

April 21, 2020

The BSE Limited

Corporate Relationship Department.
P J. Towers.
Dalal Street, Fort
Mumbai - 400 001

The National Stock Exchange of India Limited

Exchange Plaza,
Bandra-Kurla Complex.
Bandra (E), Mumbai - 400 051

SCRIP CODE: **543066**

SYMBOL: **SBICARD**

Dear Sirs,

Re: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation of our communications dated March 23, 2020 and April 3, 2020 regarding Country wide shutdown due to COVID 19. We would like to further provide business update on extension of lockdown announced by Government Authorities. The same is enclosed.

The financial impact of the same is not ascertainable at this stage. Also, the duration of the abovementioned decision taken by the Company will depend upon further directions from Government authorities.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For SBI Cards and Payment Services Limited
(formerly known as SBI Cards and Payment Services Private Limited)**

**Payal Mittal Chhabra
Company Secretary & Compliance Officer**

Enclosed: As above

Business Update on Country wide shut down extension till 3rd May 2020 due to COVID-19

With reference to our earlier communication dated 3rd April, 2020 on country wide shut down due to COVID-19 and subsequent lockdown extension by three more weeks i.e. till 3rd May 2020, the Company would like to update on its current business operations.

Business Continuity at SBI Card

The company is continuing with business-critical activities with employees supporting business operations remotely. Given under is a summary of activities undertaken so far and the business impact of lockdown on the company:

- i. Sales & Application Processing:** As previously communicated, the lock-down has impacted our new account acquisition activities leading to a complete closure of new accounts sourcing. The company is in the process of expanding its digital sourcing capabilities and is preparing for gradual revamp of sourcing operations post lifting of lock down.
- ii. Product management and Spends:** Existing retail customers continue to use SBI Card during lockdown in certain merchant categories. Daily average run rate of retail spends for last 15 days of March'20 was lower by 31% as compared to first 16 days of March'20. With the extension of lockdown, average daily retail spends are lower by 60%, compared to first half of March'20. Online and utility spends have continued to show resilience. The company is keeping a close watch on portfolio and is drawing up plans to mitigate the impacts post lifting of lock-down with special focus on online spends. Repayments from retail customers are higher than retail spends leading to decrease in transactor receivables. Corporate card spends have also declined at similar rates.
- iii. Risk:** The company has robust scorecard across both customer acquisitions and portfolio management built by leveraging bureau and transaction data, which help us maintain acquisition quality and dynamically manage our portfolio. Our portfolio is pre-dominantly salaried portfolio (>80%) and has been sourced from metros, tier 2, 3 and other cities. We have also completed review of our corporate card portfolio and necessary actions have been initiated.
- iv. Collections:** The company continues to closely monitor its asset quality. While our field collection operations continue to remain restricted, Company has scaled up its tele-calling capabilities by enabling collection employees and agency personnel to call customers from home. In addition, our digital collection capabilities like SMS, email, voice blaster have further enhanced our communication with customers.
- v. RBI Moratorium on loans:** Our Board approved, Moratorium Policy is active and is in line with RBI directions. Detailed communications have been sent to

cardholders via SMS/email and a copy of FAQs was made available on SBI Card website. Eligible customers can opt for moratorium through website or get auto enrolled, if they miss paying by due date. We have also initiated the process of sending awareness SMS to eligible customers explaining that additional interest shall continue to accrue on the outstanding balances in line with RBI policy. We continue to evaluate impact of moratorium on our portfolio and assessing the need to carry specific provisions to cover future losses resulting from higher delinquencies.

- vi. Customer Servicing and Operations:** Critical servicing operations (Lost / stolen / chargeback etc.) continue to be managed remotely through employees working from home (WFH) and self-servicing digital channels. We are promoting the Digital channels including the IVR and chatbot AskILA where customers can self-serve effectively. We are working to increase the WFH capacity to cater to these volumes. Also, considering the revised consolidated guidelines, as government has now allowed courier services, the dispatching of new cards and physical statements shall resume.
- vii. Information Technology:** We continue to leverage our digital prowess to ensure our core services and operations with minimal business impact. More than 50% of our employees are enabled to WFH to support the business operations and servicing our customers. Our data centers continue to operate normally and are enabling customer transactions. In addition, we have also enabled our third-party service providers to WFH on certain specific business processes.
- viii. Information Security:** Our Security Operation Center (SOC) continues to monitor our systems. We are cognizant of heightened risk of cyber-attacks in these times, especially with most of our workforce operating remotely, and so we have enhanced our monitoring protocols to effectively safeguard our data and assets. We have also increased the communication with workforce to increase awareness on data protection.
- ix. Employee & Infra Readiness:** The company has prepared a detailed plan including a SOP, to resume operations post lifting of lockdown considering all proactive measure for safeguard including social distancing norms at workplace.
- x. Liquidity:** The company has adequate liquidity as the repayments are higher than daily spends and the surplus so generated is being used to prepay some of the working capital loans. Treasury operations are running normal and all contractual obligations are being serviced including repayment of loans and servicing of interest payments.
- xi. Cost optimization:** The company is critically looking at all cost lines to optimize operating expenses. This is being done by deferring or eliminating non-priority expenditures, direct negotiations with vendor partners, third party service providers and landlords of leasehold properties to negotiate discounts on current

payouts. Redeployment of employees / resources is also being looked at to optimize employee related costs.

- xii. Financials and Audit:** The company is in the process of annual closing of books of accounts. The Statutory Audit of the company is progressing and is geared up for adoption of FY19-20 Annual Accounts post lifting of lockdown. RBI has recently issued circular to create additional provision on moratorium accounts, the company shall assess the applicability of the same while working on specific overlay of COVID-19 provision, in line with risk perceptions and accounting standards. Our credit costs due to these provisions is likely to go up.
- xiii. COVID-19 related donation:** As part of our CSR commitment to society, in difficult times of COVID-19, SBI Card Family has decided to contribute significantly towards COVID-19 related relief activities. This includes contribution by the company, its employees and CSR budgets.

During this time, we stand committed towards our employees, customers, investors, government authorities and the society.

Stay safe. Stay healthy.

Thanking you,

SBI Cards and Payment Services Limited

SD/-
Hardayal Prasad
MD & CEO