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Technological innovations as driving force of change

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 CBS THIS MORNING

CASH OUT

VIRTUAL PAYMENTS ALL BUT REPLACING PAPER MONEY IN CHINA



快剪辑

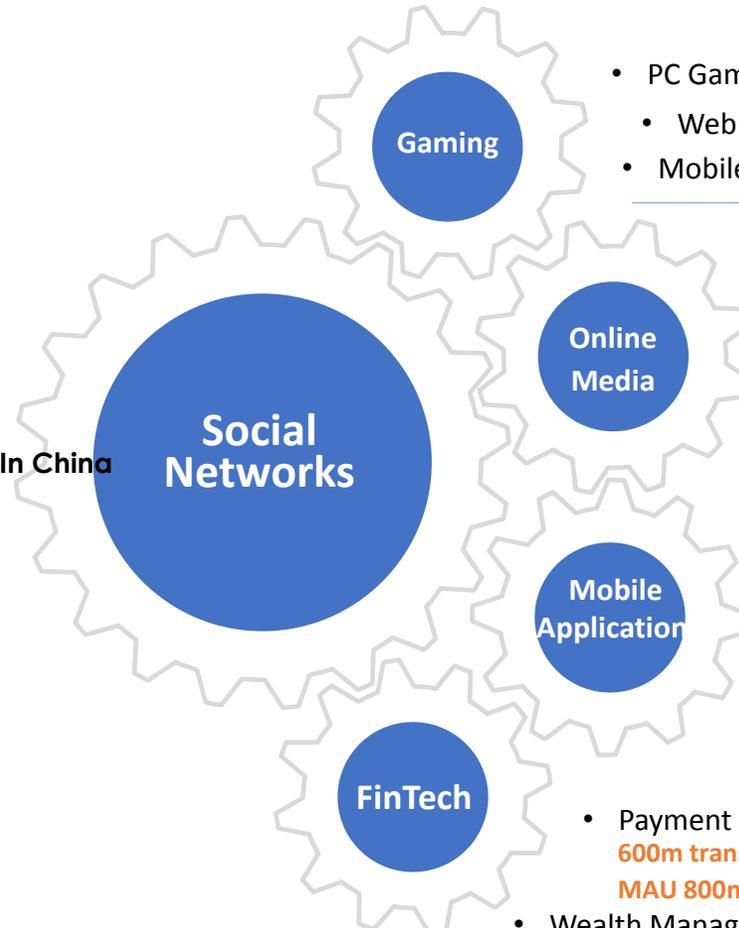
Tencent Overview


WeChat
 MAU 989 million


QQ
 MAU 783 million

No. 1

In China



Social Networks

Gaming

- PC Games
- Web Games
- Mobile Games



No. 1
In the World

Overseas Counterpart

SONY

Online Media

- Web Portal
- Video Streaming
- Music Streaming



No. 1
In China

Overseas Counterpart

YAHOO!
NETFLIX

Mobile Application

- Android Market
- Security
- Mobile Browser



No. 1
In China

Overseas Counterpart

Apple APP Store

FinTech

- Payment
600m transactions per day
MAU 800m
- Wealth Management
- Personal Loans

No. 1
In China

By No. of Payment Transactions

Overseas Counterpart

Facebook Payment

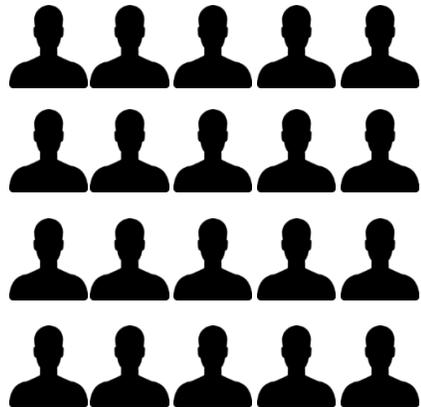
Tencent Payment Overview

User

Performance

Capacity

Cooperation



The number of monthly active payment accounts exceeded **800** million

13 years' experience in payment service



Lead the domestic mobile payment market

The number of daily average payment transactions exceeds **600** million



Cooperation with **300+** financial institutions

The ability to deal with **250** thousand TPS



More than **1.1** million merchants

More than **200** payment scenarios



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Why WeChat Pay is popular ?

Payment over Social Network



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Broad Coverage / Strong User Base

WeChat's penetration rate is close to 90%, while the total number of mobile Internet users in China is around 700M

Quick and Easy Access

Users spend hours on WeChat on a daily basis
The speed of generating QR codes is critical

Leverage Social Network to Expand Coverage

The WeChat red packet: a case study

Tencent's senior management gave out red packets to employees during the Spring Festival



Traditional Offline Red Packet



WeChat Red Packet

Receive a red packet



Open a red packet



Scan the QRCode , get your red packet



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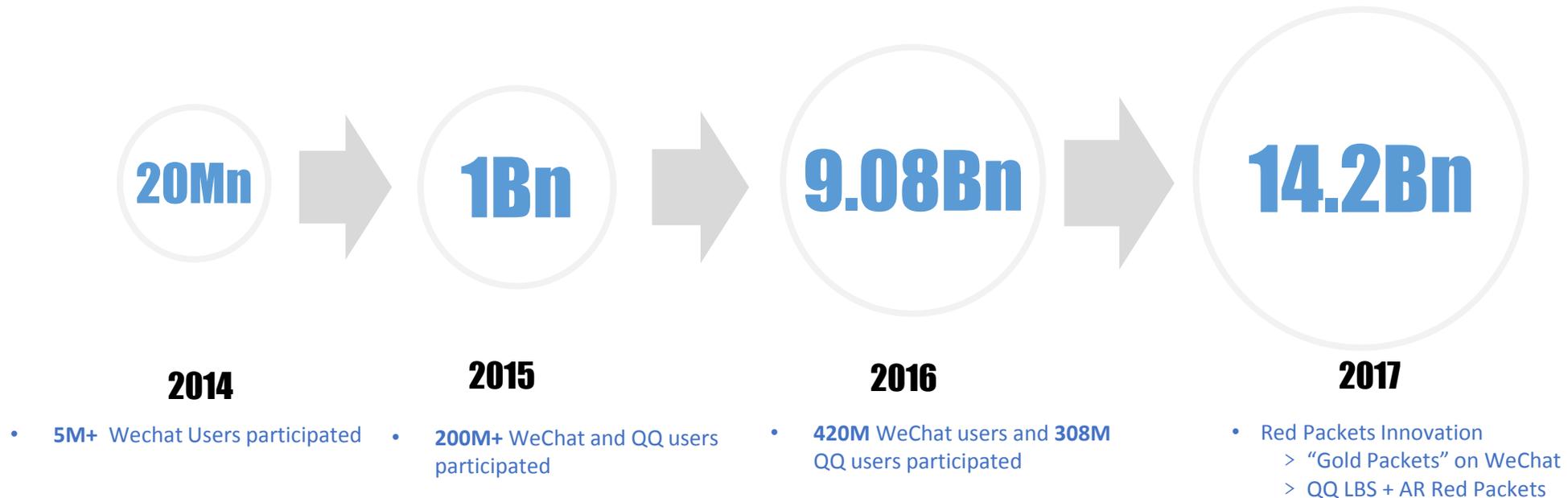
download wechat app to scan

WeChat Red Packet: A Social Phenomenon



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Total Amount of Red Packets Sent on the Chinese New Year's Eve (2014-2017)



2017 Chinese New Year's Eve: **14.2 Billion** Wetchat Red Packet totaly, **760 times** growth in three years



- People need to link their bank cards with their WeChat accounts in order to give away or receive WeChat red packets
- Red packets acted as a catalyst to prepare Chinese people for the mobile payment era



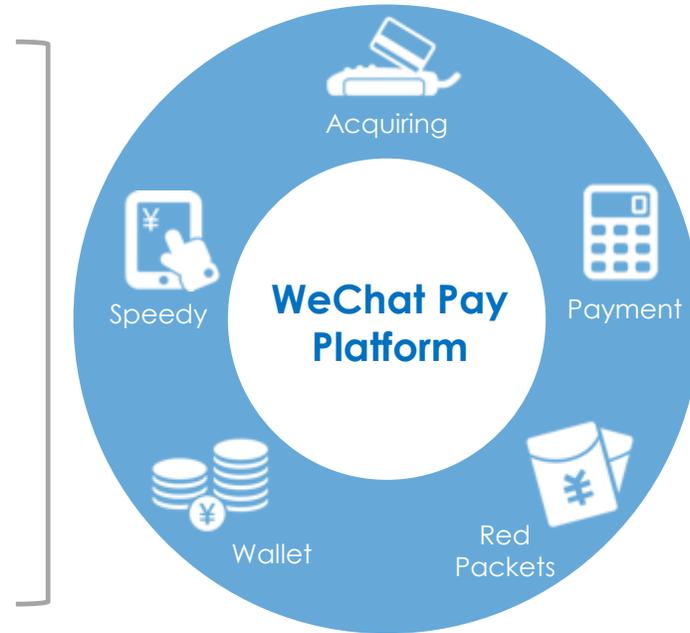
Strong Technical Capability

Bank Channels:
300+

Payment Performance:
250,000+/second

Receivable Capacity:
1 billion+/day

Leading distributed
transaction capabilities



Service Availability Rate:
99.999%

Bank Connection Disaster Recovery:
Auto Switching in Seconds

Payment Disaster Recovery: Multi-active
Cross Data Center Replication

Distributed architecture that scales
automatically

Big Data + AI to facilitate powerful risk control engine



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Multi-Dimensional Database



Global leading AI technology



1 Billion Users base



Various Scenarios

Customer Service

Fraud Detection

Risk Management

Big Data

Value proposition of Social Finance ecosystem



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For financial institutions

- Increased customer outreach
- Better risk management
- Less regulatory burden

For Merchants

- Lower cost
- Better client relationship management

For Regulators

- More AML tools
- Better surveillance of fund flows

For the Whole Society

- Increased financial inclusion
- A booming digital economy



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Thank You