

# Battle to be Singapore's first digital banks

A total of 21 applications have been submitted for up to five digital bank licences, which include both full bank licences and wholesale bank licences. The Straits Times rounds up the criteria for digital bank aspirants and the contenders which have put their names up for consideration.



## Application criteria:

- Track record in operating existing businesses in technology or e-commerce fields.
- Provide clear value propositions on how it can serve existing unmet or underserved needs.
- Demonstrate sustainable digital banking business model.
- Must be incorporated in Singapore.



## What will digital banks offer?

- Banking services such as deposits, loans, debit and credit cards.
- Transactions will be made online.
- Cashback services available through electronic funds transfer at point-of-sale terminals at retail merchants.
- Customers will engage with bank through e-mail, online chat or phone calls.
- No physical branches, no access to ATMs.



## FULL BANK LICENCES

### Maximum of 2 will be granted

- To serve both retail and non-retail customers.
- Applicants must be headquartered in Singapore and controlled by Singaporeans.
- Commitment of funds or fund-raising plans to meet minimum paid-up capital of \$1.5 billion.
- Known applicants (4 out of 7):

#### Grab-Singtel

- Ride-hailing start-up Grab has a 60 per cent stake, and telco Singtel holds the remaining 40 per cent.
- Targeting digital-first customers and small and medium-sized enterprises.

#### Razer Youth Bank

- Technology firm Razer's fintech arm is leading the consortium.
- Includes Sheng Siong Holdings, tech company LinkSure Global, tech venture fund Insignia Ventures Partners and vehicle wholesale marketplace Carro.
- Targeting millennials and youth, budding entrepreneurs and small-and micro-enterprises.

#### Beyond

- Six-member team is led by Osim founder Ron Sim's V3 Group and stored-card operator EZ-Link.
- Includes the Singapore Business Federation, property giant Far East Organization, Temasek unit Heliconia Capital and insurer Mitsui Sumitomo Insurance.
- Targeting SME community, including micro-enterprises and start-ups, and their families.

#### Sea

- Internet group Sea owns e-commerce firm Shopee, gaming developer Garena and digital financial services network SeaMoney.
- Listed on the New York Stock Exchange.
- Targeting millennials and SMEs.

## WHOLESALE BANK LICENCES

### Maximum of 3 will be granted

- To serve small and medium-sized enterprises and other non-retail segments.
- Can be majority-owned by foreign entities.
- Applicants need \$100 million in paid-up capital.
- Known applicants (5 out of 14):

#### Consortium led by AMTD Group

- Hong Kong financial services provider AMTD Group is heading the four-member consortium.
- Includes energy utilities provider SP Group, Chinese tech company Xiaomi Finance, and crowdfunding platform Funding Societies.
- Targeting SMEs and entrepreneurs and focusing on South-east Asia and China.

#### Ant Financial

- Owned by Chinese billionaire Jack Ma and is China's largest online financial platform.
- The Alibaba-owned company is behind payment processing platform Alipay.

#### iFast Corporation, Yillion, Hande

- Mainboard-listed financial technology firm iFast Corporation is leading the consortium.

- Includes Chinese digital bank operator Yillion and China-based fintech firm Hande Group.
- Targeting SMEs.

#### ByteDance Technology

- Chinese company ByteDance Technology owns popular video-sharing app TikTok and other media businesses.
- Reportedly applied for a licence and previously signalled intentions to move into financial services.

#### Sheng Ye Capital, Advance.AI, PhillipCapital

- Supply chain finance company Sheng Ye Capital, which is based in Hong Kong, and fintech firm Advance.AI are both backed by Temasek subsidiary Pavilion Capital.
- Financial conglomerate PhillipCapital is the third partner in the consortium.
- Looking to build a data-driven SME bank to help businesses expand into Asia.