

An Exploration of the Practice of Shaping Financial Service Forms through Business Analysis in the Context of Financial Technology Development

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Abstract

FinTech is changing how financial services are delivered and operated. This paper explores how business analysis has reshaped financial services, and identifies the specific paths and internal mechanisms through which technology empowers the financial industry. Research shows that China's FinTech has moved from infrastructure construction to the stage of value deepening. The Investment in technology by banks, securities and insurance companies has been rising steadily. Many new applications for artificial intelligence are being developed in the financial sector now. Large models are applied to intelligent risk control and investment advisory services; blockchain technology has improved cross-border payment and supply chain finance; big data analysis has expanded the scope of inclusive finance, reaching a total amount of 36.5 trillion yuan for micro-loans by the end of the third quarter of 2025. FinTech has also given rise to new types of risk and posed problems for the existing regulatory system. In short, the new form of financial services involves not only technology but also a whole-house renovation of business logic, organisation structure and value creation. The Balance between new-technology development and risk control has not been found.

Keywords

FinTech, Business Analysis, Financial Services, Artificial Intelligence, Digital Transformation.

1. Introduction

All applications of new technology in the financial industry are called FinTech. Now, it has spread across the whole industry. Service Channels have moved from physical branches to mobile terminals, and the risk-control methods are now algorithm-based rather than manually inspected. The Competition in the industry and the functional positioning of the financial system are both changing. Finance refers to the business of information and risk. In the past, it was based on human experience for judgment; now, data, computing power and algorithms are becoming the new infrastructure.

The whole world's FinTech market will be about 394.88 billion US dollars in 2025 and roughly 460.76 billion US dollars by 2026. China is at the front of this field. According to the 2025 report on the world's top FinTech bases by Financial Street Forum, Beijing leads the world in this regard, and Shanghai, Shenzhen, Hangzhou and Hong Kong are ranked 5th to 9th. By April 2026, there will be 21,764 FinTech companies in China, and their average annual growth rate will have dropped to 0.4%. The industry has moved from high-speed expansion to optimisation of the current stock. The Supply Mode of financial services has also changed; it is no longer the old branch-driven and manually operated way, but rather a data-driven, intelligent-decision-making model.

FinTech is changing the organisation of financial services, and it is not just technology in practice. Liu Yong, director of the Zhongguancun Internet Finance Research Institute, told China

Economic Times in an interview that the financial industry is changing from a "funding intermediary" to a dual role of "funding intermediary + intelligent service intermediary" [1]. Changes in business processes, value creation, and organisation will all be required. Based on a business analysis of FinTech, it can be seen that there are new forms of financial services and a reference for institutional reform. The following sections will be presented in order: artificial intelligence, blockchain, big data, business model innovation and risk supervision.

2. Artificial Intelligence Reshapes Financial Services Decision-Making

Operational logic of artificial intelligence is changing in the financial industry now. In the past, the focus of digitalisation has been on going online; decision-making is still done by people. With the improvement in reasoning ability and a significant reduction in large model costs now, AI can be applied to some essential areas previously carried out by people, such as credit approval, investment research and analysis, and asset allocation. The first reason for this change is that AI will be used to generate values rather than just serving as a tool to achieve them.

Tokens are the smallest units that a large model uses for processing. A change in the quantity of tokens used may be due to changes in AI application. Liu Liehong, Director of the National Data Bureau, said at a press conference for the State Council Information Office in March 2026 that China's average daily token usage exceeded 140 trillion, and at the beginning of 2024, it was only 100 billion; this was more than a thousand times higher [2]. AI has spread from the lab to everyday life at a faster rate than expected. For a long time, the financial industry has been facing high demands for efficiency and risk control, and as one with rich data, it was naturally one of the first to adopt this technology.

The large-scale model for banks has moved out of the pilot stage. Industrial and Commercial Bank of China (ICBC) has upgraded the "Digital ICBC", which has been in use for four years, to "Digital Intelligence ICBC", and its self-developed "ICBC Zhiyong" has been released in more than 30 business areas and over 500 scenarios. Zhou Tianhong, Chief Information Officer of China Merchants Bank, informed the shareholders at the general meeting of shareholders that by the end of May 2026, daily token consumption would reach 33 billion and the cost-income ratio would still be around 20%. Niu Xinzhuang, Vice President of Postal Savings Bank, stated at the 2025 shareholders' meeting that the bank-wide implemented large-scale model scenarios exceeded 370, daily invocation times exceeded 6 million, and daily token consumption exceeded 10 billion. Based on the practice of these banks, the leading banks have already achieved scale and system in AI application.

The Securities Industry is also changing at present. In 2025, the total information technology investment by the 34 listed securities firms reached 27.588 billion yuan and rose about 13% year-on-year. Guotai Haitong was first with 3.235 billion yuan, and Huatai Securities was second at 2.679 billion yuan. Guotai Haitong was the first to propose changing from "AI in ALL" to "ALL in AI", and at the same time, released several directions, such as intelligent investment advice, intelligent investment research and intelligent risk control. The "AI Wenquxing" by GF Securities is the first all-encompassing solution for investment banking large-scale models in the industry. Based on the above layouts, the securities industry is advancing from digitalisation to in-depth application of AI [3].

3. Blockchain Technology Restructures the Financial Trust Mechanism and Transaction Model

Artificial intelligence has changed people's selection methods, and now a new system of trust in finance is being built on blockchain. Blockchain has been decentralised, immutable and

traceable; therefore, the settlement and trust mechanisms for financial transactions are being reformed [4]. Historically, the top institutions in the financial system have been a central bank and credit-granting institutions. Blockchain is a form of cryptography and a consensus mechanism for trustless value transmission among participants. This way will have lower transaction costs and a wider service range.

Blockchain's first application area for cross-border payments is here. In August 2025, under the guidance of the People's Bank of China's Shenzhen Branch, Luohu District and Agricultural Bank of China's Shenzhen Branch jointly promoted a key supply chain enterprise to complete a 68 million yuan cross-border settlement via a multilateral central bank digital currency bridge. This was the first such case of digital Renminbi in Shenzhen. This bridge was jointly built by the Digital Currency Research Institute of the People's Bank of China, the Central Bank of Thailand, the Central Bank of the United Arab Emirates, the Hong Kong Monetary Authority and the Innovation Center of the Bank for International Settlements (Hong Kong), and the underlying technology adopted was blockchain. Settlement supports real-time settlement, has no fees and full traceability. The old SWIFT generally took 1-3 working days for settlement, but this settlement was done in real time and had lower exchange and fee costs.

We will discuss the supply chain finance now. SF Digital Technology (Shenzhen) has built a blockchain-based supply chain finance platform that meets the needs of upstream and downstream enterprises, and has also launched warehousing financing services [5]. SF Digital Technology leads the construction of a platform based on blockchain technology, and, in cooperation with funding parties, warehousing parties and logistics parties, has formed a supply chain consortium blockchain ecosystem alliance to build an immutable, non-leakable, and traceable data circulation foundation. According to the case data from the National Data Bureau, this platform has provided financing of over 20 billion yuan for more than 300 enterprises in the chain and expanded their business scale by 30 per cent without any bad debts. Linklogis has deployed global digital supply chain finance applications on the XRP Ledger main network to support the circulation and cross-border settlement of digital assets in real trade scenarios.

Blockchain technology in finance is changing the model of centralisation to decentralisation in trust. Small and medium-sized enterprises that do not meet the conditions for the old credit system can now apply for some reasonable financial products through blockchain. Zhaogang Group and RD Technologies are also working together to add stablecoins and blockchain technology to the trading platform in this vein. Although the problems of performance and regulation have not been solved, the prospects of blockchain in financial infrastructure reform have begun to emerge.

4. Big Data and Intelligent Analysis Reshape the Form of Inclusive Financial Services

Technology in finance refers to both new forms of transaction and trust, as well as changes in marginal costs. A typical change brought about by FinTech is a reduction in the marginal cost of providing financial services. Previously excluded customers of the traditional financial system and small- and medium-sized enterprises can now be included in the scope of service and may be used commercially. Big data analysis and intelligent risk control can be employed at this time to move from policy support to market-driven development of inclusive finance [6]. The amount of loans has been growing at a rapid pace in recent years. According to data from the National Financial Regulatory Administration, by the end of the third quarter of 2025, the amount of inclusive small and micro enterprise loans in the banking sector had reached 36.5 trillion yuan and increased by 12.1% year-on-year. This rate of increase is relatively high compared with other kinds of loans. At the same time, the balance of inclusive agricultural loans

was 14.1 trillion yuan, an increase of 1.2 trillion yuan from the beginning of the year, and the growth in the agricultural sector should not be ignored either. Looking at the timeline further, it was 10 trillion yuan in June 2019, had exceeded 20 trillion yuan in less than three years, and surpassed 30 trillion yuan in another two years. At the bottom of this acceleration is support for large-data risk control. Banks no longer rely solely on collateral but use many kinds of data to build credit profiles and are now more willing to extend credit [7].

The Financing Costs are also declining. The weighted-average interest rate of new inclusive small and micro enterprise loans in June 2025 was 3.48 per cent, and it had fallen by 66 basis points year-on-year at the same time last year. Given the recent reduction in interest rates, this cut is relatively large. By the end of June 2025, the proportion of credit loans had reached about 30% and was far from what had been expected previously. The increase in this proportion shows that the banks' risk recognition abilities have indeed strengthened, and big data has made "unsecured" lending economically feasible. By the end of June 2025, the amount of inclusive small and micro enterprise loans from Bank of China alone had reached 2.65 trillion yuan.

The Insurance Industry is changing at the same time. China Life Property & Casualty Insurance is a typical case; in the first half of 2025, it had insured 849,800 small and micro enterprises and provided risk coverage of 59.1 trillion yuan. FinTech is now being applied to promote inclusive finance in new ways and is shifting away from the older model that relied on policies. The reason for this modification is to enhance the scope of "broad coverage" and "reasonable prices" in commercial terms, thus creating a more stable basis for the long-term development of inclusive finance.

5. Synergistic Innovation of Business Model, Organizational Structure and Service Mode

FinTech has changed the delivery form of financial services and, at the same time, created new business logic and value-creation paths. "Funding intermediary" has evolved into "intelligent intermediary", and thus financial services have shifted from a "channel model" to a "value-based model". The three changes are as follows: modification of the business model, restructuring of the organisation, and upgrading of the service mode.

The business model is changing, and it will now be "pay-for-performance" instead of "technology sales". At the World Artificial Intelligence Conference in 2025, OneConnect introduced the RaaS (Results as a Service) service model, focused on "results as service", built the system and performed technological upgrades, and paid for it based on actual results. At the 2025 Inclusion Bund Conference, Ant Digital Technologies also announced a similar plan to have enterprises pay according to the business growth or cost savings achieved by using the large model [8]. Therefore, the interests of the technology provider and the financial institution will be in harmony. The technological solution needs to address real-life problems and should not be technology for the sake of technology.

The Organisation's Structure is also Changing. In the past, adding AI functions to the process of credit examination and claim settlement was essentially a patch for the old system. The real AI-native way is to design the business process from the start based on the logic of AI. ICBC is a relatively high-end company. The workload of AI digital employees at ICBC is the same as that of 55,000 people working a year. These employees are not paid and work around the clock [9]. Postal Savings Bank of China has also introduced technology-intelligent agents to cover all links in the demand, research and development, testing, and operation-maintenance of requirements. Application of intelligent entities in the coding and testing stages accounts for more than 60%. The function of AI has been expanding; thus, its support at all levels of the company has changed, and personnel requirements have also shifted accordingly.

The Form of Services is changing to some extent for intelligent investment advisory. Previously, the intelligent investment advisory apps were generally static question-and-answer systems. Now there are dynamic interaction functions, and the whole process of pre-investment analysis and investment decision-making and post-investment monitoring can be covered. Sinolink Securities' AI investment advisor has added functions such as "AI select good stocks" and "AI stock holding optimisation". GF Securities' "Tianji Zhirong" one-stop AI portal has integrated nearly 50 professional technology intelligent agents and now supports more than 300 branches and thousands of investment advisors. The Level of Customisation for these tools has also risen. The customised services that were once reserved for high-net-worth individuals are now available to more people in the investing community.

6. Risks and Regulatory Challenges of Reshaping Financial Services through FinTech

Efficiency improvement and personalised expansion are two sides of the same coin; at the same time, so are the risks. FinTech has changed the form of financial services and introduced new kinds of risks and governance problems. Li Jinliang, the Party Secretary of the PBC School of Finance at Tsinghua University, has stated in an interview that as artificial intelligence is further integrated into the financial system, we will see more efficiency gains, but at the same time, the problem of risk prevention must also be tackled. It shows that there is a problem; namely, the tension between innovation and risk control cannot be resolved.

What are the sources of the risks? They can be seen in three ways. The first is a problem with the technology itself. Large models have illusions, are not interpretable, and the decision-making process cannot be traced. The Financial Industry requires audit trails and accountability, but they are contradictory. In credit approval and insurance claim cases, if the AI's reasons for a decision cannot be clearly explained, the rights and interests of consumers may be infringed upon, and the financial institution will also be subject to regulatory penalties. Data security and privacy protection must be ensured, and algorithmic discrimination should be avoided to protect the interests of the general public [10].

The second is systemic risk. Many institutions use the same model and data to train AI, and the decisions are prone to convergence. The market will fluctuate, and then the resonance effect will be enhanced; finally, a herd behaviour will occur. Moreover, the risk propagation due to algorithms occurs in seconds and humans do not have much time to respond.

The third is a problem of governance at the top level. After AI is used in decision-making and a loss occurs, it is still unknown who will bear the responsibility. Financial institutions, technology providers and staff are not clearly defined by law.

Regulatory Authorities have taken countermeasures. In May of the same year, the People's Bank of China issued the "Measures for Data Security in the Business Areas of the People's Bank of China" and required data processors to build a full-process data security management system. In August, the State Council issued the "Opinions on Deeply Implementing the 'Artificial Intelligence Plus' Initiative" and explicitly stated that in the financial sector, pilot bases for applying artificial intelligence should be established. In December 2025, the National Financial Regulatory Administration released the "Implementation Plan for High-Quality Development of Digital Finance in the Banking and Insurance Sectors", which mandated the construction of an intelligent risk control system, strengthened protection of data and network security, and effectively managed algorithm model risks.

Based on the above documents, it can be seen that the regulatory attitude has moved from an open and cautious one to a restrictive developmental model. The main problem for the next development of FinTech is how to balance innovation and risk control. As institutions advance

in digitalisation, their risk prevention and control capabilities must also develop in parallel; otherwise, they will be left behind by the times [11].

7. Conclusion

Financial service forms reshaped by FinTech have moved beyond the stage of partial experimentation and are now progressing towards deeper business integration. Artificial intelligence is now being used in risk management, investment analysis and credit assessment to automate some basic operations, and at present, it has also begun to help with decision-making. By 2025, the amount of technology investment by the banking, securities and insurance sectors would reach 284.6 billion yuan, and they would have begun to allocate funds for this purpose. Blockchain has completed a closed loop in two directions: cross-border payment and supply chain finance. The Range is relatively small, but the technical path has been clarified. The expansion of the loan amount in inclusive finance is also due to lower marginal costs after big data analysis. These technological changes are forming a network gradually.

Alterations have also occurred at the model level. Using AI, financial institutions are now moving beyond "fixing the old system" to "building a new system with new logic". The business model of result payment links the technology provider and the user. The technology needs to show some results, or there will be no demand. This will lead the industry in a more practical way.

There are still some problems that have not been solved in practice. Data security, algorithm bias and systemic risks cannot be addressed by a few documents. Regulation is moving from leniency to standardisation, and this transition will also take time. Small and medium-sized institutions have a relative shortage of funds and personnel compared with the top-tier institutions, and this "intelligence gap" is no longer an abstract idea. The more serious problem is who will bear the legal responsibility if something goes wrong after the AI is used to make decisions, and this has not been clarified by law.

Looking ahead, the financial industry will no longer be a "funding intermediary" but rather a "funding intermediary + intelligent service intermediary". Who will do it, how to do it, and how to manage the risk will all be learned by doing. The key problem that needs to be solved in the future is how to align the pace of new-technology application with the scope of risk prevention.

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