



VCREDIT Holdings Limited

Investor Presentation

August 2024

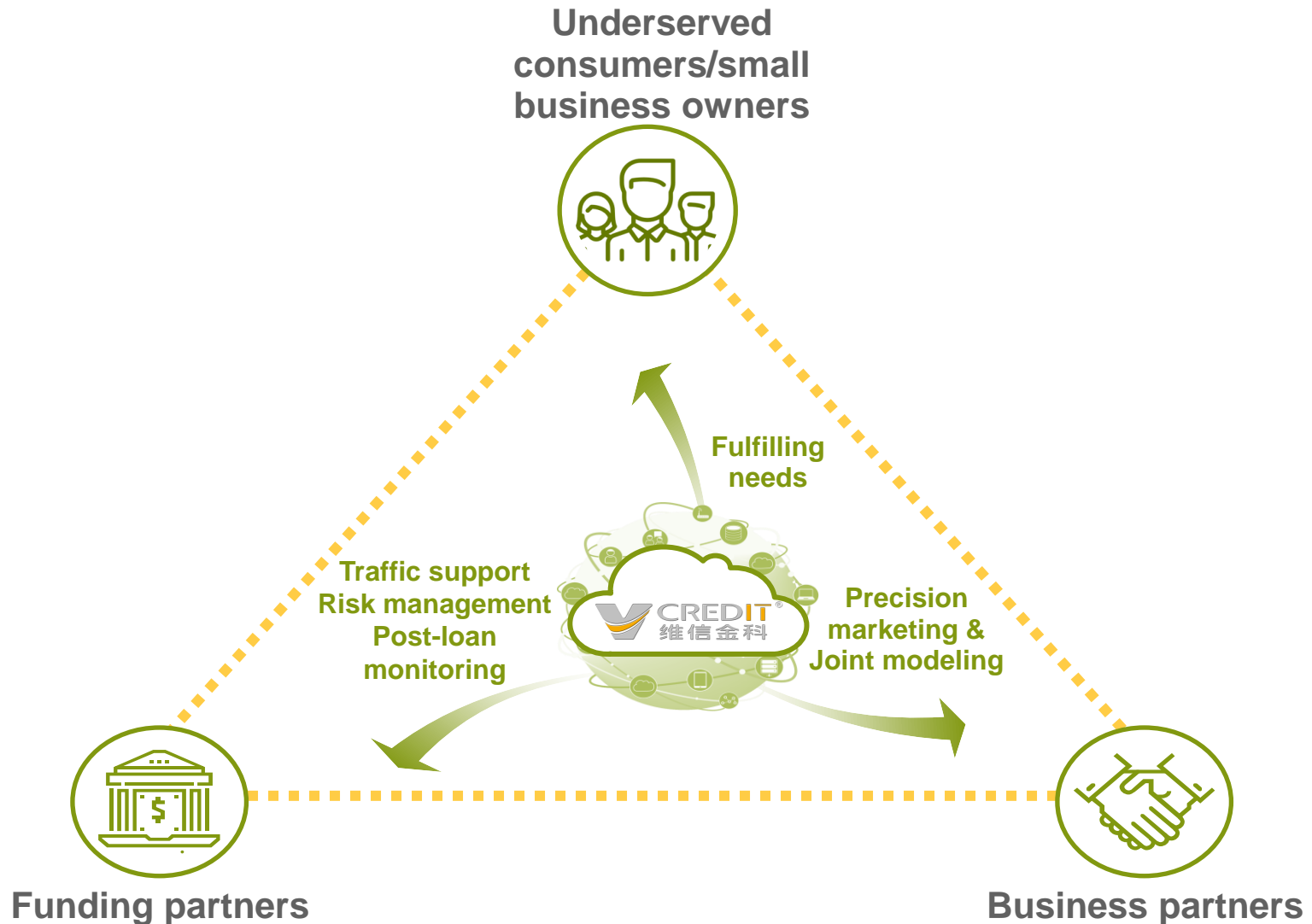
- 1 Corporate Vision**
- 2 Market Overview**
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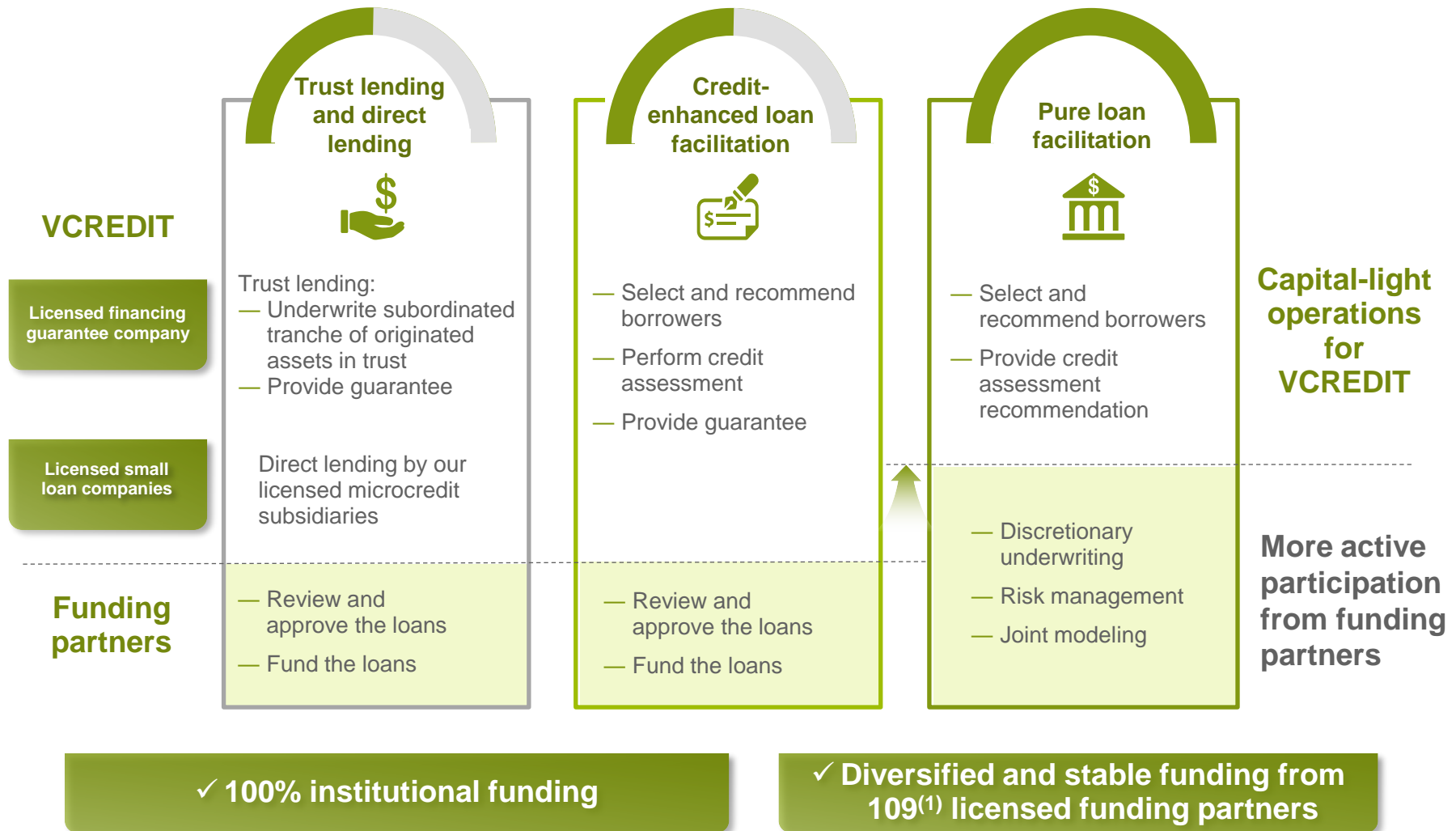
Corporate Vision

A leading independent online consumer finance service provider in China

Differentiated value propositions to borrowers and partners



Diversified Funding Structure



Notes:

(1) As of June 30, 2024.

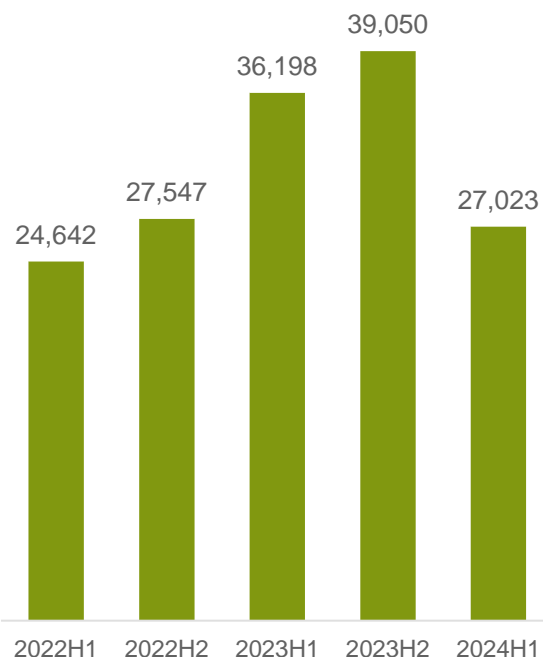
(2) Two wholly-owned online small loan companies which are allowed to do nationwide business.

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

Adopted a prudent strategy to pursue sustainable growth

Loan origination volume

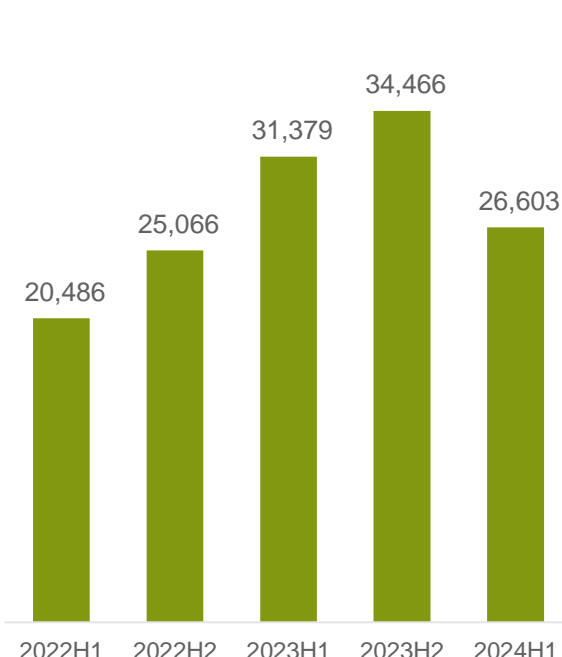
(RMB mn)



■ Online Consumption Products

Outstanding balance

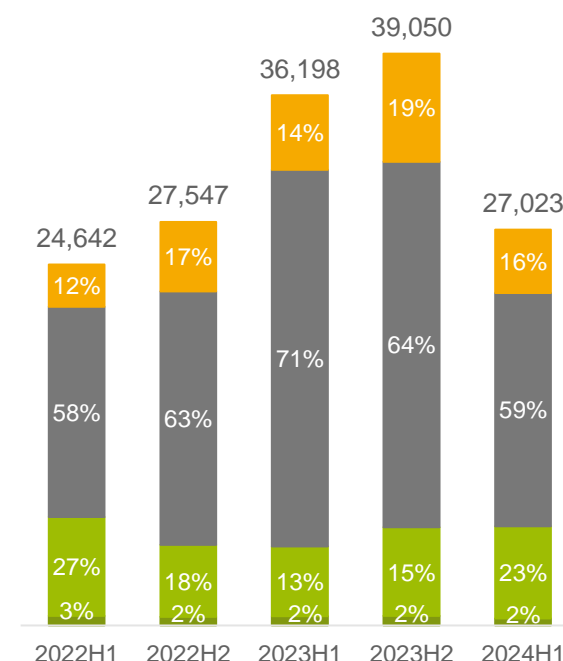
(RMB mn)



■ Online Consumption Products

Funding structure

(RMB mn)

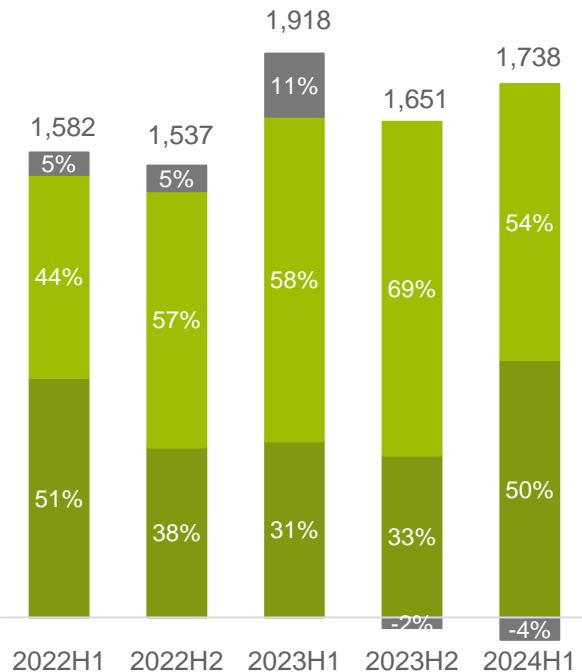


■ Direct Lending
 ■ Trust Lending
 ■ Credit-Enhanced Loan Facilitation
 ■ Pure Loan Facilitation

Remain profitable amid challenging environment

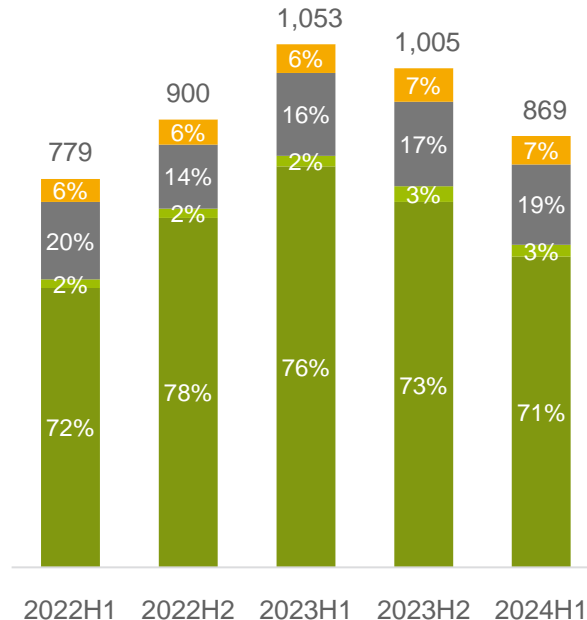
Income breakdown

(RMB mn)



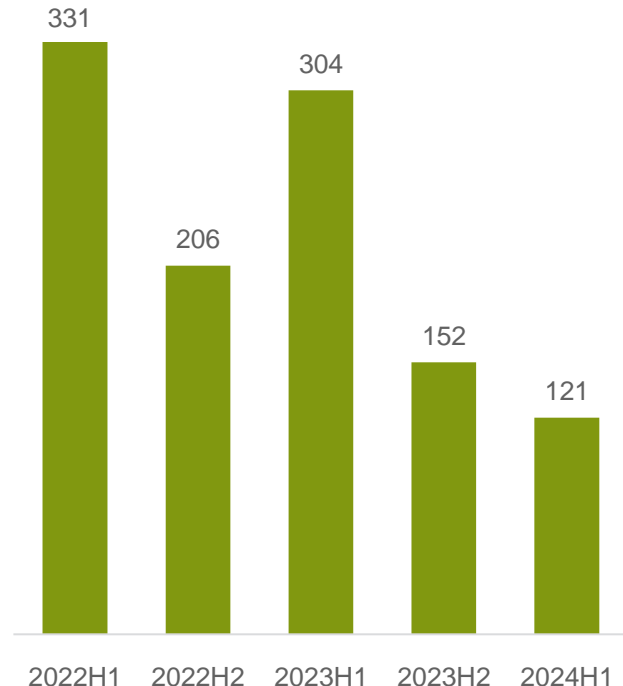
Adjusted OPEX breakdown⁽¹⁾

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



Adjusted net profit⁽²⁾

(RMB mn)



■ Other Income
■ Loan Facilitation Service Fees
■ Net Interest Type Income

■ Research and Development
■ General and Administrative
■ Sales and Marketing
■ Origination and Servicing

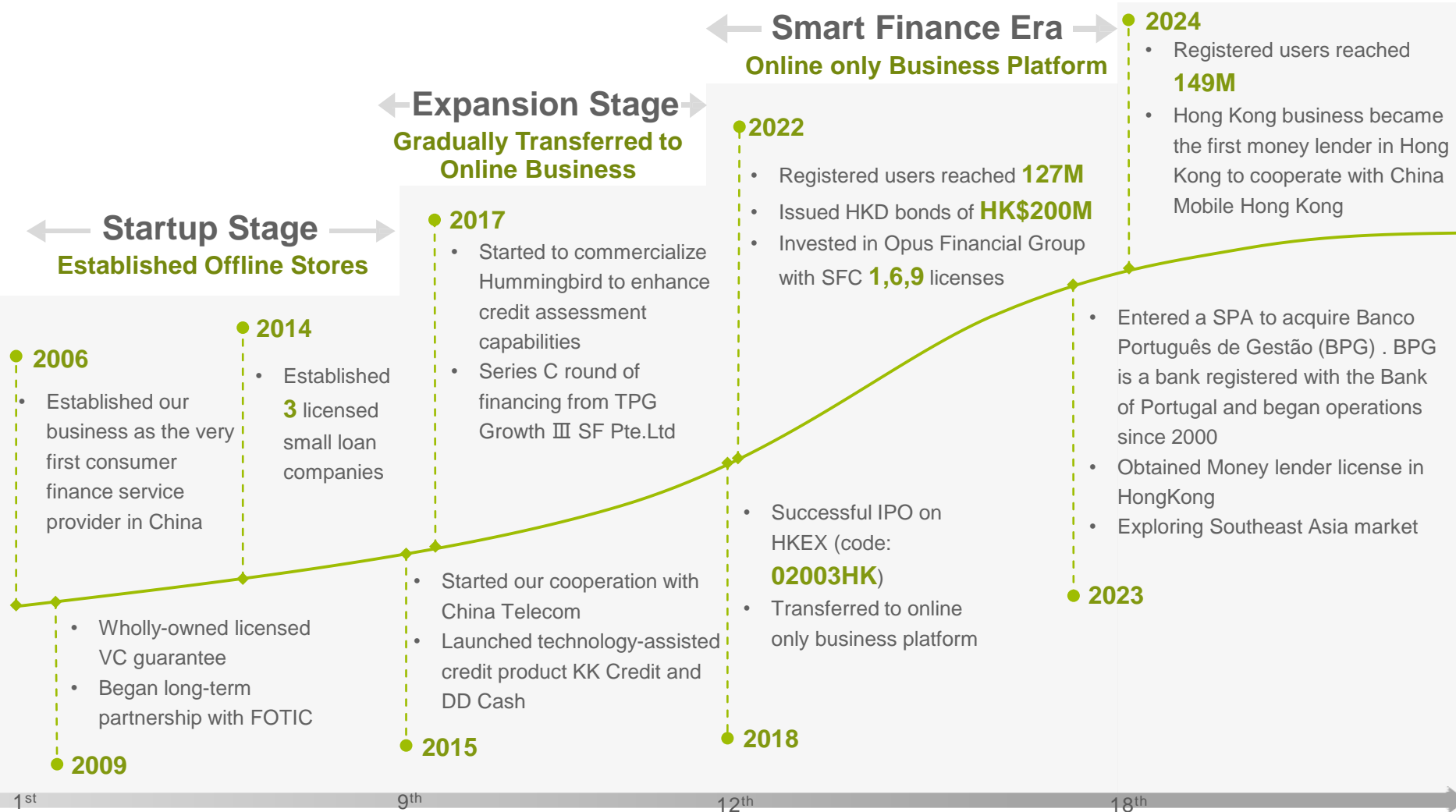
Notes:

(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

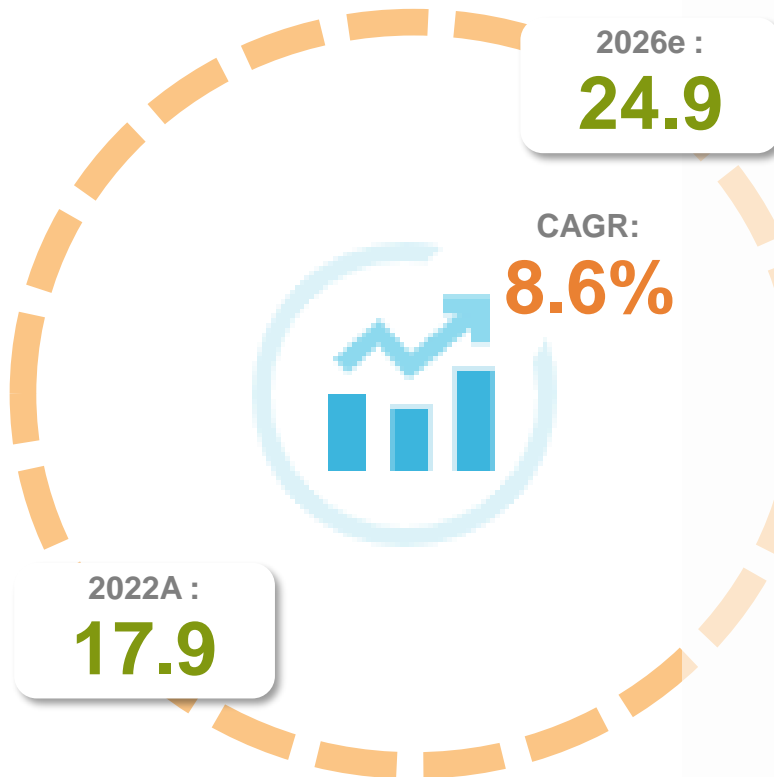


Market Overview

Large and addressable consumer finance market

China's consumer loan balance⁽¹⁾

(RMB tn)



Note:
 (1) Source: iResearch Inc. , forecast data updated on April 2022 and actual data updated on August 2023.
 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.

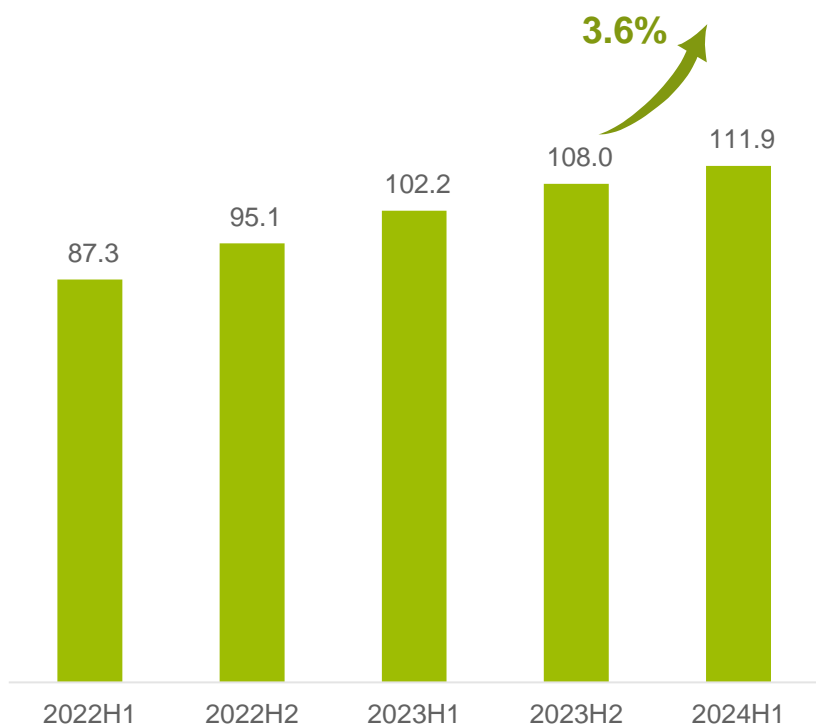


Company Strategy and Drivers of Profitability & Growth

Growing customer base

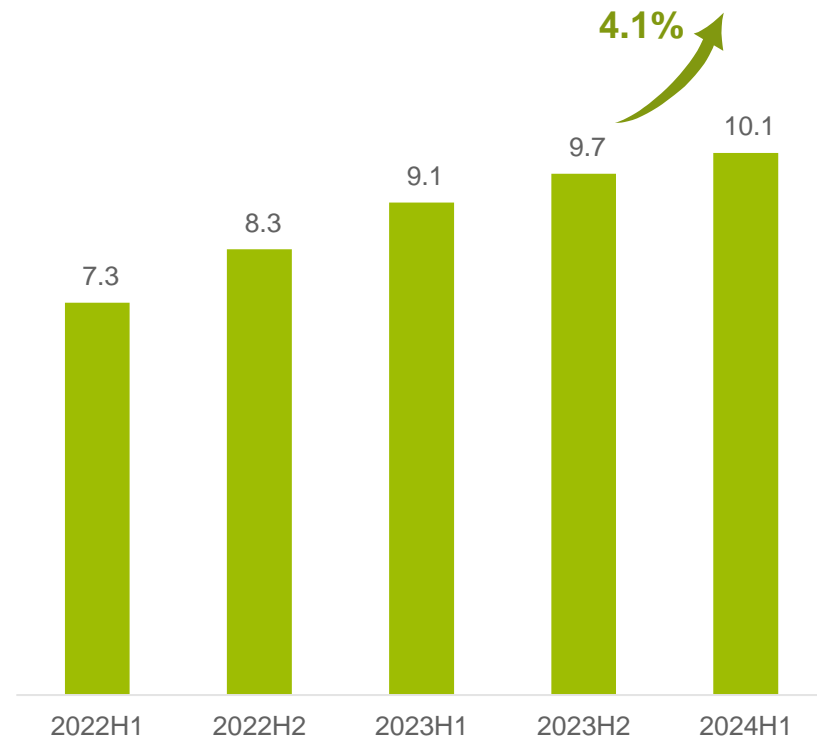
Cumulative verified users

(mn)



Cumulative borrowers ⁽¹⁾

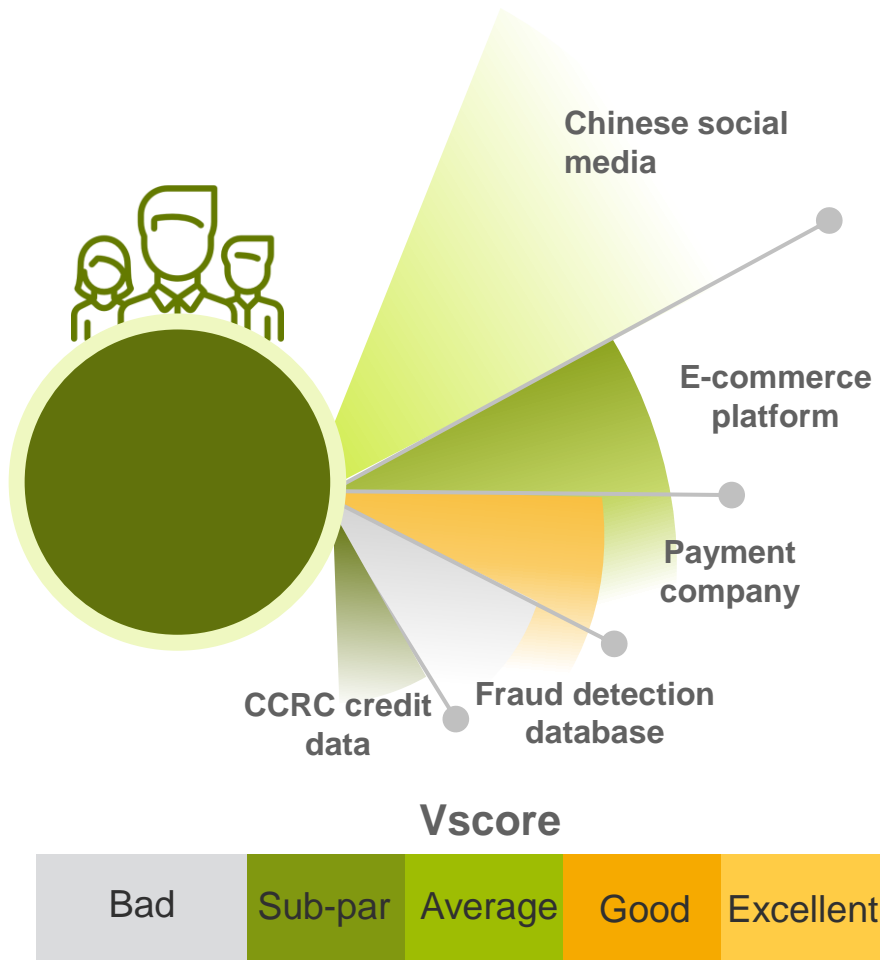
(mn)



Steady growth in verified users and borrowers

Note:

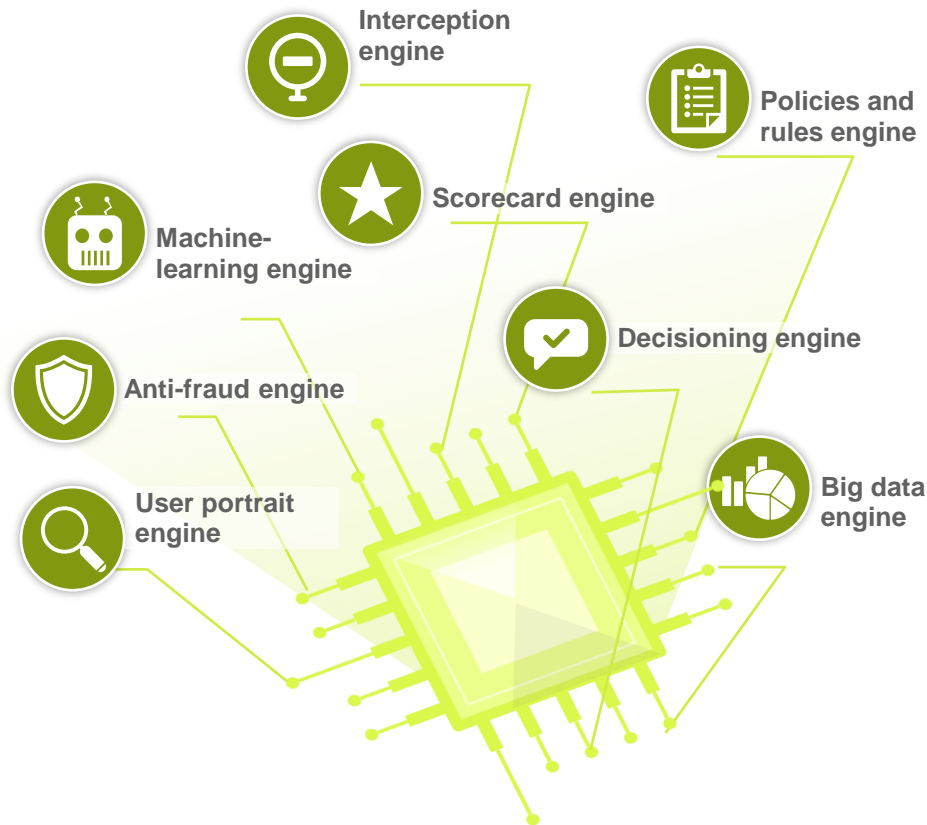
(1) Represent the total number of customers who made at least one transaction at the end of each period.



Our strategy

- Optimizing risk management framework with **flexible method of modeling** and abundant data source
- Leveraging artificial intelligence to **enhance customer experience** and drive sustainable growth
- Adjusting credit line policy to **lower average risk exposure** on customer basis

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

90% repeat borrowing rate⁽¹⁾

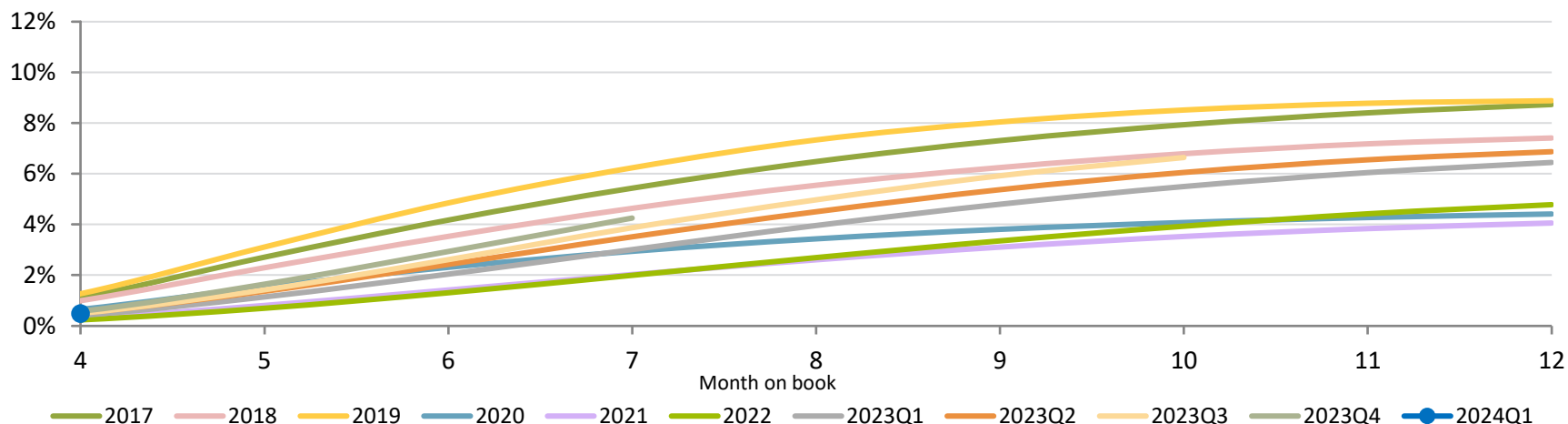
Robust risk management enabled by our advanced technology

Note:

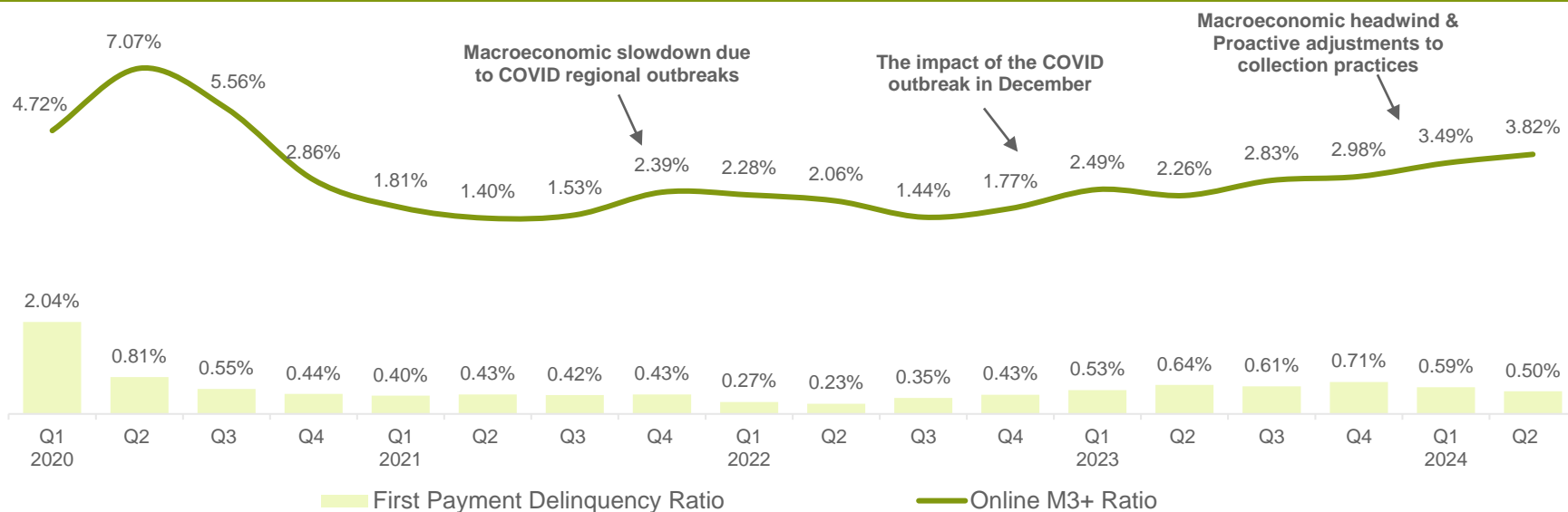
(1) Represent the percentage of loan volume generated by existing borrowers who have successfully borrowed on our platform before.

Asset quality

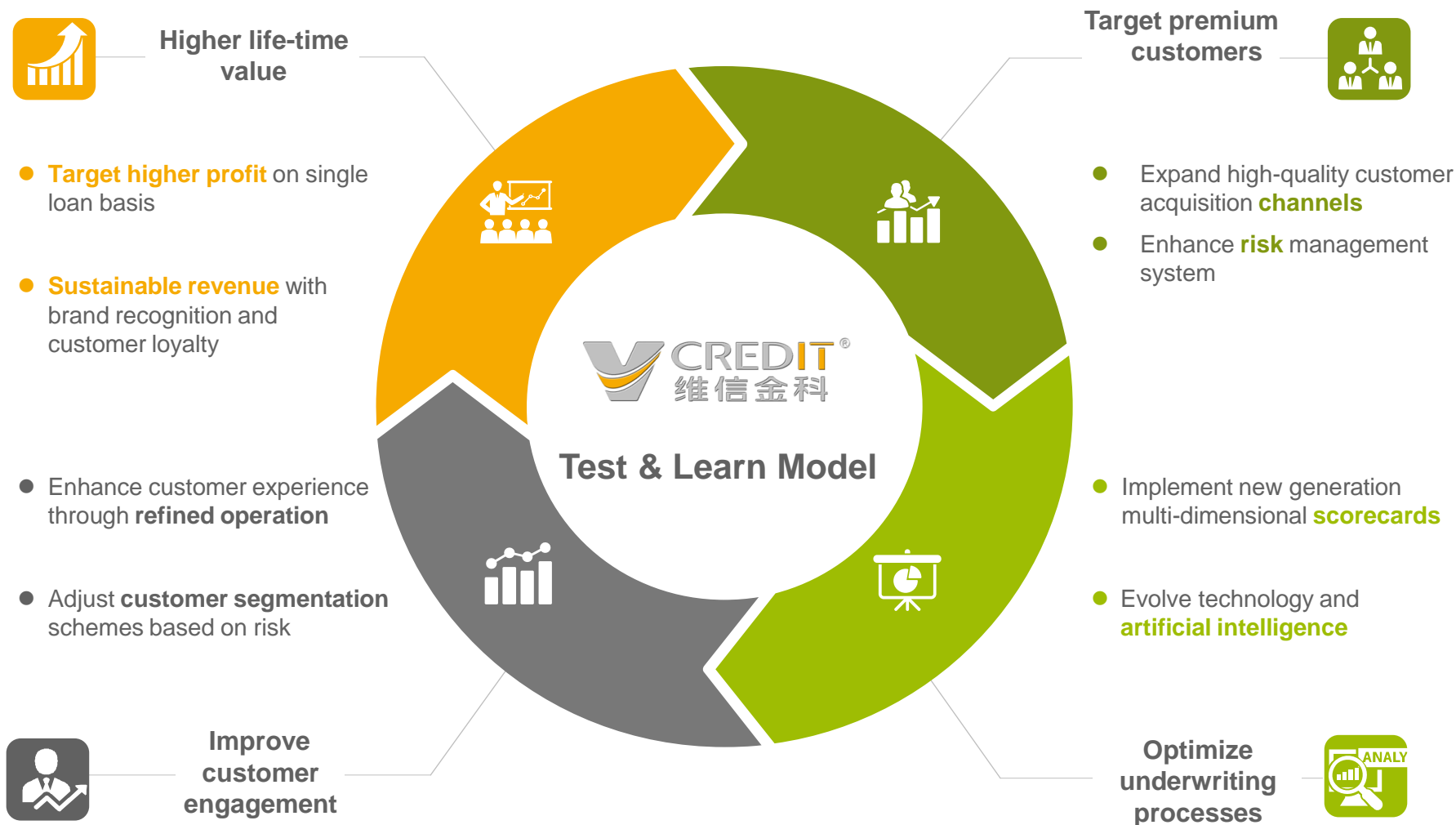
Vintage based M3+ delinquency ratio



First payment delinquency ratio & M3+ ratio



We aim to achieve higher customer life-time value





2024 Interim Results Overview

- **Adopted a prudent business strategy to cope with slow macroeconomic environment and weak consumer demand during the Period, aiming for a long-term sustainable growth**
- **Drivers of business sustainability**
 - **Refined risk management**
 - **Enhanced existing customer operation**
 - **Acquired high-quality customers**

Financial Review

in RMB mn	2024H1	2023H1	Change	2023H2	Change
Total income	1,738	1,918	-9.3%	1,651	5.2%
Net Interest type income	875	599	46.2%	551	58.8%
Loan facilitation service fees	940	1,105	-15.0%	1,136	-17.3%
Other (expenses)/income	(77)	214	NM	(36)	118.8%
Adjusted operating profit⁽¹⁾	155	391	-60.4%	215	-28.2%
Adjusted net profit⁽¹⁾	121	304	-60.2%	152	-20.6%

Key Ratios

Adjusted net profit/ average outstanding loan balance ⁽²⁾	0.4%	1.1%	-0.7%	0.5%	-0.1%
Adjusted net profit/ loan volume ⁽³⁾	0.4%	0.8%	-0.4%	0.4%	0.0%
Risk-bearing outstanding loan balance/ shareholders' equity ⁽⁴⁾	5.4x	6.6x	-1.2x	6.8x	-1.4x

Notes:

(1) Adjusted operating profit and Adjusted net profit is defined as profit excluding share-based compensation expenses of RMB 0.3mn in 2024H1(2023H1: RMB 1.4mn, 2023H2: RMB 0.2mn).

(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 period.

(4) Risk-bearing outstanding loan balance/ shareholders' equity is calculated by dividing the risk-bearing outstanding loan balance at the end of the period, by shareholders' equity. 18

Operating performance overview

Key operating metrics

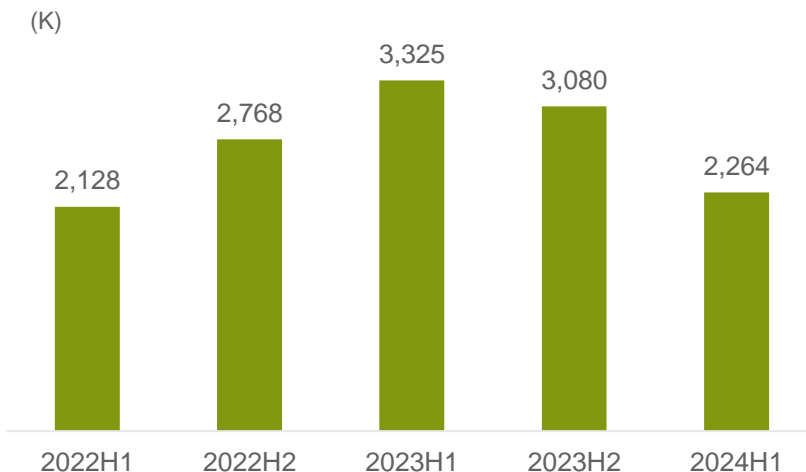
	2023H1	2023H2	2024H1
Cumulative registered users	135.8mn	144.1mn	149.1mn
Cumulative verified users	102.2mn	108.0mn	111.9mn

Average ticket size

(in RMB thousands)

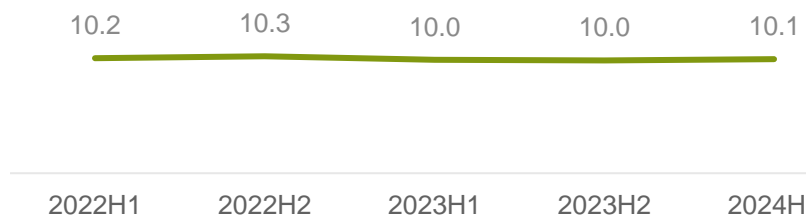


No. of transactions of online consumption products



Average loan tenure

(Months)








Key Management

Experienced and stable management team leading cohesive talent development

Lawrence Ma
Founder, Chairman

  **BankersTrust**
CITIC RESOURCES HOLDINGS LIMITED
中信資源控股有限公司


Lan Xue
General Manager

 **ENN**
中核集团


Ray Yu
CMO

NEC

Stephen Liu
Founder, CEO

 **Sanwa Bank**

Jiafang Jin
CSO

 **Yuanfeng**
元丰

Hongzhe Shi
CTO

LEXIN 乐信

Thomas Liu
COO

 **STAR**  **LEHMAN BROTHERS**

Ethan Gong
CRO

 **Capital One**

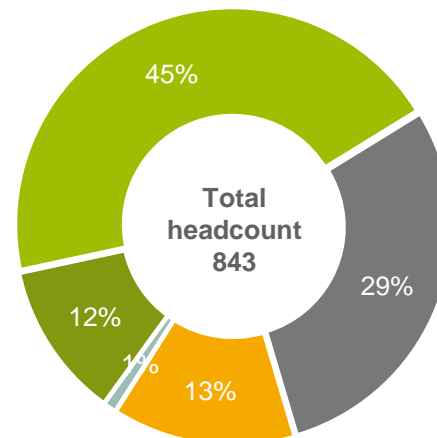
Hong Bai
CFO

 **citibank**  **HSBC**

**Credit-risk
centric**

**Adaptive to
regulatory
environment**

- Front office ⁽¹⁾
- Middle office ⁽²⁾
- IT department
- Back office ⁽³⁾
- Senior managements



**Technology-
driven efficiency**

**Institutional
mindset**

Notes:

(1) Front office refers to the departments that are directly engaged with customers and the market.

(2) Middle office refers to the departments that provide operational support for front office business activities.

(3) Back office refers to the departments that provide general and administrative support for company's operations.

Time	Dividend	per Share
2022 Interim	Regular	HK 10 cents
2022 Final	Regular	HK 10 cents
2023 Interim	Regular	HK 15 cents
2023 Final	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