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Our Bureau

Mumbai: SBI Cards and Payment Services reported a 75% year-on-year rise in net profit to ₹778 crore for the September quarter, driven by a sharp decline in credit costs and an improvement in asset quality, even as corporate card spends contracted and outstanding receivables declined. The company had reported a net profit of ₹445 crore in the corresponding quarter last year.

Total income increased 3% year on year to ₹5,302 crore from ₹5,136 crore. Impairment losses and bad debt expenses declined 37% year on year to ₹819 crore from ₹1,293 crore, providing a significant boost to profitability. The company's net interest margin (NIM) narrowed by 42 basis points year on year to 10.8%. "During Q2 of FY27, we continued to focus on building a healthy, sustainable and well-balanced portfolio, while maintaining our priorities around profitable customer acquisition, customer engagement, operating efficiency and portfolio quality," said Salila Pande, MD, SBI Cards, during the post-earnings analyst call.

The company's gross non-performing asset (GNPA) ratio improved to 1.90% at September-end from 2.85% a year earlier, while the net NPA ratio declined to 0.77% from 1.29%. Gross write-offs fell 34% year on year to ₹849 crore, reflecting improved credit quality in its portfolio.

However, growth in the underlying business remained modest. Overall credit card spends increased just 3% year on year to ₹1.11 lakh crore from ₹1.07 lakh crore.