

State Bank of India secures full service nod

It will offer products from mortgages to deposit accounts

By **CHOW PENN NEE**

[SINGAPORE] Confirming previous reports, the State Bank of India (SBI) said yesterday that it has won approval from the Monetary Authority of Singapore to offer a full range of banking services here.

The bank applied for the licence late last year under the Comprehensive Economic Cooperation Agreement between Singapore and India signed in June 2005.

With Qualifying Full Bank (QFB) status, SBI will join other QFBs such as Citibank, Standard Chartered, HSBC and Maybank in offering Singapore consumers products from deposit accounts to mortgages.

SBI will concentrate on the mass affluent market and customers of Indian origin. "The focus will be on garnering Sing-dollar deposits and advances from the mass affluent residents of Singapore," said Anshula Kant, chief executive of SBI's Singapore business.

"As we are the first Indian bank allowed to expand in the retail market, we will leverage our vast Indian network in targeting the Indian expats and Singaporeans and permanent residents of Indian origin."

The bank will enter the retail market with several key products for deposits and advances, she said. And branches and ATMs are also in the offing.

"We may open three or four branches and a few off-site ATMs in the first

year and expand gradually thereafter.

"We are confident that our No 1 position in Indian banking, our reputation for reliability and prudent banking practices, as well as the experience already gained in the Singapore market, will hold us in good stead to meet the challenges ahead."

SBI has been operating in Singapore for 30 years, providing trade finance, corporate loans and deposits and remittance services.

ICICI Bank, India's No 1 private lender, has also applied for QFB status. But BT understands that only one QFB licence has been granted – to SBI.

MAS said yesterday that the inroads made by Indian and Singapore banks into each other's countries will bolster bilateral economic ties.

Numbering more than 3,000 as at end-September last year, Indian companies are the third-largest foreign corporate group in Singapore, it said.

Singapore's foreign direct investment in India last year came to US\$1.43 billion, making Singapore India's second-largest foreign investor. "Both Indian and Singapore banks play an important role in facilitating these economic flows," MAS said.

In turn, Singapore banks have been given approval to open new branches in India, the world's second most populous nation.

On Tuesday, DBS said that it has obtained a licence to open eight branches, while UOB gained approval to open one.