

White paper

Cards: central to payments across Asia-Pacific

Card payments have hit new heights across Asia-Pacific (APAC) in 2025, driven by rapid expansion in new markets and creativity in card products, production, and function.





Meanwhile, new use cases for cards continue to emerge. This paper explains why it is desirable for banks to maintain cards at the heart of their payments strategy, and explores short and longer-term benefits of modern, capable, and flexible issuing platforms for APAC banks now – and in the future.

The card payments business continues to experience rapid growth across the APAC region. This year, Global Data records^[1] that APAC card payments hit a new high of almost \$25 trillion, driven by strong growth in established card payment markets such as China, South Korea, Japan and Australia – as well as rapid adoption in key emerging markets like Indonesia and India. Across the region, growth in the value of card payments has exceeded 5% per year^[2] for the last three years as infrastructure improves in emerging markets, while demand for card payments remains strong in established markets.

APAC card payments

APAC consumers used payment cards to pay for \$23.7 trillion of goods and services in the last year. China is the dominant market, recording card payments worth \$20.3 trillion, followed by South Korea with almost \$1 trillion (\$984.5 billion), Japan (\$866.1 billion), and Australia (\$731.4 billion).^[3] Meanwhile, emerging Asian markets are recording more rapid growth in card numbers and usage, according to research from Payments Cards & Mobile: the number of payment cards in Indonesia grew by more than 12% last year, while card payments per head of population grew by 10.9% and the number of POS terminals increased by 17.8% to reach more than 2.37 million.^[4] Numbers like these make it clear that, forty years after their mass-market introduction, cards remain central to the payments mix across APAC.

“Forty years after their mass-market introduction, cards remain central to the payments mix across APAC.”

^[1] Global Data, 21 May 2025, “Asia-Pacific card payments market to reach nearly \$25 trillion in 2025” <https://www.globaldata.com/media/banking/asia-pacific-card-payments-market-to-reach-nearly-25-trillion-in-2025-forecasts-globaldata/>

^[2] See note 2 above, *ibid.*

^[3] See note 2 above, *ibid.*

^[4] Payments Cards & Mobile, The Digital and Card Payment Yearbooks 2024-2025 at <https://www.paymentyearbooks.com>

APAC card transactions have almost doubled since 2022



Source:
McKinsey



Source:
Nilson Report

Why cards are so popular

The continued growth of card payments in APAC stems from two factors. The first is consumer trust in and preference for cards as a payment form, with mid-2024 research from Adyen revealing that cards remain the most popular choice for online payment world-wide.[5] While fraud patterns evolve across all payment types, recent third party reports indicate increased scam activity affecting certain A2A use cases in specific markets. In India, “push” payment fraud through A2A channels, led to losses of US\$1.32 billion in the first nine months of 2024 alone.[6] Still, card ecosystems in many markets operate within long standing consumer protection frameworks. Consumers continue to trust cards because protections for card transactions are well established and understood.

The second – and arguably more compelling – factor in the ongoing popularity of cards is the development of new features and greater functionality. For APAC, one of the most significant of these features is the capacity to tokenise cards at issuance so that they can instantly be provisioned into a digital wallet such as Apple Pay, Google Pay, or Samsung Pay – not to mention highly popular SuperApps such as WeChat, Grab and others, subject to issuer, network and provider eligibility and availability[7]. Worldpay’s 2025 Global Payments Report estimates[8] that some 56% of wallet transactions globally are funded via card rails, making this

feature important for APAC consumers, who have been avid adopters of wallet payments both online and at point of sale.

Among world regions, APAC is the most app-savvy, with third-party research indicating that the region accounts for approximately 64% of all global app downloads.[9] As a consequence, most cardholders in the region benefit from the ability to control their cards in real time via card management apps on mobile devices. These apps allow users to instantly freeze and unfreeze cards, set spending limits and parental controls, restrict access to certain categories of merchant and enable personalised services and push notifications.

In recent years, cards have evolved from a single-function form to a wide range of applications and use cases. Cards can now be used for a wide array of activities, from credit and debit to loyalty and Buy Now, Pay Later (BNPL). Security is now higher because of the use of biometric and two-factor authentication technologies, while the advent of NFC contactless transactions and cards provisioned to wallets has dramatically expanded the range of use cases, which now includes vending machines, transport payments, turnstiles at concerts and sporting events, and more. Cards have become more appealing, too, with exotic materials such as precious metals – particularly prevalent in India[10] – adding exclusivity and distinction for cardholders.

[5] Adyen, 20 April 2024: “20 popular online payment methods”: <https://www.adyen.com/knowledge-hub/online-payment-methods>

[6] FICO, 3 March 2025: “India’s Digital Scam Epidemic”: <https://www.fico.com/blogs/scams-india>

[7] Apple Pay is a trademark of Apple Inc. Google Pay is a trademark of Google LLC. Samsung Pay is a trademark of Samsung Electronics Co., Ltd. WeChat is a trademark of Tencent. Grab is a trademark of Grab Holdings Inc. All trademarks belong to their respective owners.

[8] Worldpay, April 2025: The Global Payments Report 2025: <https://www.worldpay.com/en-GB/global-payments-report>

[9] TyrAds, 1 July 2024: “Asia Pacific, the Land of App-Opportunities”: <https://tyrads.com/asia-pacific-the-land-of-app-opportunities/>

[10] Payments Cards & Mobile, 28 April 2022: “Metal cards give financial institutions a competitive edge”: <https://www.paymentscardsandmobile.com/metal-payment-cards-give-financial-institutions-a-competitive-edge>

What this means for banks

Currently experiencing improved profitability after a period of stagnation, banks now face new competitors in the issuing space, such as neobanks (for example, Singapore's Anext or Korea's Kbank), fintechs (for example, Australia's Afterpay), retailer banks (for example, SM Banking in the Philippines, AEON Bank Japan) and even sports and cultural organisations such as the University of Hong Kong's partnership with Hang Seng Bank. Competition in the issuing space is so intense that ICD project 74% of all card transactions will be driven through non-bank financial institutions (NBFIs) by 2030.[11]

At the same time, according to independent industry reporting, approximately 78% of established retail banks in APAC see modernising their systems as a core priority[12] – driven by what they perceive as the urgent need to improve customer experience and journeys. Another factor driving modernisation is the need to rationalise card portfolios, modernising older products and standardising new products acquired through mergers and acquisitions in recent years, with the acquisition of rural banks in the Philippines by Singaporean fintech lender Salmon in 2024 being an example of this trend.

Why banks should switch to modern issuing systems

Rationalising and modernising issuing systems is a smart move, not least because this reduces the risks posed by a multiplicity of legacy platforms, each with its own approach to transaction and system security. Furthermore, reducing the number of issuing platforms and modernising helps banks to compete with new players powered by modern tech stacks while keeping up with a growing raft of regulatory expectations such as the Reserve Bank of India's 2025 regulatory upgrade to the safety and efficiency of India's digital payments ecosystem.[13]

New issuing platforms help banks to get new products to market more rapidly, including premium cards and high-feature cards which consumers are likely willing to pay more for, and new features such as BNPL, virtual card issuance for online use and the card management apps referred to earlier.

Today's issuing platforms can empower new revenue streams thanks to insights gleaned from non-personal information/data on consumer spending patterns using AI. Deploying AI enables improved functionality across a wide range of business areas, from identifying and preventing fraud through to the creation of new loyalty programs, AI-enabled customer chatbots for enquiries handling, and the optimisation of interchange rates.

“Rationalising and modernising card issuing helps banks compete with digital-first issuers while managing growing regulatory requirements such as new rules from India's RBI governing payments.”

How banks should respond – and the benefits ...

To remain competitive in a rapidly evolving payments landscape, banks need issuing solutions that go beyond traditional card issuing management. They need an agile, API-driven platform that's cloud native, seamlessly integrates into their technology stacks, enables new revenue streams, and supports cards as the anchor of a multi-rail payments strategy. The FIS International Issuing Hub® delivers these benefits – and more.

Modernise at scale – and speed

FIS's International Issuing Hub® reduces the cost and complexity of modernisation by integrating efficient issuing technologies into existing bank systems. Banks deal with a single vendor, rather than a fragmented vendor landscape that likely increases cost – and risk. An API-first, cloud-native architecture enables rapid integration with digital channels, embedded finance partners, and fintech ecosystems. This means banks can issue, manage, and innovate at pace, and, depending on readiness, scope and regulatory approvals, are typically able to launch their first product in as little as approximately three months of signing an agreement.

[11] Payments Cards & Mobile, 31 January 2022: "74% of payments to be handled by non-traditional financial providers" <https://www.paymentscardsandmobile.com/74-of-payments-to-be-handled-by-non-traditional-financial-providers/>

[12] Fintech News Singapore, 1 August 2025: "Core banking systems modernization now a necessity in SEA": <https://fintechnews.sg/14052/digital-transformation/core-banking-modernization-now-a-necessity-in-southeast-asia-for-customer-demand-compliance-digital-competition>

[13] Businessworld India, 17 September 2025: "RBI Moves To Secure India's Expanding Digital Payments Backbone": <https://www.businessworld.in/article/rbi-moves-to-secure-indias-expanding-digital-payments-backbone-571954>



“The FIS International Issuing Hub® enables banks to issue, manage, and innovate at pace, typically enabling them to launch their first product in as little as approximately three months.”

Cards can be provisioned immediately into Apple Pay, Google Pay, and Samsung Pay as soon as they are issued, meaning consumers can be enabled to start spending, subject to eligibility and approval. The FIS International Issuing Hub® also enables advanced fraud prevention measures, including AI and machine-learning powered transaction monitoring, transaction pattern analysis, and dynamic authentication methods. Two-factor authentication and 3DS 2.2 compliance come as standard.

Built for innovation and growth

The FIS International Issuing Hub® includes a number of features designed to help banks innovate and grow their card business. Rich data analytics enable granular insights into spending behaviour, interchange optimisation, and loyalty engagement, allowing banks to identify and unlock new revenue streams and tailor customer experiences to maximise user satisfaction with bank card products.

While cards remain dominant, banks must prepare for A2A and wallet-based payments. The FIS International Issuing Hub® supports a multi-rail strategy – meaning banks decide the optimal rail for their payments based on cost, speed, and consumer preference. Fully PCI DSS validated and designed to support compliance for regulatory developments such as the new RBI rules in India, the FIS International Issuing Hub® enables banks to scale their businesses across APAC.

Existing features are continuously updated, with new features introduced to meet changing regulations and shifting consumer expectations.

Finally, the FIS International Issuing Hub® has been created to assist banks meet their ESG and sustainability goals, with a digital-first approach to issuance that can reduce reliance on paper-based communications.

Future resilience – and personalisation at scale

The FIS International Issuing Hub® isn't just focused on today's app-based environment, or any other current challenges. While recognising the realities banks face today, FIS is also preparing for a future in which stablecoins and CBDCs play a role, and thus require their own payment rail as part of a multi-rail strategy. The FIS International Issuing Hub® is also built with contextual and invisible payments in mind: such payments could see tokenised card credentials are embedded into cars, wearables, and portable appliances.

FIS have built the capacity to attract, acquire, and retain future customers into the FIS International Issuing Hub® thanks to AI-driven predictive analytics that interpret how customers are using their cards, and translate these insights into new product and loyalty opportunities for “Gen Z” and beyond.

As banks look to modernise at pace, reduce costs, and remain top-of-wallet while preparing for a multi-rail payments future, the FIS International Issuing Hub® helps them turn card issuance from a cost centre into a potential engine for growth that enables innovation for the present and invention for the future.

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About Payments Cards & Mobile

In business since 1994, Payments Cards & Mobile is an established hub for global payments news, research and consulting. We work with recognized industry experts to provide impartial, up-to-date and relevant information and analysis on every area of payments. Personal relationships have been the hallmark of our business. We remain committed to working closely with our many long-standing customers and welcome new customers in producing quality business intelligence and providing a variety of ways in which you can consume this information. Our aim is to provide you with the highest quality data so you can position your business and key personalities in this increasingly competitive industry.

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About FIS

FIS is a financial technology company providing solutions to financial institutions, businesses and developers. We unlock financial technology that underpins the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients confidently run, grow and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses adapt to meet the needs of their customers by harnessing the power that comes when reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index.

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