

Investor Presentation

Q2 FY23

Oct 27, 2022



Q2 FY23 Business Highlights



Focus on business growth

Robust financials: PAT ₹ 526 Cr, ▲ 52% YoY

Higher Business Volumes

- New accounts at 1,295K, ▲ 36% YoY
- Spends at ₹ 62,300 Cr+ ▲ 43% YoY
- Receivables at ₹ 37,730 Cr, ▲ 41% YoY

Robust Financials

- Total revenue at ₹ 3,453 Cr, ▲ 28% YoY
- PAT at ₹ 526 Cr, ▲ 52% YoY
- ROAA at 5.4%, ▲ 41 bps YoY and ROAE at 24.1%, ▲ 404 bps YoY

Healthy Asset Quality

- GNPA at 2.14%, ▼ 122 bps YoY and NNPA at 0.78%, ▼ 13 bps YoY
- Healthy capital adequacy, CAR at 23.2%, Tier 1 at 20.2%

Recent Developments

- Launch of Cashback SBI Card
- SBI Card recognized as 'Reader's Digest Trusted Brand'



Executive Summary Q2 FY23

Profitable operations	PAT ₹ 526 Cr, ▲ 52% YoY
Market Share (FY23)*	Cards in force 19.1% (FY22 18.7%), Spends 18.0% (FY22 19.2%), Transactions 18.3% (FY22 19.8%)
Portfolio	▲ 18% YoY in cards, ▲ 43% YoY in spends, ▲ 41% YoY in receivables
Asset Quality	GNPA @ 2.14%, NNPA @ 0.78%
Liquidity	Diversified borrowings mix, sufficient unutilized banking limits available. LCR @ 82% against stat. norm of 60%

PAT 526 ▲ 52%/ ▼ 16 %	ROAA 5.4% ▲ 41 bps/ ▼ 165 bps	ROAE 24.1% ▲ 404 bps/ ▼ 671 bps
CAR 23.2% ▼ 187 bps/ ▼ 149 bps	Receivables 37,730 ▲ 41%/ ▲ 14 %	NNPA 0.78% ▼ 13 bps / ▼ 1 bps
Cards in Force 1.48 Cr ▲ 18%/ ▲ 4%		Spends 62,306 ▲ 43%/ ▲ 4%

▲/ ▼ Represents YoY growth over Q2 FY22 ▲/ ▼ Represents QoQ growth over Q1 FY23
 GNPA 2.14% in Sep'22 vs 3.36% in Sep'21 and 2.24% in Jun'22

*As per RBI report available till Sep'22

Executive Summary H1 FY23

Profitable operations

PAT ₹ 1,153 Cr, ▲ 77% YoY

Market Share (FY23)*

Cards in force 19.1% (FY22 18.7%), Spends 18.0% (FY22 19.2%), Transactions 18.3% (FY22 19.8%)

Portfolio

▲ 18% YoY in cards, ▲ 59% YoY in spends,
▲ 41% YoY in receivables

Asset Quality

GNPA @ 2.14%, NNPA @ 0.78%

Liquidity

Diversified borrowings mix, sufficient unutilized banking limits available.
LCR @ 82% against stat. norm of 60%

PAT
1,153

▲ 77%

ROAA
6.1%

▲ 141 bps

ROAE
27.4%

▲ 801 bps

CAR
23.2%

▼ 187 bps

Receivables
37,730

▲ 41%

NNPA
0.78%

▼ 13 bps

Cards in Force
1.48 Cr

▲ 18%

Spends
121,977

▲ 59%

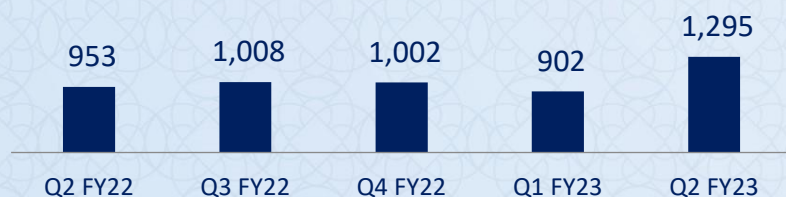
▲/ ▼ Represents YoY growth over H1 FY22

▲/ ▼ Represents QoQ growth over Q1 FY22

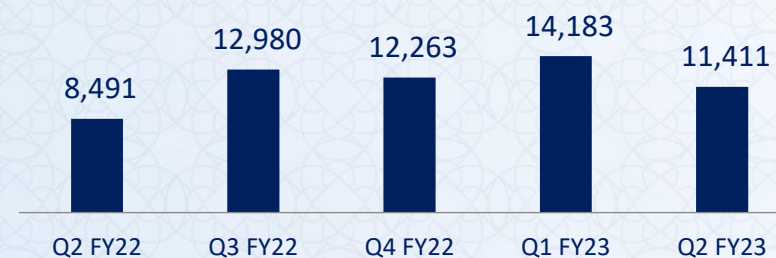
Key Trends



New Accounts
(‘000)



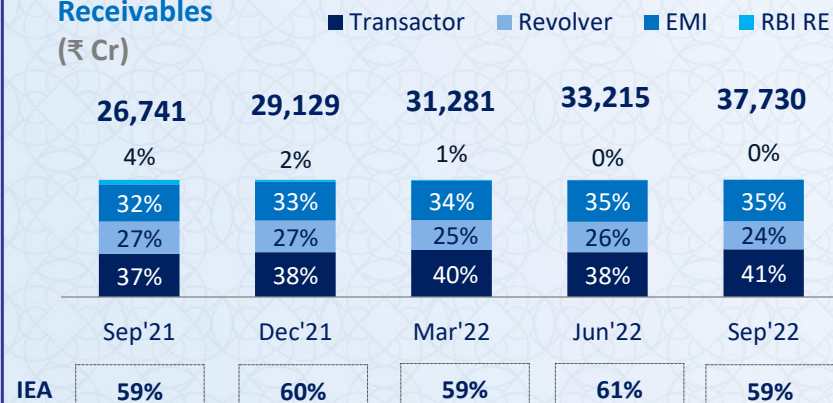
Corporate Spends
(₹ Cr)



Retail Spends
(₹ Cr)

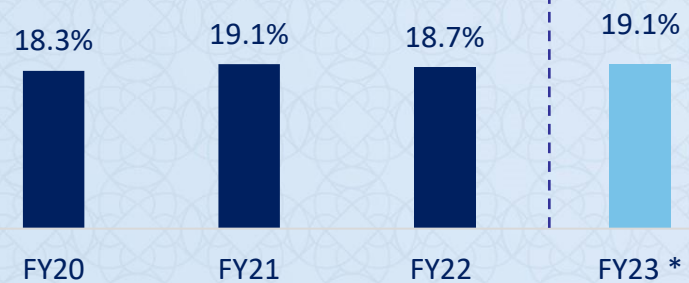


Receivables
(₹ Cr)

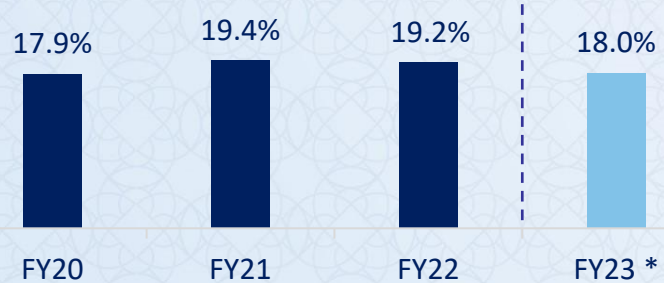


Dominant credit card player in India

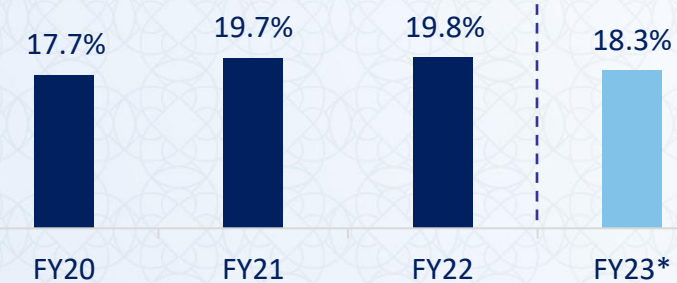
Cards in force



Spends



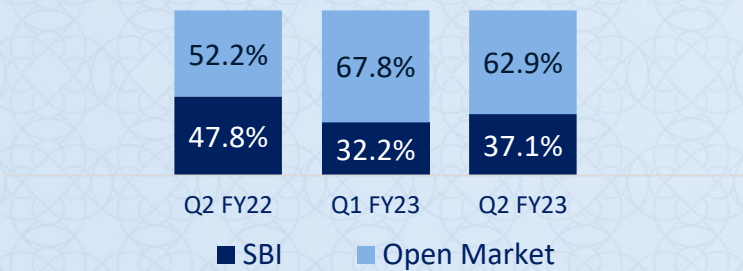
Transactions



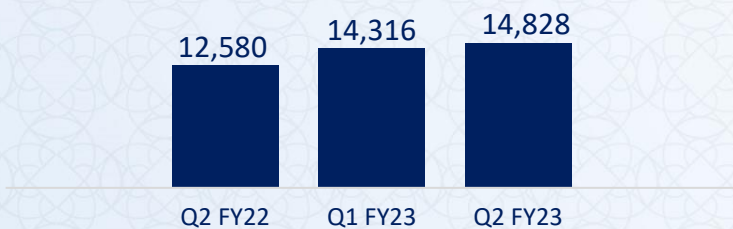
New Accounts ('000)



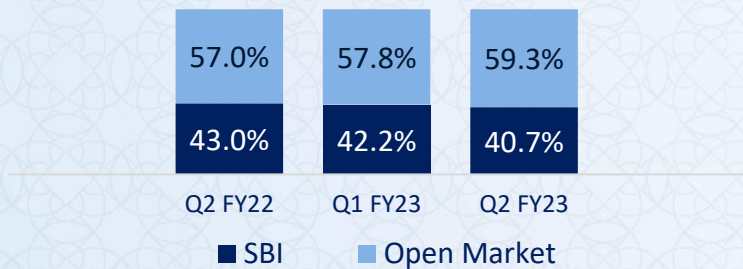
Channel wise Split



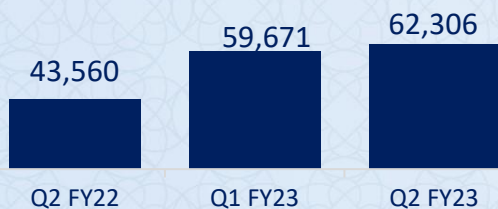
Cards-in-force ('000)



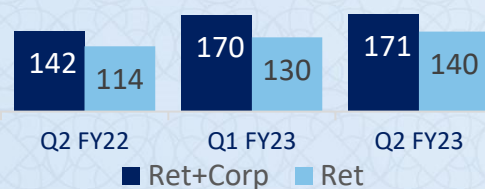
Channel wise Split



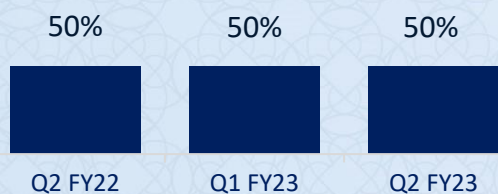
Spends (₹ Cr)



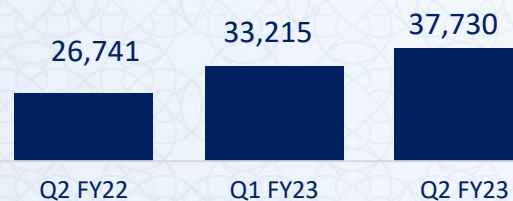
Spend per Avg Card (₹ '000)



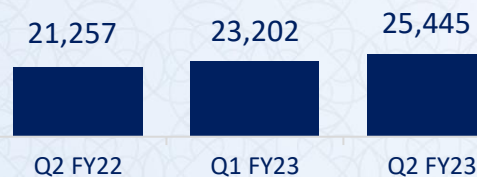
30 day spend active rate %



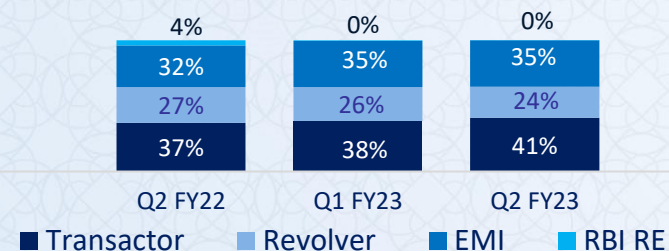
Receivables (₹ Cr)



Receivable per Card (₹)



Receivable Mix %

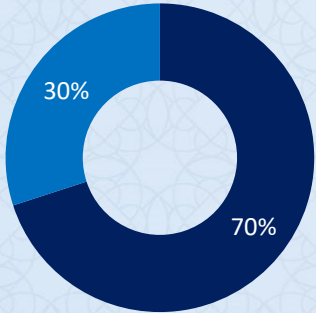


Portfolio Insights



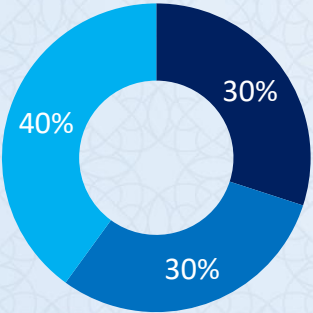
New Sourcing
For Q2 FY23

Occupation



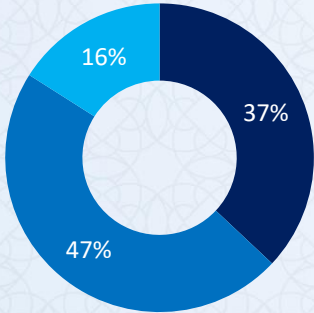
■ Salaried ■ Self Employed

Salaried Category



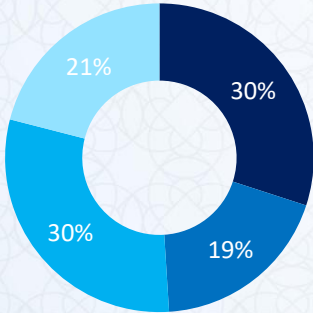
■ Govt/PSU ■ Cat A ■ Cat B

Age Profile



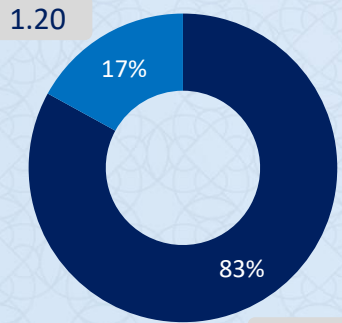
■ Under 30 ■ 31-45 ■ >45

By City Tier

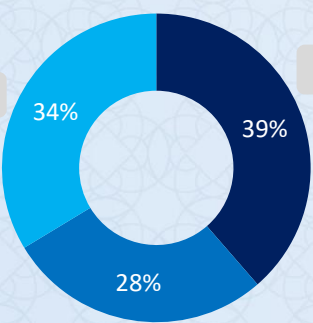


■ Tier 1 ■ Tier 2 ■ Tier 3 ■ Others

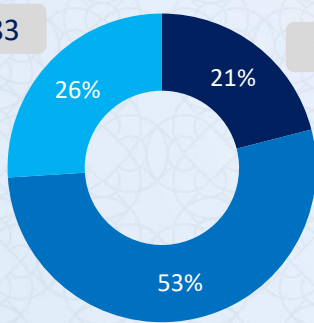
Cards- in- Force
As on 30th Sep 2022



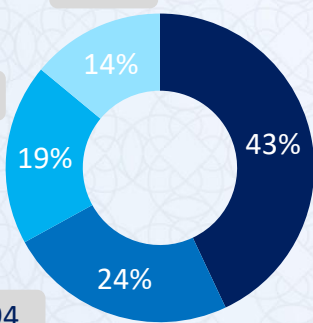
■ Salaried ■ Self Employed



■ Govt/PSU ■ Cat A ■ Cat B



■ Under 30 ■ 31-45 ■ >45

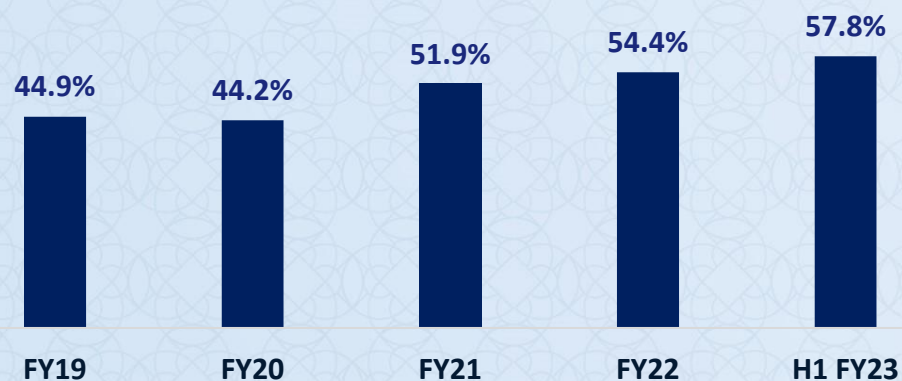


■ Tier 1 ■ Tier 2 ■ Tier 3 ■ Others

Indexed 30+ delinquency

Self employed new sourcing primarily from SBI Sourcing

Online Spend %



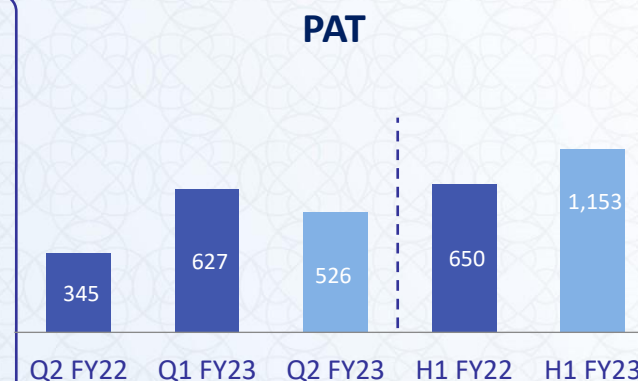
Spends Categories	Total Spends	% Growth^	
		POS Spends	Online Spends
Category 1 <i>Departmental Stores, Health, Utilities, Education & Direct Marketing</i>	▲ 11%	▲ 5%	▲ 13%
Category 2 <i>Consumer durables, Furnishing & Hardware</i>	▲ 10%	▼ 5%	▲ 39%
Category 3 <i>Apparel & Jewelry</i>	▲ 45%	▼ 6%	▲ 212%
Category 4 <i>Travel Agents, Hotels, Airline, Railways, Entertainment & Restaurant</i>	▼ 5%	▼ 3%	▼ 6%

^ Q2 FY23 Over Q2 FY22 | Category analysis excludes Fuel & Automotive Service category

Financial Results



	Q2 FY22	Q1 FY23	Q2 FY23	QoQ	YoY	H1 FY22	H1 FY23	YoY
Total Revenue	2,696	3,263	3,453	6%	28%	5,146	6,716	31%
Finance Costs	254	308	368	19%	45%	483	676	40%
Operating Costs	1,383	1,663	1,834	10%	33%	2,550	3,497	37%
Earnings before Credit Costs	1,058	1,291	1,252	-3%	18%	2,114	2,543	20%
Credit Costs [#]	594	450	546	21%	-8%	1,239	996	-20%
PBT	464	841	706	-16%	52%	874	1,547	77%
Cost to Income	56.7%	56.3%	59.4%	314bps	277bps	54.7%	57.9%	323bps
Gross NPA	3.36%	2.24%	2.14%	-10bps	-122bps	3.36%	2.14%	-122bps
Net NPA	0.91%	0.79%	0.78%	-1bps	-13bps	0.91%	0.78%	-13bps
ROAA	4.9%	7.0%	5.4%	-165bps	41bps	4.7%	6.1%	141bps
ROAE	20.1%	30.8%	24.1%	-671bps	404bps	19.4%	27.4%	801bps
EPS ₹ (Basic)	3.67	6.65	5.57	-16%	52%	6.91	12.22	77%



[#] Credit costs include impairment losses on other assets and net loss on derecognition of financial instruments under amortized category

Explaining Returns



	Q2 FY22	Q1 FY23	Q2 FY23	QoQ	YoY	H1 FY22	H1 FY23	YoY
Interest Income	16.8%	15.5%	15.1%	-38bps	-169bps	16.9%	15.2%	-163bps
Fees and other Income	20.1%	19.3%	18.7%	-65bps	-146bps	18.9%	18.9%	-6bps
Recoveries	1.7%	1.7%	1.4%	-26bps	-30bps	1.5%	1.5%	2bps
Total Revenue	38.7%	36.5%	35.2%	-128bps	-344bps	37.3%	35.6%	-167bps
Finance Costs	3.6%	3.5%	3.8%	30bps	11bps	3.5%	3.6%	9bps
Operating Costs	19.8%	18.6%	18.7%	10bps	-114bps	18.5%	18.6%	8bps
Earnings before Credit Costs	15.2%	14.4%	12.8%	-168bps	-241bps	15.3%	13.5%	-183bps
Credit Costs	8.5%	5.0%	5.6%	53bps	-295bps	9.0%	5.3%	-370bps
PBT	6.7%	9.4%	7.2%	-221bps	54bps	6.3%	8.2%	187bps
Taxes	1.7%	2.4%	1.8%	-56bps	13bps	1.6%	2.1%	46bps
ROAA	4.9%	7.0%	5.4%	-165bps	41bps	4.7%	6.1%	141bps
Avg Assets/Avg Equity	4.1	4.4	4.5	-		4.1	4.5	
ROAE	20.1%	30.8%	24.1%	-671bps	404bps	19.4%	27.4%	800bps

Revenue

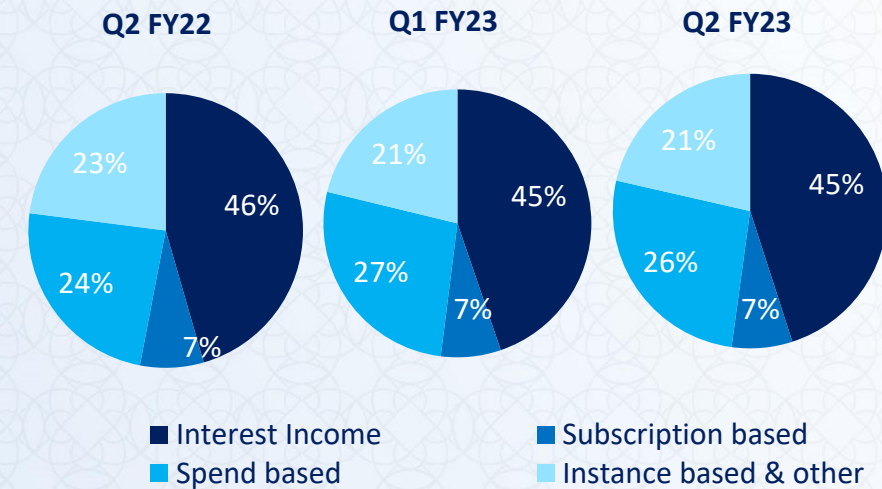


	Q2 FY22	Q1 FY23	Q2 FY23	QoQ	YoY	H1 FY22	H1 FY23	YoY
Revenue from Operations	2,576	3,100	3,297	6%	28%	4,938	6,397	30%
Other Income	119	163	156	-4%	31%	208	319	53%
Total Revenue	2,696	3,263	3,453	6%	28%	5,146	6,716	31%
Finance Costs	254	308	368	19%	45%	483	676	40%
Net Revenue	2,441	2,954	3,086	4%	26%	4,663	6,040	30%
Interest Income Yield [#]	18.0%	17.1%	16.4%	-68 bps	-166 bps	18.1%	16.6%	-150 bps
Cost of Funds [*]	5.5%	5.1%	5.4%	33 bps	-7 bps	5.3%	5.3%	-3 bps
Net Interest Margin	14.1%	13.2%	12.3%	-96 bps	-184 bps	14.3%	12.6%	-166 bps

[#] Interest Income yield is based on interest income from card holders (excluding Interest income on investments, deposits & others).

^{*} Finance costs includes interest on lease. Cost of funds is calculated by adding lease liabilities, included in other liabilities, to borrowings.

Composition Revenue from operations



Borrowings & Capital Adequacy



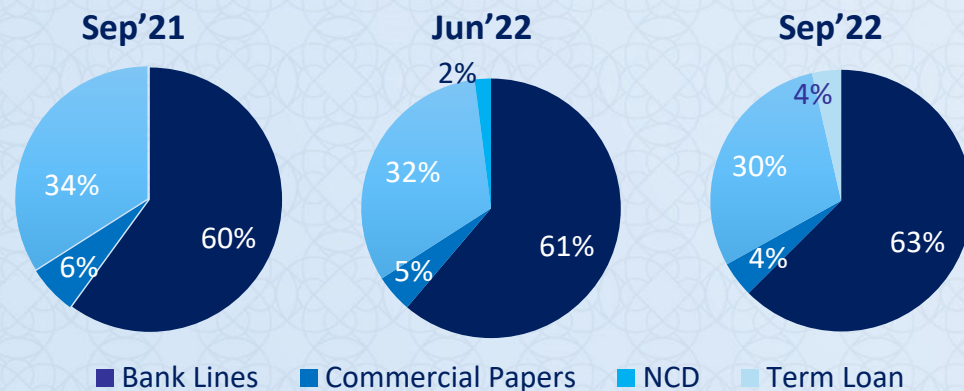
Cost of funds



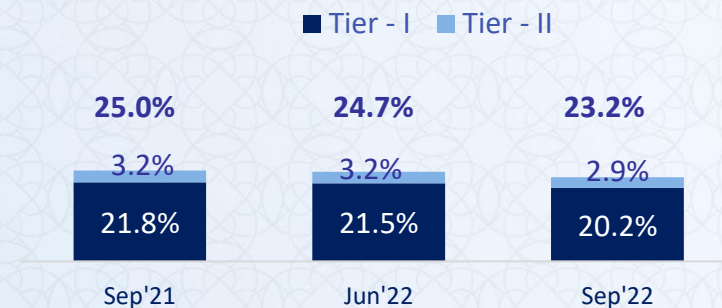
Leverage



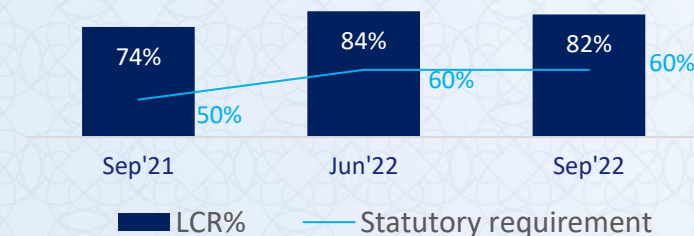
Borrowing Composition



Capital Adequacy Ratio



Liquidity Coverage Ratio



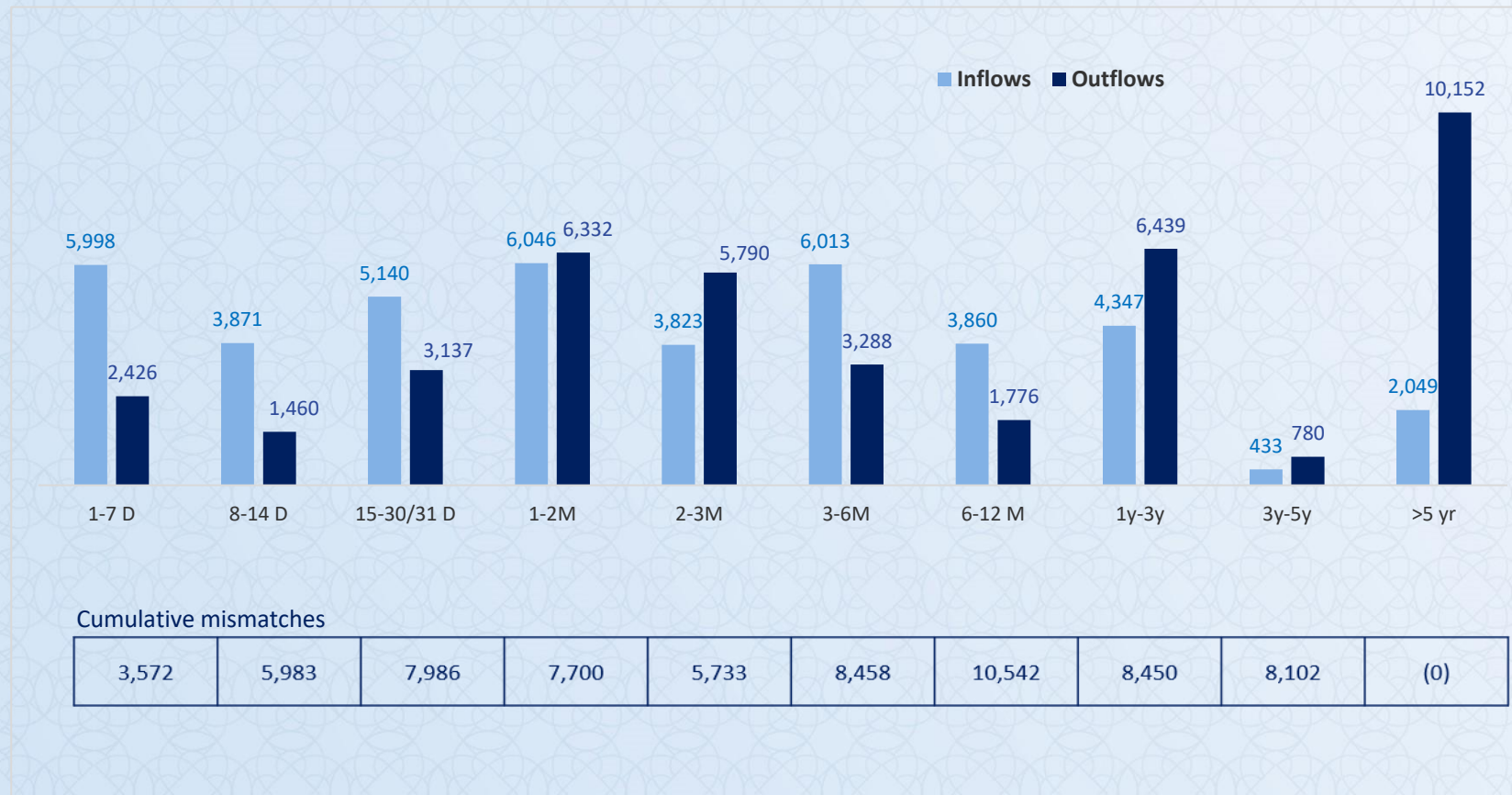
Credit Ratings :

- Short Term : A1+ by CRISIL & ICRA
- Long Term : AAA/Stable by CRISIL & ICRA

Leverage = Liabilities / Tier 1 Equity

Finance costs includes interest on lease. Cost of funds is calculated by adding lease liabilities, included in other liabilities, to borrowings.

Asset Liability Maturity Profile – Sep'22



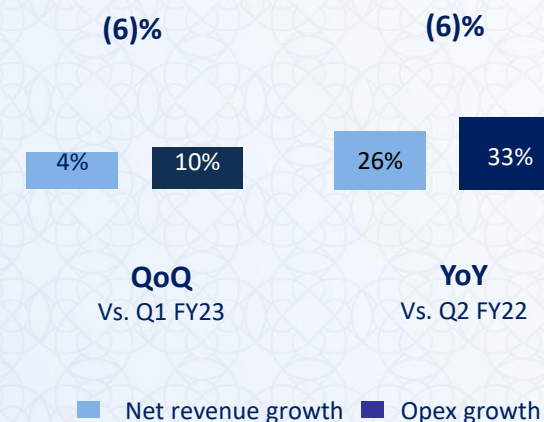
- Well matched ALM
- 5,639 Cr (23%) of sanctioned bank lines unutilized and available for draw down as at Sep22

Operating Costs



	Q2 FY22	Q1 FY23	Q2 FY23	QoQ	YoY	H1 FY22	H1 FY23	YoY
Employee Cost	115	139	129	-7%	12%	231	268	16%
Depreciation	40	39	39	-1%	-3%	72	78	7%
Fees and commission expense	232	331	289	-13%	25%	410	620	51%
Other operating expenses	997	1,155	1,377	19%	38%	1,836	2,532	38%
Operating Costs	1,383	1,663	1,834	10%	33%	2,550	3,497	37%
Cost to Income %	56.7%	56.3%	59.4%	314 bps	277 bps	54.7%	57.9%	323 bps

Operating Leverage



Asset Quality

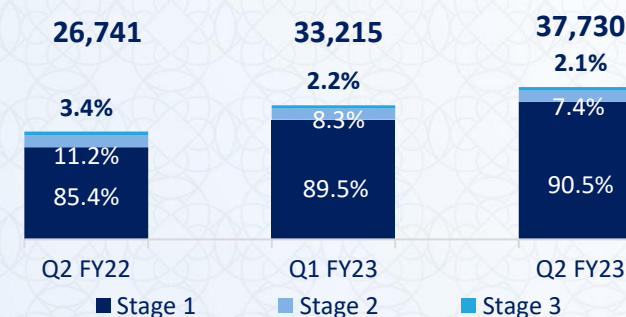


	Q2 FY22	Q1 FY23	Q2 FY23	QoQ	YoY	H1 FY22	H1 FY23	YoY
Impairment and losses	594	450	546	21%	-8%	1,239	996	-20%
Gross Credit Costs	593	448	546	22%	-8%	1,237	994	-20%
Recoveries	(118)	(148)	(137)	-7%	16%	(206)	(284)	38%
Net Credit Costs	475	300	410	36%	-14%	1,033	710	-31%
Gross Credit Cost %	9.3%	5.6%	6.2%	61 bps	-312 bps	9.7%	5.8%	-391 bps
Net Credit Cost %	7.4%	3.7%	4.6%	90 bps	-281 bps	8.1%	4.2%	-396 bps
ECL %	5.0%	3.4%	3.3%	-16 bps	-178 bps	5.0%	3.3%	-178 bps
GNPA	3.36%	2.24%	2.14%	-10 bps	-122 bps	3.36%	2.14%	-122 bps
NNPA	0.91%	0.79%	0.78%	-1 bp	-13 bps	0.91%	0.78%	-13 bps
RCR	73.7%	65.1%	64.0%	-113 bps	-967 bps	73.7%	64.0%	-967 bps

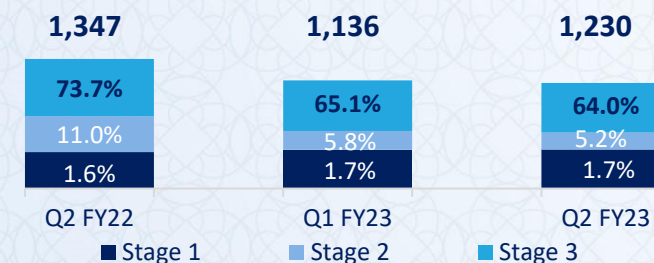
ECL Provisions



Stage Wise Receivables



Stage Wise ECL Provisions



Our ESG Efforts



ENVIRONMENTAL

Climate Change

3.9 Lac+ Trees Saved

(From FY'18 to Q1'23)

Through paperless communication with customers

FY'18	FY'19	FY'20	FY'21	FY'22	FY'23 till Sep
29,381	39,664	55,434	69,747	119,718	74,805

Solar PV Plant

A CSR initiative to provide 450 kWp Grid tied Solar PV plant in Civil Hospital and Government College for Girls in Gurugram, Haryana

World Water Week

Organized a Yuva Jagruti Shivir on 26th August 2022 at Pathkhori, Nuh, Haryana to spread awareness on water conservation

Waste Reduction & Energy Consumption

Discontinued pet water bottles in office premises to reduce waste & protect environment

More energy consumption reduction measures like installation of energy efficient ductable units in Delhi/ NCR office and replaced old inefficient UPS batteries with new energy efficient ones.



SOCIAL

Employee Engagement & Welfare

Launched Telemedicine app for employees

& their family members offering free medical consultations

For Communities



Enabled Lives through Mobility

Distributed practical mobility options to 154 beneficiaries In Gurugram office

Skill Development for Healthcare Job Roles

Project undertaken to train 360 youth for 3 healthcare job roles in residential modes (Gurugram & Guwahati)

Disaster Management

Project to distribute 3500 relief kits in Telangana's flood affected areas, containing basic grocery & household essentials for a month



GOVERNANCE

Data Privacy & Security

2 drills of Cyber Simulation exercise for senior management and key stakeholders; as a continued effort to improve SBI Card's strength as cyber resilient organization.

Business Ethics, Anti-corruption & Bribery

100% coverage

Annual refresher on improper payments for employees

Responsible Digitalization

Complying Regulatory Guidelines

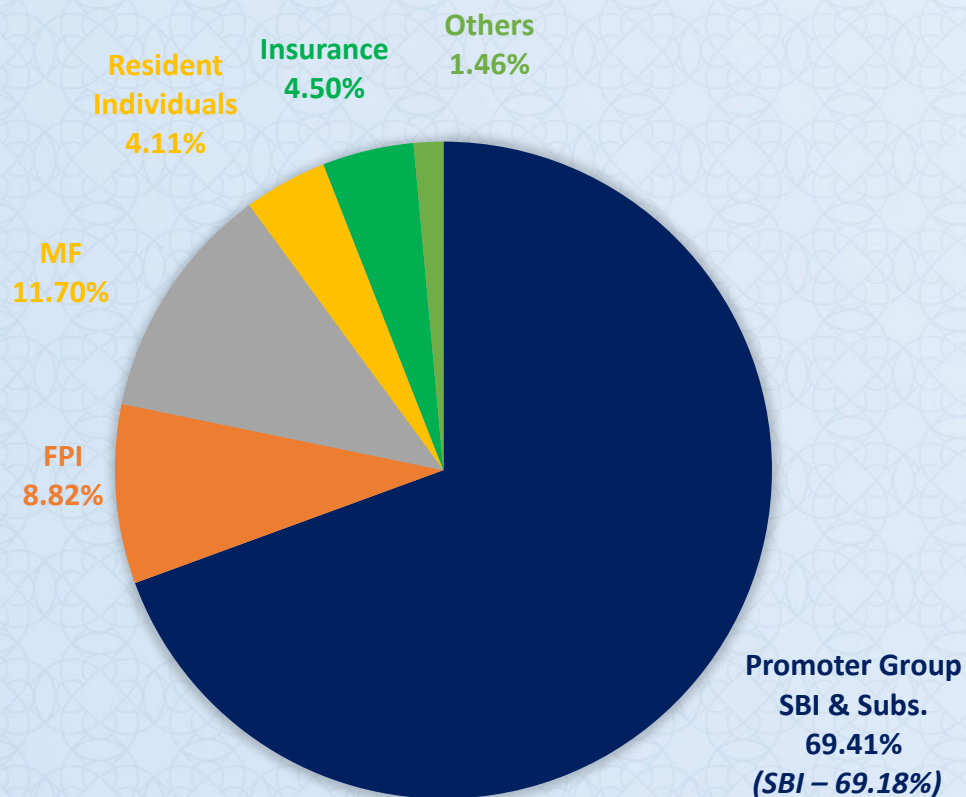
Accomplished Key Changes required per RBI Master Direction Compliance on Debit & Credit card Issuance & Conduct 2022 as per advised timelines

Complete Applications migration to new Data Center for improved security

Shareholders Summary



Shareholding pattern, 30th September 2022



Top 20 Shareholders as on 30th September 2022

S. No	Name of Shareholder	%
1	State Bank Of India	69.18
2	Life Insurance Corporation Of India	1.74
3	Life Insurance Corporation Of India - P & Gs Fund	1.69
4	Government Pension Fund Global	0.90
5	Mirae Asset Large Cap Fund	0.65
6	Icici Prudential Life Insurance Company Limited	0.50
7	Icici Prudential Long Term Equity Fund Tax Savings	0.50
8	Nippon Life India Trustee Ltd-A/C Nippon India Large Cap Fund	0.43
9	Vanguard Total International Stock Index Fund	0.43
10	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	0.42
11	Mirae Asset Emerging Bluechip Fund	0.40
12	Hdfc Trustee Company Limited-Hdfc Flexi Cap Fund	0.38
13	Nippon Life India Trustee Ltd-A/C Nippon India Multi Cap Fund	0.37
14	Icici Prudential Value Discovery Fund	0.37
15	Mirae Asset Focused Fund	0.36
16	Abu Dhabi Investment Authority - Monsoon	0.31
17	Motilal Oswal Flexi Cap Fund	0.29
18	Pioneer Investment Fund	0.29
19	Hdfc Trustee Company Limited - Hdfc Tax Saverfund	0.29
20	Nippon Life India Trustee Ltd-A/C Nippon India Focused Equity Fund	0.28

Annexures



P&L Summary



P&L	Q2 FY22	Q1 FY23	Q2 FY23	QoQ	YoY	H1FY22	H1FY23	YoY
Interest Income	1,173	1,387	1,484	7%	27%	2,327	2,872	23%
Fees and commission income	1,244	1,538	1,611	5%	29%	2,343	3,149	34%
Sale of Services	36	35	39	13%	9%	60	74	24%
Business development incentive income	121	140	162	16%	34%	206	302	47%
Insurance commission income	2	1	1	-10%	-55%	3	1	-45%
Net gain on fair value changes	0	-	-	*n.c.	*n.c.	1	-	*n.c.
Total Revenue from operations	2,576	3,100	3,297	6%	28%	4,938	6,397	30%
Total Other Income	119	163	156	-4%	31%	208	319	53%
Total Income/Revenue	2,695	3,263	3,453	6%	28%	5,146	6,716	31%
Finance costs	254	308	368	19%	45%	483	676	40%
Fees and commission expense	232	331	289	-13%	25%	410	620	51%
Net loss on derecognition of financial instruments under amortized cost category	-	-	-	*n.c.	*n.c.	2	-	*n.c.
Impairment on Financial Instruments	594	450	546	21%	-8%	1,237	996	-19%
Employee benefits & Expenses	115	139	129	-7%	12%	231	268	16%
Depreciation, amortisation & impairment	40	39	39	-1%	-3%	72	78	7%
Operating & Other expenses	997	1,155	1,377	19%	38%	1,836	2,532	38%
Total expenses	2,231	2,422	2,748	13%	23%	4,272	5,170	21%
Profit before tax	464	841	706	-16%	52%	874	1,547	77%
Profit after tax	345	627	526	-16%	52%	650	1,153	77%

* n.c. denotes not comparable

Balance Sheet Summary

Balance Sheet	Mar'22	Sep'22
Assets		
Loans (Net)	30,187	36,500
Cash & Bank Balances	1,106	1,036
Investments	1,297	1,810
Other Financial Assets	382	494
Total Financial Assets	32,973	39,840
PP&E, Intangible & Right of use assets	454	447
Deferred Tax Assets	219	247
All other non-financial Assets	1,004	1,047
Total non-financial Assets	1,676	1,742
Total Assets	34,648	41,581
Liabilities and equity		
Equity Share Capital	943	943
Other Equity	6,810	7,976
Total Equity	7,753	8,919
Borrowings	22,982	28,186
All other financial liabilities	2,700	3,147
Total financial liabilities	25,683	31,333
Provisions	477	551
Other non-financial liabilities	736	778
Total non-financial liabilities	1,213	1,329
Total liabilities and equity	34,648	41,581

Recent Developments



Launch of CASHBACK SBI Card

The card offers 5% Cashback on all online spends without any merchant restrictions and 1% Cashback on offline spends.

CASHBACK SBI Card launched through TV and Digital Advertising, along with PR activity.

For Digital Launch, popular celebrities/ social media influencers were leveraged as part of the #NotAHack campaign.



SBI Card SPRINT Advertisement

Advertised SBI Card SPRINT (STP), our new fully-digital application process in July 2022.

The ad highlighted the convenience & speed of the new application process and how applicants could now get the credit cards instantly on their phones.

Jacket ads in TOI, HT & other regional English Dailies were deployed, along with Masthead integration innovation with TOI.



SBI Card Wins its 14th Reader's Digest Trusted Brand Award

SBI Card has been recognised as 'Reader's Digest Trusted Brand' in the Credit Card Category for the year 2022.



AURUM OOH at Delhi Airport

High impact outdoor site at Delhi Airport (T3) to drive salience and premium imagery for AURUM. 60-day Campaign started mid-Aug.



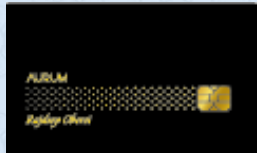
Product Brief



Super Premium

Core Cards

Co-Brand Cards



AURUM



SBI Card Elite



SBI Card PRIME



SimplyCLICK SBI Card



SimplySAVE SBI Card



Cashback SBI Card



SBI Card Pulse



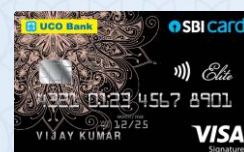
Shaurya Select SBI Card



SBI Card Unnati



Central Bank SBI Card



UCO Bank SBI Card



Karnataka Bank SBI Card



City Union Bank SBI Card

Banking



Lifestyle Home Centre SBI Card



fbb Style Up SBI Card



Tata Card



Paytm SBI Card SELECT

Retail



Club Vistara SBI Card PRIME



Air India SBI Signature Card



BPCL SBI Card OCTANE



IRCTC SBI Card Premier

Travel



OLA Money SBI Card



Etihad Guest SBI Premier Card



Yatra SBI Card

Glossary



Term	Description
New Accounts	Sum of all accounts opened in a reporting period.
Card-in-force	Sum of all credit cards issued by us, including suspended credit cards that may be reactivated in future, net of cancelled and deactivated credit cards.
Spends	Total card spends constitutes the aggregate notional amounts transacted by our cardholders in a reporting period.
Receivables	Total credit card receivables outstanding from our cardholders at end of the reporting period.
Market share – CIF	Market share of total cards outstanding is calculated by dividing our total cards outstanding by the industry-wide total cards outstanding, as obtained from data published by the RBI.
Market share – Spends	Market share of total card spends is calculated by dividing our total card spends by the industry-wide total card spends, as published by the RBI, for the reporting period.
Averages	2-point average for quarter and 5-point for yearly calculations
Spends per card	Average card spends per cards outstanding is calculated by dividing our total card spends by the average total cards outstanding for the period (annualized)
Average loans per cards	Average loans per cards outstanding is calculated as total loans at the end of the reporting period divided by total cards at the end of the reporting period.
Yield %	Calculated as interest income from cardholders divided by average receivables for the period (annualized)
COF %	Calculated as total finance costs for the period divided by average borrowings (including lease liabilities) for the period (annualized)
Cost to Income %	We calculate our cost to income ratio as operating and other expenses divided by total income after subtracting Finance cost.
ROAA	Calculated as net profit divided by average total assets for the period (annualized)
ROAE	Calculated as net profit divided by the average shareholders' equity for the period (annualized)
EPS	Earning per share is for the period and not annualized
Shareholders' equity	Shareholders' equity is defined as sum of share capital, reserves and surplus excluding reserves created out of amalgamation

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Thank You

 **SBI card**

