

Smart Business







Formerly known as Ant Financial

Created by Jack Ma in 2014 to operate Alipay as a separate business entity from Alibaba

Company eventually became a subsidiary of Alibaba in 2019

Built on the capabilities and big data infrastructure of Alipay and Alibaba





1.2 billion users



320 million daily active users



175 million transactions per day

What is Smart Business?

Arises when players involved in achieving a common business goal are coordinated in an online network

Uses machine learning technologies to leverage data in real time

The model allows automation of operational decisions

Enable companies to change and adapt quickly to market conditions and customer preferences

Provide a competitive edge over traditional business

Microloan: Problem faced by SMEs

SMEs

- Difficult to secure funding required to grow operations
- Do not have collaterals to provide for loan

Bank

- Banks focus more on big corporate and larger loan sizes
- Banks reluctant to lend to companies with no or little credit history

Solution

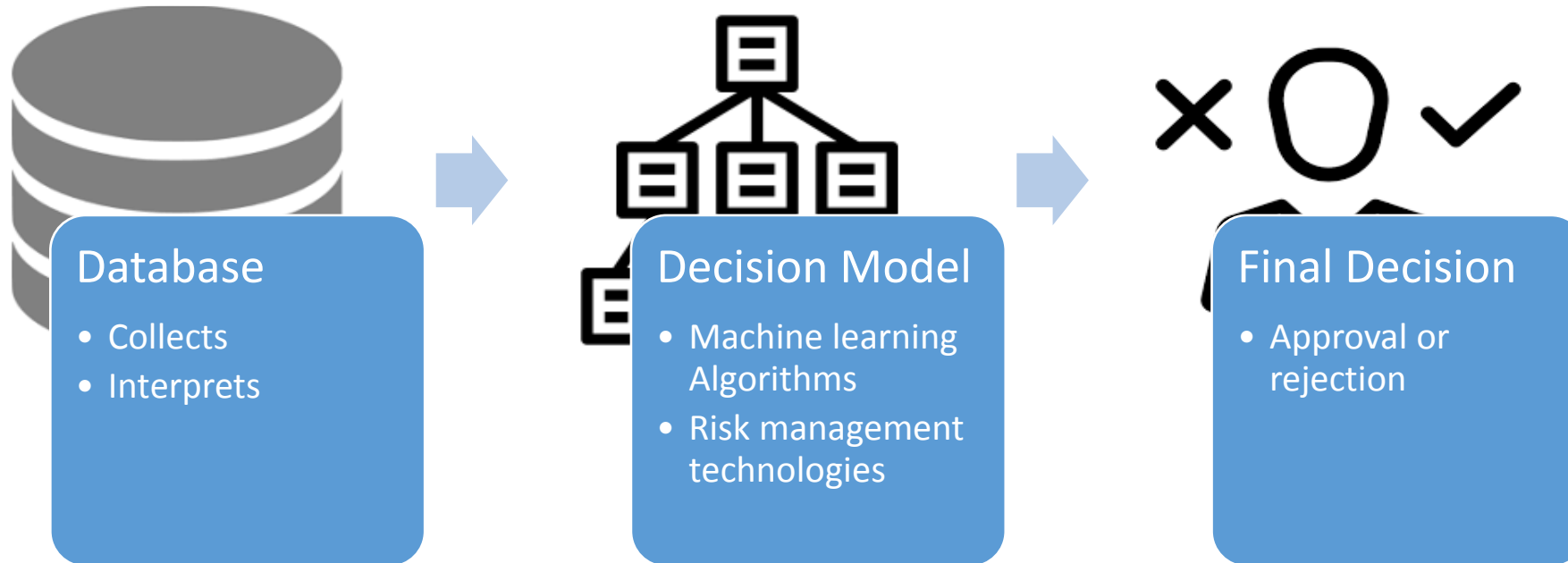
Data Analysis

- Using big and real time data from Alibaba and Alipay networks:
 - Credit scores are calculated
 - Amount to lend and interest to charge are analysed

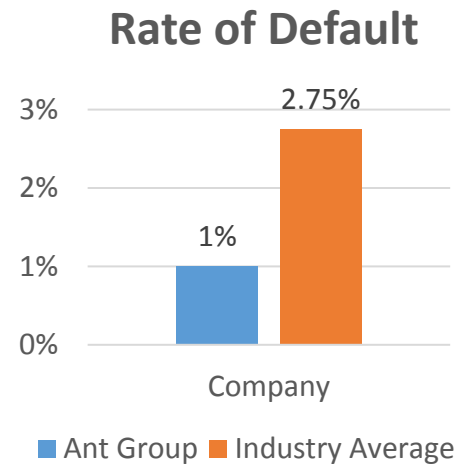
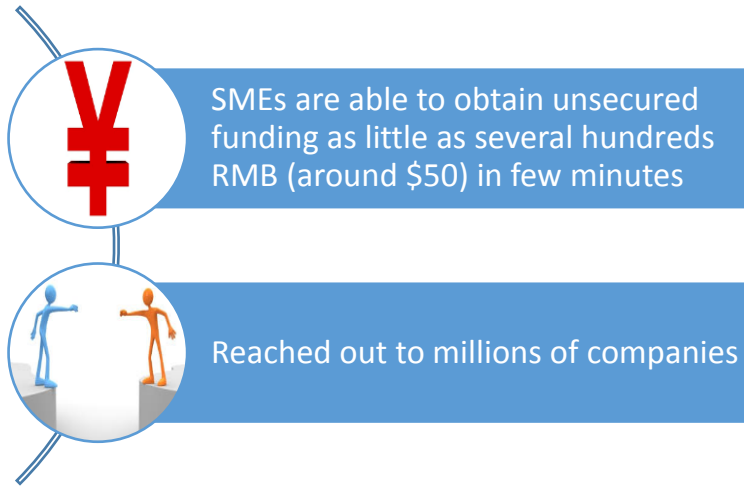
Decision

- Should we lend?
- How much should we lend?
- At what interest rate to lend?

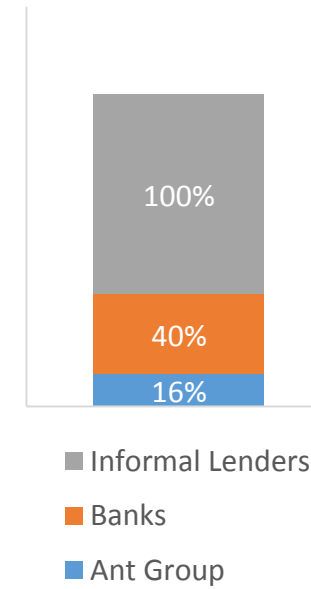
Process



Result



INTEREST RATE



Main reasons for success 👍



Access to big real time data



Able to use data to their advantage through machine learning and AI technologies

Ant Group

Existing



Alipay 支付宝

- Payment and financial services



Yu'e Bao 余额宝

- Wealth Management
- One of the largest money market fund



MYbank 网商银行

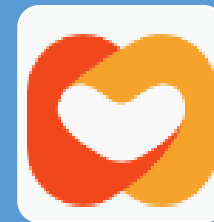
- Private bank
- 310 lending model

New



Sesame Credit 芝麻信用

- Credit scoring system



Xiang Hu Bao 相互宝

- Insurance



Hua Bei 花呗

- Consumer credit platform

Concerns

Systematic Risk

- Too big to fail
- Substantial risk to whole financial system

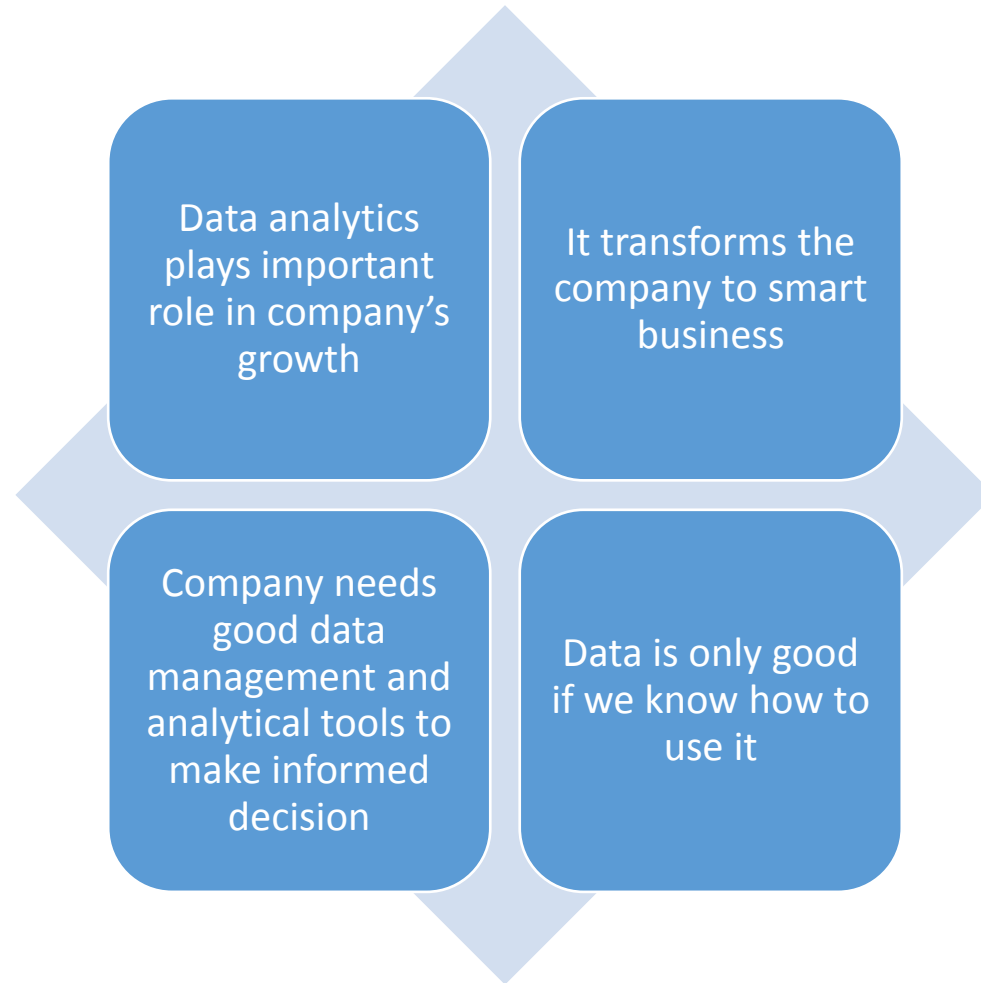
Security

- Huge data leakage can cause huge consequences

Privacy

- Extent of information shared is unknown

Conclusion



Any
Questions?

References

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