

SE Companies & Markets

HD **DBS poised at last to make Aussie debut**

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The Singapore bank is just waiting for regulatory approval to set up a unit in Sydney

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DBS Bank, South-east Asia's largest lender, has set its eyes Down Under, finally.

Australian sources tell The Business Times that the Singapore bank is awaiting regulatory approval to set up a branch in Sydney.

DBS is the only Singapore bank which does not have a presence in Australia. Rivals OCBC Bank and United Overseas Bank (UOB) have had branches in Australia for a while. OCBC has one in Sydney while UOB has a branch in Sydney and offices in Melbourne and Brisbane.

DBS declined to comment on its Australian plans.

BT understands that DBS has tapped Helen Yap, the former Australian general manager for OCBC Bank, to head the **operations** in Sydney.

The new branch is expected to do corporate banking business. "This will make more sense since it will have a limited distribution network in the beginning," a banker said.

While DBS has no physical presence in Australia currently, it has already extended project financing to a handful of blue-chip corporates as well as fund a number of high-profile infrastructure deals.

These include the A\$1.75 **billion** (S\$1.93 **billion**) Port of Newcastle **acquisition** earlier this year by Hastings Funds Management and **China** Merchants. It also participated in the lending syndicate to the A\$5.07 **billion** privatisation of Port Kembla and Port Botany, which was bought by a consortium comprising three Australian companies, Industry Funds Management, AustralianSuper and QSuper, as well as Tawreed Investments, a subsidiary of the Abu Dhabi government.

DBS corporate clients are understood to include Lend Lease as well as Toll Holdings and Origin **Energy**.

As The Australian newspaper revealed last month, Origin is in the midst of a A\$6.6 **billion** refinancing deal that involves close to 30 different lenders. The new terms of its facility are expected to be finalised by the end of the year.

A physical footprint in Australia will allow DBS to build on its existing **operations** and to extend its regional connectivity. The bank boasts more than 250 branches in 17 markets, with key markets in Singapore, **Hong Kong**, **China**, India, Indonesia and Taiwan.

While DBS may be South-east Asia's largest bank, its global network is much smaller than that of OCBC and UOB, both of which have major subsidiaries in Malaysia and Indonesia.

OCBC's network surged this year to over 545, via its **acquisition** of **Hong Kong**'s Wing Hang Bank, which brought with it 95 branches in **Hong Kong**, **China** and Macau.

UOB's global network of over 500 offices includes the largest presence in South-east Asia, with 484 branches and representative offices across the region.

Still, DBS has been no less busy expanding via acquisitions. In October, it completed the US\$220 **million acquisition** of Societe Generale Private Banking Asia.

DBS's private banking assets under management (AUM) are now S\$88 **billion** after the **acquisition**; its AUM was S\$75 **billion** before that.

DBS is now going after Coutts International, the non-UK private banking business of the Royal Bank of Scotland (RBS). Last week, it was reported that DBS had begun studying a potential bid for Coutts.

"We will take a look at Coutts when it comes on the block," said DBS chief executive Piyush Gupta on Oct 31 when the bank released its Q3 results.

Mr Gupta also said that the bank is looking to scale up in India, where it now has 12 branches. It is looking into subsidiarising its business there which will allow the bank to open more branches, he said.

DBS's application to operate in Australia comes a month after it failed to receive a banking licence from the Central Bank of Myanmar. The latter granted nine foreign banks licences to set up a branch each and they will also be able to provide loans to foreign companies, but only in foreign currency. OCBC and UOB were among nine approved foreign banks. But DBS, which has a representative office in Myanmar, has said that it would stay committed to that market and continue to do offshore business.

CO uob : United Overseas Bank Limited | dbsbsg : DBS Bank Limited | devbnk : DBS Group Holdings Limited

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