

[SBI Card Q4FY22: PAT sees over 3-fold jump, asset quality improves significantly](#)

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As of March 31, 2022, the company's gross NPA and net NPA were at 2.22% and 0.78% respectively compared to 4.99% and 1.15% as of March 31, 2021. (Pradeep Gaur/Mint)

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• For full-year FY22, the company's net profit stood at ₹1 616.14 crore versus ₹984.52 crore in FY21 - registering 64.16% growth. Meanwhile, revenue stood at Rs10, 677.27 crore up by 14.85% from ₹9,296.46 crore in FY21.

Gurugram-based credit card and payment solutions provider, SBI Cards and Payment Services garnered more than a three-fold jump in its net profit for the quarter ending March 31, 2022 (Q4FY22) period. On year-on-year, revenue recorded double-digit growth.

The company posted a PAT of ₹580.86 crore in Q4FY22 - skyrocketing by 3.3 folds compared to a profit of ₹175.4 crore witnessed in the same period last year. Q4 PAT jumped by 50.6% from ₹385.78 crore recorded in the preceding quarter.

Revenue from operations stood at ₹2 850.31 crore in Q4FY22 higher by 22.91% from ₹2,319.01 crore from Q4 of the previous fiscal. Revenue was marginally lower from ₹2 889.46 crore witnessed in Q3FY22.

Notably, total income increased by ₹548 crore or 22% to ₹3,016 crore for Q4 FY22 versus ₹2,468 crore for Q4 FY21, the increase is primarily due to higher income from fees & services and interest income in Q4 FY22.

Further, earnings before credit costs increased by ₹233 crore or 25% to ₹1,172 Cr for Q4 FY22 versus ₹939 crore for Q4 FY21.

Total Operating cost increased by ₹291 crore or 23% to ₹1,577 crore for Q4 FY22 from ₹1,285 crore for Q4 FY21, the increase is due to higher business volumes in Q4 FY22.

The bank witnessed a significant improvement in its asset quality during the quarter under review. The Gross non-performing assets were at 2.22% of gross advances as of March 31, 2022, as against 4.99% as of March 31, 2021. Net non-performing assets were at 0.78% as against 1.15% as on March 31, 2021.

Other key metrics are:

1. New accounts volume was at 1,002k for Q4 FY22 up by 27% as compared to 791k for Q4 FY21.
2. Card-in-force grew by 16% to 1.38 crore as of Q4 FY22 versus 1.18 Cr as of Q4 FY21.
3. Total spending grew by 51% to ₹54,134 crore in Q4 FY22 against ₹35,943 crore in Q4 FY21.
4. Market share FY22 (till Feb'22) – Card-in-force was at 18.9% (FY21: 19.1%), while spends at 19.2% (FY21: 19.4%); and transactions at 19.8% (FY21: 19.7%).
5. Receivables grew by 25% to ₹31,281 crore as of Q4 FY22 versus ₹25,114 crore as of Q4 FY21.
6. RBI RE was at ₹287 crore - less than 1 % of receivables in Q4 FY22.

For full-year FY22, the company's net profit stood at ₹1 616.14 crore versus ₹984.52 crore in FY21 - registering 64.16% growth. Meanwhile, revenue stood at Rs10, 677.27 crore up by 14.85% from ₹9,296.46 crore in FY21.

SBI Card stated that as of March 31, 2022, the Company holds a total expected credit loss on loan balances of ₹1,094.12 crore (versus ₹1,654.55 crore as of March 31, 2021) which includes a management overlay of ₹50.56 crore (versus ₹296.94 crore of March 31, 2021).

On Friday, SBI Card shares finished at ₹829.75 apiece down by 1.44% on BSE.

SBI Cards and Payment Services on Monday reported 84 per cent jump in net profit at Rs 386 crore for December quarter 2021-22 on the back of healthy card spends, fall in bad loans and higher income from other sources.

The pure-play credit card issuer promoted by the country's largest lender SBI had posted a net profit of Rs 210 crore in the year- ago same quarter.

Total revenues of the company rose 24 per cent to Rs 3,140 crore during the quarter under review as against Rs 2,540 crore in the same period of 2020-21, SBI Card said in a release.

The increase in income was primarily due to higher income from fees and services during the quarter, SBI Card said.

On the other key metrics, the company witnessed 10 per cent growth in new accounts volume at 10,08,000 as against 9,18,000 in the year-ago quarter. Card-in-force grew 15 per cent to 1.32 crore and total spends surged 47 per cent to Rs 55,397 crore.

Receivables rose 13 per cent to Rs 29,129 crore from Rs 25,749 crore in the year-ago period. Company's asset quality improved as gross non-performing assets (NPAs) fell to 2.40 per cent of gross credit as against 4.51 per cent as of third quarter of 2020-21.

Net NPAs fell to 0.83 per cent from 1.60 per cent.

However, there was an increase of 6 per cent to its finance cost during the quarter at Rs 277 crore, while total operating cost was higher by 28 per cent to Rs 1,719 crore.

Total gross advances of the company (credit card receivables) at end of December 2021 stood at Rs 29,129 crore as against Rs 25,114 crore as of March 31, 2021, SBI Card said.

SBI Card stock closed at Rs 814.10 on BSE, down 4.28 per cent from the previous close.