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</table>
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.

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Domestic</th>
<th>Mainland</th>
<th>Foreign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Virtual Banks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banking</td>
<td>ICBC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Services</td>
<td>WeLab</td>
<td>HKEX</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>Tencent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel &amp; Tourism</td>
<td>Ctrip</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conglomerate</td>
<td>HKT</td>
<td>Jardines</td>
<td></td>
</tr>
<tr>
<td>Share Capital (HKD)</td>
<td>1.6 Billion</td>
<td>2.5 Billion</td>
<td>0.9 Billion</td>
</tr>
</tbody>
</table>

Note: Adrian Cheng of New World Development invested in Fusion Bank via the investment entity Perfect Ridge Limited.
Source: Quinlan & Associates analysis
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%)
SHAREHOLDER ANALYSIS (3/9) – LIVI

ivi 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

ivi

BOCHK
- BOCHK is one of the largest banking and financial services firms in Hong Kong

Banking Experience
- BOCHK has rich banking experience in Hong Kong as one of the largest banks in the region

Vertical Value Chain
- BOCHK may cross-sell mass market clients to livi and focus on high net worth individuals

JDD
- JDD is a leading Chinese digital technology company and subsidiary of JD.com

CNY Offer
- JD.com partnered with livi for offering cashback / discount on eCommerce buys during CNY

eCommerce
- Given its strong affiliation to JD.com, JD Digits may help build an eCommerce ecosystem

Jardines
- Jardines is a Hong Kong-based multinational conglomerate with a variety of business interests

Shopping Ecosystem
- Jardines has leveraged its vast retail outlets network to partner livi with yuu Rewards Club

Expand Shopping Ecosystem
- Although Jardines has given livi access to 2,000+ retail outlets, there remains significant scope

Source: Quinlan & Associates analysis
WeLab Bank was founded by a Hong Kong homegrown start-up, WeLab, a FinTech company founded in 2013.

**Shareholders**

WeLab Bank

---

**WeLab**

- WeLab is a leading FinTech start-up, founded in Hong Kong in 2013

**Credit Lending**

- WeLab’s powerful credit scoring engine capabilities can help WeLab lend more effectively

**Southeast Asia**

- WeLab Bank may enter Southeast Asia via partnerships through WeLab

---

**Present**

- **WeLend** is a leading online consumer lending platform and the largest one of its kind in Hong Kong

- **WeLab Digital** is Mainland China’s second largest loan facilitation platform with a diverse suite of consumer lending products

- **Tianmian Tech** is WeLab’s B2B solution that provides credit scoring technology to banks and other institutions for lending support

- **Taoxinji** is a mobile and electronics leasing platform, helping customers gain access to electronics without requiring ownership

- **Maucash** is a consumer lending platform launched by WeLab in Indonesia, in partnership with Astra International

**Potential**

- Sources: Quinlan & Associates analysis
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**

<table>
<thead>
<tr>
<th>Fusion Bank</th>
<th>ICBC</th>
<th>Tencent</th>
<th>HKEX</th>
<th>Hillhouse Capital</th>
<th>Adrian Cheng</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ICBC is the largest bank in Mainland China</td>
<td>Tencent is a multinational technology firm</td>
<td>HKEX is a Hong Kong securities exchange</td>
<td>Hillhouse Capital is an Asia-focused PE firm</td>
<td>The CEO of New World Development</td>
</tr>
<tr>
<td>Experience</td>
<td>ICBC is sharing its rich expertise in banking</td>
<td>Fusion Bank is partnering with WeChat Pay HK</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Cross-Border Payment Ecosystem</td>
<td>ICBC and Tencent may look to create a blockchain-based cross-border transactions and financial services ecosystem</td>
<td>Trading</td>
<td>N/A</td>
<td>N/A</td>
<td>Local Expertise</td>
</tr>
<tr>
<td>Trading</td>
<td>HKEX may collaborate on a trading offering</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Experience in the local Hong Kong landscape</td>
</tr>
</tbody>
</table>

Source: Quinlan & Associates analysis
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

ZhongAn Online P&C Insurance
- ZhongAn Online P&C Insurance is a Chinese online-only insurance services provider, based out of Shanghai

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

Insurance
- ZA Bank has become the first and only digital insurance providing virtual bank in Hong Kong, drawing upon the experience of its shareholder

Holistic Wealth Management
- Backed by ZhongAn’s expertise in financial services, ZA Bank may look to develop a holistic wealth management offering

Source: Quinlan & Associates analysis
Airstar Bank was founded by smartphone behemoth, Xiaomi (90.0%), and capital markets expert, AMTD Group (10.0%)

Shareholders
Airstar Bank

Xiaomi
- Xiaomi is a Chinese multinational electronics company founded in 2010 and headquartered in Beijing

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

Internet of Things (“IoT”)
- Xiaomi’s robust understanding of hardware technology may be married with financial services provided by Airstar Bank to champion IoT FinTech

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

Source: Quinlan & Associates analysis
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)

**Ant Group**
- Ant Group is a Chinese financial services giant with wide ranging interests

**AlipayHK**
- Ant Bank (Hong Kong) is leveraging its robust relationship with AliPayHK for payments

**eCommerce**
- Given its connection with Alibaba, Ant Bank (Hong Kong) may target eCommerce SMEs

Source: Quinlan & Associates analysis

<table>
<thead>
<tr>
<th>Present</th>
<th>Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Alipay is Mainland China’s largest mobile payments business, with approximately 1.3 billion users worldwide</td>
<td>• AlipayHK is leveraging its robust relationship with AliPayHK for payments</td>
</tr>
<tr>
<td>• Yu’e Bao is an online spare cash management platform launched by Ant Group in their Alipay app</td>
<td>• eCommerce may target eCommerce SMEs</td>
</tr>
<tr>
<td>• Zhima Credit is a private and independent credit assessment service built for commercial use</td>
<td>• Mybank is one of the first private banks piloted in Mainland China and the first online bank with no physical branches</td>
</tr>
<tr>
<td>• Huabei is a consumer credit platform that supports consumers to avail buy-now-pay-later (“BNPL”)</td>
<td>• Xiang Hu Bao is an online mutual aid platform within the Alipay app, which acts as complimentary to health insurance offerings</td>
</tr>
</tbody>
</table>
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**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Retail Focused</th>
<th>Retail Skewed</th>
<th>SME Skewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-24</td>
<td>-</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>35-44</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>45-54</td>
<td>✓</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>55-64</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>65+</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

- **Retail Focused**
  - mox
  - lihi
  - WeLab Bank
  - Fusion Bank

- **Retail Skewed**
  - Z
  - aistart

- **SME Skewed**
  - PAO Bank
  - AN Bank

### Key Age Group
- The youth remain relatively underbanked (18-24)
- Aspirational young professionals (25-34)
- Mass affluent mature professionals (35-44)
- Executives needing financial planning (45-54)
- Pre-retirees needing retirement planning (55-64)
- Retirees who may not be digitally savvy (65+)

### Notes
- 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

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

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
<th>SME SKEWED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity and Gas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Import / Export Trading</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Retail</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storage and Transport</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Info. &amp; Comms.</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Services</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key Sectors: Yellow rows indicate key sectors, blue rows indicate strong, green rows indicate moderate, red rows indicate weak, and grey rows indicate inapplicable.

Source: Trade and Industry Department, Quinlan & Associates analysis
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

<table>
<thead>
<tr>
<th>Social Media</th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
<th>SME SKEWED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twitter</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Facebook</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Instagram</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>LinkedIn</td>
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<td>✓</td>
<td></td>
</tr>
<tr>
<td>YouTube</td>
<td>✓</td>
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<table>
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<tr>
<th>Targeted Ads</th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
<th>SME SKEWED</th>
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<tbody>
<tr>
<td>Google Ads</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>App Store Ads</td>
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<td>✓</td>
<td></td>
</tr>
<tr>
<td>Facebook Ads</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Instagram Ads</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>LinkedIn Ads</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>YouTube Ads</td>
<td>✓</td>
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<td></td>
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</table>

<table>
<thead>
<tr>
<th>OOH</th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
<th>SME SKEWED</th>
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<tbody>
<tr>
<td>Banners</td>
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<tr>
<td>Billboards</td>
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<table>
<thead>
<tr>
<th>Elect 3</th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
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<tbody>
<tr>
<td>Television</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Radio</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Telemarketing</td>
<td>x</td>
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<table>
<thead>
<tr>
<th>Print</th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
<th>SME SKEWED</th>
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</thead>
<tbody>
<tr>
<td>Newspaper</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Magazine</td>
<td>-</td>
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</table>

<table>
<thead>
<tr>
<th>Others</th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
<th>SME SKEWED</th>
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<tbody>
<tr>
<td>SEO³ / ASO⁴</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Referral Rewards</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Joining Rewards</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Influencer Marketing</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Sponsorship</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

Source: Marketing Interactive, JCDecaux, Quinlan & Associates analysis

1Out-of-home Advertising, 2electronic, 3search engine optimisation, 4app store optimisation

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

- **Referral / Joining Rewards**: Incentive-based rewards handed to new joiners and referrers
- **Placement Fees**: Fee paid for placing advertisement in the desired channel
- **Production Costs**: Marketing / advertising campaign costs, outside of agency fees
- **Agency Fees**: Costs paid out to marketing / advertising agencies for orchestrating campaigns
- **Staff Costs**: Costs related to employee salaries for the marketing / public relations staff

Source: Quinlan & Associates estimates
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

Note: Mox Bank, livi, WeLab Bank, and ZA Bank are applying for Securities Licence

1 Personal Loan Guarantee Scheme, 2 buy-now-pay-later, 3 SME Financing Guarantee Scheme, 4 Voluntary Health Insurance Scheme
Source: virtual bank websites, Quinlan & Associates analysis

<table>
<thead>
<tr>
<th>Products and Services</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
<th>SME SKEWED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Savings Account</strong></td>
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<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Time Deposit</strong></td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Online</strong></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td><strong>Offline</strong></td>
<td>✓</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Credit Card</strong></td>
<td>✓</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Debit Card</strong></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td><strong>Personal Loan</strong></td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>PLGS</strong>¹</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td><strong>Debt Consolidation</strong></td>
<td>x</td>
<td>x</td>
<td></td>
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<tr>
<td><strong>BNPL</strong>²</td>
<td>✓</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Business Loan</strong></td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>SFGS</strong>³</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td><strong>Life</strong></td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>VHIS</strong>⁴</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Cancer</strong></td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Accident</strong></td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Heart Attack and Stroke</strong></td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Bill</strong></td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td><strong>Foreign Exchange</strong></td>
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<td>✓</td>
<td></td>
</tr>
<tr>
<td><strong>Lifestyle Offerings</strong></td>
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<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

Note: Mox Bank, livi, WeLab Bank, and ZA Bank are applying for Securities Licence

¹ Personal Loan Guarantee Scheme, ² buy-now-pay-later, ³ SME Financing Guarantee Scheme, ⁴ Voluntary Health Insurance Scheme
Source: virtual bank websites, Quinlan & Associates analysis
Mox Bank has released a slew of offers for customers, across various lifestyle categories, primarily centred around its credit card offering.

### Lifestyle Offerings

<table>
<thead>
<tr>
<th>#</th>
<th>Offer Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>5% Cashback and HKD 642 Discount</strong>&lt;br&gt;5% cashback and HKD 642 discount off of MOOV 12-MONTH PLAN</td>
</tr>
<tr>
<td>2</td>
<td><strong>HKD 100 Welcome Offer</strong>&lt;br&gt;HKD 100 Octopus top-up reward</td>
</tr>
<tr>
<td>3</td>
<td><strong>15% In-Store Purchase Discount</strong>&lt;br&gt;15% discount for in-store purchases at Slowood****</td>
</tr>
<tr>
<td>4</td>
<td><strong>12% Discount</strong>&lt;br&gt;12% discount on home living solutions by Smart Living</td>
</tr>
<tr>
<td>5</td>
<td><strong>5-11% Rebate / Cashback</strong>&lt;br&gt;5-11% rebate cashback on HKTaxi</td>
</tr>
<tr>
<td>6</td>
<td><strong>10% Cashback</strong>&lt;br&gt;10% cashback on Foodpanda purchases</td>
</tr>
<tr>
<td>7</td>
<td><strong>5% Cashback and 25% Service Fee Discount</strong>&lt;br&gt;5% Cashback and 25% service fee discount on Netvigator and HKT eye</td>
</tr>
<tr>
<td>8</td>
<td><strong>5% Cashback</strong>&lt;br&gt;5% cashback upon spending with Mox credit card</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Partner</th>
<th>Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>八達通 (Octopus)</td>
<td>• 1% cashback for every Octopus top-up, capped at HKD 500</td>
</tr>
<tr>
<td>KLOOK</td>
<td>• HKD 50 discount upon spending at least HKD 400</td>
</tr>
<tr>
<td>友和 (YOHO)</td>
<td>• Upto 90% discount on electronics bought from Apple</td>
</tr>
<tr>
<td>KFC</td>
<td>• HKD 15 cash rebate upon spending HKD 40 or more*</td>
</tr>
<tr>
<td>7-ELEVEN</td>
<td>• HKD 10 cash voucher for adding debit card to Apple Pay wallet*</td>
</tr>
<tr>
<td>yuu</td>
<td>• Partnership with over 2,000 shops and restaurants</td>
</tr>
</tbody>
</table>

*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.

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
# 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**

<table>
<thead>
<tr>
<th>Category</th>
<th>Food Delivery</th>
<th>Coffee Shops</th>
<th>Telecom</th>
<th>Shopping Malls</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Offer</strong></td>
<td>11% Cash Rebate</td>
<td>Buy-1-get-1-free discount</td>
<td>11% Cash Rebate</td>
<td>HKD 250 Cash Rebate</td>
</tr>
<tr>
<td><strong>Cap</strong></td>
<td>HKD 200 per month per designated merchant</td>
<td>Once a day / four times a month</td>
<td>A maximum cash rebate of HKD 200 per month</td>
<td>Up to three times, i.e. HKD 750</td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>7th May to 30th June 2021</td>
<td>Till 30th September 2021</td>
<td>Till 30th June 2021</td>
<td>26th April to 20th June 2021</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>• Customers may earn 11% cash rebate on orders worth at least HKD 185 on deliveroo</td>
<td>• Customers may receive an additional free coffee when purchasing one from selected outlets</td>
<td>• Customers may get an 11% rebate on China Mobile Hong Kong (&quot;CMHK&quot;) phone bills</td>
<td>• Customers may avail a HKD 250 cash rebate upon spending at least HKD 2,000, up to thrice</td>
</tr>
</tbody>
</table>

**Source:** ZA Bank, Quinlan & Associates analysis
**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**

1. **AVAILABILITY**
   - The promotion period for the offer is between 31st May to 18th June 2021, inclusive of both dates

2. **ELIGIBILITY**
   - Each customer may only avail the offer once, cannot settle the loan early, late, or have another loan or loan application

3. **APPLICATION**
   - The customer must apply for a debt consolidation loan worth at least HKD 400,000 and 48 instalments

4. **REWARD**
   - A two-day-one night staycation at the Harbour View Room of Rosewood Hong Kong

5. **REDEMPTION**
   - The customer is required to redeem the offer in the form of a KKday voucher and book via their mobile app or website

---

Source: Airstar Bank, Quinlan & Associates analysis
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

| ACQUIRE | SERVE | MAINTAIN | Cloud | Cybersecurity | Fraud Detection | Prospecting / Marketing | Targeted Ads | SEO / ASO | OCR | Facial Recognition | Data Verification | Financial Data | App Usage Data | Third-Party Data | Budgeting Tools | Gamification | Credit Scoring | Chatbot | Live Chat | 24/7 Hotline | Cloud | Cybersecurity | Fraud Detection |
|---------|-------|----------|-------|--------------|----------------|-------------------------|---------------|-----------|-----|-------------------|-----------------|--------------|----------------|----------------|----------------|--------------|-----------|-----------|------------|-----------|-------------|-------------|----------|-----------|------------|----------|--------------|----------------|
| moX     | true  | false    | false | true         | true           | true                    | true          | true     | true| true              | true            | true         | true          | true          | true          | true       | true      | true       | true      | true      | true       | true    | true      | true       | true    | true      | true        |
| Liv     | true  | true     | false | true         | true           | true                    | true          | true     | true| true              | true            | true         | true          | true          | true          | true       | true      | true       | true      | true      | true       | true    | true      | true       | true    | true      | true        |
| WeLab Bank | true | true | false | false | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true |
| Citibank | true | true | false | false | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true | true |

**Source:** Quinlan and Associates analysis

- Complete mobile onboarding in just a few minutes
- Applicable
- Unspecified
- Inapplicable
Virtual banks are leveraging social media and targeted ads to boost their prospecting / marketing efforts, with ZA Bank and Mox Bank leading the charge.

<table>
<thead>
<tr>
<th>Prospecting / Marketing</th>
<th>Social Media, Targeted Ads, and SEO / ASO</th>
</tr>
</thead>
<tbody>
<tr>
<td>RETAIL FOCUSED</td>
<td>RETAIL SKEWED</td>
</tr>
<tr>
<td>SME SKEWED</td>
<td></td>
</tr>
</tbody>
</table>

### SOCIAL MEDIA

<table>
<thead>
<tr>
<th>Platform</th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
<th>SME SKEWED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twitter</td>
<td>T</td>
<td>T</td>
<td>x</td>
</tr>
<tr>
<td>Facebook</td>
<td>T</td>
<td>T</td>
<td>x</td>
</tr>
<tr>
<td>Instagram</td>
<td>T</td>
<td>T</td>
<td>x</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>T</td>
<td>T</td>
<td>x</td>
</tr>
<tr>
<td>YouTube</td>
<td>T</td>
<td>T</td>
<td>x</td>
</tr>
</tbody>
</table>

### TARGETED ADS

<table>
<thead>
<tr>
<th>Ad Type</th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
<th>SME SKEWED</th>
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</thead>
<tbody>
<tr>
<td>Google Ads</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>App Store Ads</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Facebook Ads</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Instagram Ads</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>LinkedIn Ads</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YouTube Ads</td>
<td></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

### SEO / ASO

<table>
<thead>
<tr>
<th>Element</th>
<th>RETAIL FOCUSED</th>
<th>RETAIL SKEWED</th>
<th>SME SKEWED</th>
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</thead>
<tbody>
<tr>
<td>SEO</td>
<td>T</td>
<td>T</td>
<td>x</td>
</tr>
<tr>
<td>App Ratings</td>
<td>T</td>
<td>T</td>
<td>x</td>
</tr>
</tbody>
</table>

### Source

Twitter, Facebook, Instagram, LinkedIn, YouTube, Quinlan & Associates analysis

---

**Major determinants for customer acquisition**

- Low
- High
- Unspecified
- 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

55%...
...accounts opened during after hours

2 Minutes 3 Seconds
Fastest Onboarding Time

Retail Customers

Download
User downloads virtual banking app available on the app store

Input
User creates an account by providing basic personal information

Identify
User submits their HKID by scanning with mobile phone using OCR

 Verify
User follows instructions to take a selfie for biometric identification

Confirm
User inputs additional information and confirms account opening

Set-Up Login
User sets up account through providing a username and password

SME Customers

Download
User downloads app and verifies mobile number through SMS

Input
User sets up account through providing a username and password

Identify
User submits their HKID by scanning with mobile phone using OCR

Verify
User follows instructions to take a selfie for biometric identification

Confirm
User inputs additional information and confirms account opening

Set-Up Login
A QR-code is shared to director(s)/shareholder(s) to confirm

Share

Source: various virtual banks, Quinlan & Associates analysis
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

A
• Spending patterns from customer transactions

B
• Session length, login frequency, and other pattern identifiers

C
• Open API and other forms of integration for development

FINANCIAL DATA

1
• Merchant data based on customer interactions

2
• Financial data based on financial history across institutions

3
• Geolocation, browser data, and other key identifiers

APP USAGE DATA

THIRD-PARTY 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

**STEP 1**
**TARGET**
The user uses a savings calculator to determine the saving amount needed for a set time period.

**STEP 2**
**CREATE**
The user creates a “goal” sub-account and sets up the saving amount, frequency, and time period.

**STEP 3**
**SET GOAL**
The user can name the sub-accounts for different purposes and set them for up to five goals.

**STEP 4**
**SAVE**
The user can either choose to move money to a sub-account or set-up an automated transfer.

**STEP 5**
**TRACK**
The mobile app sounds an alert on set dates to remind the user to save money.

**Top 5 Savings Goals**
- Savings
- Travel
- Insurance
- Electronics
- Tax

**HKD 660 Billion**
Collective Savings Goal Target of Customers

Source: Mox Bank, Quinlan & Associates analysis
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.

1. **QUESTS**
   - ZA Bank has designed mobile game-like quests for users of its mobile app.

2. **LEARNING**
   - The quests help enable users to learn more about ZA Bank’s products and services.

3. **REWARDS**
   - In exchange for completing the quests, users receive lucrative rewards.

**Source:** ZA Bank, Quinlan & Associates analysis
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

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

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., NLP\(^1\) 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.

---

\(^1\)Natural 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

<table>
<thead>
<tr>
<th>Cloud System</th>
<th>Subject Company</th>
<th>Other Companies</th>
<th>Private Connection</th>
<th>Public Connection</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIVATE CLOUD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEPLOYMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cloud infrastructure dedicated to a single company</td>
<td>Mix of private and public clouds provided by different vendors</td>
<td>Cloud infrastructure provided by a third-party vendor</td>
<td>Cloud infrastructure provided by a third-party vendor</td>
<td>Cloud infrastructure provided by a third-party vendor</td>
</tr>
<tr>
<td>Can be managed by company itself or a third-party vendor</td>
<td>Clouds used for different purposes</td>
<td>Businesses rent the usage of system resources</td>
<td>Businesses rent the usage of system resources</td>
<td>Businesses rent the usage of system resources</td>
</tr>
<tr>
<td>MOX BANK</td>
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<tr>
<td>LIVI</td>
<td>x</td>
<td>x</td>
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<tr>
<td>WELAB BANK</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FUSION BANK</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ZA BANK</td>
<td>✓</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AIRSTAR BANK</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAOB</td>
<td>✓</td>
<td>x</td>
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<tr>
<td>ANT BANK (HK)</td>
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<tr>
<td>DIFFERENTIATION</td>
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<td>MOX BANK</td>
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<td>LIVI</td>
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<td>WELAB BANK</td>
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<td>FUSION BANK</td>
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<td>ZA BANK</td>
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<td>AIRSTAR BANK</td>
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<td>PAOB</td>
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<tr>
<td>ANT BANK (HK)</td>
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</tr>
</tbody>
</table>

*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.

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

**Strategic Positioning**

Mox Bank

**Customers**

Average customer age of 35, with deposit balance of HKD 70,000, and top occupations of financial services, IT\(^1\), and retail and wholesale.

**Shareholders**

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

**Channels**

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

**Partnerships**

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

**Offerings**

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

---

\(^1\)Information 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

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

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

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

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

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

Source: livi, Marketing Interactive, Quinlan & Associates analysis
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*

- **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.

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

- **CHANNELS**
  - WeLab Bank’s advertising is primarily in Cantonese and targeted towards younger demographics.

- **PARTNERSHIPS**
  - WeLab Bank is using rewards partnerships skewed towards weekends to incentivise customers that are extroverted.

- **OFFERINGS**
  - Powered by the prowess of its parent’s credit scoring engine, WeLab Bank has launched a personal loan, apart from a debit card.

*Source: WeLab Bank, Quinlan & Associates analysis*
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

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

**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

**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

Source: Fusion Bank, Quinlan & Associates analysis
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**

**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.

**SHAREHOLDERS**

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

**CHANNELS**

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

**PARTNERSHIPS**

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

**OFFERINGS**

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

Source: ZA Bank, Marketing Interactive, Quinlan & Associates analysis
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

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

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

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

Source: Airstar Bank, Quinlan & Associates analysis
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

**CHANNELS**

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

**PARTNERSHIPS**

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

**OFFERINGS**

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

**CUSTOMERS**

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

Source: PAOB, Quinlan & Associates analysis
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)

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

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

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

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

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

Source: Ant Bank (Hong Kong), Quinlan & Associates analysis
**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.

<table>
<thead>
<tr>
<th>App Rating and Reviews</th>
<th>Apple App Store</th>
<th>Google Play Store</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VIRTUAL BANK</strong></td>
<td><strong>RATING</strong></td>
<td><strong>NO. OF REVIEWS</strong></td>
</tr>
<tr>
<td>Mox Bank</td>
<td>4.8</td>
<td>13,509</td>
</tr>
<tr>
<td>ZA Bank</td>
<td>4.7</td>
<td>19,289</td>
</tr>
<tr>
<td>Fusion Bank</td>
<td>4.6</td>
<td>646</td>
</tr>
<tr>
<td>WeLab Bank</td>
<td>4.5</td>
<td>2,316</td>
</tr>
<tr>
<td>livi Bank</td>
<td>4.0</td>
<td>2,173</td>
</tr>
<tr>
<td>Fusion Bank</td>
<td>3.5</td>
<td>999</td>
</tr>
<tr>
<td>Ant Bank (Hong Kong)</td>
<td>3.3</td>
<td>55</td>
</tr>
<tr>
<td>Airstar Bank</td>
<td>3.1</td>
<td>749</td>
</tr>
<tr>
<td>PAO Bank</td>
<td>2.7</td>
<td>118</td>
</tr>
</tbody>
</table>

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

Source: Quinlan & Associates analysis

### Key Factors
Customer Lifecycle

<table>
<thead>
<tr>
<th>Relevant KPIs</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic-to-Lead Ratio</td>
<td>Understand the underlying source of the customer traffic generated</td>
</tr>
<tr>
<td>Bounce Rate</td>
<td>Metric highlighting the percentage of people who visited one screen and left</td>
</tr>
<tr>
<td>Conversion Rate</td>
<td>Sales funnel conversion rate across various customer touchpoints</td>
</tr>
<tr>
<td>Customer Acquisition Cost (&quot;CAC&quot;)</td>
<td>Sales and marketing costs per new customer acquired</td>
</tr>
<tr>
<td>Dormancy Rate</td>
<td>Percentage of customers having zero balance or not using the app over 60 days</td>
</tr>
<tr>
<td>Daily / Monthly Active Users (&quot;DAU / MAU&quot;)</td>
<td>A measure of unique users engaging with the product over daily / monthly periods</td>
</tr>
<tr>
<td>Net Promoter Score (&quot;NPS&quot;)</td>
<td>Likelihood of receiving a positive customer referral</td>
</tr>
<tr>
<td>Customer Effort Score (&quot;CES&quot;)</td>
<td>A measure of ease of service and products use</td>
</tr>
<tr>
<td>Loan Application Success Rate</td>
<td>Percentage of credit applications approved by the virtual bank</td>
</tr>
<tr>
<td>Non-Performing Loan (&quot;NPL&quot;) Ratio</td>
<td>Percentage of loans that have defaulted and turned into bad debt</td>
</tr>
<tr>
<td>Average Fee Revenue per User</td>
<td>Total fee revenue divided by number of users</td>
</tr>
<tr>
<td>Cross-sell Ratio</td>
<td>Products and services cross-sold to customers</td>
</tr>
<tr>
<td>Time to Response</td>
<td>Customer waiting time till a response regarding complaint / query is received</td>
</tr>
<tr>
<td>Time to Resolution</td>
<td>Customer waiting time till the concerned complaint / query is resolved</td>
</tr>
<tr>
<td>Customer Churn Rate (&quot;CCR&quot;)</td>
<td>Percentage of customers lost over a given time period</td>
</tr>
<tr>
<td>Redemption Rate (&quot;RR&quot;)</td>
<td>Percentage of loyalty rewards redeemed by customers</td>
</tr>
</tbody>
</table>

Source: Quinlan & Associates analysis
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

DEPOSITS

STEP 1
Build a Deposit Base

STEP 2
Encourage Recurring Use

STEP 3
Open Up Loan Book

PAYMENTS

+Debit Card
+Credit Card
+Cash Withdrawal
+QR-Code Payment

LENDING

+BNPL
+Personal Loan
+Business Loan

WEALTH

+Insurance
+Investments

LIFESTYLE

+Non-Finance Offerings

Source: Quinlan & Associates analysis
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

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

Source: Quinlan & Associates analysis
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.

### COMPARATIVE ANALYSIS OVERVIEW

#### Similarities and Differences

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

Source: Statista, Pew Research, OECD, SCMP, Quinlan & Associates analysis
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%.
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

<table>
<thead>
<tr>
<th>Adult Population</th>
<th>Interest Level</th>
<th>Retail Customers</th>
<th>Average Deposit</th>
<th>Retail Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.7 Million</td>
<td>28%</td>
<td>1.9 Million</td>
<td>HKD 230,000</td>
<td>HKD 443 Billion</td>
</tr>
</tbody>
</table>

Population Breakdown
- 18-24: 0.5 million
- 25-34: 1.1 million
- 35-44: 1.2 million
- 45-54: 1.2 million
- 55-64: 1.3 million
- 65+: 1.4 million
- Total: 6.7 million

Interest Level
- 18-24: 26%
- 25-34: 30%
- 35-44: 32%
- 45-54: 31%
- 55-64: 22%
- 65+: 31%
- Total: 28%

Retail Customers
- 18-24: 0.1 million
- 25-34: 0.3 million
- 35-44: 0.4 million
- 45-54: 0.4 million
- 55-64: 0.3 million
- 65+: 0.4 million
- Total: 1.9 million

Average Deposit (HKD)
- 18-24: 70,000
- 25-34: 120,000
- 35-44: 199,500
- 45-54: 237,750
- 55-64: 275,000
- 65+: 350,000
- Total: 230,000

Total Deposit (HKD)
- 18-24: 9 billion
- 25-34: 38 billion
- 35-44: 78 billion
- 45-54: 87 billion
- 55-64: 77 billion
- 65+: 154 billion
- Total: 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

CAGR: 163.6%

Source: Trade and Industry Department, various virtual bank reports and filings, Quinlan & Associates estimates
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, %

- 40% of the customer base is import/export SMEs

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

- 26% of 18-24, 30% of 25-34, 32% of 35-44, 31% of 45-54, 22% of 55-64, and 31% of 65+ aged residents are interested in opening a virtual bank account by 2025.

- Approximately 0.13 million 18-24, 0.32 million 25-34, 0.39 million 35-44, 0.36 million 45-54, 0.28 million 55-64, and 0.44 million 65+ year olds are forecasted to be customers.

- An average deposit balance at half of HSBC’s at HKD 230,000 by 2025 is estimated, considering Mox Bank’s current average balance of over HKD 70,000.

- Based on estimates of company deposits at incumbent banks and a lower proportion of virtual banks focusing on SMEs, a relatively lower company deposit base is estimated.

Source: HSBC, Finextra, Finder.com, Quinlan & Associates estimates
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

1.90 MILLION RETAIL

0.04 MILLION SMEs

1.94 MILLION CUSTOMERS

HKD 443 BILLION RETAIL DEPOSITS

HKD 117 BILLION SME DEPOSITS

HKD 560 BILLION TOTAL DEPOSITS

HKD 301 BILLION RETAIL LOANS

HKD 80 BILLION SME LOANS

HKD 381 BILLION TOTAL LOANS

HKD 34 BILLION INTEREST

HKD 42 BILLION NON-INTEREST

HKD 76 BILLION OVERALL

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**

- Market Size: HKD 58 Billion
- 2025E, %
  - 34.2%
  - ~65.8%...
  - ...of revenue is estimated to be non-interest income

**Commercial Banking**

- Market Size: HKD 18 Billion
- 2025E, %
  - 21.7%
  - ~21.7%...
  - ...of revenue is estimated to be non-interest income

Source: various western banks reports and filings, Quinlan & Associates estimates
SECTION 7
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.

SHAPE YOUR STRATEGY

BRAINSTORM
DEVELOP
ENDORSE
IMPLEMENT
TRACK
PROMOTE
MOBILISE
MONETISE

STRATEGY WORKSHOPS
Strategy workshops for senior executives and next-generation company leaders:
• Workshop agenda development
• Preparation of workshop material (e.g. slide deck, group exercises)
• Facilitation of interactive and targeted group discussions and activities

STRATEGY CONSULTING
Full suite of strategy consulting services across a broad range of topics, including:
• New market entry
• Digital Transformation
• Product development
• Sales strategy
• Organisational design
• Process re-engineering

BUSINESS CASE DEVELOPMENT
Developing strategic business cases for senior management sign-off / approval:
• Organic expansion (e.g. new hires)
• IT investment
• M&A (e.g. strategic due diligence)
• Market entry
• Cost cutting
• New product launch
• Joint ventures

STRATEGY EXECUTION
Professional project management team to support with project implementation:
• Review of target operating model
• Creating relevant PMO structure
• Developing workstreams
• Establishing milestones and project timelines
• Monitoring ongoing project delivery

MANAGEMENT REPORTING
Preparation of reporting templates / packs and tailored management dashboards:
• Identification of most appropriate KPIs and metrics
• Visualisation of relevant data to identify key trends and implications
• Balanced scorecard and data strategy
• Insightful analysis and commentary

STRATEGY COMMUNICATION
Producing internal and external communication presentations for key company stakeholders:
• Annual company strategy briefings
• Periodic employee town halls
• Investor relations presentations
• Shareholder updates

CORPORATE TRAINING
Delivery of world-class corporate training programs across key topics, including:
• Leadership
• Communication
• Negotiation
• Personal branding
• Innovation
• Strategic thinking
• Project Management

STRATEGIC PITCHES
Creation of product and deal-specific pitches and company marketing collateral:
• Commissioned research reports
• Strategic pitches
• New product launches
• Transaction pitchbooks
• Company marketing decks

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

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>GLOBAL CONSULTING FIRMS</th>
<th>QUINLAN &amp; ASSOCIATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 OFFERING</td>
<td>• Narrow service offering focused on a single aspect of the strategy value chain (e.g. strategy development)</td>
<td>✓ End-to-end service offering across the entire strategy value chain, from development to execution</td>
</tr>
<tr>
<td>2 METHODOLOGY</td>
<td>• Hypothesis-led inductive reasoning: upfront conclusions that are validated over the course of a project</td>
<td>✓ Fact-based deductive reasoning: conduct in-depth data-driven analysis to arrive at appropriate conclusions</td>
</tr>
<tr>
<td>3 OBJECTIVITY</td>
<td>• Advice is often tailored to suit senior management agendas, rendering projects a rubber-stamping exercise</td>
<td>✓ Advice remains objective and unbiased; we will tell you what you don’t want to hear if it’s the right advice for you</td>
</tr>
<tr>
<td>4 RELEVANCE</td>
<td>• ‘30,000 feet’ content in excessively long decks, which are expensive and lack concrete deliverables</td>
<td>✓ Output is clear and to the point; we provide actionable advice supported by tangible execution plans</td>
</tr>
<tr>
<td>5 MEASURABILITY</td>
<td>• Results are often hard to quantify, with project ‘success’ difficult to both isolate and measure</td>
<td>✓ We deliver results that you can actively measure and track (e.g. identify KPIs, build implementation trackers)</td>
</tr>
<tr>
<td>6 EXPERTISE</td>
<td>• Staffed with generalist career consultants who lack sector expertise or industry experience</td>
<td>✓ Projects are led by seasoned consultants with extensive financial services and top-tier consulting experience</td>
</tr>
<tr>
<td>7 ENGAGEMENT</td>
<td>• Project work and client contact led by a junior team, with minimal Partner contact</td>
<td>✓ Projects led by a senior and highly experienced team, with extensive Partner contact</td>
</tr>
<tr>
<td>8 STEWARDSHIP</td>
<td>• A significant amount of proprietary and competitor data is manufactured for projects</td>
<td>✓ All proprietary data is extensively validated through our industry sources and all estimates are clearly explained</td>
</tr>
<tr>
<td>9 CONTINUITY</td>
<td>• Advising you on a one-off project and walking away from your business when it’s complete</td>
<td>✓ Developing long-term, strategic relationships with key clients across their growth / repositioning journey</td>
</tr>
<tr>
<td>10 VALUE</td>
<td>• Projects usually start at USD 80,000 per week, driven by large company overheads</td>
<td>✓ Competitive pricing reflects minimal operational overheads and a strong focus on cost control</td>
</tr>
</tbody>
</table>
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

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

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

ASIA PACIFIC
- 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
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-label pitched
- Peer benchmarking
- New market entry
- Corporate training
- Licence applications

**Other**

- Development of group-level strategy
- Industry and market research
- Brand building / market awareness
- New market entry
- Open innovation and digital transformation
- Customer engagement
- 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.
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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.

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- CFA Institute
- MORNINGSTAR
- greyspark
- INTEGRITY Research Associates
- CSFI: Centre for the Study of Financial Innovation
- Scotiabank
- niri: National Investor Relations Institute
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INDUSTRY CONFERENCES
Our Partners are regularly invited to present our insights during keynote speeches and panel discussions at leading industry conferences across the globe

SELECT EVENTS

200+
SPEAKING ENGAGEMENTS
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

<table>
<thead>
<tr>
<th>Opportunity Identification</th>
<th>• We reviewed the Philippines banking landscape and regulations, to determine whether an opportunity is available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Benchmarking</td>
<td>• We evaluated all six virtual banks in Philippines, to identify their value propositions and success enablers</td>
</tr>
<tr>
<td>Operational Considerations</td>
<td>• We compared the client’s capabilities against incumbent VBs’, to define operational and gap-closing needs</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Industry Review</th>
<th>Business Model Establishment</th>
<th>Operational Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• We reviewed the Malaysian Islamic banking landscape to identify suitable ecosystem opportunities</td>
<td>• We created a holistic business model across customers, channels, products, technology, geography, and financials</td>
<td>• We guided the client through operational needs, including people, governance, processes, compliance, IT, etc.</td>
</tr>
</tbody>
</table>

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

- We reviewed the traditional and virtual banking landscape in Hong Kong, to identify salient characteristics.
- We conducted in-depth research into the virtual banks’ customers, products, technology, and strategic positioning.
- We conducted a forward looking market sizing exercise, with estimated revenues by key product categories.

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

- We reviewed the target markets, focusing on user and client demand, to establish the wallet opportunity
- We evaluated different business models and acquisition strategies, across local, ASEAN, and leading global players
- We established a market entry strategy, covering positioning, user and merchant acquisition, and operational enablers

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

- We identified the core functional specifications required by the client and their key priorities
- We built a white-label deck for the client to leverage in conversations with potential partners
- We shortlisted potential partners based on strategic, operational, and financial fit, for the client to have discussions with

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 though 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

- We evaluated the trading / brokerage landscape in Indonesia to determine incumbent shortfalls and opportunities
- We reviewed the client’s existing trading offerings and proposed complementary products / services to focus on
- We developed a blueprint for the client’s trading platform, detailing requirements and user acquisition plans

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
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