



# State of open banking in Southeast Asia (SEA)

# The next wave of open banking in SEA

Open banking in SEA is on the brink of rapid expansion in 2024, though progress varies across countries. With a population of 570 million and a projected GDP of USD 4.7 trillion by 2025, the region's financial services sector offers significant growth potential. Regulatory frameworks are evolving to promote competition and innovation, driving collaboration between traditional banks and fintech firms.

Financial institutions are embracing open banking to improve customer experiences and expand financial product access. Fintechs, using APIs, are driving innovation in payments, lending, and wealth management. Increased smartphone use and internet access are fueling demand, though challenges like data security and API standardization offer opportunities for collaboration.

As digital payments in the region are expected to exceed USD 1 trillion by 2025, other services like lending and insurance are poised for substantial growth as well.







To unlock the full potential of open banking, supportive regulations, investment in technology, and partnerships will be critical. If the right conditions are met, Southeast Asia's digital financial services industry could generate USD 38 billion in revenue by 2025, driving the region toward a more connected and competitive financial ecosystem.

Source: Temasek, Twimbit analysis



# SEA's digital battlefield

## Infrastructure readiness

	 Singapore	 Thailand	 Vietnam	 Philippines	 Indonesia	 Malaysia
Mobile cellular subscription (%) <small>(per 100 people)</small>	170%	176%	170%	144%	115%	129%
Internet users (%) <small>(of population)</small>	96%	88%	79%	72%	66.5%	97.4%
Smartphone penetration (%) <small>(of population)</small>	97%	88%	84%	79%	68%	98%
5G penetration	95%	80%	0*	38%	N/A	80%
Number of e-wallet users	5.23 mn	116.5 mn	58 mn	58 mn	57 mn	21.4 mn
Number of licensed digital banks	4	0**	3	6	7	5
ICT to revenue (%) for top banks	7%	6.9%	N/A	2.8%	1.9%	3.3%

Source: Twimbit analysis, Industry reporting





Note: N/A: Data is unavailable




\*5G is yet to come in Vietnam

\*\*Thailand began accepting virtual banking license applications in March 2023, with plans for three licenses but allowing more as applicants meet capital requirements

# Mapping open banking progress

## Leaders and laggards in SEA

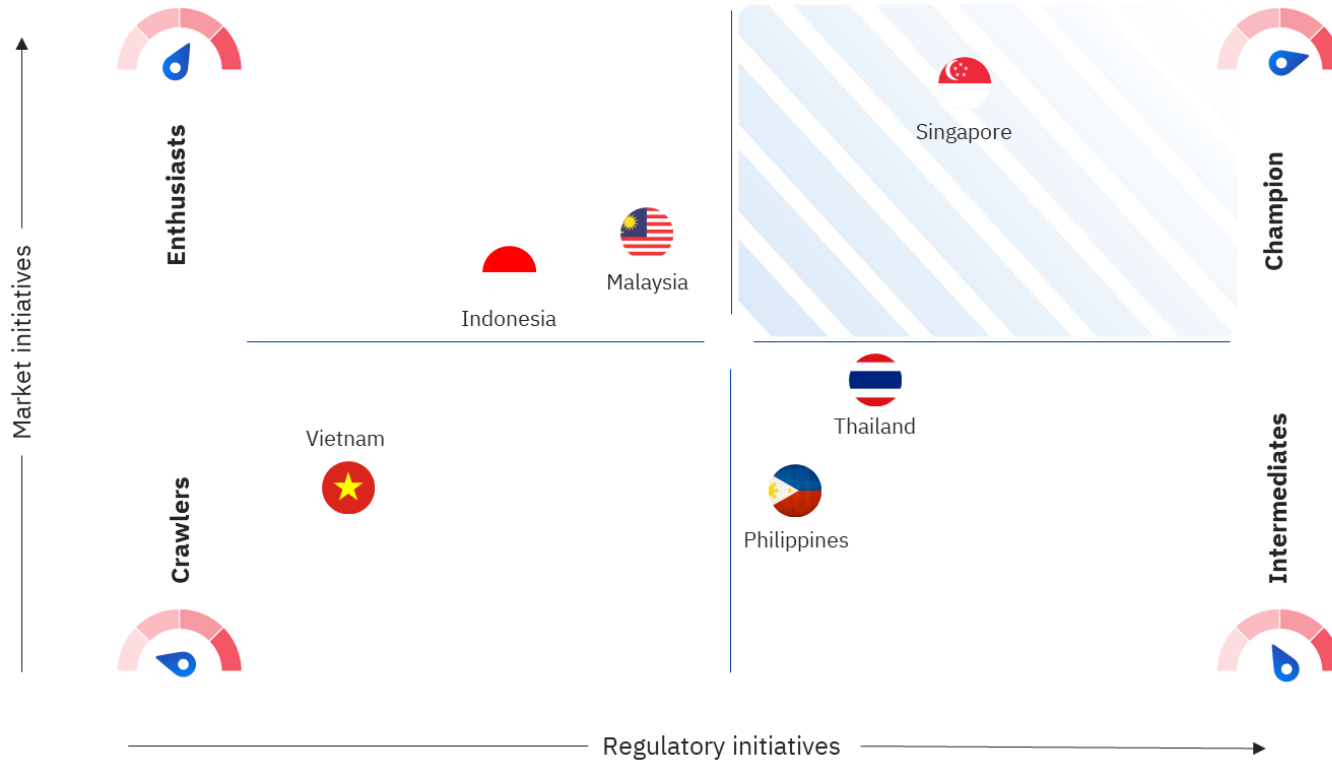
	 Singapore	 Thailand	 Vietnam	 Philippines	 Indonesia	 Malaysia
Digital KYC framework	<ul style="list-style-type: none"> <li>Myinfo Data access through Singpass (2017)</li> </ul>	<ul style="list-style-type: none"> <li>E-KYC (2016) Use of biometric Facial Recognition</li> </ul>	<ul style="list-style-type: none"> <li>E-KYC (2021)</li> </ul>	<ul style="list-style-type: none"> <li>Now -KYC guidelines (2021)</li> <li>PhilSys Check (2022)</li> </ul>	<ul style="list-style-type: none"> <li>E-KYC (2019)</li> </ul>	<ul style="list-style-type: none"> <li>E-KYC (2020)</li> <li>National Digital identity (2024)</li> </ul>
Open finance framework	<ul style="list-style-type: none"> <li>Open API Playbook (2016)</li> <li>SGFinDex (2020)</li> </ul>	<ul style="list-style-type: none"> <li>dStatement launch by BOT, Thai Banker's Association and GFIA</li> <li>Open API infrastructure(2024)</li> </ul>	<ul style="list-style-type: none"> <li>Market-driven approach</li> <li>VietinBank Connect Open Banking framework (2017)</li> <li>SBV framework(2025)</li> </ul>	<ul style="list-style-type: none"> <li>Open Finance Framework (2021)</li> </ul>	<ul style="list-style-type: none"> <li>National Open API Payment Standard (2021)</li> <li>Indonesia Payment System Blueprint (2025)</li> </ul>	<ul style="list-style-type: none"> <li>Policy Document on Publishing Open Data using Open API (2018)</li> </ul>
Digital payments infrastructure	<ul style="list-style-type: none"> <li>PayNow (2017)</li> <li>FAST (2014)</li> <li>SGQR (2018)</li> </ul>	<ul style="list-style-type: none"> <li>PromptPay (2017)</li> <li>TSOR (2017)</li> </ul>	<ul style="list-style-type: none"> <li>NAPAS 247 (2021)</li> <li>VietQR (2021)</li> </ul>	<ul style="list-style-type: none"> <li>InstaPay (2018)</li> <li>QRPH (2021)</li> </ul>	<ul style="list-style-type: none"> <li>BI-FAST (2021)</li> <li>QRIS (2019)</li> </ul>	<ul style="list-style-type: none"> <li>Retail Payments Platform (2019)</li> <li>DuitNow (2019)</li> <li>QRIS (2022)</li> </ul>
Regulatory sandbox initiatives	<ul style="list-style-type: none"> <li>Regulatory Sandbox (2016)</li> <li>Sandbox Express (2018)</li> <li>Sandbox Plus (2022)</li> </ul>	<ul style="list-style-type: none"> <li>BOT Fintech Reg Sandbox (2017)</li> <li>SEC Reg Sandbox (2017)</li> <li>DIC Reg Sandbox (2017)</li> </ul>	<ul style="list-style-type: none"> <li>SBV FinTech Reg Sandbox (2020)</li> </ul>	<ul style="list-style-type: none"> <li>Insurtech sandbox (2020)</li> <li>Regulatory sandbox framework (2022)</li> </ul>	<ul style="list-style-type: none"> <li>OJK Fintech Sandbox (2018)</li> <li>Br Fintech Sandbox 2.0 (2021)</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory Sandbox (2016)</li> </ul>
Digital banking models	<ul style="list-style-type: none"> <li>Digital full bank licences</li> <li>Digital wholesale bank licences</li> <li>4 licenses given (2020)</li> </ul>	<ul style="list-style-type: none"> <li>Virtual Bank licences framework (2022)</li> </ul>	<ul style="list-style-type: none"> <li>Bank partner-led model</li> <li>Mobile Money Licences (2021)</li> </ul>	<ul style="list-style-type: none"> <li>Digital Bank Licences (2020)</li> <li>6 licences given (2021 onwards)</li> </ul>	<ul style="list-style-type: none"> <li>Digital Bank Licences (2021)</li> <li>7 licences granted (2021)</li> </ul>	<ul style="list-style-type: none"> <li>Digital Bank Licences (2022)</li> <li>5 licences awarded in 2022</li> </ul>

-  Active: Certain regulations are in place, a few licenses and approvals are issued to entities, Sandbox cohorts are active
-  Under Implementation: initial governance is defined, regulations are being drafted, industry pilot is in process
-  Initial Considerations: No regulations or governance yet, initial guidelines, consultation papers, roadmap defining the principles are announced

# The champions league of open finance

Who's setting the bar?

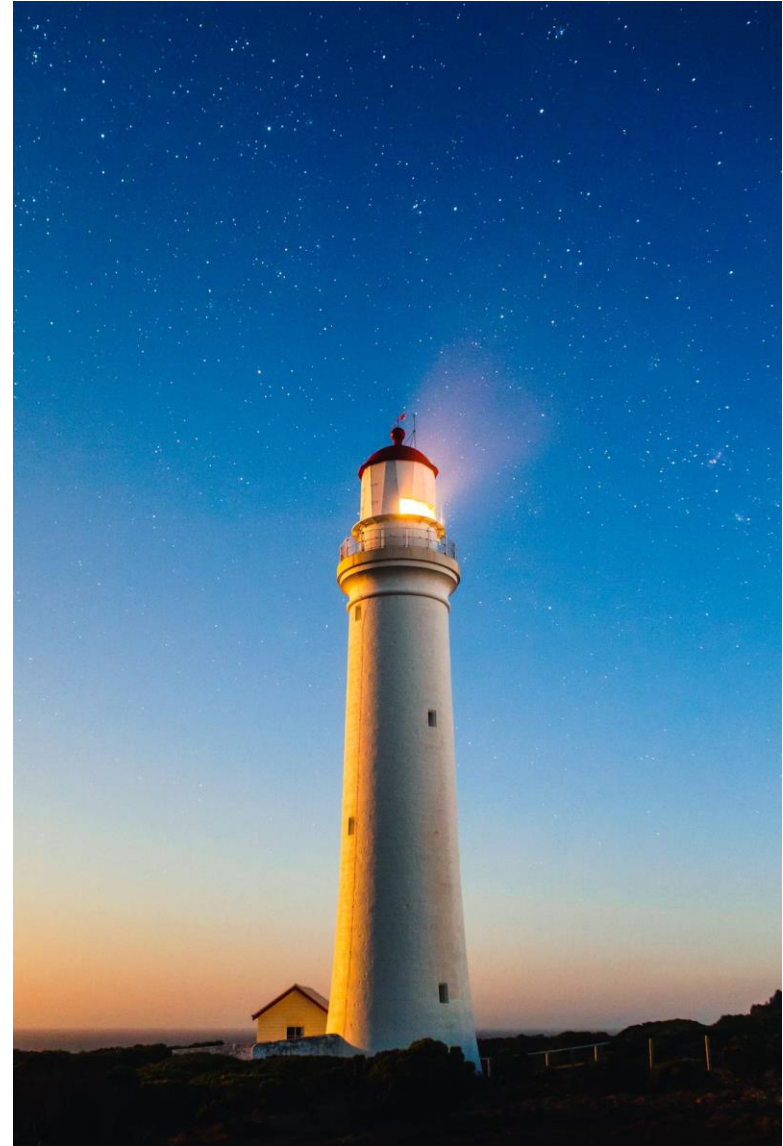
Twimbit's Global Open Finance Maturity Index



- Champions**  
 Exemplary ratings in regulatory initiatives and market maturity
- Enthusiasts**  
 Market maturity is high, and regulatory initiatives are still at a nascent stage
- Intermediaries**  
 Regulatory initiatives and market maturity are mid paced
- Crawlers**  
 Entry level regulatory initiatives and market maturity are yet to be achieved

Guiding the future:

# Illuminating the path of open finance in Southeast Asia



# The rising tide of open finance growth

Open finance market is projected to reach **USD 7.85 billion** by 2029

Unbanked population is approximately **2%**

**65%** of bank revenue is generated by embedded finance services in 2024

**78%** of total Gross Transaction Value (GTV) is expected to be digital payments, reaching **USD 2200 billion** by 2030

**14%** of loan disbursements will be digital by 2030

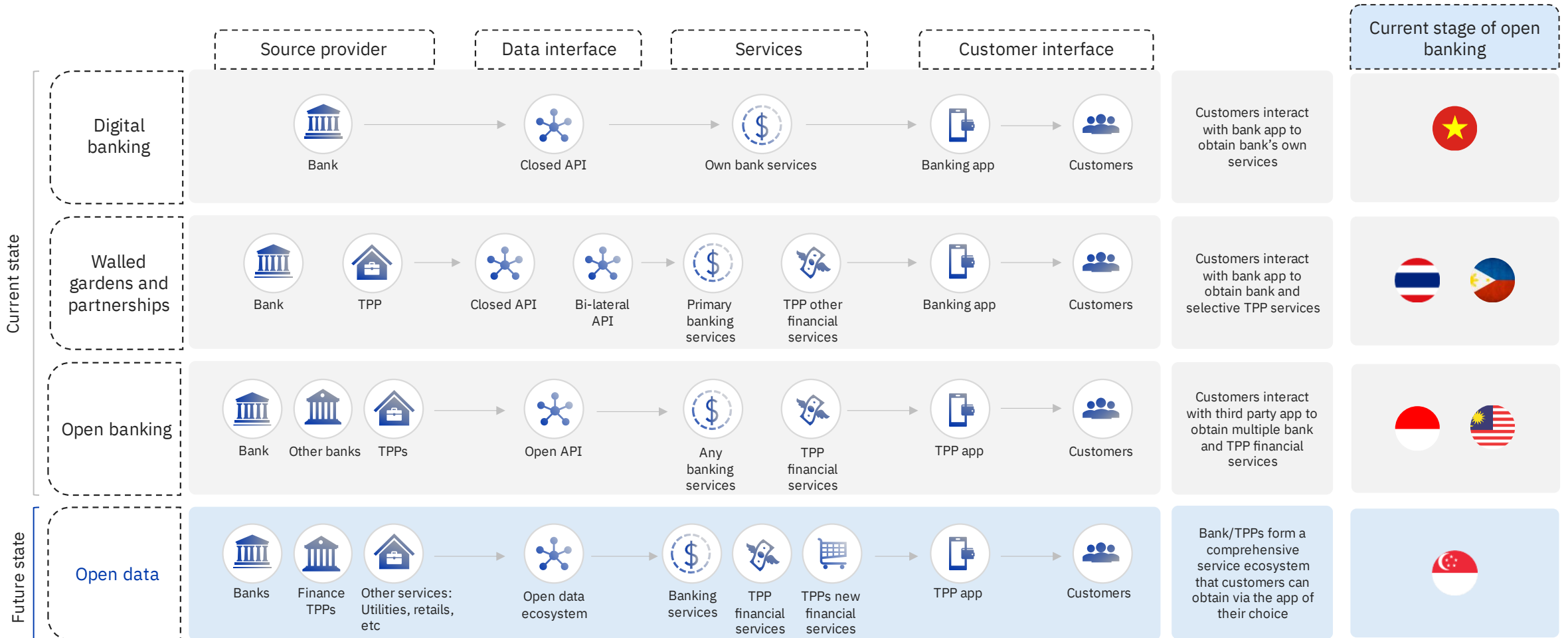
Projected digital wealth Assets Under Management (AUM) of **USD 410 billion** by 2030

Projected revenue of **USD 23 billion** from SUPERAPPs by 2025

**310 million** SUPERAPP users in SEA as of 2024

# Open finance playbook

Singapore is leading in the region



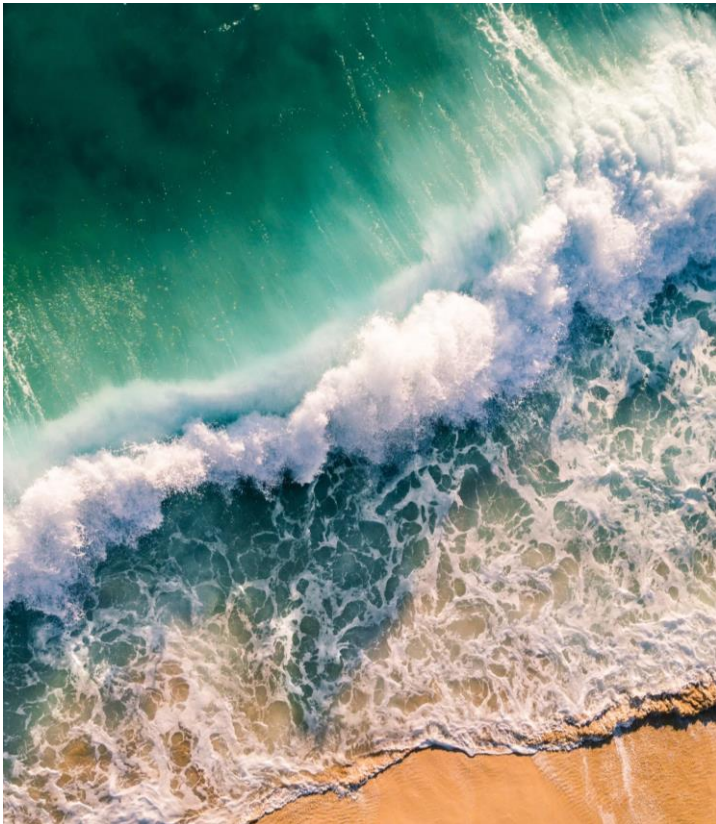


# Tides of transformation:

Key drivers of open finance in Southeast Asia

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# Regional integration



Source: Twimbit analysis

## ASEAN payment connectivity

Five ASEAN countries (Thailand, Singapore, Malaysia, Indonesia, Philippines) launched real-time payment linkages.

Key achievements:

- **Thailand-Singapore:** PromptPay-PayNow linkage successful for 3 years
- **Malaysia-Indonesia:** DuitNow-QRIS integration adopted for 2 years
- **Singapore-Philippines:** PayNow-InstaPay connection announced

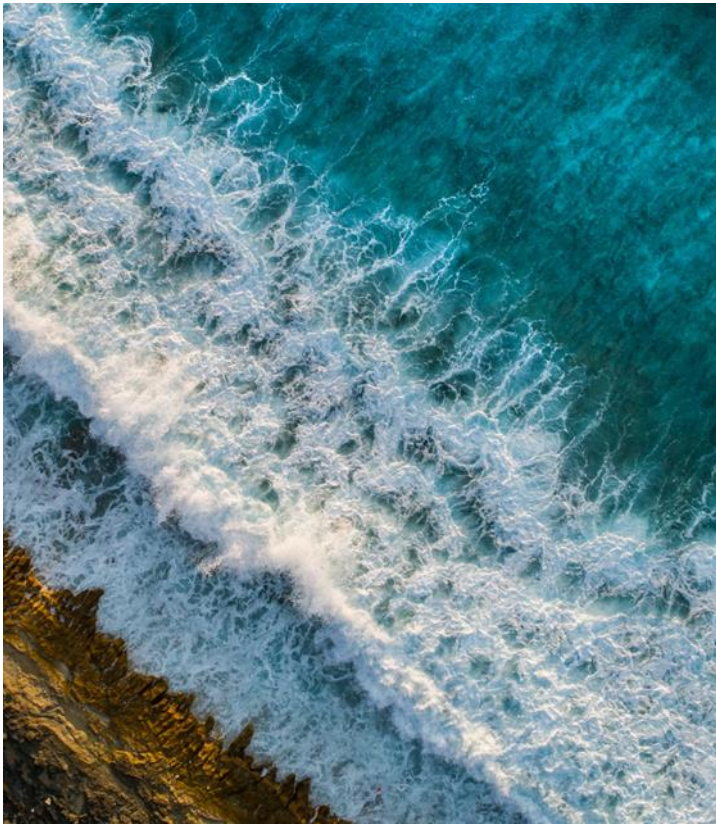
## Cross-border standards

Project Nexus: Singapore's MAS leading initiative connecting real-time payment systems,

Regional API standards development:

- Singapore has a government backed API Exchange platform
- Indonesia's SNAP (Standard National Open API) adoption by 16 banks
- Malaysia's Financial Sector Blueprint 2022-2026 emphasizing API standardization

# Technology advancement



Source: Statista, Twimbit analysis

## Cloud adoption

Cloud market in SEA is projected to reach **USD 12.5 billion** by 2025

Key developments:

- **Singapore:** 60% of banks migrating core systems to cloud
- **Indonesia:** OJK guidelines allowing cloud services for core banking
- **Thailand:** BOT cloud guidelines enabling broader adoption

## Digital currencies

Central Bank Digital Currency (CBDC) initiatives:

- **Project Orchid (Singapore):** Retail CBDC infrastructure
- **Project Dunbar:** Multi-CBDC platform for international settlements
- Bank Indonesia's Digital Rupiah development
- Thailand's retail CBDC pilot with 10,000 users

## AI/ML implementation

AI adoption in financial services:

- **Singapore:** Most banks implementing AI for risk assessment
- **Indonesia:** Significant growth in AI-powered lending solutions

# Business model innovation



Source: Google SEA Economy report, Company financials, Twimbit analysis

## Embedded finance growth

Market size:

- SEA embedded finance market projected growth: **USD 7.85 billion by 2029**

Key segments:

- Embedded payments: **~USD 2,100-2,400 billion** GTV by 2030
- Embedded lending: **~USD 200-300 billion loan book balance** by 2030
- Embedded insurance: **~ USD 7.5 billion APE & GWP** by 2030

## Banking-as-a-Service expansion

BaaS providers:

- Singapore: 15+ licensed providers
- Indonesia: All major banks offering BaaS
- Malaysia: All major banks with BaaS offerings and sandboxes

Market growth :

- ✓ **40%** YoY increase in BaaS adoption
- ✓ Average of **300 APIs** per bank
- ✓ **70%** reduction in customer acquisition costs

## SUPERAPP evolution

Market leaders:

- Grab Financial: **41.9 million MTUs**
- GoTo Financial: **+74%** Year on Year Growth on GTV
- Sea Money: **USD 615.7 million** revenue from financial services

Integration trends

- ✓ **Upto 60%** of users using financial services within SUPERAPPs
- ✓ Major increase in financial service adoption through SUPERAPPs

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# API monetisation



Source:

1. Slashdata Developer Economics Survey 19th edition
2. Twimbit analysis based on various reported data
3. Programmers.io

**90%**of developers use APIs<sup>1</sup>**75%**of internet traffic is API calls<sup>2</sup>**\$267bn**Global API economy by 2025<sup>3</sup>

## Accelerating innovation and time to market

APIs standardize interfaces and provide reusable components to accelerate innovation cycle.

## Enhancing customer experience

APIs enable seamless platform integration, ensuring data consistency for personalized experiences.

## Expanding business reach and partnerships

APIs let businesses extend their services to partners, fostering broader collaboration

## Improving operational efficiency

APIs enhance efficiency and productivity by automating seamless data exchange across systems and departments.

## Enabling data-driven insights and analytics

API integration enables businesses to collect real-time data from various sources for analysis and strategic planning.



Innovate to deliver  
**exceptional experiences**

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