

[SBI Card Q4 net up 231% at Rs 581 cr](#)

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Profit on back of lower credit cost, write-back of ₹76-crore provisioning

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Encouraged by strong show in 2021-22, SBI Cards and Payment Services Limited (SBI Card), the country's largest pure play credit card issuer, wants to accelerate its pace of business growth in 2022-23, its Managing Director and CEO Rama Mohan Rao Amara said.

The credit card issuer expects to ride on the increased consumer confidence post the economic recovery seen since June last year. Bancassurance channel, which was subdued in April-May 2021, started contributing in a big way and helped source 1 million new accounts in each of the quarters of December 2021 and March 2022. Overall, SBI Card added 3.5 million accounts in 2021-22 and in aggregate has about 13.8 million accounts, up 17 per cent over the previous fiscal.

Aided by write-back in provisions to tune of ₹76 crore and lower credit cost, SBI Card reported a 231 per cent increase in net profit for the



Rama Mohan Rao Amara, MD & CEO, SBI Card

fourth quarter ended March 31, 2022 at ₹581 crore (from ₹175 crore).

For the entire fiscal 2021-22, net profit came in at ₹1,616 crore, up 64 per cent over ₹985 crore in the previous fiscal.

"Our fourth quarter strong performance is the result of continued activities through the year. The elevated spend of Q3 rubbed off positively on Q4. Q3 spends are usually higher because of the many festivals. Surprisingly Q4 is not much lower. It is sequentially lower by 2 per cent," Am-

ara told *BusinessLine* here post the Q4 result announcement.

In 2021-22, SBI Card benefited from the strong surge in both corporate and retail spends, which together grew over 50 per cent. Corporate card spends saw over 100 per cent increase to about ₹39,000 crore.

UPI competition

Asked if strong growth in UPI and growing new age solutions like Buy Now Pay Later (BNPL) were posing an existential threat to the credit card industry, Amara replied in the negative. Just as UPI spends are growing, credit card spends are also growing. "Average transaction size in credit card industry is also growing. But credit card penetration is still low in India at about 4-4.5 per cent," he said.

"For small value spends, UPI is popular, but for consumer durables and big ticket items, the mind recall of credit cards is always there for the customer. I think UPI and credit card industry can co-exist," he added, saying he sees BNPL turning into a feeder channel for credit card over a period of time.