

Investor Presentation

Third 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



- Over 140 funding partners¹
- Over 2600 merchant partners²

- Over 200 million registered users¹
- Loan balance of Rmb120.7 billion¹

1. As of 30 September 2023, or accumulative
2. For the quarter ended 30 September 2023

A Seamless Experience for New-Generation Consumers

Omni-channels and multipronged access for our users



Consumer credit



Maiya



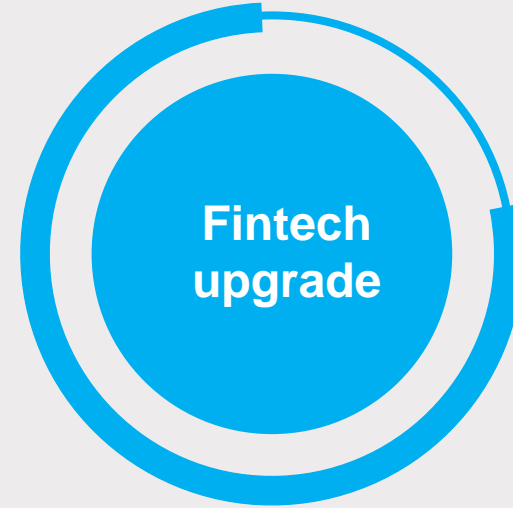
E-commerce

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

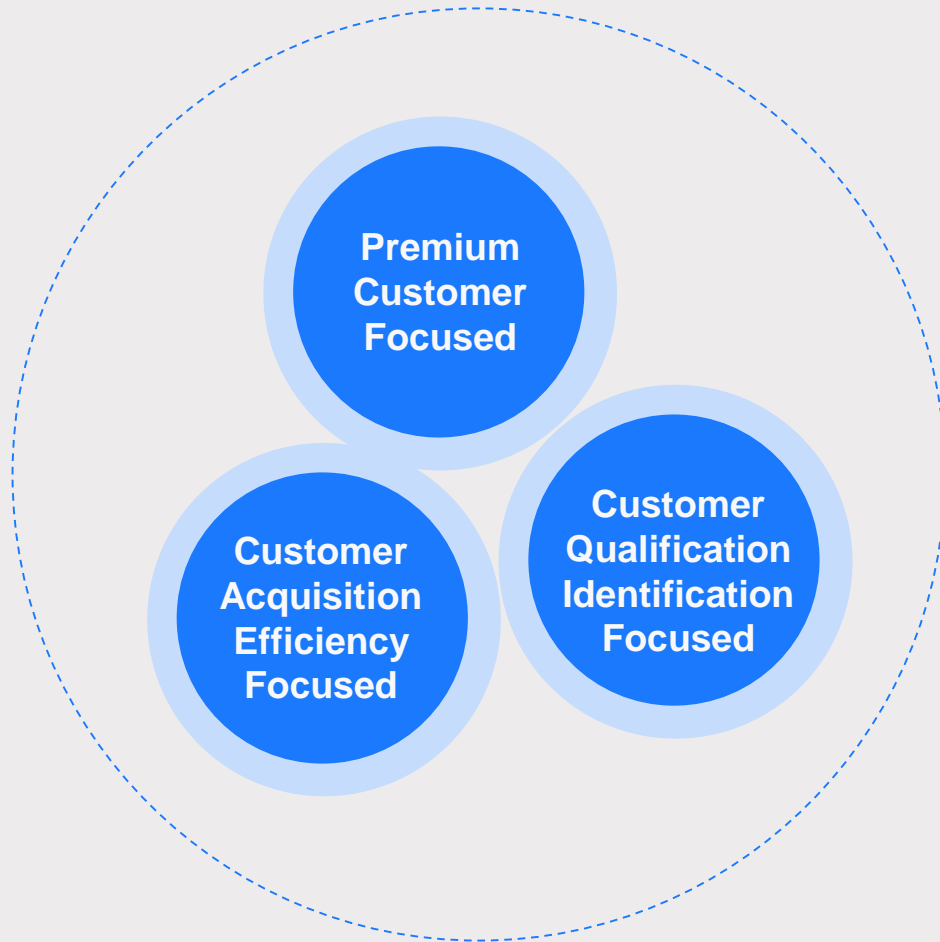


- Breadth and depth of acquisition channels
- Tailored sales and management strategies
- Quality products to meet diverse needs of individuals
- Frictionless digital experience



- 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

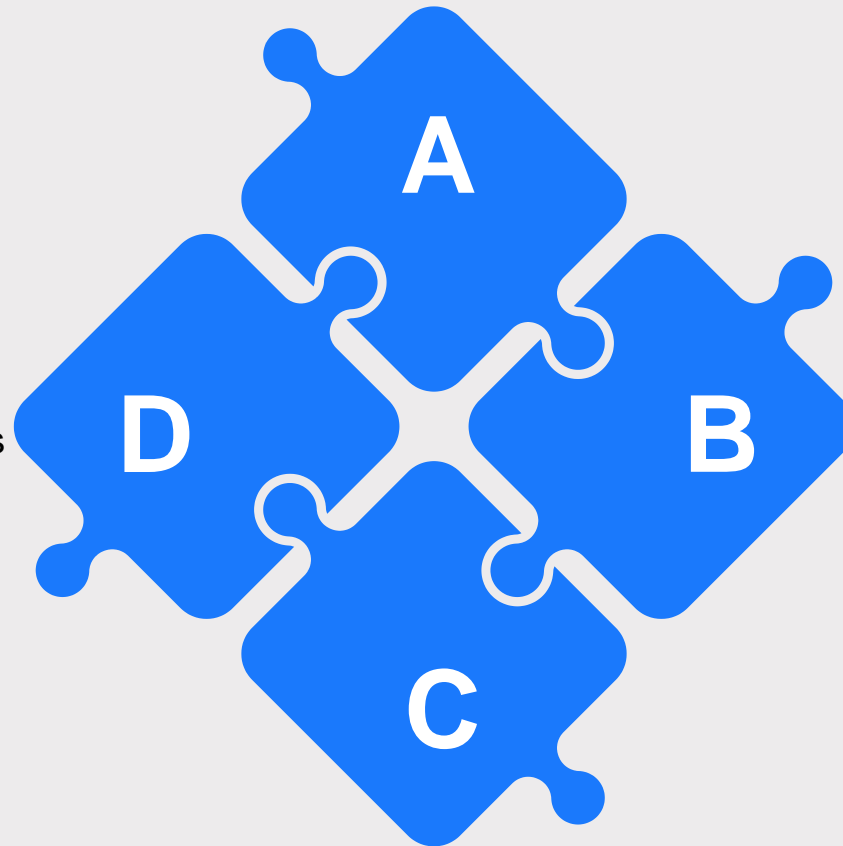
Customer Service and Operation

- 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

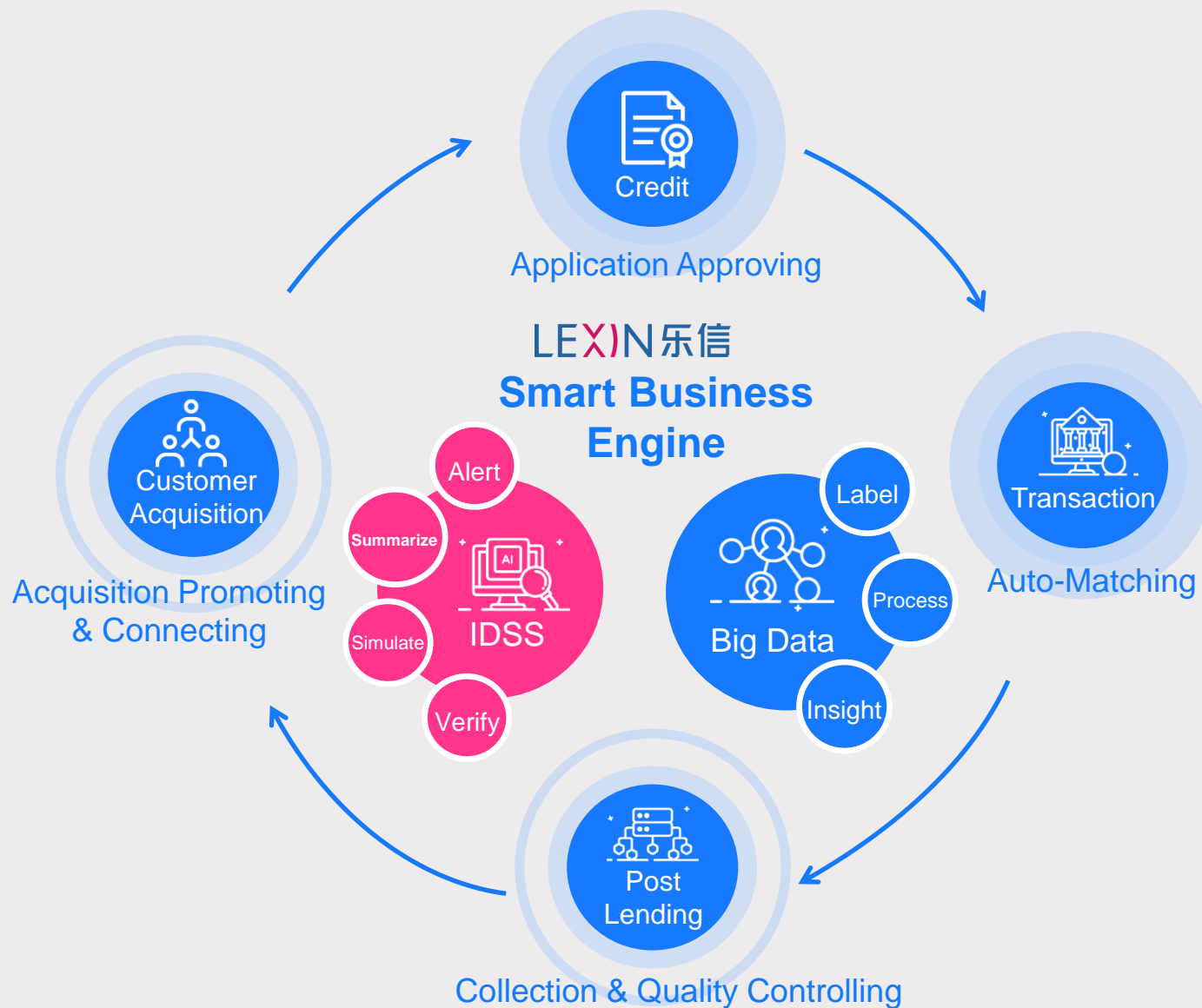
B

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



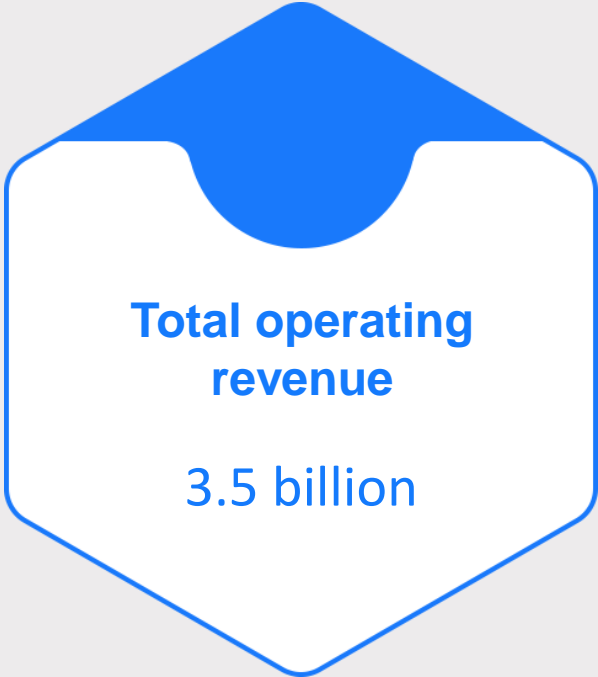
3Q23 Highlights



**Loan originations
created**

63.3 billion

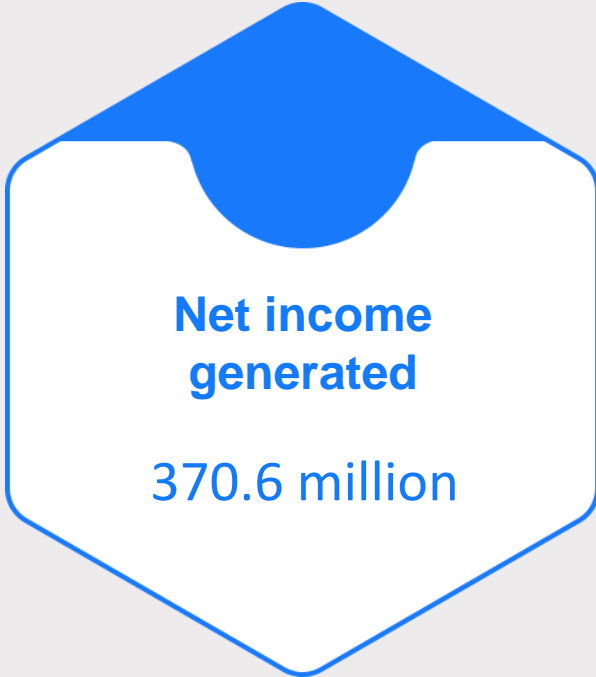
Up 12.7% YoY



**Total operating
revenue**

3.5 billion

Up 30.4% YoY



**Net income
generated**

370.6 million

Up 34.4% YoY

Key Financials

(Rmb000)	3Q22	2Q23	3Q23	QoQ	YoY
Credit facilitation service income	1,665,652	2,137,718	2,685,574	25.6%	61.2%
Tech-empowerment service income	499,699	391,695	453,944	15.9%	-9.2%
Installment e-commerce platform service income	524,986	526,399	369,417	-29.8%	-29.6%
Total operating revenue	2,690,337	3,055,812	3,508,935	14.8%	30.4%
Total operating cost	(1,793,080)	(2,060,375)	(2,152,592)	4.5%	20.0%
Gross profit	897,257	995,437	1,356,343	36.3%	51.2%
Total operating expenses	(669,493)	(670,969)	(622,759)	-7.2%	-7.0%
Net income	275,693	355,733	370,625	4.2%	34.4%

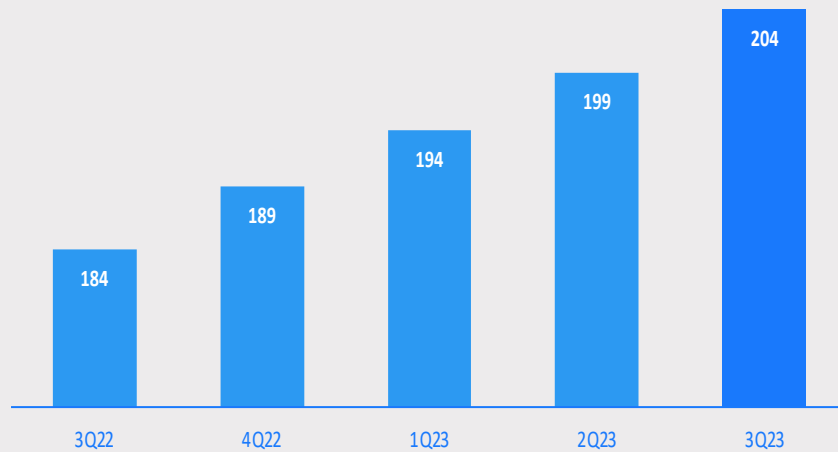
Steady User Increase in Amount

Number of Registered Users

(In Millions)

QoQ

+2.7%

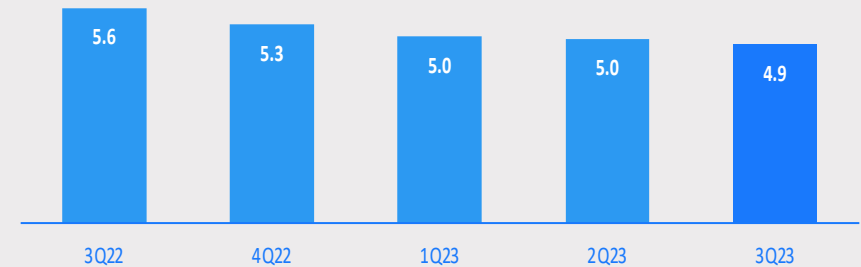


Number of Active Users

(In Millions)

QoQ

-2.0%



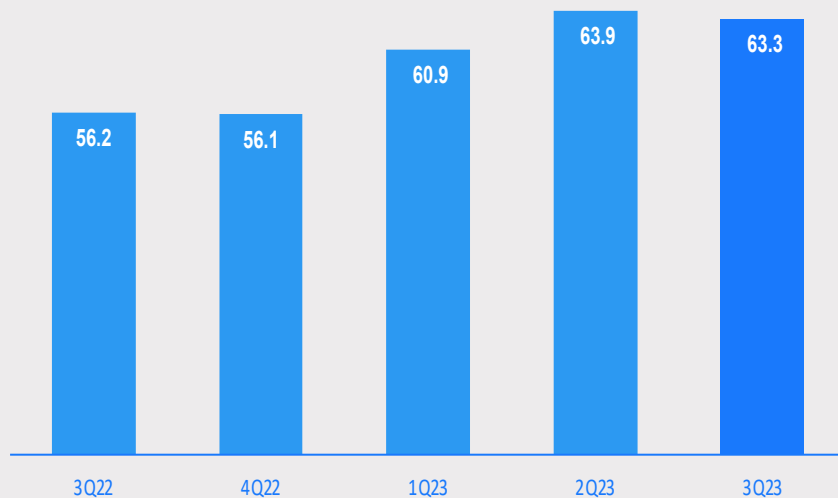
Steady Recovery Upwards to New Scale

Loan Originations

(RMB bn)

QoQ

-1.0%

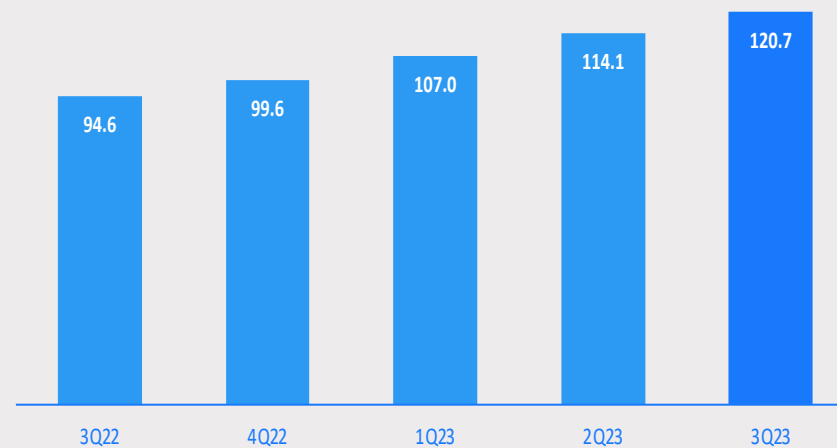


Outstanding Loan Balance

(RMB bn)

QoQ

+5.8%



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

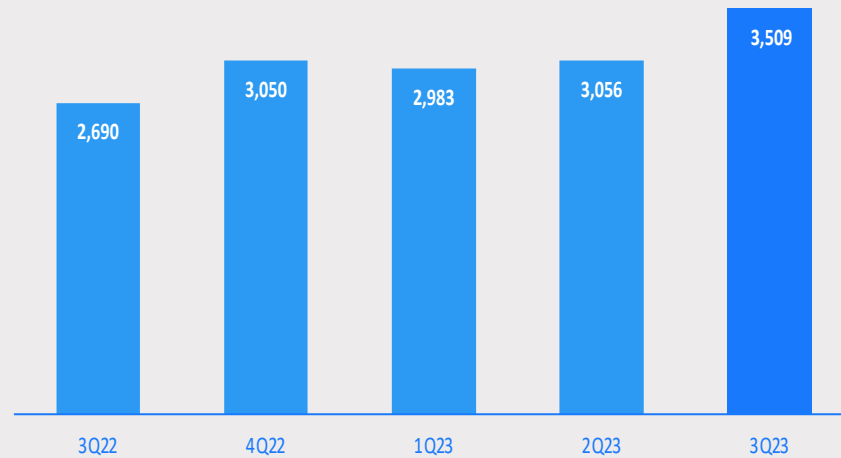
Stable V-shaped Trend Back to Normality

Operating Revenue

(RMBm)

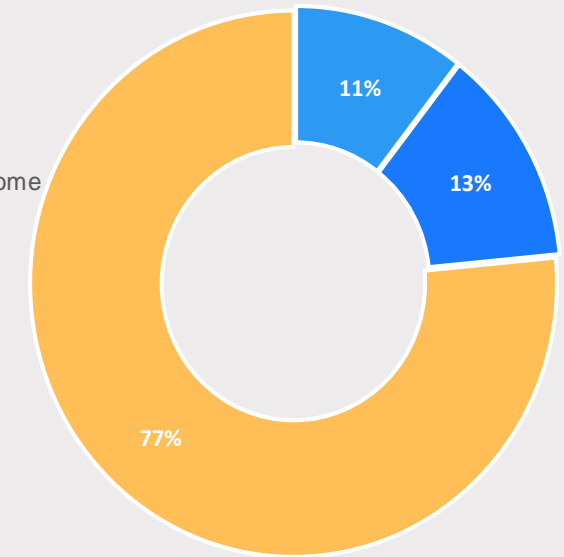
QoQ

+14.8%



Breakdown of Operating Revenue

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



1. Breakdown of operating revenue for 3Q23

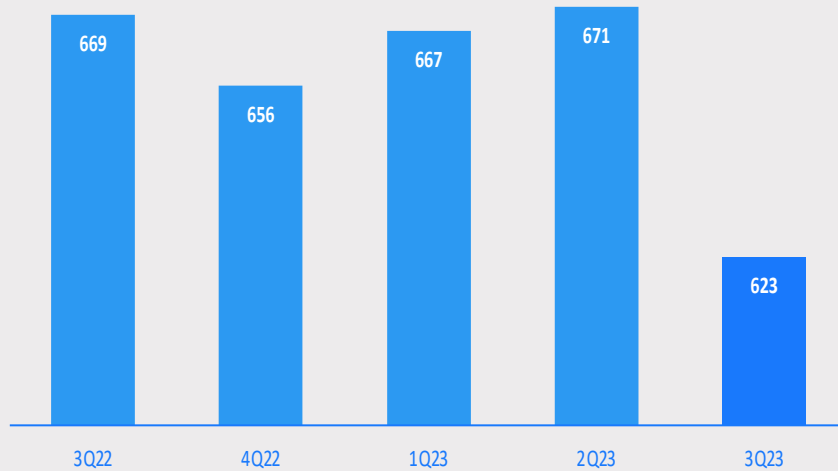
Optimized Allocation of Resources

Operating Expenses

(RMBm)

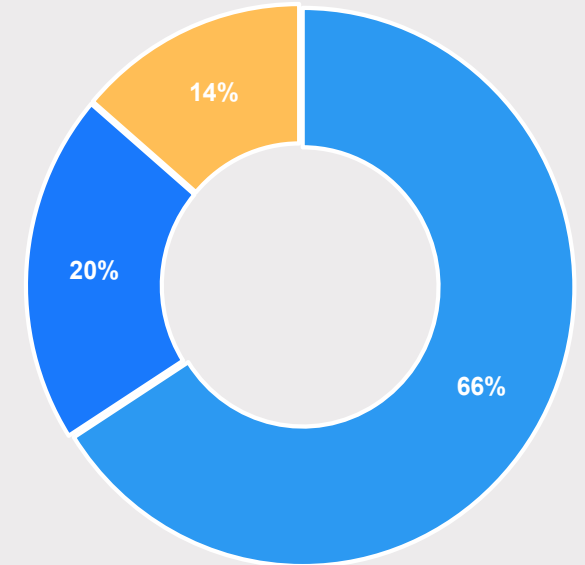
QoQ

-7.2%



Breakdown of Operating Expenses

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

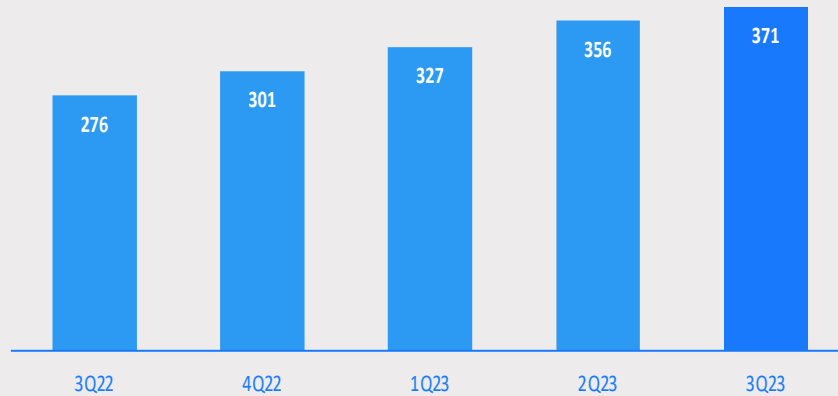


1. Breakdown of operating expenses for 3Q23

Profitability Grows as Turnaround Recovery Progresses

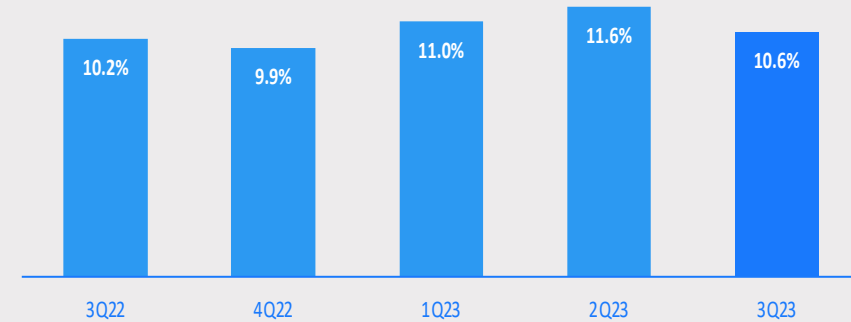
Net Profit (RMBm)

QoQ
+4.2%



Net Margin

QoQ
-1ppt



03



Appendix



P&L Statement

(In thousands, except for share and per share data)	For the Three Months Ended September 30,		
	2022	2023	US\$
	RMB	RMB	
Operating revenue:			
Credit facilitation service income	1,665,652	2,685,574	368,089
Loan facilitation and servicing fees-credit oriented	714,102	1,533,203	210,143
Guarantee income	409,842	638,595	87,527
Financing income	541,708	513,776	70,419
Tech-empowerment service income	499,699	453,944	62,218
Installment e-commerce platform service income	524,986	369,417	50,633
Total operating revenue	2,690,337	3,508,935	480,940
Operating cost			
Cost of sales	(530,685)	(359,683)	(49,299)
Funding cost	(149,545)	(131,640)	(18,043)
Processing and servicing cost	(472,261)	(445,845)	(61,108)
Provision for financing receivables	(126,214)	(161,807)	(22,177)
Provision for contract assets and receivables	(132,678)	(159,443)	(21,853)
Provision for contingent guarantee liabilities	(381,697)	(894,174)	(122,557)
Total operating cost	(1,793,080)	(2,152,592)	(295,037)
Gross profit	897,257	1,356,343	185,903
Operating expenses:			
Sales and marketing expenses	(424,544)	(410,651)	(56,284)
Research and development expenses	(140,560)	(126,582)	(17,350)
General and administrative expenses	(104,389)	(85,526)	(11,722)
Total operating expenses	(669,493)	(622,759)	(85,356)
Change in fair value of financial guarantee derivatives and loans at fair value	121,776	(245,568)	(33,658)
Interest expense, net	(16,202)	(14,354)	(1,967)
Investment related impairment	-	-	-
Investment loss	(3,027)	(568)	(78)
Other, net	16,210	13,010	1,783
Income before income tax expense	346,521	486,104	66,627
Income tax expense	(70,828)	(115,479)	(15,828)
Net income	275,693	370,625	50,799

Balance Sheet (1)

(In thousands)	As of		US\$
	December 31, 2022	September 30, 2023	
	RMB	RMB	
ASSETS			
Current assets			
Cash and cash equivalents	1,494,150	2,527,065	346,363
Restricted cash	1,267,512	1,502,659	205,957
Restricted term deposit and short-term investments	1,331,858	804,439	110,258
Short-term financing receivables, ne	6,397,920	4,295,020	588,681
Short-term contract assets and receivables, ne	3,894,175	5,531,882	758,208
Deposits to insurance companies and guarantee companies	2,249,022	2,406,041	329,775
Prepayments and other current assets	1,086,952	1,447,589	198,409
Amounts due from related parties	6,602	7,143	979
Inventories, net	53,917	57,284	7,851
Total Current Assets	17,782,108	18,579,122	2,546,481
Non-current Assets			
Restricted cash	168,521	144,728	2,546,481
Long-term financing receivables, net	460,325	302,201	41,420
Long-term contract assets and receivables, net	605,051	682,044	93,482
Property, equipment and software, net	284,593	428,024	58,666
Land use rights, net	931,667	905,867	124,159
Long-term investments	348,376	348,065	47,706
Deferred tax assets	1,141,761	1,155,109	158,321
Other assets	1,048,301	1,162,690	159,360
Total Non-current Assets	4,988,595	5,128,728	3,229,595
TOTAL ASSETS	22,770,703	23,707,850	5,776,076

Balance Sheet (2)

(In thousands)	As of		US\$
	December 31, 2022	September 30, 2023	
	RMB	RMB	
LIABILITIES			
Current liabilities			
Accounts payable	25,970	14,533	1,992
Amounts due to related parties	4,669	2,521	346
Short-term borrowings	1,168,046	814,923	111,694
Short-term funding debts	4,385,253	3,726,246	510,725
Deferred guarantee income	894,858	1,477,746	202,542
Contingent guarantee liabilities	882,107	1,630,413	223,467
Accruals and other current liabilities(2)	3,057,469	4,044,360	554,326
Convertible notes	2,063,545	905,676	124,133
Total Current Liabilities	12,481,917	12,616,418	1,729,225
Non-current Liabilities			
Long-term borrowings	150,430	524,270	71,857
Long-term funding debts	1,334,105	676,076	92,664
Deferred tax liabilities	52,559	68,140	9,339
Convertible notes	-	-	-
Other long-term liabilities	102,941	51,043	6,996
Total Non-current Liabilities	1,640,035	1,319,529	180,856
TOTAL LIABILITIES	14,121,952	13,935,947	1,910,081
Shareholders' equity:			
Class A Ordinary Shares	191	192	29
Class B Ordinary Shares	47	47	8
Treasury stock	(328,764)	(328,764)	(45,061)
Additional paid-in capital	3,081,254	3,171,101	434,631
Statutory reserves	1,022,592	1,022,592	140,158
Accumulated other comprehensive loss	(20,842)	(41,386)	(5,672)
Retained earnings	4,894,273	5,948,121	815,258
Non-controlling interests	-	-	-
Total Shareholders' Equity	8,648,751	9,771,903	1,339,351
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,770,703	23,707,850	3,249,432