

Results Presentation

June 2019



01 HIGHLIGHTS



First Quarter 2019

- Total operating revenue reached RMB 2.0 billion.
- Gross profit reached RMB 907 million, representing an increase of 101% from the first quarter of 2019.
- Net income was RMB 583 million, representing an increase of 228% from the first quarter of 2019.
- Adjusted net income was RMB 622 million, representing an increase of 203% from the first quarter of 2019.

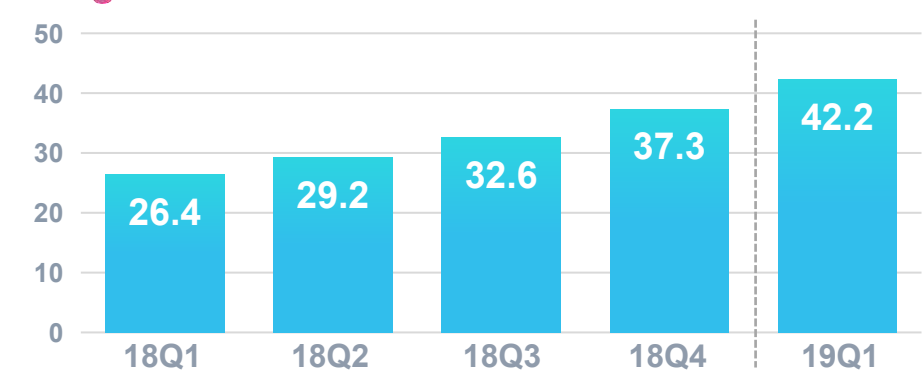
— Guidance

Based on Lexin's preliminary assessment of the current market conditions, the Company currently expects total loan originations for 2019 to be approximately RMB 90 billion to RMB 100 billion. This is Lexin's current and preliminary view, which is subject to changes and uncertainties.

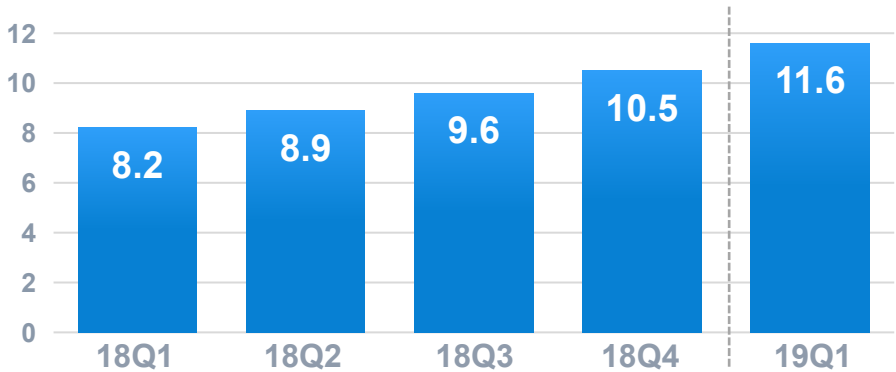
02 OPERATING SUMMARY —

Customer Statistics

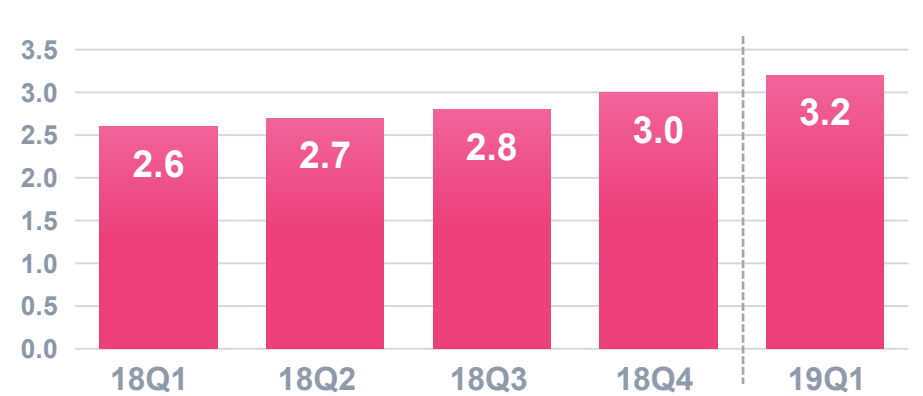
—Registered users (mm)



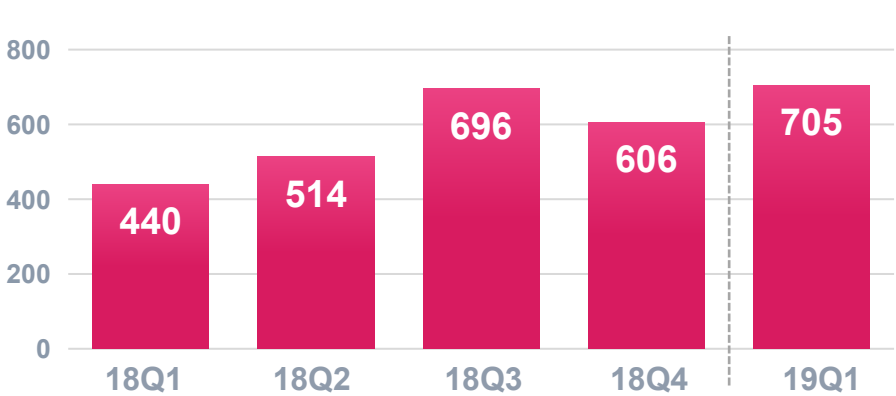
—Users with credit line (mm)



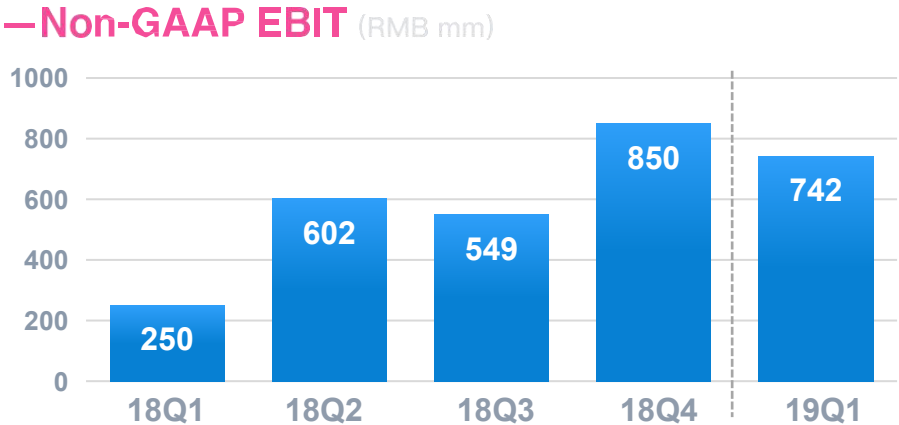
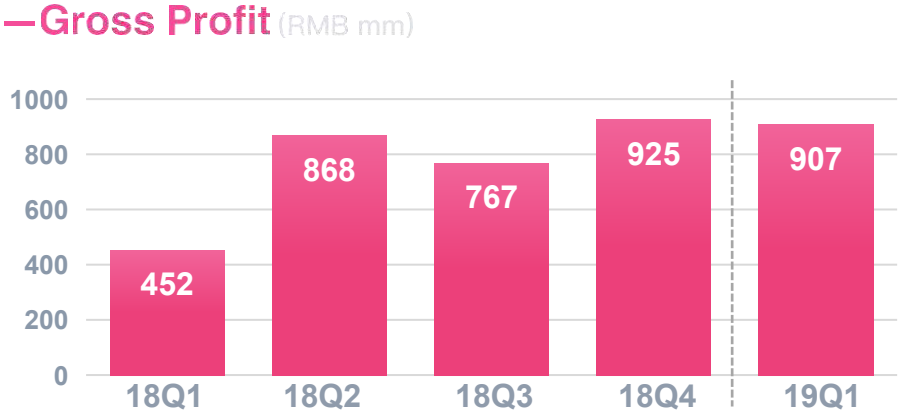
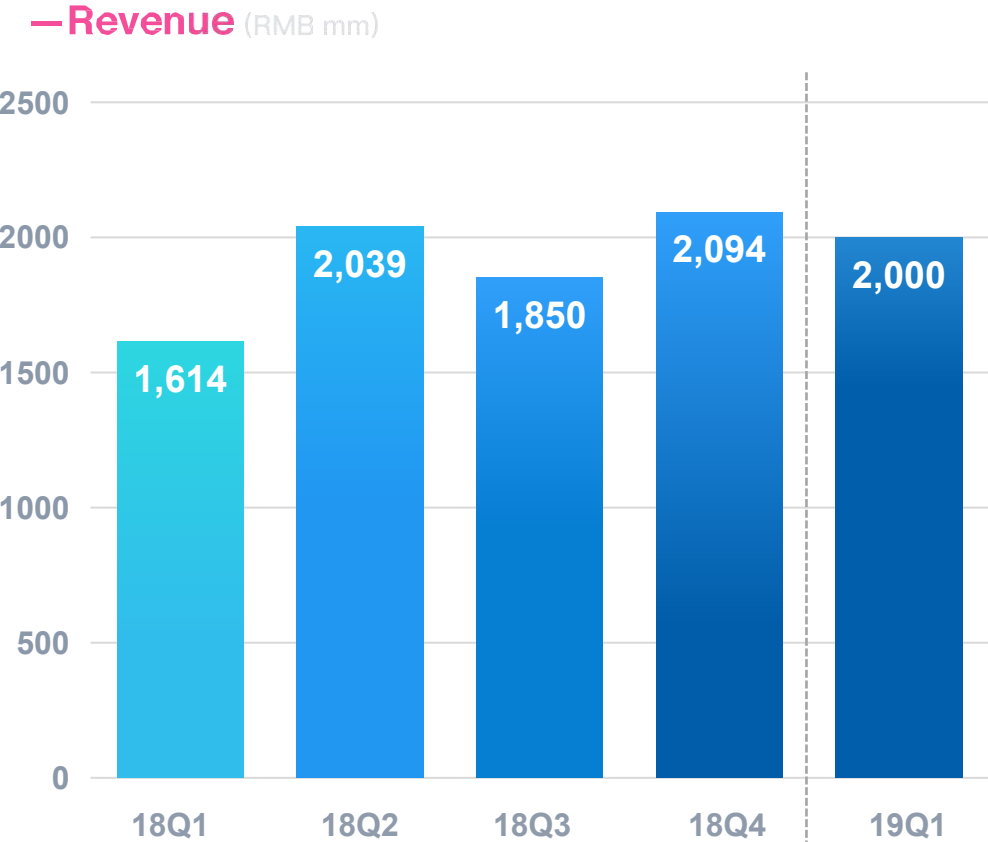
—Active customers (mm)



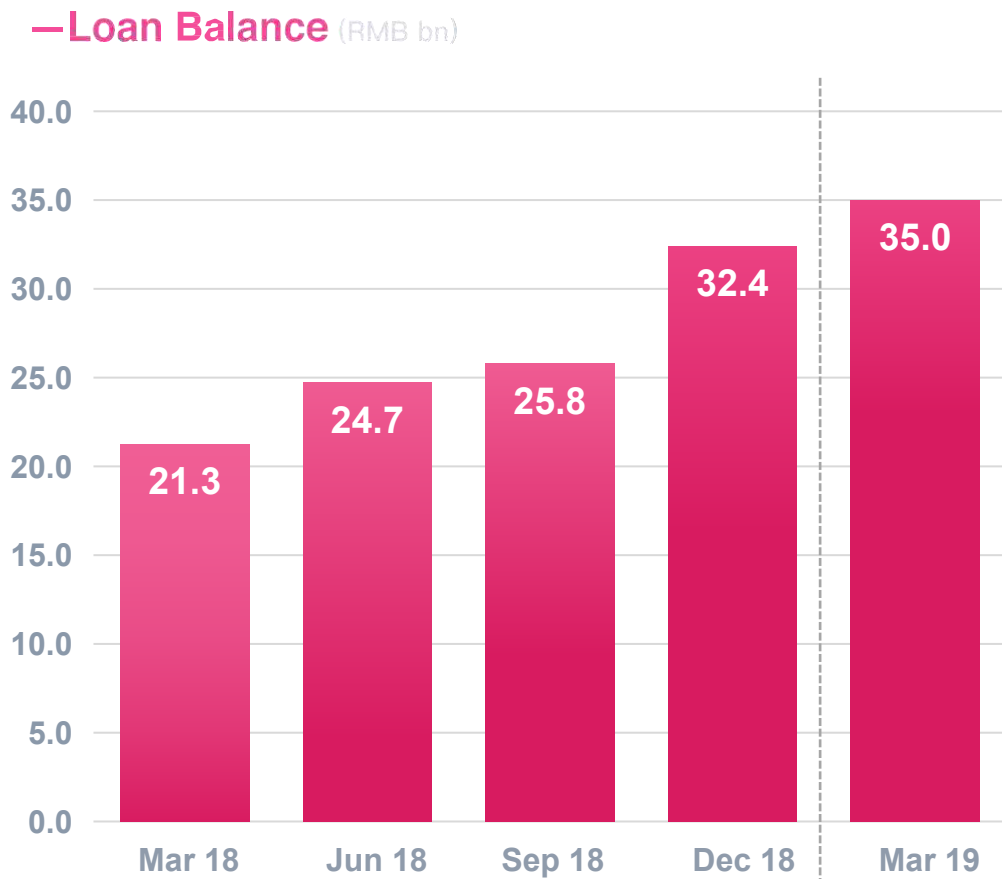
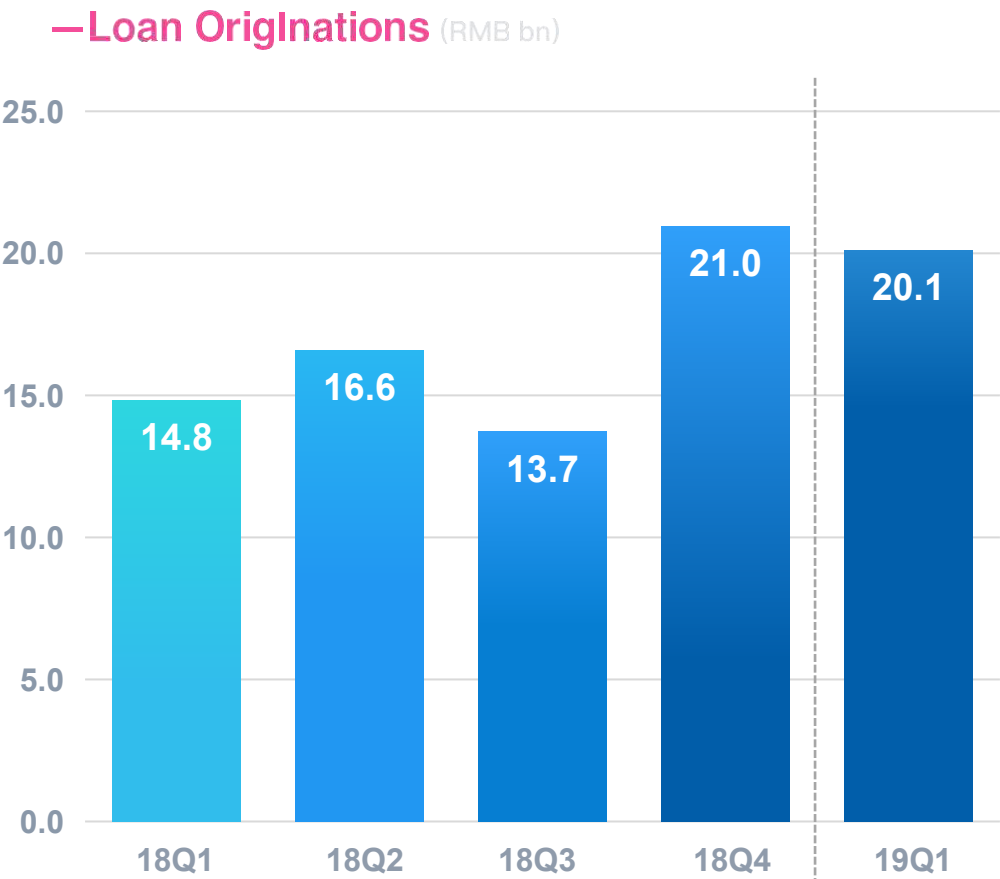
—New active customers (Thousands)



Operating Results

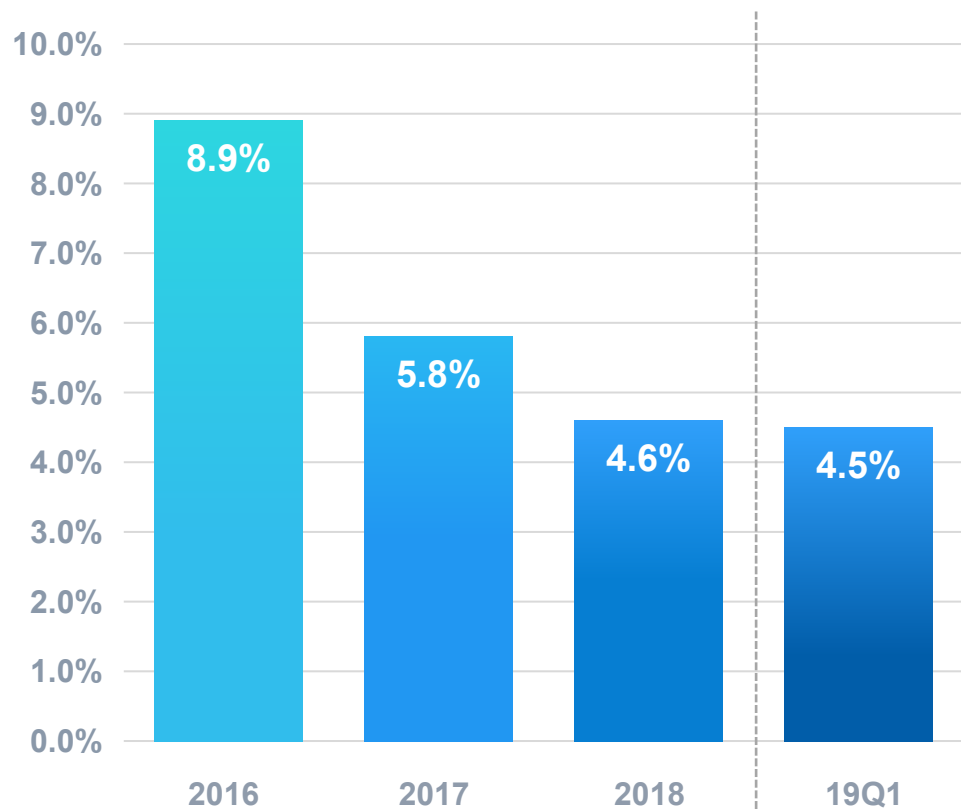


Operating Results

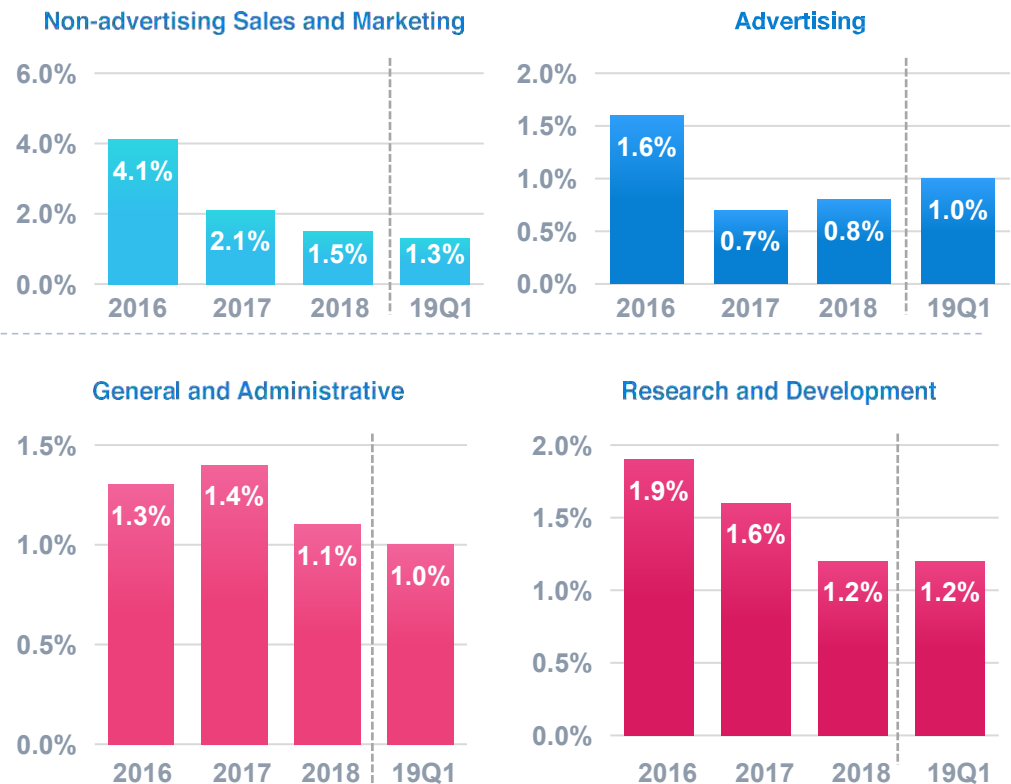


Operating costs

—Total Operating Expense/Average Loan Balance



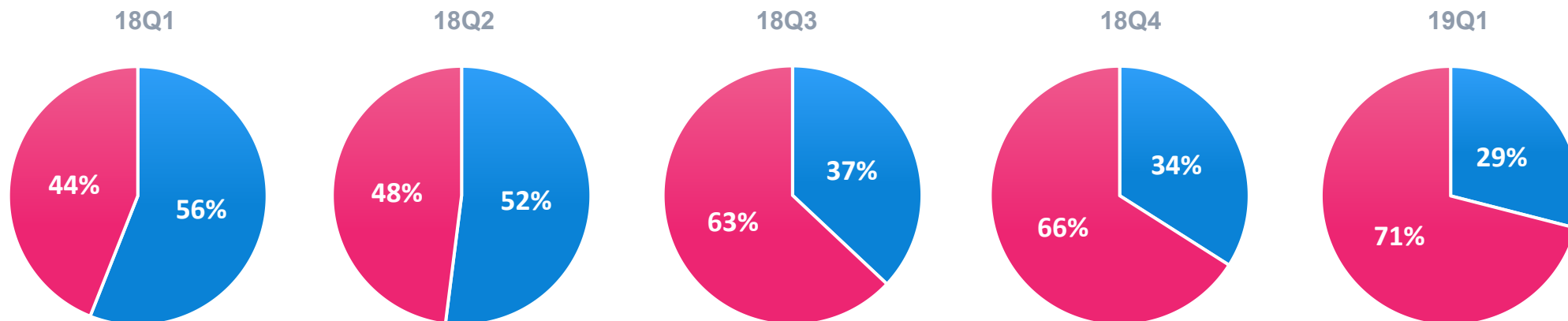
—Operating Expense Breakdown/Average Loan Balance



Loan Originations

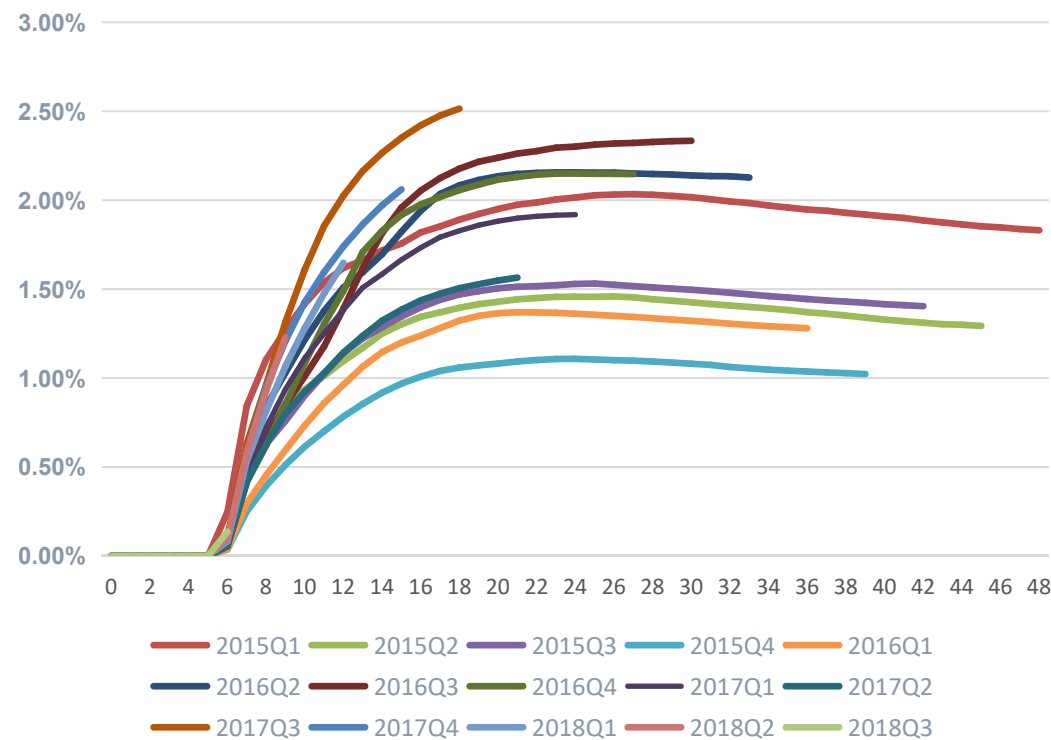
—Institutional funding continues to increase

Funding Split

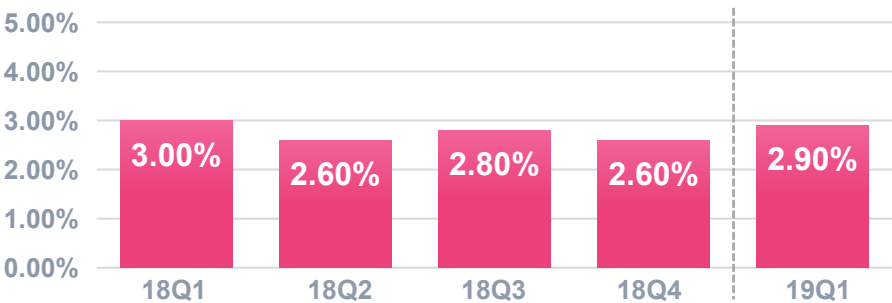


Charge-Off Rate

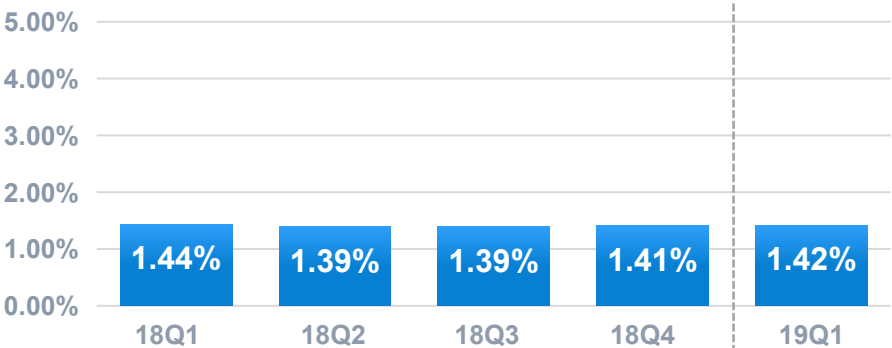
— Vintage Curve



— 30 Days+ Delinquency Ratio



— 90 Days+ Delinquency Ratio



2019 Quarterly numbers

(RMB millions, unless otherwise noted)		18Q1	18Q2	18Q3	18Q4	19Q1
Revenue		1,614	2,039	1,850	2,094	2,000
Gross Profit		452	868	767	925	907
Net Income (Adjusted)*		205	701	466	724	622
Loan Originations (RMB billions)		14.8	16.6	13.7	21.0	20.1
Loan Balance (RMB billions)		21.3	24.7	25.8	32.4	35.0
Funding Split	P2P	56%	52%	37%	34%	29%
	Institution	44%	48%	63%	66%	71%
APR Charged		26.0%	25.8%	26.4%	25.8%	26.2%
30 days + Delinquency Ratio		3.0%	2.6%	2.8%	2.6%	2.9%
90 days + Delinquency Ratio		1.44%	1.39%	1.39%	1.41%	1.42%

*Includes a valuation allowance of RMB193 million related to the recoverability of deferred tax assets arising from the provision for credit losses.

Statements of Operations

(In thousands, except for share and per share data)	For the Three Months Ended		
	2018	2019	
	RMB	RMB	US\$
Operating revenue:			
Online direct sales	542,899	624,909	93,114
Services and others	30,094	54,699	8,150
Online direct sales and services income	572,993	679,608	101,264
Interest and financial services income*	784,381	351,290	52,344
Loan facilitation and servicing fees*	206,042	910,562	135,678
Other revenue	50,302	27,946	4,164
Financial services income*	1,040,725	1,289,798	192,186
Total operating revenue	1,613,718	1,969,406	293,450
Operating cost:			
Cost of sales	(548,723)	(628,002)	(93,575)
Funding cost	(257,026)	(142,272)	(21,199)
Processing and servicing cost	(65,934)	(116,719)	(17,392)
Provision for credit losses	(286,791)	(152,517)	(22,726)
Provision for contract assets and other assets*	(3,623)	(22,461)	(3,347)
Total operating cost	(1,162,097)	(1,061,971)	(158,239)
Gross profit	451,621	907,435	135,211

Statements of Operations

Operating expenses:

Sales and marketing expenses	(101,510)	(195,183)	(29,083)
Research and development expenses	(68,093)	(93,848)	(13,984)
General and administrative expenses	(58,641)	(87,210)	(12,995)
Total operating expenses	(228,244)	(376,241)	(56,062)
Gain on guarantee liabilities	–	103,677	15,448
Interest expense, net	(3,639)	(2,458)	(366)
Change in fair value of financial guarantee derivatives, net	(8,075)	50,496	7,524
Others, net	7,625	17,610	2,624
Income before income tax expense*	219,288	700,519	104,379
Income tax (expense)/benefit*	(41,428)	(117,535)	(17,513)
Net income*	177,860	582,984	86,866

Net income per ordinary share

Basic	0.54	1.66	0.25
Diluted	0.49	1.61	0.24

Net income per ADS*

Basic	1.07	3.32	0.49
Diluted	0.98	3.22	0.48

Weighted average number of ordinary shares outstanding

Basic	331,158,139	351,642,939	351,642,939
Diluted	361,428,816	361,647,253	361,647,253

Balance Sheet

(In thousands, except for share and per share data)	As of		
	December 31, 2018	March 31, 2019	
	RMB	RMB	US\$
ASSETS			
Current assets			
Cash and cash equivalents	1,148,292	1,341,417	199,877
Restricted cash	1,266,536	1,554,073	231,564
Restricted time deposits	344,212	210,000	31,291
Short-term financing receivables, net	5,140,634	4,027,899	600,176
Accrued interest receivable	82,943	66,465	9,904
Prepaid expenses and other current assets	923,827	1,007,286	150,090
Amounts due from related parties	—	2,230	332
Risk safeguard fund receivable, net	395,025	514,954	76,731
Contract assets and service fees receivable, net	946,293	1,142,136	170,184
Inventories, net	57,196	56,143	8,366
Total current assets	10,304,958	9,922,603	1,478,515
Non-current assets			
Restricted cash	82,306	98,752	14,715
Restricted time deposits	1,283,036	1,019,810	151,956
Long-term financing receivables, net	116,208	139,977	20,857
Risk safeguard fund receivable, net	291,784	284,517	42,394
Contract assets and service fees receivable, net	82,420	92,569	13,793
Property, equipment and software, net	186,073	192,083	28,621
Long-term investments	94,598	99,371	14,807
Deferred tax assets	29,192	156,545	23,326
Other assets	2,165,617	2,083,624	310,469
Total non-current assets	12,470,575	12,006,227	1,788,984
TOTAL ASSETS	82,306	98,752	14,715

Balance Sheet

LIABILITIES

Current liabilities

Accounts payable	135,848	143,979	21,454
Amounts due to related parties	14,569	8,829	1,316
Short-term borrowings	438,010	230,749	34,383
Short-term funding debts	4,646,041	3,752,367	559,120
Accrued interest payable	182,280	117,808	17,554
Contract liabilities	456,276	546,998	81,505
Accrued expenses and other current liabilities	2,145,689	2,055,698	306,309

Total current liabilities	8,018,713	6,856,428	1,021,641
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Non-current liabilities

Long-term funding debts	157,887	210,894	31,424
Deferred tax liabilities	187,183	167,071	24,894
Long-term borrowings	–	52,188	7,776

Total non-current liabilities	345,070	430,153	64,094
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TOTAL LIABILITIES	8,363,783	7,286,581	1,085,735
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SHAREHOLDERS' EQUITY

Class A Ordinary Shares	160	164	24
Class B Ordinary Shares	66	64	10
Additional paid-in capital	2,328,716	2,368,123	352,861
Statutory reserves	200,262	200,262	29,840
Accumulated other comprehensive loss	(14,308)	(23,847)	(3,553)
(Accumulated deficit)/Retained earnings	1,591,896	2,174,880	324,067

TOTAL SHAREHOLDERS' EQUITY	4,106,792	4,719,646	703,249
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,470,575	12,006,227	1,788,984
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THANK YOU