

## Payments and Lending FinTechs Dominate IDC Financial Insights' 101 Fast Growing Asia/Pacific FinTechs in 2020

SINGAPORE, March 12<sup>th</sup>, 2020 – IDC Financial Insights today released the 2020 update of its FinTech Fast 101 research which details a list of fast-growing FinTechs in Asia/Pacific excluding Japan (APEJ) from 11 key markets. IDC's FinTech Fast 101 research refers to fast-growing fintech players based on extensive on-ground analysis of fintech players from China, India, Indonesia, Singapore, Hong Kong, Thailand, Malaysia, the Philippines, Vietnam, South Korea, and Australia. IDC Financial Insights Asia/Pacific applied its Triple U framework – ubiquity, utility, and usability – to determine this year's FinTech 101 list. The framework evaluates fintech data across the following key metrics: addressable market, customer adoption, investments, alliances and partnerships, innovation, chance of survival, and marketing.

When IDC Financial Insights published its first FinTech Fast 101 list three years ago, it highlighted that it was up to financial services institutions – banks, insurance companies, and capital market firms – to open up as many fintech and start-up collaborations as possible, allowing a portfolio of experiments to eventually show success in just one or two projects. Work-with-many, succeed-with-one was the goal. Since then, IDC has seen leading institutions launch their own fintech innovation teams and structures, invest in a few fintechs and start-ups of their own, and launch technology platforms supposedly for Agile Innovation – all of these making the organization much better at collaboration and innovation.

In this year's FinTech 101 research, IDC Financial Insights defined fintech as new models for financial services offered through "nontraditional" vendors. It refers to the companies themselves as well as their products. These nontraditional vendors are either companies not usually considered

providers of financial services or start-ups delivering services built around the new models and technologies. IDC's definition intentionally excludes licensed banks and other licensed financial institutions that are using new technologies to radically change financial services, even to the point of launching or acquiring their own fintech companies and brands.

This 2020 update of IDC's FinTech Fast 101 research showed that Asia/Pacific\* banks preferred to work with fintech start-ups. Banks have trimmed their number of collaborations. They have partnered with new players that make sense and will likely help them succeed. Most banks want to answer the question, "What value will these new players add to my proposition, product, or services?"

"We have seen a new level of commitment from incumbents to partner and invest in fintechs to build their own innovation competencies and deliver superior customer experience. These partnerships are enabling banks and other institutions to outsource many of their innovation initiatives to fintechs. On average, we expect that incumbents will partner with at least six fintechs in 2020. This collaboration will be enabled by new open banking ecosystems," says [Sneha Kapoor](#), Research Manager at IDC Financial Insights Asia/Pacific.

### Other Research highlights:

- The fintech revolution in China continues to gain momentum as it leads the pack especially when it comes to the addressable market, customer adoption, favorable market conditions and regulatory environment, and investments into new technologies. Instead of focusing on one product or service, most of these fintechs embed their solutions into the lifestyle of the customers and support them throughout their digital journey.
- In China, Ant Financial, Du Xiaoman Financial, JD Digits, OneConnect, Ping An Technology, and Tencent Financial Technology merit special mention. Some of these fintechs have raised huge sums of money – over a billion dollars – and continue to expand and invest in many exciting fintech companies in the region.
- In terms of categories, payments, lending, risk management, wealth management, and supply chain finance continue to dominate the list. We are also seeing payments continue to be critical domains for fintechs, with the gateway to entry for the full range of fintech services often being payments, this continues to be a heavily competitive area with new innovations continuously emerging.
- Over the past few years, fintechs have innovated with flexible lending models that extend services to nontraditional users by looking beyond traditional bureau scores, using a multitude of data sources that portray a more holistic view of borrowers. Their platforms employ machine learning to crunch this data in near real-time for rapid decision making. These fintechs have aimed for frictionless lending experiences with digital onboarding and real-time disbursement.
- Over the years, we have also seen good initiatives and efforts from various regulators in the region to support their burgeoning sector in their respective countries. IDC reiterates that the Monetary Authority of Singapore (MAS) is considered the most aggressive among all regulatory bodies in the region, with a focus on building the country as a leading fintech hub for the region.

Figure 1



Figure 1: 2020 FinTech Fast 101 in Asia/Pacific\*. View in full [HERE](#)

Kapoor adds, “In 2020 and beyond, payments players will look to add more value to both customers, as well as the merchants that they serve. We also increasingly see competence

and capability with data as a distinguisher of the best-performing payments players in the region. Those who can take data and create unique value propositions for their customers will be the leaders in the next competitive theatre – where we will see new developments and services. As open API ecosystems emerge, banks will partner with fintechs to bring to market services that deliver data-rich payments and transaction speed.”

“With approximately 10% of the first FinTech Fast 101 list being acquired or going out of business, three years down the road we are increasingly seeing the fintechs be more receptive to collaborations that offer them the opportunity to scale up and build a stronger proposition in ensuring their relevance and growth. The larger fintechs – those who have seen considerable success in building ecosystems within their local domains – are moving into new markets with aims to leverage on local partners who have the capabilities and infrastructures in place to hit the ground running,” ends [Darshiniy Selvaratnam](#), Senior Market Analyst at IDC Financial Insights Asia/Pacific.

The FinTech 101 research will be one of the highlights at the 2020 IDC Asian Financial Services Congress happening on 13 – 14 Aug 2020 at the Marina Bay Sands Singapore. IDC Financial

Insights will unveil its latest research on financial services and insurance industry and provide engaging discussions around Robotic Process Automation, Intelligent Automation, AI in Banking, Governance, Risk and Compliance; and many more. For more information on the upcoming 2020 Asian Financial Services Congress, visit <http://www.idc.com/AFSC2020>.

For more information about the 2020 FinTech Fast 101, please contact Sneha Kapoor [snehakapoor@idc.com](mailto:snehakapoor@idc.com) or Darshini Selvaratnam [dselvaratnam@idc.com](mailto:dselvaratnam@idc.com). For media queries, please contact Tessa Rago [trago@idc.com](mailto:trago@idc.com) or Alvin Afuang [aafuang@idc.com](mailto:aafuang@idc.com).

\*Note: Asia/Pacific (excluding Japan)

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IDC Financial Insights assists financial service businesses and IT leaders, as well as the suppliers who serve them, in making more effective technology decisions by providing accurate, timely, and insightful fact-based research and consulting services. Staffed by senior analysts with decades of industry experience, our global research analyzes and advises on business and technology issues facing the banking, insurance, and securities

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