

SBI Card finalizes IPO price band at Rs750 755

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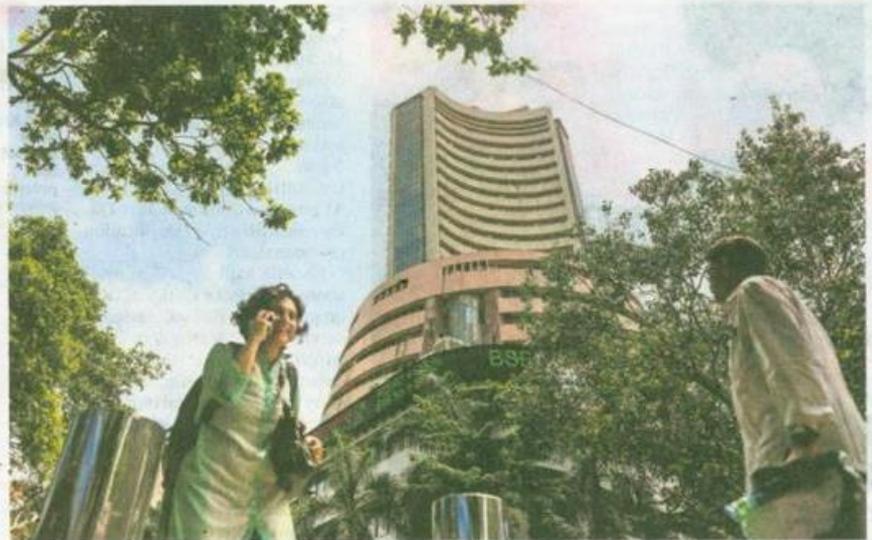
SBI Cards & Payment Services Ltd will sell shares in its initial public offering (IPO) next week at ₹750-755 per share which would also see US private equity firm Carlyle Group reduce its stake.

The offer, which opens on 2 March and is backed by the country's largest lender State Bank of India Ltd (SBI), will also be the first share sale of 2020.

The IPO, which closes on 5 March, comprises a fresh issue of ₹500 crore, while the offer for sale will see the promoters offload 130.52 million shares, the company said on Tuesday.

At the upper end of the price band, the SBI Card IPO would be valued at ₹10,341 crore, while its post-issue market capitalization will be up to ₹70,891 crore.

The secondary share sale will include up to 37.29 million share sale by SBI and up to 93.23 million shares on offer by Carlyle Group. SBI holds a 74% stake in SBI Card, while the rest is held by Carlyle. They will pare their stakes by 4% and 10%, respectively, through the share sale. The offer also includes a reservation of 1.84 million shares for eligible employees, while 13.05 million shares are set aside for SBI shareholders. The bids can be



Investment banks Axis Capital, BofA Securities, Nomura and SBI Capital Markets are managing the IPO. BLOOMBERG

applied for a minimum of 19 shares and in its multiples thereafter. Investment banks Axis Capital, BofA Securities, Nomura and SBI Capital

tal Corp. In December 2017, GE Capital sold its 40% stake to state-run SBI and Carlyle.

The second-largest credit card

credit card market as on 30 September. HDFC Bank has the largest credit cards business in the country with 13.3 million cards issued, while ICICI Bank stood third with 7.9 million credit cards, as per data from the Reserve Bank of India.

The company sells a range of SBI Card-branded credit cards as well as co-branded credit cards to its 436.4 million customers, including individual cardholders and corporate clients.

STAKE SALE PLAN

THE firm's post-issue market capitalization is estimated at up to ₹70,891 crore

PE firm Carlyle Group, which holds a 26% stake in the firm, will pare its stake by 10% through the IPO

SBI, which holds a 74% stake in the company, will pare its stake by 4% through the share sale

THE IPO, the first of 2020, closes on 5 March and comprises a fresh issue of ₹500 crore

Markets are managing the IPO. SBI Card started operations in 1998 as a joint venture with GE Capital

issuer in the country, SBI Card sold 9.46 million credit cards, with an 18% market share in the domestic

individual cardholders and corporate clients.

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