

SBI Card expects to return to 'business-as-usual' in Sept quarter

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Impact of second wave more in May than in April: CEO

KR SRIVATS

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The second Covid-19 wave may have, to some extent, dented SBI Card's business growth in May, albeit on a lower scale than May last year, but the company sees a return to a business-as-usual (BAU) scenario in the July-September quarter, its Chief Executive Officer Rama Mohan Rao Amara said.

However, the return to BAU depends on the pace of vaccination, return of consumer confidence and India being able to avoid a third wave, he told *BusinessLine*.

The first two months of this fiscal (April-May 2021) saw increased overall card spends as well as higher onboarding of customers compared to the

same period last year.

"If we are able to avoid another wave before March 2022, I don't have any doubt that our performance in current fiscal will be equal to our performance last year or even better," he said.

Rao highlighted that the impact of the second wave on SBI Card, which is the country's largest pure play credit card issuer, was more in May and not that much in April.

"Retail spends in April were not impacted adversely. It was a marginal impact and we were holding on. It was also much better than April 2020 when it was a national lockdown," he said.

"We are confident that this (impact in May) is only a temporary blip and see customer confidence coming back and the expenditure that was postponed due to pandemic will return," he said. Overall there has



Rama Mohan Rao Amara,
CEO, SBI Card

been a dip in credit card spends in May but certain new categories are seeing an increase, he said. Several State governments decision to restrict e-commerce deliveries to only essential items impacted overall business as online spends on discretionary items saw a dip in May, Rao added. In quarter ended March, SBI Card's card spend grew 11 per cent to ₹35,943 crore on a year-on-year basis.

Rao said he expects calibrated opening by States from June onwards. "From July onwards, we want to come back to our usual ability of sourcing (new customers). Our endeavour will be to achieve sustainable growth. We want to play up to our capacity and that is the minimum goal," he said, adding that SBI Card had on boarded 26.85 lakh accounts last fiscal.

He also said that SBI Card — as was the case last year — would, in the subsequent quarters, catch up with the lost business of the first quarter.

On whether health spends through credit cards are on the rise in the current pandemic times, Rao said there is some bump up and new segments like online consultations are on the rise. "We are seeing usage in increase in spends on wellness through our card portfolio," he said.