

360 DigiTech Investor Presentation

December 2020

Disclaimer

This presentation has been prepared by 360 DigiTech, Inc. (the “Company”) solely for information purpose. By viewing or accessing the information contained in this material, you hereby acknowledge and agree that no representations, warranties or undertakings, express or implied, are made by the Company or any of its directors, shareholders, employees, agents, affiliates, advisors or representatives as to, and no reliance should be placed upon, the accuracy, fairness, completeness or correctness of the information or opinions presented or contained in this presentation. None of the Company or any of its directors, shareholders, employees, agents, affiliates, advisors or representatives accept any responsibility whatsoever (in negligence or otherwise) for any loss howsoever arising from any information presented or contained in this presentation or otherwise arising in connection with the presentation. The information presented or contained in this presentation is subject to change without notice and its accuracy is not guaranteed.

This presentation does not constitute an offer to sell or issue or an invitation or recommendation to purchase or subscribe for any securities of the Company for sale in the United States or anywhere else. No securities of the Company may be sold in the United States without registration with the United States Securities and Exchange Commission (the “SEC”) or an exemption from such registration pursuant to the Securities Act of 1933, as amended (the “Securities Act”) and the rules and regulations thereunder. No part of this presentation shall form the basis of or be relied upon in connection with any contract or investment decision in relation to any securities or otherwise. This presentation does not contain all relevant information

relating to the Company or its securities, particularly with respect to the risks and special considerations involved with an investment in the securities of the Company. Nothing contained in this presentation shall be relied upon as a promise or representation as to the past or future performance of the Company. Past performance does not guarantee or predict future performance. You acknowledge that any assessment of the Company that may be made by you will be independent of this presentation and that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.

Certain statements in this presentation, and other statements that the Company may make, are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. These statements reflect the Company’s intent, beliefs or current expectations about the future. These statements can be recognized by the use of words such as “expects,” “plans,” “will,” “estimates,” “projects,” “intends,” “anticipates,” “believes,” “confident” or words of similar meaning. These forward-looking statements are not guarantees of future performance and are based on a number of assumptions about the Company’s operations and other factors, many of which are beyond the Company’s control, and accordingly, actual results may differ materially from these forward-looking statements. The Company or any of its affiliates, advisers or representatives has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.

This presentation also contains non-GAAP financial measures, the presentation of which is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). In addition, the Company’s calculation of these non-GAAP financial measures may be different from the calculation used by other companies, and therefore comparability may be limited. The reconciliation of those measures to the most comparable GAAP measures is contained within this document or available at the Company website <https://ir.360jinrong.net/>.

THE INFORMATION CONTAINED IN THIS DOCUMENT IS By viewing, accessing or participating in this presentation, you hereby acknowledge and agree to keep the contents of this presentation and these materials confidential. You agree not to remove these materials, or any materials provided in connection herewith, from the conference room where such documents are provided. You agree further not to photograph, copy or otherwise reproduce this presentation in any form or pass on this presentation to any other person for any purpose, during the presentation or while in the conference room. You must return this presentation and all other materials provided in connection herewith to the Company upon completion of the presentation. By viewing, accessing or participating in this presentation, you agree to be bound by the foregoing limitations.

AGENDA

01 Corporate Overview

02 Leadership Position

03 Quarterly Update

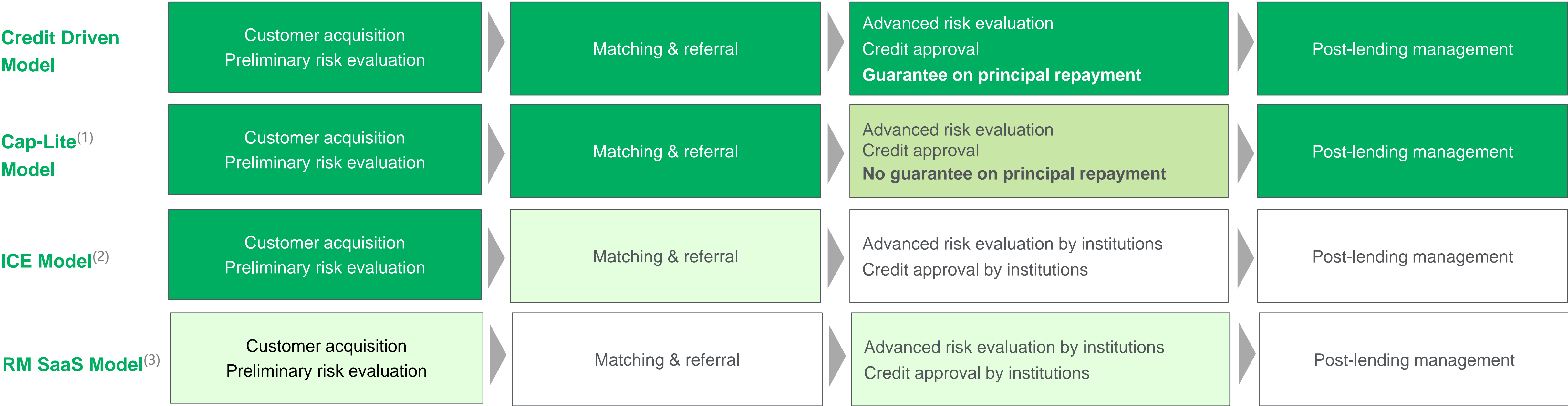
01 | Corporate Overview

A Data-driven Tech-powered Digital Platform – *Connecting Consumers and SMEs with Financial Institutions*



Note: Insurance and Wealth Management units are operated by our affiliates.
Source: Company data.

Service Models for Banks and Consumer Finance Companies



Innovations and Technologies

- **Big Data Analysis** on users' behavior and credit history
- **RTA-DMP Marketing System** efficient customer acquisition
- **Real-time Anti-fraud Monitoring**
- **Argus RM Model** (risk model)
- **Algorithm and AI Technologies** allow **99.5%** of credit line applications and transactions can be completed automatically without human intervention

- **Cloud Bank System** connects consumers' demand with institutions' offerings through smart matching and achieves **98%** approval rate.
- **Cosmic Cube System** optimizes product pricing based on customers' risk profile and rate sensitivity.
- **Apollo Platform** optimizes product pricing based on customers' risk profile and rate sensitivity.

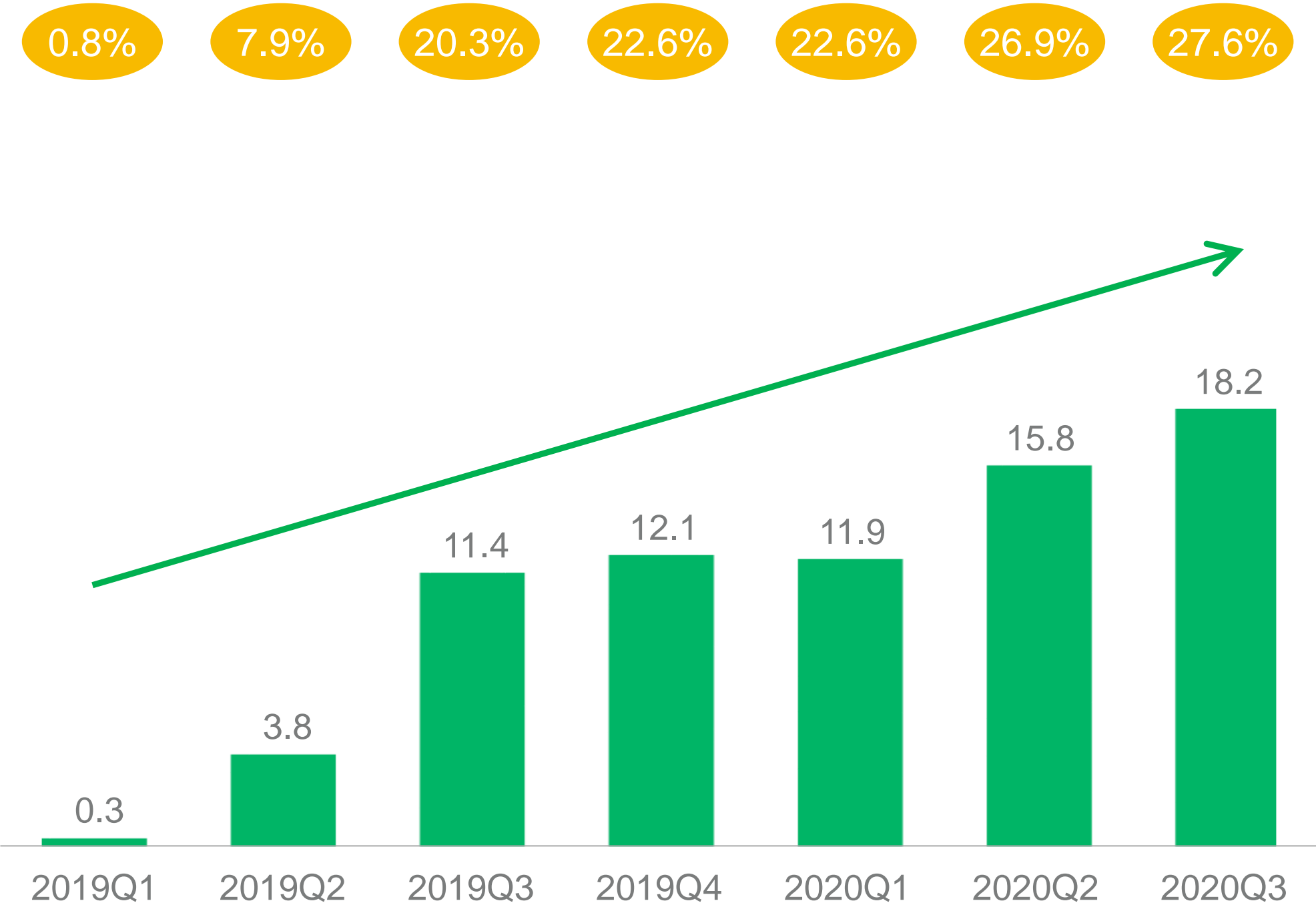
- **Graph Engine:**
 - open source distributed framework
 - multiple business scenarios
 - response time within millisecond

- **AI robot collection:**
 - Over **83%** of collections are done by AI robots
 - Rapid evolution of AI robot's machine learning capability
 - AI powered concurrent robot-call technology with higher throughput rates and longer average valid call duration.

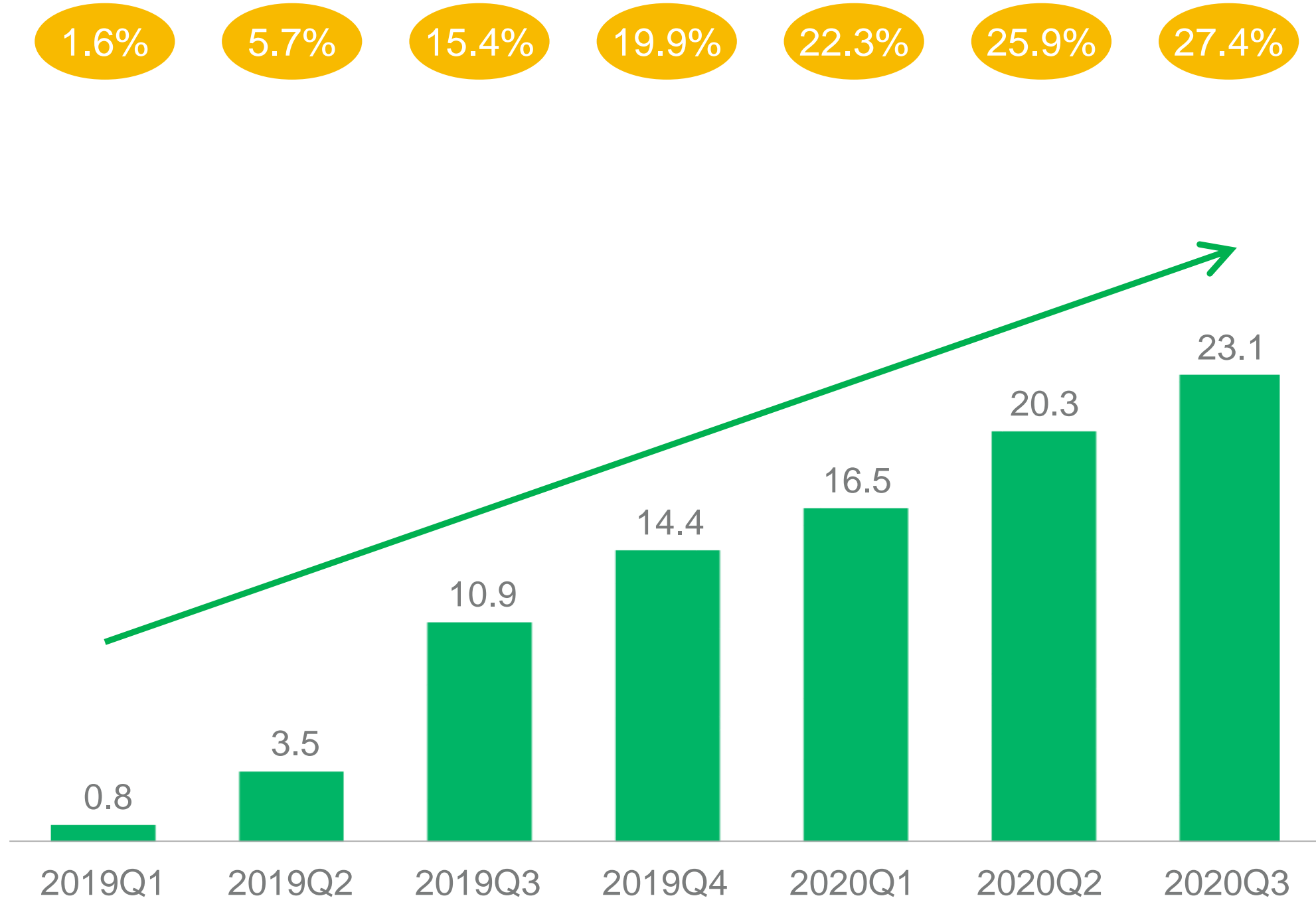
Note: (1) Cap-Lite refers to Capital Light; (2) ICE refers to Intelligent Credit Engine; (3) RM SaaS refers to Risk Management SaaS; (4) Different color shades represent the intensity of each function we perform under each model.
Source: Company data

Increasing Contribution from Technology Solutions⁽¹⁾

Origination Volume of Technology Solutions
(RMB billion)



Outstanding Balance of Technology Solutions
(RMB billion)



As % of total origination volume / outstanding balance

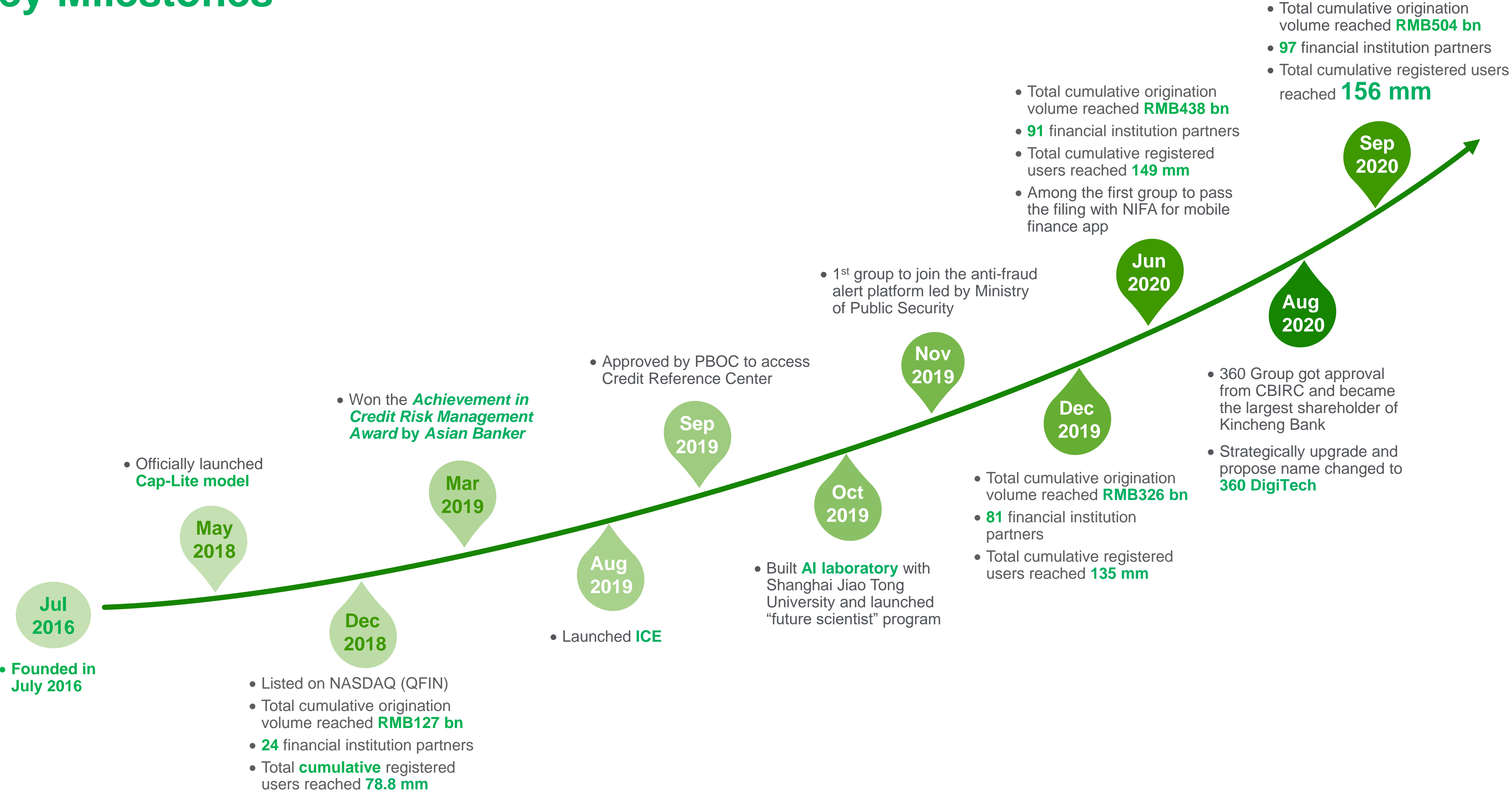
Note: (1) Including Cap-Lite and ICE.

Massive Addressable Market – the Consumer Finance Pyramid



Note: (1) Estimated consumer financing balance for each tier as of 1H2020. (2) Our affiliate 360 Group became #1 shareholder of KCB with 30% stake in August 2020.
Source: Analyst reports, PBOC, OW, National Internet Finance Association of China

Key Milestones



Experienced Management Team with Solid Background and Track Record



Hongyi ZHOU
Chairman

20+ years of managerial and operational experience in China's Internet industry



Haisheng WU
CEO

15+ years of experience in Internet product development and operations



Alex XU
CFO

15+ years of experience in capital market, corporate finance and business management



Zhiqiang HE
SVP

10+ years of experience in consulting and business management



Yan ZHENG
CRO

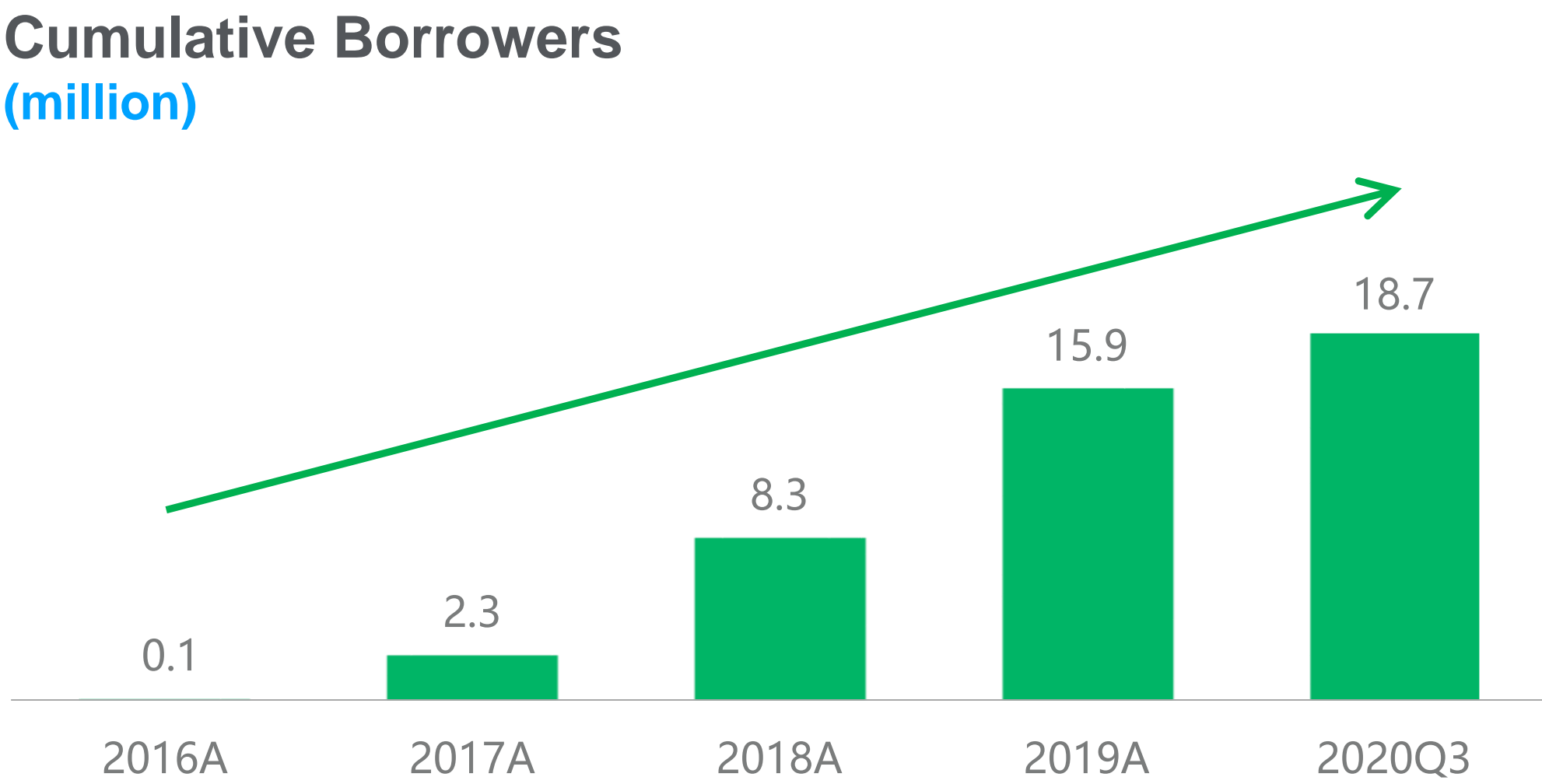
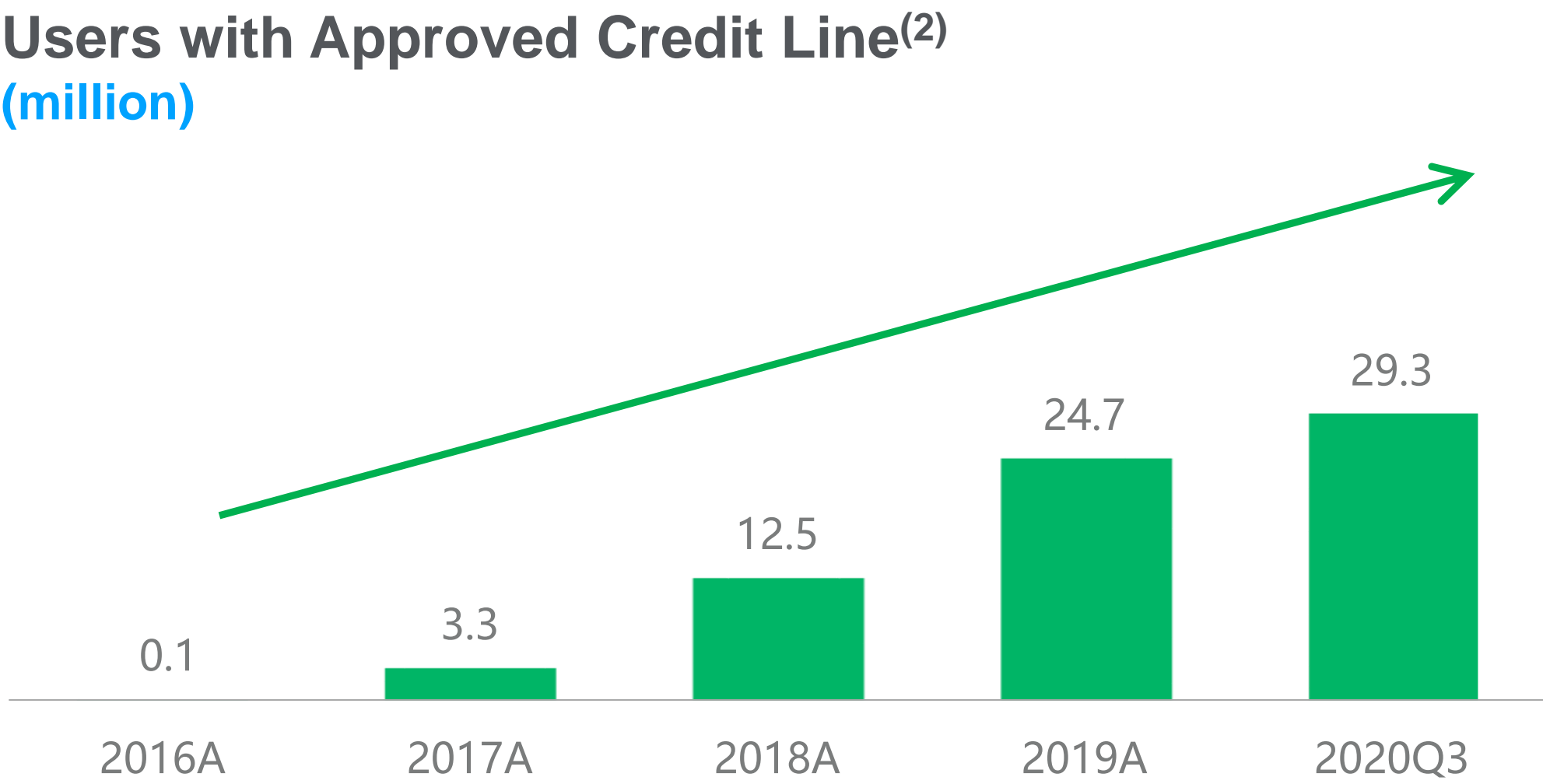
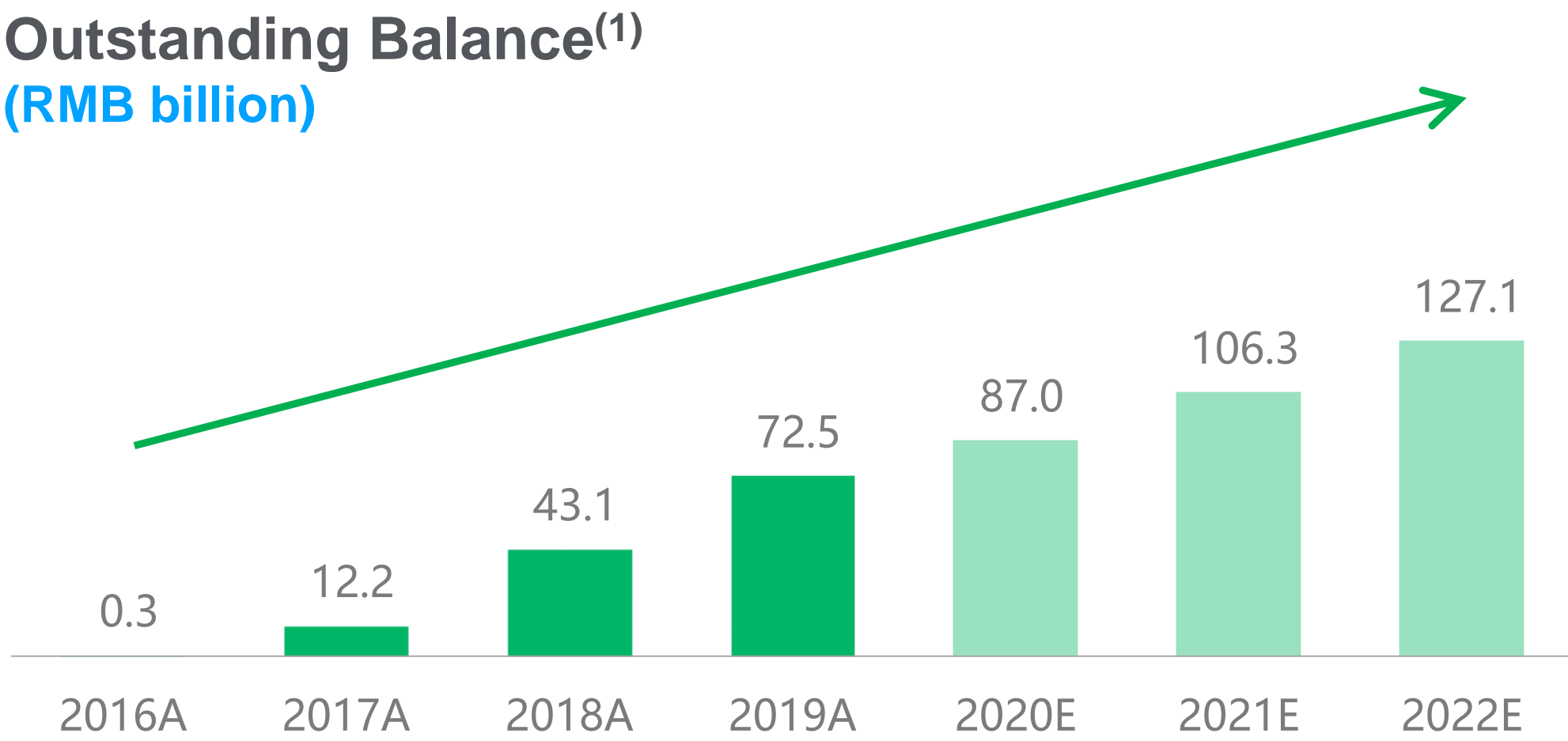
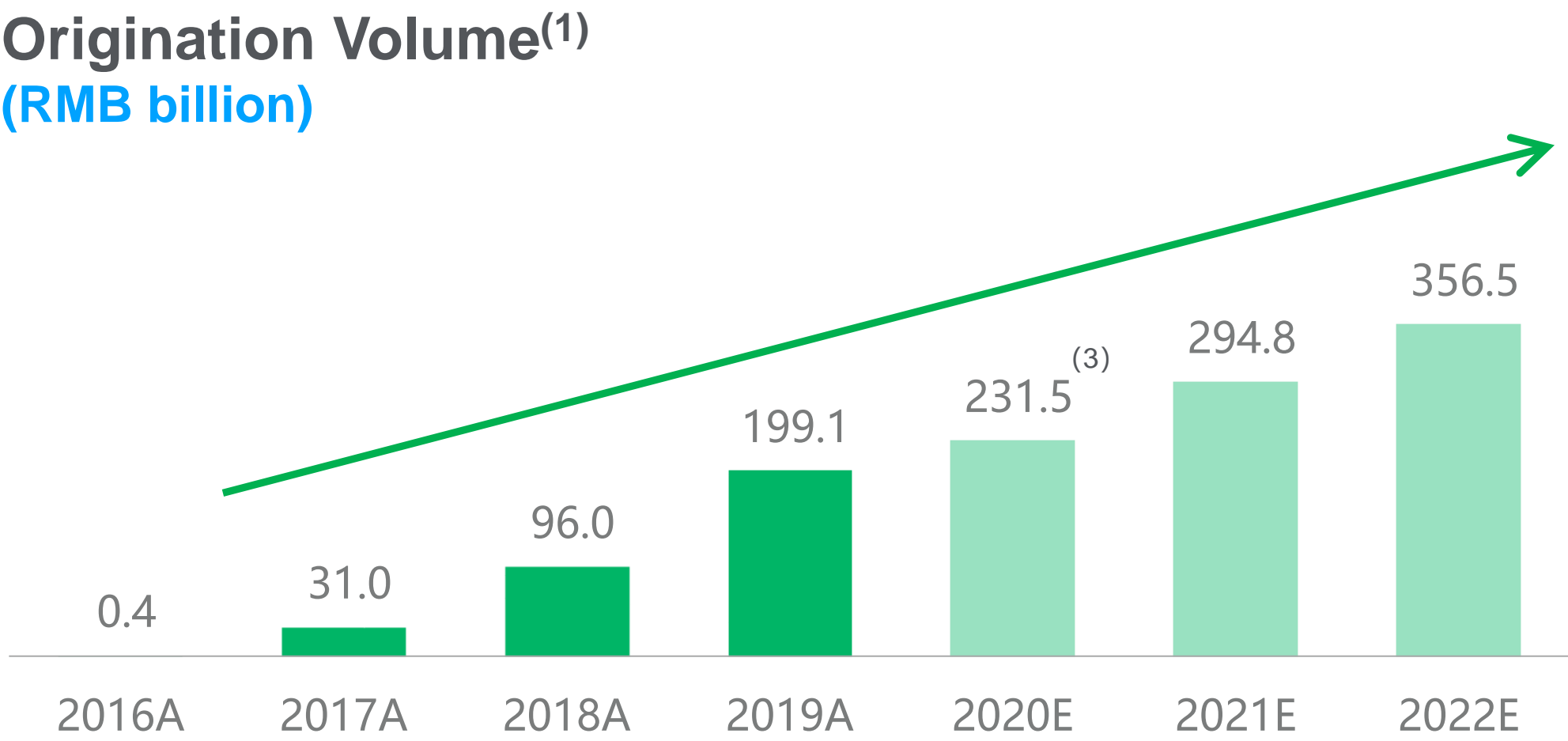
10+ years of experience in consumer finance risk management and co-founder of a fintech company



Source: Company data.

02 | Leadership Position

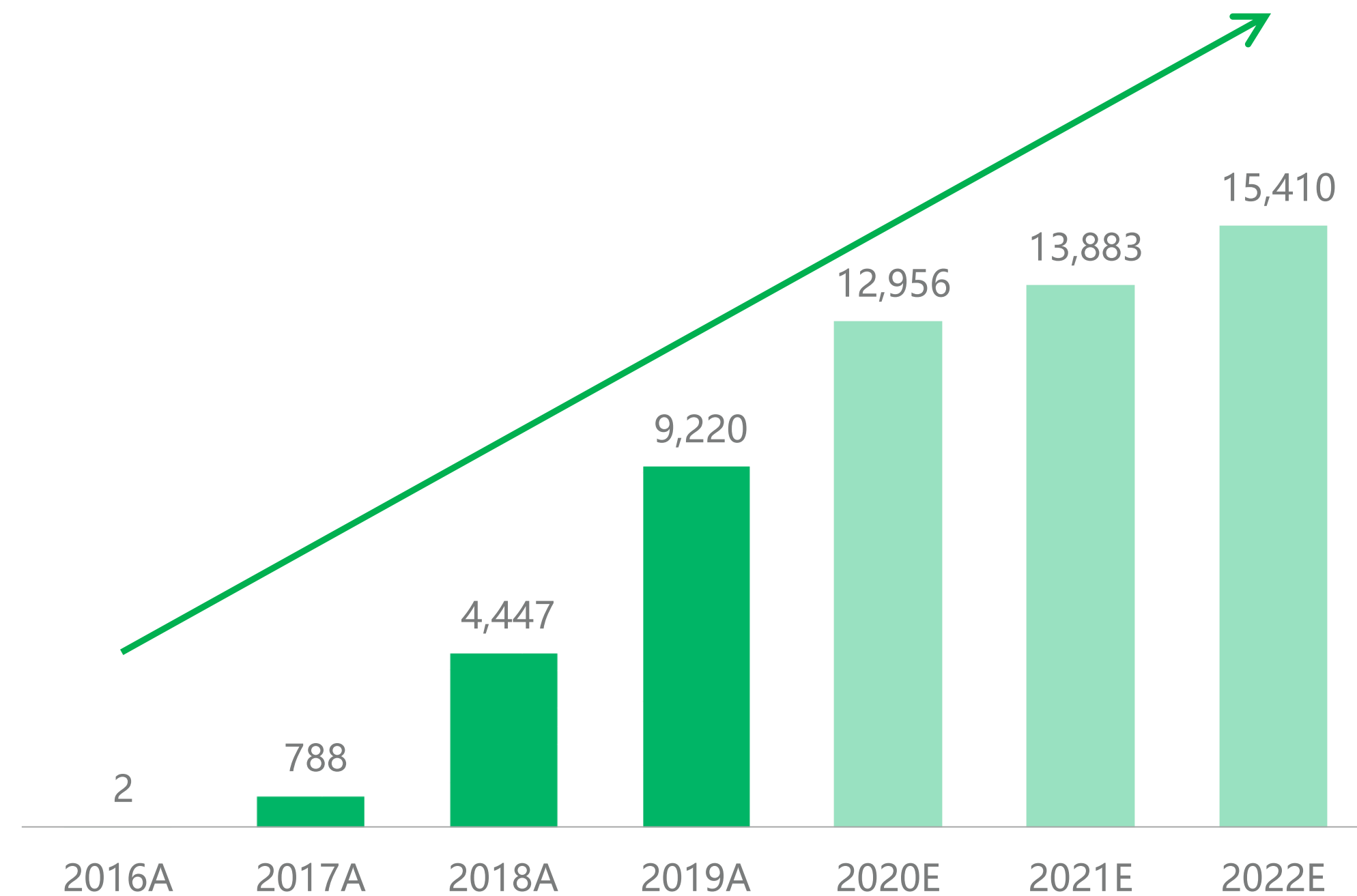
Strong Growth Momentum (1)



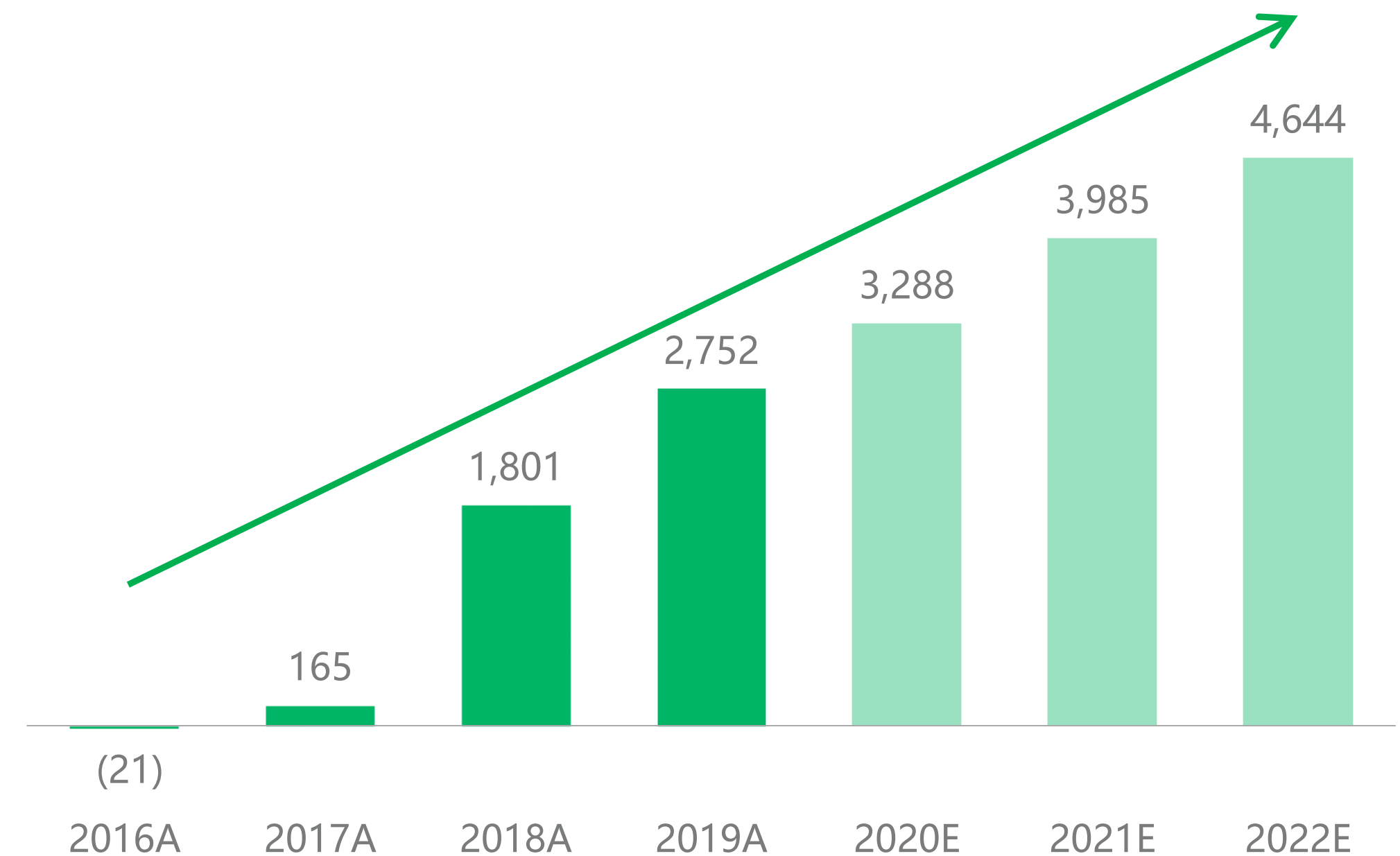
Note: (1) Forward estimates are based on analysts' average. (2) Refers to the total number of users who had submitted their credit applications and were approved with a credit line at the end of each period. (3) The Company guided 2020 full year loan origination volume is RMB242 – 244 billion.

Strong Growth Momentum (2)

Revenue ⁽¹⁾
(RMB million)



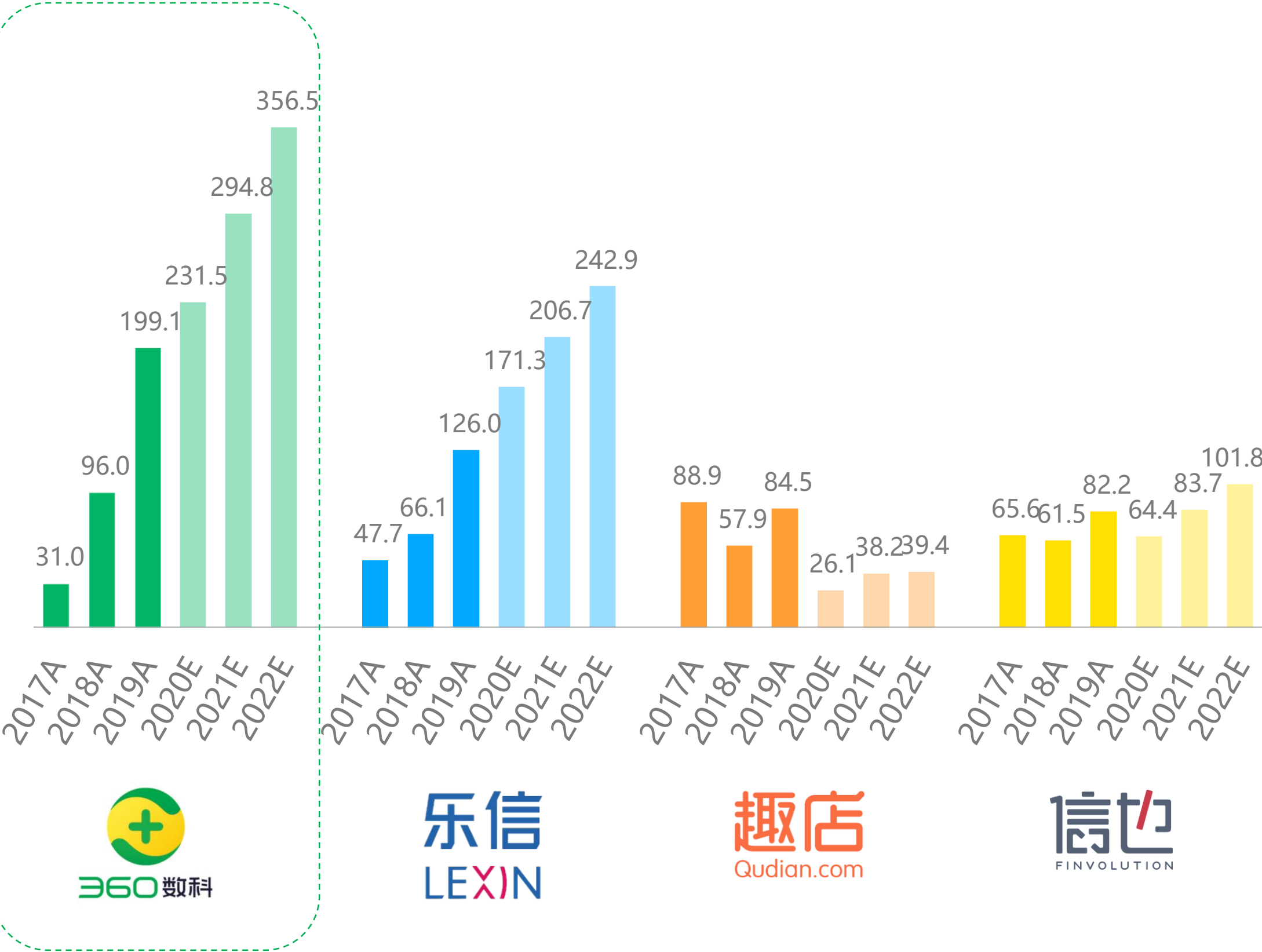
Non-GAAP Net Income ⁽¹⁾⁽²⁾
(RMB million)



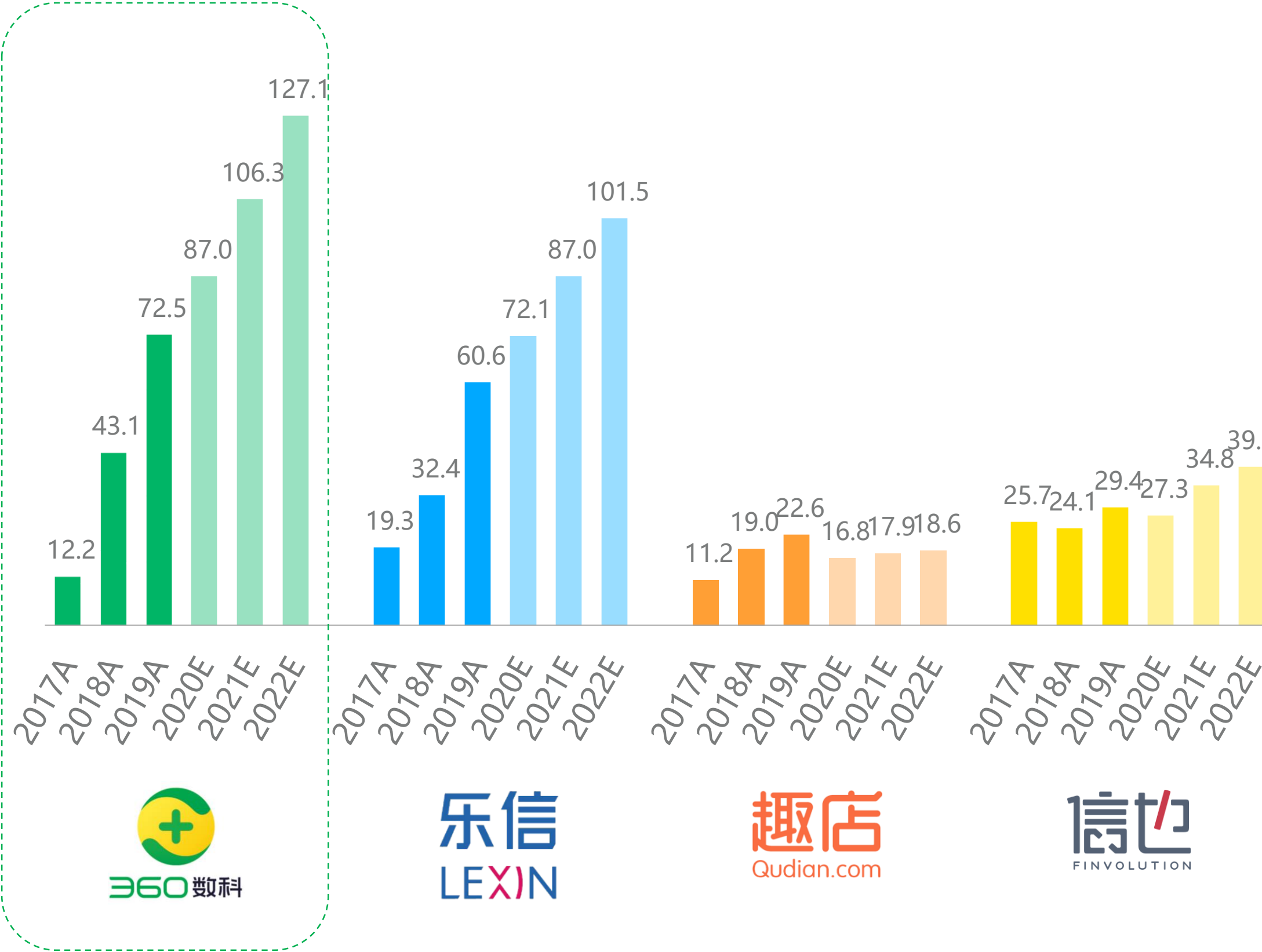
Note: (1) Forward estimates are from Bloomberg and Thomson consensus; (2) Excluding share-based compensation expenses.
Source: Company data, analyst reports.

Indisputable Market Leader (1)

Origination Volume ⁽¹⁾
(RMB billion)



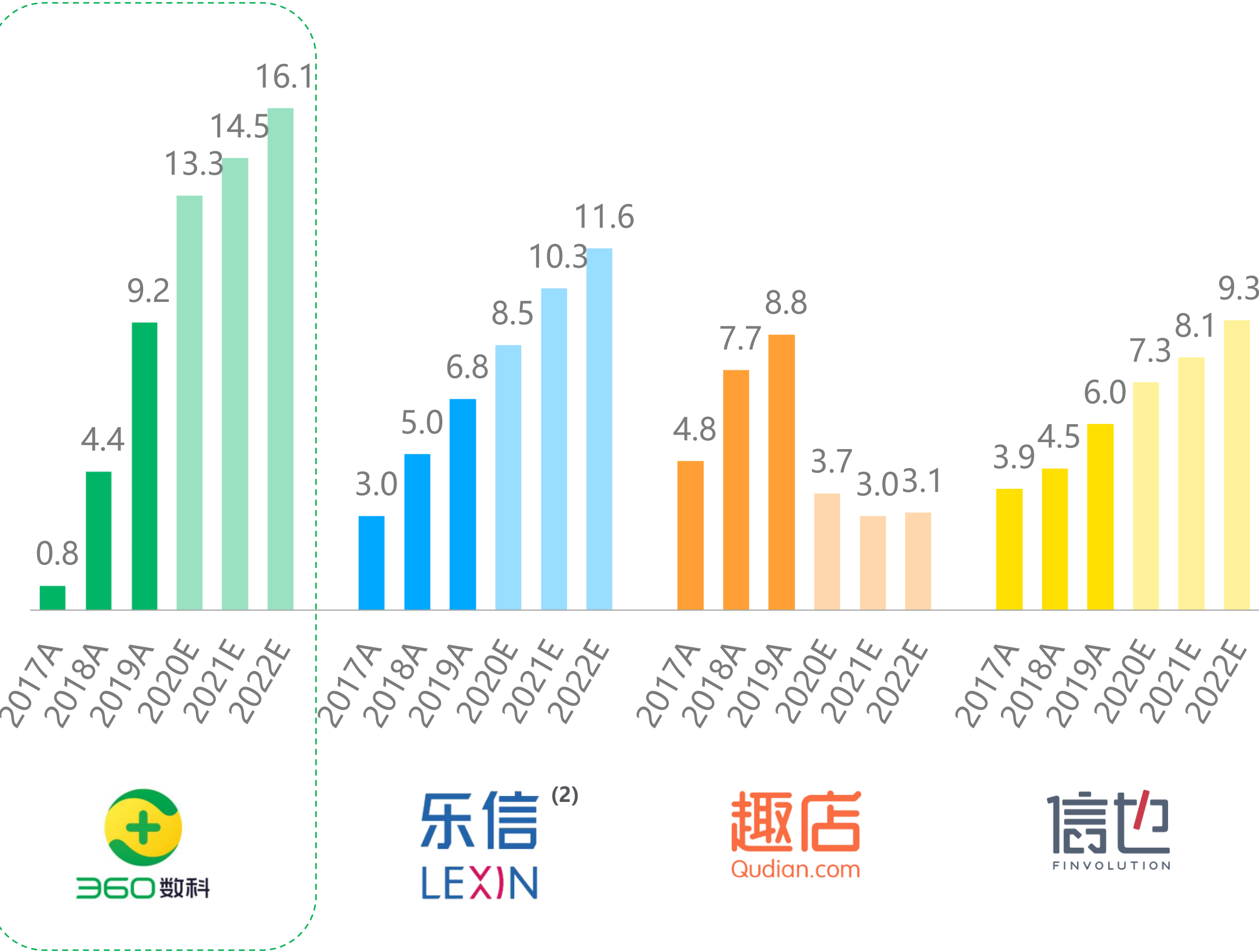
Outstanding Balance ⁽¹⁾
(RMB billion)



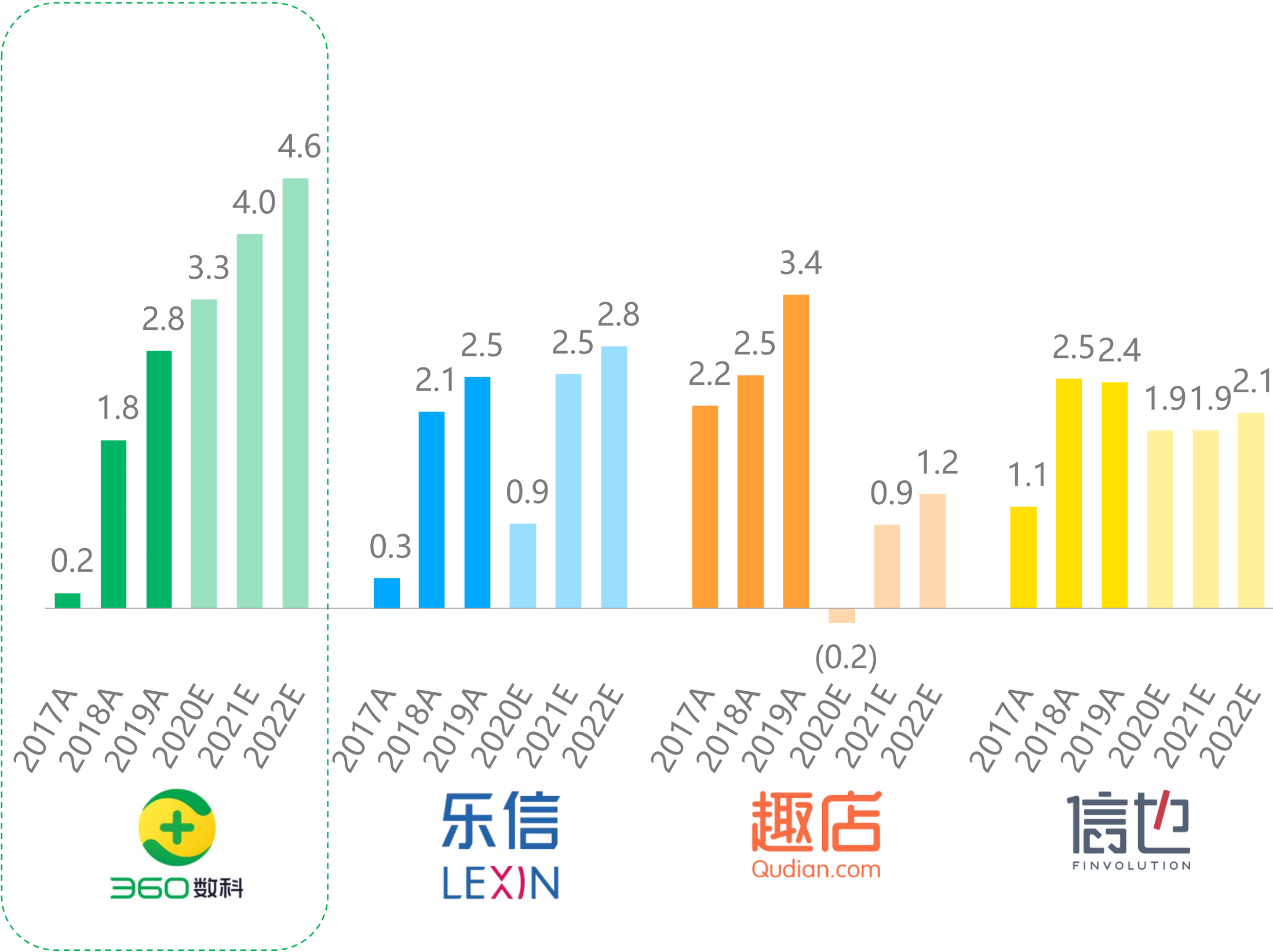
Note: (1) Forward estimates are based on analysts' average.
Source: Company data, analysts' reports.

Indisputable Market Leader (2)

Revenue ⁽¹⁾⁽²⁾
(RMB billion)



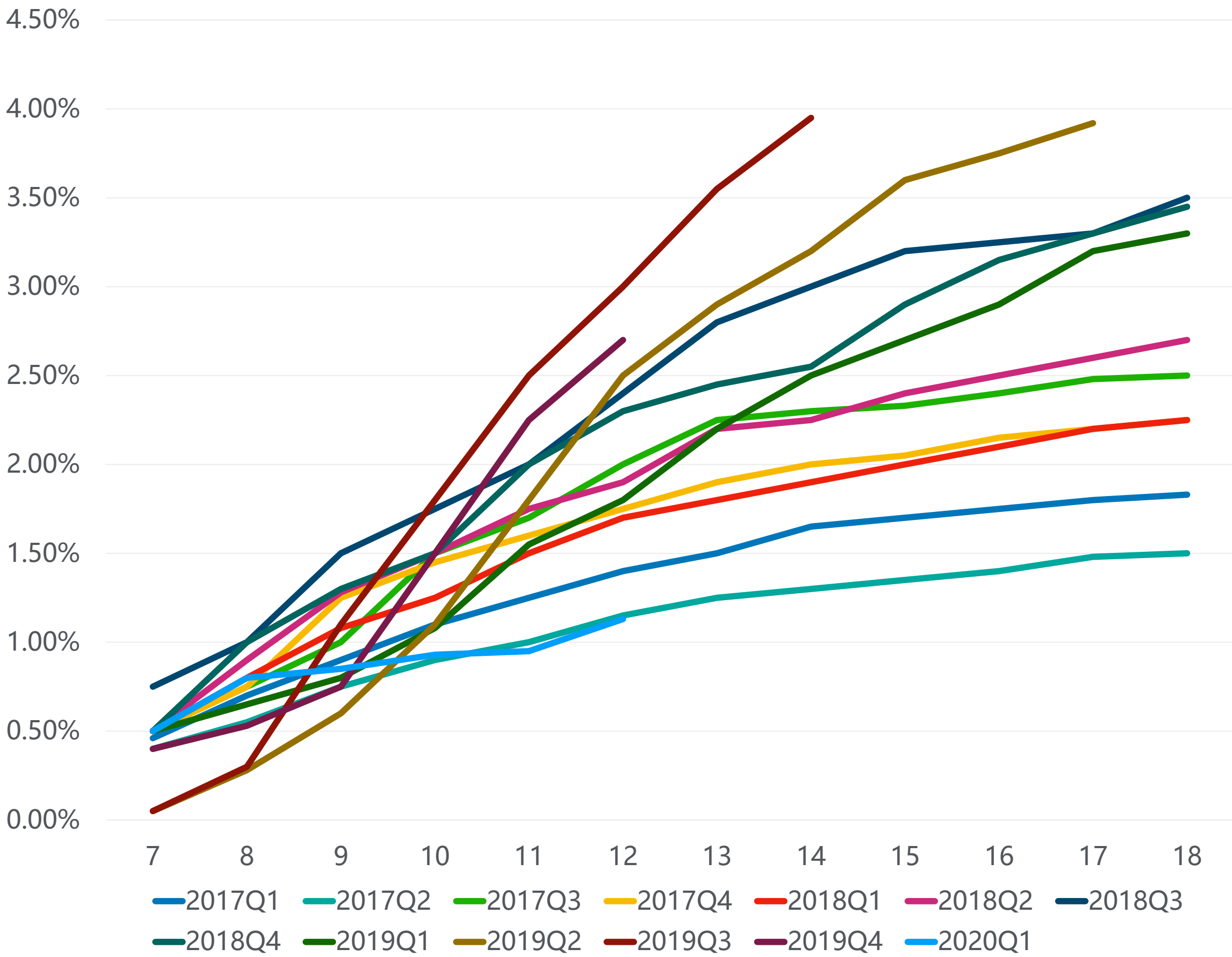
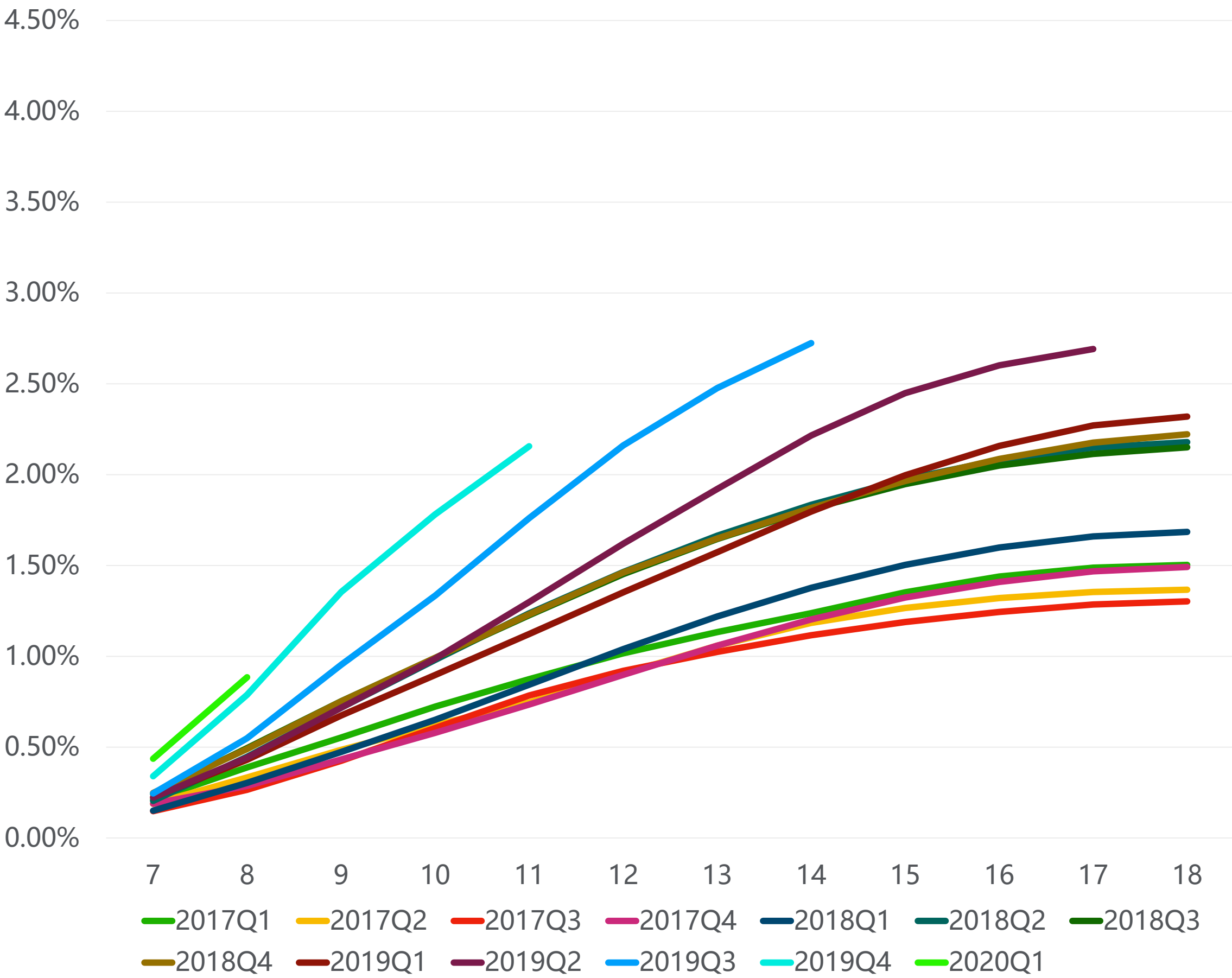
Non-GAAP Net Income ⁽¹⁾⁽³⁾
(RMB billion)



Note: (1) Forward estimates are from Bloomberg and Thomson consensus, and analysts estimates; (2) Excluding revenue from online e-commerce channel; (3) Excluding share-based compensation expenses.
Source: Company data, analysts' reports.

Best-in-class Risk Management (1)

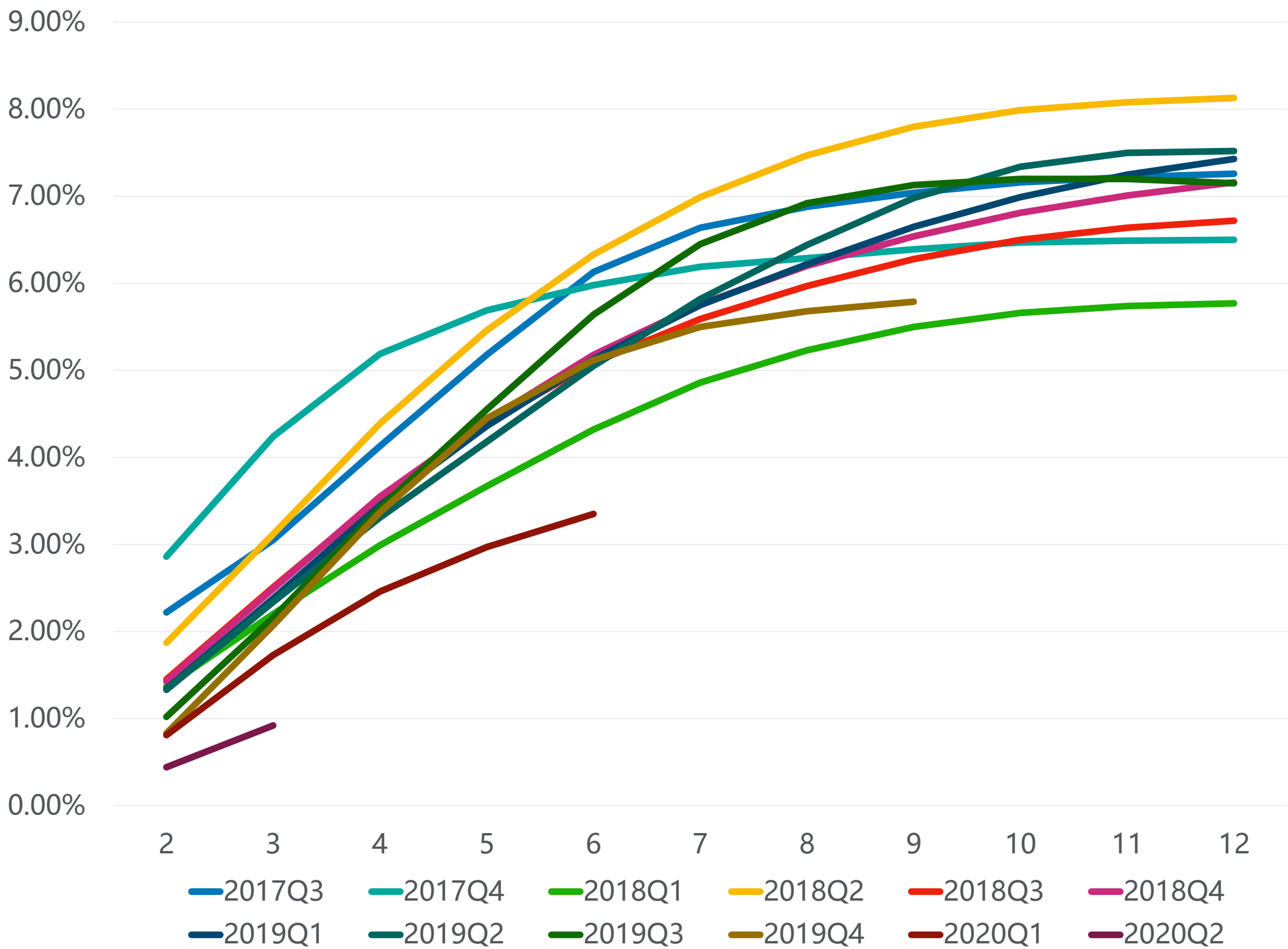
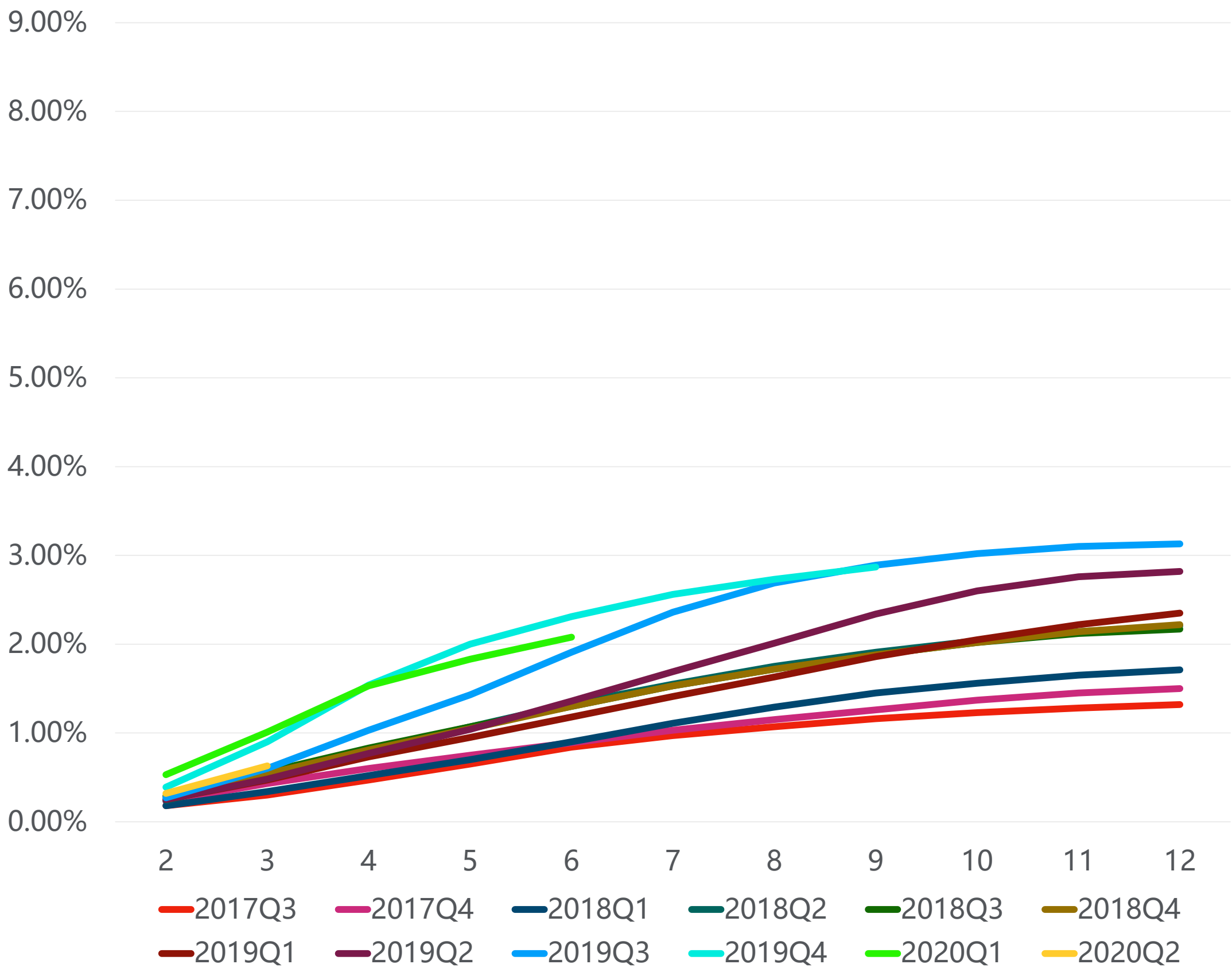
M6+ Delinquency Rate by Vintage



Source: Company data.

Best-in-class Risk Management (2)

M1+ Delinquency Rate by Vintage

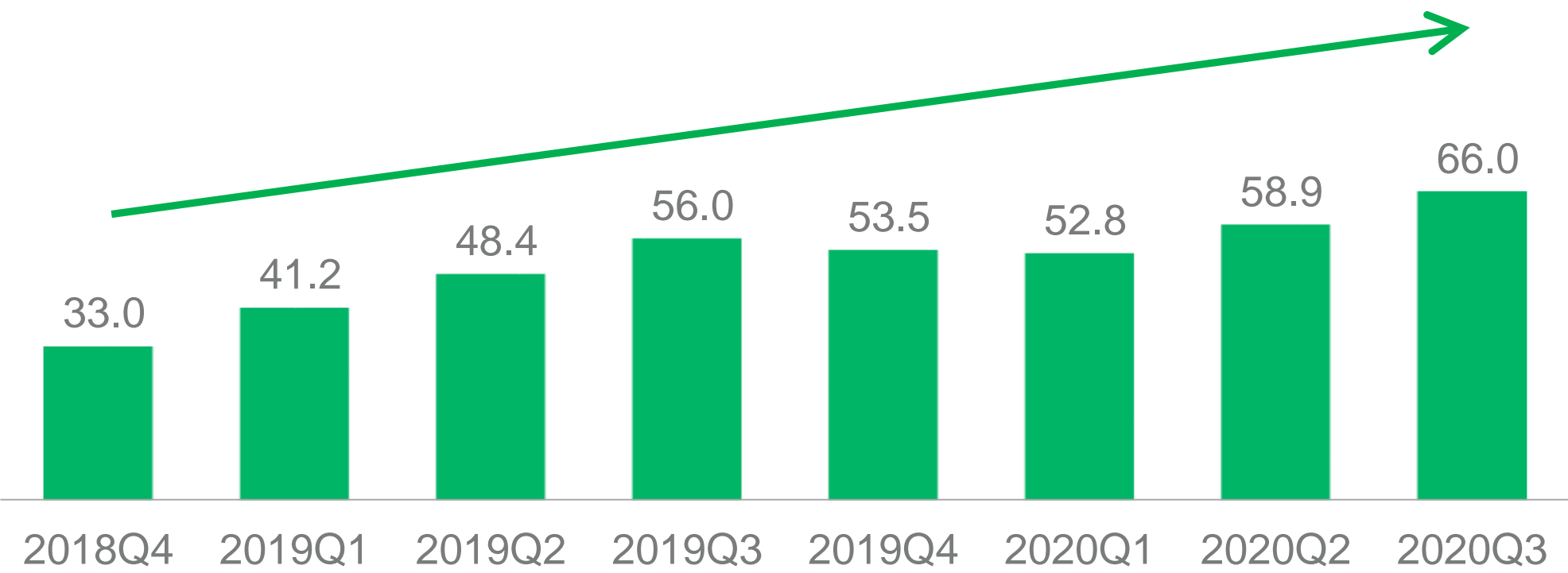


Source: Company data.

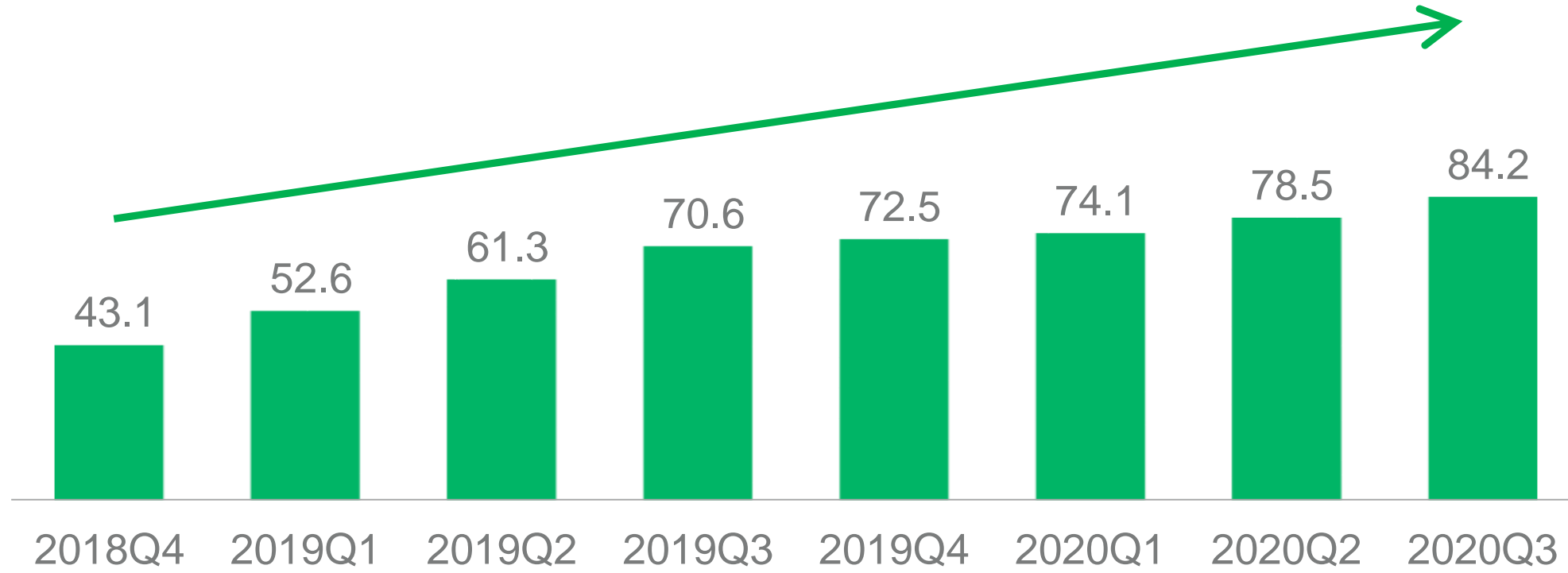
02 | Quarterly Update

Continued Growth Momentum

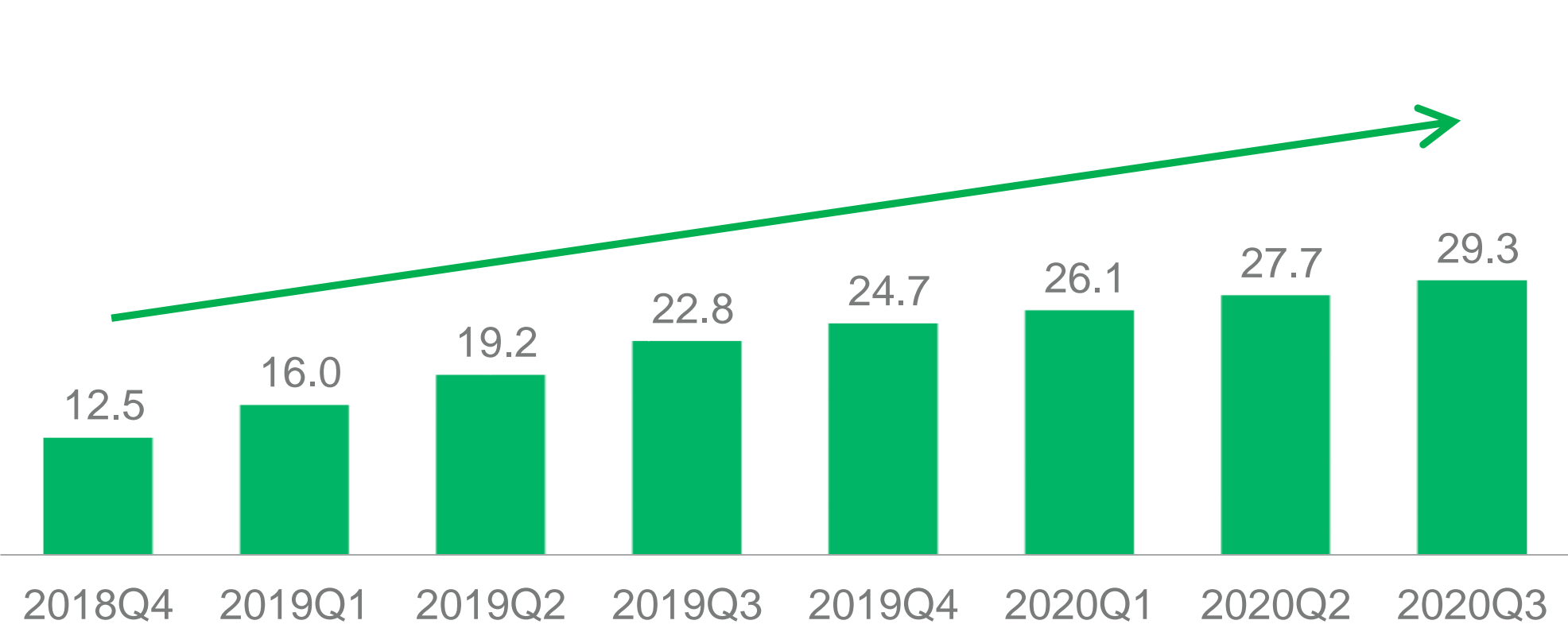
Origination Volume⁽¹⁾
(RMB billion)



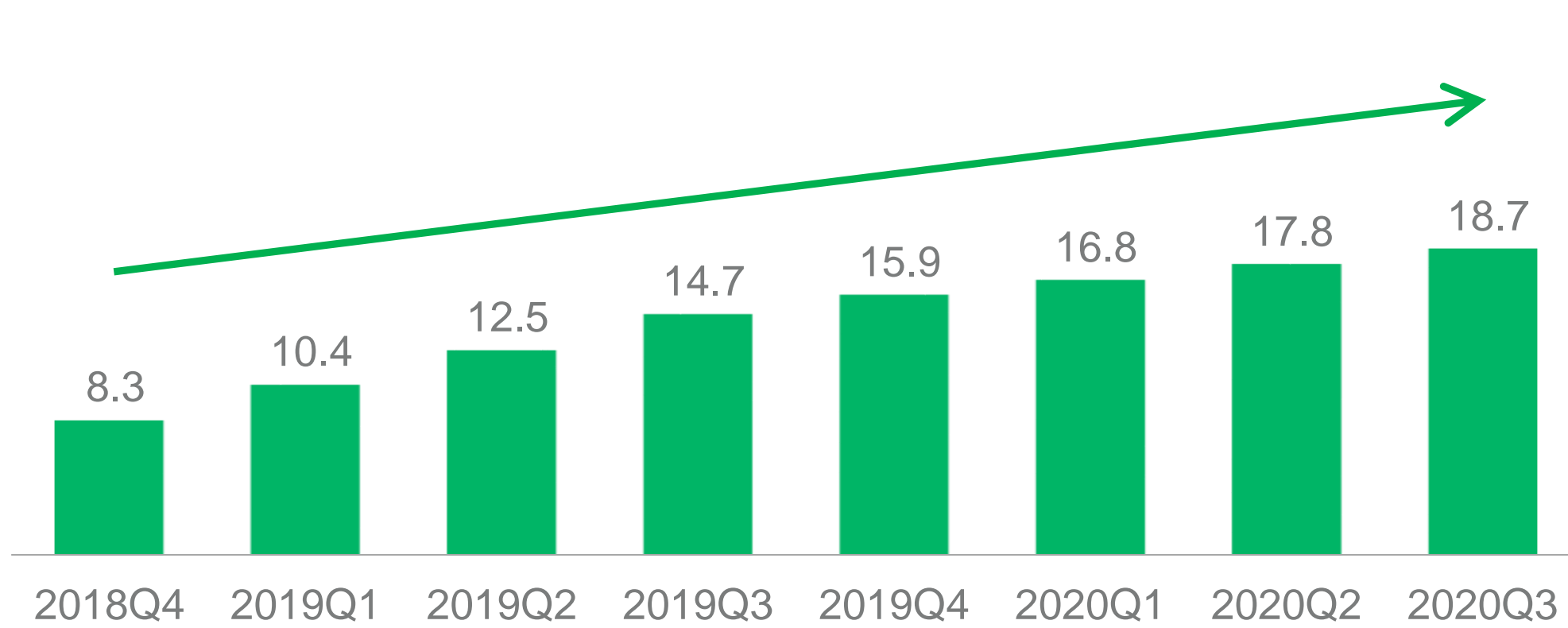
Outstanding Balance⁽¹⁾
(RMB billion)



Users with Approved Credit Line⁽²⁾
(million)



Cumulative Borrowers
(million)



Note: (1) Including ICE since 19Q4. (2) Refers to the total number of users who had submitted their credit applications and were approved with a credit line at the end of each period.

Solid Execution in Uncertain Market

Revenue
(RMB mm)



Non-GAAP Net Income⁽¹⁾
(RMB mm)



Note: (1) Excluding share-based compensation expenses.
Source: Company data.

Business Updates on New Opportunities

1) Diversified Product Offerings:

- **SME loans** ⁽¹⁾ (including e-commerce loans, invoice-based loans) have performed well and shown great growth potential with origination volume reaching **RMB3.3bn in Q3**. We are expanding our dedicated operational team in SME.
- **The virtual credit-card V-Pocket** continued to progress well. It is an effective way to boost credit line drawdown and enhance customer stickiness. The daily origination volume remains above **RMB50 mm**, and the cumulative origination volume has surpassed **RMB10 bn**.
- Upgraded **Intelligent Credit Engine “ICE”** to **version 2.0**, which features more optimized customer marketing strategies and introduces risk management value-added services. The origination volume through ICE reached **RMB1.3bn in Q3**.

2) Expansion of Various Customer Acquisition Channels:

- ‘Risk and revenue sharing’ model with traffic platform with consumption scenarios has continued to expand:
 - a) Robust growth in borrowers sourced from Meituan, which accounted for over **19%** of the total new users with approved credit lines in September. We also expect borrowers sourced from others partners to increase.
 - b) Have partnered with **16 top platforms** including Xiaomi, Meituan, Baidu and iQIYI.
- Offline acquisition channels have developed rapidly, supported by a dedicated sales representatives of **~1,000**. The origination volume reached **RMB720 mm in Q3**.

3) Full Compliance of Product Pricing:

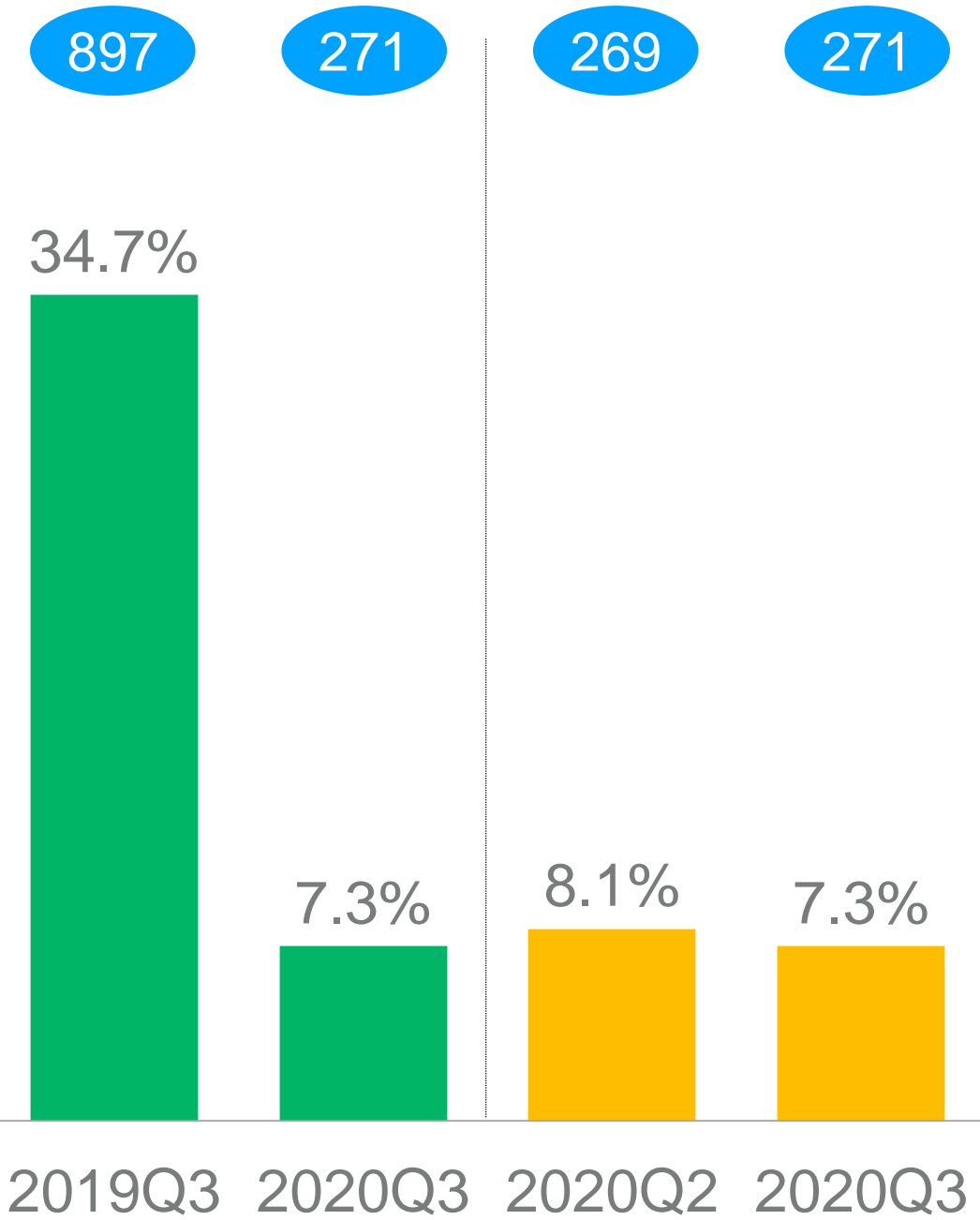
- In Q3, our average nominal **APR** is about **12.2%**, which is equivalent to **25.9% on IRR basis**.

Note: (1) loan products serving owners of SMEs.

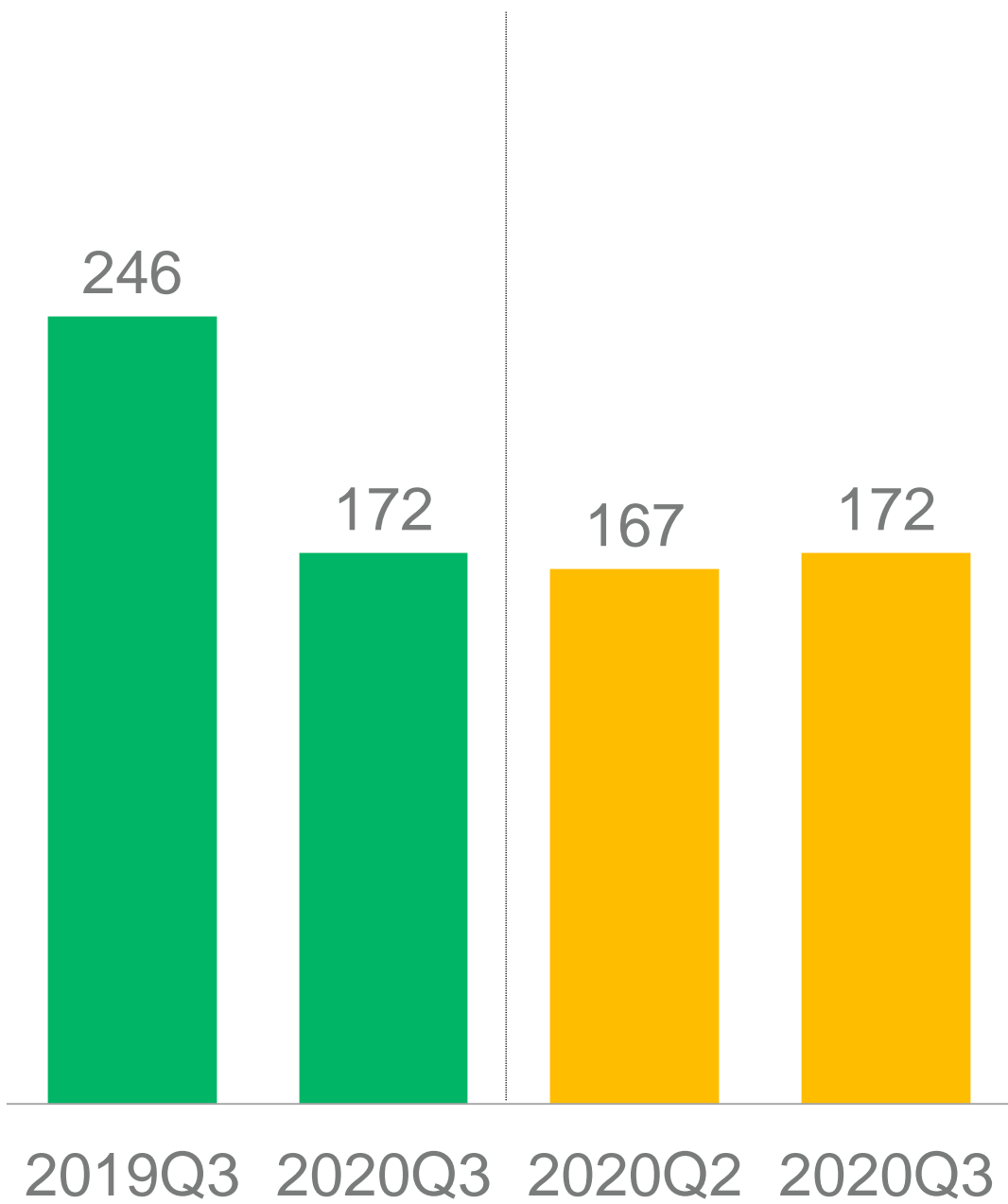
Operational Efficiency

Sales and Marketing Expenses as % of Revenue

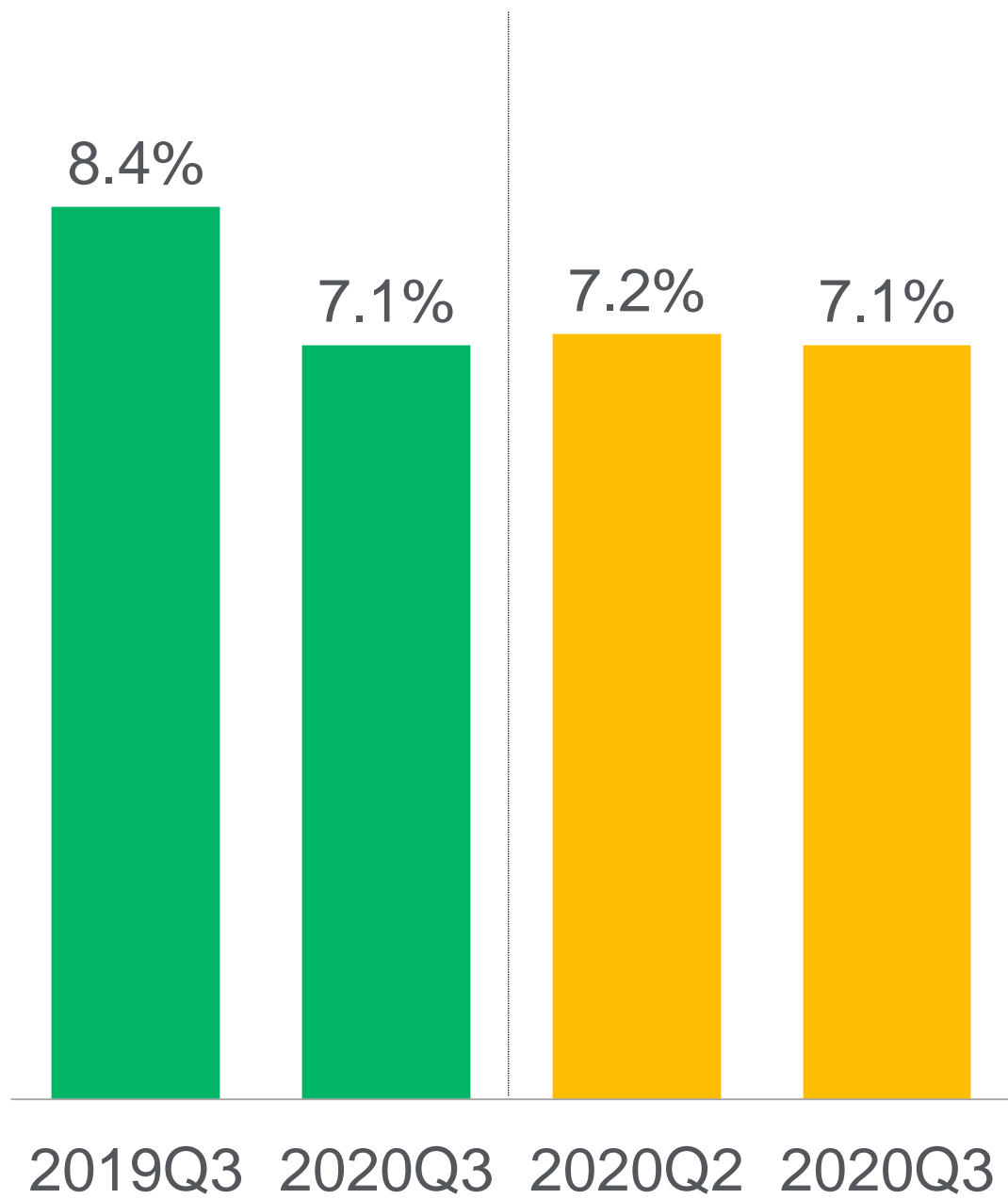
Sales and Marketing Expenses
(RMB mm)



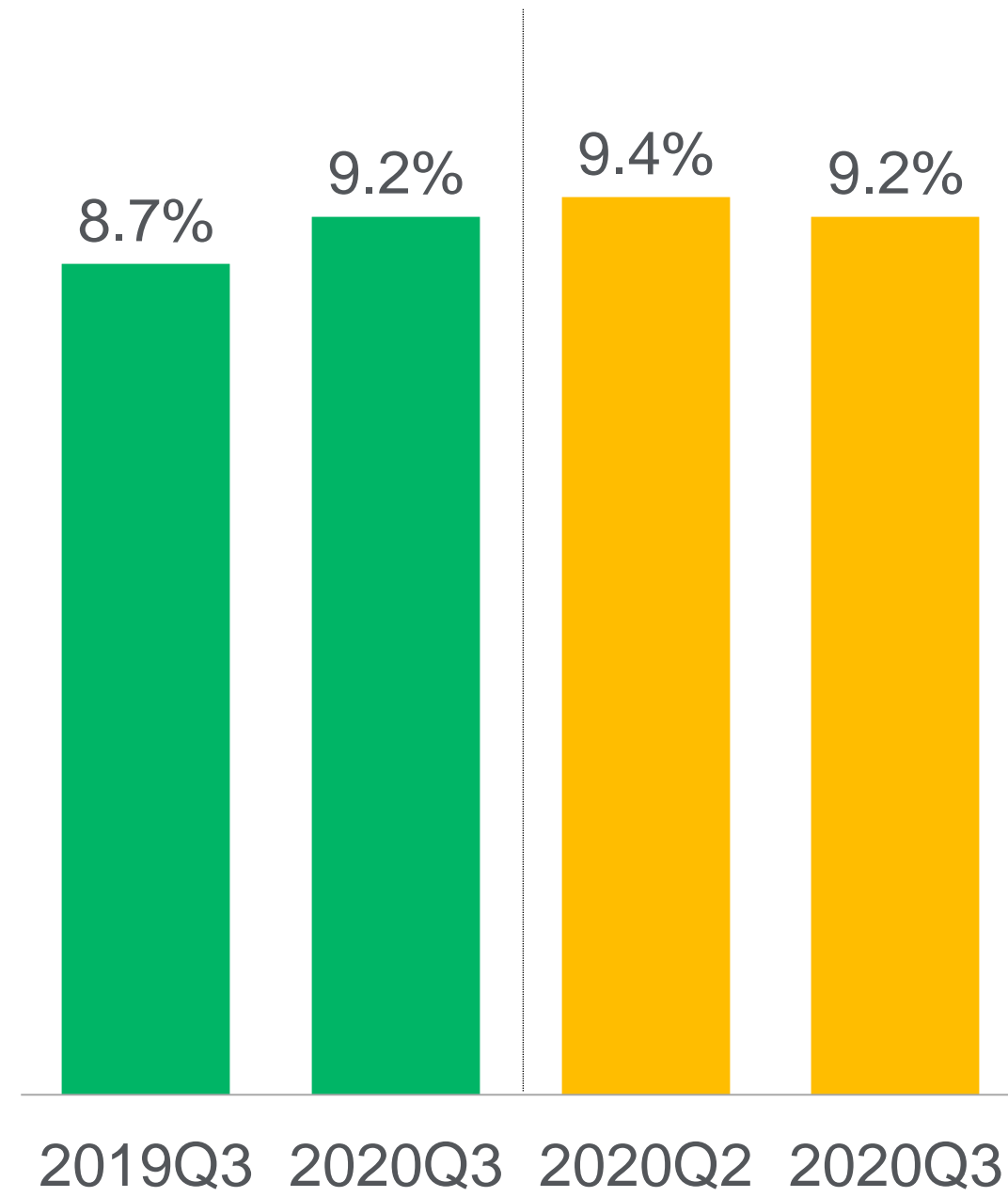
User Acquisition Costs⁽¹⁾ (RMB)



Funding Costs⁽²⁾



Credit Costs⁽³⁾

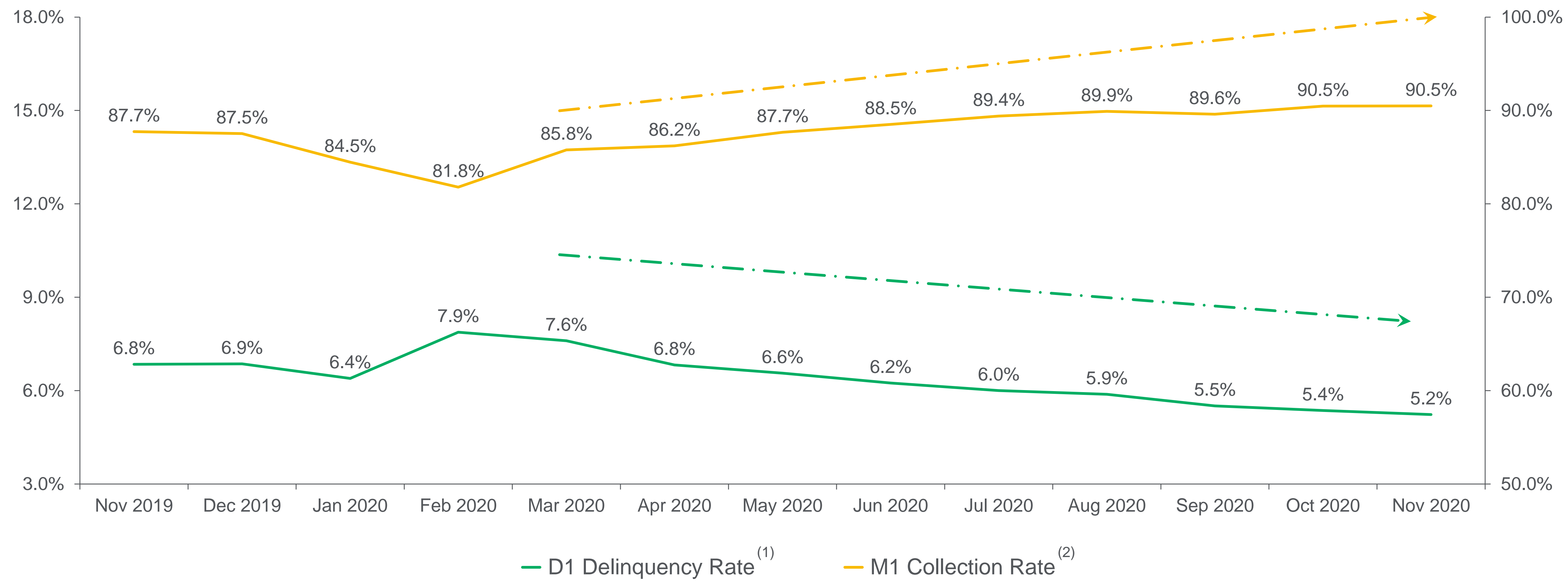


Note: (1) User acquisition cost is calculated by (i) sales and marketing expenses (excluding share-based compensation related expenses), divided by (ii) the number of new users with credit lines for the period. (2) annualized weighted average interest rate charged to customer by funding partners; (3) Basis on the estimates when loans originated, including 3rd party estimated annualized vintage loss and estimated extra provisions.

Source: Company data.

Rapid and Continued Recovery in Asset Quality

D1 Delinquency & M1 Collection Rate

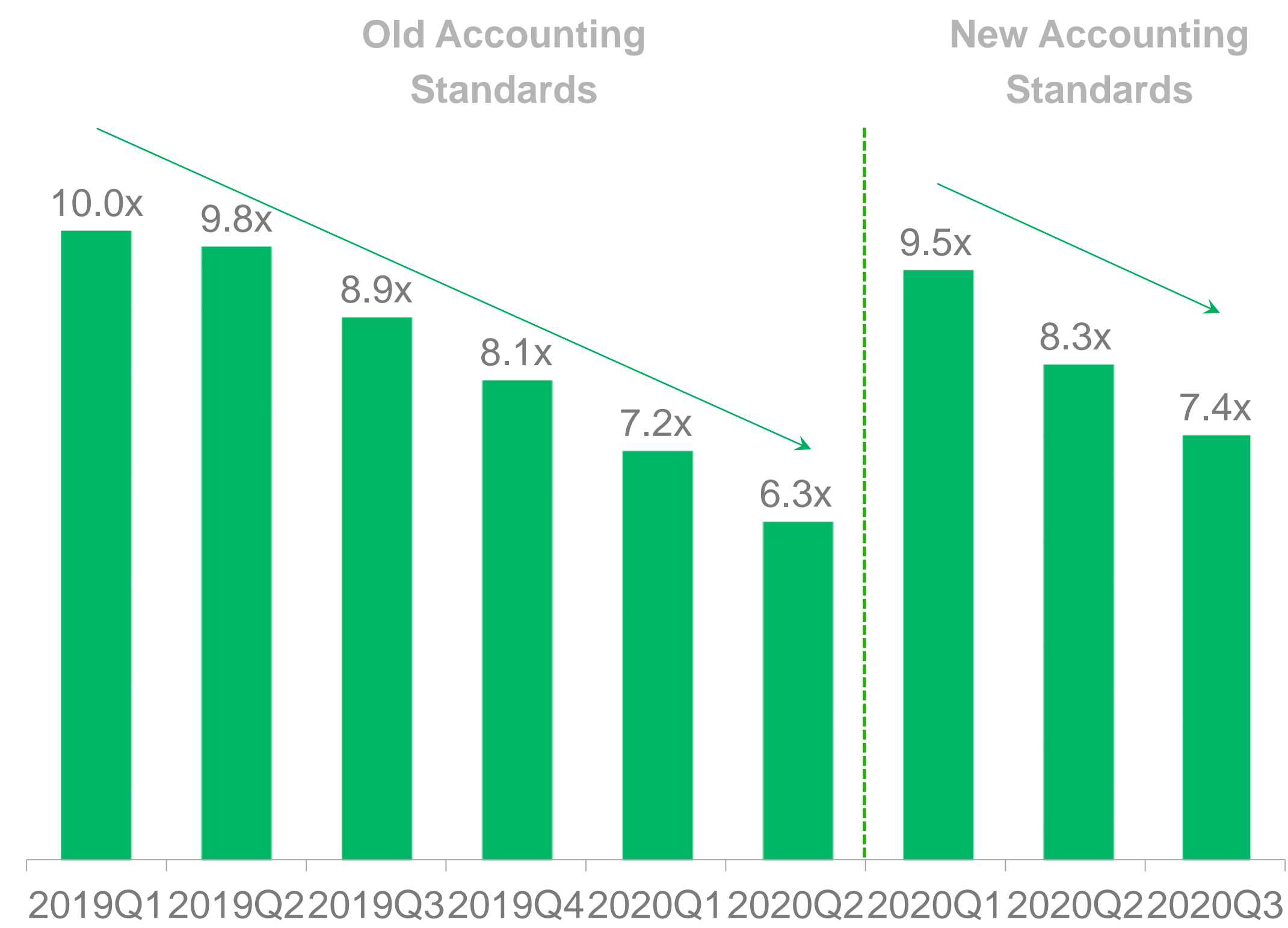


Note: (1) D1 delinquency rate is defined as (i) the total amount of principal that became overdue as of a specified date, divided by (ii) the total amount of principal that was due for repayment as of such date. (2) M1 collection rate is defined as (i) the amount of principal that was repaid in one month among the total amount of principal that became overdue as of a specified date, divided by (ii) the total amount of principal that became overdue as of a specified date.

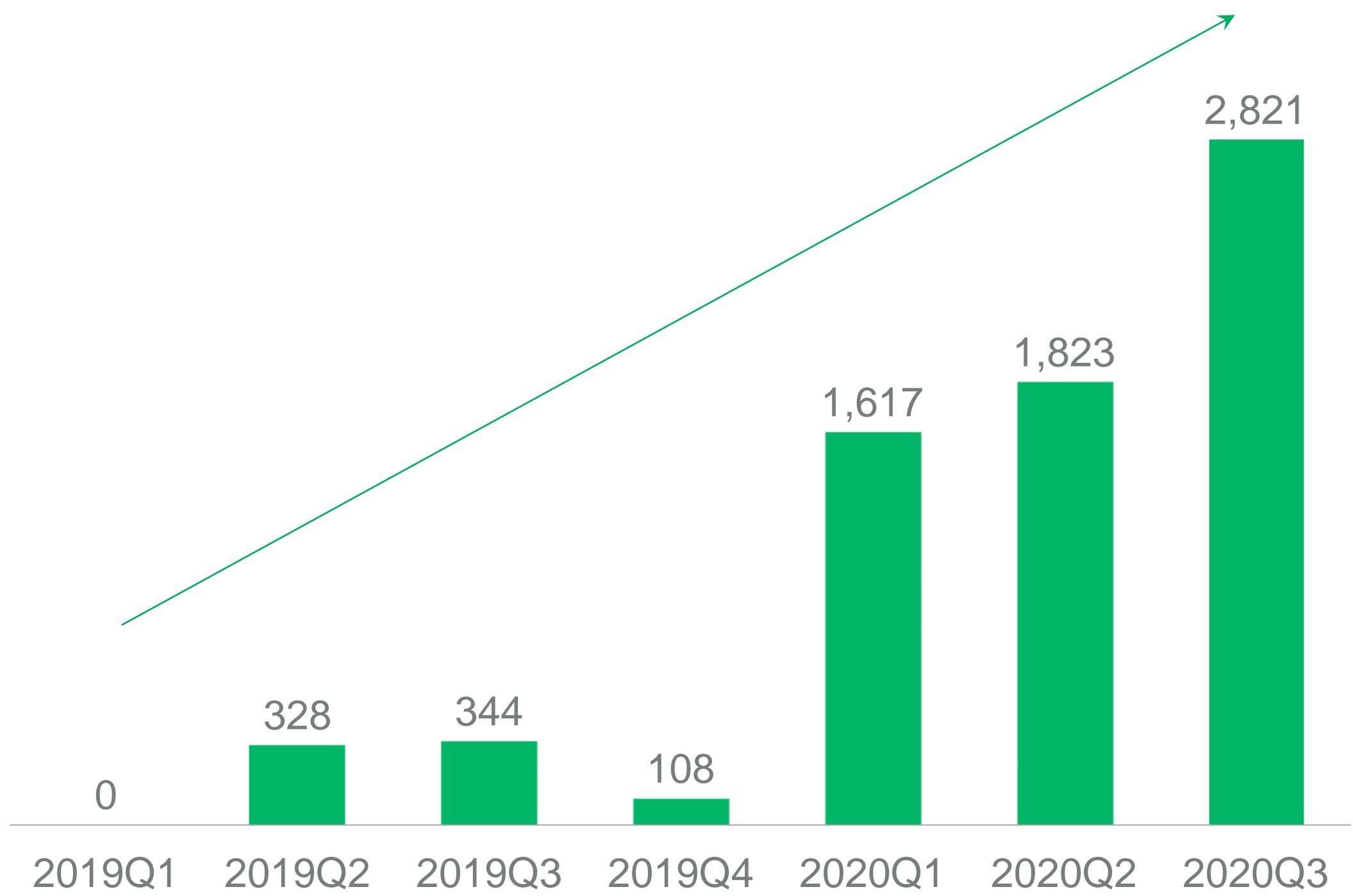
Source: Company data.

Improving Margin of Safety – Leverage Ratio & Free Cash

Leverage Ratio⁽¹⁾



Free Cash⁽²⁾
(RMB mm)



Note: (1) Leverage Ratio = (risk-bearing outstanding loan balance / net assets). (2) Free cash = (cash and cash equivalents – operation cash – cash reserve). For illustrative purpose only.
Source: Company data.

THANK
YOU