

# Biggest bust in stock-market history

China's decision to torpedo Ant Group's initial public offering (IPO) sent the fintech giant scrambling to abide by new financial regulations that could cut the company's value by as much as \$140 billion



## ANT GROUP

■ **Ant Group:** Parent of *Alipay*, China's most powerful online e-payment system



中國人民銀行  
THE PEOPLE'S BANK OF CHINA

■ **Oct 16:** Communist Party-controlled *People's Bank of China* drafts new risk-mitigating rules. Online lending companies required to provide at least **30%** of funding for loans

■ **Loans:** Only **2%** of **\$270bn** of loans sit on Ant's balance sheet. Under new rules Ant needs to underwrite **\$81bn** of credit

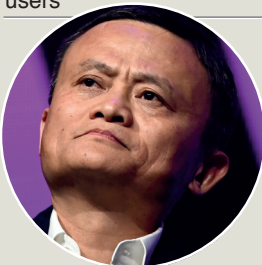


■ **Oct 21:** Ant wins final nod from China's top securities watchdog to register its IPO



## Alipay

■ **Alipay:** Offers credit and debit card, insurance and other financial services to 1.3 billion users



■ **Oct 23: Jack Ma** – Ant Group's controlling shareholder – condemns financial regulators for being obsessed with minimizing risk. **Ma compares traditional banks to "pawn shops"**

■ **Oct 26:** Ant Group announces dual listing in Hong Kong and Shanghai. IPO set to be world's biggest – worth **\$34.4bn** – putting company's valuation at about **\$315bn**

■ **Alipay app:**

Used by more than 730m people every month



**\$17.6 trillion**

▲ **Online payments:**

Processed by Alipay in 12 months to June 2020

■ **Oct 30:** Banks and brokerages provide about **\$64.5bn** of margin loans to retail and "mom-and-pop" investors to buy Ant shares, charged at up to **5%**



■ **Oct 31:** Vice Premier **Liu He** flags concerns over rise of fintech players such as Ant

■ **Nov 3:** Shanghai stock exchange suspends Ant's IPO, citing regulatory risk factors