

HONG KONG'S VIRTUAL BANKS

CURRENT POSITIONING AND FUTURE OUTLOOK

NOVEMBER 2021

QUINLAN
& ASSOCIATES

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SECTION 1

SHAREHOLDER ANALYSIS



























VIRTUAL BANK SHAREHOLDERS

Over half of the virtual bank backers are based out of Mainland China, while only one is of a foreign origin, together forming a robust mix of finance and technology expertise

Shareholders

Hong Kong Virtual Banks



 Banking								
 Financial Services								
 Technology								
 Travel & Tourism								
 Real Estate								
 Conglomerate								
 Share Capital (HKD)	1.6 Billion	2.5 Billion	0.9 Billion	1 Billion	1.5 Billion	1.5 Billion	0.9 Billion	0.8 Billion

Note: Adrian Cheng of New World Development invested in Fusion Bank via the investment entity Perfect Ridge Limited

Source: Quinlan & Associates analysis

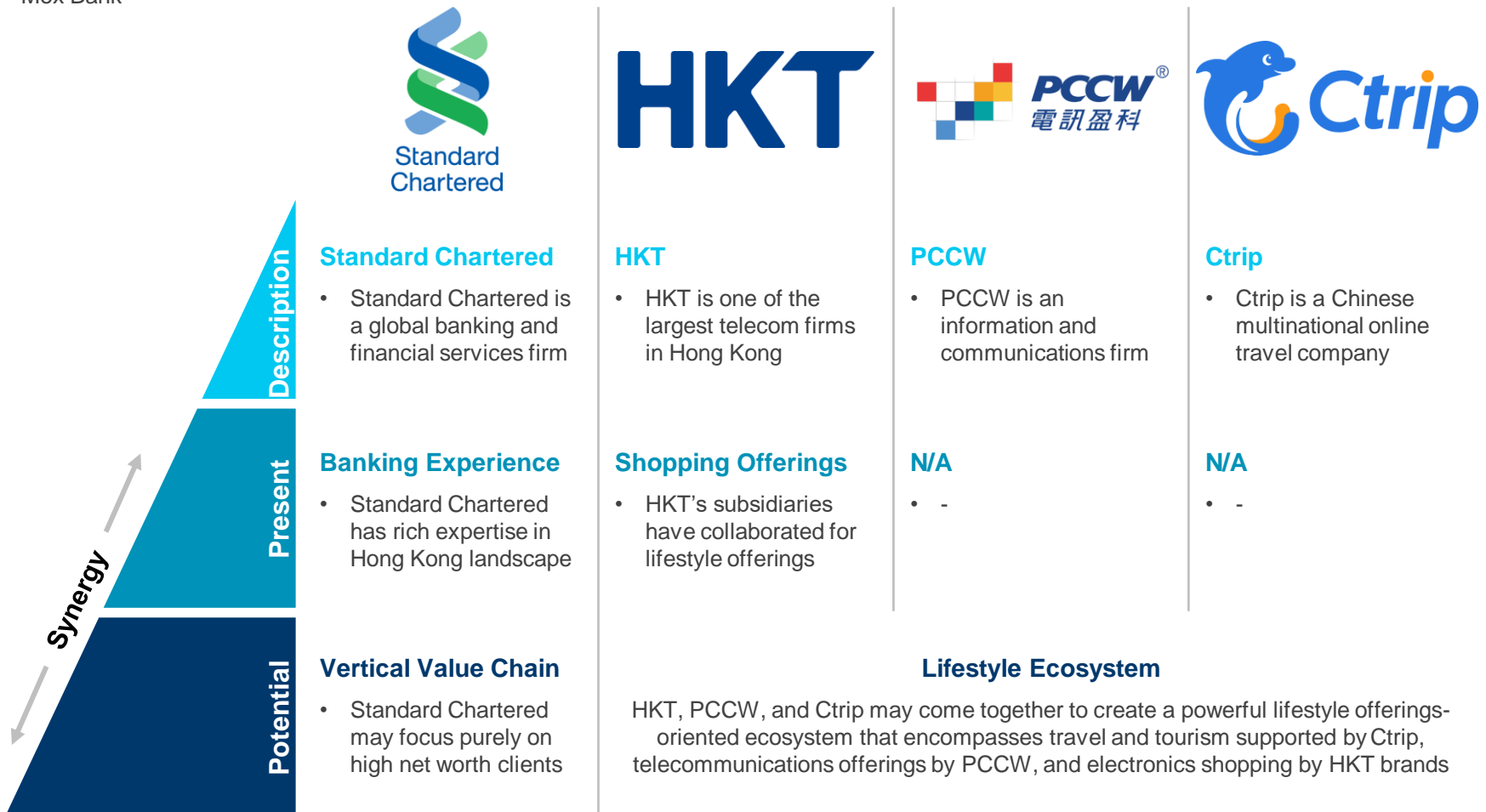
Domestic
 Mainland
 Foreign

SHAREHOLDER ANALYSIS (2/9) – MOX BANK

Mox Bank was founded with an initial investment of HKD 1.6 billion by: (1) Standard Chartered (65.1%); (2) HKT (15.0%); (3) PCCW (10.0%); and (4) Ctrip (9.9%)

Shareholders

Mox Bank

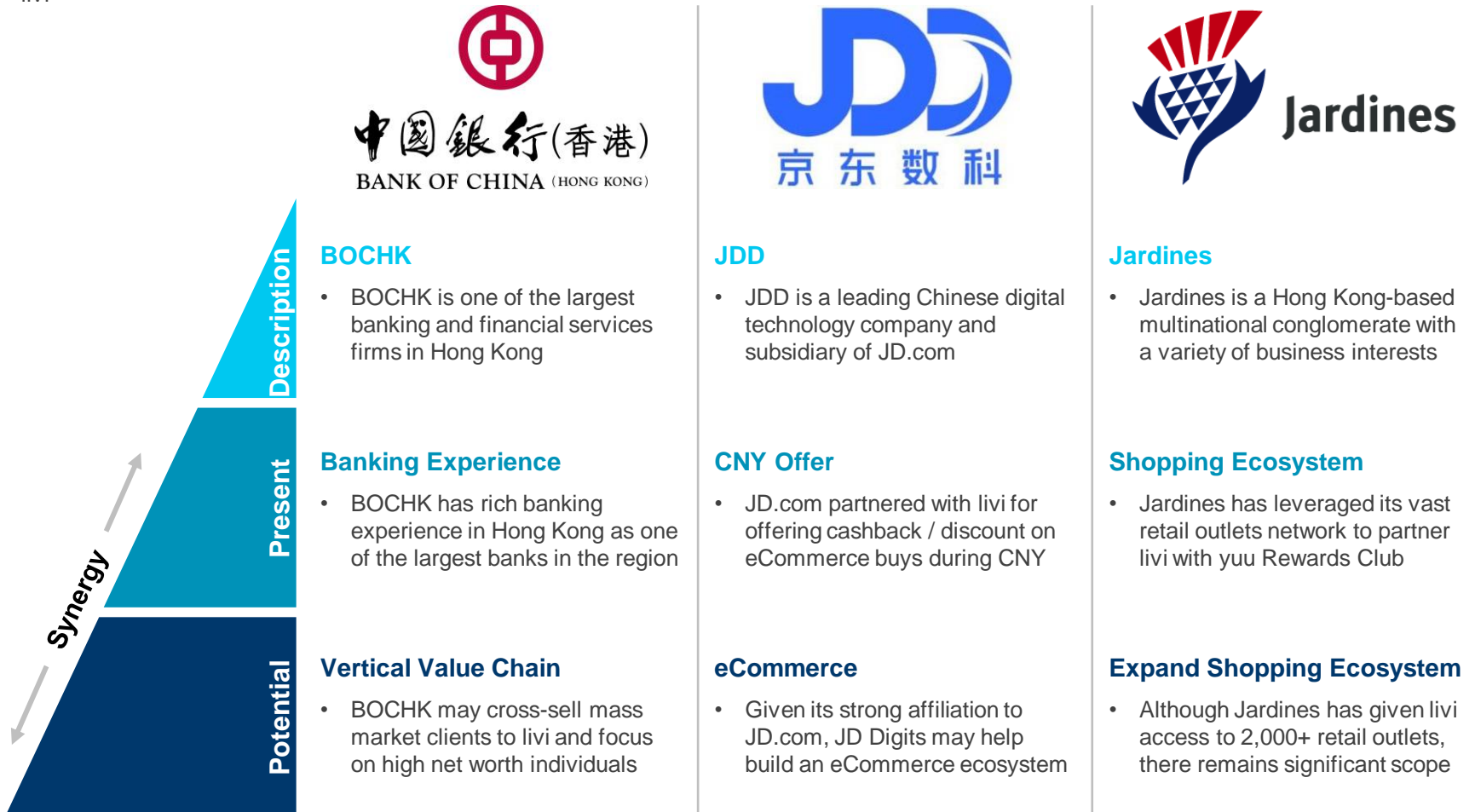


SHAREHOLDER ANALYSIS (3/9) – LIVI

livi was founded with an initial investment of HKD 2.5 billion by: (1) BOCHK (44.0%); (2) Jingdong Digits Technology (“JDD”) (36.0%); and (3) Jardines Matheson Group (20.0%)

Shareholders

livi

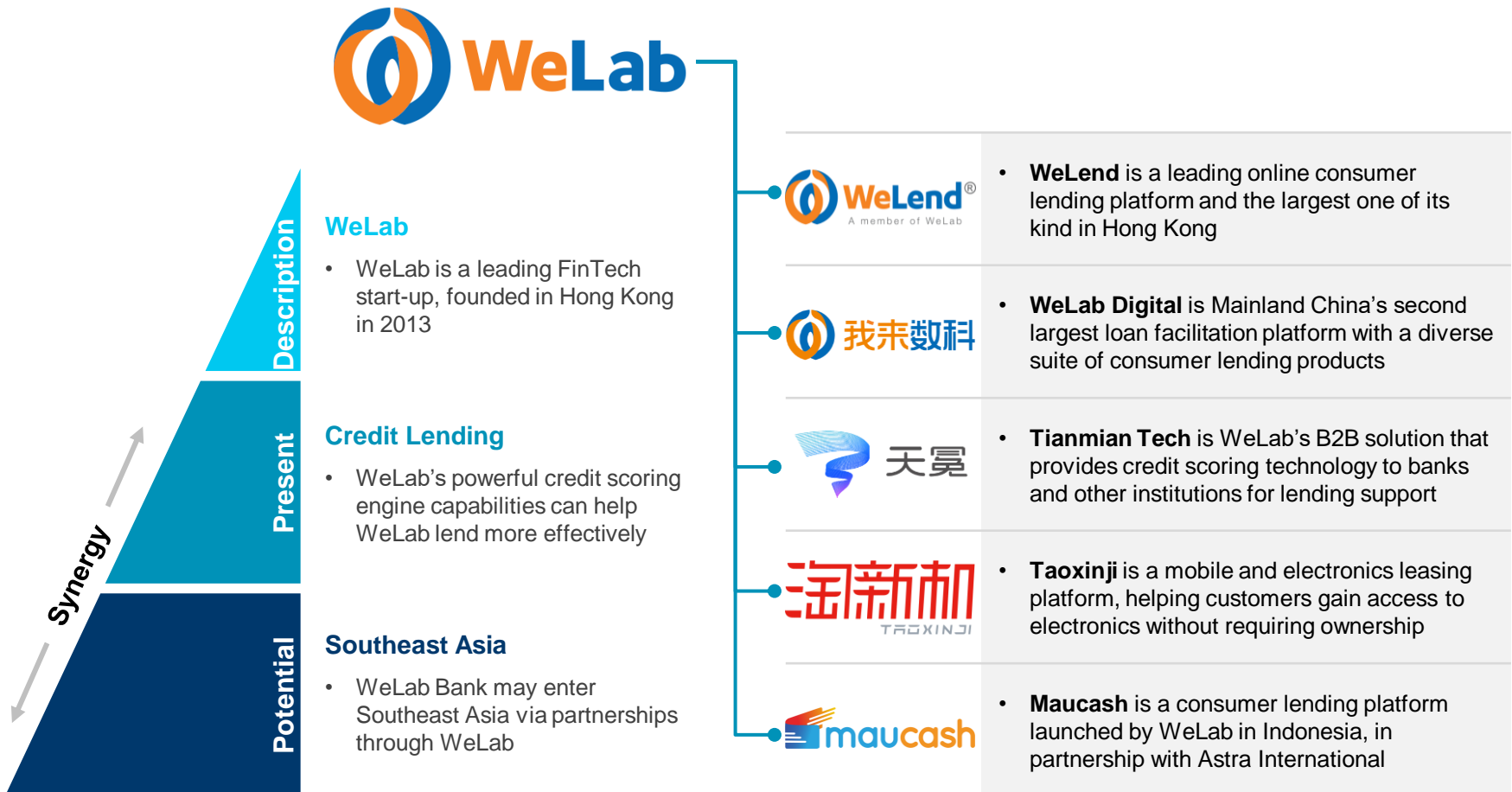


SHAREHOLDER ANALYSIS (4/9) – WELAB BANK

WeLab Bank was founded by a Hong Kong homegrown start-up, WeLab, a FinTech company founded in 2013

Shareholders

WeLab Bank



SHAREHOLDER ANALYSIS (5/9) – FUSION BANK

Fusion Bank was founded by a consortium of: (1) ICBC; (2) Tencent; (3) HKEX; (4) Hillhouse Capital; and (5) Adrian Cheng (via investment entity – Perfect Ridge Limited)

Shareholders

Fusion Bank

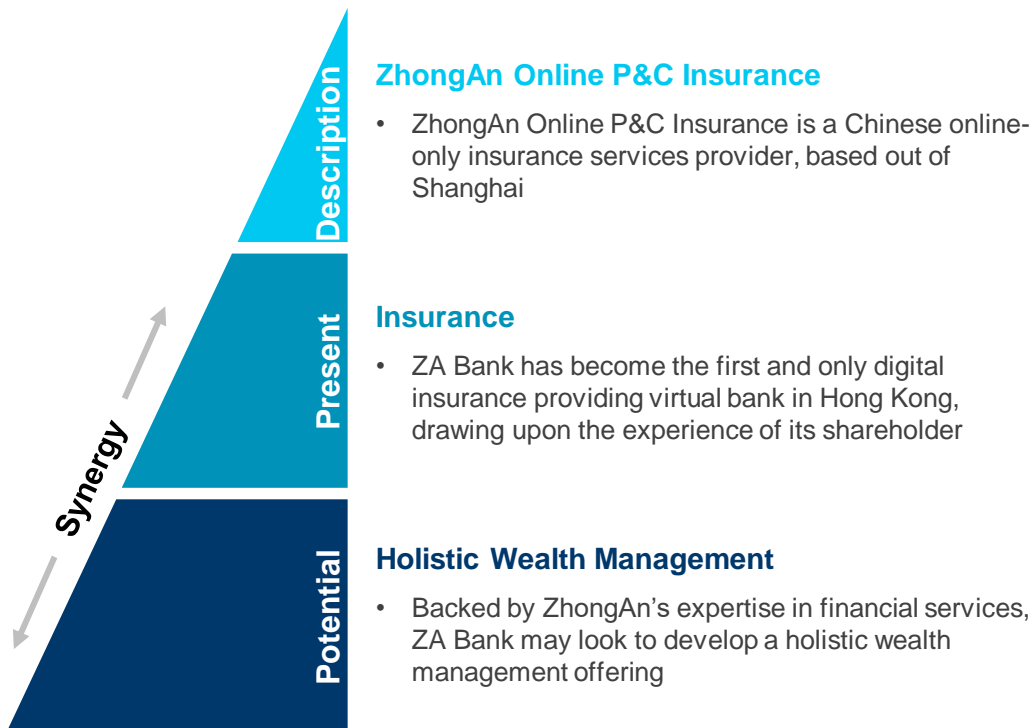


SHAREHOLDER ANALYSIS (6/9) – ZA BANK

ZA Bank was founded with an initial investment of HKD 1.5 billion by: (1) ZhongAn Online P&C Insurance (51.0%) and (2) Sinolink Group (49.0%)

Shareholders

ZA Bank



Sinolink Group

- Sinolink Group is a diversified conglomerate that is publicly listed on the Hong Kong Stock Exchange (Main Board)

N/A

-

N/A

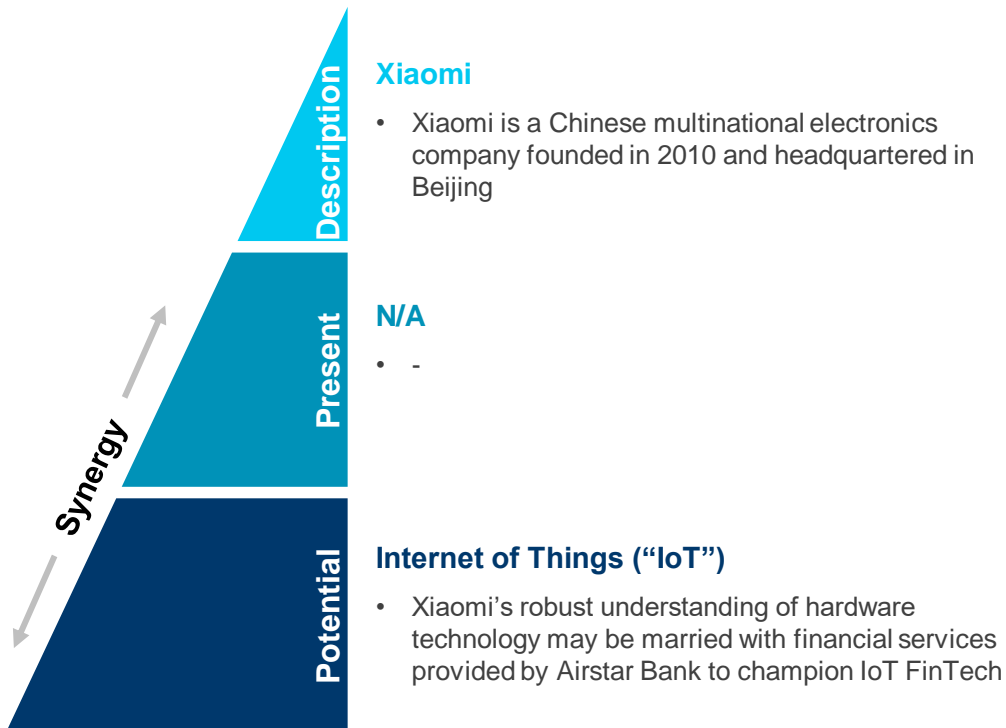
-

SHAREHOLDER ANALYSIS (7/9) – AIRSTAR BANK

Airstar Bank was founded by smartphone behemoth, Xiaomi (90.0%), and capital markets expert, AMTD Group (10.0%)

Shareholders

Airstar Bank



AMTD Group

- AMTD Group is a Hong Kong-headquartered financial institution, with rich experience in capital markets and advisory

N/A

-

Capital Markets Experience

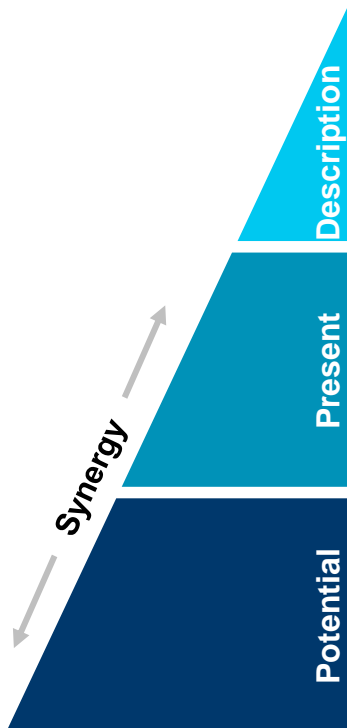
- In the long-term, Airstar Bank could look to leverage AMTD group’s expertise in the capital markets industry, especially as it gears up to cater to SMEs

SHAREHOLDER ANALYSIS (8/9) – PAOB

Ping An OneConnect Bank (“PAOB”) was founded by Ping An Insurance, in collaboration with its technology subsidiary, OneConnect Financial Technology

Shareholders

PAOB



Ping An Insurance

- Ping An Insurance is a diversified financial services company, with interests ranging from insurance to banking, asset management, etc.

Tradlink Relationships

- PAOB has emerged with a laser-like focus on Tradlink SMEs, leveraging the existing relationships built by Ping An

OneConnect Financial Technology

- OneConnect Financial Technology is a publicly listed technology company backed by Ping An Insurance

Technology

- OneConnect has a robust suite of back-end infrastructure technology offerings that it can use to support PAOB’s digital operations

SME Services Ecosystem

Powered by Ping An’s existing relationships with SMEs and OneConnect’s technological prowess, PAOB may look to build a wider SME service proposition that encompasses financial model automation, online loan origination, active risk monitoring, and A.I.-based credit analysis to establish a comprehensive business banking offering

SHAREHOLDER ANALYSIS (9/9) – ANT BANK (HONG KONG)

Ant Bank (Hong Kong) was founded by Ant Group (formerly known as Ant Financial) as a standalone entity

Shareholders

Ant Bank (Hong Kong)



SECTION 2

CUSTOMER DYNAMICS

CUSTOMER SEGMENTATION (1/2) – RETAIL

The retail customer segment for virtual banks appears to primarily consist of customers aged between 25 to 44 years of age, in the aspirational or mass affluent segment

Customer Segments

Retail

	RETAIL FOCUSED				RETAIL SKEWED		SME SKEWED		
0-17									• Not permitted to serve below 18 age group
18-24	-	-	✓	-	✓	-	x	x	• The youth remain relatively underbanked
25-34	✓	✓	✓	-	✓	✓	x	x	• Aspirational young professionals
35-44	✓	✓	✓	-	✓	✓	x	x	• Mass affluent mature professionals
45-54	✓	-	-	-	-	-	x	x	• Executives needing financial planning
55-64	-	-	-	-	-	-	x	x	• Pre-retirees needing retirement planning
65+	x	x	x	x	x	-	x	x	• Retirees who may not be digitally savvy
	Average customer age of 35	Primarily 25 to 40 age band	70% are aged 20 to 39	Focused on application scenarios	70% aged below 40	Aim to be "Everyone's Bank"	Primarily SME-focused	Primarily SME-focused	

Key age group
 ✓ Strong
 - Moderate
 x Weak
 Inapplicable

Source: SCMP, The Standard, various virtual banks, Quinlan & Associates analysis

CUSTOMER SEGMENTATION (2/2) – COMMERCIAL

With 340,000 SMEs, constituting more than 98% of businesses in Hong Kong, virtual banks appear to be targeting import / export trading SMEs, especially eCommerce firms

Customer Segments

Commercial

		RETAIL FOCUSED				RETAIL SKEWED		SME SKEWED	
		mox	li vi	WeLab Bank	FusionBank	Z	airstar	PAObank	ANTBANK
INDUSTRY	Manufacturing					-	-	-	x
	Mining and Quarrying					-	-	-	x
	Electricity and Gas					-	-	✓	x
	Waste Management					-	-	✓	x
	Construction					-	-	-	x
SERVICES	Import / Export Trading					-	-	✓	✓
	Retail					-	-	✓	x
	Storage and Transport					-	-	-	✓
	Hospitality					-	-	✓	x
	Info. & Comms.					✓	-	✓	✓
	Finance and Insurance					✓	-	✓	x
	Real Estate					-	-	-	x
	Corporate Services					-	-	-	x
	Social Services					-	-	-	x
		Primarily retail-focused	Primarily retail-focused	Primarily retail-focused	Primarily retail-focused	Prefer FinTech SMEs	Relatively Nascent Launch	Focused on Tradelink SMEs	Core focus on eTraders

Source: Trade and Industry Department, Quinlan & Associates analysis

 Key Sectors
 ✓ Strong
 - Moderate
 x Weak
 Inapplicable

CUSTOMER ACQUISITION CHANNELS

The Hong Kong virtual banks have opted primarily for a digital-driven channel strategy, via social media, targeted ads, etc., along with referral and joining reward schemes

Channel Strategy

Virtual Banks

		RETAIL FOCUSED				RETAIL SKEWED		SME SKEWED	
		mox	li vi	WeLab Bank	FusionBank	Z	airstar	PAObank	ANT BANK
SOCIAL MEDIA	Twitter	x	x	x	x	x	x	x	x
	Facebook	✓	✓	✓	✓	✓	✓	✓	x
	Instagram	✓	✓	✓	✓	x	✓	x	x
	LinkedIn	✓	✓	✓	✓	✓	✓	✓	✓
	YouTube	✓	✓	✓	x	✓	✓	✓	x
TARGETED ADS	Google Ads	✓	✓	✓	✓	✓	✓	-	-
	App Store Ads	✓	✓	✓	-	✓	✓	-	-
	Facebook Ads	✓	✓	-	✓	✓	-	-	-
	Instagram Ads	✓	✓	✓	-	✓	-	-	-
	LinkedIn Ads	✓	✓	✓	-	-	-	✓	-
	YouTube Ads	✓	✓	✓	-	-	✓	-	-
OOH ¹	Banners	✓	✓	✓	-	✓	-	✓	-
	Billboards	✓	✓	-	-	-	-	-	-
ELECT ²	Television ("TV")	✓	-	-	✓	✓	✓	✓	-
	Radio	-	-	-	-	-	-	-	-
	Telemarketing	x	x	x	x	x	x	x	x
PRINT	Newspaper	-	-	-	-	-	-	-	-
	Magazine	-	-	-	-	-	-	-	-
OTHERS	SEO ³ / ASO ⁴	✓	✓	✓	✓	✓	✓	✓	✓
	Referral Rewards	✓	✓	✓	x	✓	✓	✓	x
	Joining Rewards	✓	✓	✓	✓	✓	✓	✓	✓
	Influencer Marketing	✓	✓	✓	x	✓	✓	x	x
	Sponsorship	✓	✓	✓	✓	✓	✓	x	x

¹Out-of-home Advertising, ²electronic, ³search engine optimisation, ⁴app store optimisation
Source: Marketing Interactive, JCDecaux, Quinlan & Associates analysis

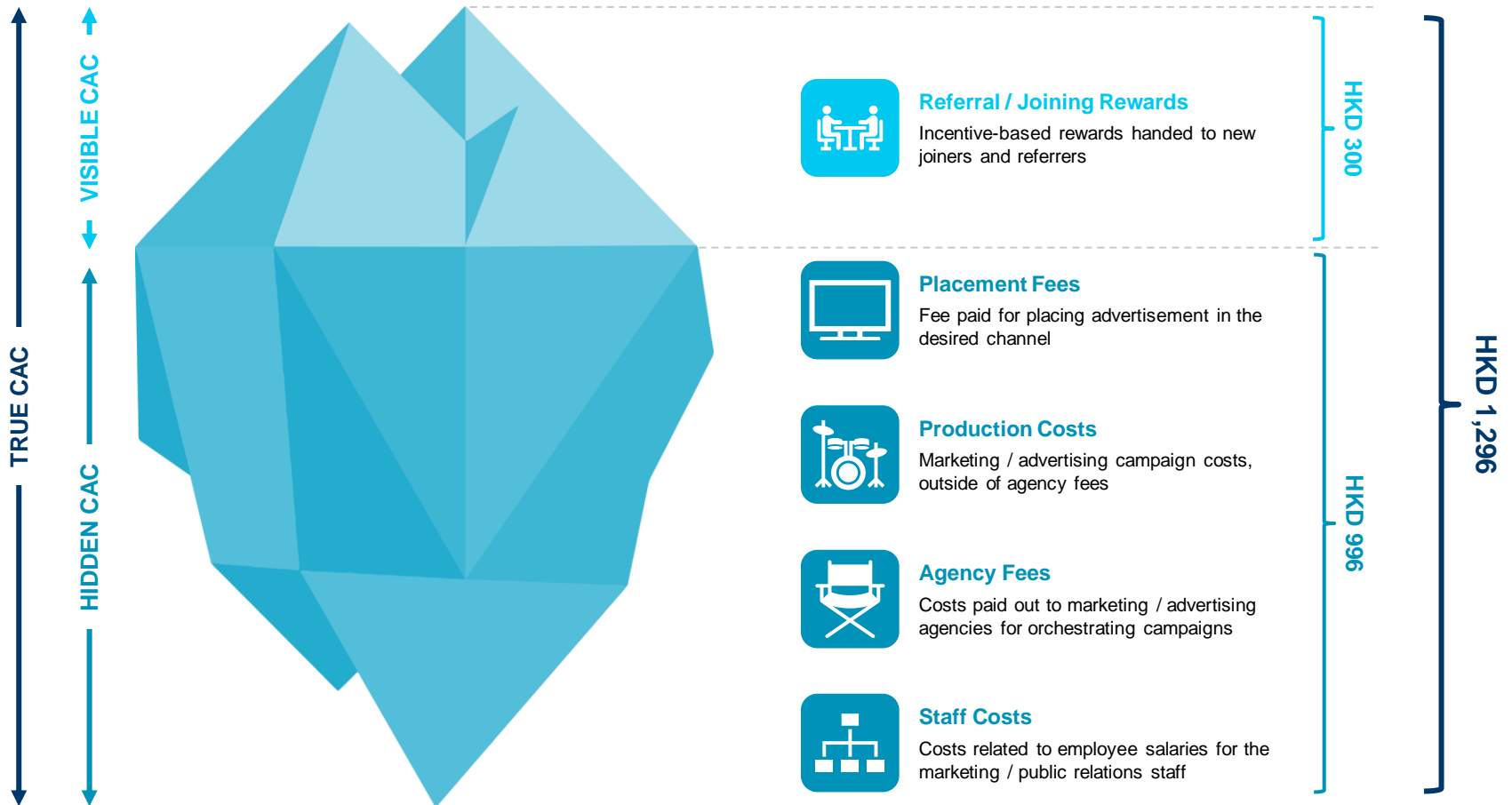
Key Channel ✓ Applicable - Unspecified x Inapplicable

CUSTOMER ACQUISITION COST

While the visible Customer Acquisition Cost (“CAC”) is estimated to be HKD 300, the true CAC is estimated to be approximately HKD 1,296 per customer

Customer Acquisition Cost

Overview



SECTION 3

PRODUCTS AND SERVICES

DIGITAL PRODUCT / SERVICE OFFERINGS

Hong Kong's virtual banks have rapidly launched a number of different digital offerings since launching, ranging from payments to lifestyle products / services

Products and Services

Overview

		RETAIL FOCUSED				RETAIL SKEWED		SME SKEWED	
		mox	li•vi	WeLab Bank	FusionBank	ZA	airstar	PAObank	ANT BANK
PAYMENT DEPOSIT	Savings Account	✓	✓	✓	✓	✓	✓	✓	✓
	Time Deposit	x	x	✓	✓	✓	✓	x	x
PAYMENT	Online	✓	✓	✓	✓	✓	✓	✓	✓
	Offline	✓	✓	✓	-	✓	x	✓	-
	Credit Card	✓	x	x	x	x	x	x	x
	Debit Card	✓	✓	✓	x	✓	x	x	x
LENDING	Personal Loan	x	x	✓	✓	✓	✓	x	x
	PLGS ¹	x	x	x	x	✓	x	x	x
	Debt Consolidation	x	x	x	x	x	✓	x	x
	BNPL ²	✓	✓	x	x	x	x	x	x
	Business Loan	x	x	x	x	✓	x	✓	x
	SFGS ³	x	x	x	x	✓	x	✓	x
INSURANCE	Life	x	x	x	x	✓	x	x	x
	VHIS ⁴	x	x	x	x	✓	x	x	x
	Cancer	x	x	x	x	✓	x	x	x
	Accident	x	x	x	x	✓	x	x	x
	Heart Attack and Stroke	x	x	x	x	✓	x	x	x
	Bill	x	x	x	x	✓	x	x	x
OTHERS	Investments	x	x	x	x	✓	✓	x	x
	Foreign Exchange	✓	x	x	✓	✓	✓	x	x
	Lifestyle Offerings	✓	✓	✓	x	✓	✓	x	x

Note: Mox Bank, li•vi, WeLab Bank, and ZA Bank are applying for Securities Licence

¹Personal Loan Guarantee Scheme, ²buy-now-pay-later, ³SME Financing Guarantee Scheme, ⁴Voluntary Health Insurance Scheme

Source: virtual bank websites, Quinlan & Associates analysis

Very few credit products ✓ Applicable - Unspecified x Inapplicable

LIFESTYLE OFFERINGS (2/6) – MOX BANK

Mox Bank has released a slew of offers for customers, across various lifestyle categories, primarily centred around its credit card offering

Lifestyle Offerings

Mox Bank

- 1 **5% Cashback and HKD 642 Discount**
5% cashback and HKD 642 discount off of MOOV 12-MONTH PLAN
- 2 **HKD 100 Welcome Offer**
HKD 100 Octopus top-up reward
- 3 **15% In-Store Purchase Discount**
15% discount for in-store purchases at Slowood
- 4 **12% Discount**
12% discount on home living solutions by Smart Living
- 5 **5-11% Rebate / Cashback**
5-11% rebate cashback on HKTaxi
- 6 **10% Cashback**
10% cashback on Foodpanda purchases
- 7 **5% Cashback and 25% Service Fee Discount**
5% Cashback and 25% service fee discount on Netnavigator and HKT eye
- 8 **5% Cashback**
5% cashback upon spending with Mox credit card

LOG-ON

nowE

now TV

CLUB by HKT

city'super

HKT Care

cookedDeli
by city'super

Circle K

悠遊

McDonald's

NET-A-PORTER

HEY PARK

DECATHLON

MR PORTER

CLUB Sim

drgo

A

Trip.com

amazon

Google Play

>

cs.l

TOTO

HKT

Note: the lifestyle offerings tie-ups are subject to expiry, LOG-ON only provides 5% cashback on purchase of home décor or electronic goods







Source: Mox Bank, various partner websites, Quinlan & Associates analysis

LIFESTYLE OFFERINGS (3/6) – LIVI

livi has entered into an exclusive partnership with yuu Rewards Club, giving it access to over 2,000 shops and restaurants, apart from its other lifestyle offerings partners

Lifestyle Offerings

livi

Partner	Offering
 八達通 Octopus	<ul style="list-style-type: none"> 1% cashback for every Octopus top-up, capped at HKD 500
	<ul style="list-style-type: none"> HKD 50 discount upon spending at least HKD 400
	<ul style="list-style-type: none"> Upto 90% discount on electronics bought from Apple
	<ul style="list-style-type: none"> HKD 15 cash rebate upon spending HKD 40 or more*
	<ul style="list-style-type: none"> HKD 10 cash voucher for adding debit card to Apple Pay wallet*
	<ul style="list-style-type: none"> Partnership with over 2,000 shops and restaurants

SIGN-UP	New customers are awarded 25,000 yuu Points within 30 calendar days of signing-up to livi's "liviSave Account", i.e. savings account
MANAGE	Customers can tap on "yu ID" on livi's mobile app to view their virtual yuu Balance Card, including the points accumulated
SPEND	Before making a payment, customers may scan their yuu ID and then pay via livi's QR-code payment
EARN	Customers earn 1 yuu Point for each HKD 1 spent, alongside livi's exclusive offers for earning additional yuu Points

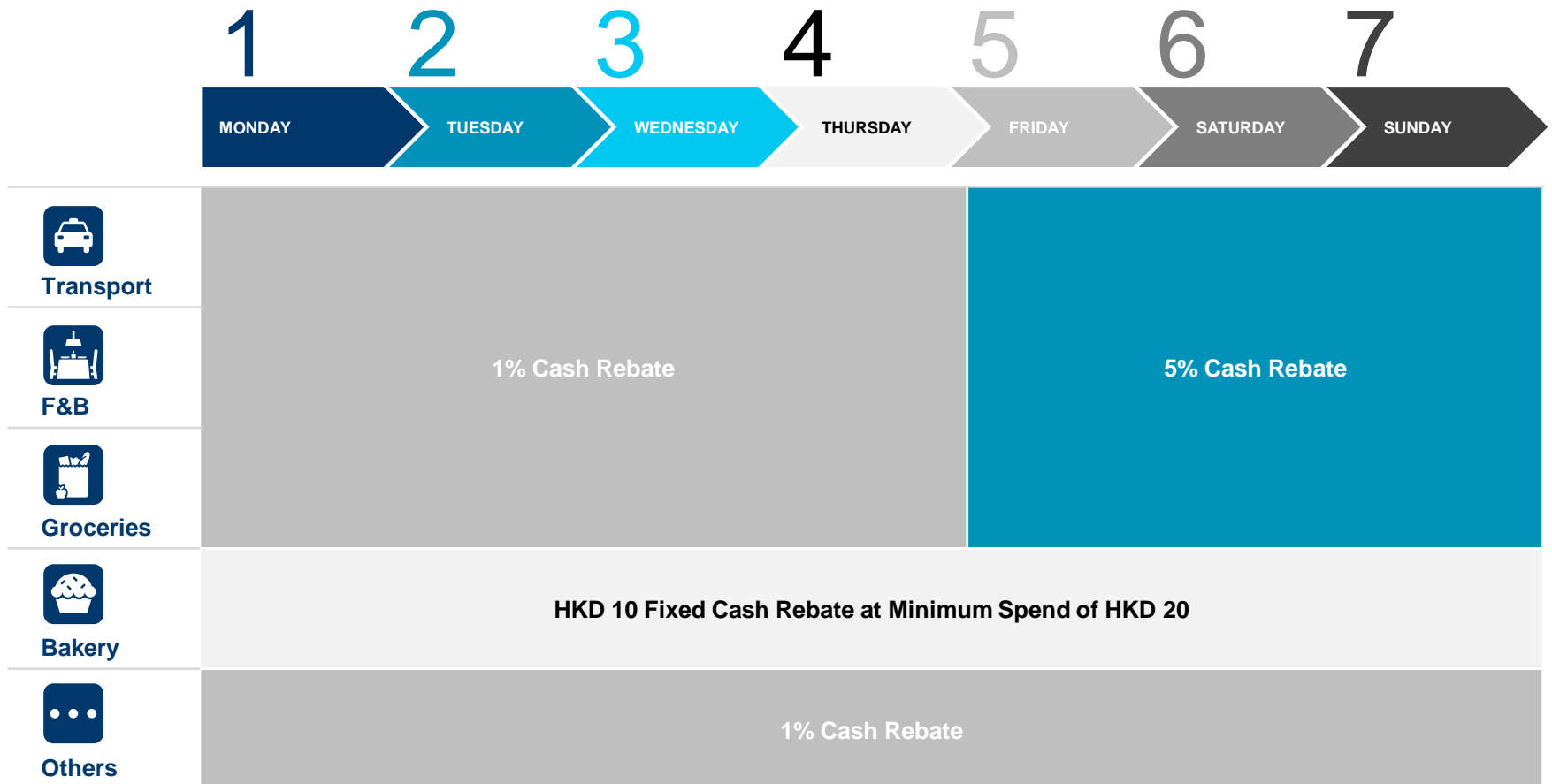
*KFC and 7-Eleven are also part of the yuu Rewards Club as well
Source: livi, Klook, YOHO, Quinlan & Associates analysis

LIFESTYLE OFFERINGS (4/6) – WELAB BANK

WeLab Bank is offering customers rebates of up to 5% for (1) transport; (2) food and beverage (“F&B”); and (3) groceries expenditures, via its debit card offering

Lifestyle Offerings

WeLab Bank



Note: the offers showcased are valid until 30th June 2021, as of 8th June 2021, with a HKD 250 per month cap (HKD 500 for bakery)

Source: WeLab Bank, Quinlan & Associates analysis












High Moderate Low

LIFESTYLE OFFERINGS (5/6) – ZA BANK

ZA Bank is incentivising customers to use its debit card for: (1) food delivery; (2) coffee shops; (3) telecom; and (4) shopping malls

Lifestyle Offerings

ZA Bank

Category	 Food Delivery	 Coffee Shops	 Telecom	 Shopping Malls
Offer	11% Cash Rebate	Buy-1-get-1-free discount	11% Cash Rebate	HKD 250 Cash Rebate
Cap	HKD 200 per month per designated merchant	Once a day / four times a month	A maximum cash rebate of HKD 200 per month	Up to three times, i.e. HKD 750
Duration	7 th May to 30 th June 2021	Till 30 th September 2021	Till 30 th June 2021	26 th April to 20 th June 2021
Description	<ul style="list-style-type: none"> Customers may earn 11% cash rebate on orders worth at least HKD 185 on deliveroo 	<ul style="list-style-type: none"> Customers may receive an additional free coffee when purchasing one from selected outlets 	<ul style="list-style-type: none"> Customers may get an 11% rebate on China Mobile Hong Kong (“CMHK”) phone bills 	<ul style="list-style-type: none"> Customers may avail a HKD 250 cash rebate upon spending at least HKD 2,000, up to thrice
Partner		   		

LIFESTYLE OFFERINGS (6/6) – AIRSTAR BANK

Airstar Bank is attempting solicit applicants for its debt consolidation loan offering, by offering a potential staycation at Rosewood Hotel, Hong Kong

Lifestyle Offerings

Airstar Bank



ROSEWOOD
A SENSE OF PLACE™

- Two-day-one night staycation at the Harbour View Room of Rosewood Hong Kong

kkday

- Offer in the form of a KKday voucher, with the booking being made through their website or mobile app

SECTION 4

TECHNOLOGICAL CAPABILITIES

TECHNOLOGY OVERVIEW




Virtual banks have deployed a variety of innovative technologies across the customer value chain, including end-to-end digital customer onboarding

Digital Initiatives

Overview

		RETAIL FOCUSED				RETAIL SKEWED		SME SKEWED	
		mox	liv	WeLab Bank	FusionBank	z	airstar	PAObank	ANTBANK
ACQUIRE	Prospecting / Marketing	Social Media	✓	✓	✓	✓	✓	✓	✓
		Targeted Ads	✓	✓	✓	✓	✓	-	x
		SEO / ASO	✓	✓	✓	✓	✓	✓	✓
SERVE	Customer Onboarding	OCR	✓	✓	✓	✓	✓	✓	✓
		Facial Recognition	✓	✓	✓	✓	✓	✓	✓
		Data Verification	✓	✓	✓	✓	✓	✓	✓
SERVE	Product Development	Financial Data	✓	✓	✓	✓	✓	✓	✓
		App Usage Data	✓	✓	✓	✓	✓	✓	✓
		Third-Party Data	✓	✓	✓	✓	✓	✓	✓
SERVE	Product / Service Recommending	Budgeting Tools	✓	x	x	x	x	x	x
		Gamification	✓	-	x	x	✓	x	x
		Credit Scoring	-	-	✓	✓	✓	✓	✓
MAINTAIN	Maintenance and Servicing	Chatbot	x	x	✓	x	✓	x	x
		Live Chat	x	✓	-	✓	x	x	x
		24/7 Hotline	✓	✓	✓	✓	✓	✓	✓
MAINTAIN	Data Management	Cloud	✓	✓	✓	✓	✓	✓	✓
		Cybersecurity	✓	✓	✓	✓	✓	✓	✓
		Fraud Detection	✓	✓	✓	✓	✓	✓	-

 Complete mobile onboarding in just a few minutes

 Applicable  Unspecified  Inapplicable

PROSPECTING / MARKETING

Virtual banks are leveraging social media and targeted ads to boost their prospecting / marketing efforts, with ZA Bank and Mox Bank leading the charge

Prospecting / Marketing

Social Media, Targeted Ads, and SEO / ASO

		RETAIL FOCUSED				RETAIL SKEWED		SME SKEWED	
		mox	liivi	WeLab Bank	FusionBank	Z	airstar	PAObank	ANT BANK
SOCIAL MEDIA	Twitter	x	x	x	x	x	x	x	x
	Facebook	██████	██████	██████	██████	██████	██████	x	x
	Instagram	██████	██████	██████	██████	x	██████	x	x
	LinkedIn	██████	██████	██████	██████	██████	██████	██████	██████
	YouTube	██████	██████	██████	x	██████	██████	██████	x
TARGETED ADS	Google Ads	██████	-	██████	-	██████	-	-	-
	App Store Ads	██████	██████	██████	-	██████	██████	-	-
	Facebook Ads	██████	██████	-	██████	██████	-	-	-
	Instagram Ads	██████	██████	██████	-	██████	-	-	-
	LinkedIn Ads	██████	██████	██████	-	-	-	██████	-
	YouTube Ads	██████	██████	██████	-	-	██████	-	-
SEO / ASO	SEO	██████	██████	██████	██████	██████	██████	██████	██████
	App Ratings	██████	██████	██████	██████	██████	██████	██████	██████

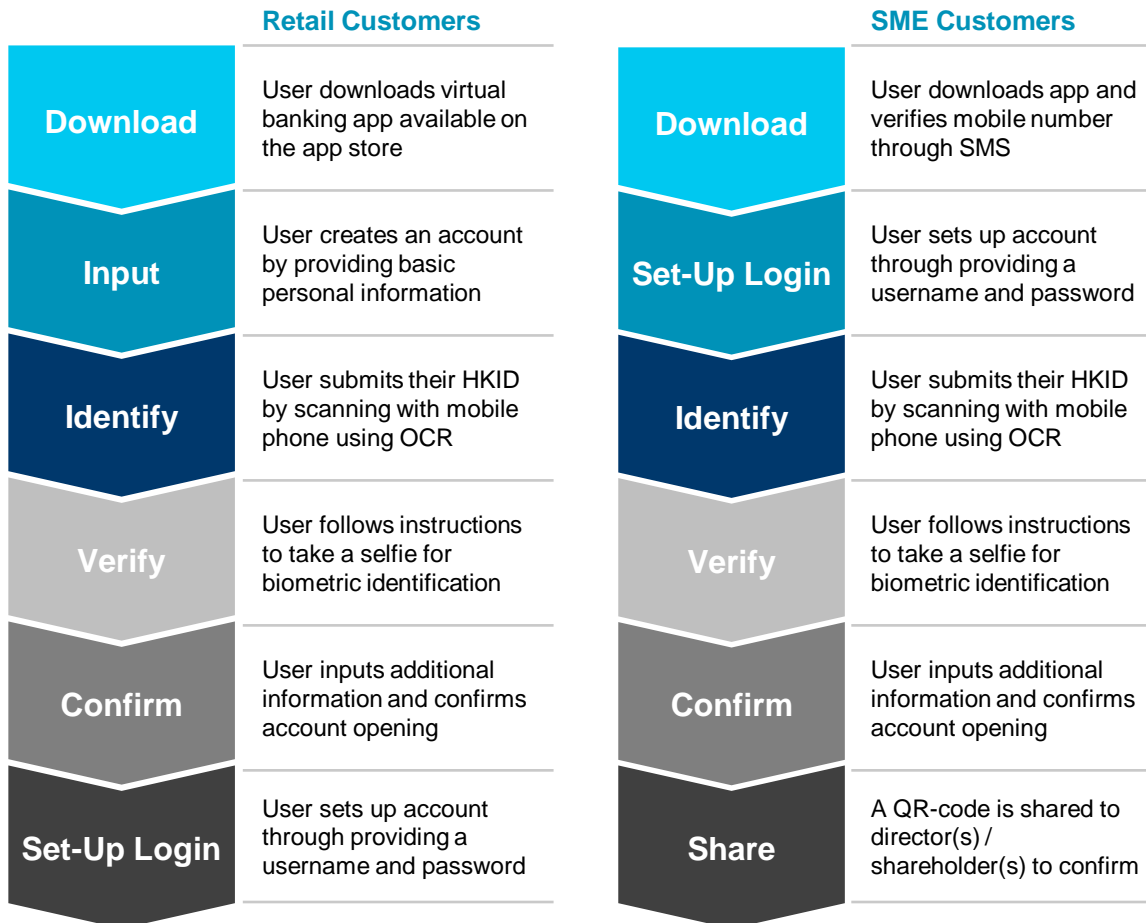
 Major determinants for customer acquisition
 Low ████████ High
 - Unspecified
 x Inapplicable

CUSTOMER ONBOARDING

Virtual banks have streamlined the customer onboarding experience by completely digitalising it, to allow 24/7 onboarding in as little as 2 minutes and 3 seconds

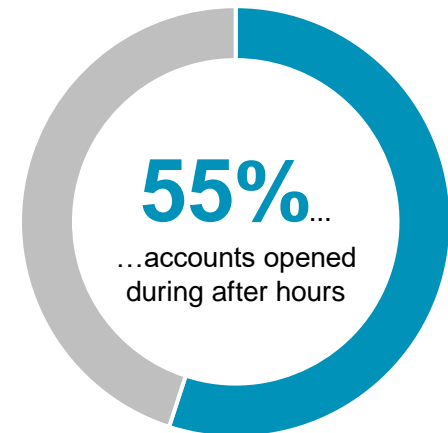
Customer Onboarding

Digital Account Opening



Key Statistics

Estimated Statistics



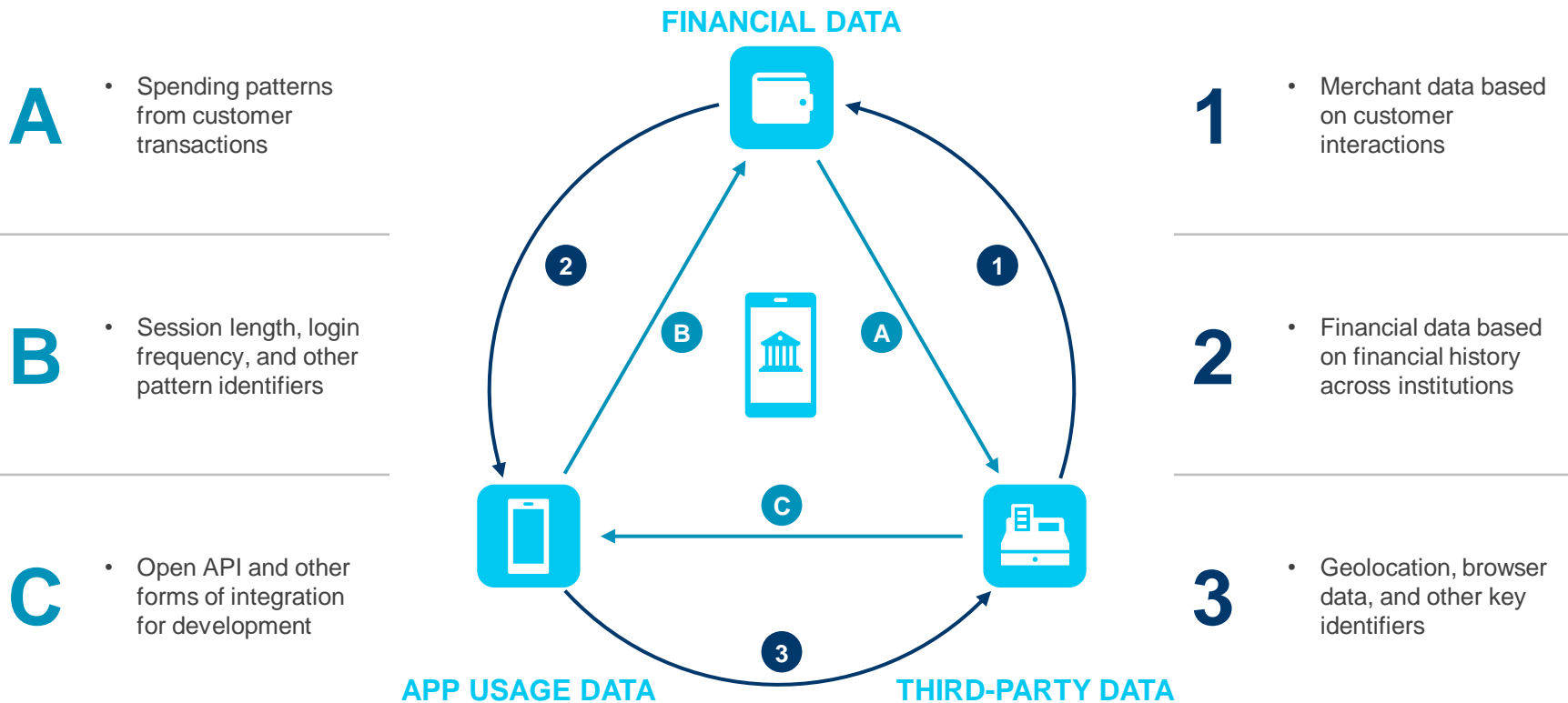
2 Minutes 3 Seconds
Fastest Onboarding Time

PRODUCT DEVELOPMENT

Virtual banks leverage data shared across partners and sources to generate insights on customers in order to create personalized products / services

Product Development

Financial, Third-Party, and App Usage Data

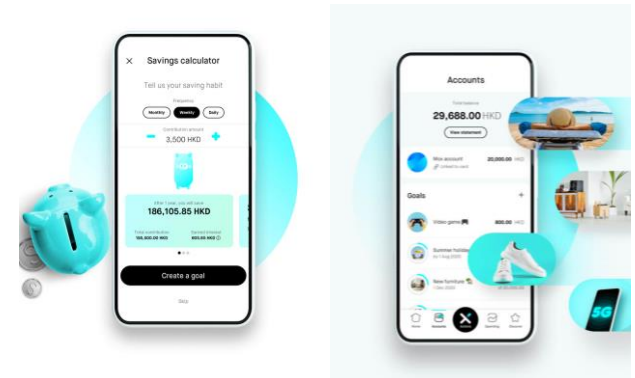
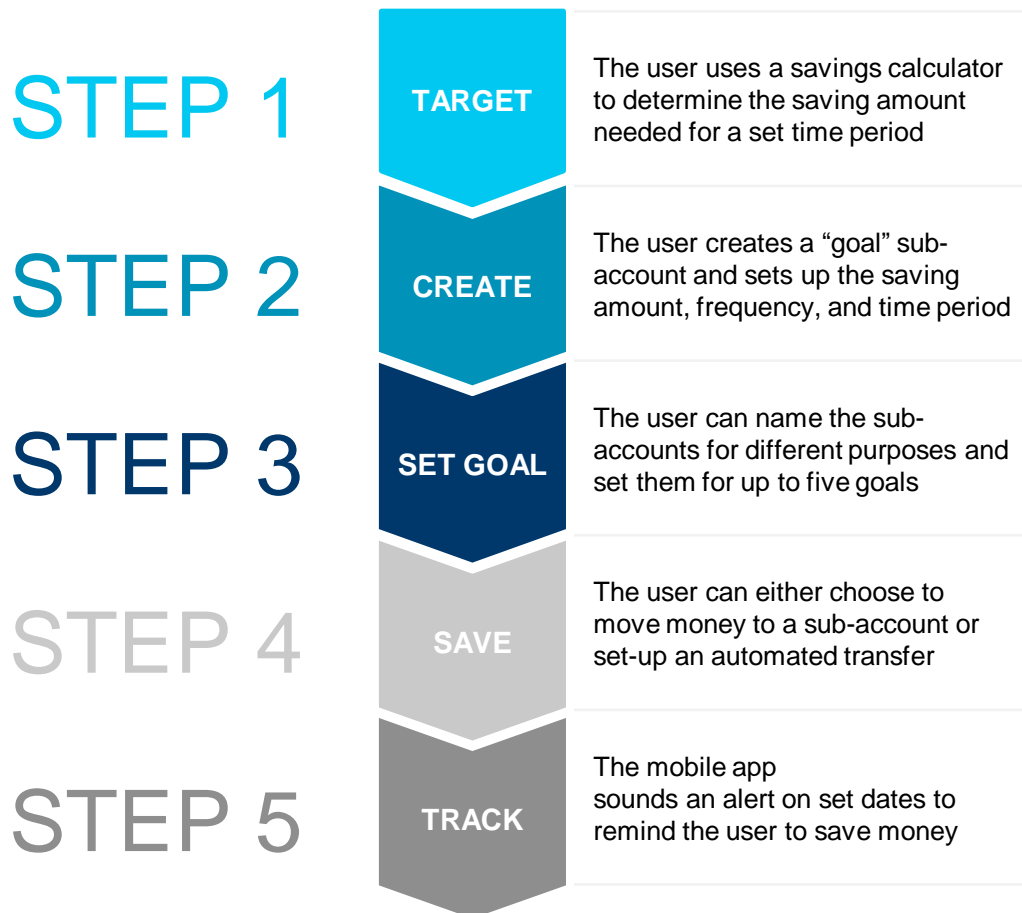


PRODUCT / SERVICE RECOMMENDING (1/3) – BUDGETING TOOLS

Mox Bank is the only virtual bank to offer granular budgeting tools to its customers, christened “Generation Mox”, who have set a collective goals target of HKD 660 billion

Budgeting Tools

Mox Bank



Top 5 Savings Goals



HKD 660 Billion

Collective Savings Goal Target of Customers

PRODUCT / SERVICE RECOMMENDING (2/3) – GAMIFICATION

ZA Bank has launched a gamification campaign, titled “ZA Quest”, to encourage users to explore their various products and services, in exchange for lucrative rewards

Gamification

ZA Quest

1

QUESTS

ZA Bank has designed mobile game-like quests for users of its mobile app



Varying Levels

From e-mail verification to making deposits



App Usage

Based on usage of mobile app

2

LEARNING

The quests help enable users to learn more about ZA Bank’s products and services



Features

Explore various intuitive features



Product Offerings

Learn about what ZA Bank can offer users

3

REWARDS

In exchange for completing the quests, users receive lucrative rewards



ZA Capsules

Users win “ZA Capsules”, containing “ZA Coins”



ZA Bank’s Avatars






Shareable pictures of ZA Bank’s avatars

PRODUCT / SERVICE RECOMMENDING (3/3) – CREDIT SCORING

Virtual banks have revolutionised the credit lending processes by vastly reducing documentation and in-person interview requirements, via their credit scoring algorithms

Credit Scoring

Retail and Commercial Loans

	 WeLab Bank	 Fusion Bank	 ZA Bank	 Airstar Bank	 PAOB
Data Analytics	✓	✓	✓	✓	✓
M.L.¹ / A.I.	✓	-	-	-	-
Traditional Data	✓	✓	✓	✓	✓
Alternative Data	✓	✓	-	-	✓
Description	WeLab Bank utilises conventional linear regression as well as machine learning models	Fusion Bank uses big data analytics and behavioural assessments to expedite the process	ZA bank assess retail loan applications based on user's monthly salary data and credit reports	Airstar Bank relies on SAS analytics solutions to extract, map, and load integrated datasets	PAOB has adopted "alternative credit scoring", utilising data like import and export volume, etc.
Impact	Average loan tenor of 18 to 24 months with an average ticket size between HKD 150,000 to 200,000	Fusion Bank is launching a personal loan of HKD 1,000 to HKD 250,000 with a 5 to 20 month tenor	ZA Bank has adopted a 30-minute pledge, with HKD 10 penalty for every minute of overtime till HKD 500	Airstar Bank has launched a debt consolidation loan which carries a larger average ticket size	PAOB has a gross and net interest margin of 9.3% and 8.3% respectively, with a 14.5% LDR ²

✓ Applicable
 - Unspecified
 ✗ Inapplicable

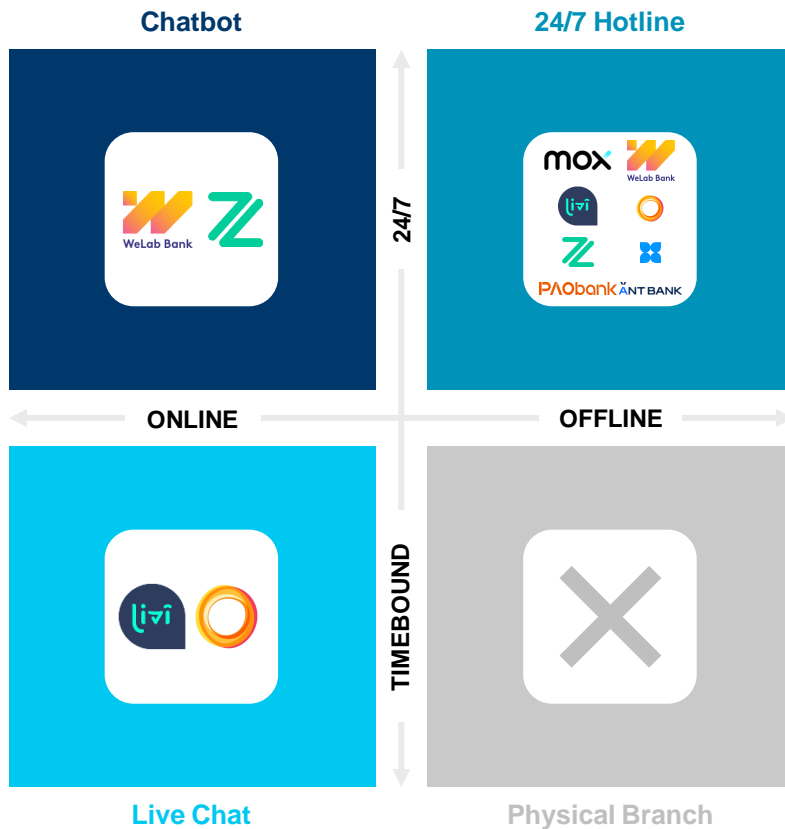
¹Machine Learning, ²Loan-to-Deposit Ratio
Source: various virtual bank websites, Quinlan & Associates analysis

MAINTENANCE AND SERVICING

Services like chatbots give WeLab Bank and ZA Bank distinct advantages over the competition given their ability to engage customers over changes in time and scale

Maintenance and Servicing

Chatbot, Live Chat, 24/7 Hotline, and Physical Branch



- 1 Chatbot**
 - WeLab Bank and ZA Bank's chatbots leverage A.I., NLP¹ for automation and personalisation
- 2 24/7 Hotline**
 - Onshore and offshore call centres for ensuring 24/7 support for customers
- 3 Live Chat**
 - Leverage in-app messaging tools to connect customer service representatives and customers
- 4 Physical Branch**
 - Virtual Banks are mandated to remain branchless, excluding office space

ZA Bank and WeLab Bank are ahead of their peers

¹Natural Language Processing
Source: various virtual banks websites and disclosures, Quinlan & Associates analysis

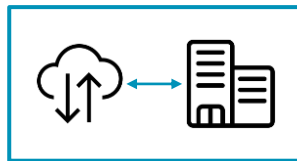
DATA MANAGEMENT

The virtual banks are utilising cloud technology in order to better collect, store, and protect their data

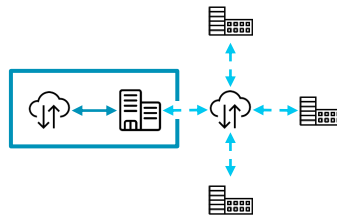
Cloud Technology

Private, Hybrid, and Public

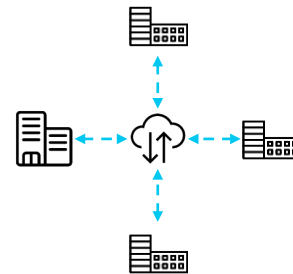
PRIVATE CLOUD



HYBRID CLOUD



PUBLIC CLOUD



- Cloud System
- Subject Company
- Other Companies
- Private Connection
- Public Connection

DEPLOYMENT

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Cloud infrastructure dedicated to a single company • Can be managed by company itself or a third-party vendor | <ul style="list-style-type: none"> • Mix of private and public clouds provided by different vendors • Clouds used for different purposes | <ul style="list-style-type: none"> • Cloud infrastructure provided by a third-party vendor • Businesses rent the usage of system resources |
|--|--|--|

DIFFERENTIATION

Bank	Private Cloud	Hybrid Cloud	Public Cloud	Differentiation
MOX BANK	x	x	✓	• 1 st public cloud bank in Asia
LIVI	x	✓	x	• 24/7 cybersecurity centre
WELAB BANK	x	x	✓	• Multi-cloud approach
FUSION BANK		-		• Uses internal cloud tech*
ZA BANK	✓	x	x	• Entirely Hong Kong-based
AIRSTAR BANK		-		• Uses internal cloud tech*
PAOB	✓	x	x	• Virtual private cloud*
ANT BANK (HK)	x	x	✓	• Uses internal cloud tech*

Public cloud-based virtual banks Applicable Unspecified Inapplicable

*Fusion Bank, Airstar Bank, PAOB, and Ant Bank (Hong Kong) utilise a form of cloud technology from their parent company

Source: Quinlan & Associates analysis

SECTION 5

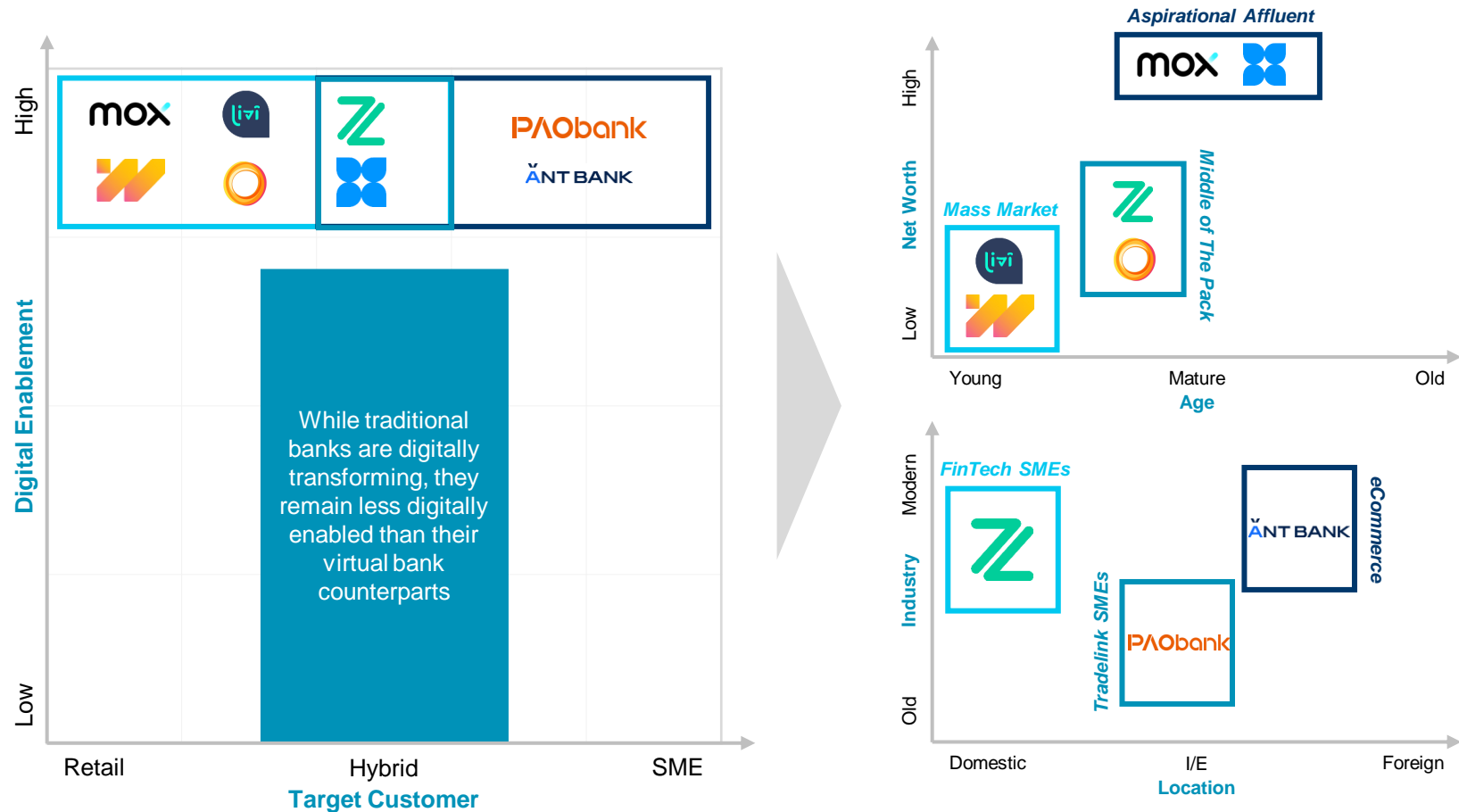
STRATEGIC POSITIONING

STRATEGIC POSITIONING (1/9) – OVERVIEW

Each of the eight Hong Kong virtual banks has displayed a tilt towards certain types of customer segments, demonstrating their inherent strategic positioning

Strategic Positioning

Overview



Note: since Airstar Bank's commercial banking segment is still too nascent, it has not yet been fully assessed to determine its strategic positioning

Source: Quinlan & Associates analysis

STRATEGIC POSITIONING (2/9) – MOX BANK

Mox Bank is positioning itself to service the lifestyle needs of aspirational affluent customers, going beyond financial services

Strategic Positioning

Mox Bank



SHAREHOLDERS

Mox Bank is actively leveraging Standard Chartered's experience, while also tying up with HKT-owned brands for lifestyle offers



PARTNERSHIPS

Mox is attempting to build a lifestyle ecosystem by partnering with brands that are servicing young adults' lifestyle needs



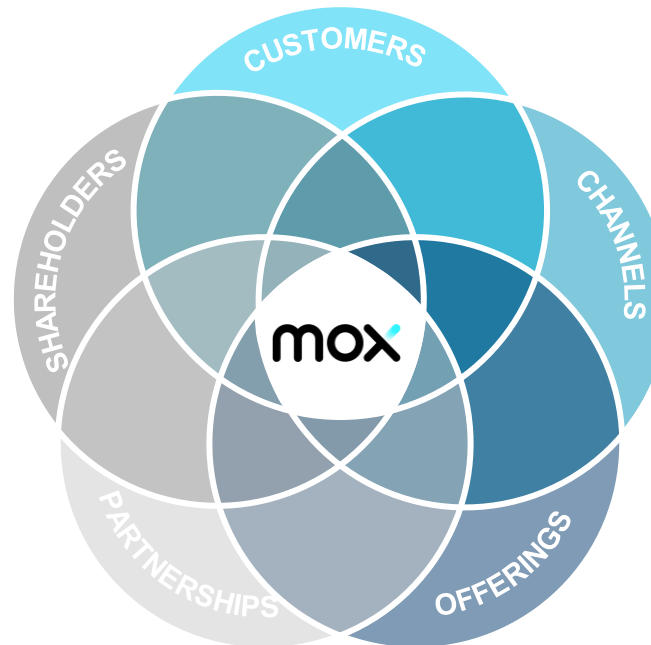
CUSTOMERS

Average customer age of 35, with deposit balance of HKD 70,000, and top occupations of financial services, IT¹, and retail and wholesale



CHANNELS

Mox Bank appears to be targeting the aspirational affluent customer segment, with white collar jobs and a higher net worth



OFFERINGS

Mox has been aggressively pushing payments by giving HKD 2 million in cashbacks p.m., now pushing its credit card

¹Information technology

Source: Mox Bank, SCMP, Finextra, Quinlan & Associates analysis

STRATEGIC POSITIONING (3/9) – LIVI

livi is positioning itself as a lifestyle-driven virtual bank, highlighting its motto of "live your way", targeting mass market retail consumers

Strategic Positioning

livi



SHAREHOLDERS

Significant tie-up with Jardines owned Dairy Farm's yuu Rewards Club to leverage its vast retail network of shops and restaurants



PARTNERSHIPS

Building a shopping and dining-oriented ecosystem centered around the mass market, via yuu Rewards Club partnership



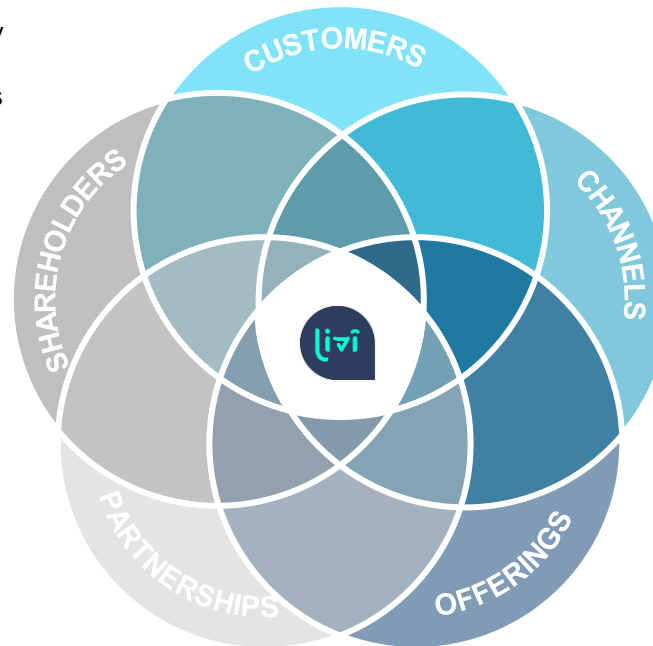
CUSTOMERS

Targeting mass market retail consumers that are inclined towards shopping at its parent company's sizeable network of over 2,000 retail outlets



CHANNELS

livi appears to be targeting the mass market segment by primarily spending on non-targeted channels like MTR, bus, and trams



OFFERINGS

livi is primarily focused on payments, evolving from QR-code, to debit card, to recently a BNPL offering

STRATEGIC POSITIONING (4/9) – WELAB BANK

WeLab Bank is showcasing itself as the standout homegrown virtual bank, targeting Cantonese speaking youth and doubling down on its rich Hong Kong heritage

Strategic Positioning

WeLab Bank



SHAREHOLDERS

WeLab Bank has championed its parent company's status as a homegrown start-up and proprietary credit scoring engine



PARTNERSHIPS

WeLab Bank is using rewards partnerships skewed towards weekends to incentivise customers that are extroverted



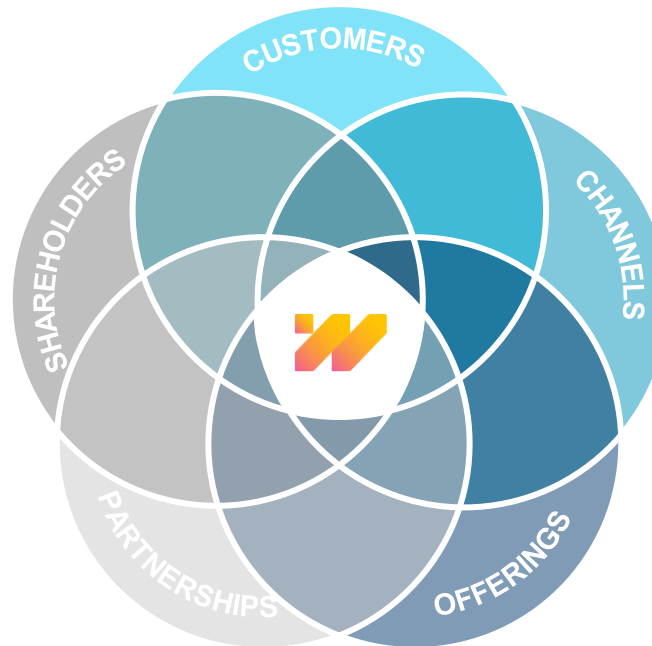
CUSTOMERS

Approximately 70% of WeLab Bank's customers are aged between 20 to 39, with the virtual bank trying to target the mass market retail segment



CHANNELS

WeLab Bank's advertising is primarily in Cantonese and targeted towards younger demographics



OFFERINGS

Powered by the prowess of its parent's credit scoring engine, WeLab Bank has launched a personal loan, apart from a debit card

STRATEGIC POSITIONING (5/9) – FUSION BANK

While Fusion Bank was the last of the eight virtual banks to launch, it has focused on a cross-border services centric value proposition

Strategic Positioning

Fusion Bank



SHAREHOLDERS

With a sizeable number of large-sized backers, particularly from the Mainland, the bank has vast experience at its disposal



PARTNERSHIPS

Fusion Bank has struck a partnership with WeChat Pay, leveraging the integration to funnel transactions



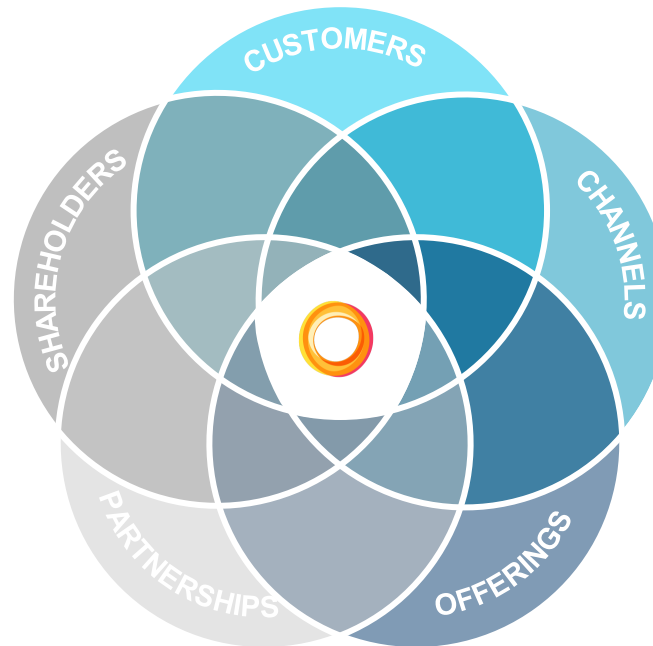
CUSTOMERS

Fusion Bank appears to be focused on customers with cross-border needs between Mainland China and Hong Kong



CHANNELS

Given its local language advertising and sponsoring of a CNY contest, Fusion Bank is targeting customers of Chinese descent



OFFERINGS

Fusion Bank was the first Hong Kong virtual bank to launch a comprehensive foreign exchange offering

STRATEGIC POSITIONING (6/9) – ZA BANK

ZA Bank is rapidly scaling its capability to become a holistic personal finance services provider, expanding from payments to insurance, and now investment services

Strategic Positioning

ZA Bank



SHAREHOLDERS

ZA Bank has drawn on the expertise of its parent ZhongAn's background in online insurance to be the sole virtual bank insurer



PARTNERSHIPS

ZA Bank is looking to service different types of lifestyle needs, including food delivery, coffee, telecom, and mall shopping



CUSTOMERS

70% of customers are aged below 40, with five target segments: (1) saver; (2) smart spender; (3) punctual borrower; (4) enjoyer; and (5) sharer



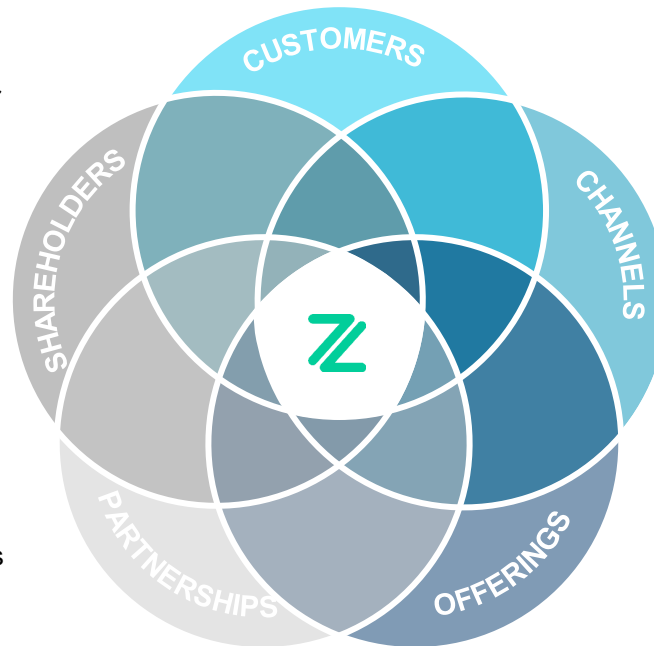
CHANNELS

ZA Bank appears to be shifting from a broad-based OOH to a targeted ads-focused strategy to drive cost efficiencies



OFFERINGS

ZA Bank is quickly establishing a wealth management service proposition, with insurance and investments offerings



STRATEGIC POSITIONING (7/9) – AIRSTAR BANK

Airstar Bank’s mission / vision is to become “everyone’s bank”, and has recently made a foray into the commercial banking space for SMEs

Strategic Positioning

Airstar Bank



CUSTOMERS

Airstar Bank’s customers appear to belong primarily to the 30- to 40-year-old group, with borrowers aged between 25 to 35 years of age



CHANNELS

As it has been primarily depicting office workers in Cantonese, it seems to be targeting aspiring mass affluent employees



SHAREHOLDERS

Xiaomi’s robust expertise in the IoT space may open interesting FinTech avenues for Airstar Bank to explore



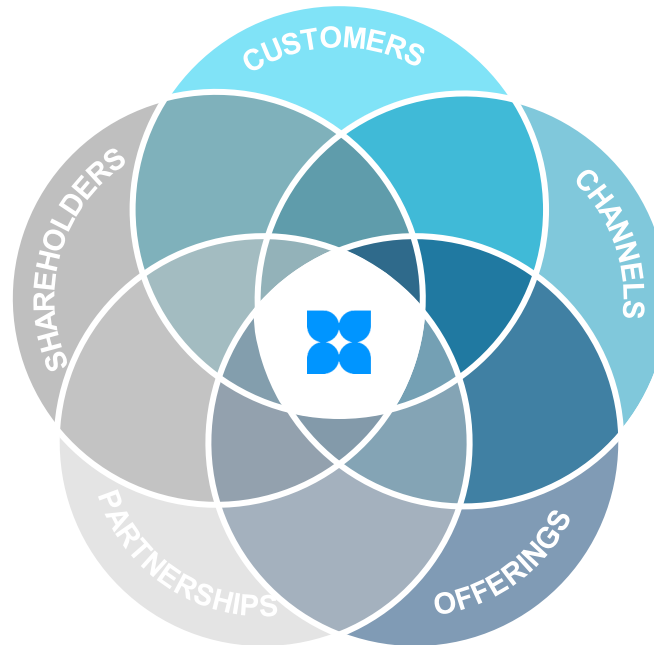
PARTNERSHIPS

Based on its staycation offer, Airstar Bank appears to be targeting the aspiring mass affluent segment



OFFERINGS

Given its high interest rate and debt consolidation loan, Airstar Bank may be targeting aspiring mass affluent customers



STRATEGIC POSITIONING (8/9) – PAOB

PAOB is looking to leverage its existing robust ecosystem in the Hong Kong SME space, via Tradelink

Strategic Positioning

PAOB



SHAREHOLDERS

Ping An owned and controlled OneConnect has been a key cog in supporting the technological infrastructure behind PAOB



PARTNERSHIPS

PAOB has effectively leveraged its well-established ecosystem of Tradelink SMEs to extend credit



CUSTOMERS

Import and export-oriented business appear to be the primary SME target customer segment for PAOB



CHANNELS

By leveraging its Tradelink relationships, PAOB is relying on an already existing foundation to acquire customers



OFFERINGS

Given its strong focus on Trade-Connect Loan, PAOB appears to be extending credit to SMEs in its existing network

STRATEGIC POSITIONING (9/9) – ANT BANK (HONG KONG)

Ant Bank (Hong Kong) has developed a razor sharp focus on eCommerce businesses and appears to be gearing up for the opening up of the Greater Bay Area (“GBA”)

Strategic Positioning

Ant Bank (Hong Kong)



SHAREHOLDERS

Given its indirect link to Alibaba, Ant Bank (Hong Kong) has strong synergies with the eCommerce space



PARTNERSHIPS

The virtual bank has leveraged its relationship with AlipayHK to channel transactions through



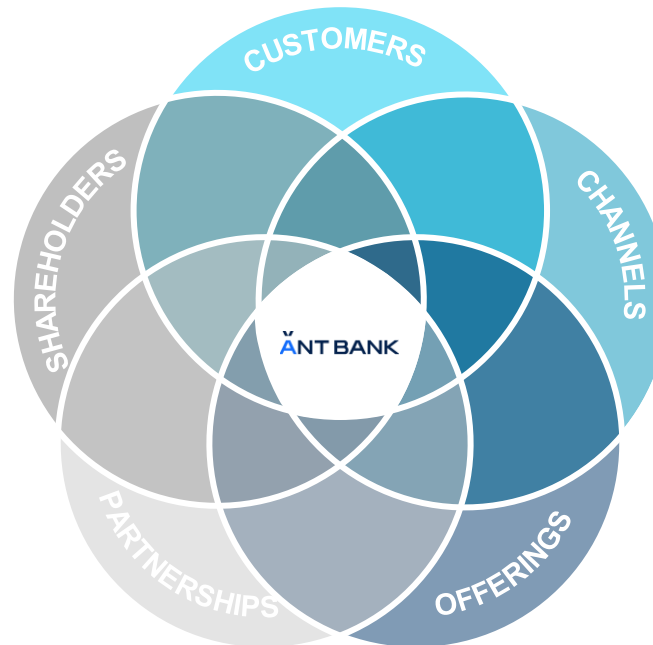
CUSTOMERS

Ant Bank (Hong Kong) has a niche focus on eCommerce and related businesses, such as logistics, import / export, etc.



CHANNELS

Rather than directly reaching out to customers, Ant Bank (Hong Kong) is leveraging marketplace referrals



OFFERINGS









Ant Bank (Hong Kong) appears to be planning offerings such as invoice factoring, inventory financing, etc. for eCommerce

MOBILE APP RATINGS

Based on mobile app ratings: (1) Mox Bank; (2) ZA Bank; and (3) WeLab Bank appear to be currently leading the pack









App Rating and Reviews

Apple App Store

VIRTUAL BANK	RATING	NO. OF REVIEWS
 Mox Bank	★★★★★ 4.8	13,509
 ZA Bank	★★★★★ 4.7	19,289
 Fusion Bank	★★★★★ 4.6	646
 WeLab Bank	★★★★★ 4.5	2,316
 Livi Bank	★★★★★ 4.4	1,974
 Airstar Bank	★★★★☆ 3.7	423
 Ant Bank (Hong Kong)	★★★★☆ 3.3	55
 PAOB	★★★★☆ 3.1	64

App Rating and Reviews

Google Play Store

VIRTUAL BANK	RATING	NO. OF REVIEWS
 ZA Bank	★★★★★ 4.6	11,448
 MOX Bank	★★★★★ 4.6	7,343
 WeLab Bank	★★★★★ 4.5	2,114
 livi Bank	★★★★☆ 4.0	2,173
 Fusion Bank	★★★★☆ 3.5	999
 Ant bank (Hong Kong)	★★★★☆ 3.5	138
 Airstar Bank	★★★★☆ 3.1	749
 PAOB	★★★★☆ 2.7	118

Note: the figures are as of 15 November 2021

Source: Apple App Store, Google Play Store, Quinlan & Associates analysis

SECTION 6

FUTURE OUTLOOK

KEY SUCCESS FACTORS

There are multiple key factors that may determine the fate of virtual banks across the customer value chain: (1) acquisition; (2) engagement; (3) monetisation; and (4) loyalty

Key Factors

Customer Lifecycle

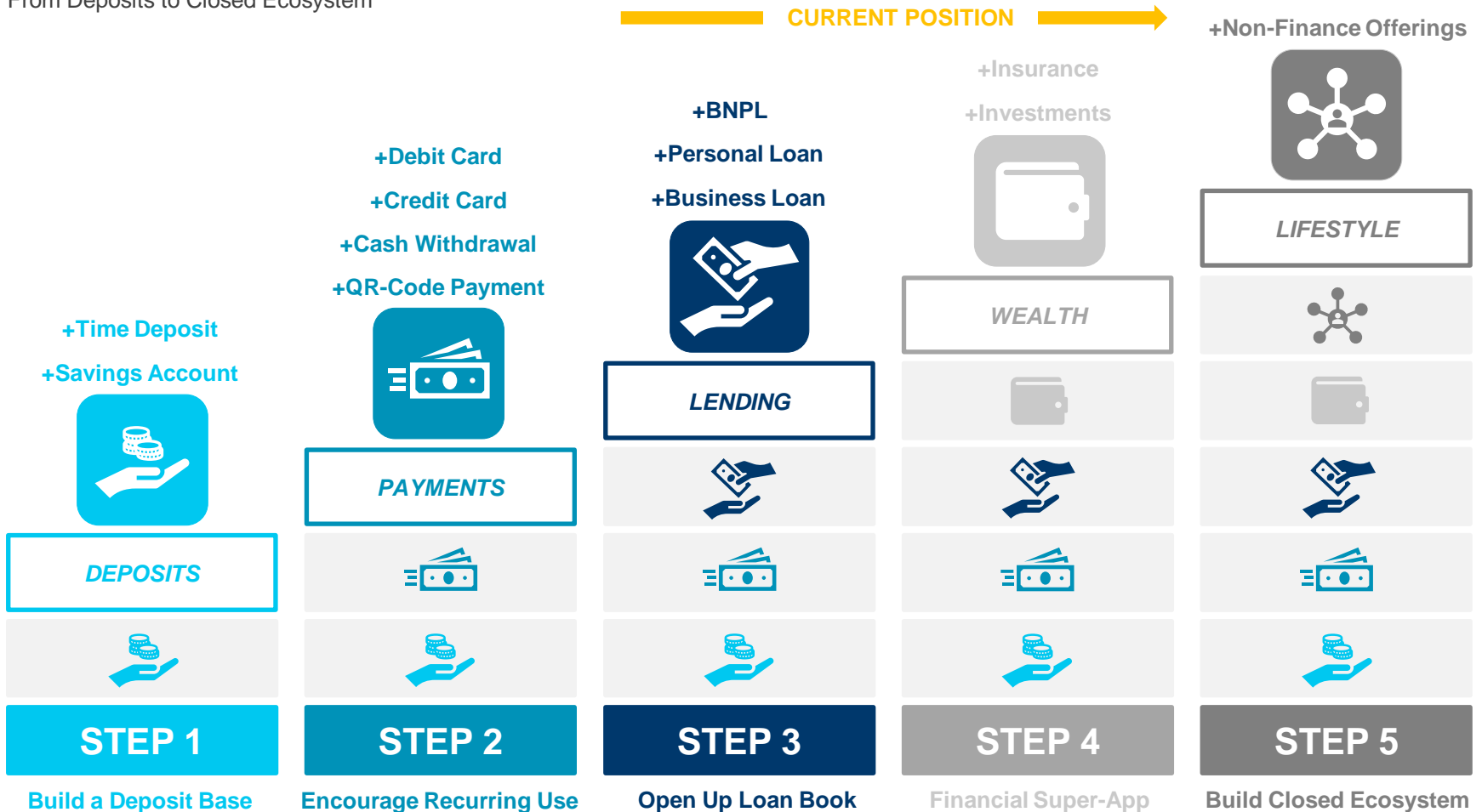
		Relevant KPIs	Description
ACQUISITION	Customer Identification	<ul style="list-style-type: none"> Traffic-to-Lead Ratio Bounce Rate 	<p>Understand the underlying source of the customer traffic generated</p> <p>Metric highlighting the percentage of people who visited one screen and left</p>
	Customer Capturing	<ul style="list-style-type: none"> Conversion Rate Customer Acquisition Cost ("CAC") 	<p>Sales funnel conversion rate across various customer touchpoints</p> <p>Sales and marketing costs per new customer acquired</p>
ENGAGEMENT	Mobile App Usage	<ul style="list-style-type: none"> Dormancy Rate Daily / Monthly Active Users ("DAU / MAU") 	<p>Percentage of customers having zero balance or not using the app over 60 days</p> <p>A measure of unique users engaging with the product over daily / monthly periods</p>
	Customer Satisfaction	<ul style="list-style-type: none"> Net Promoter Score ("NPS") Customer Effort Score ("CES") 	<p>Likelihood of receiving a positive customer referral</p> <p>A measure of ease of service and products use</p>
MONETISATION	Interest Income	<ul style="list-style-type: none"> Loan Application Success Rate Non-Performing Loan ("NPL") Ratio 	<p>Percentage of credit applications approved by the virtual bank</p> <p>Percentage of loans that have defaulted and turned into bad debt</p>
	Non-Interest Income	<ul style="list-style-type: none"> Average Fee Revenue per User Cross-sell Ratio 	<p>Total fee revenue divided by number of users</p> <p>Products and services cross-sold to customers</p>
LOYALTY	Maintenance and Servicing	<ul style="list-style-type: none"> Time to Response Time to Resolution 	<p>Customer waiting time till a response regarding complaint / query is received</p> <p>Customer waiting time till the concerned complaint / query is resolved</p>
	Customer Retention	<ul style="list-style-type: none"> Customer Churn Rate ("CCR") Redemption Rate ("RR") 	<p>Percentage of customers lost over a given time period</p> <p>Percentage of loyalty rewards redeemed by customers</p>

BUSINESS MODEL EVOLUTION

Although the virtual banks may come from humble beginnings, they have the potential to become a force to be reckoned with, in the long-run

Evolution

From Deposits to Closed Ecosystem



LONG-TERM PRODUCT DEVELOPMENT

There are a number of credit and non-credit retail and commercial banking offerings that the Hong Kong virtual banks could look to offer in future

Key Product Segments

Retail and Commercial

RETAIL	CREDIT	Personal Loan	Instalment, tax, overdraft, revolving credit, and other types of personal loans for various uses
		BNPL	Short-term financing where consumers make a purchase first and pay in instalments at a later date
		Payday Loan	A short-term loan based on the borrower's monthly income, in advance of an approaching payday
		Debt Consolidation Loan	A consolidated loan offering, that combines various loans into a single loan for easier management
	OTHERS	Robo Advisory	Automated, algorithm-driven personalised investment advisory services
		Online Brokerage	Online platform for trading domestic and/or international securities, margin financing, etc.
		Insurance	Various life, health, and other general insurance offerings (e.g. car insurance, etc.)
COMMERCIAL	CREDIT	Remittance	Domestic or cross-border money transfer support for various currencies
		Lifestyle Integrations	Integrated lifestyle offerings with partners for eCommerce, restaurant booking, movie tickets, etc.
		Business Loan	Instalment, profit tax, overdraft revolving credit, and other types of business loans for various uses
		Invoice Factoring	Short-term loan offering, secured based on receivables, to cover working capital needs
		Inventory Financing	Short-term loan or line of credit used to purchase inventory, also collateralised by the inventory
	OTHERS	Equipment Financing	Mid to long-term loans used to purchase equipment / machinery, collateralised by the same asset
		Treasury Services	Currency risk, interest rate risk, and liquidity risk management products and services
		Payroll Services	Time and attendance management, payroll processing, claims and expense management, etc.
		Payment Solutions	Payment offerings for processing of customer payments (e.g. POS, payment gateway, etc.)
		Partner Integrations	Integrations with value-added service platforms (e.g. Shopify, Xero, Quickbooks, Zapier, wise, etc.)

COMPARATIVE ANALYSIS OVERVIEW

While Hong Kong boasts a high savings rate and insurance penetration, it has a smaller populace, a low unbanked population, and poor robo advisor adoption

Similarities and Differences

Market Comparison



Notable Differences

	United Kingdom	United States	Hong Kong		
DEMOGRAPHICS	Population	67.8 million	331.0 million	7.5 million	Low population size
	GDP per Capita (HKD)	313,291	492,416	262,024	Lower GDP per capita
	Adult Financial Literacy	67%	57%	43%	Lower financial literacy
	Gen Z Share of Population	19%	20%	22%	Higher share of Gen Z population
	Smartphone Penetration	87%	85.0%	91.5%	Comparable penetration rate
BANKING	Number of Banks	300	4,374	163	Fewer banking competitors
	People per Bank	226,000	76,000	46,000	Relatively more competition
	Gross Savings Rate	15.6%	19.0%	25.5%	Favourable savings rate
	Credit Cards per Capita	1.1	2.0	2.6	Higher demand for credit cards
	Debit Cards per Capita	1.86	2.44	0.81	Lower demand for debit cards
	Unbanked Population	4%	7%	5%	Low level of unbanked population
	Virtual Bank Penetration	12.0%	21.4%	5.6%	Lower virtual bank adoption
INSURANCE	Number of Insurers	384	5,965	165	Fewer insurance competitors
	People per Insurer	177,000	55,000	45,000	Relatively more competition
	Insurance Penetration	10.3%	11.4%	19.7%	Higher insurance coverage
	Gross Premiums (HKD)	3,253 billion	21,532 billion	567 billion	Smaller insurance market size
ROBO ADVISOR	AUM (HKD)	140 billion	5,944 billion	7 billion	Low robo advisor allocation
	Number of Users	1,446,000	8,792,000	168,000	Low count of robo advisor users
	AUM per User (HKD)	96,365.5	670,385.1	40,910.1	Low AUM per user
	Penetration Rate	2.1%	2.7%	2.2%	Comparable penetration rate

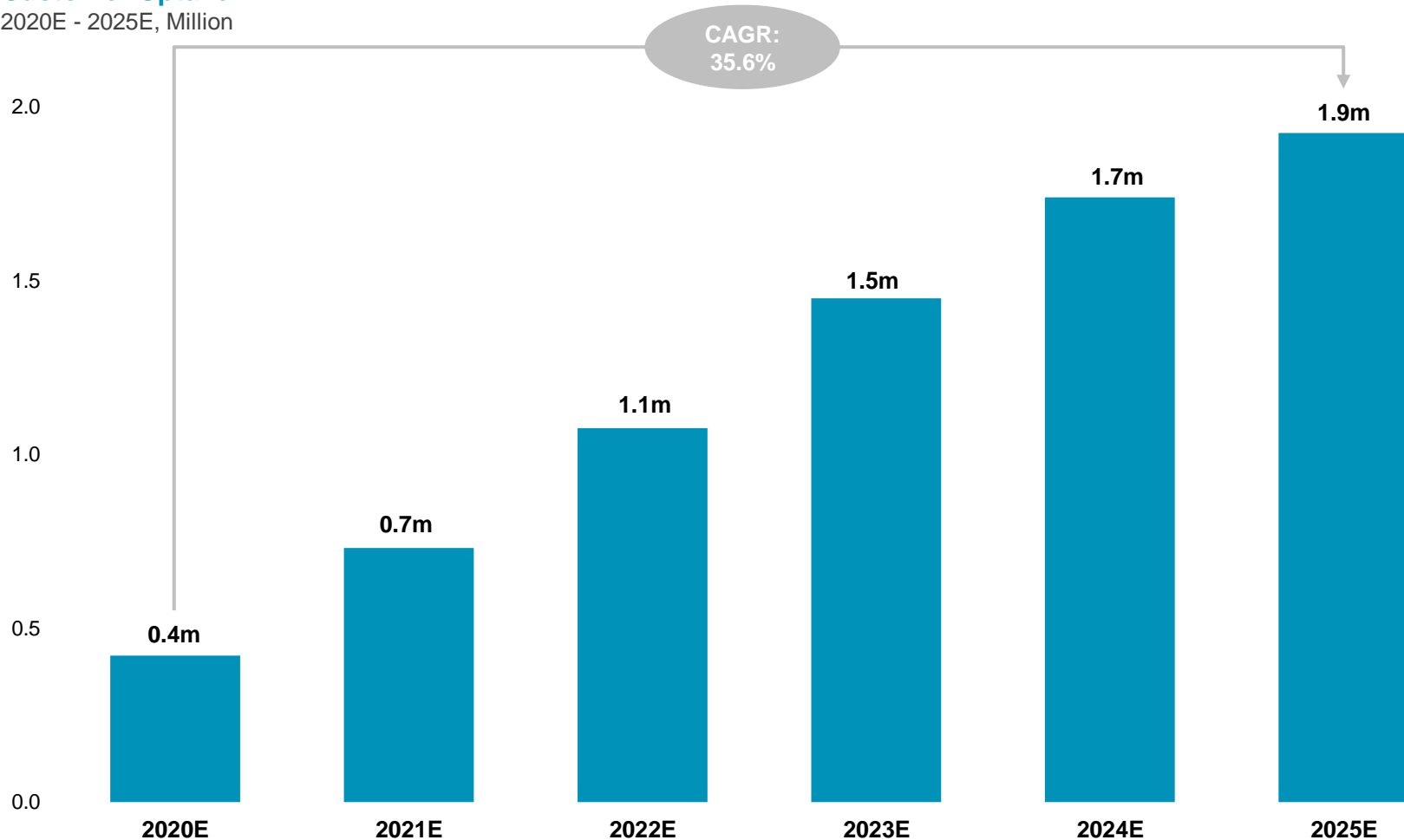
Key differential
 Favourable
Neutral / Dependant
Unfavourable

RETAIL BANKING OUTLOOK (1/2) – CUSTOMER UPTAKE

The Hong Kong virtual banks are expected to amass a 1.9 million strong customer base by 2025, an almost five fold increase from 420,000 in 2020, at a rapid CAGR of 35.6%

Customer Uptake

2020E - 2025E, Million

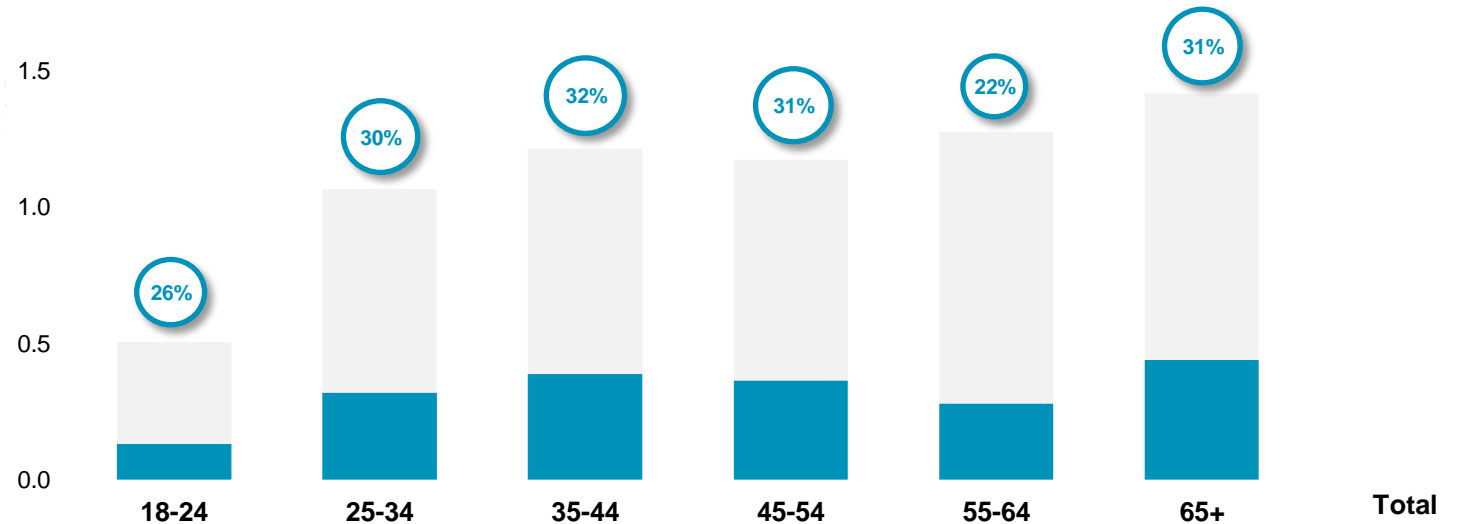


RETAIL BANKING OUTLOOK (2/2) – DEPOSIT BASE

Over a quarter of Hong Kong’s adult population is expected to sign-up to a virtual bank, with an average deposit of HKD 230,000, leading to HKD 443 billion in total retail deposits

Customer Base

2025E, Million



	18-24	25-34	35-44	45-54	55-64	65+	Total
Population Breakdown	0.5 million	1.1 million	1.2 million	1.2 million	1.3 million	1.4 million	6.7 million
Interest Level	26%	30%	32%	31%	22%	31%	28%
Customer Count	0.1 million	0.3 million	0.4 million	0.4 million	0.3 million	0.4 million	1.9 million
Average Deposit (HKD)	70,000	120,000	199,500	237,750	275,000	350,000	230,000
Total Deposit (HKD)	9 billion	38 billion	78 billion	87 billion	77 billion	154 billion	443 billion

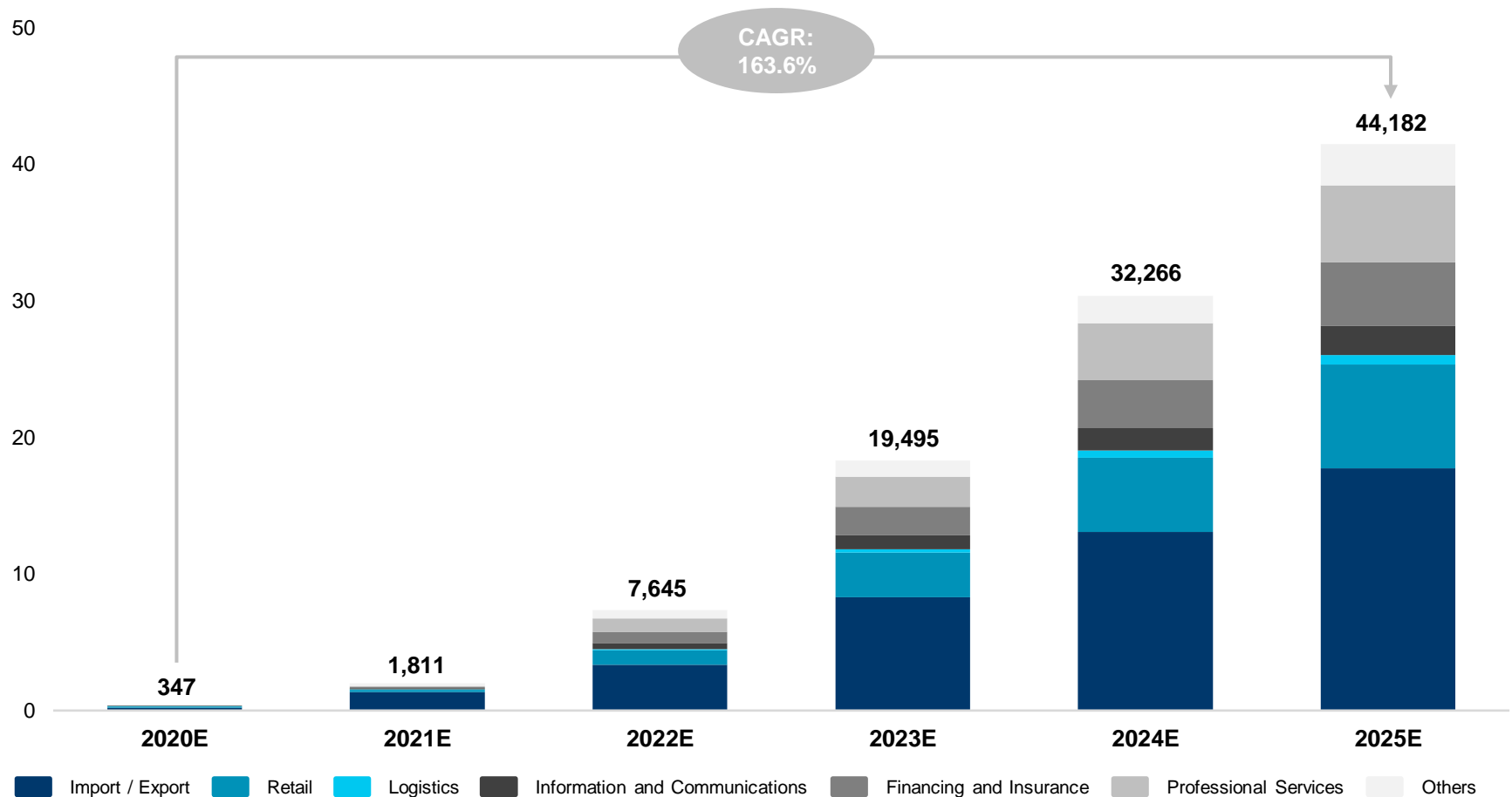
Source: Census and Statistics Department, Finder.com, Quinlan & Associates estimates

COMMERCIAL BANKING OUTLOOK (1/2) – CUSTOMER UPTAKE

The Hong Kong virtual banks are expected to amass a 44,182 strong SME customer base by 2025, growing at a rapid CAGR of 163.6%, as more of them open their doors to SMEs

Customer Uptake

2020E - 2025E, 000

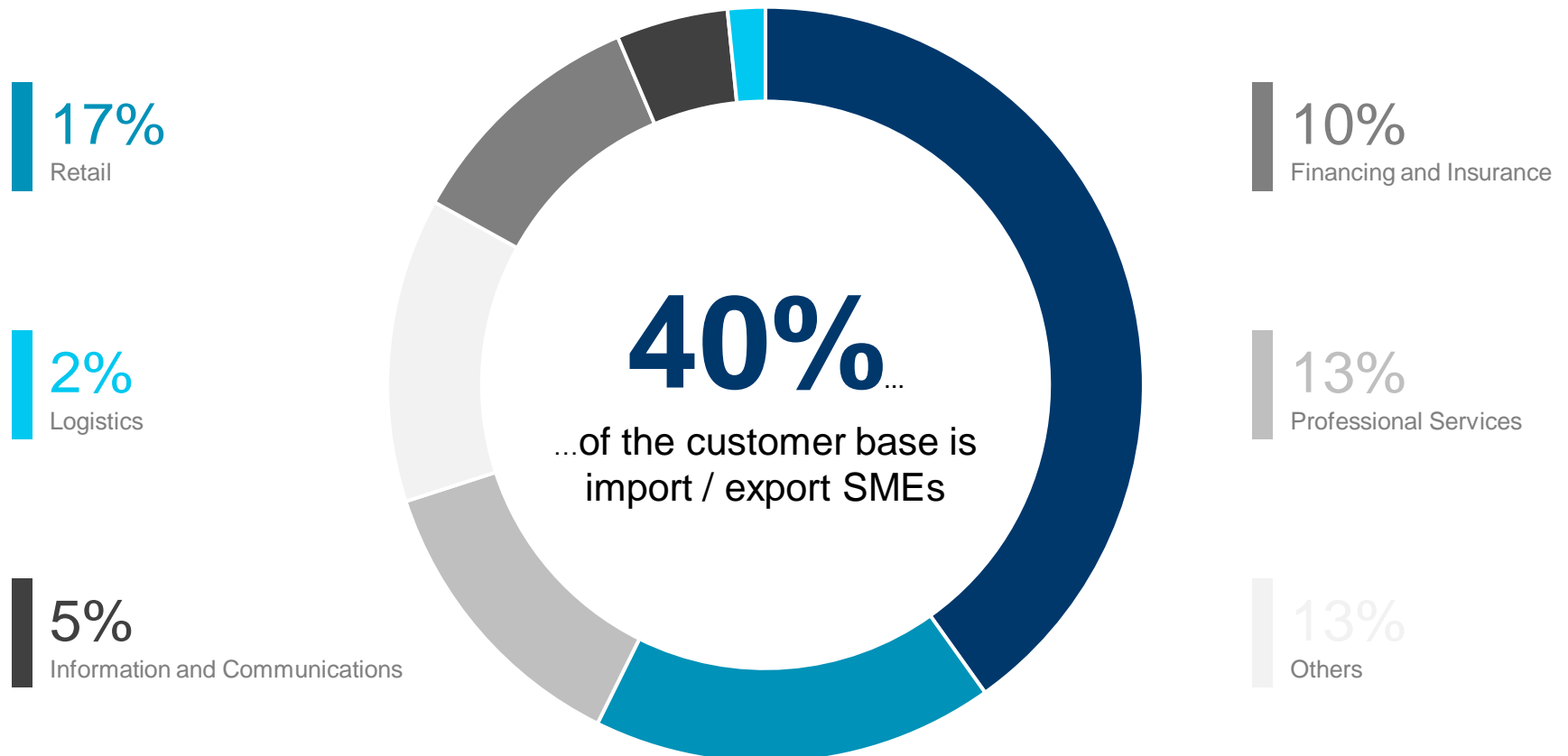


COMMERCIAL BANKING OUTLOOK (2/2) – DEPOSIT BASE

40% of the SMEs are expected to belong to the import / export segment, with overall deposits touching HKD 117 billion

Customer Base

2025E, %

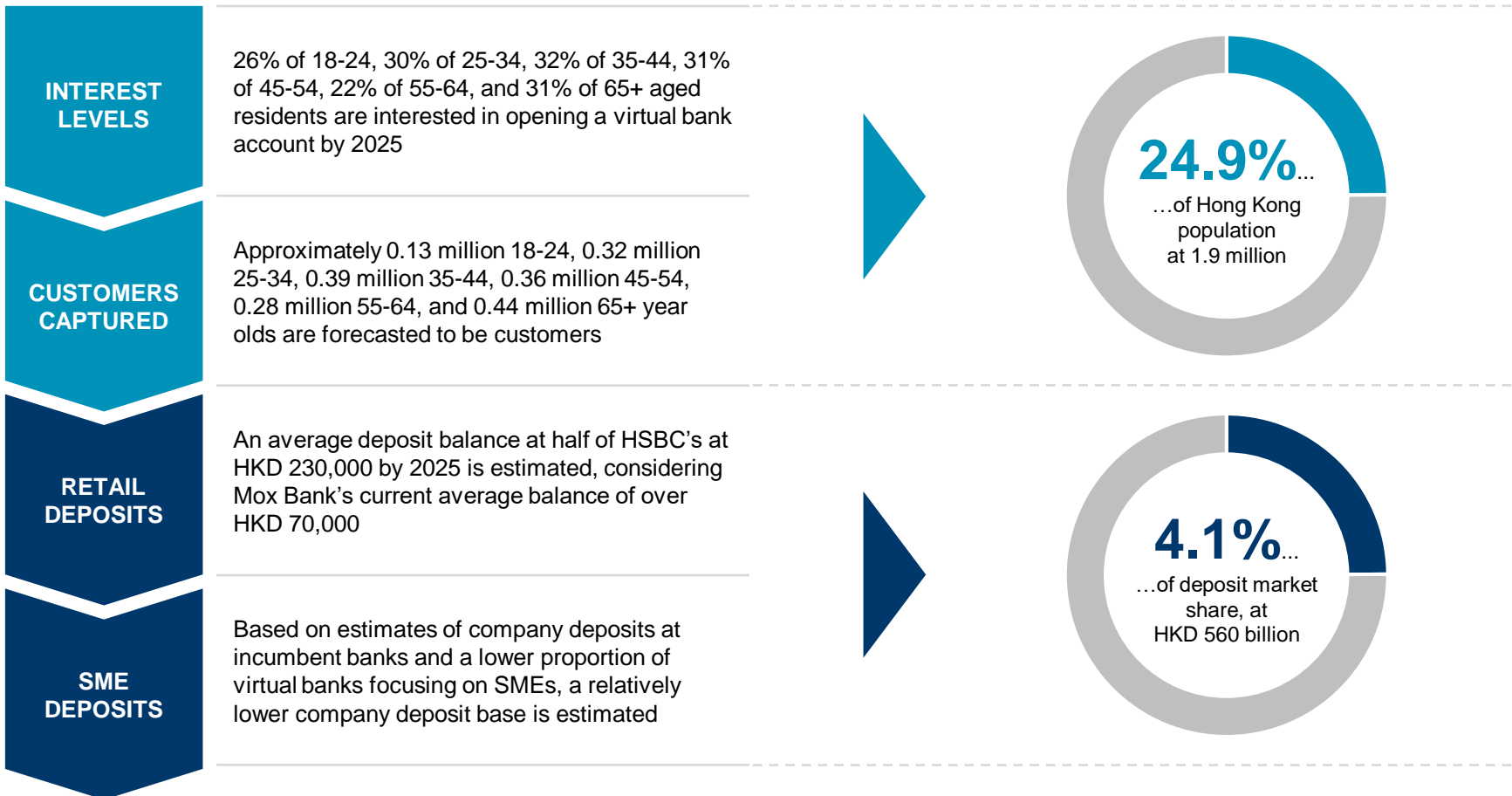


MARKET SHARE ESTIMATION

The Hong Kong virtual banks are estimated to capture almost a quarter of the Hong Kong populace by 2025, yielding HKD 560 billion in deposits

Estimated Market Share

%, 2025E

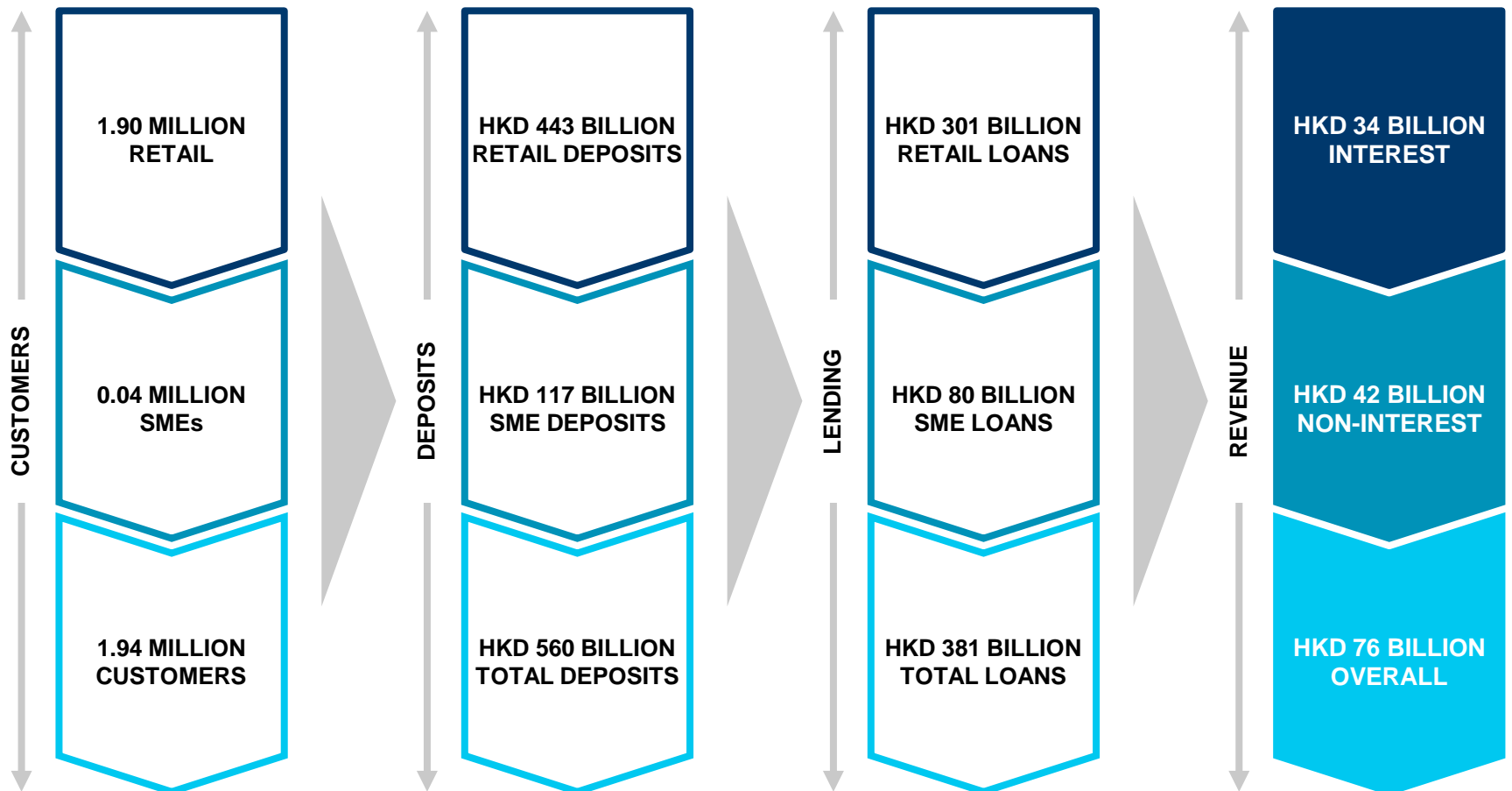


MARKET SIZE ESTIMATE

...we estimate this will translate to HKD 76 billion in aggregate revenues by 2025, representing a combined market share of 19.3%

Overview

2025E



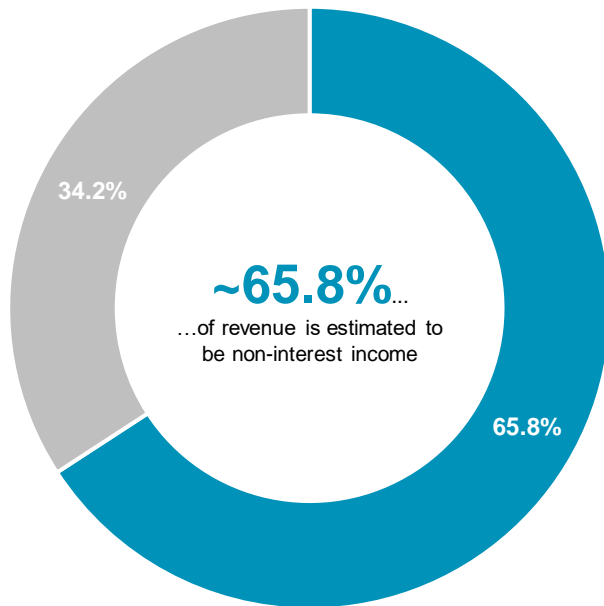
Source: various virtual bank reports and filings, Quinlan & Associates estimates

REVENUE BREAKDOWN

The Hong Kong virtual banking market is estimated to be worth HKD 76 billion in 2025, consisting of HKD 58 billion in retail banking and HKD 18 billion in commercial banking

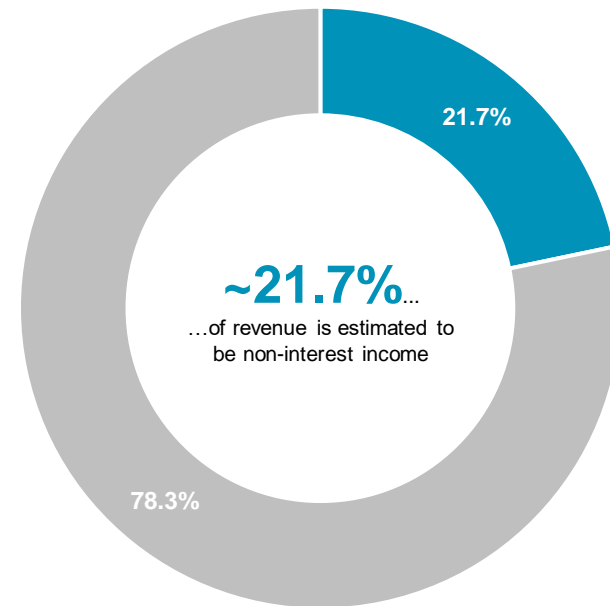
Retail Banking

2025E, %



Commercial Banking

2025E, %



HKD 58 Billion
Retail Banking Market Size

HKD 18 Billion
Commercial Banking Market Size

SECTION 7

QUINLAN & ASSOCIATES

OUR OFFERING

Quinlan & Associates is a leading independent strategy consulting firm specialising in the financial services industry, offering a truly unique end-to-end service proposition

QUINLAN &ASSOCIATES

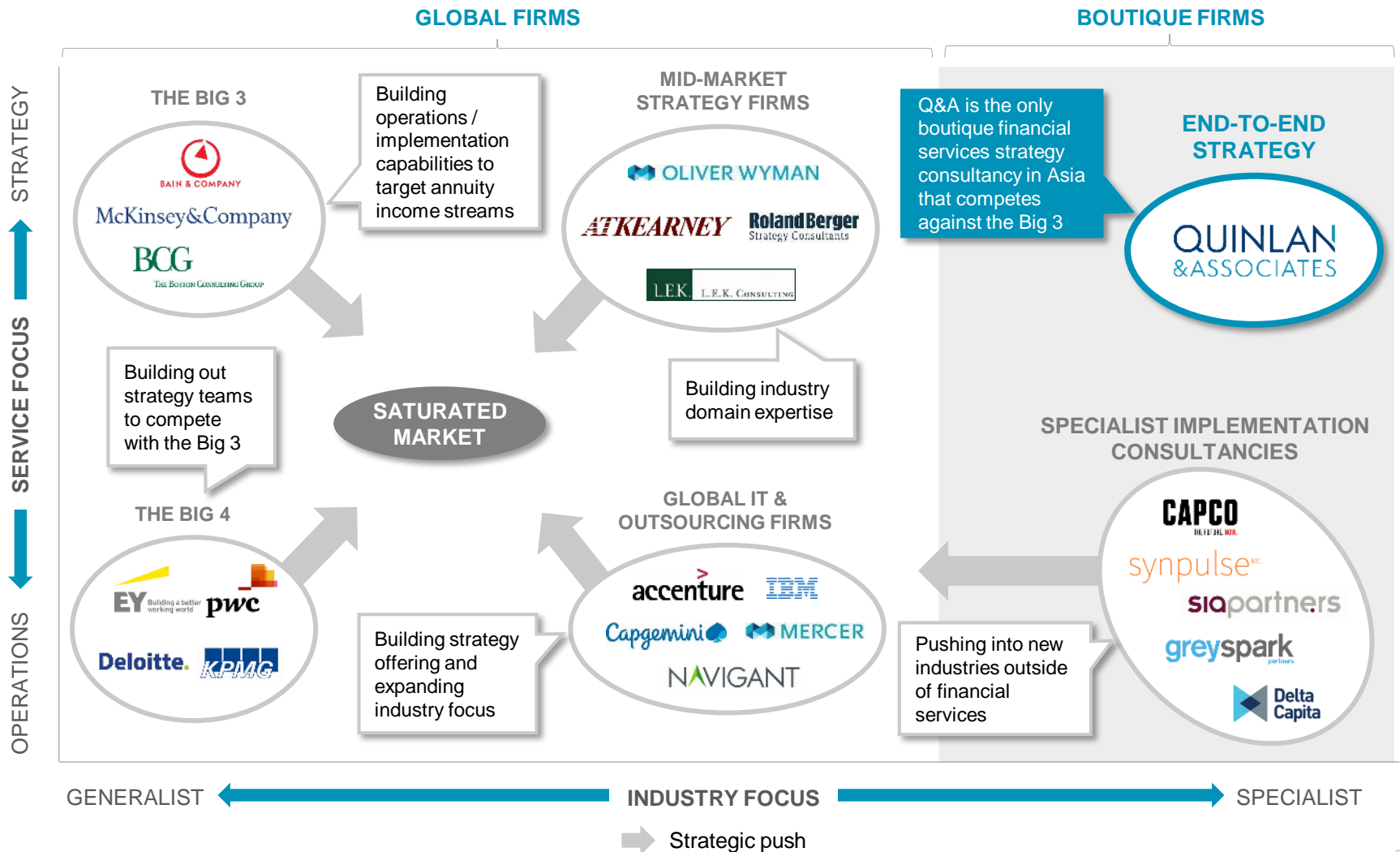
SHAPE YOUR STRATEGY

DRIVE YOUR OUTCOMES



STRATEGY WITH A DIFFERENCE

We are the only specialist financial services strategy consultancy in Asia that competes directly with the “Big 3” on large-scale, C-suite projects



OUR DIFFERENCE

We are not your typical strategy consulting firm; our distinctive approach differentiates us from our global competitors across ten key dimensions

CRITERIA	GLOBAL CONSULTING FIRMS	QUINLAN &ASSOCIATES
1 OFFERING	<ul style="list-style-type: none"> Narrow service offering focused on a single aspect of the strategy value chain (e.g. strategy development) 	<ul style="list-style-type: none"> ✓ End-to-end service offering across the entire strategy value chain, from development to execution
2 METHODOLOGY	<ul style="list-style-type: none"> Hypothesis-led inductive reasoning: upfront conclusions that are validated over the course of a project 	<ul style="list-style-type: none"> ✓ Fact-based deductive reasoning: conduct in-depth data-driven analysis to arrive at appropriate conclusions
3 OBJECTIVITY	<ul style="list-style-type: none"> Advice is often tailored to suit senior management agendas, rendering projects a rubber-stamping exercise 	<ul style="list-style-type: none"> ✓ Advice remains objective and unbiased; we will tell you what you don't want to hear if it's the right advice for you
4 RELEVANCE	<ul style="list-style-type: none"> '30,000 feet' content in excessively long decks, which are expensive and lack concrete deliverables 	<ul style="list-style-type: none"> ✓ Output is clear and to the point; we provide actionable advice supported by tangible execution plans
5 MEASURABILITY	<ul style="list-style-type: none"> Results are often hard to quantify, with project 'success' difficult to both isolate and measure 	<ul style="list-style-type: none"> ✓ We deliver results that you can actively measure and track (e.g. identify KPIs, build implementation trackers)
6 EXPERTISE	<ul style="list-style-type: none"> Staffed with generalist career consultants who lack sector expertise or industry experience 	<ul style="list-style-type: none"> ✓ Projects are led by seasoned consultants with extensive financial services and top-tier consulting experience
7 ENGAGEMENT	<ul style="list-style-type: none"> Project work and client contact led by a junior team, with minimal Partner contact 	<ul style="list-style-type: none"> ✓ Projects led by a senior and highly experienced team, with extensive Partner contact
8 STEWARDSHIP	<ul style="list-style-type: none"> A significant amount of proprietary and competitor data is manufactured for projects 	<ul style="list-style-type: none"> ✓ All proprietary data is extensively validated through our industry sources and all estimates are clearly explained
9 CONTINUITY	<ul style="list-style-type: none"> Advising you on a one-off project and walking away from your business when it's complete 	<ul style="list-style-type: none"> ✓ Developing long-term, strategic relationships with key clients across their growth / repositioning journey
10 VALUE	<ul style="list-style-type: none"> Projects usually start at USD 80,000 per week, driven by large company overheads 	<ul style="list-style-type: none"> ✓ Competitive pricing reflects minimal operational overheads and a strong focus on cost control

INTERNATIONAL CAPABILITIES

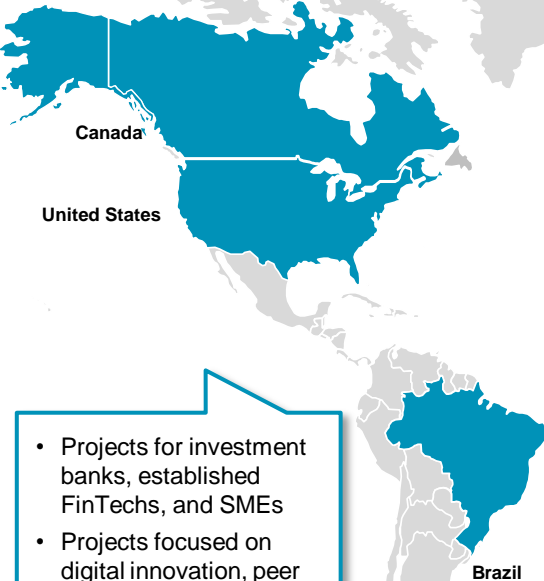
We combine global project experience with an in-depth understanding of the Asia Pacific region across developed, emerging, and frontier markets

TEAM EXPERIENCE BY CLIENT REGION

- Led major projects for global financial institutions and leading startups
- Projects focused on regulatory, business unit, and international growth strategies

- Led over 40 projects for multinationals, MMEs, and SMEs
- Expert working knowledge of local jurisdictions and regulatory frameworks
- Intimate understanding of the regional economic landscape, financial markets, and domestic operating environments
- Strong appreciation of local corporate culture and working styles

THE AMERICAS



Canada
United States
Brazil

- Projects for investment banks, established FinTechs, and SMEs
- Projects focused on digital innovation, peer benchmarking, and offshore growth strategy

EMEA



UK
France
Spain
Germany
Switzerland
Italy
Israel
Senegal
Nigeria
Uganda
Kenya

ASIA PACIFIC



China
Japan
Korea
Taiwan
Hong Kong
Vietnam
Philippines
Thailand
India
Singapore
Malaysia
Indonesia
Australia
New Zealand

OUR EXPERIENCE

Our team has considerable experience advising many of the world's leading multinationals, SMEs, and innovative startups on a variety of high-profile engagements

Tier-1 Global Banks



- Group strategy
- Digital transformation
- Market entry (JV and inorganic strategies)
- Operating model
- Process optimisation
- Regulatory strategy
- Data strategy
- HR / talent strategy
- Cultural transformation
- Organisational design
- Cross-business collaboration
- Coverage optimisation
- Cost minimisation
- Corporate training

Market Infrastructure & Corp. Services



- 'Go-to-market' strategy
- Product development
- Partnerships and ecosystems
- Pricing strategy
- Corporate training
- Sales strategy
- Data strategy (optimising internal workflows and new revenue capture)

Asset Managers / Family Offices / VCs



- Fund Strategy
- Digital build-out / transformation
- Industry / competitor intelligence
- Commercial due diligence
- Operating / pricing model validation
- Portfolio company strategy
- Front-end UI design

Regional Brokers & Bancassurers



- Group strategy
- Long-term strategic growth planning (organic / inorganic),
- Digital enablement and innovation
- Data strategy
- Organisational / HR strategy and cultural transformation
- Developing company vision statements
- Enhancing cross-business synergies

FinTech Companies



- Industry validation
- B2B strategy development
- USP development and branding strategies
- Thought leadership
- Operating model design
- Strategic due diligence
- White-labelled pitches
- Peer benchmarking
- New market entry
- Corporate training
- Licence applications

Other



- Development of group-level strategy
- New market entry
- Open innovation and digital transformation
- Customer engagement
- Industry and market research
- Brand building / market awareness
- Employee enablement (i.e. corporate training)

Note: various client logos cannot be provided due to client confidentiality; includes both in-house roles and consulting projects with Q&A and former employers

INDUSTRY INSIGHTS

We are widely recognised as a global thought leader in the financial services industry and are the only consulting firm to have our research distributed on Bloomberg terminals

Bloomberg

INTERNATIONAL DISTRIBUTION



OFFICIAL CONSULTING PARTNER

100,000+

REPORT DOWNLOADS



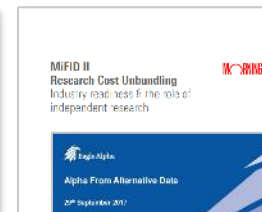
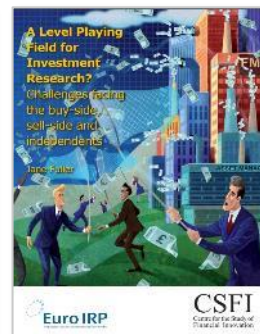
THIRD-PARTY PUBLICATIONS

Our work is regularly cited by third-party publications of leading international banks, think tanks, research houses, consultancies, professional associations, and industry bodies

70+

THIRD-PARTY PUBLICATIONS SELECT CITATIONS

THIRD-PARTY PUBLICATIONS

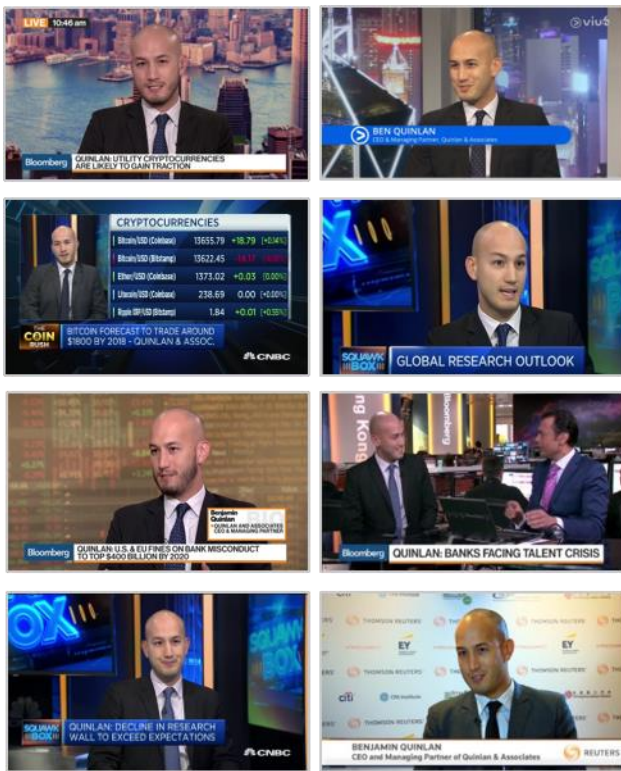


IN THE MEDIA

We are one of the most widely quoted strategy consultancies in the world across all leading financial and mainstream media publications

40+

TELEVISION / RADIO INTERVIEWS



Includes Bloomberg, CNBC Squawk Box, Thomson Reuters, CNA, and ViuTV

1,500+

GLOBAL PRESS CITATIONS



INDUSTRY CONFERENCES

Our Partners are regularly invited to present our insights during keynote speeches and panel discussions at leading industry conferences across the globe

200+

SPEAKING ENGAGEMENTS

INDUSTRY CONFERENCES SELECT EVENTS



SECTION 8

SELECT CASE STUDIES

CASE STUDY – VIRTUAL BANK OPPOTUNITY

We guided a leading ASEAN Buy-Now-Pay-Later FinTech player through exploring the option of establishing a virtual bank in Philippines

CLIENT DESCRIPTION

Leading ASEAN Buy-Now-Pay-Later FinTech

Our client is a buy-now-pay-later (“BNPL”) FinTech player in ASEAN, with an established footprint in Vietnam, Indonesia, and the Philippines (“VIP”). Since founding in 2017, our client has developed an extensive selection of technology solutions to service the underbanked population in these markets.

PROBLEM STATEMENT

The client wished to establish a virtual bank in the Philippines, leveraging its existing technological capabilities and solutions

PROJECT APPROACH

Opportunity Identification	<ul style="list-style-type: none"> We reviewed the Philippines banking landscape and regulations, to determine whether an opportunity is available
Competitive Benchmarking	<ul style="list-style-type: none"> We evaluated all six virtual banks in Philippines, to identify their value propositions and success enablers
Operational Considerations	<ul style="list-style-type: none"> We compared the client’s capabilities against incumbent VBs’, to define operational and gap-closing needs

KEY ACHIEVEMENTS

- 
Opportunity Validation
 Calculation of virtual banking market size, with estimation of realistic market share for the client
- 
Business Transformation
 Evaluation of existing capabilities and guidance on how they can be pivoted into a virtual bank
- 
Establishment Roadmap
 Identification of success drivers, with a strategic plan how to address capability gaps

CASE STUDY – VIRTUAL BANK APPLICATION STRATEGY

We helped a vast Malaysian conglomerate create a winning digital Islamic banking narrative and proposition with an emphasis on a differentiated core value proposition

CLIENT DESCRIPTION

Global Telecommunication and Technology Company

Our client is a global telecommunication and technology company with a wide range of interests, headquartered in Malaysia, with offices in Singapore, Taiwan, Hong Kong, and China, and clients in more than 70 countries spread across the globe.

PROBLEM STATEMENT

The client wished to establish a virtual bank in Malaysia, and apply to Bank Negara Malaysia for a licence for the same

PROJECT APPROACH



KEY ACHIEVEMENTS

- 
Target Segment Validation
 Detailed analysis on the target segment to ensure sustainability of the proposed business case
- 
Product Ideation
 Development of key product concepts based on the customer dynamics and regulatory guidelines
- 
Operational Roadmap
 Identification of essential operational considerations and metrics for virtual bank roll-out plan

CASE STUDY – STRATEGIC DUE DILIGENCE

We helped a global private equity firm make an informed investment decision by conducting an in-depth strategic due diligence on the Chinese virtual banking space

CLIENT DESCRIPTION

Global Private Equity Firm

The client is a leading global venture capital firm headquartered in the US, with offices in multiple locations worldwide. Since its establishment, the client has invested in over 1,000 companies, specialising in incubation, seed, start-up, early, and growth stage investments

PROBLEM STATEMENT

The client wished to gain a bird's eye view of the Hong Kong virtual banking market to support its investment decision

PROJECT APPROACH



KEY ACHIEVEMENTS

- 
Strategic Due Diligence
 Validation of the market size and growth opportunity, based on in-depth market analysis
- 
Market Sizing
 Estimation of market size for virtual banking industry across Hong Kong and Mainland China
- 
Client Awareness
 We helped the client gain a holistic understanding of the industry and its key drivers

CASE STUDY – MARKET ENTRY STRATEGY

We reviewed the Buy Now Pay Later (“BNPL”) opportunity and established the market entry strategy for a consumer finance company looking to enter Hong Kong and Macau

CLIENT DESCRIPTION

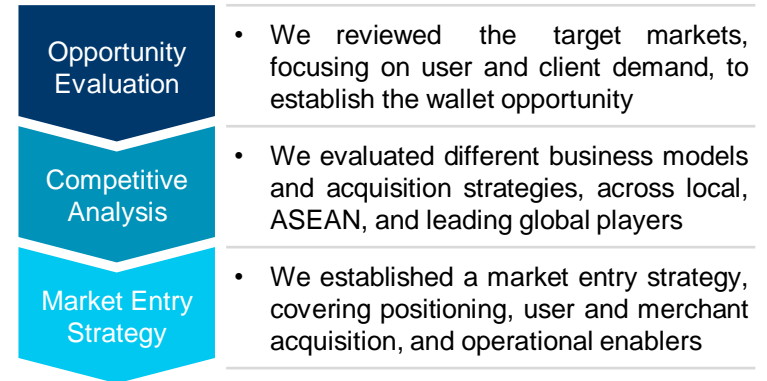
Leading Chinese Consumer Finance Company

Our client is a Nasdaq-listed consumer finance company headquartered in Mainland China. The client operates an integrated platform for Chinese consumers, supporting their purchasing and financing needs. The client has a BNPL service in China and is looking to expand its offering overseas.

PROBLEM STATEMENT

The client wishes to understand the BNPL opportunity in HK and Macau, and to determine the optimal strategy for entry

PROJECT APPROACH



KEY ACHIEVEMENTS

- 
Market Size
 Estimation of the wallet opportunity of BNPL, based on user and merchant demands
- 
Value Proposition
 Determination of service positioning based on local dynamics, along with long-term growth plans
- 
Entry Blueprint
 End-to-end market entry plan detailing business establishment, expansion, and service integration

CASE STUDY – EQUITY BLOCKS STRATEGY

We conducted a partner screening exercise, based on strategic, financial, and operational synergies, to help shortlist potential prospects for the client to partner with

CLIENT DESCRIPTION

Multinational Investment Bank

Our client is an Australian financial services group, operating in 32 markets in asset management, retail and business banking, wealth management, leasing and asset financing, market access, securities trading, renewables development, specialist advisory, capital raising and principal investment.

PROBLEM STATEMENT

The client wished to conduct a partner screening exercise to identify potential vendors to build a novel equity blocks platform with

PROJECT APPROACH



KEY ACHIEVEMENTS



Internal Stakeholder Alignment

Interviewed various internal teams to help align firmwide priorities and note potential concerns



Proposition Pitch

Produced white-label partnership outreach deck, enabling client to clearly articulate requirements



Partner Screening

Reviewed a diverse array of potential partners to recommend most suitable prospects

CASE STUDY – DIGITAL USER ACQUISITION

We guided an Indonesian stock brokerage through their digital transformation efforts and launch of an online trading platform, driving client acquisition and enhancing scalability

CLIENT DESCRIPTION

Indonesian Stock Brokerage

The client is a full service brokerage firm and an asset management company based in Indonesia. The client was founded in 1997 but rebranded in 2018 as the client looked to revitalise the business via digital transformation. It is currently a top 30-ranked brokerage in Indonesia.

PROBLEM STATEMENT

The client wished to widen its client base and increase trading volume, with a strong focus on digital transformation

PROJECT APPROACH



KEY ACHIEVEMENTS



Digital Transformation

Foundation for the digital trading platform, widening client coverage abilities and enhancing scalability



Capital Acquisition

Management buy-in and procurement of capital for development of digital platform



Brokerage Ranking

Rapid increase in brokerage ranking (by trading volume), from 100+ to top 30 within 12 months

CONTACT US

WEBSITE	www.quinlanandassociates.com
EMAIL	enquiries@quinlanandassociates.com
TEL	(+852) 2618 5000
ADDRESS	Level 19 Two International Finance Centre 8 Finance Street Central, Hong Kong

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