Deployment for Investors and Partners



Connect customers and funding partners in real time



Allocate to various funding sources according to their respective risk parameters



Send qualified customer loans to funding partners for final approval

03

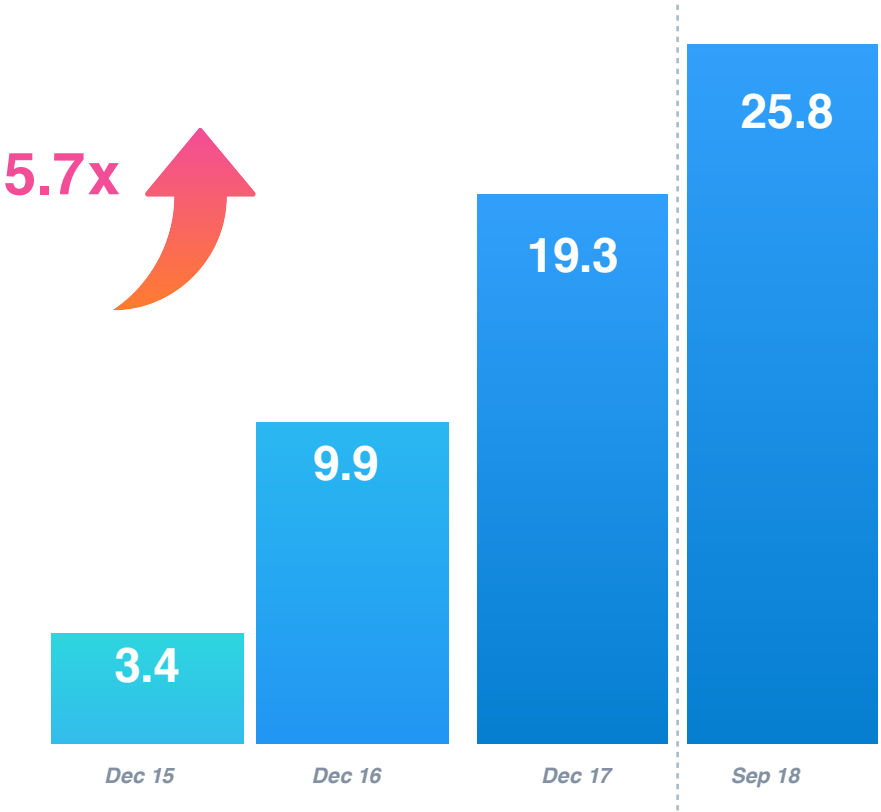
**OUR
FINANCIALS**



Exponential Business Growth

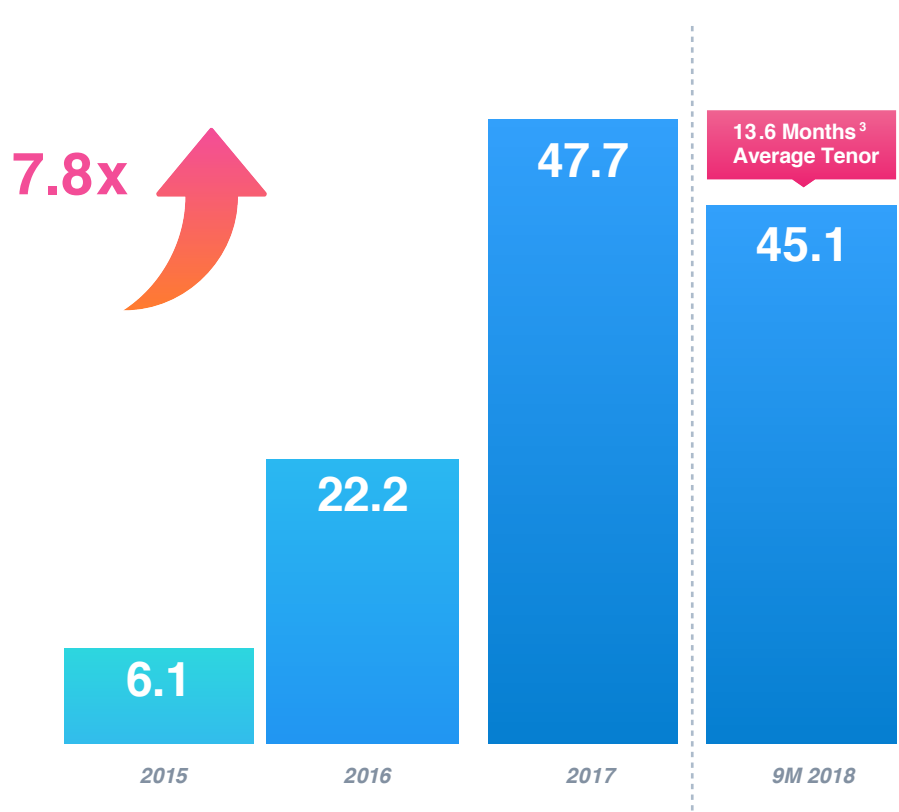
— Total Outstanding Loan Balance¹

(RMB bn)



— Total Loan Origination²

(RMB bn)



¹Outstanding principal balance represents the total amount of principal outstanding for loans originated on our platform at the end of the relevant period, which includes both on and off-balance sheet loans

²Total loan origination represents the total amount of loans originated during each relevant period, which includes both on and off-balance sheet loans

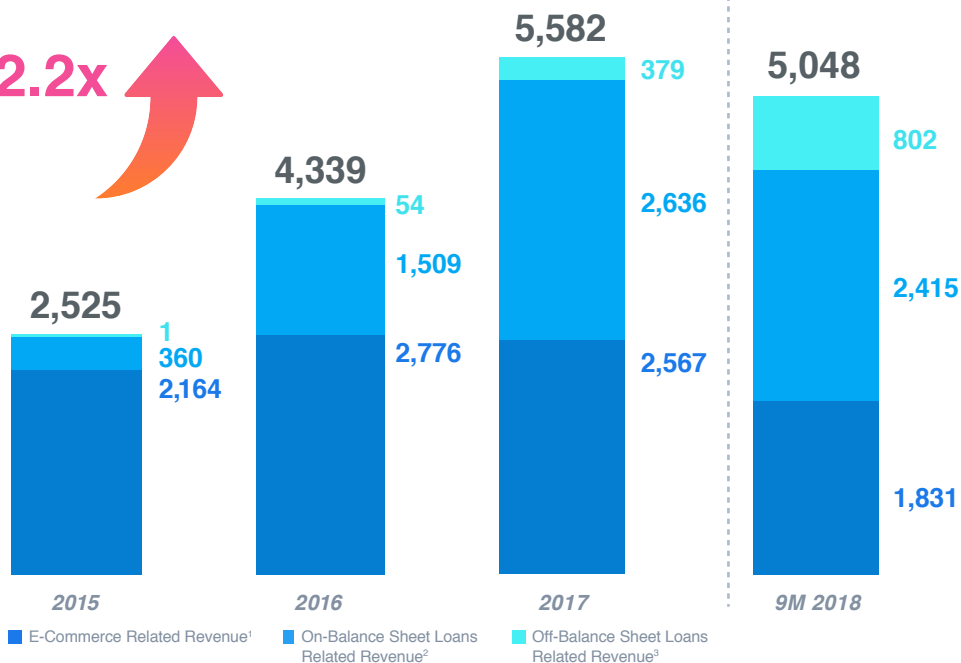
³Represents the weighted average loan tenor for the loans originated in 3Q 2018

High Visibility of Revenue and Profit

Total Operating Revenue

(RMB mm)

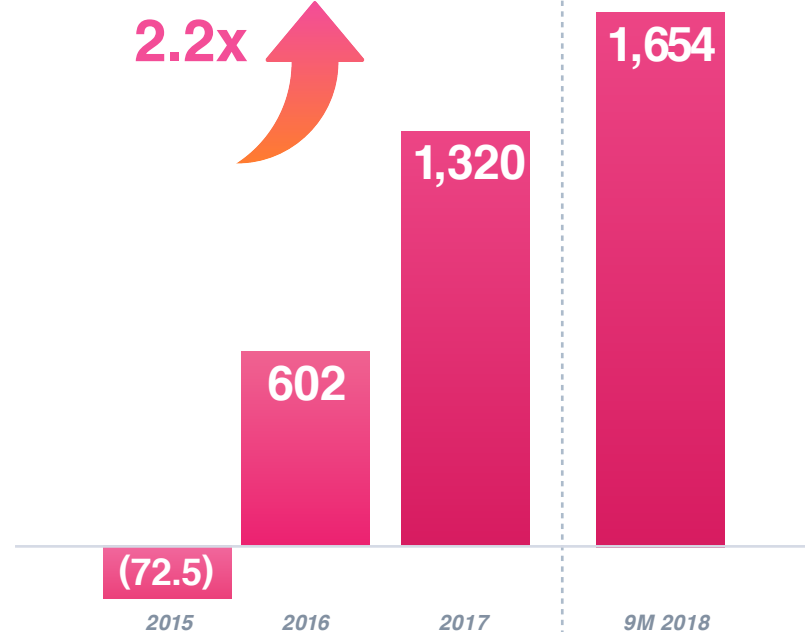
2.2x ↑



Gross Profit

(RMB mm)

2.2x ↑



- ✓ Recognizes Interest and Financial Services Income Over the Terms of Financing Receivables
- ✓ Recognizes Loan Facilitation and Servicing Fees Each Month as the Monthly Repayments Occur

¹ Corresponding to online direct sales and services income in Income Statement

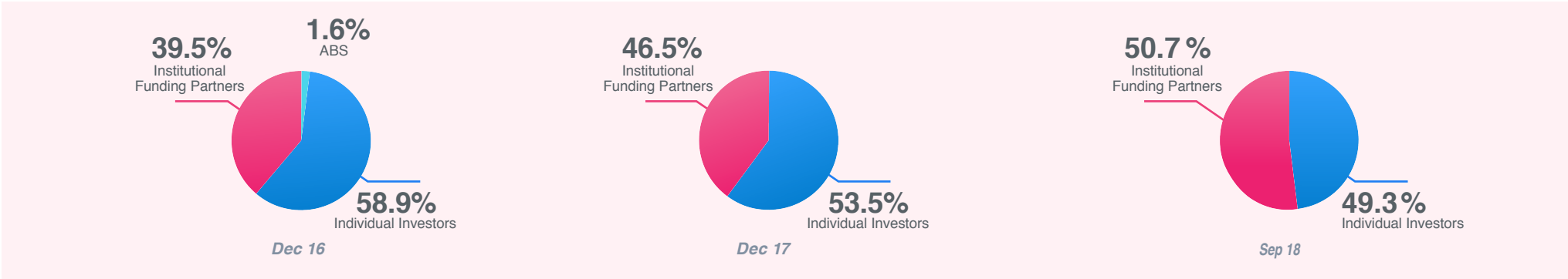
² Corresponding to interest and financial services income and other revenue in Income Statement

³ Corresponding to loan facilitation and servicing fees in Income Statement

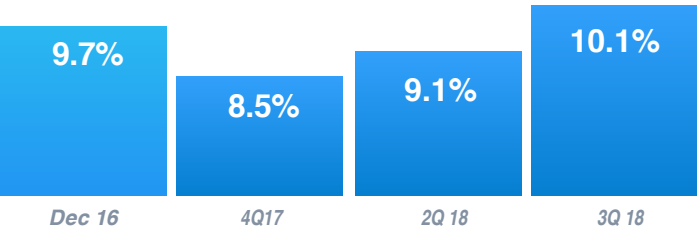
Diversified and Scalable Funding

— Outstanding Principal Balance of Loans Funded by Different Funding Sources

(RMB mm)



— On-Balance Sheet Loan Funding Cost ¹

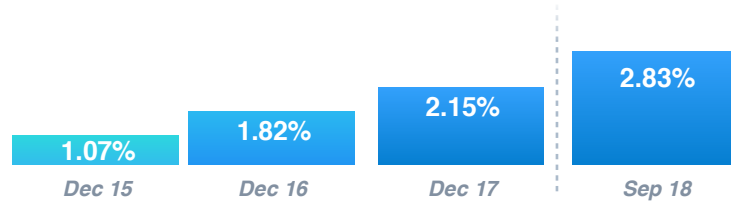


Continued optimization of funding cost

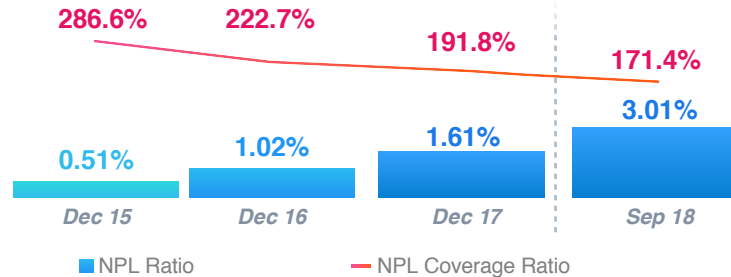
¹ Calculated as funding cost of average beginning and ending outstanding principal balance of on-balance sheet funding debts of respective year; 4Q17 & 2Q18 & 3Q18 figures annualized. The figures do not represent the overall cost of capital.

Sound and Stable Credit Performance

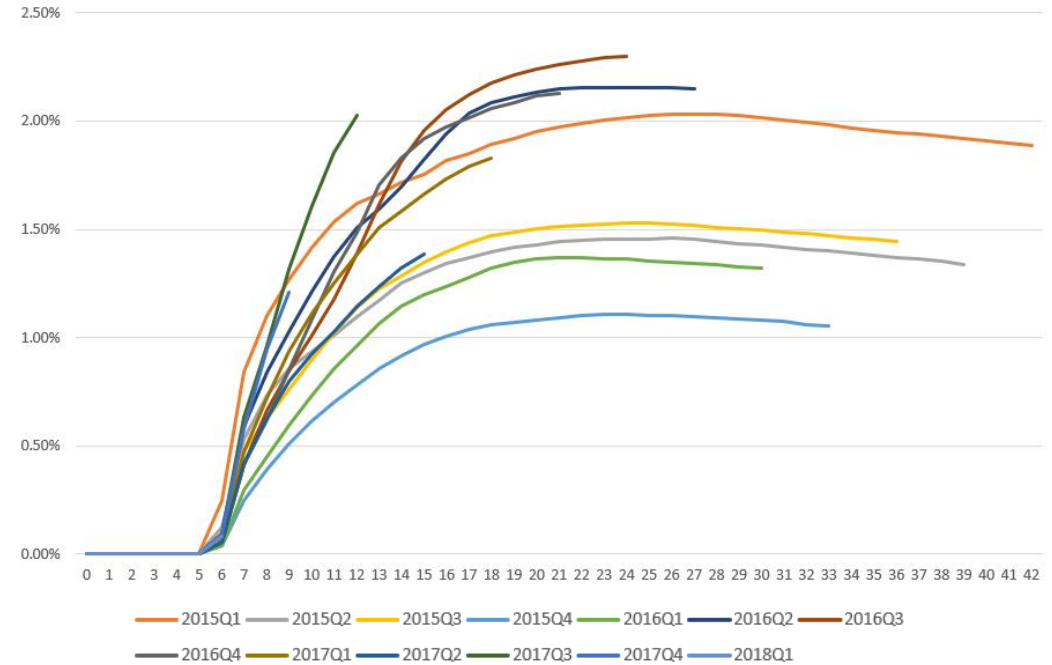
30 Days+ Delinquency Ratio¹



NPL Ratio² and NPL Coverage Ratio³



Vintage Curve⁴



Prudent provisioning policy with well-controlled delinquency and NPL ratios

¹ Delinquency ratio is calculated based on on-balance sheet and off-balance sheet outstanding principal loan balance that were 30-179 days past due, of the total outstanding principal loan balance

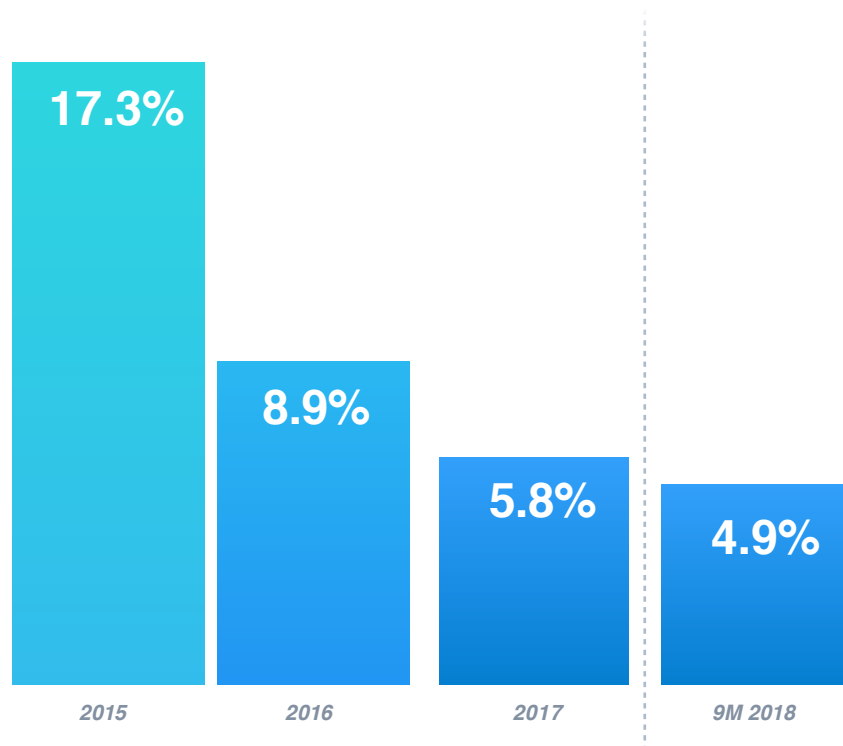
² NPL ratio is calculated based on on-balance sheet outstanding principal loan balance that were 90-179 days past due, of the total outstanding principal loan balance

³ NPL coverage is calculated based on allowance for credit losses during each year of the outstanding principal loan balance that were 90-179 days past due at the end of each year

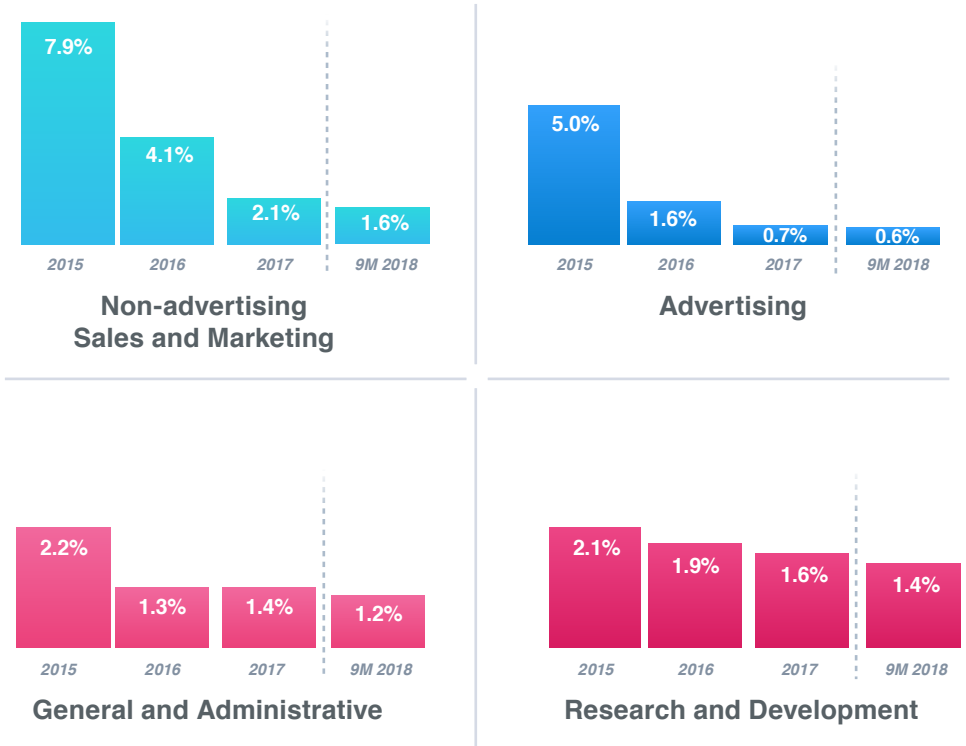
⁴ Refers to, with respect to loans originated during a specified time period, the total outstanding principal balance of loans that become over six months delinquent during a specified period, divided by the total initial principal of the loans originated in such vintage

Improving Operating Efficiency

— Total Operating Expense/Average Loan Balance ¹



— Operating Expense Breakdown/Average Loan Balance ¹



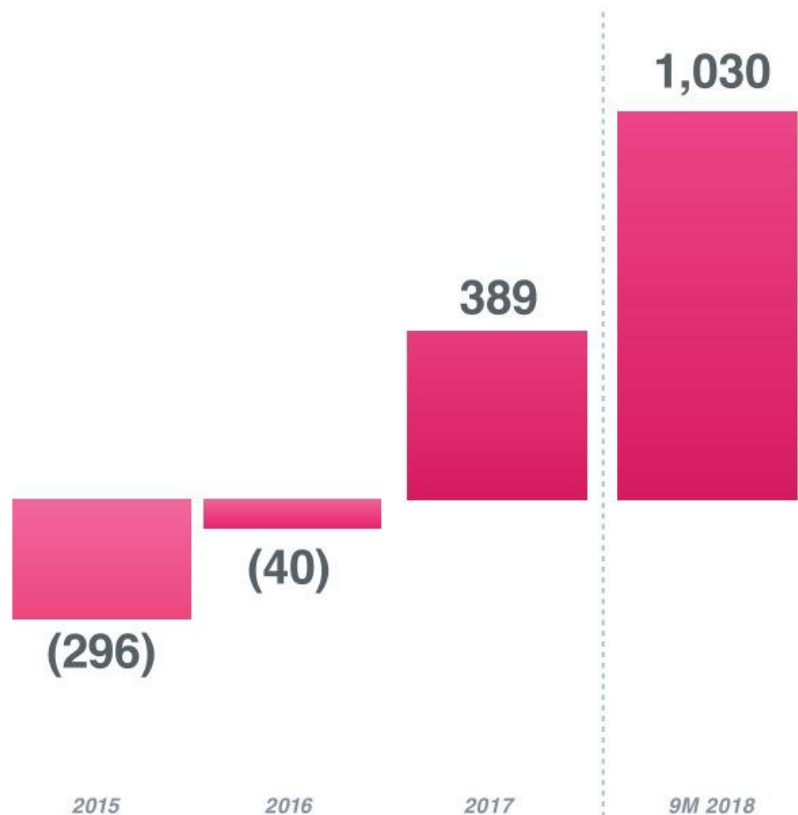
Operating expense as a percentage of average loan balance has significantly decreased

¹ Average loan balance represents the average beginning and ending outstanding principal loan balance on and off-balance sheet of respective year; 9M figures annualized

Scalability and Increasing Profitability

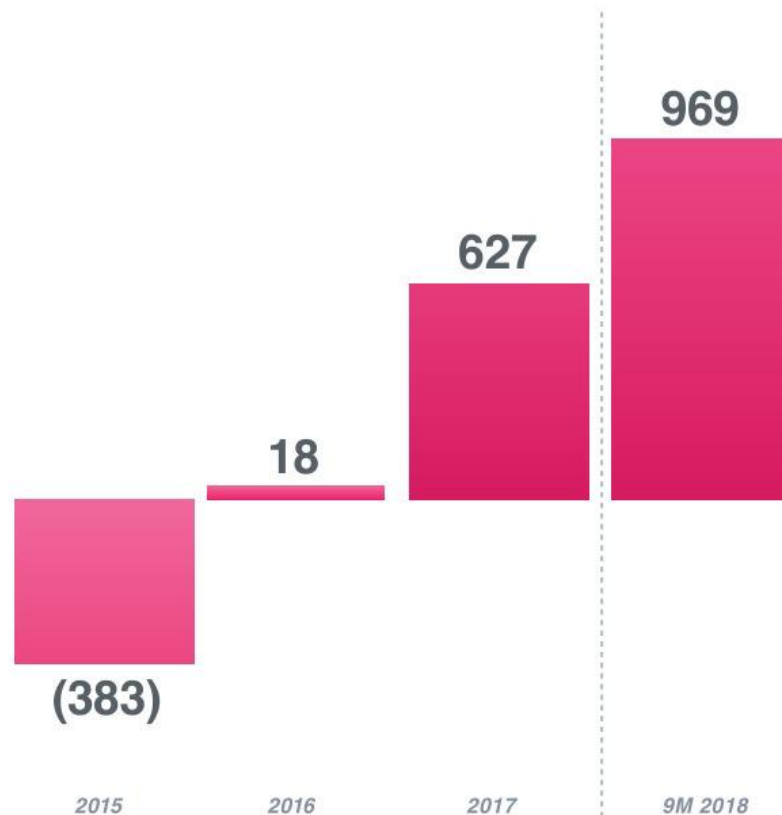
— Net Income (Non-GAAP)¹

(RMB mm)



— EBIT (Non-GAAP)²

(RMB mm)



¹ Adjustments include share-based compensation expenses, interest expense associated with convertible loans and investment-related impairment

² Adjustments include income tax (benefit)/expense, share-based compensation expenses, interest (income)/expense, net and investment-related impairment

04

**OUR
STRATEGY**



Our Growth Strategies



Invest in Technology



**Expand Customer Acquisition Channels
and Grow Our Customer Base**



**Grow with Our Existing Customers and Continue
to Serve Their Growing Credit and Consumption Need**



**Strengthen the Partnerships with Financial Institutions,
Further Scale and Diversify Funding Sources**



Pursue Strategic Alliances, Investments and Acquisitions



**We Grow with
Our Customers**

THANK YOU