

SBI to take on private banks in wealth management segment

NS Vageesh / K Ram Kumar

To soon open first branch catering to HNIs in Bengaluru



Mumbai, January 7:

Established players in the wealth management space such as Citibank, ICICI Bank, Standard Chartered and Kotak Bank are in for some serious competition with State Bank of India, the big daddy of Indian banking, set to venture into this segment.

India's largest bank will soon open its first wealth management branch in IT and start-up hub Bengaluru.

SBI is entering the wealth management space at an opportune time as, according to a Capgemini and RBC Wealth Management report of 2015, India is the fastest growing wealth market in the world. Wealth management is a high-level professional service for HNIs that combines personal investment management, accounting and tax services, retirement planning and legal advice.

“One initiative that we will roll out very shortly is the wealth management piece. This piece was missing in SBI for a very long time,” said SBI Chairman Arundhati Bhattacharya. “So, we will be starting with a pilot in Bengaluru and we will scale it up quickly to cover other major cities.”

Bhattacharya emphasised that her bank is trying to address the needs of not only existing HNIs but also future HNIs, especially their investment and advisory needs.

SBI defines HNIs as those with Rs. 30 lakh invested in the form of deposits, mutual funds, stocks etc., or with a loan — say, a home or a personal loan — of Rs. 1 crore and above.

The SBI chief explained that “many of the services will be through remote advisors... So, you don't really need to go to the branch or go anywhere in order to get investment advice.”

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