

Investor Presentation

Fourth Quarter and Full Year 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



- Over 150 funding partners¹
- Over 2900 merchant partners²

- Around 210 million registered users¹
- Loan balance of Rmb124.0 billion¹

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

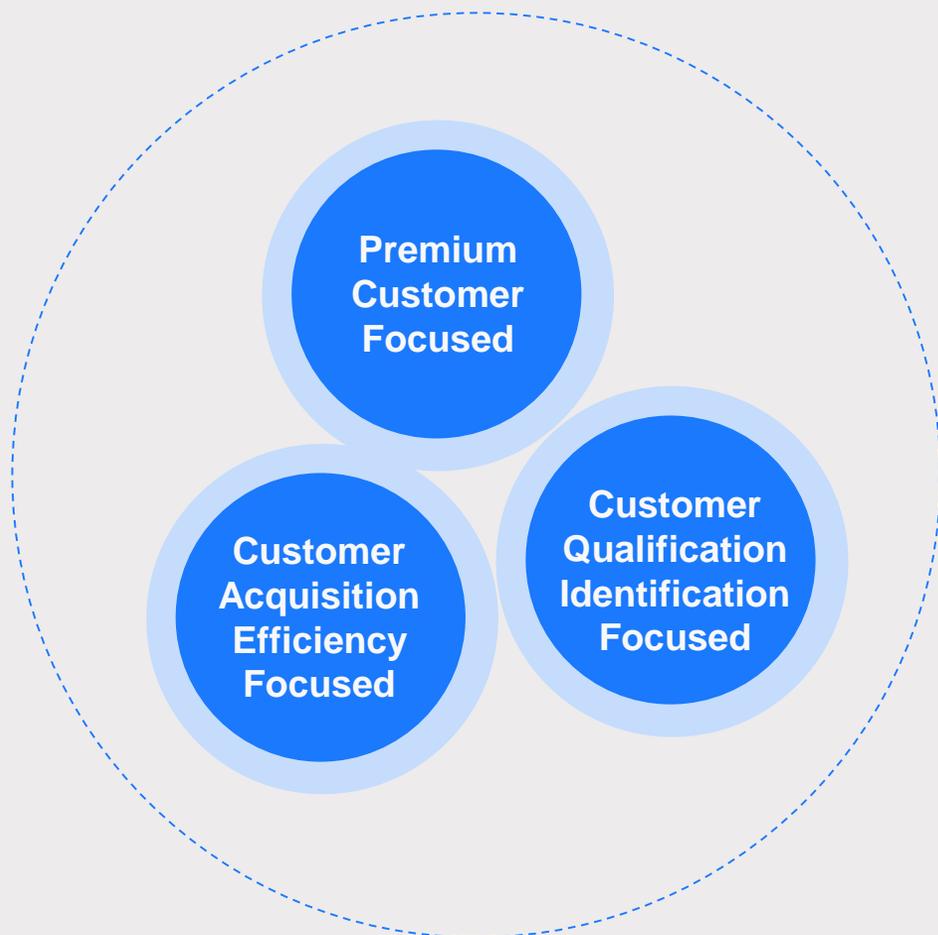


- Breadth and depth of acquisition channels
- Tailored sales and management strategies
- Quality products to meet diverse needs of individuals
- Frictionless digital experience



- 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

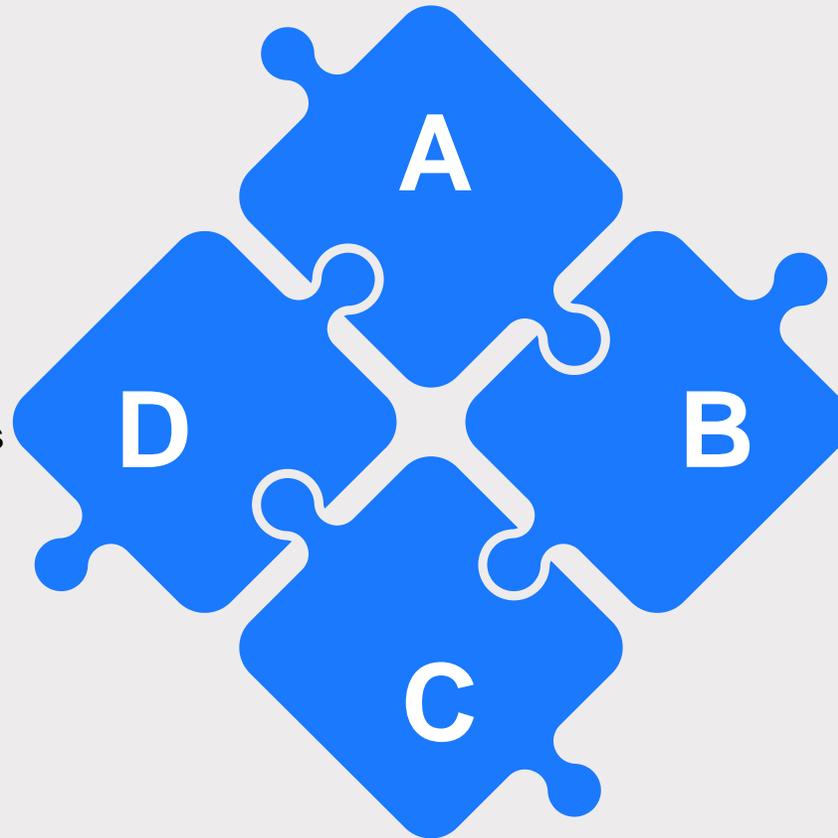
Customer Service and Operation

- 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

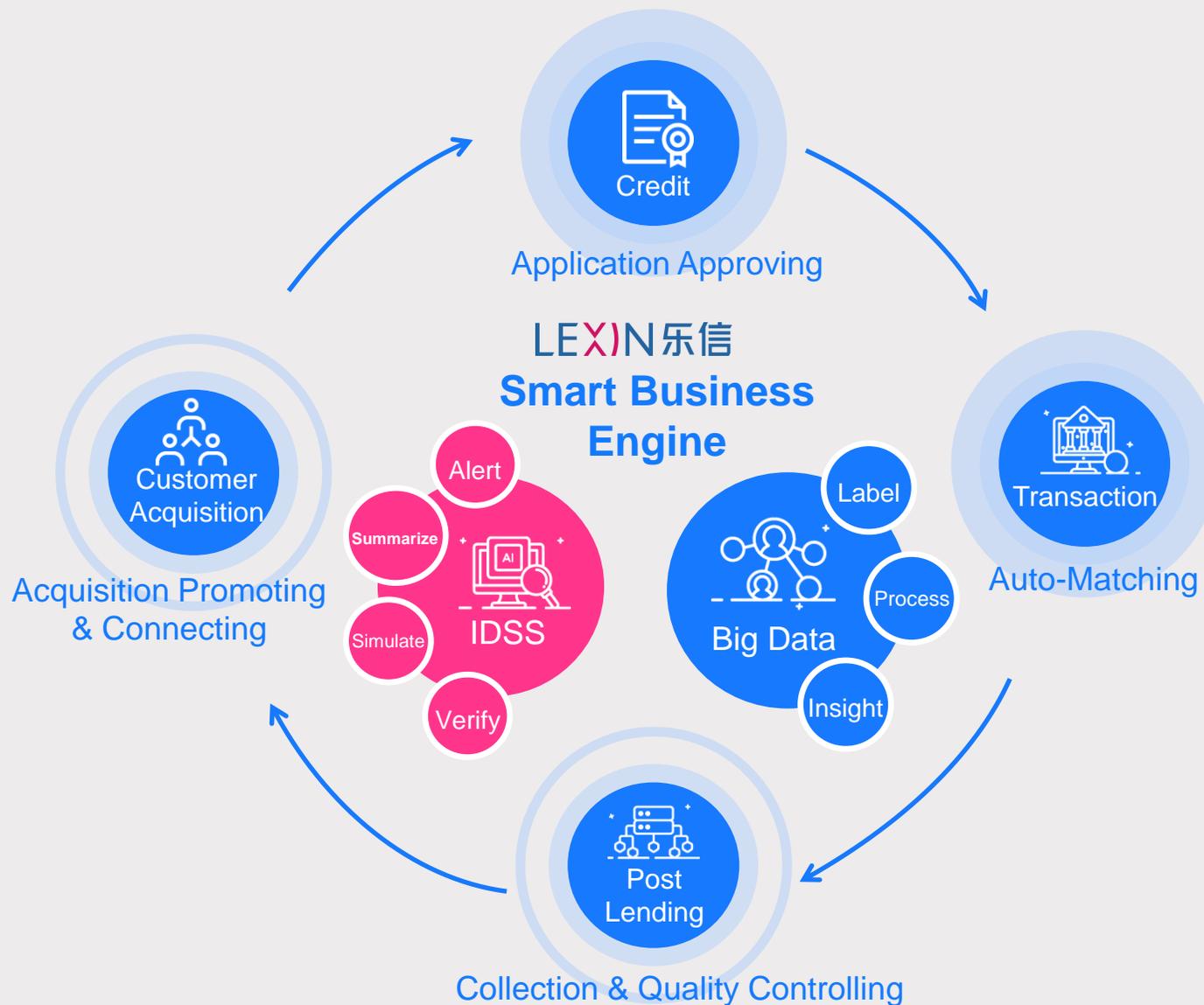
B

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



02



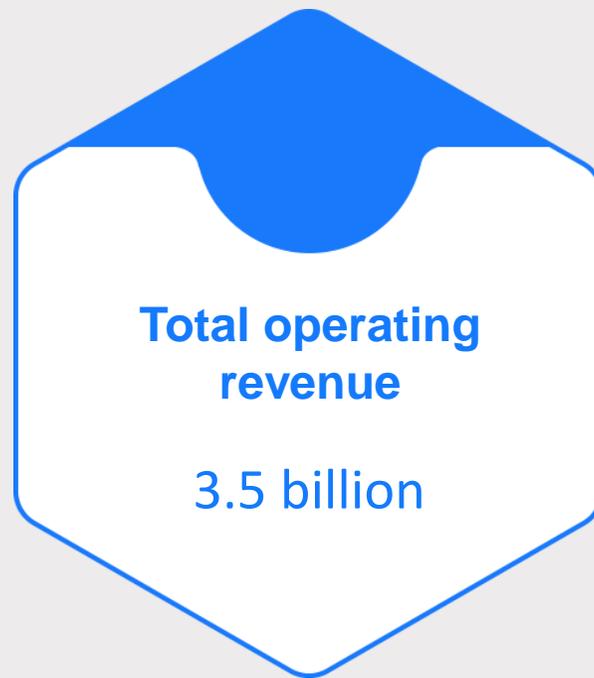
Financial Update



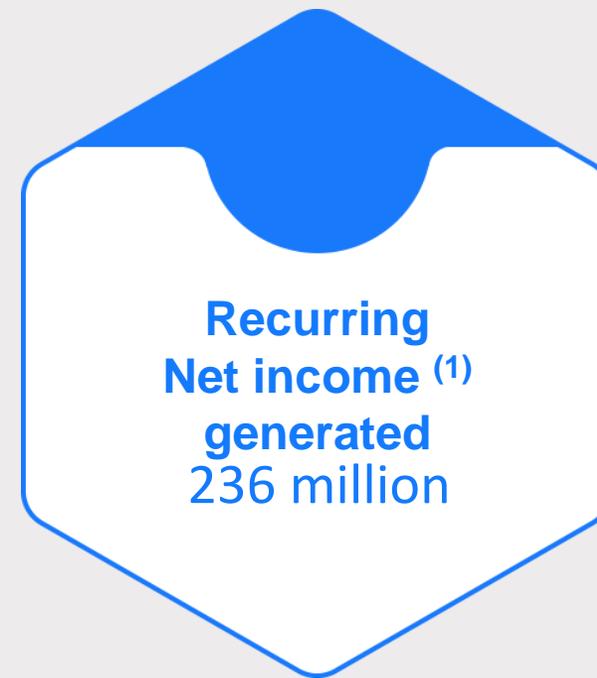
4Q23 Highlights



Up 9.2% YoY



Up 15.1% YoY



down 21.7% YoY

1. Excluding after tax impact of RMB224 million of investment related impairment losses, the net profit for the fourth quarter was RMB236 million. The investment related impairment losses were related to the investment and related prepayment for equity interests of a domestic private bank

Key Financials

(Rmb000)	4Q22	3Q23	4Q23	QoQ	YoY
Credit facilitation service income	1,963,503	2,685,574	2,727,020	1.5%	38.9%
Tech-empowerment service income	412,769	453,944	426,882	-6.0%	3.4%
Installment e-commerce platform service income	673,994	369,417	355,534	-3.8%	-47.2%
Total operating revenue	3,050,266	3,508,935	3,509,436	0.0%	15.1%
Total operating cost	(2,006,908)	(2,152,592)	(2,251,359)	4.6%	12.2%
Gross profit	1,043,358	1,356,343	1,258,077	-7.2%	20.6%
Total operating expenses	(655,720)	(622,759)	(673,715)	8.2%	2.7%
Net income	301,303	370,625	12,097	-96.7%	-96.0%
Recurring net income ⁽¹⁾	301,303	370,625	235,893	-36.4%	-21.7%

1. For 23Q4 recurring net profit of 236 million - excluding after tax impact of RMB224 million of investment related impairment losses, the net profit for the fourth quarter was RMB236 million. The investment related impairment losses were related to the investment and related prepayment for equity interests of a domestic private bank

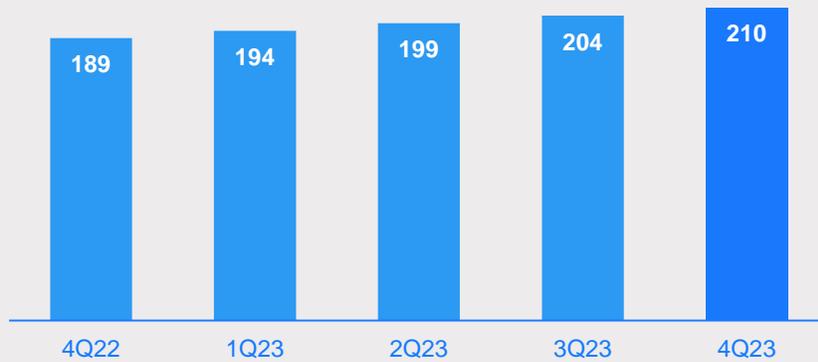
Steady User Increase in Amount with Upgraded User Segment

Number of Registered Users

(In Millions)

QoQ

+2.6%

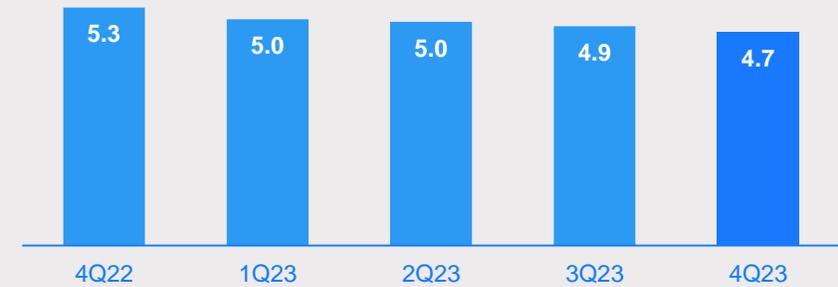


Number of Active Users

(In Millions)

QoQ

-2.7%



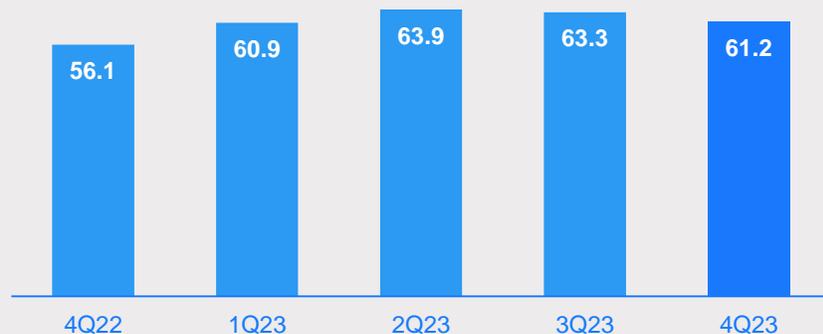
Strike a Healthy Balance between Loan Growth and Asset Quality

Loan Originations

(RMB bn)

QoQ

-3.3%

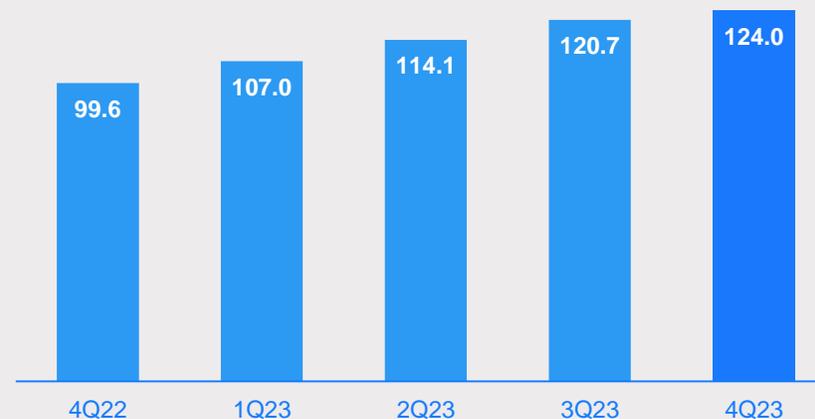


Outstanding Loan Balance

(RMB bn)

QoQ

+2.7%



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

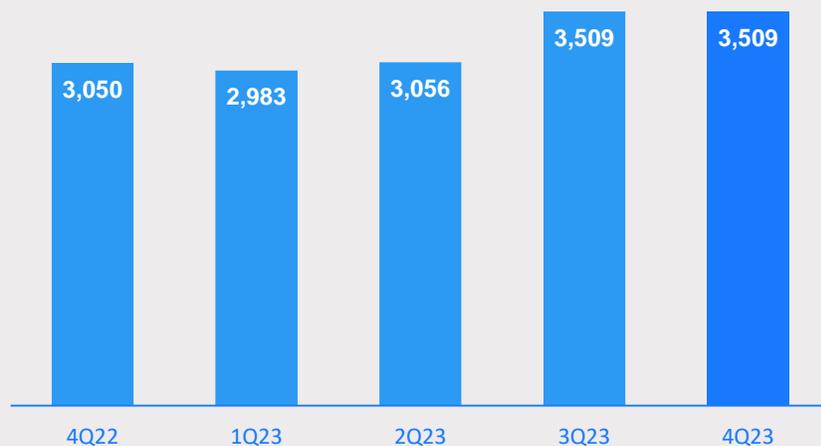
Stable Rebound Trend Amid Macro Headwinds

Operating Revenue

(RMBm)

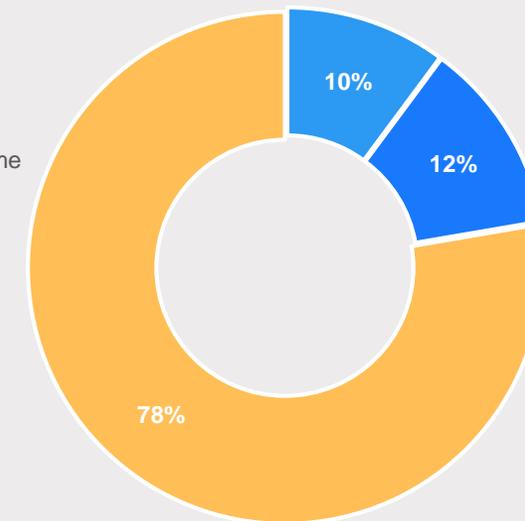
QoQ

0.0%



Breakdown of Operating Revenue

- Installment e-commerce platform service income
- Technology-Driven Platform Services Income
- Credit-Driven Platform Services Income



1. Breakdown of operating revenue for 4Q23

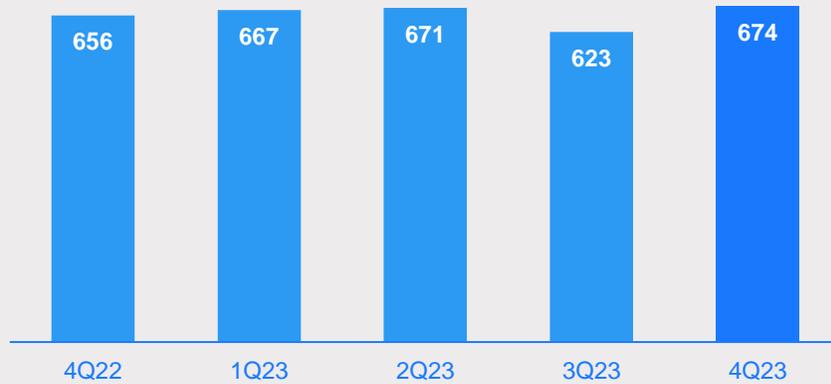
Optimized Allocation of Resources

Operating Expenses

(RMBm)

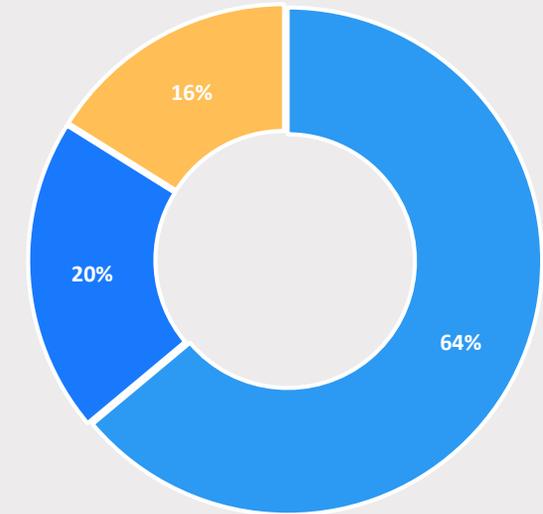
QoQ

+8.2%



Breakdown of Operating Expenses

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



1. Breakdown of operating expenses for 4Q23

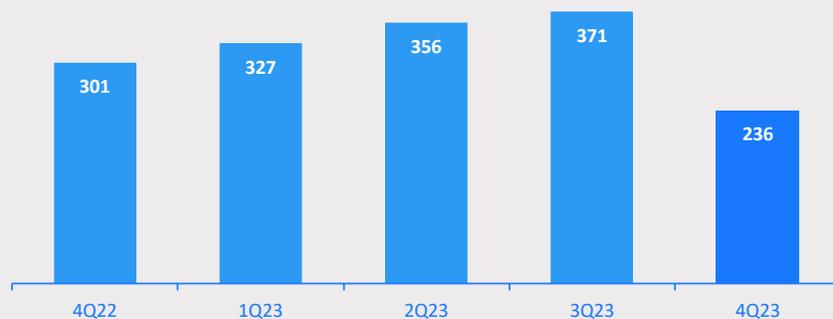
Q4 Profitability Impacted by Impairments and Asset Quality Fluctuations

Recurring Net Profit ⁽¹⁾

(RMBm)

QoQ

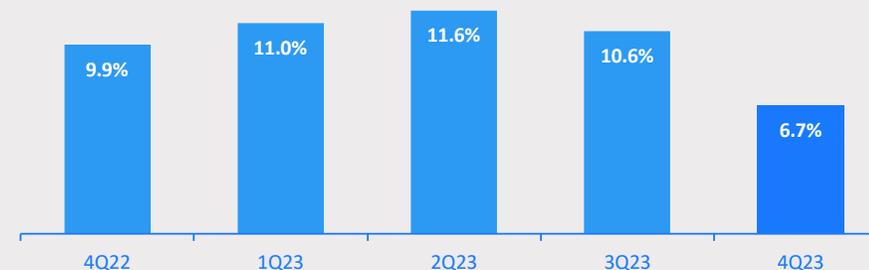
-36.4%



Recurring Net Margin ⁽¹⁾

QoQ

-3.9 pct



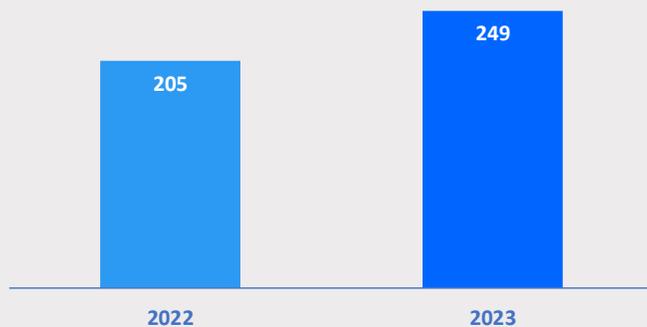
1. For 23Q4 recurring net profit of 236 million and recurring net margin of 6.7%- excluding after tax impact of RMB224 million of investment related impairment losses , the net profit for the fourth quarter was RMB236 million. The investment related impairment losses were related to the investment and related prepayment for equity interests of a domestic private bank

Annual Summary

Loan Originations

(RMBbn)

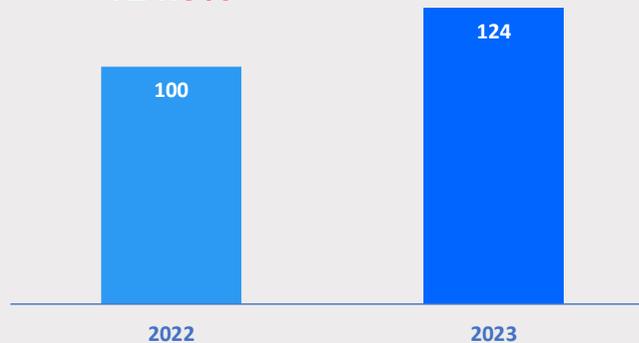
YoY
+21.9%



Outstanding Loan Balance

(RMBbn)

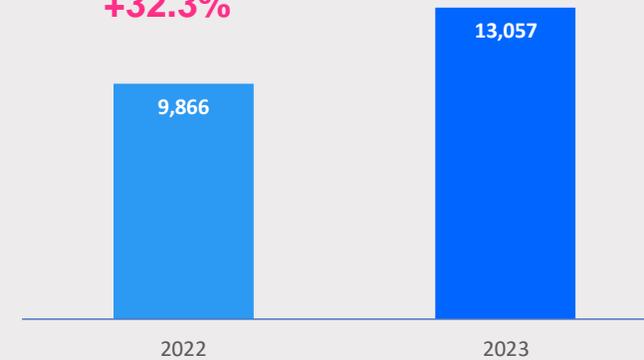
YoY
+24.5%



Operating Revenue

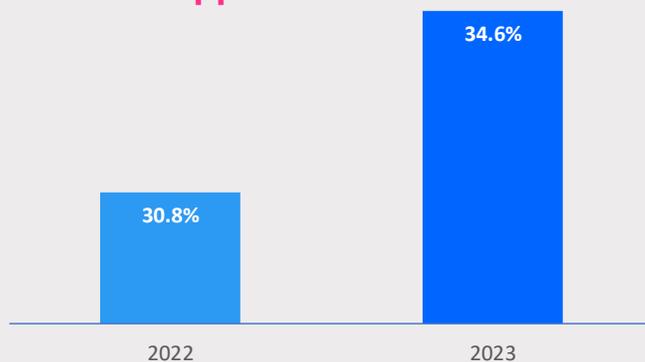
(RMBm)

YoY
+32.3%



Gross Margin

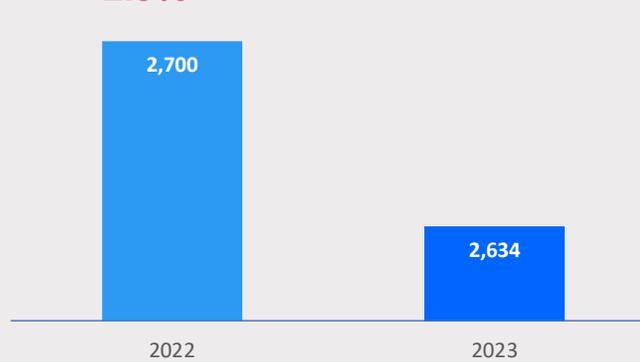
YoY
+3.8ppt



Operating Expenses

(RMBm)

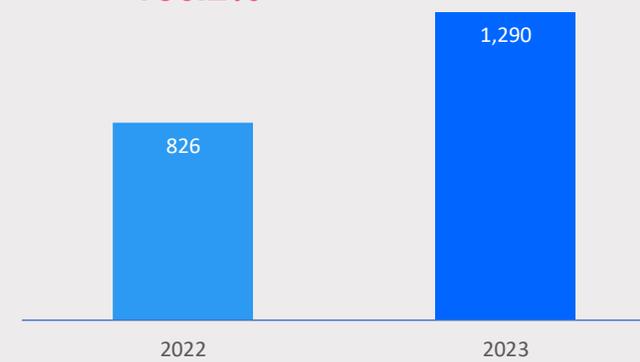
YoY
-2.5%



Recurring Net Profit ⁽¹⁾

(RMBm)

YoY
+56.2%



1. For 23Q4 recurring net profit of 236 million - excluding after tax impact of RMB224 million of investment related impairment losses, the net profit for the fourth quarter was RMB236 million. The investment related impairment losses were related to the investment and related prepayment for equity interests of a domestic private bank

03



Appendix



P&L Statement

(In thousands, except for share and per share data)	For the Three Months Ended December 31,		
	2022 RMB	2023 RMB	US\$
Operating revenue:			
Credit facilitation service income	1,963,503	2,727,020	384,093
Loan facilitation and servicing fees-credit oriented	849,240	1,558,588	219,523
Guarantee income	499,662	709,422	99,920
Financing income	614,601	459,010	64,650
Tech-empowerment service income	412,769	426,882	60,125
Installment e-commerce platform service income	673,994	355,534	50,076
Total operating revenue	3,050,266	3,509,436	494,294
Operating cost			
Cost of sales	(656,539)	(344,088)	(48,464)
Funding cost	(146,375)	(76,195)	(10,732)
Processing and servicing cost	(466,935)	(514,070)	(72,405)
Provision for financing receivables	(146,515)	(180,475)	(25,419)
Provision for contract assets and receivables	(131,292)	(202,677)	(28,546)
Provision for contingent guarantee liabilities	(459,252)	(933,854)	(131,531)
Total operating cost	(2,006,908)	(2,251,359)	(317,097)
Gross profit	1,043,358	1,258,077	177,197
Operating expenses:			
Sales and marketing expenses	(422,997)	(429,573)	(60,504)
Research and development expenses	(135,665)	(135,837)	(19,132)
General and administrative expenses	(97,058)	(108,305)	(15,254)
Total operating expenses	(655,720)	(673,715)	(94,890)
Change in fair value of financial guarantee derivatives and loans at fair value	33,185	(247,526)	(34,863)
Interest expense, net	(8,187)	(10,245)	(1,443)
Investment loss	(38,423)	(302,128)	(42,554)
Other, net	(608)	(22,092)	(3,112)
Income before income tax expense	373,605	2,371	335
Income tax expense	(72,302)	9,726	1,370
Net income	301,303	12,097	1,705

Balance Sheet (1)

(In thousands)	As of		US\$
	December 31, 2022	December 31, 2023	
	RMB	RMB	
ASSETS			
Current assets			
Cash and cash equivalents	1,494,150	2,624,719	369,684
Restricted cash	1,267,512	1,433,502	201,905
Restricted term deposit and short-term investments	1,331,858	305,182	42,984
Short-term financing receivables, ne	6,397,920	3,944,000	555,501
Short-term contract assets and receivables, ne	3,894,175	6,112,981	860,995
Deposits to insurance companies and guarantee companies	2,249,022	2,613,271	368,072
Prepayments and other current assets	1,086,952	1,428,769	201,238
Amounts due from related parties	6,602	6,989	984
Inventories, net	53,917	33,605	4,733
Total Current Assets	17,782,108	18,503,018	2,606,096
Non-current Assets			
Restricted cash	168,521	144,948	20,415
Long-term financing receivables, net	460,325	200,514	28,242
Long-term contract assets and receivables, net	605,051	599,818	84,483
Property, equipment and software, net	284,593	446,640	62,908
Land use rights, net	931,667	897,267	126,377
Long-term investments	348,376	255,003	35,916
Deferred tax assets	1,141,761	1,232,092	173,537
Other assets	1,048,301	861,491	121,338
Total Non-current Assets	4,988,595	4,637,773	653,216
TOTAL ASSETS	22,770,703	23,140,791	3,259,312

Balance Sheet (2)

(In thousands)	As of		US\$
	December 31, 2022	December 31, 2023	
	RMB	RMB	
LIABILITIES			
Current liabilities			
Accounts payable	25,970	49,801	7,014
Amounts due to related parties	4,669	2,958	417
Short-term borrowings	1,168,046	502,013	70,707
Short-term funding debts	4,385,253	3,483,196	490,598
Deferred guarantee income	894,858	1,538,385	216,677
Contingent guarantee liabilities	882,107	1,808,540	254,728
Accruals and other current liabilities(2)	3,057,469	4,434,254	624,552
Convertible notes	2,063,545	505,450	71,191
Total Current Liabilities	12,481,917	12,324,597	1,735,884
Non-current Liabilities			
Long-term borrowings	150,430	524,270	73,842
Long-term funding debts	1,334,105	455,800	64,198
Deferred tax liabilities	52,559	75,340	10,611
Convertible notes	-	-	-
Other long-term liabilities	102,941	50,702	7,141
Total Non-current Liabilities	1,640,035	1,106,112	155,792
TOTAL LIABILITIES	14,121,952	13,430,709	1,891,676
Shareholders' equity:			
Class A Ordinary Shares	191	199	30
Class B Ordinary Shares	47	41	7
Treasury stock	(328,764)	(328,764)	(46,305)
Additional paid-in capital	3,081,254	3,204,961	451,406
Statutory reserves	1,022,592	1,106,579	155,858
Accumulated other comprehensive loss	(20,842)	(13,545)	(1,908)
Retained earnings	4,894,273	5,740,611	808,548
Non-controlling interests	-	-	-
Total Shareholders' Equity	8,648,751	9,710,082	1,367,636
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,770,703	23,140,791	3,259,312