

Asia-Pacific banks evolve digital-first foundations

Regulatory shifts, platform strategies and consumer demands are driving banks to rewire retail from the infrastructure up

By Sarah Rizvi

Structural and competitive shifts are redefining retail banking in the Apac region. From licensing digital banks to connecting real-time payment systems across borders, regulators and financial institutions are laying the groundwork for a more inclusive, interoperable and tech-forward banking future.

Apac banking markets are evolving rapidly but unevenly. While some economies such as Singapore and Australia are focused on resilient digital infrastructure and cross-border tokenisation, others such as Vietnam, the Philippines and India are scaling mobile-first ecosystems to reach the unbanked.

Digital-first banking is no longer a fringe model. In countries such as Malaysia and Thailand, regulators have launched new digital banks with mandates to serve underserved and

younger segments, while markets such as Hong Kong are prioritising cybersecurity resilience, operational stability and new customer protection frameworks.

The transformation is also being driven from the inside out. Banks are investing in intelligent automation, cloud partnerships and data architecture to handle increasingly complex retail needs at scale. Gen AI, while still in the early stages of implementation, is being positioned as a co-pilot technology across credit, risk and operations. Meanwhile, cloud-native platforms are enabling smaller banks and fintechs to leapfrog legacy systems and innovate faster.

Retail banking in Asia is also deeply shaped by consumer behaviour. A younger, mobile-native population is driving demand for embedded finance,



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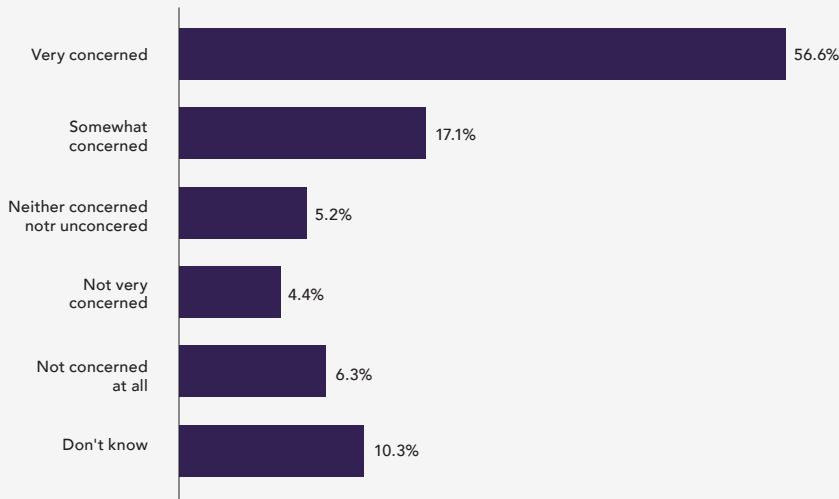
lifestyle banking, multicurrency wallets and instant lending experiences. The region’s largest banks are repositioning themselves not just as service providers, but as platforms — building digital ecosystems that offer everything from financial planning to digital identity services, often through superapps. Loyalty, gamification and financial wellness are no longer optional features, but central to customer engagement.

Meanwhile, the SME segment is gaining strategic importance, particularly in India and Southeast Asia. Banks are embedding onboarding, payments and credit tools into digital journeys tailored for small businesses. From ESG readiness assessments to supply chain finance, SME offerings are expanding well beyond basic lending.

The following articles explore how leading banks across the Apac region are responding to these pressures with new models for engagement, scale and impact.

GlobalData Poll

Sentiment monitoring: data security risks from artificial intelligence



Source: Verdict and BTMI sites, as of June 2025

CASE STUDY

Tonik and Finastra deliver agile core banking system

Powered by Finastra’s Essence, Tonik has implemented a cloud native and scalable core banking infrastructure engineered for speed, agility and scalable growth

In Southeast Asia’s rapidly evolving financial services market, agility is more than a buzzword – it is a business imperative. For Tonik Bank, the first digital-only bank in the Philippines, the goal was to launch a robust, secure and scalable digital bank that could both meet regulatory standards and drive market transformation. To realise this vision, Tonik turned to UK-based financial software firm Finastra’s Essence, an agile, cloud-native core banking platform designed to support rapid innovation and high-volume digital operations.

Engineering excellence

Working closely with Finastra and Microsoft, Tonik deployed Fusion Essence on Microsoft Azure’s cloud infrastructure in Singapore, reducing

latency and improving resilience. The architecture provided Tonik with the flexibility to build customised financial services for the Filipino market, ranging from buy now, pay later (BNPL) products and early settlement options to transparent disclosures on effective interest rates.

Crucially, Finastra’s microservices and API-first model allowed Tonik’s 30-strong in-house technology team to go live with a full-stack retail bank with minimal legacy constraints. The platform enabled new levels of performance, including reduced downtime, faster month-end processing and real-time data availability for analytics and machine learning.

Driving measurable impact

In 2024, Tonik continued to scale its service capabilities by expanding its

partnership with Finastra through dedicated Agile Streams. As a result, the bank introduced AI-driven customer journeys, optimised in-app loan processing and expanded its product suite. Key outcomes included a 133% year-on-year rise in new loan production, a 94% increase in the loan portfolio and a 78% surge in lending income, pushing its annualised revenue run rate to \$19m by mid-2024.

By integrating generative AI chatbot ChatGPT into its customer care workflows, Tonik also achieved 4.3x operational efficiency gains and expects to save \$20m over three years. These innovations reflect not just a successful core banking initiative, but a blueprint for the next chapter of digital banking in the region.

Partnership recognition

Tonik Bank's collaborative approach to building a cloud-first, customer-centric core – empowered by Finastra's

platform – has enabled it to move from startup to market leader in under three years. In recognition of this achievement, Tonik Bank and Finastra were named

winners of the Best Core Banking System Initiative at the Retail Banker International Asia Trailblazer Awards 2025.

► CASE STUDY

UOB Malaysia hones focus on real-time payments

With strategic investments in seamless payments, app-driven security and user empowerment, the bank is shaping digital banking for a real-time, mobile-first future

As digital banking evolves in the ASEAN region, customers have begun to view real-time payment capabilities as a necessity rather than just an option. UOB Malaysia has responded by rethinking the role of mobile platforms not just as transactional channels, but as the primary interfaces for secure, on-demand banking.

The UOB TMRW app sits at the heart of this transformation. New features such as Scan to Pay allow users to scan DuitNow QR codes directly from the pre-login screen, enabling instant transfers and seamless merchant payments. These innovations align with Malaysia's national agenda for a cashless economy and the push by Bank Negara, the country's central bank, for the adoption of real-time payments.

Rethinking digital safety

Recognising the trust gap created by rising cyber risks, UOB TMRW integrates advanced security architecture with a user-friendly design. On-screen validation alerts, email

one-time passwords (OTP) for high-risk transactions and screen-sharing restrictions all work together to enhance safety without adding friction.

The app also features UOB Access authentication, a built-in digital token that replaces physical devices, as well as quick-response controls such as the Kill Switch and Lock Card for immediate customer action when needed. Customers can also customise transaction limits, giving them greater control and flexibility over their real-time banking experience.

Insights in action

Beyond transactions, the app empowers users with contextual intelligence. UOB Insights offers behaviour-based financial advice, while integrated rewards and lifestyle partnerships personalise the experience. Customers gain real-time visibility into spending, receive timely financial tips and can even stretch budgets with smarter saving suggestions.

To drive the adoption of these

features, UOB Malaysia has launched targeted in-app tutorials, email campaigns and visual guides, helping users understand the value of enhanced security and payment capabilities.

Performance that delivers

The strategy is showing results. In 2024, UOB Malaysia recorded a 15% increase in mobile banking users. The app earned a net promoter score of 25% and an average rating of 4.7 on the Apple and Google Play app stores.

Recognition earned

For its leadership in digital payments innovation, UOB Malaysia has been named winner of the Best Adoption of Real-time Payments award at the Retail Banker International Asia Trailblazer Awards 2025. The bank also received a highly commended honour for Excellence in Mobile Banking, cementing its position at the forefront of Malaysia's digital banking landscape.



► CASE STUDY

Taishin redefines retail engagement in Taiwan

By centralising loyalty, payment and remittance innovations through an integrated digital framework, Taishin International Bank continues to raise the bar

In a landscape increasingly shaped by hyper-personalisation and lifestyle

finance, the local Taishin International Bank (TSIB) has positioned itself at the

centre of Taiwan's points economy. What began as an effort to streamline

disparate reward systems has evolved into a digital ecosystem capable of serving credit card holders, wealthy clients and everyday users alike.

The bank's unified platform allows customers to consolidate and redeem points across multiple domains – from offsetting credit card bills to instant voucher redemption at more than 70,000 partner merchants via Taishin Pay. New strategic tie-ups with the Edenred digital platform for services and payments, Taiwan High-Speed Rail and telecoms providers have expanded this ecosystem, turning TSIB into a one-stop redemption marketplace.

Product simplicity

TSIB's playbook is rooted in simplifying user experience while deepening digital utility. The Richart Life app, central to the bank's strategy, now powers seamless point conversion and redemption, with users able to prioritise how points are

used and from which loyalty brand. The results are telling. Point redemptions surged nearly 20-fold in July–August 2024 compared to the May–June period, while the number of users redeeming points grew tenfold. These gains demonstrate the growing customer trust in its platform-first model.

Frictionless payment tools

That same mindset drives TSIB's merchant strategy. With the launch of the Taishin Merchant App, small businesses in Taiwan have gained access to a mobile-based acceptance solution that bypasses traditional point-of-sale (POS) systems. The app combines QR code and tap-to-pay functionality with built-in transaction history, streamlining setup and improving merchant operations.

A fully digital onboarding process has cut application times from weeks to just minutes, reduced setup costs by 85%

and increased service efficiency by 99%, according to TSIB.

Borderless transfers

In cross-border services, TSIB was the first bank in the Asia-Pacific region to implement Visa Direct's Pay to Account (P2A) model, bringing instant remittance capabilities to local users. With 24-hour availability, mobile-only onboarding and the ability to track funds in real-time, the e-remittance platform now delivers both convenience and cost efficiency. A 50% month-on-month increase in transaction volumes underscores its growing relevance.

These combined initiatives – spanning domestic engagement, merchant enablement and international transfers – earned TSIB the titles of Best Retail Bank – Taiwan, Best in Payments and Best Remittances Service at the Retail Banker International Asia Trailblazer Awards 2025.