SMART ASIAN FINTECH

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ABSTRACT

FinTech's innovation in the financial sector means financial technologies that are linked to the spirit of an era. FinTech's aspirations have a mainstream line that can be found on any continent, such as services related to basic banking processes, such as one touch or mobile purchases. At the same time, there are services that are only linked to continents, such as African SMS payment or the Asian micro payment system. In this study, we want to present Asian fintech efforts, such as Taobao, Tmall, Jingdong or Yu'e Bao, with no transaction costs, zero entry barriers, and broad support. The main issue with continental fintech processes is that there is only a demographic reason for different services or more?! It is also a question of building a fintech service from top to bottom (Alibaba) in Asia, or can it be built from bottom to top (Yu'e Bao)?

KEYWORDS: fintech, Asian finance, banking innovation, Yu'e Bao

1. THE FINTECH CONCEPT

FinTech has not yet formed a recognized and complete definition internationally. ASIC (2016) described FinTech as "the use of technology in financial services." FinTech is a new business model and product that can create competition with core banking, insurance, and payment functions. Dorfleitner et al (2017) points out Fintech is the abbreviation of "finance + technology,", from its parts, it can be seen that Fintech represents the deep integration of finance and technology, and its core is through the use of cloud computing, big data, and intelligence. Technology, a business model that makes financial services richer and more efficient. It can be seen that Fintech pays more attention to the science and technology as well as the "finance + technology" field that is returning to technology. Puschmann (2017) points out In the United States, there is no concept of Internet finance. Only the term "FinTech" refers mainly to low-threshold financial services developed by Internet companies or high-tech companies using emerging technologies such as the Internet, big data, and artificial intelligence. These services and the financial products and services provided by banks are not subversive but complementary.

The concept of Fintech was first proposed in the 1990s. Its production had two different concepts: finance and technology. It was not an institution or a company's invention, but an inevitable historical trend in the development of science and technology. Fintech first appeared in developed countries in Europe and America. Puschmann (2017) points out FinTech's development history into five stages: the first to third stages: 1960-2010. This period is the internal digitization stage. Banks, insurance companies, and other traditional financial institutions are mainly Application of information technology to automate some businesses to

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improve efficiency and save costs; The fourth stages: From 2010 to 2020, this period is mainly the digitization of suppliers, and financial service providers are no longer limited to traditional finance. Institutions stage 5: After 2020, the future development of FinTech will focus on the digitalization of the client-centric consumer, continuously improve the user experience, improve service quality, and even redefine the biological, financial structure. FinTech development has a profound background. Shim and Shin (2015) point out that in recent years, the rapid development of Internet-based services has had a profound impact on the traditional financial sector. Barberis (2017) points out at present, financial technology mainly embodies payment and liquidation, online banking, investment and internet insurance, and emerging financial services in the payment sector, including third-party payment, insurance products, risk management, identity verification, and P2P lending. FinTech refers to the convergence of finance and information technology and mainly relates to high-tech and Internet companies with mobile Internet, cloud computing, big data and other emerging technologies to carry out low-threshold financial services. Haddad et al (2016) believe that FinTech complements the services and commercial products offered by banks, not subversive relationships. After years of development, the business of Internet companies did not stop providing technical support and assistance to financial institutions. By profoundly digging the accumulated data and information, expanding the business into the economic field, building the Internet economic model and becoming the information technology and financial capital phase Emerging areas of integration, Xie et al (2012) believe that the Internet business model is a third type of commercial financing that is different from the indirect funding of commercial banks and direct financing from capital markets.

1.1. FinTech characteristics

Data and technology are driven. Regarding two dimensions, the first is the data dimension. The data size of a financial technology company should be large enough, the aspects should be broad enough, and it should be legal. The second is the technology dimension. On the data basis, new data such as machine learning and artificial intelligence are added to technical use. After enhancing the efficiency of the industry and reducing the cost of the production. FinTech can quickly access to users on a large-scale. User tags can be more accurate to find a specific target user, improve conversion rates; can take advantage of big data risk control system to reduce manual review. Risk determines the financing price, risk control is better, the lower the cost of capital. FinTech should not rush into business with traditional financial institutions but should do more business than conventional finance. Service financial institutions. Morabito et al (2017) believe that FinTech is not a challenge to traditional financial institutions, but service and support. On the one hand, the innovation model of financial technology companies needs to be verified. On the other hand, traditional financial institutions and commercial technology companies have some differences in understanding user’s requirements.

1.2. Global FinTech development status quo

FinTech financing scale change in the financial industry are closely related to the development of information technology, the use of new technologies is changing the green landscape of the financial sector. The rise of commercial technology companies has a favorable situation. Due to the long-term downturn in the global economy, policies of all countries are encouraging and supporting the new paradigm of finance. Fintech companies appear in due course. Both traditional financial institutions and technology companies are involved. Rob (2014) points out that the scale of global financing expands rapidly, reaching 4.05 billion U.S. dollars in 2013 and 12.21 billion U.S. dollars in 2014. Among them, A-line investment accounted for 11%, reaching more than 20 billion US dollars. The dollar growth rate in 2015 was 66%. As of March 2016, more than 1,400 financial technologies have received financing, totaling more than 35 billion U.S. dollars. Griffith (2015) points out that in the nature of Fintech companies of TOP50 industrial technology companies, five are publicly traded companies, four of which are US companies. The breakdown includes borrowing, payment and credit reporting, and the last is New Zealand's financial software services company. Griffith (2015) points out that in TOP50 industrial technology companies, there are 27 Americas companies, 11 in Europe, Africa, and the Middle East, 9 in Asia and 3 in Australia. Regarding country distribution, the U.S. companies account for one-half of the total, with 25 companies on the list, second in China, seven in the United Kingdom, third in the UK and five short-listed.

2. INTRODUCTION TO YU'E BAO

Firstly, changes in the macroeconomic environment. The Chinese government has introduced a series of policies to promote the development of financial markets and tried to break the monopoly position of commercial banks in China. These systems encourage enterprises to make use of modern information technology for economic innovation. Therefore, Internet companies follow the trend to launch e-commerce and network-based financial products. The appearance of Yu'e Bao is a warning to the traditional banking industry by the Chinese government. It appears mostly to raise market interest rates and bring existing interest rates closer to real interest rates. Yu'e Bao is a money market fund set up by a Chinese technology company. Lucas (2017) points out Yu'e Bao has become a repository of surplus money for online spending and has become the largest fund in the world, managing total 165.6 billion U.S. dollars.

Secondly, the product marketing model of the fund industry needs to be a break. The fund industry is a very young and vigorous industry. Since the establishment of the first open-ended fund in 2001, the capital has been gradually gaining popularity in China. In the early stage of development, the number of resources has increased exponentially, and the scale of issuance has also expanded. Cheng (2014) points out the fund industry has been slow in trouble because of the weak governance structure of Chinese fund companies, and the emergence of Yu'e Bao poses a severe challenge to competitors and state regulators in China's banking and asset management industries. There are loopholes in the relevant laws, regulations, and systems in China. The supervision and management system need to was perfect, and fund investors in the middle-aged and old age groups in China lack reasons for independent analysis and value investment.

Finally, through Alibaba long-term exploration in the field of financial services, customer data resources accumulation. The Internet has changed not only people's lifestyle but also changed the traditional business model. The sales of Alibaba's Tmall and Taobao has surpassed US eBay and Amazon's deals, and Internet companies are mimicking Alibaba's mode of operation and turning it into a comprehensive e-commerce platform. In 2011, the number of Alipay users exceeded 700 million. Jack Ma said in 2012 that Alibaba Group would reform its three core business platforms, finance and data to construct a financial credit system. In early 2013, Alibaba adjusted the structure of the Group, relied on third-party payment platform customer resources and customer data, Only Monarch Fund and Alipay cooperation to create a monetary fund, Yu'e Bao was born.

Yu'e Bao is a money market fund that is mostly a balance-added service that adds payment capabilities. Celestica fund company is the seller; the purchaser is Alipay's registered users. Yu'e Bao's sales platform and settlement platform are Alipay. If the client wants to apply for the fund, he merely needs to transfer the money to Yu'e Bao. The fund proceeds are settled daily and moved directly to the user's account. When people go shopping and use payment transfer online through Yu’e Bao, the equivalent of redemption fund. With Yu'e Bao, a money market fund, users can spend money on demand, receive interests at the same time, and enjoy liquidity assets to meet shopping needs while enjoying the benefits of the fund. Yu'e Bao money management is a feature of the Yu'e Bao Foundation. Yu'e Bao is an online financial act because Yu'e Bao plays like a commercial platform. Yu'e Bao'stechnolo, by acceptance model has also applied to research scenarios involving online economic behavior, such as the adoption of Ming (2009) and Vatanasombut et al (2012) points out online banking, the approval of mobile banking services, online payment, Ming (2009) points out the online stock Adoption of trading systems and so on.

2.1. Yu'e Bao features and advantages

First of all, Yu'e Bao is an Internet financial innovation product jointly launched by Celestica Fund and Alipay, which is a money market fund. With over 800 million Alipay registered user resources in Alipay, Yu'e Bao can quickly attract revenue-sensitive clients while also attracting liquidity and convenience. Then, Yu'e Bao has a significantly higher level of return than the bank's demand deposit rate, but slightly less regarding the settlement and cash withdrawal. Compared with the one-year bank deposit rate of return, Yu'e Bao has the same level of performance but the flexibility of funds Which is superior to the other "Huo Qibao" types of wealth management products. The similar level of performance also supports the withdrawal at any time. However, such wealth management products have higher thresholds and limited customer base. On the whole, although Yu'e Bao has no absolute advantage over bank financial products, its customers still favor it due to its differentiated product positioning.

Secondly, Yu'e Bao's business profit model is "parasitic," that is, it does not have the strength and foundation of value growth. It earns money by investing funds that are excessively profitable to commercial banks in bank savings deposits or insurance. According to statistics, Yu'e Bao Fund 90% of clients to buy Zeng Li Bao currency funds by deposit agreement to obtain a higher deposit rate of return. The remaining assets to invest in low-risk bonds to be returned to repay the principal and interest when the investment is over to recover to the user. The equivalent of Yu'e Bao, acting as an intermediary between the bank and savers, takes advantage of the difference between the "wholesale price" and the "retail price" of the money market. The agreement deposit belongs to the RMB deposit variety with a relatively long deposit term and a significant deposit amount. As the deposit amount is substantial and the deposit term is at least one year, the interest on the agreement deposit financing will also be higher, up to about 20%. Due to the threshold of high deposit rate, Yu'e Bao needs to focus its sporadic and fragmented customers over the Internet and brings small amounts of money from individual customers to oversize funds. As the first direct Internet currency fund in China, Yu'e Bao grabbed the public's attention from the very beginning. Fred (1989) points out technology acceptance model has been widely used to study the acceptance of various information technologies. According to Fred 's research, the usefulness of Yu'e Bao's Internet user interfaces as perceived by customers reflected in the customer's ability to view earnings at any time. With some advantages to attract a large number of investors.

- The operation flow is effortless. With Internet technical support, all the steps can be finished by computer or mobile phone. First of all, to register an account in the Alipay APP, you need to be aware of the registration method for real-name authentication, registration, entering the privacy information such as personal information and bank account information by Alipay's confidentiality agreement protection, so users do not need to worry about the disclosure of information. Login Alipay registration account completed, merely the bank card or Alipay balance into Yu'e Bao, which is equivalent to apply for the purchase of the Monetary Fund. Yu'e Bao fund can be used for buying or asking for redemption at any time and the proceeds settled on the same day directly go into the account balance, through which customers can see the mobile phone daily gains and losses changes.

- Purchase threshold is low, civilian's financial management. The Yu'e Bao's purchase threshold is \$ 0.15, in stark contrast to the high limit of commercial banks' wealth management products. This reflects the difference between Yu'e Bao Monetary Fund and target banks of commercial banks, which are more valued by traditional commercial banks as high-net-worth clients Provide financial services, while Yu'e Bao targets low- and middle-income groups to meet the financial needs of ordinary people.
- "Customer-centric" business philosophy. Yu'e Bao pays attention to the customer's product experience and provides them with fragmented time-based financial management methods. While enhancing the efficiency of customer assets, Yu'e Bao expands its investment channels and brings together large customers with scattered funds through long-tailing, the size of the assets to invest in investment to create a higher income than the famous market.
- Yu'e Bao has top initial revenue and flexibility in use. At the time of the emergence of Yu'e Bao. Due to the tight capital market in our country, the rise in market interest rates brought Yu'e Bao's clients an average of over 6% in return, far exceeding the demand deposit rate of banks and sometimes even Higher than the fixed deposit interest rate, while guaranteeing high returns. Yu'e Bao also enjoyed the convenience of instant payment and payment.
- Mobile payment function, convenient and quick. In the era of Internet finance, people's spending habits and consumption patterns have undergone tremendous changes. Using smartphones to pay for the bill has become the new trend of mass consumption.

2.2. Yu'e Bao vs. PayPal

Yu'e Bao is a leading third-party payment platform in China, and Yu'e Bao is committed to providing "simple, secure and fast" payment solutions. Since its establishment in 2004, Yu'e Bao has always used “trust” as the core of products and services. Cecilia (2015) points out that since the second quarter of 2014, it has become the world's largest mobile payment vendor. After entering the field of mobile payment, it provides services for a number of industries, including retail department stores, cinema chains, supermarket chains, and taxis. Yu'e Bao has established strategic partnerships with more than 180 banks worldwide and has become the most trusted partner of financial institutions in the field of electronic payments.

PayPal is a subsidiary of eBay Corporation of the United States. It was established in December 1998 by Peter Thiel and Max Levchin. It is an international trade payment tool that is highly sought after by millions of users worldwide. Gil (2018) points out that PayPal is similar to the e-purse model of balance treasure, in the cross-border transactions, most sellers and buyers recognize and use. The advantage for buyers is that they can guarantee information security. When paying online, no bank card or account information is needed. Using Gil (2018) points out that PayPal payment is very quick and easy, allowing users to identify themselves using email. Transfer funds. The advantage for the seller is that it will not disclose the financial status of the seller, regardless of where the payment will be immediately imported. PayPal also cooperates with some e-commerce websites to become one of their payment methods; however, when using PayPal to transfer money, PayPal charges a certain amount of processing fees. A brief introduction of Yu'e Bao, its function is to provide "brokerage agency service" and "third party guarantee" for Taobao traders and other online trading parties and even offline traders. Fernandez (2017) points out that Yu'e Bao is similar to PayPal's e-mail payment model concerning the payment process. The difference in business is that PayPal business is a credit card-based payment system and is largely controlled by credit card organizations. Rules (concerning consumer protection) and the impact of external policies. Also, PayPal supports cross-border (regional) online payment transactions, while Yu'e Bao does not exclude "international users," but users are required to "require a Chinese bank account." Yu'e Bao's original intention was also to solve the problem of China's online trading fund security, especially to solve the loan payment process of buyers and sellers in its affiliate Taobao C2C business. In its early basic model, the buyer paid the money online to Yu'e Bao Company, Yu'e Bao notifies the seller of the goods after receiving the loan, and Yu'e Bao transferred the money to the seller's account after the buyer received the goods. This concludes the transaction. During the entire transaction process, if there is fraudulent activity, Yu'e Bao will pay compensation.

2.3. Why do people choose Yu'e Bao?

Yu'e Bao is a new business model that integrates savings and shopping to ensure that savers can benefit from online shopping and transfer payments. And Yu'e Bao does not have to pay any fees for all operations, so many online shopping enthusiasts have abandoned the traditional online banking payment model and opted to use Yu'e Bao for payment. The user deposits money into Yu'e Bao, Yu'e Bao hands the money to the fund company, and the proceeds are returned to the user's account. In the whole process, the user only needs to complete a simple operation. Just like the bank card is recharged, the fund subscription can be completed after entering the payment password. Yu'e Bao's move to streamline the purchase of funds has caused Yu'e Bao to exceed one million users in just one week.

CONCLUSIONS

Zhang (2016), from the PayPal money market fund business, began to elaborate the development process of PayPal for nearly a decade. And comparing the development process of PayPal with Yu'e Bao in China, Yu'e Bao, which had an excellent initial growth rate, started to reduce its yield to 5% from April 2014 and maintained its rapid downward trend. As of January 2016, the remaining 7th annual return of Yu'e Bao has dropped below 3%. Such a phenomenon makes people think deeply whether Yu'e Bao has fallen into the dilemma of the online financial market battle. The financial supervision and control over Yu'e Bao by the government will continue to strengthen. Yu'e Bao should enhance economic security through business innovation, training of financial professionals Protection system, etc. to achieve sustainable development. Comparing PayPal's history with Yu'e Bao, he found that the advantage of PayPal lies in its use of the long tail effect. And take advantage of the differences between the United States and China in the environment, policies and laws, regulatory efforts and investment scope, the direction for the future development of Yu'e Bao in the Chinese market.

Zeng et al (2013) Yu'e Bao face the legal issues and points out that it is necessary to improve the network legislation and clear up the obstacles for the future development of Yu'e Bao. The article clarifies the legal nature of Yu'e Bao that Yu'e Bao is the money market fund. Then it analyzes the legal issues caused by Yu'e Bao, including the lack of sales fund eligibility, remedial incompetence if there are a problem, publicity, and operational errors, there are regulatory loopholes. At the end of the article, if Yu'e Bao wants to continue to develop, the feasible plan lies in perfecting the network legislation, cooperating with banks to have the win-win situation, and establishing a network information prevention and control mechanism. Chunli et al (2013) introduced the concept and characteristics of Internet finance from the perspective of Alibaba. Taking Yu'e Bao as an example, we analyze the status quo and discuss that Internet financial management may face more challenges. By these arguments, we put forward suggestions on how to strengthen legal supervision. Ding (2015) expressed that from the perspective of Yu'e Bao development, this article analyzes Yu'e Bao's difficulties, including being boycotted by commercial banks, facing the risk of legal supervision, weak of risk control and raising the cost of social financing. And through the further analysis of these obstacles, it is proposed to improve the legal system of the Internet, establish legitimate guarantee agencies and strengthen the intellectual property protection of Internet innovations. Liao (2015) studied the operating modes of FinTech products such as Yu'e Bao, P2P platform, and third-party payment respectively. Specifically, Fintech has brought opportunities and challenges to the traditional financial services and objectively analyzed the current risks in the Internet finance. Based on the influence of Yu'e Bao on the traditional commercial banks, we will discuss the survival strategy of commercial banks. Li (2014) At the beginning of the article, analyzed the current status of "Yu'e Bao." The bank took various restraints to counter Yu'e Bao's control. The reason is a series of FinTech's impact on the traditional financial markets, such as the suppression of conventional banking operations by Yu'e Bao, resulting in the decrease of profits of conventional commercial banks, the rise of the cost of liabilities, the erosion of monopolies, the reduction of social fund prices and the further liberalization of interest rates, Impact. Finally, to alleviate the tense situation of both parties, the paper puts forward some policy supervision measures such as Internet risk, credit risk and liquidity risk of Monetary Fund to Internet financial products. He et al (2014) firstly summarized the development of Yu'e Bao and described Yu'e Bao's decline from the peak of construction. The article points out the phenomenon of falling yields and its causes since March 2014. Secondly, the report analyzes the impact of Yu'e Bao on the high-cost operation of commercial banks due to transaction costs and low operating costs, resulting in severe loss of current-account depositors. In the face of such a situation, market banks should pursue differentiated advantages, strengthen the construction of offline outlets, give play to comparative advantages and provide customized services to high-net-worth clients. Finally, under the influence of FinTech, traditional commercial banks and Yu'e Bao should have complementary strengths and win-win cooperation in the future. Fang et al (2015) set out from the objective conditions and macroscopic background of Yu’e Bao and introduced the scale-up trend of Yu'e Bao so far. It also shows that Yu'e Bao has policy, technical, liquidity, profitability risk, and credit control risk. The article puts forward measures that Yu'e Bao needs to cope with threats, such as obtaining the support of laws, regulations and policies, upgrading the network technology level, supervising the third-party payment platform, standardizing the information disclosure system and accelerating business innovation. Liu et al (2014) analyzed Yu'e Bao's advantages, including the vast client resources that Alipay offers to its clients while maintaining high liquidity and keeping high returns. As Yu’e Bao has a credit disadvantage compared with traditional banks, the liquidity risk is aggravating.

In the traditional financial model, commercial banks analyze the borrower's relevant information such as identity information, work status, income status, existing assets, and liabilities. After assessing the credit status of the user, the commercial bank will choose a company or individual with lower risk and a better credit as the credit object. In this case, the bank holds the information of both sides of the transaction and acts as an intermediary of information. Fintech makes it possible to obtain information quickly and accurately without going through the bank. Tencent, Baidu, Alibaba, and several typical Internet companies all have a large number of users, which has accumulated a large amount of information and will be very helpful for Fintech business development. Yu'e Bao is a successful example. Yu'e Bao uses cloud computing to classify user information quickly and then processes and disseminates the processed information through the Yu'e Bao trading platform, enabling both parties to obtain targeted data. Yu'e Bao's user search results can form a series of supply and demand information sequences. The cost of this sequence is very low. According to this sequence, risk pricing models and dynamic default probabilities can also be statistically calculated, which can more easily serve fund demanders. This is why Yu'e Bao is widely used. The cost of Fintech's access to information via the Internet is very low, and it does not need to be limited by time and region. In this case, the credit history of both sides of the transaction is clear, and information asymmetry is greatly reduced. This has also made P2P lending software similar to Yu'e Bao more popular. In contrast, the lack of commercial banks as an information intermediary points out more obvious, which will inevitably affect the demand for commercial bank intermediary services. Financial technology can rely on virtual networks to break the constraints of time and space, allowing consumers to handle remote fund withdrawals at any time and save time for customers. But Fintech cannot shorten the distance of the real world; although the Internet can spread information through social networks and collect information through search engines. As long as the supply and demand sides agree to the Internet transactions, the emergence of financial technology has improved the efficiency of capital allocation. However, Fintech's financing methods also have risks. If one of the parties violates the contract, how should the other's legal rights be guaranteed? Therefore, the trust between people is a challenge for Fintech. Commercial banks can more easily gain the trust of public investors because they have the advantage of the national credit. Commercial banks also rely on physical resources and electronic channels to form resources such as large customer networks. Commercial banks can act as credit guarantees and channel intermediary for financial science and technology. Therefore, commercial banks and financial science and technology have complementary advantages and broad prospects for development. There is an infinite possibility of cooperation between financial technology and commercial banks. Cooperation in the business area. The cooperation in the business field can be divided into financing business, payment business and wealth management business. First of all, in the area of financing. The target commercial bank group is a high-quality enterprise. There are a lot of loans. The P2P personal lending platform is mainly for small and micro enterprises and individuals. Since the target customers of the P2P personal lending platform are middle and low-end customers, the number of P2P personal lending platforms is very large. However, due to the P2P personal lending platform using its own funds, it sometimes faces the plight of funding gaps. Commercial banks usually have sufficient funds. Due to risk considerations, commercial banks have not touched on the relatively small number of small loan borrowers. Amount. Therefore, in the financing business, the two parties can complement each other and achieve a win-win situation. Second, in the area of payments. Third-party payment platforms have advantages in the field of online payment due to product innovation, good customer experience, and convenient payment methods. However, third-party payment can only be realized by binding the bank card. Commercial Banks Have Huge Customer Resources. Finally, in the area of wealth management, commercial banks can obtain cost and other income by selling third-party wealth management products. Commercial banks can expand their wealth management products to third-party wealth management sales platforms to increase sales.

The main factors for the success of Yu'e Bao are redemption models and marketing methods. The operation flow of Yu'e Bao is extremely simple. After registering Yu'e Bao account, the funds on the bank card will be transferred to Yu'e Bao. The Yu'e Bao fund can be purchased or redeemed at any time, and the proceeds will be transferred directly to the Yu' e Bao account after settlement. Yu'e Bao users can clearly see daily gains and changes in their balances on mobile phones. Yu'e Bao's purchase threshold is low. Yu'e Bao's purchase threshold is a dollar, which is in stark contrast to commercial bank's high threshold financial products. This difference reflects Yue's e-commerce funds and commercial banks have different target customers. Traditional commercial banks pay more attention to providing financial services to high-net-worth customers, while Yu'e Bao targets low-income earners. Yu'e Bao had a high return when it first appeared. When Yu'e Bao emerged, the Chinese capital market was facing a period of tension. The rising interest rate in China's capital market has brought Yu'e Bao customers more than 6% of average earnings. Yu'e Bao's yield far exceeds the bank's current deposit interest rate level, and even higher than the bank's fixed deposit rate. Yu'e Bao has a mobile payment function that is convenient and quick. The advantage of Yu'e Bao is immediate payment. Yu'e Bao can pay instantly when shopping online, and the arrival time of transfer remittance is also within two hours, which is convenient and flexible to use. Yu'e Bao uses big data technology to reduce the liquidity risk of the IMF. Although Yu'e Bao's funds are mainly derived from idle funds from low-end customers, Yu'e Bao may face cash payment difficulties if it encounters a large number of redemption funds. Yu'e Bao uses big data to analyze customer spending habits, analyzes and predicts when liquidity risks may break out, and prepares accordingly to avoid liquidity risks.

Yu'e Bao's impact on savings deposits in commercial banks is due to two reasons: Yu'e Bao's competitive advantage in rapid growth and Yu'e Bao is an innovative product in the Fintech era. Yu'e Bao's low threshold financial advantages and innovative technologies that use big data technology to reduce liquidity risk are unmatched by commercial banks. The article puts forward the importance of deposits for commercial banks. According to Yu'e Bao's growth rate and sales scale, judge Yu'e Bao's threat to commercial banks. But, because Yu'e Bao is only an internet money fund, the scale of Yu'e Bao differs significantly from the base of savings deposits in commercial banks. Yu'e Bao's role in diverting savings deposits from banks in the short term is obvious, but the diversion of funds is only a small part of savings deposits in commercial banks. This shows that the occurrence of Yu'e Bao has indeed impacted the savings deposits of commercial banks to some extent.

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