

The Times of India
Carlyle buys 26% in SBI card biz for over \$250m

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Mumbai: Private equity investor Carlyle Group has struck a definitive deal to acquire 26% stake held by GE Capital in SBI Card, the second-largest credit card issuer in India. Carlyle is said to have paid slightly over \$250 million for the deal though the financial details were not disclosed in the announcement.

TOI reported on March 22 that Carlyle had emerged as the front-runner to buy GE shares. SBI Card is operated through two joint venture companies, SBI Cards & Payment Services and GE Capital Business Process Management Services, which issue credit cards and process card transactions in the Indian market. Carlyle will own 26% each in these two entities, with SBI holding 74%. The transaction is expected to close during the final quarter of 2017.

Sunil Kaul, managing director of The Carlyle Group, said, "Our deep experience and operating expertise in the financial services sector,

and a track record of successful public-private partnerships, will enable us to be a supportive and value-adding partner to SBI Card."

Dinesh Kumar Khara, MD (A&S), SBI, said, "We look forward to the new partnership capitalising on the

ged one of the first global private equity firms to execute a major initial public offer in partnership with a public sector bank. "PNB Housing is now our third-largest public position with a fair market value of over \$1 billion," according to Carlyle's first quarter 2017 earnings call.

Carlyle's another investment in Indian financial services sector is in Edelweiss Capital, while it held a stake in the country's top mortgage lender HDFC in the past.

SBI Card has issued 48 lakh credit cards as of last fiscal, becoming the second-largest issuer after HDFC Bank. The card subsidiary of the largest state lender has been aggressively growing its portfolio. SBI has installed close to six lakh swipe machines to increase the acceptance of its credit and debit cards.

According to insiders, the credit card issuance is set to rise following merger of the associate banks. SBI also plans to issue secured credit cards for new-to-credit customers by using fixed deposits as security.

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Boby Kurian & Mayur Shetty | TNN

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TOI edition dated Mar 22, 2017

significant opportunities that are opening up in the Indian market, especially in these interesting times of majorly cashless transactions."

This will be Carlyle's second partnership with a state lender in India. Carlyle holds a large position in PNB Housing Finance, and emer-