

Hindu Business Line
SBI keen to take card arm public over the medium term

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SBI Card eyes pole position in industry over the next one year

KR SRIVATS

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State Bank of India, the country's largest bank, plans to take its credit card venture SBI Card, public over the medium term, a top official said.

SBI Card, the second-largest credit card issuer in the country, is also looking to become the industry leader over the next one year.

"We definitely have plans to take SBI Card public. Much of it would depend on the completion of transaction that would raise our stake to 74 per cent in SBI Card. The in-

tent to go in for initial public offering is there," Dinesh Khara, Managing Director (Associates and Subsidiaries), SBI, told *BusinessLine* here.

Plans are also afoot to merge the two entities comprising the SBI Card joint venture with GE. This would happen after GE's exit. SBI hopes that the transaction involving GE's exit and it raising stake to 74 per cent will get over in the next quarter (July-September).

SBI Card is a joint venture of SBI and GE Capital, and operates through two businesses – SBICPSL and GE Capital Business. While SBICPSL markets and distributes cards, the GE Capital Business does the back-end work, including technology and processing.



Dinesh Khara, MD, SBI

Currently, SBI holds 60 per cent in SBICPSL and 40 per cent in GE Capital Business.

Khara said that GE is in the process of identifying the buyer for its stake in SBI Card. Earlier, SBI was hoping that this transaction would be completed by end-June.

"They (GE) had given us some options as to who would be okay for us. We have

done that and the final decision on to whom they will sell the share has to be now taken by GE," he said.

He also said that SBI would be able to raise the stake to 74 per cent only after GE decides on the buyer.

SBI is now looking to raise its stake to 74 per cent from 60 per cent in the front-end and to 74 per cent from 40 per cent in the back-end entity.

PRIME card

Meanwhile, SBI Card has launched 'PRIME', a premium credit card targeted at the growing segment of urban, young affluent consumers.

For this offering, SBI Card has partnered with Vistara, Trident Hotels, Reliance Retail, BigBasket, Pizza Hut and Priority Pass to offer exclusive

benefits to cardholders. "PRIME is designed to complement the lifestyles of these evolving, neo-affluent consumers, clubbing exclusive lifestyle privileges with enhanced value on their daily spends," said Vijay Jasuja, CEO, SBI Card.

Jasuja said that urban professionals – with rising disposable incomes – are aspiring for a superior lifestyle at an early stage in their lives. There is a perceptible shift in the premium consumer segment, with more consumers in this segment now falling in the 25-35 years age group.

Over 50 per cent of SBI Card's premium customers today are in this age bracket, Jasuja said, adding that this shift has been driven by urban consumers.