

# Investor Presentation Q1 FY21

July 20<sup>th</sup>, 2020



# Performance Highlights (Q1 FY21)



## Profitable operations

- PAT ₹ 393 Cr, YoY 14%
- ROAA 6.3%, ROAE 28.3%
- Positive operating leverage; Cost to income 47.2% (Q1 FY20 53.6%)

## Improving market share

- Market share\*: Cards 18.3% (Q1 FY20 17.8%), Spends 19.6% (Q1 FY20 17.2%)
- Growing above industry average

## Sustaining growth

- 20% YoY growth in cards; 10% YoY growth in Receivables
- Interest Income driving revenue growth, constitutes 66% of revenue from operations

## Asset quality

- GNPA @ 1.4% at Jun20 (Q1 FY20 2.7%)
- No change in COVID provisions created in Mar'20

## Adequate liquidity and CAR

- Diversified borrowings mix, adequate unutilized banking credit available
- Healthy CAR @ 24.4%, T-1 @ 20.1%



# Performance Highlights (Q1 FY21 Vs Q1 FY20)



**PAT**  
**₹ 393 Cr**

▲ 14%  
[₹ 346 Cr]

**ROAA**  
**6.3%**

▼ 11 bps  
[6.5%]

**ROAE**  
**28.3%**

▼ 783 bps  
[36.1%]

**CAR**  
**24.4%**

Tier 1 20.1%

▲ 551 bps  
[18.9%]

**CIF**  
**1.06 Cr**

▲ 20%  
[0.88 Cr]

**SPENDS**  
**₹ 19,085 Cr**

▼ 37%  
[₹ 30,174 Cr]

**RECEIVABLES**  
**₹ 23,330 Cr**

▲ 10%  
[₹ 21,231 Cr]

**GNPA**  
**1.35 %**

▼ 133 bps  
[2.68%]

Figures in [ ] represents Q1 FY20

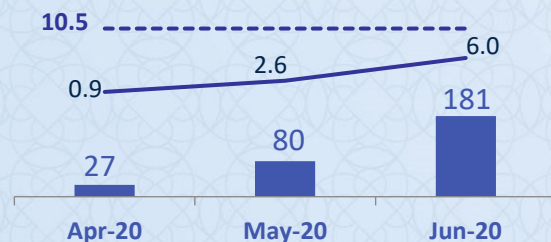


# Key Portfolio Trends

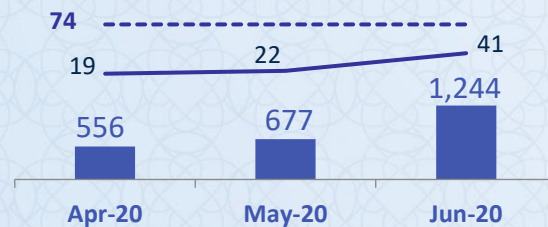


## Growth Metrics

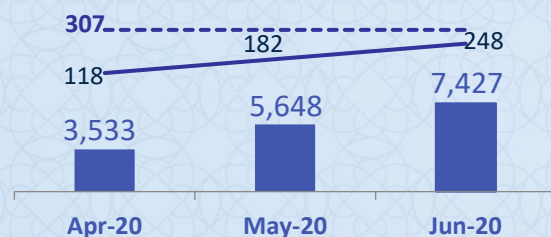
**New Accounts**  
(‘000)



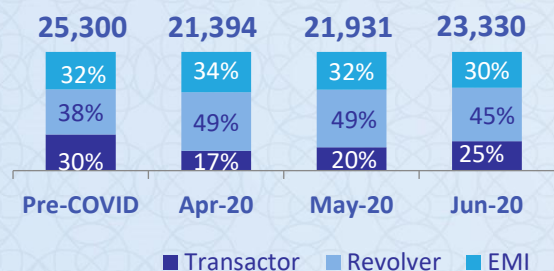
**Corporate Spends**  
(₹ Cr)



**Retail Spends**  
(₹ Cr)

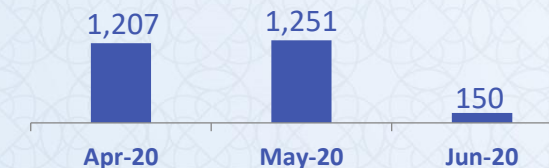


**Receivables**  
(₹ Cr)



## Moratorium Impact & Collections

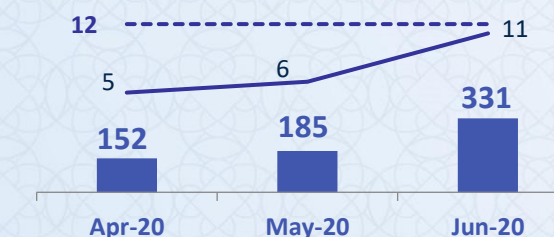
**Moratorium Accounts**  
(‘000)



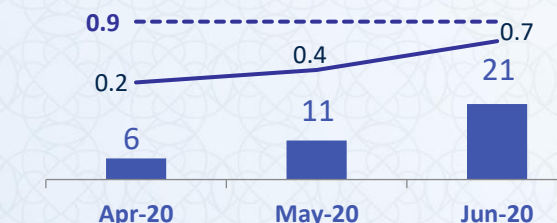
**Moratorium Balances**  
(₹ Cr)



**Income from fees & services**  
(₹ Cr)



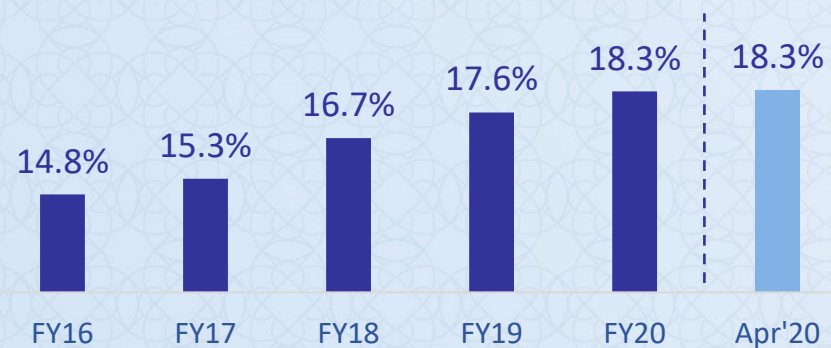
**Recoveries**  
(₹ Cr)





Steadily increasing our share of pie in the industry

Cards in force



Spends

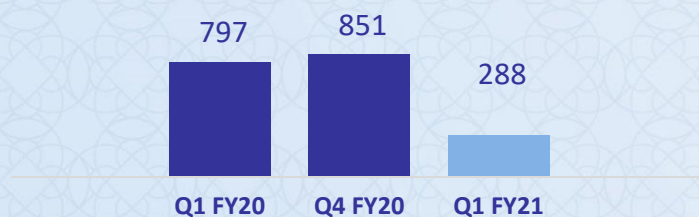




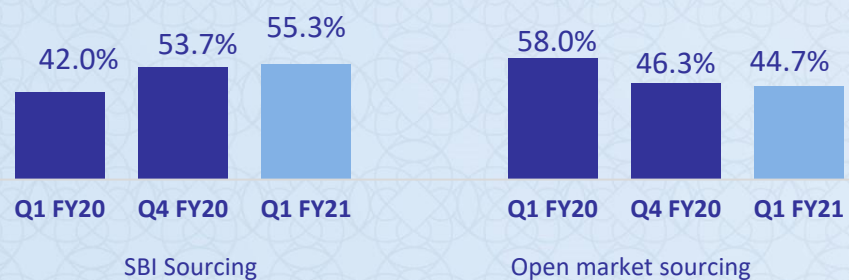
# New Accounts and Cards-in-force



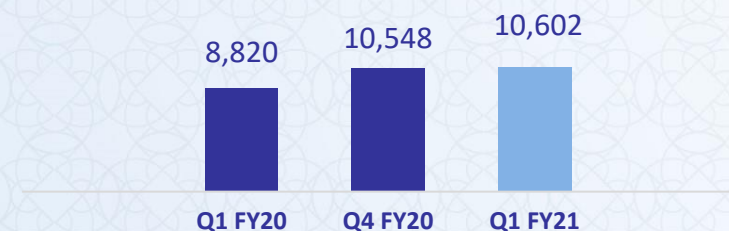
## New Accounts ('000)



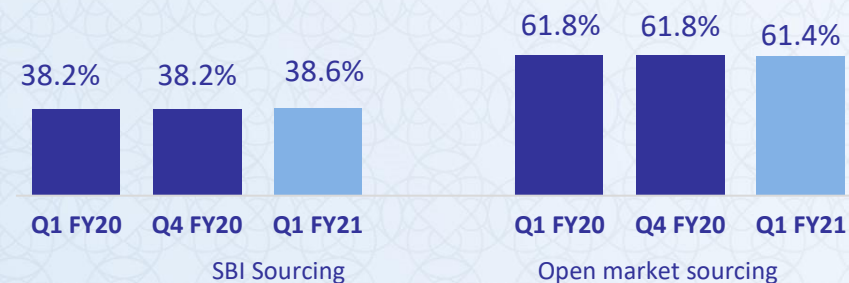
## Channel wise Split



## Cards-in-force ('000)

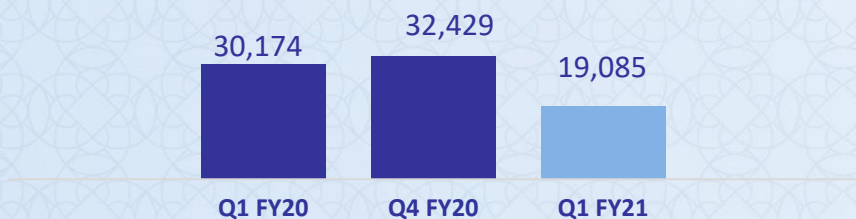


## Channel wise Split

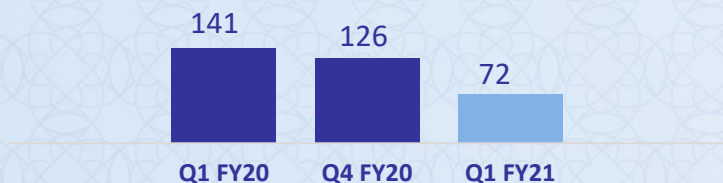




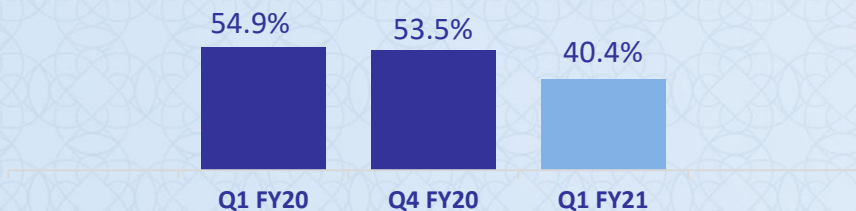
## Spends (₹ Cr)



## Spend per Card (₹ '000)



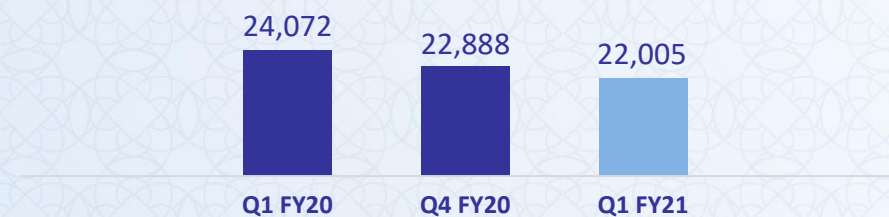
## 30 day spend active rate %



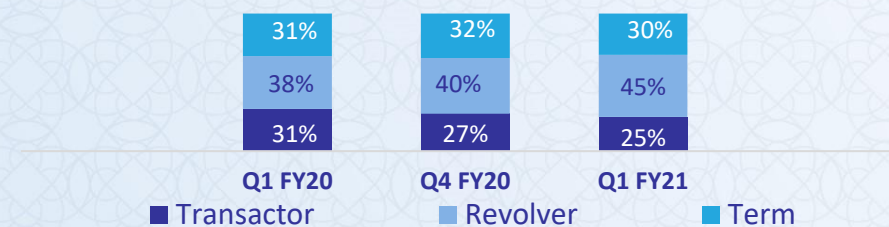
## Receivables (₹ Cr)



## Receivable per Avg Card (₹)



## Receivable Mix %



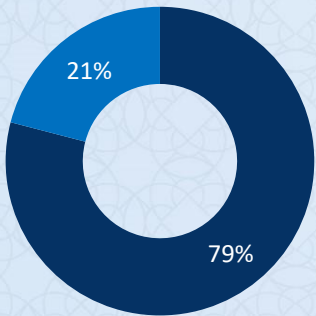


# Portfolio Insights



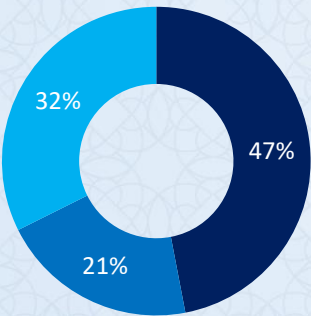
New Sourcing  
For Q1 FY21

Occupation



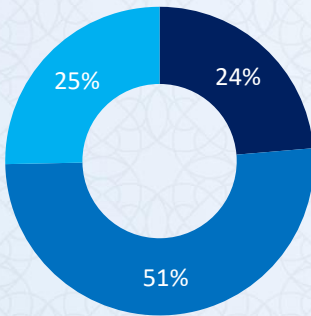
■ Salaried ■ Self Employed

Salaried Category



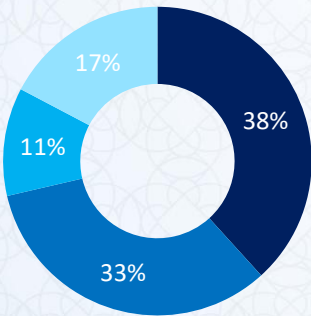
■ Govt/PSU ■ Cat A ■ Cat B

Age profile



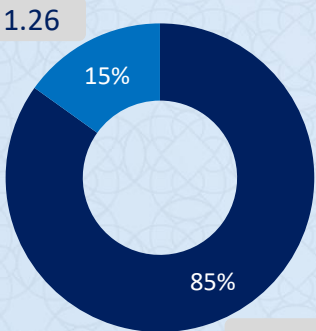
■ Under 30 ■ 31-45 ■ >45

By City Tier

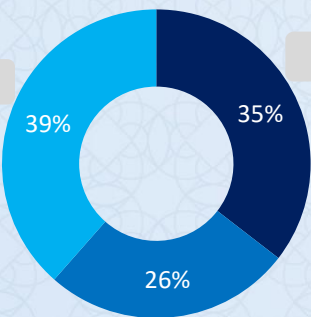


■ Tier 1 ■ Tier 2 ■ Tier 3 ■ Others

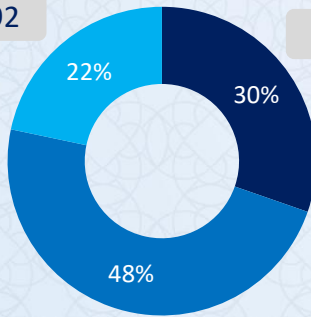
Cards- in- Force  
As on 30th Jun 2020



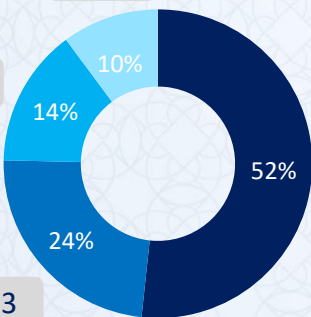
■ Salaried ■ Self Employed



■ Govt/PSU ■ Cat A ■ Cat B



■ Under 30 ■ 31-45 ■ >45



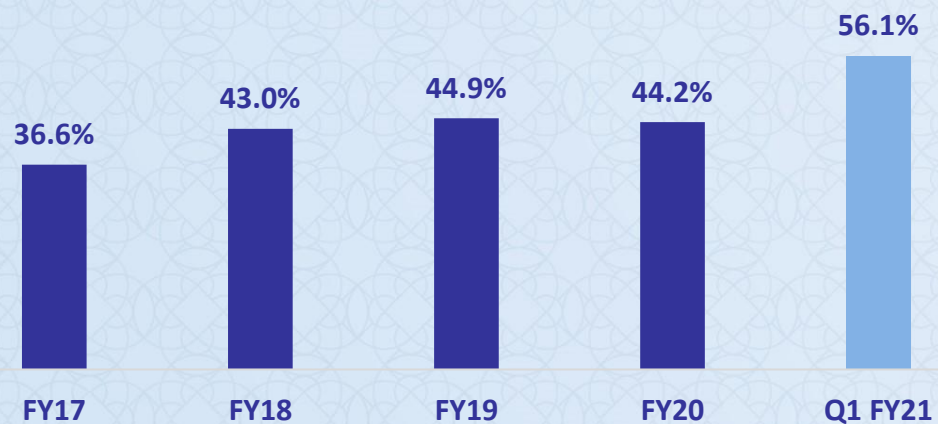
■ Tier 1 ■ Tier 2 ■ Tier 3 ■ Others

Indexed 30+ delinquency

\* Re-categorization of cities



## Online Retail Spend %



Spends Categories	% Growth Online	% Growth Point of Sale
<b>Category 1</b> <i>Departmental Stores, Fuel, Health, Utilities, Education &amp; Direct Marketing</i>	▲ 23%	▼ 32%
<b>Category 2</b> <i>Consumer durables, Apparel, Jewellery &amp; Restaurant</i>	▲ 21%	▼ 41%
<b>Category 3</b> <i>Travel agents, Hotels, Airline &amp; Railways</i>	▼ 78%	▼ 85%

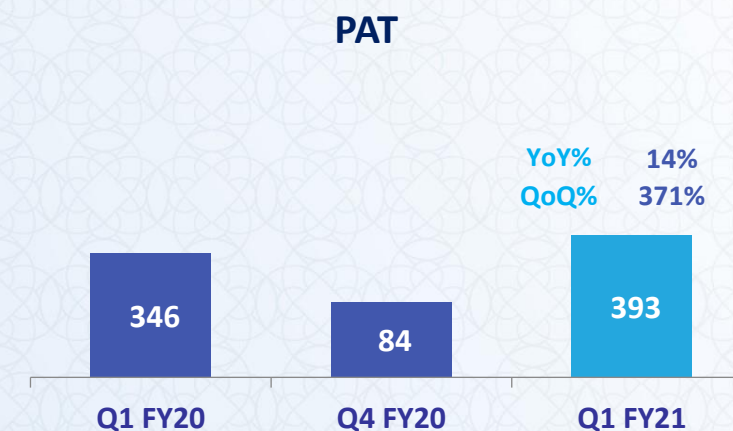
% growth of Jun'20 over average of Dec'19 to Feb'20



# Financial Results



	Q1 FY20	Q4 FY20	Q1 FY21	YoY	QoQ	FY20
Total Income	2,304	2,510	2,196	-5%	-13%	9,752
Finance Costs	302	334	275	-9%	-18%	1,301
Credit Costs	397	838	485	22%	-42%	1,940
Operating Costs	1,073	1,226	907	-15%	-26%	4,781
<b>PBT</b>	<b>533</b>	<b>112</b>	<b>528</b>	<b>-1%</b>	<b>371%</b>	<b>1,730</b>
Cost to Income	53.6%	56.3%	47.2%	(635)Bps	(909)Bps	56.6%
Gross NPA	2.7%	2.0%	1.4%	(133)Bps	(66)Bps	2.0%
ROAA	6.5%	1.3%	6.3%	(11)Bps	505Bps	5.5%
ROAE	36.1%	6.5%	28.3%	(783)Bps	2,173Bps	27.4%
EPS	3.71	0.89	4.19	13%	371%	13.3





# Explaining Returns



	Q1 FY20	Q4 FY20	Q1 FY21	YoY	QoQ
Interest Income	19.6%	21.0%	22.8%	318 bps	177 bps
Fees and other Income	22.1%	16.9%	12.0%	-1011 bps	-491 bps
Recoveries	1.3%	1.2%	0.6%	-69 bps	-57 bps
<b>Total Income</b>	<b>43.1%</b>	<b>39.1%</b>	<b>35.4%</b>	<b>-763 bps</b>	<b>-371 bps</b>
Finance Costs	5.6%	5.2%	4.4%	-121 bps	-78 bps
<b>Net Revenue</b>	<b>37.4%</b>	<b>33.9%</b>	<b>31.0%</b>	<b>-642 bps</b>	<b>-292 bps</b>
Credit Costs	7.4%	13.1%	7.8%	42 bps	-524 bps
Operating Costs	20.1%	19.1%	14.6%	-541 bps	-447 bps
<b>PBT</b>	<b>10.0%</b>	<b>1.7%</b>	<b>8.5%</b>	<b>-143 bps</b>	<b>678 bps</b>
Taxes	3.5%	0.4%	2.2%	-132 bps	173 bps
<b>ROAA</b>	<b>6.5%</b>	<b>1.3%</b>	<b>6.3%</b>	<b>-11 bps</b>	<b>505 bps</b>
Avg Assets/Avg Equity	5.6	5.0	4.5		
<b>ROAE</b>	<b>36.1%</b>	<b>6.5%</b>	<b>28.3%</b>	<b>-783 bps</b>	<b>2,173 bps</b>

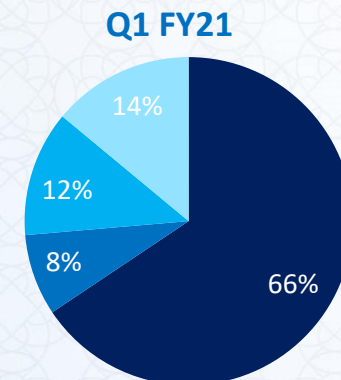
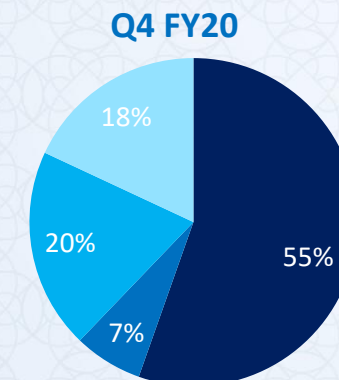
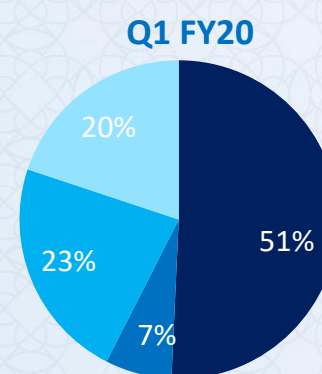


# Revenue Growth



	Q1 FY20	Q4 FY20	Q1 FY21	YoY	QoQ
Revenue from Operations	2,068	2,433	2,152	4%	-12%
Other Income	236	77	43	-82%	-44%
<b>Total Income</b>	<b>2,304</b>	<b>2,510</b>	<b>2,196</b>	<b>-5%</b>	<b>-13%</b>
Finance Costs	302	334	275	-9%	-18%
<b>Net Revenue</b>	<b>2,002</b>	<b>2,176</b>	<b>1,921</b>	<b>-4%</b>	<b>-12%</b>
Interest Income Yield	21.2%	22.1%	23.9%	269 bps	175 bps
Cost of Funds	8.2%	7.5%	6.6%	(158) Bps	(88) Bps
Net Interest Margin	15.1%	16.6%	19.2%	414 bps	260 bps

**Composition**  
Revenue from operations



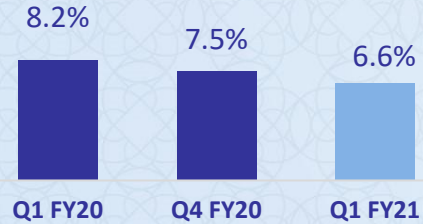
■ Interest Income  
■ Spend based

■ Subscription based  
■ Instance based & other

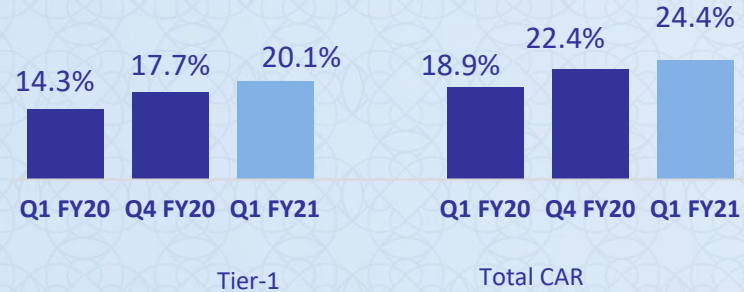


# Capital Adequacy and Borrowings

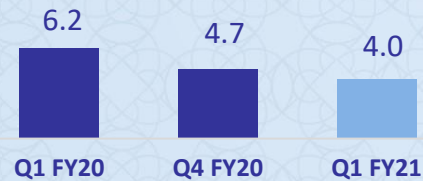
## Cost of funds



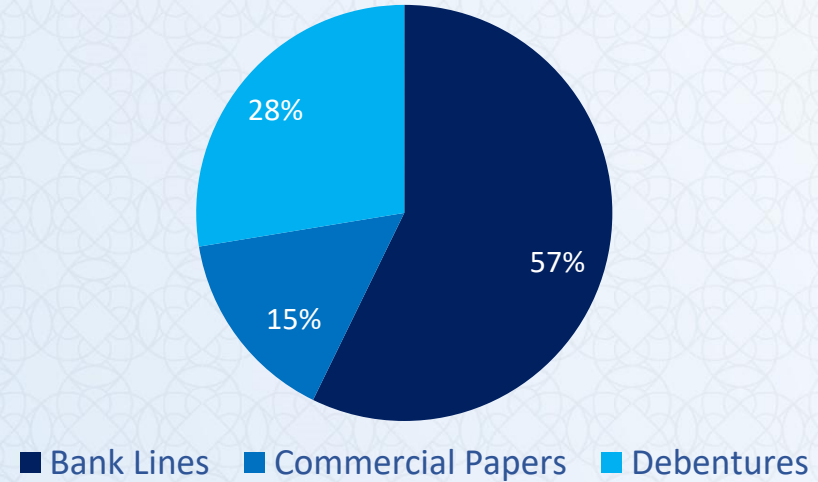
## Capital Adequacy Ratio



## Leverage



## Borrowing Composition (Jun'20)



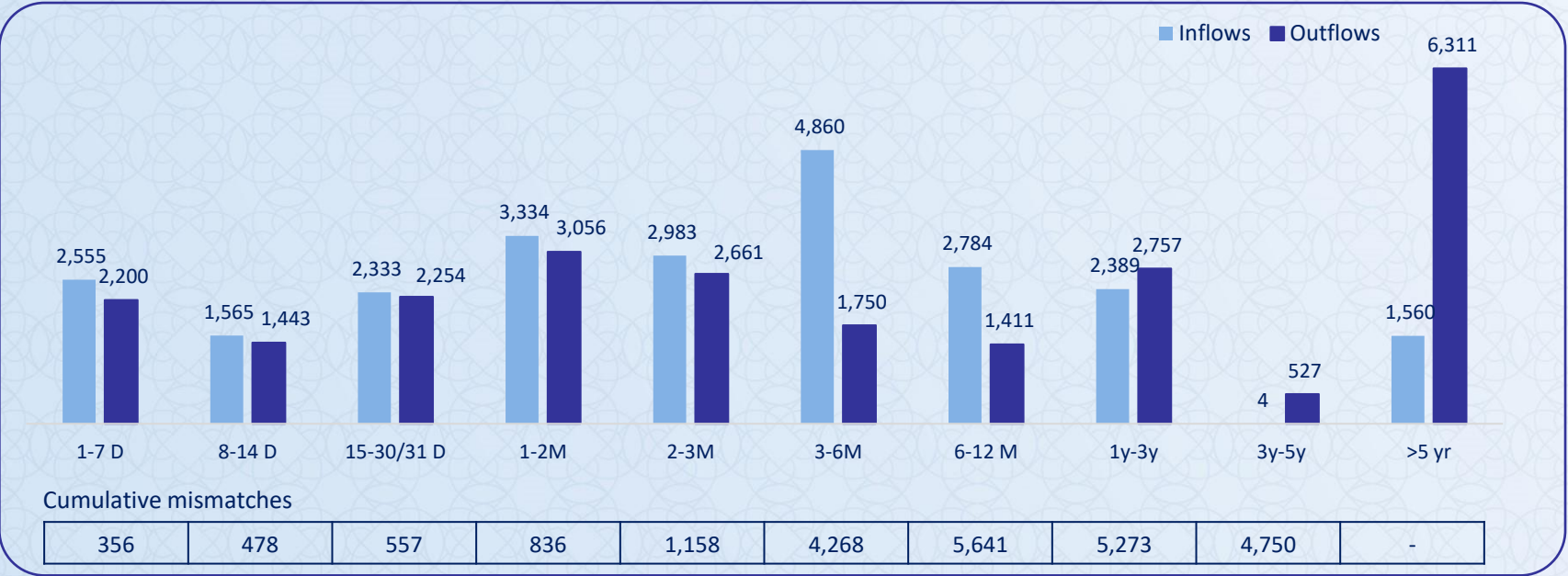
## Credit Ratings

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



# Structural Liquidity (ALM)

Asset Liability Maturity profile – Jun'20



- Well matched ALM
- ₹ 4,978 Cr (30%) of sanctioned bank lines unutilized and available for draw down as at Jun'20

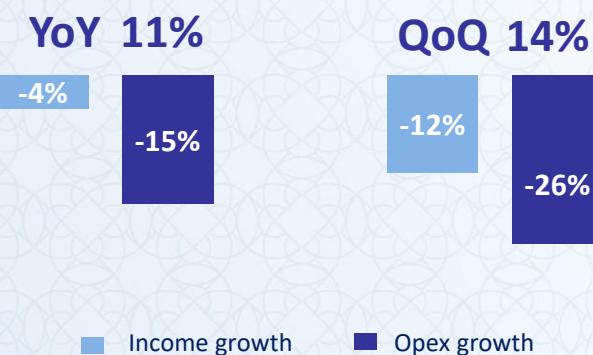


# Operating Costs



	Q1 FY20	Q4 FY20	Q1 FY21	YoY	QoQ
Employee Cost	104	133	112	7%	-16%
Depreciation	29	29	28	-5%	-3%
CSR	0	17	6		-62%
Other operating expenses	939	1,047	761	-19%	-27%
<b>Operating Costs</b>	<b>1,073</b>	<b>1,226</b>	<b>907</b>	<b>-15%</b>	<b>-26%</b>
Cost to Income %	53.6%	56.3%	47.2%	(635)bps	(909)bps

## Positive Operating Leverage





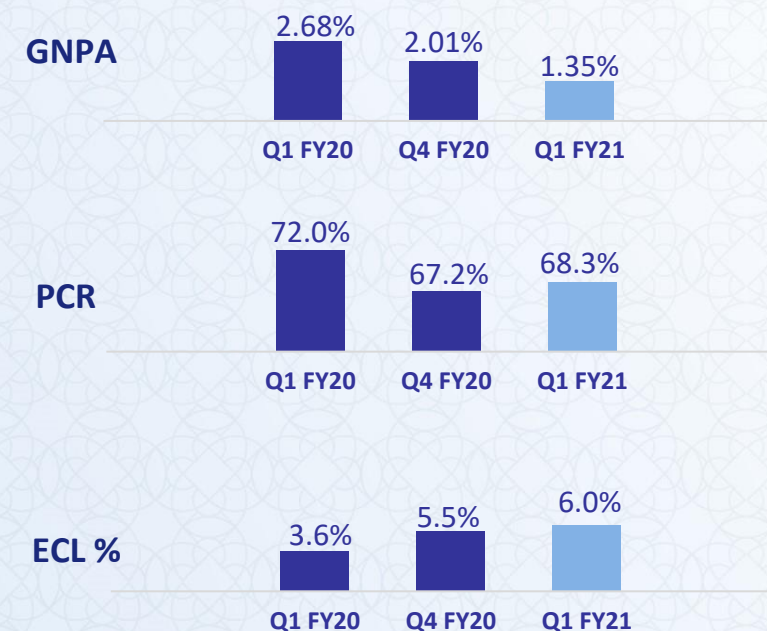
# Asset Quality



	Q1 FY20	Q4 FY20	Q1 FY21	YoY	QoQ
<b>Impairment and losses</b>	<b>397</b>	<b>838</b>	<b>485</b>	<b>22%</b>	<b>-42%</b>
<b>Gross Loss on Loans</b>	<b>396</b>	<b>838</b>	<b>485</b>	<b>22%</b>	<b>-42%</b>
Gross write off	240	351	405	69%	15%
Provision	156	(3)	80	-49%	-2760%
COVID provisions		489			
Recoveries	(70)	(76)	(38)	-46%	-50%
<b>Net Credit Costs</b>	<b>326</b>	<b>762</b>	<b>447</b>	<b>37%</b>	<b>-41%</b>
<b>Net Credit Costs( Ex-COVID)</b>	<b>326</b>	<b>273</b>	<b>447</b>	<b>37%</b>	<b>64%</b>
Gross Credit Cost %	8.0%	13.7%*	8.2%	21Bps	-552Bps
Net Credit Cost %	6.6%	12.5%#	7.5%	97Bps	-492BPS

\*Ex COVID: 5.7%; # EX COVID 4.5%

## Key highlights

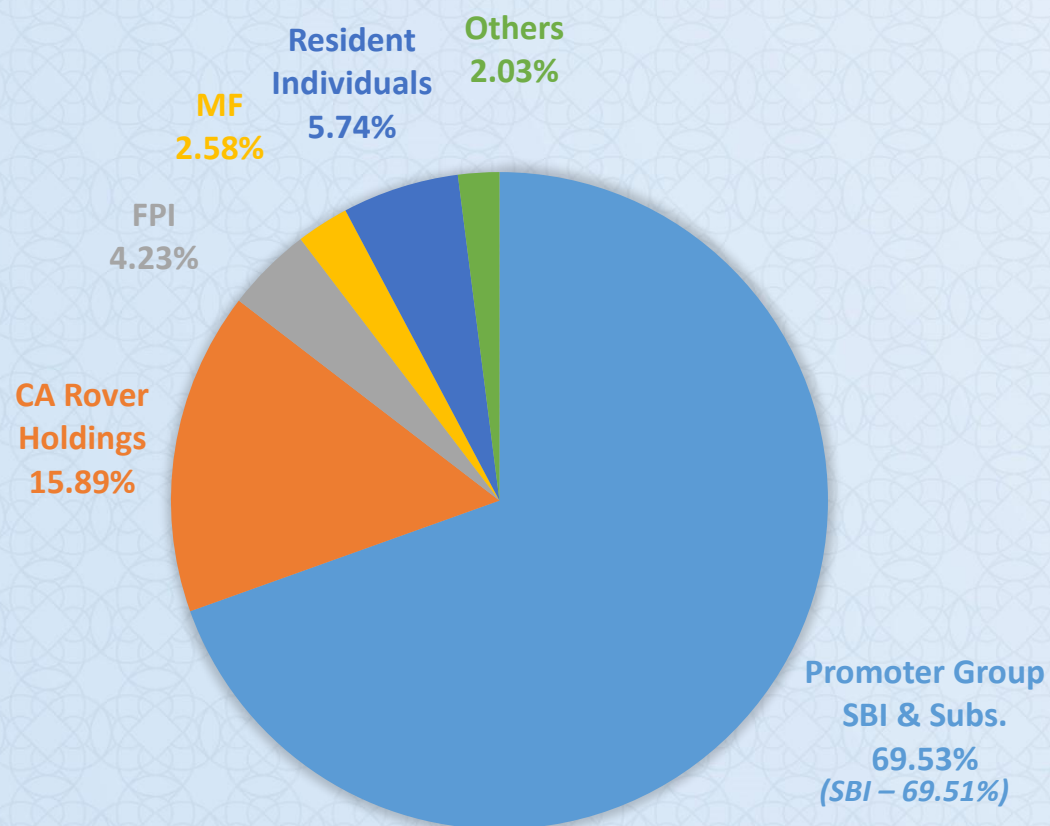




# Shareholders Summary



## Shareholding pattern, 30<sup>th</sup> Jun 2020



## Top 20 Shareholders as on 30<sup>th</sup> Jun 20

S. No	Name of Shareholder	%
1	State Bank Of India	69.51
2	CA Rover Holdings	15.89
3	BNP Paribas Arbitrage – ODI	0.73
4	HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	0.58
5	Government Pension Fund Global	0.41
6	HDFC Trustee Company Limited-HDFC Equity Fund	0.32
7	HDFC Trustee Company Ltd. A/C HDFC Top 100 Fund	0.28
8	Pioneer Investment Fund	0.27
9	Societe Generale – Odi	0.21
10	Kotak Standard Multicap Fund	0.20
11	Thornburg Developing World Fund	0.20
12	Robeco Capital Growth Funds	0.19
13	Fidelity Investment Funds - Fidelity Asia Fund	0.18
14	RWC Emerging Markets Equity Master Fund Limited	0.16
15	AIA International Limited - Relative Asia Equity Portfolio	0.14
16	India Infoline Finance Limited	0.14
17	Fidelity Investment Funds Icvc - Fidelity Global Focus Fund	0.13
18	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	0.13
19	ITPL - Invesco India Growth Fund	0.12
20	Best Investment Corporation Managed By Columbia Management Investment Advisers, LLC.	0.11



# P&L Summary



P&L	Q1 FY20	Q4 FY20	Q1 FY21	YoY	QoQ	FY20
Interest Income	1,049	1,348	1,412	35%	5%	4,841
Income from fees and services	916	959	668	-27%	-30%	3,979
Service Charges	29	35	17	-41%	-52%	118
Business development incentive income	72	87	54	-25%	-38%	327
Insurance commission income	2	3	1	-41%	-57%	11
Net gain on fair value changes	0	-	0	-11%		-
<b>Total Revenue from operations</b>	<b>2,068</b>	<b>2,433</b>	<b>2,152</b>	<b>4%</b>	<b>-12%</b>	<b>9,276</b>
<b>Total Other Income</b>	<b>236</b>	<b>77</b>	<b>43</b>	<b>-82%</b>	<b>-44%</b>	<b>476</b>
<b>Total Income</b>	<b>2,304</b>	<b>2,510</b>	<b>2,196</b>	<b>-5%</b>	<b>-13%</b>	<b>9,752</b>
Finance costs	302	334	275	-9%	-18%	1,301
Employee benefits & Expenses	104	133	112	7%	-16%	468
Depreciation, amortisation & impairment	29	29	28	-5%	-3%	104
Operating & Other expenses	939	1,047	761	-19%	-27%	4,189
CSR Expenses	-	17	6		-62%	20
Impairment losses & bad debts	397	838	485	22%	-42%	1,940
Net loss on fair value changes	-	-	-			1
<b>Total expenses</b>	<b>1,772</b>	<b>2,398</b>	<b>1,667</b>	<b>-6%</b>	<b>-30%</b>	<b>8,023</b>
<b>Profit before tax</b>	<b>533</b>	<b>112</b>	<b>528</b>	<b>-1%</b>	<b>371%</b>	<b>1,730</b>
<b>Profit after tax</b>	<b>346</b>	<b>84</b>	<b>393</b>	<b>14%</b>	<b>371%</b>	<b>1,245</b>



# Balance Sheet Summary



Balance Sheet	Jun19	Mar20	Jun20	YoY	QoQ
<b>Assets</b>					
Loans (Net)	20,457	22,812	21,921	7%	-4%
Cash & Bank Balances	578	676	593	3%	-12%
Other Financial Assets	296	276	313	6%	13%
<b>Total Financial Assets</b>	<b>21,330</b>	<b>23,764</b>	<b>22,828</b>	<b>7%</b>	<b>-4%</b>
PP&E, Intangible & Right of use assets	380	335	315	-17%	-6%
Deferred Tax Assets	162	275	279	72%	1%
All other Non Financial Assets	786	929	838	7%	-10%
<b>Total non financial Assets</b>	<b>1,328</b>	<b>1,539</b>	<b>1,432</b>	<b>8%</b>	<b>-7%</b>
<b>Total Assets</b>	<b>22,658</b>	<b>25,303</b>	<b>24,260</b>	<b>7%</b>	<b>-4%</b>
<b>Liabilities and equity</b>					
Equity Share Capital	837	939	939	12%	0%
Other Equity	3,093	4,402	4,712	52%	7%
<b>Total Equity</b>	<b>3,930</b>	<b>5,341</b>	<b>5,651</b>	<b>44%</b>	<b>6%</b>
Borrowings including lease liabilities	16,095	17,365	16,076	0%	-7%
All other financial liabilities	1,123	1,401	949	-15%	-32%
<b>Total financial liabilities</b>	<b>17,218</b>	<b>18,765</b>	<b>17,025</b>	<b>-1%</b>	<b>-9%</b>
Provisions	1,012	603	1,037	3%	72%
Other non financial liabilities	498	593	546	10%	-8%
<b>Total non financial liabilities</b>	<b>1,510</b>	<b>1,196</b>	<b>1,583</b>	<b>5%</b>	<b>32%</b>
<b>Total liabilities and equity</b>	<b>22,658</b>	<b>25,303</b>	<b>24,260</b>	<b>7%</b>	<b>-4%</b>



# Annexures





## Growth

- **e - Sourcing** : Focus on Digital Application through video KYC, & e-Sign
- **Open Market**: Leverage Live Location, & dynamic allocation for optimization
- **Banca** : Continue to expand SBI sourcing through Advanced Data Analytics / YONO
- **Online Spends**: Grow online spends through e-comm. Partner API Integration
- **Promote Contactless**: Expand contactless , QR based payments & Host Card Emulation
- **Cross Sell / Upsell**: Hyper personalization & targeted offers through Data Analytics

## Manage Risk

- **Portfolio Management**: Granular micro segmentation for risk mitigation
- **Underwriting Automation**: Enhance risk models through Machine Learning
- **Risk Robotics**: New Robots launch in risk management
- **Advanced Collections**:
  - Location Intelligence integration into Collections CRM
  - Establish Centralized Collections Control Room
  - Dynamic account allocation module integrated in Collections CRM

## Technology

- **Digital Journey** : Digital transformation of all customer touchpoints
- **Remote Workforce**: Expand remote workforce through Secure Access
- **Advanced Analytics**: Continue to leverage Data Lake, for growth and servicing

## Customer Engagement

- **Self Service through Artificial Intelligence**: Increase self-service penetration through Advanced Chatbots & Microbots
- **Personalization** : Customer segmentation and personalization of services through Customer 360 degree analysis with automatic next best offer
- **Advanced Knowledge Bot**: Enhance Knowledge Bot to have deep insights for proactive customer support

## Productivity

- **Dynamic Resourcing** : Redeployment of resources/employees to optimize costs
- **Cost Control** : Eliminate/defer non-priority expenditures
- **Contracts**: Renegotiate commercials with vendors/Service providers





# Brand Campaigns



## Brand Film – ‘Ghar mein khushiyaan’



**Objective:** Build stronger bond with consumers, by empathizing & inspiring them during the times of COVID-19

**Film Idea:** A message to stay positive by finding new joys / happiness at home & create memories to cherish

**Media deployed:** Digital & Social Media

**Link:** <https://youtu.be/8Dex6YmtaAw>

**258 Mn+**  
Impressions

**90 Mn+**  
Views

Featured in YouTube India's  
Leaderboard of 'Most Watched  
PSA (Public Service  
Announcement) Ads' during Mar-  
May 2020



## Contactless Film – ‘Tap into the new normal’



**Objective:** Campaign created in collaboration with VISA to promote Contactless Payments

**Film Idea:** Builds on the 'Tap to Pay' action, aptly capturing simplicity & convenience of Contactless payments

**Media deployed:** Digital & Social Media

**Link:** <https://youtu.be/mA3bQbBEK8k>

**97 Mn+**  
Impressions

**39 Mn+**  
Views

The film launched in June'20 achieved higher than benchmark View Through Rate, indicating higher engagement amongst our TG



# Product Brief



## Core Cards



SBI Card Elite



SBI Card PRIME



SimplyCLICK SBI Card



SimplySAVE SBI Card



Doctor's SBI Card



SBI Card Elite Business



Shaurya Select SBI Card



SBI Card Unnati

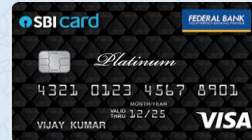
## Banking



Central Bank SBI Card



City Union Bank SBI Card



Federal Bank SBI Card



South Indian Bank SBI Card

## Co-Brand Cards

### Retail



Lifestyle Home Centre SBI Card



fbb Style Up SBI Card



Tata Card



Apollo SBI Card

### Travel



Club Vistara SBI Card PRIME



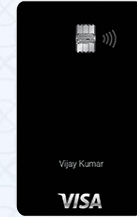
Air India SBI Signature Card



BPCL SBI Card



IRCTC SBI Card Premier



OLA Money SBI Card



Etihad Guest SBI Premier Card



Mumbai Metro SBI Card



Yatra SBI Card



# Awards and Recognitions



## Recent

- The Stevie Award for Project Shikhar under “Sales Distinction of the Year -Financial services in Silver Category” at the 14<sup>th</sup> Annual Stevie Awards for Sales and Customer Services 2020, held at Las Vegas, Nevada USA.
- Iconic Brand of India 2020 at the Economic Times Iconic Brand Digital Conclave held on 30<sup>th</sup> June, 2020.
- Best BFSI Brand 2019-20 by Economic Times in February 2020.

## Previous

- Economic Times Most Promising Business Leaders of Asia, 2019-20 Award to Mr. Hardayal Prasad -MD & CEO during Economic Times Asian business leader conclave at Singapore.
- Most Effective Arrangements: Financial Crime & Sanctions Compliance award at the Global ‘Compliance Register Platinum Awards 2019’ at London.
- Golden Bridge Awards in the categories of customer service department of year in 2019 at San Francisco
- Stevie (Gold Award) for customer service executive of year in 2019 and Stevie (Silver Award) for the customer service department of the year in 2019 by the International Business Awards at Vienna
- Champion Security Award for the South Asia region at Visa Security Summit 2019 held in Shanghai China.
- SKOCH Award (Gold) for SBI Card Loyalty and Rewards Program and SKOCH Award (Gold and Order of Merit) for Project Shikhar in Payment Category at New Delhi.
- Best Data Quality Award (NBFC Segment) at the CIBIL Annual TransUnion Conference 2019 held at Mumbai.
- VISA Global Service Quality Award for ‘Emerging Payment Adoption – Visa Direct’ at Gurgaon.
- Best In-house Legal team award in the BFSI Sector by Indian Corporate Counsel Association at New Delhi.



# 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	Two-point average of the opening and closing dates of the period.
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 divided by average receivables for the period (annualized)
COF %	Calculated as total finance costs for the period divided by average borrowings 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)
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

