

## Ant Group, the fintech giant you may not have heard of, are going public

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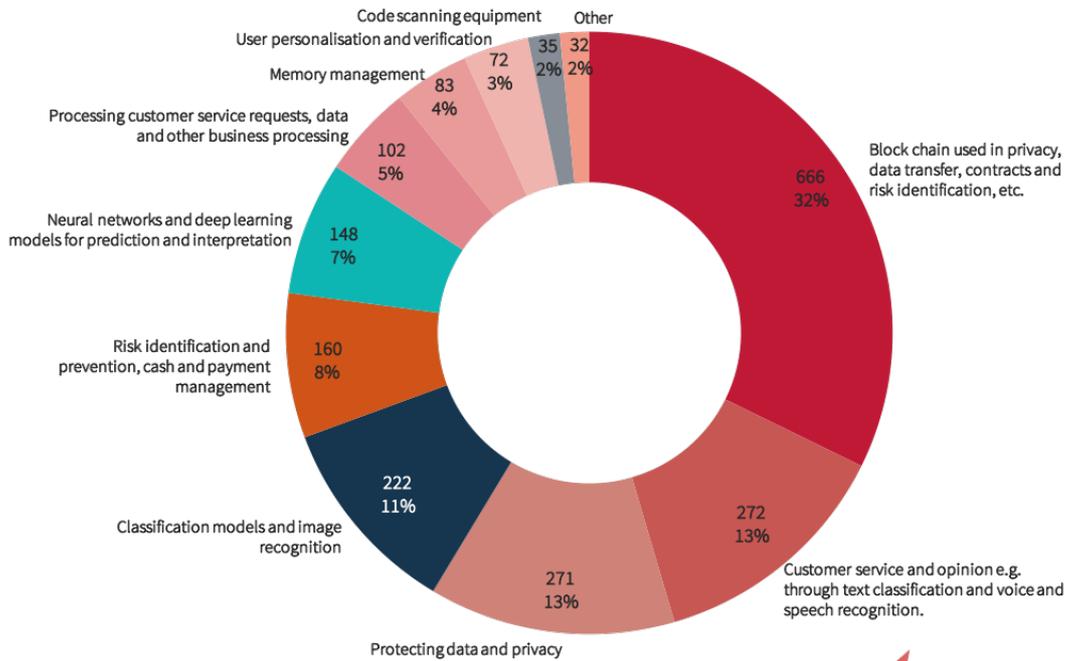
Ant Group, an Alibaba Group affiliated fintech and payments giant, will list its shares on the Hong Kong and Shanghai exchanges in early November. The company already has records under its belt - in 2018, it raised \$14 billion in the biggest-ever single fundraising by a private company at a \$150 billion valuation. This time, Ant Group is expected to raise the largest amount ever in an initial public offering (IPO) as they are looking to bring in at least \$35 billion, which would value the company at \$250 billion. The current record is held by Saudi Aramco, who raised \$29.4 billion.

### Who are Ant Group?

Jack Ma, the man behind Ant Group, founded Alibaba in 1999. Payment service AliPay, which debuted in 2004, was spun off from Alibaba in 2011 and rebranded as Ant Financial in 2014. Since then, Ant Financial have changed their name to Ant Group, emphasising they're a tech rather than a financial services company. Ant Group offers AliPay, a "super app", with more than one billion active users. The app allows users to make payments, but also touches on almost every aspect of users' financial life. It can be used to facilitate small loans, invest in funds, and match consumers with providers of credit, insurance and wealth management. AliPay is the biggest payments app on the Chinese market with more services on offer than any other fintech payments company.

The record-breaking IPO and the incredible breadth of services offered warrants a closer look at Ant Group's patent portfolio to investigate the technologies in which the Group is innovating and filing patents.

Ant Group Active Patent Families, by Technology



We have analysed Ant Group’s patent portfolio by grouping families with similar characteristics into technology clusters<sup>1</sup>. The largest cluster in the Ant Group portfolio, which makes up 32% of their patent families, is the ‘Block chain used in privacy, data transfer, contracts and risk identification’ cluster. This reflects the company’s latest initiative Trusple, a blockchain-powered global trade and financial services platform, aimed at making it cheaper and easier, especially for SMEs, to operate and sell wares worldwide while also making it cheaper for financial institutions. Another cluster worth mentioning is the second largest, which relates to information gathering through customer support and gathering data on customers’ opinions through text segmentation, voice and speech. Understanding customers’ wants and needs is likely an aspect which has enabled Ant Group to become a major player in the Chinese payments market.

Ant Group also sits on many assets relating to security and privacy. How data is managed and kept safe is crucial in a solution which is integrated in so many aspects of a user’s financial life. Other clusters relate to personalisation of content and memory management, as well as payments management.

<sup>1</sup> Clustering is done through matching patent meta data similarities; (i) CPC codes (ii) citations (iii) title and (iv) abstract, with weightings attached to each.

	Ant	Tencent	Ping An Insurance	TOTAL
Block chain used in privacy, data transfer, contracts and risk identification, etc.	666	155	52	873
Customer service and opinion e.g. through text classification and voice and speech recognition.	272	72	23	367
Protecting data and privacy	271	35	14	320
Classification models and image recognition	222	56	25	303
Risk identification and prevention, cash and payment management	160	53	10	223
Neural networks and deep learning models for prediction and interpretation	148	35	13	196
Processing customer service requests, data and other business processing	102	10	9	121
Memory management	83	12	7	102
User personalisation and verification	72	11	4	87
Code scanning equipment	35	21	7	63
Other	32	7	1	40
<b>TOTAL</b>	<b>2063</b>	<b>467</b>	<b>165</b>	<b>2695</b>

Ant Group does not have many large competitors on the Chinese market, but there is still fierce competition from the few that exist. A notable example is Chinese multinational technology conglomerate Tencent Group, which offers payment services through their app WeChat Pay. Once holding 75% of the Chinese market, AliPay has been losing market share to WeChat Pay and now holds about 55%. Further, since Ant Group offers not only payment solutions, their portfolio also shares characteristics with other types of firms such as insurance company Ping An Insurance. A closer look at Ant Group, Tencent and Ping An shows a clear picture of Ant's wide range of services. Ping An, although not a direct competitor of Ant Group like Tencent, sits on technologies which fall into the same categories as Ant Group and Tencent.

The portfolio analysis makes it evident that Ant Group has a broad patent portfolio which goes beyond just focusing on payments. They may have started off as a financial services company, but today are indeed a technology company. They are also not afraid of embracing new technologies such as blockchain and machine learning.

Ant Group is a force to be reckoned with and it is worth paying close attention to this IPO.

If you want to learn more about how Cipher can help you [understand who is doing what](#) in relation to your patent portfolio, please do [get in touch](#).