

# BANKING IN SINGAPORE

Chapter  
5

We have established ourselves as a thriving financial centre of international repute, serving not only our domestic economy, but also the wider Asia Pacific region as well as the world. With the high levels of transparency, a robust and efficient legal and judicial framework and a well-regulated international financial sector, Singapore is the only Asian country with a "AAA" rating. Our unique location and sophisticated telecommunications network also allow financial institutions here to transact business with any part of the world within the same working day.

Our financial centre offers a broad range of financial services including banking, insurance, investment banking and treasury services. Commercial banks in Singapore undertake universal banking which includes deposit taking, the provision of cheque services and lending. Commercial banks may also carry on any other business which is regulated or authorised by Monetary Authority of Singapore (MAS), including financial advisory services, insurance broking and capital market services. Commercial banks operate as full banks, wholesale banks or offshore banks.

## Full Banks

Full banks may provide the whole range of banking business approved under the Banking Act. There are currently 30 full banks in Singapore. Six of them are locally-incorporated entities under the three local banking groups, and one is a locally incorporated subsidiary of a foreign bank. The remaining 23 banks are branches of foreign-incorporated banks. Six of the foreign banks operating in Singapore have been awarded Qualifying Full Bank (QFB) privileges.

### Local full banks

- DBS Bank Ltd <http://www.dbs.com.sg>
- United Overseas Bank Ltd <http://www.uob.com.sg>
- Oversea-Chinese Banking Corp <http://www.ocbc.com.sg>
- The Islamic Bank of Asia Ltd <http://www.islamicbankasia.com>
- Bank of Singapore Ltd <http://www.finatiq.com>
- Far Eastern Bank Ltd <http://www.uobgroup.com>

### Foreign full banks

There are six foreign full banks that have up to 10 branches in Singapore. You may visit the following

- ABN AMRO <http://www.abnamro.com.sg>
- BNP Paribas <http://www.bnpparibas.com.sg>
- Citibank <http://www.citibank.com.sg>
- HSBC <http://www.hsbc.com.sg>
- Maybank <http://www.maybank2u.com.sg>
- Standard Chartered <http://www.standardchartered.com.sg>

websites of the respective foreign banks for further information:

For a complete list of foreign full banks, you may visit this website:

[http://www.mas.gov.sg/fi\\_directory/index.html](http://www.mas.gov.sg/fi_directory/index.html)

## Foreign Wholesale banks

Wholesale banks may engage in the same range of banking business as full banks, except that they do not carry out Singapore Dollar retail banking activities. All wholesale banks in Singapore operate as branches of foreign banks. For a complete list of foreign wholesale banks, you may visit this website: [http://www.mas.gov.sg/fi\\_directory/index.html](http://www.mas.gov.sg/fi_directory/index.html)

## Financial transactions

### *Opening an account*

You will need to present your passport and employment when opening a bank account at the banks. The 2 most basic bank accounts are:

	Savings account	Current/chequeing account
Interest rates	Low	Generally does not yield any interest, but some banks offer a hybrid account that offers both chequeing services as well as give an interest
Minimum initial deposit	S\$500 – S\$1000 (varies for different banks)	S\$1000 – S\$3000 (varies for different banks)
Fees	~S\$2 per month if the account balance falls below a certain amount (usually around S\$500 to S\$1000)	Varies for different banks

## E-banking

Most banks in Singapore offer e-banking to their customers with two layers of security: your e-banking user ID and PIN, as well as an additional Second Factor Authentication (2FA) number. The 2FA is a randomly generated PIN that the bank sends via an electronic device to your handphone or a token device. With the implementation of 2FA, should your User ID and PIN be compromised for any reason, the "thief" will also need to have the second PIN, without which he will be unable to access your iBanking. This makes it more difficult for hackers who manage to obtain a string of customers' User IDs and PINs via phishing or spyware.

## Automated Teller Machines (ATMs)

Banks generally issue ATM cards with each account. The cards can be used at ATMs that are conveniently located at most public places with high human traffic. The ATMs is a convenient alternative to visiting the bank branches for withdrawals of cash, checking of account balance, transferring of funds, paying of bills etc.

## Network for Electronic Transfers (NETS)



The Network for Electronic Transfers (NETS) offers an excellent alternative to credit/debit cards. It allows you to use an ATM card and a PIN number to make over-the-counter payments that deduct funds directly from your bank accounts. NETS transactions are accepted where the service provider displays the NETS logo.

## GIRO

GIRO is another service offered by the banks and major billing organisations to help you schedule payments of your bills automatically. This service allows you to specify the regularity and/or amounts that you would like to make payment for utility, taxes, installment plans etc. Application forms to arrange for GIRO transactions can be obtained from all participating billing organizations.