

Investor Presentation

Third Quarter 2022 Results

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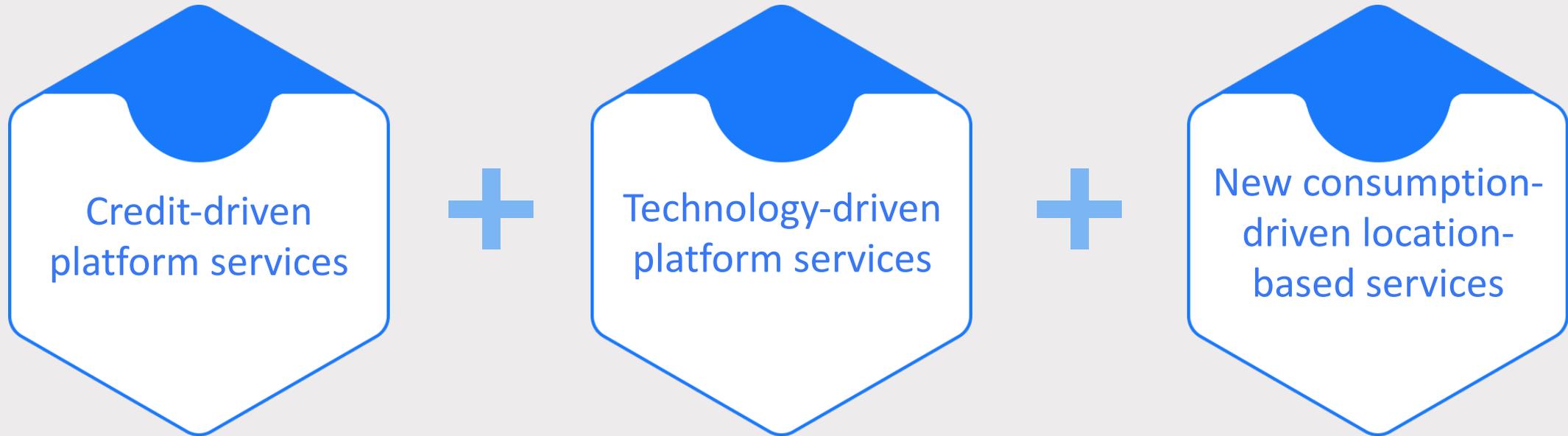


Company Overview



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 183 million registered users¹
- Loan balance of Rmb94.6 billion¹

1. As of 30 September 2022, or accumulative
2. For the quarter ended 30 September 2022

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

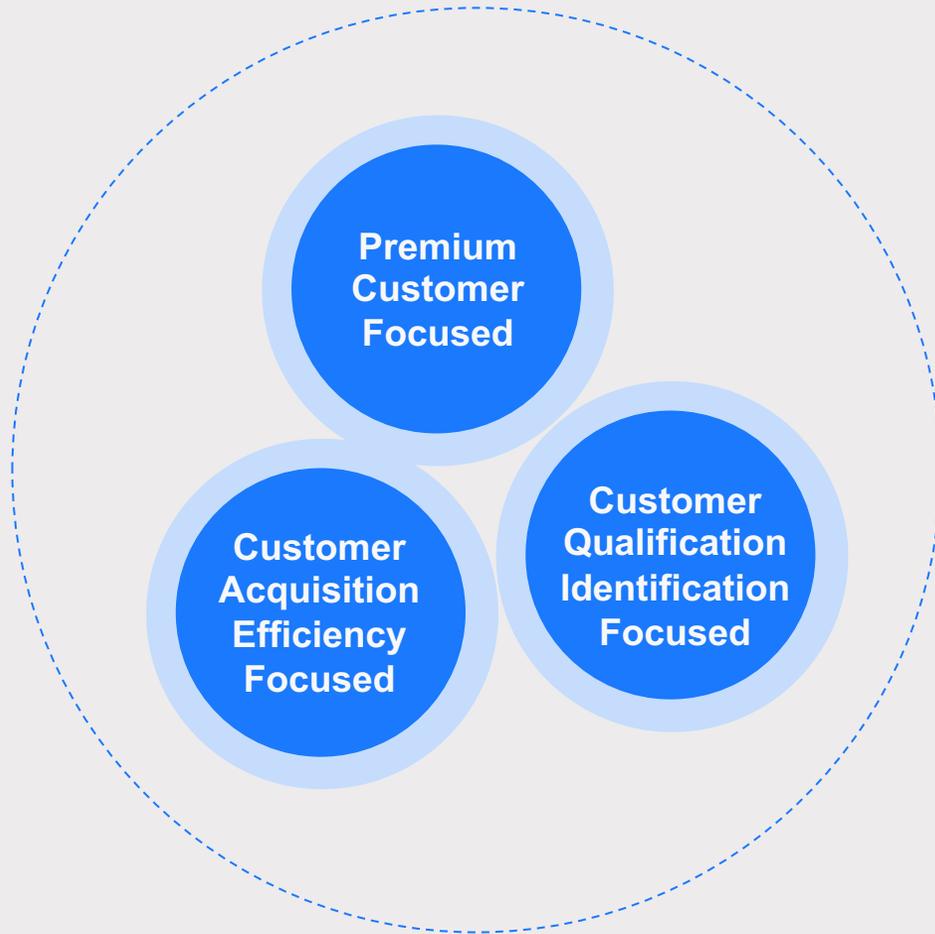


- Breadth and depth of acquisition channels
- Tailored sales and management strategies
- Quality products to meet diverse needs of individuals
- Frictionless digital experience



- 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

A

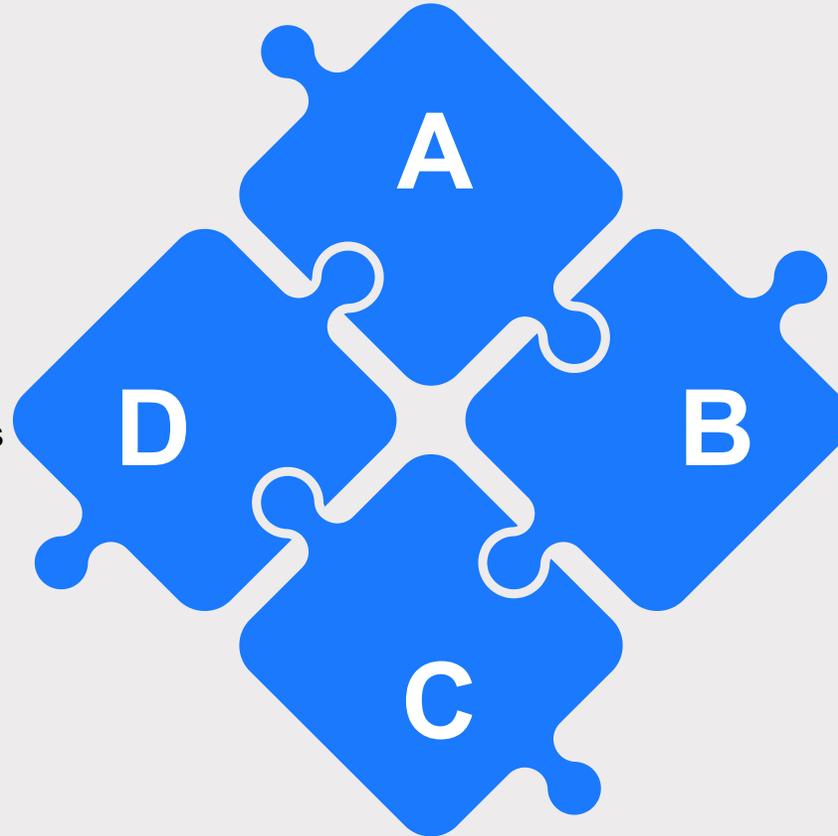
Customer Service and Operation

- Customer operation by segmentation
- Feature and qualification identification
- Tailor-made products and services

D

Technology and Data Analyzing

- Industry-leading R&D investment
- Lexin unique Smart-Business-Engine
- Empower daily operation efficiency across platforms



Risk Management

- Abundant internal data
- High-quality external data
- Model iteration
- AB Testing

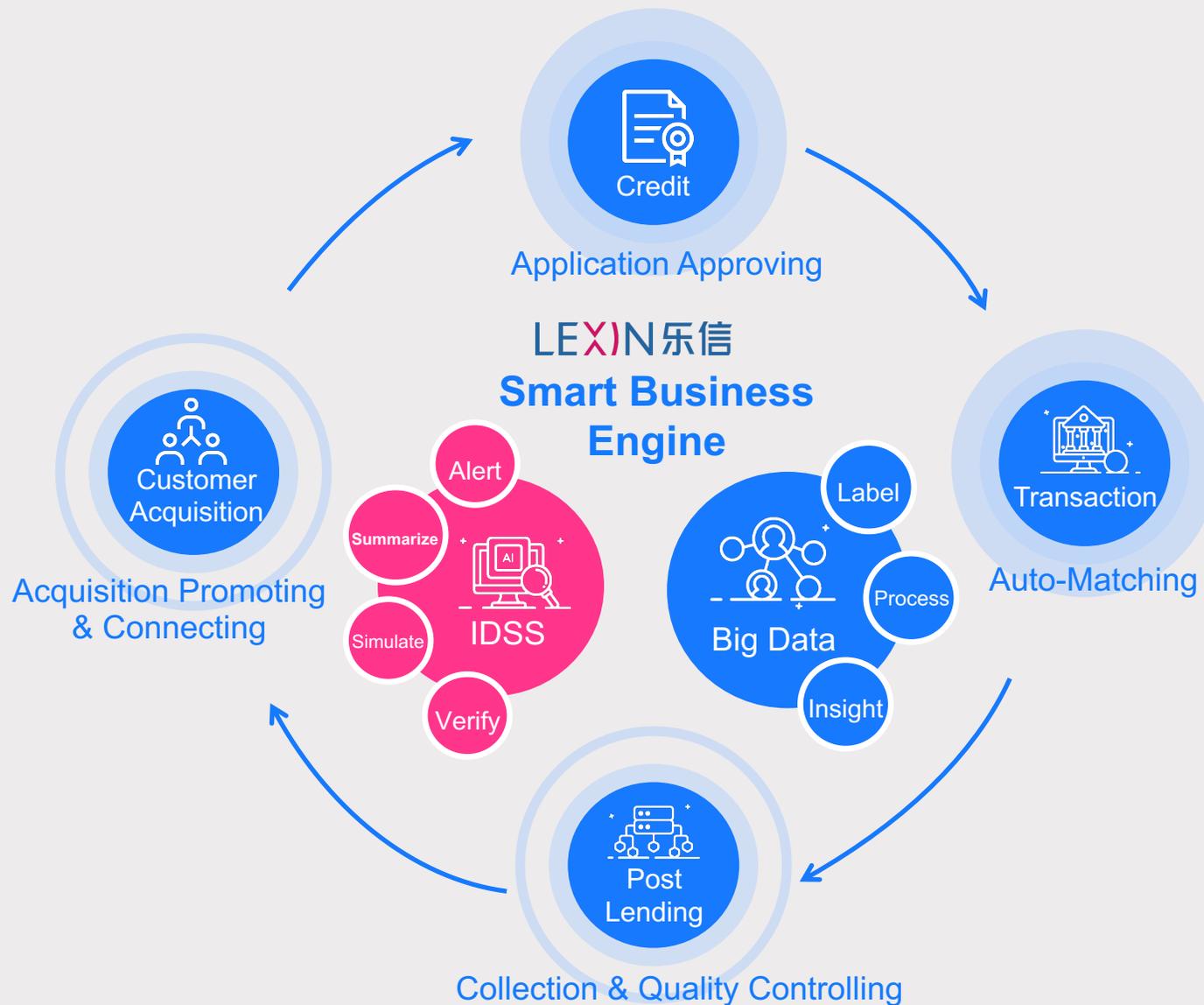
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Cooperation with Funding Partners

- Funding cost optimization
- Diversified partnerships with financial institutions
- Cooperating with 140+ financial institution partners

C

Lexin Smart Business Engine



Lexin Eco-System



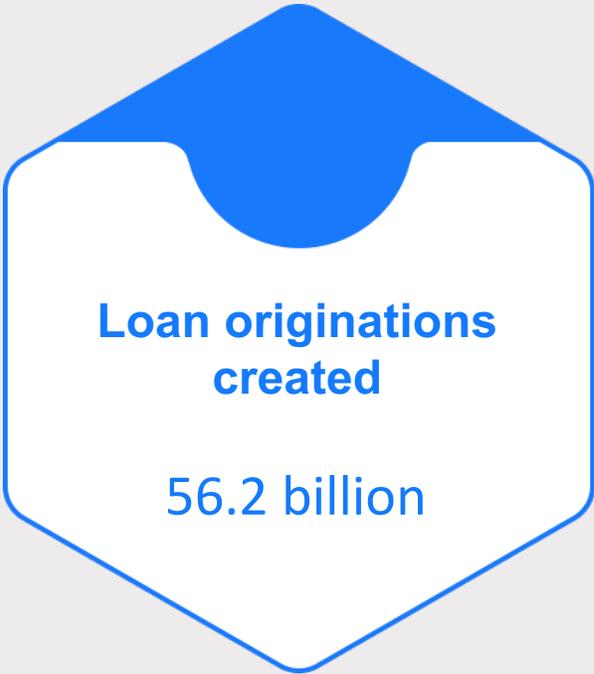
02



Financial Update



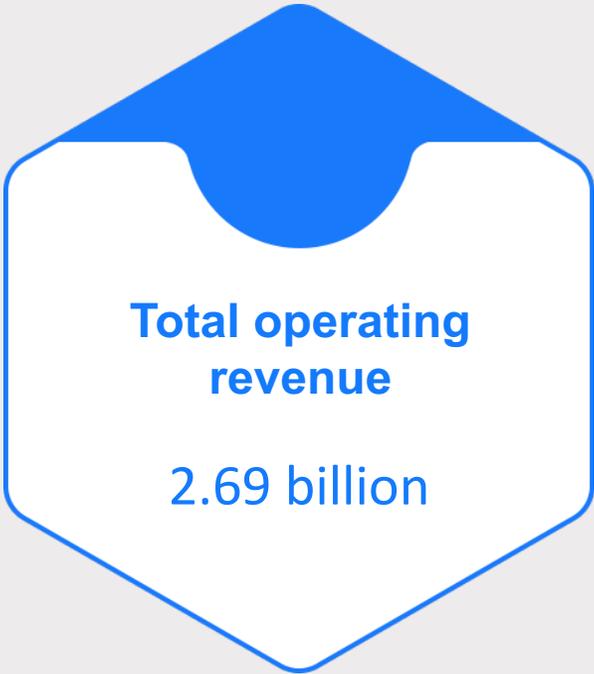
3Q22 Highlights



**Loan originations
created**

56.2 billion

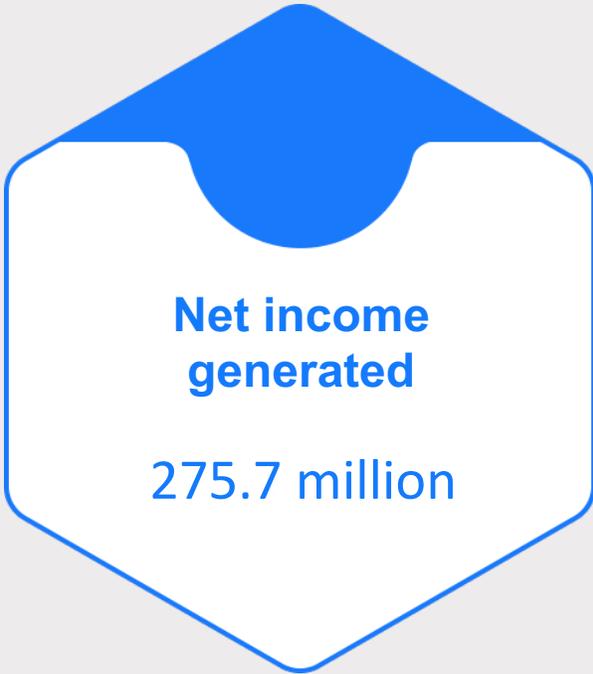
Up 14.4% QoQ



**Total operating
revenue**

2.69 billion

Up 11.5% QoQ



**Net income
generated**

275.7 million

Up 64.6% QoQ

Key Financials

(Rmb000)	3Q21	2Q22	3Q22	QoQ	YoY
New Consumption-Driven, Location-Based Services Income	399,754	538,413	524,986	-2.5%	31.3%
Technology-Driven Platform Services Income	803,737	436,194	499,699	14.6%	-37.8%
Credit-Driven Platform Services Income	1,765,304	1,438,223	1,665,652	15.8%	-5.6%
Total operating revenue	2,968,796	2,412,830	2,690,337	11.5%	-9.4%
Total operating cost	(1,462,274)	(1,779,554)	(1,793,080)	0.8%	22.6%
Gross profit	1,506,522	633,276	897,257	41.7%	-40.4%
Total operating expenses	(722,393)	(745,109)	(669,493)	-10.1%	-7.3%
Net income	580,762	167,450	275,693	64.6%	-52.5%

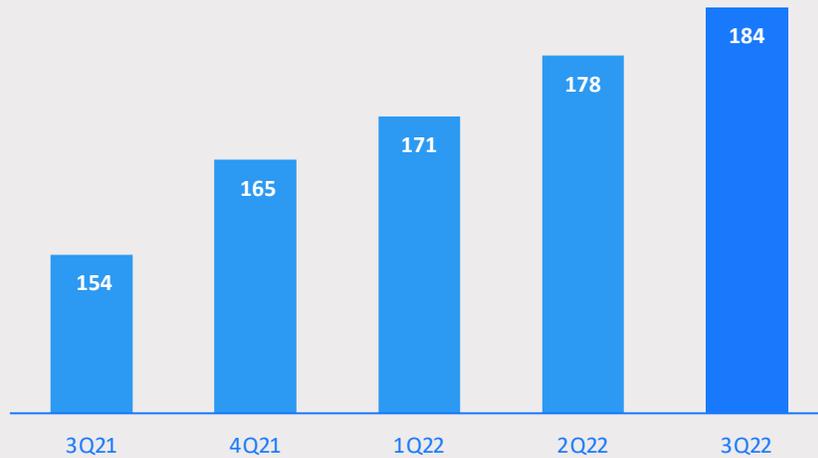
Steady User Increase in Amount and Active Rate

Number of Registered Users

(In Millions)

QoQ

+3.3%

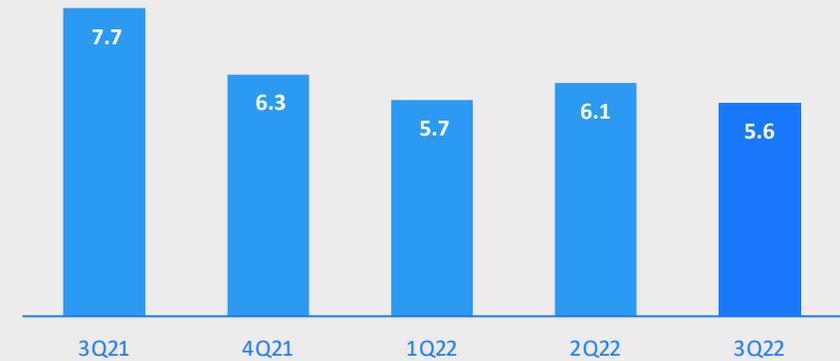


Number of Active Users

(In Millions)

QoQ

-7.2%

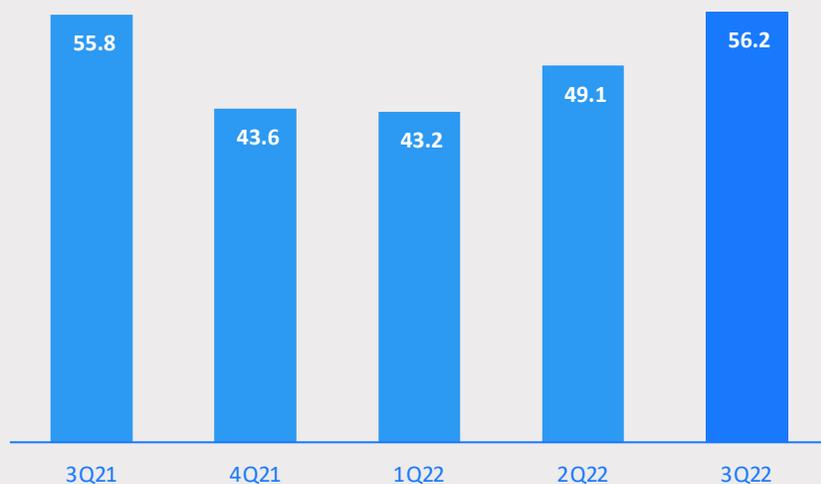


Steady Growth amid External Uncertainties

Loan Originations

(RMB bn)

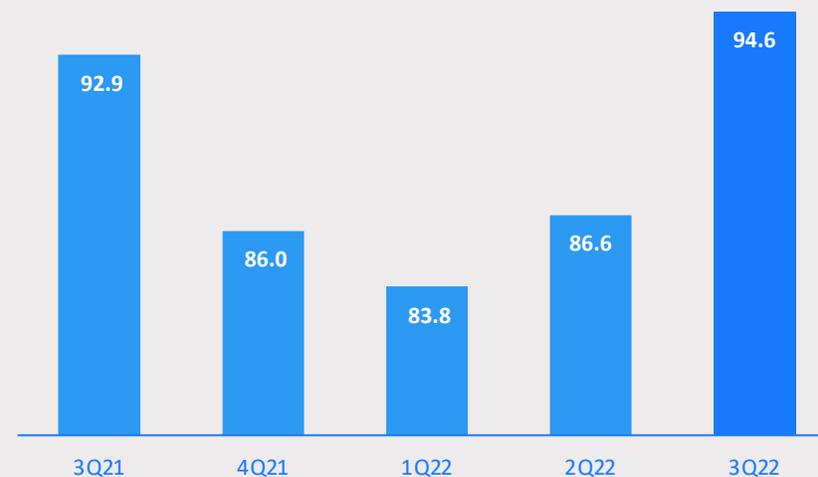
QoQ
+14.4%



Outstanding Loan Balance

(RMB bn)

QoQ
+9.2%



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

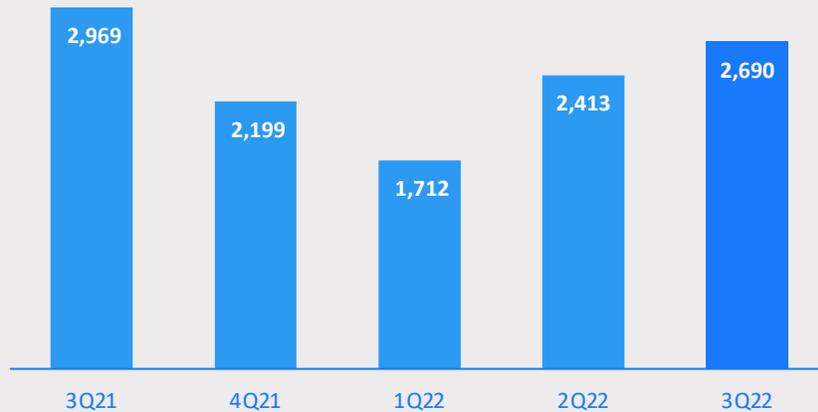
Stable Increase Back to Normality

Operating Revenue

(RMBm)

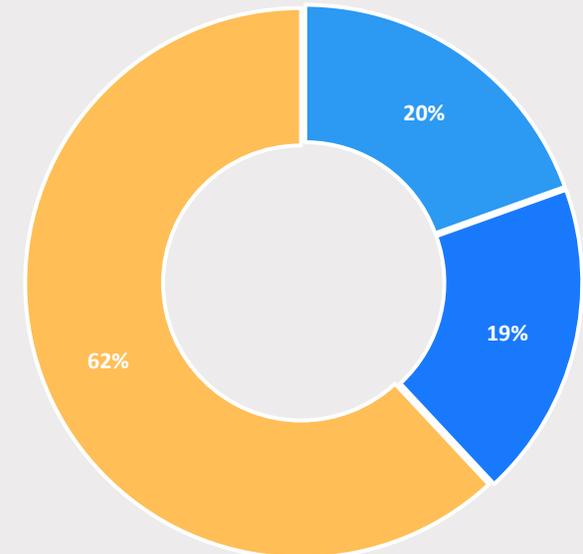
QoQ

+11.5%



Breakdown of Operating Revenue

- New Consumption-Driven, Location-Based Services Income
- Technology-Driven Platform Services Income
- Credit-Driven Platform Services Income



1. Breakdown of operating revenue for 3Q22

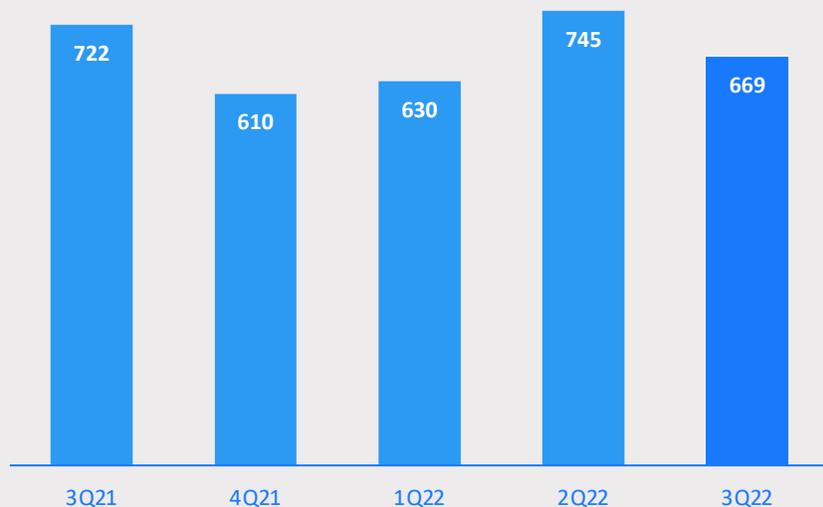
Increased Operating Efficiency to Ensure Profitability

Operating Expenses

(RMBm)

QoQ

-10.1%

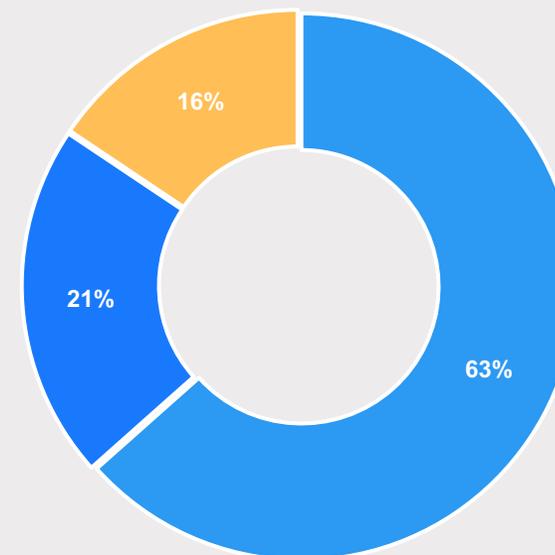


Breakdown of Operating Expenses

■ Sales & Marketing

■ Research & Development

■ General & Administrative



1. Breakdown of operating expenses for 3Q22

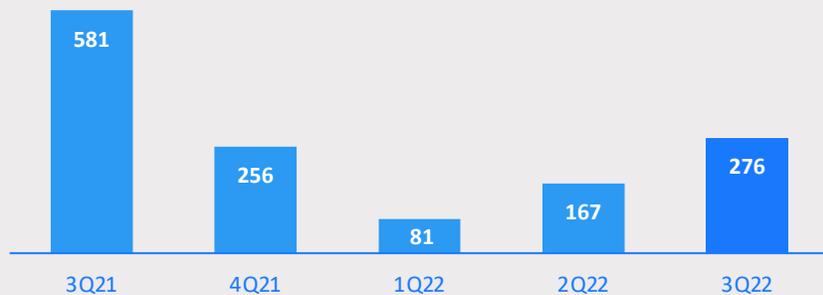
Profitability on Upward Trend

Net Profit

(RMBm)

QoQ

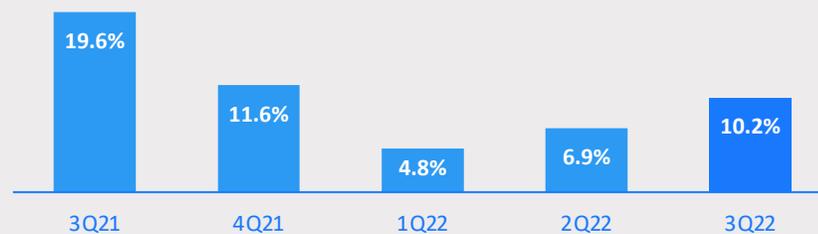
+64.6%



Net Margin

QoQ

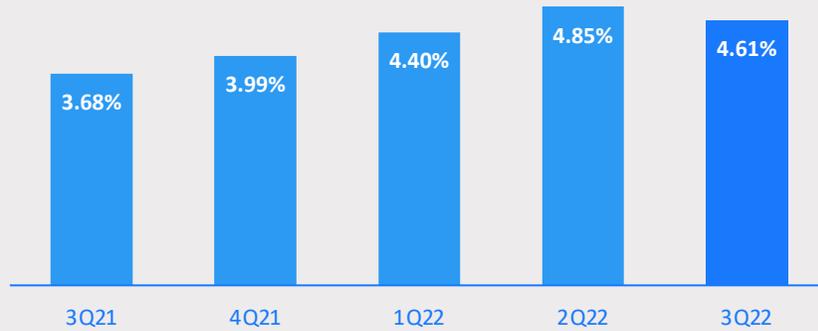
+3.3ppt



Gradual Recovery from External Challenges

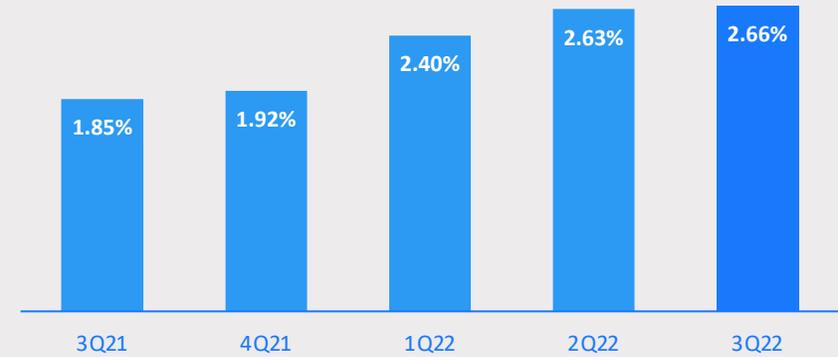
30+ Delinquency Ratio

QoQ
-24bps



90+ Delinquency Ratio

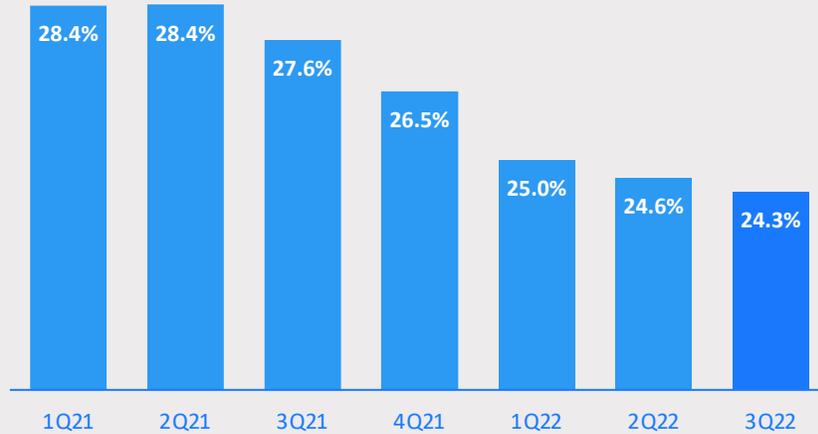
QoQ
+3bps



APR Continues to Fall as Planned

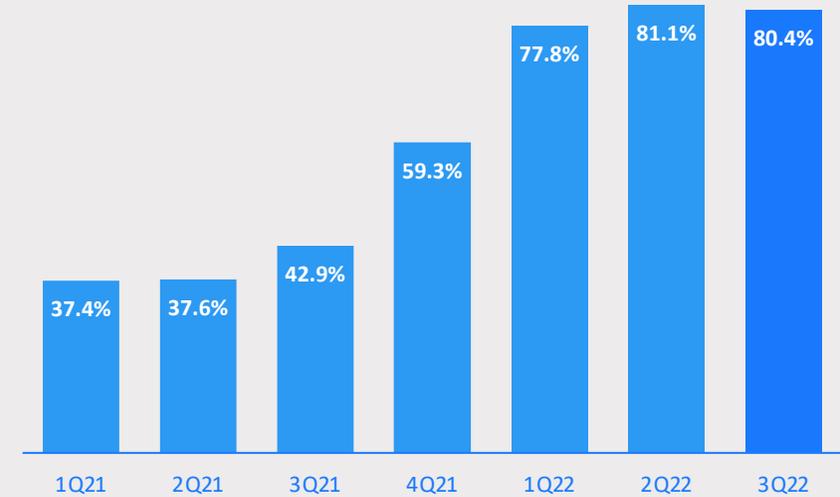
APR

QoQ
-30bps



Mix Within 24% APR

QoQ
-0.7ppt



1. APR refers to the average pricing of loan originations during each period
2. Mix within 24% APR refers to percentage of loan originations priced within 24 for each period

03



Appendix



P&L Statement (1)

(In thousands, except for share and per share data)	For the Three Months Ended September 30,		
	2021	2022	
	RMB	RMB	US\$
New Consumption-Driven, Location-Based Services	399,754	524,986	73,801
Technology-Driven Platform Services	803,737	499,699	70,247
Credit-Driven Platform Services	1,765,304	1,665,652	234,154
Loan facilitation and servicing fees-credit oriented	1,187,060	714,102	100,387
Interest and financial services income and other revenues	414,192	541,708	76,152
Guarantee income	164,052	409,842	57,615
Total operating revenue	2,968,796	2,690,337	378,202
Operating cost:			
Cost of sales	(436,973)	(530,685)	(74,603)
Funding cost	(106,013)	(149,545)	(21,023)
Processing and servicing cost	(523,611)	(472,261)	(66,389)
Provision for credit losses of financing and interest receivables	(216,344)	(126,214)	(17,743)
Provision for credit losses of contract assets and receivables	(127,958)	(132,678)	(18,652)
Provision for credit losses of contingent liabilities of guarantee	(51,374)	(381,697)	(53,658)
Total operating cost	(1,462,274)	(1,793,080)	(252,067)
Gross profit	1,506,522	897,257	126,134

P&L Statement (2)

(In thousands, except for share and per share data)	For the Three Months Ended September 30,		
	2021	2022	
	RMB	RMB	US\$
Operating expenses:			
Sales and marketing expenses	(490,934)	(424,544)	(59,681)
Research and development expenses	(130,996)	(140,560)	(19,760)
General and administrative expenses	(100,463)	(104,389)	(14,675)
Total operating expenses	(722,393)	(669,493)	(94,116)
Change in fair value of financial guarantee derivatives and loans at fair value	(80,755)	121,776	17,119
Interest expense, net	(14,023)	(16,202)	(2,278)
Investment (loss)/ income	(1,656)	(3,027)	(426)
Other, net	(946)	16,210	2,279
Income before income tax expense	686,749	346,521	48,713
Income tax expense	(105,987)	(70,828)	(9,957)
Net income	580,762	275,693	38,756
Less: net (loss)/ income attributable to non-controlling interests	111	231	32
Net income attributable to ordinary shareholders of the Company	580,651	275,462	38,724

Balance Sheet (1)

(In thousands)	December 31, 2021	As of September 30, 2022	US\$
	RMB	RMB	
ASSETS			
Current assets			
Cash and cash equivalents	2,664,132	2,108,511	296,410
Restricted cash	1,305,435	1,236,978	173,892
Restricted time deposits	1,745,898	1,321,762	185,810
Short-term financing receivables	3,772,975	6,119,987	860,334
Loans at fair value	252,970	295,527	41,545
Accrued interest receivable	53,513	91,619	12,880
Prepaid expenses and other current assets	941,150	874,057	122,873
Amounts due from related parties	6,337	7,257	1,020
Deposits to insurance companies and guarantee companies	1,378,489	1,976,331	277,828
Short-term guarantee receivables	543,949	810,503	113,939
Short-term contract assets and service fees receivable	3,942,700	2,855,505	401,421
Inventories, net	47,816	86,736	12,193
Total current assets	16,655,364	17,784,773	2,500,145
Non-current assets			
Restricted cash	149,247	173,278	24,359
Long-term financing receivables	241,127	450,945	63,393
Long-term guarantee receivables	101,562	177,387	24,937
Long-term contract assets and service fees receivable	244,672	315,070	44,292
Property, equipment and software, net	195,330	242,672	34,114
Land use rights, net	966,067	940,267	132,181
Long-term investments	469,064	472,407	66,410
Deferred tax assets	1,176,878	1,252,169	176,027
Other assets	826,883	989,457	139,096
Total non-current assets	4,370,830	5,013,652	704,809
TOTAL ASSETS	21,026,194	22,798,425	3,204,954

Balance Sheet (2)

(In thousands)	December 31, 2021	September 30, 2022	US\$
	RMB	RMB	
LIABILITIES			
Current liabilities			
Accounts payable	15,705	33,438	4,701
Amounts due to related parties	23,102	3,802	534
Short-term borrowings	1,799,741	1,245,682	175,115
Short-term funding debts	3,101,381	3,908,918	549,507
Accrued interest payable	24,851	1,148	161
Deferred guarantee income	419,843	753,440	105,917
Contingent guarantee liabilities	928,840	838,250	117,839
Accrued expenses and other current liabilities	3,873,657	3,225,570	453,443
Convertible loans	-	2,101,816	295,469
Total current liabilities	10,187,120	12,112,064	1,702,686
Non-current liabilities			
Long-term funding debts	696,852	2,065,671	290,387
Deferred tax liabilities	54,335	48,168	6,771
Long term borrowings	-	102,700	14,437
Convertible notes	1,882,689	-	-
Other long-term liabilities	137,389	112,179	15,770
Total non-current liabilities	2,771,265	2,328,718	327,365
TOTAL LIABILITIES	12,958,385	14,444,782	2,030,051
SHAREHOLDERS' EQUITY:			
Class A Ordinary Shares	180	190	29
Class B Ordinary Shares	57	47	8
Treasury Stock	-	(309,217)	(43,469)
Additional paid-in capital	2,918,993	3,043,828	427,895
Statutory reserves	901,322	901,322	126,706
Accumulated other comprehensive income	11,273	(33,504)	(4,710)
Retained earnings	4,195,791	4,714,127	662,701
Non-controlling interests	40,193	40,850	5,743
TOTAL SHAREHOLDERS' EQUITY	8,067,809	8,357,643	1,174,903
TOTAL LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' EQUITY	21,026,194	22,798,425	3,204,954