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SBI Life may not go public in next two years

By [Atmadip Ray](#), ET Bureau | Updated: Feb 03, 2016, 04.57 PM IST

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KOLKATA: [SBI Life Insurance Company](#) is unlikely to go public before the next couple of years while State Bank of India's proposed 10% sell stake in the life insurance may happen only next fiscal. SBI has decided to pare its 10% stake in favour of overseas partner [BNP Paribas Cardif](#).

SBI Life Managing Director [Arijit Basu](#) said the insurer does not need to raise capital immediately and the stake sale process would be capital neutral.

"According to our internal discussions, an IPO will not happen before two years and if at all, 2017-18 would be the earliest," Basu said in Kolkata.

The MD said IPO might just be one of the options for fund raising. Options such as private placement of equities or qualified institutional placement may also be explored.

SBI holds 74% in its life insurance subsidiary while the balance lies is with BNP Paribas Cardif. The valuation exercise for this is on.

SBI Life has Rs 1,000 crore capital and it would remain the same even after the stake sale.

"Given our targeted 25-30% growth for the next two years, we may need to raise additional capital in two years' time," Basu said.

SBI Life is the second largest private insurer after ICICI Prudential Life Insurance and aims to push growth by cross selling insurance policies to the battery of SBI's existing customers.

At present, about 50% of the 16,000 branches of SBI and its associate banks sell insurance products actively and SBI Life wishes to raise this count to at least 70% in the next two-three years.

"The bancassurance channel is growing faster for us given the enormous potential, but we put equal emphasis on the agency channel as well," Basu said.

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