FinTech in ASEAN 2021: Digital takes flight
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ASEAN’s digital financial services scene is seeing a boom. Investments into the region’s financial technology (FinTech) firms have hit an all-time high of US$3.5 billion in the first nine months of 2021 (YTD 2021), or three times the amount raised in the whole of last year.

The initial shockwaves of the COVID-19 pandemic—or what has been dubbed ‘the crisis of our generation’—have somewhat subsided, with ASEAN nations firming up plans for a safe reopening of borders and broad economic recovery. As we step into the new normal, one of the lessons learnt from the pandemic is how the digital world is irrevocably an essential service.

From food deliveries to online shopping, and from Zoom calls to virtual Zumba classes, the move to digital has unlocked a multitude of new uses and use cases for digital financial services. In this year’s FinTech in ASEAN report, we examine what the impact of the ‘surge to digital’ has had on FinTechs and FinTech investors operating in ASEAN.

Based on interviews with experts and a regional survey involving more than 3,000 respondents, we note how ASEAN consumers are fast embracing a wide range of FinTech services including e-wallets, cryptocurrencies, ‘buy now, pay later’ and online investment platforms. Little wonder that investors and FinTechs alike are upbeat about a bright future ahead.

We have named this edition Digital takes flight, as we believe that the mass adoption of digital financial services will see the ASEAN FinTech space soar in years to come.
Executive summary

Fundraising surges back

Following a dip in fundraising seen across ASEAN’s FinTech scene in 2020, funding has rebounded to reach a record high of US$3.5 billion, more than triple the amount seen over 2020.

This funding was driven by 13 mega-rounds (classified as funding rounds of at least US$100 million), accounting for more than half of total FinTech funding in ASEAN.

Digital payments becoming the norm, but cash usage remains high

The growth of online shopping, food deliveries and ride-hailing, as well as the move towards cashless payments at physical retail outlets, have led to a surge in digital payments solutions in ASEAN, particularly e-wallets.

Our survey found that six in 10 respondents have used an e-wallet in the past three months, with 20 per cent citing it as their most used form of payment. However, cash usage remains high, with 85 per cent using cash in the previous three months and 38 per cent stating they used cash most often.

Singapore and Indonesia continue to drive ASEAN FinTech growth

Two markets were consistently referenced throughout the interviews as the growth drivers of FinTech across ASEAN: Singapore for its mature and developed financial system and FinTech scene, and Indonesia for its massive market size and unbanked and under-banked populations.

The focus on these two markets is reflected in the fundraising figures both countries have attracted this year.

As Indonesia and other developing ASEAN markets grow and mature, it has been postulated that Singapore’s role as the major fundraising and operational hub for FinTechs operating across the region will continue—even if the end consumers are elsewhere.
During the pandemic, many took the opportunity to invest, with digital brokerages and investing platforms seeing a boost in trades, users, and assets under management. From our survey, 60 per cent of respondents reported using digital investment platforms.

Insurance also saw a significant increase in online policy issuance, with nearly half of those surveyed reporting to have purchased a health or life insurance policy online. Several insurtech providers interviewed also shared substantial increases in sales of the policies they offered, with online sales booming in the COVID-19 environment.

Buy now, pay later (BNPL) or what some call “data-led lending” (DLL) was highlighted as an area that the interviewees had seen strong growth over the last year, though some were apprehensive as to its long-term prospects, with increased regulation and consolidation seen as likely next-steps.

In our survey, one in three respondents said they have used or would use BNPL options, with the highest relative interest in Indonesia (42 per cent).

With digital banking licenses being issued across various ASEAN nations, digital banks are likely to find a receptive customer base across the region, with an average of 57 per cent of respondents indicating they would be willing to consider banking with a ‘digital-only’ bank. The response was highest in Vietnam at 68 per cent and lowest in Singapore at 45 per cent. Singapore’s relatively low enthusiasm for digital banks may be due to the availability and the high penetration of digi-banking services from incumbent banks.

The FinTechs interviewed saw digital banks as potential partners and collaborators, though many acknowledged that the digital banks could turn into competitors as they scale up their services and product offerings and develop their businesses across the region.
Taking flight: FinTech funding shows remarkable rebound
In our *FinTech in ASEAN: Get up, Reset, Go!* report last year, we noted that even as dealmaking went virtual, investors became more conservative in their approach, placing their bets behind more established FinTech players while hinting at a K-shaped recovery.

This year, despite recurring COVID-19 outbreaks, ASEAN’s FinTech sector has shown incredible resilience in terms of fundraising, which hit an all-time high.

In this section, we review investments into the FinTech industry in the six biggest ASEAN economies (Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam, which we refer to as ASEAN-6 in this report).

The four other ASEAN nations—Brunei Darussalam, Cambodia, Laos and Myanmar—have not been included in the funding analysis as there were no deals recorded as at the third quarter of 2021.
FinTech funding hits historic high, driven by mega-rounds

It is a stellar year for FinTech funding in ASEAN, with funding rebounding from a dip in 2020 to post US$3.5 billion for the first nine months of 2021.

This is more than a three-times increase from 2020, setting a record high for FinTech funding in ASEAN-6.

There were 13 mega-rounds (deals worth US$100 million and above) amounting to US$2 billion, making up more than half of total FinTech funding in ASEAN in 2021.

The average deal size increased from US$9 million in 2020 to US$21 million in YTD 2021.

Explore the data

FinTech funding in ASEAN (2017—2021)

Figure 1 | Number of deals and funding amounts for ASEAN-6’s FinTech industry, YTD 2021 (Due to rounding, percentages may not add up to 100%)

Source: Tracxn, as at 30 September 2021, accessed on 5 October 2021
Singapore and Indonesia continue to lead in FinTech funding

Singapore continues to top FinTech funding numbers within ASEAN this year, accounting for 44 per cent of the total amount.

Vietnam saw a sharp rebound in funding, attributable to two large deals, namely US$250 million into VNPay and US$100 million into MoMo’s Series D fundraising round.

The number of funding deals grew by 32 per cent to 167 deals in YTD 2021, with almost half the deals going to Singapore-based FinTech firms. Meanwhile, Indonesia made up a quarter of deals, with Vietnam and Malaysia in joint third.

Source: Tracxn, as at 30 September 2021, accessed on 5 October 2021
Payments remain the most funded FinTech category in ASEAN

Across ASEAN, the payments category received the highest funding at US$1.9 billion, followed by investment tech at US$457 million and cryptocurrency at US$356 million.

Compared with 2020, funding into investment tech grew by six times from US$77 million and cryptocurrency by five times from US$68 million in 2020.

In Singapore and Indonesia, almost every FinTech category received funding, an indication of a vibrant and maturing industry with an active investment scene.

Figure 4 | Funding breakdown by FinTech categories

Source: Tracxn, as at 30 September 2021, accessed on 5 October 2021
Late stage FinTechs find solid backing

This year, we see greater investor interest in late stage (Series C and above) FinTechs, with 75 per cent of the firms in the top 10 funded list coming from the late stage category. Meanwhile, the top two funded early stage FinTechs are backed by well-funded parent firms Grab and VNLife.

This may suggest that investors are more cautious and risk-averse due to the economic concerns from the prolonged pandemic. As such, investors have altered their investing strategy towards more mature FinTechs as they are assumed to be more resilient and stand a higher chance of emerging stronger from the pandemic.

The highest funded FinTechs are from the payments space, as ASEAN’s adoption of digital payments continues apace.

The increasing valuations and funding are growing ASEAN’s FinTech unicorn herd rapidly. From the top 10 funded list this year, seven firms are in the unicorn club (startups valued at over US$1 billion): Grab Financial Group, VNPay, NIUM, GCash’s operator Mynt, Ascend Money, Xendit, and Matrixport.

### Top 10 funded FinTech firms

#### YTD 2021

<table>
<thead>
<tr>
<th>Company</th>
<th>Round name</th>
<th>Primary category</th>
<th>Funding amount US$ (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grab Financial Group</td>
<td>Series A</td>
<td>Payments</td>
<td>300</td>
</tr>
<tr>
<td>VNPay</td>
<td>Series B</td>
<td>Payments</td>
<td>250</td>
</tr>
<tr>
<td>NIUM</td>
<td>Series D</td>
<td>Payments</td>
<td>200</td>
</tr>
<tr>
<td>GCash</td>
<td>Series D</td>
<td>Payments</td>
<td>175</td>
</tr>
<tr>
<td>Voyager Innovations</td>
<td>Series E</td>
<td>Payments</td>
<td>167</td>
</tr>
<tr>
<td>Ascend Money</td>
<td>Series C</td>
<td>Payments</td>
<td>150</td>
</tr>
<tr>
<td>Xendit</td>
<td>Series C</td>
<td>Payments</td>
<td>150</td>
</tr>
<tr>
<td>M-DAQ</td>
<td>Series D</td>
<td>Investment Tech</td>
<td>147</td>
</tr>
<tr>
<td>FinAccel</td>
<td>Series C</td>
<td>Alternative Lending</td>
<td>125</td>
</tr>
<tr>
<td>BigPay</td>
<td>Series A</td>
<td>Payments</td>
<td>100</td>
</tr>
<tr>
<td>Matrixport</td>
<td>Series C</td>
<td>Cryptocurrencies</td>
<td>100</td>
</tr>
<tr>
<td>MatchMove</td>
<td>Series D</td>
<td>Payments</td>
<td>100</td>
</tr>
<tr>
<td>MoMo</td>
<td>Series D</td>
<td>Payments</td>
<td>100</td>
</tr>
</tbody>
</table>

**Average funding amount: US$159 million**

#### 2020

<table>
<thead>
<tr>
<th>Company</th>
<th>Round name</th>
<th>Primary category</th>
<th>Funding amount US$ (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voyager Innovations</td>
<td>Series D</td>
<td>Payments</td>
<td>120</td>
</tr>
<tr>
<td>LinkAja</td>
<td>Series B</td>
<td>Payments</td>
<td>100</td>
</tr>
<tr>
<td>SYNQQA</td>
<td>Series C</td>
<td>Payments</td>
<td>80</td>
</tr>
<tr>
<td>Boost</td>
<td>Series C</td>
<td>Payments</td>
<td>70</td>
</tr>
<tr>
<td>Thunes</td>
<td>Series B</td>
<td>Payments</td>
<td>60</td>
</tr>
<tr>
<td>PasarPolis</td>
<td>Series B</td>
<td>InsurTech</td>
<td>54</td>
</tr>
<tr>
<td>Payfazz</td>
<td>Series B</td>
<td>Payments</td>
<td>53</td>
</tr>
<tr>
<td>Funding Societies</td>
<td>Series C</td>
<td>Alternative Lending</td>
<td>40</td>
</tr>
<tr>
<td>Lightnet</td>
<td>Series A</td>
<td>Payments</td>
<td>31</td>
</tr>
<tr>
<td>BitWell</td>
<td>Series B</td>
<td>Cryptocurrencies</td>
<td>30</td>
</tr>
</tbody>
</table>

**Average funding amount: US$64 million**

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Source: Tracxn, as at 30 September 2021, accessed on 5 October 2021. At the time of publication, as data platform Tracxn classifies Advance Intelligence Group—the parent company of FinTechs Atome, Advance.AI and Kredit Pintar—primarily as an artificial intelligence tech company, its funding of US$400+ million in September 2021 has been excluded from the report.
Funding and future fundraising

For the briefest of periods, valuations of FinTech firms across ASEAN fell in 2020 as investors stood on the sidelines and companies adapted to the initial shock of COVID-19. From fourth quarter 2020 and into the first quarter of 2021, once the longer-term impacts of COVID-19 became clearer, increasing numbers of investors stepped off the sideline and got back in the game, driving valuations up across ASEAN’s FinTech sector.

This has led to intense competition among investors, especially for late stage investments (see Table 1). Local investors are also increasingly competing against global investment firms, that are able to leverage their international reputations and deeper pockets to seize investment opportunities.

If there was an investment that would have made sense from a valuation standpoint, chances are, it was a company that you would have already written a check into. If you were seeing a FinTech company raising Series B money now, the price of that company would be two, maybe even three times higher than it would have been pre-COVID-19.

Justin Hall
Partner, Golden Gate Ventures

For strong FinTechs, valuations ended up holding pretty well during the crisis; there were just less quality deals.

Herston Elton Powers
Co-founder and Managing Partner, 1982 Ventures

Certain areas of FinTech have outperformed expectations, resulting in their higher-than-expected valuations.

Yada Piyajomkwan
Co-founder and Chief Product Officer, Ajaib

The funding only goes to a handful that are well-known in their circles. The valuation naturally goes up because of too much money chasing too few startups.

Jove I. Tapiador
Co-founder and Trustee, FinTech Philippines Association
## Who invested this year

The most active FinTech investors in ASEAN by number of deals.

<table>
<thead>
<tr>
<th>Investor</th>
<th>HQ location</th>
<th>Number of deals</th>
<th>Selected portfolio companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y Combinator</td>
<td>US</td>
<td>14</td>
<td>Ajaib, Gotrade, NextPay, Vui app, Xendit</td>
</tr>
<tr>
<td>1982 Ventures</td>
<td>SG</td>
<td>9</td>
<td>Hugo, NextPay, Wagely</td>
</tr>
<tr>
<td>East Ventures</td>
<td>JP</td>
<td>9</td>
<td>Bibit, Fuse, Qapita</td>
</tr>
<tr>
<td>ACVentures</td>
<td>ID</td>
<td>8</td>
<td>Alami Sharia, Bibit, Durianpay, OY!</td>
</tr>
<tr>
<td>AU21 Capital</td>
<td>US</td>
<td>7</td>
<td>Coin98, Lever Network, Pandora</td>
</tr>
<tr>
<td>Insignia Ventures Partners</td>
<td>SG</td>
<td>7</td>
<td>Ajaib, CrediBook, Honest Bank, Lifepal, Tonik</td>
</tr>
<tr>
<td>Saison Capital</td>
<td>SG</td>
<td>6</td>
<td>BukuKas, NextPay, OY!, TazaPay</td>
</tr>
<tr>
<td>Golden Gate Ventures</td>
<td>SG</td>
<td>6</td>
<td>Alami Sharia, Fuse, NextPay, Vui app</td>
</tr>
<tr>
<td>SoftBank Ventures Asia</td>
<td>KR</td>
<td>6</td>
<td>Ajaib, Endowus, OY!</td>
</tr>
<tr>
<td>500 Global</td>
<td>US</td>
<td>5</td>
<td>Bibit, CYBAVO</td>
</tr>
<tr>
<td>MDI Ventures</td>
<td>ID</td>
<td>5</td>
<td>Amarta, Cermati, FinAccel, OY!</td>
</tr>
</tbody>
</table>

Table 3 | Most active investors, YTD 2021

Source: Tracxn, as at 30 September 2021, accessed on 5 October 2021
Slowing growth in the number of FinTech firms

The ASEAN FinTech industry has been growing for the past decade. Singapore, Malaysia and Indonesia are the main hubs in ASEAN where most FinTech firms are located.

However, growth in new FinTech firms has slowed as the ASEAN FinTech industry continues to mature, and with late stage companies attracting more investor dollars.

Explore the data
FinTech firms in ASEAN-6 (2017—2021)
While payment businesses make up the majority of FinTech firms, alternative lending and crypto firms are catching up

Payments continue to lead the type of FinTech firms in most ASEAN-6 countries, with the exception of Singapore. In Singapore, cryptocurrency firms came in top at 25 per cent of total FinTech firms while in Thailand, alternative lending firms led at 21 per cent. As digital currencies gain wider adoption and acceptance in the region, we can expect the share of cryptocurrency firms to grow in other countries.
K-shaped recovery

The K-shaped recovery identified last year played out, with interviewees noting a definite split between FinTechs across the region; one group accelerating under COVID-19 with the shift to digital and the other being hampered by the impacts of the pandemic.

FinTechs and investors alike who were able to rapidly adjust to the ‘new normal’ were able to capitalise on the opportunities presented, whereas those unable to adapt or to attract capital fell by the wayside.

Investors we spoke to reported that they were able to take advantage of the situation and increase their investments in portfolio companies or other companies that they were interested in, while several FinTechs reported that they experienced substantial growth in users and use cases.

We’ve seen a K-shaped recovery or ‘tale of two cities’ across startups in terms of how they have fared in the face of COVID-19, though with considerably more startups having experienced an adoption boost or faster user conversion due to the increased demand for tech solutions.

Tan Yinglan
Founding Managing Partner, Insignia Ventures Partners

Companies that came in well-capitalised were the ones we saw reach escape velocity. Firms that did not are hanging on by the skin of their teeth or quietly disappearing.

Herston Elton Powers
Co-founder and Managing Partner, 1982 Ventures

For some businesses COVID-19 was actually a catalyst for growth.

Frank T. Troise
Managing Partner and CEO, SoHo Advisors
Now onboarding:
Digital financial services go mainstream
COVID-19 has accelerated the shift of the ASEAN consumer online, which has led to greater adoption of, and demand for, digital financial services. In the previous section on FinTech funding, we saw a glimpse of the supply side, with investments into payments soaring, followed by strong growth in investment tech and cryptocurrency.

In this section, we explore the demand for such services by asking consumers across ASEAN-6 about their financial behaviours and how they are changing. The findings are grouped within the five top-funded consumer categories: payments, investments, cryptocurrencies, lending and insurance.

Further insights were obtained from interviews with industry experts, representing the investors, FinTech firms and FinTech associations.

### Research methodology

<table>
<thead>
<tr>
<th>Primary research</th>
<th>Desk research</th>
<th>In-depth interviews with</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,086 respondents across ASEAN-6*</td>
<td>Analysis of funding using Tracxn platform</td>
<td>6 venture capital firms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15 firms providing FinTech services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 regional FinTech associations</td>
</tr>
</tbody>
</table>

Note: An electronic survey was conducted from 25 August to 7 September 2021 with 3,086 respondents across Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.
Consumer finance FinTech funding trends

With the exception of insurtech, most FinTech consumer categories have seen huge jumps in funding amounts this year, fueled by long-term changes in digital financial habits from consumers.

In the following pages, we look at the consumer trends emerging from these categories in detail.

![Figure 7 | Funding trends in ASEAN's consumer-related FinTech categories (in US$ million)](source: Tracxn, as at 30 September 2021, accessed on 5 October 2021)

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
<th>YTD 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments</td>
<td>882</td>
<td>562</td>
<td>1913</td>
</tr>
<tr>
<td>Investment Tech</td>
<td>59</td>
<td>77</td>
<td>457</td>
</tr>
<tr>
<td>Cryptocurrencies</td>
<td>14</td>
<td>68</td>
<td>356</td>
</tr>
<tr>
<td>Alternative Lending</td>
<td>306</td>
<td>176</td>
<td>314</td>
</tr>
<tr>
<td>InsurTech</td>
<td>159</td>
<td>99</td>
<td>109</td>
</tr>
</tbody>
</table>

Year-on-year (YoY) growth rates, 2019 – YTD 2021
Digital payments

The growth of payments-related FinTech firms over the last few years has led to a surge in digital payments solutions in ASEAN, particularly e-wallets.

In our consumer survey, e-wallets surpassed credit/debit cards as the most used payment method, behind cash, with six in 10 respondents using e-wallets in the past three months.

Various e-wallets have also become the centre of a person’s digital financial life: used to pay bills, transfer money overseas, pay for goods and services, buy insurance and investment products, and much more. One in five respondents shared that they have used an e-wallet to transfer money overseas, with respondents in Vietnam and Thailand leading in this regard at 27 per cent and 25 per cent respectively.

Survey QA1:
Which of the following payment methods have you used in the past 3 months (both in-store and online)?

QA1_2:
And which of these have you used most often?


E-wallets are firmly established in each market, second only to cash

Cash: 85%
E-wallets (e.g. GrabPay): 60%
Debit cards/ Credit cards: 56%
Mobile banking apps: 52%
E-commerce payment platforms (e.g. ShopeePay): 43%
PayPal: 30%
Mobile payment apps (e.g. Apple Pay, Samsung Pay): 24%
Others: 17%

Figure 8 | Most common payment methods for both retail and online purchases
Digital payments

Local champions: Top 3 most used e-wallets.

Survey QA3: Which e-wallet(s) do you use most regularly, if any?

Definition: E-wallet is a type of virtual wallet where users can send, receive, and store money, and pay for purchases through a computer or a smartphone.


However, not all markets have embraced e-wallets to the same extent due to the strong and established digi-banking presence. Our survey showed that debit/credit cards are the payment methods used most often in Singapore (56 per cent) and Malaysia (30 per cent), the highest among the ASEAN-6.

For markets that are well-suited for the use of e-wallets—generally those with large unbanked or under-banked populations and relatively poor financial infrastructure, FinTech firms in this space have seen rapid growth and expansion of their user base and uses since COVID-19 last year.

While the adoption and growth of e-wallets across ASEAN will vary across markets, the substantial increase in users across the region since 2020 has set the foundation for greater use of FinTech services into the future.

Since two-thirds of the population in the Philippines are unbanked, many of the under-served have actually gravitated towards e-wallets.

Jove I. Tapiador
Co-founder and Trustee, FinTech Philippines Association

Key areas for e-wallets to thrive are areas with a sizeable under-banked population, and by creating a social dimension to their services.

Jirayut Srupsrisopa
Vice President, Thailand FinTech Association
Founder and Group CEO, Bitkub

Figure 9 | Top three most used e-wallets in each country
**Digital investing**

Investment tech has flourished throughout COVID-19 as people stayed home and, in some cases, invested money they would otherwise have spent on travel and other forms of entertainment.

While traditional online brokerages remain the preferred choice, our survey showed healthy interest in the use of cryptocurrency exchanges, investment tech platforms and robo-advisors among retail investors.

As the second-most funded category at US$457 million, investment tech is viewed by venture capitalist (VC) firms interviewed as the most interesting component within the FinTech space. VCs predict closer involvement between investment tech firms, digibanks and digital banks, with many digi-banking apps across ASEAN offering basic wealth advisory services.

Several interviewees predict that digital banks will move into wealth management for better revenue opportunities or seek to acquire established firms to bring their user base and capabilities in-house. This could work in the opposite direction as well, with big investment tech firms looking to gain a banking license and move into that space.

"We are witnessing the democratisation of finance for everyone. For the first time, Indonesia’s youth realise that stock investing in Indonesia is an opportunity for all to benefit from our country’s explosive growth."

Yada Piyajomkwan
Co-founder and Chief Product Officer, Ajaib

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**Six out of 10 people say they have invested using digital trading and wealth management tools**

<table>
<thead>
<tr>
<th>Platform Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional online brokerage platforms</td>
<td>31%</td>
</tr>
<tr>
<td>Online-only trading platforms</td>
<td>27%</td>
</tr>
<tr>
<td>Financial institution-backed robo-advisors</td>
<td>22%</td>
</tr>
<tr>
<td>Cryptocurrency exchanges</td>
<td>16%</td>
</tr>
<tr>
<td>Non-bank robo-advisors</td>
<td>14%</td>
</tr>
<tr>
<td>Micro-savings cum investment platforms</td>
<td>13%</td>
</tr>
<tr>
<td>I have not used any of these</td>
<td>41%</td>
</tr>
<tr>
<td>Do not invest at all</td>
<td>29%</td>
</tr>
</tbody>
</table>

**Figure 10 | Preferred online investment platforms used by respondents**

**Survey QD1:**
Have you invested using digital trading and wealth management platforms? If yes, which type of platforms have you used to invest your funds in?


**Explore the data**
How ASEAN consumers are investing
Digital investing

As the world doubles down on efforts to go green, retail investors are showing interest in backing sustainability-focused assets.

One in two respondents are aware of ‘green’ investment products, of which 55 per cent have invested in such products.

- **55%** Yes (Awareness of ‘green portfolio’ products)
- **51%** Yes (Purchase of such products)
- **45%** No (Why not?)
- **49%** No (Why not?)

In our survey, Thailand had the highest awareness of ‘green portfolios’, with close to eight in 10 respondents (79 per cent) saying they were aware. Meanwhile, awareness in Indonesia was the lowest at 36 per cent.

Currently, the greatest barrier for those who have not made a ‘green’ investment is not being able to find a suitable product to invest in (58 per cent). While product suitability is subjective, upcoming technologies like blockchain can help verify how ‘green’ an investment product is, and what climate impact it could have.

Based on a study by IFC (a member of the World Bank Group), the implementation of Vietnam’s national target of reducing total greenhouse gas emissions by 9 per cent by 2030 will provide a climate investment opportunity worth $753B – which is great news for Vietnam’s retail investors.

Huy Nghiem
Founder and CEO, Finhay

Survey QD5:
A ‘green portfolio’ refers to investments with a focus on investing in companies that promote socially and environmentally conscious policies and business practices. Are you aware of such green investment-related products?

- **QD5A:** Have you started investing in green investment related products?
  - Base: Those who are aware of green investment related products.

- **QD5A2:** Why not?
  - Base: Those who have not started investing in green investment related products.
Interest in digital currencies surged in the past year, with ASEAN’s retail investors jumping on the bandwagon to invest in various cryptocurrencies such as bitcoin and meme coins.

Almost nine in 10 respondents across ASEAN are currently using or are open to using digital currencies in the future. Of those using or willing to use, 61% prefer CBDCs.

In our survey finding, while almost nine in 10 respondents say that they currently use or are open to using digital currencies in the future, only 14 per cent actually use digital currencies. This shows that digital currencies in ASEAN have not yet reached the tipping point where they enter the mainstream.

Most people are still happy to ‘wait and see’ but are encouraged by the growing acceptance of digital currency by established corporations, as well as crypto exchanges being accepted by regulators.

Survey QA7:
A growing number of merchants worldwide are starting to accept digital currencies as a mode of payment. Given a choice, would you use a digital currency?
[Editor’s note: Definitions of cryptocurrencies and CBDCs were included in the question]


Figure 12 | Current and future usage of digital currencies
Across ASEAN, several countries are now exploring the role of central bank digital currencies (CBDCs), cryptocurrencies, and other digital assets and how to effectively regulate and implement these developments.

A wide range of opinions were garnered on these topics, with some believing that CBDCs could be useful in consolidating the ASEAN market and leading to improvements in tokenisation across ASEAN and globally, with others viewing them as a novelty with no meaningful application, despite some in this group being prior advocates for CBDCs.

This split carried over into discussions around cryptocurrencies, with some industry players querying the overall effectiveness and use of them while acknowledging that specific cryptocurrencies possess some utility. Others believed that the accessibility of crypto-assets would lead to sizeable growth in retail investors across the region, and that investments in underlying blockchain technology would have a greater impact across the FinTech space.

Digital assets are currently limited to ASEAN nations with well-developed financial infrastructure and are relatively new as an asset class. Despite this, the markets that have digital asset and custodian facilities have seen rapid growth, and hopes are high that the digitisation of assets could lead to the tokenisation of all sorts of securities, enabling them to be traded on a 24/7 basis.

“

The capital market is not going to be the same again. In the next three to five years, it’s going to be a market that operates 24/7.

Jirayut Srupsrisopa
Vice President, Thailand FinTech Association
Founder and Group CEO, Bitkub

We see FinTech regulations in ASEAN evolving... towards the creation of sandboxes and frameworks around emerging infrastructure like decentralised tech (e.g. blockchain), as crypto-based platforms and blockchain startups garner more funding and grow on top of increasing consumer interest in decentralised finance.

Tan Yinglan
Founding Managing Partner, Insignia Ventures Partners
The buy now, pay later model is fast emerging as a popular payment method, and follows the surge in digital payments as consumers take advantage of amortising payments for goods purchased online.

Our survey findings suggest that BNPL is in a growth phase, with the highest interest in Indonesia (42 per cent), and the lowest in Vietnam (24 per cent) and Singapore (20 per cent).

For those who prefer to pay upfront, BNPL schemes do not solve any urgent problems, and could potentially create problems, as it would be hard to keep track of spends across merchants.

Interviewees cited two general trends, with firms holding an adequate balance sheet being well-positioned in the segment, while those seeking funding to support their loan books being shunned by banks and investors.

As regulators start to seek clarifications and more defined business practices, this will likely lead to increased consolidation as smaller firms are unable or unwilling to bear the increased costs of doing business.

Extending access to credit to the unbanked and under-served customers through products like BNPL, enabled by technology and data, is a really powerful way to drive financial inclusion. It’s a double-edged sword though, because the unbanked and under-served customers typically don’t have a lot of knowledge about financial services, so there is an education element here that needs to be facilitated.

Survey Q86: Some retailers offer the option of pay later plans for purchases (electronics, fashion items, etc). Which pay later methods have you used or intend to use?

Survey Q88: How likely are you (on a scale of 0-10) to recommend the “Buy Now Pay Later” platform to others?

BNPL has kind of reached the crescendo, so I think we’re at the last innings of that.

Frank T. Troise
Managing Partner and CEO,
SoHo Advisors

Arvid Swartsenburg
Head of Partnerships and Strategy, TMRW
While alternative lending has seen a rebound in investors’ interest this year, our survey showed that less than half of consumers (48 per cent) are aware of such platforms.

While alternative lending has seen a rebound in investors’ interest this year, our survey showed that less than half of consumers (48 per cent) are aware of such platforms.

In our research, respondents in Singapore (52 per cent) and Malaysia (51 per cent) cited a lack of understanding of the service as the key reason for not adopting peer-to-peer (P2P) platforms.

Meanwhile, respondents in Thailand and Vietnam were most open to considering P2P lending platforms (26 per cent each). This bodes well for alternative lending firms based in Thailand, which make up the majority of FinTech companies in the country.

In terms of existing borrowing behaviours, family members were the first port of call in the Philippines (68 per cent) ahead of bank loans (60 per cent), while Indonesian respondents were most likely to consider licensed moneylenders (45 per cent).

Survey QB1:
If you need to borrow some money to ease your cash flow (i.e., emergency or medical needs), which lending facilities would you use?

Survey QB5:
How likely are you (on a scale of 0-10) to recommend alternative/peer-to-peer (P2P) lending platforms to others?
Base: Those would use Alternative / Peer-to-Peer (P2P) online lending platforms to borrow money.
COVID-19 saw an increase in the purchase of insurance policies online, even though funding for insurtech firms has yet to reach pre-pandemic levels.

There remains a healthy interest in online insurance, with 45 per cent of survey respondents purchasing insurance online before. The highest numbers were from Singapore (55 per cent), while the Philippines (32 per cent) and Indonesia (31 per cent) had the lowest rates.

Among those who bought insurance online, almost eight in 10 made the purchase through platforms belonging to established insurance companies. This tallies with investors reporting slow growth in insurtechs across ASEAN, despite low barriers to entry and regulators being progressive and open to sandbox experimentations. Growth is expected to pick up in coming years as consumers grow more familiar with purchasing ‘scenario-based’ insurance via e-wallets and other platforms, and as incomes across the region rise.

For those who have not yet purchased insurance online, three-quarters preferred speaking face-to-face with a professional, suggesting a large share of consumers still value in-person advisory services.

The blurring of lines between insurtech, healthtech and potentially wealthtech is the data that underpins that. There is interesting stuff that you can do by building wealth based on the activities you perform, and the insurance around that.

Ned Lowe
Chief Technology Officer, Singlife
Digital insurance

People's connected devices and online activity can tell insurance companies a lot about their lives – and what the future may hold. With increasing amounts of data captured across multiple platforms, how do ASEAN consumers feel about their digital footprints being used to customise insurance premiums?

Potential perks vs. Privacy: What customers are willing to give up

Almost 9 in 10 respondents are willing to share data

<table>
<thead>
<tr>
<th>Data Type</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Online shopping data</td>
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<tr>
<td>Fitness tracker data</td>
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<td>Dining and food delivery data</td>
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<td>Social media data</td>
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<td>Transport or driving data</td>
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<td>Sleeping habits data</td>
<td>31%</td>
</tr>
<tr>
<td>None of these</td>
<td>13%</td>
</tr>
</tbody>
</table>

Figure 17 | Types of data respondents were willing to share

A growing number of insurers in North America⁴ are leveraging technology and data to track and to reward healthy lifestyles. These include giving premium discounts and other perks for hitting exercise targets and healthy food purchases tracked in an app.

While such services have yet to take off across ASEAN, many respondents are willing to share some data with insurers, with fitness tracker and online shopping data being the most popular types of data respondents are willing to share. Social media data topped the list in Thailand (55 per cent), while dining and food delivery data topped the list in the Philippines (59 per cent). Indonesia and Singapore are least likely to share data, with roughly one-fifth of respondents in both countries stating ‘none of these’.

“Every company should have the general responsibility on how they collect and process data and how they use AI to ensure certain users are not discriminated from this ecosystem.”

Carrie Suen
Senior Advisor - International Public Policy and Government Affairs, Ant Group

Survey QC6: What data would you be willing to share with insurers for a cheaper premium?
With the growing adoption of digital financial services, and a push by governments to accelerate financial inclusion, ASEAN has seen rapid development both in digital banks and digital banking services provided by incumbents.

Digital banks are a way to provide an all-in-one digital service to their user bases and access deposits to fund the ability to give out credit and wealth products. Some began as monoline FinTechs or TechFins, usually starting off with payments before expanding their product line to capture further cross-sell opportunities across their growing user base.

In the coming years, inclusive and open digital banking ecosystems are forecast to proliferate, driven from three areas: traditional banks offering advanced digital services (digi-banking), pure digital banks and FinTech companies venturing into the digital banking space.

Strong growth is expected in markets with large unbanked or under-banked populations. In markets where digi-banking services are strong and incumbent banks are entrenched across the population, niche segments may be carved out.
While many consumers in ASEAN are open to banking with digital banks, our survey findings suggest that varying channel preferences, as well as trust and data privacy concerns could be potential barriers to adoption.

In our survey, three in five respondents said they were willing to consider banking with a digital-only bank. Unsurprisingly, consumers in countries with higher unbanked or under-banked populations were most willing to consider digital-only banks, with Vietnam seeing the highest interest at 68 per cent, and Singapore the lowest at 45 per cent.

For the minority who did not want a digital-only bank, the barriers to adoption are fear of data security (58 per cent), as well as lack of trust in an institution with no physical presence (52 per cent).

Digitally savvy millennials were most open to digital-only banks (71 per cent). In welcome news to e-wallet providers considering a digital banking licence, 68 per cent of those who use e-wallets as their primary method of payment said they would consider digital-only banks.

Survey QE2: With the increase in digital-only banks across Asia, would you consider banking with a digital-only bank?

Digital banks

A savings account is the first product respondents would take up, with user-friendly platforms and attractive interest rates driving expectations.

Among those willing to consider a digital bank, more than half chose to start with deposits, compared with a quarter who preferred using a digital bank’s wealth and money management tools. For the price of signing up, consumers expect easy to use banking app interfaces, with attractive interest rates.

Nonetheless, almost all consumers said they would keep their existing bank accounts. Consumers should watch this space in anticipation of greater choice and product offerings as digital banks launch their services in the region.

Figure 19 | Banking products respondents will take up

58% 26% 16%
Deposits Wealth and money management tools Others*

97% would also keep existing account

Figure 20 | Expectations of a digital-only bank

Easy to use 72%
Attractive interest rates 70%
More personalised services 44%
Personal financial management tools 43%
Ease of getting credit 42%
Game features 13%

Survey QE3b:
Which of the digital bank’s offerings are you most likely to use?
*Others: Comprises loans, remittances, insurance

Survey QE5:
What would you like to see in a digital-only bank offering, if they are available in your country?
Consumers are used to choice when it comes to online/offline services, and our survey showed that preferences are quite evenly split between those who prefer digital-only channels, physical touchpoints, or both.

In our survey, preference for digital-only skews by country and age, led by Thailand (44 per cent) and Singapore (40 per cent), and millennials (43 per cent). Interestingly, youths were equally split (34 per cent each) between preferring digital-only channels and bank branches/ATMs, perhaps because they are newer to banking and appreciate face-to-face guidance.

Thirty per cent prefer having both digital and physical options: highest in the Philippines (39 per cent) and among those aged 55 and above (40 per cent).

Meanwhile, Indonesia had the highest number of respondents who prefer bank branches or ATMs (43 per cent), followed by Vietnam (33 per cent), suggesting that access to physical cash is still important for a percentage of the population.
What’s next?
Singapore and Indonesia remain the two markets that most investors and FinTechs are focused on within the region. The former for the maturity of its financial markets and regulator, and the latter for the market potential it offers.

This focus is reflected in the rankings of each country in terms of aggregate fundraising, the number of deals undertaken, and the aggregate number of FinTechs operating in each market, each of which has Singapore in first place with Indonesia second.

Should this trend continue into the near future, FinTech across ASEAN would likely still be centred around Singapore and Indonesia, with other ASEAN nations being of interest as they grow and develop. Singapore’s role would be that of a fundraising centre, leveraging its developed financial markets, whereas Indonesia’s market size would draw FinTechs and investors alike to it.

While Singapore may remain a major centre of fundraising for FinTech in Southeast Asia, (the) majority of users may not be from Singapore.

Ben Cheah
Partner, InnoVen Capital

Vietnam’s growth trajectory is looking good though it is currently compressed. Its full potential will be unlocked in a few years to come.

Dzung Dang
Co-founder and CEO, Nano Technologies

The Philippines remains to be a huge market but it’s misunderstood because people view from the outside looking in. It’s not as big a population as Indonesia’s, and it doesn’t attract huge amounts of capital like Singapore. But it’s still a VIP country – Vietnam, Indonesia, Philippines – which together are already more than 70 per cent of the ASEAN market in terms of population, and over 50 per cent of its economy.

Jove I. Tapiador
Co-founder and Trustee, FinTech Philippines Association

We are at year one of a multi-generational evolution. A real critical inflection point for the region will be in 2025, when success needs to be there.

Justin Hall
Partner, Golden Gate Ventures
Regional CBDCs

Various central banks in ASEAN are experimenting with CBDCs and other forms of cross-border payments. The Monetary Authority of Singapore is exploring retail CBDC solutions with a global CBDC challenge; the Bank of Thailand is partnering with its counterparts in Hong Kong and mainland China to explore the use of distributed ledger technology (DLT) in facilitating cross-border foreign exchange payments between the markets; the Bangko Sentral ng Pilipinas is also examining the viability and use of CBDCs. Of note is Cambodia’s Bakong digital currency – which launched in August 2020 and has since recorded 1.4 million transactions up till the first six months of 2021.

The position of centralised institutions driving the use and adoption of digital currencies in ASEAN stands in contrast to other markets where the development of digital currencies is largely driven by private enterprise. Should greater financial integration across ASEAN happen, central bank-backed initiatives would likely remain a driving force for their regional adoption.

Such an adoption could come in the form of a regional ASEAN stablecoin, with each ASEAN nation having their own CDBC which interacts with the ASEAN stablecoin in order to facilitate cross-border payments. The DLT behind this could then be applied to other areas, such as the tokenisation of securities to further cross-border investments across the region along with continuous trading on exchanges, smart contracts to promote areas such as carbon credit trading and other environmental, social and governance (ESG) initiatives, and more.

“Everything we did in FinTech is applicable to ESG and sustainability.”
Frank T. Troise
Managing Partner and CEO, SoHo Advisors

“CBDCs will consolidate the market and at some point in time, be utilised as a common currency to do things like buy coffee.”
Paul Ong
Partner, InnoVen Capital
Digital adoption to continue to increase

The massive shift to online financial services as consumers adapt to the pandemic, and the subsequent changes across business and society, are unlikely to be wound-back as economies and countries starts opening up. While some aspects like face-to-face meetings for business dealings and due-diligence may revert in whole or in part to their pre-COVID-19 state, it is perhaps less likely that consumers will stop or abandon their new digital payment, investment and financial habits.

The shift to digital is likely to continue to proliferate among established financial institutions and FinTechs as well, with many reporting that their plans have been accelerated by a few years with the increase in digital users. Steady progress has been made in digitising Know Your Customer (KYC)\(^3\), Anti-Money Laundering (AML)\(^4\), and other client identification processes, so much so that verification of new customers can now be done remotely across some parts of ASEAN.

Such a shift to digital is likely to result in an upwards spiral of wider FinTech adoption and services provided. For example, as more people participate in the gig economy, gig workers can operate a substantial portion of their businesses via their mobile devices, making and receiving payments, tracking their operations and purchasing scenario-specific insurance policies when needed.

In some markets, we have seen entrepreneurial individuals offer various ‘middleman’ services from e-wallets and other FinTech platforms, and these may flourish into viable, long-term operations that encourage more users onto the platforms.

**ASEAN’s FinTech space has taken flight, and looks set to soar in coming years.**

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*Every bank will need to embrace digital adoption to stay relevant beyond the next 10 years. It is an unprecedented change that is structural in nature.*

Jimmy Koh
Managing Director and Chief Commercialisation Officer, TMRW

*When ASEAN countries develop their respective national digital identification infrastructure that is open yet secure, such as Singapore’s MyInfo, FinTechs and banks would be able to accelerate the seamless onboarding of many more customers.*

Reuben Lai
Senior Managing Director, Grab Financial Group
Interviewee profiles

Huy Nghiem
Founder and CEO, Finhay
Finhay is Vietnam’s leading technology platform for small and medium investments. We provide a transparent and disruptive platform with easy access to multiple financial services for all Vietnamese users.

Ngoc Trinh
Senior Partnership Executive, Finhay

Karen S Puah
President, FinTech Association of Malaysia (FAOM)
FAOM aspires to be the key enabler and a national platform to support Malaysia to be the leading hub for FinTech innovation and investment in the region. With members from a wide range of FinTech companies, we have connected various stakeholders in the industry, engaging them in conversation and fostering potential collaborations. If we want the industry to grow further, we must grow it together.

Bernard Chan
Chief Strategy Officer, Advance Intelligence Group
Atome is Asia’s leading ‘buy now, pay later’ omnichannel platform with the widest regional coverage, partnering over 5,000 online and offline retailers across nine markets. Key merchant partners include ZALORA, Sephora, Agoda, SHEIN and Zara.

Yada Piyajomkwan
Co-founder and Chief Product Officer, Ajaib
Ajaib is a fast-growing investment platform and one of the largest online retail brokers in Indonesia, serving over one million users.

Jove I. Tapiador
Co-founder and Trustee, FinTech Philippines Association
Fintech Philippines Association is the largest financial technology trade association in the Philippines, consisting of over 150 corporate and individual members ranging from start-ups to established players. We are committed to furthering financial inclusion through technology.

Herston Elton Powers
Co-founder and Managing Partner, 1982 Ventures
1982 Ventures is the leading seed fund investing in FinTech startups in Southeast Asia. Our investments include: Bluesheets, Brick, Infina (YC S21), Homebase (YC W21), NextPay (YC W21), Fina.ID, Wagely.

Carrie Suen
Senior Advisor - International Public Policy and Government Affairs, Ant Group
Ant Group, other than being the operator of Alipay, the leading digital payment platform in China, also provides a leading global cross-border mobile payments and marketing solution, Alipay+. Alipay+ enables merchants, especially small- and medium-sized businesses, to better serve consumers from all over the world by collaborating with global partners.

Martha M. Sazon
President and CEO of Mynt (Globe Fintech Innovations, Inc.)
GCash is the Philippines’ leading financial app with around 46 million users. GCash users can purchase prepaid airtime; pay bills at 700+ billers; send and receive money in real-time, purchase from close to 2.5 million merchants and social sellers; and get easy access to savings, credit, insurance and investments, all in one app.

Bernard Chan
Chief Strategy Officer, Advance Intelligence Group
Atome is Asia’s leading ‘buy now, pay later’ omnichannel platform with the widest regional coverage, partnering over 5,000 online and offline retailers across nine markets. Key merchant partners include ZALORA, Sephora, Agoda, SHEIN and Zara.
Tan Yinglan  
Founding Managing Partner,  
Insignia Ventures Partners  
Insignia Ventures Partners is a venture capital  
firm growing the most influential technology  
companies in Southeast Asia. We manage  
capital from premier institutional investors  
from Asia, Europe, and North America.

Reuben Lai  
Senior Managing Director,  
Grab Financial Group  
Grab Financial Group, Southeast Asia’s leading  
FinTech platform, is driving financial inclusion  
across the region by providing simple,  
transparent, and flexible financial products  
and services across payments, insurance,  
lending, and wealth management.

Wilson Beh  
Co-founder, PolicyStreet  
PolicyStreet.com is an InsurTech company  
which advances simple, easy and affordable  
insurance protection with technology. The  
firm is among the Top 10. in Asia recognised by  
Insurance Business Magazine.

Yeow Liang Soh  
Co-founder, PolicyXchange  
PolicyXchange is a Singapore-registered  
insurtech company that creates exceptional  
solutions for financial consultants to assist  
their customers in achieving financial freedom  
and peace of mind.

Lim Yi Chao  
Associate, Qualgro  
Qualgro is a venture capital firm based in  
Singapore, investing mainly in B2B tech  
companies in Data, SaaS and Artificial  
Intelligence, to support talented entrepreneurs  
with regional or global growth ambition.  
Qualgro invests across Southeast Asia and  
Australia/NZ, primarily in Series A and B.

Frank T. Troise  
Managing Partner and CEO, SoHo Advisors  
SoHo Advisors Pte Ltd is Asia Pacific’s leading  
merchant bank for FinTech and sustainability.  
The company seeks value opportunities where  
its capital, flexibility, management support and  
strategic hand can build value.
TFA
Thai Fintech Association (TFA) was founded in 2016 with the vision of transforming finance for all. We aim to deliver sustainable development in the FinTech industry through domestic and global networking. At present, there are numerous FinTech collaborations among our 100 members and partners: start-ups, incumbents, multinational companies, and regulators.

Roboweight
Roboweight, a digital investment service provider and wealthtech leader, launched the first roboadvisory service in Thailand. The company currently has two applications with authorisation from Thailand’s Securities and Exchange Commission, under odini and FinVest. With a strong reputation for delivering high quality services, the company has partnered with leading financial institutions and conglomerates in Thailand. Roboweight aims to modernise the Thai financial industry to enable every Thai individual to get proper access to an efficient investment opportunity. The company’s vision is to empower the future financial ecosystem via business-to-consumer and business-to-business relationships.

AppMan
Founded in 2011, Appman offers tailored solutions under the names AgentMate, AgentMate on Chat, Digital Face 2 Face, E-Surveyor and award-winning OCR technology. Its value proposition is to provide customers with a superior experience by leveraging technology.

Bitkub
Founded in February 2018, Bitkub Capital Group Holding Co., Ltd. (BCGH) holds the title as the startup with the largest seed investment in Thai startup history. Bitkub Capital Group Holding Co., Ltd. consists of four main business units – the digital asset exchange platform, consulting and development of blockchain technology for enterprises (both government and private sector), education in blockchain technology and digital assets, and algorithmic trading.

VNPay
VNPay is a key digital banking enabler in Vietnam with comprehensive relationships with over 40 banks offering multiple services such as SMS banking, digital banking platforms and distribution services and QR payment.

Vui
Vui helps employers pay workers on-demand instead of monthly, improving employee retention, streamline turnover costs, and driving differentiated employer branding in a crowded labour market.

UOB TMRW
UOB TMRW is the unified digital platform built by UOB to serve all customers across ASEAN, converging the innovation of TMRW with the scale and product depth of Mighty to create hyper-personalised banking experiences.
Taking flight: Funding shows remarkable rebound

1 The term ‘funding’ in this chapter includes all disclosed funding rounds categorised as ‘pre-series’, ‘early stage rounds’, ‘late stage rounds’, ‘private equity’ (only three deals were reflected in the period between 1 January 2017 to 30 September 2021) and ‘venture debt’ provided on data platform Tracxn under its FinTech practice area. It does not include companies solely funded by grants, conventional debt, mergers and acquisitions, initial coin offerings (ICOs) and post-initial public offerings (IPOs). While our tabulations do not include investments into Grab and Gojek (as their core business is categorised as transportation and delivery), Grab Financial Group raised a separate US$300M Series A round this year, valuing the unit at US$3B. Source: Grab raises $300M for its financial services business, Financial Times article, 14 January 2021.

2 In October this year, MAS has granted crypto licences to Fomo Pay, DBS Vickers and Independent Reserve to offer digital payment token services, with more licences expected to be issued. Source: The Straits Times article, 2 October 2021.

Now onboarding: Digital financial services go mainstream

3 According to the e-Conomy SEA 2020 Report by Google, Temasek and Bain & Company, 400 million of the 580 million population living in Southeast Asia’s six largest economies are online (70 per cent of the region). Forty million people of that number came online in 2020.

4 Companies like Vitality Health are offering premium discounts for data sharing. Source: Forbes article, 19 May 2019.

What’s next?

5 MAS partners IMF, World Bank and others to launch Global Challenge for retail CBDC solutions, MAS media release, 28 June 2021.

6 Project Inthanon-Lionrock Phase 2: Joint wholesale CBDC project involving The Hong Kong Monetary Authority (HKMA) and Bank of Thailand, Bank of Thailand press release, 28 September 2021.

7 BSP looks deeper into CBDC viability, Manila Times article, 9 May 2021.

8 Cambodia aims to wean off US dollar dependence with digital currency, Nikkei article, 4 August 2021.

9 KYC or Know Your Customer/Client refers to a mandatory set of requirements that banks and financial service companies need to follow in order to verify a customer’s identity when opening a bank account.

10 AML or Anti-Money Laundering refers to the policies, procedures and technologies that aim to detect, deter and prevent money laundering.

Survey respondents

11 Monthly income range is based on the average median wage of major cities in each of the ASEAN-6 countries.

Indonesia
Lower income: Less than IDR 6 million
Middle income: Between IDR 6–15 million
Higher income: More than IDR 15 million

Malaysia
Lower income: Less than MYR 4,000
Middle income: Between MYR 4,000–8,000
Higher income: More than MYR 8,000

The Philippines
Lower income: Less than PHP 22,000
Middle income: Between PHP 22,000–75,000
Higher income: More than PHP 75,000

Singapore
Lower income: Less than S$ 3,000
Middle income: Between S$ 3,000–7,000
Higher income: More than S$ 7,000

Thailand
Lower income: Less than THB 25,000
Middle income: Between THB 25,000–60,000
Higher income: More than THB 60,000

Vietnam
Lower income: Less than VND 10 million
Middle income: Between VND 10–40 million
Higher income: More than VND 40 million
### Survey respondents

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<th>Age</th>
<th>Gender</th>
<th>Income status</th>
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<tr>
<td>Millennials</td>
<td>Male</td>
<td>Lower income</td>
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<tr>
<td>26% 28% 26% 20%</td>
<td>49% 51%</td>
<td>48% 43% 9%</td>
<td>45% 55%</td>
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<tr>
<td>Gen Xers</td>
<td>Female</td>
<td>Middle income</td>
<td>Pre-pay</td>
</tr>
<tr>
<td>27% 29% 24% 19%</td>
<td>50% 50%</td>
<td>60% 33% 8%</td>
<td>16% 84%</td>
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<tr>
<td>Seniors</td>
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<td>Higher income</td>
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<td>27% 29% 25% 20%</td>
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- **Youths** (18-24 years)
- **Millennials** (25-39 years)
- **Gen Xers** (40-54 years)
- **Seniors** (55 years and above)
- **Male**
- **Female**
- **Lower income**
- **Middle income**
- **Higher income**
- **Post-pay**
- **Pre-pay**
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<th>ASEAN-6</th>
<th>Typical shopping frequency</th>
<th>Employment status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
<td>9%</td>
<td>30%</td>
</tr>
<tr>
<td>Offline</td>
<td>20%</td>
<td>37%</td>
</tr>
<tr>
<td>Online</td>
<td>8%</td>
<td>34%</td>
</tr>
<tr>
<td>Offline</td>
<td>32%</td>
<td>30%</td>
</tr>
<tr>
<td>Online</td>
<td>11%</td>
<td>30%</td>
</tr>
<tr>
<td>Offline</td>
<td>13%</td>
<td>37%</td>
</tr>
<tr>
<td>Online</td>
<td>3%</td>
<td>25%</td>
</tr>
<tr>
<td>Offline</td>
<td>15%</td>
<td>33%</td>
</tr>
<tr>
<td>Online</td>
<td>6%</td>
<td>25%</td>
</tr>
<tr>
<td>Offline</td>
<td>12%</td>
<td>44%</td>
</tr>
<tr>
<td>Online</td>
<td>13%</td>
<td>28%</td>
</tr>
<tr>
<td>Offline</td>
<td>25%</td>
<td>36%</td>
</tr>
<tr>
<td>Online</td>
<td>15%</td>
<td>35%</td>
</tr>
<tr>
<td>Offline</td>
<td>23%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Daily**  | **2-3 times per week** | **Once a week** | **Less often**

- **Employed, full-time** (at least 35 hours per week)
- **Employed, part-time** (less than 35 hours per week)
- **Business owner**
- **Self-employed/freelance**
- **Student**
- **Not employed**
### Taxonomy

<table>
<thead>
<tr>
<th>Categories</th>
<th>Tracxn classification</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative Lending</td>
<td>Alternative Lending</td>
<td>Online lending platforms (including balance sheet lenders, marketplaces, P2P lenders as well as lead generators) and companies that enable online lending.</td>
</tr>
<tr>
<td>Crowdfunding</td>
<td></td>
<td>Online platforms where people, organisations raise money from the masses, for various projects and causes.</td>
</tr>
<tr>
<td>Banking Tech</td>
<td>Banking Tech</td>
<td>Companies which provide technology solutions primarily for banking industry including software, innovative hardware, and tech-enabled services. Also includes digital banks.</td>
</tr>
<tr>
<td>Blockchain in Financial Services</td>
<td>Blockchain</td>
<td>Companies developing blockchain technologies such as blockchain network, smart contracts, etc to cater to enterprise and consumer markets.</td>
</tr>
<tr>
<td>Cryptocurrencies</td>
<td>Cryptocurrencies</td>
<td>All companies that provide bitcoin and other digital currency products and services.</td>
</tr>
<tr>
<td>Finance and Accounting Tech</td>
<td>Finance and Accounting Tech</td>
<td>Companies that provide tools or software solutions for automating the functions of finance and accounting department of an organisation.</td>
</tr>
<tr>
<td>InsurTech</td>
<td>Insurance IT</td>
<td>Companies which provide software products and data solutions primarily for the insurance industry.</td>
</tr>
<tr>
<td></td>
<td>Internet First Insurance Platforms</td>
<td>Companies which provide tech platforms to consumers for purchasing and managing their insurance.</td>
</tr>
<tr>
<td></td>
<td>Employer Insurance</td>
<td>Companies which provide employers with solutions for managing employee insurance benefits.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Categories</th>
<th>Tracxn classification</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Tech</td>
<td>Investment Tech</td>
<td>Companies offering platforms for retail and institutional investors to research and invest in multiple financial assets. Also includes companies offering solutions to financial institutions providing investment-related services.</td>
</tr>
<tr>
<td>RoboAdvisors</td>
<td></td>
<td>Companies that provide automated, low-cost investment services to retail investors. Also includes companies that provide technological solutions for automated investments to financial advisors.</td>
</tr>
<tr>
<td>Remittance</td>
<td></td>
<td>Companies providing cross-border money transfer solutions and services to consumers and enterprises.</td>
</tr>
<tr>
<td>Forex Tech</td>
<td></td>
<td>Companies providing software for forex market which includes currency exchange and currency investments.</td>
</tr>
<tr>
<td>Payments</td>
<td>Payments</td>
<td>Companies which participate in traditional web-based and offline payment cycles. Also includes companies which provide alternative mode of payment; companies which support the payment companies in terms of security, analytics, platform etc.</td>
</tr>
<tr>
<td>Mobile Payments</td>
<td></td>
<td>Companies offering solutions to make and (or) accept payment via mobile.</td>
</tr>
<tr>
<td>RegTech</td>
<td>RegTech</td>
<td>Companies offering a range of tech products primarily for financial institutions and regulators for efficient implementation and monitoring of financial regulations.</td>
</tr>
</tbody>
</table>

FinTech solutions are grouped by categories based on Tracxn’s taxonomy for the FinTech practice area.
Acknowledgements

United Overseas Bank

Group Channels and Digitalisation

Janet Young
Managing Director and Head

Arthur Leong
Senior Vice President

Jane Goh
First Vice President

Lennie Chan
First Vice President

Damien Neo
Vice President

Joanna Lee
Project Associate

Group Strategic Communications and Brand

Susan Lee Williams
Executive Director

Andrew Low
Vice President

Sylvia Soh
Assistant Vice President

Daryl Tan
Assistant Vice President

PwC Singapore

Wanyi Wong
FinTech Leader

Conal McMahon
Senior Manager
APAC AWM Market Research Centre

Singapore FinTech Association

Shadab Taiyabi
President

Reuben Lim
Chief Operating Officer

UOB Tech Start-up Ecosystem information, insights and events:
https://uobgroup.com/techecosystem

UOB general FinTech enquiries:
techecosystem@UOBgroup.com

A big thank you for supporting this report and contributing valuable insights to FinTech in ASEAN:

- **VCs and funding partners:** 1982 Ventures, Golden Gate Ventures, InnoVen Capital, Insignia Ventures Partners, Qualgro, SoHo Advisors

- **FinTech firms:** Ajaib, Ant Group, Appman, Atome, Bitkub, FinHay, GCash, Grab Financial Group, Nano Technologies, PolicyStreet, PolicyXchange, Robowealth, Singlife, TMRW, VNPay

- **Regional FinTech associations:** FinTech Association of Malaysia, FinTech Philippines Association, Thai FinTech Association

- And all survey respondents
About

United Overseas Bank

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Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

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To further its purpose, the SFA also partners with institutions and associations from Singapore and globally to cooperate on initiatives relating to the FinTech industry. Well-connected globally, the SFA has signed over 70 international Memorandum of Understanding (MoU) to lay the network for its members and ecosystem.

For more information visit https://singaporefintech.org.
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