



## **BANKING IS FOR EVERYONE, THANKS TO DIGITAL BANKING BECOMING THE NORM**

Along with the efficiency and security brought by digital banking, previously under-served individuals also gain improved access to crucial financial services. See how OneConnect Financial Technology plays a critical role in enabling this access across Southeast Asia.

Back in 2018, more than 70% of adults in Southeast Asia remained unbanked or underbanked, according to a **comprehensive report from** Bain & Company, Google, and Temasek.

That is changing.

The rise of digital banking is making it easier for everyone to access financial products and services, regardless of their income or location. In recent years, digital banking has been growing rapidly in Southeast Asia due to the influx of mobile technology and infrastructure improvements. This shift towards digital banking comes with a range of benefits that are making it increasingly popular among consumers from all walks of life.

It is also fundamentally linked to the development and success of the region. With more people able to access financial services, Southeast Asia will be better equipped to drive economic growth and development.

## Current landscape

More than **75% of SEA consumers** are now interested in digital banking services, with Thailand leading the way at 90%.

The shift to cashless payments and online transactions has been driven by the development of mobile technology and infrastructure improvements, making digital banking an increasingly popular choice for consumers. The adoption of digital banking is also being supported by governments in Southeast Asia, with many countries introducing policies and incentives to encourage more people to use financial services.

For instance, Singapore has rolled out a **“Smart Nation”** initiative that seeks to expand access to financial services; while Thailand has introduced cashless payment initiatives such as **PromptPay**.

COVID-19 only accelerated this trend, as the pandemic forced people to stay home and use digital banking services instead of traditional ones.

## Challenges of traditional banking

For many, traditional banking was an impossible task due to the lack of access to physical branches. This is especially true for those in rural and remote areas, as well as low-income communities.

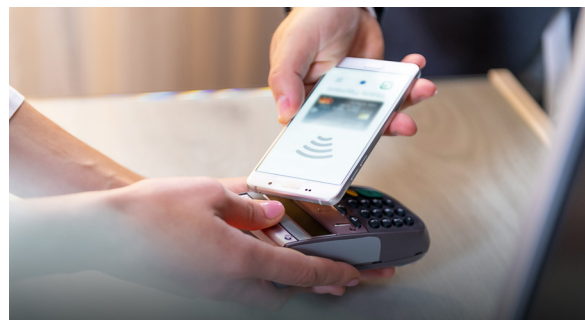
The lack of 24-hour services, convenience, and low-cost options has also posed a challenge to traditional banking.

## The rise of digital banking

These problems are solved by emerging digital banking solutions, which are designed to provide quick and easy access to the financial services that people need. Critically, they are also available to people regardless of their location.

Like many other industries that have been disrupted by digital revolutions, banking is also no longer limited to just a few players. More and more consumers are willing to trust start-ups or other brands with their financial services.

Nearly **80% of SEA consumers** are interested in banking services from well-known non-financial brands. This democratisation of financial services has been a key factor in the growth of digital banking in Southeast Asia and the rest of the world.



## Benefits of digital banking

For **products like Centrio**, the banking-in-a-box solution offered by OneConnect Financial Technology, there is a focus on three core tenets.

- **Simpler:** Continuous innovation allows customers to access financial services with ease and convenience
- **Safer:** Robust security systems ensure that customer information is secure at all times
- **Smarter:** Data-driven insights allow customers to make informed decisions about their finances

With digital banking, everyone can access the same range of services as those in urban areas—without having to travel long distances or pay extra fees. Digital banking also provides more control over finances. Customers can manage their accounts from their phones or computers, and they can use digital wallets to make payments and transfer money with ease.

## Future developments

As digital banking continues to grow in Southeast Asia,

more and more companies are investing in the technology and infrastructure that will make it even easier for people to access financial services.

For instance, many companies are now offering AI-driven solutions that can provide personalised advice and generate new products tailored to a customer's needs. In addition, blockchain technology is set to revolutionise the way digital banking works. Blockchain-based solutions offer greater security and transparency, as ledgers cannot be edited or deleted.

## Final thoughts

The rise of digital banking in Southeast Asia is a major milestone for the region, as it continues to level the playing field and give more people financial freedom. By making banking simpler, smarter, and safer, digital banking is revolutionising the way we manage our finances - and helping to drive economic growth and development across SEA.

Although there are still some challenges to overcome (such as improving internet access in rural areas or changing consumer attitudes towards online banking) it's clear that digital banking is here to stay.

