

UOB and PINTEC join forces to make it smarter and faster for companies to extend credit with next-generation digital credit assessment solution

The enhanced digital solution will make financial products more inclusive

Singapore, 16 April 2018 – United Overseas Bank Limited (UOB) and Pintec Technology Holdings Limited (PINTEC) today announced the launch of their joint venture, Avatec.ai (S) Pte Ltd (Avatec). Avatec aims to help banks and finance companies to be more efficient and more accurate when assessing credit quality of potential customers, including those who are new to credit. The digital solution can also be extended to companies in sectors such as e-commerce, retail and travel that offer financial products such as point-of-sale financing.

According to KPMG, only 27 per cent of Southeast Asia's 600 million people hold a bank account¹. Within this segment, many people are still underserved when it comes to being able to access credit. These include young professionals at the beginning of their careers and small businesses.

Avatec provides companies offering financial products with an innovative next-generation credit assessment solution that analyses a broader set of digitised data beyond that which is traditionally used in evaluating personal or business credit applications. Avatec's credit assessment tool harnesses the power of artificial intelligence, machine learning and anti-fraud algorithms to determine an applicant's credit quality within seconds.

Mr Dennis Tan, Chief Executive Officer Designate, Avatec, said that the new company brings together the insights gleaned from UOB's more than 80 years of serving consumers and businesses in Southeast Asia and PINTEC's financial technology (FinTech) capabilities to help companies tap growth opportunities within the region.

"Avatec's end-to-end intelligent digital credit assessment solution is not only useful to financial institutions, it will also enable companies in sectors such as e-commerce, telecommunications, retail and travel to offer financial products such as point-of-sale financing, and personal and business loans quickly and efficiently. By making financial products more inclusive, these companies will be able to connect with a larger base of customers in the region," Mr Tan said.

¹ Source: 'Fintech: Opening the door to the unbanked and underbanked in Southeast Asia', KPMG, 2016, <https://home.kpmg.com/xx/en/home/insights/2016/04/fintech-opening-the-door-to-the-unbanked-and-underbanked-in-southeast-asia.html>

News Release

Avatec is incorporated as a subsidiary company of UOB, with UOB owning the majority stake (60 per cent) and PINTEC the minority stake (40 per cent). The Bank will invest up to S\$12 million in Avatec over the next two years.

Dr Dennis Khoo, Head of Regional Digital Bank and Strategic Initiatives, UOB, said the Bank's strategic investment in Avatec is the first in a series of groundbreaking digital initiatives that will be launched in 2018.

"Robust credit risk management is fundamental to the strength of the financial system. Avatec's next-generation digital solution will enhance the performance of our business through the underwriting of better quality loans to more customers who previously would not have had access to credit. The customer experience will also be simpler and faster as customers will know almost instantly if their online application for a loan with UOB is approved. While UOB will benefit from Avatec's unique credit assessment capability and advanced analytics, we expect other companies too will use the solution to seize new business opportunities and to spur more financial inclusion across the region," Dr Khoo said.

Mr William Wei, founder and CEO of PINTEC said that the partnership with UOB will help the financial technology firm to expand further into Southeast Asia.

"There is a growing demand for financial technology (FinTech) solutions in Southeast Asia as companies explore using technology to capture growth opportunities in the digital economy. As a leading independent technology platform enabling financial services in China, we are well-positioned to meet the needs of companies who want to use technology to serve more customers and to serve them better. Our collaboration with UOB, a leading bank in the region, will assist us with the expansion of our FinTech solutions into Southeast Asia. This is the next phase of our strategy in the region, which is also in line with China's Belt and Road Initiative," Mr Wei said.

Avatec will launch its next-generation digital credit assessment solution in Indonesia, followed by other Southeast Asian markets within the next two years.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world's top banks: Aa1 by Moody's and AA- by Standard & Poor's and Fitch Ratings respectively. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia and Thailand, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

About PINTEC

PINTEC is a leading independent technology platform enabling financial services in China. It aims to leverage technology to advance financial services and to level the playing field by providing customisable and modular FinTech solutions to institutions and their customers. Used in fields such as finance, online travel, e-commerce, offline retail payment and business lending, these solutions include consumer finance solutions, SME loan solutions, wealth management and robo-advisory solutions, online insurance solutions.

In 2015, PINTEC launched its digital lending solution "Dumiao" which utilises data such as third-party credit information and e-commerce transactions to generate credit decisions based on artificial intelligence, blockchain, and machine learning, for different customer groups. PINTEC's clients include financial institutions and internet platforms in China, such as XWBank, YNTRUST, China Telecom's BestPay unit, VIPSHOP, Qunar and Ctrip. PINTEC expanded into Southeast Asia in October 2017 with the launch of Singapore-based PIVOT to offer digital wealth management technology services in the region.

For media queries, please contact:

Maybelline Tan

UOB

Email: Maybelline.TanWL@UOBGroup.com

Tel: +65 6539 4062

Kelyn Tan

UOB

Email: Kelyn.TanSW@UOBGroup.com

Tel: +65 6539 3967

Annie He

PINTEC

Email: yini.he@pintec.com

Tel: +86 152 0141 9749

Edmond Lococo

ICR Inc.

Email: edmond.lococo@icrinc.com

Tel: +86 (10) 6583 7510