



Disruptive Trends of Digital Banks in Asia Pacific and Australasia: How to Win the Profit Battle

March 2023

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Key findings

Why relevant for digital banks, incumbents, non-bank consumer businesses and fintechs?

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What are the differences between digital banks and traditional incumbent banks?

Four key types of digital banks for consumer banking

REASONS FOR THE RISE OF DIGITAL BANKS

Four key engines enabling digital banks to take off

Increasing smartphone penetration in emerging markets to extend reach of digital banks

Digital identification (ID) to facilitate remote onboarding and authentication

Favourable regulations introducing digital banks to promote competition and inclusion

Tapping fintechs' banking modules to accelerate time to market

KEY DRIVERS FOR PROFITABILITY

More than 30 digital banks in this region are profitable

Strategic framework of digital bank profitability

Ecosystems are critical for digital banks' acquisition and usage

Engagement: Gamification leveraging cartoon characters

Games to make banking fun

Customer engagement: personalised services to suit individual needs

Unsecured lending with alternative data reconciled with ecosystem identification (ID)

Lean operations: technology-driven cost competitiveness to challenge incumbents

Organisational transformation to drive agile operations

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How to build ecosystems if founded without large ecosystem parent companies

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Banks can leverage convenience stores and supermarkets for usage and acquisition

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Digital banks may tap offline agents to serve unbanked populations in rural areas

Build or buy: To determine based on each bank's own priorities

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