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## Development Practice of DFI in China

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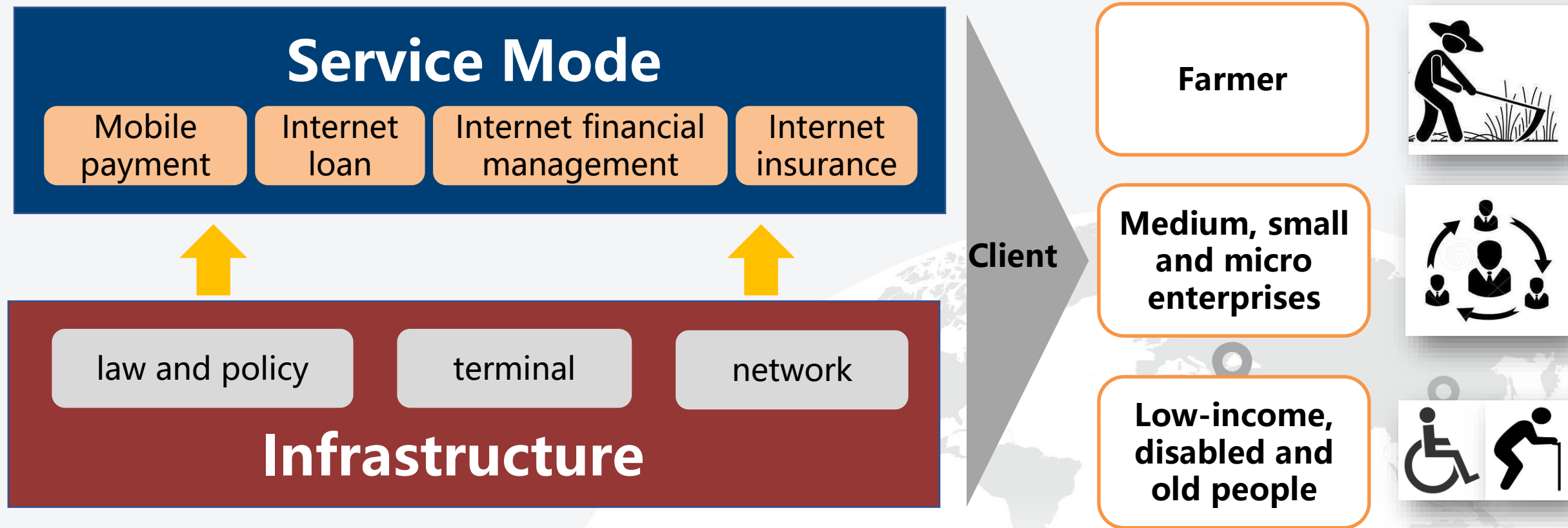
BANK FOR INTERNATIONAL SETTLEMENTS



WORLD BANK GROUP



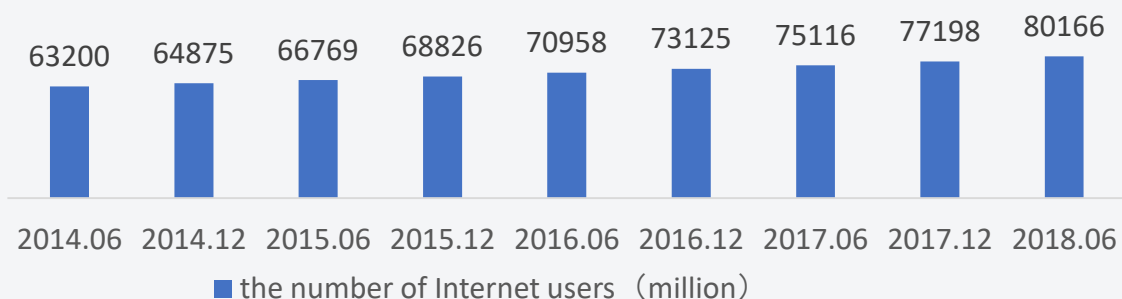
# Development System of Digital Finance Inclusive in China



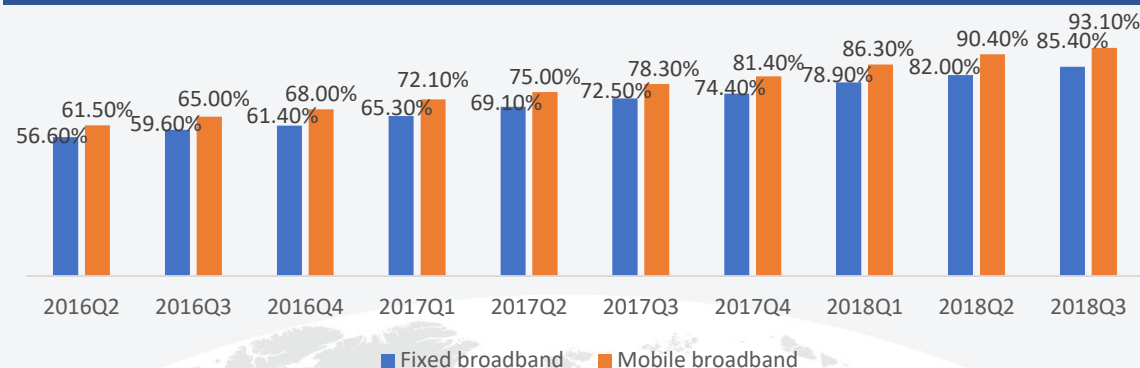
# The development of 4G, broadband, has established the foundation



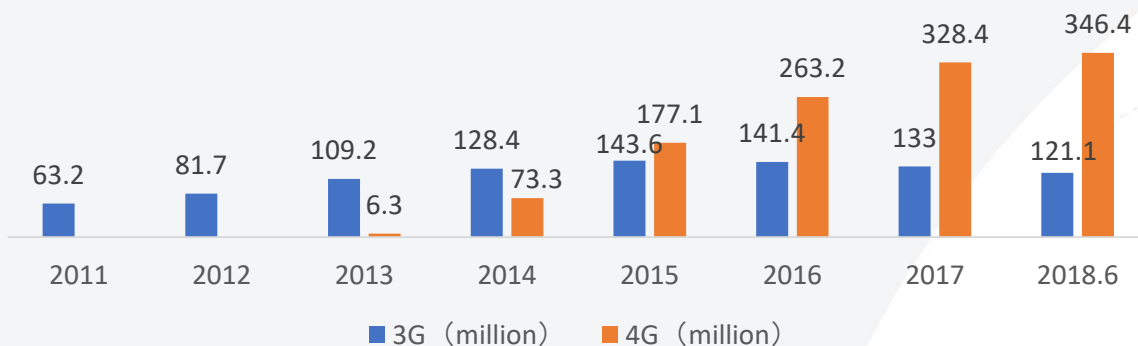
## The scale of Internet users in China



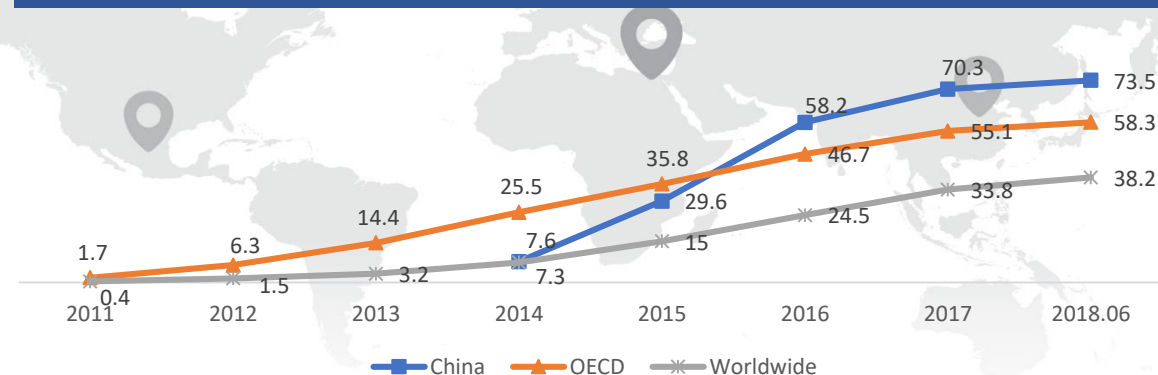
## Fixed/mobile broadband penetration rate



## The construction of 3G/4G Base stations



## The comparison on the penetration of 4G

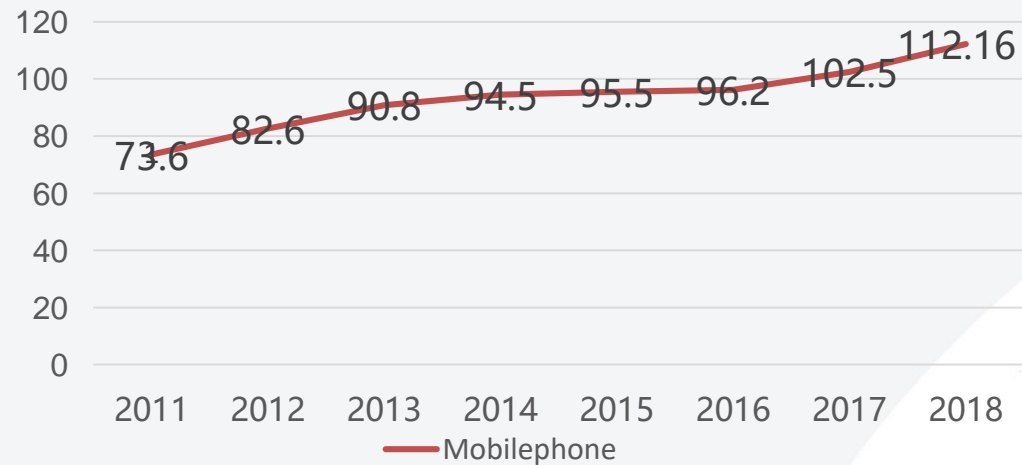


Source : PRC

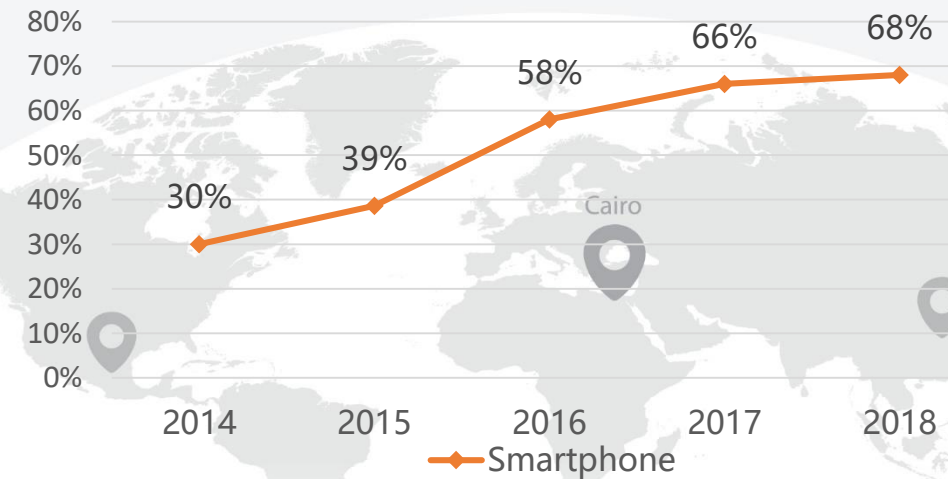
# Chinese mobile phone and smart phone penetration have build a solid foundation for the DFI



## Chinese Mobile Phone penetration rate has reached 112% in 2018



## Chinese smartphone penetration rate have reached 68% in 2018

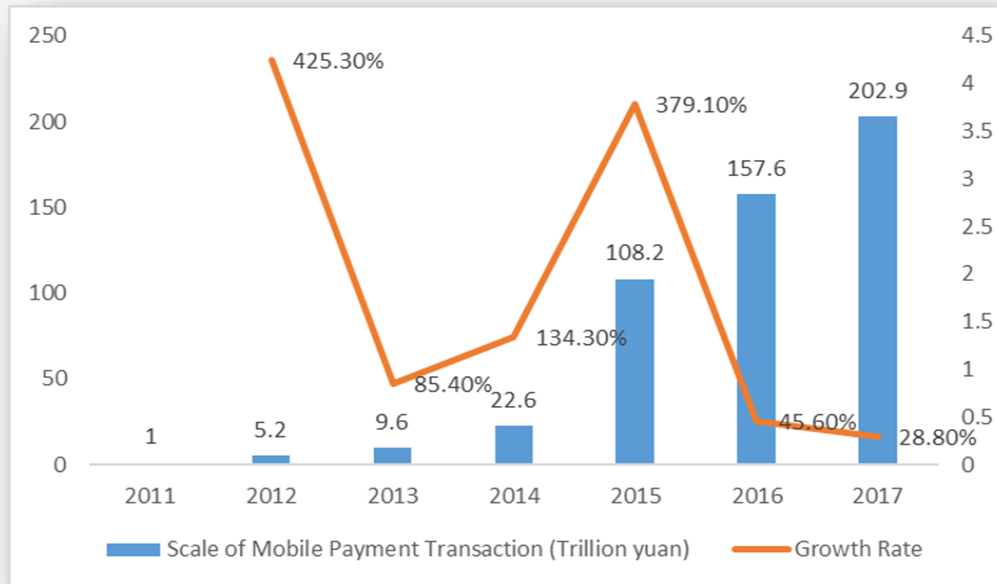


Source: MIIT,PRC

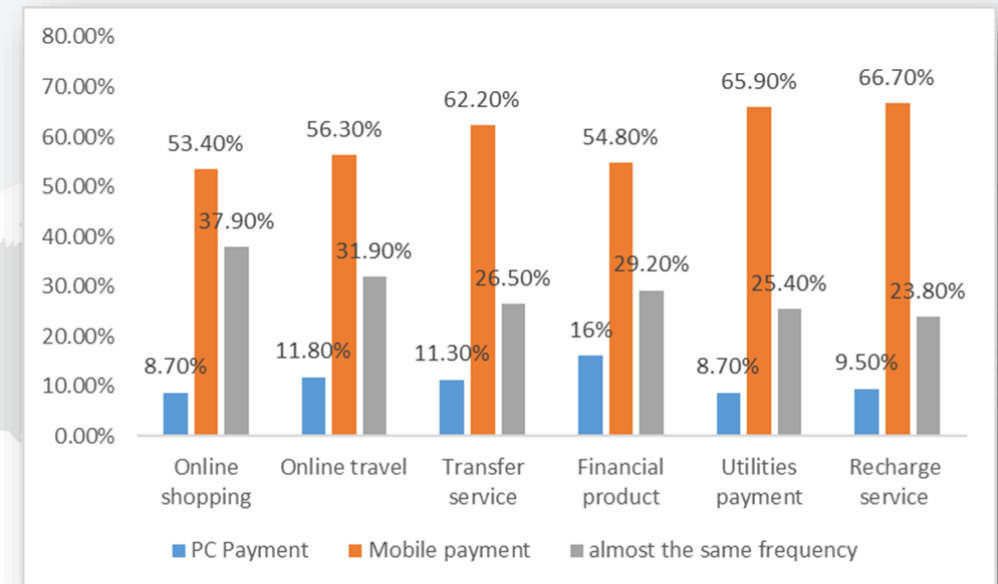
# With the Rapid Development of Mobile Payment in China, Inclusive Finance penetrates into Remote Poverty-stricken areas



**Chinese mobile payment transaction have reached 200 trillion yuan in 2017**



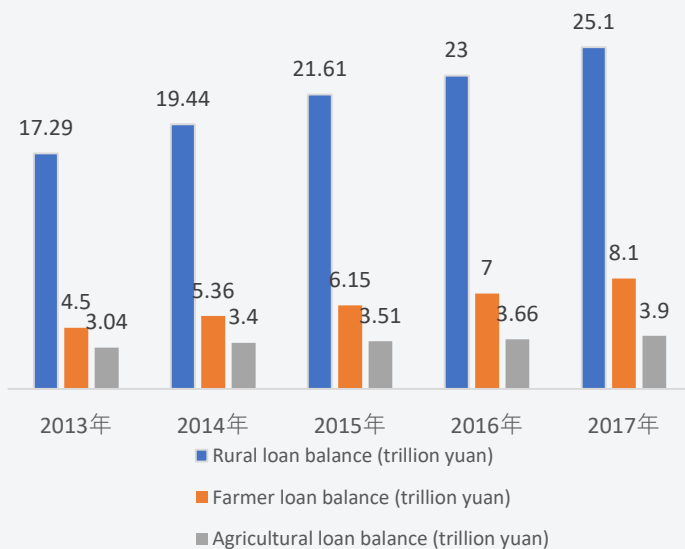
**Chinese mobile payment has become the most common payment in 2017**



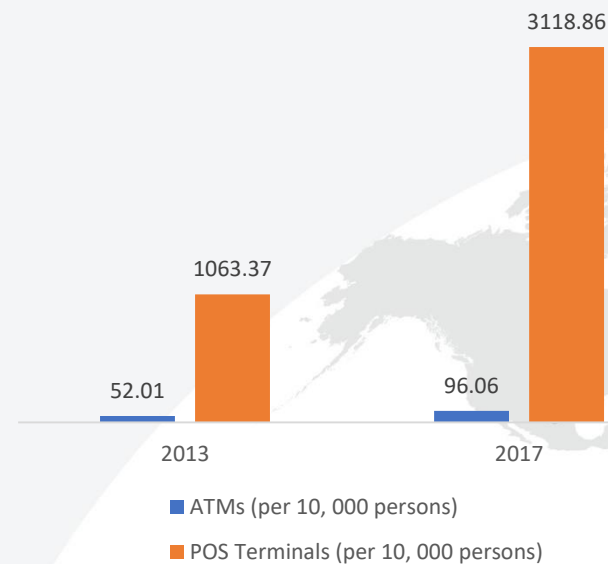
# Filling in Remote Rural Financial Gaps to Revitalize the Rural Economy



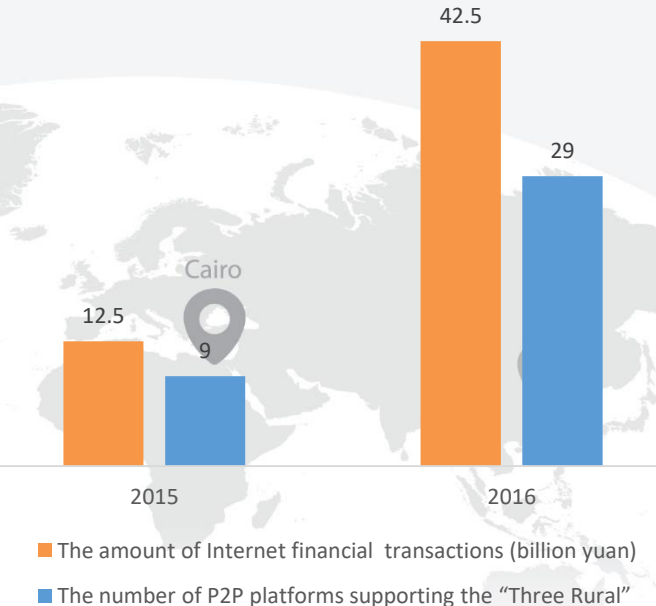
The loan balance of the "three Rural" have reached 37 trillion yuan in 2017



The number of ATMs and POS have reached three thousand per 10 thousand in 2017



The amount of Internet financial transactions have reached 42 billion yuan in 2016



Source: People's Bank of China, China's "three rural areas" Internet finance development report (2017)

# Case-Ant Financial Constructs Inclusive Financial Platform by Internet



## 100 million Annual Active Users

### Internet loan

- for consumers to borrow by Ant credit pay
- for merchants to provide online business wang wang agricultural loans

## 330 million Accumulative user

### Internet financial management

- Open operation platform for financial institutions
- Provide users with customized financial products and services

## 392 million Annual Active Users

### Internet insurance

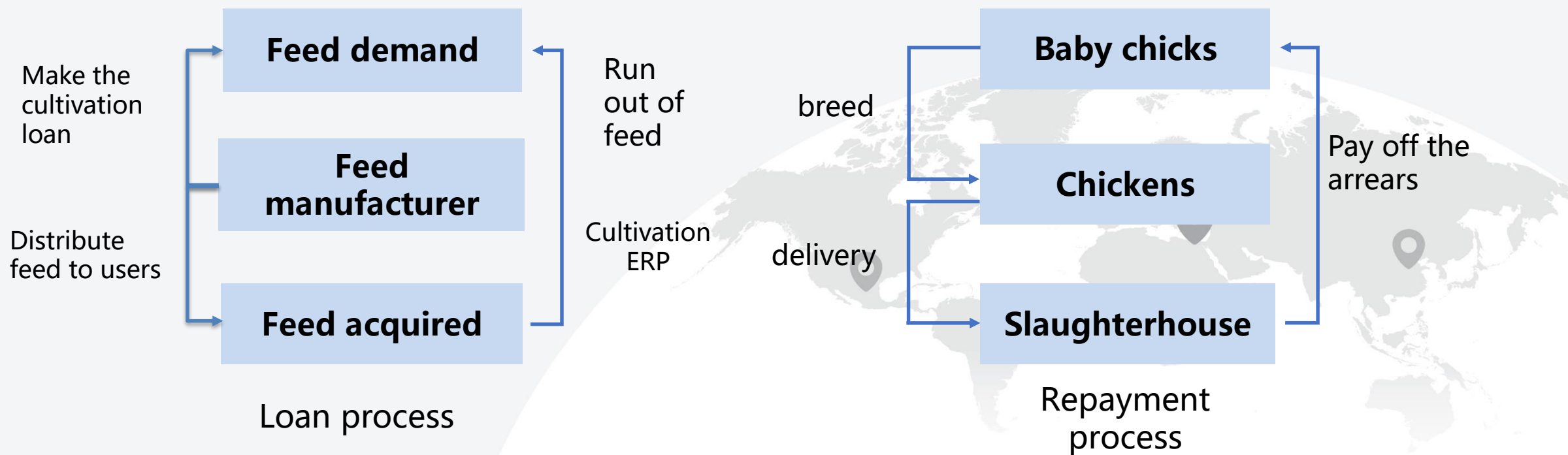
- Ant insurance service platform has cooperated with 78 insurance institutions
- Provide more than 2000 types of insurance products
- Average daily insurance amount already exceeded 21 million sheet



# Case-A New Model for Agricultural Loans Provided by JD Finance



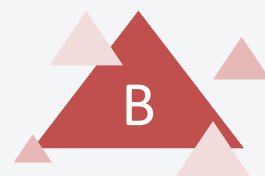
The digital agricultural loan of Jingdong(JD) Finance is a micro supply chain financial model with total loan of about 1 billion yuan in the past two years



# Suggestions-Improve policies, Strengthen the supports



- **Formulate and perfect** the relevant **laws** and **regulations** on digital finance, putting the development of DFI into the track of legalization.



- Improve the **regulatory process** and **capability**, balancing the innovation and risk during the promotion of DFI



- **Promote the application** in the field of public livelihood ,meeting people 's needs for a better life. Promote the widespread applications in various fields.



- **Strengthen policy communication** with countries along the “One Belt and One Road” and **improve regulatory mechanism**.

# Suggestions-Strengthen foundation, Cultivate users



- Based on the **infrastructure projects**, A series of infrastructures are needed to be improved urgently, such as Anti-fraud system, Cloud Credit System, Third-party credit ratings and Credit agencies, etc.



- Encourage digital innovation through **market-oriented incentives** and **public-private partnerships**, therefore stimulate the creativity in the DFI.



- Combing with projects about vulnerable groups, the **relevant rules** of anti-fraud in digital financial services should be further enforced and a reasonable **recourse mechanism** should be established.

# Suggestions-Industrial cooperation, Ecological construction



## Cooperation

- **Multi-level and in-depth cooperation** will help to improve the speed and scale of the development of DFI in a short time. At the same time, traditional and new finance have their own advantages and characteristics. Only through **cooperation** can we achieve win-win results.



## Business model

- The **business model** of DFI has been continuously innovated. **New models of DFI have initiated** and many groups compete to enter the field of DFI, promoting the financial resources to small and micro entrepreneurs, individual businesses, ordinary wage earners and other inclusive financial groups.

# Thank you!

