

**LexinFintech Holdings Ltd. Reports Fourth Quarter and Full Year 2021
Unaudited Financial Results**

SHENZHEN, China, March 15, 2022 (GLOBE NEWSWIRE) -- LexinFintech Holdings Ltd. (“Lexin” or the “Company”) (NASDAQ: LX), leading online consumption and finance platform in China, today announced its unaudited financial results for the quarter ended December 31, 2021.

“The year 2021 marks the beginning of the structural transformation of our core business in response to the shift in regulatory and macro environment. The progress has been encouraging, with continuous increase in lending priced within 24% and a record level of loan origination for the full year,” said Jay Wenjie Xiao, Lexin's chairman and chief executive officer. “We are also taking the opportunity to strengthen the operations from front to back, to make sure that we stay compliant as well as competitive. The team is committed to guiding Lexin forward and scaling new high.”

“We are pleased with our performance amid times of change,” said Sunny Rui Sun, Lexin's chief financial officer. “Net income set a new record, rising 292% year over year to RMB2,334 million for the full year, despite a slowdown in the second half. We achieved a 15.6% reduction in operating expenses quarter-over-quarter in the fourth quarter. Discipline and efficiency will continue to be our focus.”

Fourth Quarter and Full Year 2021 Operational Highlights:

- **User base**

- Total number of registered users reached 165 million as of December 31, 2021, representing an increase of 40.0% from 118 million as of December 31, 2020; and users with credit line reached 36.9 million as of December 31, 2021, up by 32.9% from 27.7 million as of December 31, 2020.
- Number of active users¹ who used our loan products in the fourth quarter of 2021 was 6.3 million, representing a decrease of 23.8% from 8.2 million in the fourth quarter of 2020. Number of active users¹ who used our loan products in 2021 reached 14.2 million, representing an increase of 9.6% from 12.9 million in 2020.
- Number of new active users who used our loan products in the fourth quarter of 2021 was 0.9 million, representing a decrease of 55.6% from 2.1 million in the fourth quarter of 2020. Number of new active users who used our loan products in 2021 was 5.9 million, representing a decrease of 3.8% from 6.1 million in 2020.

- **Loan facilitation business**

- Total loan originations² in the fourth quarter of 2021 was RMB43.6 billion, a decrease of 18.1% from RMB53.2 billion in the fourth quarter of 2020. Total loan originations² in 2021 reached RMB214 billion, an increase of 21.0% from RMB177 billion in 2020.
- Total outstanding principal balance of loans² reached RMB85.9 billion as of December 31, 2021, representing an increase of 12.4% from RMB76.5 billion as of December 31, 2020.
- Lexin has continued to expand financing services for small and micro business owners. In the fourth quarter, loan originations for small and micro business owners reached RMB3.9 billion, and in 2021, the number reached RMB15.3 billion.
- Number of orders placed on our platform in the fourth quarter of 2021 was 33.4 million, representing a decrease of 61.8% from 87.6 million in the fourth quarter of 2020. Number of orders placed on our platform in 2021 was 242 million, representing a decrease of 18.6% from 298 million in 2020.

- **New consumption efforts**

- In the fourth quarter of 2021, Maiya recorded GMV of RMB477 million, and, in 2021, the number reached RMB1.4 billion.
- In the fourth quarter of 2021, Maiya has served over 601,000 users and 3,200 merchants. In 2021, Maiya has served over 1,699,800 users and 4,100 merchants, of which 93.9% were brick-and-mortar vendors.

- **Credit performance**

- 90 day+ delinquency ratio was 1.92% as of December 31, 2021.
- First payment default rate (30 day+) for new loan originations was below 1% as of December 31, 2021.

- **Other operational highlights**

- The GMV³ of our e-commerce channel in the fourth quarter of 2021 amounted to RMB1.2 billion, representing a decrease of 10.7% from RMB1.4 billion in the fourth quarter of 2020. The GMV³ of our e-commerce channel in 2021 was RMB5.2 billion, remaining stable from RMB5.3 billion in 2020.
- The weighted average tenor of loans originated on our platform in the fourth quarter was approximately 10.3 months, representing a decrease from 12.0 months in the fourth quarter of 2020. The nominal APR⁴ was 12.4% for the fourth quarter of 2021, representing a decrease from 16.1% in the fourth quarter of 2020. In 2021, the weighted average tenor of loans originated was approximately 11.2 months, representing a slight decrease from 11.4 months in 2020. The nominal APR⁴ was 14.5% for 2021, representing a decrease from 14.9% for 2020.

1. *Active users refer to, for a specified period, users who made at least one transaction during that period through our platform or through our third-party partners' platforms using credit line granted by us.*
2. *Originations of loans and outstanding principal balance represent the origination and outstanding principal balance of both on- and off-balance sheet loans.*
3. *GMV refers to the total value of transactions completed for products purchased on the e-commerce channel, net of returns.*
4. *Nominal APR refers to all-in interest costs and fees to the borrower over the net proceeds received by the borrower as a percentage of the total loan originations of both on- and off-balance sheet loans.*

Fourth Quarter 2021 Financial Highlights:

- Total operating revenue was RMB2,199 million, representing a decrease of 27.5% from the fourth quarter of 2020. Credit-oriented services income was RMB1,145 million, representing a decrease of 37.9% from the fourth quarter of 2020. Platform-based services income was RMB538 million, representing a decrease of 25.0% from the fourth quarter of 2020.
- Gross profit was RMB1,212 million, representing a decrease of 20.3% from the fourth quarter of 2020.
- Net income was RMB256 million, representing a decrease of 49.8% from the fourth quarter of 2020.
- Non-GAAP EBIT⁵ was RMB364 million, representing a decrease of 48.3% from the fourth quarter of 2020.
- Adjusted net income⁵ was RMB315 million, representing a decrease of 47.7% from the fourth quarter of 2020. Adjusted net income per ADS⁵ was RMB1.52 on a fully diluted basis.

Full Year 2021 Financial Highlights:

- Total operating revenue was RMB11,381 million. Credit-oriented services income was RMB6,956 million, representing a decrease of 7.6% from 2020. Platform-based services income reached RMB2,569 million, representing an increase of 26.1% from 2020.
 - Gross profit reached RMB5,749 million, representing an increase of 58.2% from 2020.
 - Net income was RMB2,334 million, representing an increase of 292% from 2020.
 - Non-GAAP EBIT⁵ was RMB3,025 million, representing an increase of 196% from 2020.
 - Adjusted net income⁵ was RMB2,578 million, representing an increase of 186% from 2020. Adjusted net income per ADS⁵ was RMB12.43 on a fully diluted basis, representing an increase of 183% from 2020.
5. *Non-GAAP EBIT, adjusted net income, adjusted net income per ordinary share and per ADS are non-GAAP financial measures. For more information on non-GAAP financial measures, please see the section of "Use of Non-GAAP Financial Measures Statement" and the tables captioned "Unaudited Reconciliations of GAAP and Non-GAAP Results" set forth at the end of this press release.*

Fourth Quarter 2021 Financial Results:

Operating revenue decreased from RMB3,033 million in the fourth quarter of 2020 to RMB2,199 million in the fourth quarter of 2021. This decrease in operating revenue was due to a decrease in credit-oriented services income and platform-based services income for the quarter.

Credit-oriented services income decreased by 37.9% from RMB1,846 million in the fourth quarter of 2020 to RMB1,145 million in the fourth quarter of 2021. The decrease was primarily resulted from the decrease of loan facilitation and servicing fees-credit oriented income, interest and financial services income and other revenues and of guarantee income.

Loan facilitation and servicing fees-credit oriented decreased by 41.4% from RMB1,034 million in the fourth quarter of 2020 to RMB606 million in the fourth quarter of 2021. This decrease was primarily due to a decrease in the nominal APR in the fourth quarter of 2021.

Interest and financial services income and other revenues decreased by 22.3% from RMB473 million in the fourth quarter of 2020 to RMB367 million in the fourth quarter of 2021, which was consistent with the decrease in the origination of on-balance sheet loans in the fourth quarter of 2021.

Guarantee income decreased by 49.2% from RMB339 million in the fourth quarter of 2020 to RMB172 million in the fourth quarter of 2021. The decrease was primarily due to the decrease of loan origination in 2021 and the decrease of outstanding balances of the off-balance sheet loans funded by certain institutional funding partners, which are accounted for under ASC 460, *Guarantees*.

Platform-based services income decreased by 25.0% from RMB717 million in the fourth quarter of 2020 to RMB538 million in the fourth quarter of 2021. This decrease was primarily contributed by a decrease in the loan facilitation and servicing fees under the performance-based model.

Loan facilitation and servicing fees-performance based decreased by 29.3% from RMB679 million in the fourth quarter of 2020 to RMB481 million in the fourth quarter of 2021. This decrease was primarily due to a decrease in the origination of off-balance sheet loans under the performance-based model within platform-based services.

Processing and servicing cost increased by 22.7% from RMB382 million in the fourth quarter of 2020 to RMB469 million in the fourth quarter of 2021. This increase was primarily due to an increase in risk management and collection expenses, and an increase in salaries and personnel related costs.

Provision for credit losses of financing receivables was a reversal of RMB98.9 million in the fourth quarter of 2021, compared to a provision loss of RMB151 million in the fourth quarter of 2020. The credit losses have reflected the most recent performance in relation to the Company's on-balance sheet loans and the Company has continued to implement prudent credit assessment and risk management policies and procedures.

Provision for credit losses of contract assets and receivables decreased by 76.2% from RMB187 million in the fourth quarter of 2020 to RMB45 million in the fourth quarter of 2021. The decrease was primarily due to the decrease of loan facilitations and servicing fees in the fourth quarter of 2021.

Provision for credit losses of contingent liabilities of guarantee decreased by 94.6% from RMB221 million in the fourth quarter of 2020 to RMB12 million in the fourth quarter of 2021. The decrease was primarily due to the decrease of outstanding balances of the off-balance sheet loans funded by certain institutional funding partners, which are accounted for under ASC 460, *Guarantees*.

Gross profit decreased by 20.3% from RMB1,520 million in the fourth quarter of 2020 to RMB1,212 million in the fourth quarter of 2021. The decrease in the gross profit is primarily due to the significant decrease in platform-based services income and credit-oriented services income, and the increase in processing and servicing cost, and partially

offset by the decrease in provision for credit losses of financing receivables, provision for credit losses of contract assets and receivables and provision for credit losses of contingent liabilities of guarantee.

Sales and marketing expenses decreased by 4.5% from RMB343 million in the fourth quarter of 2020 to RMB328 million in the fourth quarter of 2021. This decrease was primarily due to a decrease in online advertising cost, partially offset by the increase in salaries and personnel related costs.

Research and development expenses increased by 72.0% from RMB95.1 million in the fourth quarter of 2020 to RMB164 million in the fourth quarter of 2021. This increase was primarily due to an increase in salaries and personnel related costs.

Change in fair value of financial guarantee derivatives and loans at fair value was a loss of RMB341 million in the fourth quarter of 2021, as compared to a loss of RMB362 million in the fourth quarter of 2020. The change in fair value was primarily due to the re-measurement of the expected loss rates and changes in the balances of the underlying outstanding off-balance sheet loans at the balance sheet date.

Income tax expense for the fourth quarter of 2021 was RMB47.1 million, as compared to income tax expense of RMB94.2 million in the fourth quarter of 2020. The decrease of the income tax expense was consistent with the decrease of the taxable income from the same period of 2020.

Net income for the fourth quarter of 2021 was RMB256 million, representing a decrease of 49.8% from RMB510 million in the fourth quarter of 2020.

Adjusted net income attributable to ordinary shareholders of the Company for the fourth quarter of 2021 was RMB315 million, representing a decrease of 47.7% from RMB603 million in the fourth quarter of 2020.

Full Year 2021 Financial Results:

Operating revenue decreased 2.3% from RMB11,645 million in 2020 to RMB11,381 million in 2021. This decrease in operating revenue was due to a decrease in credit-oriented services income and online direct sales and services income, partially offset by an increase in platform-based services income for the year.

Online direct sales decreased by 12.6% from RMB1,901 million in 2020 to RMB1,661 million in 2021. This decrease was primarily due to the decrease in the number of e-commerce orders in 2021.

Credit-oriented services income decreased by 7.6% from RMB7,526 million in 2020 to RMB6,956 million in 2021. The change was due to the decrease of guarantee income, partially offset by the increase of loan facilitation and servicing fees-credit oriented income and interest and financial services income and other revenues.

Loan facilitation and servicing fees-credit oriented increased by 17.5% from RMB3,787 million in 2020 to RMB4,448 million in 2021. This increase was primarily due to the increase in off-balance sheet loans originated under credit-oriented model as a result of the business growth, with the expansion of partnerships with institutional funding partners.

Interest and financial services income and other revenues increased by 22.1% from RMB1,419 million in 2020 to RMB1,733 million in 2021, which was consistent with the business growth in 2021.

Guarantee income decreased by 66.6% from RMB2,320 million in 2020 to RMB775 million in 2021. The decrease was primarily due to the significant decrease of loan origination and outstanding balances of the off-balance sheet loans funded by certain institutional funding partners in 2021, which are accounted for under ASC 460, *Guarantees*.

Platform-based services income increased by 26.1% from RMB2,037 million in 2020 to RMB2,569 million in 2021. This increase was primarily contributed by increase in both loan facilitation and servicing fees-performance based and loan facilitation and servicing fees-volume based.

Loan facilitation and servicing fees-performance based increased by 18.6% from RMB1,931 million in 2020 to RMB2,289 million in 2021. This increase was primarily due to an increase in the origination of off-balance sheet loans under the performance-based model within platform-based services, driven by the increases in the number of active users on our platform.

Loan facilitation and servicing fees-volume based increased by 164% from RMB106 million in 2020 to RMB280 million in 2021. This increase was primarily due to an increase in the loan origination under the volume-based model within platform-based services.

Cost of sales decreased by 7.7% from RMB1,908 million in 2020 to RMB1,760 million in 2021, which was consistent with the decrease of online direct sales revenue.

Funding cost decreased by 22.4% from RMB590 million in 2020 to RMB458 million in 2021, which was consistent with the decrease of the funding debts to fund the on-balance sheet loans.

Processing and servicing cost increased by 31.5% from RMB1,413 million in 2020 to RMB1,859 million in 2021. This increase was primarily due to an increase in fees to third-party payment platforms, an increase in risk management and collection expenses, an increase in credit assessment cost, and an increase in salaries and personnel related costs.

Provision for credit losses of financing receivables decreased by 48.5% from RMB779 million in 2020 to RMB401 million in 2021. The credit losses have reflected the most recent performance in relation to the Company's on-balance sheet loans and the Company has continued to implement prudent credit assessment and risk management policies and procedures.

Provision for credit losses of contract assets and receivables increased by 20.2% from RMB442 million in 2020 to RMB531 million in 2021. This increase was mainly due to the significant increase in off-balance sheet loans originated as a result of the business growth.

Provision for credit losses of contingent liabilities of guarantee decrease by 78.4% from RMB2,881 million to RMB622 million in 2021. The decrease was primarily due to the significant decrease of loan origination of the off-balance sheet loans funded by certain institutional funding partners, which are accounted for under ASC 460, *Guarantees*.

Gross profit increased by 58.2% from RMB3,633 million in 2020 to RMB5,749 million in 2021. The increase in the gross profit is primarily due to the increase in platform-based services income, loan facilitation and servicing fees-credit oriented, and of interest and financial services income and other revenues, and the significant decrease of provision for credit losses of contingent liabilities of guarantee and provision for credit losses of financing receivables, partially offset by the decrease in guarantee income and the increase in processing and servicing cost.

Sales and marketing expenses increased by 30.2% from RMB1,274 million in 2020 to RMB1,659 million in 2021. This increase was primarily due to an increase in online advertising cost and in salaries and personnel related costs.

Research and development expenses increased by 15.8% from RMB474 million in 2020 to RMB549 million in 2021. This increase was primarily due to an increase in salaries and personnel related costs.

Change in fair value of financial guarantee derivatives and loans at fair value was a loss of RMB347 million in 2021, as compared to a loss of RMB755 million in 2020. The changes in fair value was primarily due to the re-

measurement of the expected loss rates and changes in the balances of the underlying outstanding off-balance sheet loans at the balance sheet date.

Income tax expense for 2021 was RMB435 million, as compared to income tax expense of RMB90.6 million in 2020. The increase of the income tax expense was consistent with the increase of the taxable income from 2020.

Net income for 2021 was RMB2,334 million, representing an increase of 292% from RMB595 million in 2020.

Adjusted net income attributable to ordinary shareholders of the Company for 2021 was RMB2,578 million, representing an increase of 186% from RMB903 million in 2020.

Conference Call

The Company's management will host an earnings conference call at 9:30 P.M. U.S. Eastern time on March 15, 2022 (9:30 A.M. Beijing time on March 16, 2022).

Participants who wish to join the conference call should register online at:

<http://apac.directeventreg.com/registration/event/4574305>

Please note the Conference ID number of 4574305

Once registration is completed, participants will receive the dial-in information for the conference call, an event passcode, and a unique registrant ID number.

Participants joining the conference call should dial in at least 10 minutes before the scheduled start time.

Additionally, a live and archived webcast of the conference call will be available on the Company's investor relations website at <http://ir.lexin.com>.

A replay of the conference call will be accessible approximately two hours after the conclusion of the live call until March 22, 2022, by dialing the following telephone numbers:

United States: 1 855 452 5696 or 1 646 254 3697

International: 61 2 8199 0299

Replay Access Code: 4574305

About LexinFintech Holdings Ltd.

Lexin is a leading online consumption and finance platform in China. Established in 2013, the Company leverages a deep understanding of Chinese consumers and advanced technology capabilities to connect fast-growing consumers with financial institutions.

For more information, please visit <http://ir.lexin.com>.

To follow us on Twitter, please go to: <https://twitter.com/LexinFintech>.

Use of Non-GAAP Financial Measures Statement

In evaluating our business, we consider and use adjusted net income attributable to ordinary shareholders of the Company, non-GAAP EBIT, adjusted net income per ordinary share and per ADS attributable to ordinary shareholders of the Company, four non-GAAP measures, as supplemental measures to review and assess our operating performance. The presentation of the non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. We define adjusted net income attributable to ordinary shareholders of the Company as net income attributable to ordinary shareholders of the Company excluding share-based compensation expenses, interest expense associated with convertible notes, investment-related impairment, and investment (loss)/income and we define non-GAAP EBIT as net income excluding income tax expense/(benefit), share-based compensation expenses, interest expense, net, investment-related impairment, and investment (loss)/income .

We present these non-GAAP financial measures because it is used by our management to evaluate our operating performance and formulate business plans. Adjusted net income attributable to ordinary shareholders of the Company enables our management to assess our operating results without considering the impact of share-based compensation expenses, interest expense associated with convertible notes, investment-related impairment, and investment (loss)/income. Non-GAAP EBIT, on the other hand, enables our management to assess our operating results without considering the impact of income tax expense/(benefit), share-based compensation expenses, interest expense, net, investment-related impairment, and investment (loss)/income. We also believe that the use of these non-GAAP financial measures facilitates investors' assessment of our operating performance. These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP.

These non-GAAP financial measures have limitations as an analytical tool. One of the key limitations of using adjusted net income attributable to ordinary shareholders of the Company and non-GAAP EBIT is that they do not reflect all items of income and expense that affect our operations. Share-based compensation expenses, interest expense associated with convertible notes, income tax expense/(benefit), interest expense, net, investment-related impairment, and investment (loss)/income have been and may continue to be incurred in our business and are not reflected in the presentation of adjusted net income attributable to ordinary shareholders of the Company and non-GAAP EBIT. Further, these non-GAAP financial measures may differ from the non-GAAP financial information used by other companies, including peer companies, and therefore their comparability may be limited.

We compensate for these limitations by reconciling the non-GAAP financial measure to the most directly comparable U.S. GAAP financial measure, which should be considered when evaluating our performance. We encourage you to review our financial information in its entirety and not rely on a single financial measure.

Exchange Rate Information Statement

This announcement contains translations of certain RMB amounts into U.S. dollars ("US\$") at specified rates solely for the convenience of the reader. Unless otherwise stated, all translations from RMB to US\$ were made at the rate of RMB6.3726 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 30, 2021. The Company makes no representation that the RMB or US\$ amounts referred could be converted into US\$ or RMB, as the case may be, at any particular rate or at all.

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Statements that are not historical facts, including statements about Lexin's beliefs and expectations, are forward-looking statements. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Among other things, the expectation of its collection efficiency and delinquency, business outlook and quotations from management in this announcement, contain forward-looking statements. Lexin may also make written or oral forward-looking statements in its periodic reports

to the U.S. Securities and Exchange Commission (the “SEC”), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Lexin’s goal and strategies; Lexin’s expansion plans; Lexin’s future business development, financial condition and results of operations; Lexin’s expectation regarding demand for, and market acceptance of, its credit and investment management products; Lexin’s expectations regarding keeping and strengthening its relationship with borrowers, institutional funding partners, merchandise suppliers and other parties it collaborates with; general economic and business conditions; and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Lexin’s filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and Lexin does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

For investor and media inquiries, please contact:

LexinFintech Holdings Ltd.

IR inquiries:

Patricia Cheng

Tel: +86 (755) 3637-8888 ext. 6258

E-mail: patriciacheng@lexin.com

Media inquiries:

Limin Chen

Tel: +86 (755) 3637-8888 ext. 6993

E-mail: liminchen@lexin.com

SOURCE LexinFintech Holdings Ltd.

LexinFintech Holdings Ltd.
Unaudited Condensed Consolidated Balance Sheets

| (In thousands) | As of | | |
|--|-------------------|-------------------|------------------|
| | December 31, 2020 | December 31, 2021 | |
| | RMB | RMB | US\$ |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 1,563,755 | 2,664,132 | 418,060 |
| Restricted cash | 1,112,152 | 1,305,435 | 204,851 |
| Restricted time deposits | 1,779,458 | 1,745,898 | 273,969 |
| Short-term financing receivables, net of allowance for credit losses of RMB508,013 and RMB307,341 as of December 31, 2020 and December 31, 2021, respectively | 4,918,548 | 3,772,975 | 592,062 |
| Loans at fair value | 381,393 | 252,970 | 39,697 |
| Accrued interest receivable, net of allowance for credit losses of nil RMB1,681 and RMB1,367 as of December 31, 2020 and December 31, 2021, respectively | 79,793 | 53,513 | 8,397 |
| Prepaid expenses and other current assets | 1,004,845 | 941,150 | 147,687 |
| Amounts due from related parties | 941 | 6,337 | 994 |
| Deposits to insurance companies and guarantee companies | 1,066,281 | 1,378,489 | 216,315 |
| Short-term guarantee receivables, net of allowance for credit losses of RMB58,771 and RMB21,006 as of December 31, 2020 and December 31, 2021, respectively | 756,197 | 543,949 | 85,357 |
| Short-term contract assets and service fees receivable, net of allowance for credit losses of RMB65,607 and RMB187,261 as of December 31, 2020 and December 31, 2021, respectively | 3,707,649 | 3,942,700 | 618,696 |
| Inventories, net | 47,170 | 47,816 | 7,503 |
| Total current assets | 16,418,182 | 16,655,364 | 2,613,588 |
| Non-current assets | | | |
| Restricted cash | 163,999 | 149,247 | 23,420 |
| Long-term financing receivables, net of allowance for credit losses of RMB21,149 and RMB19,523 as of December 31, 2020 and December 31, 2021 respectively | 204,761 | 241,127 | 37,838 |
| Long-term guarantee receivables, net of allowance for credit losses of RMB16,994 and RMB4,061 as of December 31, 2020 and December 31, 2021, respectively | 218,654 | 101,562 | 15,937 |
| Long-term contract assets and service fees receivable, net of allowance for credit losses of RMB18,970 and RMB34,973 as of December 31, 2020 and December 31, 2021, respectively | 481,989 | 244,672 | 38,394 |
| Property, equipment and software, net | 125,694 | 195,330 | 30,652 |
| Land use rights, net | 1,000,467 | 966,067 | 151,597 |
| Long-term investments | 521,802 | 469,064 | 73,606 |
| Deferred tax assets | 747,332 | 1,176,878 | 184,678 |
| Other assets | 462,285 | 826,883 | 129,756 |
| Total non-current assets | 3,926,983 | 4,370,830 | 685,878 |
| TOTAL ASSETS | 20,345,165 | 21,026,194 | 3,299,466 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | 42,961 | 15,705 | 2,464 |
| Amounts due to related parties | 67,514 | 23,102 | 3,625 |
| Short-term borrowings | 1,827,063 | 1,799,741 | 282,419 |
| Short-term funding debts | 4,685,935 | 3,101,381 | 486,674 |
| Accrued interest payable | 36,484 | 24,851 | 3,900 |
| Deferred guarantee income | 694,582 | 419,843 | 65,883 |
| Contingent guarantee liabilities | 1,738,787 | 928,840 | 145,755 |
| Accrued expenses and other current liabilities | 2,926,347 | 3,873,657 | 607,861 |
| Total current liabilities | 12,019,673 | 10,187,120 | 1,598,581 |
| Non-current liabilities | | | |
| Long-term funding debts | 825,814 | 696,852 | 109,351 |
| Deferred tax liabilities | 21,046 | 54,335 | 8,526 |
| Convertible notes | 1,920,227 | 1,882,689 | 295,435 |
| Other long-term liabilities | 27,667 | 137,389 | 21,559 |
| Total non-current liabilities | 2,794,754 | 2,771,265 | 434,871 |
| TOTAL LIABILITIES | 14,814,427 | 12,958,385 | 2,033,452 |
| SHAREHOLDERS' EQUITY: | | | |
| Class A Ordinary Shares | 176 | 180 | 28 |
| Class B Ordinary Shares | 58 | 57 | 9 |
| Additional paid-in capital | 2,724,006 | 2,918,993 | 458,054 |
| Statutory reserves | 649,234 | 901,322 | 141,437 |
| Accumulated other comprehensive income | 3,308 | 11,273 | 1,769 |
| Retained earnings | 2,113,956 | 4,195,791 | 658,411 |
| Non-controlling interests | 40,000 | 40,193 | 6,306 |
| TOTAL SHAREHOLDERS' EQUITY | 5,530,738 | 8,067,809 | 1,266,014 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 20,345,165 | 21,026,194 | 3,299,466 |

LexinFintech Holdings Ltd.
Unaudited Condensed Consolidated Statements of Operations

| (In thousands, except for share and per share data) | For the Three Months Ended | | | For the Year Ended December 31, | | |
|---|----------------------------|------------------|------------------|---------------------------------|--------------------|------------------|
| | December 31, | | | | | |
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Operating revenue: | | | | | | |
| Online direct sales | 427,760 | 425,765 | 66,812 | 1,900,835 | 1,661,156 | 260,672 |
| Membership services | 37,009 | 68,189 | 10,700 | 113,107 | 107,901 | 16,932 |
| Other services | 5,482 | 21,564 | 3,383 | 68,890 | 86,304 | 13,543 |
| Online direct sales and services income | 470,251 | 515,518 | 80,895 | 2,082,832 | 1,855,361 | 291,147 |
| Loan facilitation and servicing fees-credit oriented | 1,034,265 | 606,029 | 95,099 | 3,786,996 | 4,448,344 | 698,042 |
| Interest and financial services income and other revenues | 472,668 | 367,430 | 57,658 | 1,418,892 | 1,732,922 | 271,933 |
| Guarantee income | 338,580 | 171,848 | 26,967 | 2,319,693 | 774,544 | 121,543 |
| Credit-oriented services income | 1,845,513 | 1,145,307 | 179,724 | 7,525,581 | 6,955,810 | 1,091,518 |
| Loan facilitation and servicing fees-performance based | 679,494 | 480,648 | 75,424 | 1,930,835 | 2,289,452 | 359,265 |
| Loan facilitation and servicing fees-volume based | 37,903 | 57,738 | 9,060 | 106,007 | 279,902 | 43,923 |
| Platform-based services income | 717,397 | 538,386 | 84,484 | 2,036,842 | 2,569,354 | 403,188 |
| Total operating revenue | 3,033,161 | 2,199,211 | 345,103 | 11,645,255 | 11,380,525 | 1,785,853 |
| Operating cost: | | | | | | |
| Cost of sales | (431,804) | (462,523) | (72,580) | (1,907,508) | (1,759,956) | (276,176) |
| Funding cost | (140,735) | (98,222) | (15,413) | (589,837) | (457,615) | (71,810) |
| Processing and servicing cost | (381,964) | (468,657) | (73,543) | (1,413,212) | (1,858,901) | (291,702) |
| Provision for credit losses of financing receivables | (150,851) | 98,873 | 15,515 | (779,235) | (401,104) | (62,942) |
| Provision for credit losses of contract assets and receivables | (187,227) | (44,644) | (7,006) | (441,805) | (531,237) | (83,363) |
| Provision for credit losses of contingent liabilities of guarantee | (220,489) | (11,780) | (1,849) | (2,880,590) | (622,438) | (97,674) |
| Total operating cost | (1,513,070) | (986,953) | (154,876) | (8,012,187) | (5,631,251) | (883,667) |
| Gross profit | 1,520,091 | 1,212,258 | 190,227 | 3,633,068 | 5,749,274 | 902,186 |
| Operating expenses: | | | | | | |
| Sales and marketing expenses | (343,272) | (327,652) | (51,416) | (1,274,402) | (1,658,904) | (260,318) |
| Research and development expenses | (95,124) | (163,636) | (25,678) | (474,265) | (549,286) | (86,195) |
| General and administrative expenses | (125,464) | (118,248) | (18,556) | (451,284) | (470,661) | (73,857) |
| Total operating expenses | (563,860) | (609,536) | (95,650) | (2,199,951) | (2,678,851) | (420,370) |
| Change in fair value of financial guarantee derivatives and loans at fair value, net | (361,774) | (340,728) | (53,468) | (754,724) | (347,084) | (54,465) |
| Interest expense, net | (18,074) | (12,752) | (2,001) | (77,542) | (63,125) | (9,906) |
| Investment-related impairment | (33,786) | - | - | (69,156) | - | - |
| Investment (loss)/ income | (1,436) | (107) | (17) | 7,885 | (4,160) | (653) |
| Others, net | 62,734 | 53,591 | 8,410 | 146,029 | 113,480 | 17,807 |
| Income before income tax expense | 603,895 | 302,726 | 47,501 | 685,609 | 2,769,534 | 434,599 |
| Income tax expense | (94,219) | (47,115) | (7,393) | (90,629) | (435,418) | (68,327) |
| Net income | 509,676 | 255,611 | 40,108 | 594,980 | 2,334,116 | 366,272 |
| Less: Net income attributable to non-controlling interests | - | (423) | (66) | - | 193 | 30 |
| Net income attributable to ordinary shareholders of the Company | 509,676 | 256,034 | 40,174 | 594,980 | 2,333,923 | 366,242 |
| Net income per ordinary share attributable to ordinary shareholders of the Company | | | | | | |
| Basic | 1.39 | 0.69 | 0.11 | 1.63 | 6.33 | 0.99 |
| Diluted | 1.27 | 0.65 | 0.10 | 1.56 | 5.73 | 0.90 |
| Net income per ADS attributable to ordinary shareholders of the Company | | | | | | |
| Basic | 2.79 | 1.39 | 0.22 | 3.26 | 12.67 | 1.99 |
| Diluted | 2.54 | 1.29 | 0.20 | 3.13 | 11.46 | 1.80 |
| Weighted average ordinary shares outstanding | | | | | | |
| Basic | 365,939,185 | 369,328,311 | 369,328,311 | 364,733,164 | 368,460,867 | 368,460,867 |
| Diluted | 411,086,216 | 414,080,634 | 414,080,634 | 411,229,810 | 414,992,716 | 414,992,716 |

LexinFintech Holdings Ltd.
Unaudited Condensed Consolidated Statements of Comprehensive Income

| (In thousands) | For the Three Months Ended December 31, | | | For the Year Ended December 31, | | |
|--|--|---------|--------|---------------------------------|-----------|---------|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Net income | 509,676 | 255,611 | 40,108 | 594,980 | 2,334,116 | 366,272 |
| Other comprehensive income/(loss) | | | | | | |
| Foreign currency translation adjustment, net of nil tax | 13,884 | 5,668 | 889 | 10,596 | 7,965 | 1,250 |
| Total comprehensive income | 523,560 | 261,279 | 40,997 | 605,576 | 2,342,081 | 367,522 |
| Less: Net income attributable to non-controlling interests | - | (423) | (66) | - | 193 | 30 |
| Total comprehensive income attributable to ordinary shareholders of the Company | 523,560 | 261,702 | 41,063 | 605,576 | 2,341,888 | 367,492 |

LexinFintech Holdings Ltd.
Unaudited Reconciliations of GAAP and Non-GAAP Results

| (In thousands, except for share and per share data) | For the Three Months Ended December 31, | | | For the Year Ended December 31, | | |
|--|---|-------------|-------------|---------------------------------|-------------|-------------|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Reconciliation of Adjusted net income attributable to ordinary shareholders of the Company to Net income attributable to ordinary shareholders of the Company | | | | | | |
| Net income attributable to ordinary shareholders of the Company | 509,676 | 256,034 | 40,174 | 594,980 | 2,333,923 | 366,242 |
| Add: Share-based compensation expenses | 46,633 | 48,039 | 7,537 | 198,825 | 187,884 | 29,483 |
| Interest expense associated with convertible notes | 11,535 | 11,190 | 1,756 | 47,781 | 44,865 | 7,040 |
| Investment-related impairment | 33,786 | - | - | 69,156 | - | - |
| Investment loss/(income) | 1,436 | 107 | 17 | (7,885) | 4,160 | 653 |
| Tax effects on Non-GAAP adjustments(1) | - | - | - | - | 7,151 | 1,122 |
| Adjusted net income attributable to ordinary shareholders of the Company | 603,066 | 315,370 | 49,484 | 902,857 | 2,577,983 | 404,540 |
| Adjusted net income per ordinary share attributable to ordinary shareholders of the Company | | | | | | |
| Basic | 1.65 | 0.85 | 0.13 | 2.48 | 7.00 | 1.10 |
| Diluted | 1.47 | 0.76 | 0.12 | 2.20 | 6.21 | 0.97 |
| Adjusted net income per ADS attributable to ordinary shareholders of the Company | | | | | | |
| Basic | 3.30 | 1.71 | 0.27 | 4.95 | 13.99 | 2.20 |
| Diluted | 2.93 | 1.52 | 0.24 | 4.39 | 12.43 | 1.95 |
| Weighted average number of ordinary shares outstanding attributable to ordinary shareholders of the Company | | | | | | |
| Basic | 365,939,185 | 369,328,311 | 369,328,311 | 364,733,164 | 368,460,867 | 368,460,867 |
| Diluted | 411,086,216 | 414,080,634 | 414,080,634 | 411,229,810 | 414,992,716 | 414,992,716 |

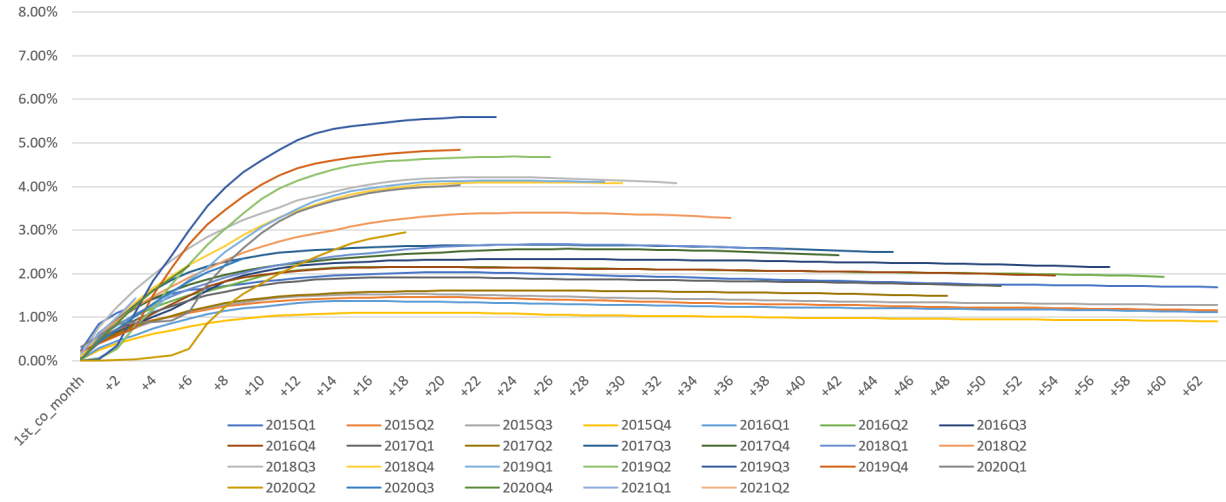
(1) To exclude the tax effects related to the investment loss/(income).

LexinFintech Holdings Ltd.
Unaudited Reconciliations of GAAP and Non-GAAP Results

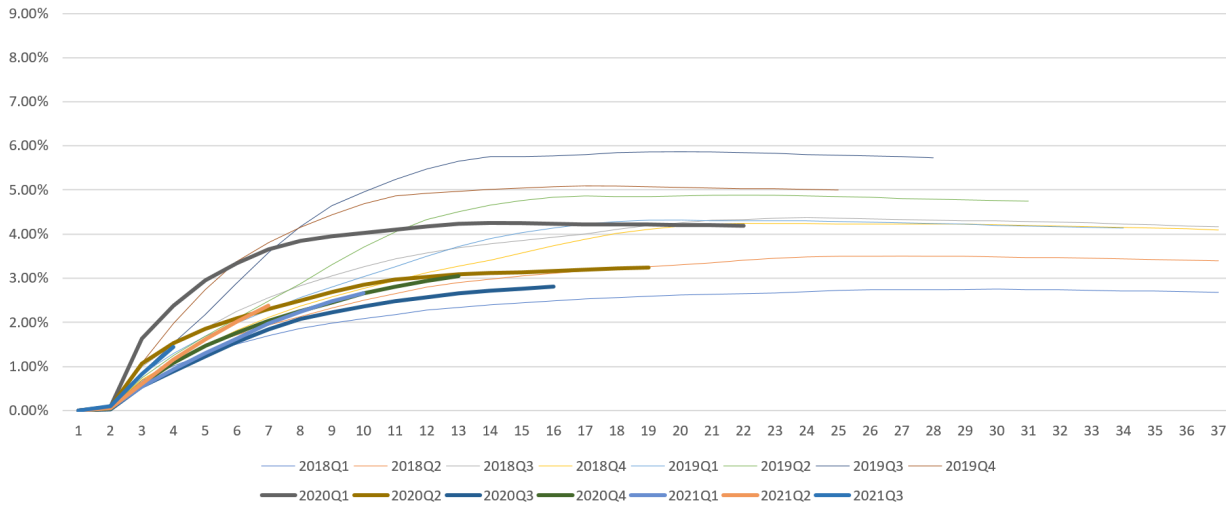
| (In thousands) | For the Three Months Ended December 31, | | | For the Year Ended December 31, | | |
|---|--|----------------|---------------|---------------------------------|------------------|----------------|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Reconciliations of Non-GAAP EBIT to Net Income | | | | | | |
| Net income | 509,676 | 255,611 | 40,108 | 594,980 | 2,334,116 | 366,272 |
| Add: Income tax expense | 94,219 | 47,115 | 7,393 | 90,629 | 435,418 | 68,327 |
| Share-based compensation expenses | 46,633 | 48,039 | 7,537 | 198,825 | 187,884 | 29,483 |
| Interest expense, net | 18,074 | 12,752 | 2,001 | 77,542 | 63,125 | 9,906 |
| Investment-related impairment | 33,786 | - | - | 69,156 | - | - |
| Investment loss/(income) | 1,436 | 107 | 17 | (7,885) | 4,160 | 653 |
| Non-GAAP EBIT | 703,824 | 363,624 | 57,056 | 1,023,247 | 3,024,703 | 474,641 |

Additional Credit Information

Vintage Charge Off Curve



Dpd30+/GMV by Performance Windows



First Payment Default 30+

