



**.MONEY  
20/20**  
by informa•••

# **2026: THE FUTURE OF FINTECH IN APAC**

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**A MONEY20/20 WHITEPAPER**

# Foreword

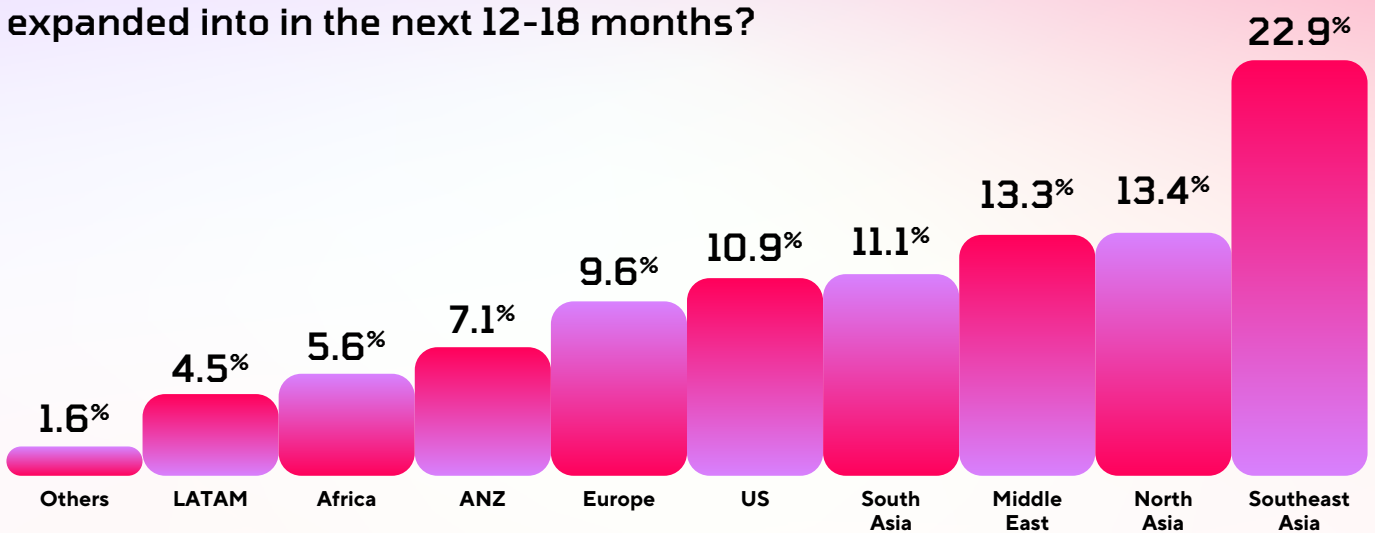
At its heart, the story of fintech in Asia is about the choices we make to build a more resilient future. Across the region, we have moved past the era of pure experimentation. Today, the impact of these technologies is measured by the trust they build and the lives they change regarding financial security and long-term growth.

Our research revealed that Southeast Asia’s fintech market is not simply growing; it is evolving. While data from 2025/2026 shows a moderation in the annual expansion rate shifting from a previous 31.4% to a still-robust 22.9%, it remains a primary driver of global innovation. The continued focus on interoperable cross-border payments and digital finance demonstrates an ecosystem increasingly centred on stable, large-scale impact.

As we noted last year, the region’s share of global fintech investment continues to grow, and Singapore remains a dominant financial hub, spearheading many of these changes. Yet, as a recent report by UnaFinancial shows, while the region is set to lead global financial inclusion by 2030, active digital transformation and improvements in the regulatory environment remain key drivers.

Throughout these conversations, ESG consistently emerged not as a compliance exercise, but as a strategic lens and shared vision. An impressive 90.6% of survey respondents affirmed social good as a core business strategy for long-term success. This confirms that for Asian fintechs, driving impact is a commercial imperative, not just a CSR exercise.

## Which specific markets are being focused on or expanded into in the next 12-18 months?



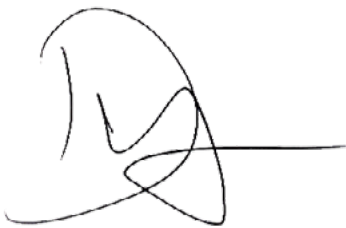
Yet access alone is not the final goal. As we move forward, the defining metric of success must shift toward bridging the digital literacy gap. By transforming basic access into confident, widespread adoption, we ensure people can truly master the financial tools now available to them.

The perspectives shared throughout this report reflect an industry thinking more deeply about its responsibility to innovate thoughtfully and sustainably. We hope these insights serve as a catalyst for the decisions that come next. The responsibility and opportunity to shape the future of finance in Asia has never been greater.

**We prioritise financial inclusion & social good in our business strategy.**

YES  
**90.6%**

NO  
**9.4%**



**Danny Levy**

EVP & MD, APAC & Middle East  
Money20/20



**Ian Fong**

VP Content, Asia  
Money20/20



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## Introduction

In a year marked by rapid technological change and evolving market expectations, understanding the trajectory of fintech in Asia Pacific has never been more important. Our research highlights three defining themes for 2026: the maturation of core technologies such as AI and digital assets, a structural shift toward deeper collaboration between banks and fintechs, and the growing importance of trust across data, cybersecurity, and governance as a competitive differentiator.

These forces are reshaping how financial services are built, delivered, and scaled across the region: from super apps and real-time payments to hyper-localised solutions for SMEs and underserved communities.

Drawing on insights from over 130 stakeholders across the region, our research reveals an industry in transition. The lines between traditional banks and fintechs continue to blur, with collaboration no longer a stopgap for technological shortcomings but a strategic imperative. Banks are building sophisticated platform-level

capabilities, while fintechs are gaining access to distribution networks that were once beyond reach. The result is a more interconnected financial ecosystem where the distinction lies not in how institutions operate, but in the customers they serve.

Much has changed in a year. AI has moved beyond experimentation into active deployment and scaling, with organisations now focused on embedding it into core operations. Regulators, once perceived as inflexible gatekeepers, are now positioned as partners, engaging with the industry in a more collaborative and consultative manner.

This momentum toward regulatory harmonisation across Asia Pacific reflects a shared recognition that enabling innovation responsibly is as important as safeguarding stability. At the same time, the rapid digitisation of financial services has elevated cybersecurity, data governance, and trust to board-level priorities.

**“The most exciting fintech trend I see in Asia is its move away from ‘me-too’ startups and imitators of American fintech models”**

*Chief Executive Officer of a fintech offering cloud-native services to banks.*



# THE PILLARS OF FINTECH

The pillars of fintech in 2026 are defined by a move toward strategic ‘coopetition,’ where the traditional banking sector and fintech startups converge to solve once-insurmountable challenges. As evolving banks leverage AI and Banking-as-a-Service (BaaS) to transform into agile digital ecosystems, they are unlocking the scale necessary for digital lending to reach underserved global markets. However, this rapid expansion into more personalised, invisible financial services has necessitated a tightening grip on data, as regulators and institutions alike prioritise cybersecurity and digital trust as the foundation for this new era of finance.

# The evolving bank

Significant developments in AI and data are happening across the board within the financial sector, driving major changes in strategy, product roadmaps, and regulatory priorities. Banks have continued leaning towards technology as a

force multiplier to expand their service models and enhance efficiency, and their growing digitalisation is paradoxically reshaping how legacy and digital banks are collaborating across the industry.

## A new era of collaboration

Our whitepaper in 2025 revealed significant and growing collaboration between traditional banks and fintechs. The driver was clear: many legacy banks struggled to gain traction with their technology initiatives. Faced with mounting hurdles, they partnered with fintechs to compete effectively. Such collaborations worked because traditional banks remained hesitant to serve underserved segments, content to allow digital banks to fill the gap. This dynamic, however, is changing.

Collaboration remains a dominant theme this year, viewed by many as both a necessity and a strategic imperative. Banks see it as vital to achieving better customer outcomes and solving problems they can't always address on their own. For fintechs, partnering with established institutions offers access to extensive client distribution networks, as one respondent from a top fintech firm noted.

But as banks prioritise the development and deployment of technology and roll out increasingly capable systems, the lines between banks and fintechs are rapidly blurring. On the other end of the spectrum are domestic banks still struggling to move beyond proprietary, non-cloud technologies. While fintechs want to collaborate with these institutions, options are often limited by an inability to properly integrate incompatible systems.

There is also a growing trend of banks leveraging their newfound digital fluency towards more sophisticated platform-level strategies. MUFG, which has pursued an aggressive expansion

**"The most exciting fintech trend in Asia is collaboration between banks and fintechs. It's a growing trend that is helping solve problems banks can't always address on their own, and it creates better outcomes for customers."**

**Senior APAC Operations Director**  
*at a global payments company.*

strategy through multiple bank acquisitions, exemplifies this trend. Rather than maintaining standalone systems for the entities it acquired or invested in, MUFG established an integrated ecosystem known as MODE (MUFG Openly-connected Digital Ecosystem) for knowledge sharing, technology transfer, and coordinated product development<sup>1</sup>. This approach reflects the broader “super app” trend especially in Asia, where the all-in-one platforms deliver seamless transactions that meet ever-evolving customer expectations for consolidated digital services.

MUFG is not the only bank doing this. Bank Islam in Malaysia has announced a joint venture with a technology partner to develop an Islamic banking platform offering Islamic Banking-as-a-Service (iBaaS). This can serve conventional banks seeking to set up Islamic windows, or function as a standalone platform for fintechs<sup>2</sup>. Hattha Bank in Cambodia is similarly aiming to build a comprehensive platform for embedded banking that enables plug-and-play integration with third parties.

Still, can banks really do everything across diverse technologies such as AI, tokenisation, and smart contracts? Should they even attempt to do so? Ultimately, the sheer dynamism of the technology landscape means that synergies are unlikely to disappear completely. Rather, the future will likely mature into a mix of “competition, collaboration, and coopetition” between banks and fintechs, as observed by the global head of Digital Channel Solutions of a major international bank. This complex dynamic is further amplified

with the rise of open banking and open finances, where the sharing of data and interoperability across markets are accelerating the integrating of financial services into non-financial applications (known as embedded finance).

**“Building new capabilities has become easier than ever. The bottleneck isn’t technology anymore – it’s strategy. It’s... deciding: what do we want to optimise for? Where does revenue growth come from? Who do we want to be in this new landscape?”**

***Strategic Partnerships Lead*** of a global AI platform technology company



<sup>1</sup> Building a Digital Financial Platform in Asia. [MUFG](#).

<sup>2</sup> Bank Islam to set up JV to sell financial tech products, services. [The Edge Malaysia](#).

## Digital lending reaches new heights

Digital lending represents a crucial area of growth and innovation, driven primarily by the ability to attain cost efficiency, a desire to reach underserved markets, and the ability to mitigate risks through technology. With 2.1 billion adults that remain underbanked or unbanked globally according to the World Bank's Global Findex 2025<sup>3</sup>, this represents a significant opportunity.

Where fintech lending companies were the first to serve untapped markets, legacy banks are entering the fray in Asia, either launching or backing digital banks and digital-first models to advance financial inclusion and compete<sup>4</sup>. For example, in Cambodia, Hattha Bank, a subsidiary of a Thai legacy bank, Krungsri Bank – is leveraging digital channels to tap into new unsecured lending segments and attract customers through online account opening services. This allows them to reach populations who cannot physically access bank branches or have no interest in doing so.

Digital lending also enables the creation of highly personalised offerings that address specific user pain points. In Indonesia, Bank Jago allows its customers to see their own loan listings to help combat fraud and provide clarity, a departure from most financial services in the nation where individuals cannot access this information. Here, digital channels were leveraged to offer greater transparency.

Furthermore, digital lending mechanisms are fundamentally designed to lower costs primarily by drastically reducing the cost to serve and cost to originate loans for financial institutions, making

it possible to sustainably serve segments that were previously excluded by traditional banking models. Ensuring commercial viability addresses this directly, offering financial inclusion initiatives a clear pathway to scale. As a Founding General Partner of South Asia Venture Capital Firm observed, profitability remains the Achilles heel of such efforts.

Technology can also be used to reduce risk, mainly through nontraditional scoring methods that go beyond historical records and credit bureau ratings to differentiate between lower and higher risk customers. To this end, Carrington Labs relies on a data-driven approach that utilises extensive, large data sets continually updated to refine and enhance risk models. While these AI-driven models use alternative data sources, such as mobile usage patterns and e-commerce transaction histories, they face increasing regulatory scrutiny, particularly around data privacy and fair lending practices.

**“The emergence of digital models is highlighted as a potential solution, as these can significantly reduce the marginal cost to serve. With digital approaches, the cost to originate a loan can be less than one Australian dollar, enabling service to customer segments that would be unprofitable under traditional models.”**

***Executive, Co-Founder of a Southeast Asian digital bank***

<sup>3</sup> Building a coalition for global financial health and resilience. [Mastercard](#).

<sup>4</sup> How the rise of fintech in Southeast Asia is powering financial inclusion. [Fintech Futures](#).

## The tightening grip on data

Growing awareness of data privacy is prompting regulators across the region to take pre-emptive action. Many are advocating for stricter penalties, enhanced cybersecurity requirements, and tighter security measures that reflect the current threat landscape.

These moves are already impacting the broader financial sector. For instance, a respondent from a national bank in Australia noted that their organisation's short-term priority for the next six months to a year is to meet regulatory requirements around KYC checks, including the introduction of a selfie for onboarding, driven in part by the many data breaches in Australia. Regulations are "definitely getting tighter" primarily to protect users, noted a respondent from a national commercial bank in Indonesia, though this does make banks less flexible in how they provide service. However, knee-jerk effects can happen. As observed by a respondent from another bank in Malaysia, central banks tend to implement prescriptive measures as immediate stopgaps when fraud incidents spike.

Ultimately, there is an ongoing tension between prescriptive regulatory measures and the need for flexibility. Cross-border data governance is increasingly viewed as essential, and regulators are beginning to drive these conversations. For example, some countries require data servers to be physically located within their borders, a trend observed in markets such as Malaysia, Indonesia, and Thailand, where regulators are tightening privacy regulations. In contrast, other markets such as Australia are championing frameworks

like the Consumer Data Right (CDR) to enable seamless and secure data portability and interoperability across the industry<sup>5</sup>.

**"Looking ahead, we might see more data being shared on a per-country basis, but cross-border data flows will face increasing restrictions. For example, if we have a cloud solution outside of Indonesia, certain data transfers might not be accepted by Indonesian authorities. This is already a constant challenge we're facing now, and I expect the situation to remain very similar in the future."**

*VP of a global payment network solutions.*



<sup>5</sup>The Consumer Data Right. [Australian Competition & Consumer Commission](#).

# Hyper-connected payments

In last year's report, we observed how Real-Time Gross Settlement (RTGS) systems like Singapore's PayNow, Thailand's PromptPay, and India's Unified Payments Interface (UPI) were experiencing rapid adoption. We also noted how

APAC had emerged as one of the fastest-growing regions for non-cash payments, with 20.4% year-on-year growth in 2024. Since then, this growth has broadened into the mainstream and is gaining rapid momentum across the region.

## Real-time payments gain ground

From our conversations, several factors are driving this adoption. For a start, there is a heightened focus on domestic card schemes such as PayNet and NETS. Though they took off due to the convenience offered, particularly during the COVID era, there is a newfound urgency from governments to reduce dependency on international payment providers amid the current geopolitical climate.

Geopolitics aside, there is also significant and consistent demand from the private sector, as highlighted in more than one conversation. As the head of Digital Cash and Innovation at a global financial services company said: "If the industry can crack real-time treasury at scale, it would be transformative, accelerating fintech adoption and delivering real impact across the ecosystem." This underscores the significant opportunity in the B2B space to streamline commercial payments and improve cash flow for businesses of all sizes.

Banks are certainly innovating to crack this puzzle. One example is Hattha Bank's merchant app which allows business owners to generate KHQR

codes for payment acceptance from all Bakong members and app users across Cambodia – with zero fees. Such innovations are also extending beyond domestic markets, with cross-border payment capabilities maturing rapidly. Initiatives such as the linkage between Singapore's PayNow and Thailand's PromptPay, and India's UPI-PayNow linkage, represent concrete steps towards regional integration, enabling affordable and near-instant transfers across borders. This is unsurprising, considering they offer a more affordable alternative to traditional systems while being perceived as just as safe.

Yet while existing RTGS systems work well, they face challenges on several fronts. One lies in scaling them internationally. One major pain point is limited access for non-banks to local payment schemes, with "substantial friction in accessing these networks," noted a fintech firm operating in this area. Another respondent attributed the barriers against non-bank participation to the perception by regulators that "non-banks may lack the necessary controls."

There is no doubting the utility of real-time payments or the desire to expand them globally. However, current constraints, including limited scope and lack of global cohesion, prevent them from replacing established systems, absent major changes in the regulatory landscape. Moreover, with so many systems and players in the market, it is implausible that all will emerge as the prevailing global standard. Amid these dynamics, some APAC central banks are actively piloting Central Bank Digital Currencies (CBDCs) to address current limitations and preserve monetary sovereignty.

**“This shift is partly driven by government pressure, as many countries want to reduce dependency on international companies in the current geopolitical climate. These domestic schemes are also investing in technology to compete at the same level as international schemes.”**

*Managing Director of a global payment and financial software company.*

## The rise of super apps

Embedded finance is a dominant and accelerating trend in Asia that is reshaping how financial products are delivered to consumers and small businesses alike, with payments integrated directly into non-financial platforms, apps, and ecosystems. This is only possible through data sharing that enables seamless payment integration within an ecosystem, giving rise to the unique phenomenon of “super apps” in Asia, including Southeast Asia. This rapid expansion of super apps and embedded finance is also prompting increased regulatory scrutiny

across the region, with authorities focused on data governance, consumer protection, and preventing anti-competitive behaviour within these ecosystems.

A super app is a single mobile platform combining various services, such as payments, commerce, and lending, within a unified ecosystem. This model fundamentally reshapes competition by collecting user data once, allowing seamless integration of new services at a low cost. It leverages popular core functions to cross-

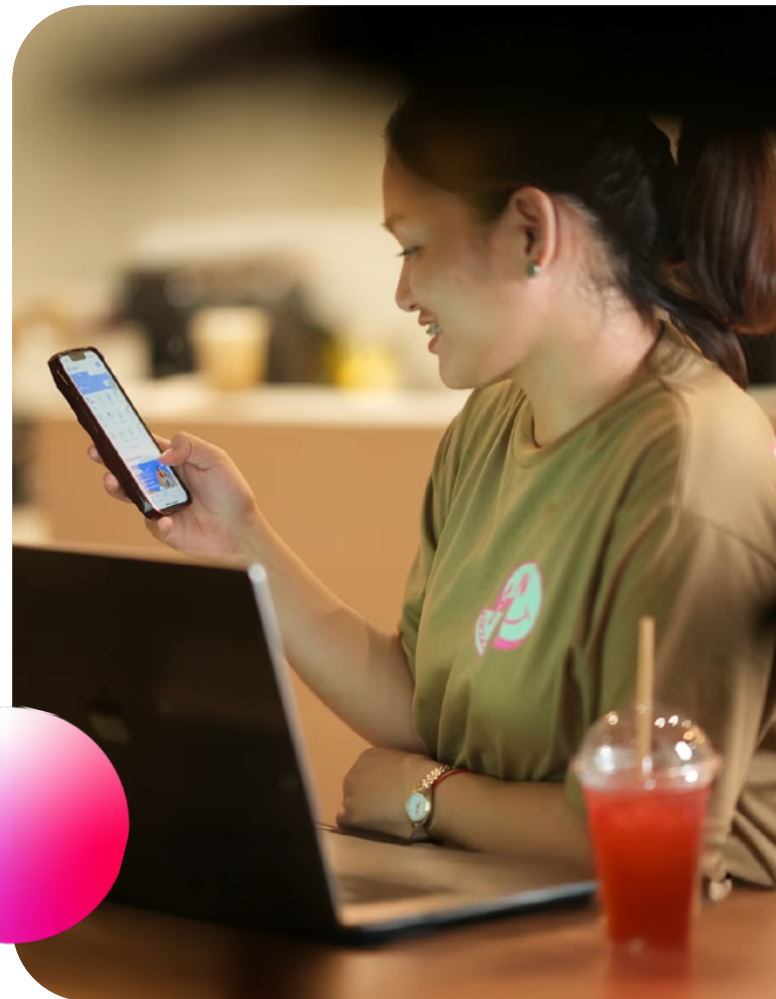
sell other products, boosting user loyalty and dramatically lowering customer acquisition costs, creating a significant market advantage.

This strategy is clearly illustrated by market leaders in the region, such as GCash in the Philippines and Grab, which operates across eight countries. GCash has grown from a mobile wallet to a dominant super app with over 94 million registered users, leveraging an extensive network of 6 million merchants and social sellers to cross-sell various products and drive inclusion through data.<sup>6,7</sup>

The growth of embedded finance and Super Apps is repeatedly ranked by industry leaders as the top trend creating the best user experience in Asian fintech. As noted by a South Asian VC Founder participating in an ecosystem removes the need to build “everything from scratch” and is the most effective way to acquire large pools of users. In addition, these platforms significantly lower customer acquisition costs compared to traditional models as embedded finance gains traction in the region. With payments increasingly delivered as part of integrated ecosystems, this trajectory is expected to continue as more platforms pursue super app strategies.

**“We’re interested in the evolution of digital banks and potential teaming opportunities with them to create new offerings such as embedded finance and embedded insurance”**

*CEO of a Southeast Asian SaaS solution company*



<sup>6</sup> GCash: The Rise of a Financial Super App. [FinTech Magazine](#).

<sup>7</sup> Grab launches third-party Partner Apps within Grab app, offering more everyday services for everyday needs. [Grab](#).

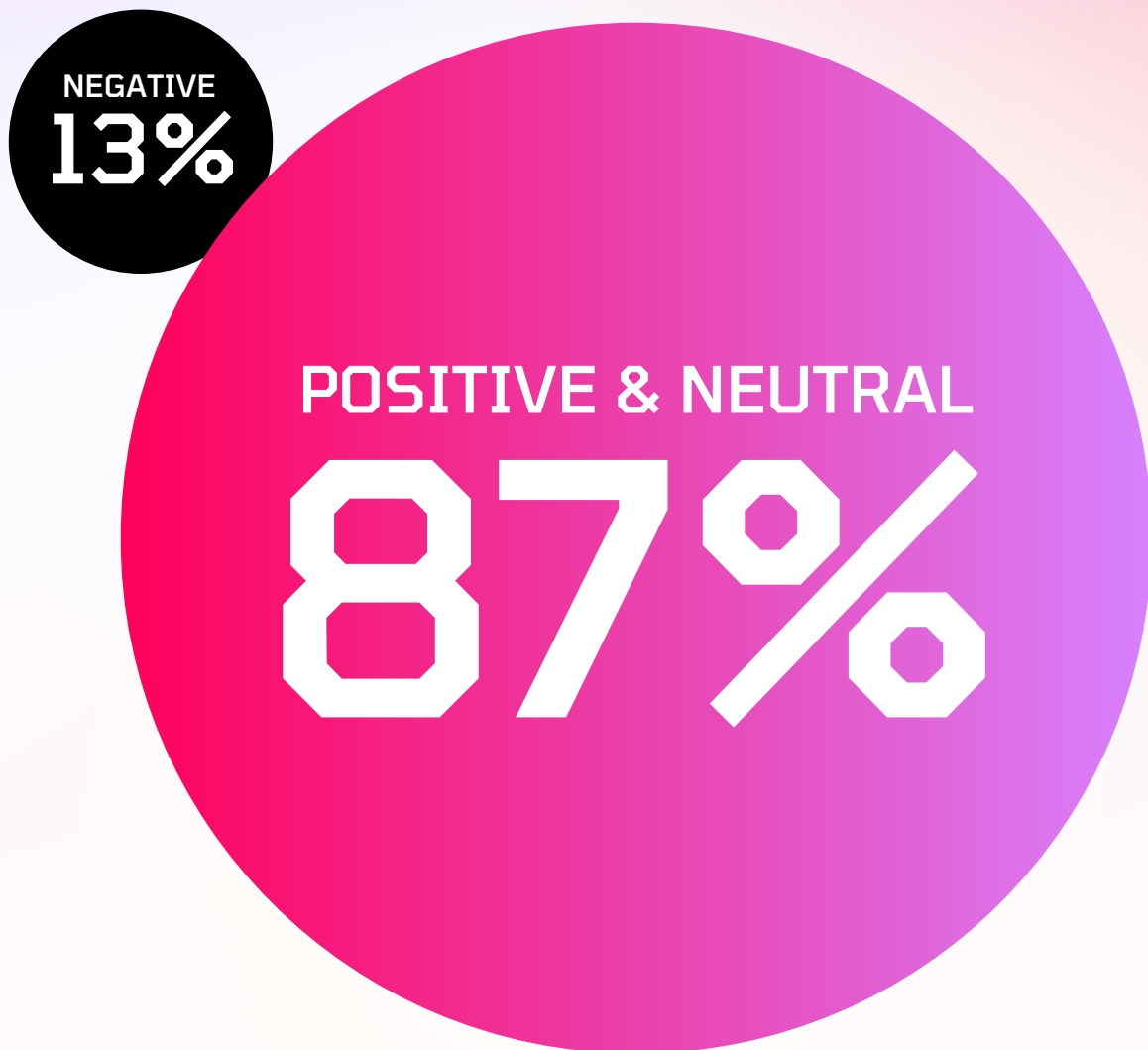
# The asset revolution and new economy

The adoption of digital assets is accelerating, fuelled by growing regulatory clarity and new frameworks in 2025. This is bolstering institutional confidence and encouraging broader market participation. As noted in a study by EY Parthenon

for Coinbase at the start of 2025, institutional investors globally have increased their allocations to digital assets and expressed an intention to continue doing so throughout the year<sup>8</sup>.

**Tokenisation of financial assets is finally happening at private and governmental levels in Asia.**

/ Chart 01



<sup>8</sup> Increasing Allocations in a Maturing Market. [EY Parthenon](#).

## Stablecoins take centre stage

This development is evident from our interviews, which found growing interest in digital assets, particularly stablecoins. The industry is moving beyond cryptocurrency speculation towards practical applications of stablecoins and tokenisation, particularly in B2B and cross-border use cases. As one respondent from a global bank observed, the focus is on stablecoins for widespread use as a payment tool rather than “speculative” cryptocurrency.

Respondents ranked blockchain and digital ledger technology (DLT) highly with it coming in at 17.9% - just behind AI - as the emerging technology with the most significant impact on fintech in Asia. Stablecoins, in particular, are viewed as the most viable use of DLT for finance. As one respondent said, “I think stablecoins are probably the next step in creating a more open cross-border payments scene.”

Regulatory developments are reinforcing this momentum. The US administration’s recent GENIUS Act and Stablecoin Act are already making their influence felt, while closer to home, the Hong Kong Monetary Authority’s Stablecoin Ordinance represents another important milestone. In addition, Hong Kong’s Securities and Futures Commission is currently consulting on rules for virtual asset dealing and custody. These emerging regulations are building the necessary structure and guardrails for the digital asset ecosystem, influencing industry trends across Asia Pacific. Singapore’s MAS also refined

its framework in mid-2025 with the DTSP regime to clarify licensing, affirming its role as a key hub<sup>9</sup>. In contrast to Hong Kong’s emerging regulatory framework, Mainland China continues to prohibit private cryptocurrencies and stablecoins, viewing them as a threat to financial stability and a risk for illicit activities. The PBOC has reportedly ordered domestic tech firms, including Ant Group and JD.com, to halt their stablecoin plans in Hong Kong, prioritising the state-controlled digital yuan (e-CNY) over private alternatives<sup>10</sup><sup>11</sup>. Elsewhere, India is reviewing its VDA framework to streamline taxes and licensing<sup>12</sup>, while Japan is actively encouraging banking participation in the digital asset space<sup>13</sup>.

This regulatory focus is mirrored in the proliferation of CBDC pilot projects across APAC. These expanding frameworks are also driving a broader shift, moving institutional and retail activity from speculative, decentralised venues towards regulated, centralised financial channels. These emerging guardrails are shaping the digital asset ecosystem and influencing trends across the region<sup>14</sup>.

The growing regulatory clarity is attracting large, traditional financial institutions into the digital assets space. BNY is currently exploring tokenised deposits as a real-time treasury solution, while Mizuho Bank is running blockchain-related proof-of-concepts. Existing stablecoin projects in Asia further underscore growing adoption: Indonesia-based Duriapay offers cross-border services that utilise a stablecoin-backed rail for near real-time

<sup>9</sup> Digital token service providers relocating should not be surprised at new licensing rule: MAS. [Straits Times](#).

<sup>10</sup> China Doubles Down on Crypto Ban as PBOC Issues Warning on Stablecoins. [Yahoo Finance](#).

<sup>11</sup> China’s pause on stablecoin projects will not dampen Hong Kong’s crypto push, experts say. [SCMP](#).

<sup>12</sup> How India’s VDA review may strengthen protections across the crypto ecosystem. [TradingView](#).

<sup>13</sup> Japan’s Strategic Recalibration: Banks Poised to Enter the Bitcoin Era. [Vancelian](#).

<sup>14</sup> Central Bank Digital Currency. [New Atlanticist](#).

currency transfers, while Japan-based Mercari is collaborating with the USDC team to give Japanese customers the ability to earn interest by converting their currency to stablecoins. While pioneers like Duriipay and Mercari are proving the concept, widespread industry monetisation remains a hurdle for many traditional players. As in previous years, scepticism persists among some respondents. The challenge, as observed by one, is how “we haven’t found a way to monetise or demonstrate sustainable value” with stablecoins given the lack of “enough evidence of real, practical impact.” Another noted that blockchain technology has been around for

17 years and amassed a substantial number of pilots, proof-of-concepts, and experiments but “without finding a home.”

Even among proponents, there is no expectation for digital assets to replace fiat currency; rather, they are viewed as an option to be used in parallel. Ultimately, it is worth noting that digital assets, comparatively, represent a new asset class in the broader financial ecosystem. When measured against the centuries-long timeline of financial innovation, a 17-year history renders digital assets comparatively nascent. Only time will tell whether they eventually enter the mainstream.



## From gatekeepers to partners

Asian financial regulators are increasingly collaborating and openly embracing technology through initiatives, pilots, and public-private partnerships, with overwhelming agreement from respondents of our survey. As observed by the Global Financial Services Lead at an enterprise AI company, the regulatory approach globally has shifted from “we don’t want to do this” to

“we know this is happening, so how do we enable it responsibly?”

This shift is evident across Asia, where regulators are no longer perceived as being resistant to technology. Rather, they are engaging with the industry in a more collaborative and consultative manner. Alongside this, there is growing

**Asian regulators are increasingly adopting a more collaborative and responsive approach, making engagement and partnership more constructive than ever.**

/ Chart 02

POSITIVE

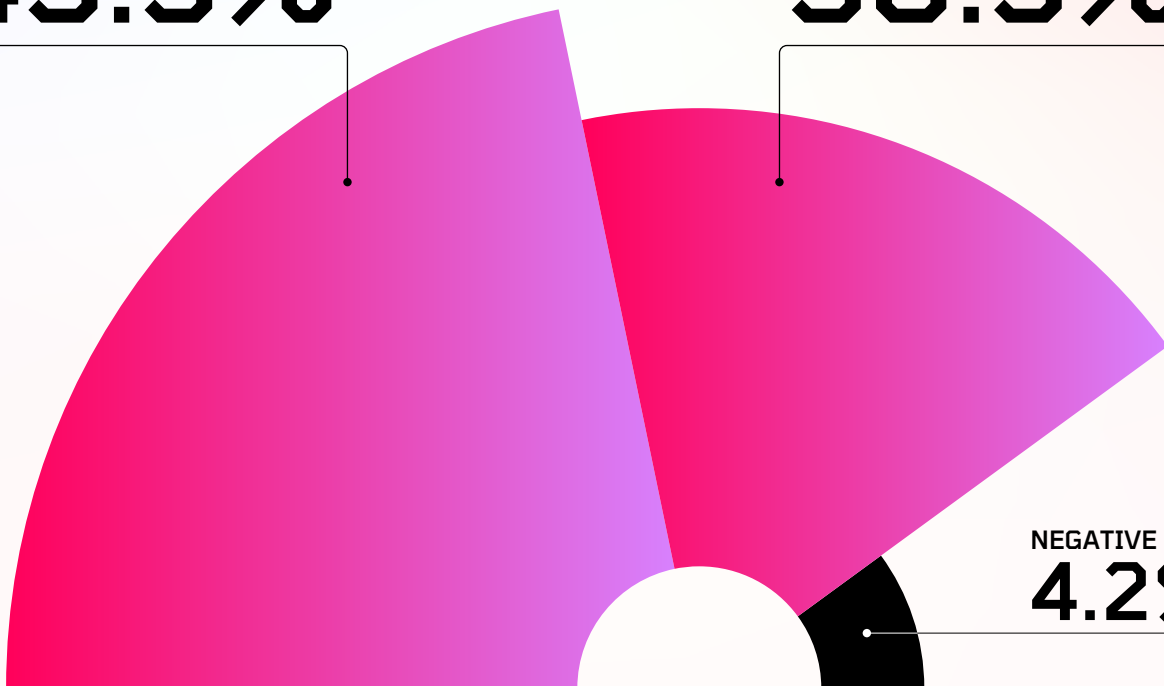
**43.5%**

NEUTRAL

**36.5%**

NEGATIVE

**4.2%**



momentum toward regulatory harmonisation, with regulators across markets convening to discuss more unified frameworks.

These developments were reflected in our conversations. “We’re in a good situation in ASEAN as regulators cooperate with each other more effectively than in the wider world,” said the CEO of a global Regtech firm. This cooperation is tangible in initiatives like the growing ASEAN cross-border QR payment connectivity. Similarly, a representative Head of Digital Transformation for Global Transaction Banking at a major Japanese bank noted: “There is growing momentum toward regulatory harmonisation, with regulators from different countries meeting to discuss creating a more unified framework.”

More broadly, respondents offered positive views and praise for regulators and the current state of regulatory frameworks, often emphasising that these are now enabling rather than hindering

innovation. This proactive stance extends to emerging risks; regulators are issuing guidelines for AI risk management and enacting stronger consumer protection against scams, such as Singapore’s Protection from Scams Bill. “There’s just much more collaboration happening,” said the Group General Manager of a fintech focused on digital assets, citing Singapore’s Monetary Authority of Singapore (MAS) as an example of a regulator working effectively with counterparts in multiple countries.

**“I see regulation now being a big support rather than a hurdle.”**

*Global Anti-Fraud Products Head at a major credit-reporting and risk-management firm.*



## Unlocking Asia’s SME potential

Small businesses are the heart and soul driving Asia’s economies, accounting for over 90% of all enterprises. Yet they have historically been underserved by traditional finance, with even healthy SMEs falling through gaps in the system. From our interviews, there is strong consensus that SMEs are vital economic drivers across the APAC region but remain unable to grow to their full potential. Respondents to our survey similarly agreed that fintech solutions tailored for SMEs are key to driving economic growth in the region.

Fintechs are responding to this opportunity. Boost Bank is offering alternative credit scoring methods, while Maya Bank is exploring supply chain financing. Hattha Bank, meanwhile, is offering Zero MDR (Merchant Discount Rate) when collecting payments via KHQR codes. Beyond financing, the integration of SMEs into broader digital ecosystems and super apps provide crucial market

access and essential digital tools for operations, further bridging traditional gaps.

In practice, this means a small merchant in rural Cambodia can now use the Wing Bank super app to manage daily sales via KHQR codes and instantly qualify for a digital loan of up to \$50,000. By leveraging their real-time transaction data rather than traditional collateral, these SMEs receive credit approvals in minutes directly through the app, providing the immediate liquidity needed to restock inventory or expand operations.

The convergence of fintech innovation and SME needs represents a significant opportunity for the region. By addressing longstanding financing gaps and reducing friction in everyday transactions, these efforts are helping to unlock the full economic potential of Asia’s small business sector.

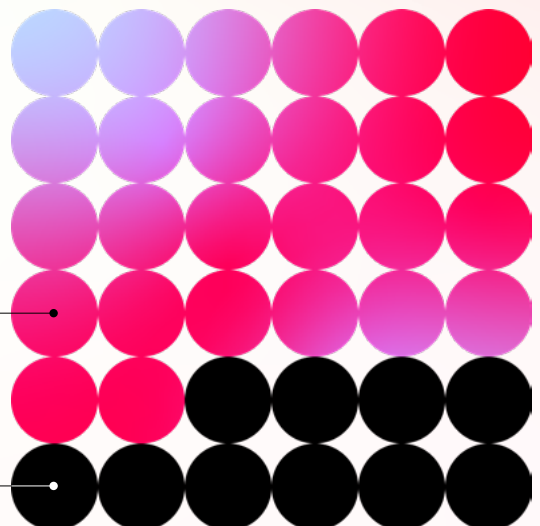
**Fintech solutions tailored to SMEs are key in driving economic growth in the region.**

/ Chart 03

**72.9%**  
**POSITIVE**

**18.8%**  
**NEUTRAL**

**8.2%**  
**NEGATIVE**





# THE TRENDS STEERING TOMORROW'S DISRUPTIONS

Beyond the technologies driving change, broader forces are shaping how financial services will evolve across Asia Pacific. These trends sit at the intersection of market demand, regulatory evolution, and societal expectations. While technology enables transformation, it is these underlying currents that determine its direction and pace. We examine the trends that will define fintech's trajectory in the years ahead.

## A shifting ESG focus

When it comes to ESG, social good and governance are frequently mentioned as core organisational priorities, with governance seen as foundational to achieving market trust and scaling. This marks a shift from previous years, when sustainability dominated the conversation. One plausible reason? It is not currently prioritised by retail users. This is not to say that sustainability is ignored entirely, but it frequently yields to more pressing concerns, particularly in today's tense geopolitical environment, as the Managing Director of a fintech alluded.

Strong governance is no longer just a non-negotiable for accountability; it is a clear business enabler that positively impacts valuations. Similarly, the industry's commitment to "social good" is increasingly viewed through a commercial lens. Serving the unbanked is not merely philanthropy; it is a massive untapped market. Transitioning the estimated 166 million unbanked adults in Southeast Asia into formal systems could boost regional GDP by up to 14%, making financial inclusion a primary engine for regional economic resilience.<sup>15</sup>

However, infrastructure alone cannot drive adoption. Digital literacy is the critical "last mile" that turns access into demand. Initiatives like Maybank's "Cashville Kidz", which has reached over 430,000 students across ASEAN as of 2025, demonstrate how grassroots engagement builds the skills needed to navigate a digital economy safely. Without these efforts, even the most advanced fintech tools risk underutilisation.

As noted by the respondent of a fintech: "I believe the lack of digital literacy and infrastructure in underserved communities represents the most

significant obstacle to achieving inclusive and ethical fintech goals in Asia." This underscores why financial education initiatives are increasingly recognised as essential to building trust and driving long-term adoption, particularly as products become more complex.

Much work remains to be done on the ESG front. While governance and social good have gained traction, sustainability requires renewed attention if the industry is to deliver on its broader commitments. Balancing these priorities amid competing pressures will be a defining challenge for financial institutions in the years ahead.

As financial services become more digital, inclusive, and data-driven, trust emerges as the connective tissue linking ESG ambitions to operational reality. Governance and social impact cannot be sustained without secure systems, resilient infrastructure, and confidence that data and identities are protected. In this context, cybersecurity is not merely a technical concern but a critical enabler of inclusion, innovation, and long-term value creation.

**"Governance, however, is crucial – it directly impacts trust, valuations, and scale. In fact, one reason many Asian fintechs don't command the same premium valuations as their Western peers is governance."**

*Founding General Partner of South Asia venture capital firm.*

<sup>15</sup> Accelerating Financial Inclusion in South-East Asia with Digital Finance. [ADB](#)

# Cyber-resilience imperatives

The acceleration of AI is seen as both a major technology driver and a critical security risk. The technology offers immense potential for innovation, such as transforming customer engagement through advanced chatbots and creating personalised financial products. However, criminals are increasingly leveraging AI for highly sophisticated scams and fraud, and even tech-savvy users are struggling to differentiate between legitimate communications and phishing messages. One concern raised

by respondents is how industry stakeholders should respond to this emerging threat landscape. A further consideration is how AI has introduced new techniques that can result in new threat vectors. One example is vibe coding, an AI-assisted software development approach where developers describe their goals in natural language. Though this democratises access to development, it could potentially see inexperienced builders introduce serious security vulnerabilities that attackers could exploit.

**Our commitment to cybersecurity and data privacy is a top priority.**

/ Chart 04

DISAGREE  
3.6%

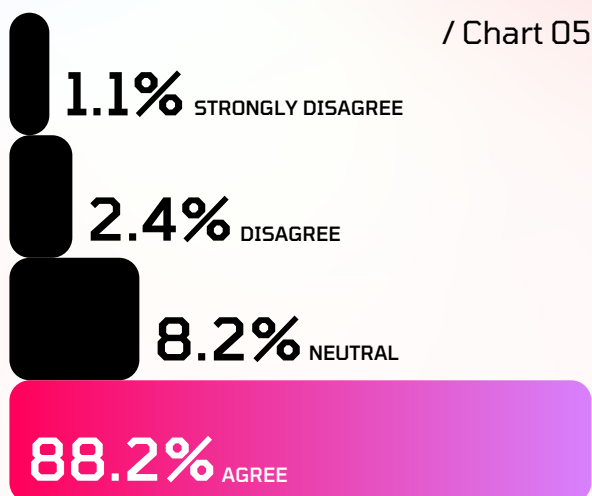
AGREE  
91.7%

NEUTRAL  
4.7%

Like last year, many respondents selected cybersecurity as a top concern in terms of impact. The reason is straightforward: it represents an “ongoing business-as-usual concern” that can potentially halt core systems and stop a bank or fintech from functioning should operational integrity be compromised.

And unlike standalone innovations like AI, APIs, or blockchain, cybersecurity is seen as a “horizontal capability” that underpins everything. As the Head of Digital Cash and Innovation at a global financial services company said: “[Cybersecurity is] the layer of trust and protection that keeps all of these emerging technologies safe and reliable for users.”

### Digital identity is a foundational element of the modern banking and payment ecosystem.



So what are the issues exactly? With its ability to generate convincing messages or deepfakes, bad actors are leveraging AI to erode trust in identity verification, undermining the ability of financial institutions to verify a person’s authenticity with high confidence and protect accounts from AI-driven impersonation at scale. In response, banks are enhancing identity security, deploying technologies such as biometrics – which currently remain fragmented – and adopting techniques such as selfies with facial recognition for identity verification.

However, even these biometric measures are becoming vulnerable. The growing prevalence of deepfakes may require us to rethink authentication and how we verify customers. The pace of AI is accelerating so quickly that assigning more people to the problem simply won’t work. To protect themselves, organisations must use AI against AI, such as deploying AI to detect fraudulent patterns generated by other AI systems, the director of field marketing at a cybersecurity firm told us: “Spotting fraudulent activity used to rely on humans noticing anomalies, but now the only way to detect patterns generated by AI is to use another AI.”

Implementing cybersecurity isn’t a matter of adding as many solutions as it takes to cross an arbitrary security threshold, either. Rather, the private sector in Asia Pacific must carefully consider the tension between fraud prevention and user friction, observed the Managing Director of a fintech provider. Regulators are responding in kind with tighter data privacy laws and stricter

security standards, demanding that institutions manage data responsibly and maintain robust security postures.

Ultimately, cybersecurity is not a problem to be solved but an ongoing imperative to be managed. As threats evolve in sophistication, so too must defences. The organisations best positioned to navigate this landscape will be those that treat cybersecurity not as a checkbox exercise, but as a foundational capability woven into every layer of their operations.

**“The pace of change of those is a challenge. Even if you thought you were doing a good job with it, the bad actors move faster.”**

**Group Chief Executive Officer**  
*at a global insurtech firm.*



# The power of hyper-localisation

The responses are conclusive: there can be no expansion without hyper-localisation. Banks and fintechs are not just expanding their reach; they are deepening their engagement by appealing to local communities and users in small but important ways. For example, when Mitsubishi UFJ Financial Group, Inc. (MUFG) bought majority stakes in local banks like Thailand's Bank

of Ayudhya and Indonesia's Bank Danamon, it retained their established local names and brands. This preserves local appeal and maintains customer trust. Complementing this focus on local integration, regulatory-backed initiatives are enabling faster and cheaper cross-border payments, facilitating regional trade and financial connectivity.

**Hyperlocalisation is key for launching across new Asian markets.**

/ Chart 06

AGREE  
**65.9%**

NEUTRAL  
**30.6%**

**3.5%**  
NEGATIVE

Hyper-localisation could also include tailoring financial technology and services to meet the specific cultural, regulatory, language, or behavioural needs of distinct local markets and underserved communities. Bank Jago in Indonesia customises its mobile application experience by creating different “modes” within the same app to serve distinct market segments, including conventional banking and Sharia banking, with different UIs and product features.

The bank has also integrated culturally significant concepts into its platform, incorporating the Indonesian tradition of “*arisan*,” a rotating savings and social gathering system. Through this feature, friends with accounts at Bank Jago can contribute a fixed monthly amount into a shared savings pool, with one member receiving the entire sum on a rotating basis until everyone has had a turn.

For example, a group of friends in Jakarta can use the Jago app to organise their monthly *arisan* digitally, managing contributions and automating the payout schedule effortlessly. The feature has gained notable traction among women who use it to save together socially and regularly.

Finally, hyper-localisation means being aware of preferences around language and the communication platforms that users rely on in each market. “Not everybody will be able to transact on your app in English. Is it adapted to local languages or preferred local means of communication? If I have made a payment, I should be able to send it via Line in Thailand and Facebook Chat in Japan, rather than just using WhatsApp,” said the Director of a global venture credit fund .



# THE INNOVATIONS RESHAPING FINANCE

Financial services has long been at the forefront of technological adoption. Yet the current wave of innovation feels different in both speed and scope. Technologies that were nascent just a year ago are now embedded in core operations. We examine the key innovations transforming the industry today.

# AI grows up

Since its first appearance as ChatGPT three years ago, generative AI (GenAI) has driven substantial changes across core business functions, risk management, and customer experience. Today, the adoption and use of Artificial Intelligence (AI) in fintech is in a phase of rapid deployment and scaling. Our survey shows that just over a third remain the exploratory stage; the majority have already adopted it. In addition, the technology was identified as having the most significant impact in fintech in Asia.

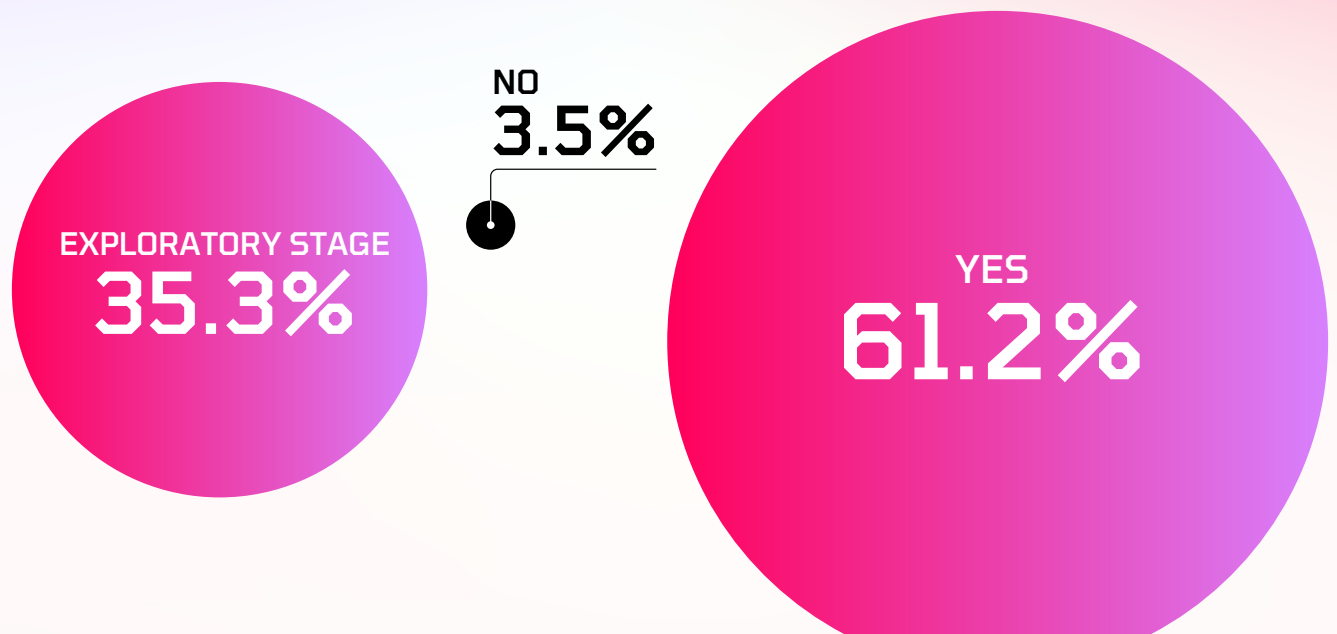
However, it is generative AI (GenAI), with its ability to work with unstructured data, produce human-like dialogue, and orchestrate complex workflows through natural conversation, that has captured imaginations and created a plethora of new use cases not possible with ML. As we move into 2026, this evolution has culminated in the rise of Agentic AI, a system that does not just generate text, but act as autonomous agents capable of reasoning, planning, and executing multi-step financial transactions with minimal human oversight.

To be clear, machine learning (ML), or predictive AI, has existed and been in use for many years prior, deployed in banks for credit scoring, fraud detection, and anti-money laundering analytics. The financial sector has moved beyond the experimental stage with GenAI and is actively embedding AI into operations. The short-term goal for many organisations is no longer just piloting use cases but establishing the mechanisms and organisational structures necessary to scale AI solutions and drive adoption, building them into the fabric of their organisations.

For instance, an OCBC Bank customer recently submitted a complex complaint that, in the past, would have taken weeks for staff to manually categorise before a response could even be drafted. Instead, the bank’s GenAI-powered “Listen and Respond” application processed the feedback in real-time. This allowed the service team to provide a near-instant, personalised resolution, contributing to a 20% to 30% improvement in the bank’s Net

## Our organisation has adopted AI or machine learning technologies.

/ Chart 07



Promoter Score (NPS). Looking forward, the industry is transitioning these “assistive” tools into “Agentic” workflows, where the AI can not only draft the resolution but also autonomously trigger the necessary backend refunds or account adjustments across different jurisdictions.

Mizuho Bank is similarly prioritising AI utilisation to improve existing products, enhance internal operations, and reduce workload. Citi is using AI to create internal tools that help service representatives quickly access customer histories and find answers, making them “better, smarter, and faster at serving customers.” These efforts are being bolstered by Multimodal AI, which allows institutions to process voice, video, and sentiment data simultaneously, providing a 360-degree view of the customer that was previously impossible.

The adoption of AI is not without risks. One major ethical concern is that AI decisioning around credit could be negatively impacted by gender stereotypes or historical bias if models rely solely on historical data. As the Senior Product Manager at a major financial services organisation noted: “So we have to be very, very careful that our decisioning around credit is not impacted negatively by [historical data].”

Other issues include the opacity of GenAI and its lack of explainability. Respondents also pointed to a “regulatory lag” with rapidly evolving technologies, which appears to be the case with GenAI. This is where developments move much faster than regulations can keep pace with; by the time a regulation is implemented, it is almost already outdated. This creates ongoing challenges for organisations trying to

innovate while remaining compliant. To address the ‘regulatory lag,’ the industry is increasingly leveraging Regtech and Suptech solutions, which use AI to automate compliance and risk management, helping institutions keep pace with both innovation and evolving regulations.

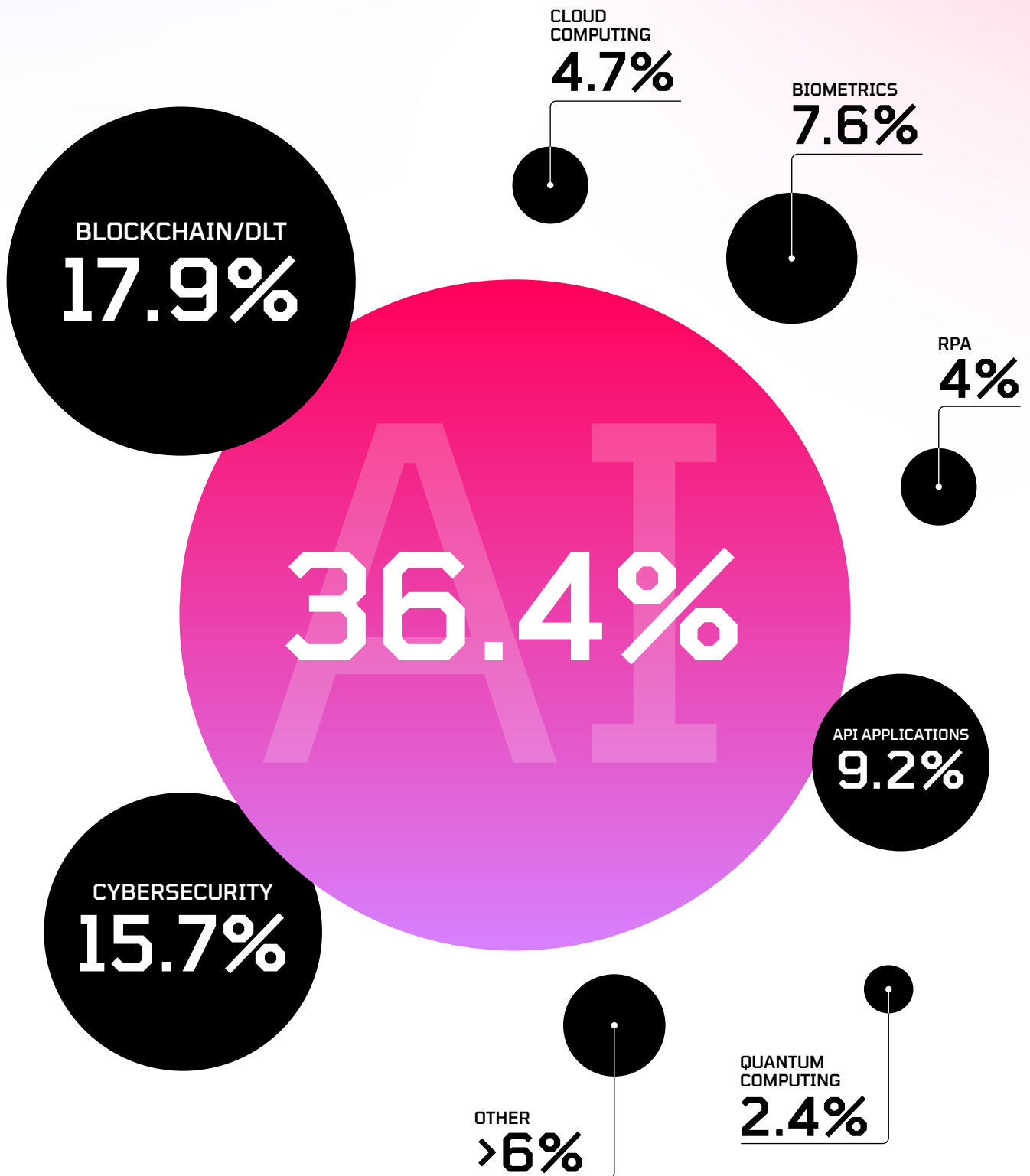
Though GenAI has captured mainstream attention, we are only at the beginning of what promises to be a transformative journey. We are witnessing the early chapters of a technological revolution whose full impact remains to be written. The shift from AI as a chatbot to AI as an autonomous agent marks a turning point for APAC fintech. As one respondent aptly noted: “It’s the typical issue where we overestimate what it’s capable of in the near term and underestimate what it will do in the long term.” The most profound changes may still lie ahead.

**“We are currently focusing on AI utilisation with several new internal AI tools being developed. Our head office is actively expanding the activation coverage of these AI tools to reduce internal workload across more departments and functions.”**

***Head of Digital Transformation at a megabank.***

### Which emerging technology is having the most significant impact on Fintech in Asia today?

/ Chart 08



## Open banking gains traction

With the ability for customers to securely share financial data with third-party providers to foster innovation in services, open banking is recognised as a fundamental and highly transformative trend in the Asian fintech landscape. Indeed, respondents to our survey are almost unanimous that Asia is accelerating its adoption of open banking and embedded finance to drive the next stage of fintech growth.

Regulators across the region are advancing open banking through frameworks and initiatives. Malaysia's Bank Negara and PayNet are progressing open banking with an exposure draft on open finance for consent-driven data sharing, while Indonesia's Central Bank granted Brankas the first open banking licence in April 2024, marking a significant regulatory milestone.

Asia is accelerating its adoption of open banking - and embedded finance to drive the next stage of fintech growth.

/ Chart 09

POSITIVE

52.9%

NEUTRAL

37.6%

NEGATIVE

9.4%

This push toward open data sharing is increasingly seen as foundational for embedded finance, which integrates financial products directly into non-financial platforms for a more seamless and contextual customer experience. A leading example of this is the integration between the AirAsia MOVE app and Tune Protect. Through secure, API-driven data sharing, travelers booking flights can be presented with tailored insurance products that match their specific destination and itinerary in real-time. By embedding these financial services directly into the booking flow, the app eliminates the friction of traditional applications and ensures the insurance offer finds the customer at the exact moment of need.

Yet, achieving this vision at scale is challenging. The lack of harmonisation means regulations are not standardised, which stalls the growth of open banking. There are also concerns about competitiveness, with the Chief Data Analytics Officer of a national bank citing challenges such as “how to share data with competitors and customers.

These challenges are not stopping others. A respondent from a digital bank noted plans to transition from a current closed partnership model toward a more open banking approach over the next two to three years, open its APIs to a wider range of partners, and combine its embedded finance and open banking strategies.

Others have already gained some measure of success. For example, customers of Bank Mandiri in Indonesia can send money internationally through the Mandiri app, powered behind the scenes by the Wise Platform. Similarly, other institutions could embed Wise’s cross-border payments capabilities directly into their own products, offering customers Wise’s speed and transparency without leaving their trusted platform.

While market enthusiasm is high for the customer experience benefits delivered, practical implementation of the underlying open banking infrastructure remains hampered by bank reluctance and significant regulatory fragmentation across Asia.

# Preparing for quantum

The topic of quantum computers has seen a string of announcements in recent months with IBM unveiling new quantum processors<sup>16</sup>, Google's Willow chip and Quantum Echoes algorithm outperforming supercomputers in molecular simulations<sup>17</sup>, and Microsoft's introducing of its Majorana 1 topological qubit chip<sup>18</sup>. When will quantum computers enter the mainstream? Nobody knows for sure, with estimates ranging from the next few years to over a decade<sup>19</sup>.

According to those we spoke to, quantum computing is mentioned primarily as an emerging technology with significant, though mostly long-term, implications for fintech. It is of particular concern in the realm of cybersecurity, where the key worry is its potential to render existing encryption methods obsolete. This nascent understanding may explain why none of our respondents mentioned post-quantum cryptography (PQC) or quantum key distribution (QKD) technologies, even though banks are already experimenting with these approaches<sup>20</sup>. Beyond defense, advancements in digital identity are also foundational for innovation, enabling faster, more secure customer onboarding and broader financial access.

Beyond future threats, quantum computing has more immediate implications, as government agencies prepare for its eventual arrival. For instance, a respondent noted how it is already diverting resources from fintech support, with the Australian government having shifted its focus away from specific fintech initiatives toward areas like quantum computing.

For now, respondents say they plan to watch quantum computing developments or intend to incorporate the technology once it becomes more broadly available. One respondent from a stealth startup noted his quantum background as an academic and his organisation's focus on identifying a minimum viable product (MVP) quantum solution for banking. He said: "I believe the timing is right for this conversation to pick up again."



<sup>16</sup> IBM Delivers New Quantum Processors, Software, and Algorithm Breakthroughs on Path to Advantage and Fault Tolerance. [IBM](#).

<sup>17</sup> Our Quantum Echoes algorithm is a big step toward real-world applications for quantum computing. [Google](#).

<sup>18</sup> Microsoft's Majorana 1 chip carves new path for quantum computing. [Microsoft](#).

<sup>19</sup> When Will The Public Be Able To Use Quantum Computers. [SpinQ](#).

<sup>20</sup> HSBC demonstrates world's first-known quantum-enabled algorithmic trading with IBM. [HSBC](#).

# Conclusion: Shaping the next chapter

Asia Pacific's fintech sector has entered a new phase. As this report has shown, the region is witnessing a convergence of forces: the maturation of AI beyond experimentation, the growing sophistication of digital assets, the deepening of collaboration between banks and fintechs, and the increasing willingness of regulators to act as enablers rather than obstacles.

However, challenges remain. Cybersecurity threats are intensifying, requiring organisations to transition from treating security as a compliance exercise to embedding it as a foundational business capability. Regulatory fragmentation across the region continues to slow progress on cross-border initiatives. And while governance and social good have gained traction within ESG frameworks, sustainability demands renewed attention.

Financial inclusion remains both an opportunity and a challenge. Digital infrastructure is expanding, but without corresponding advances in digital literacy, access alone will not translate into adoption. The industry must proactively address the commercial viability of inclusion initiatives if they are to scale.

For industry leaders, the strategic priorities are clear: move beyond pilots to deploy production-ready AI solutions, prioritise vendor-agnostic infrastructure to avoid lock-in, and pursue radical collaboration across traditional boundaries. For regulators, the task is to balance innovation with protection, adopting "regulatory-by-design" frameworks that enable rapid progress without compromising trust.

The fintech landscape in Asia Pacific is changing rapidly. Those who act decisively by modernising legacy cores and automating compliance today will shape the future of finance in the region.

The opportunity is significant.  
So too is the responsibility.

## Research methodology and study overview

This report, created by Money20/20 Asia, is the culmination of a comprehensive study conducted between May and October 2025. The study focused on examining the evolving needs and aspirations of Asia's fintech organisations in the context of current industry trends. To accomplish this, we employed a blend of qualitative and quantitative research methods.

Over 130 key Fintech stakeholders from diverse regions of Asia, including banks, fintech companies, consultants, and industry experts, participated in detailed interviews and surveys. The geographical diversity of the participants

ensured that the insights gathered represented the varied challenges, opportunities, and market dynamics across the region.

The qualitative insights from these interviews, combined with data from a quantitative survey, offered broad, measurable insights into the industry's challenges, opportunities, and emerging trends. This mixed-method approach allows for a robust understanding of the current fintech landscape, and the strategies needed to thrive in an increasingly digital and competitive environment.

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