

Business Standard

SBI-Bharatiya Mahila Bank merger gets competition commission nod

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Press Trust of India | New Delhi November 30, 2016 Last Updated at 17:05 IST



Competition Commission has approved the merger of Bharatiya Mahila Bank with the country's largest lender State Bank of India (SBI).

In August, the board of SBI cleared the merger of Bharatiya Mahila Bank Ltd (BMBL) and that of five associate lenders with itself.

The amalgamation of BMBL with SBI has been approved, Competition Commission of India (CCI) website showed.

As per the summary of the deal, the combination is in the form of amalgamation whereby the business of BMBL, including its assets and liabilities, will be acquired by SBI.

While SBI has global presence, including offices in 37 countries, BMBL is a nascent bank set up in November 2013.

"Both the banks offer various banking products to their retail and corporate customers. However, while SBI has made deep inroads into the interiors of the country, BMBL has only a token presence with 4-5 branches in each state," the summary said.

In the case of BMBL, 4,42,31,510 shares of SBI would be swapped for every 100 crore shares of face value of Rs 10 each.

Besides, SBI is to merge five associate lenders — State Bank of Bikaner & Jaipur (SBBJ), State Bank of Mysore (SBM), State Bank of Travancore (SBT), State Bank of Patiala (SBP) and State Bank of Hyderabad (SBH) — with itself.

Post merger of the six entities, including BMBL, the consolidated entity will add Rs 8 lakh crore (about \$120 billion) to SBI's assets.

The banking behemoth will have a network of more than 24,000 branches, 2,70,000 employees and total assets of Rs 30 lakh crore.