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Mumbai: SBI Cards reported a 6.4% decline in net profit to Rs. 556 crore for the June quarter, compared with Rs. 594 crore a year earlier, as higher impairment losses and bad debts offset revenue growth. The provisions rose 22.8% year-on-year to Rs. 1,352 crore, up from Rs. 1,101 crore, dragging down profitability.

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Total revenue rose 12% to Rs. 5,035 crore, driven by an 11% increase in interest income to Rs. 2,493 crore and a 13% rise in fees and commission income to Rs. 2,384 crore. Operating expenses jumped 17% to Rs. 2,123 crore, while finance costs rose 6% to Rs. 813 crore due to higher receivables. Earnings before credit costs rose 11% to Rs. 2,100 crore.

The company added cards and expanded usage during the quarter. Cards-in-force rose 10% year-on-year to 2.12 crore, while total spends climbed 21% to Rs. 93,244 crore. Receivables rose 7% to Rs. 56,607 crore. SBI Cards maintained its 19.1% market share in cards-in-force and 16.6% in spends, placing it second and third in the industry, respectively.

Asset quality deteriorated marginally. Gross NPAs stood at 3.07%, compared with 3.06% a year earlier. Net NPAs rose to 1.42% from 1.11%. The capital adequacy ratio stood at 23.2%, with Tier I capital at 17.9%, well above the RBI's requirement.