

## The Hindu Business Line

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The latest bottomline performance is the best ever quarterly profit for the company since inception, Rama Mohan Rao Amara, MD & CEO, SBI Card, told BusinessLine.

The first quarter net profit was also about 8 per cent higher than net profit of ₹581 crore recorded in previous quarter ended March 31, 2022.

Total income for the quarter under review grew 33 per cent year-on-year to ₹3,263 crore (₹2,451 crore). In the March 2022 quarter, SBI Card's total income had touched ₹3,016 crore.

Amara said the strong financial performance in Q1 this fiscal can be attributed to multiple factors. "To address it directly, it is not completely base effect. Even sequentially we have grown in Q1," Amara said.

He said Q1 is generally subdued, but this time all the categories of spends whether discretionary and non-discretionary, including travel (which has bounced back this quarter), has done well.

He said the quarterly performance is sustainable although there is an element of seasonality in the business.

“Only point is cost of funds. This quarter we could manage the negative impact of cost of funds increase by ensuring our portfolio yield also increases correspondingly. But cost of funds ..most of impact will be felt in second quarter. It can have some impact but that can also be mitigated. There are many moving parts. Our effort and aim always is to have sustainable growth,” he added.

He also said the company has “levers to minimise the impact” of any further increase in the cost of funds.

Asked about delinquency levels, he said it is too early to come up to a conclusion as “we are yet to really feel the impact of how inflation is playing out on the customer’s ability to pay. Last quarter (Q1) was fine,” he added.

Amara ruled out raising any capital for couple of years, stating that the company was now “adequately capitalised”. There is also earnings from operations (retained earnings) that could support the capital requirements, if any.

SBI Card’s gross non-performing assets were at 2.24 per cent of gross advances as on June 30, 2022 as against 3.91 per cent as on June 30, 2021. Net non-performing assets were at 0.79 per cent as against 0.88 per cent as on June 30, 2021.