

Capital One to buy Discover for \$35.3 bn

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According to Capital One the deal to acquire Discover is expected to close in late 2024 or early 2025.

US banking giant Capital One announced Monday it will acquire financial services company Discover in a \$35.3 billion all-stock deal

combining two of America's major credit card firms.

Under the deal, Discover shareholders will receive 1.0192 Capital One shares for each Discover share, a premium of 26.6 percent over Discover's closing price on Friday.

Acquisition of Discover will help "build a payments network that can compete with the largest payments networks and payments companies," said Capital One founder and CEO Richard Fairbank in a statement.

Once the deal goes through, Capital One shareholders will own approximately 60 percent of the combined company, and Discover shareholders will own approximately 40 percent.

Discover is among the United States' major credit card networks, but is smaller than the top three: Visa, Mastercard and American Express.

The company's acquisition will "accelerate growth and maximizes value for our shareholders, enabling them to participate in the tremendous upside of the combined company," Discover CEO Michael Rhodes said.

According to Capital One, if approved, the deal is expected to close in late 2024 or early 2025.

"The combined credit card business will be in an even stronger position to deliver industry-leading products and experiences that span the credit card marketplace across consumers, small businesses, and merchants," Capital One said in its statement.

The companies will host a conference call at 8:00 am (1300 GMT) Tuesday.

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