

China “Banking AI” Market Digest

This article is authored by an Executive Advisor of Alberta Advisory and is sponsored by MadfoatCom.

Introduction

The Global Banking Industry has taken great strides in scaling up and operationalizing GenAI, Machine Learning and Related-User Interfaces of- ChatBots, Robo-Advisors and Risk Simulations (e.g. Asset Liability Management, Credit Ratings).

Many Banking Functions were materially impacted including- Compliance, Risk Management, Investment Advisory, Customer Service and Asset Pricing. Adversely, this accelerated the Banking Manpower Down-sizing trends as some reports estimate 200 K banking jobs to be made redundant in the USA and a similar estimate for Europe, in the coming 3 years.

Our choice of China stems from 3 key facts-

- Gargantuan size of China’s Banking Industry where it hosts- +4,000 institution, +USD 68 trillion in assets, +900 B in annual revenues and +1.5 billion individual and corporate accounts.
- Massive AI investments where Bank Of China alone committed +USD 140 B in AI Sector over the coming 5 years.

- World Bank forecast that 77% of jobs in China to be susceptible to cut due to AI-driven robotics process automation. China's Banking Industry is a no exception!

In this article, we attempt to explore the AI-driven trends in China's Banking Industry by answering 2 simple questions of- Who are the key players? and What are their play books?

China Trio Banking AI Masters

China AI SaaS market within the Banking Industry is dominated by 3 key players, namely- Ping An Technology, Xioa-I and Yeti. Their market offerings are summarized in the table below:

	Ping An Technology	Xioa-I	Yitu Technology
Establishment Year	2008	2001	2012
Ownership	Part of Ping An Insurance who is listed on Hong Kong Exchange	Publicly Listed – NASDAQ	Privately Owned
Market Capitalization In USD B	+200 B (Part of Ping An Insurance)	0.024 (Down from 0.16)	3.5 B (Series C Funding)
Key Clients	SPDB, China Merchant Bank, China Construction Bank, Agriculture Bank Of China, Development Bank Of Singapore, China CITIC, Bank Of Communication, Ping An Bank	China Merchant Bank, Orient Securities, Shanghai Pudong Development Bank, AIA China, TF International	China Merchants Bank, Shanghai Pudong Development Bank, Ping An Bank, China CITIC Bank

	Ping An Technology	Xiao-I	Yitu Technology
Underpinning AI Technologies	NLP Machine Learning Speech Recognition Computer Vision Big Data Analytics	LLM Generative AI	Computer Vision Deep Learning Facial Recognition

The Play Books

Ping An Technology is positioning itself as a “One Stop Shop” for AI needs across much of the banking value chain. They have transformed the basic building blocks of AI in terms of- NLP, Machine Learning and Voice recognition into a banking-specific intelligent solutions. For example, their core AI engine called (Gamma) is packaged into 3 objective-driven Machine Learning Models for Credit Rating, Marketing and Fraud Detection.

Ping An Technology commands the largest market share in the Banking Industry AI Market and outplays other vendors by a yawning stretch.

Xiao-I seems to be entrenched into the niche space of “Conversing (Generative) ChatBot” with minor offshoots into payment and fraud. It’s flagship Assistant enjoys market dominance across the Banking Industry as it processes +500 Million customer interactions per annum and +10 Million specific banking inquiries per month. It’s large language model (LLM) holds 80 Billion parameters and is trained using +600 B Chinese tokens, 50% of which is Finance and Legal related.

Yitu Technology seems to adopt a similar trenching strategy to Xiao-I where it focuses primarily on facial and document recognition for purposes of authentication and fraud detection. It’s flagship product Yitu Atlas has achieved 99.8% accuracy (NIST FRVT 2023 ranked) and works in low-light, masked, or obscured face conditions.



A quick mapping of core banking processes to each AI vendor's capabilities is provided below.

Banking Process	Ping An Technology	Xiao-I	Yitu
Marketing (Lead generation, cross-sell, up-sell, 3 rd party agencies)	Gamma OBS AI-driven customer segmentation Predictive analytics for targeted campaigns	Xiao-I Chatbot NLP for lead qualification Basic recommendation engine	Yitu Intelligent Marketing Facial recognition for personalized ads Customer behavior analysis
Loan Origination & Monitoring	Gamma Credit Lab AI credit scoring (alternative data) Collateral valuation (image AI)	Xiao-I Document AI NLP for application processing Automated document checks	Yitu eKYC Facial recognition for identity verification Limited credit scoring
Payments (Cards, Checks, ACH, Remittances, A2A)	OneConnect Smart Fraud Detection Real-time AML/transaction monitoring Biometric authentication	Xiao-I Payment Assistant Chatbot for payment inquiries Dispute resolution	Yitu FacePay Facial recognition for secure payments Behavioral fraud detection
Investment Management (e.g. objectives setting, asset allocation, stock analysis, structuring)	Ping An Robo-Advisor AI-driven asset allocation Stock trend prediction Virtual financial advisor (tax/retirement)	Basic chatbot for financial advice	Not Available
Account Management	Ping An Smart Banking:	Xiao-I Account Bot	Yitu FaceAuth



Banking Process	Ping An Technology	Xiao-I	Yitu
Risk Management	AI dashboards Predictive alerts (e.g., unusual activity)	Chatbot for balance/transaction queries	Facial recognition for account access
	OneConnect AML AI: Enterprise risk modeling Real-time fraud detection	Xiao-I Compliance AI: NLP for regulatory reporting	Transaction monitoring
Customer Service	Ping An AI Customer Service: Voice + chatbot hybrid Sentiment analysis	Xiao-I Virtual Assistant: Leading NLP chatbot (85%+ accuracy)	Yitu Voice AI: Voice recognition for call centers

Thanks!

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