

**50% of SBI Card's transactions digital**

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**'50% of SBI Card's transactions digital'**PTI  
feedback@livemint.com

**S**BI Cards and Payment Services (SBI Card) has been seeing over 50% of its transactions via online payments such as on groceries, utility bills, insurance premium, and hopes the trend to go up further as point of sale purchases are yet to pick up, top company executive said.

Keeping a watch on the recent coronavirus resurgence in the country across some key locations, SBI Card managing director and chief executive officer Rama Mohan Rao Amara said it would be too early to say whether it will have any bearing on people's purchasing behaviour.

However, online payments is a trend which is going to go up further, he added.

"Particularly within SBI Card, now, more than 53% of the spends actually come from online payments which used to be around 44% earlier. Almost 9 percentage points improvement is there mainly in terms of the categories like for groceries, apparel, utility bill payment, insurance premium, online education," Amara told *PTI* in an interview. He added



SBI Card CEO and MD Rama Mohan Rao Amara said online payments is a trend which is going to go up further. **MINT**

that for these kind of categories, suddenly the company has seen an increase in spends online.

"We believe (it) will remain online because once people get used to the comfort of it, they will continue with that. So, covid or no-covid, it will not impact that."

However, the point of sale (PoS) locations have not opened that well, he said, while adding that there will be a pick-up as and when the foot-fall increases.

The pure-play card company

is also seeing an emerging trend of securing more customers from non-metro locations. It is also banking on its parent company SBI's huge customer base to expand further. Till 5-6 years ago, tier-I locations were contributing majorly to the credit card industry growth.

"But, if you look at our recent performance, around 58% of our incremental sourcing is actually coming from non-tier cities that is tier II, III and IV. These are contributing more to our new credit card acquisitions, that is, basically we have a piggyback of our parent bank (SBI) customer base," he added.

**The pure-play card company is also seeing an emerging trend of securing more customers from non-metro cities**

The company's card-in-force grew 15% to 1.15 crore in the third quarter of FY21, against one crore in the same period last year. The spends were higher by 8% per cent to ₹37,797 crore from ₹35,135 crore.

And, the new accounts volume increased 8% to 9,18,000 in the third quarter of 2020-21, against 8,48,000 in 2019-20.

Under the company's pre-approved programme, wherein

it looks towards the customer base of the parent bank and the cardable population, it has helped SBI Card immensely in terms of adding to the new card base, Amara added.

"It started around 2017, it has now reached a good volume. It contributes well but if you look at our disclosures, more than 50% is coming from our bank channel which you essentially call kind of a SBI sourcing," Rao said further. He added that particularly, during the first and second quarters of FY21, when open market locations were closed and when sourcing were limited, the company's banking channel helped it in terms of ramping up.

"We were able to come back to almost 10,000 accounts per day, that was the usual run rate in best of the best times. So, we were able to get back to that trend by Q3." And, majorly, this growth has come from tier-II, -III and -IV cities, he added.

Amara also said the company will continue to work with its parent bank. "If you look at the customer base of our parent bank, it is more than 400 million. We have hardly explored the base of around 20-22%. So, there is plenty of runway left," Rao said.