

Credit and Loan Products - China - July 2016

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“How credit and loan products could be designed and operated is more influenced by regulators than providers.

In China, benefiting from the Inclusive Finance policy, internet finance players like peer-to-peer lending firms, internet-based banks and equity crowdfunding platforms are thriving.”

– Aaron Guo, Senior Research Analyst, China

This report looks at the following areas:

- What could be learnt from internet-based financial players?
- Is the penetration of credit cards coming to an end?
- How to attract young adults to apply for loans?

Consumers are enjoying the convenience resulting from the competition between these operators and traditional banks. Failures should be noticed, but they should not be overemphasised. With more proper regulations, the household loan market is expected to continue to grow with more responsible firms and innovative products.

There is much talk in the market how China faces an increasingly high bad debt ratio, that irresponsible companies are raising funds illegally and how Chinese consumers are refusing to borrow. So what is the real situation? This report will look at credit and loan products for households in China, from the perspectives of regulators, loan providers and borrowers. This report contains three main sections – The Market, Key Players and The Consumers, and discusses three key issues – what could be learnt from internet finance businesses, whether or not the penetration of credit cards is reaching saturation, and how to attract young adults to apply for loans.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The facts

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How to attract young adults to apply for loans?

The facts

The implications

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...yet different sectors meet different conditions

Innovative products drive the market

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- Promote products by usage occasions
- Instalments for everything
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- Equity crowdfunding
- Third-party credit verification

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