Euromonitor International

Disruptive Trends in Digital Banks in Asia Pacific and Australasia - II: Market landscape

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INTRODUCTION

Scope
Key findings
Why relevant for digital banks, incumbents, non-bank consumer businesses and fintechs?
Five key drivers of profitability for digital banks
Target underserved segment and expand to fully banked population
Digital bank market competitive landscape in Asia Pacific and Australasia
Favourable regulations permitting digital banks promote competition and inclusion

MARKET LANDSCAPE: WAVE 1 AND 2 EAST AND SOUTH ASIA

Japan's banking structure changing following digital shift
Minna Bank Ltd offers unique services targeting digital natives in Japan
UI Bank values face-to-face interactions and supports digitalisation among seniors
Digital banks in China: competitive landscape
Zhongbang Bank (Z-Bank) driving digital banking in Hubei
Chongqing Fumin Bank prioritises unsecured personal lending in Chongqing
Three digital banks in South Korea have simple user interfaces
Digital banks in South Korea have tech and bank shareholders
K Bank focuses on price to gain traction in revenue growth
K Bank's partnership with the cryptocurrency exchange Upbit in Korea
Indian payment banks leverage lean operations and convenience to attract demand
Payments banks partner with finance firms to offer lending and incumbents for cards
Neobanks in India rely on partnerships and customer engagement
List of neobanks and their key partner bank in India

MARKET LANDSCAPE: WAVE 3 AUSTRALIA, HONG KONG, TAIWAN, SOUTHEAST ASIA

Up Bank and U Bank in Australia prioritise secured lending
Spending tracking and open roadmap to engage customers
Xinja shut down given lack of lending and high deposit gathering expenses
Hong Kong's digital banks are backed by a mix of banks and fintechs?
Unsecured lending is the main lending product offered by Hong Kong's digital banks
Hong Kong's digital banks are starting to show a decline in loss
ZA Bank's revenue has surpassed the combined revenue of all other digital banks in HK
Customer engagement: ZA Bank's "Power Draw" encourages engagement and spending
ZA Bank takes gamification and customer engagement beyond the digital world
Lending focus: ZA Bank offers the widest variety of lending products among digital banks
Line Bank tapping on Line for customer acquisition and gamification for deposit gathering
Line Bank to follow WeBank and KakaoBank model to drive progress to profit
Singapore digital banks have been equipped with ecosystem advantage
Transparency and freedom in data sharing
Singapore is a well-served market dominated by three local banks
TrustBank expected to increase physical touchpoints leveraging NTUC FairPrice outlets
TrustBank and GxS Bank likely to accelerate lending product development
Frictionless customer journey is critical to save users' time when banking
Six banks granted digital bank licences under BSP
Tonik Bank driving revenue growth by accelerating launching lending products
Fund transfers now made easier and faster with Tonik
GCash expanded to financial services by partnerships with CIMB
Majority of digital banks in Indonesia belong to the incumbents
Allo Bank offers pay later up to IDR100 million to differentiate in the market
Bank Neo Commerce to launch investment and expand lending portfolio in 2023
Bank Jago goes beyond GoTo ecosystem to accelerate growth

Malaysia’s digital banks aim to further advance financial inclusion
Malaysia’s digital banks have competitive and experienced shareholders
Malaysia digital banks are equipped with competitive and experienced shareholders
Incumbent banks accelerating digital transformation to defend against challengers
Eight tech players likely to join the race for digital bank licences in Thailand
Digital banks in Vietnam active in building partnerships
Cake digital bank drives lending growth by embedded finance
Investment, savings, discounts and more: How Cake is rapidly gaining customers
TP Bank: How incumbent banks can go digital and adapt to the evolving market
TP Bank: How they made their business profitable

KEY TAKEAWAYS

Key summary

APPENDIX

13 researched markets for consumer finance in Asia Pacific and Australasia
Ranking of digital wallets and Kakao Talk monthly active users (MAU) in South Korea

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