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Media Write-up for EY's Participation at 2017 Singapore FinTech Festival

FinTech funding availability and regulatory support identified as key drivers for FinTech growth in ASEAN

- **Inaugural matchmaking between investors and FinTechs saw more than 3,500 unique matches.**
- **Most investors came from Singapore (59%), China (9%) and Indonesia (6%)**
- **Most FinTechs came from Singapore (36%), India (17%) and US (8%)**
- **80% of FinTechs participants needed funding of less than USD\$5 million**

State of FinTech in ASEAN

This is the culmination of insights EY has gathered after months of activities in the lead up to the Singapore FinTech Festival (SFF).

United Overseas Bank (UOB), with insights from EY, has produced a white paper titled "State of FinTech in ASEAN". The white paper explores the factors driving the growth of FinTech, including the region's strong economic fundamentals, favourable demographics, digital readiness and regulatory support.

This might explain why investment in the Southeast Asian FinTech market increased 33 per cent year on year to US\$252 million in 2016 and has already exceeded US\$338 million as at September 2017.

According to the report, Singapore stands out among the FinTech hubs within ASEAN, backed by a supportive regulatory regime, progressive policy initiatives and forward-thinking financial institutions that have helped to accelerate the adoption of FinTech.

It is this very progressive thinking and approach towards providing a nurturing FinTech environment to help fuel their growth that has made the Investor Summit – "Deal Day" that EY powered, such a huge success.

Funding opportunities to fuel FinTech growth

Organized by the Monetary Authority of Singapore (MAS) and in partnership with the Association of Banks Singapore (ABS), "Deal Day" is held on the last day of the Singapore FinTech Festival week. This summit saw over 1000 FinTechs and 400 investors from around the world submitting their interest to partake in a highly personalized matchmaking process to connect high potential FinTechs with interested investors.

From the exercise, 3,542 unique matches were generated for a combined pool of over US\$2 billion in total funding, with the bulk of the participants coming from Singapore.

The popular areas of interest from an investment angle are data analytics (70%), blockchain (65%), lending applications (64%), payment solutions (61%) and RegTech (56%).



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In comparison, the top solutions offered by FinTechs resonate quite closely with investors' interests as they are similarly in the areas of payments (20%), lending (14%) and RegTech (10%), with added focuses on robo advisors (14%) and trading and fund management (12%). It is also worthy to note that each FinTech typically offers more than one solution or product focus and majority of them (80%) require funding of less than USD \$5 million.

Future state of FinTech investment

The "Deal Day" insights were discussed at a roundtable with close to 30 investors, FinTechs and financial services clients as they shared their views on "The future of FinTech investments – what's the next big bet?" Interesting perspectives were shared around what they predict to be game changing technologies, including RegTech, blockchain, wallets and ecommerce that would change the investment landscape in the next 12 months.

More discussion highlights from this roundtable will be released via a white paper of the same title in January 2018.

EY foresees that the appetite for FinTech investments will grow though the right opportunity might not always present itself at the right time for these promising startups.

Cognizant that the FinTech startup journey can be a challenging one, especially for overseas FinTechs looking to venture out of their home zone, EY has launched the ASEAN FinTech starter kit in line with the SFF.

Enabling FinTech growth with the right support and networks

The starter kit is a joint effort between EY and content partners like FinLab, Innoven, Merrill Corporation, Microsoft and UOB, who would like to play a part in shaping the FinTech eco-system and help fuel the growth of FinTechs in ASEAN. It is an enabler to help high potential startups understand the different regulatory landscapes in each market, get access to funding and the right technological platforms, and leverage local networks to support customer acquisition efforts.

"With our global FinTech networks and unique propositions, EY is well positioned to play a vital role in the FinTech eco system, which should be focused on collaboration amongst regulators, financial services players and FinTechs to bring about convergence and financial inclusiveness. The starter kit is one of such propositions that demonstrates our continuous drive towards innovation and commitment to help startups scale by giving them access to the right opportunities, knowledge, technology and networks",
Liew Nam Soon, EY ASEAN Financial Services Managing Partner.

Wrapping up the week long of activities during SFF, EY has also launched the ASEAN FinTech Census Index survey, open till end December this year to gather deep dive insights in the opportunities and challenges unique to each market in Singapore, Malaysia, Indonesia, Philippines, Thailand and Vietnam with regards to demand, funding, talent and regulation. The insights will be shared via a report in March 2018.



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About the EY ASEAN FinTech Starter Kit

Led by EY, the starter kit is a go-to enabling guide for startups looking to set up their business in ASEAN. The objectives are to help them navigate the different regulatory environments, understand the list of items to checked off from a compliance standpoint and be aware of the platforms available to them to get access to funding, technology and local networks for customer acquisition. The starter kit is a joint effort between EY, FinLab, Innoven, Merrill Corporation, Microsoft and UOB.

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About the Singapore FinTech Festival

Organised by the Monetary Authority of Singapore in partnership with The Association of Banks in Singapore and in collaboration with SingEx Holdings, the Singapore FinTech Festival will provide a platform for collaborations, connections and co-creations within the FinTech ecosystem in Singapore and beyond. In keeping with this spirit, the Festival is supported by the industry. Festival Grand sponsors include AMTD, Deloitte, and Prudential. A series of back-to-back events that will take place from 13 – 17 November 2017, the Festival will comprise the Global FinTech Hackcelerator, Innovation Lab Crawl, FinTech Awards, FinTech Conference, and Investor Summit. For more information, please visit www.fintechfestival.sg.

About the Investor Summit – “Deal Day”

Held on 17 November 2017, the Investor Summit aims to enhance access to funding for start-ups and improve both quality and quantity of FinTech investment deals in Singapore. “Deal Day” will showcase Singapore’s most promising FinTech start-ups and disruptive technologies to local and global investors, with a view to facilitate FinTech investment deals.



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About the State of FinTech in ASEAN white paper

The State of FinTech in ASEAN White Paper aims to help financial technology (FinTech) start-ups navigate their journey in Southeast Asia. It provides an overview of the factors that have led to the growth of FinTech in the region and the current trends in areas such as payments and peer-to-peer lending. The white paper was produced by United Overseas Bank, with insights from EY, and is supported by the Singapore FinTech Association and the ASEAN FinTech Network.

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