

SBI Board Agrees Merger of 5 Associate Banks (Download PDF)

(August 22, 2016)

The board of directors of State Bank of India has approved proposed of share swap merger of its five associate banks and Bharatiya Mahila Bank (BMB) with itself and become first Indian lender to get ranked in world's top 50 financial powerhouses in the world.

- These five subsidiaries are

1. State Bank of Bikaner & Jaipur
2. State Bank of Hyderabad
3. State Bank of Mysore
4. State Bank of Travancore
5. Bharatiya Mahila Bank

Agreement consists:

- Confirmation to the share swap ratio for three of the listed subsidiaries and BMB.
- Merger of two private associate banks State Bank of Patiala and State Bank of Hyderabad with it.

Key Facts:

By this merger SBI will formed a global-sized bank with assets worth over Rs 37 lakh crore.

- SBI will issue 28 shares of each Rs 1, 10 Share for Rs 10 each for SBBJ, and 22 shares for 10 shares of SBT.
- SBM shareholders will get 22 shares in SBU for every 10 shares.
- Under the merger network total 22,500 branches and 58,000 ATMs will be formed with over 50 crore customers.
- SBI will close 16,500 branches, including 191 foreign offices in 36 countries and five subsidiary banks have nearly 6,000 branches.
- Previously in 2008 first merged State Bank of Saurashtra with itself and after two years State Bank of Indore was also merged.

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Image of Swap Ratio Synergy Effect

Creating A Behemoth

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