



EXECUTIVES FROM Kasikornbank and Robinson Department Store jointly launch a co-brand credit card. KBank targets 170,000 holders of the co-branded Robinson-KBank credit card this year.

KBANK FOCUSES ON PLASTIC CARDS

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THE NATION

Kasikornbank plans to broaden its customer base through credit- and debit-card business, as plastic cards will provide a boost to fee income during a period of narrow margins from interest income.

The bank recently announced a change in its mindset towards its home base by focusing more on the provinces, with credit cards one of the retail businesses enabling it to broaden its customer base.

Executive vice president Pakorn Partanapat yesterday said that co-branding with shopping-mall partners formed a key part of the expansion. For example, the bank has recently developed a co-branded credit card with Robinson Department Store with a view to acquiring new customers both in Bangkok and upcountry.

Robinson plans to expand its outlets in several provinces, which fits well with KBank's strategy, he added.

KBank has 2 million credit cards in circulation and hopes to get another 500,000 users this year, the same increase as last year, with 170,000 of the new cards being the Robinson-KBank co-branded card. Pakorn said the bank had an additional two partners planning to issue co-branded cards this year, beside which it would revamp existing co-brands to drive active spending.

KBank's credit cards produce the

maximum spending in the industry, with monthly spending per head at Bt17,000 against an average of Bt9,000.

A wider customer base would boost spending and fee income, with KBank projecting spending through its credit cards this year rising to Bt205 billion from last year's Bt150 billion, he said.

The bank will focus more on debit cards among "Y generation" customers after seeing the rocketing growth of debit-card use among students and first jobbers.

Plastic-card business is important to fee income during a period of narrow margins from interest income, besides which the business can help the bank expand its customer base quickly, the executive said.

With KBank expected to expand fee income from issuing credit and debit cards, he said this year's projected overall fee income from retail banking was for growth of 25 per cent from Bt13 billion last year.

Credit cards account for 23 per cent of fee income, while debit cards contribute 18 per cent. The remainder is from bancassurance and other retail banking business.

Meanwhile, Krung Thai Bank executive vice president Anuchit Anuchitanukul said his bank this year would strongly expand its number of Y-generation debit cardholders by joining with partners to offer privileges to students and first jobbers.