Banking

OVERWEIGHT

(MAINTAINED)

Rationale for report: Sector Update

Analyst (s)

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Breaking data walls

Open Finance has largely flown under investors' radar, but we think attention needs to start shifting here as the market begins to look ahead and position for next year's winners. Our assessment identifies likely beneficiaries and uncovers potential upside that we believe is not yet fully appreciated. Looking at where banks stand today and evaluating their ability to adapt, we believe CIMB, HLB and Alliance hold the winning hand. Coincidentally, the 3 banks are also our top picks. Crucially, the potential payoff has weight: we estimate c.RM2.0bil annual WM revenue opportunity; if the trio seize 8-20% market share, bottom-line could increase by c.4-14%, dividend yields by c.0.4-1.4ppt and our TPs by c.3-13%.

- **Maintain OVERWEIGHT.** For years, customer data has largely stayed within the walls of individual financial institutions. Open Finance is changing that from next year onwards, allowing information to travel more freely with customer consent. As these walls come down, long-held advantages will narrow and competition turns stiffer. Yet a more level playing field does not necessarily mean a smaller pie. Richer data flows could create new sources of growth and monetization, particularly in WM and MSMEs; disruption can be as much an opportunity as a threat. So, the prize is there for the taking, but adaptability and execution will separate the wheat from the chaff.
- **Who holds the winning hand?** The deck is set to be reshuffled under Open Finance, but CIMB, HLB and Alliance each have something to play with. CIMB (29/30) enters with the strongest hand, combining deep customer relationships and cross-sell capabilities with TNG Digital's distribution reach. HLB (10/30) has an ace up its sleeve i.e. a proven digital track record that could help it close the gap quickly despite lower starting score. Alliance (11/30) is our wildcard, given richer customer insights potentially sharpening targeting and opening door to deeper wallet penetration. Having already won lending share, WM and other fee businesses may be its next act.
- **What's the payoff?** We estimate that Open Finance could unlock c.RM400bil of WM AUM (c.RM11k/capita), creating a RM2.0bil annual revenue pool at a 50bp blended fee rate. If CIMB, HLB and Alliance capture 8-20% of this opportunity, earnings may rise by c.4-14%. Herein lies the prize: WM is capital-light, allowing more of the gains to search their way back to shareholders, increasing dividend yields by c.0.4-1.4ppt and our TPs by c.3-13%. MSME lending offers another bite at the cherry, but with less bang for the buck: closing the RM90bil funding gap only add c.1-6% to profit, yet higher capital consumption and credit risk leave just c.0.1-0.3ppt of yield accretion and c.1-6% TP upside.
- **Looking abroad for clues.** The UK and Brazil reveal the disruptive side of Open Finance: information moats weaken, customers become more contestable and margin pressure follows. However, the US points to the upside, with richer information flows fuelling new growth avenues and reshaping P&Ls through better lending, deposit services and credit assessment. China reinforces the case by linking Open Finance to stronger NIM and ROA. Rounding things off, Singapore illustrates how it can evolve into a broader ecosystem of use cases. The lesson for Malaysia is straightforward: freeing data may intensify rivalry, but execution will ultimately separate winners from losers.

Top picks

Sorted by upside

HLFG
TP: RM33.00
Rec: BUY
Upside/Downside: +81%

CIMB
TP: RM9.80
Rec: BUY
Upside/Downside: +31%

HLB
TP: RM28.00
Rec: BUY
Upside/Downside: +27%

Alliance
TP: RM5.50
Rec: BUY
Upside/Downside: +18%

The winning hand: CIMB, HLB, Alliance

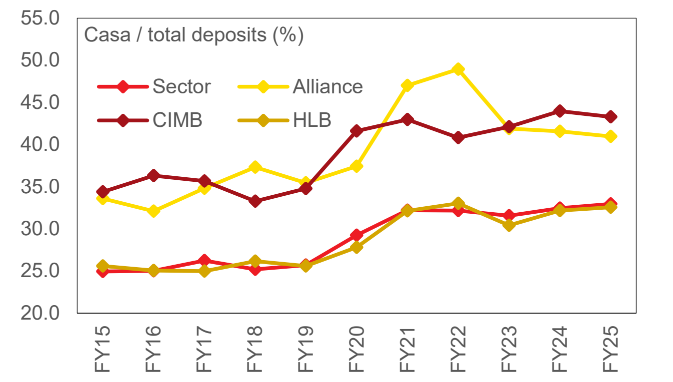
Reading the room

Reshuffling the deck. With Open Finance looming, Malaysian banking is on the cusp of another shift in how business is done. Competition is likely to intensify (as seen in other markets), but the bigger question is how banks adapt to this new landscape. In this report, we assess who is best positioned to ride the change and who risks losing ground. At first glance, larger banks appear more vulnerable: staying at the top is often harder vs coming from behind. Their long-held data advantage could also be diluted as client information becomes more accessible; this was observed in both the UK and Brazil, where competition intensified and incumbent data moats narrowed.

Adaptation is key. Execution will ultimately separate the winners from the losers, creating an opening for nimble mid-sized and well-run smaller banks to take a bigger slice of the pie. Greater information sharing need not be a zero-sum game either. Evidence from the US suggests banks can reshape their P&Ls by harnessing richer information flows, with mid-sized players recording stronger ROA, while China shows how narrowing information gaps can unlock new lending opportunities and improve monetization. In light of this, we see CIMB, HLB and Alliance as potential winners from Malaysia's Open Finance transition.

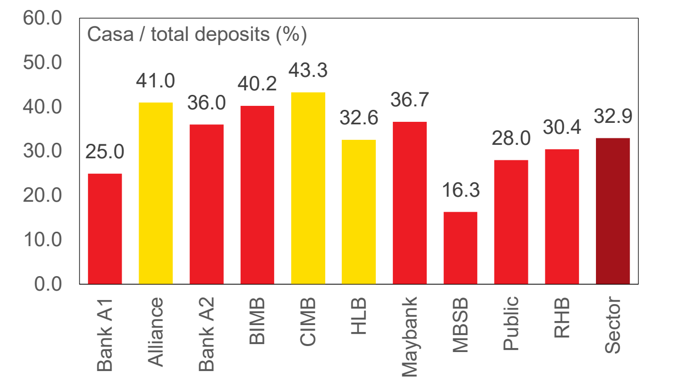
Putting numbers to it. We evaluate banks across 3 dimensions: (i) primary-bank strength (CASA/total deposits), (ii) relationship monetization (fee income/total deposits), and (iii) cross-sell ability (fee income/total loans). Next, employing the '1224' ranking framework, each measure is assigned up to 10 points for a maximum score of 30. The results: CIMB sits comfortably at the top with 29/30, while HLB and Alliance trail at 10/30 and 11/30. Simply put, a higher '1224' score is better and a lower one signals a weaker starting position, but it does not determine tomorrow's winners. As data barriers fall, execution, product muscle and agility could reshuffle the deck. Our individual commentaries explain why we believe CIMB, HLB and Alliance are equipped to win.

EXHIBIT 1. CIMB & Alliance consistently led on CASA



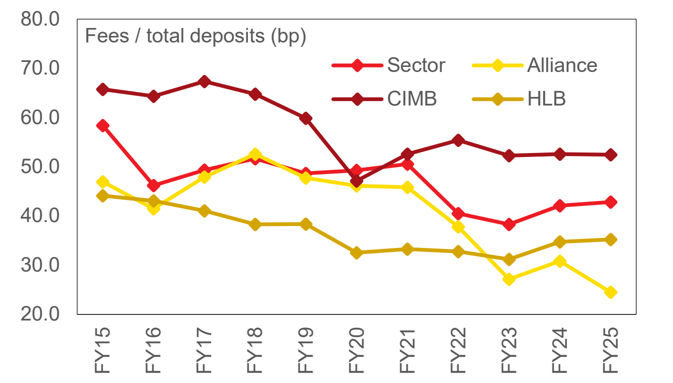
Source: AmInvestment Bank, Companies

EXHIBIT 2. CIMB & Alliance tops the CASA league table



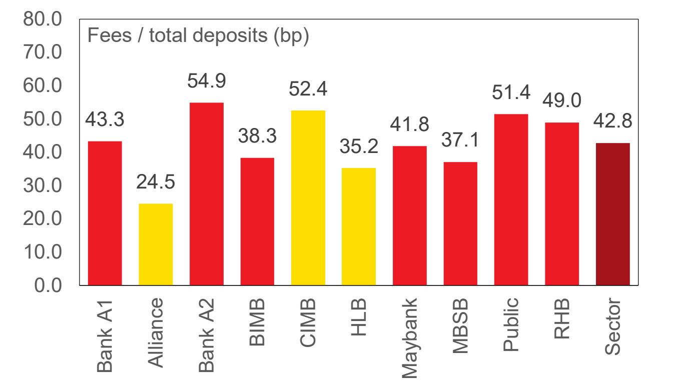
Source: AmInvestment Bank, Companies

EXHIBIT 3. CIMB has sustained stronger deposits monetization



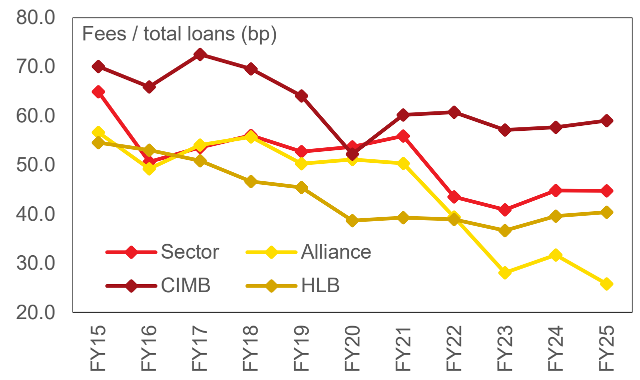
Source: AmInvestment Bank, Companies

EXHIBIT 4. CIMB is among the best at milking relationships



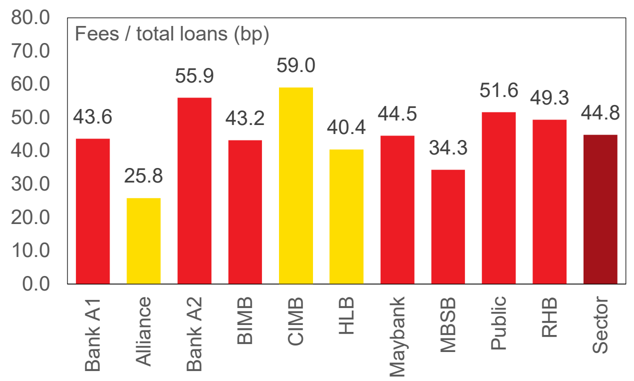
Source: AmInvestment Bank, Companies

EXHIBIT 5. CIMB has kept its cross-sell engine humming



Source: AmInvestment Bank, Companies

EXHIBIT 6. CIMB leads the pack on cross-selling as well



Source: AmInvestment Bank, Companies

EXHIBIT 7. CIMB leads, but there is more than one way to win

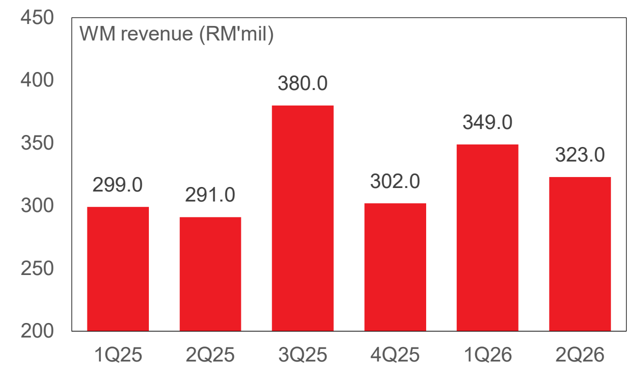
Banks	CIMB	Bank A2	Public	Maybank	RHB	BIMB	Bank A1	Alliance	HLB	MBSB
Data										
Primary-bank strength	43.3	36.0	28.0	36.7	30.4	40.2	25.0	41.0	32.6	16.3
R/ship monetization	52.4	54.9	51.4	41.8	49.0	38.3	43.3	24.5	35.2	37.1
Loans cross-sell	59.0	55.9	51.6	44.5	49.3	43.2	43.6	25.8	40.4	34.3
Scores										
Primary-bank strength	10	6	3	7	4	8	2	9	5	1
R/ship monetization	9	10	8	5	7	4	6	1	2	3
Loans cross-sell	10	9	8	6	7	4	5	1	3	2
Total	29	25	19	18	18	16	13	11	10	6
Max point	30	30	30	30	30	30	30	30	30	30
Ranking	1	2	3	4	4	6	7	8	9	10

Source: AmInvestment Bank, Companies

CIMB: Strength begets strength. CIMB's near-perfect score suggests it is already among the best positioned to monetize and cross-sell customer relationships. While incumbents can be vulnerable when their traditional data advantage is diluted, being a market leader need not be a handicap. The US experience shows that those capable of exploiting richer information flows can still come out ahead. Thus, we believe Open Finance could therefore amplify CIMB's existing strengths rather than erode them.

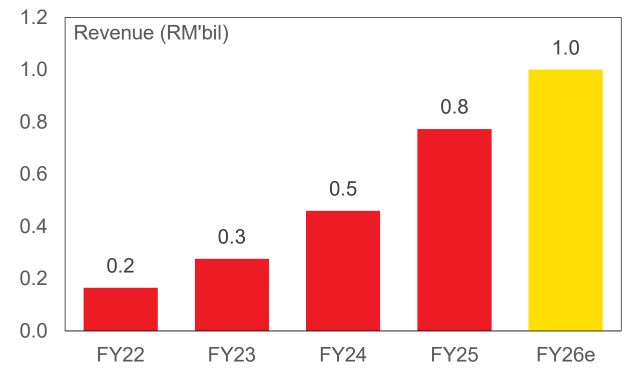
CIMB's 40% stake in Principal and 45% in TNG Digital offer both manufacturing capabilities and a powerful distribution funnel. The latter covers >85% of the nation's adult population across payments, financial services and lifestyle use cases, making it a fertile ground for richer customer insights and cross-sell. Meanwhile, an LDR <90% leaves room to originate more lending relationships and deepen monetization. The kicker: the market appears to ascribe little to zero value to Principal and TNG Digital, which we estimate could be worth c.RM0.65/share combined.

EXHIBIT 8. WM revenue now >RM300mil/qtr



Source: AmInvestment Bank, Company

EXHIBIT 9. TNG Digital revenue has surged 5x

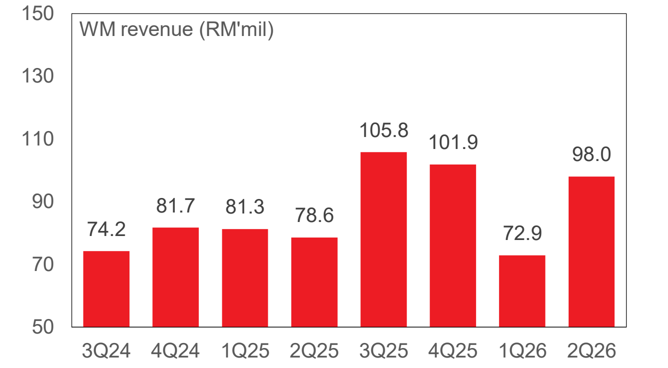


Source: AmInvestment Bank, Company

HLB: More than its score. HLB's 10/30 score understates what we think it can become. Its WM and bancassurance businesses are already gathering traction, with FY26 WM income up c.20% YoY and AUM growing 16%. A strong affluent and SME franchise, proven digital execution and an LDR <90% give HLB the balance sheet flexibility to support deeper client relationships. Early benefits from AI adoption (helping improve CIR by 1ppt) also reinforce our confidence in its ability to harness new technology.

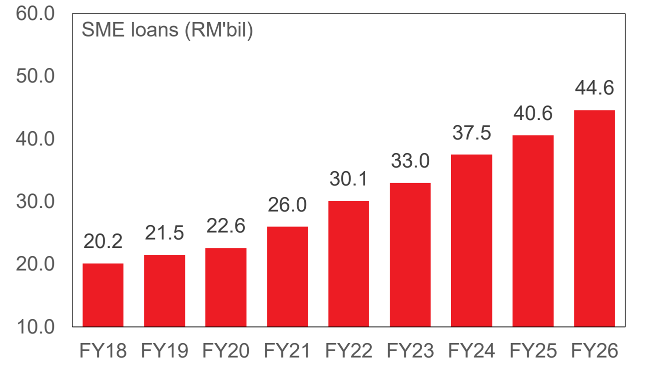
Importantly, the strategic intent is increasingly visible. Since Kevin Lam took the helm, HLB has stepped up its WM ambitions via its Lombard Odier alliance and closer collaboration with sister companies HLIB, HLAM and HLA. Moreover, Open Finance could add another boost by revealing assets held elsewhere, sharpening HLB's ability to capture wallet share. This echoes US evidence, where medium-sized banks recorded greater gains than larger peers. Hence, the low score is not something we lose sleep over; HLB has the tools to close the gap.

EXHIBIT 10. WM income is gaining traction



Source: AmInvestment Bank, Company

EXHIBIT 11. SME loans continue to grow 10% YoY

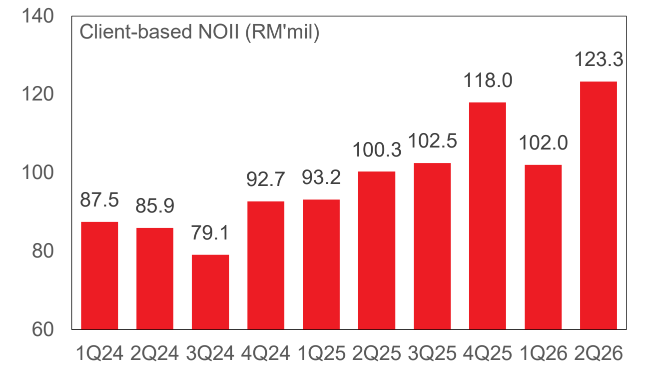


Source: AmInvestment Bank, Company

Alliance: Small but beautiful. Alliance's 11/30 score tells an equally interesting story. It rates highly on primary-bank strength but falls behind on relationship monetization and cross-sell; this is precisely where we see the opportunity. Under CEO Kellee Kam, the first leg of Acceler8 was about beefing the SME franchise and pipeline; having gained c.40bp of loans market share since the business strategy began, the focus is now shifting towards harvesting those relationships, with WM a natural avenue.

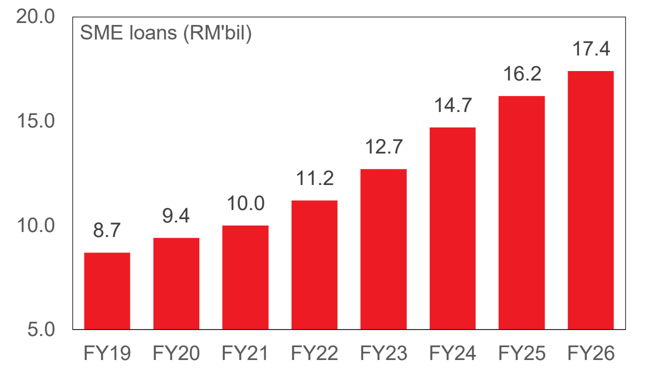
That said, it does not need a captive asset manager or insurer to compete; Alliance's open-architecture model allows it to distribute third-party investment and protection products, alongside its own structured investment capabilities. With WM income growing c.20% YoY in FY26, the strategy is bearing fruit. In our opinion, Open Finance could sharpen product targeting by painting a fuller picture of customer finances, turning primary-bank strength into deeper wallet penetration. Having shown it can win lending share, we believe Alliance can repeat the trick in WM and other fee businesses.

EXHIBIT 12. Client-based NOII firmly >RM100mil/qtr



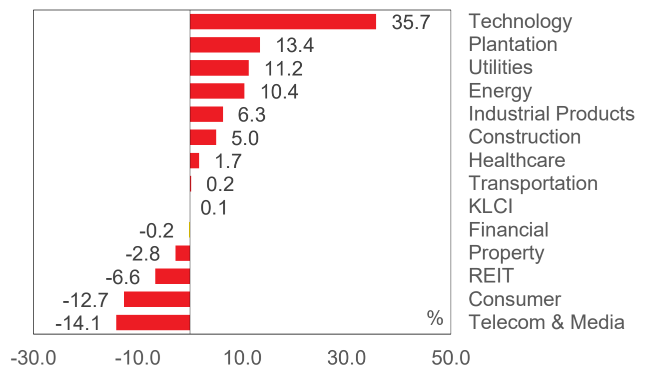
Source: AmInvestment Bank, Company

EXHIBIT 13. Commendable SME loans growth of 7% YoY



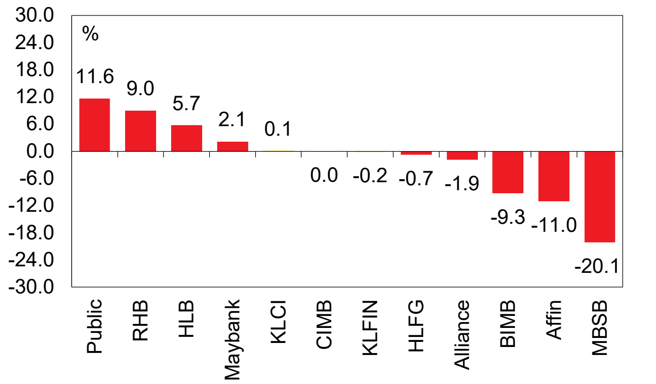
Source: AmInvestment Bank, Company

EXHIBIT 14. Sectoral index YTD returns (22/9/26)



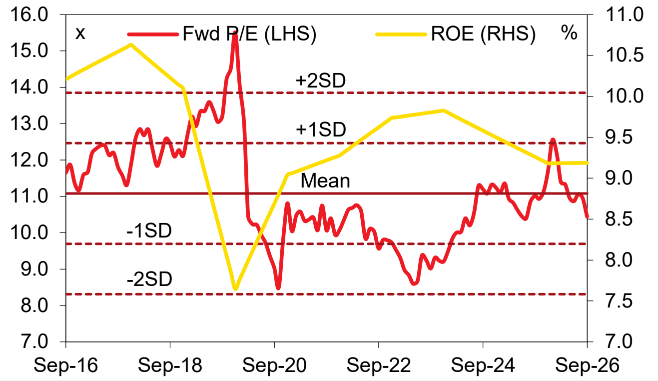
Source: Bloomberg

EXHIBIT 15. Banks price performance YTD (22/9/26)



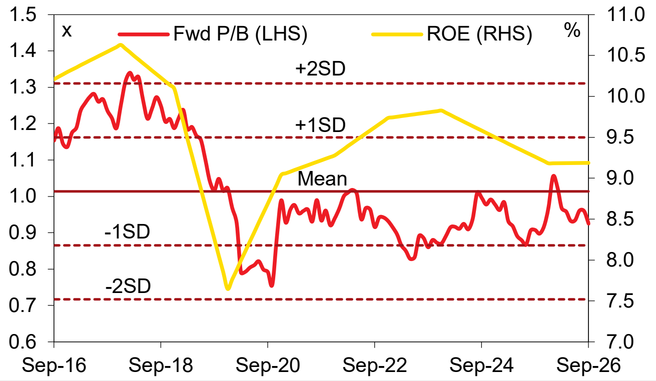
Source: Bloomberg

EXHIBIT 16. 10-year forward sector P/E band



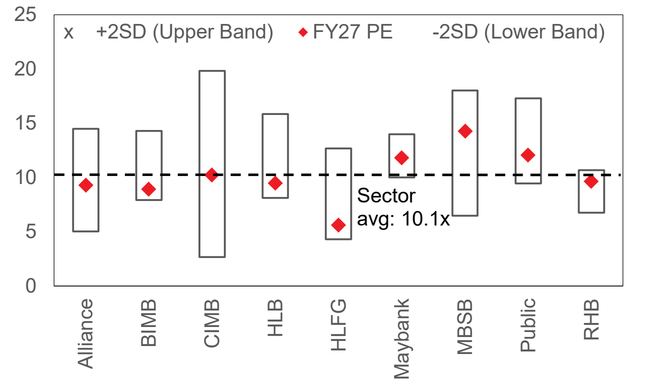
Source: AmInvestment Bank, Bloomberg

EXHIBIT 17. 10-year forward sector P/B band



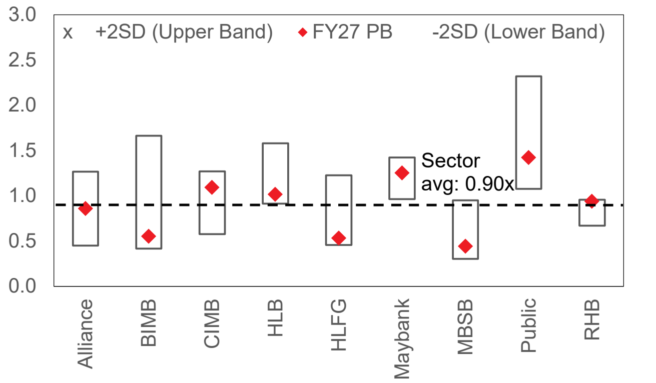
Source: AmInvestment Bank, Bloomberg

EXHIBIT 18. Banks' P/E vs their respective +/-2SD levels



Source: AmInvestment Bank, Bloomberg

EXHIBIT 19. Banks' P/B vs their respective +/-2SD levels



Source: AmInvestment Bank, Bloomberg

EXHIBIT 20. Peers comparison

	Price (RM)	Target (RM)	Call	P/E (x) 2026	P/E (x) 2027	EPS growth (%) 2026	EPS growth (%) 2027	P/B (x) 2026	P/B (x) 2027	Div. yield (%) 2026	Div. yield (%) 2027	ROE (%) 2026	ROE (%) 2027
Bank A1	2.02	-	N.R.	9.7	8.4	-2.0	15.4	0.4	0.4	4.1	4.8	4.3	5.0
Alliance*	4.85	5.50	BUY	9.5	9.3	7.3	1.9	0.9	0.9	4.3	4.5	9.8	9.5
BIMB	2.04	2.25	HOLD	9.2	8.9	-9.6	3.1	0.6	0.5	6.4	6.6	6.2	6.3
CIMB	7.84	9.80	BUY	10.6	10.2	1.0	3.5	1.1	1.1	6.0	6.3	11.0	10.9
HLB*	23.10	28.00	BUY	10.0	9.5	4.5	5.6	1.1	1.0	5.2	5.5	11.0	11.0
HLFG*	18.72	33.00	BUY	5.9	5.6	5.4	5.1	0.6	0.5	4.6	5.0	10.1	9.8
Maybank	10.40	11.20	HOLD	12.1	11.8	-1.6	2.8	1.3	1.3	6.0	6.2	10.9	10.8
MBSB	0.55	0.60	HOLD	18.0	14.3	-11.1	26.3	0.4	0.4	5.0	6.3	2.5	3.1
Public	4.84	5.60	HOLD	12.5	12.1	4.2	3.5	1.5	1.4	6.0	6.2	12.1	12.0
RHB	7.91	8.70	HOLD	10.1	9.6	1.4	4.6	1.0	0.9	6.5	6.8	9.8	9.9
Sector				**10.8**	**10.0**	**-0.1**	**7.2**	**0.9**	**0.8**	**5.4**	**5.8**	**8.8**	**8.8**
Sector (ex-Bank A1)				**10.9**	**10.1**	**0.2**	**6.3**	**0.9**	**0.9**	**5.6**	**5.9**	**9.3**	**9.3**

* refers to FY27 & FY28

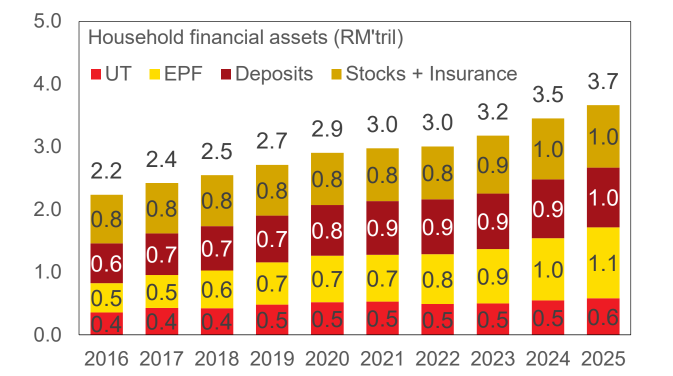
Source: AmInvestment Bank, Bloomberg

WM/MSME could lift TPs by c.3-13%/1-6%

Quantifying the payoff

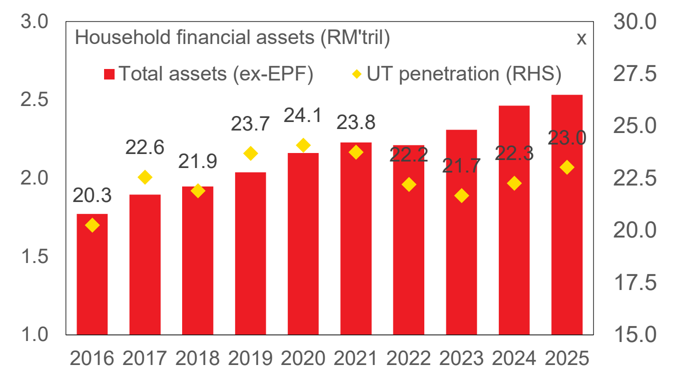
Hiding in plain sight. The opportunity may be closer than it appears. Whether pre- (2013-19) or post-Covid (2019-25), household wealth continued to expand at a healthy +5-6% CAGR. Under the surface, however, the mix has shifted: growth in unit trusts (UT) and other financial assets (ex-EPF and UT) decelerated from +6-7% to +3-4%, while EPF accelerated from +4% to +9%. Notably, UT penetration of household wealth (ex-EPF) fell from c.25% in 2013 to c.23% in 2025. For banks, therein lies the prize: a growing reservoir of household wealth that WM has yet to fully capture; Open Finance can help turn the tide by revealing where customer assets sit and opening the door for monetization.

EXHIBIT 21. EPF pulling ahead of other household assets



Source: AmInvestment Bank, SC, BNM

EXHIBIT 22. UT penetration recovers, but still lags



Source: AmInvestment Bank, SC, BNM

A sizeable prize. Under a blue-sky scenario, assuming aggregate UT and other household financial assets grow at their historical 5-6% CAGR through 2030, and 40% of incremental financial assets migrate into WM products (taking UT penetration 5ppt above its historical c.25% level and reflecting greater cross-sell opportunities), we estimate c.RM400bil of WM AUM could be unlocked (equivalent to c.RM11k/capita). At a 50bp blended fee rate, this translates into a RM2.0bil new annual WM revenue pool. The sensitivity is compelling as well: every 10ppt increase in WM conversion rate adds c.RM300mil to top-line, while every 10bp increase in fee rate generates c.RM400mil.

EXHIBIT 23. Open Finance could unlock c.RM400bil WM pool

CAGR (%)	2013-25	2025-30e		
Unit trust funds	4.7	5.0		
Other household financial assets	5.4	5.5		
RM'bil unless stated	**2013**	**2025**	**2030e**	**Incremental**
Unit trust funds	335.5	582.7	743.7	161.0
Other household financial assets	1,030.8	1,948.5	2,546.6	598.1
Total household assets (ex-EPF)	1,366.3	2,531.2	3,290.2	759.1
Unit trust penetration (%)	24.6	23.0	22.6	
Open Finance opt-in rate (%)	100.0			
Organic UT growth	161.0			
40% other FA migrating to WM	239.2			
Incremental WM pool	400.2			
Fee rate (%)	0.50			
Incremental WM fee pool	2.0			

Source: AmInvestment Bank, SC, BNM

Small slice, big impact. Assuming CIMB, HLB, and Alliance secure 8-20% of the new WM pool (1.2-3.1x their existing positions), we estimate earnings could rise by c.4-14%. Better still, WM is capital-light, allowing more of the gains to flow back to shareholders; dividend yields could increase by c.0.4-1.4ppt, alongside c.3-13% upside to our TPs. On sensitivity, every 10ppt acceleration in WM market share lifts bottom-line by c.2-15%, dividend yields by c.0.2-1.8ppt and TPs by c.1-14%, respectively. Notably, our estimates assume no market share gains from the existing WM pool, leaving further upside.

EXHIBIT 24. WM has plenty to play for

Banks	CIMB	HLB	Alliance
Current WM share (%)	16.4	5.0	2.6
Share gain (x)	1.2	3.0	3.1
Share of new WM pool (%)	20.0	15.0	8.0
Incremental WM fees, ex-tax (RM'mil)	304.2	228.1	121.7
1yr fwd profit (RM'mil)	8,218.7	4,998.3	903.2
Earnings uplift (%)	3.7	4.6	13.5
1yr fwd dividends (RM'mil)	5,260.0	2,603.6	380.7
Dividends uplift (%)	5.8	8.8	32.0
Dividend yield uplift (ppt)	0.4	0.5	1.4
Current TP (RM)	9.80	28.00	5.50
Implied TP (RM)	10.10	29.50	6.20
TP upside (%)	3.1	5.4	12.7

Source: AmInvestment Bank, Companies

Another avenue, but less potent. MSMEs offer another opportunity, with an estimated RM90bn funding gap. Open Finance could help bridge this by providing richer transaction and cash-flow information. That said, the gap makes up only c.4% of system loans, limiting the broader growth impact; every 1ppt increase in lending growth lifts profit by only c.30-60bp. Assuming CIMB, HLB, and Alliance capture 8-20% of this gap (mirroring WM's share), we estimate earnings could rise by c.1-6%. However, unlike WM, lending consumes capital while MSME exposures carry greater credit risk, muting the dividend payoff to c.0.1-0.3ppt and translating into a more modest c.1-6% upside to our TPs. Overall, WM continues to be the more powerful lever given its capital-light economics.

EXHIBIT 25. MSME offers something on the side

Overview	RM'bil
MSME funding gap	90.0
System loans	2,435.1
Funding gap / system loans (%)	3.7

Banks	CIMB	HLB	Alliance
Share of funding gap (%)	20.0	15.0	8.0
Incremental loans (RM'bil)	18.0	13.5	7.2
1yr fwd loans (RM'bil)	494.6	255.5	77.6
Loans uplift (%)	3.6	5.3	9.3
Profit impact per 1% loans growth (%)	0.4	0.3	0.6
Earnings uplift (%)	1.4	1.5	5.9
Incremental earnings (RM'mil)	118.4	76.1	53.6
1yr fwd DPR (%)	64.0	52.1	41.9
Incremental dividends (RM'mil)	75.8	39.6	22.5
Dividend yield uplift (ppt)	0.1	0.1	0.3

Source: AmInvestment Bank, Companies, SC

Data on the move

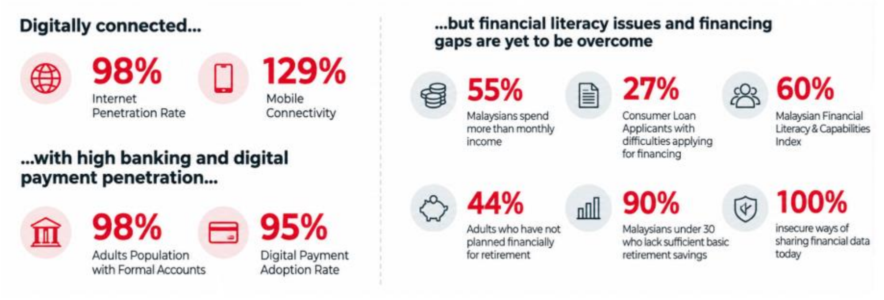
Malaysia opens up

Unlock the data vault. Open Finance is set to redraw boundaries of customer information. Instead of records remaining siloed within individual institutions, BNM's framework allows customers to consent to data sharing across participating providers; this puts them firmly in control of who gets access and what gets shared. Mandated FSPs will play both sides as data providers and consumers, which opens the door to richer insights, more personalized services and better financial decisions. Implementation will be phased from Jan-27, with a single account view introduced from Jan-28.

Big banks go first. From Jan-27, banks/Islamic banks with >1m individual customers are to share transaction and account information covering deposits, e-money, charge cards and credit cards. From Jan-28, the threshold widens to banks with >100k individual and SME customers; similarly sized DFIs and qualifying network-based e-money issuers (>5m active users) follow from Jan-29. The prescribed dataset comprises the latest 12 months of transactions plus current outstanding balances.

Putting the pieces together. BNM is working with PayNet to build the infrastructure for Open Finance Malaysia, with a live ecosystem pilot involving 7 commercial banks and EPF scheduled for 2H26. The roles are clear: PayNet drives the technical implementation, while BNM sets the guardrails. Malaysia starts from solid ground, given high digital connectivity, financial access and payment adoption, but financial vulnerabilities and financing gaps leave room for Open Finance to make a difference.

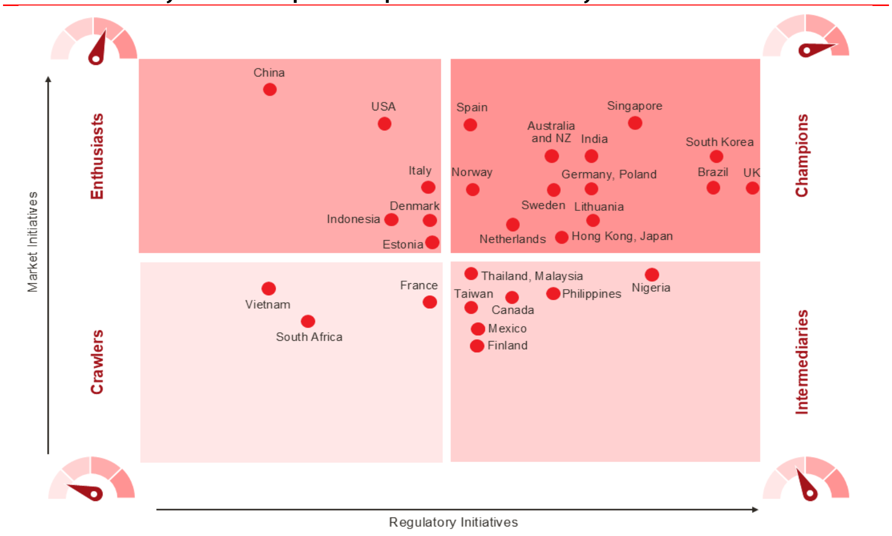
EXHIBIT 26. Untapped opportunities ahead



Source: PayNet, BNM, CTOS, WEF, RinggitPlus, The Star, Our World in Data, EPF

Still early days. Open Finance has advanced worldwide, but there is no single playbook. Some markets have been propelled by regulation, others by market-led innovation, while the most mature ecosystems blend both. Twimbit's Open Finance Maturity Index displays this divergence well, with countries progressing at different speeds and through different routes. Currently, Malaysia sits among the 'Intermediaries', indicating meaningful runway ahead as its regulatory framework takes shape and ecosystem builds out. Nations further along the curve offer a window into what Malaysia could eventually face as information sharing becomes more entrenched.

EXHIBIT 27. Malaysia sits mid-pack in Open Finance maturity



Source: Twimbit analysis

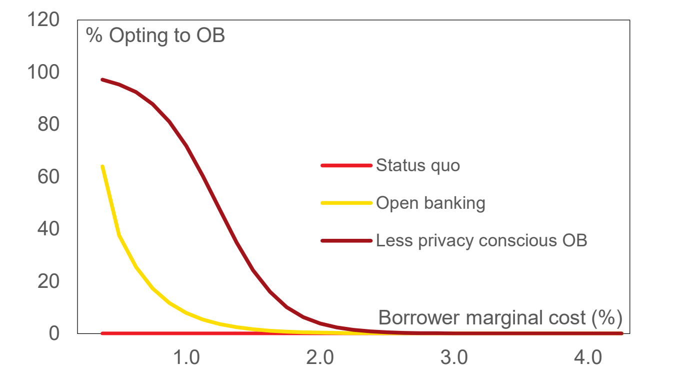
Looking abroad for clues

Same road, different fortunes

Lessons from the road. We study 4 markets to understand how Open Finance has affected banks and draw lessons for Malaysia, augmented by Singapore's experience. The evidence cuts both ways: (i) the UK shows how data sharing can weaken incumbents' information moat, (ii) Brazil highlights the competitive squeeze on margins, (iii) the US displays how banks can adapt their P&L, and (iv) China demonstrates that banks can win too. Singapore completes the picture, illustrating how it can evolve into a broader ecosystem of use cases. Collectively, they offer a glimpse of what could lie ahead as Malaysia moves further along its Open Finance journey.

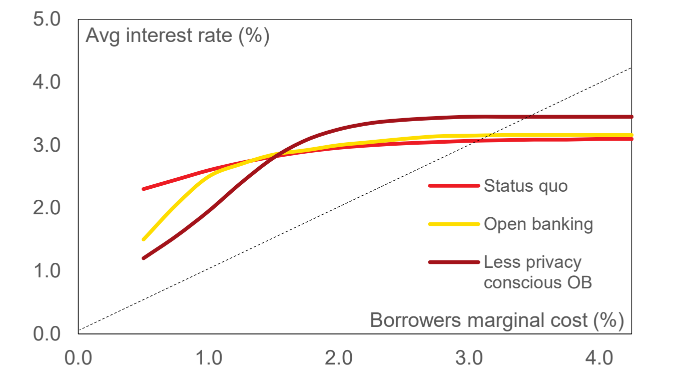
UK: Breaking the data moat. Rolled out from 2017, the UK's data-sharing reforms chipped away at incumbents' long-held advantage of knowing their customers better than anyone else. A Bank of England study shows what happens when data is democratized: incumbent moats narrow, customers become more contestable and pricing competition intensifies. It found affected SMEs became c.25% more likely to establish new lending relationships (largely with non-banks), with those forming new non-bank relationships also enjoying lower interest costs and higher short-term borrowing. Equipped with better information, challengers could identify good borrowers, price more effectively and gain share among better-quality customers.

EXHIBIT 28. Good risks open up



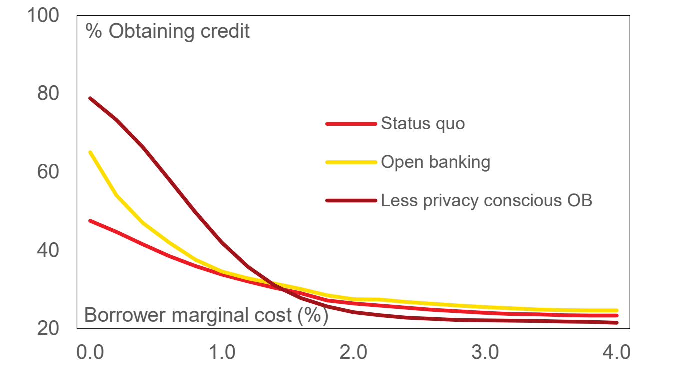
Source: Bank of England

EXHIBIT 29. Lower risk borrowers pay less



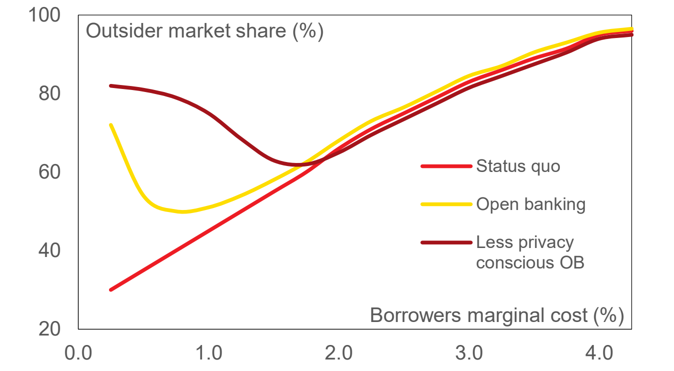
Source: Bank of England

EXHIBIT 30. Credit flows to safer borrowers



Source: Bank of England

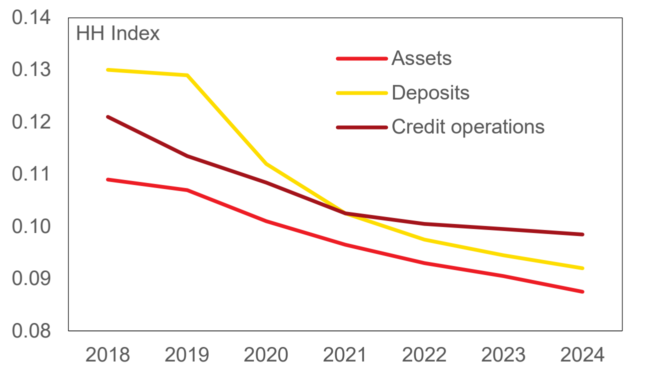
EXHIBIT 31. Incumbents lose their information edge



Source: Bank of England

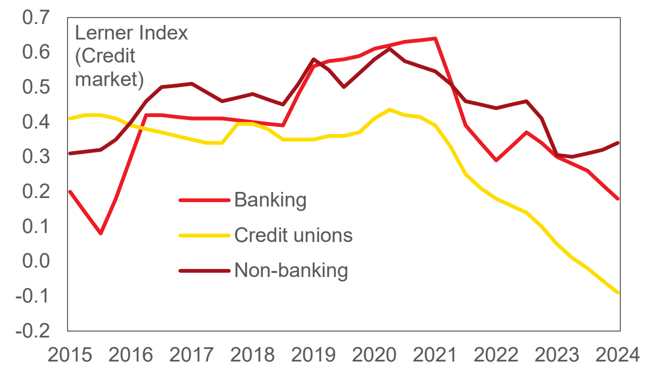
Brazil: Competition bites. Proliferation of fintechs, alongside the advent of Open Banking in 2021, spurred rivalry across Brazil's financial system and put incumbent margins under pressure. An IMF study estimates that a 1SD increase in fintech competition exposure is associated with a 3.7ppt decline in commercial banks' lending rates and a 1.3ppt squeeze in NIM. Lenders fought back by improving operational efficiency and pivoting towards higher-value customers (loans per borrower +32%), cushioning (but not fully offsetting) the profitability hit; ROE/ROA fell 3.6/0.7ppt. That said, AQ held firm. Between 2018-24, this competitive intensity is estimated to have driven lending rates 2.7ppt lower and shaved 0.9ppt off traditional banks' NIM.

EXHIBIT 32. Banking sector concentration has fallen



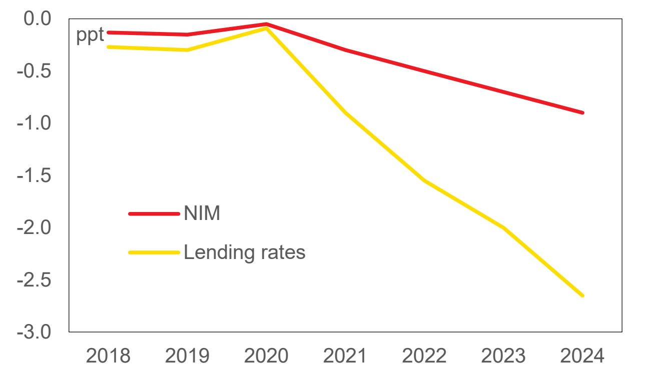
Source: IMF, BCB FSR

EXHIBIT 33. Declining mark-ups signal more competition



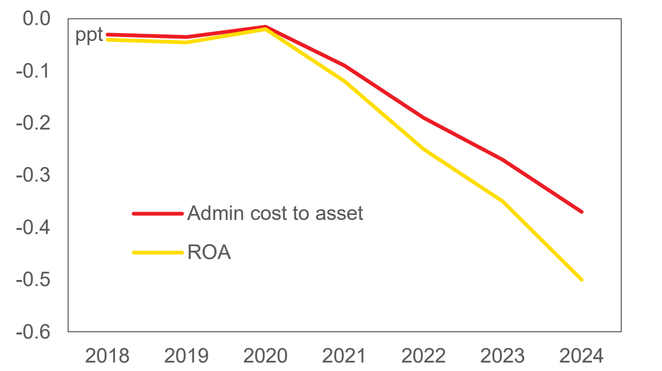
Source: IMF, Central Bank of Brazil

EXHIBIT 34. Credit gets cheaper, squeezing margins



Source: IMF

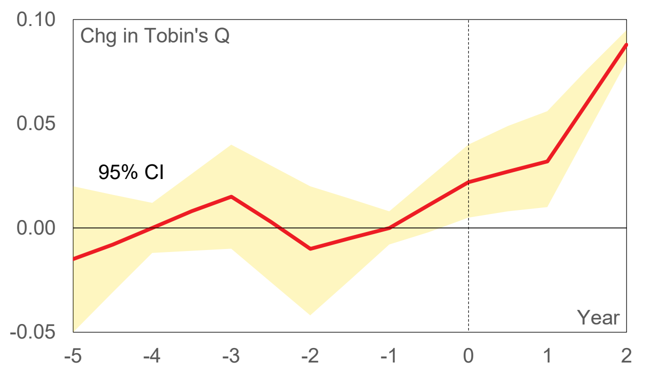
EXHIBIT 35. Efficiency gains, but ROA still weakens



Source: IMF

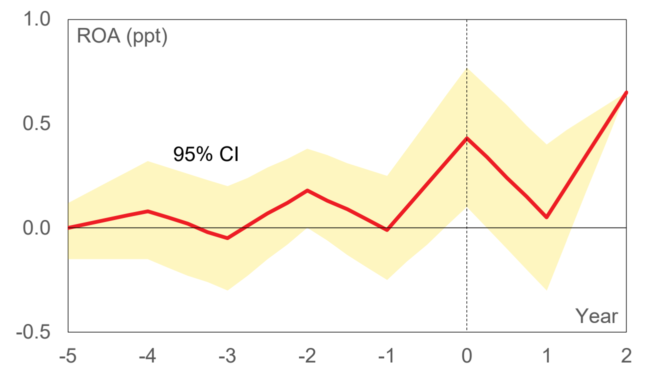
US: Reshaping the P&L. Unlike the UK and Brazil, the US initially embraced a market-led approach, with voluntary API adoption beginning to gain traction from 2017. A study by researchers from Nankai University and the University of Manchester revealed that early adopters were larger banks, while President Biden's July 2021 executive order accelerated adoption. Encouragingly, API adopters subsequently saw stronger performance, with ROA and Tobin's Q improving alongside lower loan loss provision. The authors attribute this to richer client data and better information flows, supporting lending and deposit services while sharpening credit evaluation. Overall, NIM edged lower, but it was partly mitigated by higher NOII and lower NCC. Interestingly, ROA improvements were more pronounced for medium-sized than large banks.

EXHIBIT 36. Better growth opportunities post-adoption



Source: Nankai University, University of Manchester

EXHIBIT 37. ROA gained traction as well



Source: Nankai University, University of Manchester

EXHIBIT 38. Regression points to lower credit risk as key benefit

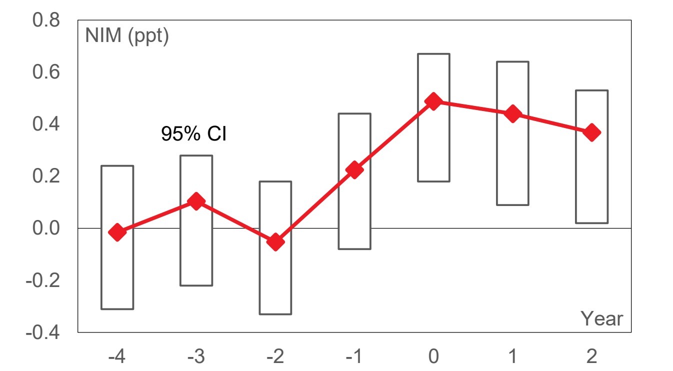
Dependent variables		NIM			Opex / Total assets			NOII / Total assets			NCC	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
API adoption (t)	-0.075			-0.001			0.001			-0.312		
t-stats	(-0.38)			(-0.55)			(0.80)			(-2.41)		
API adoption (t-1)		-0.261			-0.001			0.003			-0.300	
t-stats		(-1.21)			(-1.02)			(1.31)			(-1.63)	
API adoption (t-2)			-0.340			-0.001			0.003			-0.340
t-stats			(-1.87)			(-0.65)			(2.16)			(-1.81)
Controls*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Firm fixed effects	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Year fixed effects	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Observations	4,242	3,961	3,680	4,245	3,963	3,680	4,245	3,963	3,680	4,186	3,907	3,623
R-squared	0.793	0.809	0.822	0.757	0.772	0.793	0.778	0.802	0.908	0.613	0.631	0.614

* Firm-level controls: Bank size, firm age, capital intensity, cash holding, cost of capital

Source: Nankai University, University of Manchester

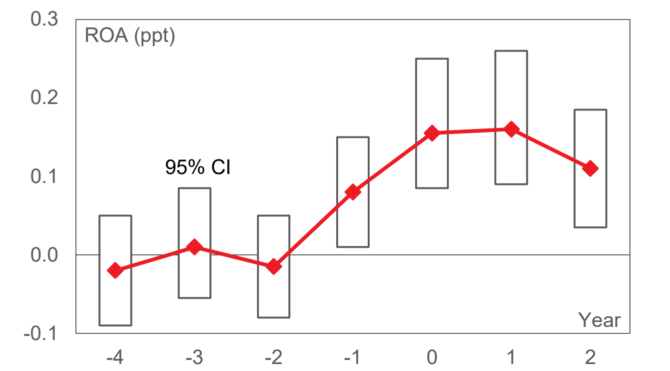
China: Banks can win too. China offers a positive take on Open Banking. Researchers from Wuxi University, Shenzhen University and Southern University of Science and Technology studied Chinese commercial banks over 2011-20 and found that those establishing Open Banking subsequently posted stronger showing, with NIM/ROA improving by c.28bp/9bp, respectively. Better lending yields did most of the heavy lifting (c.75%), complemented by an improved funding mix (c.25%). Notably, the benefits were more major among national and rural banks than city banks, highlighting the inclusive nature of FinTech.

EXHIBIT 39. FinTech improves lending yields & funding mix…



Source: Wuxi Uni, Shenzhen Uni, Southern University of Science & Technology

EXHIBIT 40. …translating into stronger ROA



Source: Wuxi Uni, Shenzhen Uni, Southern University of Science & Technology

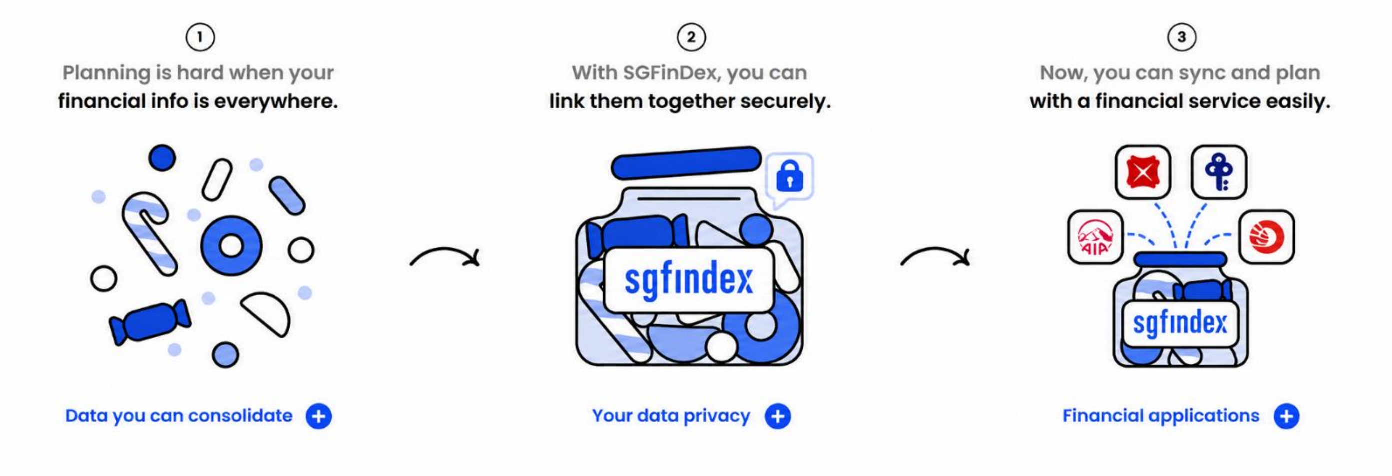
EXHIBIT 41. Supportive baseline regression results; t-stats >2

Dependent variables	NIM		ROA	
	(1)	(2)	(3)	(4)
Bank with FinTech	0.2847	0.2674	0.0934	0.0838
t-stats	(2.4908)	(2.3678)	(2.3548)	(2.1264)
Equity / Total assets	0.1044	0.1111	0.0490	0.0513
t-stats	(6.0686)	(6.4886)	(8.2001)	(8.5924)
Total assets	0.5364	0.5482	0.1949	0.1976
t-stats	(4.4390)	(4.1212)	(4.2288)	(4.2583)
CPI		-0.0178		-0.0061
t-stats		(-9.9183)		(-9.7916)
GDP		-0.0947		-0.0329
t-stats		(-11.3563)		(-11.3166)
% top-4 banks' total assets		0.0754		0.0392
t-stats		(4.7555)		(7.0850)
Constant	-14.6795	-6.5705	-5.1654	-2.8921
t-stats	(-3.6660)	(-1.6142)	(-3.7170)	(-2.0373)
Bank fixed effects	Y	Y	Y	Y
Year fixed effects	Y	N	Y	N
N	1666	1666	1666	1666
Adj.R2	0.7386	0.7365	0.7695	0.7653

Source: Wuxi University, Shenzhen University, Southern University of Science & Technology

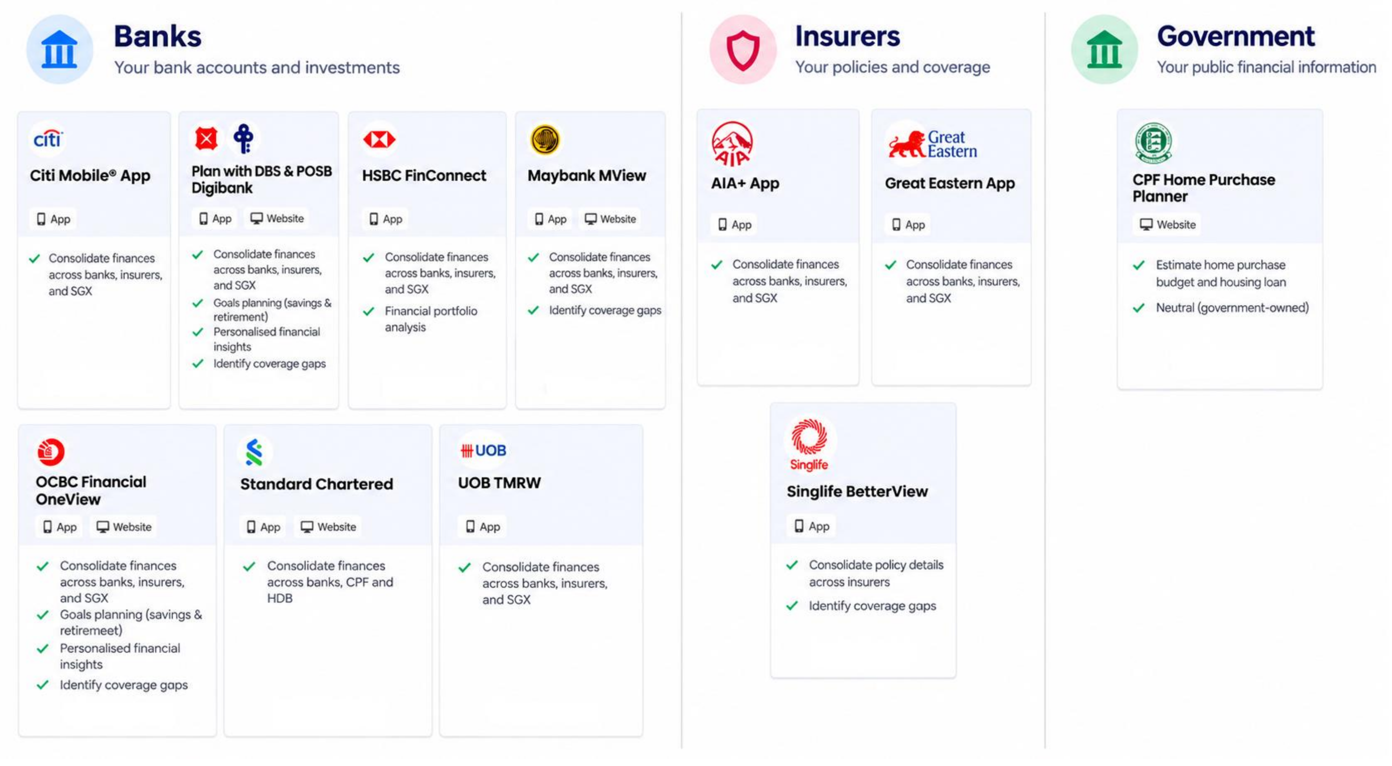
Singapore: From pipes to possibilities. Singapore began laying its Open Finance groundwork in 2016 through a collaborative, market-led approach, before SGFinDex changed the game in 2020 by bringing financial information under one roof. What began with banking and government data expanded to investments/insurance in 2021/2022. Users followed, rising from 120k in 2021 to >400k by end-2024, though penetration remains modest at c.10% of the adult population given its opt-in nature. The direction is clear: more players widen the data universe and use cases, creating a virtuous cycle for adoption. We expect Malaysia to follow a similar path, with BNM providing the regulatory scaffolding.

EXHIBIT 42. Why SGFinDex?



Source: SGFinDex

EXHIBIT 43. List of financial applications powered by SGFinDex



Source: SGFinDex

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