

Business Standard

SBI opens first dedicated banking branch for startups

Lender opens InCube branch in Bengaluru; to help in needs like employee account maintenance and setting up a company

BS Reporter | Bengaluru January 14, 2016 Last Updated at 14:08 IST



The country's largest public sector bank, State Bank of India (SBI), has opened its first branch dedicated to serving startup companies in Bengaluru. The announcement comes ahead of the Prime Minister's 'Start-up India Stand Up India' event that will be held on January 16, where the government will roll out its new startup policy.

The bank envisions that its InCube branches will be a one-stop shop for the financial service requirements of startups in the country.

While SBI isn't focusing on helping startups with loans and other forms of capital assistance, it will service their banking needs such as employee account maintenance and will assist them on matters from setting up a company itself to the procedure for bringing in funds from foreign investors.

“We believe we will be very useful to the startups even though we are not giving them financing, because financing is not the only thing startups need. In fact they really and truly need a lot of financial management advice, they need to understand how to manage their companies and they need to be free of these things to actually concentrate on what they do best,” said Arundhati Bhattacharya, Chairman of the State Bank of India.

The bank has opened its first InCube branch in Bengaluru since the city is the hub for startups in the country. It also plans to open centers in Pune and Delhi-NCR in the coming months, but will limit opening them only in cities that have a large presence of startups.

Apart from serving a startup's financial services requirements, SBI will also provide mentorship through technology experts. It has also tied up with third parties to provide taxation and legal consultation, etc. The InCube model has been built taking advice and feedback from senior technology experts such as Mohandas Pai, Nandan Nilekani and iSPIRT, added Bhattacharya.

“Whatever we are going to do for them (start-ups) there isn't going to be a separate advisory fee. We have to look at how best the accounts they maintain with us can be made profitable through whatever are the schemes that already exist,” said Bhattacharya.

Apart from inaugurating the first InCube branch in Bengaluru, SBI also launched a new wealth management service called Exclusif. Customers of the service will have access to a dedicated relationship manager and a team of investment experts.

SBI has also setup a remote relationship management center for the service allowing customers to transact and invest their wealth over mobile and internet securely with the use of technology.