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Table of Contents

01

Success of Ant Financial

What are the factors that make Ant Financial so successful?

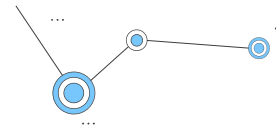
02

Future Expansion

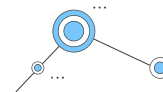
What should be in their plans for future expansions?



01 Success of Ant Financial



Financial inclusion is a key enabler to reducing extreme poverty and boosting shared prosperity, yet many individuals have been excluded from the traditional financial-services system.



Existence of Underserved Customers

- > 2 billion people worldwide do not have access to traditional financial services.
- > 50% of adults in the poorest households are unbanked.
- > 200 million micro, small and midsize enterprises in emerging economies lack adequate financing to thrive and grow due to a lack of collateral and credit history.

Due to development in techfin, 70 million small and micro sized businesses in both urban and rural areas have better opportunities to access credit.

Comprehensive Financial Ecosystem



Wide Product Offering

Utilise data to expand into domains covering all aspects of their customers' lives



One-stop digital lifestyle platform

Provides seamless access to all services by only requiring users to input their information once



Network Effects

The more people join their platforms, the more data it collects and the more attractive it becomes to others who have yet to join

Technological Leadership

Extensive data collection

Ability to collect different data from various services

Personalised products

Leverage on data collected to better meet consumer needs

Collaboration with Financial Institutions

Data collected was also offered to 3rd party financial institutions



02 Future Expansion Plans

Overseas Expansion

Ant Group's digital wallet partnerships in Asia



Received digital banking licenses from MAS on 4 Dec 2021

Overseas Expansion

Challenges faced

- Unable to replicate its success overseas
- Limited revenue contribution from international business
- Competition with local players

Ant's international business is still small compared with its China operations
Revenue (CNY)



Payments transaction value (BnRMB), 12 months to Jun 30 2020



Source: Ant Group

"Ant's problem was a tendency to 'airdrop' in Chinese executives."

Possible solutions

- Leverage on data capabilities to understand local customers better
- Provide adequate training for Chinese executives
- Allow local team to have more decision making power

Increased Collaboration

Issue

- Regulators have taken notice of Ant Financial's influence in the economy and want to curb their power
- E.g. Suspension of IPO, reorganization of company

Solutions

- Provision of data/cloud services to financial institutions to enhance their capability
- Open communication with other players to create an open financial ecosystem

Blockchain Solutions

Liquid

Eliminate need for pre-funding accounts

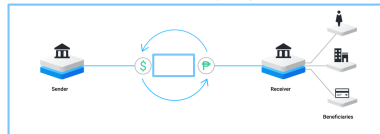
Fast

Send payments instantly around the world

Affordable

Get best in-market pricing on exchange rates

On-Demand Liquidity



Thank you!

Any questions?