

Investor Presentation FY 2020

May 8th, 2020



Performance Highlights



Robust profitability

- PAT ₹ 1,245 Cr YoY 44%, (# Ex COVID PAT ₹ 1,662 Cr YoY 92%)
- ROAA 5.5%, ROAE 27.4% (# Ex COVID ROAA 7.2%, ROAE 35.0%)
- Positive operating leverage; Income Growth 34%, Opex growth 26%

Improving market share

- Market share* : Cards 18.2% (FY19 17.6%), Spends 17.9% (FY19 17.1%)
- Growing above industry average

Growing Portfolio

- 28% growth in cards; 27% growth in spends; 30% growth in Receivables
- Diversified revenue stream, Interest Income 52% of revenue from operations

Asset quality

- GNPA @ 2.0% at Mar20, COVID impact on credit quality uncertain
- Additional COVID provisions of ₹ 489 Cr created
- Portfolio analysis undertaken; significant measures implemented to mitigate credit risks.

Adequate liquidity and CAR

- Diversified borrowings mix, adequate unutilized banking credit available
- Healthy CAR @ 22.4%, T-1 @ 17.7%, additional equity of ₹ 499 Cr issued during IPO

Note: Ex COVID: After excluding COVID impacts of ₹ 489 Cr towards additional credit provisions and ₹ 90 Cr towards late fee reversals in Q4 FY20 and adjusted for tax

* As per RBI report available till Jan'20

Performance Highlights (FY20 Vs FY19)



PAT

₹ 1,245 Cr

Ex COVID ₹ 1,662 Cr

▲ 44%

[₹ 865 Cr]

ROAA

5.5%

Ex COVID 7.2%

▲ 64 bps

[4.8%]

ROAE

27.4%

Ex COVID 35.0%

▼ 97 bps

[28.4%]

CAR

22.4%

Tier 1 17.7%

▲ 228 bps

[20.1%]

CIF

1.05 Cr

▲ 28%

[0.83 Cr]

SPENDS

₹ 130,915 Cr

▲ 27%

[₹ 103,265 Cr]

RECEIVABLES

₹ 24,141 Cr

▲ 30%

[₹ 18,526 Cr]

GNPA

2.01 %

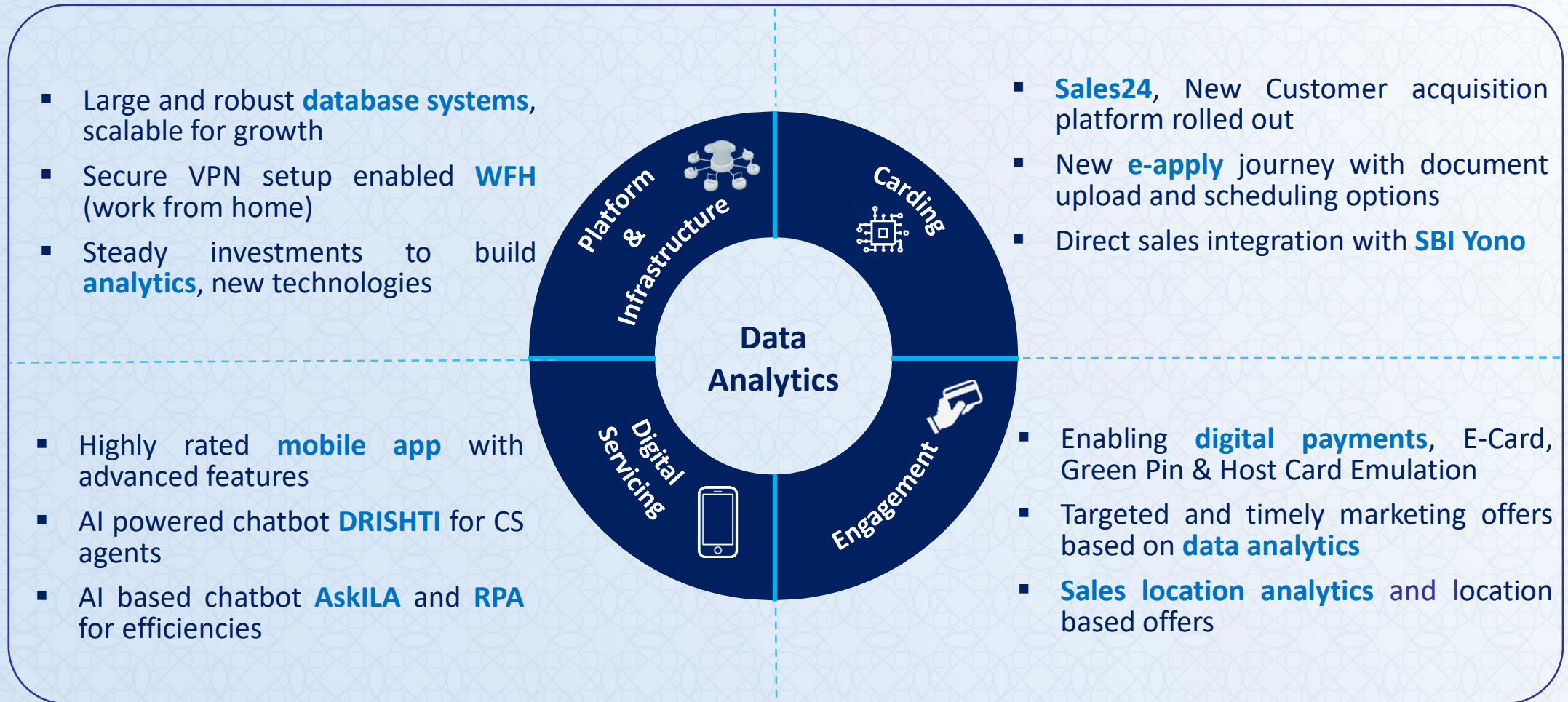
▼ 43 bps

[2.44%]

Figures in [] represents FY19

Note: Ex COVID: After excluding COVID impacts of ₹ 489 Cr towards additional credit provisions and ₹ 90 Cr towards late fee reversals in Q4 FY20 and adjusted for tax

Key Digital Initiatives



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

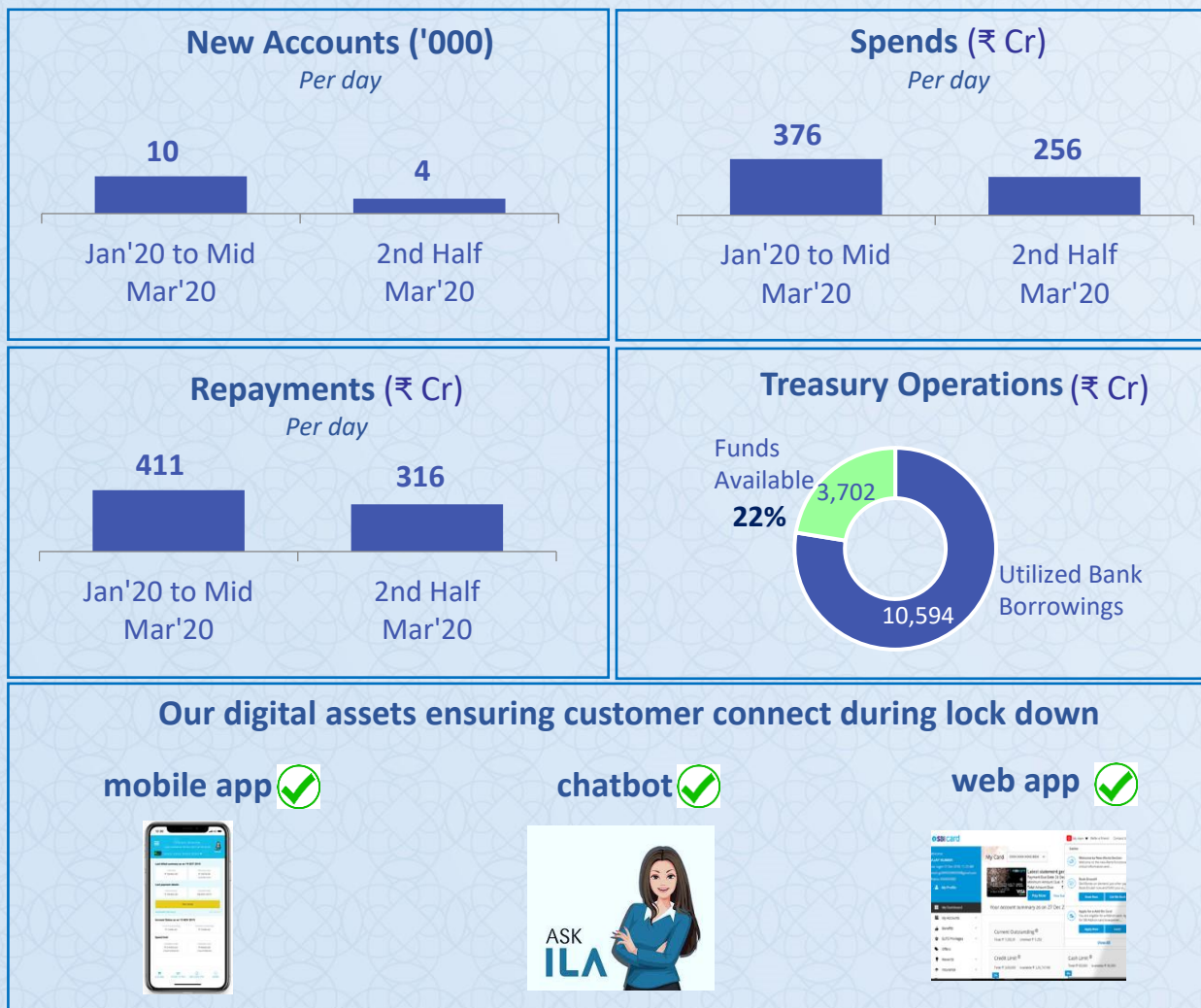
- **Self Service through Artificial Intelligence**: Increase self-service penetration through Advanced Chatbots & Microbots
- **Personalization** : Customer segmentation and personalization of services through Customer 360 degree analysis with automatic next best offer
- **Advanced Knowledge Bot**: Enhance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



COVID-19 Responses and business impact



COVID Responses

Significant actions undertaken to ensure business continuity, customer servicing, safety of our employees and business associates and mitigate risks.

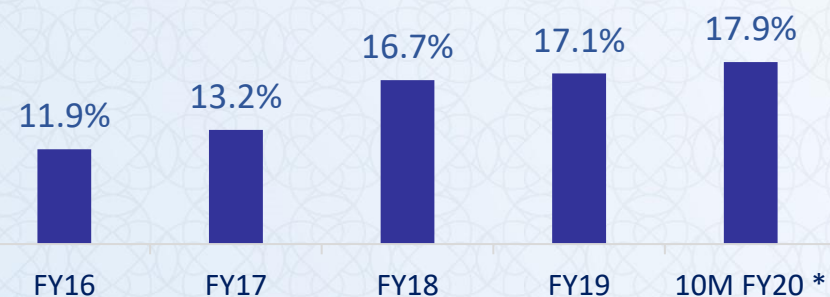
Moratorium	<ul style="list-style-type: none"> Relief provided to cardholders in line with RBI moratorium
Manage Risk	<ul style="list-style-type: none"> Monitoring portfolio closely for early stress indicators Additional COVID provision of ₹ 489 Cr taken in books to protect future losses
Collections	<ul style="list-style-type: none"> Field collection has come to complete halt, tele-calling capabilities being enhanced Collections strategy being revamped
Servicing & Operations	<ul style="list-style-type: none"> Leveraging digital capabilities to service customers Account management being handled remotely
Employee Safety	<ul style="list-style-type: none"> Work from home guidelines implemented Dedicated COVID-19 medical advisory helpline set up
IT & InfoSec	<ul style="list-style-type: none"> All business-critical applications supported remotely Enhanced controls and monitoring for information security
Liquidity	<ul style="list-style-type: none"> Treasury operations managed remotely, all payment obligations serviced on time Sufficient banking credit lines available

Steadily increasing our share of pie in the industry

Cards in force

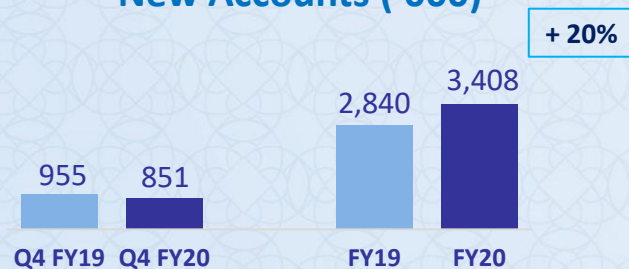


Spends

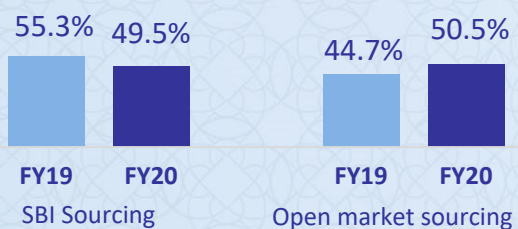


* As per RBI report available till Jan 20

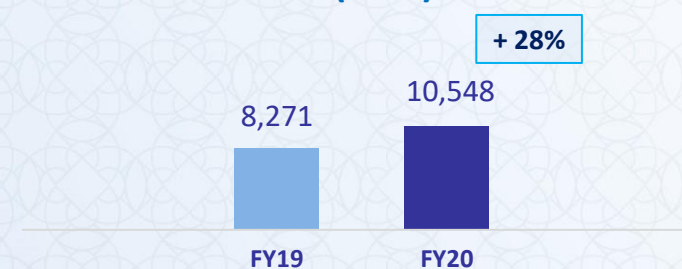
New Accounts ('000)



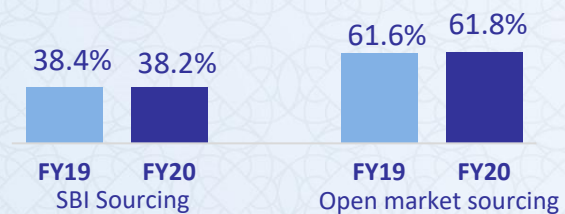
Channel wise Split



CIF('000)



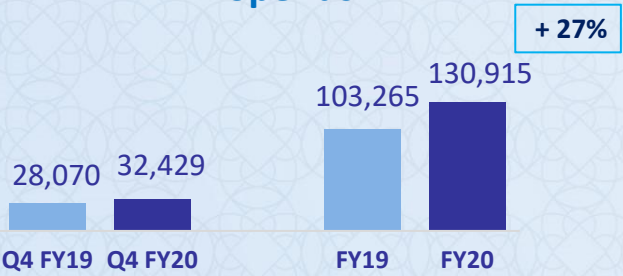
Channel wise Split



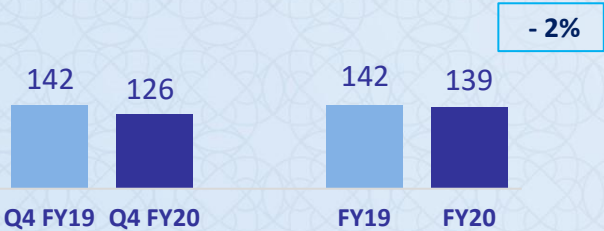
□ Represents YoY %

Portfolio Growth

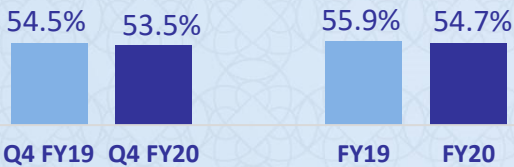
Spends



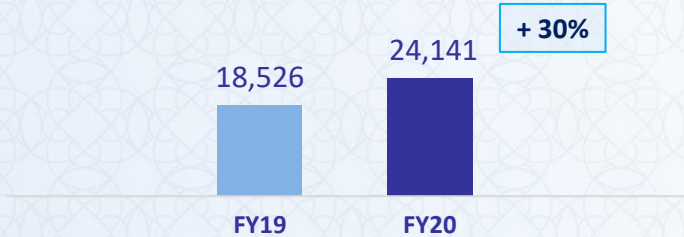
Spend per Avg Card (₹ '000)



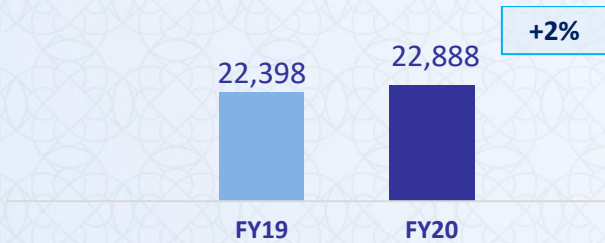
30 days active %



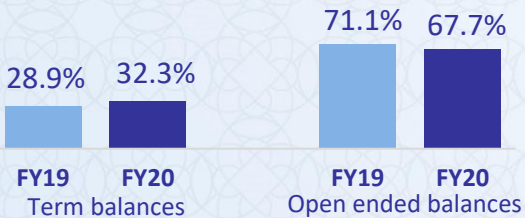
Receivables



Receivable per Card (₹)



Composition of Receivables



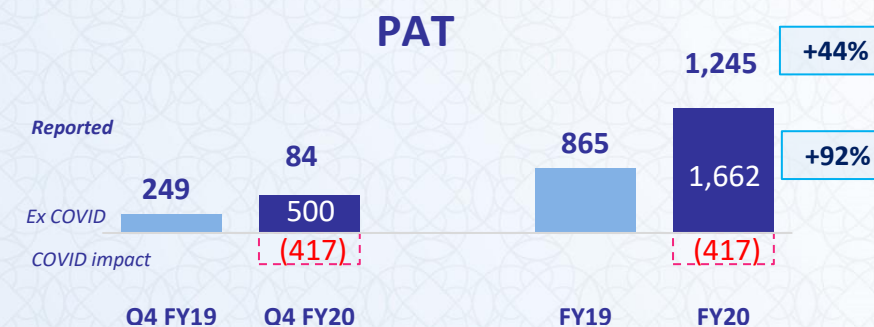
Percentage of 30-day active accounts is calculated by dividing the sum of all accounts carrying out at least one transaction in the last 30 days by the sum of total accounts.

□ Represents YoY %

Financial Results



	Q4 FY19	Q4 FY20	YoY	FY19	FY20	YoY
Total Income ^	2,076	2,510	21%	7,287	9,752	34%
Finance Costs	273	334	23%	1,009	1,301	29%
Credit Costs #	352	838	138%	1,148	1,940	69%
Operating Costs	1,067	1,225	15%	3,795	4,781	26%
PBT	385	112	(71)%	1,335	1,730	30%
PBT (Ex COVID)	385	692	80%	1,335	2,309	73%
Cost to Income	59.2%	56.3%	(285) Bps	60.4%	56.6%	(388) bps
Gross NPA	2.44%	2.01%	(43) Bps	2.44%	2.01%	(43) bps
ROAA*	5.1%	1.3%	(378) bps	4.8%	5.5%	64 bps
ROAE**	27.8%	6.5%	(2,127) bps	28.4%	27.4%	(97) bps
EPS (Basic)				9.5	13.3	41%



COVID Impact (Pre-Tax)	
Total COVID Impact	579
Revenue (Late fee reversal)	90
Impairment losses	489

^ Includes ₹162 Cr accounting write back on rewards point and other write backs in FY20.

Includes significant write off of ₹92 Cr on specific corporate write offs in FY20 .

* Ex COVID impact ROAA for Q4'20 at 7.9% and FY20 at 7.2%.** Ex COVID impact ROAE for Q4'20 at 38.5% and FY20 at 35.0%.

Note: Ex COVID: After excluding COVID impacts of ₹ 489 Cr towards additional credit provisions and ₹ 90 Cr towards late fee reversals in Q4 FY20 and adjusted for tax

Explaining returns



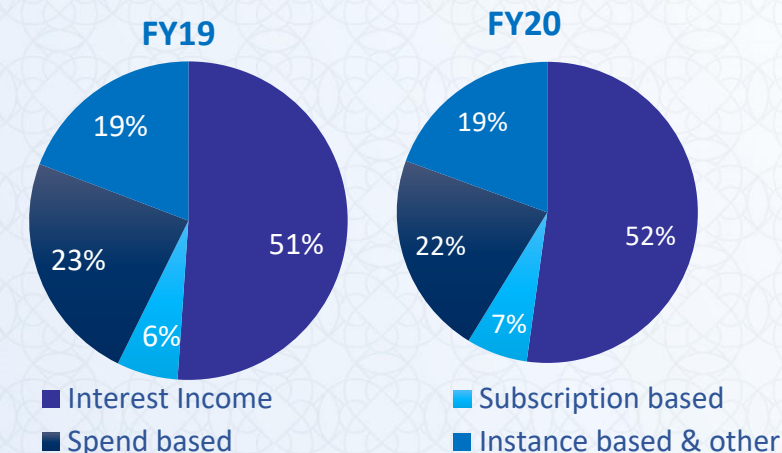
	Q4 FY19	Q4 FY20	YoY	FY19	FY20	YoY
Interest Income	19.4%	21.0%	162 bps	20.0%	21.3%	129 bps
Fees and other Income	21.6%	18.3%	-324 bps	19.4%	20.7%	130 bps
Recoveries	1.4%	1.2%	-26 bps	1.4%	1.3%	-7 bps
COVID Impact (late fee)	0.0%	-1.4%	-140 bps	0.0%	-0.4%	-40 bps
Total Income	42.4%	39.1%	-328 bps	40.8%	42.9%	213 bps
Finance Costs	5.6%	5.2%	-36 bps	5.7%	5.7%	7 bps
Net Revenue	36.9%	33.9%	-292 bps	35.1%	37.2%	205 bps
Credit Costs	7.2%	5.4%	-175 bps	6.4%	6.4%	-4 bps
COVID Impact(provisions)	0.0%	7.6%	763 bps	0.0%	2.2%	215 bps
Operating Costs	21.8%	19.1%	-270 bps	21.2%	21.0%	-20 bps
PBT	7.9%	1.8%	-611 bps	7.5%	7.6%	14 bps
Taxes	2.8%	0.5%	-233 bps	2.6%	2.1%	-50 bps
ROAA	5.1%	1.3%	-378 bps	4.8%	5.5%	64 bps
Avg Assets/Avg Equity	5.5	5.0		5.9	5.0	
ROAE	27.8%	6.5%	-2,127 bps	28.4%	27.4%	-97 bps
ROAA (Ex COVID)	5.1%	7.9%	286 bps	4.8%	7.2%	240 bps
ROAE (Ex COVID)	27.8%	38.5%	1,074 bps	28.4%	35.0%	661 bps

Revenue Growth



	Q4 FY19	Q4 FY20	YoY	FY19	FY20	YoY
Revenue from Operations *	1,983	2,433	23%	6,999	9,276	33%
Other Income ^	93	77	-17%	288	476	65%
Total Income	2,076	2,510	21%	7,287	9,752	34%
Finance Costs	273	334	23%	1,009	1,301	29%
Net Revenue	1,803	2,176	21%	6,277	8,451	35%
Interest Income Yield	21.2%	22.1%	95 bps	21.6%	22.7%	109 bps
Cost of Funds	8.3%	7.5%	(85) bps	8.1%	8.4%	29 bps
Net Interest Margin	15.1%	16.6%	155 bps	15.5%	16.6%	109 bps

Composition
Revenue from operations

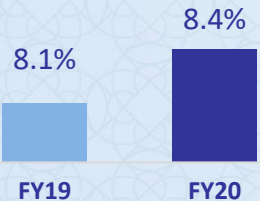


* Includes reversal of ₹ 90 Cr towards Late fees as part COVID impact in Q4 FY20

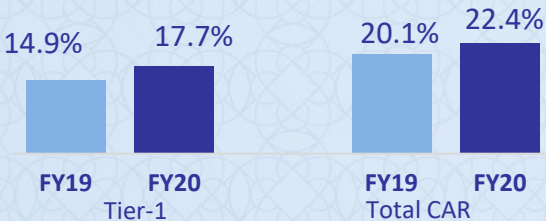
^ Includes ₹162 Cr accounting write backs on rewards point and other provisions in FY20

Capital and borrowings

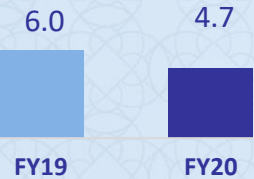
Cost of funds



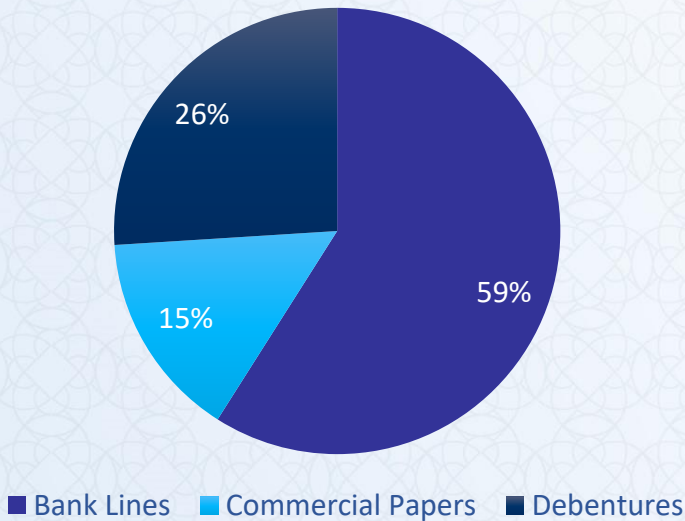
CAR



Financial Leverage



Borrowing Composition (Mar20)

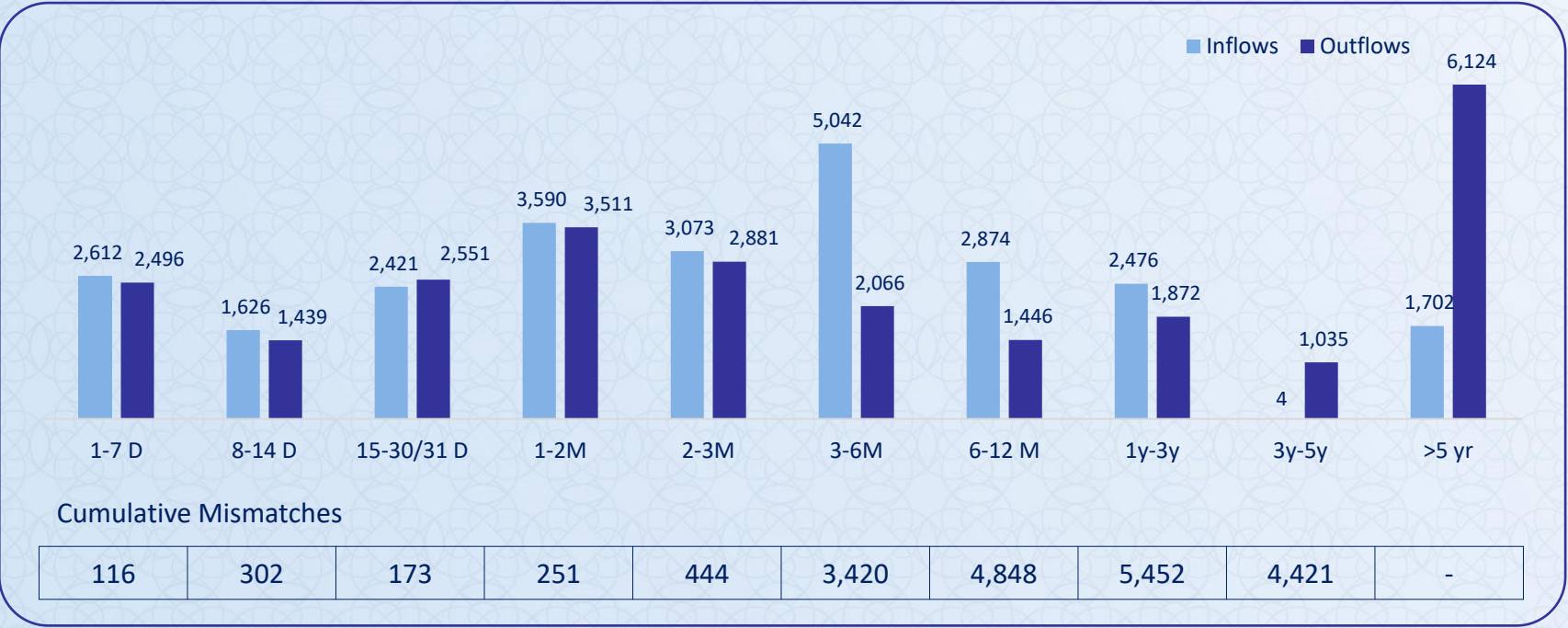


Credit Ratings

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

Structural Liquidity (ALM)

Asset Liability Maturity profile – Mar’20



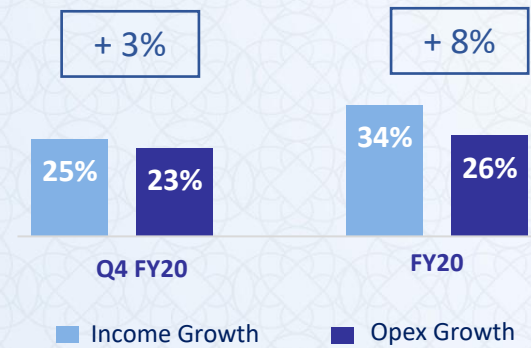
- Robust ALM, positive cumulative mismatches
- ₹ 3,702 Cr (22%) of sanctioned bank lines available for draw down at Mar’20.

Operating Costs



	Q4 FY19	Q4 FY20	YoY	FY19	FY20	YoY
Employee Cost	94	133	42%	379	468	24%
Depreciation	16	29	74%	55	104	88%
CSR	11	17	53%	14	20	40%
Other operating expenses	945	1,047	11%	3,346	4,189	25%
Operating Costs	1,067	1,225	15%	3,795	4,781	26%
Cost to Income %	59.2%	56.3%	(285) bps	60.4%	56.6%	(388) bps

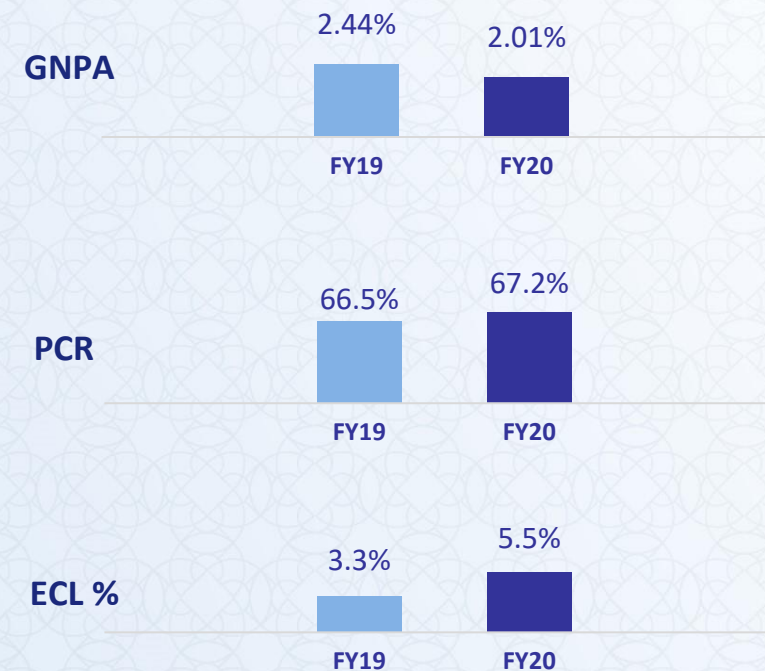
Positive Operating Leverage



Asset Quality



Key highlights



	Q4 FY19	Q4 FY20	YoY	FY19	FY20	YoY
Impairment and losses *	352	838	138%	1,148	1,940	69%
Gross Credit Costs #	231	838	262%	1,027	1,937	89%
Gross Credit Costs (Ex COVID)	231	348	51%	1,027	1,448	41%
COVID Impact		489			489	
Recoveries	(70)	(76)	7%	(253)	(306)	21%
Net Credit Costs	161	762	374%	774	1,631	111%
Net Credit Costs (Ex COVID)	161	273	70%	774	1,142	48%
Gross Credit Cost %	5.1%	13.7%	861 bps	6.2%	9.1%	288 bps
Net Credit Cost %	3.5%	12.5%	893 bps	4.7%	7.6%	297 bps
Ex-COVID						
Gross Credit Costs %	5.1%	5.7%	61 bps	6.2%	6.8%	58 bps
Net Credit Costs %	3.5%	4.5%	92 bps	4.7%	5.4%	68 bps

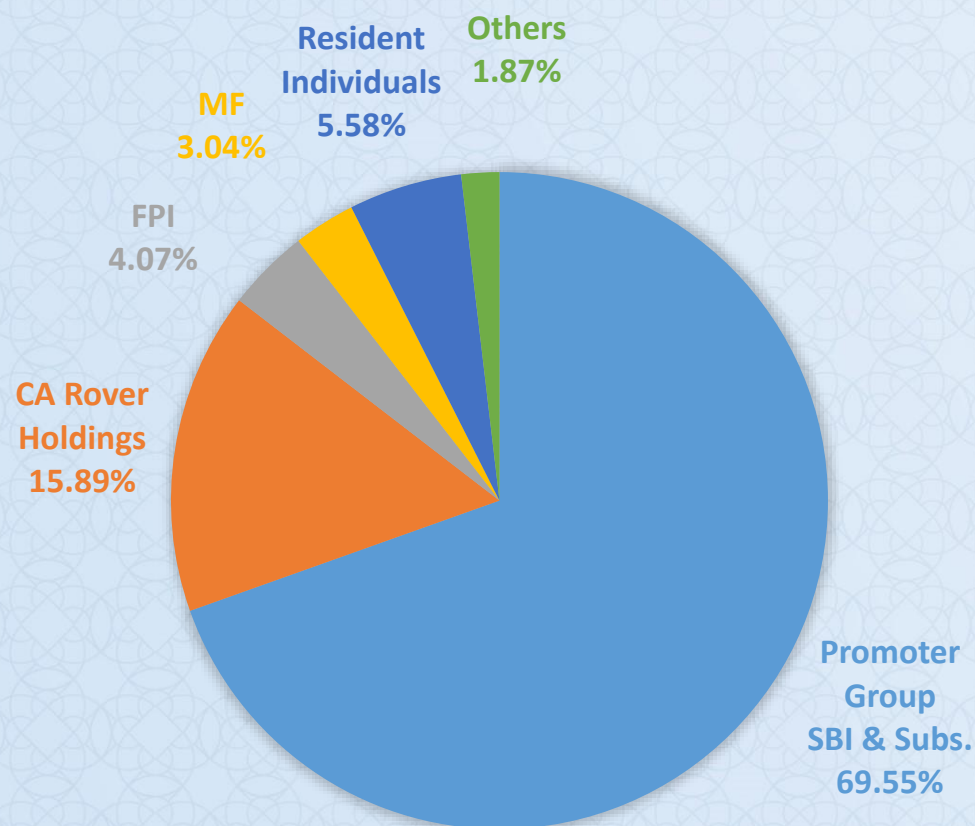
• Includes provision on GST and other assets of ₹ 121 Cr in Q4 FY19 and ₹ 3 Cr towards provision on other assets in FY20

Includes ₹ 92 Cr towards significant corporate write offs in FY20

Shareholders Summary



Shareholding pattern, 31st Mar 2020



Top 20 Shareholders as on 31st Mar 2020

S. No	Name of Shareholder	%
1	State Bank of India	69.51
2	CA Rover Holdings	15.89
3	BNP Paribas Arbitrage – ODI	0.42
4	HDFC Trustee Company Ltd. A/c HDFC Balanced Advantage Fund	0.39
5	HDFC Trustee Company Ltd. -HDFC Equity Fund	0.26
6	Government Pension Fund Global	0.26
7	Pioneer Investment Fund	0.26
8	HDFC Trustee Company Ltd. A/c HDFC Top 100 fund	0.23
9	Government of Singapore	0.21
10	Kotak Standard Multicap Fund	0.20
11	Nomura India Investment Fund Mother Fund	0.16
12	Nomura Funds Ireland Public Ltd Company- Nomura Funds Ireland-India equity fund	0.16
13	Kuwait investment authority fund 225	0.16
14	Societe generale - odi	0.15
15	India infoline finance limited	0.14
16	Axis Mutual Fund Trustee Ltd A/c Axis Mutual Fund A/c Axis Long Term Equity Fund	0.13
17	Fidelity investment trust fidelity series emerging markets opportunities fund	0.13
18	Fidelity investment funds - Fidelity asia fund	0.12
19	Thornburg developing world fund	0.11
20	Mirae asset emerging bluechip fund	0.10

Historical Financials



P&L Summary	FY18	FY19	FY20
Total Income	5,370	7,287	9,752
Finance costs	708	1,009	1,301
Net Income	4,663	6,277	8,451
Opex	2,941	3,915	4,781
Impairment losses & bad debts	799	1,027	1,940
Profit before tax	923	1,335	1,730
Profit after tax	604	865	1,245

Key Metrics			
NEA	14,570	18,526	24,141
NIM (%)	16.5%	15.5%	16.6%
Cost to Income (%)	63.1%	62.4%	56.6%
GNPA (%)	2.8%	2.4%	2.0%
NNPA (%)	0.9%	0.8%	0.7%
ROAA (%)	4.6%	4.8%	5.5%
ROAE (%)	31.1%	28.4%	27.4%
CAR (%)	18.6%	20.1%	22.4%
EPS (Basic)	7.7	9.5	13.3

P&L Summary



P&L	Q4'FY19	Q4'FY20	YoY	FY19	FY20	YoY
Interest Income	949	1,348	42%	3,576	4,841	35%
Income from fees and services	913	959	5%	3,072	3,979	30%
Service Charges	44	35	-20%	126	118	-6%
Business development incentive income	74	87	18%	217	327	51%
Insurance commission income	2	3	45%	9	11	30%
Total Revenue from operations	1,983	2,433	23%	6,999	9,276	33%
Total Other Income	93	77	-17%	288	476	65%
Total Income	2,076	2,510	21%	7,287	9,752	34%
Finance costs	273	334	23%	1,009	1,301	29%
Employee benefits & Expenses	94	133	42%	379	468	24%
Depeciation, amortisation & impairment	16	29	74%	55	104	88%
Operating & Other expenses	877	1,047	19%	3,346	4,189	25%
CSR Expenses	11	17	53%	14	20	40%
Impairment losses & bad debts	352	838	138%	1,148	1,940	69%
Net gain on fair value changes	68	0	-100%	-	-	-
Total expenses	1,691	2,398	42%	5,952	8,023	35%
Profit before tax	385	112	-71%	1,335	1,730	30%
Profit after tax	249	84	-66%	865	1,245	44%

Balance Sheet Summary



Balance Sheet	March 2019	March 2020	YoY
Assets			
Advances (Net)	17,909	22,812	27%
Cash & Bank Balances	777	676	-13%
Other Financial Assets	327	276	-15%
Total Financial Assets	19,012	23,764	25%
PP&E, Intangible & Right of use assets	216	335	55%
Deferred Tax Assets	163	275	69%
All other Non-financial Assets	754	929	23%
Total Non-financial assets	1,134	1,539	36%
Total Assets	20,146	25,303	26%
Liabilities			
Equity Share Capital	837	939	12%
Other Equity	2,751	4,402	60%
Total Equity	3,588	5,341	49%
Borrowings including lease liabilities	13,549	17,365	28%
All other financial liabilities	1,732	1,401	-19%
Total financial liabilities	15,282	18,765	23%
Provisions	628	603	-4%
Other Non-financial liabilities	648	593	-8%
Total Non-financial liabilities	1,277	1,196	-6%
Total Liabilities and Equity	20,146	25,303	26%

Annexures





Strong Underwriting

- Over 1700 attributes used for evaluation.
- Segmented Application scores.
- Trending variables from bureau
- Over 60 micro-segments
- Pre-qualification models



Adequate Reserving

- Segmented Expected Credit Loss (ECL) models – IFRS 109 compliant
- Economic indicators incorporated in portfolio stress testing to ensure capital adequacy



Portfolio Management

- Segmented Behavior scores
- Over 4000 attributes to assess risk and behavior
- More than 100 micro-segments
- Dynamic portfolio and collection rules
- Real time Fraud alerts
- Over 50 triggers and alerts



Talent and Infra

- Risk, Analytics, Process engineering and Finance professionals
- Data-lake with state of art Machine Learning tools
- Best in class decision engines

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

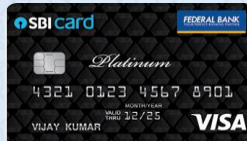
Banking



Central Bank SBI Card



Allahabad 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



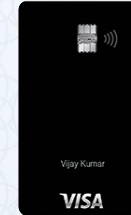
Air India SBI Signature Card



BPCL SBI Card



IRCTC SBI Card Premier



OLA Money SBI Card Etihad Guest SBI Premier Card



Mumbai Metro SBI Card



Yatra SBI Card



Chennai Metro SBI Card



- 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.

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Thank You

