

Investor Presentation

Third Quarter 2024 Results

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01



Company Overview



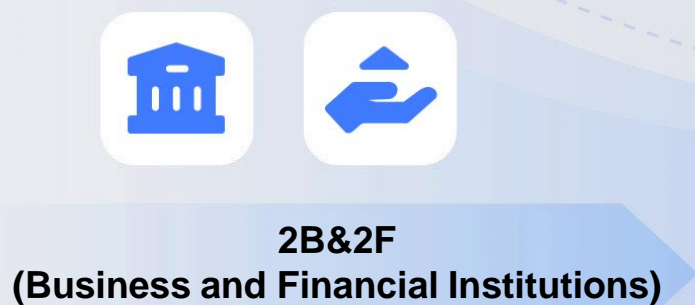
Addressing the Market with Different Focuses

Core business supported by new growth opportunities

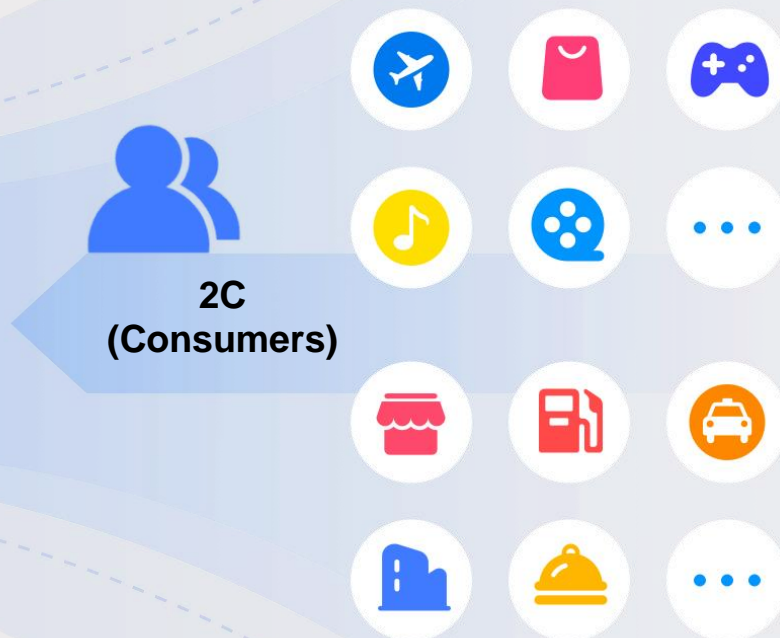


Commitment to 2C2B2F

Connecting consumers to business and financial institutions



- Around 166 funding partners¹
- Over 3,004 merchant partners²

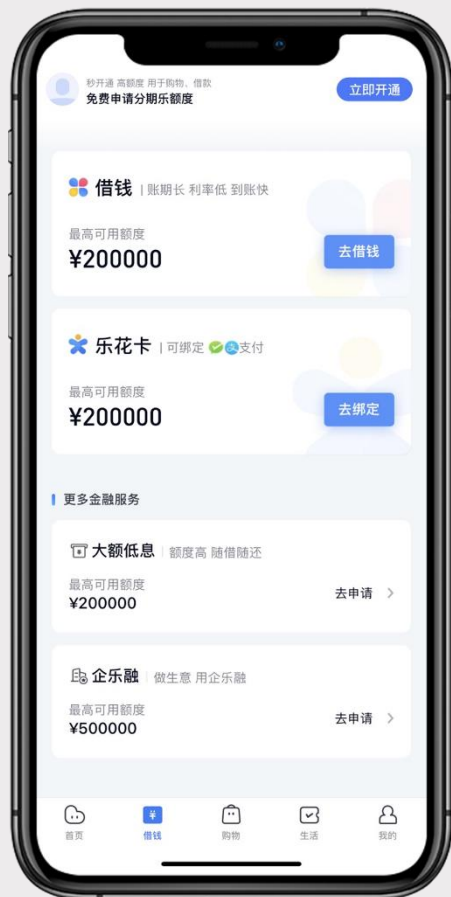


- Over 223 million registered users¹
- Loan balance of RMB111.2 billion¹

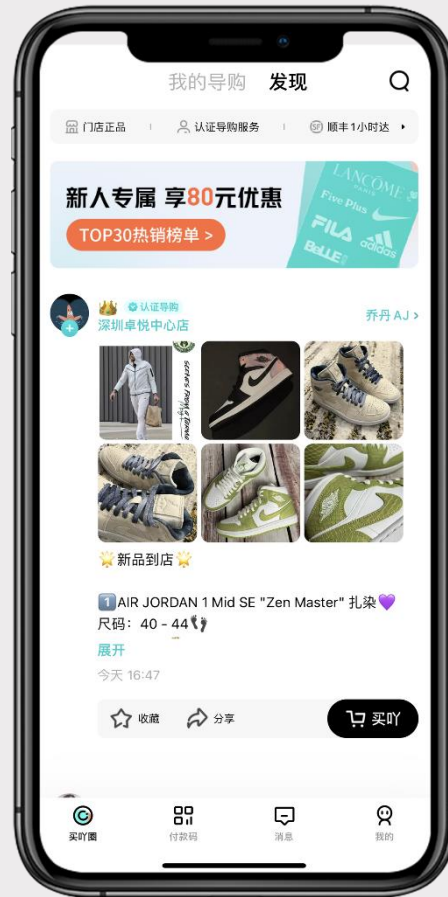
1. As of 30 September 2024, or accumulative.
2. For the quarter ended 30 September 2024.

A Seamless Experience for New-Generation Consumers

Omni-channels and multiple access for our users



Consumer credit



Maiya



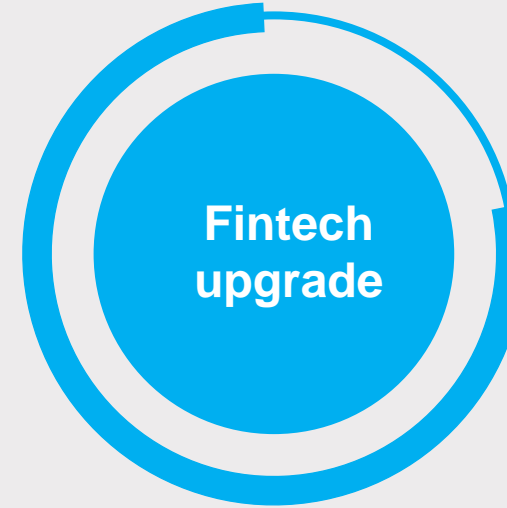
E-commerce

Empowering the Digitalization of Financial Institutions

Supporting financial institutions in building in-house capabilities 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 customers and financial institutions

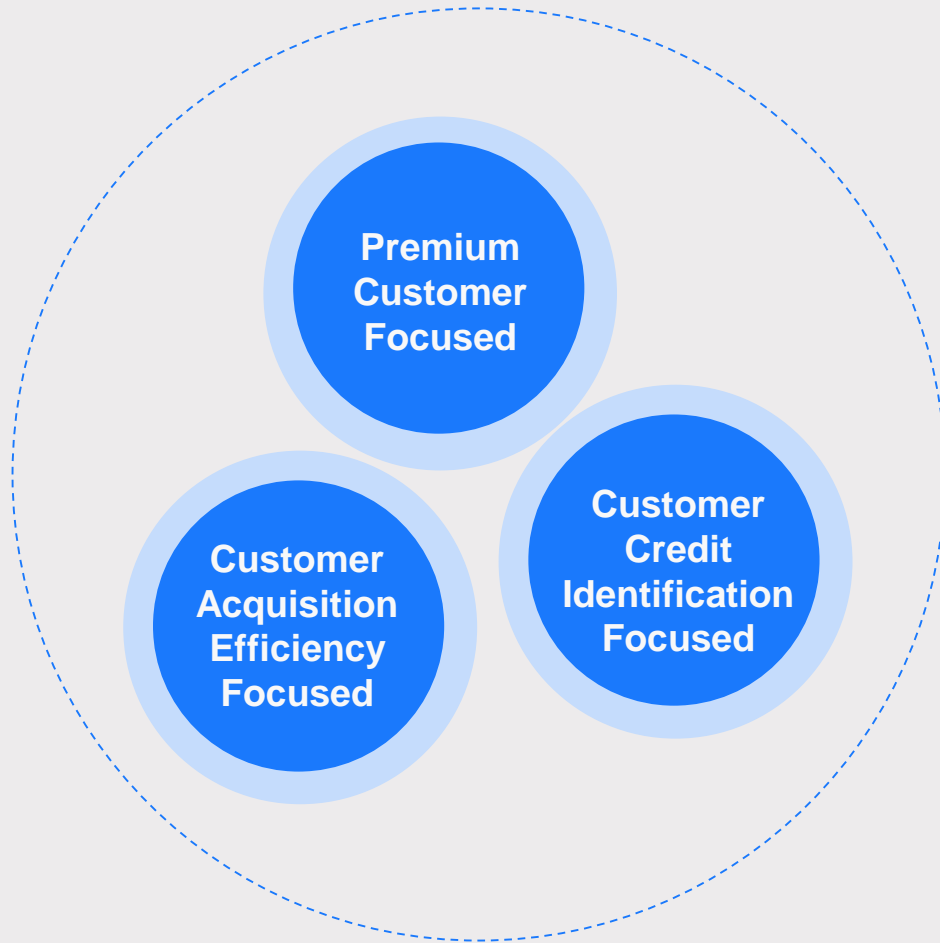


- Extensive acquisition channels
- Tailored sales and management strategies
- Quality products meet diverse needs of customers
- Seamless digital experience



- Effective communication and collaboration between teams
- Management system aligned with strategy to enhance oversight and talent development
- Comprehensive application of technology across all functions

Optimize Customer Development Strategy to Deal with External Uncertainty



Premium Customer Focused

- Increase the mix of premium customers & control the access of high-risk customers
- Strike a balance between scale and risk
- Stable risk performance & high quality of new loan originations

Customer Acquisition Efficiency Focused

- Employ dedicated acquisition programs for targeted segments
- Have an extensive network of the offline team
- Leverage rich data resources and analytics capability
- Timely adjust spending and strategies in different regions

Customer Credit Identification Focused

- AB testing and model upgrade based on internal & external data
- Regular validation of strategy effectiveness
- Proven result with improved per-capita contribution and ARPU

Core Capabilities of Lexin

A

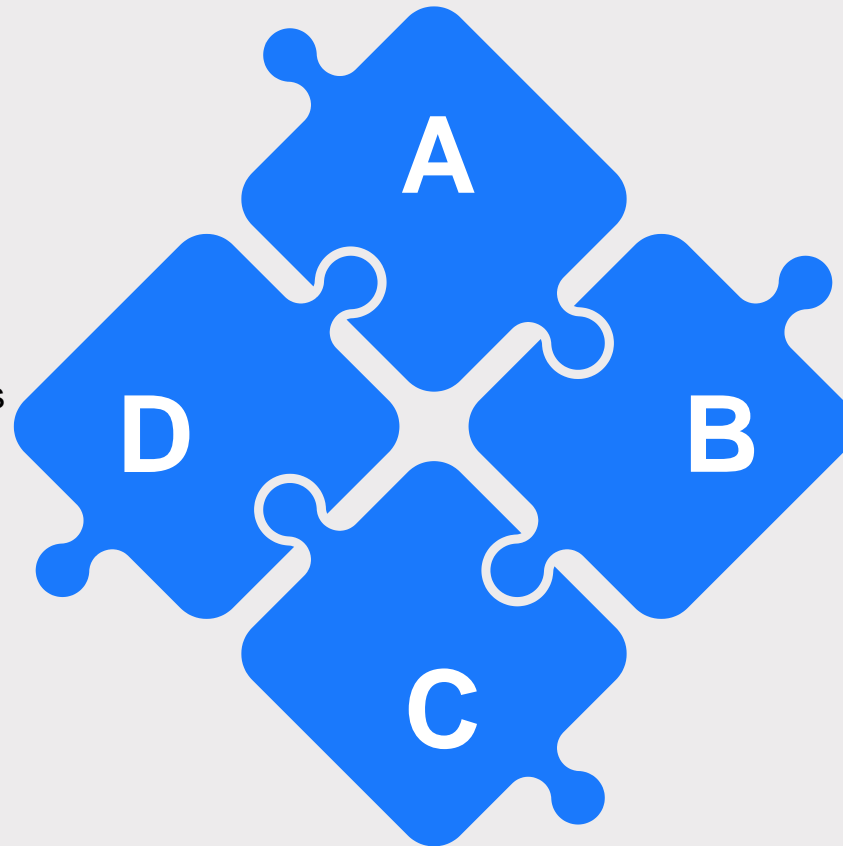
Customer Service and Operation

- Customer operation by segment
- Customer profile and credit identification
- Tailor-made products and services

D

Technology and Data Analytics

- Industry-leading R&D investment
- Unique Lexin Smart-Business-Engine
- Empower operational efficiency across platforms



Risk Management

- Rich internal data & high-quality external data
- Model upgrade
- AB Testing

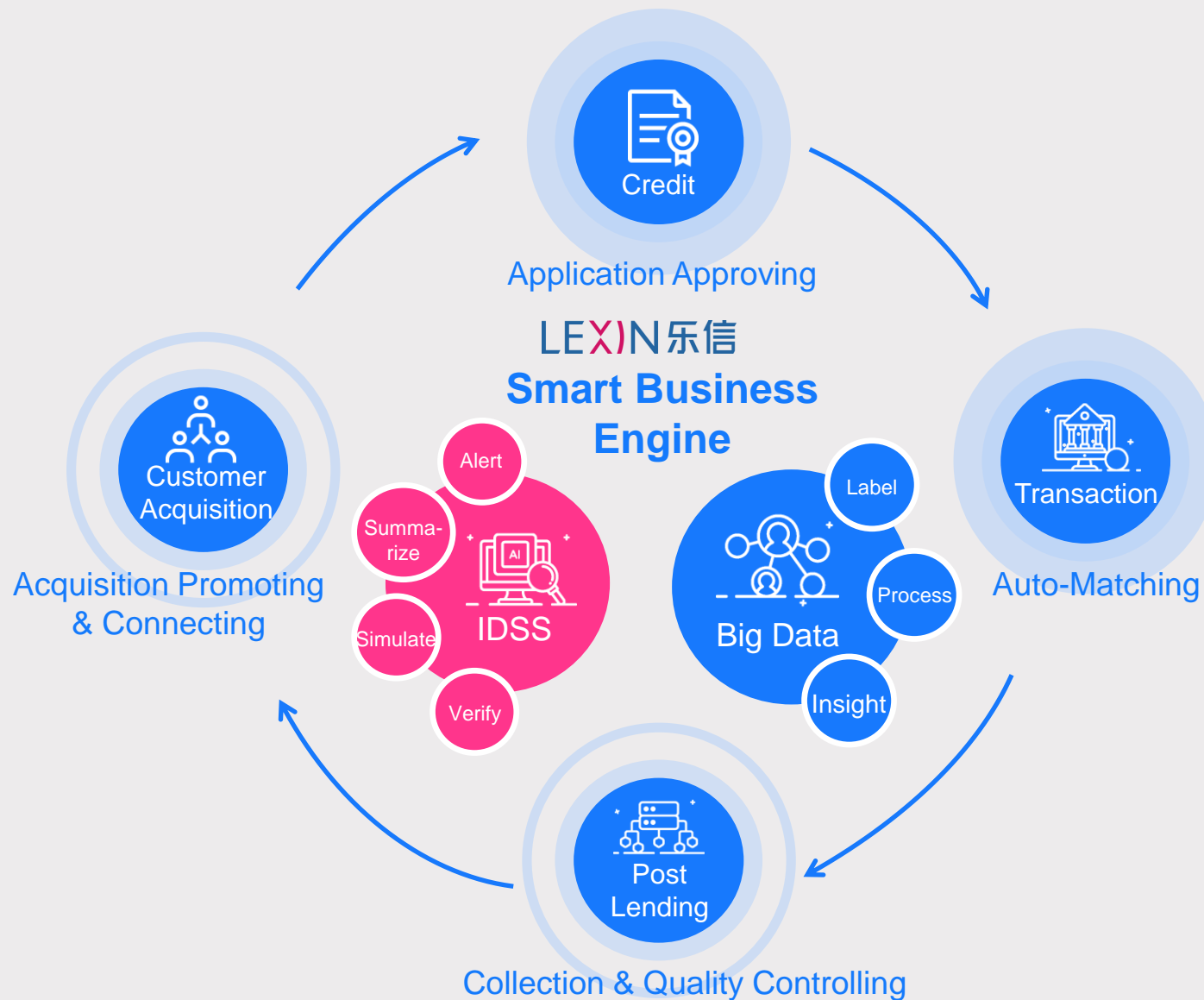
B

Cooperation with Funding Partners

- Funding cost optimization
- Diversified partnerships with financial institutions
- Cooperation with 160+ financial institution partners

C

Lexin Smart Business Engine



Lexin Eco-System



02



Financial Update



3Q24 Highlights



Loan originations

51.0 billion

down 0.2% QoQ



Operating revenue

3.66 billion

up 0.6% QoQ



Net income

310 million

up 36.7% QoQ

Key Financials

(RMB 000)	3Q23	2Q24	3Q24	QoQ	YoY
Credit facilitation service income	2,685,574	2,669,093	2,970,294	11.3%	10.6%
Tech-empowerment service income	453,944	534,548	383,592	-28.2%	-15.5%
Installment e-commerce platform service income	369,417	437,047	308,257	-29.5%	-16.6%
Total operating revenue	3,508,935	3,640,688	3,662,143	0.6%	4.4%
Total operating cost	(2,152,592)	(2,292,595)	(2,454,765)	7.1%	14.0%
Gross profit	1,356,343	1,348,093	1,207,378	-10.4%	-11.0%
Total operating expenses	(622,759)	(711,107)	(675,878)	-5.0%	8.5%
Net income	370,625	226,531	309,557	36.7%	-16.5%
Recurring Net Income ⁽¹⁾	370,625	226,531	309,557	36.7%	-16.5%

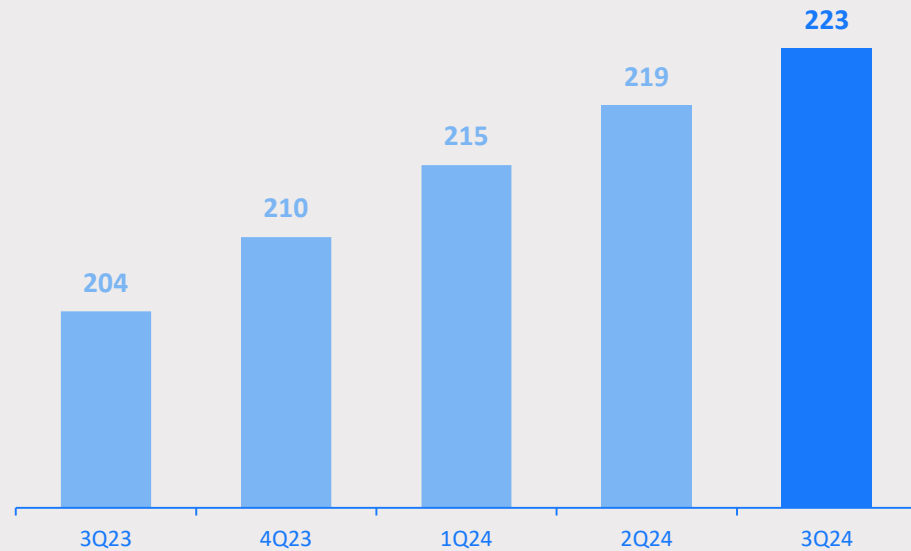
1. Excluding after tax impact of investment related impairment losses.

Steady User Development with a Huge User Base

Registered Users Continued to Grow

(In Millions)

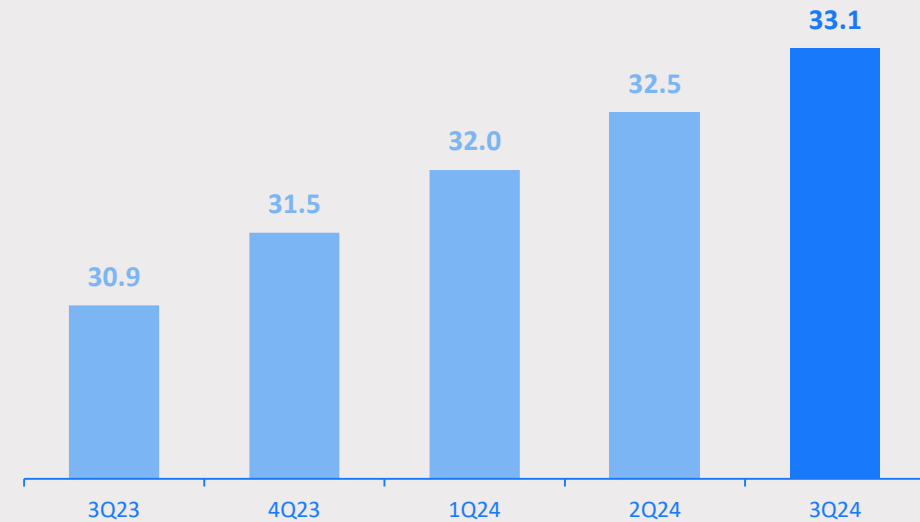
QoQ
+1.9%



Cumulative Active Users Maintained Rising Trend

(In Millions)

QoQ
+1.6%

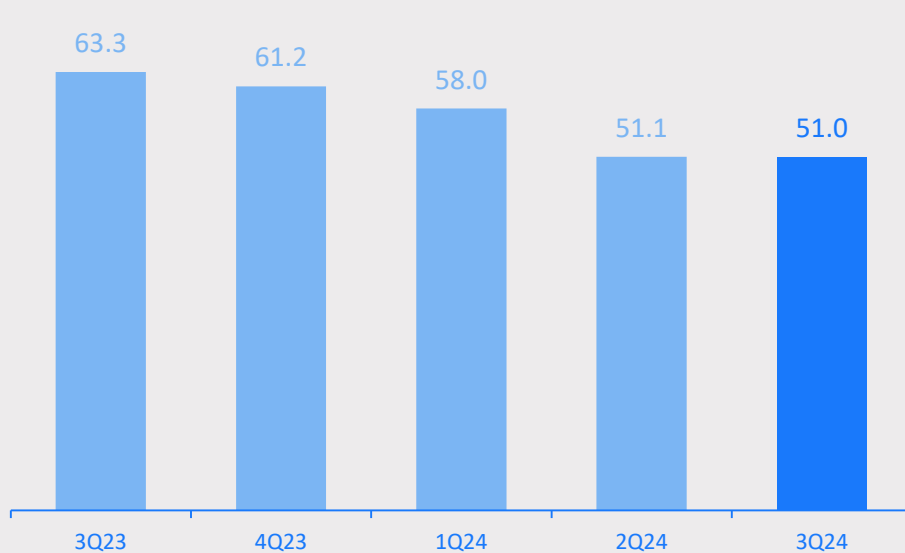


Slower Loan Growth due to Proactively Tightening Credit Standards

Loan Originations Growth Slowed down

(RMB bn)

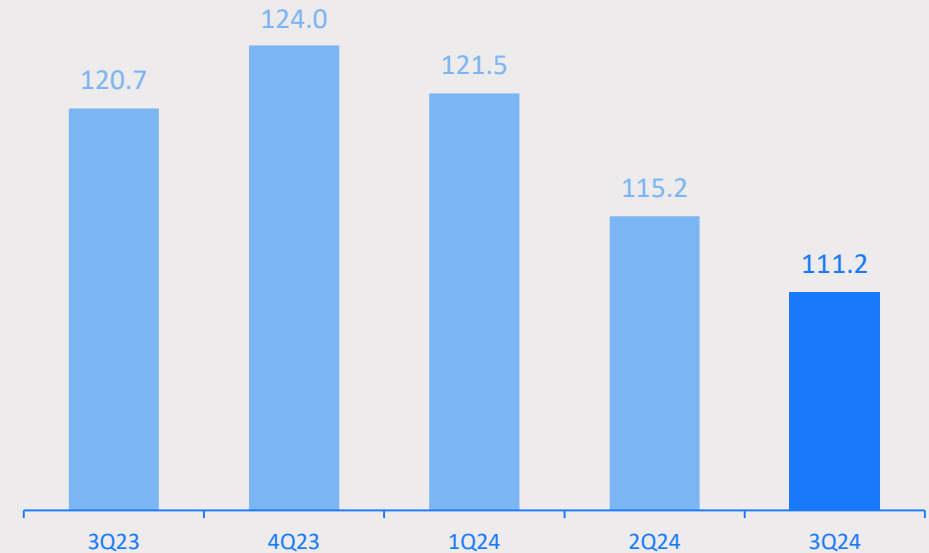
QoQ
-0.2%



Loan Balance Reached RMB111.2 bn

(RMB bn)

QoQ
-3.4%



1. Loan originations represent the total principal amount of loans facilitated and originated during each period, which includes both on and off-balance sheet loans.

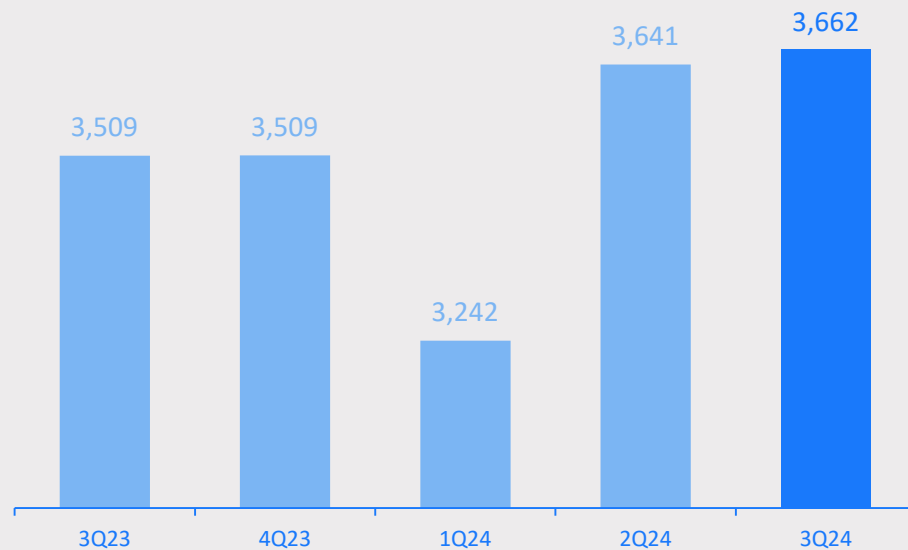
2. Loan balance refers to the total amount of principal outstanding for loans facilitated and originated at the end of each period, including both on and off-balance sheet loans.

Operating Revenue Remained Stable Despite Flat Quarterly Loan Volume

Operating Revenue Remained Stable

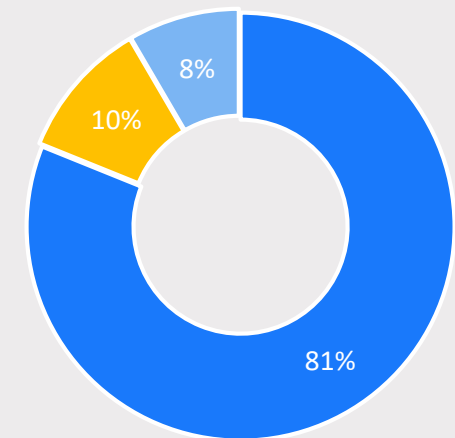
(RMB mn)

QoQ
+0.6%



81% of Revenue¹ from Credit Facilitation Service

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



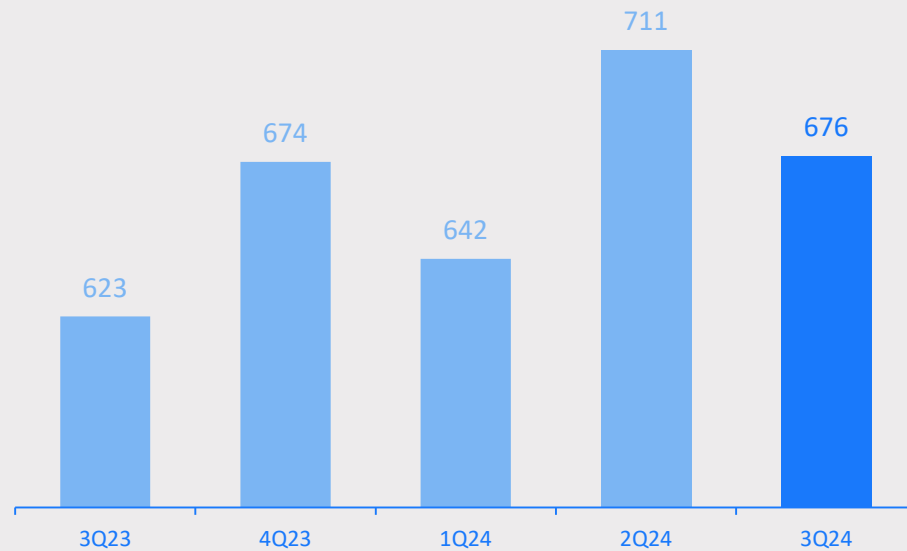
1. Refers to operating revenue of 3Q24

Expenses Optimized due to Cost Efficiency Initiatives

Operating Expenses Optimized

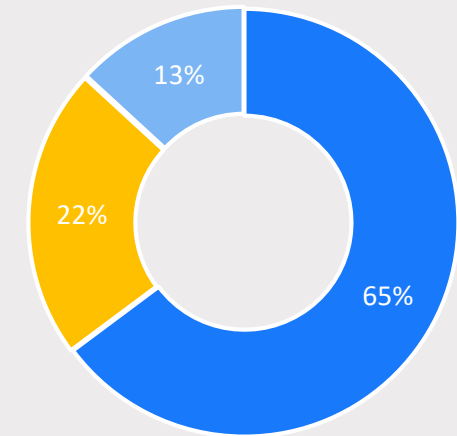
(RMBm)

QoQ
-5.0%



65% of Expenses¹ were Sales Related

- Sales and marketing expenses
- Research and development expenses
- General and administrative expenses



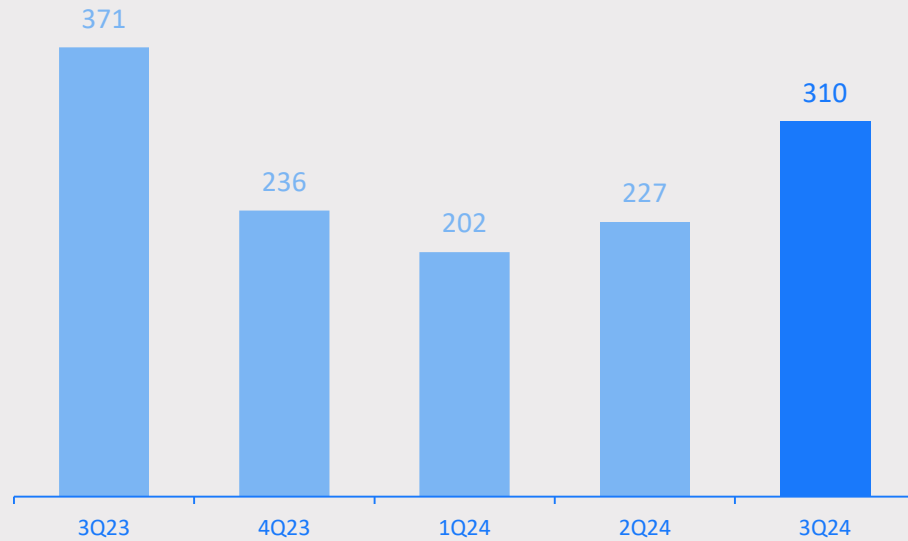
1. Refers to operating expenses of 3Q24

Strong Profit Growth with Higher Net Margin

Recurring Net Profit¹ Saw Strong Growth

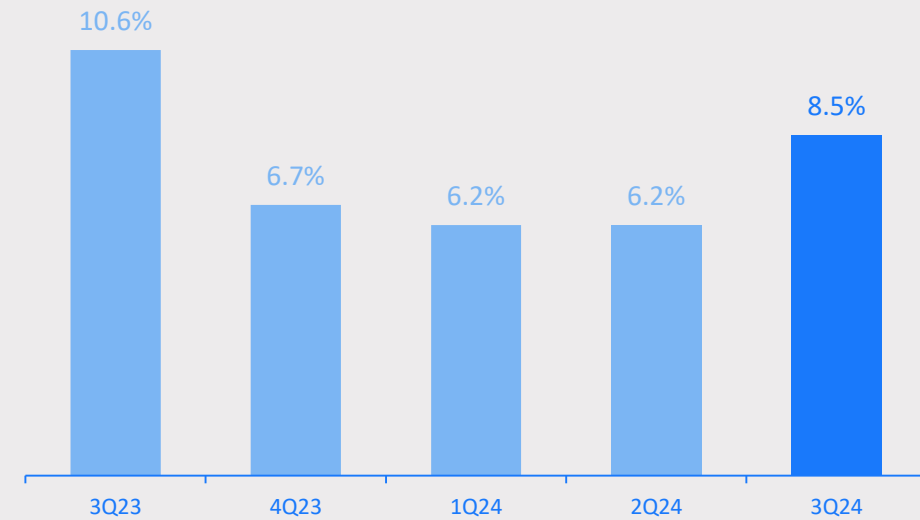
(RMBm)

QoQ
+36.7%



Recurring Net Margin¹ Improved

QoQ
+2.2ppt



1. Excluding after-tax impact of investment-related impairment losses.

03



Appendix



P&L Statement

(In thousands, except for share and per share data)	For the Three Months Ended September 30,		
	2023	2024	
	RMB	RMB	US\$
Operating revenue:			
Credit facilitation service income	2,685,574	2,970,294	423,264
Loan facilitation and servicing fees-credit oriented	1,533,203	1,850,850	263,744
Guarantee income	638,595	620,117	88,366
Financing income	513,776	499,327	71,154
Tech-empowerment service income	453,944	383,592	54,661
Installment e-commerce platform service income	369,417	308,257	43,926
Total operating revenue	3,508,935	3,662,143	521,851
Operating cost			
Cost of sales	(359,683)	(308,097)	(43,903)
Funding cost	(131,640)	(87,717)	(12,500)
Processing and servicing cost	(445,845)	(602,362)	(85,836)
Provision for financing receivables	(161,807)	(261,126)	(37,210)
Provision for contract assets and receivables	(159,443)	(243,725)	(34,731)
Provision for contingent guarantee liabilities	(894,174)	(951,738)	(135,622)
Total operating cost	(2,152,592)	(2,454,765)	(349,802)
Gross profit	1,356,343	1,207,378	172,049
Operating expenses:			
Sales and marketing expenses	(410,651)	(437,996)	(62,414)
Research and development expenses	(126,582)	(148,930)	(21,222)
General and administrative expenses	(85,526)	(88,952)	(12,676)
Total operating expenses	(622,759)	(675,878)	(96,312)
Change in fair value of financial guarantee derivatives and loans at fair value	(245,568)	(151,431)	(21,579)
Interest expense, net	(14,354)	(4,531)	(646)
Investment income/(loss)	(568)	(2,224)	(317)
Other, net	13,010	8,406	1,198
Income before income tax expense	486,104	381,720	54,393
Income tax expense	(115,479)	(72,163)	(10,283)
Net income	370,625	309,557	44,110

Balance Sheet (1)

(In thousands)	As of		US\$
	June 30, 2024	September 30, 2024	
	RMB	RMB	
ASSETS			
Current assets			
Cash and cash equivalents	2,093,712	2,153,594	306,885
Restricted cash	2,079,970	1,431,783	204,027
Restricted term deposit and short-term investments	345,192	266,512	37,978
Short-term financing receivables, net	3,865,333	3,963,912	564,853
Short-term contract assets and receivables, net	6,595,149	6,613,308	942,389
Deposits to insurance companies and guarantee companies	2,369,989	2,330,314	332,067
Prepayments and other current assets	1,327,862	1,416,024	201,783
Amounts due from related parties	7,321	11,067	1,577
Inventories, net	45,034	48,396	6,896
Total Current Assets	18,729,562	18,234,910	2,598,455
Non-current Assets			
Restricted cash	98,880	106,930	15,237
Long-term financing receivables, net	144,478	132,946	18,945
Long-term contract assets and receivables, net	398,602	404,798	57,683
Property, equipment and software, net	548,630	578,874	82,489
Land use rights, net	880,067	871,467	124,183
Long-term investments	255,641	252,833	36,028
Deferred tax assets	1,345,458	1,374,393	195,849
Other assets	618,063	567,915	80,929
Total Non-current Assets	4,289,819	4,290,156	611,343
TOTAL ASSETS	23,019,381	22,525,066	3,209,798

Balance Sheet (2)

(In thousands)	As of		US\$
	June 30, 2024 RMB	September 30, 2024 RMB	
LIABILITIES			
Current liabilities			
Accounts payable	42,968	32,215	4,591
Amounts due to related parties	9,167	12,358	1,761
Short-term borrowings	608,093	552,589	78,743
Short-term funding debts	2,345,753	2,972,938	423,640
Deferred guarantee income	1,275,387	1,135,911	161,866
Contingent guarantee liabilities	1,474,899	1,268,803	180,803
Accruals and other current liabilities	4,800,387	4,978,006	709,360
Convertible notes	-	-	-
Total Current Liabilities	10,556,654	10,952,820	1,560,764
Non-current Liabilities			
Long-term borrowings	551,938	585,024	83,365
Long-term funding debts	1,701,449	444,750	63,376
Deferred tax liabilities	71,192	79,445	11,321
Other long-term liabilities	47,235	38,964	5,553
Total Non-current Liabilities	2,371,814	1,148,183	163,615
TOTAL LIABILITIES	12,928,468	12,101,003	1,724,379
Shareholders' equity:			
Class A Ordinary Shares	200	201	30
Class B Ordinary Shares	41	41	7
Treasury stock	(328,764)	(328,764)	(46,848)
Additional paid-in capital	3,254,489	3,276,302	466,869
Statutory reserves	1,106,579	1,106,579	157,686
Accumulated other comprehensive loss	(24,776)	(30,201)	(4,304)
Retained earnings	6,083,144	6,399,905	911,979
Total Shareholders' Equity	10,090,913	10,424,063	1,485,419
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	23,019,381	22,525,066	3,209,798