Investor Presentation

2Q21 Results

01 **WHO WE ARE**

We Are a Fast-Growing Consumer Finance Enabler in China

LEXIN 乐信

New Generation Consumers

143.9 mm+
Registered Users[1]

分期乐   乐卡   乐卡

Fenqile   Lehua Card   Membership Program   Le Installment

Just right is just perfect

Founded in 2013

Technology-empowered consumption scenarios

Accessible credit and superior user experience

New Retail Merchants

Customer Touchpoints	Payment / Credit Solutions	Co-branded Loyalty Programs

81 mm
# of Transactions[3]

8.95 mm
Merchants Connected to Lehua Card[2]

RMB1.46 bn
GMV of *Fenqile*[3]

Financial Partners

Technology	Risk Operations	Customer Services

~100+
Funding Partners[2]

RMB60.6 bn
Loan Originations[3]

RMB90.5 bn
Loan Balance[2]

We Serve the New Generation Consumers

New Generation Consumers

Customer Profile

| High Income Potential | High Consumption Needs | Strong Desire to Build Credit Record | Strong Pursuit for Customer Experience |

26.3 Years Old
Average Customer[1] Age
As of June 30, 2021

Lexin's Value Proposition

| High Quality Products | Flagship E-commerce Platform & Merchant Partnerships | Customers' First Touchpoint for Credit and Lifetime Growth | Plug-in APP for Frictionless Customer Journey |

13K RMB
Average Credit Limit
in 2Q 2021

8.4 mm
Active Customers
in 2Q 2021

We Connect Consumers to Our Flagship Products through Omni-Channels

	Fenqile Platform	**Lehua Card**	**Le Installment**	**Membership Program**
Products	E-commerce platform	Virtual credit tool[1] at POS	Installment at POS	Loyalty program
Value Proposition	Consumption + Installment	Payment + Credit	Consumption + Credit	Customer Gateway
Customer Touchpoints	Lexin's own APP	POS at major online payment portals	POS at partnered merchants	Lexin's own APP
Operating Highlights	**RMB1.46 bn** GMV for 2Q 2021	**RMB17.1 bn** Loan Originations for 2Q 2021	**117 Partners** For 2Q 2021	**~6.1 mm Members**[2] As of June 2021
Selected Partners	JD.COM, SF EXPRESS, Apple, EMPORIO ARMANI	Travel, Ride Hailing, Food & Beverage, Convenient Stores	蘑菇街, 奢分期, 马蜂窝, 微店	Starbucks, 奈雪の茶, Walmart 沃尔玛, 美团外卖

1.   *From partnership with banks who provides the Type II account*
2.   *Including Le Card and Lehei Card*

We Offer Seamless Experience to Our Users

— **A Typical Day for New Generation Consumer**

9:00 AM
Coffee Run

Membership Program ✖ Starbucks

9:30 AM
Ride-hailing

Membership Program ✖ DiDi

12:00 PM
Lunch Delivery

Lehua ✖ Wechat
南京银行 BANK OF NANJING

2:00 PM
Music Streaming

Membership Program ✖ QQ音乐

4:00 PM
New iPhone Release

分期乐 Fenqile ✖

6:00 PM
Grocery at Supermarket

Membership Program ✖ Walmart

9:00 PM
Online Shopping

Le Installment ✖ 蘑菇街 mogujie.com
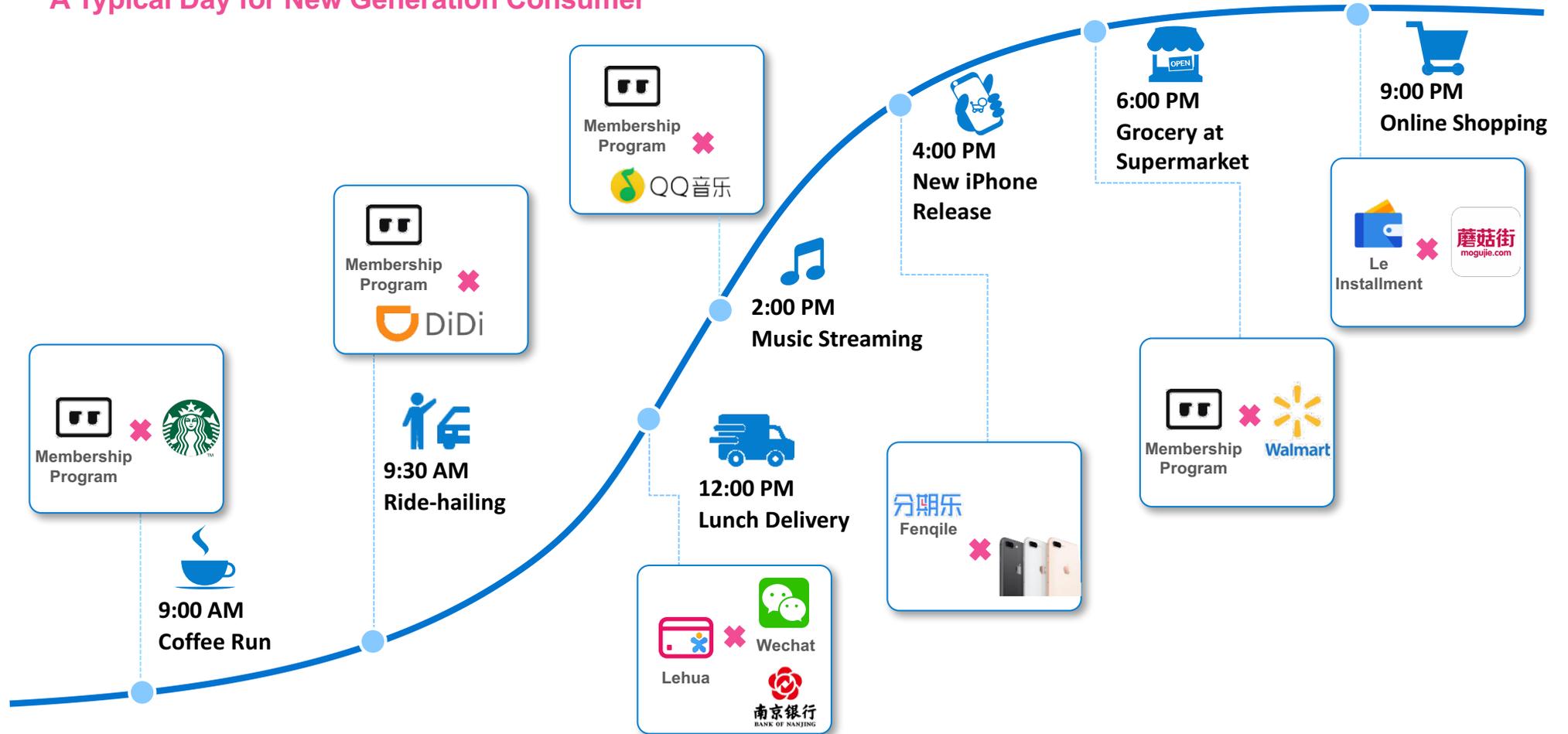
We Have Extensive Merchant Relationships

Membership Management

Loyalty Programs

LEXIN乐信

Traffic Acquisition

Consumer Relationship Management

One card at hand, creating value for every penny spent

Benefit Card

Co-branded Card

Bonus Card

We Enable Financial Institutions through Our Proprietary Systems

Superior Technology Solutions and…

Lingxi
AI Platform

Hawkeye
Engine

Wormhole
System

100% New Loans

Facilitated from Institutional Funding

…Diversified and Flexible Cooperation Models

Credit Facilitation

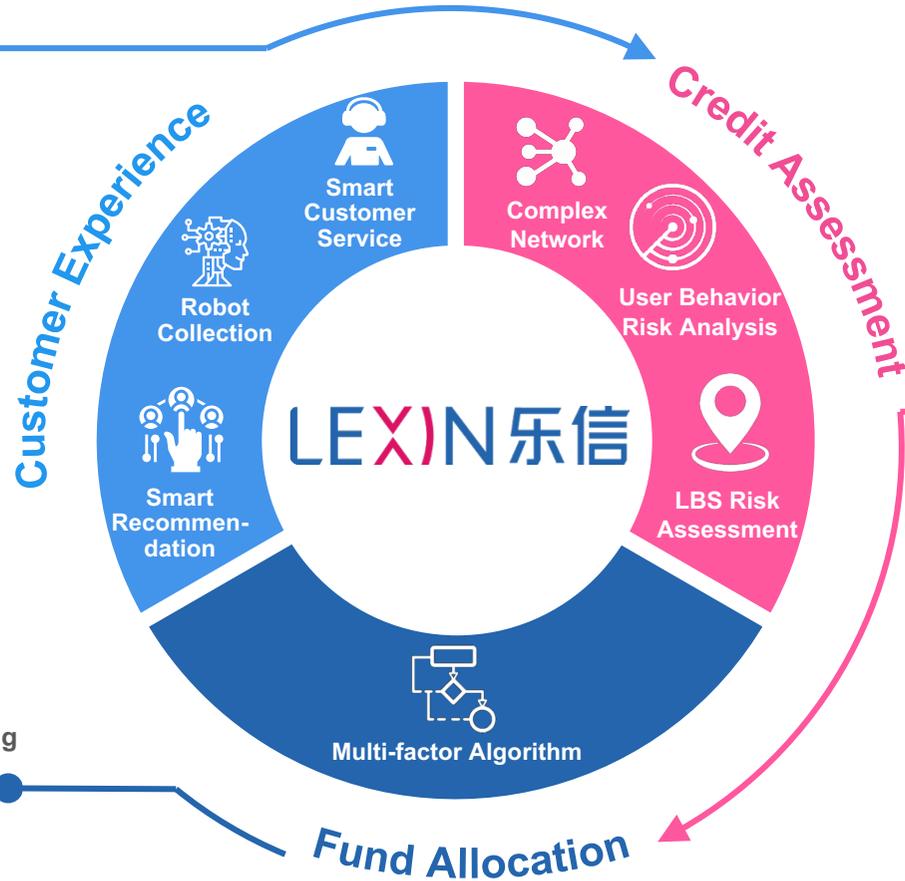*Profit / Risk Sharing*

Borrowers Referral

Technology Enablement

We Power Our Platform with Cutting-edge Technologies

97% customer enquiries solved by AI Customer Service

Customer Experience
- Smart Customer Service
- Robot Collection
- Smart Recommen-dation

Credit Assessment
- Complex Network
- User Behavior Risk Analysis
- LBS Risk Assessment

Fund Allocation
- Multi-factor Algorithm
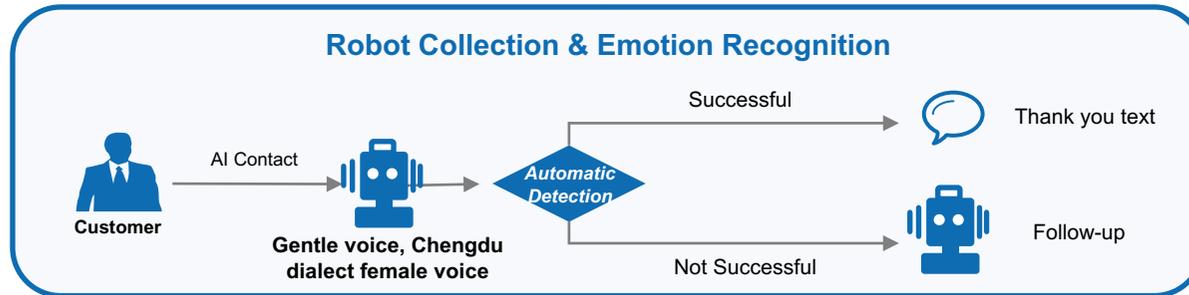
Hawkeye **Engine**

99.8% applications processed automatically

Wormhole **System**

93% success rate of fund matching

LEXIN 乐信

02

OUR
TECHNOLOGIES ▬

Our Unique Lingxi AI Platform to Bring Superior Customer Experience

Smart Recommendation

Big Data Analytics

Deep Learning

Customer Base

Logged-in Customer

Customer Profiling

Recommen-dation Algorithms

Merchandise

Product Data & Labelling

Membership Consolidation

VIP

Lifestyle Platform

Precise Matching

Smart Customer Service

Voice Recognition

Text Recognition

Emotion Recognition

Smart Voice Quality Control

Chatbot

Smart Shopping Guide

灵犀

Robot Collection & Emotion Recognition

Customer

AI Contact

Gentle voice, Chengdu dialect female voice

Automatic Detection

Successful → Thank you text

Not Successful → Follow-up

Our Advanced and Customized Credit Risk Management

— Hawkeye Engine: Automated and Dynamic Credit Approval

Social Media Information

Bank Account Information, Email and Phone Number Data

Traditional Credit Attributes and Application Information
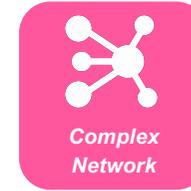
Website/App Behavior, GPS Data, Internal Information

Data Input → ← **Analysis Metrics**

62,100 + Decision rules
20,800 + Potential data variables

Within *Seconds* to arrive at …

Yes/No   **Approved Credit Line Amount**

~99.9% of loan applications are handled automatically

Complex Network

- Community clustering
- Assessing individual based on the network

User Behavior Risk Analysis

- In-App behavior pattern
- Matching user behavior with identified fraudulent patterns

LBS Risk Assessment

- Location clustering
- Assessing risk based on user location data

Delivery Address Cluster Analysis

- Precise address clustering
- Identifying high-risk address groups

Our Industry-leading Funding and Asset Allocation Technologies

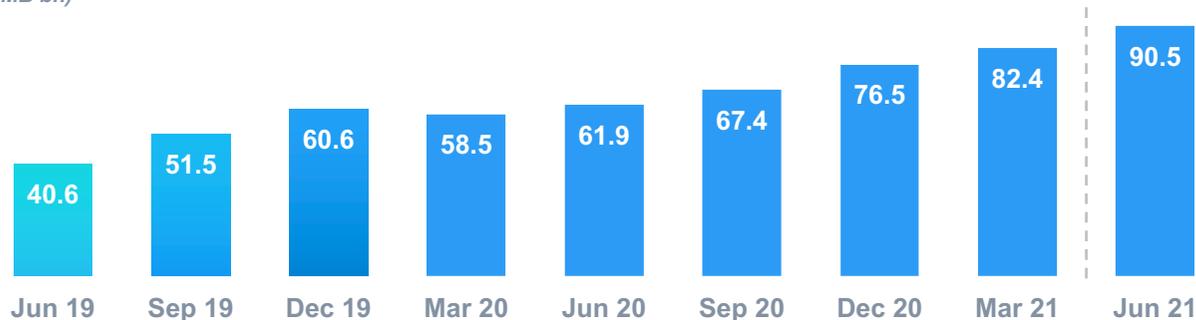— Wormhole System: Effective Connection between Individual Customers and Financial Institutions

Credit Application 1

Credit Application 2

Credit Application 3

Funding Partners' Risk Preferences

Funding Quota

Our Funding Cost

Our Preferred Cooperation Mode

Algorithms

Wormhole System

Financial Institution A

Financial Institution B

Financial Institution C

Real-time Allocation Based on Multiple Factors

Effective Matching and Connection Between Individual Customers and Financial Institutions
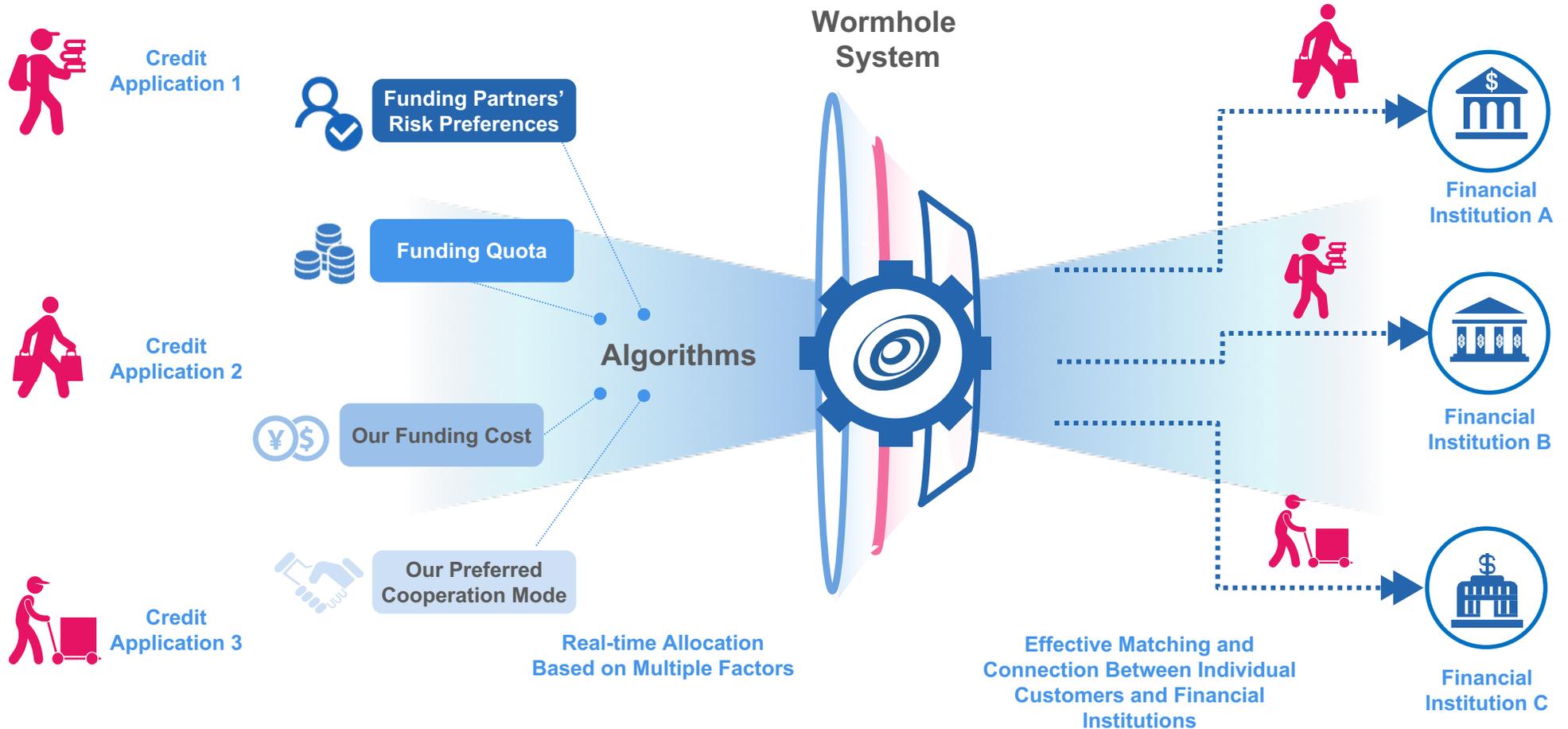
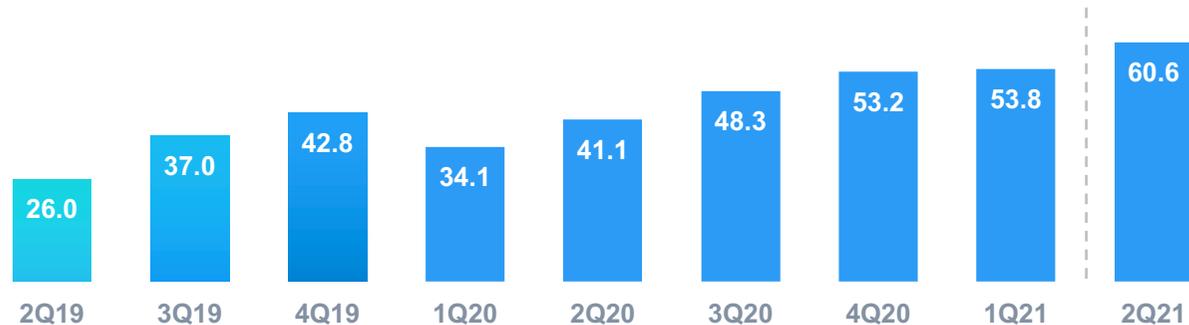# 03 OUR OPERATION & FINANCIAL METRICS

Stable Business Growth

— Total Outstanding Loan Balance[1]

(RMB bn)

Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21
40.6	51.5	60.6	58.5	61.9	67.4	76.5	82.4	90.5

— Total Loan Originations[2]

(RMB bn)

2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
26.0	37.0	42.8	34.1	41.1	48.3	53.2	53.8	60.6

— Key Metrics of Our Loan Products

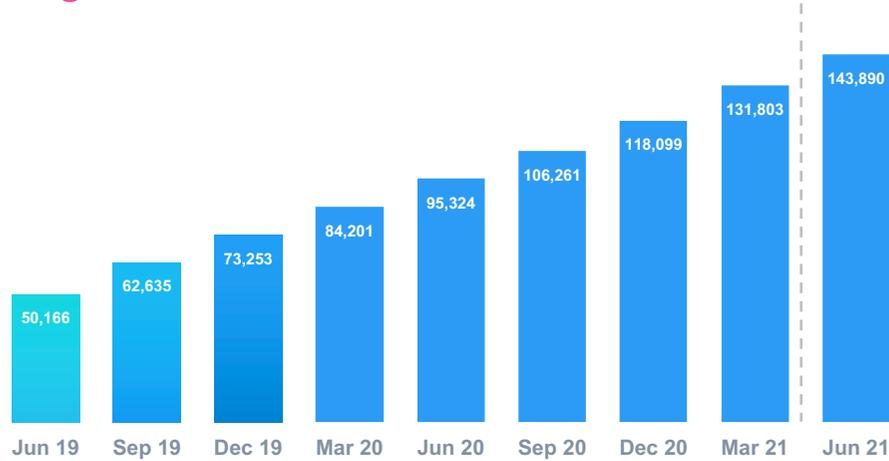| Nominal APR	**15.5%** For 2Q21
Average Credit Limit	**RMB13K** For 2Q21
Average Loan Tenor	**11.6 Months** For 2Q21

1   *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*

2   *Total loan origination represents the total amount of loans originated during each relevant period, which includes both on and off-balance sheet loans*
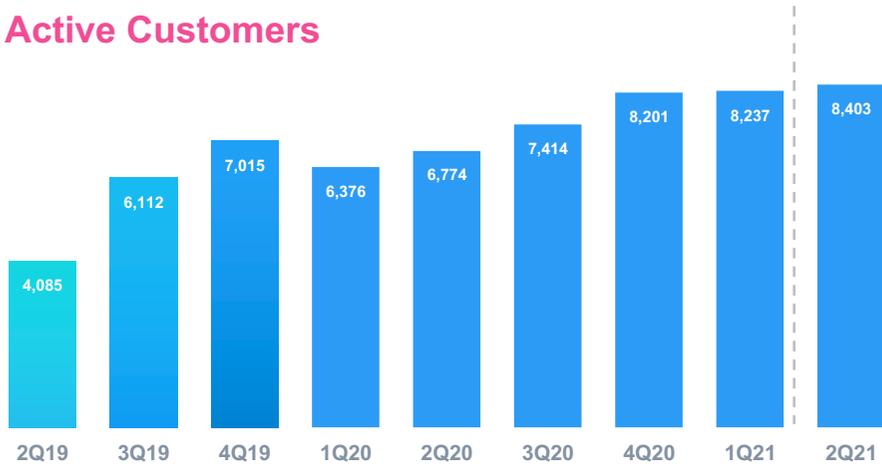
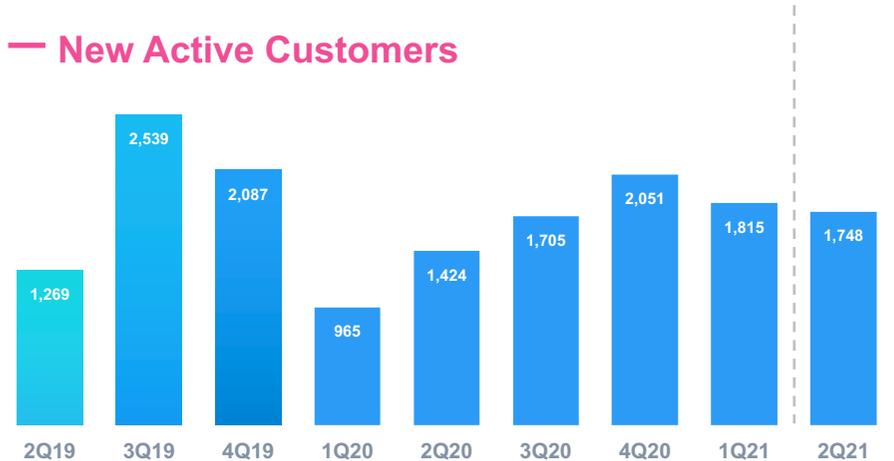# Strong Customer Acquisition *(in thousands)*

— Registered Customers

50,166	62,635	73,253	84,201	95,324	106,261	118,099	131,803	143,890
Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21

— Customers With Credit Line

13,474	16,704	19,356	20,665	22,692	25,222	27,727	30,264	32,942
Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21

— Active Customers

4,085	6,112	7,015	6,376	6,774	7,414	8,201	8,237	8,403
2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21

— New Active Customers

1,269	2,539	2,087	965	1,424	1,705	2,051	1,815	1,748
2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21

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More Resilient Business Mix

— Total Operating Revenue
(RMB mm)

— Gross Profit
(RMB mm)

■ Online direct sales and services income   ■ Credit-oriented services income   ■ Platform-based services income
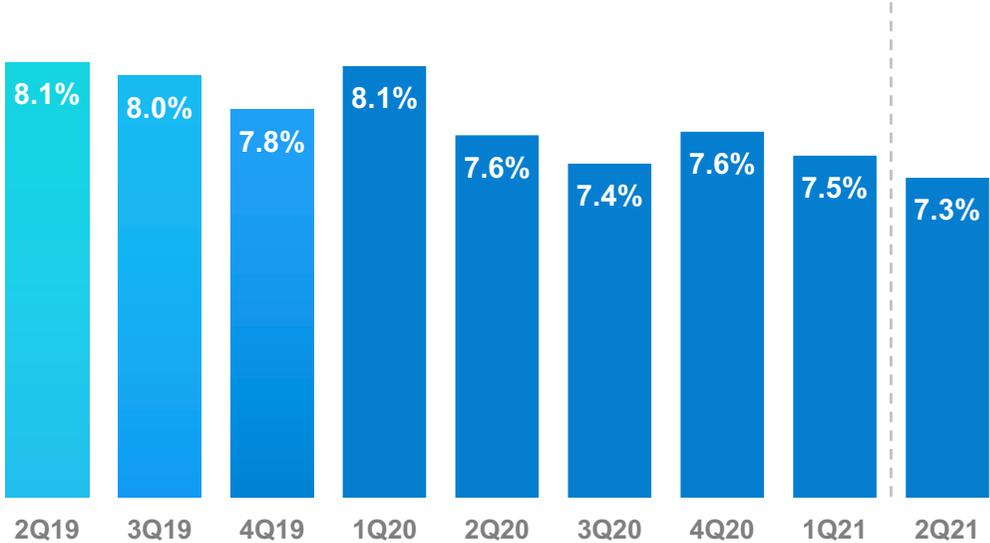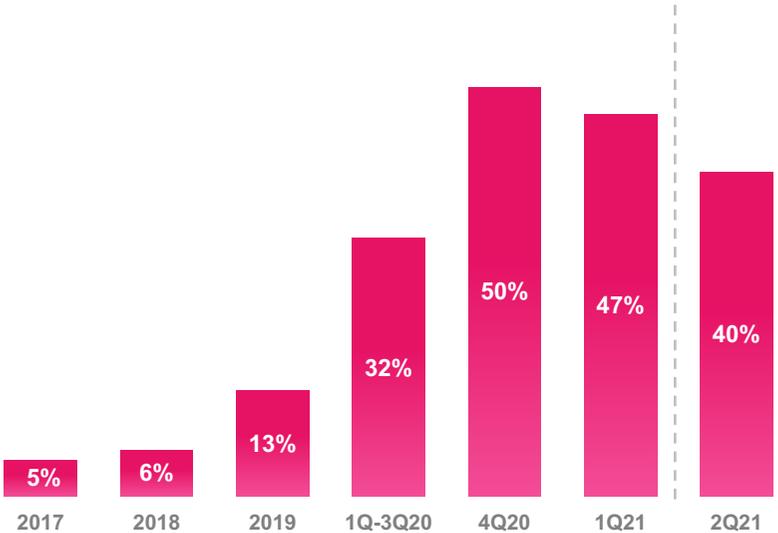
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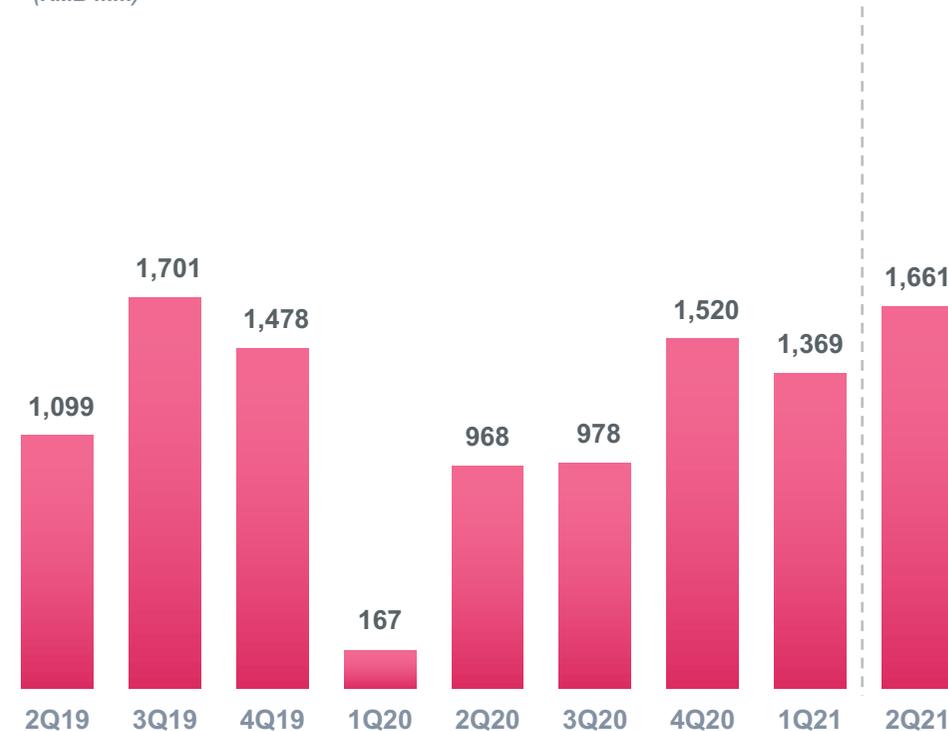
Diversified Funding Channels and Stable Funding Cost

— **Profit / Risk-Sharing Model**

— **Weighted Average Interest Rate of Institutional Funding Partners**

% of New Loans Facilitated via Profit / Risk-Sharing Cooperation model with financial institutions
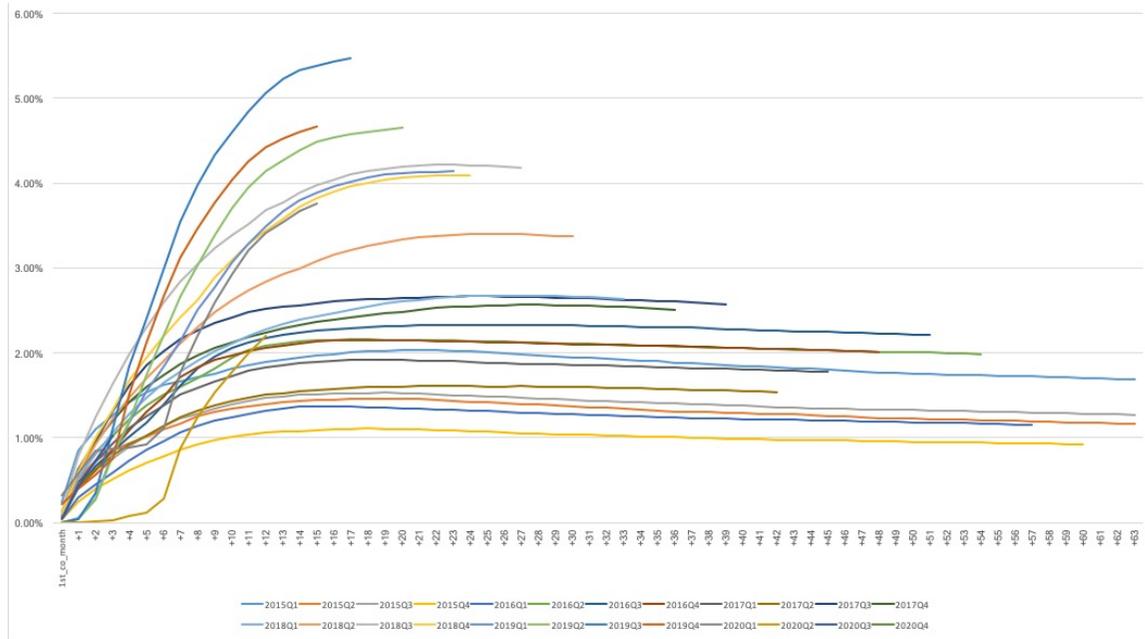
Continued Optimization of Funding Cost[1]
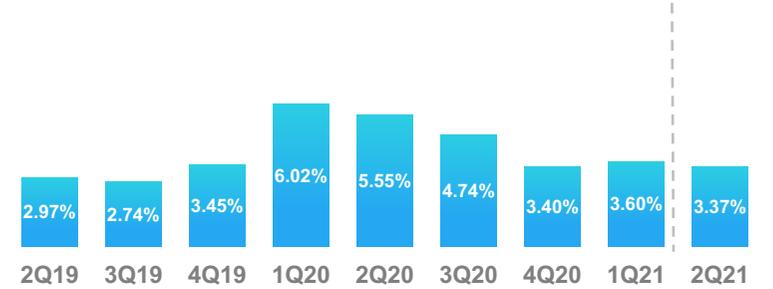(Off b/s loans, excludes intermediary payments and guarantee costs)

Year	%
2017	5%
2018	6%
2019	13%
1Q-3Q20	32%
4Q20	50%
1Q21	47%
2Q21	40%

Quarter	Rate
2Q19	8.1%
3Q19	8.0%
4Q19	7.8%
1Q20	8.1%
2Q20	7.6%
3Q20	7.4%
4Q20	7.6%
1Q21	7.5%
2Q21	7.3%

1   *Annualized weighted average interest rate charged to customer by funding partners.*

Credit Statistics

─ **Vintage Charge-Off Curve**

─**30 Days+ Delinquency Ratio**

2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
2.97%	2.74%	3.45%	6.02%	5.55%	4.74%	3.40%	3.60%	3.37%

─**90 Days+ Delinquency Ratio**

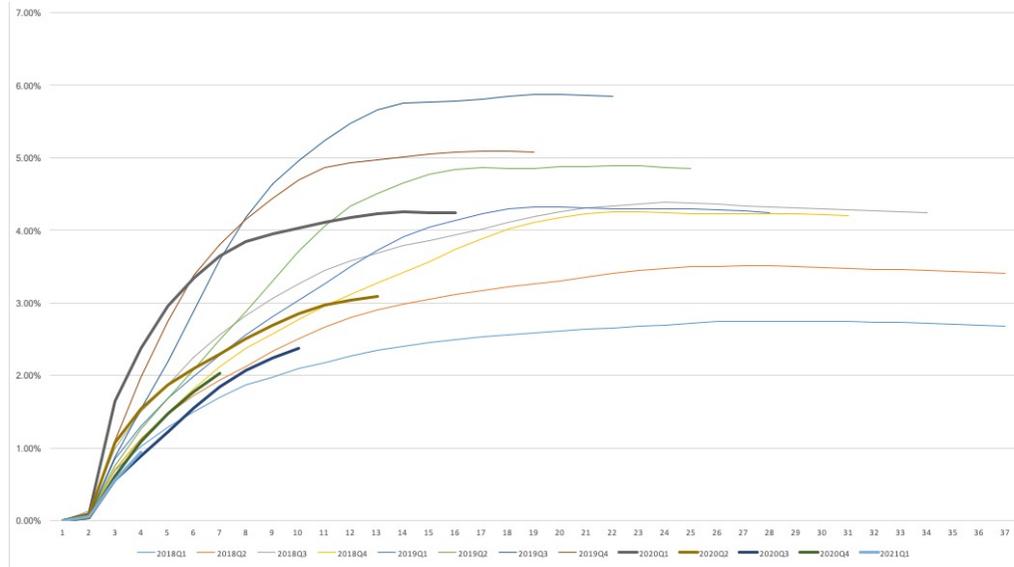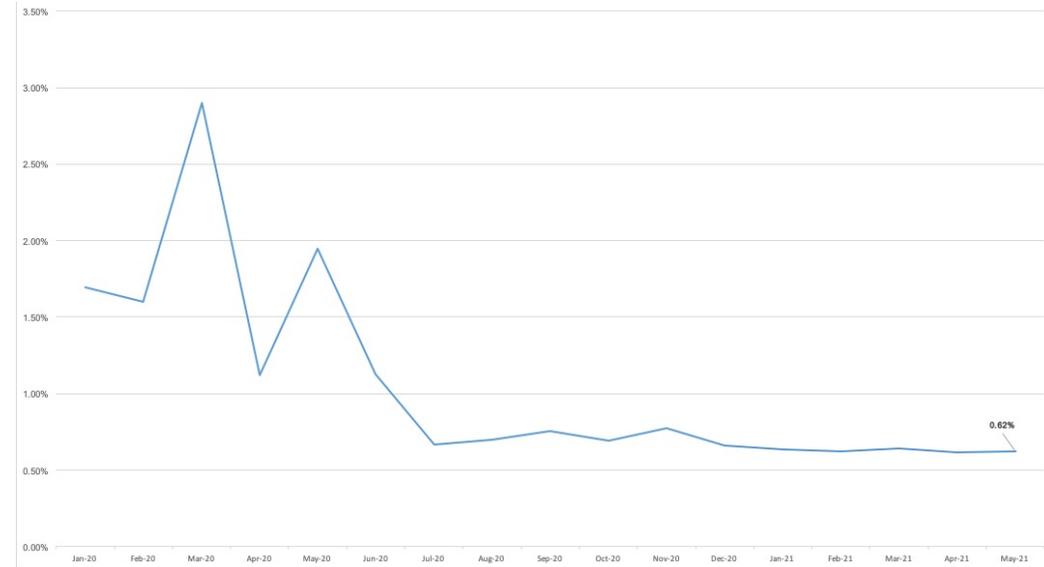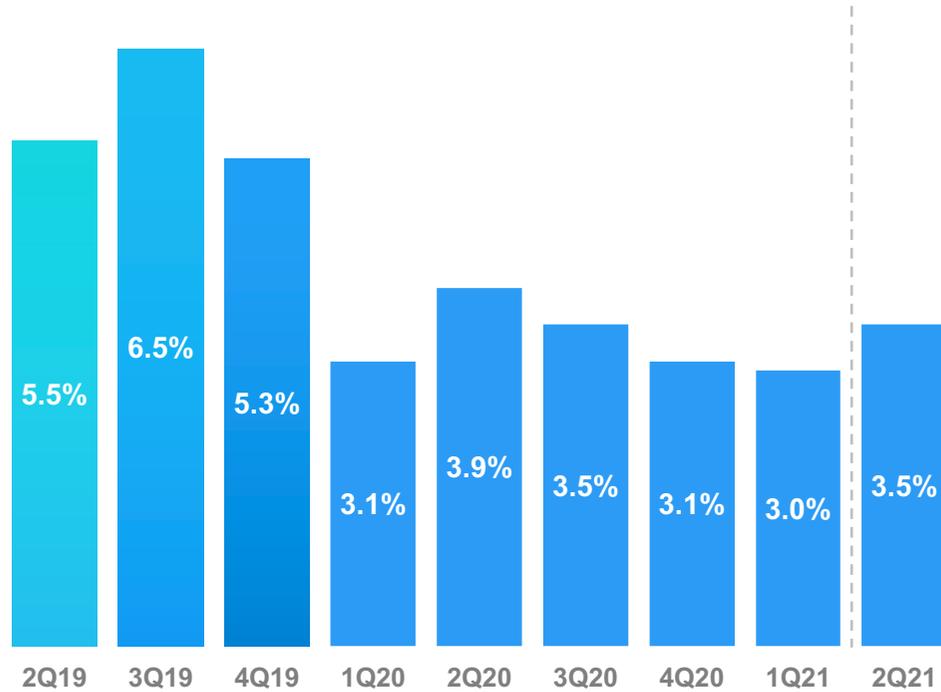| 1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
1.42%	1.49%	1.40%	1.56%	2.57%	2.99%	2.60%	1.95%	1.84%	1.85%
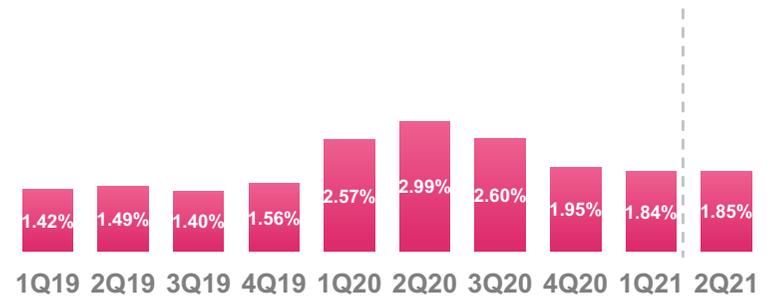
Credit Statistics

30-day Delinquency by Vintage

First Payment Default 30+ for New Originations

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Well-maintained Operating Efficiency

— **Total Operating Expense[1]/Average Loan Balance[2]**

2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
5.5%	6.5%	5.3%	3.1%	3.9%	3.5%	3.1%	3.0%	3.5%

— **Operating Expense Breakdown[1]/Average Loan Balance[2]**

Non-advertising Sales and Marketing

2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
1.30%	1.30%	1.10%	0.70%	0.80%	0.80%	0.70%	0.60%	0.70%

Advertising

2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
2.10%	3.10%	2.60%	0.90%	1.40%	1.40%	1.20%	1.10%	1.60%

General and Administrative

2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
1.00%	1.00%	0.90%	0.70%	0.80%	0.60%	0.70%	0.70%	0.60%

Research and Development

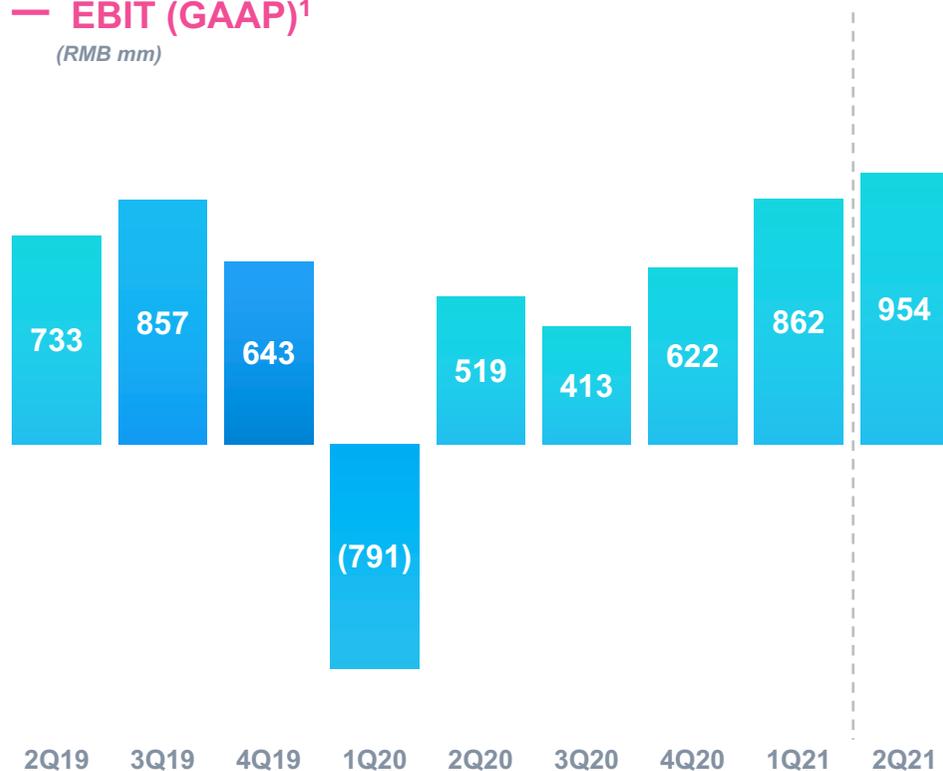| 2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
1.10%	1.10%	0.70%	0.80%	0.90%	0.70%	0.50%	0.60%	0.60%

1   Annualized
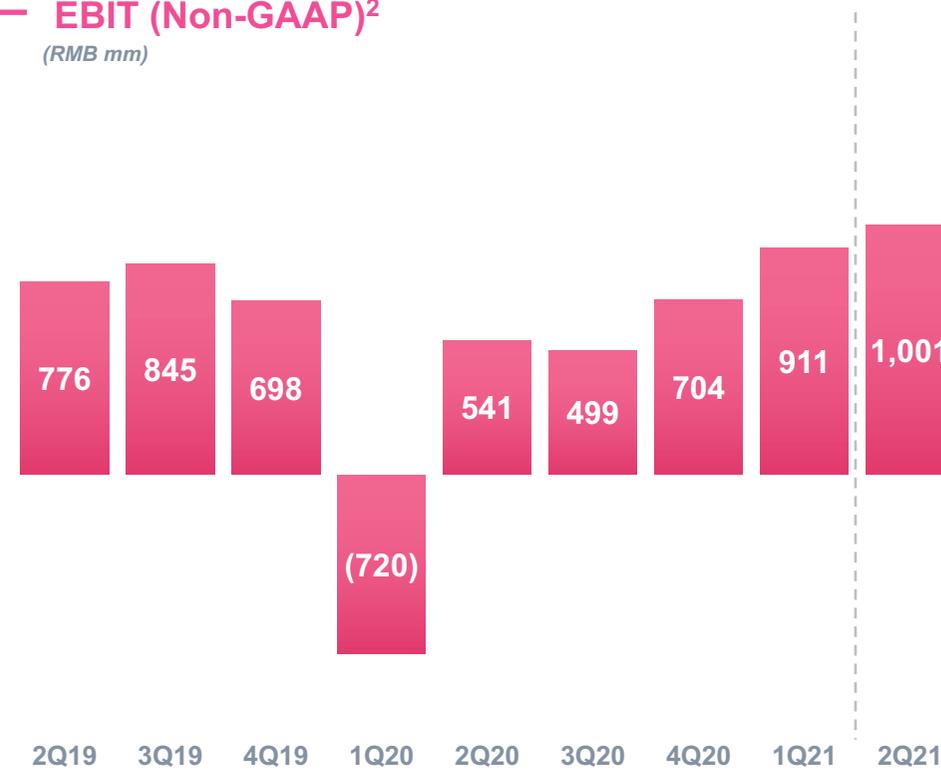2   Average loan balance represents the average beginning and ending outstanding principal loan balance on and off-balance sheet of respective year.

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Profitability Back to Pre-COVID19 Level

━ EBIT (GAAP)[1]
(RMB mm)

| 2Q19 | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 |

733, 857, 643, (791), 519, 413, 622, 862, 954

━ EBIT (Non-GAAP)[2]
(RMB mm)

| 2Q19 | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 |

776, 845, 698, (720), 541, 499, 704, 911, 1,001

1   Net (loss)/income plus income tax (benefit)/expense and interest expense, net
2   Adjustments include share-based compensation expenses, investment-related impairment and investment loss