

Investor Presentation

Second Quarter 2022 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 130 funding partners¹
- Over 2600 merchant partners²

- Over 177 million registered users¹
- Loan balance of Rmb86.6 billion¹

1. As of 30 June 2022, or accumulative
2. For the quarter ended 30 June 2022

Lexin Eco-System



A Seamless Experience for New-Generation Consumers

Omni-channels and multipronged access for our users



Consumer credit



Maiya



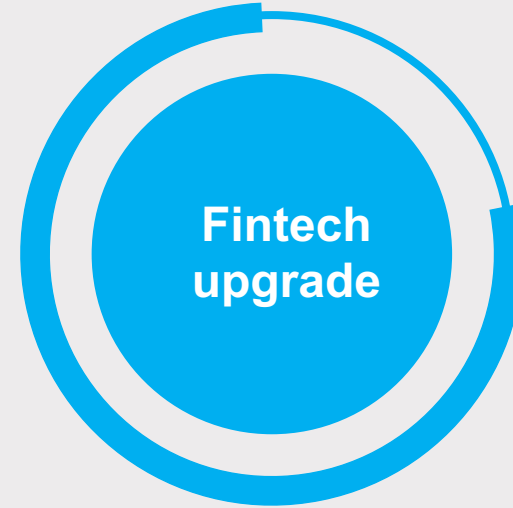
E-commerce

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

02



Financial Update




2Q22 Highlights



**Loan originations
created**

49.1 billion

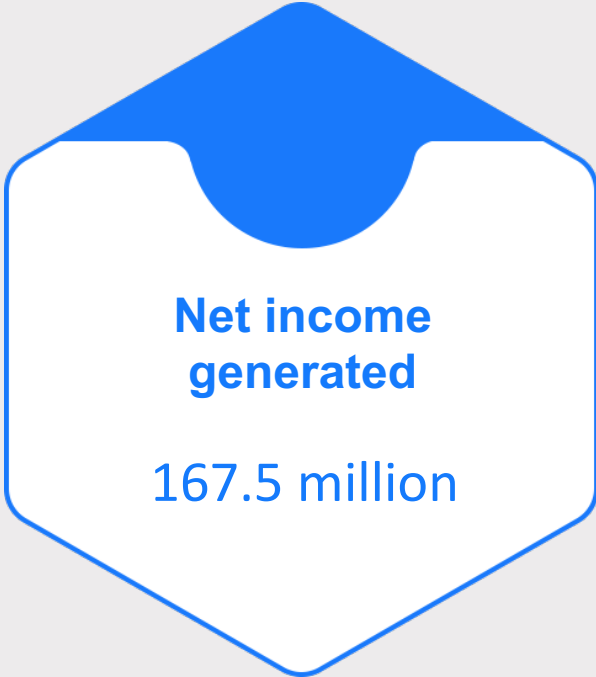
Up 13.9% QoQ



**Total operating
revenue**

2.41 billion

Up 40.9% QoQ



**Net income
generated**

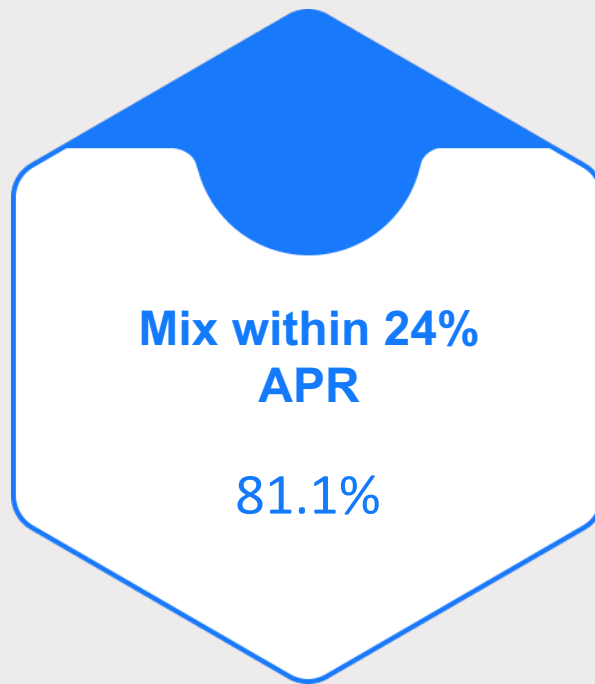
167.5 million

Up 105.5% QoQ

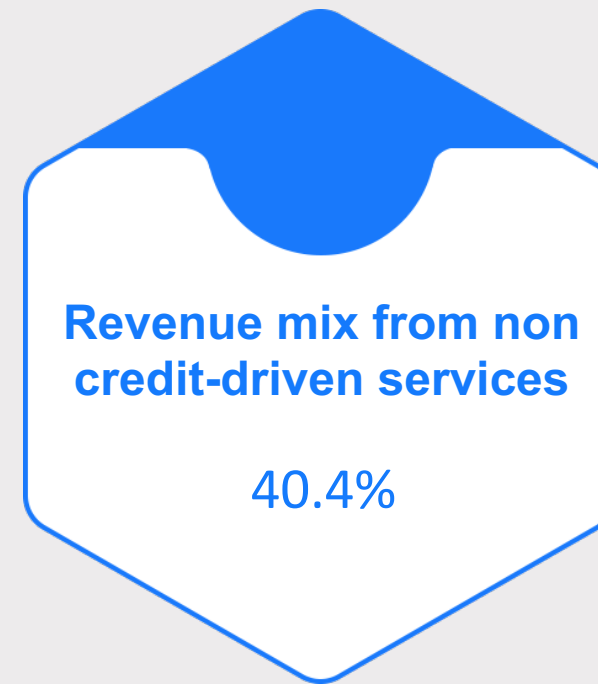
2Q22 Highlights



Down 4.0ppt YoY



Up 43.5ppt YoY



Diversified revenue contribution

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

2. APR refers to the average pricing of loan originations

3. Mix within 24% APR refers to percentage of loan originations priced within 24%

4. Non credit-driven services revenue = total operating revenue less credit-driven platform services income, which is the sum of technology-driven platform services income and new consumption-driven, local based services income

Key Financials

(Rmb000)	2Q21	1Q22	2Q22	YoY	QoQ
New Consumption-Driven, Location-Based Services Income	407,280	318,672	538,413	32.2%	69.0%
Technology-Driven Platform Services Income	653,462	497,281	436,194	-33.2%	-12.3%
Credit-Driven Platform Services Income	2,208,093	896,425	1,438,223	-34.9%	60.4%
Total operating revenue	3,268,836	1,712,378	2,412,830	-26.2%	40.9%
Total operating cost	-1,607,360	-1,251,553	-1,779,554	10.7%	42.2%
Gross profit	1,661,476	460,825	633,276	-61.9%	37.4%
Total operating expenses	-746,110	-629,947	-745,109	-0.1%	18.3%
Net income	786,662	81,483	167,450	-78.7%	105.5%

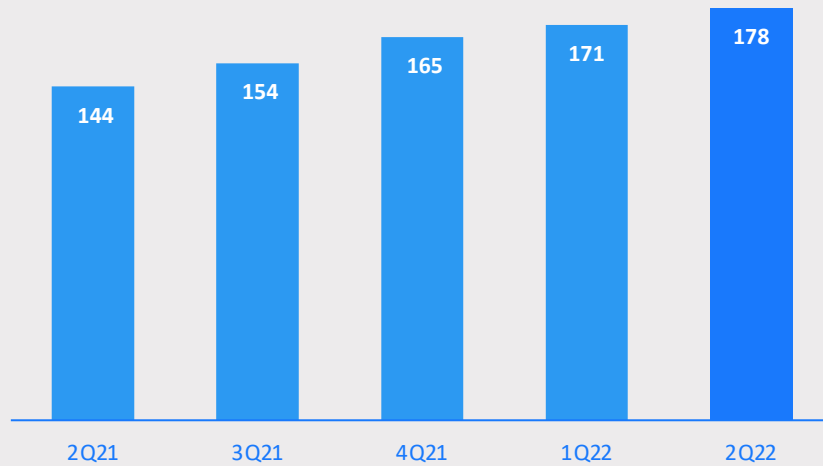
Steady User Increase in Amount and Active Rate

Number of Registered Users

(In Millions)

QoQ

+4.2%

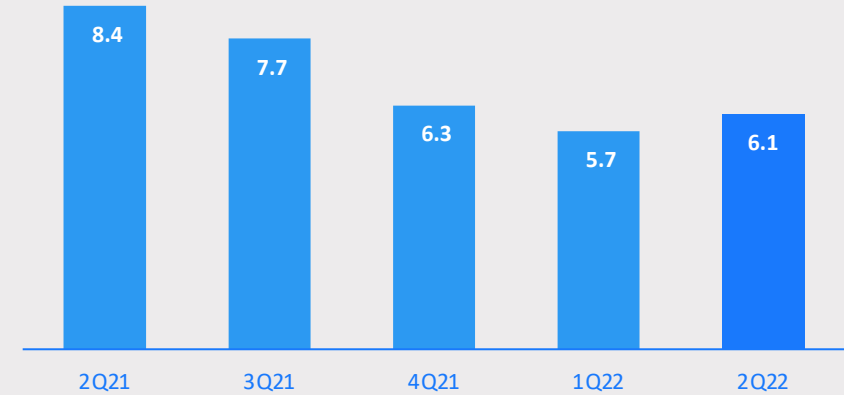


Number of Active Users

(In Millions)

QoQ

+6.5%

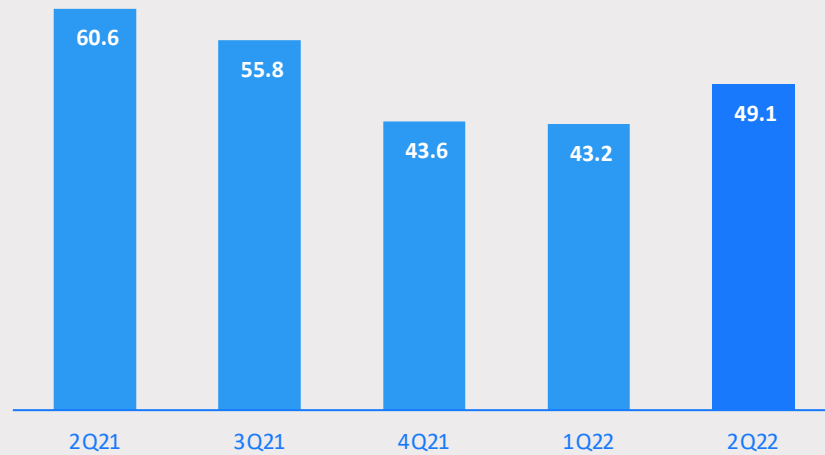


Steady Growth amid External Uncertainties

Loan Originations

(RMB bn)

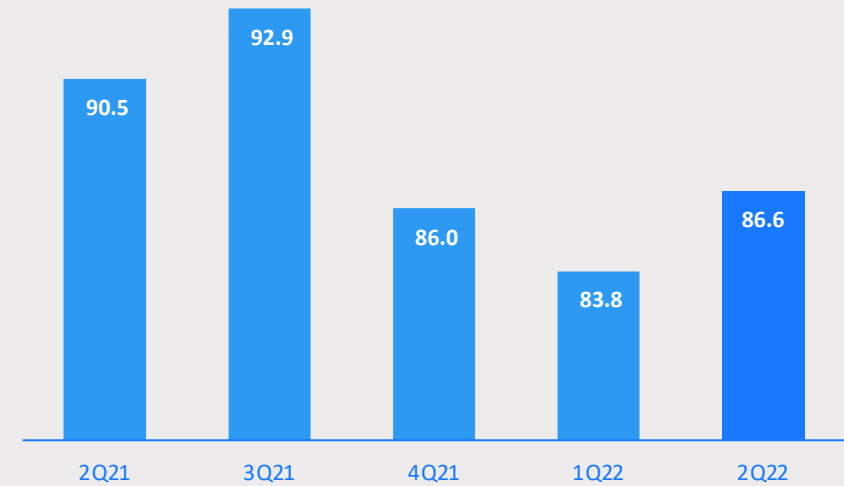
QoQ
+13.9%



Outstanding Loan Balance

(RMB bn)

QoQ
+3.3%



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

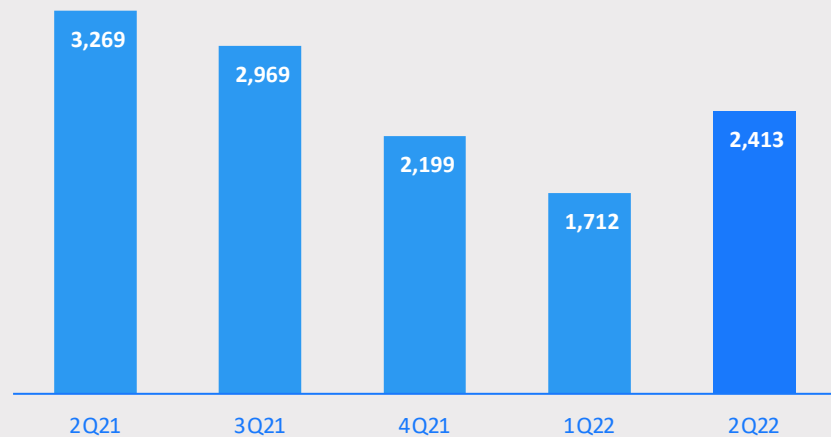
Diversified Contribution in Delivery

Operating Revenue

(RMBm)

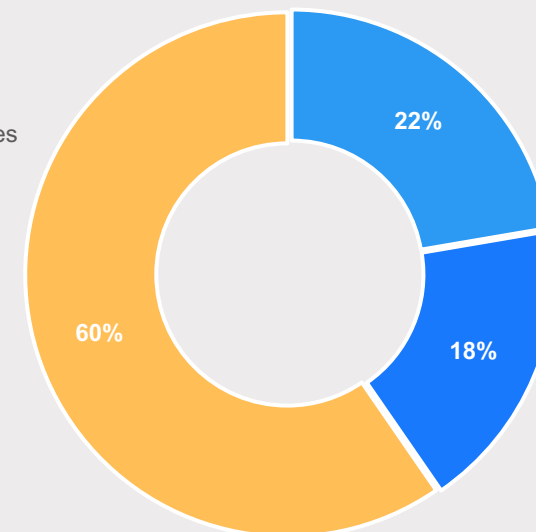
QoQ

+40.9%



Breakdown of Operating Revenue

- New Consumption-Driven, Location-Based Services Income
- Technology-Driven Platform Services Income
- Credit-Driven Platform Services Income



1. Breakdown of operating revenue for 2Q22

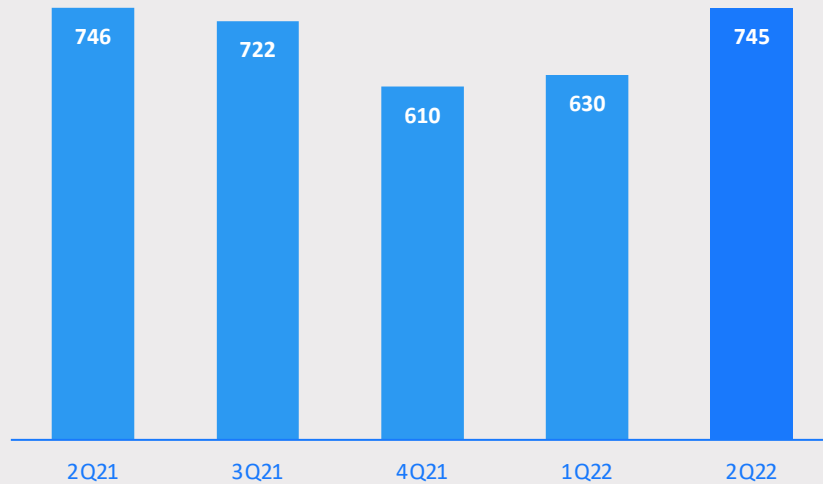
Reasonable Input Expansion to Support Business Growth

Operating Expenses

(RMBm)

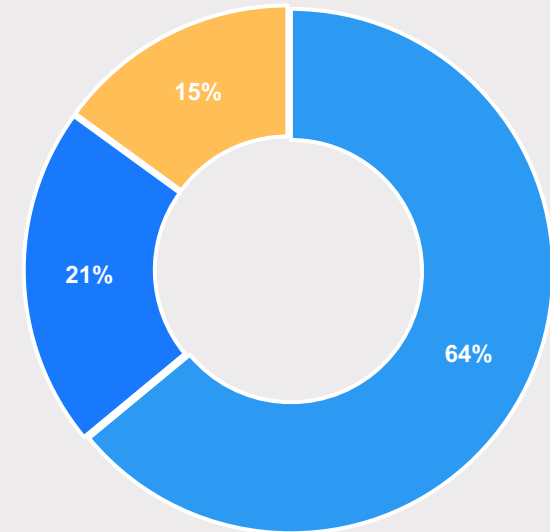
QoQ

+18.3%



Breakdown of Operating Expenses

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



1. Breakdown of operating expenses for 2Q22

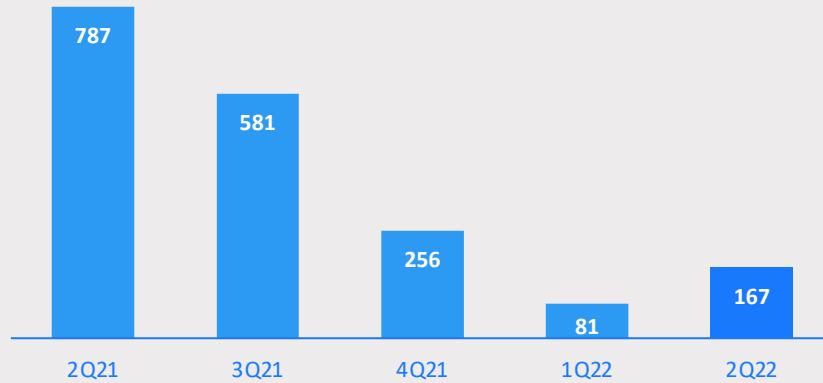
Recovery of Profitability gaining Positive Momentum

Net Profit

(RMBm)

QoQ

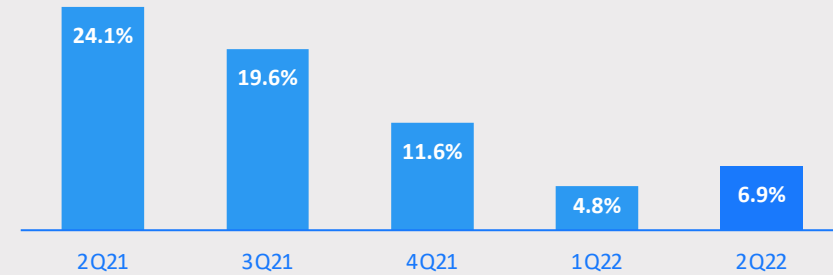
+105.5%



Net Margin

QoQ

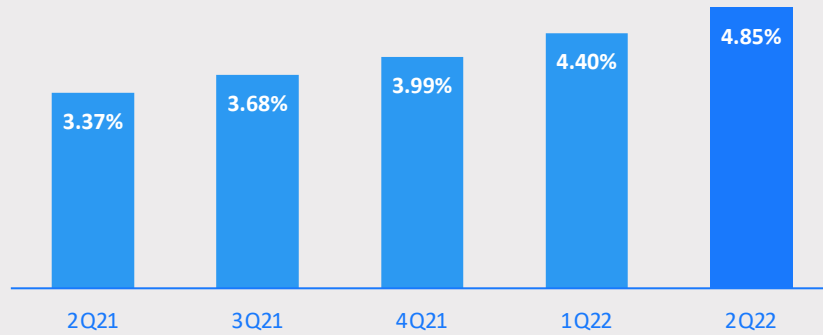
+2.2ppt



Temporary Pressure on Asset Quality

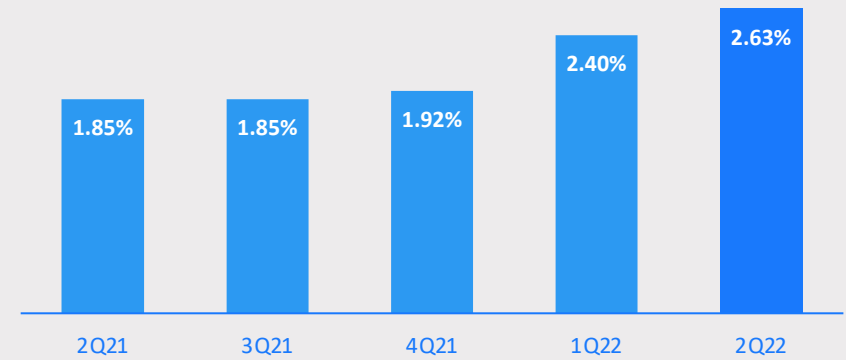
30+ Delinquency Ratio

QoQ
+45bps



90+ Delinquency Ratio

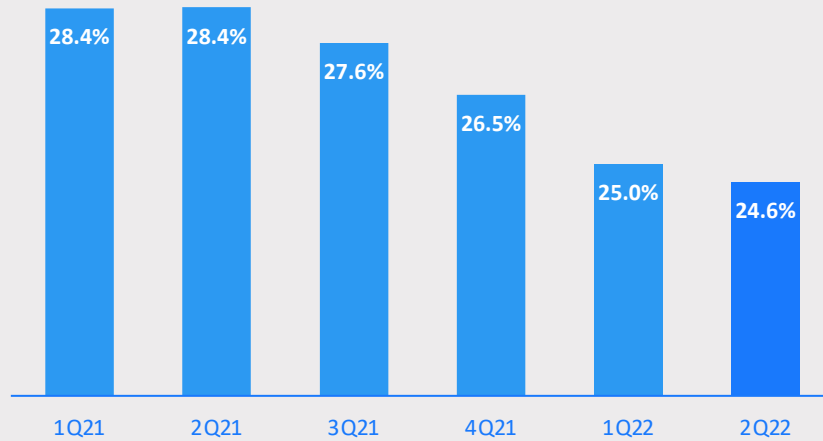
QoQ
+22bps



APR Continues to Fall as Planned

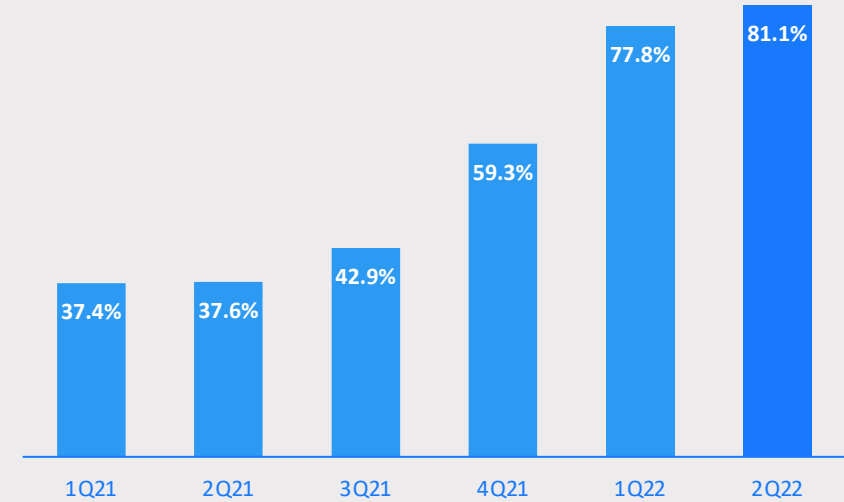
APR

QoQ
-0.4ppt



Mix Within 24% APR

QoQ
+3.3ppt



1. APR refers to the average pricing of loan originations during each period
2. Mix within 24% APR refers to percentage of loan originations priced within 24 for each period

03



Appendix



P&L Statement (1)

(In thousands, except for share and per share data)	For the Three Months Ended June 30,		
	2021	2022	
	RMB	RMB	US\$
New Consumption-Driven, Location-Based Services	407,280	538,413	80,383
Technology-Driven Platform Services	653,463	436,194	65,122
Credit-Driven Platform Services	2,208,093	1,438,223	214,721
Loan facilitation and servicing fees-credit oriented	1,594,835	667,446	99,647
Interest and financial services income and other revenues	409,663	481,013	71,813
Guarantee income	203,595	289,764	43,261
Total operating revenue	3,268,836	2,412,830	360,226
Operating cost:			
Cost of sales	(426,991)	(551,367)	(82,317)
Funding cost	(123,620)	(127,896)	(19,094)
Processing and servicing cost	(469,917)	(473,631)	(70,711)
Provision for credit losses of financing and interest receivables	(111,635)	(119,219)	(17,799)
Provision for credit losses of contract assets and receivables	(139,698)	(130,017)	(19,411)
Provision for credit losses of contingent liabilities of guarantee	(335,499)	(377,424)	(56,348)
Total operating cost	(1,607,360)	(1,779,554)	(265,680)
Gross profit	1,661,476	633,276	94,546

P&L Statement (2)

(In thousands, except for share and per share data)	For the Three Months Ended June 30,		
	2021	2022	
	RMB	RMB	US\$
Operating expenses:			
Sales and marketing expenses	(494,814)	(477,453)	(71,282)
Research and development expenses	(130,447)	(154,529)	(23,071)
General and administrative expenses	(120,849)	(113,127)	(16,889)
Total operating expenses	(746,110)	(745,109)	(111,242)
Change in fair value of financial guarantee derivatives and loans at fair value	(1,362)	304,552	45,468
Interest expense, net	(16,661)	(15,942)	(2,380)
Investment (loss)/ income	(2,208)	6,132	915
Other, net	42,586	24,674	3,684
Income before income tax expense	937,721	207,583	30,991
Income tax expense	(151,059)	(40,133)	(5,992)
Net income	786,662	167,450	24,999
Less: net (loss)/ income attributable to non-controlling interests	505	2,675	399
Net income attributable to ordinary shareholders of the Company	786,157	164,775	24,600

Balance Sheet (1)

(In thousands)	December 31, 2021	As of June 30, 2022	US\$
	RMB	RMB	
ASSETS			
Current assets			
Cash and cash equivalents	2,664,132	2,060,690	307,653
Restricted cash	1,305,435	1,619,930	241,849
Restricted time deposits	1,745,898	1,303,934	194,672
Short-term financing receivables	3,772,975	5,402,992	806,645
Loans at fair value	252,970	271,552	40,542
Accrued interest receivable	53,513	77,037	11,501
Prepaid expenses and other current assets	941,150	931,480	139,066
Amounts due from related parties	6,337	6,641	991
Deposits to insurance companies and guarantee companies	1,378,489	1,790,265	267,280
Short-term guarantee receivables	543,949	677,396	101,133
Short-term contract assets and service fees receivable	3,942,700	2,911,048	434,608
Inventories, net	47,816	67,281	10,045
Total current assets	16,655,364	17,120,246	2,555,985
Non-current assets			
Restricted cash	149,247	173,837	25,953
Long-term financing receivables	241,127	470,145	70,191
Long-term guarantee receivables	101,562	133,663	19,955
Long-term contract assets and service fees receivable	244,672	259,322	38,716
Property, equipment and software, net	195,330	216,752	32,360
Land use rights, net	966,067	948,867	141,662
Long-term investments	469,064	473,849	70,744
Deferred tax assets	1,176,878	1,345,653	200,901
Other assets	826,883	921,235	137,537
Total non-current assets	4,370,830	4,943,323	738,019
TOTAL ASSETS	21,026,194	22,063,569	3,294,004

Balance Sheet (2)

(In thousands)	December 31, 2021	As of June 30, 2022	US\$
	RMB	RMB	
LIABILITIES			
Current liabilities			
Accounts payable	15,705	60,376	9,014
Amounts due to related parties	23,102	5,574	832
Short-term borrowings	1,799,741	1,270,739	189,716
Short-term funding debts	3,101,381	3,394,577	506,797
Accrued interest payable	24,851	12,301	1,836
Deferred guarantee income	419,843	592,625	88,477
Contingent guarantee liabilities	928,840	843,588	125,944
Accrued expenses and other current liabilities	3,873,657	3,334,080	497,765
Total current liabilities	10,187,120	9,513,860	1,420,381
Non-current liabilities			
Long-term funding debts	696,852	2,177,240	325,053
Deferred tax liabilities	54,335	92,609	13,826
Convertible notes	1,882,689	1,985,144	296,374
Other long-term liabilities	137,389	119,867	17,896
Total non-current liabilities	2,771,265	4,374,860	653,149
TOTAL LIABILITIES	12,958,385	13,888,720	2,073,530
SHAREHOLDERS' EQUITY:			
Class A Ordinary Shares	180	190	29
Class B Ordinary Shares	57	47	8
Treasury Stock	-	(201,163)	(30,033)
Additional paid-in capital	2,918,993	3,003,503	448,411
Statutory reserves	901,322	901,322	134,564
Accumulated other comprehensive income	11,273	(8,334)	(1,244)
Retained earnings	4,195,791	4,438,665	662,675
Non-controlling interests	40,193	40,619	6,064
TOTAL SHAREHOLDERS' EQUITY	8,067,809	8,174,849	1,220,474
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,026,194	22,063,569	3,294,004