Thailand Fintech Landscape

Mr. Kukkong Ruckphaopunt, Executive Vice President, Bangkok Bank
Mr. Wirawat Panthawangkun, Senior Executive Vice President, KASIKORNBANK
Mr. Thakorn Piyapan, Chairman, Krungsri Consumer Group and Head of Digital Banking and Innovation, Bank of Ayudhya
Moderator: Ms. Diksha Gera, Senior Industry Analyst, Bloomberg Intelligence

----

This panel is to share views on Fintech, the impact of Fintech in the banking industry and the future of Fintech in Thailand.

1. **What is the next big development that is just around the corner and people are completely unaware of?**
   - Thailand is facing a more open market and more open competitive landscape.
   - Blockchain and AI are going to change the landscape and the banking business. Also, every company that holds data or technology will need to touch on these things.
   - The way banks interact with their audience will change. In the past, banks controlled everything from backend operations to the customer-facing channels, but nowadays consumers can choose the channel they prefer. Moreover, Fintech now works directly with the consumers, therefore banks will have less direct interaction with consumers. Thus, the challenges of the banks are to figure out how they can deliver products and services through the partners and how banking can be more open and partner up with Fintech companies.

2. **How long do you think Thailand will take to go branchless?**
   - Branches are still needed, but the number of people that use them will decrease.
   - The number of branches may increase or decrease depending on how much technology can help improve their operations. It may be that branches will require fewer people per branch due to more efficient and effective work.
   - Now people interact with banks through mobile banking, internet banking, and ATM more than through branches. Now, consumers need to come to the branch for KYC or opening an account. However, when the National Digital ID (NDID) is implemented, coming to the branch is no longer necessary.

3. About the relationship between Fintech and Banks, who is in a better position to win this war and what are the challenges and threats?
   - The challenge is how to cooperate with Fintech companies. Speed and innovation are keys for banks as banks already have customer base, capital, experience, and information. However, if clients less interact with bank, there will eventually be less data.
   - If banks can use technology to leapfrog to change the way they compete, it will create a collaborative game. Banks will be more collaborative with each other to compete with the Fintech giants that will come to Thailand. However, banks can also see tech giants as a valuable partner. .
   - In Thailand, banks do not see Fintech as the competitor. Currently, banks already do not charge any transfer fees. This prevents Fintech or startups getting into the territory of the bank.

4. **How do banks defend their position?**
   - Banks try to find opportunities to serve customers. It includes partnering with small or big Fintech companies. If banks have to compete, they need to be faster and rely on the ecosystem among themselves. Thus, collaboration and speed are what banks should focus on.
   - Digital transformation aims at creating more impact for two reasons :
     o To improve customer experience (retain customers)
     o To improve productivity and efficiency

5. What are the skills that banks look for in their workforce?
- Manpower is the most critical agenda for Thailand at the moment as there is not enough talent in Thailand. We may have to rely on offshore hire. For example in China, there are about 8 million new graduates in computer science and engineering per year, while in Thailand there are only about 400,000 graduates per year in this field.
- Skill sets that banks require are: brave enough to fail, good enough to dream, able think in detail and can execute, patience.
- However organizations also have to ask themselves whether the companies' culture match with new talents.

6. What changes can be made in terms of regulation?
- Thailand regulators are forward thinkers. For example, they have policy sandboxes. However, it would be better if the China model can be applied in a pragmatic approach.
- Banks are tightly controlled by the Bank of Thailand. Cybersecurity requirements are quite ahead. However, we need to catch up with the dark world. Banks should support each other in this area to maintain trust.
- Regulators should give banks the opportunity to move fast and more room to play.

7. What are AI use cases to improve businesses?
- Fraud detection: Banks collect the user's data to understand their behavior which helps predicting and preventing fraud transactions.
- Lending: Banks use AI to find ways to collect loans better and more efficient.

8. Key takeaways from speakers:
- Try to fail once a week
- Start acting now (Do whatever you wanted to do now. No more future planning)
- Partnership and collaborative is necessary.