

while building loan models and managing risk through its end-to-end digital lending system. Pintec's bank partners can thus issue credit with confidence, while travel agents benefit by selling tickets to the banks' borrowers.

Yang Miao, vice president of Qunar, said Dumiao cooperates with Qunar to satisfy growing demand for travel and installment loans among young adults, the agency's largest client group.

No wonder Pintec is the now an important player in China's Online Travel Agency (OTA) installment market, with as

much as a 40% market share. To date, Pintec has helped more than 5 million consumers obtain more than 8.4 billion yuan in new loans. The company plans to add OTA partnerships with travel agencies Tongcheng and eLong, too.

The digital and financial know-how that sparked the collaboration among Pintec's co-founders has been a springboard for several ventures. For example, the company recently launched B2B partnerships with Minsheng Securities, Harbin Bank and others.

Jin Kuihua, Minsheng's vice president, calls cooperation with Xuanji "a symbol"

of his firm's push for "products and services on a strategic level."

Now, while adding services and growing to satisfy China's rising consumer class, Pintec is reaching out to potential partners who recognize the value of a fintech sector leader with a big data edge.

CEO Wei says access to consumer information and big data skills are powering Pintec to lead the fintech sector and achieve its goals.

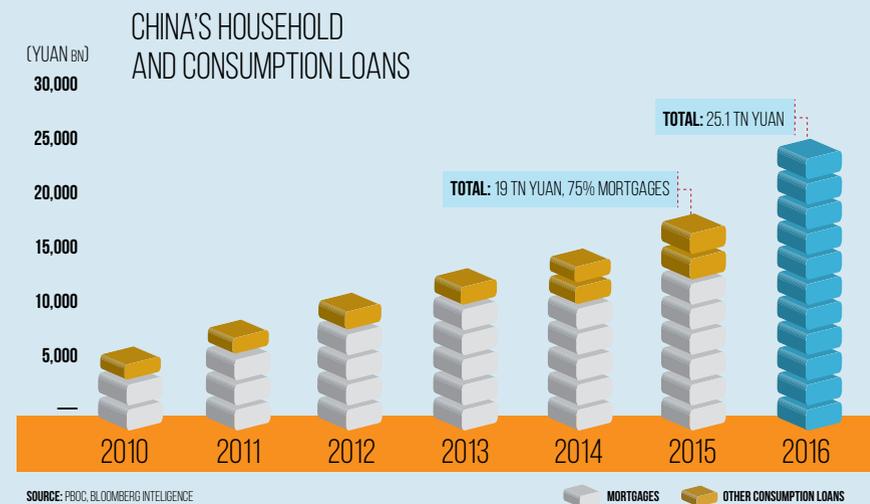
"As long as we can collect data, and the data is rich enough," Wei said, "we can do what we want to do."

FAST GROWTH FOR NIMBLE, FORMIDABLE FINTECH

The internet's incursion into territories long dominated by banks is accelerating in China as financial technology firms leverage computing skills to serve a growing consumer market.

China is the world's undisputed leader in the "fintech" space, where technologically adept companies with big data access harness the internet to link lenders and other financial institutions to consumers, small businesses and retail investors.

In a recent report, analysts led by Katherine Lei at J.P. Morgan in Hong Kong heralded fintech as a "lucrative" business opportunity in China, where 2016 consumer online borrowing doubled from the previous year to about



75 billion yuan. This year, it's expected to double again to 158 billion yuan.

"We expect fintech to become a 460 billion yuan revenue market in China by 2020," Lei wrote.

A broad look at fintech's role in Chinese online banking by Bloomberg analyst Francis Chan cited "continued growth in online purchases" as fuel for internet-based consumer lending. Of the 25.1 trillion yuan in household borrowing nationwide last year, he said, credit card and consumer loans accounted for about one-fourth.

Nimble, cost-efficient fintech

companies also facilitate investments including wealth management products.

Fintech companies earn fee income without incurring the risks shouldered by banks. And while they should avoid competing against banks, Lei wrote, fintech firms make excellent bank partners.

Fintech is all about "enhancing user experience and client acquisition, reducing operating costs by leveraging technology, and managing credit risks by utilizing big data analysis," Lei wrote. And it's on the front lines of the internet's financial industry incursion.

PINTEC IN NUMBERS

40%

MARKET SHARE IN CHINA'S ONLINE TRAVEL INSTALLMENT (OTA) MARKET

LOANS

5 MILLION CONSUMERS HAVE OBTAINED MORE THAN 8.4 BILLION YUAN IN NEW LOANS TO DATE WITH PINTEC'S HELP

PARTNERS WITH

ENTERPRISES FINANCIAL INSTITUTIONS SMALL BUSINESSES



A conversation with bankers about improving customer satisfaction was a watershed moment for William Wei shortly before he and three friends founded the fintech services provider Pintec in 2012.

The conversation hit a dead-end when Wei suggested executives field phone calls at a customer service desk to "hear customer complaints," he said. "For those big banks, that was impossible."

Ever since, tech entrepreneur Wei has directed his energy toward satisfying consumers and providing services beyond the reach of traditional bank models. The success of Pintec's Dumiao, China's largest third-party provider of digital consumer lending solutions, as well as its robo-advisor Xuanji prove he's on the right track.

A graduate of the Beijing Institute of Technology and China Europe International Business School, Wei cut his teeth at Huawei, Nokia and Philips before founding the telecom services provider Innovation Technology Corp. (ITC) in 2006.

ITC served firms such as China Mobile and Nokia before being acquired by VanceInfo. Wei served as VanceInfo's vice president for

mobile technology, then left to pursue start-ups as an angel investor.

Wei fondly remembers chatting with business school classmates who later agreed to collaborate. And Pintec was born.

"I was eager to find some new opportunities," Wei said. "I strongly believed that technology sales could not survive. They had to be involved in some other industry. Something had to change."

Pintec's first product was a credit-related, data management system that replaced paper records.

"With paper, you can never track the data (or) customer behavior," he said.

Banks have always been target customers, Wei said, although early on Pintec chiefly served guarantee and loan companies.

Today, banks are assessing credit risks and issuing consumer loans through Dumiao, or working with Pintec on B2B platforms. Meanwhile, Pintec is pursuing more bank and commercial clients.

But rather than try new businesses, Wei said, Pintec will focus on internet technologies serving the financial sector.

"Every day you need to focus, to concentrate," he said. "I hope I can help the company stay calm, concentrate and achieve our goals."