OCBC woos young adults with Frank concept

BY YASMIN YAHYA

IT WAS recently named the world's strongest bank by Bloomberg Markets magazine. Now, OCBC Bank plans to impress an arguably tougher audience - Singapore's youth - with its new Frank by OCBC banking programme.

The programme is targeted at tertiary and university students, and young adults who have just entered the working world. The idea is to help them build up their savings at a time when many may be more inclined to spend.

OCBC has set high targets for itself: It hopes that more than half of Singapore's 748,000 young people, aged 18 to 28, will sign up with the new programme within the next 18 months.

With a Frank savings account, a customer will earn an interest rate of between 0.3 per cent and 0.6 per cent, higher than the rate of about 0.1 per cent earned by most normal savings accounts.

Starting from July, account holders will be able to use a new “savings enabler” feature - they can split the funds in their account between money meant for spending and for saving.

And within the savings portion of their funds, they can set up separate “savings jars” to save up for different things, be it a trip or a new gadget.

For $10 to $50, a customer can also get a debit card to go with the account. The price depends on the design of the card that the customer picks. There are more than 100 to choose from.

By the end of the year, the Frank programme will also include a credit card.

The concept was borne out of 15 months of surveys and interviews that OCBC conducted with 1,000 young people in Singapore. The research found that many from this demographic felt that banks were “cold” and did not have any products to cater to their specific needs.

With Frank, the bank hopes that it will gain first-mover advantage in capturing this neglected segment of the market.

Said OCBC's senior executive vice-president and head of global consumer financial services Ching Wei Hong: "We want to be there from the start of their life journey, and not wait until they are affluent and then say, 'Oh, now we want to talk to you.'"

Alongside the Frank programme, OCBC is opening new outlets that will look more like designer boutiques than bank branches.

The first has been opened at the Singapore Management University, and a second will be launched next month at Nanyang Technological University. Another three or four will follow over the next year in certain shopping malls.