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Carlyle, two others emerge final bidders for GE stake in SBI card

By [Sneha Shah](#) & [Bajju Kalesh](#), ET Bureau | Updated: Dec 21, 2016, 12:49 AM IST

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MUMBAI: Global buyout funds [Warburg Pincus](#), [Carlyle](#) and Japan's financial services group [Credit Saison](#) are the final bidders for GE's stakes in SBI Card, the [credit card](#) joint venture between the US-based conglomerate and India's largest lender State Bank of India. The [business](#) which is majority owned by [GE](#) is being valued at about \$800 million, said three [people](#) with direct knowledge of the matter. "The final bids have been submitted and a decision will be taken soon. The announcement of stake sale is likely to be made in January," said one of the persons involved in the deal.

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According to sources, the deal that was pursued by many domestic and global suitors, values the credit card business at about \$800-850 million. The business is divided into two parts —one that deals with marketing and [distribution](#), SBI Cards and Payments, and the back office and [technology](#) arm [GE Capital Business Processes Management Services](#). While GE holds 40% stake in the first entity, it holds 60% in the latter.

"Going by the ask (valuation expectation), GE is expected to make about \$300-350 million from the deal," said another person involved in the matter. After it recalibrated its global strategy, GE decided to sell its non-core financial services businesses it has worldwide and focus on its core strengths. Global investment bank Morgan Stanley is advising GE on the process while Barclays is advising SBI.

Emails sent to the spokespersons of Carlyle, Warburg Pincus and Credit Saison did not elicit any response till the time of going to press. A spokesperson for GE in an emailed response said, "GE Capital and SBI are jointly engaged to identify the buyer of GE Capital's stake in the credit card JV entities. The process is ongoing and there are multiple [parties](#) shortlisted. We will share details when the process concludes."

Started in 1998, SBI Card has more than 4 million users and is expected to add another million by next year, [news](#) reports say. Growing at around 30% every year, SBI Card now commands around 15-18% of [market share](#) in India. There are around 24 million credit card users in India as on March 31, 2016.

Driven by the ecommerce boom, payments through cards have been growing in India over the past 3-5 years where the large chunk of customer base has shifted to buying things online.

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