

Tencent's WeChat App to Offer Personal Loans in Minutes

New feature called Weilidai allows users to borrow up to 200,000 yuan without collateral

By JURO OSAWA

Tencent Holdings Ltd. plans to add a personal loan feature to its popular WeChat smartphone messaging application later this month, in the latest step in the Chinese Internet giant's expansion in online financial services, according to people familiar with the matter.

The new WeChat feature called Weilidai -- which literally means "a tiny bit of loan" -- allows users to borrow up to 200,000 yuan (\$31,350) without guarantee or collateral. The Weilidai service is operated by WeBank, an Internet bank launched in January by Tencent and Chinese financial firms.

Internet finance is the next major battleground for two of China's largest technology companies -- Tencent, whose main services are online games and social networks, and online shopping giant Alibaba Group Holding Ltd. Both Tencent and Alibaba, through its affiliate, offer online payment services and are starting to play greater roles in the country's burgeoning market for online financial services.

Tencent is the biggest shareholder of WeBank with a 30% stake, while Alibaba's financial affiliate, Ant Financial Service Group, operates MYbank, an online bank that began its service in June. Using data collected from hundreds of millions of smartphone owners, the Internet giants can provide micro loans and other financial services to individual consumers and small-business owners who had previously been underserved by China's traditional banks, analysts say.

WeBank launched Weilidai through its own mobile app and Tencent's Mobile QQ messaging app earlier this year. Adding the loan service to WeChat will be an important step, given that WeChat's main user base includes financially stable white-collar workers in major cities, analysts say. As of June, WeChat had 600 million active users, while Mobile QQ had 627 million active users, according to Tencent.