

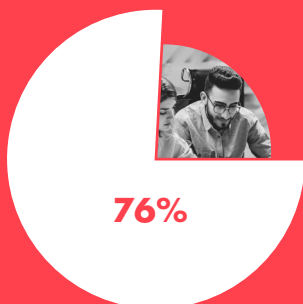
Digital transformation: What's next for banks in Southeast Asia?



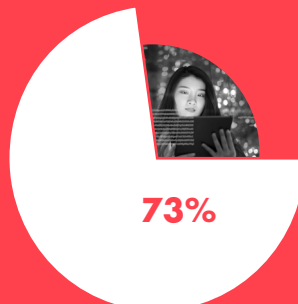
The inside story from 120 senior
SEA banking leaders

How are banks in Southeast Asia progressing with their digital transformation? To find out, we surveyed 120 senior SEA banking leaders to discover their insights, their challenges and how they're prioritizing their transformation strategies. **Here's a snapshot of what we found.**

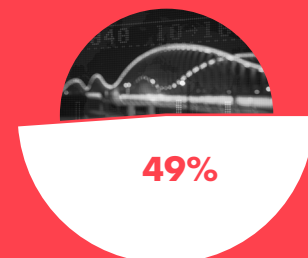
KEY STATS AT A GLANCE



Claim customer centricity is driving key decisions within their organization.

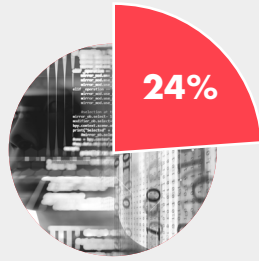


Say they have a clearly articulated digital transformation strategy.

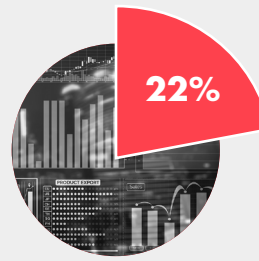


Admit they have yet to make significant progress implementing their transformation strategy.

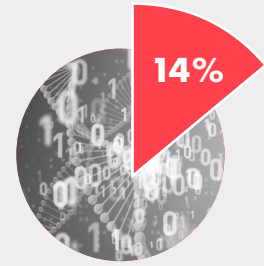
The top priorities for digital business transformation in Southeast Asian banks are:



Improving the customer experience



Growing revenue with new products and/or service offerings



Growing revenue from existing products



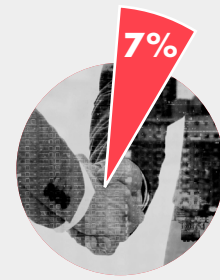
Reducing costs through improved efficiency



Challenging the threat posed by new market entrants (e.g. Google, Apple, Amazon)



Enabling greater agility



New customer acquisition

The three main barriers to digital transformation are:

COVID-19



claim the pandemic to be their biggest transformation barrier, with many believing the increasing use of digital channels during the pandemic will continue over the next 12 months.

REGULATORY CHALLENGES



say challenges around regulation are their top digital transformation barrier.

LEGACY TECH



admit legacy technology is hindering their digital business transformation.

Customer data a key priority for SEA banks

Banks want to build
community engagement
and use insights to offer
new products and services.



42%

want to combine their customer data across different systems to better understand their customers.



38%

say community engagement is a top customer experience priority, with 60% believing they are head of their competitors in this regard.



38%

say offering new financial services and products is among the top priority, similar to the trend seen in the neighboring Australia region.

Intelligent tech for meaningful insights

When it comes to
operational transformation,
Southeast Asia is putting
customer understanding
at the heart.



KEY OPERATION

40% ●●●●●●●●●●

said investing in intelligent technologies was their main focus, with 47% claiming increasing competition from digital-first challengers as the reason for this.



DATA AND ANALYTICS

38% ●●●●●●●●●●

are prioritizing the ability to obtain a richer understanding of their customers via better use of data and analytics.



MODERN CLOUD

35% ●●●●●●●●●●

are focusing on building modern, cloud-based core banking systems.

How do banks in
Southeast Asia think
they rank against the
competition?



50%

of banks think they're ahead on all fronts.



36%

think they lag in offering traditional products through new channels and personalized services.

How are Southeast Asian banks approaching sustainability?

 **DIGITAL TRANSFORMATION**



say environmental, social, and governance (ESG) is a key driver of their digital transformation plans

 **STRATEGY**



think their ESG strategy is giving them a competitive advantage.

 **ESG CREDENTIALS**



are feeling significant pressure to improve their ESG credentials.

Moving forward with diversity

Southeast Asian banks are ahead of the curve when it comes to driving diversity, equity and inclusion, with 42% of those asked saying their organization has made DEI commitments – way ahead of the global mean of 35%.



ANDREW MALE
Client Partner, APAC
Andrew.male@publicissapient.com



SARFRAZ KHAN
Marketing Lead, SEA
sarfraz.khan@publicissapient.com

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