

CHINA

THE WORLD'S LARGEST FINTECH MARKET

There's a Chinese saying that goes:

老虎不发威
你把它当成是病猫

If a tiger doesn't show you its prowess, you'd still think it was a sick cat

While the UK and USA have jostled to be recognised as leading global FinTech centers, China has leapfrogged ahead to become the undisputed global FinTech hub.

The speed, sophistication, and scale of development of China's FinTech ecosystem have been at a level unmatched in more established markets.

THERE IS A **THRIVING FINTECH SCENE IN CHINA** THAT ISN'T TALKED ABOUT ENOUGH

4 OF THE WORLD'S LARGEST FINTECH COMPANIES ARE BASED IN CHINA

8 of the world's 27 FinTech unicorns are in China

Ant Financial

US\$60 billion

Lufax

US\$18.5 billion

JD Finance

US\$7 billion

Qufengqi.com

US\$5.9 billion

▶ **US\$8.8 BILLION**

Surge of investments between Jul 2015 – Jul 2016

▶ **US\$338 BILLION**

In state-backed venture funds¹

PERFORMANCE AND GROWTH IN THE PAST YEAR HAVE BEEN EXPONENTIAL

Figures are accurate at the time of publishing

32 BILLION

Digital 红包 (red envelopes) sent via Tencent's WeChat during Chinese New Year 2016

6X PAYPAL'S TRANSACTIONS FOR 2015

US\$110 BILLION

Yu'e Bao's Assets Under Management for 152 million annual active users²

> 100% USER GROWTH YOY

On Lufax – more than 23.3 million customers as of 30 June 2016

US\$17.8 BILLION

spent on Singles Day (One-day period)

139% SALES FROM THANKSGIVING, BLACK FRIDAY TO CYBER MONDAY AT US\$12.8 BILLION (FIVE-DAY PERIOD)³

SO WHY IS CHINA'S FINTECH POTENTIAL AND GROWTH SO IMMENSE?

FINTECH READY GENERATION

Disproportionately large presence of digital savvy consumers

GenY and Millennials account for 45% of consumption

UBIQUITOUS CONNECTIVITY

710 million internet users

FLOURISHING E-COMMERCE MARKET

- ▶ US\$899 billion in sales⁴
- ▶ 98.3% of respondents surveyed by EY⁵ used mobile payments platforms⁶

INTERNET GIANTS DRIVING INNOVATION & A READY POOL OF TECH TALENT

UNMET FINANCIAL NEEDS (FROM BANKS)

Why consumers prefer using non-banks⁵:

- ▶ More attractive rates
- ▶ Better online experience & functionality
- ▶ Better quality service
- ▶ Easy to set up an account

Huawei

Ant Financial

Tencent

Xiaomi

WITH PROVEN SUCCESS BEHIND IT IN ITS DOMESTIC MARKET, CHINA IS POISED TO LEAD THE GLOBAL FINTECH CHARGE. ITS BEST ARE ALREADY MAKING FORAYS INTO THE GLOBAL SCENE

Alibaba

INTO SOUTHEAST ASIA

Controlling shares in **Lazada**

Baidu

INTO SOUTHEAST ASIA

Baidu Wallet & move into Thailand

Tencent

PURCHASE OF

Top mobile game developer **Supercell**

To learn more about China's FinTech potential, read the full collaborative report by DBS and EY - "The Rise of FinTech in China: Redefining Financial Services" at <https://www.dbsinsights.com/china/chinas-fintechs-disrupt-world>



¹ Zero2IPO Group. (2016, January).

² Alibaba Group. (2016, June). Investor Day information on Ant Financial. Retrieved from <http://www.alibabagroup.com/en/ir/pdf/160614/12.pdf>

³ Practical Commerce. (2016, December 1). Sales Report: 2016 Thanksgiving Day, Black Friday, Cyber Monday. Retrieved from <http://www.practicalcommerce.com/articles/131369-Sales-Report-2016-Thanksgiving-Day-Black-Friday-Cyber-Monday>

⁴ eMarketer. (2016, August 18). China Eclipses the US to Become the World's Largest Retail Market. Retrieved from <https://www.emarketer.com/Article/China-Eclipses-US-Become-Worlds-Largest-Retail-Market/1014364>

⁵ EY. (2016, September). EY Global Consumer Banking Survey 2016

⁶ FT Confidential Research, a unit of Financial Times. (2016, May 18). Survey of 1,000 urban consumers