



Evolving Horizons: A Comprehensive Exploration of Transformative Trends in the APAC BFS Industry

May 2024: Complimentary Abstract / Table of Contents

Market Report
Banking and Financial Services Information Technology



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Contents

5	Introduction and overview	24	Third-party platforms
6	Research methodology	25	Overview
7	Background and context	26	Areas witnessing higher adoption of TPPs
8	BFS APAC landscape	28	Emerging and prevalent TPPs in the region
9	Trends across BFS IT spendings	29	APAC Go-To-Market (GTM) for leading industry platforms
11	Banking services deal activity in APAC	30	Regulatory and compliance landscape
12	Prevalent themes across banking IT services deals	31	Overview
13	Major challenges faced by banks in APAC	32	Regulatory initiatives and market response in APAC
14	Deep diving across cloud adoption theme	33	Data and analytics, AI
15	Overview	34	Overview
16	Drivers behind higher cloud adoption in APAC	36	Generative AI use cases under exploration in APAC
17	Various levels of cloud maturity	37	Sustainability
18	Evolving role of cloud in the APAC region	38	Overview
19	Embedded finance	39	Key sustainability initiatives in APAC's banking industry
20	Overview	40	Key sustainability-led regulatory initiatives in APAC
21	Embedded finance trends in APAC		
22	Embedded finance opportunity in APAC		
23	Banks' partnership ecosystem and focus area		

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Contents

- 41 Customer experience
 - 42 Overview
 - 43 Experience 3.0 in the APAC region
- 45 Appendix
 - 46 Glossary
 - 47 Research calendar

Background and context

The BFS industry in the Asia Pacific (APAC) region is currently undergoing profound transformations, primarily propelled by the widespread adoption of digital technologies, regulatory shifts, and an increasing focus on sustainability and open banking. These shifts bring forth a multitude of challenges and opportunities for banks and technology providers alike, prompting them to innovate and create more value. Banks are actively forging strategic partnerships, harnessing the potential of technology, and adapting to regulatory reforms to foster innovation and enhance customer satisfaction. These efforts reflect the industry's response to changing dynamics and emerging opportunities.

Fueled by these dynamics, the APAC region is experiencing a surge in technological adoption. Emerging technologies such as Artificial Intelligence (AI), big data, and blockchain are being rapidly explored to enhance efficiency, personalize offerings, and mitigate risks. The region is also expected to create growth opportunities through investments in robo-advisors owing to their increasing adoption. Investments in driving product innovation in payments can be observed – including

real-time, touchless, CBDCs, digital assets, embedded payments, Buy Now, Pay Later (BNPL), etc.

Furthermore, the mid-market and SMB business segments in APAC are experiencing significant growth, prompting banks to leverage technology support to tap into and scale their operations in these segments. Looking ahead, the APAC region is poised to become a leader in adopting and leveraging new technologies to revolutionize the banking experience.

This report delves into the primary emerging themes such as cloud computing, customer experience (CX), data and analytics, open finance, risk and compliance, sustainability, and third-party platforms (TPPs), influencing and defining the evolving landscape of the BFS industry across the APAC region. For each of these themes, we delve deep to explore the current landscape, drivers, adoption trends, partnerships, and outlook.

Geographically, our focus extends to key APAC countries such as Australia, China, India, Japan, New Zealand, and Singapore.

Scope of this report

Geography: Asia Pacific (APAC)

Industry: Banking and financial services

Services: Technology and IT services

Overview and abbreviated summary of key messages

This report delves into the evolving landscape of the BFS industry in the Asia Pacific (APAC) region, driven by digital transformation, regulatory changes, and sustainability concerns. It examines key themes such as cloud computing, embedded finance, third-party platforms, regulatory compliance, data analytics, AI, sustainability, and customer experience, offering insights into trends, drivers, adoption patterns, and future outlooks across key APAC countries namely Australia, China, India, Japan, New Zealand, and Singapore.

Some of the findings in this report, among others, are:

Section A BFS APAC landscape

With the confluence of new technologies such as cloud, AI/ML, and generative AI with demand for hyper personalized experiences, banks in APAC region show a stronger need to remain competitive.

Section B Prevalent themes across banking IT services

- **Cloud adoption** – The APAC region is experiencing a surge in cloud adoption, led by China and India, while Australia and New Zealand also exhibit significant focus, supported by targeted investments in cloud transformation initiatives
- **Embedded finance** – Banks are partnering with FinTechs and leveraging regulatory initiatives like the MAS' open data push to launch co-branded credit cards, BNPL products, and super apps, enabling embedded finance solutions
- **Third-party platforms** – TPPs are enabling banks to enhance digital banking, streamline operations, and improve customer experience through innovative payment systems, trade finance solutions, and automated lending processes
- **Regulatory and compliance** – The banking sectors in various countries are facing regulatory changes driven by digital adoption and increasing financial crimes, reshaping the compliance landscape for banks and FinTech firms
- **Data and Analytics, and AI** – The APAC region, particularly Singapore and Australia, are leading in adopting D&A and AI to improve operations and customer experiences, while Japan, India, and New Zealand focus on digital technology adoption and responsible innovation in the banking sector, despite regulatory constraints and privacy concerns
- **Sustainability** – Banks are spearheading sustainability efforts, emphasizing responsible finance and leveraging technology to combat climate change and promote environmental conservation
- **Customer experience** – Enhancing customer experience through personalized services, improved transparency, and a customer-centric focus, while embracing digital transformation and streamlining processes

This study offers an in-depth analysis of 7 themes in the BFS industry in the APAC region; here are a few examples to demonstrate the report's depth

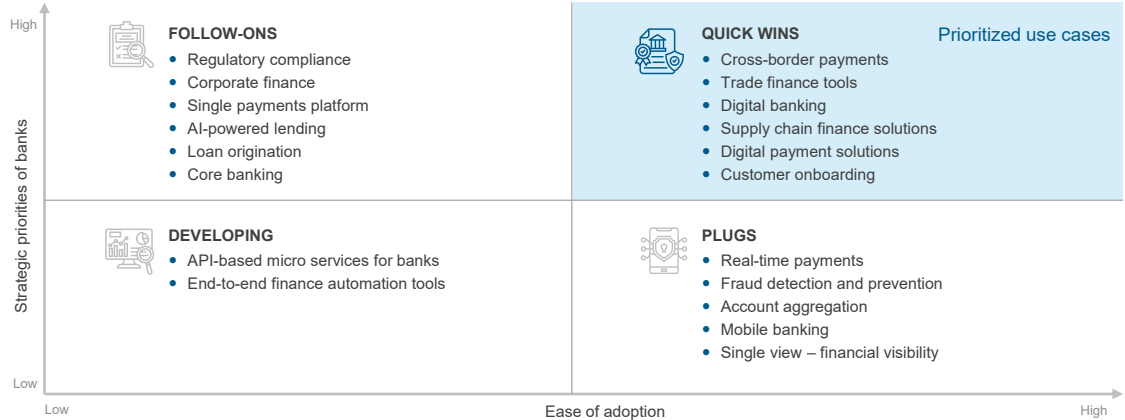
Deals and activities that span across APAC countries



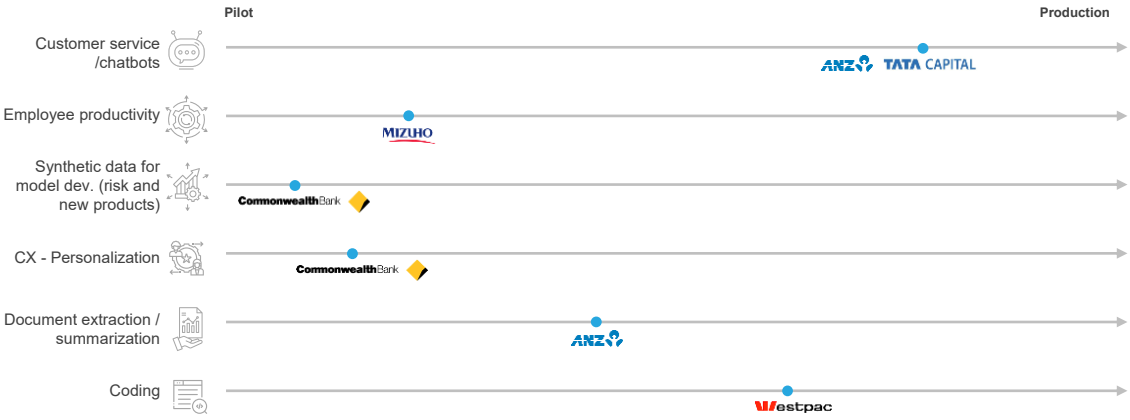
Cloud adoption | various levels of cloud maturity



TPPs adoption | areas witnessing higher adoption of TPP



Data and analytics, AI | generative AI pilot to production enterprise examples



Research calendar

Banking and Financial Services Information Technology

	Published	Current release	Planned
Reports title	Release date		
Enterprise Pulse on Third-party Platforms Services in BFS : Fostering Innovation and Deriving Value During a Talent Crunch			September 2022
Future of Investment Banking – Data and Digital Driving Disruption and Disintermediation			October 2022
Wealth Management Products PEAK Matrix® Assessment 2023			November 2022
Future of Treasury – Adopting Platforms, APIs, and Cloud for Real-time and Digital Functioning			November 2022
Capital Markets Technology and IT Services – State of The Market 2022			November 2022
Asset and Wealth Management IT Services PEAK Matrix® Assessment 2023			June 2023
Digital Experience Platforms (DXP) in Asset and Wealth Management (AWM) Products PEAK Matrix® Assessment 2023			June 2023
Payments IT Services PEAK Matrix® Assessment 2023			July 2023
Payments IT Services – Provider Compendium 2023			October 2023
Lending IT Services PEAK Matrix® Assessment 2023			December 2023
Lending IT Services – Provider Compendium 2024			March 2024
Exploring Generative AI's Role in Reshaping the Future for BFSI Enterprises			April 2024
Evolving Horizons – A Comprehensive Exploration of Transformative Trends in the APAC BFS Industry			May 2024
Open Banking IT Services PEAK Matrix® Assessment 2024			Q2 2024
Capital Markets IT Services PEAK Matrix® Assessment 2024			Q2 2024
Private Equity IT Services PEAK Matrix® Assessment 2024			Q2 2024

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