

Investor Presentation

Second Quarter 2023 Results

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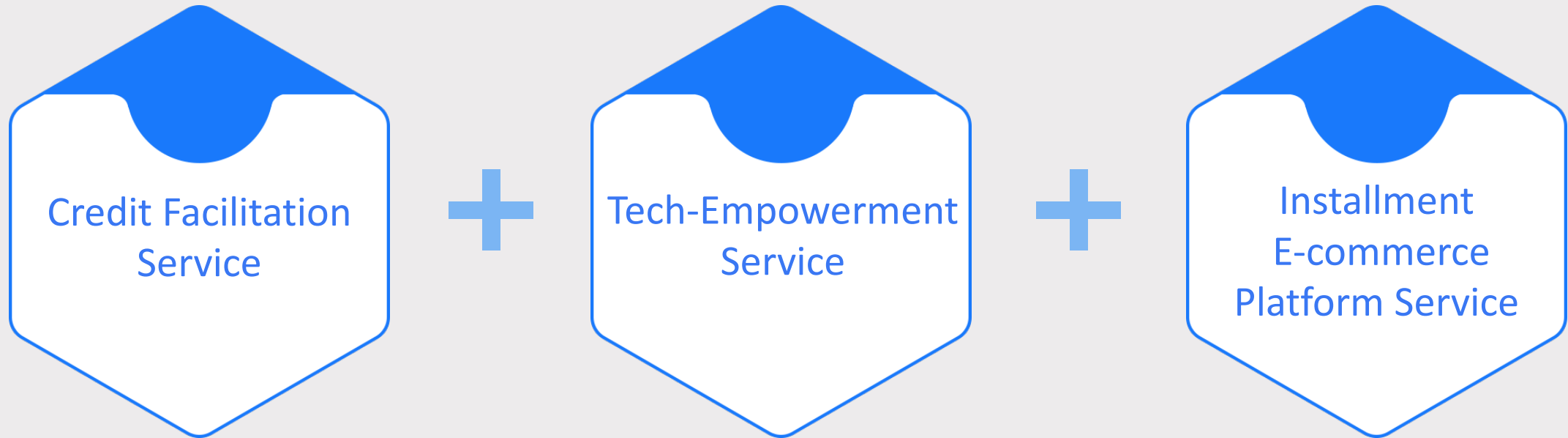


Company Overview



Addressing the Market with Different Focus

Core business supported by new growth opportunities



Commitment to 2C2B2F

Connecting consumers to business and financial institutions



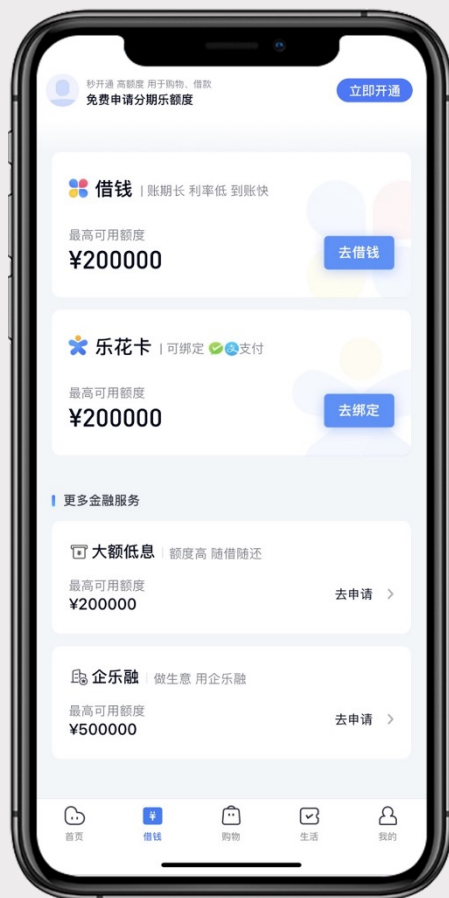
- Over 140 funding partners¹
- Over 2600 merchant partners²

- Over 190 million registered users¹
- Loan balance of Rmb114.1 billion¹

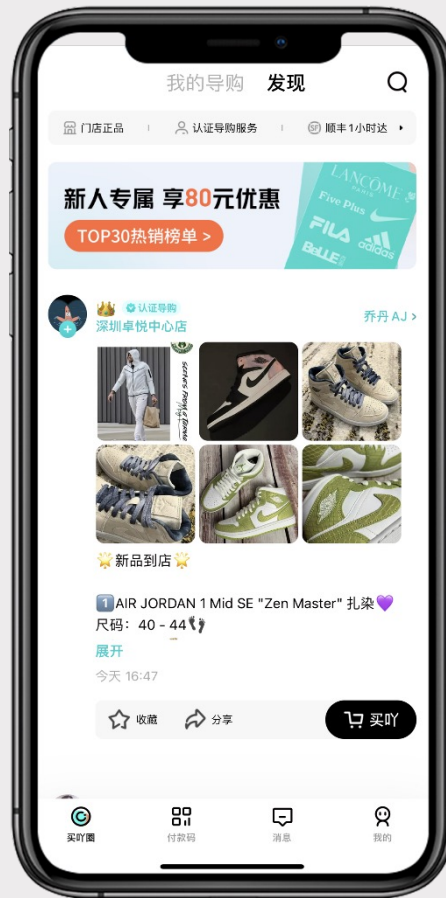
1. As of 30 June 2023, or accumulative
2. For the quarter ended 30 June 2023

A Seamless Experience for New-Generation Consumers

Omni-channels and multipronged access for our users



Consumer credit



Maiya



E-commerce

Empowering the Digitalization of Financial Institutions

Supporting financial institutions in the buildup of in-house capability and competitiveness



- ⬆ Channel co-building
- ⬆ Product design
- ⬆ Risk management
- ⬆ Customer management



- ⬆ Digital infrastructure
- ⬆ Quality assets
- ⬆ Operational efficiency
- ⬆ Brand value

Priorities Unchanged in Execution

Staying compliant and competitive



- Self-examination following the same requirements as the 13 platforms
- Constant dialogue with regulators
- Reinforced internal control and processes



- Enhanced risk identification and modeling
- Dynamic credit approval process
- Effective matching of individuals and financial institutions

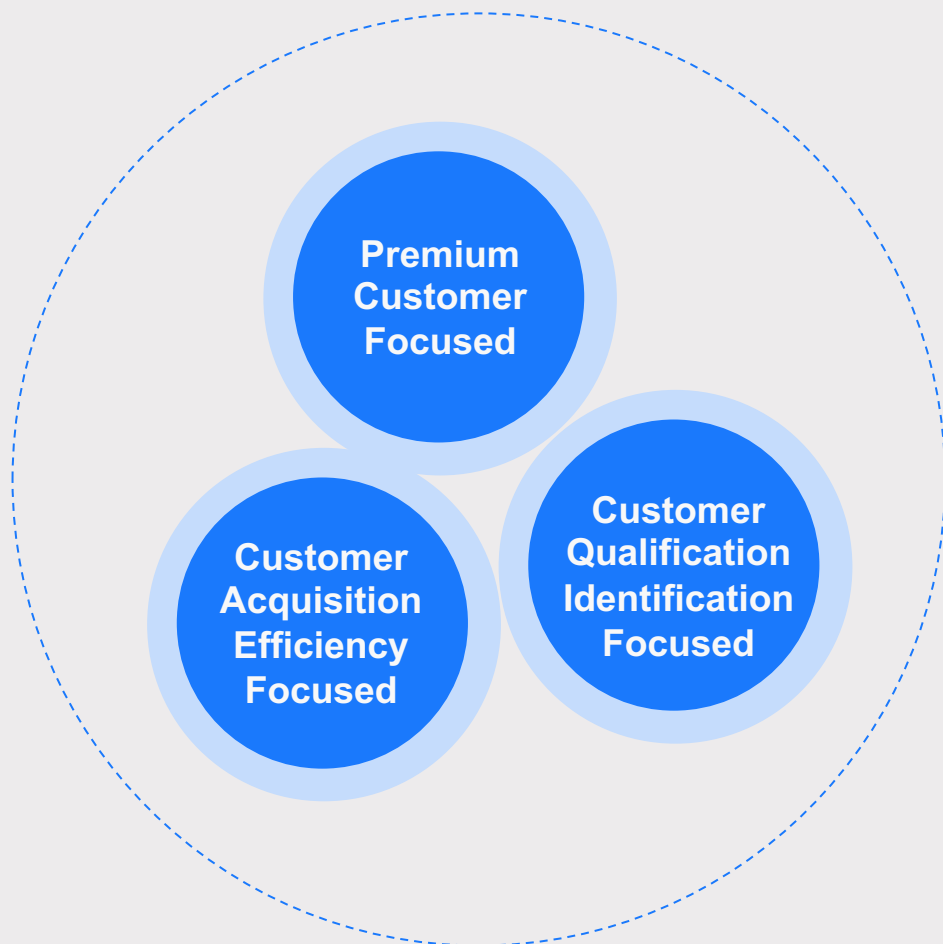


- Breadth and depth of acquisition channels
- Tailored sales and management strategies
- Quality products to meet diverse needs of individuals
- Frictionless digital experience



- Effective communication and collaboration between teams
- Management system aligned with strategy to enhance oversight and talent development
- Increased use of technology from front to back

Optimize Customer Operation Strategy to Deal with External Uncertainty



Premium Customer Focused

- To increase the proportion of premium customers while controlling the access of high-pricing/high-risk customers
- To take the initiative to seek the best balance of scale vs. risk
- Stable overall risk performance + better quality new loan originations

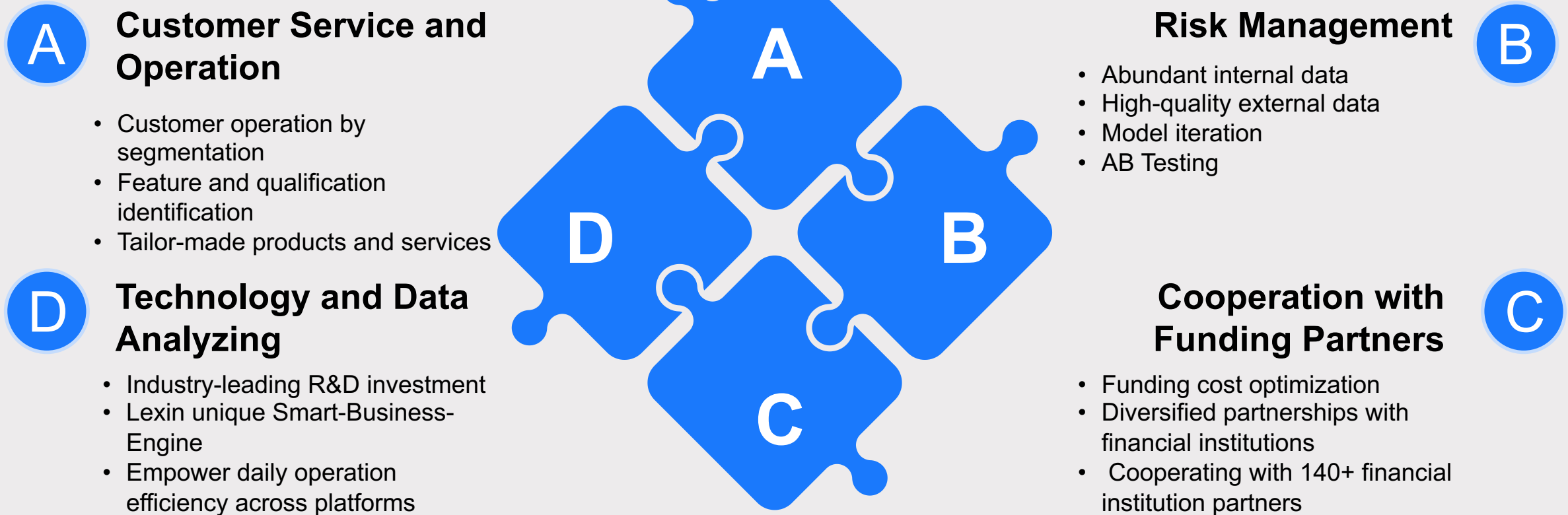
Customer Acquisition Efficiency Focused

- Customer acquisition programs for specifically targeted segmentations
- Leverage offline team strengths
- Leverage abundant data resources and analyzing capability
- In-time adjustment of spending and strategies in different regions

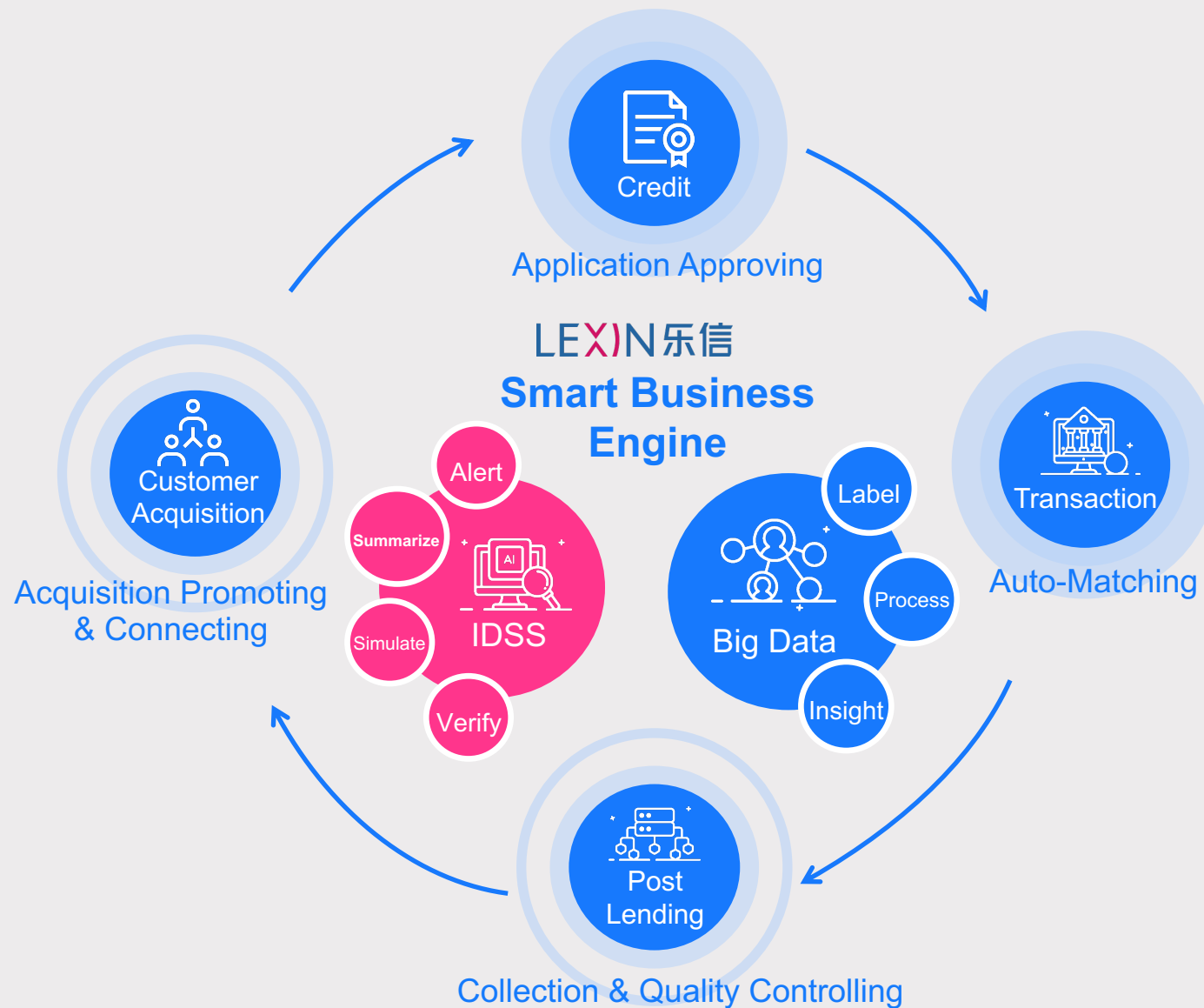
Customer Qualification Identification Focused

- AB testing and model iteration based on internal and external data resources
- Effectiveness validation of the operation strategy in regular
- Proven result by continuously improved per-capita contribution and ARPU

| Lexin Accumulated Core Capabilities



Lexin Smart Business Engine



Lexin Eco-System



02



Financial Update



1Q23 Highlights



**Loan originations
created**

63.9 billion

Up 30.1% YoY

**Total operating
revenue**

3.1 billion

Up 26.6% YoY

**Net income
generated**

355.7 million

Up 112.4% YoY

Key Financials

(Rmb000)	2Q22	1Q23	2Q23	QoQ	YoY
Credit facilitation service income	1,438,223	2,115,808	2,137,718	1.0%	48.6%
Tech-empowerment service income	436,194	367,932	391,695	6.5%	-10.2%
Installment e-commerce platform service income	538,413	499,159	526,399	5.5%	-2.2%
Total operating revenue	2,412,830	2,982,899	3,055,812	2.4%	26.6%
Total operating cost	(1,779,554)	(2,079,686)	(2,060,375)	-0.9%	15.8%
Gross profit	633,276	903,213	995,437	10.2%	57.2%
Total operating expenses	(745,109)	(666,529)	(670,969)	0.7%	-10.0%
Net income	167,450	327,490	355,733	8.6%	112.4%

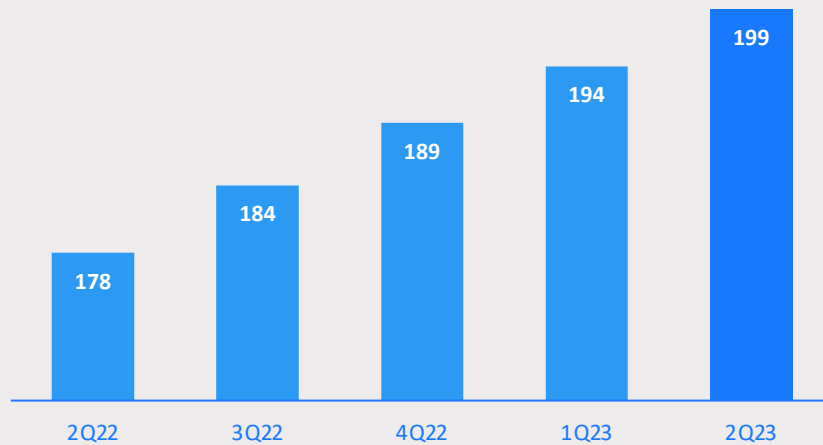
Steady User Increase in Amount

Number of Registered Users

(In Millions)

QoQ

+2.6%

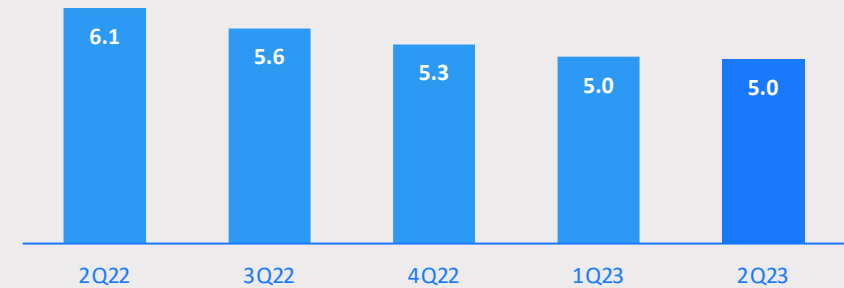


Number of Active Users

(In Millions)

QoQ

-1.2%



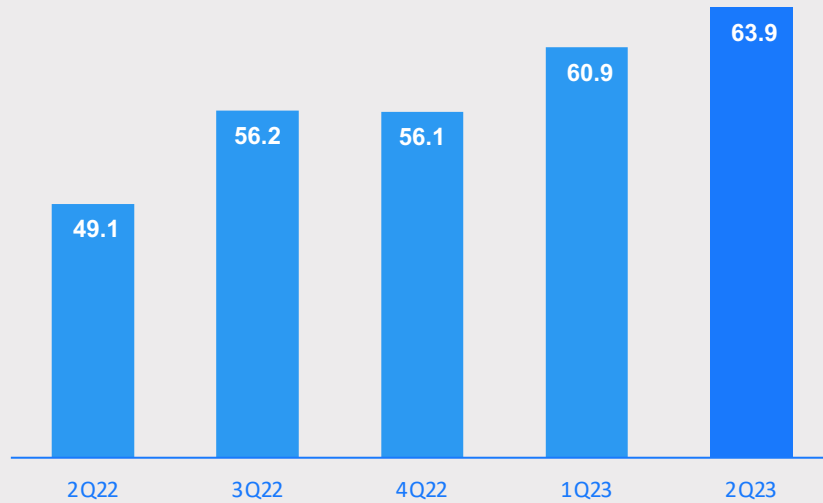
Steady Recovery Upwards to New Scale

Loan Originations

(RMB bn)

QoQ

+4.9%

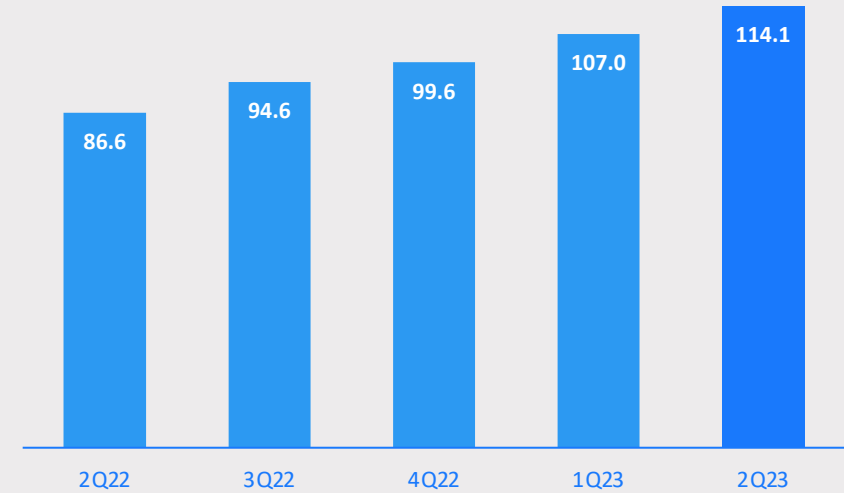


Outstanding Loan Balance

(RMB bn)

QoQ

+6.6%



1. Loan originations represents the total amount of loans originated during each period, which includes both on and off-balance sheet loans

2. Outstanding loan balance represents the amount of principal outstanding for loans originated on our platform at the end of each period, including both on and off-balance sheet loans

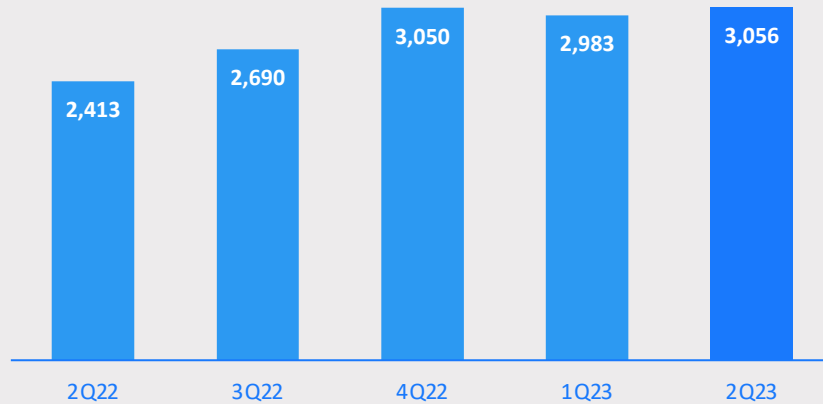
Stable V-shaped Trend Back to Normality

Operating Revenue

(RMBm)

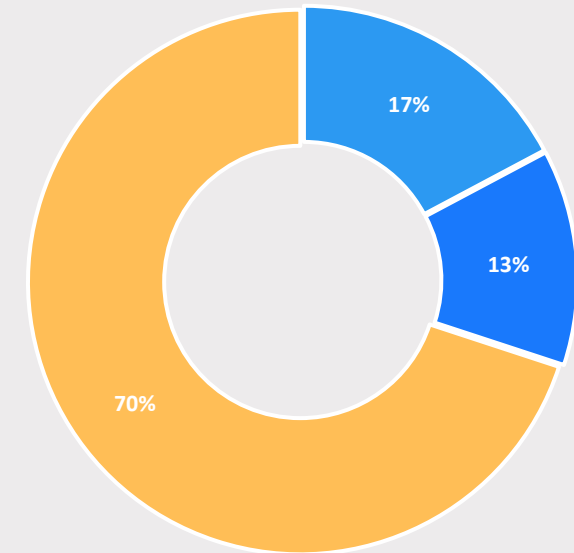
QoQ

+2.4%



Breakdown of Operating Revenue

- Installment e-commerce platform service income
- Tech-empowerment service income
- Credit facilitation service income



1. Breakdown of operating revenue for 2Q23

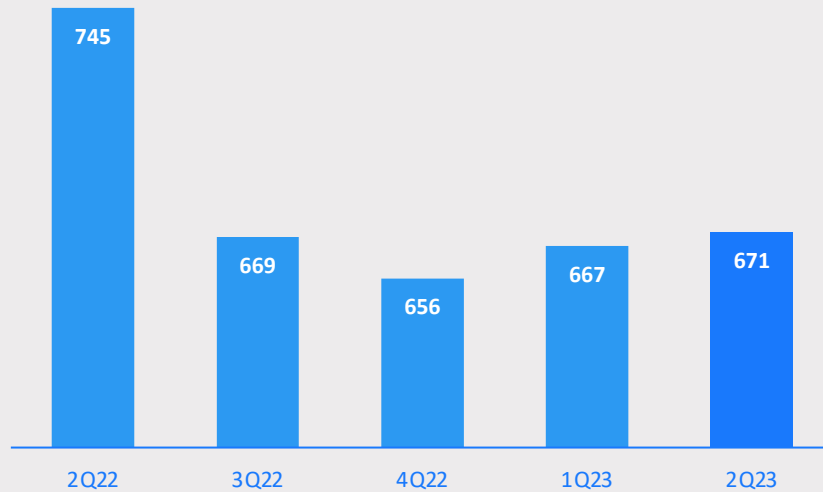
Optimized Allocation of Resources

Operating Expenses

(RMBm)

QoQ

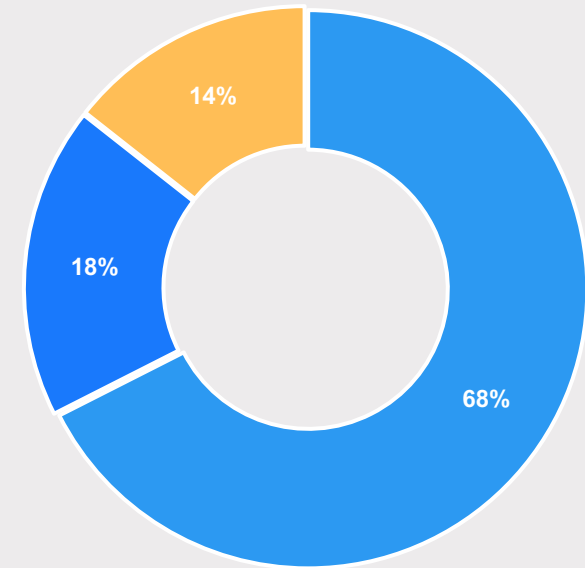
+0.7%



1. Breakdown of operating expenses for 2Q23

Breakdown of Operating Expenses

- Sales & Marketing
- Research & Development
- General & Administrative



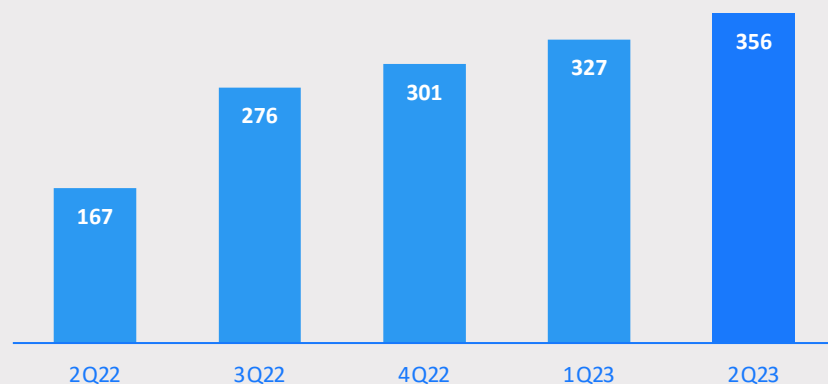
Profitability Grows as Turnaround Recovery Progresses

Net Profit

(RMBm)

QoQ

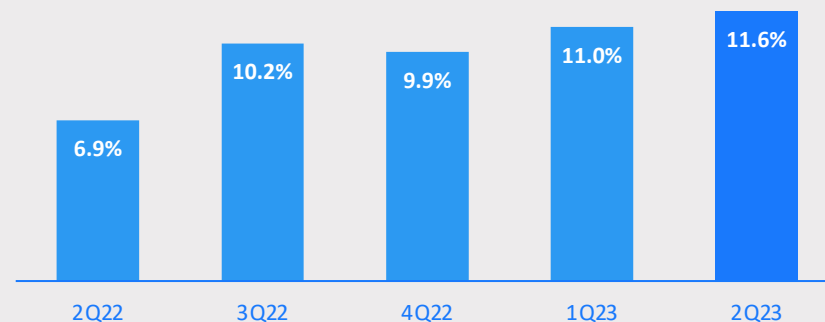
+8.6%



Net Margin

QoQ

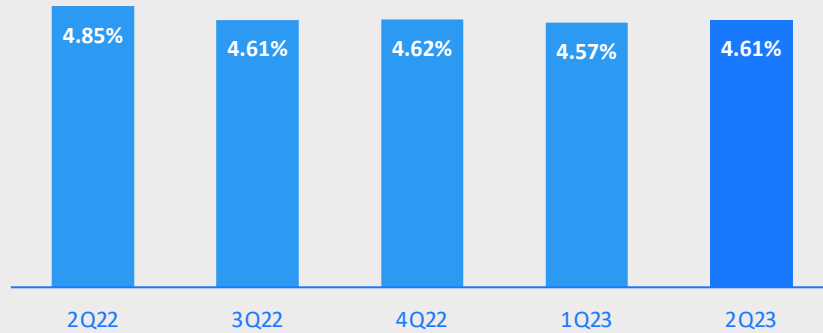
+60bps



Short-Term Impact by External Fluctuation

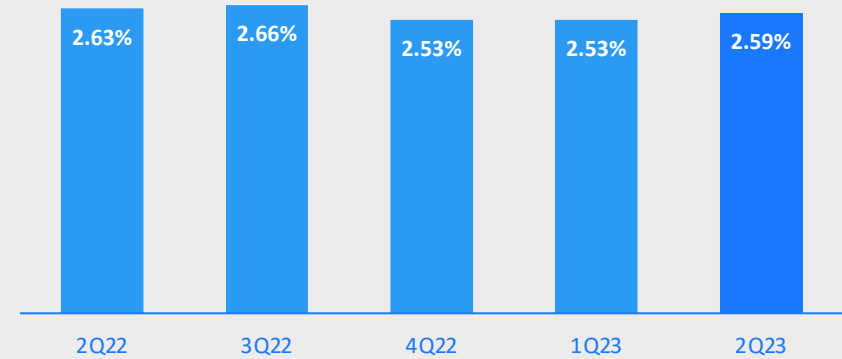
30+ Delinquency Ratio

QoQ
+4bps



90+ Delinquency Ratio

QoQ
+6bps



03



Appendix



P&L Statement

(In thousands, except for share and per share data)	For the Three Months Ended June 30,		
	2022 RMB	2023 RMB	US\$
Operating revenue:			
Credit facilitation service income	1,438,223	2,137,718	294,427
Loan facilitation and servicing fees-credit oriented	667,446	945,919	130,045
Guarantee income	289,764	617,599	85,198
Financing income	481,013	574,200	79,184
Tech-empowerment service income	436,194	391,695	55,278
Loan facilitation and servicing fees-performance based	317,717	248,139	35,483
Loan facilitation and servicing fees-volume based	64,786	81,256	11,206
Other services	53,691	62,300	8,589
Installment e-commerce platform service income	538,413	526,399	72,594
Total operating revenue	2,412,830	3,055,812	422,299
Operating cost			
Cost of sales	(551,367)	(465,393)	(64,181)
Funding cost	(127,896)	(155,651)	(21,465)
Processing and servicing cost	(473,631)	(446,140)	(62,298)
Provision for financing receivables	(119,219)	(145,931)	(20,170)
Provision for contract assets and receivables	(130,017)	(125,242)	(17,356)
Provision for contingent guarantee liabilities	(377,424)	(722,018)	(99,865)
Total operating cost	(1,779,554)	(2,060,375)	(285,335)
Gross profit	633,276	995,437	136,964
Operating expenses:			
Sales and marketing expenses	(477,453)	(453,112)	(62,286)
Research and development expenses	(154,529)	(121,338)	(16,733)
General and administrative expenses	(113,127)	(96,519)	(13,370)
Total operating expenses	(745,109)	(670,969)	(92,389)
Change in fair value of financial guarantee derivatives and loans at fair value	304,552	130,461	17,504
Interest expense, net	(15,942)	(21,804)	(3,013)
Investment related impairment	-	-	-
Investment loss	6,132	(699)	(96)
Other, net	24,674	4,101	1,377
Income before income tax expense	207,583	436,527	60,347
Income tax expense	(40,133)	(80,794)	(11,245)
Net income	167,450	355,733	49,102

Balance Sheet (1)

(In thousands)	December 31, 2022 RMB	As of June 30, 2023 RMB	US\$
ASSETS			
Current assets			
Cash and cash equivalents	1,494,150	2,627,677	362,373
Restricted cash	1,267,512	1,682,124	231,976
Restricted term deposit and short-term investments	1,331,858	1,019,454	140,589
Short-term financing receivables, ne	6,397,920	5,144,518	709,461
Short-term contract assets and receivables, ne	3,894,175	4,576,877	631,180
Deposits to insurance companies and guarantee companies	2,249,022	2,282,213	314,732
Prepayments and other current assets	1,086,952	1,237,605	170,673
Amounts due from related parties	6,602	7,016	968
Inventories, net	53,917	54,811	7,559
Total Current Assets	17,782,108	18,632,295	2,569,511
Non-current Assets			
Restricted cash	168,521	179,202	2,569,511
Long-term financing receivables, net	460,325	356,049	49,101
Long-term contract assets and receivables, net	605,051	776,957	107,147
Property, equipment and software, net	284,593	385,485	53,161
Land use rights, net	931,667	914,467	126,111
Long-term investments	348,376	349,591	48,211
Deferred tax assets	1,141,761	1,127,993	155,557
Other assets	1,048,301	1,169,387	161,266
Total Non-current Assets	4,988,595	5,259,131	3,270,065
TOTAL ASSETS	22,770,703	23,891,426	5,839,576

Balance Sheet (2)

(In thousands)	December 31, 2022	As of June 30, 2023	
	RMB	RMB	US\$
LIABILITIES			
Current liabilities			
Accounts payable	25,970	39,766	5,484
Amounts due to related parties	4,669	4,022	555
Short-term borrowings	1,168,046	1,094,572	150,948
Short-term funding debts	4,385,253	3,260,609	449,659
Deferred guarantee income	894,858	1,276,537	176,043
Contingent guarantee liabilities	882,107	1,290,205	177,927
Accruals and other current liabilities(2)	3,057,469	3,432,265	473,331
Convertible notes	2,063,545	1,442,358	198,910
Total Current Liabilities	12,481,917	11,840,334	1,632,857
Non-current Liabilities			
Long-term borrowings	150,430	506,640	69,869
Long-term funding debts	1,334,105	2,065,097	284,790
Deferred tax liabilities	52,559	48,127	6,637
Convertible notes	-	-	-
Other long-term liabilities	102,941	57,546	7,936
Total Non-current Liabilities	1,640,035	2,677,410	369,232
TOTAL LIABILITIES	14,121,952	14,517,744	2,002,089
Shareholders' equity:			
Class A Ordinary Shares	191	192	29
Class B Ordinary Shares	47	47	8
Treasury stock	(328,764)	(328,764)	(45,339)
Additional paid-in capital	3,081,254	3,143,543	433,510
Statutory reserves	1,022,592	1,022,592	141,022
Accumulated other comprehensive loss	(20,842)	(41,424)	(5,713)
Retained earnings	4,894,273	5,577,496	769,172
Non-controlling interests	-	-	-
Total Shareholders' Equity	8,648,751	9,373,682	1,292,689
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,770,703	23,891,426	3,294,778