



# Digital Financial Products Comparison Platform in APAC

A custom report compiled by Euromonitor International for

**MoneyHero Group**  
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# 1. RESEARCH BACKGROUND

## 1.1 RESEARCH OBJECTIVE

MoneyHero Group (the “Client”) is planning for a de-SPAC process on the NASDAQ (the “Stock Exchange”) and requires an independent assessment of the Financial Comparison Platform Industry in Singapore, Hong Kong, Taiwan, Malaysia and the Philippines in the form of an Independent Market report.

- In-depth study of the macro environment including an analysis of key macro data driving change, to understand the implications of external factors in the transaction, such as how macroeconomic conditions influence the industry activities.
- In-depth study of the consumer finance sector, including an analysis of its market size and growth prospects.
- Understanding of the industry’s competitive landscape, identify if there are comparable players in respective markets and their market positioning.

## 1.2 SOURCES OF INDUSTRY INFORMATION

This “Independent Market Report” section contains information prepared by Euromonitor International for the purposes of the prospectus. The report was last updated in 2023 based on data available at the time of publishing.

## 1.3 RESEARCH METHODOLOGIES

In compiling and preparing the Euromonitor Report, Euromonitor International used the following methodologies to collect multiple sources, validate the data and information collected, and cross-check each respondent’s information and views against those of others:

- Secondary research involved the review of published sources and official sources such as Monetary Authority of Singapore, General Insurance Association of Singapore, Hong Kong Monetary Authority, Insurance Authority of Hong Kong, Financial Supervisory Commission R.O.C Taiwan, Taiwan Insurance Bureau, Legislative Yuan of Taiwan, Central Bank of Malaysia, Insurance Commission of Philippines, specialist trade press, trade associations, and company reports including audited financial statements where available and independent research reports.
- Primary research involved interviews with a sample of leading industry participants and experts for the latest data and insights into future trends, supplemented by verification and cross-checking of data and research estimates for consistency.
- Projected data was obtained from a historical data analysis plotted against macroeconomic data with reference to specific industry-related drivers.
- Review and cross-checks all sources and independent analysis to build final estimates including the size, shape, drivers and future trends impacting the digital financial products comparison platforms across markets under consideration and prepare the final report.

## 1.4 FORECASTING BASES AND ASSUMPTIONS

Euromonitor International based the Euromonitor Report on the following assumptions:

- The Singapore, Hong Kong, Taiwan, Malaysia and the Philippines economies are expected to maintain steady growth over the forecast period;
- The Singapore, Hong Kong, Taiwan, Malaysia and the Philippines social, economic, and political environments are expected to remain stable during the forecast period;
- Key market drivers such as recovery from Covid-19, growth of digitalization in banking and insurance industry are expected to boost the development of Singapore, Hong Kong, Taiwan, Malaysia and the Philippines's market.

The research results may be influenced by the accuracy of these assumptions and the choice of these parameters. Euromonitor's forecast data is derived from an analysis of the historical development of the market, the economic environment, and underlying market drivers, and it is cross-checked against established industry data and trade interviews with industry experts.

## 1.5 DEFINITIONS AND COVERAGE

### Geographic Coverage

- Singapore, Hong Kong, Taiwan, Malaysia, and the Philippines

### Category Coverage

- Consumer Finance

### Segment Coverage

- Consumer Lending
- Consumer Insurance Gross Written Premium

### Category Definitions

**Consumer finance:** The general banking and financing services provided to the retail consumers (e.g. individuals) by the banks and insurance companies. The scope of consumer finance products includes, but not limited to, personal loans, credit cards, mortgages, bank accounts, insurance etc. Exclude business/commercial transactions in this category.

**Digital financial products comparison platform:** Third-party platforms that provide consumer finance products information to consumers (e.g. personal loans, credit card, bank account, mortgage, insurance, securities account) with product comparison functions. Some examples of players include MoneyHero, iMoney, Seedly, SingSaver, MoneySmart etc

## Segment Definitions

**Consumer Lending:** Consumer Lending is an aggregation of Card Lending, Non-Card Lending, and Mortgages/Housing.

- 1. Gross lending:** The total value of loans advanced by institutions in a given year. Consumer loans include auto lending, card lending, durables lending, education lending, home lending, mortgages/housing lending and other personal lending.
- 2. Outstanding balance:** The collective amount owed by borrowers at the end of a given year; data refer to the cumulative impact of debt. Consumer loans include auto lending, card lending, durables lending, education lending, home lending, mortgages/housing lending and other personal lending.
- 3. Secured lending:** Secured lending is a financial arrangement in which a borrower obtains a loan or credit by pledging an asset as collateral to the lender.
- 4. Unsecured lending:** Unsecured lending is a financial arrangement where a borrower obtains a loan or credit without being required to provide collateral as security to the lender.

**Consumer insurance gross written premium:** Insurance refers to the gross written premium aggregated across life insurance, general insurance (excluding travel insurance) and travel insurance. Including the gross premium for new policies and recurring premiums.

## Period Coverage

Market review for this report has been carried out for the period covering 2018-2028, unless otherwise stated. Specifically, the 2018-2021 period will be termed the historical period, 2022 base year, and 2023-2028 will be deemed the forecast period for this entire report.

## 1.6 ABOUT EUROMONITOR

Established in 1972, Euromonitor International is the world leader in strategy research for both consumer and industrial markets. Comprehensive international coverage and leading-edge innovation make our products essential resources for companies large and small, national, and global. With offices around the world and analysts in 80 countries, the company is a leading provider of global market intelligence. Our products and services are held in high regard by the international business community, and we have 5,000 active clients, including 90% of the Fortune 500 companies.

## 2. MACROECONOMIC ENVIRONMENT OVERVIEW

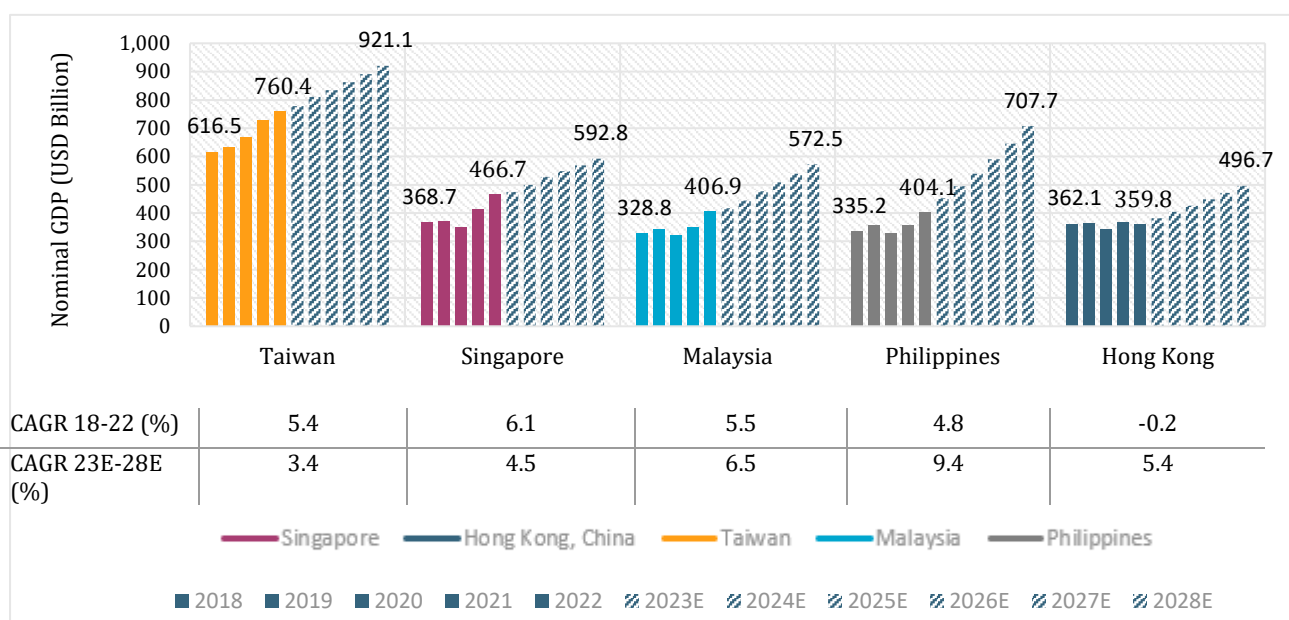
### 2.1 ECONOMICS AND DEMOGRAPHICS ACROSS APAC

#### 2.1.1 Macroeconomic Environment Across APAC

APAC economies recover from the pandemic to register positive overall growth for the review period

Despite the impact of the Covid-19 pandemic, four out of the five APAC markets, Singapore, Taiwan, the Philippines and Malaysia recorded positive growth in nominal GDP in the 2018-2022 review period. Hong Kong recorded a marginal decline in nominal GDP in the same period, as the economy's recovery from the pandemic was hit by falling goods exports in 2022<sup>1</sup>.

**Chart 1** Nominal GDP for Singapore, Hong Kong, Taiwan, Malaysia, and Philippines (2018-2028E, USD Billion)



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition), based on fixed 2022 exchange rates and current prices

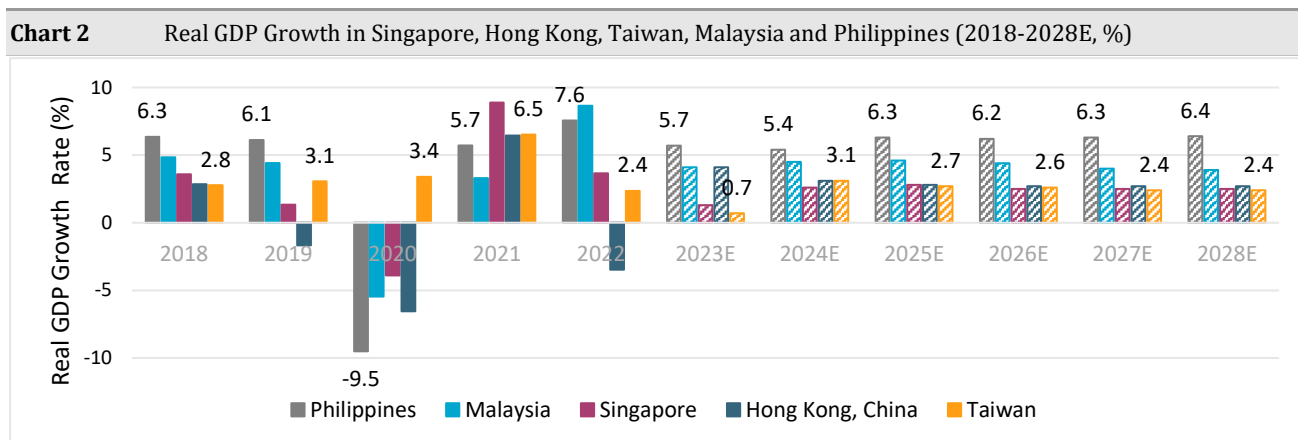
Before the pandemic, all five APAC markets posted positive economic growth in 2019. Although growth in the APAC region slowed down in 2019 due to rising trade tensions between the US and China and weakening global demand<sup>2</sup>, the five APAC economies registered moderate growth, with real GDP growth ranging from 3.4% to 6.1% for 2019. The economies exhibited resilience in the face of the impact of the pandemic. Nominal GDP saw posted a decline ranging from -6% to -8% across Hong Kong, Singapore, Malaysia and the Philippines in 2020, and real GDP also declined across these four markets.

<sup>1</sup> The Government of the Hong Kong Special Administrative Region, “2022 Economic Performance”, 22 February 2023, [https://www.hkeconomy.gov.hk/en/pdf/22q4\\_ppt.pdf](https://www.hkeconomy.gov.hk/en/pdf/22q4_ppt.pdf)

<sup>2</sup> Reuters, “Asia-Pacific 2019 growth to slow to 5.8% on trade tensions: World Bank”, 19 October 2019, <https://www.reuters.com/article/us-asia-economy/asia-pacific-2019-growth-to-slow-to-5-8-on-trade-tensions-world-bank-idINKBN1WP0DS>



Taiwan is the only one of the five APAC markets which maintained positive growth in 2020, due to its success in keeping the virus under control which prevented the need for costly measures such as large-scale closure of businesses<sup>3</sup>.



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition)

The APAC markets' resilience is reflected in their relatively swift recovery from the pandemic. In 2021, all five APAC markets recorded positive growth, as lockdown restrictions were lifted gradually, and the economy reopened normally. A recovery in global demand has boosted export performance of the export-oriented APAC markets and contributed to the strong recovery in 2021. Singapore, Hong Kong and Taiwan posted strong real GDP growth at above 6%, while the recovery in Malaysia and the Philippines is more moderate with real GDP growth of 3.3% and 5.7% respectively. Nominal GDP also rebounded strongly in 2021 with year-on-year growth ranging from 7% to 18% across the five markets. With the exception of Hong Kong, the APAC markets continued the momentum of growth in 2022, supported by the continued easing of pandemic restrictions and a recovery in private consumption, tourism and investment<sup>4</sup>. However, Hong Kong's economy recorded a decline in 2022, due to a plunge in exports and weak domestic demand under the pandemic induced restrictions<sup>5</sup>. In line with the economic recovery across most of the APAC markets, the consumer finance industry also showed strong recovery with consumers taking out more consumer credit and insurance premium.

### APAC economies are expected to continue the trajectory of recovery in the forecast period

For the forecast period, all five APAC markets are expected to record positive growth in nominal GDP, underpinned by the recovery of the global economy from the pandemic. Key drivers of growth for the APAC markets include the rebound in growth momentum in Mainland China due to the easing of COVID-19 restrictions, the recovery of international tourism in the APAC region, strong domestic

<sup>3</sup> Economic Observatory, "How has Taiwan navigated the pandemic?", 1 December 2021,

[https://www.economicsobservatory.com/how-has-taiwan-navigated-the-](https://www.economicsobservatory.com/how-has-taiwan-navigated-the-pandemic#:~:text=At%20the%20same%20time%2C%20Taiwan's,2022%20(see%20Figure%203).)

[pandemic#:~:text=At%20the%20same%20time%2C%20Taiwan's,2022%20\(see%20Figure%203\).](https://www.economicsobservatory.com/how-has-taiwan-navigated-the-pandemic#:~:text=At%20the%20same%20time%2C%20Taiwan's,2022%20(see%20Figure%203).)

<sup>4</sup> Asian Development Bank, "ADB Forecasts 4.8% Growth for Asia and Pacific in 2023 and 2024", 4 April 2023,

<https://www.adb.org/news/adb-forecasts-4-8-growth-asia-and-pacific-2023-and-2024>

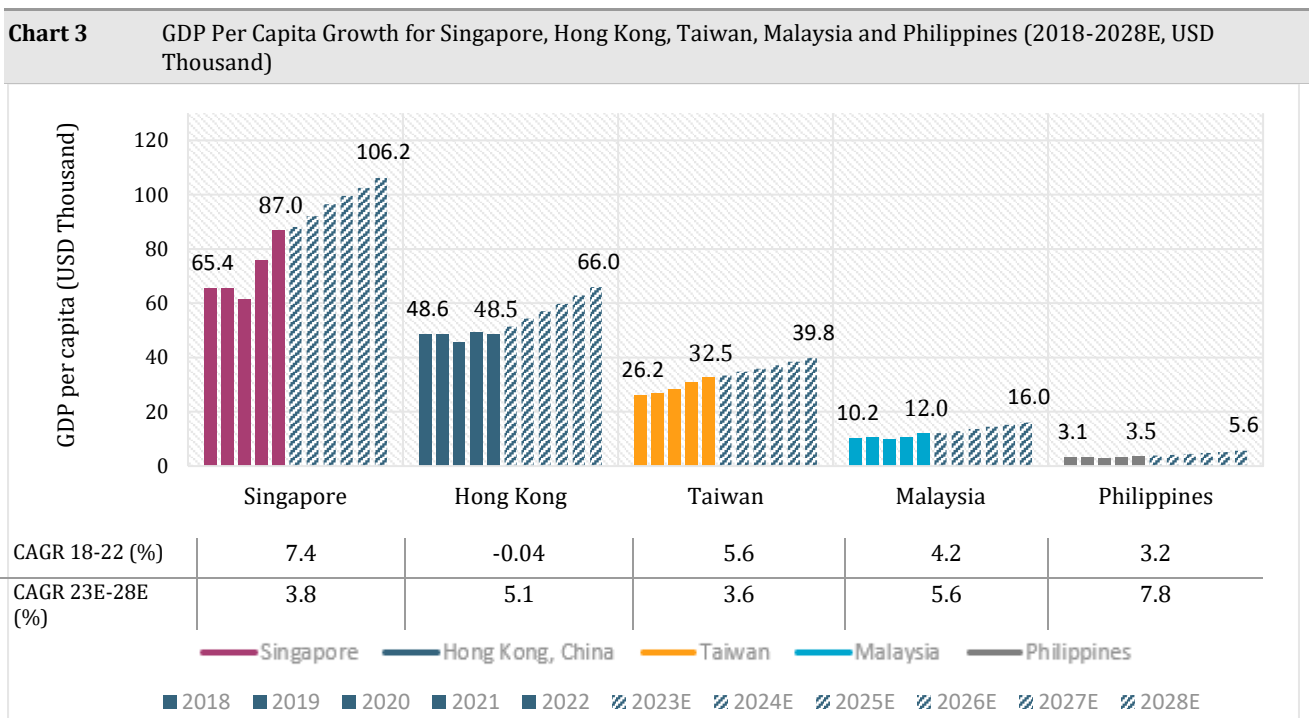
<sup>5</sup> The Financial Times, Hong Kong's economy contracts more than expected in 2022, 1 February 2023,

<https://www.ft.com/content/0895f7ec-0a6d-4833-9217-5df8adbc5993>

demand, and an upturn in global electronics demand which will benefit markets with a strong manufacturing export sector, such as Malaysia, Singapore, the Philippines and Taiwan<sup>6</sup>. The Philippines is expected to lead nominal GDP growth with a CAGR of 9.4%, followed by Malaysia with a CAGR of 6.5%. Singapore, Hong Kong and Taiwan are expected to post more moderate growth with a CAGR that ranges from 3% to 6%.

### Nominal GDP per capita grew in tandem with the economy

In terms of nominal GDP per capita, Singapore recorded the fastest growth at 7.4% CAGR in the 2018-2022 review period, followed by Taiwan at 5.6% CAGR, which is consistent with the strong growth in nominal GDP recorded by these two markets. Malaysia and the Philippines registered moderate growth in nominal GDP per capita with a CAGR of 4.2% and 3.2% respectively. Despite relatively strong GDP growth, these two countries also experienced steady population growth which moderated GDP growth at the per capita level. Hong Kong’s nominal GDP per capita at the end of the review period remained little changed from that in 2018, due to the declines experienced during the pandemic and in 2022 when its economy contracted. Singapore has the highest GDP per capita among the APAC markets, at USD86,977, Hong Kong and Taiwan also have relatively high GDP per capita at more than USD30,000. Consumers in these three markets will have high spending power for discretionary products, including consumer finance products. On the other hand, although Malaysia and the Philippines have relatively low GDP per capita, there is strong potential for growth due to the low base and the positive outlook for the economy.

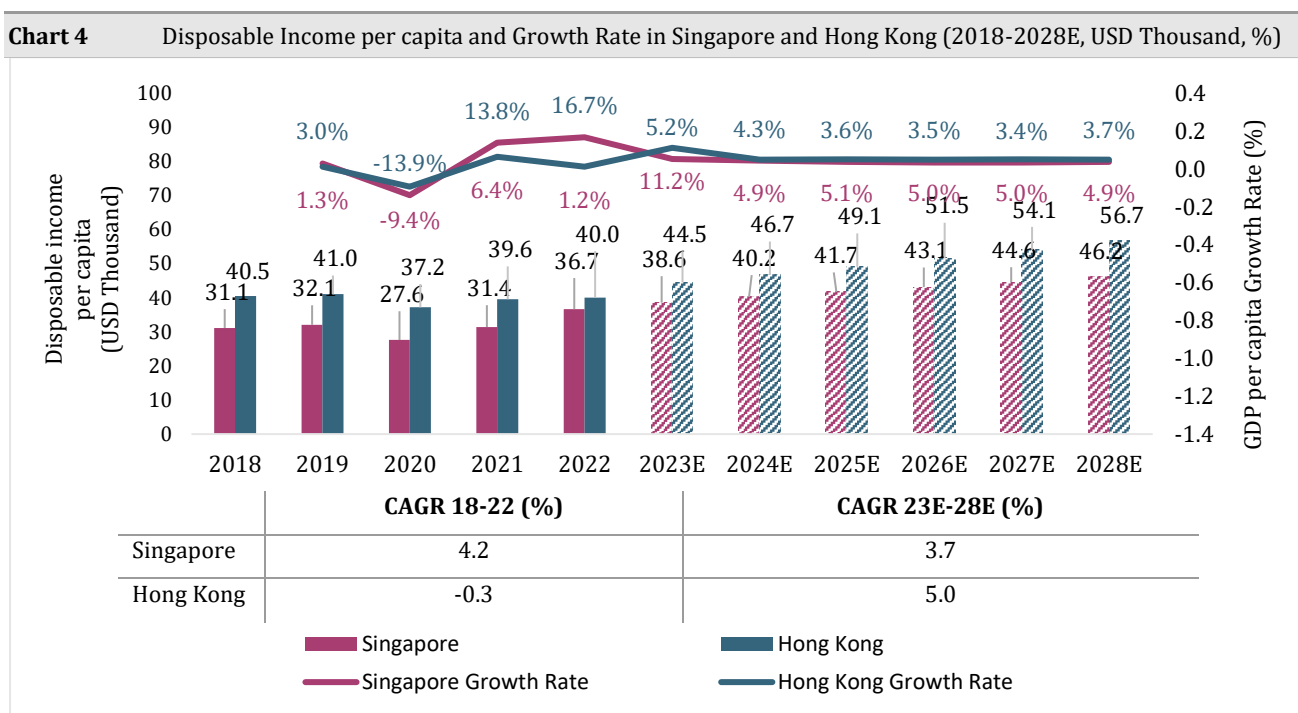


Source: Euromonitor Passport Data (Economies and Consumers 2023 edition), based on fixed 2022 exchange rates and current prices

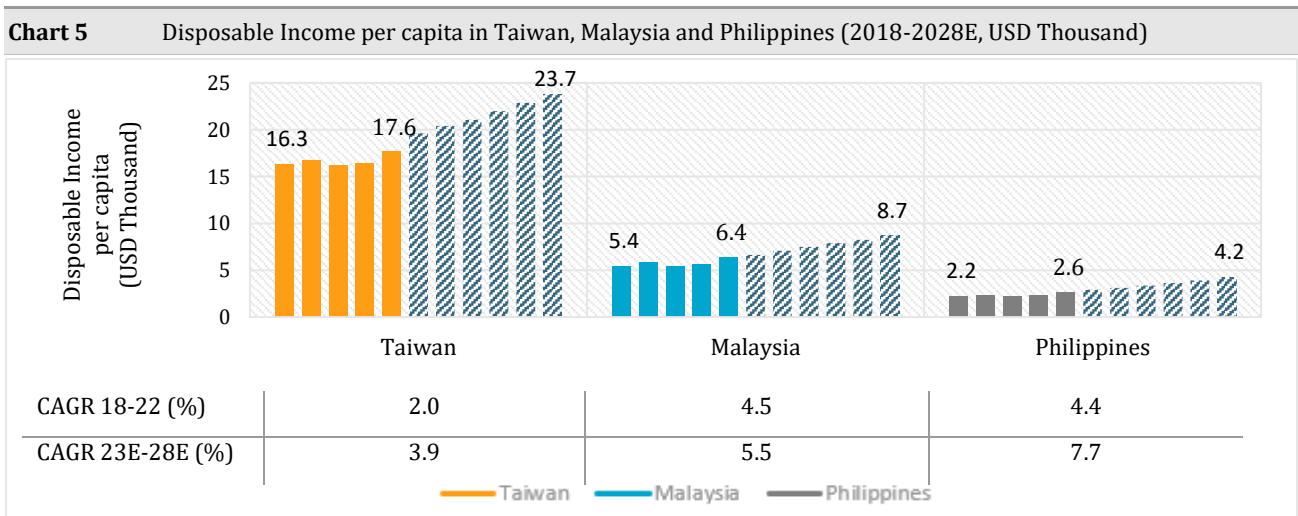
<sup>6</sup> S&P Global Intelligence, “APAC region expected to be resilient to global headwinds in 2023”, 17 March 2023, <https://www.spglobal.com/marketintelligence/en/mi/research-analysis/apac-region-expected-to-be-resilient-to-global-headwinds-mar23.html>

### Rising disposable income per capita across APAC markets encourages discretionary spending

Across the five APAC markets, Singapore and Hong Kong had the highest disposable income per capita at more than USD30,000, followed by Taiwan in the mid-tier. Malaysia and the Philippines had significantly lower disposable income per capita than the other three markets, which suggests that consumers in these two markets will dedicate a significant proportion of their income to essential products and services, may have fewer resources for discretionary products. The APAC markets, with the exception of Hong Kong, enjoyed rising disposable income per capita in the review period. Singapore, Malaysia and the Philippines registered relatively strong growth in disposable income per capita with a CAGR of more than 4%, while Taiwan had more moderate growth in disposable income per capita. Hong Kong’s disposable income per capita in 2022 was marginally lower than that in 2018, similar to the trend for GDP per capita.



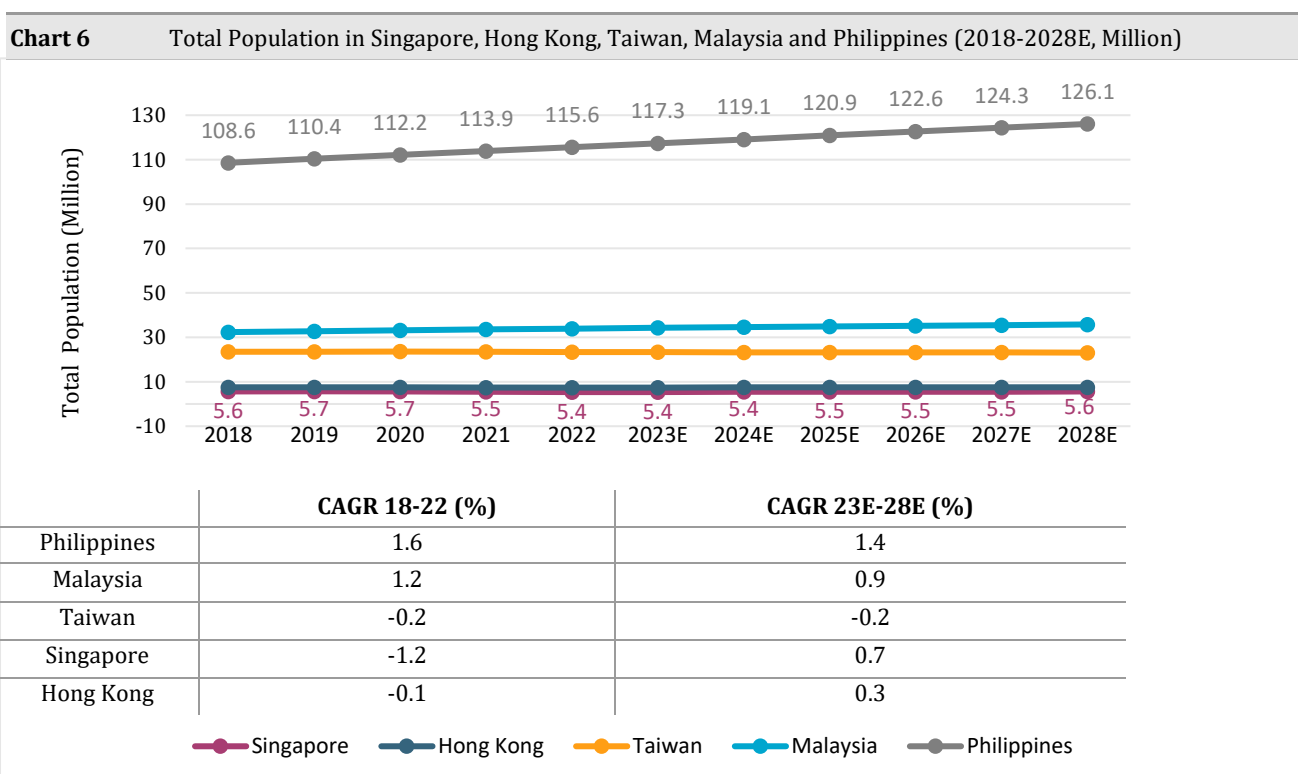
Source: Euromonitor Passport Data (Economies and Consumers 2023 edition), based on fixed 2022 exchange rates and current prices



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition), based on fixed 2022 exchange rates and current prices

## Growing population in Malaysia and the Philippines is expected to boost demand for consumer finance

Malaysia and the Philippines recorded positive population growth in the review period, which will translate into a growing consumer market and drive growing demand for consumer products and services, such as financial products. The Philippines has the largest population among the APAC markets and recorded the fastest population growth with a CAGR of 1.6% in the review period to reach 115.6 million. Malaysia's population is the second largest with 33.9 million people in 2022, and it also experienced steady growth with a CAGR of 1.2%. On the other hand, Singapore, Hong Kong and Taiwan, the more developed economies in APAC, experienced a slight or marginal decline in population in the review period. Singapore's population declined at a CAGR of -1.2% to reach 5.4 million in 2022, while the populations of Hong Kong and Taiwan registered a marginal decline with a CAGR of -0.1% and -0.2% respectively. Singapore saw a -4.1% drop in its population in 2021, the largest percentage drop since 1950, as COVID-19 travel restrictions and uncertain economic conditions led to a decrease in foreign employment and the non-resident population<sup>7</sup>. Nonetheless, Singapore is expected to revert to positive population growth in the forecast period, supported by a recovery in foreign employment and a stable pace of immigration<sup>8</sup>.



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition)

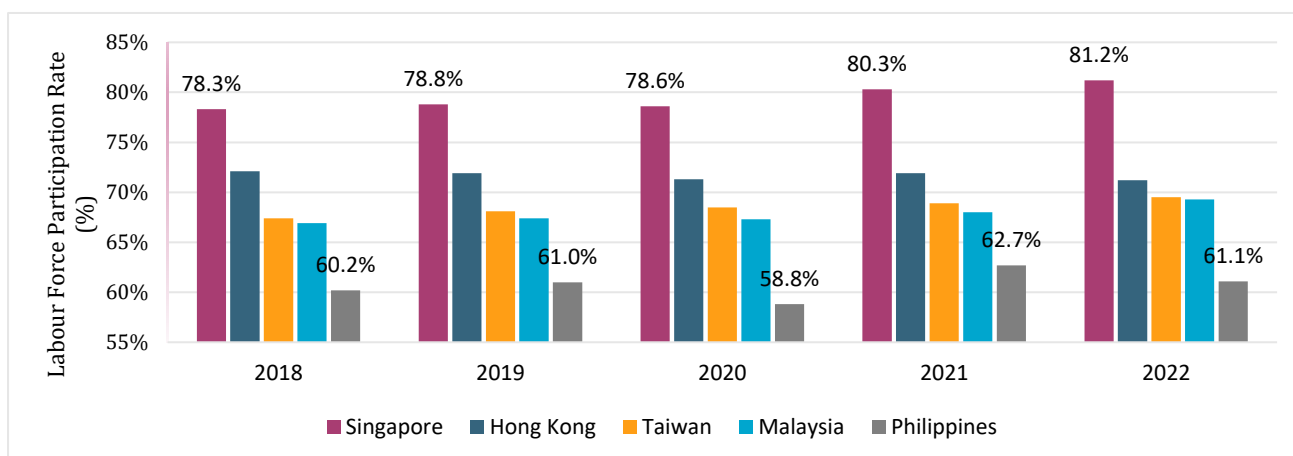
<sup>7</sup> Singapore National Population and Talent Division, "Population in Brief 2021: Key Trends", 28 September 2021, <https://www.population.gov.sg/media-centre/articles/population-in-brief-2021-key-trends>

<sup>8</sup> The Straits Times, "Singapore population grows 3.4% to 5.64m, reversing 2 consecutive years of decline", 28 September 2022, <https://www.straitstimes.com/singapore/singapore-population-grows-34-to-564m-reversing-2-consecutive-years-of-decline>

### Singapore leads the region in terms of labour force participation rate

Singapore has the highest labour force participation rate of 81.2% among the APAC markets, measured by the ratio of the labour force to the working-age population. This can be partly attributed to a high level of labour force participation among people aged 55 and over. According to the Singapore Ministry of Manpower, labour force participation for seniors aged 55 and over stood at 51% in 2022<sup>9</sup>. Hong Kong, Taiwan and Malaysia also have high levels of labour force participation between age 15 to 64, at around 70%. The Philippines lags the other APAC markets with 61.1% of its working population. In the forecast period, Singapore, Malaysia and the Philippines are expected to see an increase in labour force participation. A high labour force participation rate means a high proportion of the population is economically active. Hence, markets with high labour force participation rates can expect to see more demand for consumer finance products, as the economically active consumer base tend to have more income and more financial needs, such as banking and insurance products.

**Chart 7** Labour Force Participation Rate in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2022, % of working age 15-64 population)



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition)

### Inflation rose across APAC economies, driving consumer credit usage

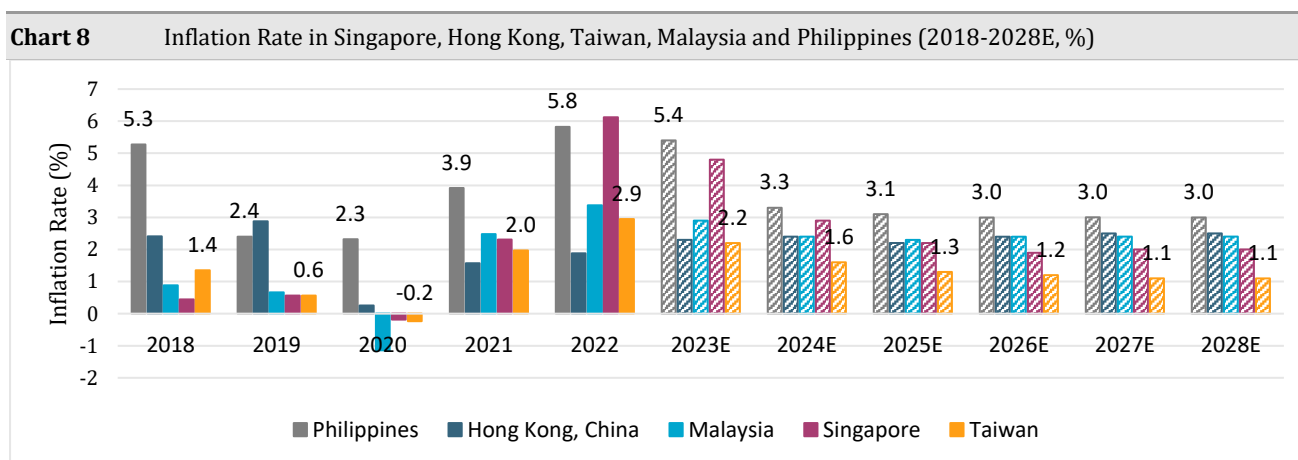
All five APAC markets experienced rising inflation in 2021 and 2022. Inflation was at a relatively low level across the three markets before the pandemic in 2019. During the pandemic, four out of the five APAC markets experienced a significant decrease in inflation, while the Philippines saw a marginal decline in inflation. This can be attributed to pandemic related movement restrictions and rising unemployment, which caused a fall in consumer demand. Since 2021, the global economy has experienced a rapid increase in prices, as the recovery of the global economy led to strong growth in consumer demand, while the war in Ukraine led to global supply chain disruptions and rising commodity and energy prices<sup>10</sup>. Singapore experienced the highest inflation in 2022, with inflation reaching 6.1%, up from 2.3% in 2021. The Philippines also posted high inflation of 5.8% in 2022.

<sup>9</sup> Singapore Ministry of Manpower, "Labour Force in 2022", 31 January 2023, [https://stats.mom.gov.sg/iMAS\\_PdfLibrary/mrsd\\_2022LabourForce\\_survey\\_findings.pdf](https://stats.mom.gov.sg/iMAS_PdfLibrary/mrsd_2022LabourForce_survey_findings.pdf)

<sup>10</sup> The World Bank, "The Impact of the War in Ukraine on Global Trade and Investment", published in 2022, <https://openknowledge.worldbank.org/entities/publication/8a37c7fb-5fd8-56aa-bb7e-2a0970c468d9>

Inflation in Hong Kong, Taiwan and Malaysia also rose in 2022, but remained moderate, at around 2% to 4%, compared to that recorded in Singapore and the Philippines. Hong Kong has the lowest inflation among the five APAC markets, at 1.9% in 2022, as falling housing rents moderated the pace of inflation despite rising food prices<sup>11</sup>. The high inflation is expected to drive an increase in credit usage and generate more interest in credit card products.

Inflationary pressure around the world and across the APAC markets is generally expected to ease in the forecast period, as central banks around the world raise interest rates to curb inflation. By 2024, inflation in Taiwan, Malaysia and the Philippines is expected to fall below the 2021 level, while inflation in Hong Kong is expected to stabilize at around 2.5% and Singapore will also see a decline in inflation from the peak level recorded in 2022.



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition)

## 2.2 INTERNET PENETRATION ACROSS APAC

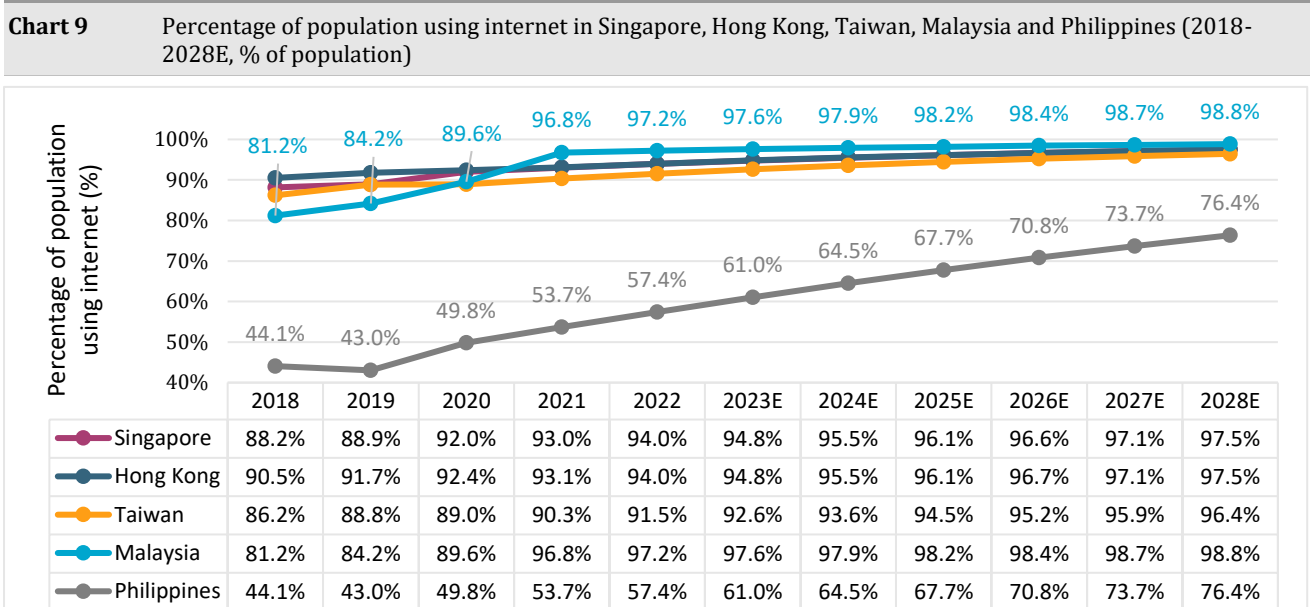
### 2.2.1 Internet Adoption Across APAC Markets

*APAC economies enjoys high internet penetration and growing stickiness to the internet*

All five APAC markets posted an increase in internet penetration in the review period, measured by the percentage of population using internet. Except the Philippines, all the markets have more than 90% of its population using internet. Malaysia has the higher internet penetration at 97.2% of the population, while internet penetration remains relatively low in the Philippines at 57.4%. Malaysia and the Philippines have also seen the most significant growth in internet penetration in the review period. The percentage of population using internet rose from 81.2% to 97.2% in Malaysia between 2018 and 2022, and the Philippines saw an increase from 44.1% to 57.4%. The growth in internet penetration is more

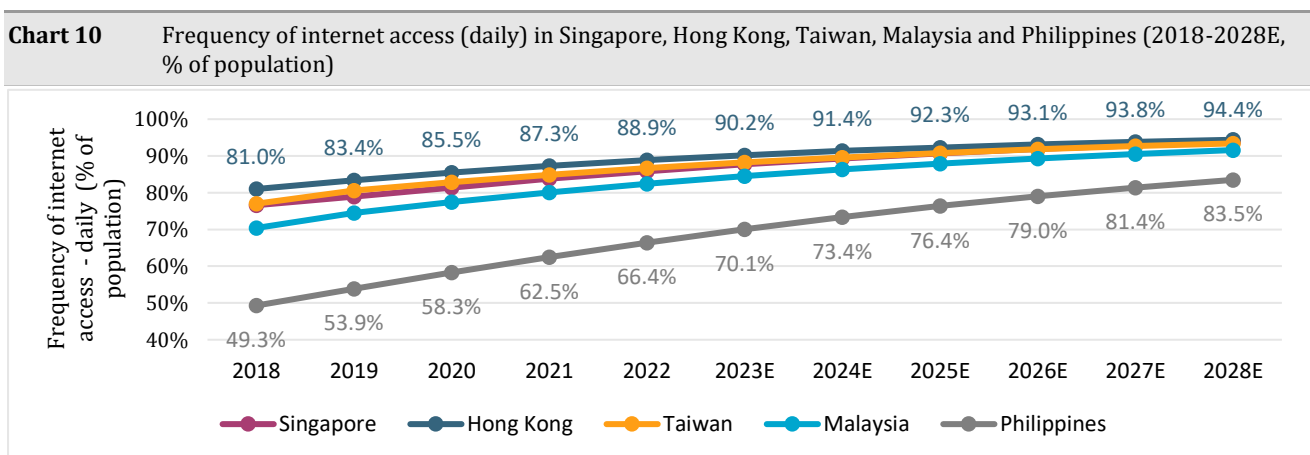
<sup>11</sup> South China Morning Post, "Hong Kong's inflation: nowhere as bad as other global cities but why are some still feeling the pain of higher prices, especially for food and transport?", 28 April 2023, <https://www.scmp.com/news/hong-kong/hong-kong-economy/article/3218647/hong-kongs-inflation-nowhere-bad-other-global-cities-why-are-some-still-feeling-pain-higher-prices>

moderate in Singapore, Hong Kong and Taiwan, as these three markets already had a high internet penetration at the start of the review period.



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition)

The APAC markets have also seen an increase in the frequency of internet access in the review period, which corresponds with the growth in internet penetration and the increasing adoption of a digital lifestyle. The Philippines posted the largest increase in the percentage of population who accessed internet daily, from 49.3% in 2018 to 66.4% in 2022. Malaysia recorded the second largest growth, with 12.1 percentage point increase in the in the percentage of population who accessed internet daily to reach 82.4% in 2022. The strong growth in the Philippines and Malaysia is consistent with the significant increase in internet penetration in these two countries. Singapore, Hong Kong and Taiwan also recorded an increase in the percentage of population who access internet daily, which rose between 8 and 10 percentage points in the review period. An increasing adoption of the digital lifestyle is also a driver for the growth in internet access. In particular, the pandemic has accelerated digital adoption by both businesses and consumers, as consumers are increasingly dependent on the internet for the day-to-day activities, from online shopping to online banking, learning and communications etc.



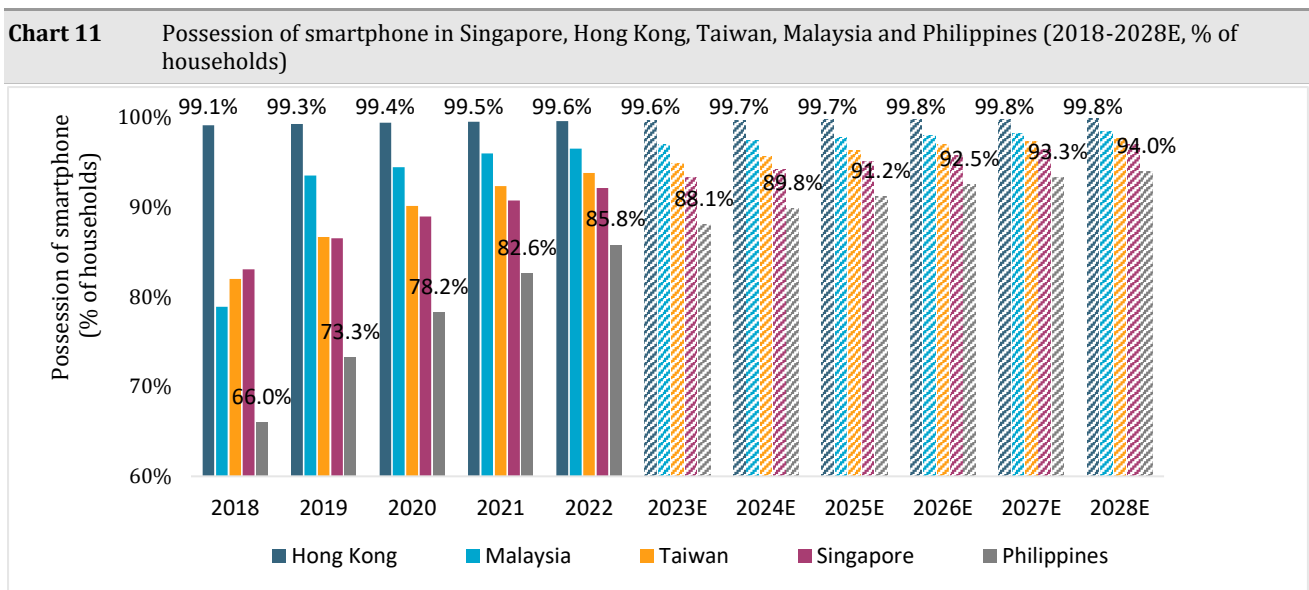
Source: Euromonitor Passport Data (Economies and Consumers 2023 edition)



## 2.2.2 Digital Transformation of Consumer Lifestyle

### Consumer lifestyle transforms with rising possession of smartphone and access to the internet

All five APAC markets saw an increase in smartphone ownership during the review period. Smartphone penetration is almost universal in Hong Kong, where 99.6% of household own a smartphone in 2022. Across Singapore, Taiwan and Malaysia, smartphone penetration rate is also very high with more than 90.0% households owning a smartphone. Although the Philippines has the lowest smartphone penetration among the five APAC markets, its household smartphone penetration rate stood at a respectable 85.8% in 2022, a significant increase from 66.0% in 2018. Falling handset prices and rising disposable income are among the key factors driving the growth of smartphone ownership in the Philippines<sup>12</sup>. During the review period, the increasing availability of low-price models below USD200 by local brands and Chinese brands in the Philippines market gave consumers more options for affordable handsets<sup>13</sup>. Meanwhile, disposable income per capita in the Philippines grew at a CAGR of 4.4%, which means consumers have more disposable income to purchase smartphones. During the pandemic, smartphone usage has surged, as consumers use smartphones for a range of purposes while trying to minimise physical contact, such as online grocery shopping, food delivery and online banking. Even as the threat of pandemic fades, online businesses stand to benefit from the shift in consumer behaviour towards the online channel.



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition)

<sup>12</sup> Digital News Asia, "1 in every 3 cellphones sold in the Philippines is a smartphone", 16 July 2022, <https://www.digitalnewsasia.com/mobility/1-in-every-3-cellphones-sold-in-the-philippines-is-a-smartphone>

<sup>13</sup> IDC, "Philippines Smartphone Market Declined for the Fourth Consecutive Quarter in 2Q22, says IDC", 30 August 2022, [https://www.idc.com/getdoc.jsp?containerId=prAP49635022&fbclid=IwAROK\\_4paDiCAAsGTr-gQ0WZQWTbYPjKGdw7XrjKPofWdYdkQNOI7X9faehw](https://www.idc.com/getdoc.jsp?containerId=prAP49635022&fbclid=IwAROK_4paDiCAAsGTr-gQ0WZQWTbYPjKGdw7XrjKPofWdYdkQNOI7X9faehw)



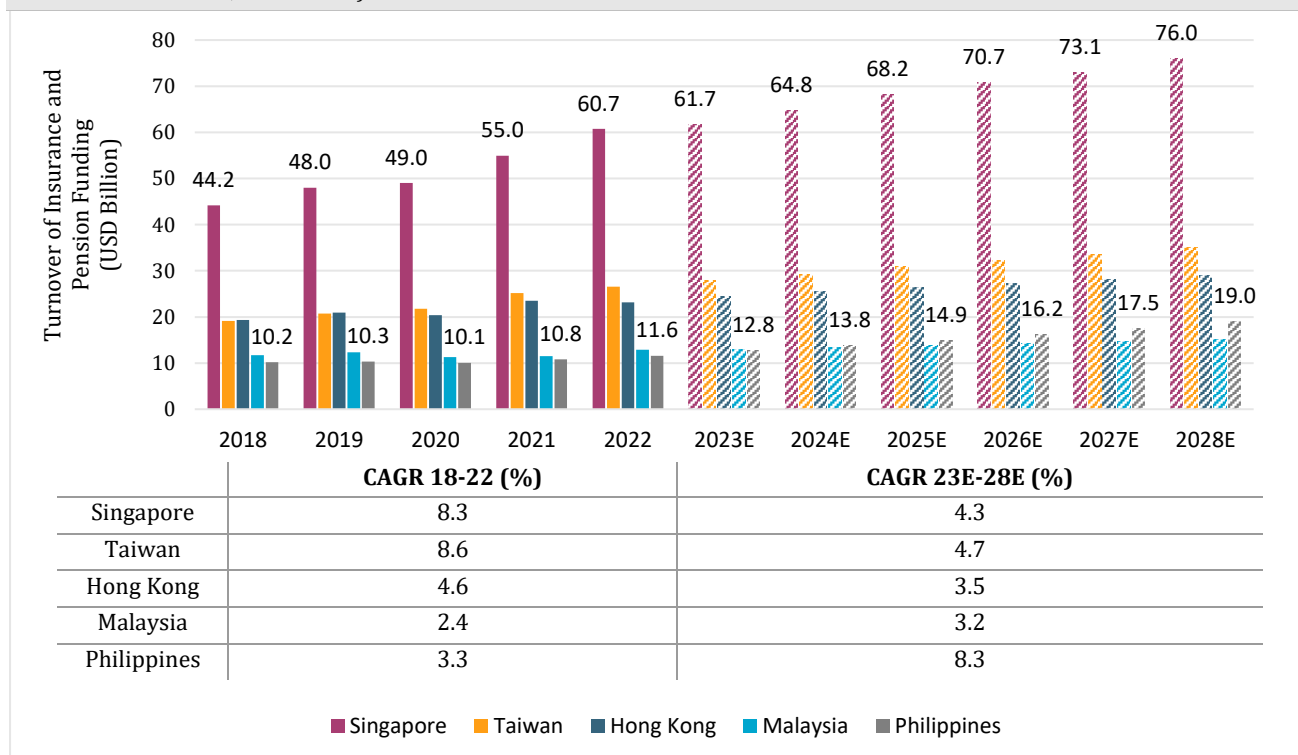
## 2.3 FINANCE AND INSURANCE INDUSTRY ACROSS APAC

### 2.3.1 Finance and Insurance Industry

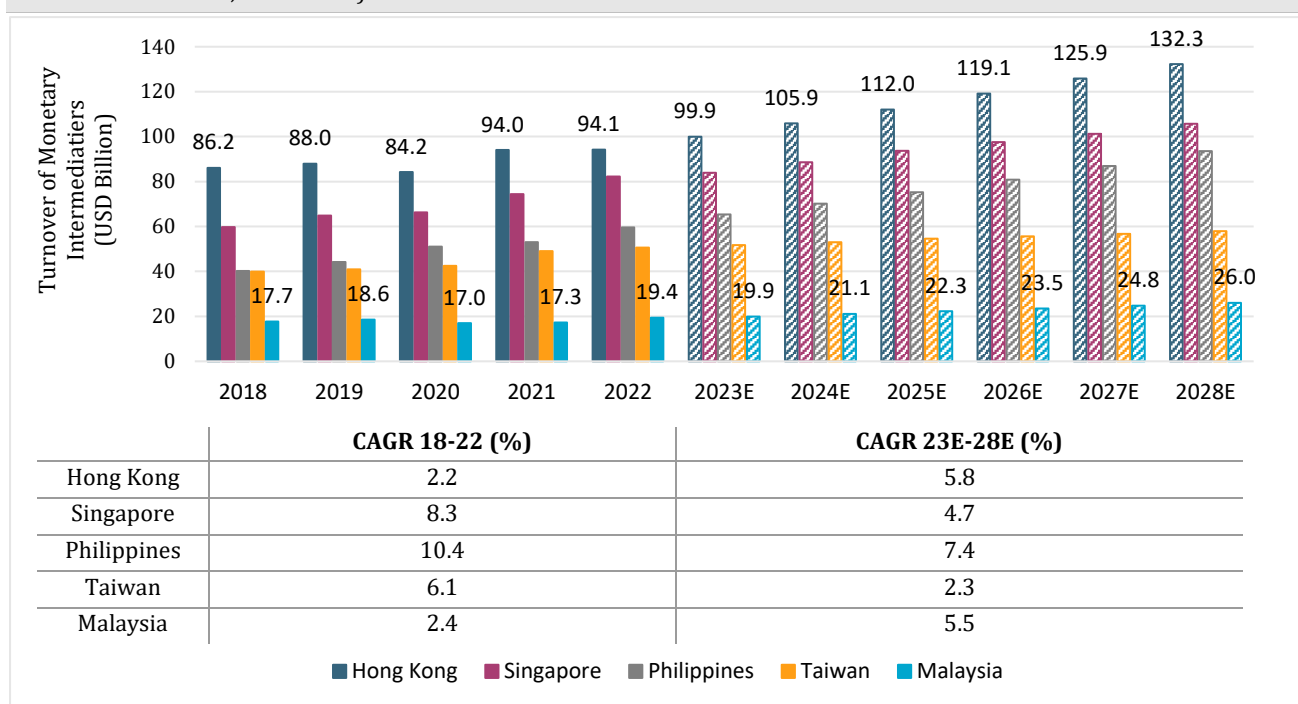
Finance and insurance industry showed resilience during pandemic and through headwinds of capital market slowdown

The finance and insurance industry in the APAC markets remained resilient despite the impact of the pandemic. Turnover of monetary intermediation, which represents an aggregation of investment banking and brokerage, retail banking and other banking and financial services, posted positive growth across all five APAC markets in the review period. Similarly, turnover of insurance and pension funding, which represents an aggregation of life insurance, non-life insurance and pension funding, also posted positive growth. Before the pandemic, all five APAC markets recorded positive growth for turnover of monetary intermediation and turnover of insurance and pension funding in 2019. Growth slowed down or turned negative in 2020 across most of the markets. For example, Singapore saw the year-on-year growth of turnover of monetary intermediation falling from 8.6% in 2019 to 2.2% in 2020, while the turnover for Hong Kong recorded a decline of -4.3% compared to 2.1% growth in 2019. Nonetheless, the finance and insurance industry across APAC markets displayed resilience, as all five APAC markets registered a recovery in monetary intermediation, and insurance and pension funding, with strong growth in 2021, and most of the markets have achieved a turnover in 2021 which exceeded the pre-pandemic level. The recovery continued in 2022 across most of the markets, while Hong Kong saw a marked slowdown in finance and insurance industry turnover.

**Chart 12** Turnover of Insurance and Pension Funding in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2028E, USD Billion)



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition), based on fixed 2022 exchange rates and current prices

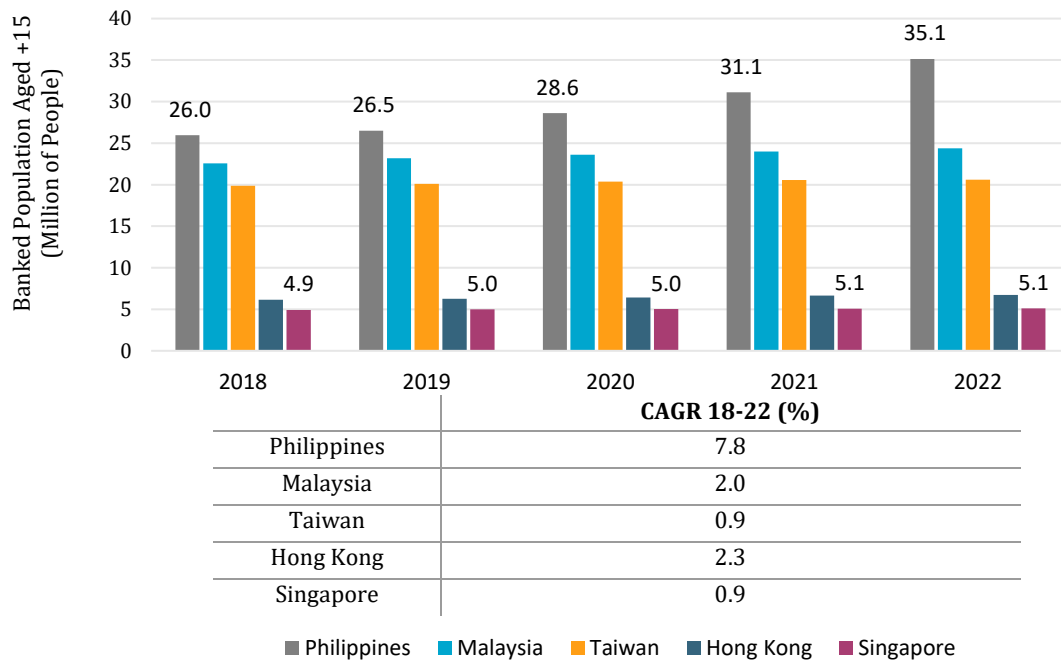
**Chart 13** Turnover of Monetary Intermediaries in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2028E, USD Billion)

Source: Euromonitor Passport Data (Economies and Consumers 2023 edition), based on fixed 2022 exchange rates and current prices

### APAC countries differ in the level of financial inclusion with developing markets catching up with help of technology

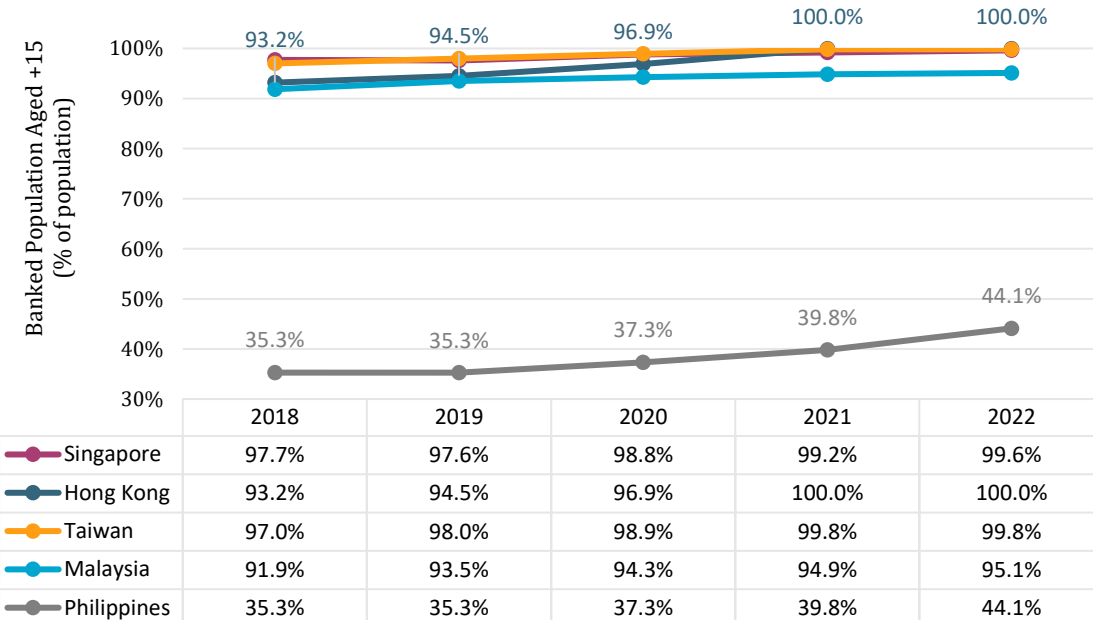
Most of the APAC markets have achieved a high level of financial inclusion, reflected in the high proportion of banked population, measured by the proportion of individuals 15 years and older who have a relationship, such as a transactional account (e.g., current or checking), demand deposit accounts (e.g. savings) or credit card, with a formal financial institution. Across Singapore, Hong Kong and Taiwan, the proportion of banked population has reached 100% or close to 100% in 2022. Malaysia also has a high level of financial inclusion, where 95.1% of its population have an account with a bank. The Philippines has a significantly lower level of financial inclusion than the other four markets, as only 44.1% of its population have an account with a bank in 2022. However, the banked population in the Philippines is growing rapidly, rising from 26.0 million to 35.1 million between 2018 and 2022, which represents a CAGR of 7.8%. The high level of financial inclusion across most of the APAC markets and rising financial inclusion in the Philippines can be attributed to an increase in financial literacy across the board, as consumers have had increasing access to information related to consumer finance with the proliferation of internet. Growth in the Philippines has also been accelerated by the pandemic. Before the pandemic, the Philippines' banked population increased by 2.0% in 2019; since 2020, its banked population has grown by more than 8% every year, as consumers have become more aware of the benefits of cashless payments and digital transactions and an increasing number of consumers are signing up for accounts with banks to take advantage of the benefits of cashless or digital payments. Across the other APAC markets, the banked population also registered positive growth, albeit at a more moderate pace compared to that recorded in the Philippines.

**Chart 14** Banked Population (Aged +15) in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2022, Million of People)



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition)

**Chart 15** % of Banked Population (Aged +15) in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2022, % of population)



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition)

## 3. CONSUMER FINANCE PRODUCT COMPARISON PLATFORM IN SINGAPORE, HONG KONG, TAIWAN, MALAYSIA, PHILIPPINES

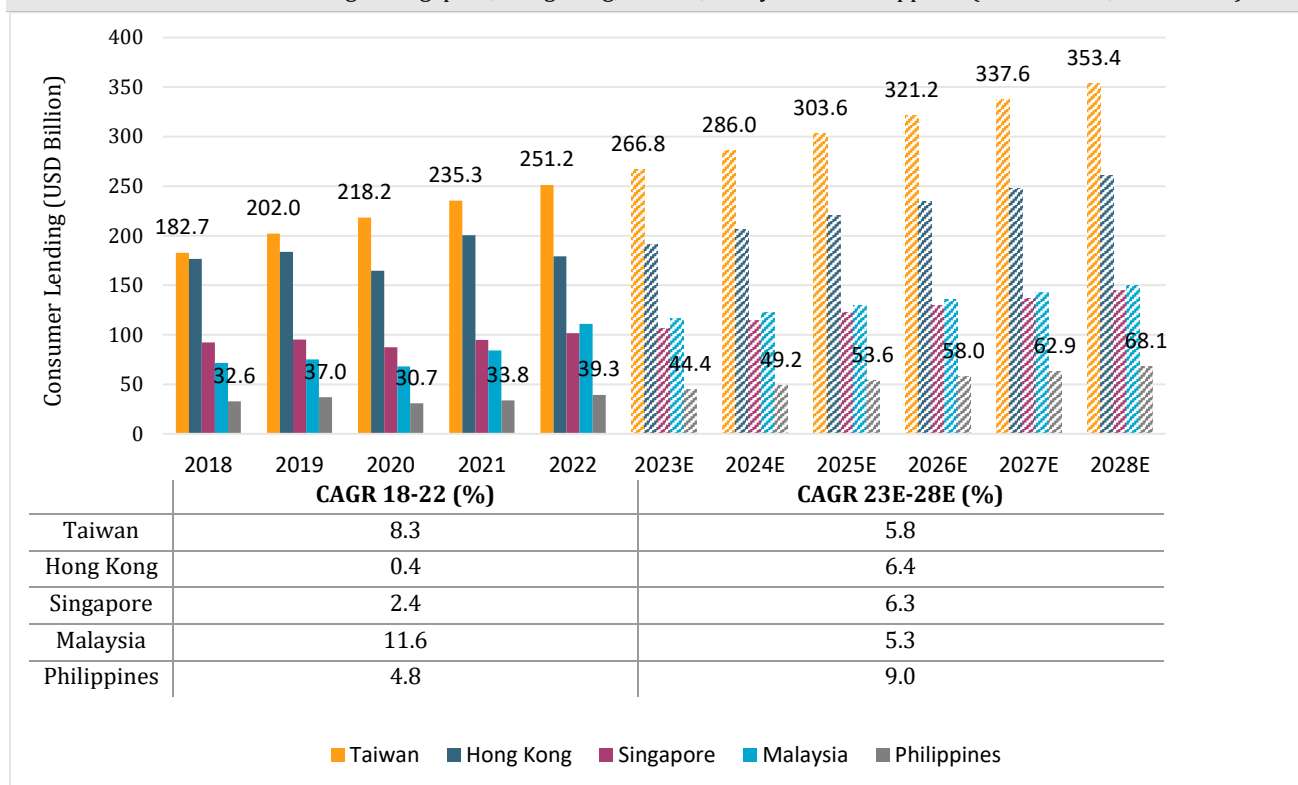
### 3.1 CONSUMER FINANCE LANDSCAPE

#### 3.1.1 Retail Banking Industry

##### *Consumer lending recovered strongly post-pandemic*

Among the five APAC markets, Taiwan has the largest market for consumer lending, with USD251.2 billion of consumer gross lending in 2022, followed by Hong Kong, Singapore and Malaysia. The Philippines has the smallest market for consumer lending, with USD39.3 billion of consumer gross lending value. Awareness of consumer credit is still relatively low in the Philippines, and access to credit is also limited with a significant proportion of the population being unbanked. However, there is considerable room for growth as financial institutions like Bangko Sentral ng Pilipinas (central bank of the Philippines) and the Credit Information Corp are making efforts to raise awareness of consumer credit and encourage responsible borrowing through financial education programmes.

All five APAC markets experienced a slowdown or decline in consumer gross lending during the pandemic. The economic impact of the pandemic, including rising unemployment and falling income, has led to greater economic uncertainty and weaker consumer sentiment about spending and borrowing. Consumers across APAC generally became more wary of signing taking up more consumer debt in light of the uncertainties around the economic situation and consumers' ability to repay debts. As a result, all five APAC markets with the exception of Taiwan recorded a decline in consumer gross lending in 2020. Taiwan maintained positive growth in consumer gross lending in 2020, albeit at a slower pace than the pre-pandemic growth, as the impact of the pandemic on the Taiwan economy was well contained due to successful measures to limit the number of COVID-19 cases. Consumer gross lending registered a strong recovery in 2021 and maintained positive growth across most of the APAC markets in 2022, thanks to the reopening of the economy and a return to pre-pandemic life which boosted consumer confidence. However, high inflation and rising interest rates in 2022 discouraged overall consumer spending and consumer lending, as consumer borrowing became more expensive. As a result, consumer gross lending growth showed signs of slowdown across some of the APAC markets, such as Singapore, Hong Kong and Malaysia.

**Chart 16** Consumer Lending in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2028E, USD Billion)

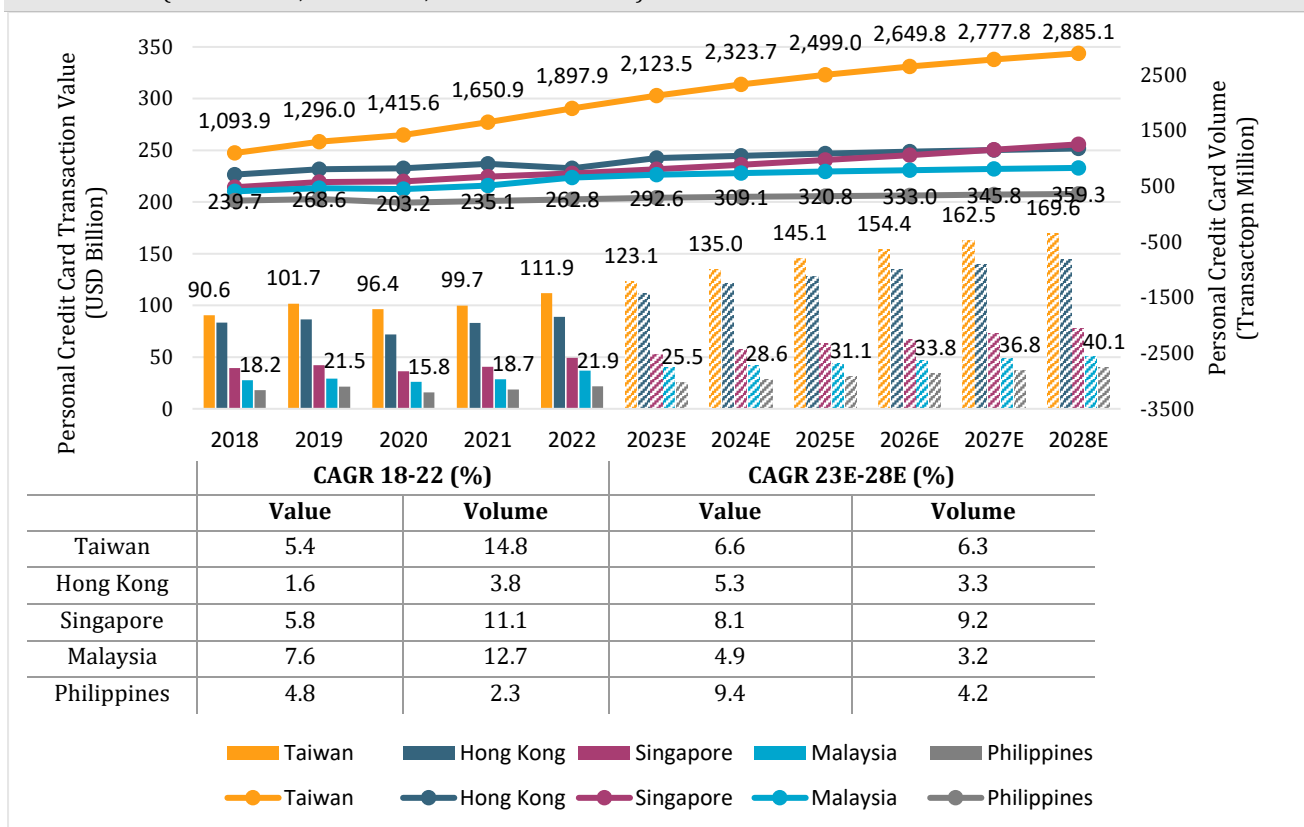
Source: Euromonitor Passport Data (Economies and Consumers 2023 edition), based on fixed 2022 exchange rates and current prices

### Credit card penetration varies across APAC markets, with Malaysia and the Philippines leading credit card growth

Among the five APAC markets, Taiwan has the largest market for consumer credit card, with USD111.9 billion personal credit card transactions in 2022, followed by Hong Kong, Singapore and Malaysia. The Philippines has the smallest market for consumer credit card, with USD21.9 billion personal credit card transactions. Credit card lending accounts for the most significant share of consumer lending in the APAC markets, and this is reflected in the share of card lending in gross consumer lending which ranges from 40%-50% for Hong Kong, Singapore, Taiwan and Malaysia to more than 70% for the Philippines. In the review period, all five APAC markets have posted overall positive growth in personal credit card transaction value. Although personal credit card transaction values fell sharply in 2020, the decline was reversed by a strong rebound in 2021 and continued growth in 2022. The majority of the five APAC markets, Malaysia, Singapore, Taiwan and the Philippines recorded strong growth in personal credit card transaction values in the review period, with a CAGR that ranges from around 5% to 8%, while the growth in Hong Kong is more moderate, at a CAGR of 1.6%. The five APAC markets are expected to have a combined total of 106.5 million personal credit cards in circulation in 2023, and this number is projected to grow steadily to reach 120.5 million in 2028, representing an increase of 13.9 million cards and a CAGR of 2.5%. The number of new credit cards expected to be issued in the forecast period will be even greater than the difference in the number of personal credit cards in circulation between 2023 and 2028. This is because the year-on-year change in the number of personal credit cards in circulation not just increases by the number of new credit cards issued, but it's partially reduced by the number of cards cancelled during the year. For example, 7.1 million new personal credit cards were issued in Taiwan in 2022, but because 3.6 million cards were cancelled in the same year, the net increase in the

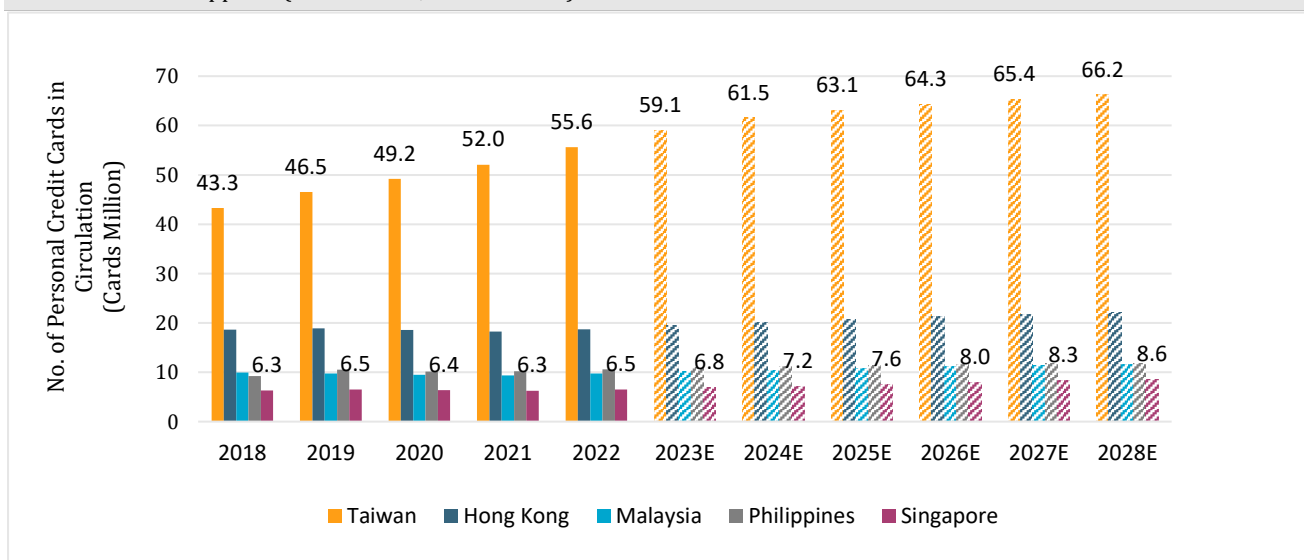
number of personal credit cards was 3.6 million for 2022. The large volume of new cards which are expected to be issued in the forecast period represents significant opportunities for personal credit cards acquisition in the online channel.

**Chart 17** Personal Credit Card Transaction Value and Volume in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2028E, USD Billion, Transaction Million)



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition), based on fixed 2022 exchange rates and current prices

**Chart 18** Personal Credit cards in circulation and Card Lending in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2028E, Cards Million)



	CAGR 18-22 (%)	CAGR 23E-27E (%)
Taiwan	6.5	2.3
Hong Kong	0.1	2.6
Singapore	0.6	4.7
Philippines	3.5	1.5
Malaysia	-0.4	2.9

Source: Euromonitor Passport Data (Economies and Consumers 2023 edition)

The rise of e-commerce during the pandemic has been a key driver for credit card growth in the APAC markets, as online purchases usually require cashless payment methods, and credit cards are one of the popular choices. The growing popularity of credit cards is also aided by the myriad of promotions and incentives made available to consumers. For example, the major credit card players in Hong Kong have introduced new credit cards with cash rebates, and merchant rewards and spending promotions in partnership with e-commerce platforms and retailers. Similarly, credit card issuers in Malaysia offer rewards and form cobranding partnerships with e-commerce platforms to promote the use of credit cards. In Taiwan, consumers are offered attractive rewards to set credit cards as the default funding source in their digital wallets. It is also common for consumers to own multiple cards in Taiwan, such as credit cards which are based on collaborations between banks and supermarkets. Some retailers, such as Costco, will only allow consumers with dedicated cards to shop there, which increases the need to hold multiple cards for specific purposes.

### Retail banking has strong potential for growth, driven by digitisation of consumer finance offerings, new products and services and increasing adoption by younger consumers

The retail banking markets in APAC are expected to experience positive growth in the forecast period. In the more developed markets, such as Singapore, Hong Kong, Taiwan and Malaysia, where the proportion of banked population is already quite high, growth will be driven by new products, offers and promotions, such as bank accounts which offer higher rates or multi-currency features, or debit cards which offer rebates on transactions. As inflationary pressure remains high in 2023, consumers will be particularly attracted by high savings rates and products which offer discounts and rebates, which could alleviate the impact of rising prices to some extent. In the Philippines where there is still a large unbanked population, there is strong potential for retail banking growth, as the country's young, technology-savvy population lead the adoption of consumer banking products. The digitisation of consumer finance products and services (e.g. the growing prevalence of online banking, virtual banks) across APAC markets will be an important driver of retail banking growth in the forecast period, as it enables access to a wide range of consumer finance products, which will boost uptake of consumer finance products.

Consumer lending is expected to experience a slowdown in the short term due to rising interest rates and higher costs of borrowing. However, inflation is expected to recede in 2024<sup>14</sup> and interest rates are expected to return to a lower level, which will make borrowing more attractive for consumers in the longer term. Meanwhile, the anticipated economic growth for the APAC markets is expected to bolster consumer sentiment and consumer spending, which will lead to more demand for consumer credit. As a result, both secured lending (auto lending, mortgage lending) and unsecured lending (e.g. card lending, personal loans) are projected to register strong growth across most of the APAC markets in the forecast period.

### 3.1.2 Insurance Industry

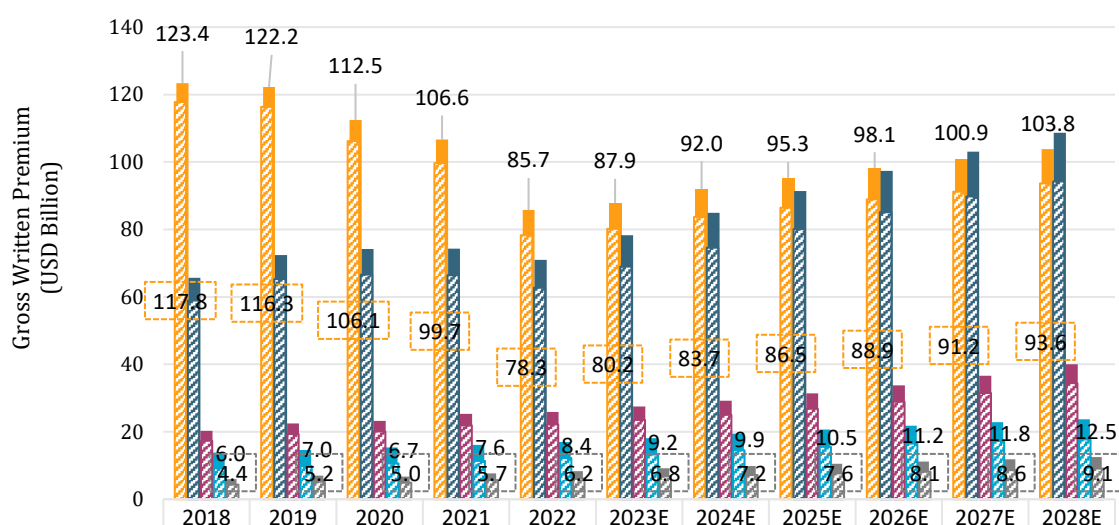
Taiwan and Hong Kong have sizeable insurance markets, while the Philippines leads insurance market growth

Among the five APAC markets, Taiwan has the largest insurance market, with USD85.7 billion in consumer insurance gross written premium for 2022, followed closely by Hong Kong. Singapore and Malaysia have much smaller insurance markets, while the Philippines has the smallest insurance market with consumer insurance gross written premium of USD8.4 billion in 2022. Life insurance is the largest segment, accounting for about 70%-90% of total consumer insurance gross written premium across the five APAC markets. This is because the insurance markets in APAC offer a wide range of life insurance products, which cater to consumers' needs for protection against risks as well as investment or savings returns.

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<sup>14</sup> IMF, "The global recovery is slowing amid widening divergences among economic sectors and regions", July 2023, <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>



**Chart 19** Life Insurance and Total Insurance Gross Written premium in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2028E, USD Billion)

■ Taiwan Total	123.4	122.2	112.5	106.6	85.7	87.9	92.0	95.3	98.1	100.9	103.8
■ Hong Kong Total	65.7	72.4	74.2	74.3	71.0	78.3	84.9	91.4	97.4	103.1	108.7
■ Singapore Total	20.3	22.5	23.3	25.3	25.9	27.5	29.3	31.4	33.8	36.6	40.0
■ Malaysia Total	13.8	14.6	15.3	16.1	17.0	18.1	19.4	20.7	21.8	22.9	23.7
■ Philippines Total	6.0	7.0	6.7	7.6	8.4	9.2	9.9	10.5	11.2	11.8	12.5
■ TW Life Insurance	117.8	116.3	106.1	99.7	78.3	80.2	83.7	86.5	88.9	91.2	93.6
■ HK Life Insurance	58.9	65.3	66.6	66.4	62.7	69.0	74.6	80.1	85.1	89.8	94.2
■ SG Life Insurance	17.3	19.3	20.1	21.9	22.2	23.5	25.0	26.8	29.0	31.5	34.4
■ MY Life Insurance	9.2	9.9	10.6	11.4	12.2	13.3	14.5	15.5	16.5	17.3	17.7
■ PH Life Insurance	4.4	5.2	5.0	5.7	6.2	6.8	7.2	7.6	8.1	8.6	9.1

	CAGR 18-22 (%)		CAGR 23E-28E (%)	
	Life insurance GWP	Total insurance GWP	Life insurance GWP	Total insurance GWP
Taiwan	-9.7	-8.7	3.2	3.4
Hong Kong	1.6	2.0	6.4	6.8
Singapore	6.3	6.3	7.9	7.8
Malaysia	7.5	5.2	5.9	5.5
Philippines	8.9	8.7	6.1	6.3

Source: Data gathered from Monetary Authority of Singapore, General Insurance Association of Singapore, Hong Kong Monetary Authority, Insurance Authority of Hong Kong, Financial Supervisory Commission R.O.C Taiwan, Taiwan Insurance Bureau, Legislative Yuan of Taiwan, Central Bank of Malaysia, Insurance Commission of Philippines

Taiwan has one of the largest insurance markets in APAC. According to Swiss Re, a Zurich-based global reinsurer, Taiwan's insurance penetration (premiums as a percentage of GDP) stood at 17.4% in 2021<sup>15</sup>, the second highest globally, reflecting the economy's well-developed insurance market. The reason

<sup>15</sup> Thomson Reuters Practical Law, "Insurance and Reinsurance in Taiwan: Overview", 1 October 2021, [https://uk.practicallaw.thomsonreuters.com/w-008-4713?transitionType=Default&contextData=\(sc.Default\)&firstPage=true](https://uk.practicallaw.thomsonreuters.com/w-008-4713?transitionType=Default&contextData=(sc.Default)&firstPage=true)

for Taiwan's high insurance penetration is that banks offer relatively low interest rates, and consumers prefer to purchase saving insurance over putting money in the bank. However, Taiwan has seen a decline in total consumer insurance premium in the review period, due to regulatory changes as well as low interest rates which reduced yields from insurance investment products<sup>16</sup>. Some of the recent regulatory changes impacting consumer insurance demand include new rules on minimum death protection ratio<sup>17</sup>, suspension of the sale of high profit savings-oriented insurance and reduction of the policy reserves. Another factor which may have contributed to the slow moving insurance market in Taiwan is the lack of new products, as the insurance offerings in the Taiwan market are still focused on traditional products and there are limited offerings for new products such as pet insurance. On the other hand, the Philippines has the smallest market for insurance, reflecting the country's relatively low level of disposable income per capita. However, it is the fastest growing market, which saw consumer insurance gross written premium growing at a CAGR of 8.7% in the review period. This was driven by consumers' rising spending power and growing awareness of the benefits of insurance products and the range of products on offer.

The APAC insurance markets were impacted by the pandemic -induced economic slowdown in 2020, with all five APAC markets experiencing a slowdown or decline in consumer insurance gross written premium in 2020. However, most of the markets started to recover in 2021, as the economy reopened and consumer confidence returned. The insurance industry lost some of the growth momentum in 2022, due to rising inflation which eroded consumers' spending power, volatility in global equity markets which impacted appetite for insurance investment products, as well as competition from other financial products which offer high interest rates.

### Insurance markets enjoy positive outlook with growing demand for health and life insurance from APAC's ageing population

The insurance markets in APAC are expected to experience moderate to strong growth in the forecast period. Singapore, Hong Kong, the Philippines and Malaysia are expected to post strong growth with a CAGR of more than 5% in the forecast period, while the more mature market Taiwan will experience more moderate growth. Growth will be aided by the region's economic recovery from the pandemic. As disposable incomes continue to rise, there will be growing interest in life insurance products which offer savings and investment returns. The trend of ageing population across APAC markets will also drive the growth of life and health insurance, as consumers become more aware of health and mortality risks, as well as the rising costs of healthcare. Demand for life and health insurance is expected to rise, as they provide a way to help consumers mitigate such risks<sup>18</sup>. Retirement products are expected to gain popularity as the elderly population in the APAC markets grows. Due to rising incomes, many

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<sup>16</sup> Insurance Asia, "Increase in profits still too slow for Taiwan's insurance industry", published in 2022, <https://insuranceasia.com/insurance/exclusive/increase-in-profits-still-too-slow-taiwans-insurance-industry>

<sup>17</sup> Taipei Times, "New rules require insurers to raise death benefits", 28 December 2019, <https://www.taipeitimes.com/News/biz/archives/2019/12/28/2003728288>

<sup>18</sup> Asia Insurance Review, "Asia Pacific: Region's advanced insurance markets to grow by more than 3% in real terms this year and next", January 2022, <https://www.asiainsurancereview.com/Magazine/ReadMagazineArticle?aid=45306>

retirees are expected to have a lot of assets which are often concentrated and allocated in cash, and there will be strong interest in insurance products which provide sustainable retirement income<sup>19</sup>. Travel insurance will also experience strong growth in the forecast period, supported by the recovery of the tourism industry from the pandemic, particularly the reopening of China in early 2023.

### 3.1.3 Growth Drivers and Constraints

#### Pandemic accelerates adoption of cashless transactions due to the surge in e-commerce and demand for contactless payments

Due to the movement restrictions introduced during the pandemic, many consumers switched to online shopping to get all kinds of products, from groceries to fashion items and household goods. The rise of online shopping drove the growth of online payments and the associated consumer finance products, particularly those related to payments, such as debit cards, credit cards, Buy Now Pay Later (BNPL), mobile wallets. The pandemic has not only boosted the popularity of cashless transactions in the online channel, but also in the daily life. This is because consumers preferred to use cashless transaction methods to avoid over handling cash and reduce the risk of infection. According to Visa's Consumer Payment Attitudes Study 2022, more than four in five Gen Z consumers (those born between 1997 and 2012) in Singapore have tried switching fully to cashless payments during the pandemic. The main reasons cited for consumers for going cashless include greater speed and efficiency (47%), convenience (47%) and ease of tracking financial records (43%). The study also found that more than nine in 10 Visa card transactions in Singapore are contactless payments, making it one of the highest contactless payment penetration figures in the world<sup>20</sup>. The same Visa study also found that almost 70% of Malaysian consumers were actively using contactless card payments in 2022, up from 56% recorded in 2021<sup>21</sup>. A similar trend on cashless payments is observed in Hong Kong. The Financial Services Development Council of Hong Kong forecasted that cash will account for no more than 1.6% of point-of-sale (POS) transactions by 2024, down from 9% in 2019<sup>22</sup>. Although the threat of the pandemic has faded, cashless payments and contactless payments are set to become the norm in APAC markets, as consumers have adapted to the convenience of cashless payments. The rise in cashless payments is expected to drive the increasing adoption of credit cards, which is one of the popular cashless payment methods.

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<sup>19</sup> McKinsey & Company, "How the Asian insurance market is adapting to the future", 3 February 2023, <https://www.mckinsey.com/industries/financial-services/our-insights/insurance/how-the-asian-insurance-market-is-adapting-to-the-future>

<sup>20</sup> The Fintech Times, "Singapore's Gen Z Community Leads the Island's Cashless Revolution", 7 April 2022, <https://thefintechtimes.com/singapores-gen-z-community-leads-the-islands-cashless-revolution/>

<sup>21</sup> South China Morning Post, "Malaysia 'to be a cashless society by 2030' as use of contactless cards, QR codes surges", 5 July 2023, <https://www.scmp.com/news/asia/southeast-asia/article/3226585/malaysia-be-cashless-society-2030-use-contactless-cards-qr-codes-grows>

<sup>22</sup> Campaign Asia-Pacific, "As Hong Kong goes increasingly cashless, what does it mean for marketers?", 21 July 2022, <https://www.campaignasia.com/article/as-hong-kong-goes-increasingly-cashless-what-does-it-mean-for-marketers/480486>

### Rise of BNPL as an alternative to traditional loans boosts lending

Buy now pay later (BNPL), a form of consumer lending, grew rapidly in the APAC markets during the review period. BNPL allows consumers to make payments in multiple instalments for purchases made in the stores or online. BNPL is particularly attractive to younger consumers, as it allows them to borrow money when many of them would not be eligible for a loan or a credit card. BNPL does not usually charge interest and handling fees, although consumers are charged late fees if they are late for payments. The rise of BNPL in the less developed markets such as the Philippines has helped increase awareness and acceptance of consumer credit. Moreover, as BNPL grows in popularity and the landscape of BNPL products become more diverse, there is potential for digital financial products comparison platforms to offer comparison of BNPL products to help consumers compare offerings from different providers.

BNPL has become prevalent in Singapore. Many Singapore-based BNPL companies offer rewards, including cashback rewards and promotions, to attract consumers. There is also an increase in partnerships between BNPL companies and e-commerce companies such as Zalora and Pomelo, to offer discounts to customers. In Hong Kong, leading BNPL player Atome has partnered with well-known online platforms, such as HKTV Mall, FoodPanda and Sasa, and trendy brands, to increase consumers' awareness. Similarly, in Malaysia, e-commerce and physical retailers' partner BNPL players to offer consumers BNPL payment options. The use of BNPL services experienced exponential growth in Malaysia towards the end of the review period, as price-sensitive consumers welcomed the option to pay in instalments that are interest free. A growing number of international, regional and domestic players launched BNPL services, giving consumers alternative choices to credit card payments.

BNPL also enjoyed strong growth in the Philippines in 2021. The relatively low penetration of credit cards in the Philippines (8.1% of the adult population according to the World Bank data<sup>23</sup>) provides strong growth potential for BNPL. The main users of BNPL in the Philippines are technology-savvy millennials and Gen Z consumers, and the user base is expected to grow further, thanks to the country's young population and growing awareness of BNPL. According to projections by financial mobile app UnaCash, the number of BNPL users is expected to grow 236% from 5.2 million recorded in 2021 to around 17.6 million by 2026<sup>24</sup>.

### Property market recovery after the pandemic boosts demand for home lending

The pandemic spurred a property market boom in some of the APAC markets due to low interest rates, pent-up demand from construction delays during the pandemic and more people working from home,

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<sup>23</sup> The World Bank, Credit Card Ownership data, data extracted on 25 September 2023,

<https://genderdata.worldbank.org/indicators/fin7-t-a/?gender=total&year=2021>

<sup>24</sup> The Philippine Star, "Buy now, pay later' seen gaining more popularity in Philippines", 3 August 2022, <https://www.philstar.com/business/2022/08/03/2200029/buy-now-pay-later-seen-gaining-more-popularity-Philippines>

which led to more housing demand<sup>25</sup>. For example, Singapore's private property prices surged 10.6% in 2021 and 8.6% in 2022, according to data from the Urban Redevelopment Authority<sup>26</sup>. Similarly, in Taiwan, house prices in real terms rose by 4.8% in 2022, following strong growth of 11.7% in 2021<sup>27</sup>. In the Philippines, the property market gradually recovered in 2022, driven by the lifting of mobility restrictions and stronger demand for housing<sup>28</sup>. The recovery of the housing markets in APAC has boosted demand for mortgage, one of the main consumer lending products.

### Rising inflation and interest rates impact loan demand in the near term

Rising inflation is a potential constraint for consumer finance products. Towards the end of the review period, central banks around the world have been raising interest rates to control high inflation. This has led to higher borrowing costs for loan products, including personal loans and housing loans. As a result, consumers have been more cautious about taking out loans or they may delay purchases to avoid incurring high borrowing costs. In addition, a significant increase in the costs of living is also forcing many consumers to be more prudent with their expenditure and delay large purchases, which impacted the demand for consumer loans.

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<sup>25</sup> Reuters, "Pricey property is a pointy dilemma for Singapore", 28 June 2023, <https://www.reuters.com/breakingviews/pricy-property-is-pointy-dilemma-singapore-2023-06-28/>

<sup>26</sup> Reuters, "Singapore home prices rise despite cooling measures", 28 July 2023, <https://www.reuters.com/markets/asia/singapore-home-prices-rise-despite-cooling-measures-2023-07-28/>

<sup>27</sup> Global Property Guide, "Taiwan's housing market cooling again", 21 March 2023, <https://www.globalpropertyguide.com/news-taiwans-housing-market-cooling-again-4428>

<sup>28</sup> JLL, "Philippine real estate amid economic uncertainties", 31 March 2023, <https://www.jll.com.au/en/trends-and-insights/research/philippine-real-estate-amid-economic-uncertainties>

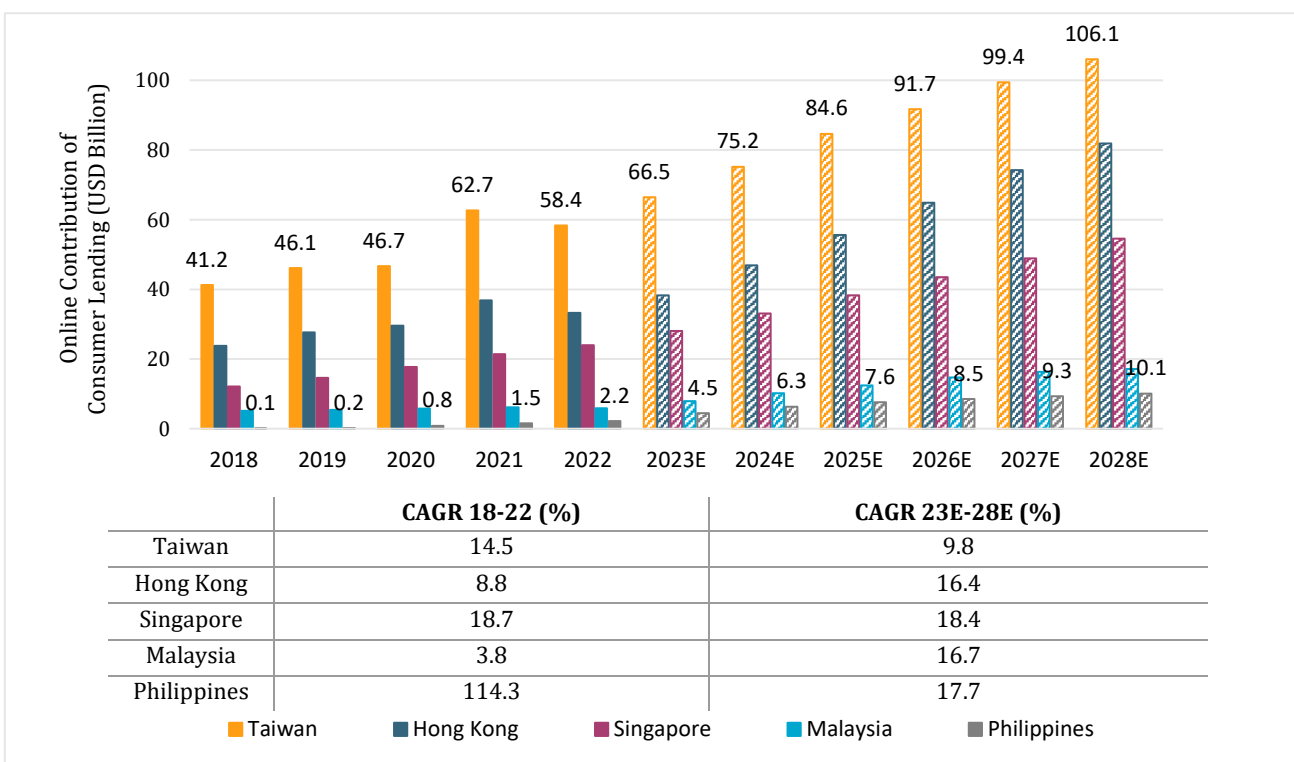
## 3.2 DIGITAL FINANCE PRODUCT COMPARISON PLATFORM

### 3.2.1 Total Addressable Market for Online Consumer Finance

#### Online consumer finance registers tremendous growth

Consumer lending and consumer insurance have seen strong growth in the online channel in the review period. In the consumer lending market, the online share of consumer gross lending amount has grown strongly in all five APAC markets. The Philippines had the fastest growth in online contribution of gross lending amount with a CAGR of 114.3%, while Singapore, Taiwan and Taiwan also enjoyed strong growth. Taiwan and Singapore have the most developed online consumer lending markets among the five economies. In 2022, online contribution accounts for close to one quarter of consumer gross lending amount in Taiwan and Singapore. Hong Kong also has a relatively large online consumer lending market which account for approximately 20% of the consumer gross lending amount. On the other hand, the share of online consumer lending is still very small in Malaysia and the Philippines at around 5% each. The online consumer finance and consumer insurance markets constitute the total addressable market for digital financial products comparison platforms since these platforms market products that are available in the online channel. The shift towards online channels means players in the digital financial products comparison industry will enjoy a growing total addressable market.

**Chart 20** Online Contribution of Consumer Lending in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2028E, USD Billion)



Source: Euromonitor Passport Data (Economies and Consumers 2023 edition), based on fixed 2022 exchange rates and current prices

Market	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E
Taiwan	18.7%	19.4%	20.8%	22.5%	23.4%	24.9%	26.3%	27.9%	28.6%	29.5%	30.0%
Hong Kong	13.5%	15.1%	18.0%	18.4%	18.6%	20.0%	22.7%	25.3%	27.7%	30.0%	31.4%
Singapore	13.1%	15.3%	20.2%	22.5%	23.5%	26.3%	28.8%	31.9%	35.6%	39.8%	45.0%
Malaysia	7.1%	7.2%	8.5%	7.3%	5.3%	6.8%	8.3%	9.6%	10.8%	11.4%	11.4%
Philippines	0.3%	0.5%	2.6%	4.5%	5.5%	10.1%	12.8%	14.2%	14.7%	14.8%	14.8%

Source: Euromonitor Passport Data (Economies and Consumers 2023 edition), based on fixed 2022 exchange rates and current prices

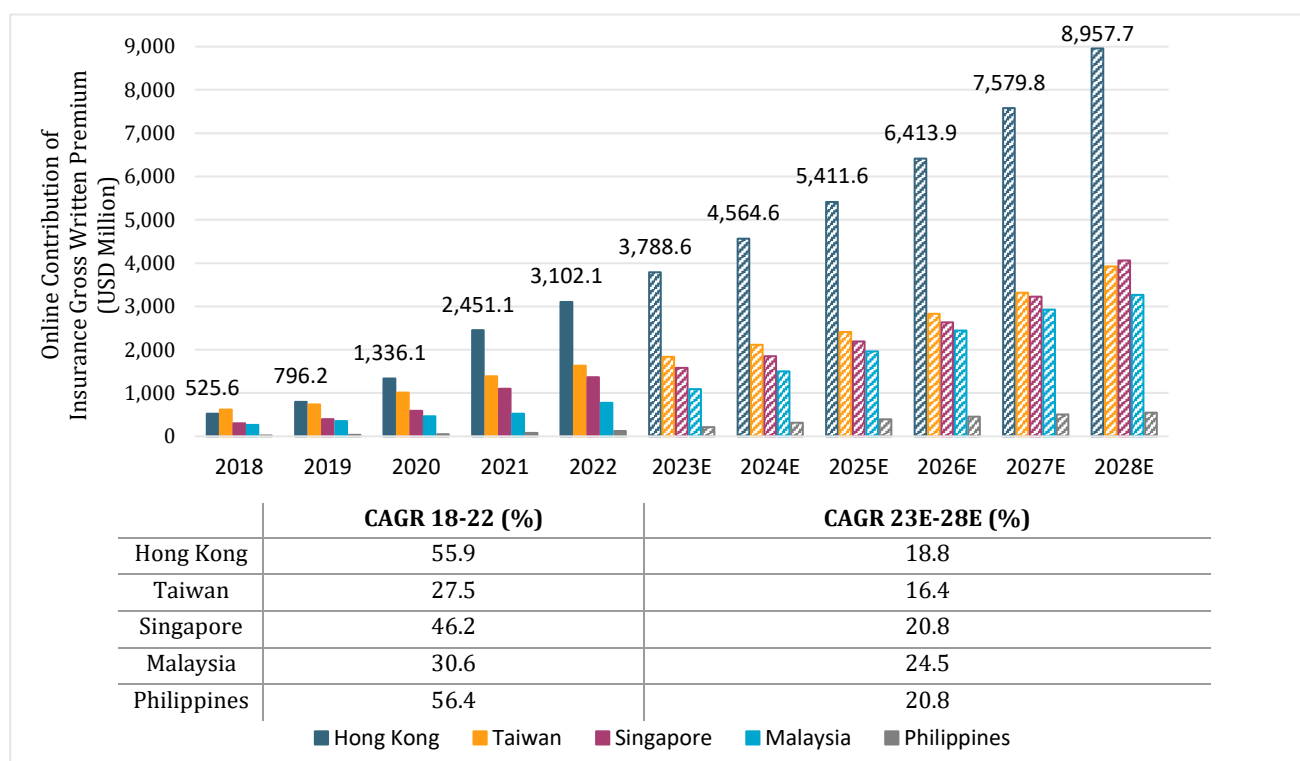
In the consumer insurance market, the online contribution of consumer insurance gross written premium has seen similarly strong growth in the review period. Online contribution amounts have grown at a CAGR of more than 20% in Singapore, Hong Kong, Malaysia and the Philippines. In Taiwan, the growth in online contribution is more moderate, as the overall insurance market has experienced a decline in consumer insurance gross written premium.

The growth in online consumer lending and consumer insurance has been driven by digitization of consumer finance. Consumers are becoming attracted to buying consumer lending and insurance products online due to the convenience they offer, such as applying for a personal loan or credit card online instead of going to a bank branch or buying a travel insurance policy online. The rise of Buy Now Pay Later (BNPL), a short-term loan which consumers take out at the point of purchase, has also contributed to the growth of online consumer lending. The regulatory landscape is also evolving and providing support for online insurance. For example, the Hong Kong Insurance Authority launched a pilot scheme called Fast Track in 2017, to expedite applications for new authorization to carry out insurance business in or from Hong Kong using solely digital distribution channels. The first authorization of a solely digital insurer under the Fast Track scheme was granted in December 2018. By 2023, five digital insurers have gained authorization to operate in the Hong Kong market, which gives consumers more choices<sup>29</sup>. The emergence of virtual insurers has motivated traditional insurance to enter digital channels. For example, FWD Insurance launched a one-stop digital platform in the Hong Kong market in 2021, that allows customers to purchase a wide range of insurance products online with multiple promotion offers<sup>30</sup>.

<sup>29</sup> Fintech News Hong Kong, "Hong Kong Trails Behind Singapore in Digital Insurance", 17 February 2023, <https://fintechnews.hk/20651/insurtech/hong-kong-trails-behind-singapore-in-digital-insurance/>

<sup>30</sup> FWD Hong Kong, "FWD Insurance introduces new one-stop digital platform in Hong Kong", 14 July 2021, <https://www.fwd.com.hk/en/press/2021/fwd-one-stop-digital-platform/>



**Chart 21** Online Contribution of Consumer Insurance Gross Written Premium in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2028E, USD Million)

Source: Data gathered from Monetary Authority of Singapore, General Insurance Association of Singapore, Hong Kong Monetary Authority, Insurance Authority of Hong Kong, Financial Supervisory Commission R.O.C Taiwan, Taiwan Insurance Bureau, Legislative Yuan of Taiwan, Central Bank of Malaysia, Insurance Commission of Philippines

**Table 2** Consumer Insurance Gross Written Premium Online Contribution vs Total (%)

Market	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E
Hong Kong	0.8%	1.1%	1.8%	3.3%	4.4%	4.8%	5.4%	5.9%	6.6%	7.4%	8.2%
Taiwan	0.5%	0.6%	0.9%	1.3%	1.9%	2.1%	2.3%	2.5%	2.9%	3.3%	3.8%
Singapore	1.5%	1.8%	2.5%	4.3%	5.3%	5.8%	6.3%	7.0%	7.8%	8.8%	10.2%
Malaysia	1.9%	2.4%	3.0%	3.2%	4.5%	6.0%	7.7%	9.5%	11.2%	12.8%	13.8%
Philippines	0.3%	0.5%	0.8%	1.1%	1.4%	2.3%	3.2%	3.7%	4.1%	4.3%	4.4%

Source: Data gathered from Monetary Authority of Singapore, General Insurance Association of Singapore, Hong Kong Monetary Authority, Insurance Authority of Hong Kong, Financial Supervisory Commission R.O.C Taiwan, Taiwan Insurance Bureau, Legislative Yuan of Taiwan, Central Bank of Malaysia, Insurance Commission of Philippines

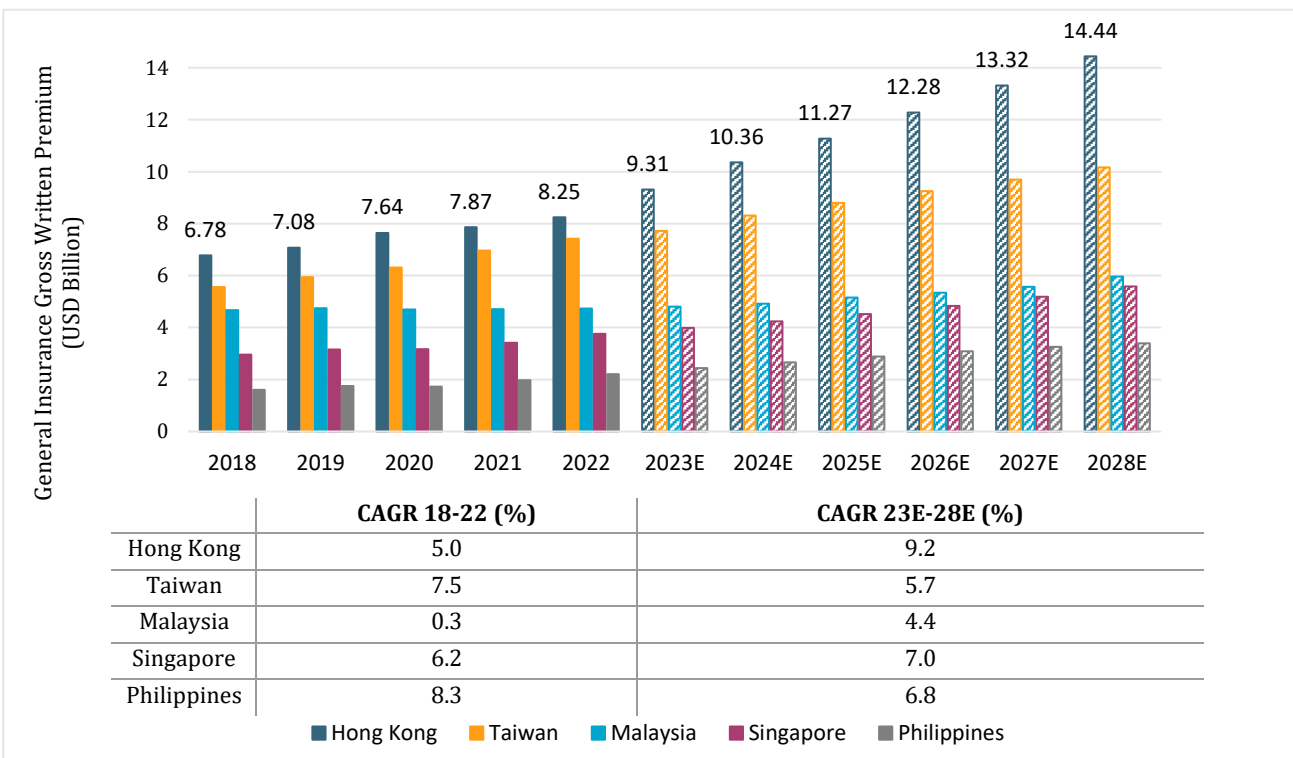
### APAC general insurance market offers strong potential for online conversion

The APAC economies offer a large addressable market for general insurance. Thanks to rising disposable income, consumer demand for travel and autos has grown strongly in APAC, which leads to growing demand for general insurance products. Across the five APAC markets, total gross written premium for general insurance grew at a CAGR of 5.2% between 2018 and 2022 to reach USD26.4 billion in 2022, and it is expected to maintain strong growth to reach USD28.3 billion in 2023. Although the general insurance market is smaller than the life insurance market in terms of total gross written premium, general insurance offers strong potential for online conversion. This is because general insurance products, such as auto insurance, home insurance and travel insurance, are typically less complex than life insurance and consumers increasingly appreciate the convenience of being able to purchase these products in the online channel. As of 2022, Hong Kong has the largest general insurance



market with USD8.2 billion in gross written premium. This is followed closely by Taiwan with USD7.4 billion in gross written premium. Singapore, Malaysia and the Philippines have smaller markets. All five APAC markets are expected to register positive growth, with a projected CAGR of 6.9% in combined general insurance gross written premium for the forecast period.

**Chart 22** General Insurance Gross Written Premium in Singapore, Hong Kong, Taiwan, Malaysia and Philippines (2018-2028E, USD Billion)



Source: Data gathered from Monetary Authority of Singapore, General Insurance Association of Singapore, Hong Kong Monetary Authority, Insurance Authority of Hong Kong, Financial Supervisory Commission R.O.C Taiwan, Taiwan Insurance Bureau, Legislative Yuan of Taiwan, Central Bank of Malaysia, Insurance Commission of Philippines

**Digital financial products comparison platforms gain popularity alongside the increasing use of internet to research consumer finance products and the digitization of consumer finance**

Digital financial products comparison platforms have been around since early 2010s, but they gained popularity rapidly in the review period along with the rapid growth of online acquisition of consumer finance and a shift in consumer preferences towards the online channel. Thanks to growing internet and smartphone penetration, consumers increasingly use the internet to find information about consumer finance products. Financial comparison platforms help consumer save time by aggregating the information about consumer finance products, highlighting product features and benefits, and sometimes providing product recommendations based on the consumers’ priorities and preferences. Some platforms also offer rebates and discounts in partnership with financial services providers, making it more attractive for consumers to obtain consumer finance products, such as credit cards and loans, through the platforms. Digital financial products comparison platforms earn revenue from the referral fees paid by their banking and insurance partners for every transaction that is successfully applied via the platforms.

### 3.2.2 Growth Drivers and Constraints

#### Rise in internet and smartphone penetration boosts access to online consumer finance

During the review period, consumers are increasingly shifting towards a digital lifestyle, such as shopping for all kinds of products online, using the internet for banking, communications, online classes etc. An increase in internet usage and smartphone penetration across the APAC markets has enabled more consumers to access online services and mobile apps. The Philippines has the lowest household smartphone penetration among the five APAC markets, at 85.8% of households; however, it has seen the largest increase in smartphone penetration, which rose from 66.0% in 2018. Malaysia also saw a significant increase in household smartphone penetration from 78.9% to 96.5% between 2018 and 2022.

With the proliferation of internet access, consumers can now easily find information about consumer finance products online and compare products by different providers. The online channel also makes it easier for consumers to carry out banking activities, such as making payments and transfers in internet banking or opening new accounts, without having to physically visit a branch. Therefore, the increasing penetration of internet reduces the physical barriers for consumers to access consumer finance products, which has in turn led to greater financial inclusion across APAC markets.

#### Interest in online consumer finance grew significantly during the pandemic

The pandemic has played an important role in transforming consumer behaviours, particularly in the area of online consumer finance. Interest in online consumer finance products, such as online bank accounts, grew strongly during the pandemic. According to a report published by Google in February 2022, search interest in how to open account online grew by 25% in the Philippines between September 2020 and August 2021, compared to that between September 2019 and August 2020<sup>31</sup>. Moreover, 68% of the unbanked population said they started using digital banking due to the pandemic, according to a survey commissioned by Google during March-April 2021. Other APAC markets saw similar growth in online banking. In Malaysia, online banking usage grew 36% with 12.1 billion payments made in the 12 months up to June 2021, while the volume of e-wallet transactions surged 89% to 468 million, according to figures quoted by the finance minister Tengku Zafrul Aziz in a keynote address in September 2021<sup>32</sup>.

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<sup>31</sup> Think with Google, "Year in Search Philippines Trend 1: Digital Mainstreamed", February 2022, <https://www.thinkwithgoogle.com/intl/en-apac/marketing-strategies/search/connect-filipino-consumers-digitally/>

<sup>32</sup> World Bank Group, "Islamic Finance the Development of Malaysia's Halal Economy", October 2022, <https://documents1.worldbank.org/curated/en/099520009192291370/pdf/P1754610b0b25e0250a3d5001662143b195.pdf>

### Virtual banks gain popularity among younger consumers with quick signup process and attractive product offerings

Virtual banks have grown rapidly in some of the APAC markets, including Singapore, Hong Kong and the Philippines, and they are particularly popular among technology-savvy, younger consumers who are comfortable with a fully digital banking experience. Virtual banks appeal to consumers with the ease of account opening, attractive product features, such as competitive interest rates on savings accounts, and various rewards including cashback and discounts. As of June 2023, there are five digital banks in Singapore. They offer higher interest rates and grocery rebates to pull customers from traditional banks, and they have also expanded their service offerings to personal loans, credit cards and travel insurance<sup>33</sup>. Most of the customers of the Singapore digital banks are digital natives in their 20s and 30s. The virtual banks segment in Hong Kong is also developing rapidly. The major virtual banks in Hong Kong have expanded from debit cards and saving accounts to personal loans and credit cards, with some of them offering interest-free instalment plans for their credit cards to capture younger consumers.

The Philippines has six virtual banks at the beginning of 2023. The virtual banking segment has been boosted by the introduction of digital banking licenses which allowed fully foreign entities to obtain a banking license. In December 2020, BSP released the guidelines for establishing digital banks in the country under BSP Circular No. 1105. Virtual banks are expected to play an important role in driving financial inclusion in the Philippines. According to a BSP report, three digital banks which started operations in 2021 have onboarded 120,000 deposit accounts, and the numbers rose further once the three other banks began operations in 2022. BSP aims to leverage the growth of digital banks to increase the Philippines's banked population to 70% of Filipino adults and increase online payments to 50% of all payments by 2023<sup>34</sup>.

### Financial institutions accelerate digital transformation to remain competitive

Financial institutions have embarked on digital transformation to increase their presence in the online channel, in order to capture the huge growth opportunities arising from APAC markets' young and digital savvy consumers. The emergence of virtual banks and fintech start-ups has pushed traditional banks to accelerate their digital transformation. For example, banks are investing in seamless digital approval and customer onboarding processes to provide a more convenient signup experience for new customers. Hong Kong Monetary Authority (HKMA) launched the "All banks go Fintech" initiative in 2021, under the HKMA's "Fintech 2025" strategy, to encourage banks to digitise their operations. It is anticipated that Hong Kong's traditional banks will transform into fully digital banking services in the forecast period. The trend towards digital transformation in the consumer finance markets means more and more financial institutions (banks, insurance companies etc) will be able to collaborate with

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<sup>33</sup> Channel News Asia, "Digital banks have to do more to woo customers in Singapore, say analysts", 27 June 2023, <https://www.channelnewsasia.com/business/digital-banks-singapore-products-market-share-3572141>

<sup>34</sup> McKinsey & Company, "On the verge of a digital banking revolution in the Philippines", 3 May 2023, <https://www.mckinsey.com/industries/financial-services/our-insights/on-the-verge-of-a-digital-banking-revolution-in-the-Philippines>

consumer finance comparison platforms to provide digital onboarding and digital consumer finance services to the large volume of customers which come through the comparison platforms.

### Costs of living squeeze and rising interest rates motivate consumers to turn to financial comparison platforms to look for best deals

Rising costs of living across APAC markets has boosted the popularity of financial comparison platforms. As prices rise, consumers have become more cost conscious and are looking for deals and ways to save. For example, consumers will be more motivated to use comparison platforms to look for car or travel insurance with lowest premiums<sup>35</sup>. As part of the global inflationary environment, APAC markets have experienced rising interest rates. This means rates on savings accounts have become more significant after years of low interest rates, motivating consumers to look around for the highest interest savings accounts. Rising interest rates also means the rates on consumer credit products, such as personal loans, auto loans and housing loans, have gone up. This is another factor driving consumers to financial comparison platforms to compare and find the most affordable loans.

### Regulatory requirements sometimes limit the range of products available in the online channel

Regulatory requirements have an impact on the availability of consumer finance products which can be sold online. Among the APAC markets, Taiwan has strict regulations for online insurance. The sale of insurance through online platforms in Taiwan is governed by the Guidance for the Handling of Electronic Commerce in the Insurance Sector (“Guidance”), last amended in November 2017. Under the Guidance, an insurance company must apply to the Financial Supervisory Commission for engaging in the online sale of products and they need to meet certain requirements, including requirements for the applicant’s risk-based capital, and that the fines imposed by the FSC (Financial Supervisory Commission) on the applicant in the past year must not exceed certain amounts. Moreover, applicants can only sell products set out in the Guidance, such as non-life insurance products with insurance premium of NTD 100,000 (approximately USD 3,333) or less<sup>36</sup>.

### Online acquisition of consumer finance expected to grow strongly with the digitisation trend

Online acquisition for consumer lending and consumer insurance is expected to maintain strong growth in the forecast period, driven by the digitisation of consumer finance and growing consumer preferences for online banking and online services. As virtual banks gain popularity and traditional financial institutions accelerate their digital transformation to stay relevant, more and more consumer finance acquisitions and transactions are expected to be conducted online, leading to a growing share of online acquisition in consumer lending and consumer insurance.

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<sup>35</sup> The Financial Times, “Golden era for price comparison sites is over”, 13 April 2022, <https://www.ft.com/content/728f1518-602c-466a-bb27-e94768429e88>

<sup>36</sup> Baker McKenzie, “Digitalization in Insurance Guide”, information extracted on 25 September 2023, <https://resourcehub.bakermckenzie.com/en/resources/asia-pacific-insurance/asia-pacific/taiwan/topics/digitalization-in-insurance-guide>

The emerging markets of Malaysia and the Philippines are expected to lead growth in the online acquisition of consumer lending, as these markets have more room to grow from lower online penetration levels. The more developed markets of Hong Kong, Singapore and Taiwan will also continue to register strong growth in online consumer lending. By the end of the forecast period, online consumer spending is expected to account for close to one third of total consumer lending in Hong Kong, Singapore and Taiwan, whereas in the Philippines and Malaysia, the online share will be around 15% to 20%, a significant increase from 5% in 2022. The consumer insurance segment will experience similarly strong growth in online acquisition, as insurance companies embark on a journey to modernise and digitise their operations. By the end of the forecast period, the share of online contribution to consumer insurance gross written premium is expected to reach around 10% in Singapore, Hong Kong and Malaysia. Taiwan and the Philippines will also see an increase in online acquisition of consumer insurance, but the share of online acquisition in these two markets will remain quite low at less than 5%, particularly due to Taiwan's relatively strict regulatory requirements which govern the sale of insurance online.

### Insurance regulations evolve to provide regulatory guidance on online consumer insurance

In line with the increasing penetration of technology in the provision of consumer finance products and services, insurance regulations in the APAC markets have evolved to provide guidelines on the conduct of financial transactions, while safeguarding the rights and interest of consumers. Some markets, such as Taiwan and Hong Kong, have stricter requirements than others on the types of insurance products which can be sold online.

The sale of insurance through online platforms in Taiwan is governed by the Guidance for the Handling of Electronic Commerce in the Insurance Sector (“Guidance”), last amended in November 2017. Under the Guidance, an insurance company must apply to the Financial Supervisory Commission for engaging in the online sale of products and they need to meet certain requirements, including requirements for the applicant’s risk-based capital, and that the fines imposed by the FSC on the applicant in the past year must not exceed certain amounts. Moreover, applicants can only sell products set out in the Guidance, such as non-life insurance products with insurance premium of NTD 100,000 (approximately USD 3,333) or less.

In Hong Kong, the Insurance Authority issued the Guideline on the Use of the Internet for Insurance Activities, which came into effect on 26 June 2017, to provide guidance to insurers and insurance intermediaries on insurance-related activities over the internet. The regulations also limit the type of insurance products that may be offered through online platforms. The permitted products are generally those that are protection-oriented, short-term or have a simple product structure, such as general insurance products (i.e. non-life insurance products), term life policies, certain qualifying deferred annuity policies, voluntary health insurance scheme products, and refundable policies without a substantial savings component or renewable policies without a cash value. On 29 September 2017, the Insurance Authority launched a pilot scheme, Fast Track, to expedite applications for new authorisation to carry out insurance business in or from Hong Kong using solely digital distribution channels.

In Malaysia, the Guidelines on Risk Management in Technology (RMIT Guidelines), issued in 2020 by the Central Bank of Malaysia (BNM), sets out the minimum responsibilities and requirements imposed on financial institutions to mitigate technology risks, including the risks emanating from the sale of insurance through the internet. The RMIT Guidelines include minimum requirements in respect of product information and transparency, and customer education, protection and privacy.

While Singapore does not have regulations that govern the sale of all types of insurance products through online platforms, the Monetary Authority of Singapore has issued notices and guidelines issued in relation to the online distribution of life policies under certain circumstances. This includes the Notice on Direct Purchase Insurance Products – Life Insurers, issued to direct life insurers on 13 May 2016; the Notice on the Distribution of Direct Purchase Insurance Products, issued to financial advisers on 30 March 2015; and the Guidelines on the Online Distribution of Life Policies with No Advice, issued to direct insurers and financial advisers on 31 March 2017. The notices and guidelines require direct life insurers and financial advisers to put in place safeguards for the online sale of life policies without the provision of advice.

In the Philippines, the sale of insurance through online platforms is regulated by the Guidelines on E-Commerce of Insurance Products, issued by the Insurance Commission of the Philippines. In November 2020, the Insurance Commission issued the Guidelines on Institutionalization of Remote Selling Initiatives as a Permanent Mode of Selling Insurance Products, under which the cap on the amount of premium that can be transacted through remote selling was lifted<sup>37</sup>.

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<sup>37</sup> Pru Life UK, "Driving Broader Insurance Access through InsurTech", November 2022, <https://www.prulifeuk.com.ph/export/sites/prudential-ph/en/.galleries/pdf/Driving-Broader-Insurance-Access-through-InsurTech-Final.pdf>

## 4. COMPETITIVE LANDSCAPE IN CONSUMER FINANCE DIGITAL PLATFORM

### 4.1 COMPETITIVE LANDSCAPE OVERVIEW

#### 4.1.1 Overview of Competitive Landscape

The markets for digital financial products comparison platforms is highly consolidated and dominated by a few players

The digital financial products comparison platform market is highly competitive and fairly consolidated in the five APAC markets, with a relatively small number of players in each market. The Malaysian market is highly consolidated. The top four players, including CompareHero (a subsidiary of MoneyHero), account for more than 95% of the financial comparison market share. Similarly, the Singapore market is highly consolidated, with the top three players (two of which being MoneyHero subsidiaries) accounting for more than 95% of the market share in 2022. The Hong Kong, Taiwan and the Philippines markets are more diverse with a greater number of financial comparison platforms. However, a common characteristic of these markets is the dominance of a small number of players. For example, the Hong Kong market is dominated by two leading players, MoneyHero and Hong Kong Card, which account for around 70% of the financial comparison market. Similarly, the top three players account for more than 90% of the Philippines market. The dominance of the leading players reflects the challenges faced by smaller players to scale in a highly competitive market, where players need to invest a large amount of resources to market their platforms, establish partnerships with financial institutions, and ensure technology integration with their commercial partners in order to provide a seamless end-to-end product experience.

### 4.2 OTHER LEADING PLAYERS' ANALYSIS

#### 4.2.1 Key Players in the Market

*Competitors finding their edge in the market*

The markets for digital financial products comparison platforms are quite concentrated due to strong competition and the challenges faced by new entrants to develop unique positioning and establish partnerships with consumer finance providers. As a result, the smaller players in the market sometimes focus on specific product verticals to establish their differentiation. For example, automotive comparison platform Autodeal focuses on the auto market in the Philippines and Taiwan's cardu specialises in financial cards.

The main competitors of MoneyHero in the Malaysian market are Ringgitplus, Loanstreet and iMoney. Loanstreet focuses on consumer loans, including credit cards, personal loans, auto loans, home loans etc. It also offers car insurance and motorcycle insurance on its platform to help customers to renew their motor insurance online. iMoney offers a diverse range of products on its platform, including credit cards, personal loans, broadband and insurance, and the platform has established partnership with a



number of well-known banks and insurance companies, such as UOB Bank, Bank Islam, Bank Rakyat and Prudential Takaful. Ringgitplus also offers a wide range of products on its platform, including credit cards, personal loans, car insurance, health and life insurance. The company was founded in 2012, hence it has established itself as a well-known brand in the financial comparison platform space, and it has developed strong expertise in developing tools and services that enable consumers to easily apply for new financial products through its platform.

The Singapore market is also highly consolidated. The main competitor of MoneyHero is MoneySmart which has more than one third of the market. Founded in 2009, MoneySmart allows consumers to compare credit cards, savings accounts, loans and investment accounts on its platform. It has established itself as one of the leading financial comparison platforms in APAC with presence in Singapore, Hong Kong, Taiwan and the Philippines. The company's key strength for the Singapore market is diversified products (over 170 financial products) and partnership with more than 70 financial institution partners. Thanks to its strong relationship with financial institutions, the company is able to offer a membership programme that gives customers access to some of the highest cashback rates available off retail products.

The Hong Kong market is dominated by two leading players, MoneyHero and Hong Kong Card, which account for around 70% of the market share, while the remaining players are much smaller, each with a market share of 5% or less. The Hong Kong Card comparison platform offers a wide range of credit cards, loans and insurance products for consumers to compare and choose from.

The Taiwan market is also quite fragmented with more than 10 digital financial products comparison platforms. However, the top two players dominate the market. Besides MoneyHero, the other leading player is cardu, which focuses on financial cards.

The Philippines market also has a diverse number of players, however, most of the players are very small (under 5% market share each), while the top three players account for more than 90% of the market. Autodeal and iMoney are the main competitors to MoneyHero in the Philippines market. Autodeal specialises in price comparison for new and used cars and offers financing deals for car and motorcycle purchases. The iMoney platform offers a wide range of consumer finance products, including credit cards, loans, savings and investment products, and insurance. According to the iMoney website, it has partnered more than 37 brands offering more than 300 products through its platform.

## **4.3 MONEYHERO GROUP'S LEADING POSITION IN THE INDUSTRY**

### **4.3.1 MoneyHero Group Maintains Leading Position in Multiple Markets**

MoneyHero operates market leading financial comparison platforms in APAC and generates additional revenue through collaboration with third-party channel partners and content creators

Founded in 2014, MoneyHero Group is a leading digital financial products comparison company with coverage in the rapidly growing APAC markets, namely Singapore, Hong Kong, the Philippines, Taiwan



and Malaysia. The company primarily operates in the area of online financial comparison platforms, connecting providers of consumer finance products (credit cards, personal loans, mortgages, insurance and other financial products) with consumers. It generates revenue from these providers for featuring their products on MoneyHero’s comparison platforms and providing insurance brokerage, marketing and events-related services via the platforms. The company also holds insurance brokerage licenses in Singapore, Hong Kong and the Philippines and insurance agent registrations in Malaysia. This allows the company to provide end-to-end insurance acquisition services to consumers.

In addition to the primary business of comparison platforms, the company also has a B2B service offering, Creatory, a self-service portal that provides MoneyHero’s digital technology solutions to third party online channel partners and content creators and helps them monetize their online traffic and user base through MoneyHero’s existing relationship with its commercial partners. The online channel partners and content creators earn a commission from MoneyHero for promoting financial products on the MoneyHero platforms, either on a fixed fee basis or conversion-based fee basis. The business model allows MoneyHero Group to improve its paid channel mix and capture additional users through the online channel partners and content creators. The split between revenue generated directly from MoneyHero online platforms and the revenue generated from third-party channel partners and content creators is approximately 85% to 15% in 2022.

### Market leader in digital financial products comparison platforms with a large portfolio of commercial partners and products

	Singapore	Hong Kong	Taiwan	Malaysia	Philippines
MoneyHero Group Market Shares	59%	49%	33%	16%	49%
MoneyHero Group Subsidiaries	Singsaver, Seedly	MoneyHero	Money101	CompareHero	MoneyMax
Ranking by Market	2, 3	1	1	3	1
Number of Competitor	4	11	10	6	9
Relative Engagement Market Share*	42%				

Source: SEMrush data

\*Relative Engagement Market Shares is defined as the sum of visit duration for all MoneyHero Group’s subsidiaries over the sum of total visit duration of all the players across the 5 markets

The company maintains a leading position in digital comparison platforms in the APAC markets, in terms of the number of users, commercial partners and products on its platforms. As of June 2023, the company has 9.1 million monthly unique users and 4.3 million members in five APAC markets (Singapore, Taiwan, Hong Kong, Malaysia and the Philippines). Leveraging the scale and volume of its large customer base, the company has forged strong relationship with its commercial customers. As of June 2023, the company has over 270 commercial partners, and its platforms provide information on a comprehensive portfolio of over 1,500 financial products, including credit cards, personal loans, mortgages, various insurance lines (such as medical insurance, travel insurance and car insurance), bank accounts, brokerage accounts and wealth management products. The company’s extensive commercial partnership and product portfolio allows its platforms to cater to nearly all aspects of customer needs for consumer finance products. During the COVID-19 pandemic, the company achieved

impressive growth, driven by financial institutions' transition from offline channels to online channels for customer acquisition.

#### Scalable business model for attracting new users and converting users to purchases

In addition to the product comparison feature on its platforms, the company has a scalable business model for attracting new users and converting them to purchases through high quality content and exclusive rewards. In 2022, the company published over 170 articles per month on its blogs and ran more than 580 promotional campaigns offering exclusive rewards to users who purchase or were approved for financial products via our platforms. In addition, the company has improved its channel mix through its B2B business offering, the Creatory platform, which incentivises third-party online channel partners and content creators to promote the financial products placed by commercial partners on MoneyHero platforms.

#### Strong commercial partnerships facilitated by MoneyHero's seamless onboarding and integration processes

MoneyHero Group has established a large and growing network of commercial partnerships with consumer finance providers and developed robust processes for onboarding and integration of the comparison platforms with commercial partners' websites. It offers bespoke technological integrations of the MoneyHero platforms with the websites of its commercial partners, thus providing a smooth end-to-end user journey and improving the conversion rates of their products.

### 4.3.2 Evolving Business Model to Strengthen Their Core Business by User Acquisition

#### Emerging business model leverages MoneyHero's B2B networks to increase user acquisition

MoneyHero Group continues to evolve its business model through its B2B service offering, Creatory, a self-service portal that helps third-party online channel partners and content creators monetize their online traffic and user base by promoting products placed on MoneyHero platforms. The business model helps MoneyHero increase the scale of customer acquisition by capturing users who would not normally use MoneyHero platforms. It makes MoneyHero's propositions more attractive to consumer finance providers and gives the company more leverage in negotiating favourable commercial agreements with its commercial partners. As of June 30, 2023, MoneyHero Group had over 400 content and channel partners engaged via Creatory. Between 2021 and 2022, the share of the Company's total revenue generated from the company's content and channel partners grew from 11.2% to 13.7%, reflecting the growing importance of the new business model.

#### Future strategies focus on increasing customer conversion, maintaining user engaging and diversifying partnerships and product offerings

The company's future strategies include increasing customer conversion in a cost effective manner, such as refining its customer targeting and developing shorter, seamless user journeys in finding the right products; maintaining user engagement through tailored content and frequent update of rewards; and diversification of product offerings, such as free credit profile information for users.

### MoneyHeros holds insurance broker licence in multiple APAC markets and develops insurance offerings to capture the growth of the insurance industry

The insurance industry is a high growth area for the company, as travel insurance is witnessing strong recovery from the reopening of the economies, and demand for life and health insurance is also growing steadily due to APAC's ageing population. The insurance market currently has a lower digital penetration rate than other consumer finance products, but there is huge growth potential for online insurance acquisition, as insurance companies undergo digital transform to develop the online channel and consumer behaviours shift. The online acquisition share of consumer insurance across five APAC markets is expected to reach 10% to 15% for Hong Kong and Malaysia, and around 5% to 10% for the Philippines and Singapore by 2028, which is a significant increase compared to that at the end of the review period. In Taiwan, the online acquisition share of consumer insurance will also grow in the forecast period to reach 3.8% in 2028, albeit at a slower pace than the other four markets. To capture the growing insurance market, the company started investing more in its insurance brokerage business in 2022 and plans to onboard more insurance products onto its platforms. It is currently a licensed insurance broker in Singapore, Hong Kong and the Philippines, and holds agency licenses in Malaysia. In the long term, its strategy is to develop a comprehensive digital insurance broker model with a full set of insurance products and online-to-offline fulfilment capabilities to capture the region's large insurance market.

### Strong presence in fast growing emerging markets to capture growth opportunities

The company has diversified geographic presence, including the mature markets like Singapore, Taiwan and Hong Kong, and fast growing emerging markets like Malaysia and the Philippines. In particular, the Philippines market offers huge growth potential with its large unbanked population, a large base of young, technology-savvy consumers who will be a driving force for consumer finance online acquisition. During the review period, the size of the banked population in the Philippines grew strongly with a CAGR of 7.8% to reach 35.1 million in 2022, or 44.1% of the total population. The pandemic has accelerated the adoption of consumer finance products, such as bank accounts. The Philippines saw a 12.8% growth in the banked population in 2022, which was mainly driven by the adoption of digital financial services, such as digital payments<sup>38</sup>. The company is well positioned to capture the growth potential offered by the market, having established itself as one of the leading digital financial products comparison platforms in the Philippines.

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<sup>38</sup> The Fintech Times, "Financial Inclusion in the Philippines Being Achieved as Less Than 50% Of Population Are Unbanked", 30th August 2022, <https://thefintechtimes.com/financial-inclusion-in-the-philippines-being-achieved-as-less-than-50-of-population-are-unbanked/>

## 4.4 ENTRY BARRIERS

### 4.4.1 Barriers to Entry

Low barriers to entry to the digital financial products comparison platforms market, but bigger players have an advantage over smaller, new entrants

The barriers to entry to the digital financial products comparison platform industry are relatively low since new entrants do not require a huge amount of startup costs to set up an online platform. Nonetheless, there are several significant barriers for new entrants to compete effectively with the more established, larger players. To operate as a successful financial comparison platform, a platform needs to have a wide range of products to provide consumers with many choices. This requires platform players to have strong relationship with key commercial partners, i.e. banks and insurance companies. Smaller new entrants may struggle to gain the trust of commercial partners. In addition, digital financial products comparison platforms need to have strong technical integration and collaborate with partners to allow end-to-end sales of products. New entrants may not have the technology expertise to ensure a seamless integration. Lastly, a significant barrier to entry is the challenge of scaling the business. For a digital financial products comparison platform to be successful, the platform needs to have a large user base. This would require new entrants to make significant investments in time and resources to build brand awareness and trust, which is key to generating a large amount of recurring, organic traffic. New entrants will also need to recruit and maintain a significant number of operations staff to drive volume growth through campaigns and support the large volumes of traffic.

The consumer finance industry is evolving rapidly with the emergence of fintechs and the continuous introduction of new products and services by banks and insurance companies. This requires digital comparison platforms to stay abreast of the latest developments in the consumer finance industry and keep improving their product features, such as understanding local trends and consumer preferences in order to recommend relevant and suitable products to consumers, or working with credit bureaus to gain deeper knowledge of customers. New entrants may lack resources or local knowledge to tailor their services and offerings to the rapidly evolving local markets.