



“SBI Cards & Payments Services Limited 22nd AGM”

September 28, 2020

BOARD OF DIRECTORS AND MANAGEMENT:

- **MR. RAJNISH KUMAR – CHAIRMAN**
- **MR. DINESH KUMAR KHARA – NON-EXECUTIVE DIRECTOR**
- **MR. ASHWINI KUMAR TEWARI – MD & CEO**
- **MR. DEVENDRA KUMAR – NON-EXECUTIVE DIRECTOR**
- **MR. SUNIL KAUL – NON-EXECUTIVE DIRECTOR**
- **DR. T.M. BHASIN – INDEPENDENT DIRECTOR & CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE**
- **MR. NILESH SHIVJI VIKAMSEY – INDEPENDENT DIRECTOR & CHAIRMAN OF THE AUDIT COMMITTEE**
- **MR. RAJENDRA KUMAR SARAF – INDEPENDENT DIRECTOR & CHAIRMAN OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE**
- **MR. DINESH KUMAR MEHROTRA – INDEPENDENT DIRECTOR**
- **MS. ANURADHA SHRIPAD NADKARNI – INDEPENDENT DIRECTOR**
- **MR. NALIN NEGI – CHIEF FINANCIAL OFFICER**
- **MS. PAYAL MITTAL CHHABRA – COMPANY SECRETARY & COMPLIANCE OFFICER**

STATUTORY AUDITORS

MR. PUNIT JAIN – PARTNER M/S S. RAMANAND AIYER & CO. CHARTERED ACCOUNTANT, COMPANY’S STATUTORY AUDITORS

SECRETARIAL AUDITORS

DR. S. CHANDRASEKARAN – SENIOR PARTNER M/S CHANDRASEKARAN & ASSOCIATES, COMPANY SECRETARIAL AUDITORS

SCRUTINISER

MR. VINEET K CHAUDHARY – MANAGING PARTNER OF M/S VKC & ASSOCIATES, COMPANY SECRETARY

Moderator: Dear shareholders good morning and a warm welcome to you all to the 22nd Annual General Meeting of SBI Cards and Payments Services Limited being held through videoconferencing. For the smooth conduct of the meeting, the members will be in the mute mode, and audio and video will be opened when they speak at the AGM as per the pre-registration. Please note that, as per the requirements, the proceedings of the Annual General Meeting will be available on the website of the company. I now hand over the proceedings to Mr. Rajnish Kumar, Chairman of SBI Cards and Payments Services Limited. Over to you Sir.

Rajnish Kumar: Thank you, Operator. Ladies & Gentlemen - Good Morning to all of you. I, Rajnish Kumar, extend a warm welcome to all of you at the 22nd Annual General Meeting of your Company. We hope you and your family members are safe and healthy. We also wish the best of health for you and your family members in future.

In view of the challenges and risks posed by Covid – 19 pandemic, and the safety of the Members of the Company as also the directions issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), we are holding this Meeting through Video Conferencing (VC).

I would like to place on record that all the efforts feasible under the current circumstances have been made by the Company to enable the Shareholders to participate in the AGM in large numbers and vote on the items being considered in this Meeting for approval of the Shareholders.

I do hope that we will be able to have physical meeting next year, as it will be a pleasure to interact with all of you face to face.

Now, I would like to introduce my fellow directors on the Board of your Company.

To begin with Mr. Dinesh Kumar Khara – Non-executive Director, participating in this Meeting from Mumbai.

Mr. Ashwini Kumar Tewari – Managing Director & CEO, participating in this Meeting from Gurugram.

Mr. Devendra Kumar – Non-executive Director, participating in this Meeting from Mumbai.

Mr. Sunil Kaul – Non-executive Director, participating in this Meeting from Singapore.

Dr. Tejendra Mohan Bhasin – Independent Director and Chairman of the Nomination and Remuneration Committee, participating in this Meeting from New Delhi.

Mr. Nilesh Shivji Vikamsey – Independent Director and Chairman of the Audit Committee, participating in this Meeting from Mumbai.

Mr. Rajendra Kumar Saraf – Independent Director and Chairman of the Stakeholders' Relationship Committee, participating in this Meeting from Mumbai.

Mr. Dinesh Kumar Mehrotra – Independent Director, participating in this Meeting from Mumbai.

Ms. Anuradha Shripad Nadkarni – Independent Director, participating in this Meeting from Mumbai.

All the directors of the company are present at this meeting. I would also like to introduce the team of executives:

Mr. Nalin Negi – Chief Financial Officer and Ms. Payal Mittal Chhabra – Company Secretary and Compliance Officer of the Company present at the Meeting through VC.

Mr. Puneet Jain – Partner, M/s. S. Ramanand Aiyar & Co. Chartered Accountants, Company's Statutory Auditors and Dr. S Chandrasekaran, Senior Partner, M/s. Chandrasekaran Associates, Company's Secretarial auditors are also present at the Meeting through VC. Further, Mr. Vineet K. Chaudhary, Managing Partner of M/s VKC & Associates, Company Secretaries, who has been appointed as Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner is also present at the Meeting through VC.

I would now request Ms. Payal Mittal Chhabra to confirm that requisite quorum is present and brief the Shareholders regarding procedure of e-voting and participation in this meeting.

Payal Mittal Chhabra:

Thank you, Sir. I confirm that requisite quorum is present through VC and the Meeting is in order.

Dear Shareholders, Good Morning. This 22nd Annual General Meeting of your Company is being held through Video Conferencing (VC) in due compliance of all the Circulars issued by the MCA and the SEBI, through the e-voting services provided by NSDL.

Since this AGM is being held through VC, physical attendance of Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Shareholders is not available for the AGM. Facility for joining this meeting through VC is made available for the Shareholders, 30 minutes before and 15 minutes after the scheduled time of the commencement of the AGM. As requested in the AGM Notice, we hope that Shareholders have joined the Meeting using a Stable Wi-Fi or LAN connection to have smooth experience of interaction during the Meeting and also read through the detailed e-voting procedure given therein.

All the Shareholders who have joined this Meeting are placed on mute to avoid any disturbance arising from the background noise and to ensure smooth conduct of the Meeting. During the meeting, when the Chairman will invite Questions from Shareholders who have registered

themselves as Speakers, their names will be announced one by one and their mic will be unmuted.

Please note that only those Shareholders who have not cast their votes through remote e-voting and who are participating in this Meeting today and are otherwise not barred from doing so, will have an opportunity to cast their votes during the AGM and till 30 minutes after conclusion of the Meeting.

Over to you Chairman Sir.

Rajnish Kumar:

Thank you, Ms. Payal. In conformity with Sections 170 and 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their Shareholding and the Register of Contracts or arrangements in which Directors are interested and Certificate from the Statutory Auditors pursuant to Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are available for inspection electronically, by the Shareholders during the AGM.

As the notice dated August 21, 2020 convening the 22nd AGM is already circulated to all the shareholders along with the annual report for the financial year 2019-20, I, take them, as read. Since the Reports of the Statutory Auditors, Secretarial Auditor of the Company and the Comments of the Comptroller and Auditor General of India does not contain any qualifications, observations or comments or other remarks on financial transactions or other matters, which have any adverse effect on the functioning of the company, the same are not required to be read.

Before taking up the items of the Agenda, I would like to share with you my thoughts on Indian Economy and working of the Company.

Dear Shareholders,

Fiscal 2020 was a landmark year for SBI Card, as the company got listed on stock exchanges in India.

I am delighted to welcome all our new shareholders to the SBI Card family and would like to thank our investors for placing their trust in us and making the issue a stellar success

The success of the IPO is also an endorsement of our consumer- focused approach to business as well as our ethos of trust, transparency and innovation in everything we do. The faith you have placed in us encourages us to continue striving for excellence.

As we speak, the world is facing a pandemic of unprecedented nature and proportion. We have always prioritized supporting our customers, communities and employees in such critical times. This unprecedented situation is no different, and we are endeavoring to play our part with safety of employees, customers and their families being the utmost priority

Coming to the performance of your company - This year SBI Card completes 21 years of its momentous journey which started in 1998, with a mission to become the currency of Digital India.

Today, we are one of the leading and most trusted credit card issuers in India, serving over 10.5 million customers.

In Fiscal 2020, we posted strong performance across all parameters delivering value to all our stakeholders from investors to customers and partners. Profit after Tax (PAT) grew strongly by 44% to Rs. 1,245 crores,

With the uncertainty around the pandemic, the economic situation remains uncertain.

As per RBI, Indian economy also is likely to witness a contraction in FY2021, with GDP projected to remain negative in the first half of the current financial year.

Despite the economic slowdown and the unprecedented situation posed by Covid-19, fundamentally the outlook for the digital payments industry and long-term growth story of credit cards in India remains strong.

There has been a marked momentum towards digital/ cashless transactions in recent years, aided by the government's push towards digitalization. This bodes well for the credit card sector.

The Covid-19 crisis has accelerated digitization and adoption of cashless and digital spending. Cashless and contactless payments are a safe alternative in these times as social distancing will continue to be a norm and consumers are increasingly opting for digital payments. Your Company has been issuing contactless cards. Since June 2015 and more than 98% of our monthly issuance is on contactless.

Further, India has witnessed an e-commerce boom across geographies and demographics aided by and aiding the digitalization trend.

In addition, new-to-credit customers are expected to rise because of the low credit penetration in Tier-2 and 3 cities. Your Company has strong focus in this area.

We have a very strong leadership team, committed and motivated employees; we have adequate liquidity and access to capital and excellent risk management capabilities. We have a very strong brand with a contemporary identity to appeal to the millennial generation who will be the harbingers of future growth.

With all these advantages, we are in a good position to manage the present environment as well as harness post-Covid opportunities.

Like all other challenges, I am sure we as a country will emerge stronger from this situation too. I have immense faith in SBI Card's strength and resilience. By adapting to the situation with agility, we will rise to the challenge and continue to deliver value to all stakeholders.

Before I conclude, on behalf of the Company, I wish to express our deepest gratitude to all our shareholders, customers, partners and regulatory authorities for their support and confidence in the Company. I also convey my appreciation to my colleagues on the Board for their valuable contribution and to all the employees for their hard work, commitment, dedication, and sustained support despite the current adversities.

I now invite Mr. Ashwini Kumar Tewari – MD and CEO of the company to present an update on the business performance of the company.

Ashwini Kumar Tewari: Thank you, Sir. I now request the operator, to put up the presentation regarding update on the business performance of the company.

Good Morning everyone!

I hope you and your families are staying safe and healthy as we pass through the unprecedented times caused by the COVID-19 pandemic.

On behalf of our Company SBI Cards & Payment Services Ltd., I extend a very warm welcome to you and thank you for joining us today for the 22nd annual general meeting and 1st annual general meeting after the company has been listed on March 16, 2020. At the outset, I would like to thank each one of you who have invested in the Company and chosen to be a part of our growth journey. It is due to your deep faith and support that the IPO saw ~ 26 times oversubscription (excluding Anchor Book) even during the challenging times of COVID-19 pandemic.

Over the years, we have established ourselves as a leading player in the Indian credit card industry and today we are the largest pure-play credit card issuer in the country, with a strong legacy and deep domain expertise.

Let me move on to the Slide #2:

I am delighted to place before you the highlights of your Company's strong performance during FY20.

We have a proven track record of consistent and profitable growth year on year. In FY'20 your company delivered profit after Tax of Rs 1,245 crores which is at 44% growth over previous year. This is despite absorbing the COVID impact of Rs 489 crores towards additional Covid provision and Rs 90 crores towards Late fees reversal.

We have good record of generating healthy returns, this year too we have delivered impressive return on assets of 5.5% and return on equity of 27.4%.

The strong financial result was due to robust business performance on all fronts. Your Company achieved a remarkable milestone of '1 Crore' card base in FY20 with 1.05 crore cards-in-force as on March 31, 2020 at YoY growth of 28% and generated spends of Rs 1,30,915 crores at YoY growth of 27%. The receivables from cardholders grew by an impressive 30% to close at Rs 24,141 crores.

The impressive growth story is the result of continuous leverage of our extensive distribution channel to grow new accounts and higher spends through customer engagement and exciting marketing offers from time to time.

Can we move for the Slide #3 please; We have been steadily growing our market share in terms of cards in force and spends. Our cards in force market share has grown from 14.8% in FY16 to 18.3% in FY20 and our spends market share has grown from 11.9% in FY16 to 17.9% in FY20.

Moving on; We are adequately capitalized with our total Capital Adequacy Ratio (CAR) at 22.4% as against regulatory requirement of 15%.

Our credit ratings remain excellent with A1+ and AAA ratings by CRISIL and ICRA for both short term and long-term borrowings. These strong credit rating by the Rating Agencies reflect our robust business and financial fundamentals. We also have multiple and diverse funding options across bank lines, commercial papers and debentures. We have consortium banking arrangement and diverse borrowing options across bank lines, commercial papers and debentures. Our consortium of lenders consists of multiple banks.

Moving on; During the COVID-19 lockdown, SBI card was focused on managing business continuity in compliance with various regulatory directives.

We formed a centralized QRT (Quick response team) to review evolving situations and take appropriate actions to minimize any adverse business impact.

The company has a work from home policy and majority of employees were operating remotely to manage critical operations.

In compliance with the direction issued by the government the company gradually opened its work place.

At the same time the company was also focused on the wellbeing and safety of its employees. The company is operating by observing strict compliance of social distancing norms and other health and safety aspects.

In the new business environment i.e. new normal, company is also exploring and implementing new ways of doing business with increased focus on digitization.

We have taken adequate actions in terms of portfolio reviews and tightening risk criteria to manage our portfolio quality. We have intensified our collection efforts and offered new products and solutions for distress customers in addition to offering payment moratorium in line with RBI guidelines.

Moving on; Our business is gradually returning to normalcy, our daily new account sourcing run rate in Jun'20 reached almost close to 60% of pre-Covid levels.

Similarly, our retail spends achieved more than 80% of our pre-COVID levels and total spends (incl. Corporate spends) achieved more than 75% of our pre-COVID levels.

We have a wide and varied product suite and offer a payment solution to a variety and a wide spectrum of customer segments and price ranges. Apart from our core products namely Simply Save & Simply Click for mass affluent and Prime & Elite for premium customers, we have a rich cobrand portfolio across shopping, travel, fuel and health segments. We also have tied-up with other banks for cobranded banking credit card.

Our core philosophy remains to serve our customers through superior products and enhance customer experience.

Our People remain our most valued assets and we have 3,967 strong and energetic work-force. SBI card is a young organisation, with average employee age as 32 years and is dominated by millennials. During the year the company has taken several initiatives to engage and nurture our talented and skilled pool of employees.

We have restructured our talent management framework. Our performance management philosophy is aligned to business requirement and have a strong focus on talent acquisition framework across campus hiring programs and a robust recruitment process.

We have robust learning and development focus and have implemented integrated learning management system and leadership development program.

Our employees have participated in various employee wellness and engagement activities throughout the year.

At SBI Card, we are strongly focused on driving a positive change in the communities around us by ensuring their welfare and holistic development. We have partnered with several CSR implementing agencies to ensure greater impact.

We undertook multiple initiatives during the year;

- to promote better health, nutrition and improve sanitation
- to provide educational support to children and facilitating digital technologies to enhance quality of education
- to provide family-based care to children living in houses run by SOS Children's Village
- to facilitate skill development training to underprivileged youths under the National Skill Development Corporation initiative to enhance their employability
- to undertook development of rainwater harvesting structure in association with Plan International.

Let me update you on recent developments:

- Our IRCTC SBI Card was launched on the Rupay platform aimed at rewarding frequent train travelers. The product offers superior travelling benefits on travelling as well as on retail, dining and entertainment spends.
- We recently collaborated with Google to enable customers to use SBI cards on Google Pay platform. Users will now be able to make card payments using Google Pay app on their Android smartphones via tap-and-pay across NFC terminals, Bharat QR code at merchants as well as for online payments.
- We have entered into Agreement with Amex to launch cards on Amex network and are excited to announce that we shall launch SBI Amex Cards shortly.

The business fundamentals of the company remain strong and robust. We are looking forward to continuing our successfully journey in the payments space and offer exciting products and superior servicing to our customers. We remain committed to maximise value to all our stakeholders.

Stay safe, stay healthy. Thank you, operator, I now request the Chairman to continue with the proceedings of the AGM.

Rajnish Kumar:

Thank you Mr. Tewari. Now, I will read items of the business to be conducted at the AGM, as mentioned in the Notice.

Since, all resolutions have already been put to vote through Remote e-voting which commenced from Friday, September 25, 2020 at 9:00 AM and ended on Sunday, September 27, 2020 on 5.00 PM., no resolution is required to be proposed or seconded by the Shareholders at the AGM. Further, many of the Shareholders may have already cast their votes during the abovementioned period.

However, those who have not cast their vote through remote e-voting and are otherwise not barred from doing so, have the opportunity to vote now at the facility provided through NSDL portal through which you have logged in.

The first item of the notice is for, adoption of the audited Financial Statements of the Company for the Financial Year ended 31st March 2020 and the Reports of the Board of Directors and Auditors thereon along with the comments of the Comptroller and Auditor General of India.

Item No. 2 of the Notice is regarding confirmation of the payment of Interim Dividend of Rs.1 (i.e. 10%) per equity share of Rs. 10 each, for the Financial Year ended March 31, 2020, as declared by the Board of Directors.

Item No. 3 of the Notice is regarding authorization to the Board of Directors to fix the remuneration/fees of the Statutory Auditors of the Company, appointed by the Comptroller and Auditor General of India (CAG), for the financial year 2020-21.

Item No. 4 of the Notice is regarding re-appointment of a Director, in place of Mr. Sunil Kaul, who retires by rotation and being eligible, has offered himself for re-appointment.

Item No. 5 of the Notice is, to consider and approve Article 33(ii) (b) and (c) and Article 37(ii) (b) of the Articles of Association.

The next item of the Notice is, to approve Appointment of Shri Ashwini Kumar Tewari as Managing Director and CEO of the Company.

Further I would like to inform that the Scrutiniser will submit a consolidated Scrutiniser's Report on remote e-Voting and e-Voting at the AGM of the total votes cast in favour or against, if any, not later than 48 hours of conclusion of this Meeting.

I authorise Mr. Nalin Negi, Chief Financial Officer, to declare the final results of e-voting on or before September 30, 2020. The results declared along with the Report of the Scrutiniser shall be posted on the website of the Company and also on the website of NSDL. The results will simultaneously be forwarded to BSE Ltd. and National Stock Exchange of India Ltd. for placing on their website and shall also be displayed on the Company's Notice Board at the Registered Office and Corporate Office.

I now request the operator to announce the names of the Shareholders, who have registered themselves as Speakers to express their views or ask questions. We will respond to the questions at the end, after all the speakers have spoken.

Moderator:

Thank you sir. In the interest of time we request the speakers to restrict their speech or questions to 3 minutes and confined to the agenda of the meeting. In case there is connectivity issue at the speakers end we would invite the next speaker to express views or ask questions, if any. Opportunity will be provided to the earlier speaker after all the other registered speakers have spoken. Answers to the queries raised by the shareholders will be provided once all the speaker shareholders have spoken. Speakers are requested to switch on their video/audio before speaking and try to minimize background noise to the extent possible. Give me a moment while I allow

the speaker shareholders to come online. We now invite the first speaker shareholders Mr. Narendra Thakur. You may go ahead please.

Narendra Thakur: Good morning Sir, Board of Directors and my fellow shareholders. Congratulations Sir for the first AGM post IPO of the company. Myself Narendra, I am very happy to meet you all through this videoconferencing platform as we did not have a physical meeting this year and I hope we will meet in the next year. Sir I have two questions to ask; question number one is, the company has a new MD and CEO, Mr. Tewari Sir. What are his key priorities for the served SBI Cards in the next year and also over the long term? And my question number two is what are the COVID19 impacts on the businesses of the company and learning from the same? thank you so much sir.

Moderator: Thank you so much. We invite the next speaker shareholder Humayun B Puradehi. You may go ahead please.

Behrouz Puradehi: Our respected Chairman, Mr. Rajnish Kumar and other Directors. Behrouz Faramaroz Puradehi. At the outset we are very happy that the share price IPO which you have come out at the rate of 755 had gone down up to 500 and subsequently it has gone up above 800. Sir we are very happy that Mr. Rajnish Kumar is Chairman of this company also. But we are very sorry to learn that the Company Secretary of SBI State Bank of India has not been given extension and Mr. Rajnish Kumar I think the government is also not willing to give you extension. So, I think in October we shall not be meeting you but we are very happy to see you over here and we hope that the company SBI Card has given only Rs. 1 dividend but subsequently it will keep on giving more because in pandemic many persons are using SBI card. So I hope that the company performs well and rewards the shareholders. Sir I hand over the mike, we support all your resolutions. So I hand over the mike to the next speaker Humayun Puradehi.

Humayun Puradehi: Hello Sir I am Humayun Puradehi. Sir had there been a physical AGM we would have met you as we used to meet every year at State Bank of India AGM. We are missing you and everybody else. These are our sentiments, genuine sentiments, and feelings. Sir now I want to ask just one question. Sir regarding the SBI card, during the pandemic how were our activities pertaining to the SBI card? We just want to know. You can throw more light on this aspect were people using more, online was more active? ATM also people were using more, that much also I know. But sir I just wanted to know if the shops are not open, how we can use the card. Sir then home delivery started, after a few months of lockdown, home delivery was allowed. So I just want to know how much we have benefitted because of the lockdown on our company or how much we would have benefitted if there had been no lockdown. This is the only thing I want to know because we are still new. We will definitely need a few years to pick up so that is why we should give time to our company. Of course, we wish the company all the best, under the State Bank of India management and we wish you also all the best and we hope to see you again next year. Thank you very much, all the best.

Moderator: Thank you so much. We now invite the next speaker shareholder. Mr. Ravi Kumar Naredi.

Ravi Kumar Naredi: Respected Chairman, honourable Managing Director, Directors and employees of the company and fellow shareholders. Sir maintaining around 700 crores cash balance we have to pay interest on borrowing, so why not we take 1000 crore or 1500 crores CC from SBI so we can save interest to that extent? As quarter ends so how is situation on ground level? We still need any more provisioning in second quarter? And the how is this Quarter end in now three days, so broad review of these situations going on as far as business wise results. These are my question and thanking you all of you to give me opportunity to speak in AGM. Thank you very much sir.

Moderator: Thank you very much. We now invite the next speaker shareholder Mr. S.P Mesania. You may go ahead please.

S.P. Mesania: Chairman Sir, Directors and shareholders. At the outset I welcome Mr. Ashwini Kumar Tewari as MD and CEO. Since he is from SBI only he should be really capable and be able to show very good results from next time onwards. Sir I would also congratulate the management on successful IPO and listing. It was not fair to give shareholders in **(Inaudible) 34.03** and public firm allotment of shares. Public issues **(Inaudible) 34.15** so everybody got firm allotment. Sir congrats on issue of 1 crore credit cards. Sir I request the Company Secretary to inform the speaker number so we know when our number will come. And also, please do not hold the AGM in the last week of September when they're so many other meetings. Sir why we took the loans from banks other than SBI? Do other banks give loans cheaper than SBI? Sir CA holding should also classify as the promoter which CA and SBI has 85% holding where **(Inaudible) 34.51** should be 25 and now it is only 15%. Sir in spite of the pandemic and slowdown, our interest income increased from 1049 to 1412 year-on-year which is very good. However, the increase in impairment crossed the 100 crores, our PBT has reduced slightly. Sir how much percentage value by SFR loans according moratorium now that moratorium has ended, how much of loans you will have to provide for? If someone doesn't pay, put his name as a defaulter so in future nobody will give him any more loans. Excess NPAs have reduced. The gross NPAs have reduced but they are high still at 2%. Please try to reduce them. Sir thank you and all the best.

Moderator: Thank you. We now invite the next speaker shareholder Sunaina. You may go ahead ma'am.

Sunaina: Good morning all of you. Firstly, I would like to thank the management who have arranged a video conference meeting for SBI so that people all over India can participate. Sir I have two questions. First question, what will be the special offer for shareholders? Like free cards etc. Now my second question is current business volume will be how much. Before COVID 19 what was your business volume? These are my two questions.

Moderator: We now invite the next speaker shareholder Kumar Sanu.

Kumar Sanu: Good morning to all of you, I hope everyone is doing well. Respected Chairman, all the Board members, Company Secretary and all my fellow stakeholders. Hello to everyone, I would like to first welcome Mr. Ashwini Kumar Tewari to our new MD and CEO of this SBI Card company and I would like to thank the achievement which has been achieved by the company in spite of this pandemic situation. So, following all these achievements, I have two questions I want to

raise in front of all the Management and Board of Directors. What is the preparation of the company in getting established as one of the leading credit card issuers in India as seeing the competitive market, huge competition is there and also, we see the many overseas companies getting into this market? And my second question while going through this slide it has been disclosed about the moratorium amount, so what is the impact of it in the year profitability of the company? So thank you very much, stay safe all.

Moderator: Thank you so much. We now invite the next speaker shareholder Mr. Guglani. You may go ahead please.

Guglani: Good morning Chairman Sir, other Board members and my fellow shareholders. Sir I have two queries. It's very well that the share price will cross Rs. 1000 as at the time of IPO it was expected to list at 1200? And the second query is since the company is the subsidiary of SBI, how much is the dependencies on the SBI of the SBI Cards? Thank you.

Moderator: We have our last speaker shareholder who's connected with us on an audio call. Mr. Kirti Shah you may please go ahead. As he's checking for his connection, this is the last question. Chairman Sir I hand it over back to you. Over to you Mr. Kumar sir.

Rajnish Kumar: Thank you Operator.. First of all, I just wanted to assure all the shareholders that Mr. Ashwini Tewari has been nominated by the State Bank of India who is our MD and CEO after lot of careful consideration. He has a very rich experience in banking, and he was handling our US operations as the Country Head. So, it means a rich experience and we have a lot of faith that he will be able to deliver as per the expectations of the shareholders. For rest of the thing what is Ashwini Tewari's priorities and all the other questions which shareholders have asked. So Ashwini you would have taken note of all these questions, if you can reply to these questions.

Ashwini Tewari: Thank you sir. Thank you for the confidence reposed and the opportunity given. I will begin with the first question of Mr. Narendra Thakur and the question was what are the key priorities for the new CEO, the next 1-year and over the longer term? The fundamentals of the company are strong and robust, and this has enabled us to manage the COVID19 related lockdown and the macroeconomic disruptions with minimal adverse impacts to our customers and our overall business. So we have two or three major focus areas for the year and these include:

First, our employees remain safe and healthy, we are able to collect the outstanding amounts from our customers who are facing turbulent times while remaining empathetic to them and working with them to do so. We capitalize on the opportunity in the digital payment industry and we continue to leverage and increase SBI Cards penetration through YONO and other channels in partnership with the parent bank SBI. We have already moved in enhancing collections, capabilities, and continue to bring more customers to stringent risk policies for sourcing. We have launched targeted products for customers like Easy Payment Plan which offers flexible payment options. We have also implemented the RBI resolution plan for the customers. On a longer term we are committed to continue our successful journey in the payment space through innovative products and superior customer servicing. We shall continue to focus

on digitization and new modes of sourcing cards. There is also a visible shift in customer behavior towards preference for online spends and evolution of new categories of spends like online education, e-pharmacy, etc. We shall continue to engage our customers through exciting marketing offers both online and off-line with a view to grow spends. We shall continue to be on the lookout to leverage additional opportunities to grow new products, co-brand tie-ups, etc. The liquidity position of your company remains adequate and we have adequate sanctioned credit limits. We shall continue to focus to diversify our funding options as well as to match our asset liability positions both in the short term and the long-term periods.

Mr. Thakur's second question was what are the COVID19 impacts on business and learnings from the same? In the COVID19 period for the first 2-3 months which is beginning April our business activity was definitely impacted with low sourcing of the new accounts and lower spends. This coincided with the nationwide lockdown however it is important to note that during the lockdown also we were sourcing new accounts and customers were spending through online modes though it was at a slower pace compared to the pre-COVID times. Since June '20 with the unlocking of the economy starting, the company is getting back to an increased level of new account sourcing and spends which has been disclosed in our Quarter 1 Results. On learnings there are couple of things, first, we need to keep our employees safe and healthy and that's why the company still has a policy where by only one-third of its employees are in office at any given point of time. The company needs to be agile and this was displayed the speed we acted upon in making our workforce effectively working remotely. Digital payments which is the space we operate in is going to grow further specially during these times and your company has all the right products to offer like contactless payments for the card, QR-based payments from android phones and our recently announced partnership with Google Pay. A section of our customers may be going through a difficult time due to COVID and we are geared up to support them, work with them on the multiple payment options which we have offered to them. Thank you.

The next question I will take up is Mr. Ravi Kumar Naredi. The question was about 700 crores of the cash balance and why don't we take a CC from SBI to save some cost? First of all, these 700 crores is a cash in transit, this is not a permanent feature and as far as borrowing from SBI is concerned we do borrow money from SBI, we have a significant borrowing program with consortium of banks where SBI is the major lender to us and this is a regular feature of our treasury management. We continue to have the best-in-class in cost of funds vis-à-vis other NBFCs. Do we need to provide some more provisions other than 489 crores? You might have noticed in Q1 we provided another 80 crores and in Q2 which is when we will probably have more clarity on where the asset quality is, how many people have enrolled in the RBI or the easy payment plans, restructuring schemes and resolution schemes and therefore as a measure of where we stand, we will provide if we need to. So that's a dynamic situation and you will see that in the Q2 results as they come forward.

We have the next question which is about the share price and which is Humayun B Puradehi, I hope I pronounced the name correctly but excuse me if I don't. So the share price which is above 800 and regarding the SBI Card during the pandemic how is the business performance? So we

have given the business performance, I will just update to say that at the end of Q1 we had reached about 60% to 65% of sourcing and this has gone up further since then and we also reached the level of (+80%) of spends which again both of these things led us to gain market share and the July RBI numbers actually show that we gained almost 0.3% in sourcing to 18.3% and in terms of spends we reached 20.3% which is again a gain of almost more than 200 basis points. So, we continue to grow, and we continue to gain market share though we are still not at the pre-COVID levels and as far as people using cards online, yes, that's what has happened. In fact, the online card spends have reached a level of 105% of what it was pre-COVID and this to us is a secular trend likely to continue. The pre-COVID levels of spends on the POS are still at 60% to 65% at Q1.

How much we would have benefited if there was no lockdown versus the current situation? Clearly lockdown is not something which is beneficial thing as far as economy and also the performance of any company goes and therefore clearly we would have benefited more but I think it was needed in line with the medical emergency with which was there and we have to align with the priorities for the safety of the large segment of population.

The next question is from Sunaina which is, what are the special offers for shareholders which the company offers like free card? Here I have to say that we have always focused on offering superior product offers to our cardholders, we have multiple products at various price points and our acquisition strategy revolves around fee based sourcing coupled with marketing offers which are based on activation and spends. All these offers continue to be available to all cardholders including shareholders of the company. At the moment we do not have any plan for preferential treatment for shareholders, however, customers keep getting special offers based on the usage and payment behavior on the credit cards.

The next question of Sunaina was what are the current business volumes and when do we expect to come back to pre-COVID business volumes? Our new account sourcing as well as spends where cardholders discontinue during the lockdown but at lower levels as the lockdown was relaxed, we have resumed the opening up of our workplace in line with regulatory guidelines and the business has witnessed a steady and gradual upswing. Our businesses gradually returned to the normalcy and as I explained earlier our new card sourcing has reached 60% of pre-COVID levels, retail spends have gone up to 80% of the pre-COVID levels and total spends including corporate spends has reached 75% of pre-COVID levels. We cannot give an estimate about the future as the environment is dynamic and uncertain, however, we can share that since June '20 we are seeing improving month-on-month trends both for new card issuances and spends and this will be clear in the Q2 Results which we shall be presenting shortly.

Mr. Kumar Sanu had two questions, the first was what are the preparations in the company getting established as one of the leading card issuers in India with considering that the huge competitors already present and many overseas companies getting into this market. As I mentioned we are continuously growing faster than the industry, our market share on both parameters spends and cards in force has risen over the years, our market share information

which is available on the website in our quarterly results. Our company has adequate liquidity and the credit card industry we operate in, has a very low level of penetration which is just about 3% compared to leading economies of the world and there is a lot of headroom for our company to grow. So the pie is large enough for all players to grow, it is not that us and competitors, there is no competition between us, all of us can grow and we have been growing and gaining market share in all of this.

The other question was that you have disclosed moratorium amount. What is the impact of it for the year's profitability? So, we had created additional provision of 489 crores in the March '20 in the previous year for potential COVID-related stress. Later RBI showed guidelines on the moratorium to be given to customers which the company has implemented. Due to COVID related lockdown and customers operating for moratorium, our collections were initially impacted. Since then; however, we have enhanced our collections capability and we are focused to manage our portfolio health. But for profits for the year definitely we will be impacted in addition to credit cost by the overall macro variables, the spends stable by cardholders, new account sourcing, etc. We are keeping a close watch on the entire spectrum of activities and we are geared to shift further into higher gears for corrective actions as and when required. We do not give a guidance on the future profitability however as I said in the time since June, we have seen an uptake in all areas and an improved performance in collections which we shall be disclosing.

The next question from Mr. Guglani, was when the share price will go up across Rs. 1000? At the time of IPO, it was expected to list at Rs. 1200. The share price of the company is driven by market forces and we have no control over it. The fundamentals of the company remain strong and the share price is impacted by range of other variables including domestic macro-environment, global economic situations, liquidity in the market, etc., over which the company has no control. However we can share with you that the company has adequate liquidity, the credit card industry we operate in has a very low level of penetration compared to leading economies of the world and there is a lot of headroom for the company to continue to grow. Here company share price, the share has been included in the Russell FTSE Index very recently and this will allow for a lot of index funds to flow in. We also expect it to be included in certain other bench indices and all of this is a sign of the strength of the company and our confidence of investors and the growth of the company.

The next question was how do you manage high dependence on SBI? Well SBI is a parent entity and is the main promoter of SBI Card. However, all of the transactions with SBI are at an arm's length. Our current penetration of SBI customer is still very low and this has been scaled up only in the last 3-4 years even while maintaining data privacy. On the borrowing side while we have consortium of banks as a bankers which includes PSU banks and foreign banks apart from SBI, SBI has a major shares simply because SBI is the largest player in the system and has given us the best terms and therefore it has a major share of the consortium lending. We, however, do use the SBI brand and to use SBI logo, which also shows that we also share the same values of transparency and ethics as SBI. All our commercial transactions are at arm's length.

The next question was about the interest increase. How has the interest income increased? So this is largely because in the Q1 a large number of our customers were in moratorium where while they did not pay us but their accounts continue to attract interest and that is how it showed a large increase in the interest income. This will normalize as we go forward and customers convert to the repayment schemes whereby the interest rate comes down and they become and our share of the transacting population, the EMI and the **(Inaudible) 53.54** comes back to normal.

How much more provisions will be provided for the pandemic? This is still something that we are evaluating and this will be a function of where we are at Q2, how much NPA do we have, how many people have enrolled into the repayment schemes and we should declare it in the Q2.

As far as GNPA numbers, the Q1 numbers at 1.35% is lower than our normal GNPA because if you look at our previous year this was around 2.5% to 2.3% and therefore the number in Q1 was lower because lot of the population of customers were still in moratorium. This will trend back to normal as we go forward and depending on the situation, we may have a different figure from what we had in Q1.

One question from the SPM was about the CA Rover Holdings and saying that both SBI and CA Rover Holdings together reach up to 85% and therefore the promoter holding is very high. So just to clarify the CA Rover Holdings does not fall within the promoter definition under Companies Act and SEBI regulations. So the promoter holding for SBI is still at around 69% and therefore, it is well in line and the overall float if you say is less well that's the function of the market and how much of the IPO release the shareholding and this is something we evaluate going forward continuously.

Any other questions are there? I hope we have answered all questions. If there are any other questions, you are free to write to us at our company email and we are happy to answer any other questions which you may have. Thank you, sir. Over to you back again sir, Chairman sir.

Rajnish Kumar:

Thank you Ashwini for answering all the questions. I believe all the questions of the Shareholders have been replied to their satisfaction. In case any of the Shareholders are not satisfied with the reply, they may write to us at investor.relations@sbicard.com and we shall reply to the same within 7 working days.

May, I, therefore with your permission declare the Meeting as closed. However, please note that the e-voting window will remain open for another 30 minutes for voting by the Shareholders who have so far not cast their votes.

I thank you once again for your participation in the AGM. Stay safe and healthy.

Meeting concludes.