

LEXIN 乐信

# Investor Presentation

July 2020



01

**WHO  
WE ARE**



# Who We Are

— A leading online consumption and consumer finance platform for educated young professionals in China



# We Serve Educated Young Adults in China

## Our Differentiated Customer Cohort



Source: Company filings

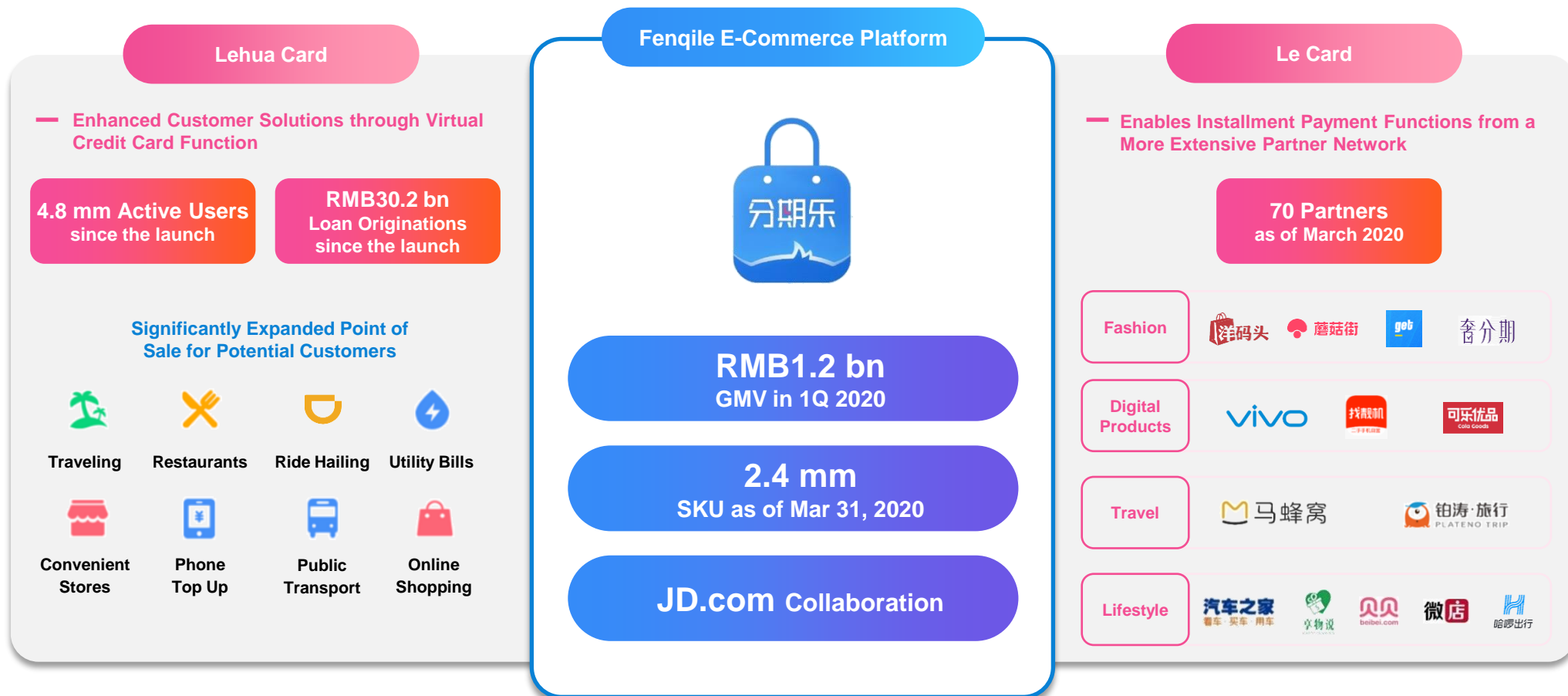
Note: Educated young adults refer to (i) students enrolled in college programs or associate degree programs in colleges, or college students, and (ii) working population with college or associate degrees and under the age of 36, or educated young professionals

<sup>1</sup> Represents the weighted average loan tenor for the loans originated in the first quarter of 2020

<sup>2</sup> Weighted average APR is weighted by loan origination amount for each loan originated in the first quarter of 2020

<sup>3</sup> Represents outstanding principal balance of on- and off-balance sheet loans that were 90 to 179 calendar days past due as a percentage of the total outstanding principal balance of on- and off-balance sheet loans on our platform as of March 31, 2020

# Our Unique and Competitive E-Commerce Platform



Source: Company filings

02

## RECENT DEVELOPMENT

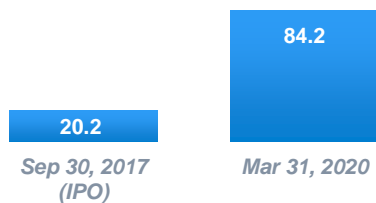


# A Track Record of Strong Execution Since IPO

## Enlarged User Base

### Registered Users

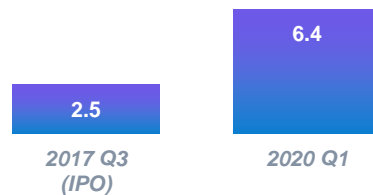
(mm)



## Effective User Acquisition

### Number of Active Customers

(mm)



## Increasing Loan Origination

### Total Outstanding Balance

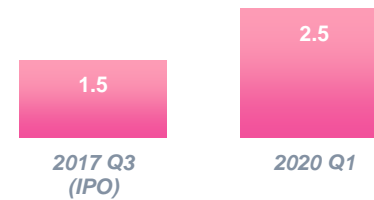
(RMB bn)



## Stronger Monetization Capabilities

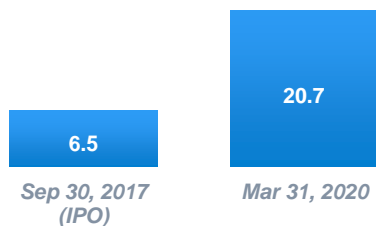
### Quarterly Operating Revenue

(RMB bn)



### Users with Credit Line

(mm)



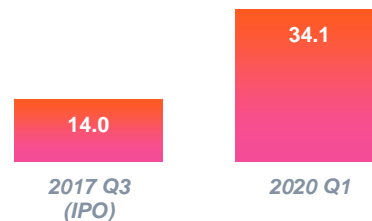
### Number of New Active Customers

(mm)



### Total Loan Origination

(RMB bn)



# More Diversified and Scalable Funding Sources

% of Total Loan Originations

100%

Institutional Funding Outstanding Balance

(RMB bn)

6.2

At the Time of IPO

53.8

As of Now<sup>1</sup>

% of Total Loan Originations

0%

Individual Investors Outstanding Balance

(RMB bn)

9.2

At the Time of IPO

5.3

As of Now<sup>1</sup>



Increasing Institutional Funding Partners



中国工商银行  
INDUSTRIAL AND COMMERCIAL BANK OF CHINA



中国银行  
BANK OF CHINA



招商银行  
CHINA MERCHANTS BANK



上海银行  
Bank of Shanghai



南京银行  
BANK OF NANJING



天津银行  
BANK OF TIANJIN

.....

30+ Funding Partners



100+ Funding Partners

Strategic Cooperation with 10+ National Banks



More Ways For Individual Investors to Invest



桔子理财

Online Investment Platform



Trust Fund



Wealth Management Program

1. As of Mar 31, 2020



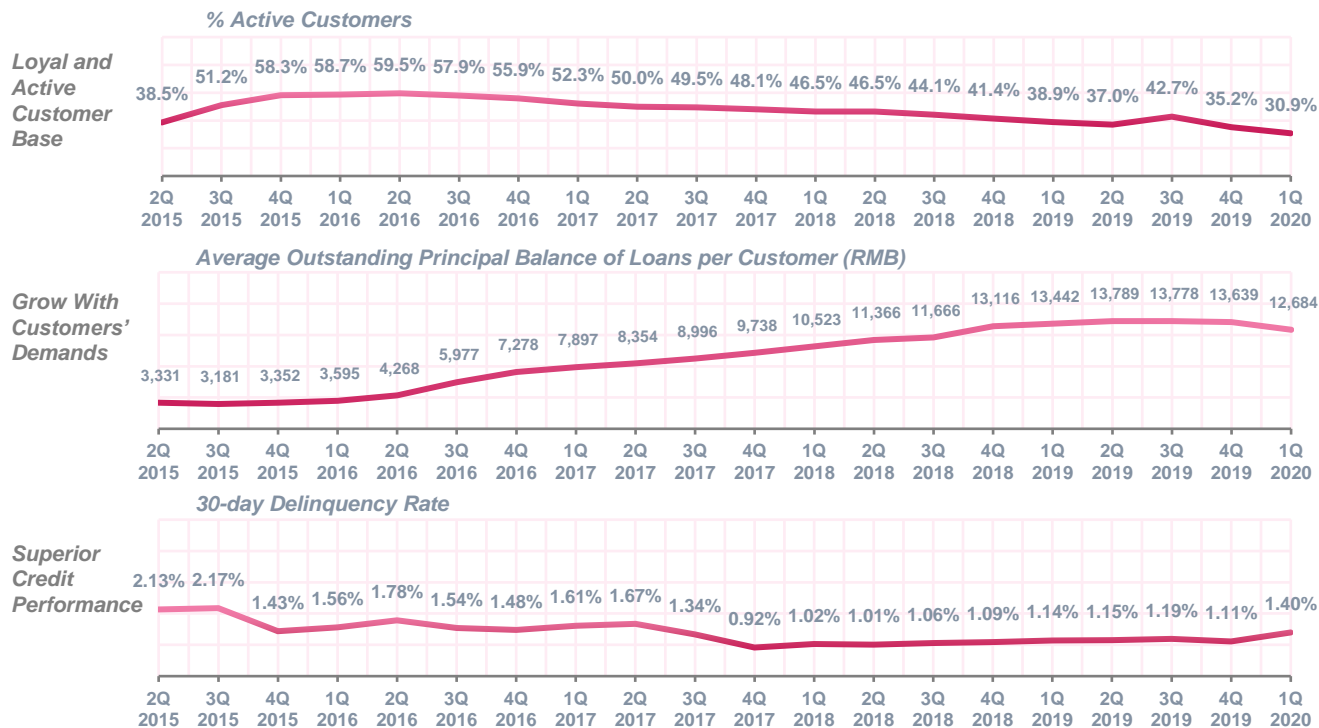
03

## INVESTMENT HIGHLIGHTS



# We Serve Educated Young Adults in China

## — Tracking the Same Customer Cohort Acquired In 1Q15<sup>1</sup>



Unique Insights into Current and Future Consumption Needs



Strong Understanding of Credit Profiles and Behaviors



Targeted Offerings, Larger Credit Lines and Improved Pricing over Time

## — We Are Many Customers' First Touch Point for Consumer Finance Services

Illustrative Credit Line Size (RMB)



Note:

<sup>1</sup> Represents a cohort analysis on the customers acquired in the three months ended March 31, 2015. This analysis compares certain metrics of this customer cohort for each three month period from April 1, 2015 through March 31, 2020. Active customers refer to customers who have made at least one transaction during a specified period on our consumer finance platform

<sup>2</sup>. Illustrative amount only; does not represent actual credit lines granted by the Company

# Increasingly Diversified Customer Acquisition Channels

## Lexin's Unique Channels



## Traditional Channels

- ✓ Advertising
- ✓ Digital Marketing
- ✓ Marketing Campaign

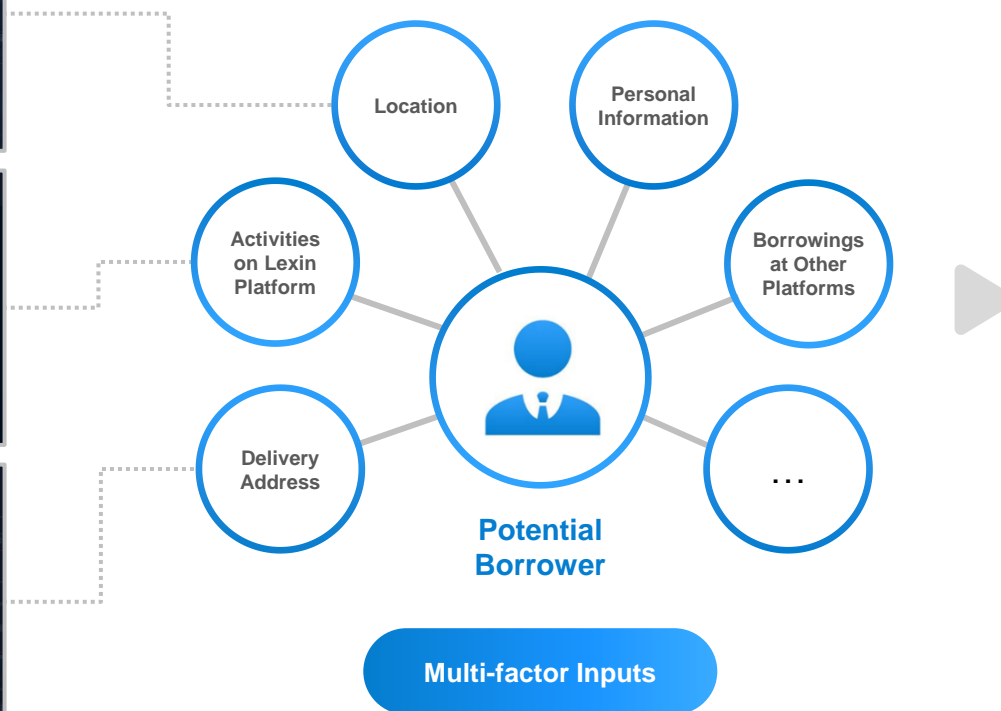
# Our Advanced and Customized Credit Risk Management

## — Hawkeye Engine: Automated and Dynamic Credit Approval



We have been awarded *The Best Lending Technology* in China by *The Asian Banker* in 2019

## Our Advanced and Customized Credit Risk Management



# Our Management Team



**Jay Wenjie Xiao**

Founder,  
CEO and Chairman

Tencent 腾讯



**Jared Yi Wu**

President and Director

Tencent 腾讯



**Craig Yan Zeng**

Chief Financial Officer



VanceInfo

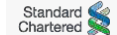


**Ryan Huanian Liu**

Chief Risk Officer



SOCIETE  
GENERALE



**Kris Qian Qiao**

Chief Financing  
Cooperation Officer

Tencent 腾讯



**Shirley Yunwen  
Yang**

Chief Human  
Resource Officer

Tencent 腾讯



**Jason Ming Zhao**

Chief Marketing Officer



Strong Management Team Uniquely Combining Internet and Traditional Finance DNA

04

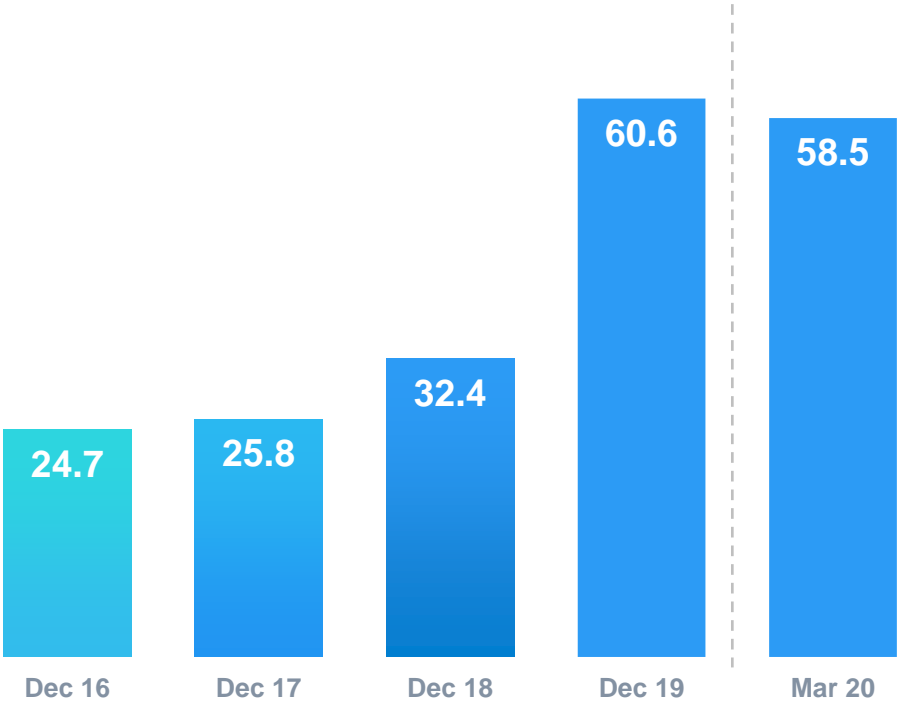
**OUR  
FINANCIALS**



# Business Growth

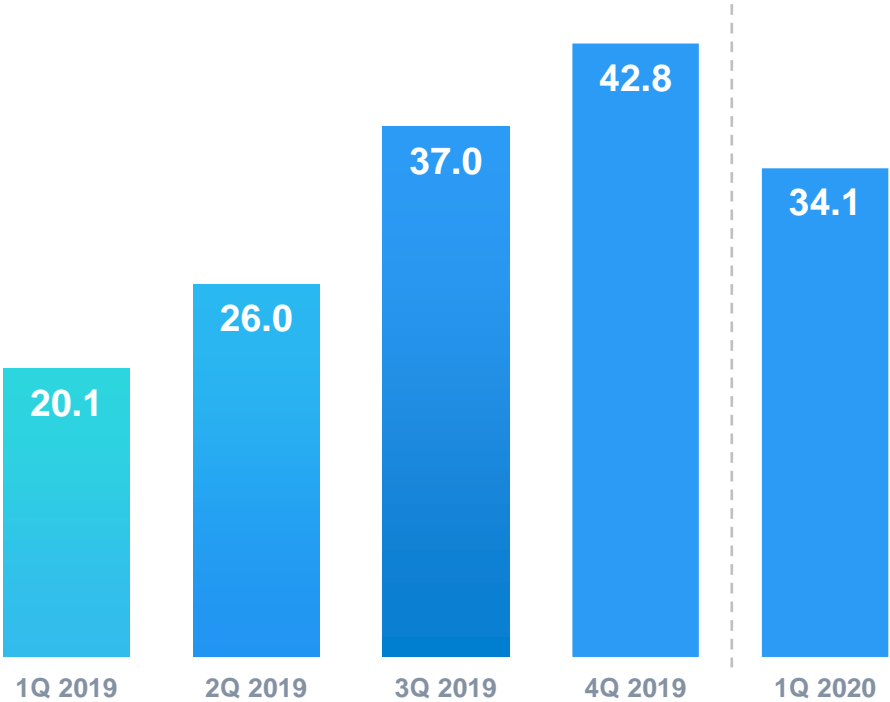
## — Total Outstanding Loan Balance<sup>1</sup>

(RMB bn)



## — Total Loan Originations<sup>2</sup>

(RMB bn)



<sup>1</sup> Outstanding principal balance represents the total amount of principal outstanding for loans originated on our platform at the end of the relevant period, which includes both on and off-balance sheet loans

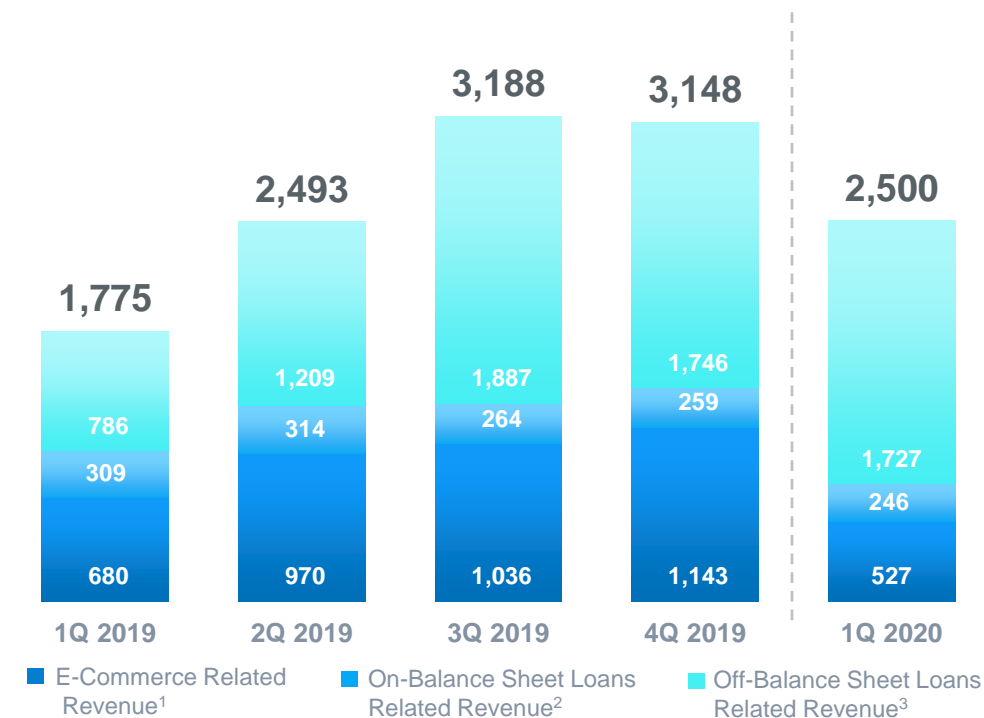
<sup>2</sup> Total loan origination represents the total amount of loans originated during each relevant period, which includes both on and off-balance sheet loans



# More Resilient Business Mix

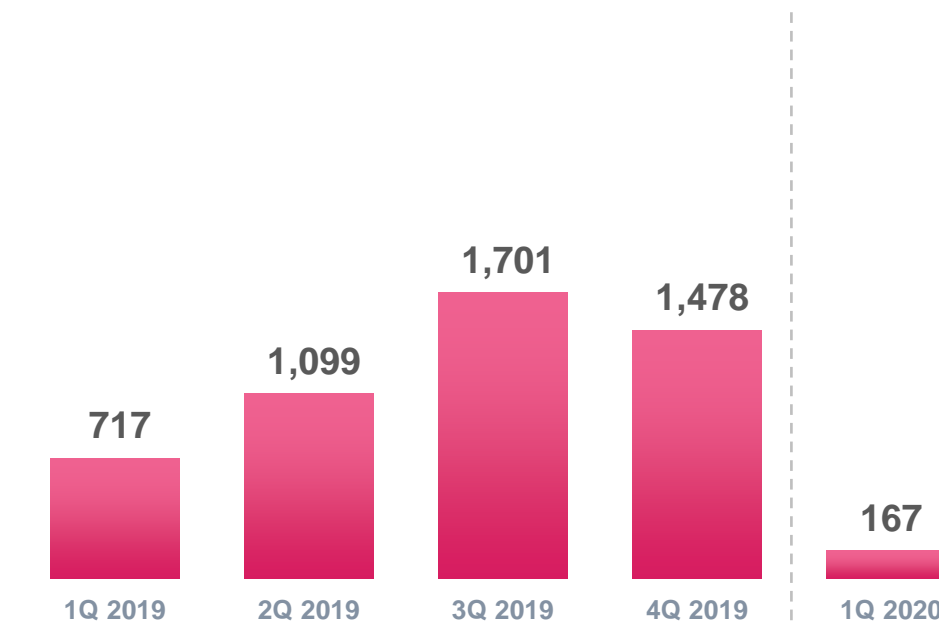
## — Total Operating Revenue

(RMB mm)



## — Gross Profit

(RMB mm)



✓ Gradual Shift to More Off-Balance Sheet Assets with Lower Risks

✓ Strong Growth Trend in Gross Profit Driven by More Resilient Business Mix

<sup>1</sup> Corresponding to online direct sales and services income in Income Statement

<sup>2</sup> Corresponding to interest and financial services income and other revenue in Income Statement

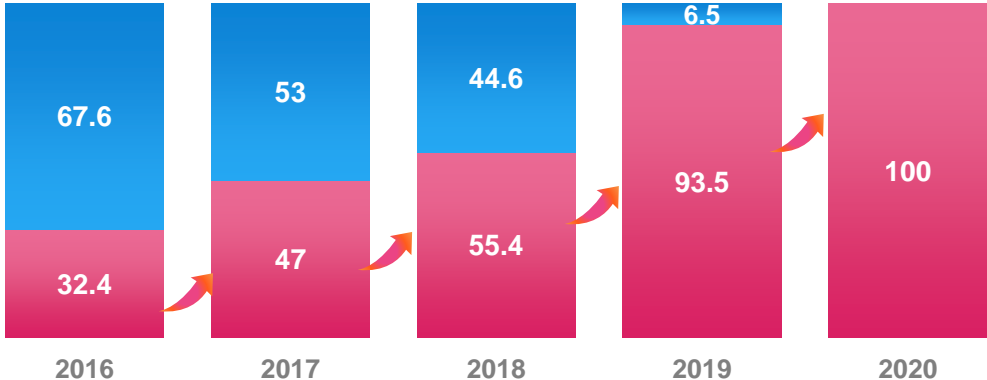
<sup>3</sup> Corresponding to loan facilitation and servicing fees in Income Statement

# Diversified and Scalable Funding

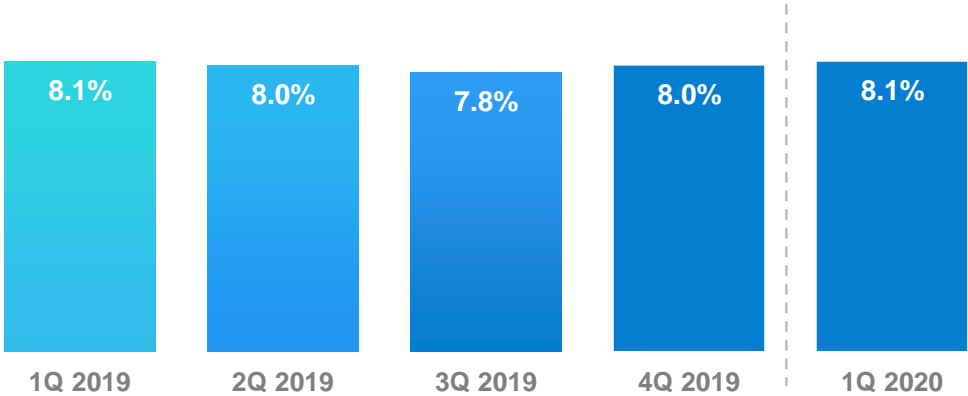
— Loan Origination by Different Funding Sources  
(%)

— Weighted Average Interest Rate of Institutional Funding Partners

Increasing Institutional Funding



Continued optimization of funding cost  
(Off b/s loans, excludes intermediary payments and guarantee costs)



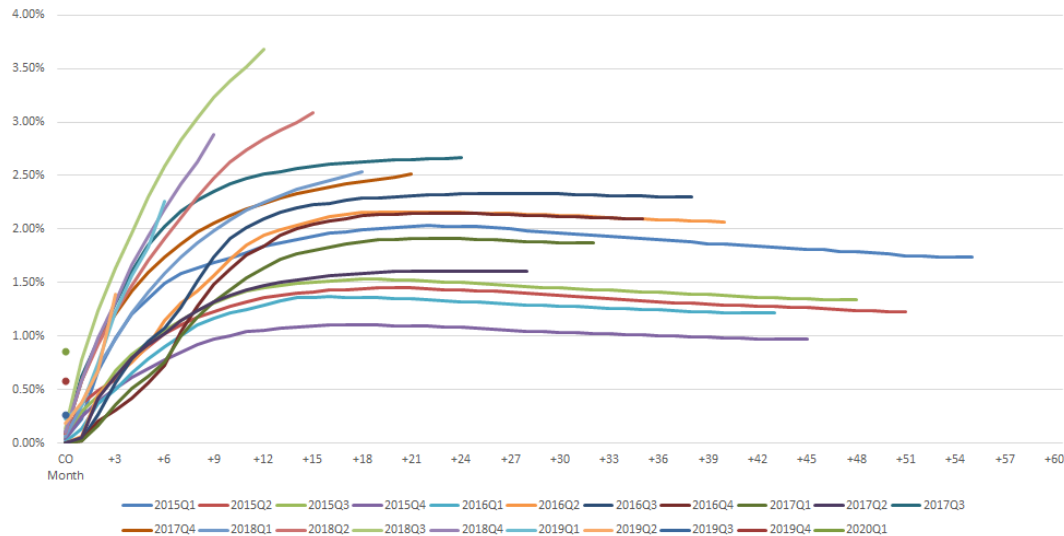
Institutional



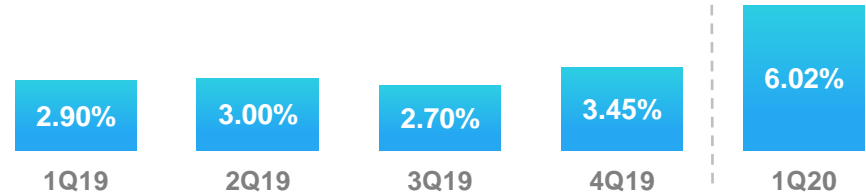
Individual

# Credit Statistics

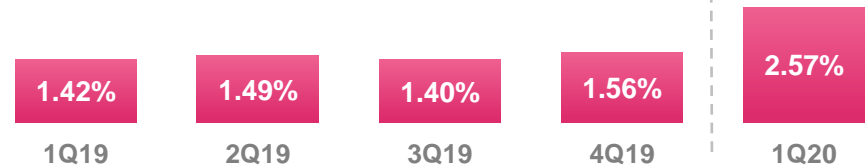
## — Vintage Curve



## —30 Days+ Delinquency Ratio

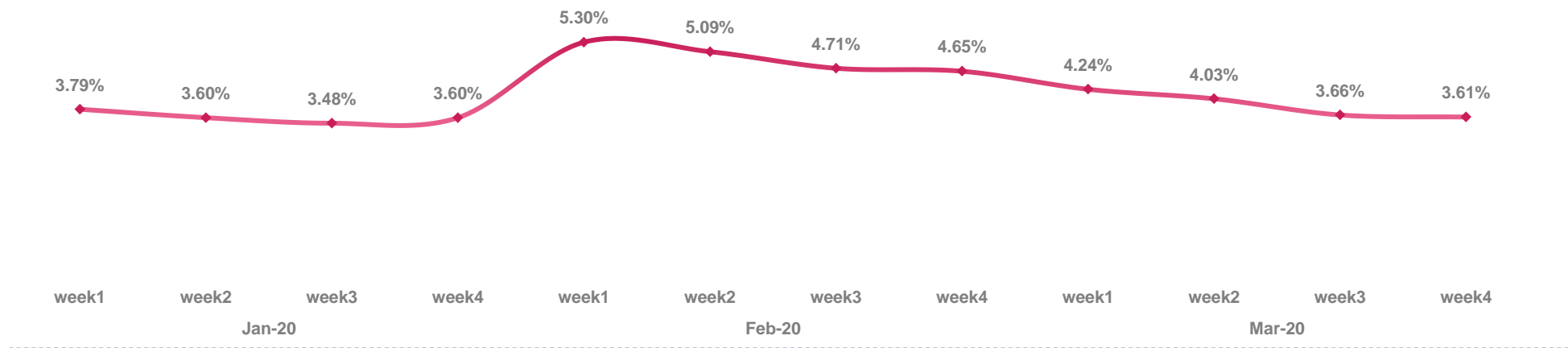


## —90 Days+ Delinquency Ratio

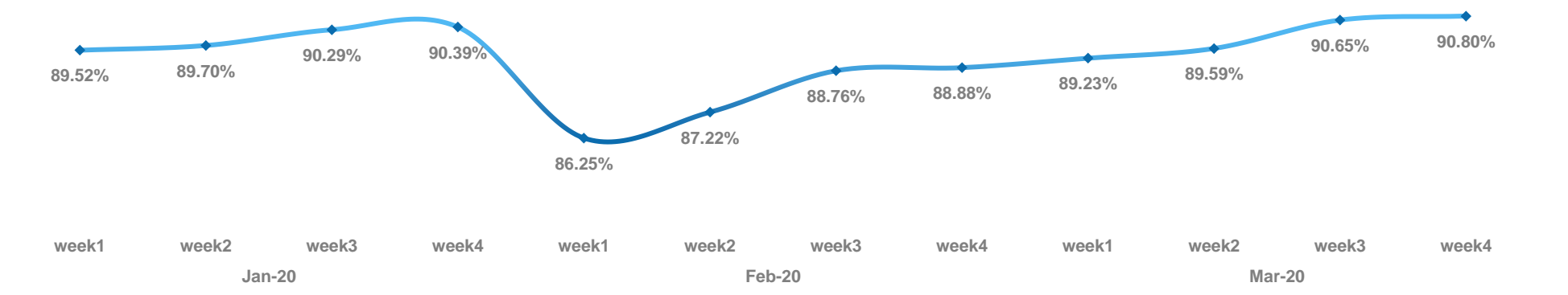


# Credit Statistics

## — Total Day 7 Delinquency

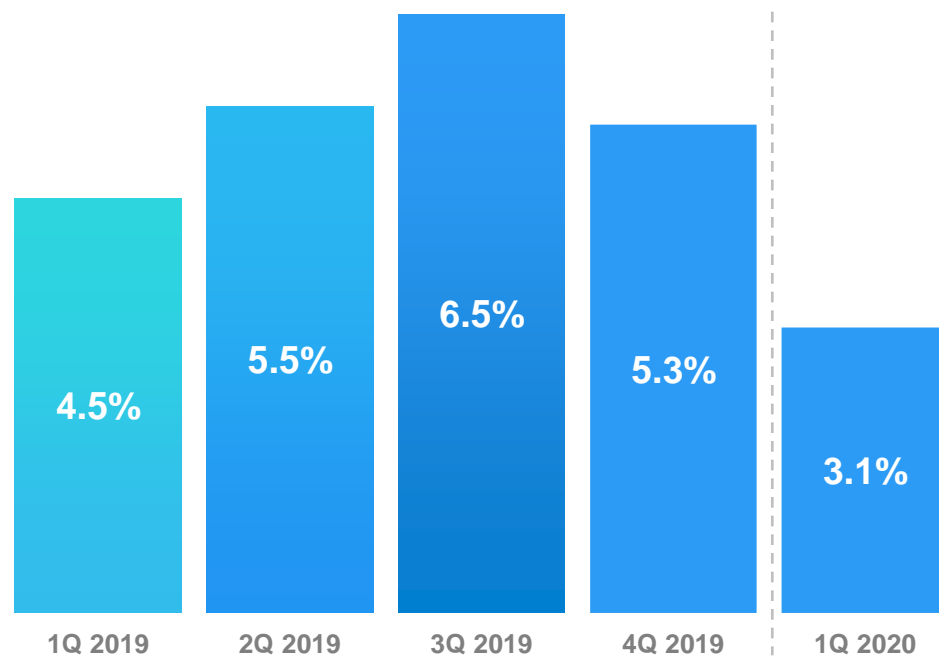


## — M1 Collection Rate

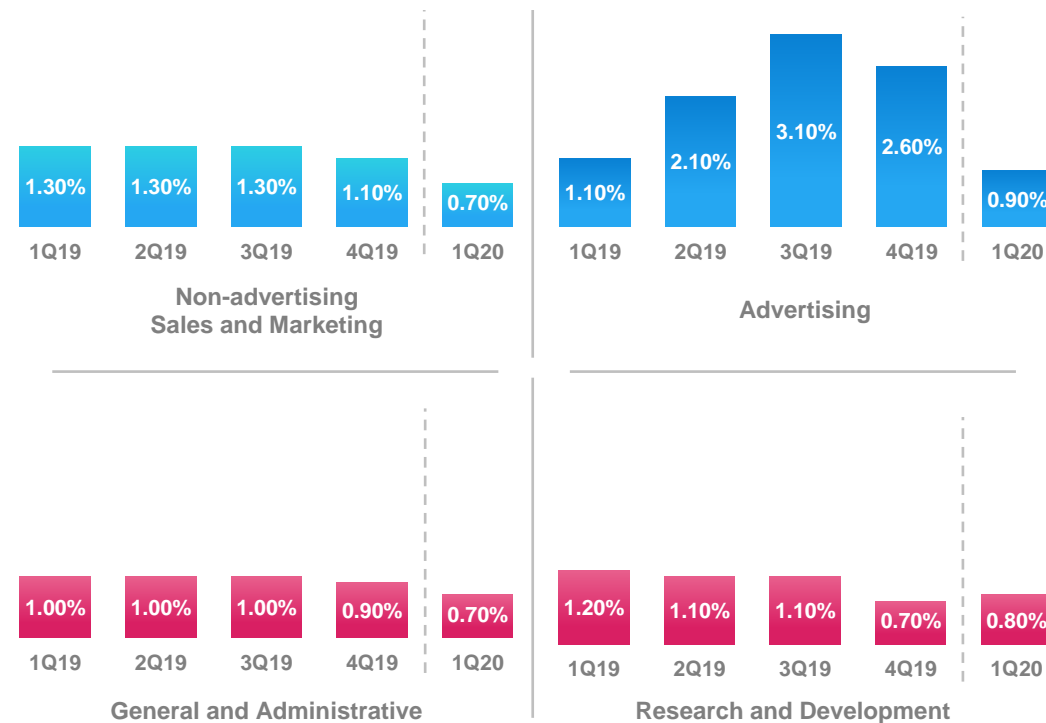


# Well-maintained Operating Efficiency

## — Total Operating Expense/Average Loan Balance<sup>1</sup>



## — Operating Expense Breakdown/Average Loan Balance<sup>1</sup>



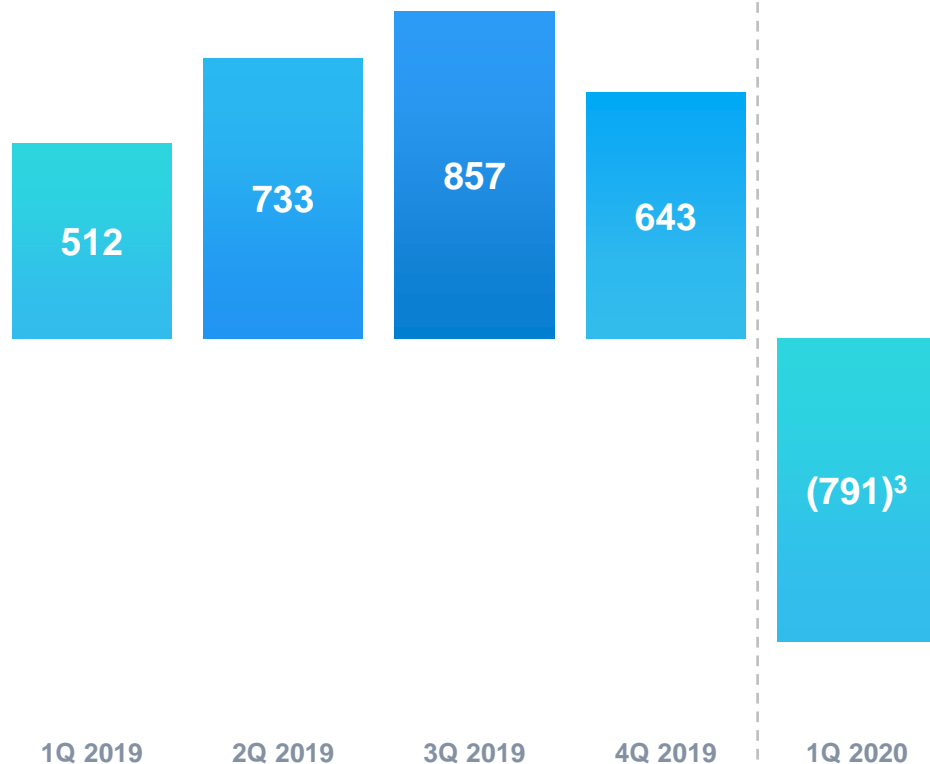
Operating expense as a percentage of average loan balance has decreased

<sup>1</sup> Average loan balance represents the average beginning and ending outstanding principal loan balance on and off-balance sheet of respective year.

# Profit Trend

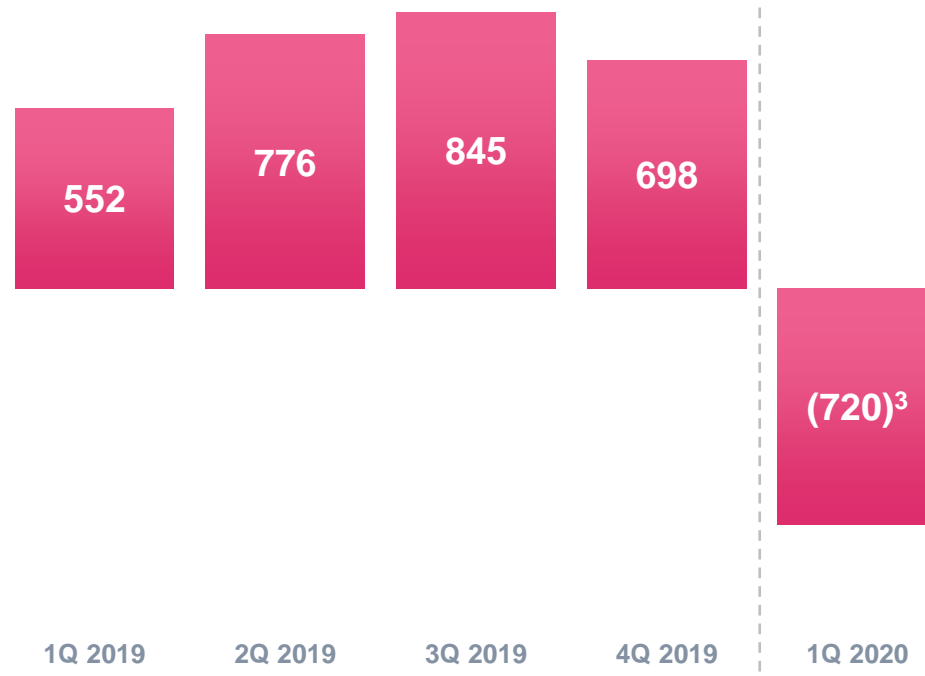
## — EBIT (GAAP Measure)<sup>1</sup>

(RMB mm)



## — EBIT (Non-GAAP)<sup>2</sup>

(RMB mm)



<sup>1</sup> Net (loss)/income plus income tax (benefit)/expense and interest expense, net

<sup>2</sup> Adjustments include share-based compensation expenses, investment-related impairment and investment loss

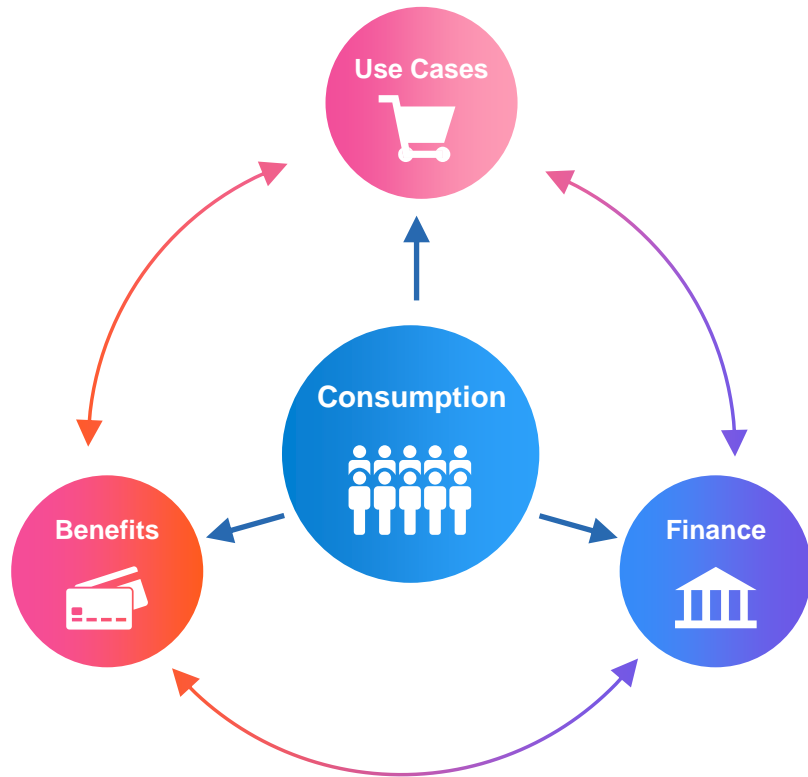
<sup>3</sup> Includes a negative impact of approximately RMB0.9 billion resulting from estimates of expected credit losses and fair value changes of guarantee derivatives in association with the ongoing Covid-19 pandemic.

05

## OUR STRATEGY



# Our Growth Strategies



Invest in Technology

Expand Customer Acquisition Channels  
and Grow Our Customer Base

Grow with Our Existing Customers and Continue  
to Serve Their Growing Credit and Consumption Needs

Strengthen the Partnerships with Financial Institutions,  
Further Scale and Diversify Funding Sources

Pursue Strategic Alliances, Investments and  
Acquisitions



**THANK YOU**