



VCREDIT Holdings Limited
Investor Presentation

March 2024

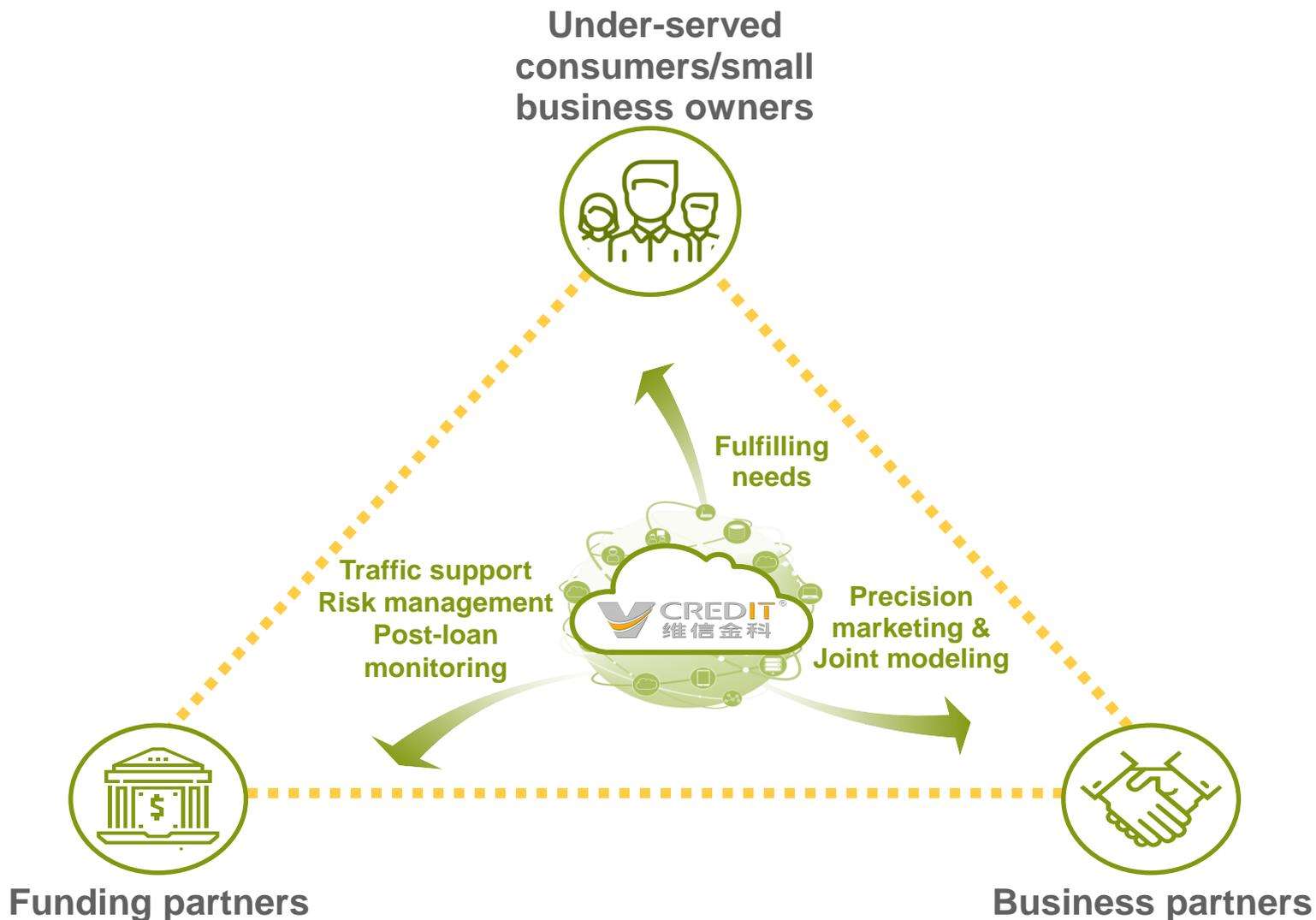
- 1 Corporate Vision**
- 2 Market Overview**
- 3 Company Strategy and Drivers of Profitability & Growth**
- 4 2023 Annual Results Overview**
- 5 Key Management**
- 6 Strategic Initiatives**



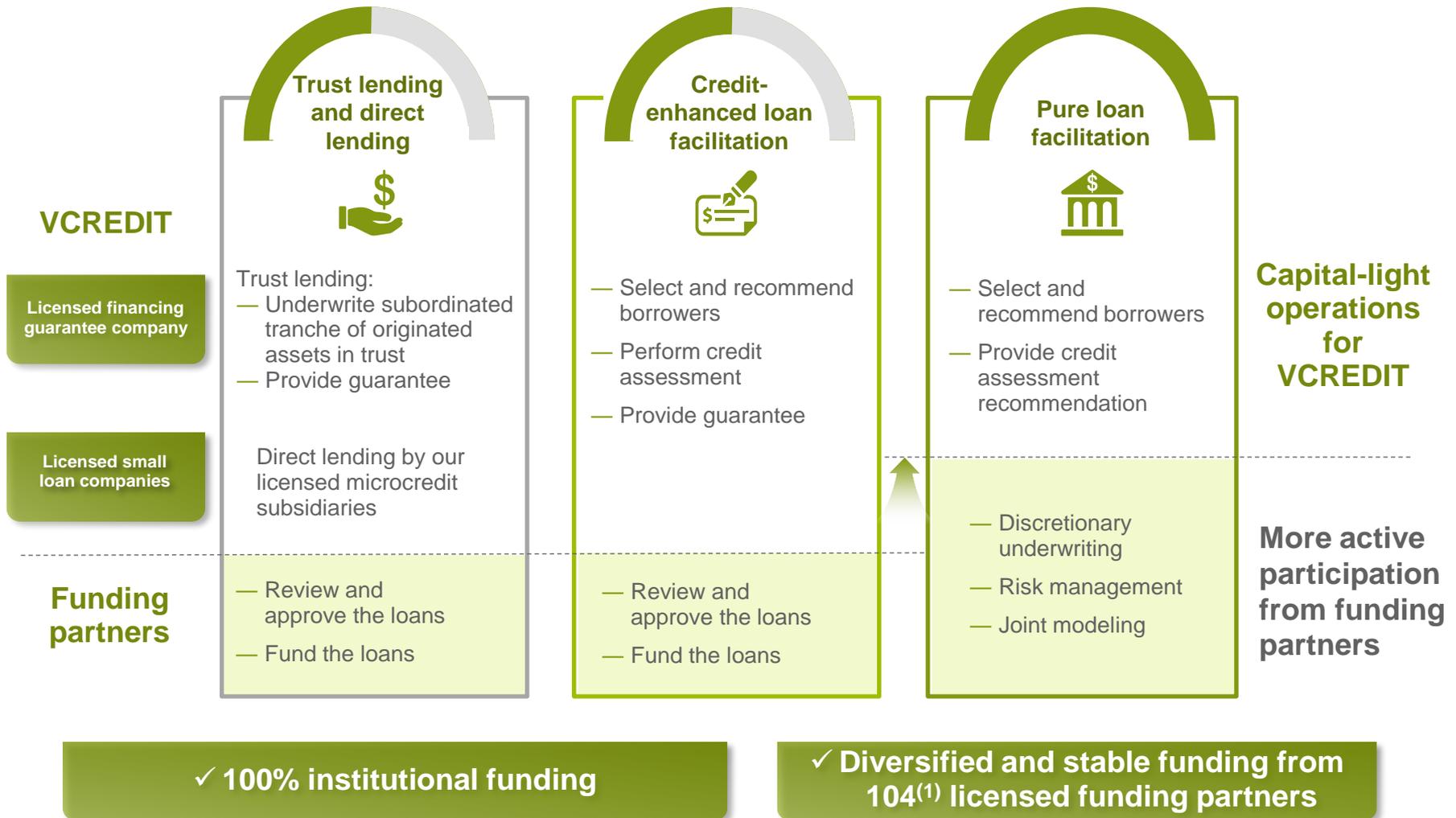
Corporate Vision

A leading credit platform for underserved consumers and SMEs

Differentiated value propositions to borrowers and partners



Diversified Funding Structure



Notes:

(1) As of Dec 31, 2023

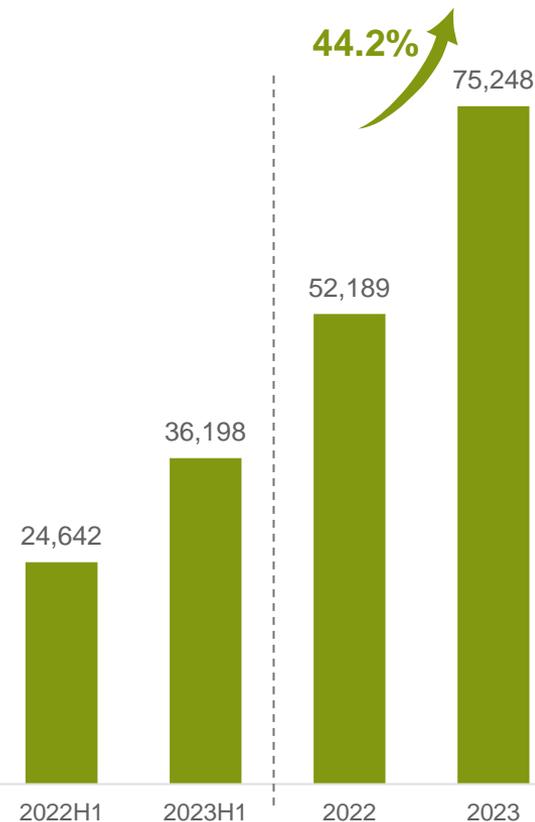
(2) Two wholly-owned online small loan companies which are allowed to do nationwide business

(3) A wholly-owned money lending company authorized to operate in Hong Kong

Continuous growth with diversified funding sources

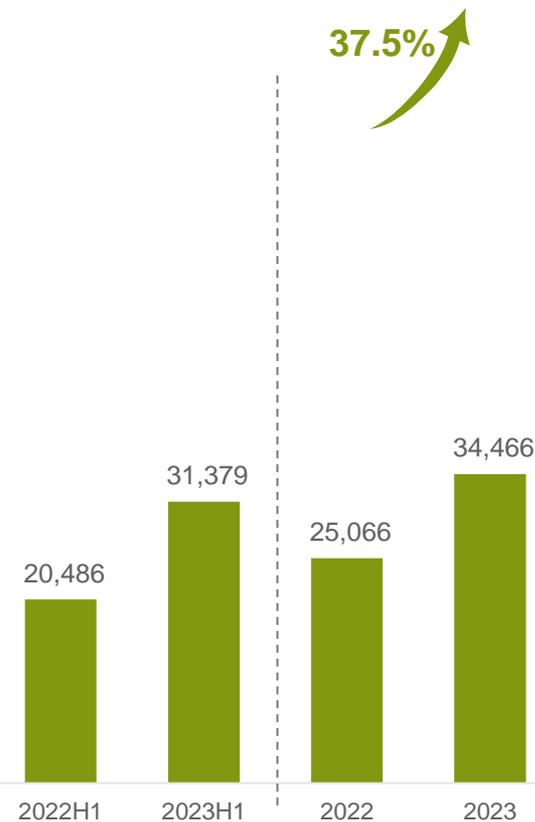
Loan origination volume

(RMB mn)



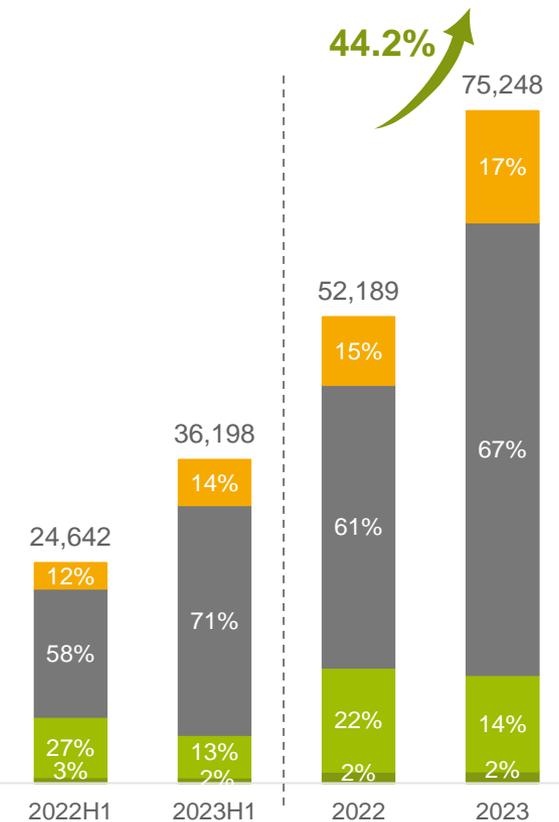
Outstanding balance

(RMB mn)



Funding structure

(RMB mn)



■ Online Consumption Products

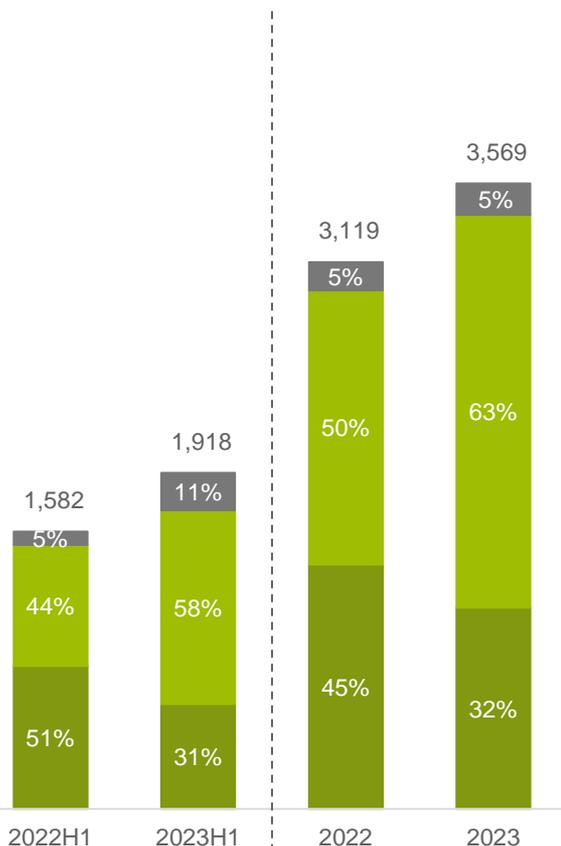
■ Online Consumption Products

- Direct Lending
- Trust Lending
- Credit-Enhanced Loan Facilitation
- Pure Loan Facilitation

Remain profitable amid challenging environment

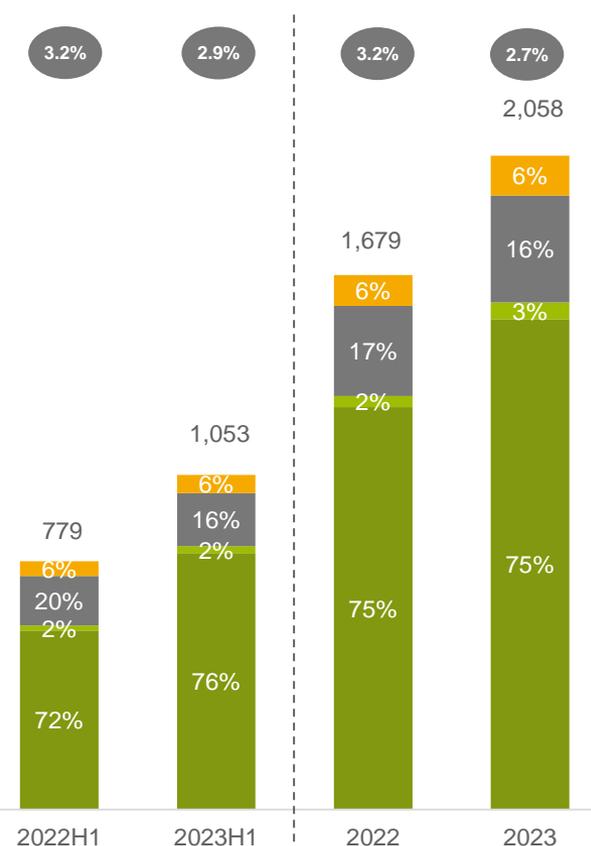
Income breakdown

(RMB mn)



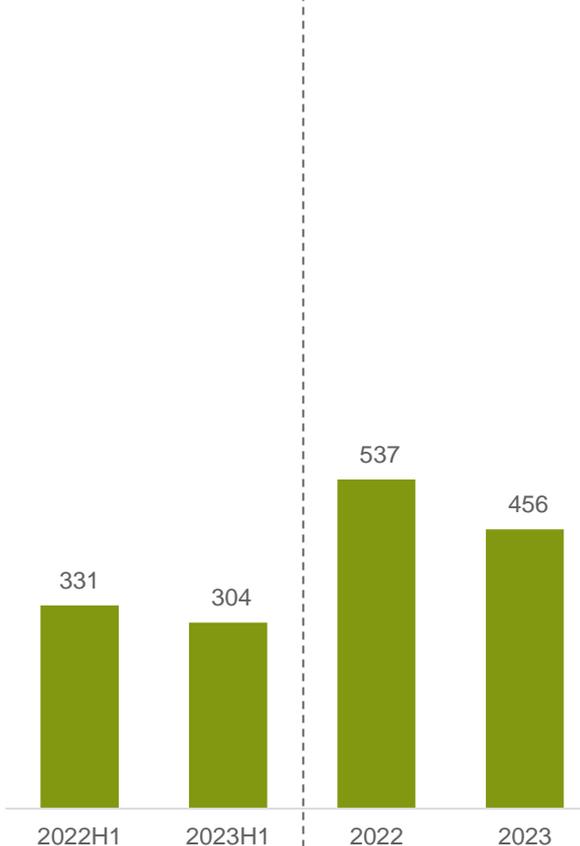
Adjusted OPEX breakdown⁽¹⁾

(RMB mn) %:as percentage of total loan origination volume



Adjusted net profit⁽²⁾

(RMB mn)



- Other Income
- Research and Development
- Loan Facilitation Service Fees
- General and Administrative
- Net Interest Type Income
- Sales and Marketing
- Origination and Servicing

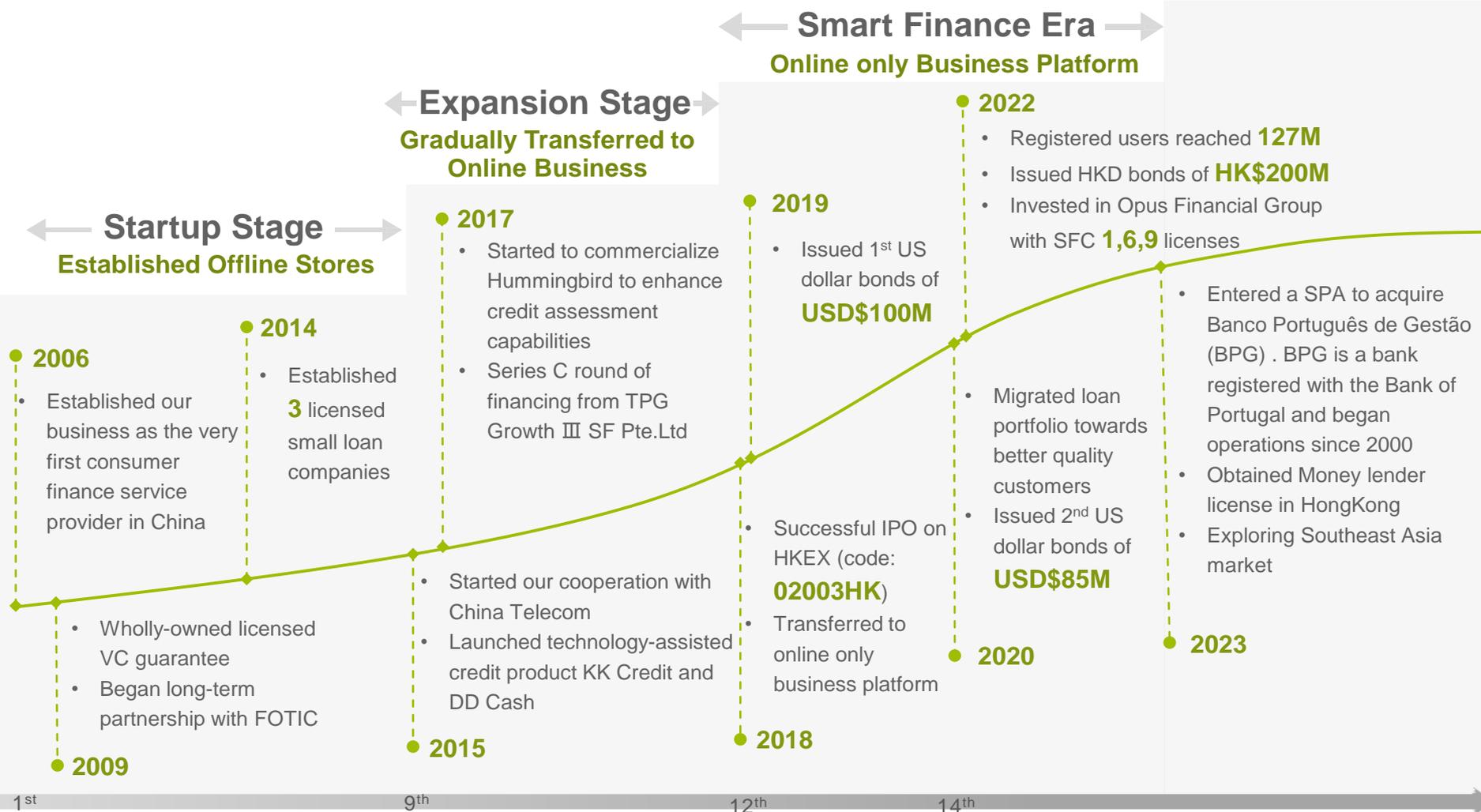
Notes:

(1) Adjusted operating expenses are calculated by excluding share-based compensation expenses from operating expenses.

(2) Adjusted net profit is defined as net profit excluding share-based compensation expenses.

Our History and Key Milestones

More is coming
Oversea Markets



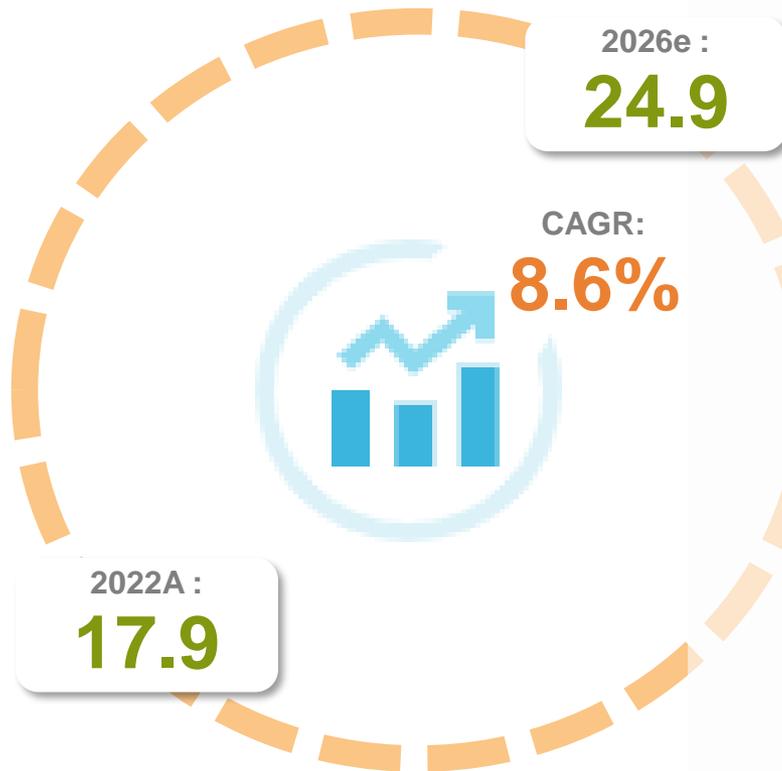


Market Overview

Large and addressable consumer finance market

China's consumer loan balance⁽¹⁾

(RMB tn)



Notes:

- (1) Source: iResearch Inc. , forecast data updated on April 2022 and actual data updated on August 2023
- (2) The size of the consumer Credit-Tech market in China refers to the total outstanding balance of consumer loans offered by traditional financial institutions , and various Credit-Tech platforms.

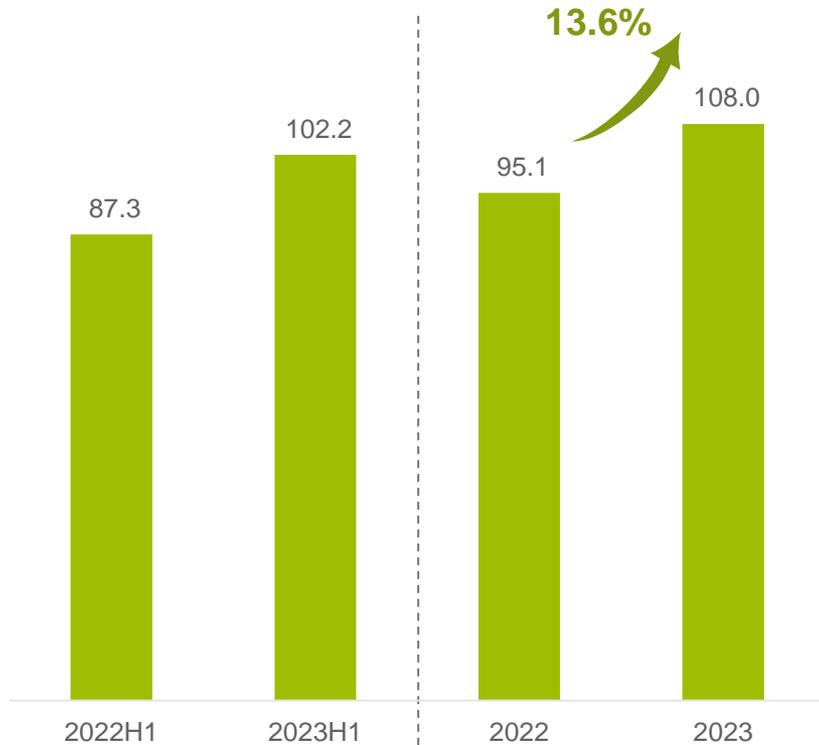


Company Strategy and Drivers of Profitability & Growth

Continuous growth in user community

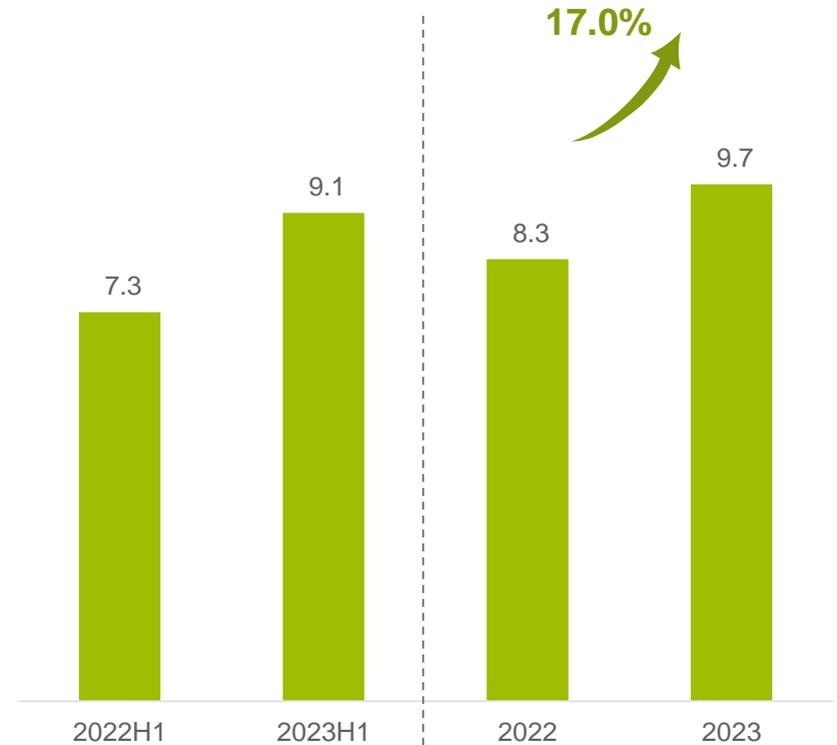
Cumulative verified users

(mn)



Cumulative borrowers ⁽¹⁾

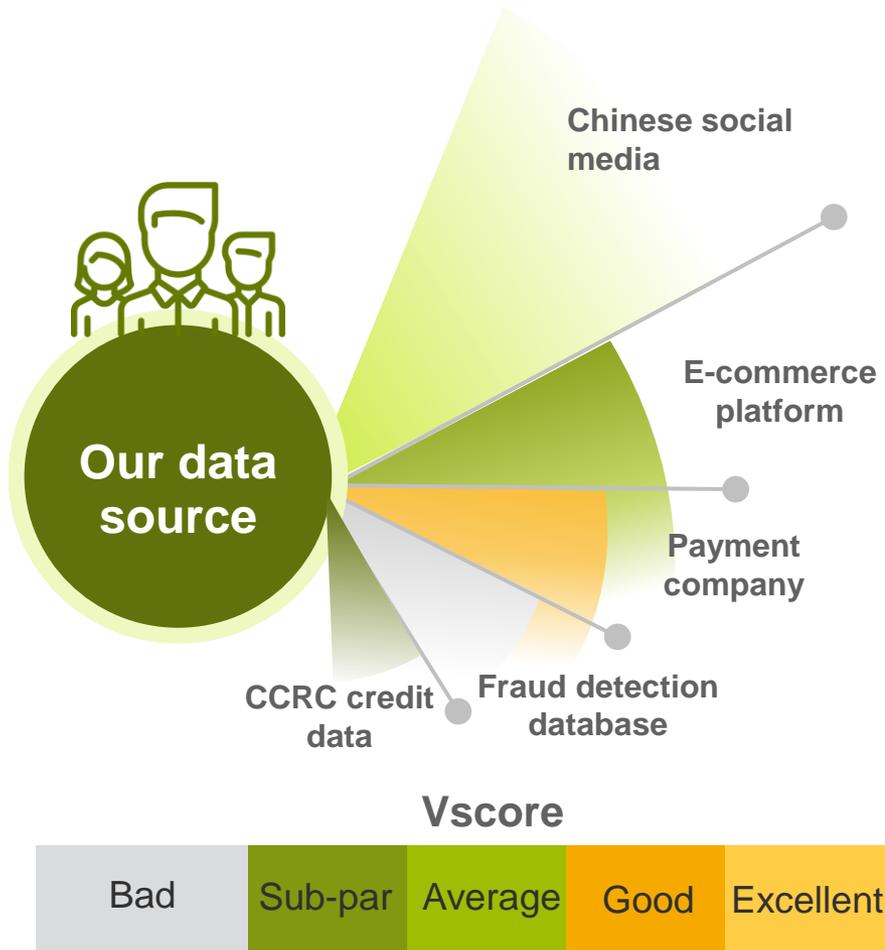
(mn)



Steady growth in the number of verified users and borrowers

Note:

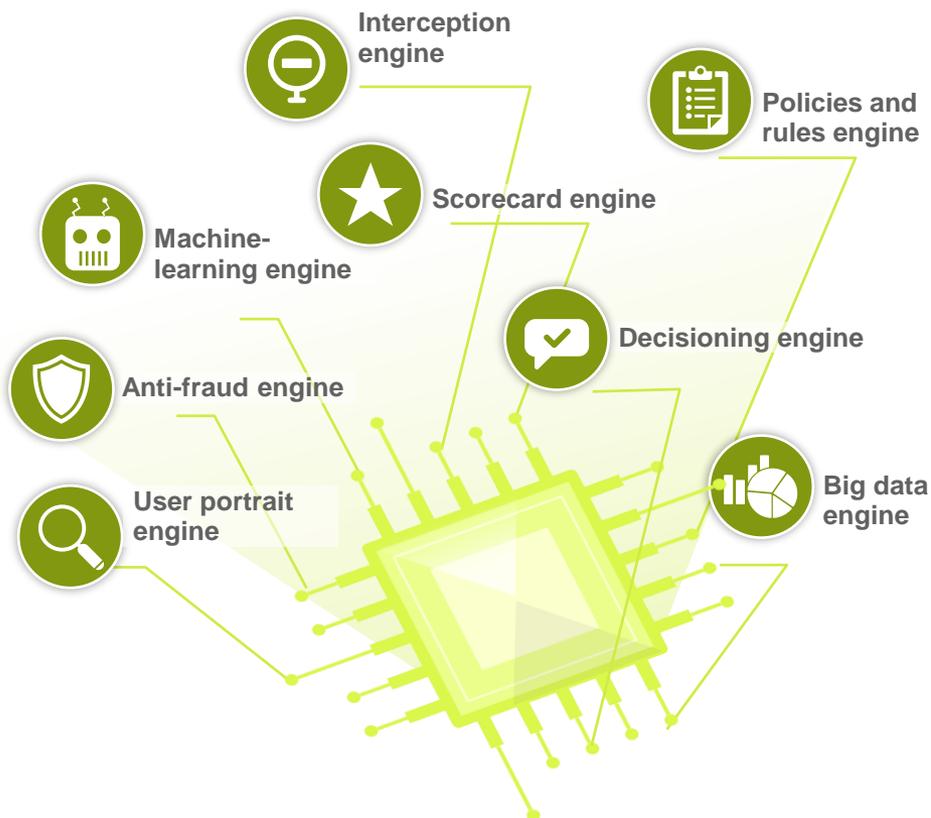
(1) Represent the total number of customers who made at least one transaction at the end of each period



Our strategy

- Optimizing risk management framework with **accurate identification ability**
- Utilizing artificial intelligence to enhance customer experience and drive **sustainable growth**
- Aiming to acquire premium customers and aligning with **regulatory pricing cap**

Robust credit risk management capability enhanced by cutting-edge technology



24/7 Fully automated transaction process enabled by '**Smart lending**' technology

90+ data sources

20+ unique scorecards

100% online customer acquisition

85% repeat borrowing rate⁽¹⁾

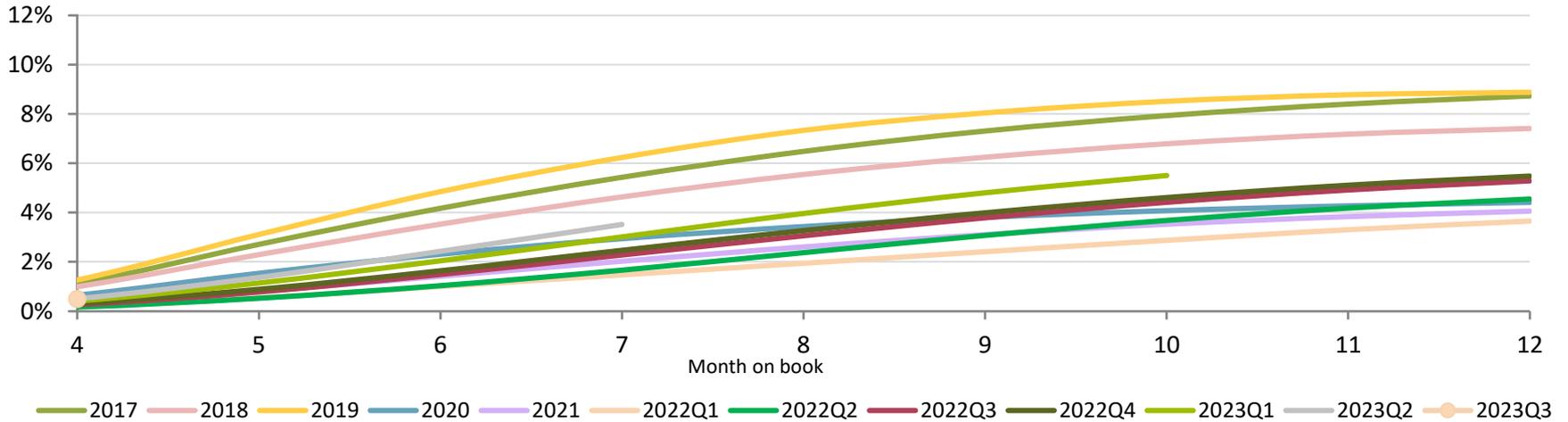
Robust risk management enabled by our advanced technology

Note:

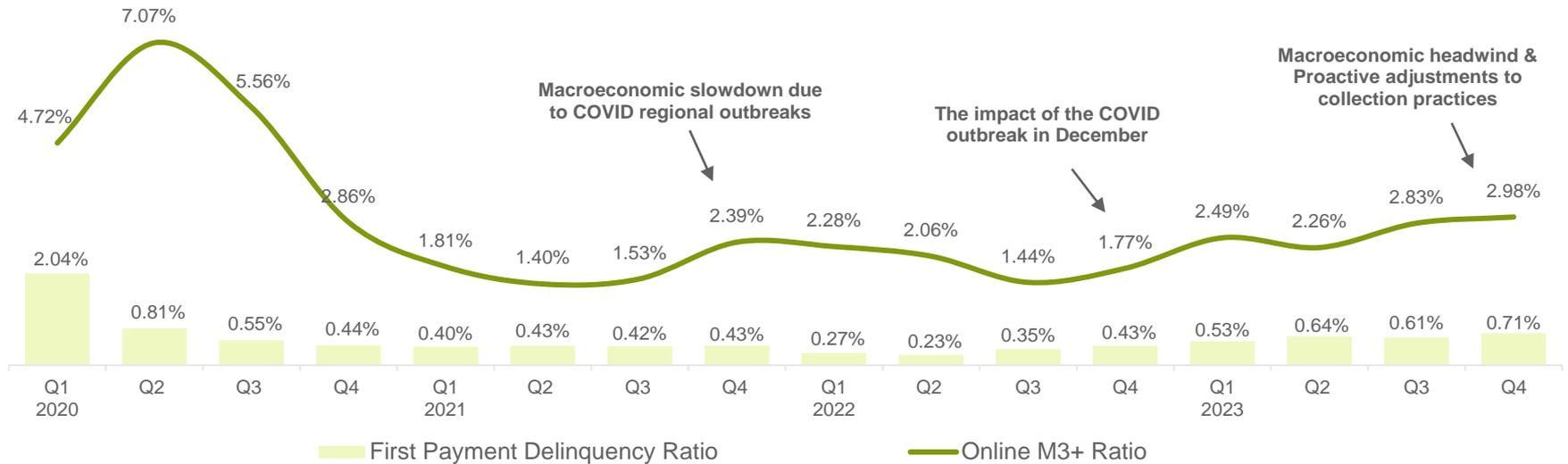
(1) Represent the percentage of loan volume generated by existing borrowers who have successfully borrowed on our platform before

Asset quality

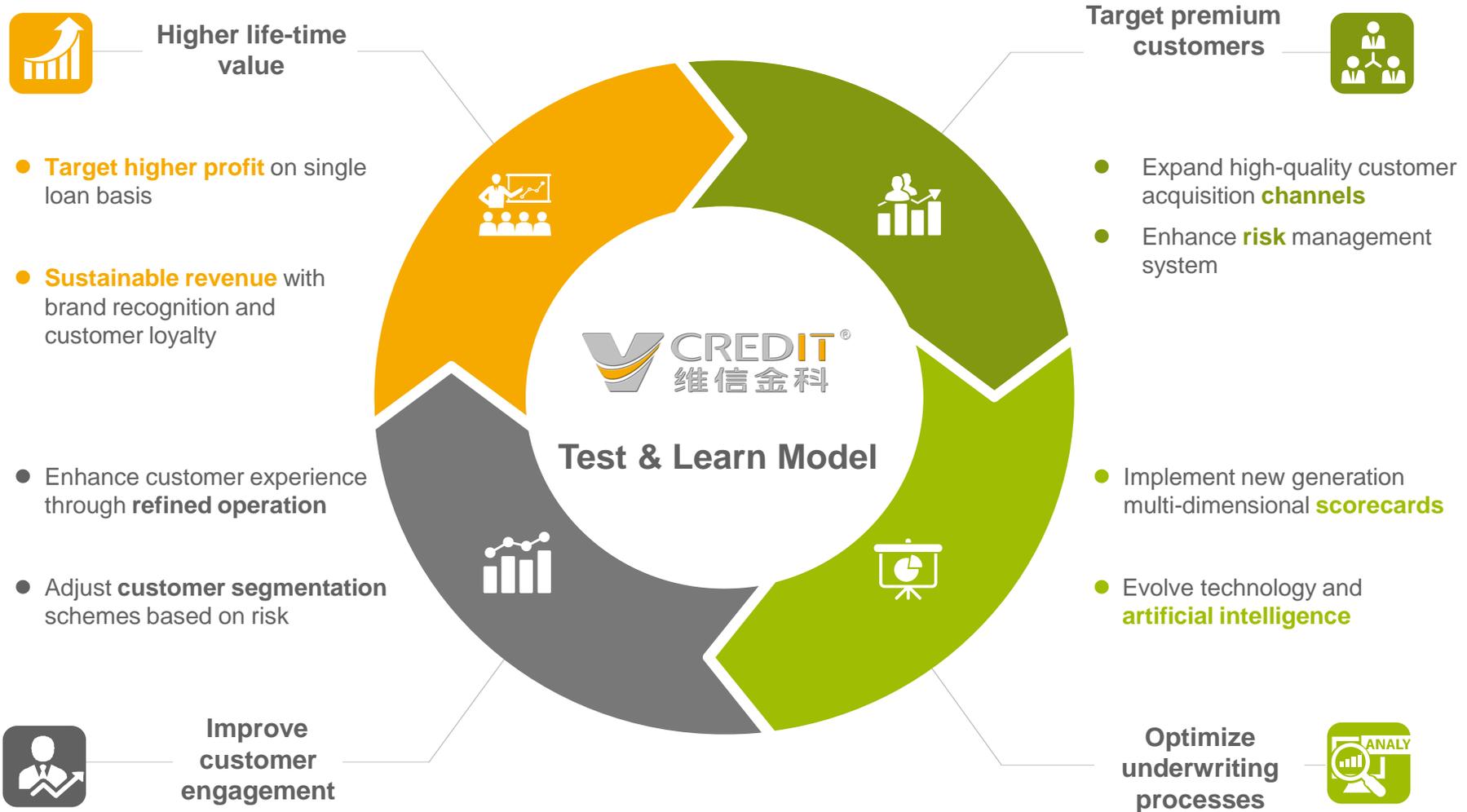
Vintage based M3+ delinquency ratio



First payment delinquency ratio & M3+ ratio



We aim to achieve higher customer life-time value





2023 Annual Results Overview

- **Achieved a stable performance and sustainable business growth in 2023**
with the record high loan originations against the challenging macro environment and the increasingly stringent regulatory policies on post-loan collection

- **Drivers of business growth**
 - ✓ **Enhanced existing customer operation**
 - ✓ **Better customer acquisition (Volume Growth Rate ~44% y-o-y)**
 - ✓ **Operational efficiency and refinement**

Financial Review

in RMB mn	2023	2022	Change	2023H1	2022H1	Change
Total income	3,569	3,119	14.4%	1,918	1,582	21.2%
Net Interest type income	1,150	1,393	-17.5%	599	814	-26.5%
Loan facilitation service fees	2,241	1,564	43.3%	1,105	692	59.6%
Other income/(losses)	178	162	10.5%	214	76	182.6%
Adjusted operating profit⁽¹⁾	606	700	-13.4%	391	434	-9.9%
Adjusted net profit⁽¹⁾	456	537	-15.2%	304	331	-8.4%

Key Ratios

Adjusted net profit/ average outstanding loan balance ⁽²⁾	1.5%	2.6%	-1.1%	1.1%	1.8%	-0.7%
Adjusted net profit/ loan volume ⁽³⁾	0.6%	1.0%	-0.4%	0.8%	1.3%	-0.5%
Risk-bearing outstanding loan balance/ shareholders' equity ⁽⁴⁾	6.8x	5.5x	1.3x	6.6x	4.9x	1.7x

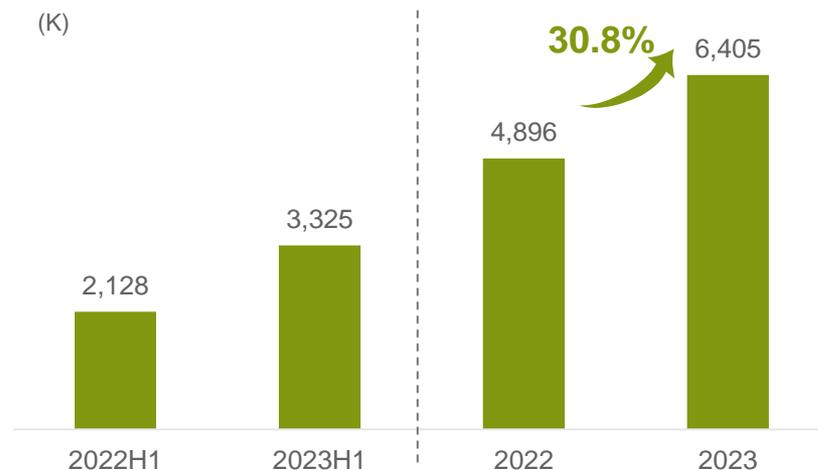
- Note:
- (1) Adjusted operating profit and Adjusted net profit is defined as profit excluding share-based compensation expenses of RMB 2mn in 2023 (2022: RMB 5mn, 2023H1: RMB 1mn, 2022H1: RMB 3mn).
 - (2) Adjusted net profit/ average outstanding loan balance is calculated by dividing the adjusted net profit, by average of semi annual outstanding loan balance.
 - (3) Adjusted net profit/ loan volume is calculated by dividing the adjusted net profit, by total loan volume in that year/period.
 - (4) Risk-bearing outstanding loan balance/ shareholders' equity is calculated by dividing the risk-bearing outstanding loan balance at the end of the year/period, by shareholders' equity.

Operating performance overview

Key operating metrics

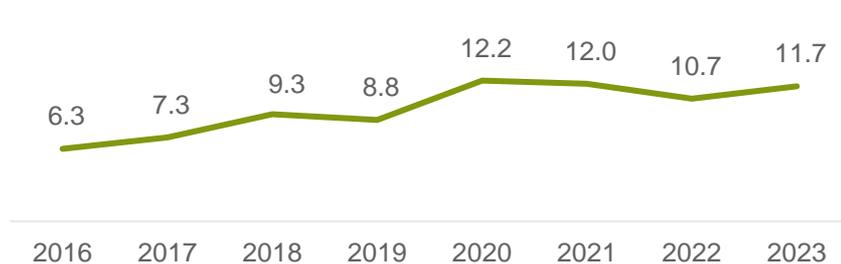
	2022	2023
Cumulative registered users	126.8mn	144.1mn
Cumulative verified users	95.1mn	108.0mn
Cumulative borrowers ⁽¹⁾	8.3mn	9.7mn

No. of transaction of online consumption products



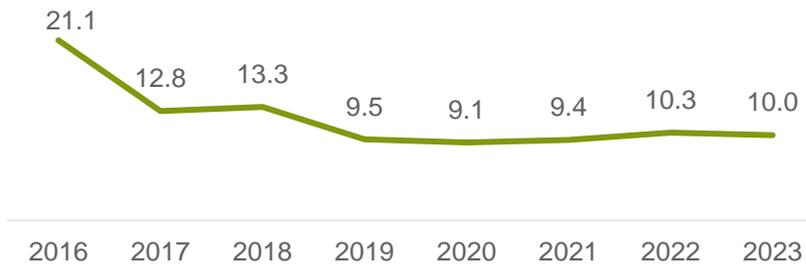
Average ticket size

(RMB k)



Average loan tenure

(Months)



Note:

(1) Represent the total number of customers who made at least one transaction at the end of each period



Key Management

Experienced and stable management team leading cohesive talent development

Lawrence Ma
Founder, Chairman

Lan Xue
General Manager

Ray Yu
CMO

Stephen Liu
Founder, CEO

Jiafang Jin
CSO

Hongzhe Shi
CTO

Thomas Liu
COO

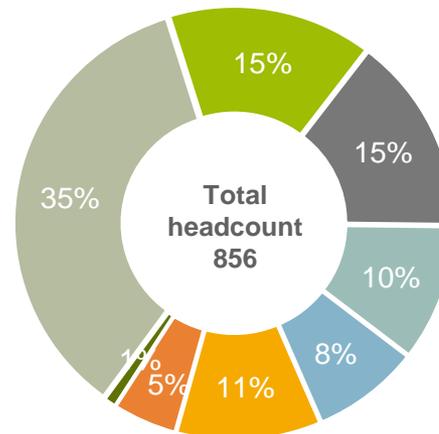
Ethan Gong
CRO

Hong Bai
CFO

Credit-risk centric

Adaptive to regulatory environment

- IT
- Back office ⁽¹⁾
- Post-loan service
- Products and marketing
- Strategy and risk control
- Innovation business
- Customer services
- Senior managements



Technology-driven efficiency

Institutional mindset

Note:
(1) Back office includes finance department, internal control department, admin department, HR department and PR department

Dividend

Time	Dividend	per Share
2022 Interim	Regular	HK 10 cents
2022 Final	Regular	HK 10 cents
2023 Interim	Regular	HK 15 cents
2023 Final <i>(Recommended by Board)</i>	Regular	HK 10 cents



Strategic Initiatives

We are well positioned to keep growing core business

Proprietary data demand

- Long history in retail lending business
- Sufficient customer attributes
- Effective score card



Comprehensive services

- More efficient borrower acquisition through more selective channels
- Comprehensive services including pre-loan and post-loan services



“Smart lending”

Customized product

Risk management demand

- Funding partners can enhance their risk management system with our credit assessment technologies



Existing/potential funding partners will need our service in the foreseeable future



Funding partner demand