

SBI Card plans to cut GNPA's

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SBI CARDS AND Payments Services will keenly monitor gross non-performing assets (GNPA) to ensure that they do not rise any further, and will also look at bringing them down from current levels, said MD & CEO Abhijit Chakravorty.

"While it will be difficult to give any number, we should not deteriorate from here. In case of delinquencies or GNPA or credit cost, the objective is to improve upon from where we are today," he said.

The gross non-performing asset ratio rose 29 bps YoY to 2.43% as on September 30.

Going ahead, Chakravorty said the company will focus on growing its cards-in-force, spends and receivables, while simultaneously keeping an eye on bad loans. In this regard, SBI Card is closely monitoring its portfolio at an account level. It is monitoring exposures very closely, and is taking account actions when required.

Chakravorty's comments came at a time when the Reserve Bank of India (RBI) has been concerned over risks associated with rising share of unsecured retail loans in the bank-



MD & CEO Abhijit Chakravorty

ing industry. He took over as the managing director and chief executive officer in August.

"We are conscious of the overall scenario prevailing in the unsecured loan ecosystem. I will not say that we are untouched by the ecosystem behaviour," he said, adding that the company has faced some issues in this regard, and is taking the right action at the appropriate time to ensure that the GNPA remains at an acceptable level.

SBI Card is the county's only

listed credit card issuer.

Cards-in-force grew 21% year-on-year to 17.9 million as on September 30. Spends grew 27% y-o-y to ₹79,164 crore in the quarter under review. Receivables grew by 19% to ₹45,078 crore.

Finance costs rose 64% to ₹605 crore in the July-September period.

"While finance cost is stable quarter-on-quarter, it is higher on an annual basis. This is because of the increase in the benchmark rates of T-bills," he said.

"We avail funds linked to T-bills. When T-bill rates have been going up, they are linked to the overall market. Somewhere, finance costs have also gone up, linked to the benchmark rates," he added.

While cost of funds was stable at 7.1% for two straight quarters, it may rise going ahead amid volatility in the global macroeconomic environment. But, the quantum of rise is not expected to be significant.

The market share for card-in-force rose to 19.2% as on September 30, from 19.1% a year ago. Spends market share rose to 18.0% as on September 30, from 17.8% a year ago. It comes second to HDFC Bank in terms of overall credit card market share in the industry.