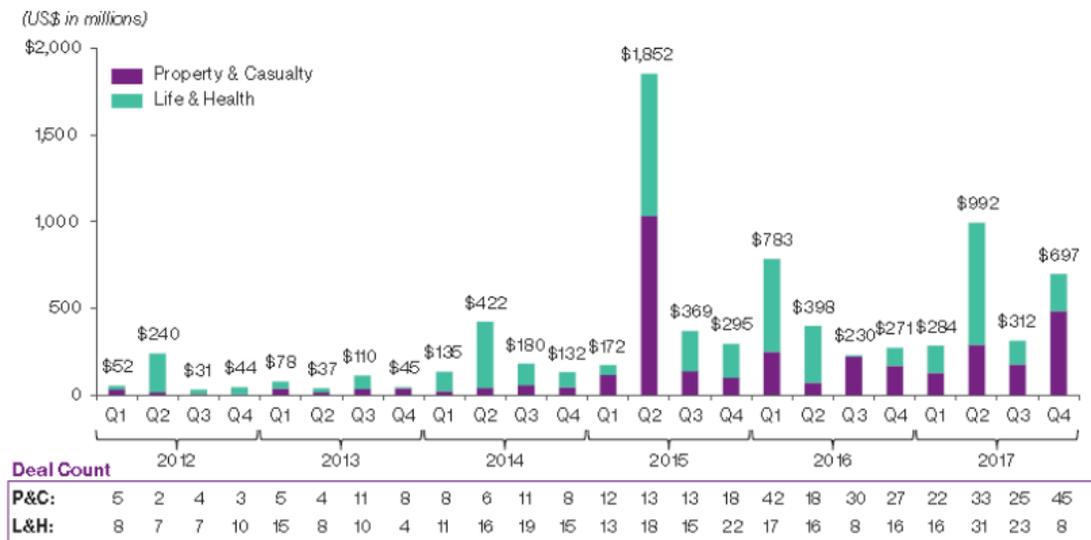




Chart of the week – InsurTech sees record level of incumbent investments

Figure 1: InsurTech attracts record investment in 2017

Quarterly InsurTech Funding Volume – All Stages



Source: Willis Towers Watson, CB Insights

According to Willis Towers Watson 2017Q4 InsurTech Report, InsurTech funding reached a total of US\$2.3 billion (+36% yoy), the second highest total for any year to date. (Re)insurers, directly and through corporate venture arms, are increasing their investments in a broad range of technologies with potential applications to their core (re)insurance businesses. 35 private technology investments by (re)insurers in Q4 and 120 private technology investments by (re)insurers in 2017 are the highest totals recorded in any quarter and year to date, respectively. High entry barrier and product complexity may shield incumbents from large scale disruption.

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## News of the week

Feb 1, 2018

Alibaba

Ant Financial

### Alibaba Takes 33% Stake in Ant Financial

The deal, which both parties said stems from an agreement made in 2014, will see Alibaba pick up newly issued shares in Ant, seemingly paving the way for a public listing. It will also mark an end to a profit-share agreement which saw Ant give Alibaba “royalty and technology service fees” equal to 37.5 percent of its pre-tax profits each quarter.

Source: [TechCrunch](#)

#### Our view

**This further fueled expectation of Ant Financial’s IPO plan later this year. The timing is interesting though since Alibaba could have done so earlier. The move may be related to Ant’ recent challenges, including user acquisition cost and regulatory tightening on micro loan business.**

Feb 1, 2018

Tencent

China

### Tencent Pulls Credit Scoring Service

The central bank’s credit bureau has told Tencent’s credit rating arm to pull a credit scoring service, just one day after its launch as a trial program. Ongoing concerns about the misuse of credit and personal-credit information were the primary reasons that regulators issued the “window guidance” to Tencent Credit, the source said.

Source: [163](#)

#### Our view

**After recent news coverage on Zhima Credit’s user privacy compromising and automatically enrolling users, market players should handle customer data more delicately as regulators will keep a closer eye on personal information protection.**

Feb 1, 2018

Alibaba

China

### MYbank Owes Cost-savings to Home-made Tech

The bank says it can deliver loans to borrowers across China at lightning speeds for up to 1,000 times less than it would cost brick-and-mortar banks to do so. MYbank expects double-digit increases in all growth measures in 2017 due to lower costs enabled by technology, the bank’s president, Huang Hao, said in an interview at his office in Hangzhou, in the eastern province of Zhejiang.

Source: [Reuters](#)

Feb 4, 2018

Tencent

China

### Tencent Boosts Financial Arm with Fund Sales License

Chinese Internet giant Tencent has acquired a third-party fund sales license via a wholly-owned subsidiary, Tengan Information Technology Co. Ltd., with the aim of further expanding its financial business.

Source: [Yicai](#)

Jan 31, 2018

Cryptocurrency

Venezuela

### Venezuela Says Will Pre-sell 'Petro' Cryptocurrency on Feb. 20

A pre-sale of Venezuela's new "petro" cryptocurrency will begin on Feb. 20, President Nicolas Maduro said on Tuesday, a move that the government hopes will help pull the country out of a dire economic crisis.

Source: [CNBC](#)

Feb 1, 2018

Cryptocurrency

South Korea

### South Korea Says No Plans to Ban Cryptocurrency Exchanges

South Korea's finance minister said the government has no plans to shut down cryptocurrency trading, welcome news for investors worried that authorities might go as far as China's tough action in blocking virtual coin platforms.

Source: [Reuters](#)

#### Our view

South Korea is mainly worried about money laundering, tax evasion and excessive speculation and has taken various actions since last September to cool down the market. It is still unclear if the government will shut down the exchanges, but investors are extremely concerned and the market reacts very quickly to related news.

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Feb 2, 2018

Online Lending

China

### Guangdong Reveals News Rules on Online Lending Business

Guangdong's financial regulators on Friday circulated new rules to local governments targeting fast-growing online micro-lenders, part of a campaign to rein in a rapidly developing financial sector.

Source: [01Caijing](#)

#### Our view

Financial regulators are responsible for cleaning up micro-loan problems in their own regions. Increasing local regulators have released detailed regulations on online lending business. We expect to see increasing defaults in the near term and fewer market players due to tightening regulations, the sector however will have a healthy and solid growth in the long run.

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Feb 2, 2018

Blockchain ETF

Canada

### Canadian Regulators Approve Country's First Blockchain ETF

The Ontario Securities Commission has approved Canada's first blockchain exchange-traded fund (ETF), which is set to launch on the Toronto Stock Exchange next week. Harvest Portfolios, an independent Canadian investment management company, filed the preliminary paperwork for its Blockchain Technologies ETF (ticker: HBLK) in January, seeking to provide Canadian investors with the opportunity to buy into the blockchain technology sector, according to the Globe and Mail.

Source: [CoinDesk](#)

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Jan 30, 2018

Payday Loan

China

### Payday Loan Platforms to Seek Transformation

It has been a tough month for online payday loan lenders in China. The emerging industry must adapt rapidly to meet evolving regulatory standards. However, the transformation to achieve compliance is no easy task.

Source: [Yicai](#)

#### Our view

It is not just compliance standard payday loan lenders need to achieve. They need to structurally shift their product mix and catch up on risk management and risk pricing. This would be a very challenging task.

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Jan 31, 2018

InsurTech

### Quarterly InsurTech Briefing Q4 2017

The fourth edition of CB Insights' Quarterly InsurTech Briefing offers an opportunity to reflect on a full year's worth of InsurTech activity in 2017 – another year of record investment into the space from both financial investors and (re)insurers.

Source: [CB Insights](#)

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Feb 1, 2018

Cybersecurity

Cryptocurrency

### Cybercriminals Target Booming Cryptocurrencies: Report

Bitcoin's popularity and the emergence of about 1,500 other digital coins or tokens have drawn more hackers into the red-hot cryptocurrency space, expanding opportunities for crime and fraud, cybersecurity firm Digital Shadows warned in a report on Thursday.

Source: [Reuters](#)

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Feb 1, 2018

Cybersecurity

Cryptocurrency

### Insurers Gingerly Test Bitcoin Business with Heist Policies

Major global insurers are starting to offer protection against cryptocurrency theft, willing to tackle daunting challenges it brings rather than miss out on this volatile and loosely regulated, but rapidly growing business.

Source: [Reuters](#)

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Feb 2, 2018

Online Lending

### China Online Lending Briefing Q1 2018

The quarterly report highlights the latest trends in online lending business in China amid regulation clampdown.

Source: [01Caijing](#)

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Feb 3, 2018

Cryptocurrency

### JPMorgan Chase, Bank of America & Citi Bar Credit Bitcoin Trading

J.P. Morgan Chase, Bank of America and Citigroup said Friday they are no longer allowing customers to buy cryptocurrencies using credit cards. "At this time, we are not processing cryptocurrency purchases using credit cards, due to the volatility and risk involved," a J.P. Morgan Chase spokesperson said in a statement to CNBC. "We will review the issue as the market evolves."

Source: [CNBC](#)

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Feb 4, 2018

Online Lending

China

### More P2P Lenders Shut Down amid Regulatory Crackdown

More P2P microlending businesses announced plans to discontinue operations during this week. The shutdowns were reportedly caused by compliance issues under regulatory scrutiny late last year.

Source: [Xinhua](#)

#### Our view

**Regulatory checkup and final registration deadline before June 2018 could lead to more consolidation and shut-down of smaller P2P players.**

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