



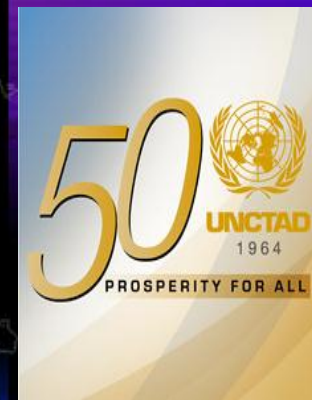
Expert Meeting on
**THE IMPACT OF ACCESS TO FINANCIAL SERVICES,
INCLUDING BY HIGHLIGHTING THE IMPACT ON REMITTANCES ON
DEVELOPMENT: ECONOMIC EMPOWERMENT OF WOMEN AND YOUTH**

12-14 November 2014

**SESSION 1:
TRENDS IN FINANCIAL SERVICES AND FINANCIAL INCLUSION**

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Trends in Financial Services and Financial Inclusion: Evidence from China

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Geneva Switzerland

Content



- History of Microfinance in China
- Timeline for Inclusive Finance
- Inclusive Financial Services
- P2P Lending
- Crowd Funding
- E-commerce Micro Financing
- Trends and Challenges?



Brief History of Microfinance in China

A decorative graphic in the top right corner featuring a globe with several vertical bars of varying colors (blue, purple, green) overlaid on it, suggesting a global or financial theme.

- First micro-credit in 1994, provided in rural area by:
 - Rural Credit Cooperatives (now city banks)
 - Postal Savings (bank)
 - Agricultural bank and its rural subsidiaries
 - From 2004 to 2005, China's Central Government called for development of microfinance
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Brief History of Microfinance in China



- In 2005, Seven Microcredit Companies were established in five provinces.
- By 2013, 7398 Microcredit Companies offering microcredit loans for 123 billion USD (the size of a medium bank). Total microfinance was 323 billion USD.



宜信
CreditEase

Timeline for Inclusive Finance



- In 2002, China Unionpay,
 - In 2004, the first debt card issued by China Merchant Bank
 - Same year in 2004, Alipay, the first third party online payment tool
 - By 2014, 0.15 billion people has mobile access to Unionpay online banking and payment and Alipay platform has 0.3 billion users
 - Inclusive financial services
 - P2P lending
 - Crowd funding
 - E-commerce micro financing
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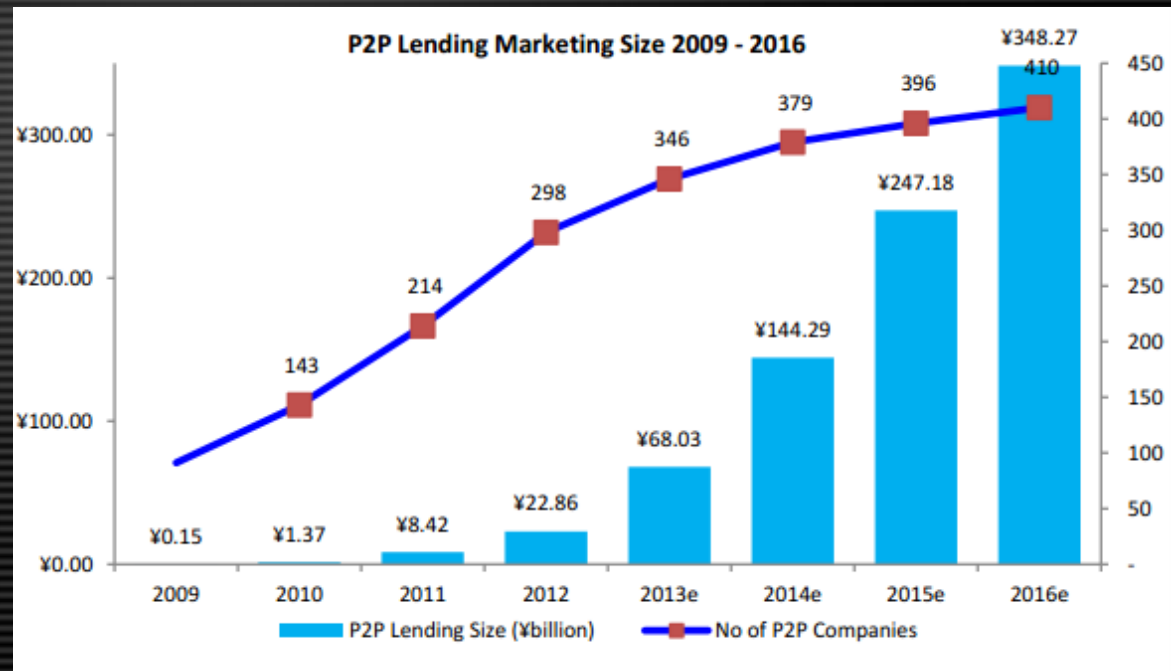
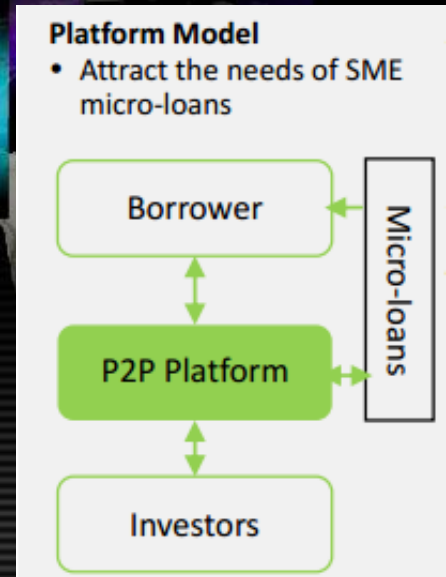
Inclusive Financial Services

- China Unionpay extend its card services in large scale in rural areas in 2011
- Local small grocery store might become a “one stop service” for:
 - Mobile top-up service
 - Paying utility fees
 - Paying cable TV
 - Paying off credit card
 - Remittance
 - Buying tickets for travel
 - Small withdrawal, etc.



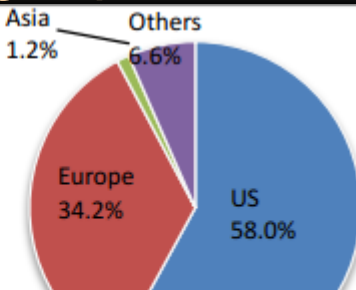
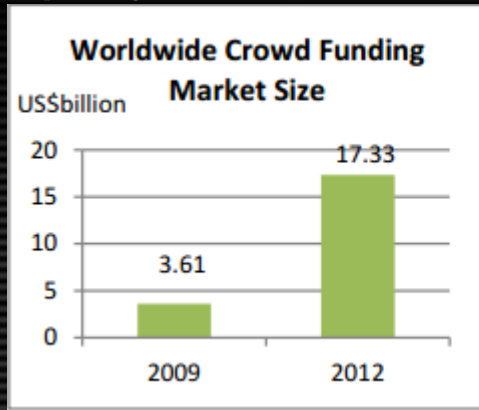
P2P (Peer-to-Peer) Lending

- P2P lending is the practice of lending money to unrelated individuals, or “peers”, without going through a traditional financial intermediary such as a bank.
- By 2014, it is estimated to reach 23 billion USD.

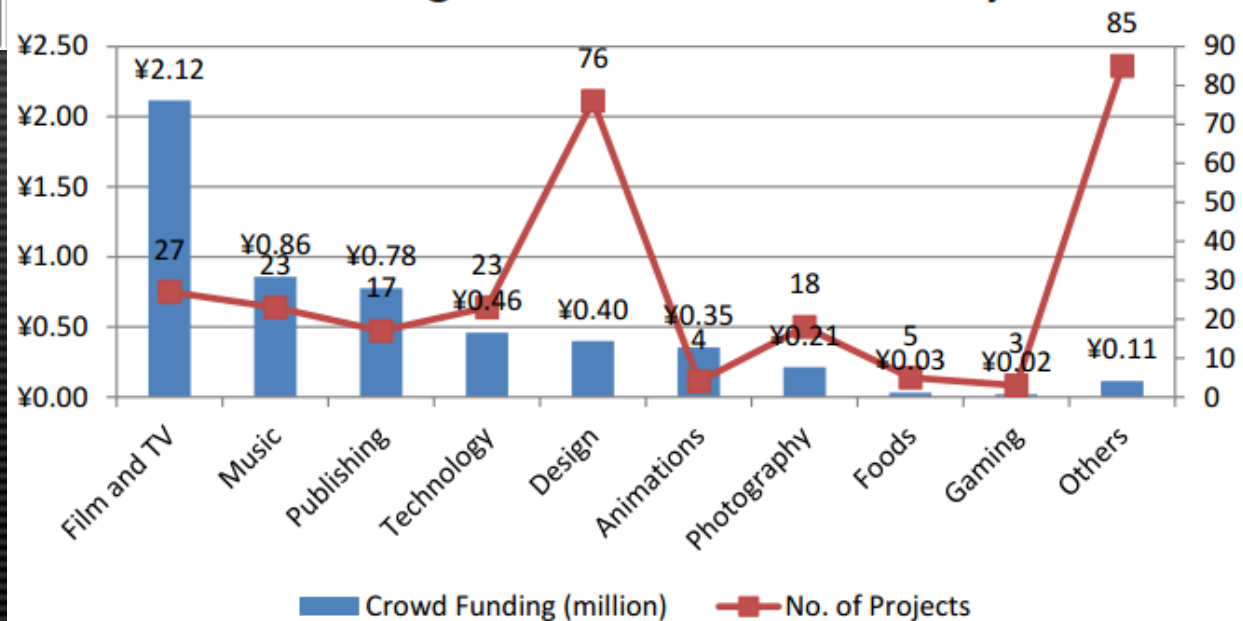


Crowd Funding

- Crowd funding is the collection of finance to sustain a project from a large pool of investors (crowd)

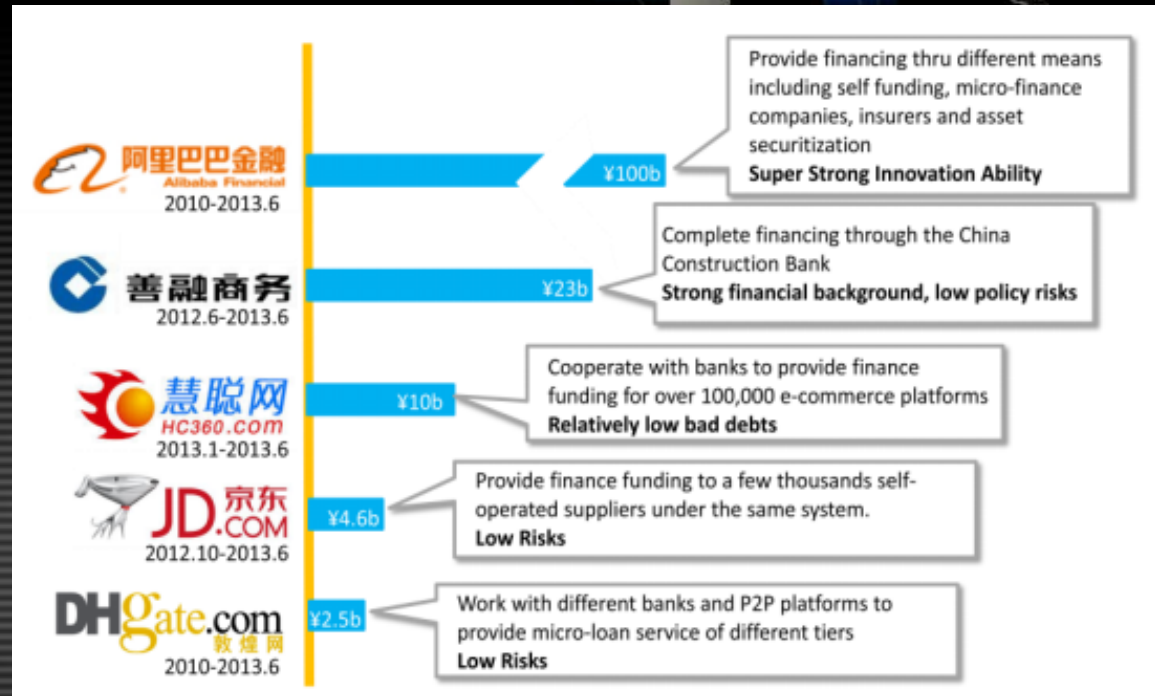


Crowd Funding on "Demo Hour" as of July 2013



E-commerce Micro Financing

It provides loans to merchants on e-Commerce platforms as a value-added service, based on internet supply chain financing models



Trends and Challenges



- Increasing demands in financial services from the huge SMMEs market
 - It depends on the massive user base and business innovations
 - Disintermediation and cross competition
 - Reconsideration of financial regulatory Issues
 - Risk control and credit assessment
 - How it is regulated
 - Data accuracy and privacy issues
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Thanks



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