

# REINVENTING THE TELCO

UNLOCKING THE FINANCIAL SERVICES OPPORTUNITY  
FOR TELECOM PROVIDERS IN ASIA PACIFIC

APRIL 2022



QUINLAN  
&ASSOCIATES

# SECTION 1

## INDUSTRY OVERVIEW

# SECTION 1.1

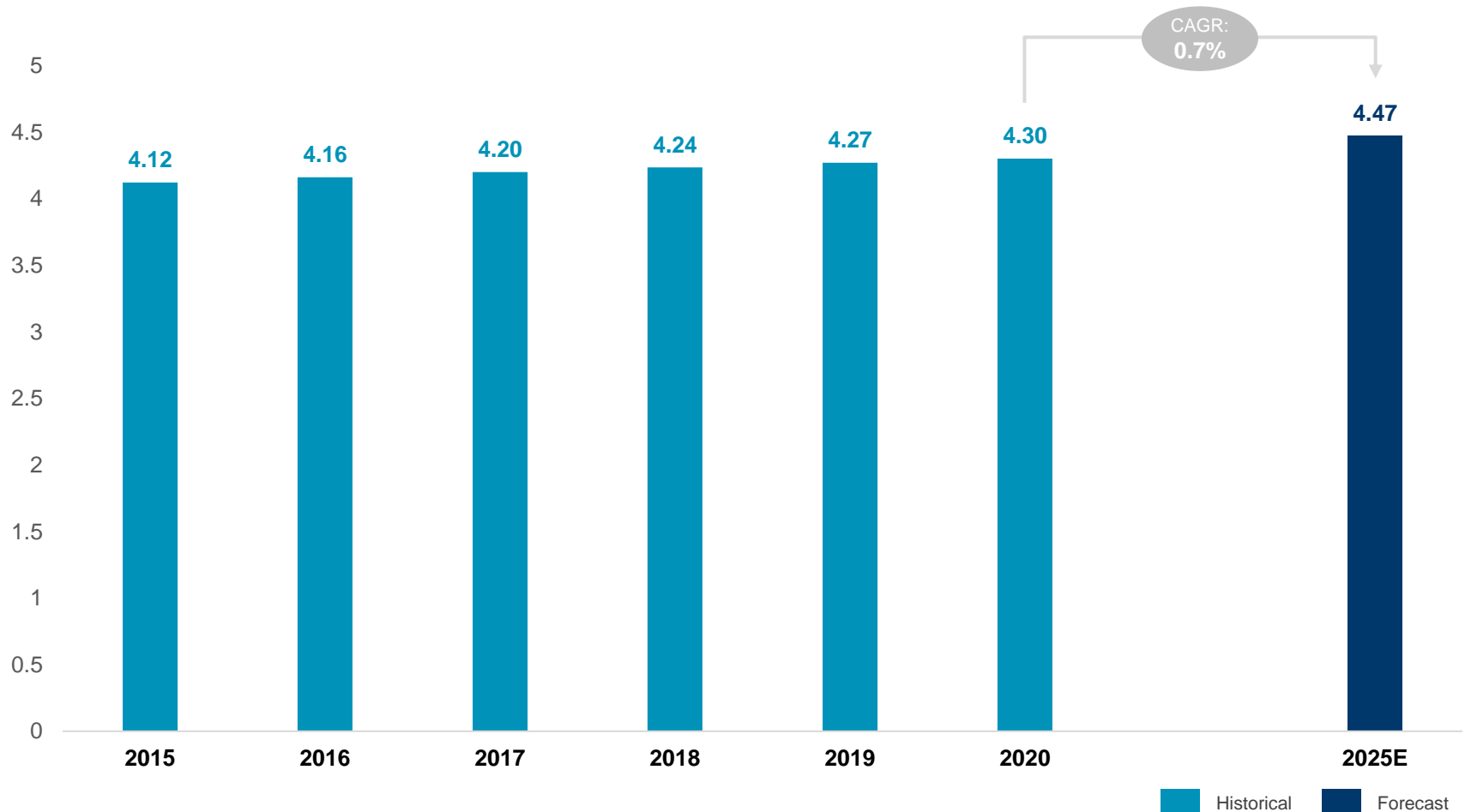
## DEMAND DYNAMICS

# POPULATION GROWTH

The Asia Pacific (“APAC”) population is on the rise and is expected to reach nearly 4.5 billion by 2025

## Population

APAC, 2015-25E, # Billion



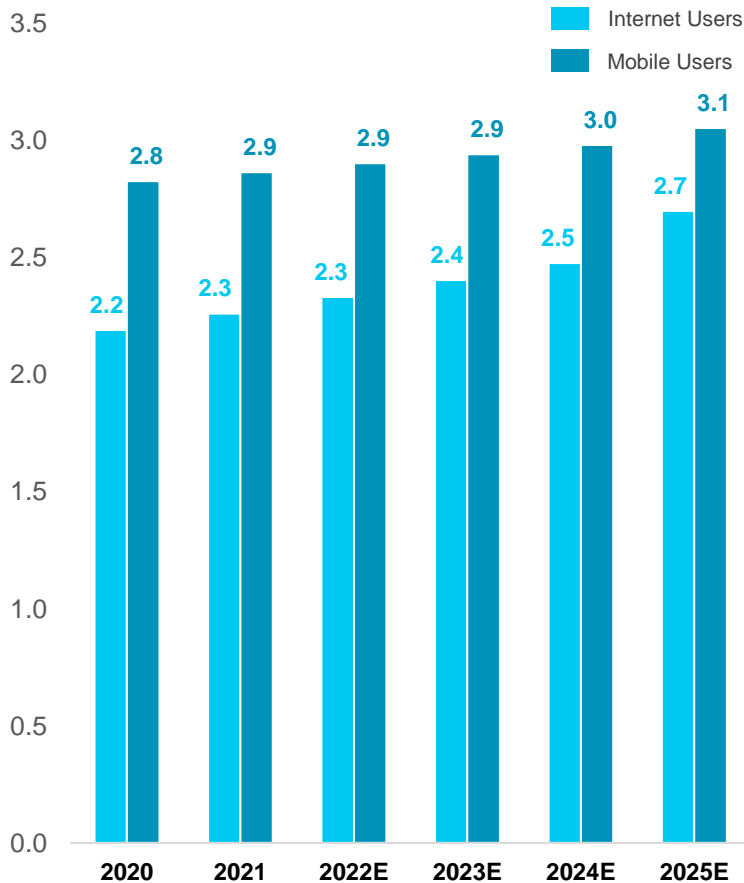
Source: Worldometer, Quinlan & Associates analysis

# MOBILE AND INTERNET PENETRATION

As connectivity providers, telco operators have expanded their reach (both mobile and internet) to most of the APAC populous, gaining a sizeable customer base

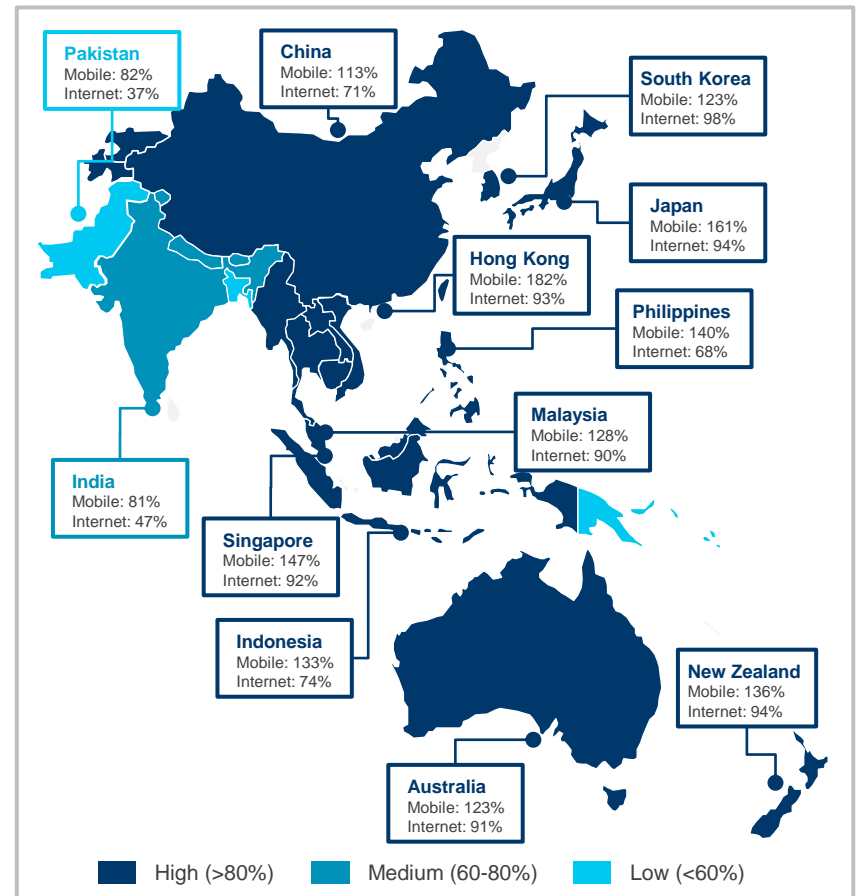
## Mobile and Internet Penetration

APAC, 2020-25E, # Billion



## Mobile and Internet Penetration

By Jurisdiction, 2021

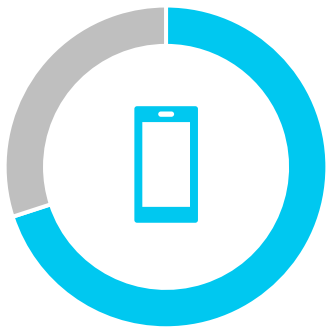


## SMARTPHONE LANDSCAPE

With digital services becoming an integral part of everyday lives, the uptake of smartphones and the usage of mobile data is expected to increase rapidly

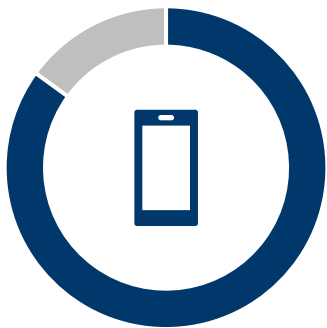
### Smartphone Adoption

APAC, 2020-25E, %



**70%**

... of APAC carriers  
carry smartphones in 2020

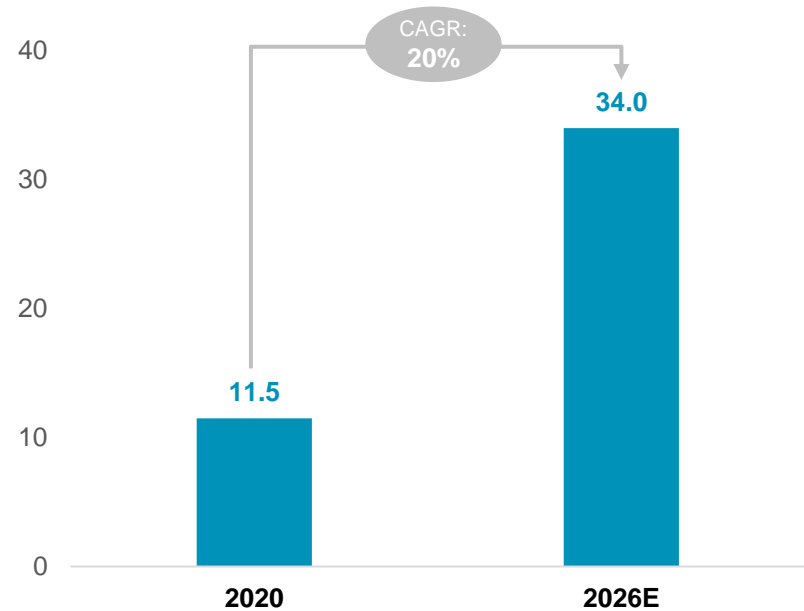


**85%**

... of APAC population will  
carry smartphones by 2025

### Mobile Data Usage

APAC, 2020-26E, Gigabytes per monthly subscriber



### APAC Mobile Data Traffic

Average Gigabytes per user each month is expected to grow from 11.5 GB in 2020 to 34.0 GB by 2026

## SECTION 1.2

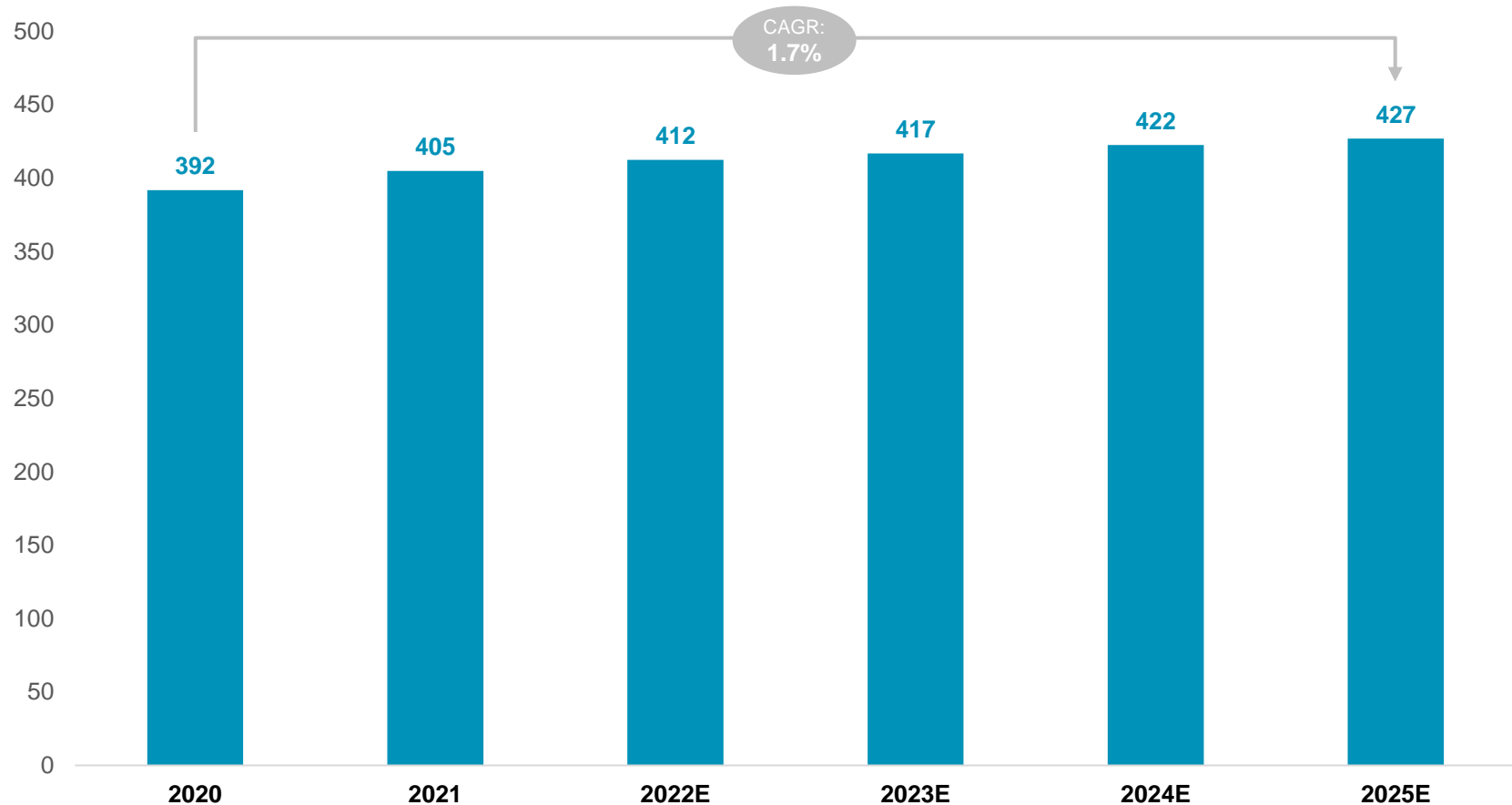
# SUPPLY DYNAMICS

## REVENUE FORECAST

APAC telcos are set to experience lackluster revenue growth, with mobile services revenues forecast to grow by a CAGR of 1.7% from 2020-25, reaching USD 427 billion

### Mobile Services Revenue in APAC

APAC, 2020 – 25E, USD Billion



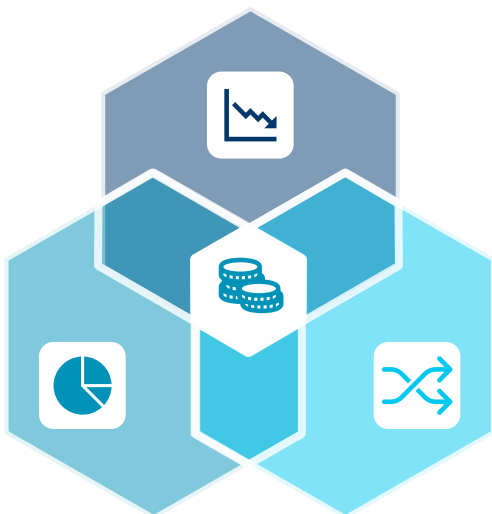


# UNDERLYING CONSTRAINTS

This modest outlook is attributable to the constrained revenue streams of most telcos in the region, which are being impacted by price compression and market saturation

## Revenue Stagnation

Causes



### Downward Pricing Pressure

- Due to heightened competition in the market, telco operators must actively compete in terms of pricing their mobile and internet services

### Increased Market Saturation

- Vertically integrated models (e.g. handsets) are not sustainable, with related products (e.g. advertising) dominated by large, specialised players

### Poor Cross-Selling Capabilities

- Due to regulatory restrictions on data, telco operators face difficulties in identifying new revenue streams and switching to horizontally integrated models

## Sources of Revenue

Telco Operator

### Revenue Source

### Drivers of Stagnation



### 1 Mobile & Internet Plans

- Subscription fees earned from mobile and broadband services are limited to the number of users, most of whom are loyal to their current service provider



### 2 Advertising

- Commission fees earned from advertising are often one-off in nature, with the market being dominated by major marketing agencies



### 3 Content Downloads

- Service fees earned from entertainment content (e.g. gaming, music) and other content are relatively low, with thin margins to attract younger customers



### 4 Network Sales

- Wholesale fees earned from network sales to MVNOs are fixed, limiting direct revenue that can be generated from outbound traffic

## SECTION 1.3

# INCUMBENTS' RESPONSE

# INCUMBENT RESPONSES

Given their poor revenue growth prospects, regional telco operators have embarked on: (1) 5G adoption; (2) MVNO establishment; (3) data monetisation; and (4) M&A activities

## Incumbents

Measures



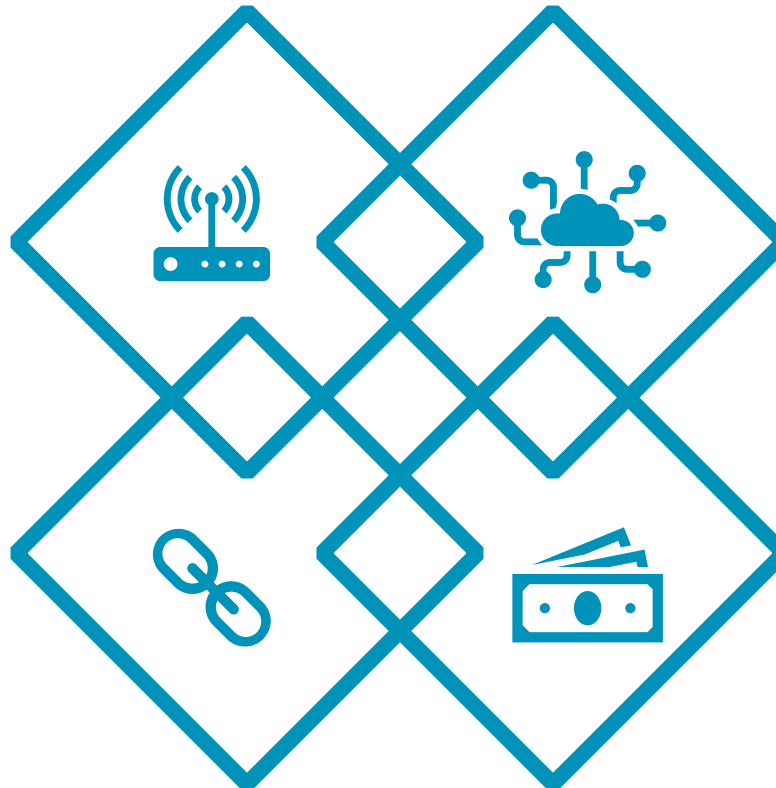
### 1. 5G ADOPTION

In light of the increasing demand, telco operators have ramped up their investments in 5G technology



### 2. MVNO<sup>1</sup> ESTABLISHMENT

Various MNOs<sup>2</sup> have created their own MVNOs or partnered with existing, standalone providers



### 4. MERGERS & ACQUISITIONS

There has been a concurrent wave of M&A activity amongst telcos in an effort to increase market share



### 3. DATA MONETISATION

Incumbents have started to monetise their vast troves of customer data for a variety of use cases

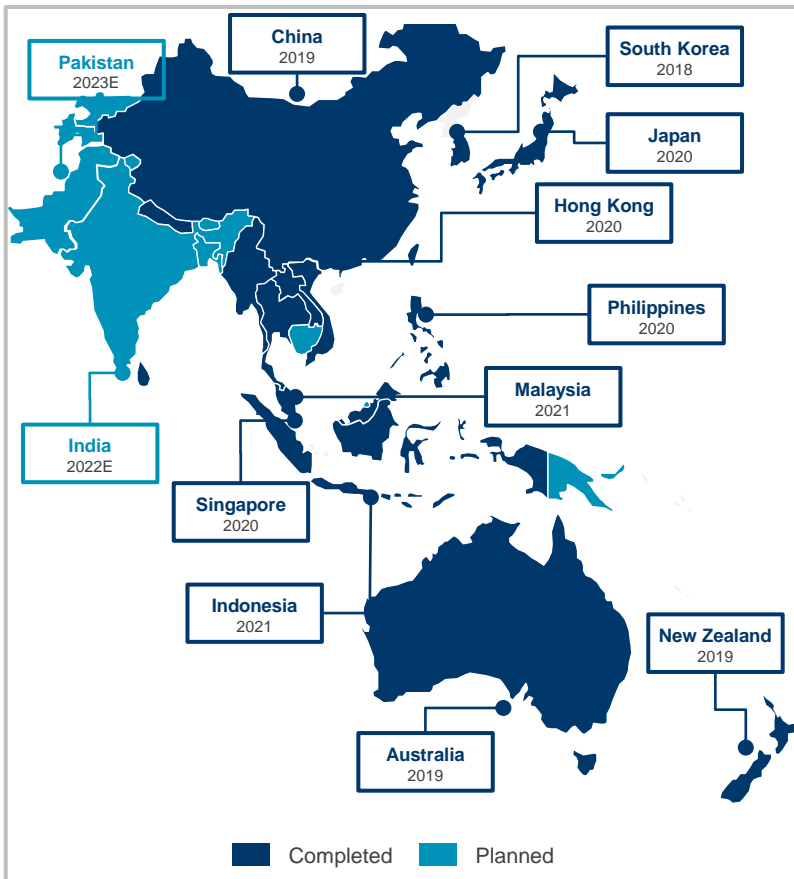
<sup>1</sup>MVNO = Mobile Virtual Network Operator, <sup>2</sup>MNO = Mobile Network Operator  
Source: Quinlan & Associates analysis

# 1. 5G ADOPTION (1/2) – UPTAKE

Propelled by significant investments in 5G, many jurisdictions in APAC have started to adopt the technology for a variety of use cases

## 5G Adoption

Adoption Timeline (by Jurisdiction)



## Investments in 5G

APAC







72%

... of total CAPEX by telco operators in APAC is in the form of 5G investment

## Use Cases

Select Examples

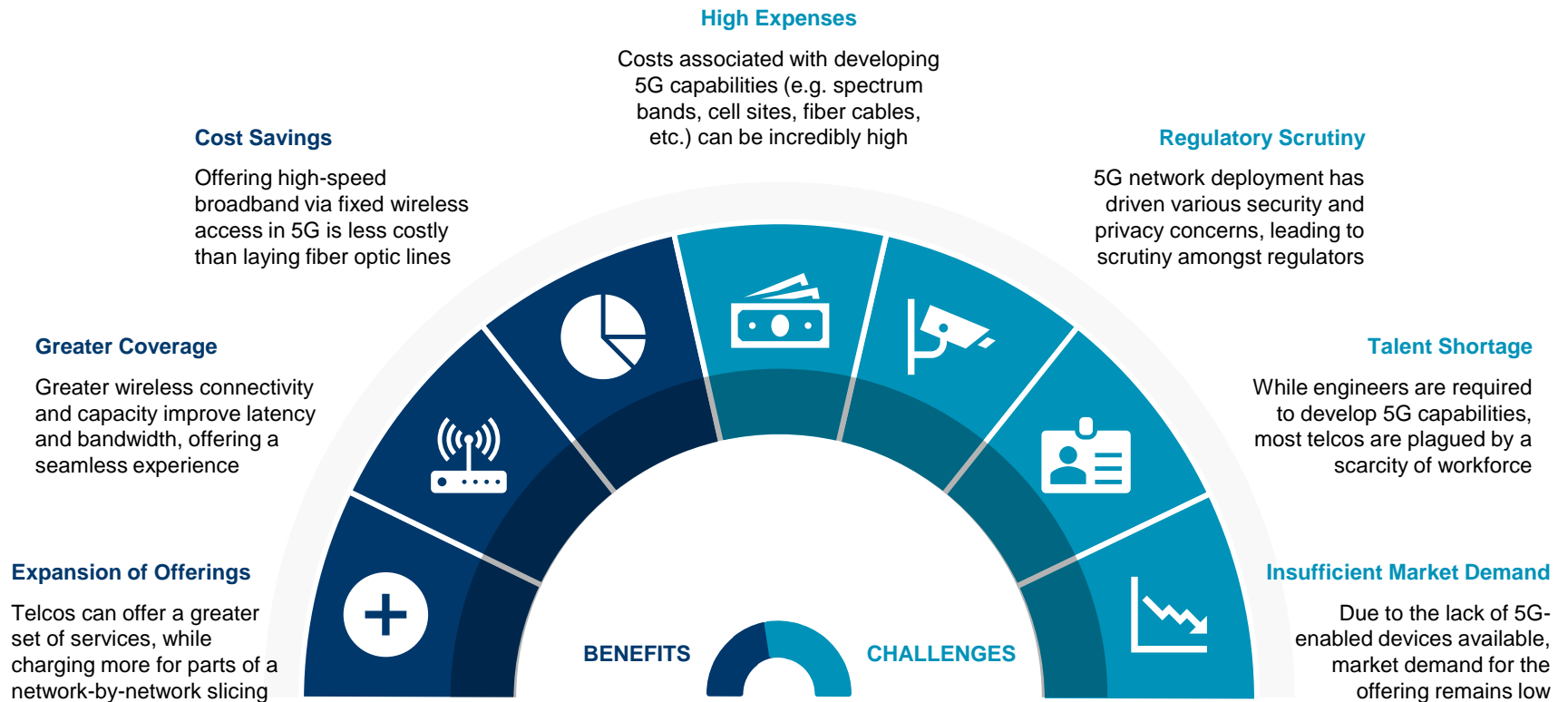
	<b>Enhanced Cloud Gaming</b>	<ul style="list-style-type: none"> <li>Facilitate an immersive, dynamic experience with seamless gameplay</li> </ul>
	<b>Augmented Reality ("AR") Shopping</b>	<ul style="list-style-type: none"> <li>Customers can see a fitted, 360-degree view of themselves in various outfits</li> </ul>
	<b>Ultra-HD Movies and Television</b>	<ul style="list-style-type: none"> <li>Support high quality streaming and live broadcasting services</li> </ul>
	<b>Remote Health Services</b>	<ul style="list-style-type: none"> <li>Offer remote diagnosis and operations, even surgeries running on 5G technology</li> </ul>

# 1. 5G ADOPTION (2/2) – PROS AND CONS

Whilst 5G has the potential to bring enormous benefits, there are notable challenges facing telco operators when adopting the technology to cross-/up-sell their offerings

## 5G

Benefits and Challenges



## 2. MVNO ESTABLISHMENT

While MNOs can expand their revenue streams by targeting niche customer segments through MVNOs, offering a differentiated, digital-led proposition comes with its challenges

### MVNO

Description & Select Examples



#### DEVELOP

- MNOs are beginning to offer MVNO services, with players such as SmarTone creating their own sub-brand of MVNO to target millennial customers



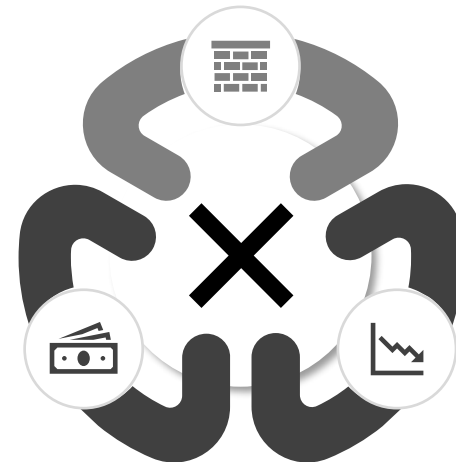
#### PARTNER

- MNOs have established partnerships with stand-alone MVNOs, allowing MVNOs to leverage MNO networks and MNOs to access new customers



### Challenges

MVNO



#### Scalability Barriers

MVNOs that use an MNO's infrastructure may face considerable difficulties in scaling their network, while also incurring higher fees



#### High CAC<sup>1</sup>

Customer acquisition can be incredibly costly for MVNOs, which can go as high as USD 44 per customer



#### Decreasing ARPU<sup>2</sup>

Due to increased price competition, the average revenue per user has decreased significantly in recent years

<sup>1</sup>CAC = Customer Acquisition Cost, <sup>2</sup>ARPU = Average Revenue per User  
Source: Company disclosures, telemedia, Quinlan & Associates analysis

### 3. DATA MONETISATION

Although telco operators sit atop vast troves of customer data, there are numerous constraints associated with data monetisation that limit possible use cases

#### Data Monetisation

Use Cases

Use Case	Description
 <b>POS System</b>	<ul style="list-style-type: none"> <li>Enable retailers to identify opportunities to upsell and/or cross sell by integrating all their data to easily manage product sales and access customer profiles</li> </ul>
 <b>Credit Scoring</b>	<ul style="list-style-type: none"> <li>Analyse bill payment history, usage history, and other customer data to measure an individual's creditworthiness, which is then offered as a service to banks</li> </ul>
 <b>Advertising</b>	<ul style="list-style-type: none"> <li>Enable enhanced targeting of mobile advertising on the telco's own platform, or offering data insights (and analytics) to businesses for their own marketing campaigns</li> </ul>
 <b>eCommerce</b>	<ul style="list-style-type: none"> <li>Launch an online platform for customers to purchase smartphones, wearable gadgets, and other related products and services with personalised targeting</li> </ul>
 <b>Digital Media</b>	<ul style="list-style-type: none"> <li>Facilitate on-demand streaming services of movies and TV series based on algorithms set on genre preferences, which are often supported by advertisements</li> </ul>

#### Challenges

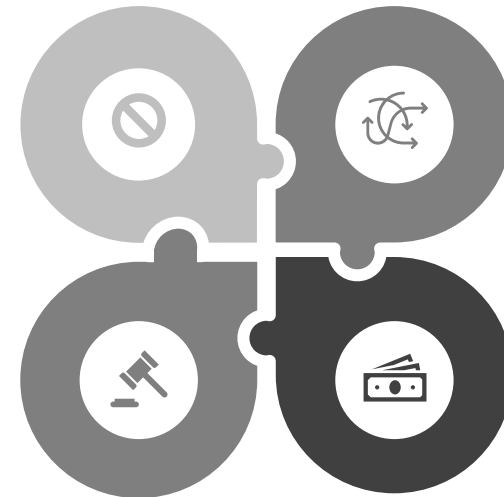
Data Monetisation

##### Poor Demand Accessibility

Since the market is highly fragmented, telcos cannot easily access consumer demand

##### Complex Product Dev.

Developing data products, from ideation to distribution, can be incredibly complex



##### Stringent Regulations

External data monetisation can lead to an infringement of data privacy laws and, consequently, heavy fines

##### Significant Upfront Investments

Large investments are required to develop technology infrastructure and hire an execution team

■ B2B   
 ■ B2B2C   
 ■ B2C

■ Strategic   
 ■ Operational   
 ■ Financial

## 4. MERGERS & ACQUISITIONS

Despite the slew of M&A activities conducted by regional telcos, there remain significant post-merger challenges that limit growth potential

### M&A

Description & Select Examples



#### MERGERS

- MNOs merge with one another to combine their subscriber base (i.e. capture economies of scale) to become a leading player



#### ACQUISITIONS

- MNOs that do not offer broadband typically acquire Internet Service Providers ("ISPs") to expand offerings



### Challenges

M&A



#### Poor Integration

Various integration problems may arise due to poor culture / change management, preventing the firm from fully capturing synergies



#### Talent Attrition

Employees might experience high stress levels due to work uncertainty tied to job security, the organisation's future strategic direction, compensation, etc.



#### Value Overestimation

Many M&A deals have failed to bring value to the buyer due to poor target evaluation / anticipated synergies, which could lead to overpaying



#### Miscellaneous Expenses

There are many hidden costs associated with M&A, including employee training expenses, company rebranding expenses, etc.

Strategic
  Operational
  Financial



# OVERARCHING CHALLENGES

Given the (1) operational, (2) financial, and (3) strategic challenges to their current growth initiatives, we believe telcos need to actively explore new revenue opportunities

## Challenges

Incumbents' Response



OPERATIONAL



FINANCIAL



STRATEGIC

High

Degree of Challenge

Low

- Cybersecurity
- Regulations
- 5G Network Developments
- Talent

- CAPEX Requirements
- Miscellaneous Expenses
- Customer Acquisition Cost
- Decreasing ARPU

- Market Saturation
- Fragmented Market

## SECTION 2

# FINANCIAL SERVICES



# SECTION 2.1

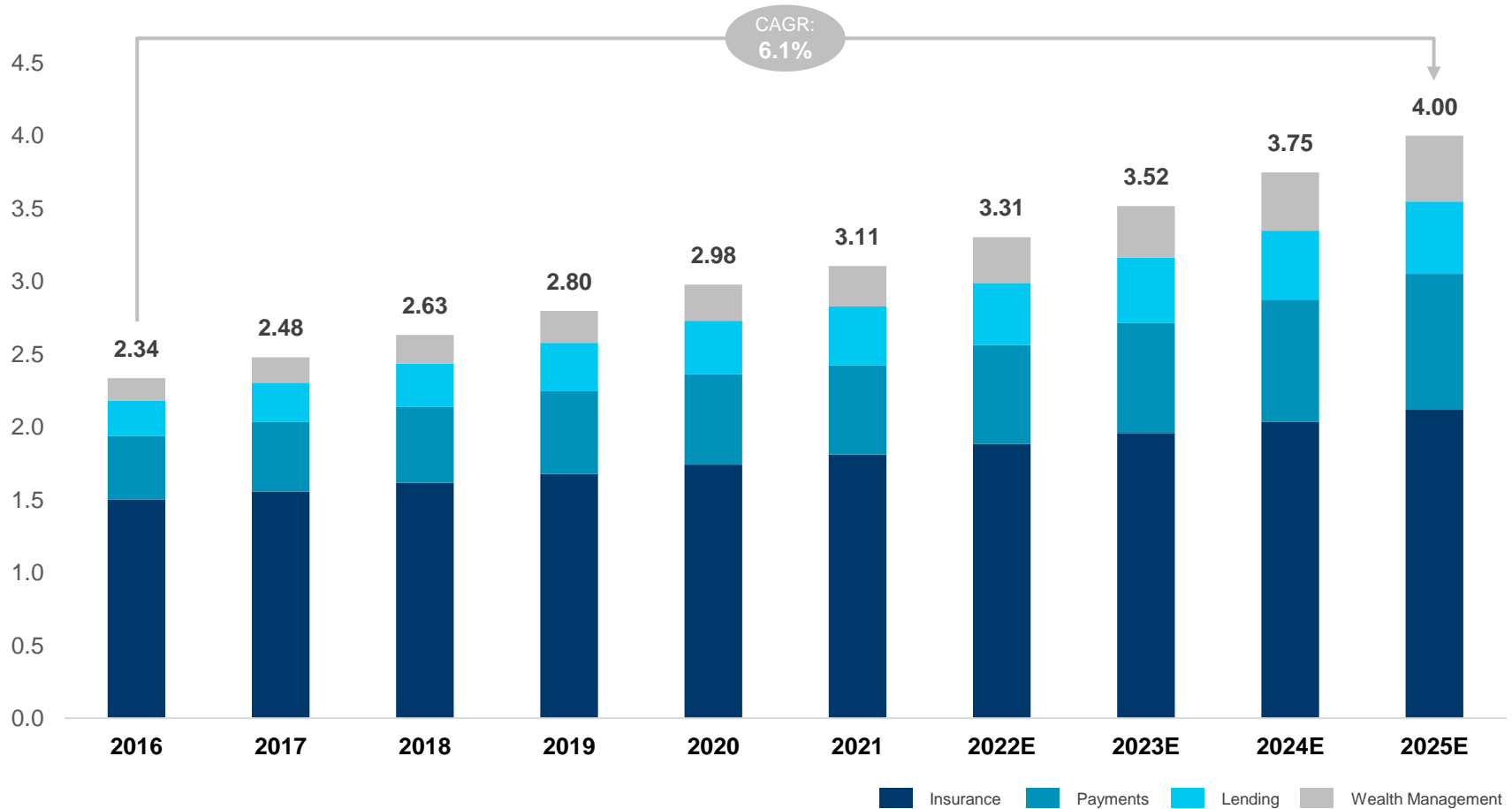
## MARKET OPPORTUNITY

## INDUSTRY GROWTH

The APAC financial services industry is expected to witness tremendous growth in coming years, with the market size increasing to USD 4 trillion by 2025

### APAC Financial Services Market Size

2016 – 25E, USD trillion

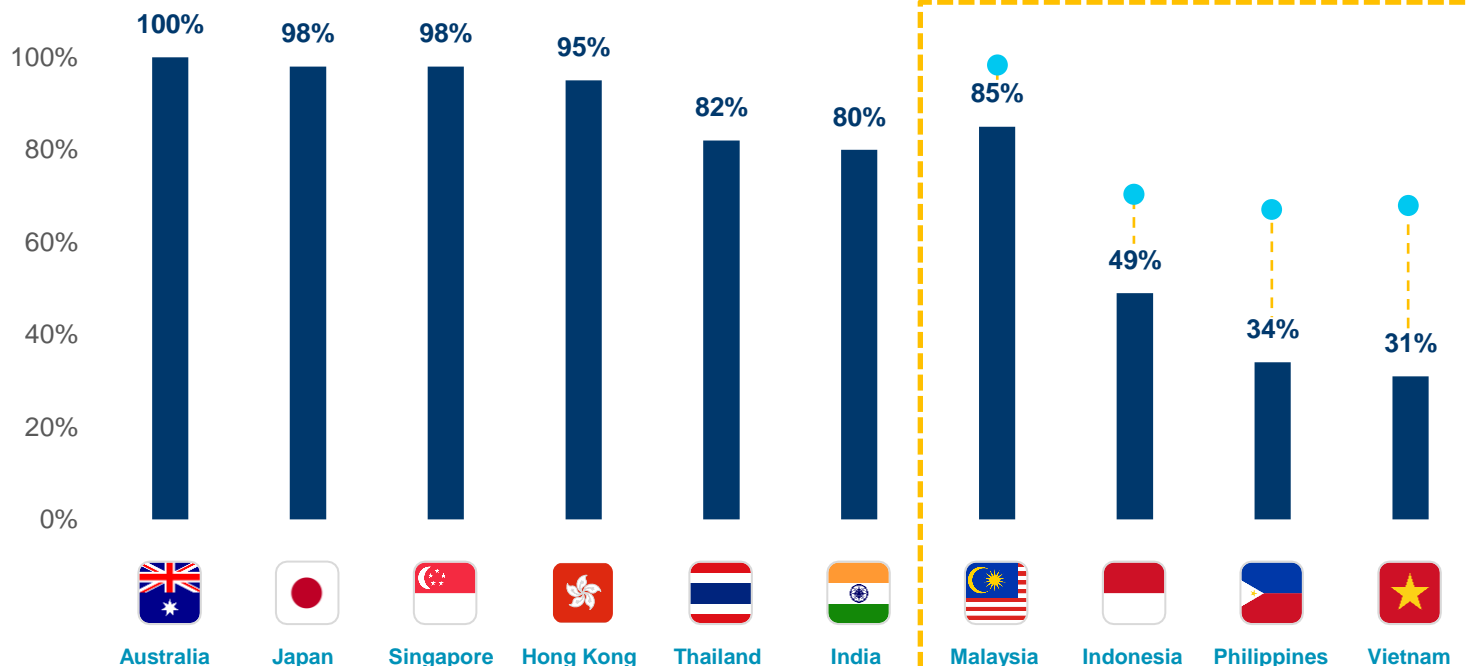


## INDUSTRY GAP (1/2) – DEMAND SIDE

There is a considerable gap between the internet penetration and banked population rates across various Asian countries that telcos can look to plug via mobile banking solutions

### Banked Population

2021, Select APAC Markets, %



	Australia	Japan	Singapore	Hong Kong	Thailand	India	Malaysia	Indonesia	Philippines	Vietnam
<b>Banked Population</b> (# of Banked Pop. / Total Pop.)	100%	98%	98%	95%	82%	80%	85%	49%	34%	31%
<b>Internet Accessibility</b> (# of Pop. with Access / Total Pop.)	91%	94%	92%	93%	78%	47%	90%	74%	68%	73%
<b>Potential Demand Gap</b> (Banked Pop. – Internet Accessibility)							5%	25%	34%	42%

# INDUSTRY GAP (2/2) – SUPPLY SIDE (1/2) – TRADITIONAL BANKS

Traditional banks in the region are struggling to alleviate pain points for their retail and SME customers, opening themselves up to disruption from digital-native banks

## Notable Challenges

Traditional Banks, Customer Pain Points

### RETAIL

Physical Travel	Physical travel to branches for account opening procedures, including submitting paperwork
Queuing Up	Queueing up at branches in cases of heavy customer traffic, staff shortages, or the lack of an appointment
Onboarding Process	Slow onboarding process, with paper-based application forms and tedious requirements
Lengthy Waiting	Long waiting periods between requests / applications for usage of products and services, and their approval
Insufficient Digital Offerings	Inability to access numerous banking services through online channels or digital means
Poor Personalisation	Lack of personalisation of products and services, rendering the customer experience generic / unsuitable
Lack of Integration	Offerings may not be well integrated with each other, making it difficult for a customer to keep track
Unsatisfactory Remote Service	Remote service experience offered by chatbots, and call centres may not always be satisfactory

### SME

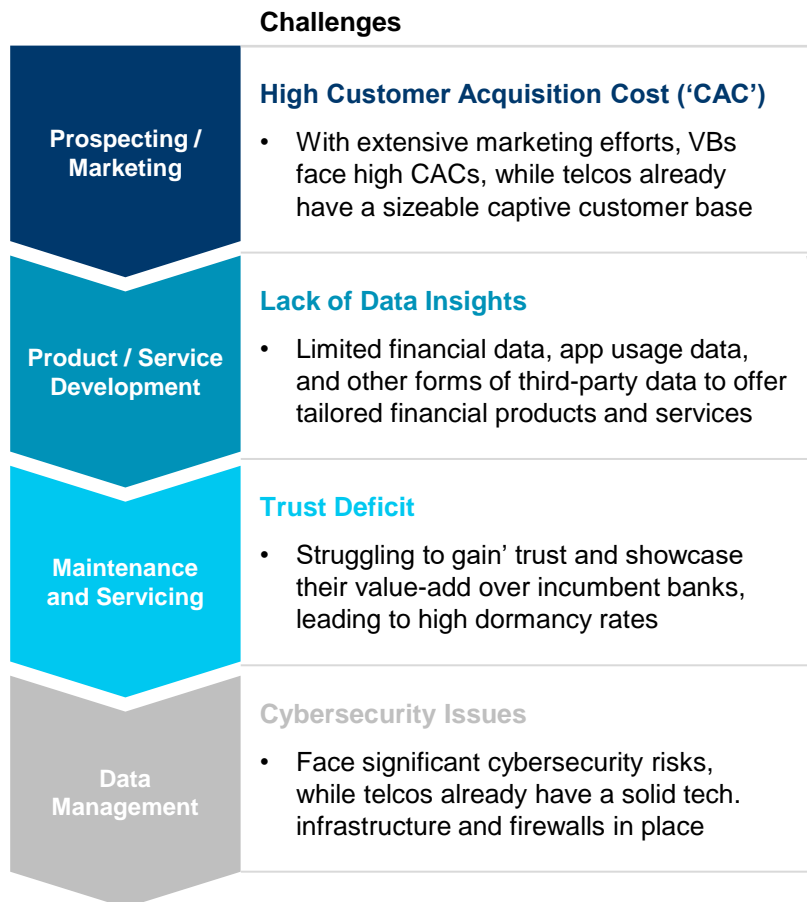
Physical Travel	Physical travel to branches for submitting paperwork for loan applications
Queuing Up	Queueing up at branches in cases of heavy customer traffic, staff shortages, or the lack of an appointment
Onboarding Process	Slow onboarding process, with paper-based application forms and tedious requirements
Lengthy Waiting	Long waiting periods between requests / applications for usage of products and services, and their approval
Collateral Requirements	SMEs are often unable to post collateral, such as a cash deposit and / or real estate assets
Risk Appetite Mismatch	Banks may not be willing to take on SMEs' credit risks, owing to their small size, nascent nature, AML risk, etc.
Partial Success	SME loans may at times only be partially approved, failing to address their complete funding needs
Long Wait For Disbursement	Even once approved, disbursement of the loan can be extremely slow and inefficient

# INDUSTRY GAP (2/2) – SUPPLY SIDE (2/2) – VIRTUAL BANKS

Although virtual banks have made great strides to address these pain points, they are also struggling with several key hurdles, including exorbitant customer acquisition costs

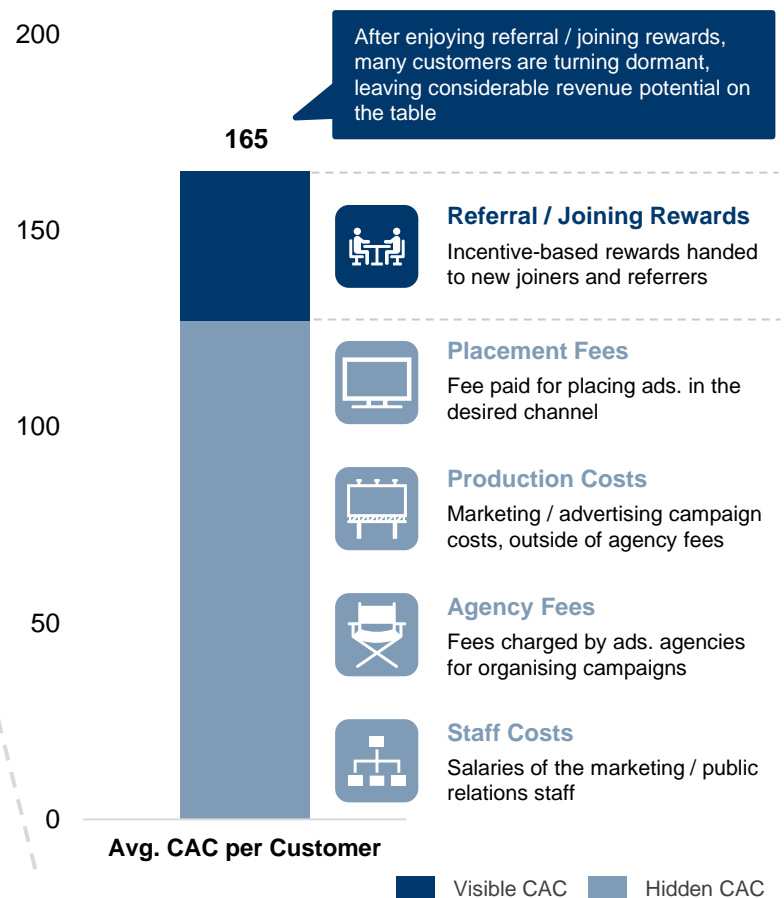
## Notable Challenges

Virtual Banks



## Customer Acquisition Cost

Hong Kong Average (USD)



## SECTION 2.2

# POTENTIAL FOR TELCO OPERATORS

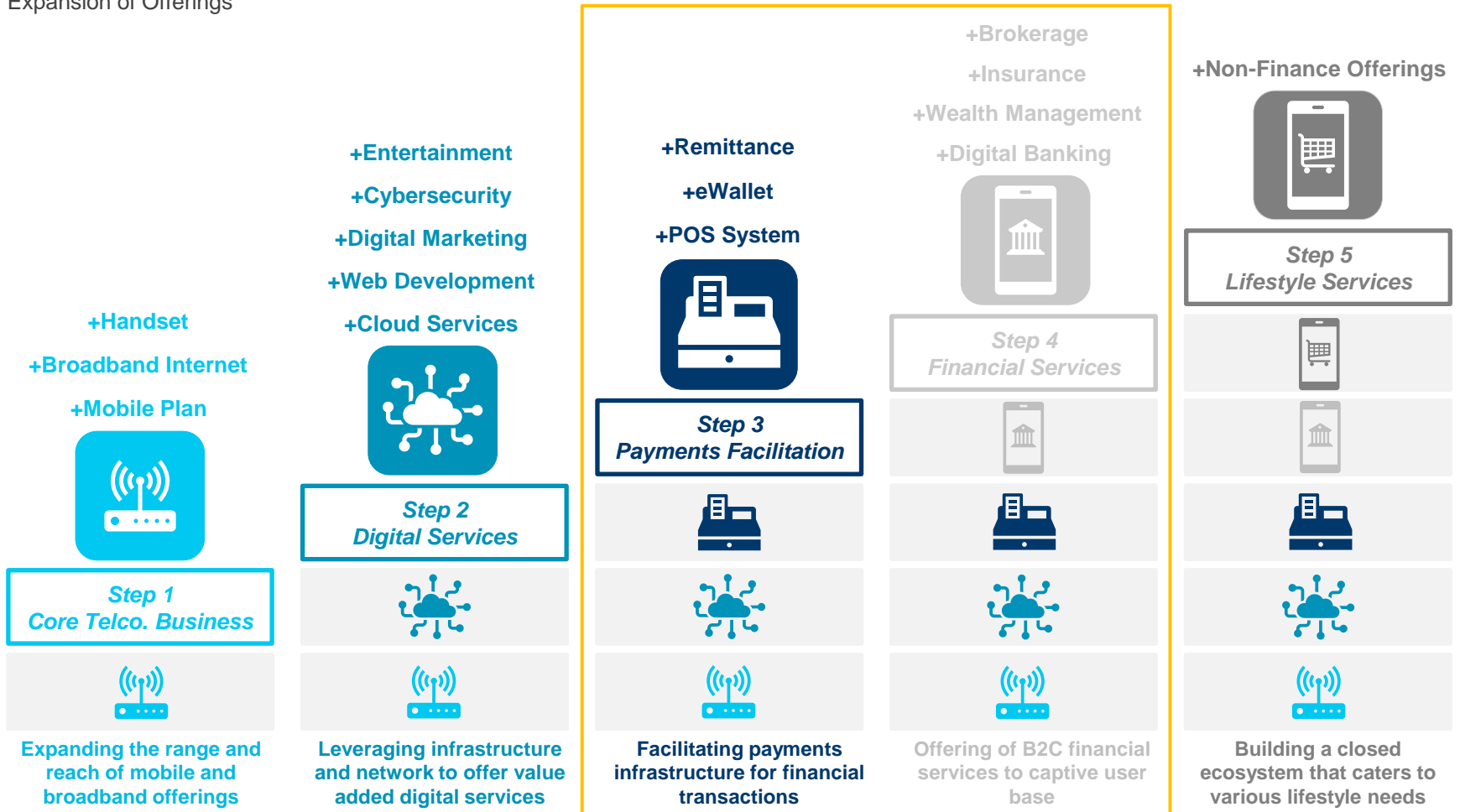


# EVOLUTION FROM TELCO TO FINANCIAL SERVICES PROVISION

Given the lucrative revenue opportunities on offer, some telco operators have begun to enter the financial services space, which we see as a natural extension for growth

## Service Evolution

Expansion of Offerings



## SYNERGIES (1/3) – DEMAND SIDE

Given their sizeable customer base and a vast trove of customer data, telco operators have robust demand-side synergies in place that they can capitalise on

### Telco Customer Penetration

APAC, % of Population

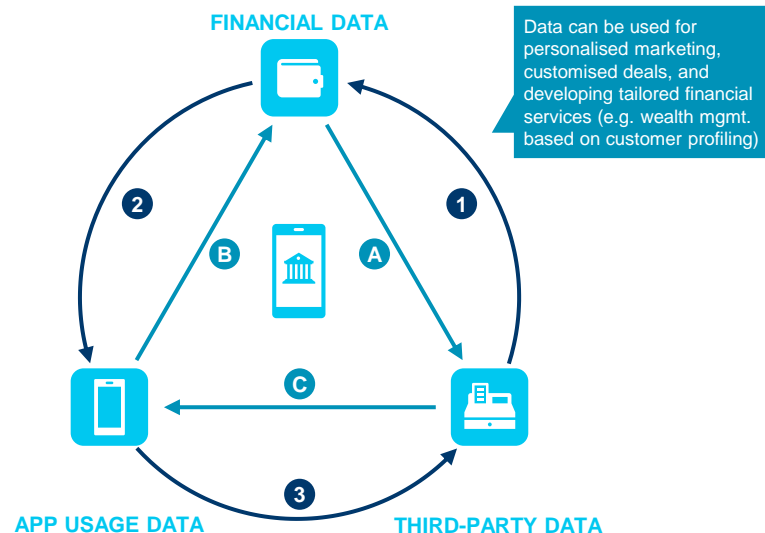
	Countries (APAC)	Penetration (2020)	Penetration (2025E)
High	Singapore	88%	90%
	Japan	87%	88%
	South Korea	87%	89%
	Australia	84%	85%
	Malaysia	80%	82%
Middle	Indonesia	66%	69%
	Bangladesh	54%	59%
	India	53%	57%
	Pakistan	41%	48%

#### Potential Customer Base

APAC telcos currently have access to **1.6 billion customers**, including unbanked / underbanked masses in need of value-added FS, as well as a banked population seeking a more digital FS experience, which can be offered to generate more revenue

### Telco Customer Data

Types of Data



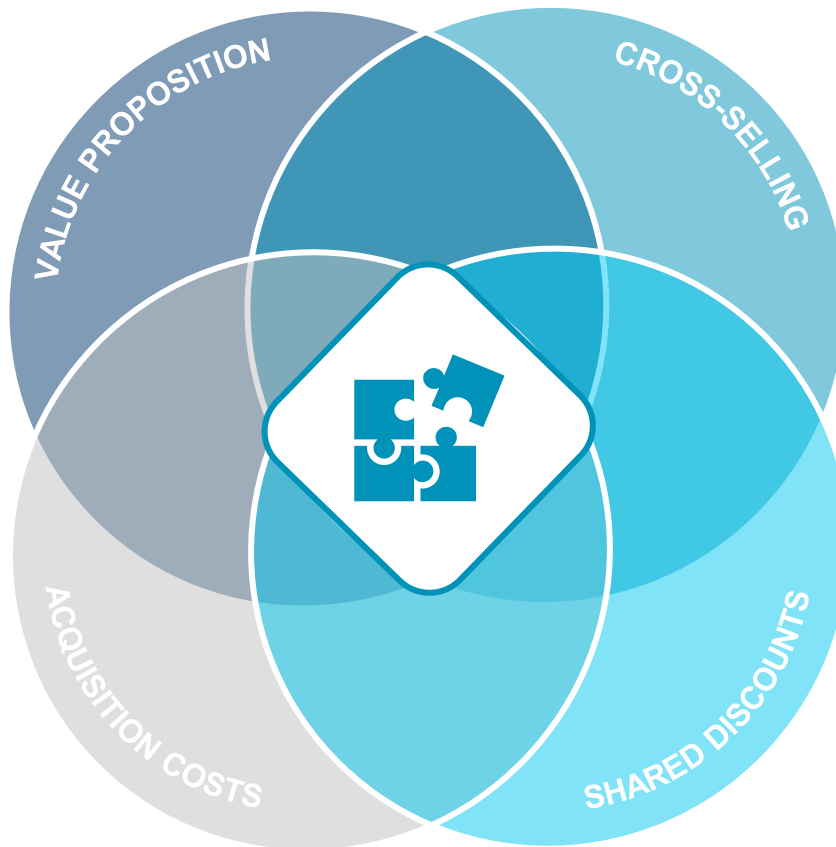
- 1 Merchant data based on customer interactions
- 2 Financial data based on financial history across institutions
- 3 Geolocation, browser data, and other key identifiers
- A Spending patterns from customer transactions
- B Session length, login frequency, and other pattern identifiers
- C Open API and other forms of integration for development

## SYNERGIES (2/3) – SUPPLY SIDE

Telco operators can also leverage several supply side synergies, including: (1) value proposition; (2) cross-selling; (3) shared discounts; and (4) acquisition costs

### Supply Synergies

Telco Operators



#### Value Proposition

Since some telcos are owned by conglomerates and may have strong partnerships (e.g. with VBs), expanding into FS can establish a unique proposition as a lifestyle one-stop-shop that serve many needs



#### Cross-Selling

Telco operators could cross-sell financial products to their existing subscriber base and alternatively, mobile plans to their broader customer base from other business lines, by offering bundled services



#### Shared Discounts

Telco operators can enhance digital relationships and product integration via bundled pricing between core telco business and financial services offerings, helping to improve customer satisfaction



#### Acquisition Costs

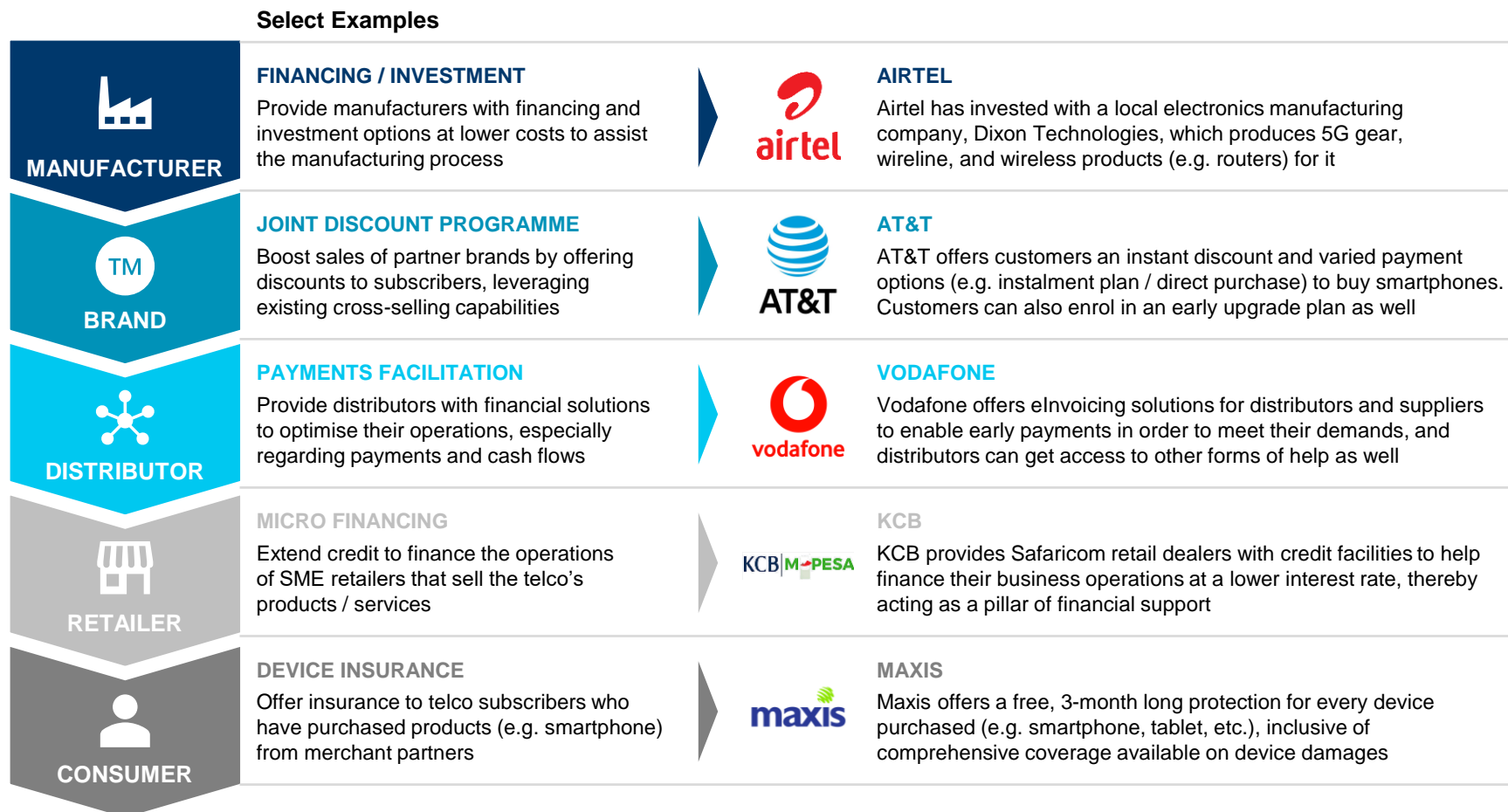
Telco operators have already spent considerable sums to acquire their subscriber base, allowing them to easily access potential FS customers at low costs (e.g. texting subscribers to advertise new services)

## SYNERGIES (3/3) – OVERALL SYNCHRONISATION

By offering various financial services along the value chain, telco operators can capture the entirety of it without drawing the ire of anti-trust regulators

### Value Chain

Unification Through Financial Services











# COMPETITIVE BENCHMARKING

Telco operators in the region are beginning to experiment with various types of financial services offerings, though significant gaps are yet to be addressed, particularly in ASEAN

## Current Financial Services Offerings

Select APAC Telco Operators

Telco Operators & Offerings									
DEPOSIT	Saving Account	✓	✘	-	✘	✘	✘	-	✘
	Time Deposits	✓	✘	-	✘	✘	✘	-	✘
PAYMENT	Point of Sales Systems	✓	✓	✓	✓	✓	✓	✘	✘
	e-Wallet	✓	✓	✓	✓	✓	✓	✓	✘
	International Remittance & Forex	✓	✓	✓	✓	✓	✓	✓	✘
	Credit Card	✓	✘	-	✘	✘	✓	-	✘
	Debit Card	✓	✘	-	✘	✘	✘	-	✘
LENDING	Personal Loan	✓	✓	✓	✘	-	✘	✓	✘
	Personal Loan Guarantee Scheme	✘	✘	✘	✘	✘	✘	✘	✘
	Debt Consolidation	✘	✘	✘	✘	✘	✘	✘	✘
	Buy Now Pay Later (“BNPL”)	✘	✓	✘	✘	✘	✓	✓	✘
WEALTH	IPO Subscription	✘	✘	✘	✘	✘	✘	✘	✘
	Pooled Investment Vehicle	✘	✘	✘	✘	✘	✘	✘	✘
	Brokerage Services	✓	✓	✘	✘	✘	✘	✘	✓
	Asset Management	✓	✘	✘	✘	✘	✘	✓	✓
	Wealth Management	✓	✘	✘	✘	✘	✘	✓	✘
	Insurance	✓	✘	✓	✓	✓	✓	✓	✘

## CASE STUDY (1/3) – VIRTUAL BANKING

Major telco operators such as Hong Kong’s HKT and PCCW have partnered with top banks and other entities to apply for a VB license and launch banking services in the city

### Case Study

Mox Bank, Hong Kong



Launched in Hong Kong in September 2020, Mox is a virtual bank backed by Standard Chartered, HKT, PCCW and Trip.com, combining the power of a major international banking group, the city’s telco and lifestyle leader, and Asia’s largest online travel agency.

**220,000+**

Customer Base

### Virtual Bank Journey

Mox Bank

<b>SEP 2020</b>	<b>VB Launch</b> <ul style="list-style-type: none"> <li>Mox was granted a virtual bank license and launched in Hong Kong</li> </ul>
<b>APR 2021</b>	<b>Credit Offering</b> <ul style="list-style-type: none"> <li>Mox launched Mox Credit with Mastercard with allows customers to borrow instantly</li> </ul>
<b>DEC 2021</b>	<b>Customer Base</b> <ul style="list-style-type: none"> <li>Mox reached 200,000 customers milestone, doubling the customer base in months</li> </ul>

### Shareholders

Synergies



#### DESCRIPTION

##### Standard Chartered

- SC is a global banking and financial services company

##### HKT

- HKT is one of the largest telco operators in Hong Kong

##### PCCW

- PCCW is an information and communications firm

##### Ctrip

- Ctrip is a Chinese multinational online travel & tourism company

#### PRESENT

##### Banking Experience

- SC has rich expertise in Hong Kong banking landscape

##### Shopping Offerings

- HKT’s subsidiaries have collaborated for shopping and lifestyle offerings

##### N/A

- 

##### N/A

- 

#### POTENTIAL

##### Value Chain

- SC may direct their focus on higher value customers

##### Lifestyle Ecosystem

HKT, PCCW, and Ctrip may come together to create a lifestyle offerings-oriented ecosystem that encompasses travel and tourism supported by Ctrip, telecommunication offerings by PCCW, and electronics shopping by HKT brands

## CASE STUDY (2/3) – EWALLET

The Philippines’ Globe Telecom provides its users with a wide range of financial and non-financial services through its eWallet, GCash, launched alongside Ayala and Ant Group

### Case Study

Global Telecom, Philippines



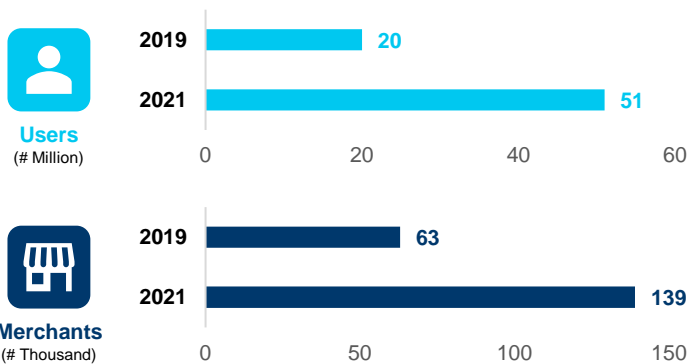
Globe Telecom is a major provider of telco services that operates the largest mobile network in the Philippines. Globe Telecom introduced GCash, a mobile wallet, in 2004, which is a joint venture with Ant Group and Ayala Group

# USD 2 billion+

Valuation for GCash

### GCash Registered Users & Merchants

2019 vs. 2021



Source: Gcash, Globe, Quinlan & Associates analysis

### eWallet Services

GCash Offerings, Facilitators

	Offerings	Description	ANT GROUP	Ayala	Globe
FINANCIAL	Bank Transfer	Transfer to over 40 banks immediately	✓	×	✓
	P2P Transfer	Transfer to both GCash users and non-users	✓	×	✓
	BNPL	Flexible payments at partnered merchants	✓	✓	✓
	Insurance	Digital insurance in a few taps within GCash App	✓	×	✓
	Loan	No collateral needed and can choose loan terms	✓	×	✓
	Invest	Invest in funds managed by partner providers	✓	×	✓
NON-FINANCIAL	Movie	Book and buy movie tickets real time	×	✓	✓
	Bill	Pay bills to 400+ billers on-the-go	×	✓	✓
	Online Shopping	Shop online at eCommerce merchants	×	✓	✓
	Offline Shopping	Shop at offline malls and shops	×	✓	✓
	GLife	Shop in the super life App, GLife	×	✓	✓

✓ Applicable    × Not Applicable

## CASE STUDY (3/3) – DIGITAL INSURANCE

Malaysia’s Celcom has launched affordable insurance coverage plans to target the underserved segment, offering seamless digital insurance services

### Case Study

Celcom, Malaysia



Established in 1988, Celcom is the first mobile operator in Malaysia and a member of the Axiata group, one of the largest telecommunications conglomerate in APAC. It has expanded into offering AI-driven microinsurance plans for the underserved segment.

**23x**

Increase in the uptake of its insurance coverage plans (2020-2021)

### Insurance Products

Offerings



#### Family Takaful

An affordable and shariah-compliant life term insurance, with payment of monthly / weekly premiums, offering a free 1-month plan for families

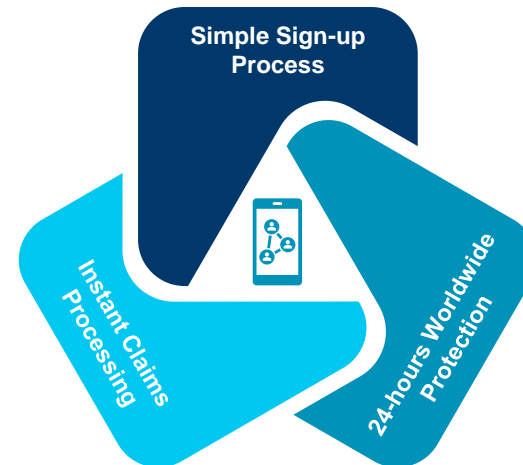


#### Celcom Pay Protect

A monthly plan that protects an individual’s mobile and internet bill payments, reimbursing for Wi-Fi set-up and other related services

### Value Proposition

Microinsurance



<b>Simple Sign-up Process</b>	<ul style="list-style-type: none"> <li>Customers can easily enter in their personal information and medical records, without any requirements for medical check-ups</li> </ul>
<b>24x7 Worldwide Protection</b>	<ul style="list-style-type: none"> <li>Customers enjoy around-the-clock protection anywhere they are in the world under the insurance plan</li> </ul>
<b>Instant Claims Processing</b>	<ul style="list-style-type: none"> <li>Customers receive instant coverage through digital redemption, avoiding any lengthy waiting period</li> </ul>

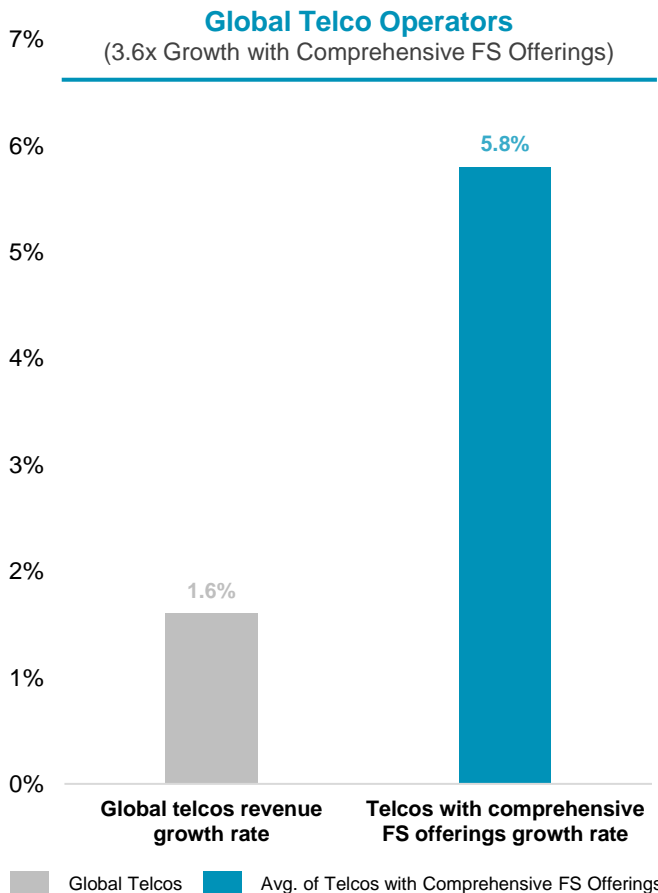


# REVENUE POTENTIAL

We project a sizable wallet opportunity for telco operators in APAC who can capitalise on the financial services landscape, with incremental revenue upside ~89 billion p.a. by 2025

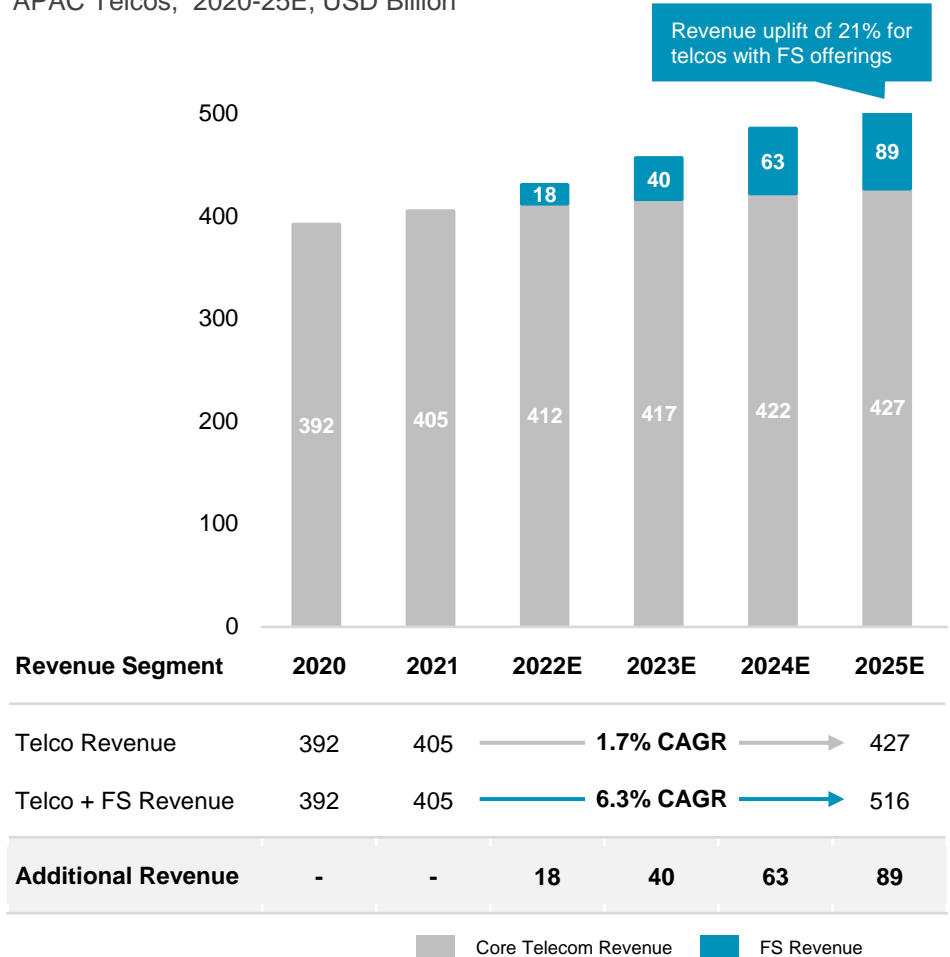
## Revenue CAGR

APAC Telco Operators, 2018-21, %



## Revenue Potential

APAC Telcos, 2020-25E, USD Billion



## SECTION 3

## KEY CONSIDERATIONS

## SECTION 3.1

### WHERE TO PLAY?

# CUSTOMER SEGMENTS

Telco operators need to determine an ideal target FS customer segment(s) by carefully assessing their monetisation potential, as well as associated acquisition / servicing costs

## Customer Segment

Illustrative Categories

### Categories



#### Mass Retail

Customers with an AuM below USD 500,000 with a preference for basic financial products and services through an intuitive digital channel



#### Core Affluent

Customers with an AuM of USD 500,000-5,000,000 with a preference for intermediate financial products and services through both offline and online means

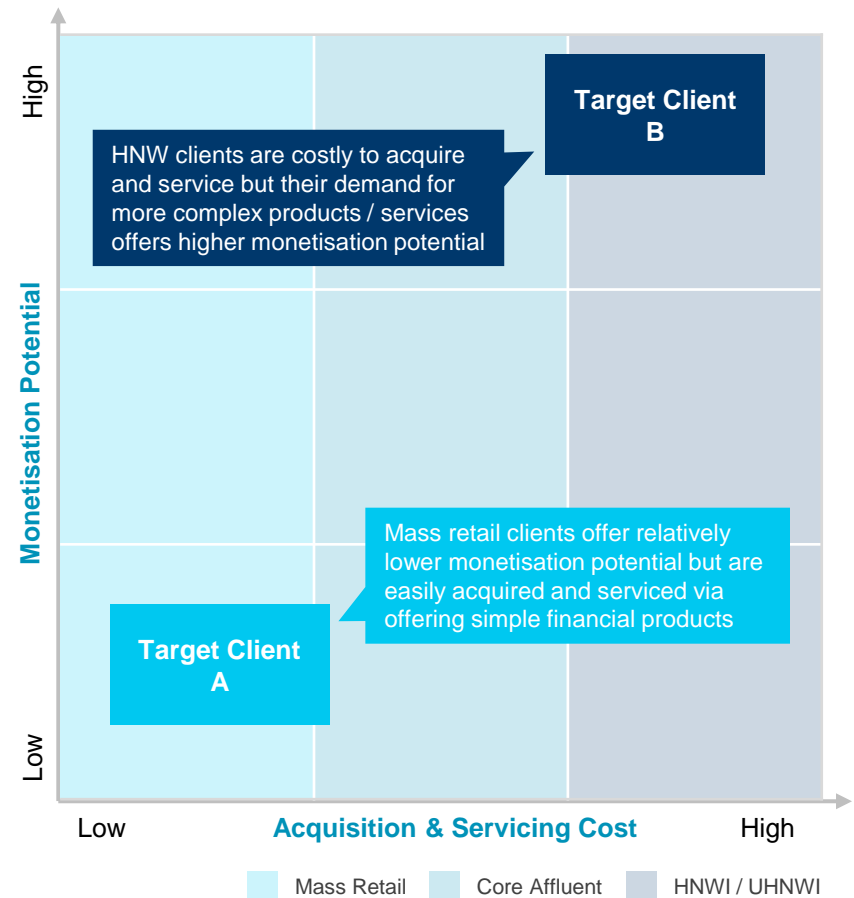


#### High Net Worth / Ultra High Net Worth Individual

Customers with an AuM above USD 5,000,000 with a preference for sophisticated / bespoke financial products and services, mainly through offline means

## Customer Assessment

Illustrative Classification



## FINANCIAL PRODUCT / SERVICE OFFERINGS

Telco operators can consider developing a variety of financial products and services at different stages, as they grow their financial services propositions

### Financial Services

Offerings

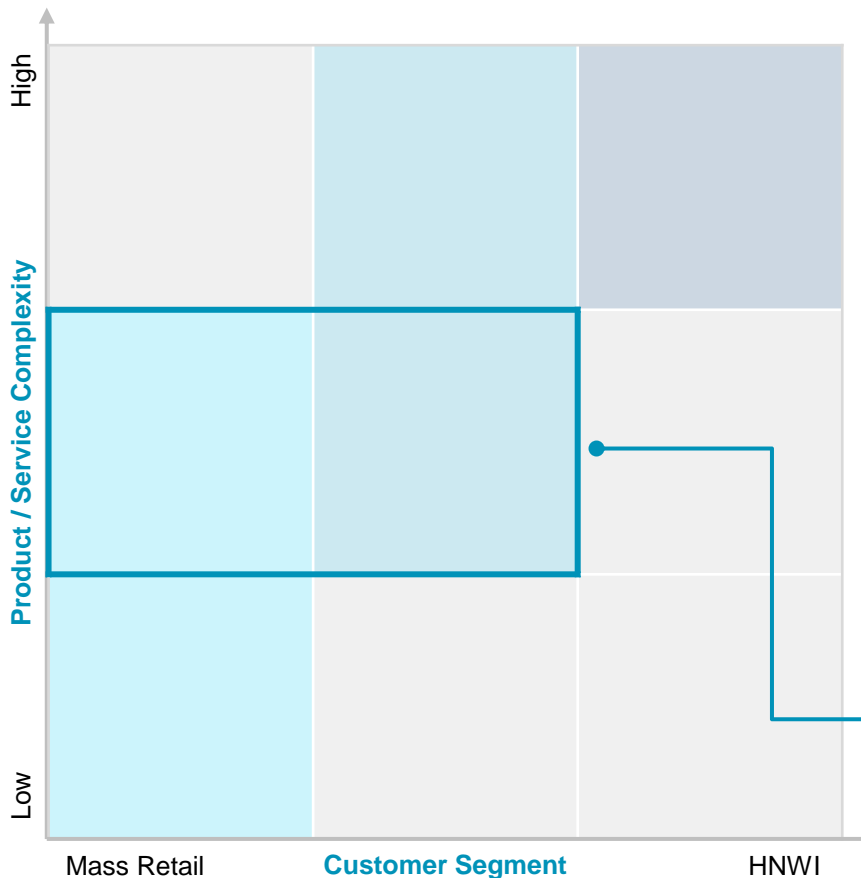


# OVERALL STRATEGIC POSITIONING

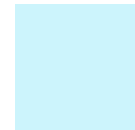
When deciding overall strategic positioning, telco operators need to match their product / service offering mix with the customer base that they would like to target

## Positioning Matrix

Offerings x Customer Base



### Classification



#### Mass Retail

A majority of telcos in APAC operate in the mass retail segment, who demand more simple financial services such as e-Wallets and remittances



#### Core Affluent

Several telco operators target core affluent customers, a less saturated segment demanding a wider range of financial products and services (e.g. trading)



#### High Net Worth

Some telco operators also serve the HNWI segment, who demand the most sophisticated financial products and services (e.g. bespoke wealth management)

**ILLUSTRATIVE POSITIONING**

# EVALUATION CRITERIA

To this end, a careful assessment of various strategic, operational, and financial dimensions needs to be made to help determine an ideal market positioning

## Evaluation Criteria

Suitability Assessment

	Criterion	Description	Implications	
STRATEGIC	Clients	<b>Customer Reach</b>	• Size of current the customer base, including the ability to reach out and engage	Expected demand from end retail users for the financial service offered by the telecom operator
		<b>Service Demand</b>	• The ability to drive demand for the financial service, including top line revenue potential	
	Products	<b>Value Prop. Alignment</b>	• Whether the financial services business is aligned with the telco's overall value proposition	Likelihood of the telecom operator's management team to actively consider entering the space
		<b>Offering Proximity</b>	• Whether the specific FS vertical represents a natural next step for the telco to diversify into	
OPERATIONAL	Internal	<b>Existing Capabilities</b>	• The ability of the telco to leverage existing capabilities, systems, and resources to offer the product / service	Telecom operator's existing internal capabilities to offer the financial service
		<b>Talent Sophistication</b>	• The ability / expertise of existing staff in the desired FS product / service and ease of acquiring additional talent	
		<b>Tech. Sophistication</b>	• The capabilities of existing technological systems in offering new financial products / services	
FINANCIAL	External	<b>Reg. Requirement</b>	• Whether the telco has the required licences and / or the capabilities / resources to acquire additional licences	Likelihood for the regulator to allow the telecom operator to offer the financial service
		Financial	<b>Revenue Potential</b>	• Overall revenue potential of the financial services product / service line for the telco
	<b>Service Cost</b>		• Initial investment and ongoing servicing costs required to operate a financial services business	
		<b>Overall Potential</b>	• The overall likelihood of the telco's existing clients to use its new financial services offering(s)	Opportunity for the telecom operator to expand into the financial services space

## SECTION 3.2

### HOW TO PLAY?









## OPERATIONAL ENABLERS

In order to offer financial services to customers, telco operators need to establish a solid operating model by considering the following key enablers

### Operating Model

Key Enablers

OPERATIONAL ENABLER	UNDERLYING THEMES	DESCRIPTION
 <b>TALENT MANAGEMENT</b>	<ul style="list-style-type: none"> <li>Financial expertise</li> <li>Professional team</li> <li>Talent management</li> </ul>	<p><i>Acquire and retain talent with financial expertise in order to build a full suite of well-structured financial services that embrace innovation</i></p>
 <b>TECHNOLOGICAL CAPABILITY</b>	<ul style="list-style-type: none"> <li>Technology integration</li> <li>R&amp;D investments</li> <li>Open API infrastructure</li> </ul>	<p><i>Build a renewed IT infrastructure to specialise in financial services, with continued investments into R&amp;D and forging of FinTech partnerships</i></p>
 <b>RISK MANAGEMENT</b>	<ul style="list-style-type: none"> <li>Digital customer onboarding</li> <li>Ongoing monitoring</li> <li>Incident response</li> </ul>	<p><i>Ensure a holistic risk management process across the entire customer journey, including customer onboarding as well as ongoing monitoring</i></p>
 <b>REGULATORY COMPLIANCE</b>	<ul style="list-style-type: none"> <li>FS licenses</li> <li>Regulatory requirements</li> <li>Jurisdiction-based</li> </ul>	<p><i>Apply for the relevant financial service licenses in operating jurisdictions with proper disclosures to comply with various regulations</i></p>
 <b>DATA MANAGEMENT</b>	<ul style="list-style-type: none"> <li>Connectivity</li> <li>Cloud</li> <li>Data analytics and cybersecurity</li> </ul>	<p><i>Develop a connectivity platform, utilise cloud data storage, leverage data analytics tools, and adopt cybersecurity measures for FS offerings</i></p>
 <b>MARKETING CHANNELS</b>	<ul style="list-style-type: none"> <li>Internal marketing</li> <li>External marketing</li> <li>Channel partnerships</li> </ul>	<p><i>Advertise the newly-developed financial services to current subscribers, market the offerings to potential customers, and build marketing channel partnerships</i></p>

# DEVELOPMENT OPTIONS (1/4) – BUY, BUILD, OR PARTNER

Telcos can explore three different service models: (1) Buy; (2) Build; or (3) Partner, with existing financial services providers

## Service Model

Buy, Build, or Partner



### BUY

#### Direct Purchase

A one-time purchase of an end-use service provider or systems required by telcos to provide financial services to customers



### BUILD

#### In-house Development

A complete end-to-end, customised development process, tailored to meet the telco's needs and requirements



### PARTNER

#### Strategic Partnership

A strategic partnership with a third party provider who is already operating within the financial services space

## DESCRIPTION

## CRITERIA

## DESCRIPTION

### Affordability

- Extent of one-off and ongoing financial costs required to provide the service to customers

### Flexibility

- Level of difficulty in adjusting components of the service to suit either the telco's or customer needs

### Customisation

- Availability of tools to provide telco operators with the option of adapting specific features according to their customer needs

### Scalability

- Ability, ease, and level of cost-efficiency to expand the capacity of the service

### Pricing Power

- Level of control over profit margins and pricing for solutions offered

### Time-to-Market

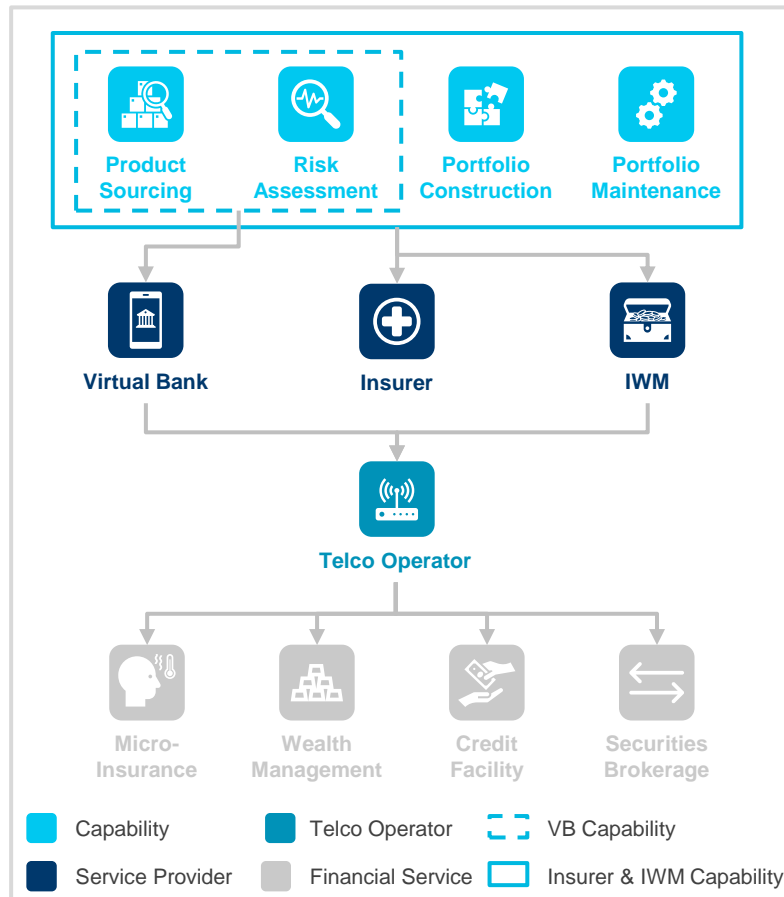
- Estimated length of time it takes for the service to be offered readily to customers from ideation to launch

## DEVELOPMENT OPTIONS (2/4) – BUY

Telco operators can acquire existing FS players (e.g. insurance providers, virtual banks, or wealth management firms) to rapidly enter the financial services space

### Financial Services

Direct Purchase



### Benefits and Drawbacks

Direct Purchase

#### Key Benefits



#### Customisation of Offerings

Telcos can combine their customer data with the acquired firm's financial expertise to offer a diversified set of offerings, from lending up to wealth management, which are tailored to individuals



#### Enablement of Cross-selling

Telco operators can cross-sell financial products to their existing subscriber base and, alternatively, mobile plans to the customer base of the acquired company by attractive bundling and deals



#### Agile Deployment

Experiences and services can be rapidly revamped in-house without dependencies from vendors, enabling telcos to refine their offering and perform integration based on customers' evolving needs

#### Key Drawbacks



#### Expensive

Acquiring a company is expensive, involving various cost components such as advisor fees, legal fees, integration advisory fees, and system integration costs



#### Longer Time-to-Market

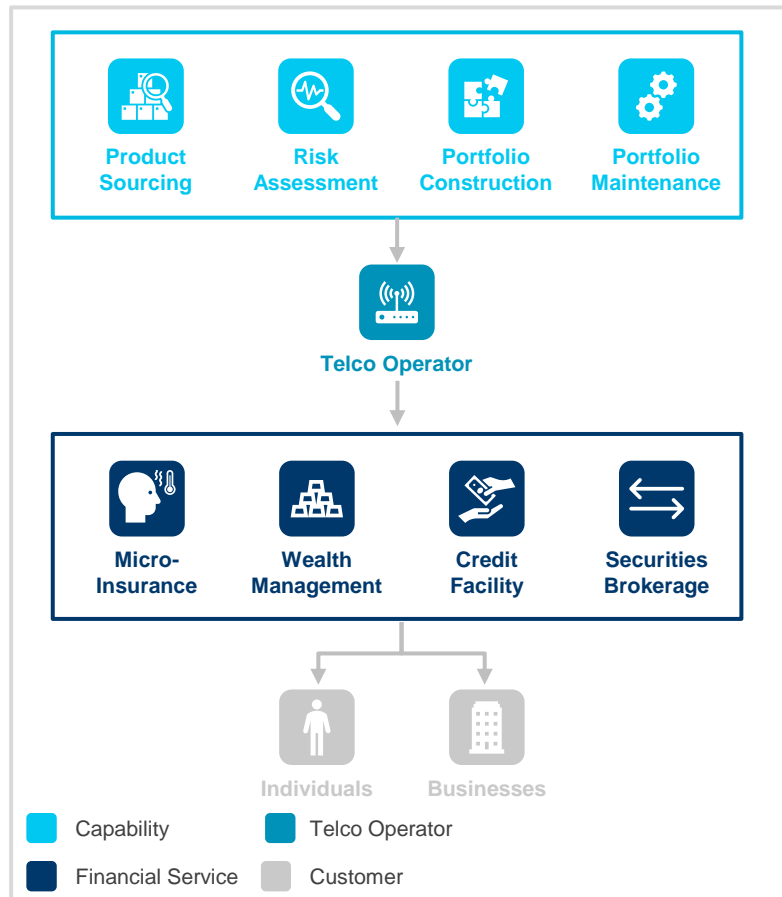
On top of the deal negotiations between the acquirer and target, time and effort needs to be spent on training employees, along with system and data integration, to ensure greater synergies

## DEVELOPMENT OPTIONS (3/4) – BUILD

While most telco operators partner with or acquire FS providers, some of them may choose to develop their financial services capabilities internally

### Financial Services

Build



### Benefits and Drawbacks

Build

#### Key Benefits



#### Complete Customisation

Telco operators can customise their financial services offerings according to the relevant customer data that they have access to (e.g. profiling data, spending behaviours)



#### Agile Deployment

Experiences and services can be rapidly revamped in-house without dependencies from vendors, enabling telcos to refine their offering and perform integration based on customers' evolving needs

#### Key Drawbacks



#### Expensive

Building the necessary infrastructure and gaining access to / creating financial products are costly, on top of the costs associated with hiring and training people with financial expertise



#### Lack of Supporting Capabilities

Although most telco operators would have existing technological infrastructure to facilitate FS offerings, products have to be developed from scratch and tailored to individual needs



#### Lengthy Time-to-Market















As competitors have entered the FS space and are positioning themselves to compete for market share, a telco operator that takes significant time to build would lag behind its competitors

## DEVELOPMENT OPTIONS (4/4) – PARTNER

Alternatively, via strategic partnerships, telco operators can leverage the strengths of existing financial services players, addressing their lack of in-house FS expertise

### Financial Services

Examples of Consortiums

		<b>Axiata (Boost) – RHB Bank</b> (Malaysia)
		<b>Singtel – Grab</b> (Singapore <sup>1</sup> )
		<b>Mobifone – Agribank</b> (Vietnam)
		<b>Globe – CIMB Bank</b> (Philippines)
		<b>Grameenphone – Robi – Bank Asia</b> (Bangladesh)
		<b>HKT – PCCW – Standard Chartered</b> (Hong Kong)
		<b>DST – Baiduri Bank – UnionPay</b> (Brunei)

### Benefits and Drawbacks

Strategic Partnership

#### Key Benefits



#### Flexible Scalability

Telcos can gain access to new markets and the distribution network of its partner, sharing capacity and resources in terms of talent and technology to reach more consumers



#### Quick Time-to-Market

The negotiation and contract set-up process is relatively quick and easy, ensuring that both parties can distribute work according to their respective strengths to launch financial services



#### Cost Savings

By sharing marketing and other costs, both parties can reduce the cost of deploying financial services to the masses (and even share losses in the case of failure)

#### Key Drawbacks



#### Potential Misalignment

While priorities have been set at the start, a telco may want to focus on cross-selling opportunities and grow its core telco business later on while the partner bank may wish to expand into higher margin FS



#### Less Flexibility

Refining financial services and making changes according to customer preferences are less flexible, given the need for both parties to come to a mutual agreement on direction

## CASE STUDY (1/4) – BUY, BUILD, OR PARTNER

KDDI, a Japanese telco carrier, has focused on developing a one-stop financial services platform by buying, building, and partnering with FS companies simultaneously

### Case Study

KDDI, Japan



Established in 2000, KDDI is a Japanese telco operator focused on forming a powerful financial network. It established Jibun Bank in 2008 with MUFG and has many other subsidiaries under the au brand.

# 32 million

au Pay members, establishing a strong customer contact point

### Objectives

Financial Services



#### Greater Integration of its FS Business Lines

Offer smartphone-centric payment, savings, investment, borrowing, and financial planning via smartphone by integrating each of the subsidiaries under the au brand

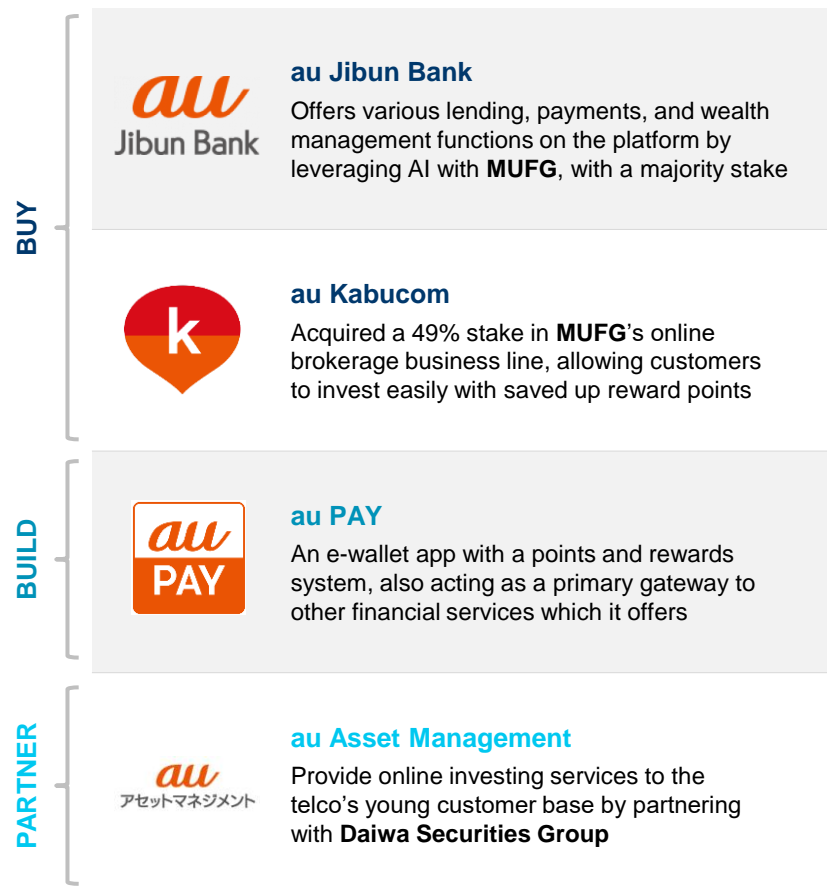


#### Enhanced Accessibility to Financial Services

As KDDI focuses on further expansion in its global business, particularly in Asia, it aims to bring financial services closer to consumers who have previously not had access to such services

### KDDI

Financial Services Subsidiaries



## CASE STUDY (2/4) – BUY

Advanced Info Services (“AIS”) secured a 33% stake in Rabbit-LINE Pay, an e-remittance and payment service that is widely used in Thailand, to enhance touch-point capabilities

### Case Study

AIS, Thailand



AIS is a leading mobile operator in Thailand that offers mobile, fixed broadband, and digital services. Under its digital service business line, it has acquired a stake in Rabbit-LINE Pay to offer online payment solutions.

**43 million**

Total Subscribers

### Platforms

Financial Services



#### Rabbit-LINE Pay

A collaboration between LINE and Rabbit. Line is a powerful online communication tool in Thailand used by 95% of smartphone users, Rabbit is Thailand’s no.1 payment platform with 8.5m users



#### Advanced mPay

Advanced mPay is a subsidiary of AIS which offered prepaid top-up services, postpaid bill payments through the use of mobile devices and offers a variety of services through its mobile wallet app

### Rabbit-LINE Pay

Financial Services

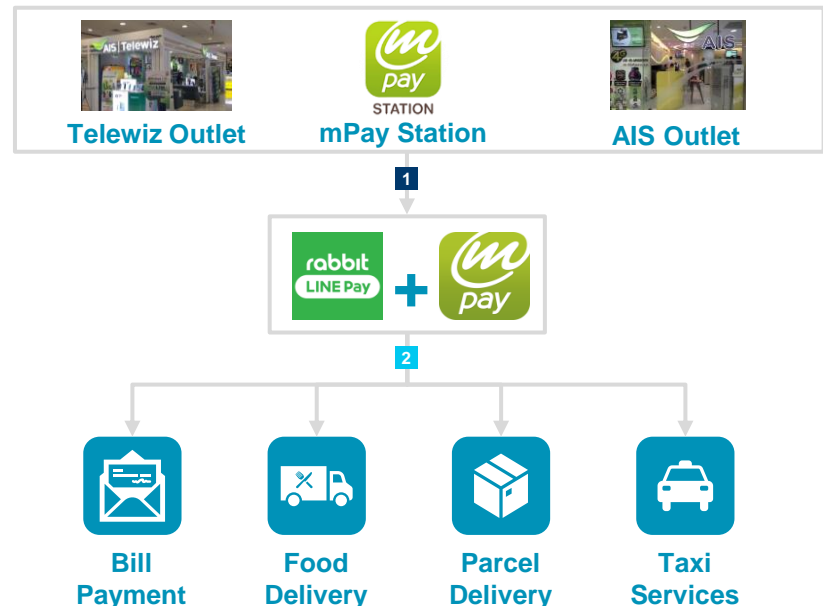
### Service Proposition



#### Greater Convenience

The service will become more deeply rooted in public transportation, communication, and other daily necessities of the Thai people, providing greater convenience to an even larger user base.

### Services



1 Top-up 2 Payment

## CASE STUDY (3/4) – BUILD

Vietnam’s Viettel developed their capabilities from scratch, taking a significant amount of time (~2 years) and expertise to offer an e-wallet and remittances to the underserved

### Case Study

Viettel, Vietnam



Viettel is the largest telco operator in Vietnam, which is locally-based and state-owned. It is currently under a 2-year trial agreement with the government on the deployment of its mobile banking services.

# 65 million

subscribers, obtaining the largest market share in Vietnam

### Mobile Money Pilot Program

Description



#### Ease of License Application

Telco operators can easily apply for an e-wallet license, given their existing network and data infrastructure



#### Broad Range of Use Cases

Consumers only need to register without linking their bank account to use local remittance, digital lending, and other services



#### Prioritisation of the Underserved Segment

While the program mandates nationwide services, participants are asked to prioritise implementation in remote and rural areas

### Financial Services

Offerings



#### For Businesses & Individuals



#### Cross-Platform Payments

Pay bills, movie and train tickets, along with other services easily



#### Free Money Transfers

Free and convenient money transfer to and from a bank acc.



#### No Maintenance Fees

Access the service through the application at no cost



#### For Businesses Only



#### Simple Integration

Easy to integrate payment gateway into the website / app



#### QR Code Scanning

A seamless payment acceptance point for businesses



#### Sales Management

Track domestic and international sales on an integrated app.

### Aim

- ✓ Continuously build its digital infrastructure, given its role as a technology-leading, state-owned enterprise
- ✓ Ensure information safety and security for Vietnam’s network by building in-house



## CASE STUDY (4/4) – PARTNER

Many telco operators are partnering with top banking institutions and super-app players to offer a digital-led financial services proposition

### Globe

Financial Services



Globe, a major provider of telecommunications services in the Philippines, has developed a strategic partnership with CIMB Bank to offer a wider range of financial services, including e-wallet, loans, trading.

**76%**

of Philippines' adult population are users of GCash, making it the leading e-wallet in the country



#### GCash

An e-wallet with 51 million registered users, facilitating seamless transactions to about 3.9 million merchants in the Philippines



#### GCredit

Using behavioral data from the use of GCash, a credit scoring method is created in order to enable the provision of loans to those without any credit history



#### GInvest

An investment marketplace feature of the GCash app, allowing users to invest in various investment funds from partner product providers such as ATRAM Trust

### Grab-Singtel Consortium

Digital Banking



Founded in 2012 as a ride-hailing app, Grab has since developed into a super-app to offer services across delivery, financial services, and businesses.

Majority owned by Temasek Holdings, SingTel is the largest mobile network operator in Singapore. SingTel's operations span across fixed-line, mobile, digital, internet, and TV services.

### Key Strengths

Financial Services



#### Asset Management Partnerships

Grab currently partners with Fullerton and UOB AM to offer GrabInvest, a retail savings and investment solution for the retail masses



#### Large Retail Customer Base

With Grab being a super-app and SingTel being the largest network operator, they have a vast captive user base which can be targeted



#### Wealth Management Solution

Grab already has a retail wealth management solution and acquired Bento, a Singapore-based robo-advisory, in Feb 2020

Grab-Singtel have been approved for a digital banking license in Singapore and are currently waiting for the results of their application in Malaysia

## LICENSING REQUIREMENTS (1/2) – FINANCIAL SERVICES

Telco operators can secure a variety of licenses for financial services through acquiring FS providers, applying directly to be FS providers, or partnering with FS providers

### Licenses Acquisition Methods

APAC, Financial Services

#### MODEL

#### DESCRIPTION



#### BUY

Direct Acquisition

A one-time acquisition of a financial services provider that has already obtained a license to enable telco operators to provide their financial services



#### APPLY

In-House Application

A complete, end-to-end, customised financial service license application process, tailored to the telco's capabilities and requirements



#### PARTNER

Strategic Partnership

A strategic partnership with a third-party financial service provider who already holds a license and operates in the financial services space

### Financial Services License Universe

Hong Kong as An Example

	<b>Type 1</b> Dealing in Securities	<ul style="list-style-type: none"> <li>Making or offering to make an agreement for acquiring, disposing, subscribing, or profiting from securities</li> </ul>
	<b>Type 2</b> Dealing in Futures Contracts	<ul style="list-style-type: none"> <li>Making or offering to make an agreement for acquiring, disposing or profiting from futures contracts</li> </ul>
	<b>Type 3</b> Leveraged Foreign Exchange Trading	<ul style="list-style-type: none"> <li>Entering or providing financial accommodation to facilitate a leveraged foreign exchange contract</li> </ul>
	<b>Type 4</b> Advising on Securities	<ul style="list-style-type: none"> <li>Providing advice, analysis, or reports on securities which are to be acquired or disposed of</li> </ul>
	<b>Type 5</b> Advising on Future Contracts	<ul style="list-style-type: none"> <li>Providing advice, analysis or reports in order to inform others on entering or disposing of a futures contract</li> </ul>
	<b>Type 7</b> Providing Automated Trading Services	<ul style="list-style-type: none"> <li>Offering services through electronic facilities not provided by recognised exchange company or clearing house</li> </ul>
	<b>Type 8</b> Securities Margin Financing	<ul style="list-style-type: none"> <li>Providing financial accommodation in order to facilitate acquisition or holding of listed securities</li> </ul>
	<b>Type 9</b> Asset Management	<ul style="list-style-type: none"> <li>Providing a service of managing a portfolio of securities or futures contracts for another person</li> </ul>

## LICENSING REQUIREMENTS (2/2) – VIRTUAL BANKING

Many telco operators have already chosen to cooperate with established FIs in consortiums to apply for virtual banking licenses across the region

### Licenses

APAC, Virtual Banking

Jurisdictions / Markets	Open to Apply	Open to Non-Bank Players	No. of Licenses Issued
 Singapore	✓	✓	4
 Hong Kong	✓	✓	8
 Japan	✓	✗	9
 South Korea	✓	✓	3
 Australia	✓	✓	9
 New Zealand	-	-	-
 Malaysia	✓	✓	5
 Indonesia	✓	✓	7
 Thailand	- (June 2022)	- (June 2022)	- (June 2022)
 Vietnam	✓	✗	3
 Philippines	✓	✓	6
 India	✓	✓	11

✓ Applicable
 - In Progress
 ✗ Not Applicable

### Telco License Applicants

APAC, Virtual Banking

Jurisdiction / Market	Telco Operator	Financial Partner	Non-Financial Partner
 Singapore		N/A	
 Hong Kong	 		
 Taiwan		 	
 Vietnam (In Progress)			

# SECTION 4

## HOW WE CAN HELP

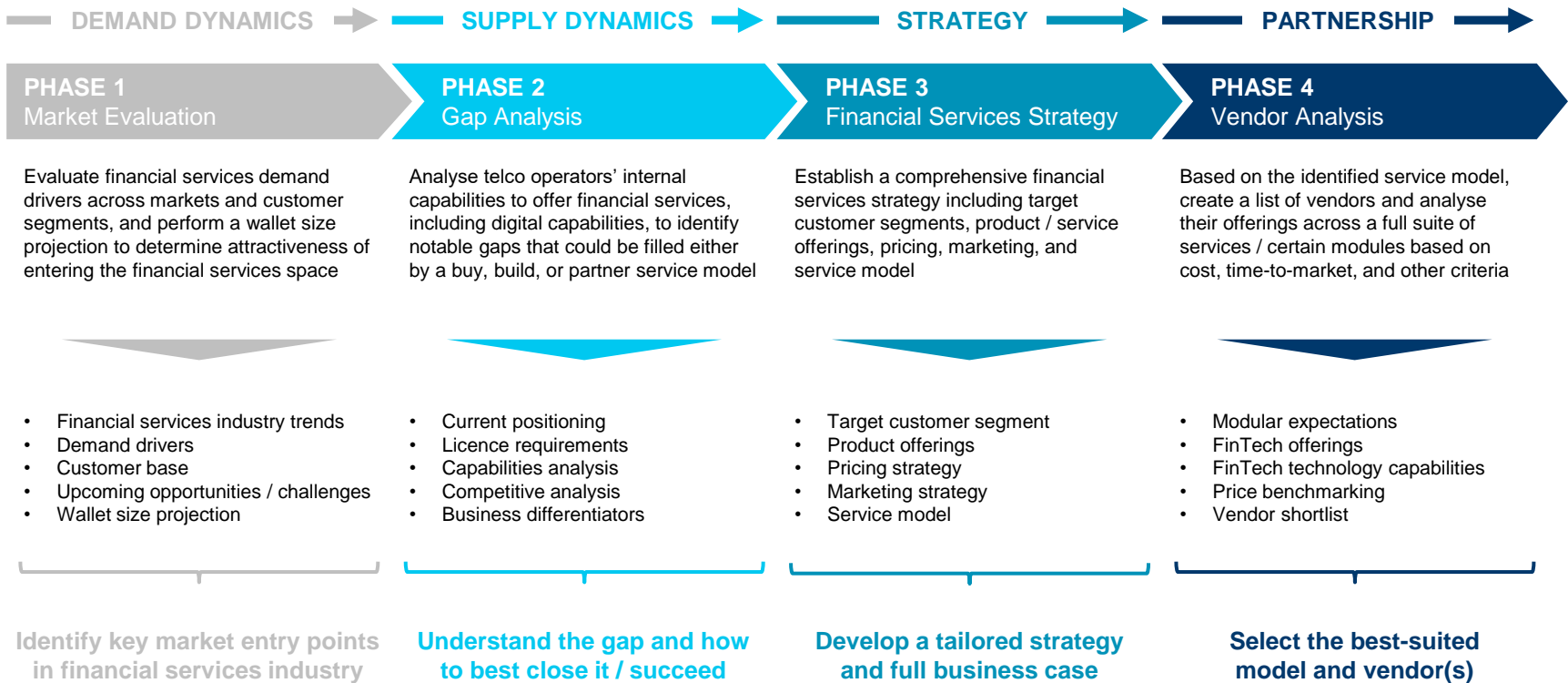


# HOW WE CAN HELP

We can help telcos develop a strong understanding of their financial services capabilities alongside the vendor landscape to inform a potential go-to-market strategy

## Proposed Approach

Four Phases



## OUR OFFERING

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

# QUINLAN &ASSOCIATES

SHAPE YOUR STRATEGY

DRIVE YOUR OUTCOMES

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

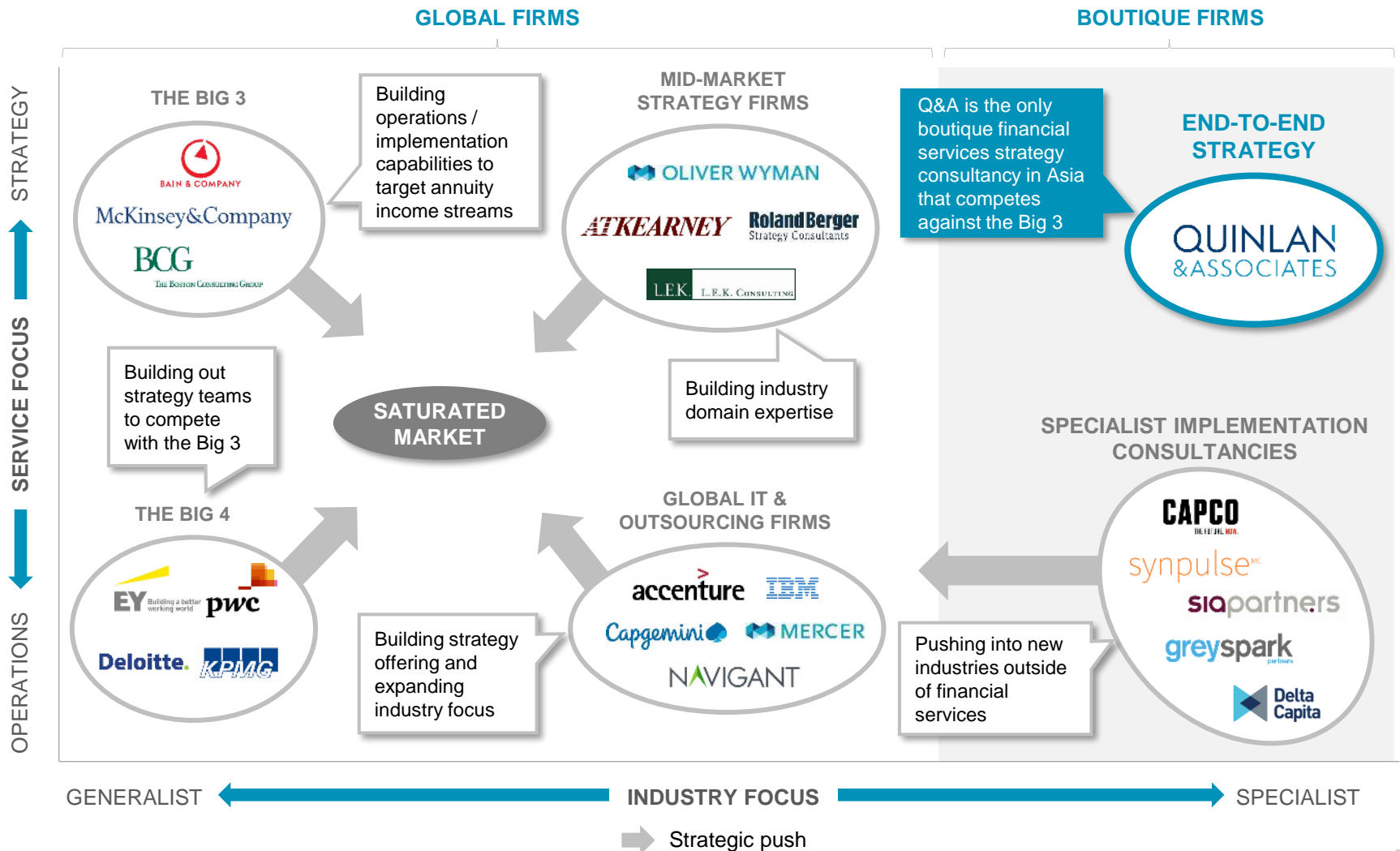
### STRATEGIC PITCHES

Creation of product and deal-specific pitches and company marketing collateral:

- Commissioned research reports
- Strategic pitches
- New product launches
- Transaction pitchbooks
- Company marketing decks

# 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 APPROACH

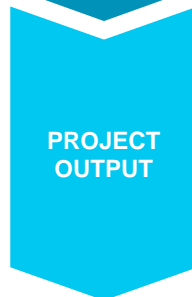
We provide unbiased, independent advice that is tailored uniquely to each and every client and supported by robust, data-driven analysis

### STEP 1



PROJECT  
EXECUTION

### STEP 2



PROJECT  
OUTPUT

### STEP 3

#### GLOBAL CONSULTING FIRMS

- Initial client meeting to discuss related global marketing collateral
- Consulting firm proposes their ingoing hypotheses about the client's problem
- Project proposal is built around upfront hypotheses and typically based on the outcomes a previous comparable project

- Junior team staffed on project
- Relevant macro/industry research from a related project is recycled for the client
- Client information is repackaged and delivered back to them as a considerable part of the project deliverables
- Field work and interviews are designed to reinforce ingoing hypotheses

- A considerable amount of 'blue sky thinking' and 30,000 feet ideas that lack any tangible action points, which can represent up to 80% of project output
- Minimal or non-existent post-project support around business case development, execution, reporting, and communication, which is left to the client

#### QUINLAN &ASSOCIATES

- ✓ Initial meeting focused on discussing specific strategic issues facing the client
- ✓ Client problems and objectives are reviewed in detail using our experience and insights on the subject matter
- ✓ Project proposal tailor-made to address the client-specific problem in question

- ✓ Senior team staffed on project
- ✓ All macro/industry research is built specifically around the client's situation
- ✓ Client information is analysed in detail to draw out key value-add insights
- ✓ Fieldwork and interviews are designed to validate insights from data analysis

- ✓ Output remains focused on addressing the specific client problem in question
- ✓ Tangible action items are developed around relevant project conclusions
- ✓ Client is provided with upfront execution support; and can also engage Quinlan & Associates for all other services along the entire strategic value chain



## OUR DIFFERENCE

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

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

# INTERNATIONAL CAPABILITIES

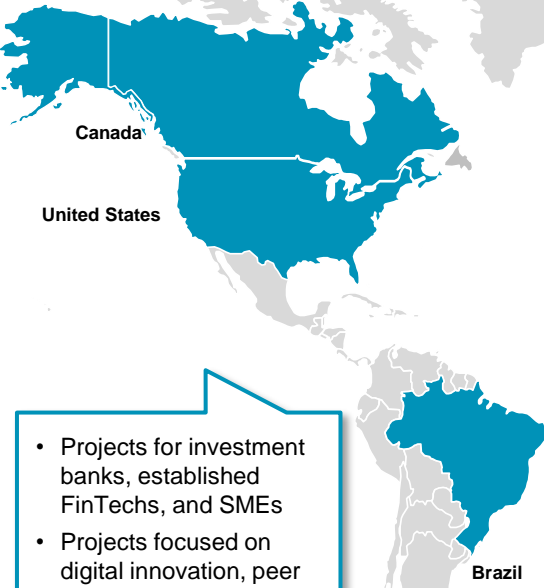
We combine global project experience with an in-depth understanding of the Asia Pacific region across developed, emerging, and frontier markets

## TEAM EXPERIENCE BY CLIENT REGION

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

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

**THE AMERICAS**



Canada  
United States  
Brazil

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

**EMEA**



UK  
France  
Spain  
Germany  
Switzerland  
Italy  
Israel  
Senegal  
Nigeria  
Uganda  
Kenya

**ASIA PACIFIC**



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

# OUR EXPERIENCE

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

## Global Banks



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

## Market Infrastructure & Corp. Services



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

## Asset Managers / Family Offices / VCs



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

## Regional Brokers & Bancassurers



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

## FinTech Companies



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

## Non-Financial Services



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

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

## CLIENT TESTIMONIALS

We pride ourselves on flawless project delivery, and make it our mission to deliver work of the very highest standard that is uniquely tailored to each and every client



*"I truly appreciate Q&A's end-to-end consulting service. They made a genuine effort to understand our opportunities and challenges, and tailored a strategic solution that enabled us to capture key opportunities. Their expertise, approach, and market connectivity allowed ensured their solution could be put to day-to-day use by our staff. Q&A really deliver strategy with a difference."*

**Joanne Hon, Former Head of Asia Pacific**



*"Q&A have been an absolute pleasure to work with. They have over-delivered every step of the way, kept clear lines of communication open, and have been available at the drop of a hat to hop on a call to provide strategic advice as issues have arisen. The insights they provide derives from the deep industry knowledge of the partners, and the tireless research and professionalism of their associates."*

**Ray Horan, CEO**



*"Q&A worked closely with us to better understand Hashed. Their industry knowledge and research ability exceeded our expectations, which helped produce tailored outcomes we were hoping for by engaging their services. We truly appreciated their attention to detail and professionalism, combined with their penchant for perfection."*

**Simon Kim, CEO & Managing Partner**



*"Q&A were instrumental in helping us develop our strategic pitch and articulate the core parts of our business in a very concise way. Their knowledge of crypto, finance and technology made them the ideal partner for such an exercise, and the strategic collateral produced has been multi-purposed for various different stakeholders of ours."*

**David Wills, CEO**



*"We have worked with Q&A on a number of projects. Their work is rigorous and of a very high quality, which has proved to be useful and insightful as we grow our business. It has also proved attractive to a broader audience of stakeholders, including investors, customers, prospects and the media."*

**Jon Foster, Co-Founder**



*"Q&A took the time to really understand our business and the industry, which resulted in strategy reflecting our mission, culture, and voice. They produced a finished product far more professional than we could have conceived of ourselves, the benefit of their independent, sharp team."*

**Lawrence Morgan, CEO**



*"Q&A was extremely thorough and easy to work with. As a team of PhDs, we are very particular about research quality and the Q&A team exceeded our expectations. Their ability to delve into a topic and build a coherent framework around that subject matter and present it in a clear, concise manner is impressive."*

**Evan Schnidman, CEO**



*"Q&A did an excellent job developing our strategic pitch. They have a deep understanding of the financial services and tech industries, which was extremely helpful in helping us define and articulate our unique business model and future strategy. Q&A created a high-quality product in a very short amount of time; they were diligent and responsive to our requests."*

**Rahul Kotwal, CEO & Managing Partner**

# INDUSTRY INSIGHTS

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

**Bloomberg**

INTERNATIONAL DISTRIBUTION



OFFICIAL CONSULTING PARTNER

**250,000+**

REPORT DOWNLOADS



## TRACK RECORD

We have a strong track record of correctly predicting a number of trends in the financial services industry, including being the world's most accurate Bitcoin price forecaster in 2018

DATE	DECLINING GLOBAL RESEARCH WALLET	OPENING OF CHINA SECURITIES MARKET	PROLIFERATION OF IRPs & ORMs	ALTERNATIVE DATA TO GO MAINSTREAM	GREATER SCRUTINY ON RISK CULTURE	BURSTING OF THE CRYPTO BUBBLE
<b>PREDICTION</b>	<p><b>August 2016</b></p> <ul style="list-style-type: none"> <li>In <i>Research In An Unbundled World</i>, we forecast a decline in global research spend of up to 30% by 2020 in response to MiFID II regulations</li> </ul>	<p><b>September 2016</b></p> <ul style="list-style-type: none"> <li>In <i>Sino-Foreign Securities JVs</i>, we predicted a wave of foreign banks to accelerate their onshore securities build-outs on the back of regulatory liberalisation</li> </ul>	<p><b>March 2017</b></p> <ul style="list-style-type: none"> <li>In <i>Research.com</i>, we saw strong growth in online research marketplaces (ORMs) and independent research providers (IRPs) on the back of MiFID II</li> </ul>	<p><b>September 2017</b></p> <ul style="list-style-type: none"> <li>In <i>Alternative Alpha</i>, in the face of massive fund outflows to passive funds due to poor performance, we saw active managers turning to new data sets</li> </ul>	<p><b>October 2017</b></p> <ul style="list-style-type: none"> <li>In <i>Value At Risk</i>, we highlighted the risk culture as the key ingredient in addressing growing fines, penalties, and losses, rather than compliance and audit spend</li> </ul>	<p><b>January 2018</b></p> <ul style="list-style-type: none"> <li>In <i>Fool's Gold?</i>, we projected the crypto market to unwind in 2018, with the market cap to fall to USD 223bn (and Bitcoin to hit USD 1,800) by Dec 2018, with a 2019 rebound</li> </ul>
<b>CURRENT SITUATION</b>	<p>✓ European fund managers cut their 2018 investment research budgets by 20-30% in response to MiFID II, with further declines expected in 2019/20</p>	<p>✓ In November 2017, major liberalisation measures were announced, with many foreign banks planning to set up a JV or expand their JV ownership / business scope</p>	<p>✓ The investment research industry has seen strong growth in ORMs (such as RSCHXchange, Smartkarma) and specialised IRPs (such as Autonomous)</p>	<p>✓ Active managers have been actively looking to source unique data sets in an effort to generate new investment ideas and drive performance, spawning a huge alt data market</p>	<p>✓ Risk culture is becoming a key focus areas for global regulators (e.g. the 2018 Australian Royal Commission into Banking Misconduct points to heavy cultural scrutiny)</p>	<p>✓ The global crypto industry fell by ~80% from its peak of USD 830bn to USD 100bn in 2018, with the price of Bitcoin reaching USD 3,200, with a 2019 rebound</p>

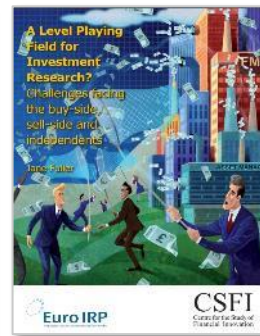
# THIRD-PARTY PUBLICATIONS

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

70+

## THIRD-PARTY PUBLICATIONS SELECT CITATIONS

THIRD-PARTY PUBLICATIONS

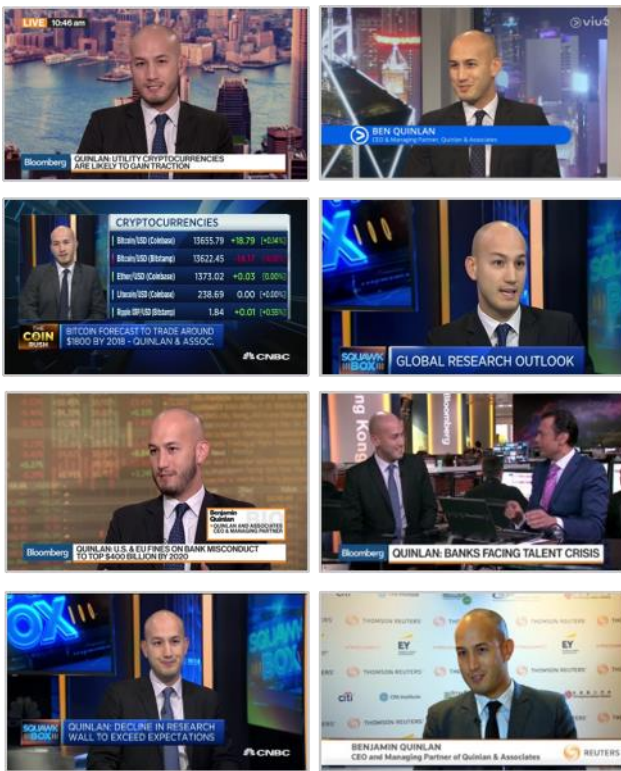


## IN THE MEDIA

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

40+

TELEVISION / RADIO INTERVIEWS



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

1,500+

GLOBAL PRESS CITATIONS





# INDUSTRY CONFERENCES

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

# 200+

SPEAKING ENGAGEMENTS

## INDUSTRY CONFERENCES SELECT EVENTS



## TEAM (1/4) – PARTNERS

Partners at Quinlan & Associates are highly experienced industry professionals, combining best-practice strategic thinking with deep commercial acumen



**BENJAMIN QUINLAN**  
CEO & MANAGING PARTNER

Benjamin is the CEO and Managing Partner of Quinlan & Associates. He is also the Chairman of the FinTech Association of Hong Kong, an Adjunct Professor at the AIT School of Management, a Conference Ambassador for the Hong Kong Tourism Board, and sits on various Advisory and Steering Committees for HKTDC, HKSTP, AustCham, and HKGCC. He is a Senior Advisor for a number of leading startups, a Mentor for PingAn's Cloud Accelerator, a Guest Contributor for eFinancialCareers and Regulation Asia, and is recognised as a key FinTech influencer in Asia.

Prior to founding Quinlan & Associates, Benjamin was the Head of Strategy for Deutsche Bank's Equities business in Asia Pacific and its Investment Bank in Greater China. He also worked as a strategy consultant at Oliver Wyman, in Group Strategy and Client Coverage roles at UBS, and as an M&A Tax Consultant at PwC.

Benjamin holds a combined Bachelor of Commerce / Bachelor of Laws (Honours) and a First-Class Honours Degree in Economics (on scholarship) from Macquarie University, Sydney.



**YVETTE KWAN**  
COO & PARTNER

Yvette has over 20 years of experience in corporate strategy and investment banking. Prior to joining Quinlan & Associates, Yvette was the Regional Operating Officer (COO) for UBS AG's Corporate Client Services division in APAC. Before this, she was an Executive Director in UBS's Group Strategy and M&A departments in Zurich, Sydney, and Hong Kong.

Before joining UBS, Yvette worked in the Greater China and Corporate Finance team at Credit Suisse First Boston in Hong Kong. She began her career in Emerging Business Services and Corporate Tax at PwC in Sydney.

Yvette holds an MBA from the Australian Graduate School of Management and a BCom (with merit) from UNSW.



**MICHAEL CAMPION**  
HEAD OF TRAINING & PARTNER

Michael has over 10 years of experience as a professional speaker and emcee, regularly invited to speak in front of audiences of 500+. He has shared the stage with numerous CEOs and celebrities on behalf of blue-chip corporates, schools and not-for-profits. Previously, Michael worked in global banking and markets at Royal Bank of Scotland in Edinburgh.

Michael has extensive media experience, having been interviewed live by BBC World, SCMP, RTHK, and worked on live TV as a sports commentator. He is also a former professional athlete, playing football at international level.

Michael holds a Master degree in Business Management from the University of Edinburgh Business School. He also holds a Bachelor of Arts (Honours) from The University of Durham.

## TEAM (2/4) – CONSULTANTS

All of our Consultants have extensive experience working on strategy consulting engagements across a broad spectrum of industries, subject matters and geographies



**JUSTIN CHUNG**  
SENIOR ASSOCIATE

Justin has wide-ranging experience from corporate strategy to project execution. Prior to Q&A, he worked at JPMorgan, executing data analytics and management projects across Asia Pacific, and at a boutique blockchain advisory firm, heading corporate structuring and business development. He also worked at KPMG Advisory, focusing on data projects.

Justin holds a First-Class Honours Degree in Global Business from HKUST.



**EASHAN TREHAN**  
ASSOCIATE

Eashan has worked on various strategy projects for various FinTechs / FIs. He previously interned at JPMorgan and Deutsche Bank and was the Head of Finance and Technology at student-led Eureka Consulting Group, where he completed various consulting projects for MNCs and Asian corporates.

Eashan holds a Bachelor's in Engineering (Honours) majoring in Finance and Computer Science from HKU.



**ALISON HU**  
CONSULTANT

Alison previously worked at UniCredit Corporate & Investment Bank, covering institutional clients across global markets. She also interned at Guotai Junan investment bank, conducting pre-IPO industry analysis and valuation of A-share companies.

Alison holds a Bachelor's degree in Finance and Economics (Honours) from the University of Hong Kong (HKU).



**JEANNY ANG**  
CONSULTANT

Jeanny previously worked at Bank of America, where she participated in regional projects to streamline internal operational processes to enhance client experience. She was also a Director of a student-led organisation, Change-Makers Network, where she led the first youth-empowerment Programme in Indonesia.

Jeanny holds a Bachelor's degree in Economics and Finance (Honours) from the University of Hong Kong.

## TEAM (3/4) – CONSULTANTS & BUSINESS SUPPORT

All of our Consultants have extensive experience working on strategy consulting engagements across a broad spectrum of industries, subject matters and geographies



**JONATHAN PUN**  
CONSULTANT

Jonathan previously worked at Ernst & Young with Financial Services Risk Management division and Deloitte & Touche with cyber risk management team, where he supported and participated in on-site projects for multinational companies.

Jonathan holds a Master's degree in Finance from Imperial College and a Bachelor's in Economics and Statistics (First Class Honours) from UCL.



**KAYNAT AKHTAR**  
SENIOR BD ASSOCIATE

Kaynat is responsible for Business Development at Q&A. She previously worked at a global financial derivatives brokerage firm in business development strategy, as well as a Spanish fashion house, where she was responsible for the firm's social media strategy.

Kaynat holds a Bachelor of Business Administration (Honours) majoring in Finance and minoring in Marketing from Lingnan University.

## TEAM (4/4) – SUBJECT MATTER EXPERTS

Our Subject Matter Experts are financial services industry veterans across different practices, such as investment banking, private equity, and corporate strategy



### VIPPY WONG

Vippy has extensive experience in the financial services industry, having spent over a decade working in top-tier investment banks (RBS, ABN Amro, UBS), exchanges (HK Mercantile Exchange), technology providers (Thomson Reuters), and management consultancies (Oliver Wyman).

Vippy holds a joint EMBA from Columbia / LBS / HKU and a Bachelor of Engineering from Princeton.



### JONG LEE

Jong is the Chairman and Managing Director of RGL Holdings, Ltd, a privately-owned VC fund. His areas of focus in Hong Kong include over a dozen early-stage technology companies, social enterprises, education initiatives, and business turnarounds.

Jong holds a JD from Columbia University and graduated with honours from the University of Pennsylvania in Bioengineering and Political Science.



### EVAN SCHNIDMAN

Evan is the Founder and Managing Partner of EAS Innovation Consulting, a boutique data and technology consulting firm. Prior tot this, Evan was the Founder and CEO of Prattle, the Head of Data Innovation at Liquidnet, and a noted academic at Brown University.

Evan holds a Ph.D. in Political Economy from Harvard University, an MPA in Political Economy from Washington University in St. Louis, and a BA (Summa Cum Laude) from Washington University in St. Louis.



### LOUISA ROBB

Louisa is the Founder and Managing Director of Lucella, a professional coaching and consulting firm based in Switzerland. Prior to this, she was a Managing Director and Global Chief of Staff for UBS's Legal & Compliance Department, and the Head of Strategy for UBS in Asia Pacific.

Louisa holds a Bachelor of Commerce (Economics and Finance) from the University of Melbourne.



### BRUCE SALZER

Bruce Salzer a proven business leader with an accomplished background across the US, Japan, and Hong Kong. He was previously a Managing Director and Head of Corporate Access & Client Management (Asia Pacific) for Jeffries, Standard Chartered, and JPMorgan

Bruce holds an MBA (Finance & Marketing) from the University of Texas at Austin and a BA (Economics & Business) from Vanderbilt University.



### MARCUS CONSOLINI

Marcus has over 25 years of experience in FinTech, Investment Banking, and private equity. He was the Asian Head of Trading, Electronic Execution and Cross Asset Execution JPMorgan, Macquarie, and SocGen. At Macquarie he launched was the Global Head of Account Management and Corporate Access. He began his career at Deloitte in New York City.

Marcus holds a Masters degree in Finance and Operations from the University of Ottawa, and a Bachelor of Arts in Political Science and Analytical Statistics from Lehigh University

## CONTACT US

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QUINLAN  
&ASSOCIATES

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STRATEGY WITH A DIFFERENCE