

UOB expects 8-10% rise

United Overseas Bank (Thai) projects retail loan growth of 8-10% this year as the economy continues to improve, says Yuttachai Teyarachakul, an executive vice-president and head of personal financial services.

The bank aims to add 5-6 billion baht to its current retail loan book of 63 billion baht, with growth primarily coming from new niche products.

Mortgages are projected to rise 6% this year. Outstanding mortgage loans total 49 billion baht or 77% of the bank's current consumer loan portfolio.

UOB's retail loans shrank 4-5% last year in line with the poor economy.

The bank will focus on building business partnerships to expand mortgage loans, and will co-operate with high-end property developers on specialised products, he said. "As a small-sized bank, UOB has no policy to compete with other financial institutions in all financial areas," he said.

In consumer finance, UOB aims to expand the customer base of credit and debit cards by 50,000 each this year. The bank has 500,000 credit cards outstanding, while debit and ATM cards combined total 300,000. UOB expects improving domestic consumption to support consumer spending.

The bank targets spending growth via UOB credit cards of 10-15%, against an industry average of 8%. Spending via the bank's credit cards is around 3,500 to 4,000 baht per card per month.

However, spending via the bank's debit cards is not expected to increase significantly this year because of the small deposit balances of cardholders. UOB debit card spending now averages 6,000 baht per card per year.

For debit cards, the bank will concentrate on expanding its base by 50,000 cards through product cross-selling. The strategy is expected to build higher returns for the retail banking business.

The bank yesterday introduced its UOB V Care promotional campaign for debit cards, offering insurance protection to cardholders.

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