

Bold Move To Boost Card Business Amid Govt's Digital Drive

SBI arm to offer credit cards against ₹25k FD of any bank

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Mumbai: State Bank of India's arm is planning to come out with credit cards for anyone who has a Rs 25,000 fixed deposit in any bank. The card will not have any charges and will be available without any proof of income or a credit history. The bank's subsidiary, SBI Cards, also plans to issue credit cards to students of top 100 educational institutions in India without any income proof.

The company, which recently overtook ICICI Bank to become the second largest card issuer after HDFC Bank, is looking to scale up further with new products for the masses as parent SBI plans to add five lakh new swipe machines. In an interview with **TOI**, Vijay Jasuja, CEO, SBI Cards, said that the cost of the

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card will be kept low as issuance will be against eKYC. "Initially, this will be only for SBI customers but in future the lien can be on any bank's FD," said Jasuja. While the credit card against FD will be launched in January, the student card will be launched in December itself.

The card company's move dovetails with the parent bank's plan to install around five lakh additional card swipe machines. Besides servi-

cing shops without machines, the bank will launch an app which will enable offline card payments via QR code. "Most of the merchants in small cities do not have PoS (swipe) machines. They can accept payments through QR codes. The credit card will reside in the mobile and by scanning the code, the cardholder can make the payment," said Jasuja.

SBI Cards, the joint venture between SBI and GE Capital, is in the process of getting

new private equity partners with GE deciding to exit. Following GE's decision to exit, SBI has become more aggressive on the card business. According to Jasuja, promotion of debit cards by the government would actually push up awareness of credit cards. "It is a bit like automobiles where buyers start with base level cars and move to mid-segment. Similarly, if there are more debit card users, they will be drawn to the advantages of credit card," said Jasuja. He said that with interoperable QR acceptance, aggregators are expected to enroll shopkeepers, enabling wider acceptance of cards. The other advantage in getting first-time users into credit cards is that the bank will be able to get a credit history, making it possible to extend personal loans in future.