

Investor Presentation

First Quarter 2023 Results

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01



Company Overview



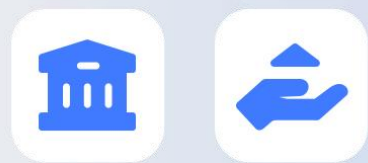
Addressing the Market with Different Focus

Core business supported by new growth opportunities

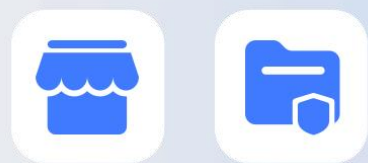


Commitment to 2C2B2F

Connecting consumers to business and financial institutions



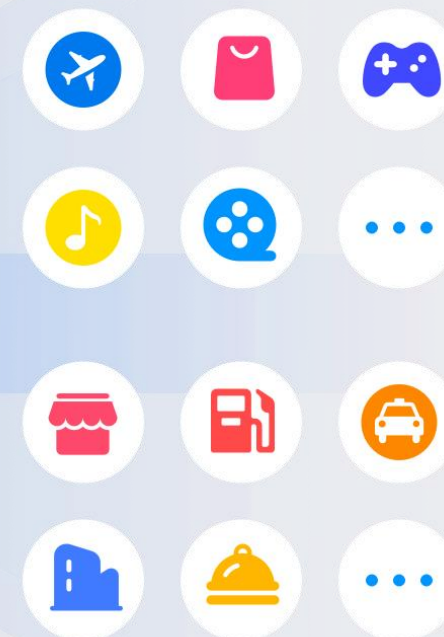
Business and Financial Institutions



- Over 140 funding partners¹
- Over 2600 merchant partners²



Consumers

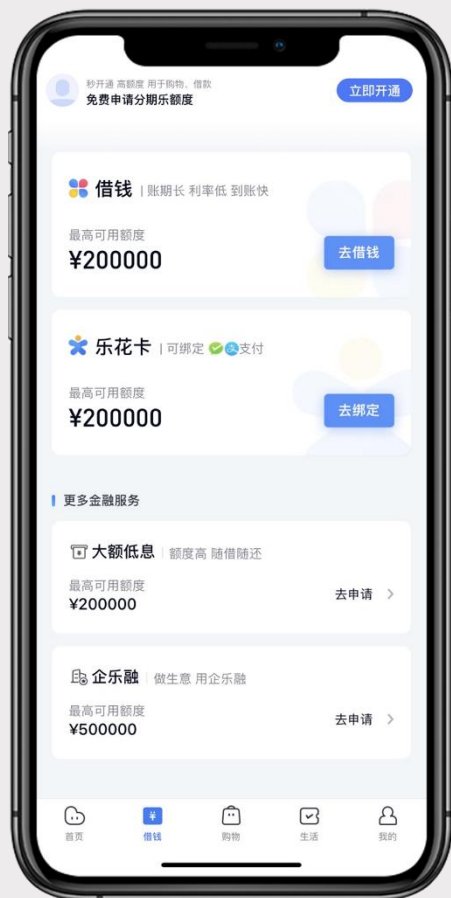


- Over 190 million registered users¹
- Loan balance of Rmb100.8 billion¹

1. As of 31 March 2023, or accumulative
2. For the quarter ended 31 March 2023

A Seamless Experience for New-Generation Consumers

Omni-channels and multipronged access for our users



Consumer credit



Maiya



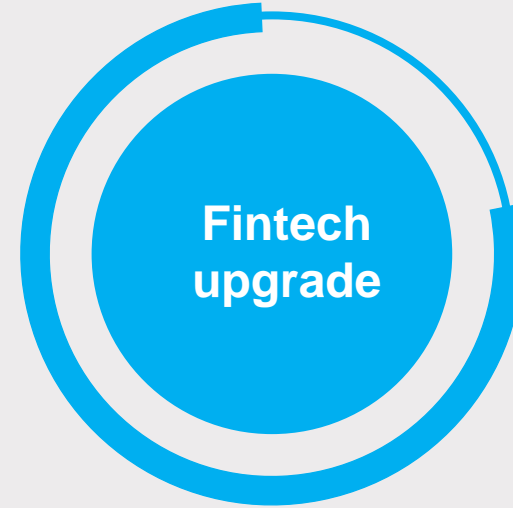
E-commerce

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

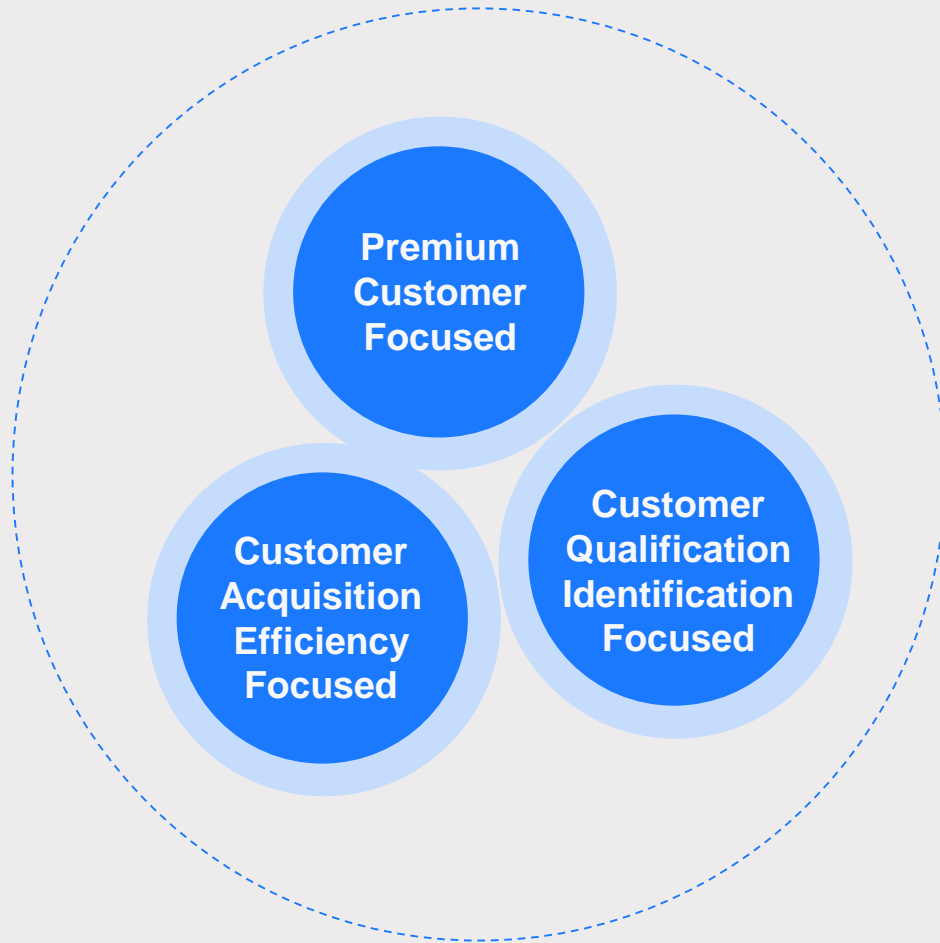


- Breadth and depth of acquisition channels
- Tailored sales and management strategies
- Quality products to meet diverse needs of individuals
- Frictionless digital experience



- 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

A

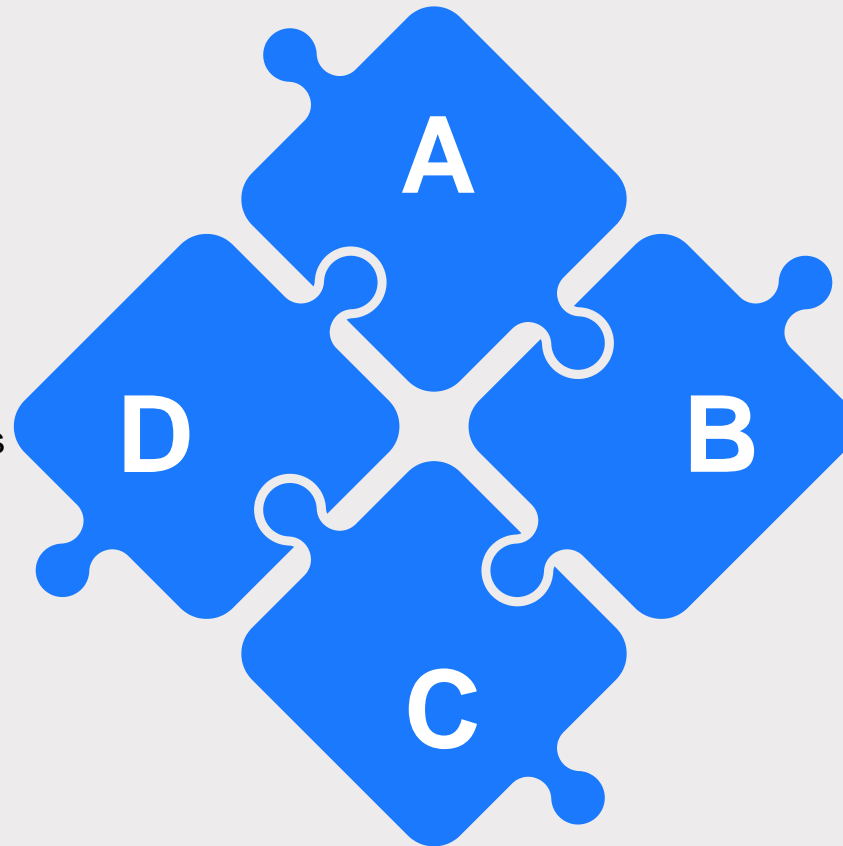
Customer Service and Operation

- 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

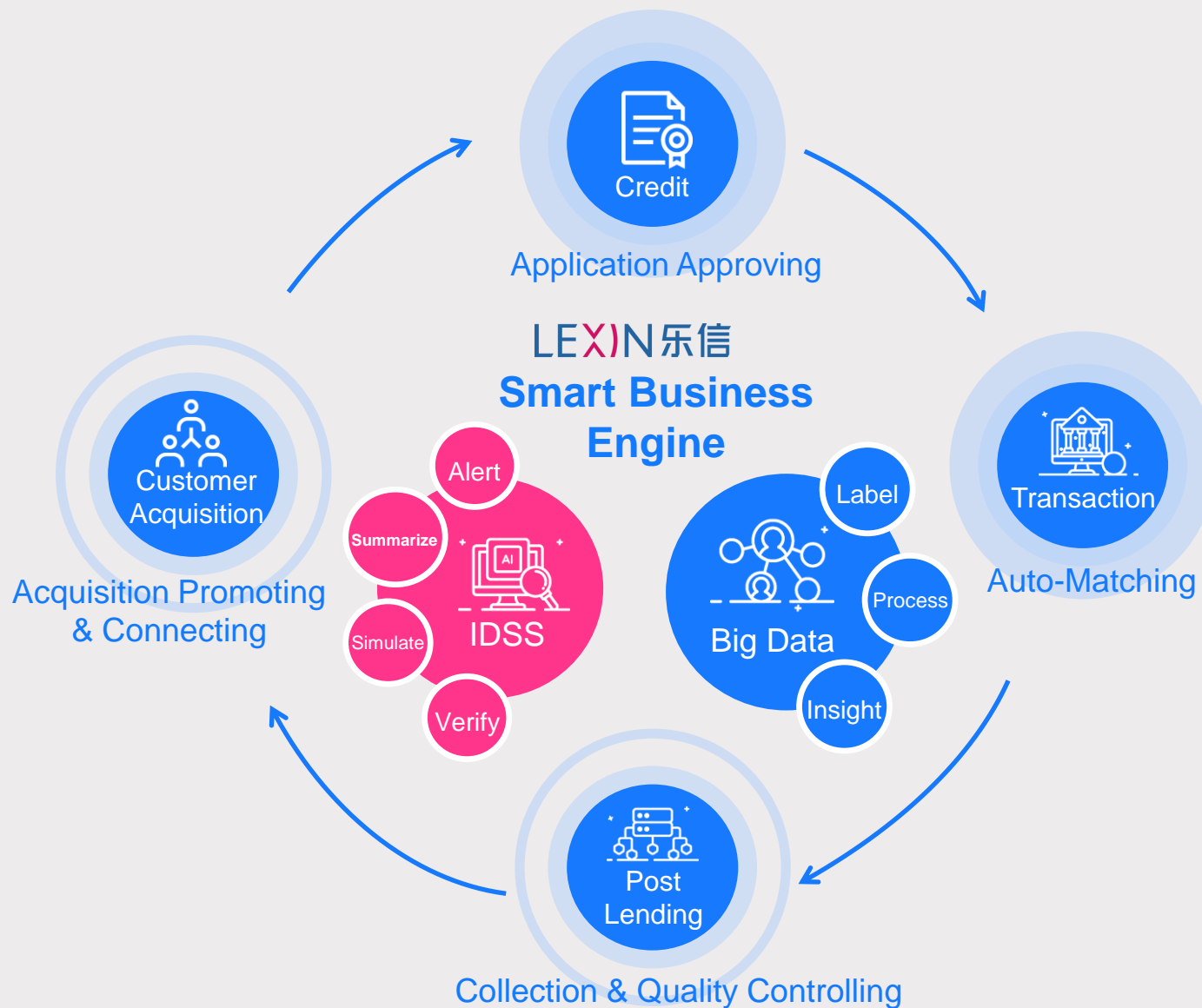
B

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



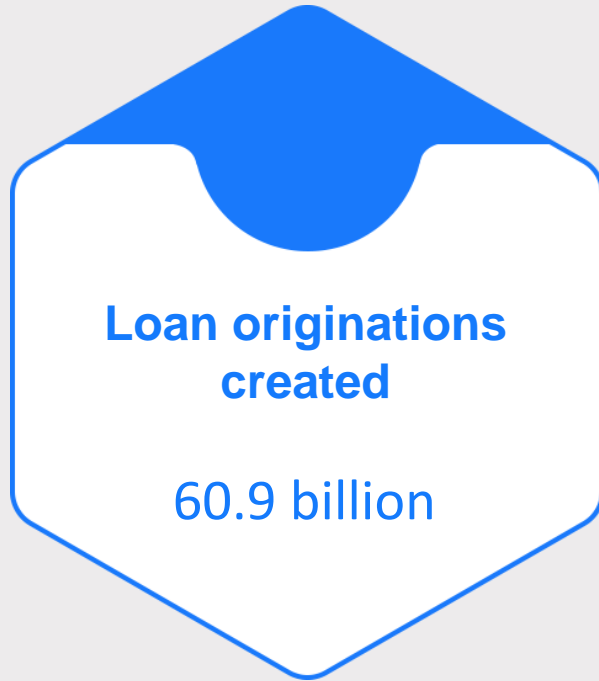
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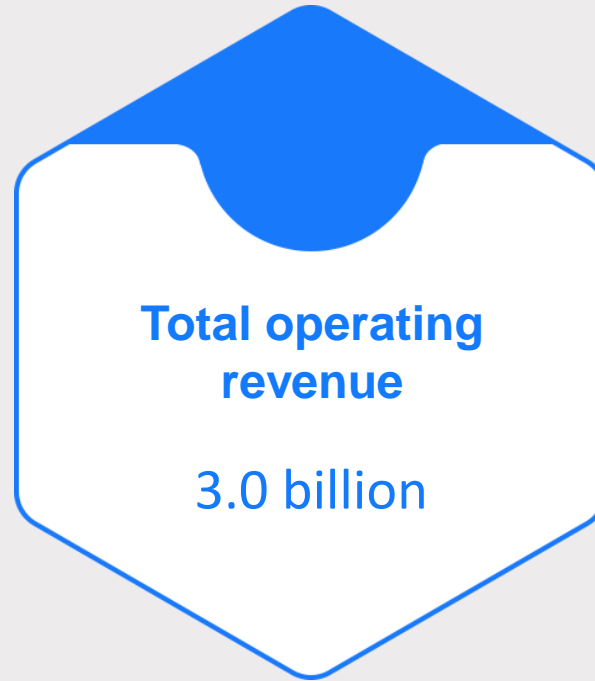
Financial Update



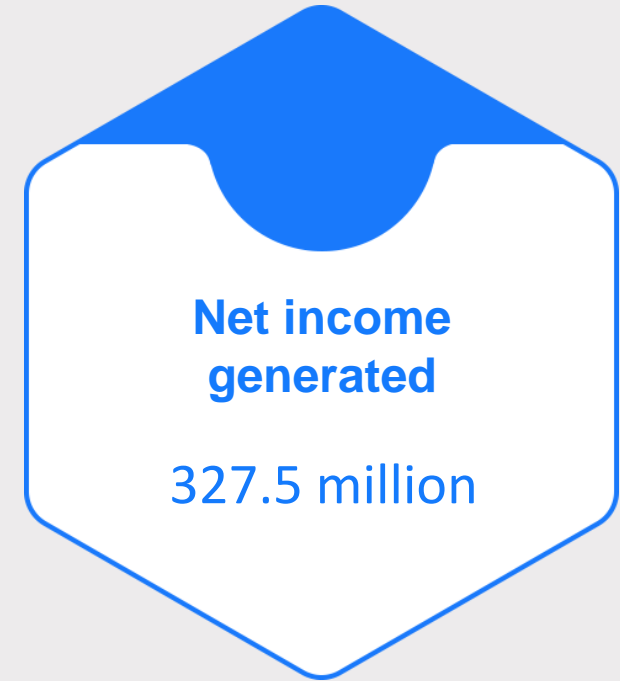
1Q23 Highlights



Up 41.2% YoY



Up 74.2% YoY



Up 301.9% YoY

Key Financials

(Rmb000)	1Q22	4Q22	1Q23	QoQ	YoY
Credit facilitation service income	896,425	1,963,503	2,115,808	7.8%	136.0%
Tech-empowerment service income	497,281	412,769	367,932	-10.9%	-26.0%
Installment e-commerce platform service income	318,672	673,994	499,159	-25.9%	56.6%
Total operating revenue	1,712,378	3,050,266	2,982,899	-2.2%	74.2%
Total operating cost	(1,251,553)	(2,006,908)	(2,079,686)	3.6%	66.2%
Gross profit	460,825	1,043,358	903,213	-13.4%	96.0%
Total operating expenses	(629,947)	(655,720)	(666,529)	1.6%	5.8%
Net income	81,483	301,303	327,490	8.7%	301.9%

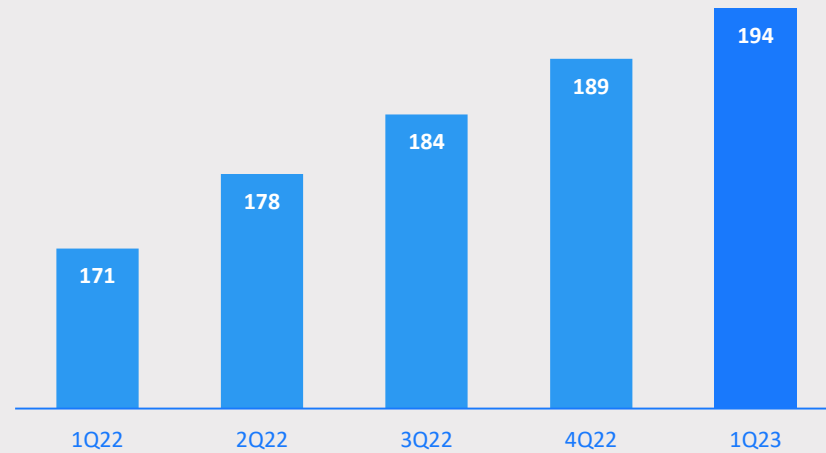
Steady User Increase in Amount

Number of Registered Users

(In Millions)

QoQ

+2.6%

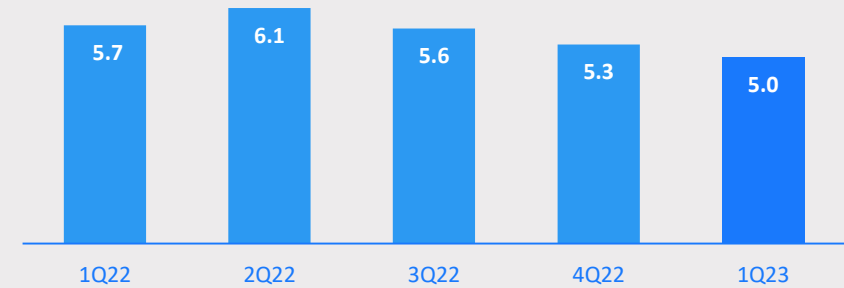


Number of Active Users

(In Millions)

QoQ

-4.9%



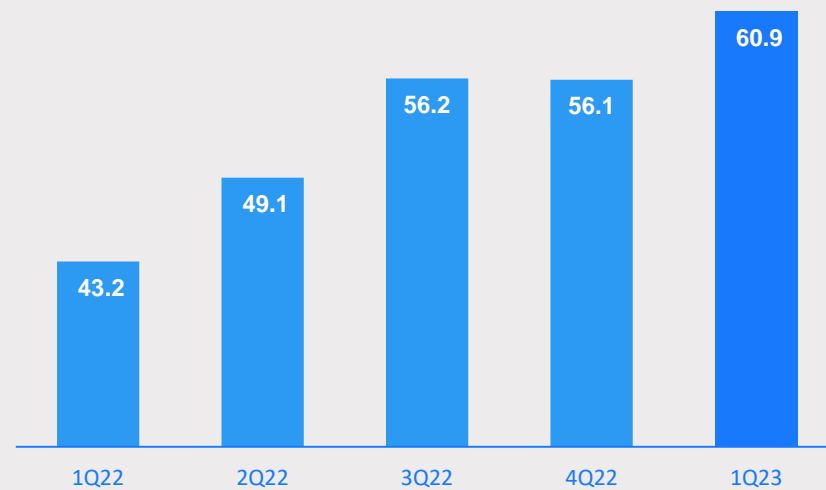
Steady Recovery Upwards to New Scale

Loan Originations

(RMB bn)

QoQ

+8.7%

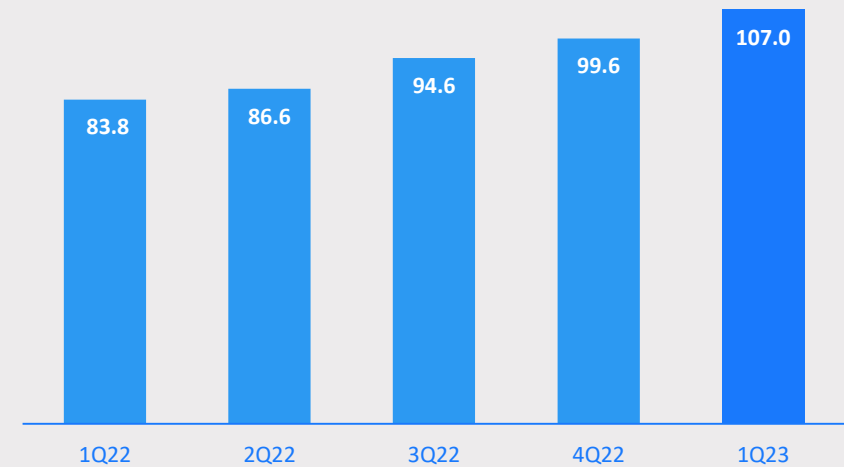


Outstanding Loan Balance

(RMB bn)

QoQ

+7.4%



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

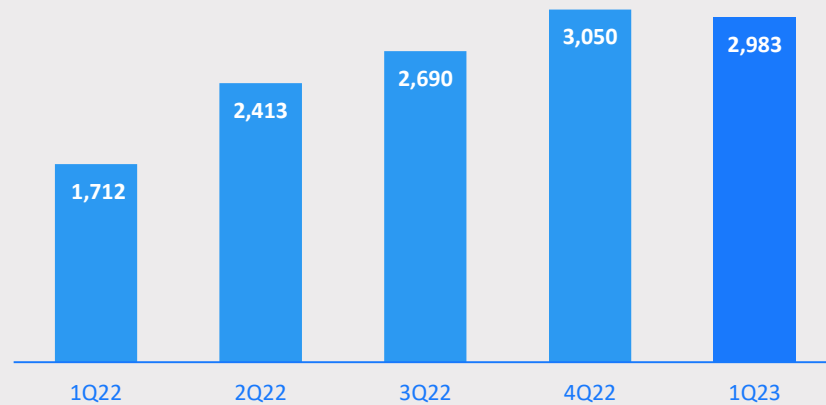
Stable V-shaped Trend Back to Normality

Operating Revenue

(RMBm)

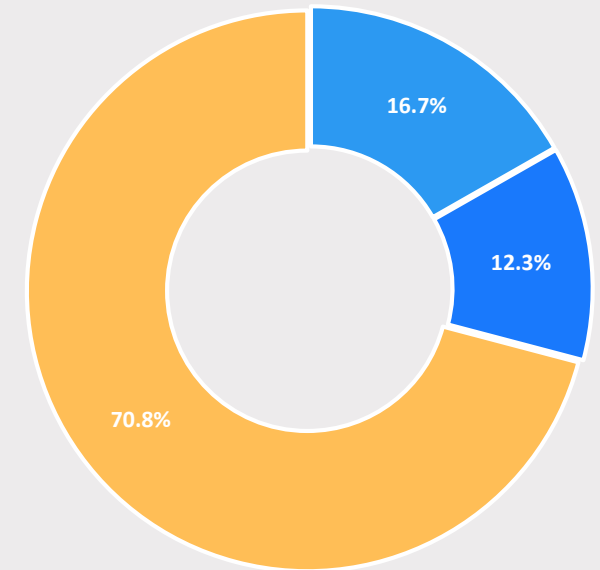
QoQ

-2.2%



Breakdown of Operating Revenue

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



1. Breakdown of operating revenue for 1Q23

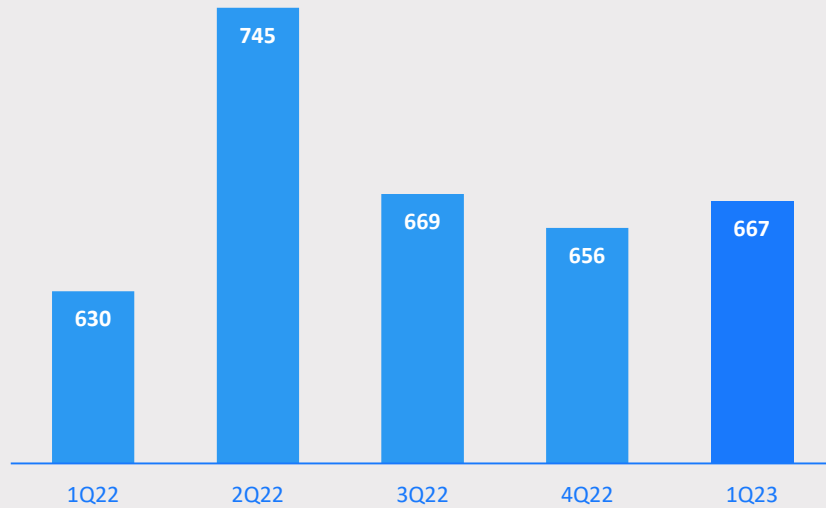
Optimized Allocation of Resources

Operating Expenses

(RMBm)

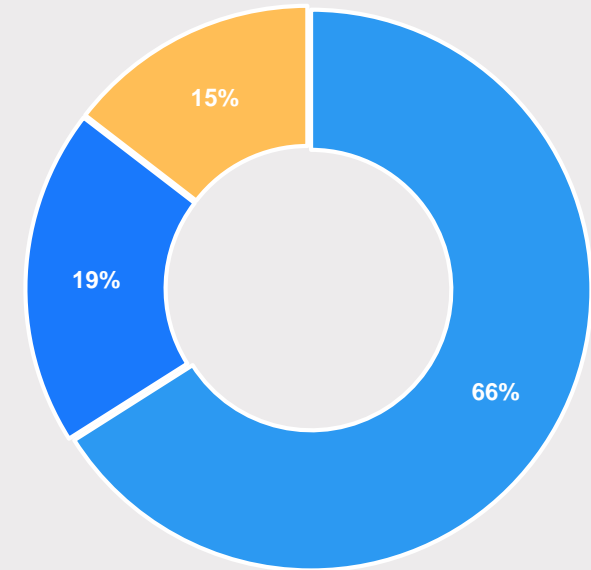
QoQ

+1.6%



Breakdown of Operating Expenses

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

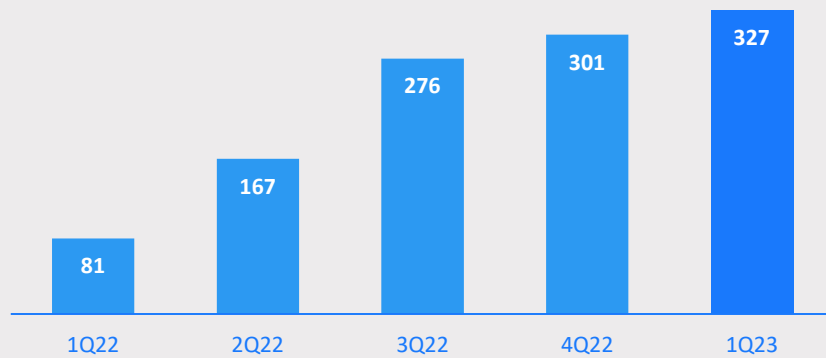


1. Breakdown of operating expenses for 1Q23

Profitability Grows as Turnaround Recovery Progresses

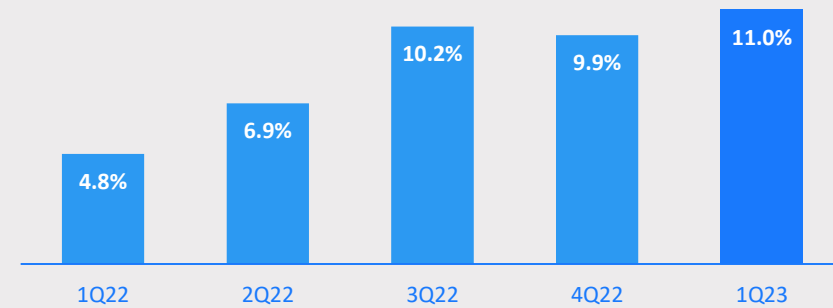
Net Profit (RMBm)

QoQ
+8.7%



Net Margin

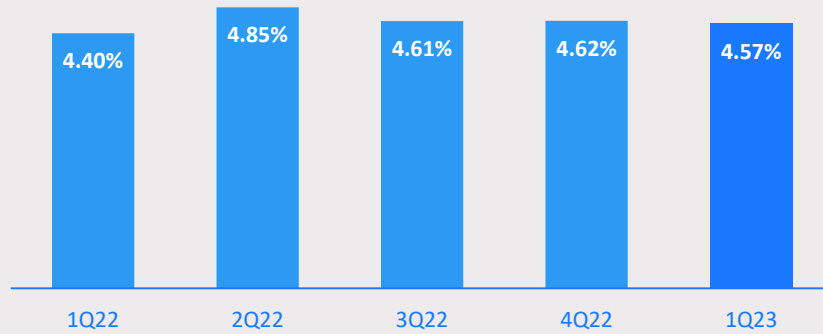
QoQ
+1.1ppt



Steady Improvement amid Uncertainties

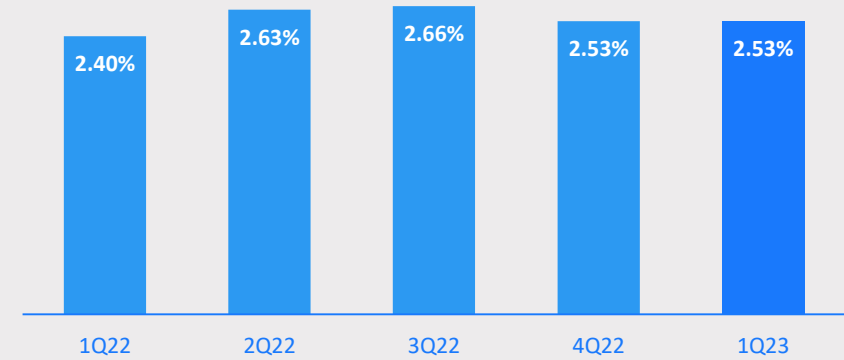
30+ Delinquency Ratio

QoQ
-5bps



90+ Delinquency Ratio

QoQ
+0bps



03



Appendix



P&L Statement

(In thousands, except for share and per share data)	For the Three Months Ended March 31,		
	2022 RMB	2023 RMB	US\$
Operating revenue:			
Credit facilitation service income	896,425	2,115,808	308,085
Loan facilitation and servicing fees-credit oriented	255,739	964,171	140,394
Guarantee income	253,912	553,668	80,620
Financing income	386,774	597,969	87,071
Tech-empowerment service income	497,281	367,932	53,575
Installment e-commerce platform service income	318,672	499,159	72,683
Total operating revenue	1,712,378	2,982,899	434,343
Operating cost			
Cost of sales	(328,213)	(466,471)	(67,923)
Funding cost	(94,253)	(150,383)	(21,897)
Processing and servicing cost	(462,465)	(528,961)	(77,023)
Provision for financing receivables	(45,529)	(138,848)	(20,218)
Provision for contract assets and receivables	(71,201)	(141,946)	(20,669)
Provision for contingent guarantee liabilities	(249,892)	(653,077)	(95,095)
Total operating cost	(1,251,553)	(2,079,686)	(302,825)
Gross profit	460,825	903,213	131,518
Operating expenses:			
Sales and marketing expenses	(360,444)	(439,965)	(64,064)
Research and development expenses	(152,506)	(129,527)	(18,861)
General and administrative expenses	(116,997)	(97,037)	(14,130)
Total operating expenses	(629,947)	(666,529)	(97,055)
Change in fair value of financial guarantee derivatives and loans at fair value	262,868	156,265	22,754
Interest expense, net	(15,305)	(4,080)	(594)
Investment related impairment	(0)	-	-
Investment loss	1,374	160	23
Other, net	21,045	12,755	1,857
Income before income tax expense	100,860	401,784	58,503
Income tax expense	(19,377)	(74,294)	(10,818)
Net income	81,483	327,490	47,685

Balance Sheet (1)

(In thousands)	March 31, 2022	As of March 31, 2023	
	RMB	RMB	US\$
ASSETS			
Current assets			
Cash and cash equivalents	2,303,519	2,291,986	333,739
Restricted cash	1,454,431	2,606,968	379,604
Restricted term deposit and short-term investments	1,851,454	1,451,189	211,309
Short-term financing receivables, net	4,174,599	5,568,428	810,826
Short-term contract assets and receivables, net	3,862,414	4,186,986	609,672
Deposits to insurance companies and guarantee companies	1,630,230	2,209,563	321,737
Prepayments and other current assets	1,264,408	1,119,663	170,348
Amounts due from related parties	6,066	6,455	940
Inventories, net	56,528	50,912	7,413
Total Current Assets	16,667,201	19,492,150	2,845,588
Non-current Assets			
Restricted cash	137,993	157,974	2,845,588
Long-term financing receivables, net	287,125	326,079	47,481
Long-term contract assets and receivables, net	284,865	749,417	109,124
Property, equipment and software, net	214,654	327,186	47,642
Land use rights, net	957,467	923,067	134,409
Long-term investments	470,372	348,639	50,766
Deferred tax assets	1,298,484	1,125,068	163,823
Other assets	869,891	1,147,876	159,831
Total Non-current Assets	4,520,851	5,105,306	3,558,664
TOTAL ASSETS	21,188,052	24,597,456	6,404,252

Balance Sheet (2)

(In thousands)	March 31, 2022	As of March 31, 2023	US\$
	RMB	RMB	
LIABILITIES			
Current liabilities			
Accounts payable	25,378	36,759	5,353
Amounts due to related parties	24,539	6,706	976
Short-term borrowings	1,737,830	1,453,320	211,620
Short-term funding debts	2,373,313	4,602,871	670,230
Deferred guarantee income	448,212	1,123,313	163,567
Contingent guarantee liabilities	867,676	1,093,151	159,175
Accruals and other current liabilities(2)	3,668,819	3,159,194	460,014
Convertible notes	-	1,759,669	256,228
Total Current Liabilities	9,145,767	13,234,983	1,927,163
Non-current Liabilities			
Long-term borrowings	-	212,600	30,957
Long-term funding debts	1,776,061	1,882,549	274,120
Deferred tax liabilities	82,891	50,818	7,400
Convertible notes	1,876,133	110,030	16,022
Other long-term liabilities	127,748	92,714	13,500
Total Non-current Liabilities	3,862,833	2,348,711	341,999
TOTAL LIABILITIES	13,008,600	15,583,694	2,269,162
Shareholders' equity:			
Class A Ordinary Shares	181	192	29
Class B Ordinary Shares	57	47	8
Treasury stock	(25,482)	(328,764)	(47,872)
Additional paid-in capital	2,954,693	3,114,777	453,547
Statutory reserves	901,322	1,022,592	148,900
Accumulated other comprehensive loss	12,281	(16,845)	(2,453)
Retained earnings	4,273,890	5,221,763	760,346
Non-controlling interests	62,510	-	-
Total Shareholders' Equity	8,179,452	9,013,762	1,312,505
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,188,052	24,597,456	3,581,667