**G20 CCB Digital Inclusive Finance**

**Product Innovation Case**

**1. Region**

Asia

**2. Country**

China

**3. Name of institution**

China Construction Bank Corporation

**4. Type of institution (drop-down options, including development finance institution, financial institution, Fintech company, other)**

Financial institution

**5. Name of case**

“CCB Huidongni”, a digital ecosystem service platform of inclusive finance

**6. Description of case**

The “CCB Huidongni” digital ecosystem service platform is committed to expanding financial availability, fully supporting the operation and growth of micro, small and medium-sized enterprises, and promoting economic development and social stability. CCB Huidongni employes technological means such as big data, artificial intelligence (AI) and biometric identification to innovate in the ways of supply of products and services, provides one-stop online integrated services including credit financing, comprehensive finance and operation management to micro and small businesses, self-employed individuals, farmer households, etc., works with public service partners to build eco-platforms featuring openness, sharing and win-win cooperation, meets inclusive customer groups’ demand for “financial + non-financial”, “growth + operation”, and “online + intelligent” services, and improves the availability, adaptability and coverage of inclusive financial services in all respects.

**7. Innovation time of case (drop-down box, select a year)**

2018

**8. Innovation cost of case (if any) or number of micro, small and medium-sized enterprises benefited (optional)**

As at the end of March 2023, CCB Huidongni had more than 9.8 million corporate users, more than 2.7 million credit customers, and more than 4.5 million comprehensive service customers.

**9. Estimated number of people reached/influenced by the product/service (optional)**

As at the end of March 2023, CCB Huidongni had 231 million visits, more than 29 million downloads, and more than 18 million registered personal users.

**10. Product/service type of case (drop-down options, including payment, remittance, deposit, factoring, insurance, financial education, credit guarantee, cash management, risk management, other)**

Other

**11. Describe the challenges addressed by the product/service (e.g., women’s employment, youth employment, financial availability, etc.)**

**(1) Financial availability.** With its open and sharing attributes, as an online platform, CCB Huidongni has further lowered the access threshold and enabled quality financial and non-financial service resources to reach micro, small and medium-sized enterprises, business owners and employees, especially customer groups that can be easily ignored such as first-time borrowers, startups, women, young people, people in rural areas, etc. and support continuous operation of enterprises and stable employment.

**(2) Comprehensive service coverage of micro and small business customers.** Micro and small businesses are typical longtail customers, who are not provided with sufficient convenient account service, scenario-based services such operation management, etc. Upholding the concept of inclusion and sharing, CCB Huidongni has leveraged its product innovation advantage as a financial institution and resource advantage as a service provider to provide preferential financing service, convenient financial service and zero-charge ecosystem service to micro and small businesses, effectively expanding the coverage of its comprehensive services.

**(3) Access to professional service resources.** While providing convenient online services, CCB Huidongni has effectively connected to CCB’s intelligent customer service resources and offline professional service staff, which has promptly solved the customer service response problem and assigned special personnel to handle customer demand, realizing a complete service link.

**12. Describe the innovative product or service in detail**

In 2018, CCB launched CCB Huidongni, a one-stop mobile financial service platform designed for inclusive finance customers, the first of its kind in the industry. The launch of the platform effectively solved the core pain points and problems faced by inclusive finance customers in accessing speedy affordable financing. In November 2022, CCB continued to take the lead. CCB made a breakthrough in the credit financing service app model and upgraded CCB Huidongni into an ecosystem-like comprehensive service platform which provides one-stop comprehensive services centering on the three sections of loan, wealth and service that can meet the operating needs of micro and small businesses throughout their full lifecycles. In the loan section, the platform has deployed such functions as intelligent product recommendation, speedy credit limit increase, process prompts, loan application tips, documentary evidence, etc. and optimized full-process online financing service experience. In the wealth section, the platform has expanded financial services like account settlement and investment & wealth management to enhance customer stickiness and recognition. In the service section, the platform has introduced public services including finance and taxation, logistics, legal service, etc., built social networking scenarios and functions such as enterprise name cards, and provided micro and small businesses with full-lifecycle journey services. Besides, CCB Huidongni has realized non-counter customer identity authentication using technologies like image recognition and biometric detection, and supported by the password management security matrix, the platform is able to identify fraud in scenarios and provide process protection, ensuring security of online convenient comprehensive service experience.

**13. Results or impacts produced (provide facts and data, e.g., number of micro, small and medium-sized enterprises benefited, costs saved for enterprises, jobs created, etc.)**

**(1) Leading and driving the banking industry to innovate in the mode of service for micro and small businesses.** CCB Huidongni has reshaped the traditional counter business process based on its inclusive Fintech attribute. It has realized online paperless processing of services like credit, account opening, account query, etc., which has saved substantial comprehensive costs for enterprises such as labor cost, time and financial cost. By breaking the time and space limitations of counter business, CCB Huidongni has provided customers a 24/7 portable bank, truly allowing customers to experience around-the-clock intelligent services anytime and anywhere. CCB Huidongni has reduced customers’ dependence on manual work, thus alleviating the burdens of and empowering primary-level marketing personnel and supporting customers applying for loans and using other services by themselves and enjoying self-service when needed anytime and anywhere. CCB’s digital ecosystem platform model is widely recognized by the government, the academic circles and peers. Financial institutions have rolled out their own versions of online service platforms successively. As a result, the level of services for micro, small and medium-sized enterprises across the society has continued to improve, showing that the platform has produced excellent industry effect.

**(2) Contributing to the stable development of the market with inclusive finance services.** CCB Huidongni has redefined the ways to serve enterprises and the supply relation and extended customer service tentacles far and wide. Currently, the platform has a total of 231 million visits, more than 29 million downloads and over 9.8 million authenticated enterprises. It has become a benchmarking platform that leads and drives financial services to serve micro and small business customers and mobilizes financial institutions to work together to promote long-term development of society and stabilize employment.

**(3) Further improving financial service availability and penetration.** As at the end of March 2023, CCB Huidongni served a total of 2,716,000 credit customers, in which customers whose de facto controllers are women accounted for 34.29% and customers whose de facto controllers are under the age of 35 accounted for 18.08%.

**(4) Boosting the growth of enterprises through comprehensive inclusive finance services.** CCB Huidongni has used automatic system approval, fast credit-based lending, etc. to cut enterprises’ trips to bank outlets and times of filling out materials during the loan application process and has provided the pay-as-you-go plan to reduce financial costs for enterprises. With online functions such as appointment-based business, investment & wealth management and account query, CCB Huidongni has enabled financial services to reach enterprises faster. The platform also provides services for operating scenarios such as financial management, logistics & express, legal service, etc. as well as exclusive customer privileges to empower enterprises’ growth, building a full-operation-journey service ecosystem for enterprises.

**14. Describe market factors that contribute to the success of the product/service (optional)**

**(1) The development of digital technology has provided strong support to the building of the digital ecosystem service platform of inclusive finance.** By establishing platforms and ecosystems and collecting, accumulating and managing data, CCB has accurately judged customer risks and extended financial services to reach customer groups with a promising future. Meanwhile, CCB has developed information systems, actively applied new technologies such as AI and blockchain, innovated in online operating procedures of credit business, accelerated innovation in financial services, effectively prevented risks, and improved the capability to serve inclusive finance customers.

**(2) The sharing and open Internet service ecosystem is the main drive of the upgrading of the digital ecosystem service platform of inclusive finance.** In recent years, financial institutions and Internet platforms have been actively seeking innovation in online platform layout and exploring new processes that are user-centered. Such platform operation mode that integrates internal resources and opens to and shares resources with outside institutions is becoming a trend. CCB is sharing its digital inclusive finance development model to small and medium-sized banks, hoping to improve the capability of the whole banking industry to provide financing to micro, small and medium-sized enterprises. CCB is also integrating and bringing together social resources to provide other non-financial services such as market expansion, information consulting, incubation, enterprise training, startup planning, etc. to micro, small and medium-sized enterprises to expand the service coverage of inclusive finance and improve the overall operating capability of enterprises.

**15. Describe policies and regulations that facilitate or hinder the success of the product/service (optional)**

**(1) The inclusive finance innovation strategy is the important cornerstone of the development of the digital ecosystem service platform of inclusive finance.** When the whole Chinese society is encouraging entrepreneurship and innovation, the CPC Central Committee and the State Council have continuously deepened the inclusive finance development policy and laid down plans to support the development of micro and small businesses and Sannong (agriculture, farmers and rural areas) financing. Regulators such as the People’s Bank of China have pushed for the establishment of the long-term mechanism under which loan officers have the courage, will, ability and means to grant loans to micro and small businesses. All of those have created a sound policy environment for the development of inclusive finance. CCB has promptly adjusted its strategic focus and defined the transition direction of operation. CCB was the first bank in the industry to officially upgrade inclusive finance into a bank-wide strategy and laid down the working requirements of “establishing a platform that interacts with and opens to external institutions and fully integrates internal resources with Internet thinking, making good use of the platform operation model, keeping improving the capability to operate data assets, and building a new inclusive finance ecosystem”. Facing micro, small and medium-sized enterprises, especially micro and small startups and self-employed individuals, CCB has developed policies and allocated resources by financial means and enabled the general public to access more services through technology empowerment and data operation, strengthening the inclusive side of finance. Meanwhile, CCB has trained outlets’ capabilities in serving micro and small businesses. Through efficient reach online and proactive connection offline, CCB has formed an all-round bank-wide service network of inclusive finance, truly realizing financial service availability in lower-tier regions. As a result, CCB’s market coverage and customer service availability have significantly improved. As at the end of March 2023, of CCB’s 14,042 outlets, the number of outlets that provide inclusive finance services accounted for 99.39%, and there were 2,509 characteristic outlets of inclusive finance and more than 19,500 inclusive finance specialists.

**(2) The data governance system and supporting policies need to be further refined.** Currently, banks need to collect data with government departments, trading platforms, public service providers, data companies, etc. according to laws and regulations. However, because data criteria, the ways to acquire data, the degrees of openness of data are not unified, it makes it difficult for banks to ensure the comprehensiveness, effectiveness and timeliness of the enterprise data they’ve acquired. Therefore, a unified financial data governance system that provides clear standards, procedures and participants’ rights and obligations of data collection, processing, sharing, etc. is urgently needed.

**(3) Digital inclusive finance related policies and regulations need to be further improved.** Currently, we don’t have a complete set of matching laws and regulatory policies for inclusive finance. For example, there are no laws or regulatory policies on the legal validity of online contracts or debt recovery or a punishment mechanism of dishonest judgment debtors, etc. To encourage banks to develop more innovative digital inclusive business models to some extent, we urgently need to revise and refine supporting policies and regulations.