

# China's Alibaba launches Internet bank

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Alibaba launches an Internet bank aimed at serving small businesses which often struggle to obtain credit from large banks

Chinese e-commerce behemoth Alibaba on Thursday launched an Internet bank aimed at serving small businesses which often struggle to obtain credit from large banks.

MYbank, which is 30-percent owned by Alibaba-linked Ant Financial Services Group, said in a microblog post it will offer loans of up to 5 million yuan (\$800,000).

The bank, based in the city of Hangzhou where Alibaba is headquartered, added it will serve "[small businesses](#), individual consumers and rural users."

Alibaba completed the world's biggest IPO last September with a listing on the New York Stock Exchange that raked in \$25 billion and made founder Jack Ma one of China's richest men.

The company's ambitions extend beyond e-commerce and it has already sought to shake up state banks with a financial product called Yuebao, an investment fund that offers better returns than traditional deposits.

The IPO was priced at \$68 and the shares rocketed to \$120 in November. But since then they have been hammered by poor third-quarter results and a row with Chinese authorities who accused Alibaba of allowing imitation goods to be sold on its platform.

Alibaba said last month it would replace its chief executive despite a 45 percent gain in revenue in the January-March quarter. Profits plunged by nearly half in the period.

Last year China approved several private banks including one invested in by Internet giant Tencent, a key rival of Alibaba.

China previously had only two private banks, Minsheng and Ping An. Its state-run [banks](#) have been seen as reluctant to lend to small and medium-sized enterprises.

Other major shareholders in MYbank include units of privately-owned conglomerate Fosun with 25 percent, auto parts maker Wanxiang Group with 18 percent and investment firm Yintai with 16 percent.

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