

LINGFENG
CAPITAL

领风资本

China: The Global New Frontier of Consumer Finance and FinTech

Digital Summit

Hamburg, July 11th, 2017

STRONG SECTOR FOCUS WITH GLOBAL VISION



2

Capital Raised (\$bn)

2

Sector Focus

5

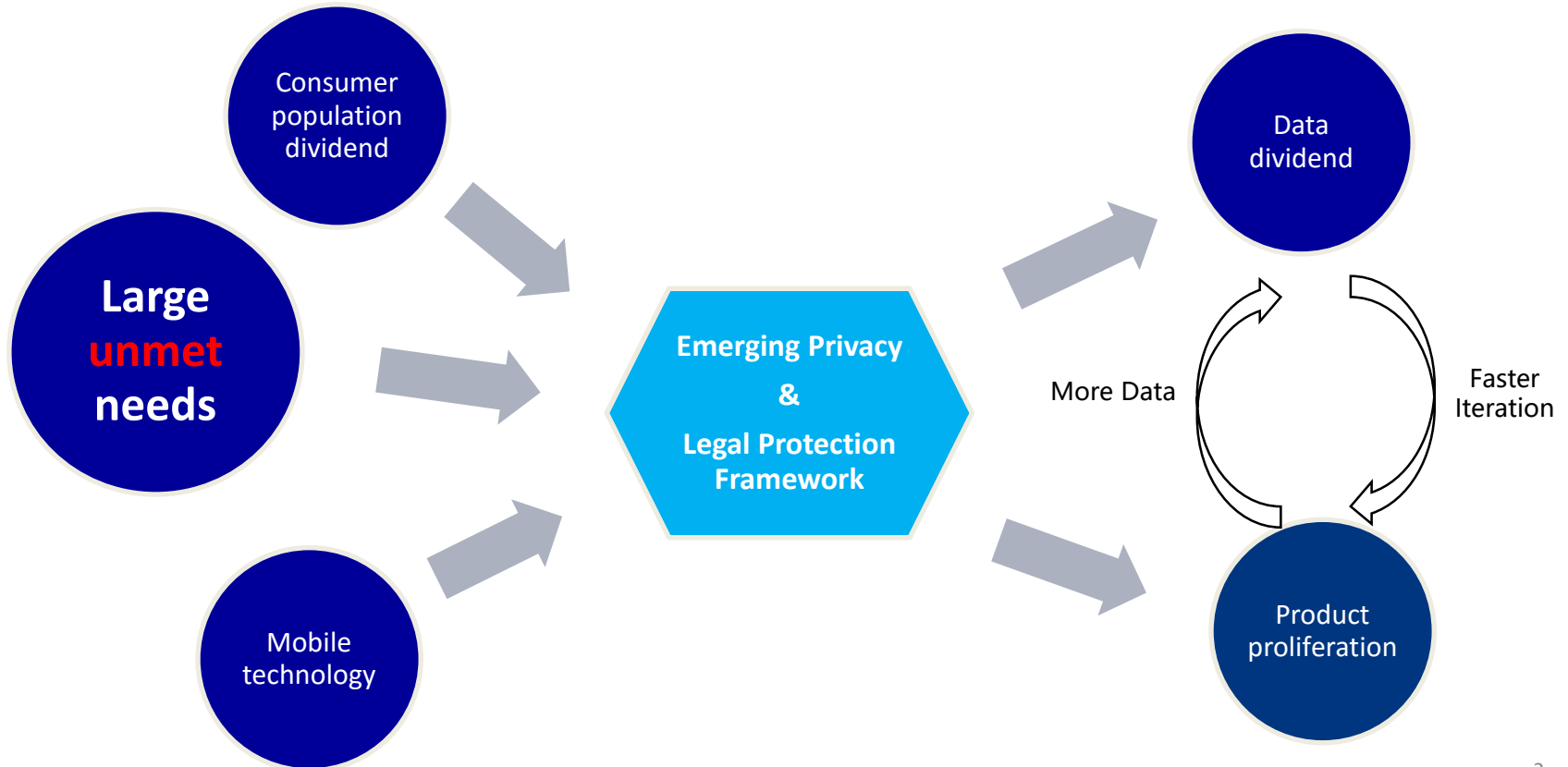
Offices



Regional Coverage

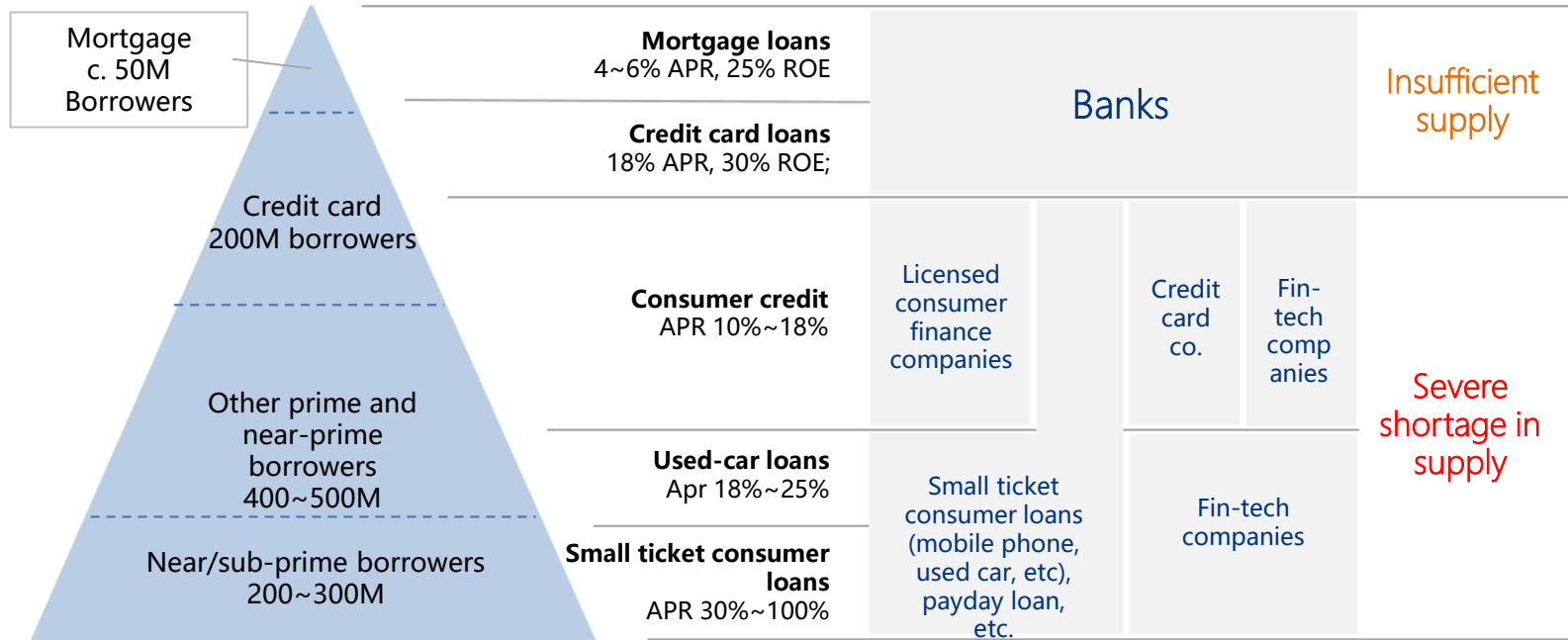
CHINA'S STRUCTURAL UNMET NEEDS DRIVES GREATER EXPANSION

Generating a virtuous circle of data dividend and product proliferation in the process



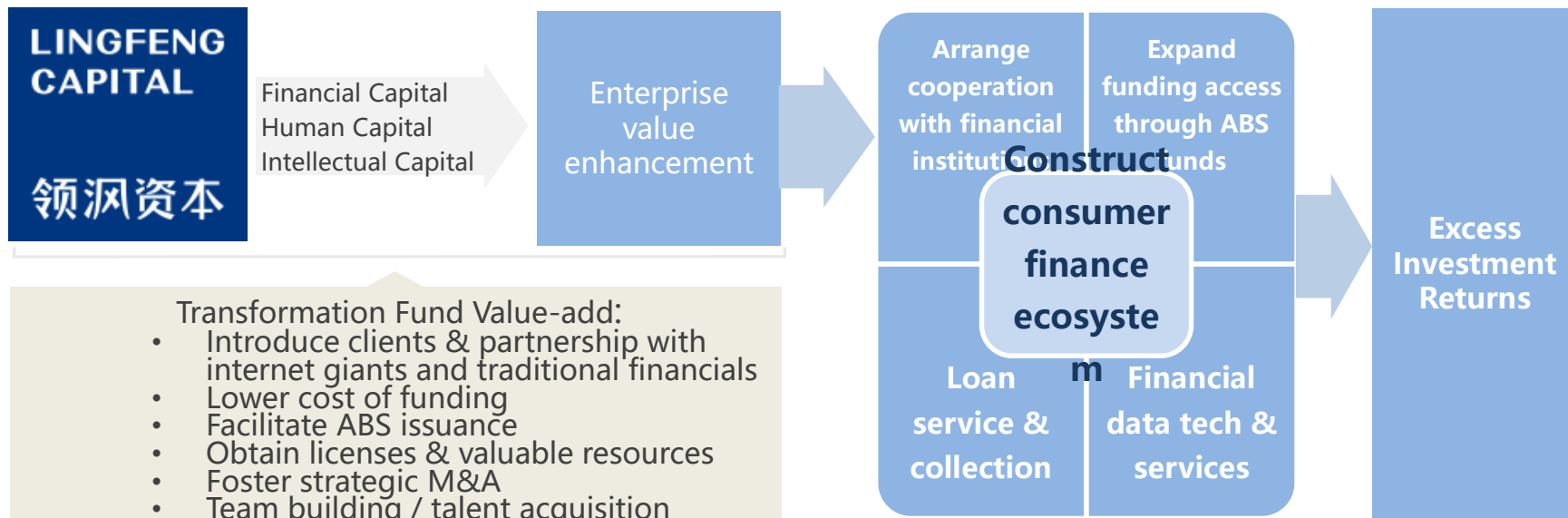
CONSUMER CREDIT: SHORT SUPPLY, HIGH PROFITABILITY

A large portion of the 600~800m prime/near-prime consumer borrowers lacks suitable financing options, as state-owned financial institutions are unwilling or unable to serve them



BUILDING A ROBUST FINTECH & CONSUMER FINANCE ECOSYSTEM

Bring resources and value enhancement to portfolio companies to better serve consumers



A strong fintech and consumer finance ecosystem will also deliver macro-impact through helping China transform to a strong consumption-based economy

FOCUS ON CONSUMER CREDIT, INSURANCE AND FINTECH LEADERS

... while closely follow emerging data technology and AI leaders for optimal entry point

Consumer Finance

Credit & Lending

Customer/asset acquisition => Risk assessment => Post-lending mgmt.

- Huge market, fast-paced growth: roughly 2tn RMB of market expansion
- Manageable risk, high profitability

Insurance Services

Product => Sales => Underwriting => Claims handling

- Low market penetration: the density of life and P&C insurance in China is only half of developed countries/Taiwan
- Increasing divergence on products and strategy due to disruption by Anbang and Foresea. Increasing regulation expected.

Payment

- Important entry point for financial services, huge transaction volume, can help accumulate customer and transitional data.
- But the market currently lacks an ideal, customer-focused target. Plus, with low profitability, there is a need for value-added services.

Wealth Management & P2P

- Lack of a sound pricing mechanism and a complete product offering has led to a fundamental roadblock for development.
- Wealth management companies have traditionally failed to develop core competency with regards to technology or branding, and have implicit guarantee issues
- For P2Ps, there are high regulation risk and asset quality pressure (mostly are corporate credits)

Fintech

Big Data

Data Sourcing & Collection => Analysis & Modeling => Industry Application

- Early entrants have established some entry barriers for data sourcing and collection, but there are uncertainties regarding profitability or a lack of economies of scale
- There is currently no provider of a benchmark credit score such as FICO.

Artificial Intelligence

- Less developed than Big Data, but more developed than Blockchain.
- There have already been some successful use cases in financial analysis and customer management etc.
- However, the industry and its products still require further development. Finding a workable business model will take time.

Blockchain

- The child of bitcoin, most R&D began around 2013. The industry lacks a unified system. Financial institutions regard its use as being in a testing phase.
- Currently, the biggest usage situations include currency exchanges, asset transaction platforms, bills etc.

THE PARTNERSHIP TEAM



MA Ning,
Partner



SHU Ming,
Partner



**KUANG
Siwei, Partner**

Industry
experience



Investment /
banking background



Education



Over 50 years of combined investment & operational experiences

THANKS













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领沅资本管理有限公司

CHINA AND US FINTECH SECTORS SHARE SIMILARITY IN STRUCTURE

Yet, China likely emerge with a stronger scalability relative to the US

Fintech verticals	Consumer credit	Credit Card Supplements	Healthcare & auto insurance	Credit rating & risk mgmt.	Payment	Credit management
US example						
China example						
Enabling tech	Big data		Block chain		AI	