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ASEAN Tech Sector

What Grab and Sea's 2Q26 results reveal about ASEAN fintech

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- **ASEAN fintech:** ASEAN's digital economy is shifting from user growth towards deeper monetisation, with Grab and Sea increasingly using payments, lending and other financial services to strengthen their ecosystems. We look at what their Q2 2026 results reveal about this shift, and how Singapore investors can access both stocks through the new Grab and Sea SDRs on SGX.
- **Financial services continued to grow.** Financial services are becoming a bigger growth engine for both Grab and Sea, even as their core platforms continue to grow. Grab's Financial Services revenue rose 59% year-on-year, with its loan portfolio nearly tripling to US$2.3 billion, while Sea's Monee loan book grew 62% to US$11.1 billion and generated US$288 million of adjusted EBITDA. Both companies are increasingly using payments, lending, digital banking and wealth management to deepen monetisation of their existing ecosystems.
- **How Grab and Sea use transaction data in lending.** Payments are becoming the gateway into lending for both Grab and Sea, with transaction data helping them assess credit risk more effectively. Grab combines ecosystem data with low-cost digital bank deposits to support lending, while Sea's Monee has improved approval rates without increasing risk and is expanding beyond Shopee. Both companies use transaction and behavioural data as part of their credit-underwriting processes.
- **Profitability metrics improved alongside growth.** Grab and Sea are increasingly prioritising profitable growth, with improving margins alongside continued expansion. Grab's adjusted EBITDA margin rose to 16.9%, while Shopee generated US$255 million of adjusted EBITDA and is targeting about US$1 billion for the full year.
- **Grab and Sea have different core ecosystems.** Grab's core platform is centred on mobility and deliveries, while Sea's is centred on e-commerce through Shopee. Both companies also offer payments and lending products.
- **How Grab and Sea compare on valuation and profitability.** Grab trades at a lower forward P/E of 23.5x versus Sea at 32.7x, reflecting different stages of profitability. Sea's ROE was 15.1%, compared with Grab's 4.1%. Both remain in net cash positions.
- **Key risks.** Key risks include rising credit losses as loan books expand, tighter regulation across ASEAN, intensifying competition, and weaker consumer spending or execution that delays profitability targets.

What Grab and Sea's 2Q26 results reveal about ASEAN fintech

Grab and Sea reported continued growth in financial services alongside their core mobility, delivery and e-commerce businesses.

But the latest results from Grab and Sea suggest the next phase of growth may look different.

Instead of simply adding more users, both companies are increasingly focused on deepening relationships with existing users through financial services.

This includes payments, lending and, in Grab's case, digital banking and wealth management.

These services can make the platforms more useful to consumers and merchants, while also creating new revenue streams beyond mobility, delivery and e-commerce.

In this report, we look at what Grab and Sea's Q2 2026 results tell us about this shift in ASEAN fintech.

We also explain how Singapore investors can access both companies through the new Grab and Sea US SDRs listed on SGX.

Grab trades under the SGX SDR ticker UGBD, while Sea trades under UGGD.

Both SDRs began trading on 22 July 2026.

Figure 1: Grab and SEA US SDRs

Name	SDR:UL Ratio	SDR Stock code	Board Lot	SDR Min. Trading Size	US Shares Min Trading Size
Grab US SDR 2to1	2:1	UGBD	10	S$22	S$4.50
Sea US SDR 50to1	50:1	UGGD	10	S$29.40	S$151.50

Source: SGX, prices as of 19 August 2026

#1 - Financial services continued to grow

Grab and Sea's core platforms remain resilient.

Grab's on-demand GMV grew 21% year-on-year to US$6.5 billion, while adjusted EBITDA rose 54% to US$168 million.

Sea's Shopee GMV also grew 28% year-on-year to US$38.3 billion.

Financial services are becoming a distinct growth engine for both companies.

At Grab, Financial Services is now the fastest-growing segment.

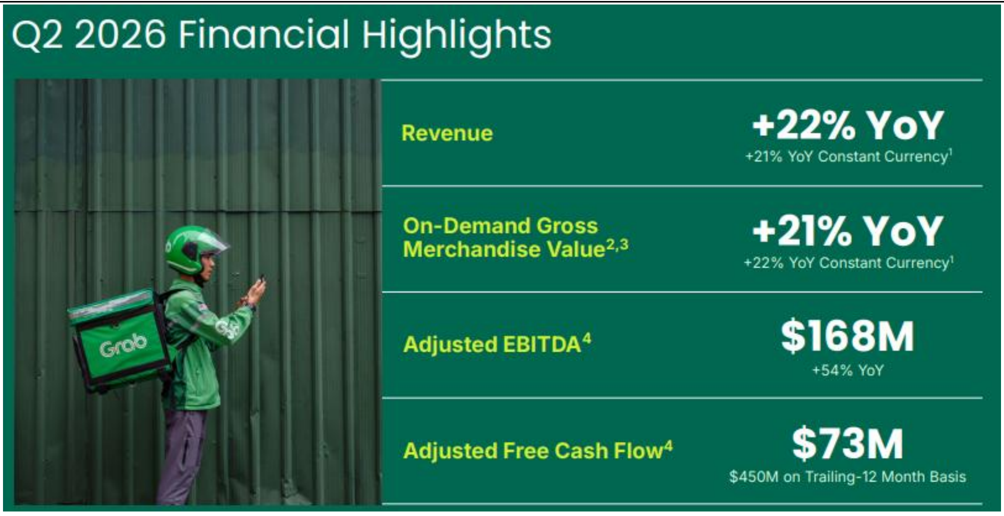
Revenue grew 59% year-on-year, while the gross loan portfolio across GrabFin, GxS Bank, GX Bank and Superbank rose 197% to US$2.3 billion.

Management also guided for the segment to reach adjusted EBITDA profitability in 2H2026.

The Superbank deal added more than 7 million customers, with over 60% of them also using Grab or OVO.

Grab's proposed acquisition of Stash would add a wealth-management pillar, with Stash managing more than US$5 billion of assets, according to management.

Figure 2: Grab 2Q26 results

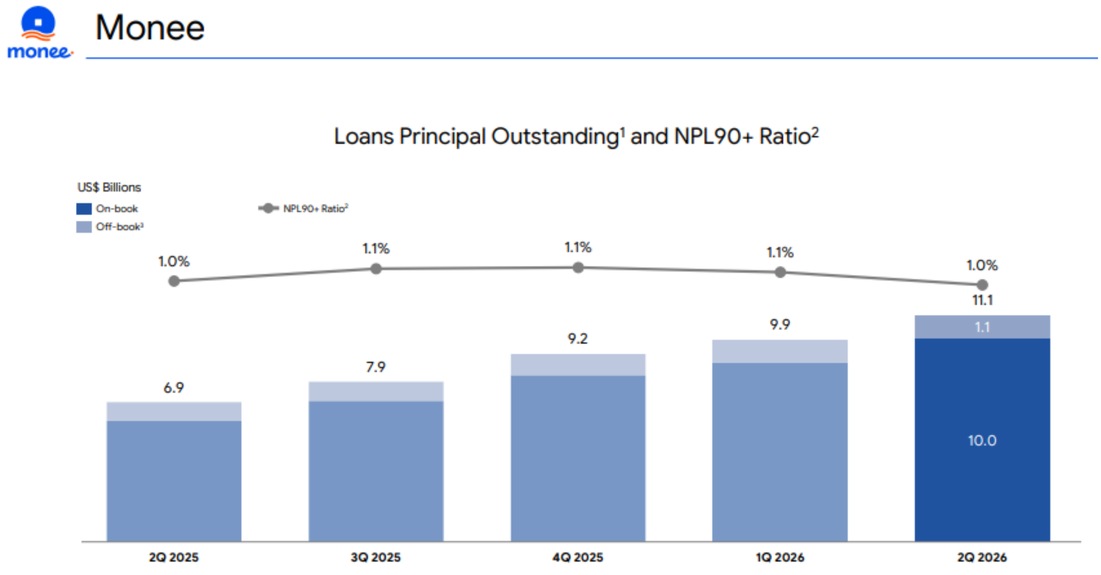


Source: Grab Q2FY2026 Presentation Slides, August 2026

Sea's fintech arm, Monee, is also scaling quickly. Its loan book reached US$11.1 billion, up 62% year-on-year.

Monee generated US$288 million of adjusted EBITDA, while keeping its 90-day non-performing loan ratio at around 1%.

Figure 3: Monee's loan book and 90-day NPL ratio



Source: Sea Ltd Q2FY2026 Presentation Slides, August 2026

Both companies are using payments, lending, digital banking and wealth management to deepen their ecosystems and monetise their existing user bases more effectively.

#2 – How Grab and Sea use transaction data in lending

Payments are becoming the entry point into lending for both Grab and Sea.

Both platforms sit close to where transactions happen, giving them access to behavioural data that can help assess credit risk.

Grab underwrites loans using proprietary transaction data from its ecosystem.

It also funds loans partly through low-cost deposits from its digital banks, which could improve the economics of lending as the business scales.

Sea's Monee uses a similar data-driven approach.

It analyses the sequence of a user's actions over time, rather than relying only on static credit information.

Recent underwriting improvements lifted approval rates by around 10%, without increasing risk.

Sea is also showing that its fintech business is moving beyond Shopee.

More than 20% of its SPayLater portfolio now comes from transactions outside Shopee.

Its standalone ShopeePay app also more than doubled its monthly transacting users during the quarter.

Sea added 5.3 million first-time borrowers, while active credit users rose 34% year-on-year to more than 40 million.

More transactions create more data. More data improves credit underwriting. Better credit access then deepens user engagement across the ecosystem.

Figure 4: ShopeePay expanding beyond Shopee checkout

Expanding into more user segments and driving off-Shopee growth

Expanding into more user segments

- Broadened rollout of one-month interest-free SPayLater loans – many users start using it out of convenience, subsequently generating more value through repeat transactions, installment conversion, or adoption of other credit products
- Similarly, more widely offering promotional interest rates for first-time personal cash loans

Expanding credit use cases beyond Shopee

- Off-Shopee accounted for > 20% of our total SPayLater portfolio as of end-June, as high as 35% in some markets
- Testing new ShopeePay Unlimited Card in Thailand; lets users pay with their SPayLater balance at any merchant that accepts card payments, expanding SPayLater use cases
- Monthly transacting users on the standalone ShopeePay app more than doubled YoY in 2Q26. Currently live in Indonesia, Thailand, Malaysia and Vietnam, with a similar standalone app to launch in Brazil soon

Source: Sea Ltd Q2FY2026 Presentation Slides, August 2026

#3 – Profitability metrics improved alongside growth

Both Grab and Sea are now emphasising profitable growth, rather than growth at any cost.

For Grab, overall adjusted EBITDA margin expanded from 13.3% to 16.9%.

Superbank's cost-to-income ratio declined to 55%. Management is targeting a cost-to-income ratio of below 50% by the end of 2026.

For Sea, Shopee's profitability continues to improve even as the platform grows.

Shopee generated US$255 million of adjusted EBITDA in the quarter.

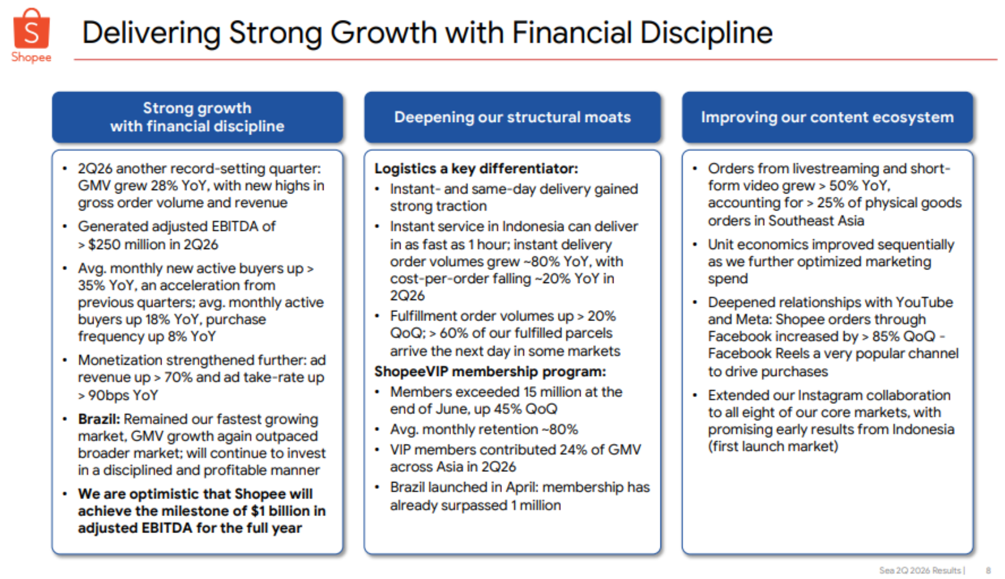
Management is also guiding for Shopee to reach around US$1 billion of adjusted EBITDA for the full year.

At the same time, Sea's Monee loan book continues to scale while maintaining credit discipline.

This is important because fintech growth can look attractive on the way up, but credit quality matters when lending books grow quickly.

Both companies reported growth in financial services alongside profitability and credit-quality metrics.

Figure 5: Shopee delivering strong growth with financial discipline



Source: Sea Ltd Q2FY2026 Presentation Slides, August 2026

#4 – Grab and Sea have different core ecosystems

Grab and Sea are approaching fintech from different starting points.

Grab's ecosystem includes mobility and delivery services.

Its digital banking operations also provide funding and financial infrastructure to support lending and other financial products.

Management describes this as an ecosystem flywheel, where Financial Services increases customer lifetime value through cross-selling.

Sea starts from e-commerce. Shopee gives Sea access to a large pool of buyers, sellers and transaction data.

ShopeePay and SPayLater then extend that relationship beyond the marketplace.

The underlying model is similar for both companies. Build a large digital consumer ecosystem. Capture transaction data. Use that data to improve underwriting. Then use financial products to deepen engagement and monetisation.

The difference is in the entry point: Grab begins with mobility and deliveries, while Sea begins with e-commerce.

How Grab and Sea compare on valuation and profitability

Figure 6: Peer comparison

Company Name	Ticker	Currency	Price	Market Value (US$b)	Revenue growth (%	EPS growth (%	P/E NTM	P/BV FY1 (x)	Dividend Yield (%)	ROE (%)	Net debt/ equity (x)
Grab Holdings Limited Class A	GRAB-US	USD	3.54	14.1	20.5	n.a.	23.5	2.1	-	4.1	-0.7
Sea Limited Sponsored ADR Class A	SE-US	USD	119.10	67.4	36.4	243.2	32.7	5.0	-	15.1	-0.8
Average							28.1x	3.5x	0.0%	9.6%	-0.7x
Median							28.1x	3.5x	0.0%	9.6%	-0.7x

Source: Factset, Data as of 19 August 2026

Based on FactSet data as of 19 August 2026, Grab traded at 23.5x forward P/E compared with Sea at 32.7x.

Grab's ROE was 4.1% compared with Sea's 15.1%.

Grab's Financial Services segment is guided to reach adjusted EBITDA profitability in 2H2026.

Both companies were in net cash positions, with net debt-to-equity ratios of -0.7x for Grab and -0.8x for Sea.

Key risks

Credit and asset quality

Grab's loan portfolio grew 197% and Sea's Monee book grew 62% year-on-year. A larger loan book does not automatically mean better earnings if credit losses rise or economic conditions weaken across ASEAN. Credit losses and NPL ratios may affect profitability as the loan portfolios expand.

Regulatory risk

Both companies operate digital banks and lending across multiple ASEAN jurisdictions, each with its own rules on digital banking licences, lending caps and data-sharing. Tighter regulation in any one market could slow loan growth or raise compliance costs. Both companies have financial-services exposure to Indonesia, including through Superbank and Monee.

Competitive intensity

Grab and Sea compete with each other, with incumbent banks expanding into digital lending, and with other regional super-apps and platforms such as TikTok Shop in e-commerce. Intensifying competition could pressure customer acquisition costs, loan pricing and take rates.

Macro and execution risk

Softer consumer spending across Southeast Asia would reduce the transaction volumes that feed both companies' underwriting models. Failure to hit stated profitability targets could also weigh on sentiment. For Grab, the key milestone is whether Financial Services can reach adjusted EBITDA breakeven in 2H2026. Sea's management has guided for Shopee to generate around US$1 billion of adjusted EBITDA for FY2026.

Disclosure Appendix

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