



**SBI Cards and Payment Services Limited**  
24<sup>th</sup> Annual General Meeting

**August 26, 2022**

**Moderator:** Dear shareholders, good morning and a warm welcome to you all to the 24th Annual General Meeting of SBI Cards and Payment Services Limited being held through video conferencing or the audio visual means. For the smooth conduct of the meeting, the members will be in the mute mode and audio and video will be opened when they will speak at the AGM as per the pre-registration. Please note that, as per the requirements, the proceeding of the annual general meeting will be available on the website of the company. I now hand over the proceedings to Mr. Dinesh Khara, Chairman of SBI Cards and Payment Services Limited. Thank you and over to you.

**Dinesh Khara:** Thank you. Good morning ladies and gentlemen. I Dinesh Khara, extend a very warm welcome to all of you at the 24th 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 the risk posed by COVID-19 pandemic and the safety of the members of the company as also the direction issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. We are holding this meeting through video conferencing.

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'll be able to have physical meetings 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. Swaminathan Janakiraman, Non-executive Director, and Chairman of the Executive Committee participating in this meeting from Chennai.

**Swaminathan J.:** Good morning everyone. Thank you.

**Dinesh Khara:** Mr. Rama Mohan Rao Amara, Managing Director & CEO, participating in this meeting from Gurugram.

**Rama Mohan Rao Amara:** Good morning everyone.

**Dinesh Khara:** Mr. Mihir Narayan Prasad Mishra, Non-executive Director, participating in this meeting from Chennai. Dr. T. M. Bhasin, Independent Director and Chairman of the Nomination & Remuneration Committee and Stakeholders' Relationship and Customer Experience Committee, participating in this meeting from New Delhi. Mr. Rajendra Kumar Saraf, Independent Director and Chairman of the Corporate Social Responsibility & ESG Committee and IT Strategy Committee, participating in this meeting from Mumbai.

**Rajendra Kumar Saraf:** Good morning everyone.

**Dinesh Khara:** Mr. Dinesh Kumar Mehrotra, Independent Director and Chairman of the Risk Management Committee, participating in this meeting from Delhi.

**Dinesh Kumar Mehrotra:** Namaskar.

**Dinesh Khara:** Ms. Anuradha Nadkarni, Independent Director, participating in this meeting from Mumbai.

**Anuradha Nadkarni:** Good morning.

**Dinesh Khara:** Mr. Shrinivas Yeshwant Joshi, Independent Director and Chairman of the Audit Committee, participating in this meeting from Mumbai. All the directors of the company are present at this AGM. I would like to introduce Mr. Girish Budhiraja, Chief Sales & Marketing Officer and Ms. Payal Mittal Chhabra, Company Secretary and Compliance Officer of the Company present at the meeting through VC.

Mr. R. Balasubramanian, Senior 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 Scrutiniser 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 the 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.

**Dinesh Khara:** You can also describe the e-voting procedure Payal.

**Payal Mittal Chhabra:** Yes, sir thank you sir. I confirm that requisite quorum is present through VC and the meeting is in order.

Dear Shareholders, good morning. This 24th annual general meeting of your company is being held through video conferencing in due compliance of all the circulars issued by the MCA and SEBI, through the e-voting services provided by NSDL. Since the 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.

**Dinesh Khara:**

Thank you Payal. In conformity with Sections 170 and 189 of the Companies Act, 2013, the register of directors and the key managerial personnel and their shareholding and the register of contracts or arrangements in which Directors are interested and certificate from the Secretarial Auditors pursuant to Regulation 13 of the SEBI Regulations, 2021 are available for inspection electronically, by the shareholders during the AGM.

As the notice dated July 28, 2022 convening the 24th annual general meeting is already circulated to all the shareholders along with the annual report for the financial year 21-22, I, take this opportunity to treat 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 impact 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.

It gives me immense pleasure to welcome you all on behalf of SBI family. Thank you for joining us today for SBI Card's annual general meeting. Past financial year has been very eventful for all of us. Various factors, including geopolitical issues continue to impact economies world over, as well as India. However, owing to strong fundamentals and calibrated measures by the government and regulators, India has managed to navigate through the uncertain environment quite well. Importantly, India's journey as a growing digital economy continues uninterrupted. One of the key factors that has contributed to the accelerated momentum towards country's digitization is the improved infrastructure, including greater internet and mobile network penetration. And when it comes to the payments sector, specifically expanding payments infrastructure has helped in achieving significant growth in the digital payments.

Today, India has over 65 million PoS machines and over 150 million digital PoS terminals supporting varied modes of payments including credit card payments. Digital payments in India continued to see a strong growth during this financial year too, well in line with the momentum gathered over the past few years. RBI is allowing linking of RuPay network credit cards to UPI to facilitate payments, which will enable more usage of credit cards. From large purchases to smaller transactions, consumers are increasingly using digital payments across traditional and

new spend categories, including utility payments, health, education, consumer durables, travel, and jewellery, among others.

E-commerce and online spends continue to be strong. At SBI Card, we have witnessed over 54% transactions happening through online modes across the country. Many such factors, clearly indicate consumers' changing behavior in India who are seen gravitating towards digital payments due to the convenience, safety, and increased acceptance among merchants. This growth has also reflected well on the credit cards ecosystem which has grown from over 29 million outstanding credit cards in March 17 to over 73 million outstanding credit cards as of March 2022.

However, the Indian credit card market still remains vastly underpenetrated, presenting a significant potential for growth. At SBI Card, we are ready to tap this opportunity and contribute to the growth of the entire ecosystem while increasing the credit card penetration in India. We understand that in today's dynamic environment, the growth requires agility and needs to be coupled with sustainability and resilience. In line, we have not only pivoted towards complete digital transformation but have also built one of the most robust and highly compliant payment and lending ecosystems. This approach has yielded good results for us, as can be seen in financial year 22 results.

During financial year 22, your company posted strong growth while maintaining outstanding credit performance. The PAT grew by 64% to Rs.1616 crore in financial year 22 as against Rs.985 crores in the financial year 21. Gross NPAs decreased to 2.22% in financial year 22 from 4.99% in financial year 21, signaling a healthy and profitable level of operations. We are committed to continue on this path to deliver value to our customers, employees, and shareholders. Everyone at SBI Card is excited and geared up to scale new heights during this new fiscal year. I am grateful for the support of our customers and employees who have been constant partners in our journey. I would also like to extend my sincerest appreciation to our shareholders and investors who continued to have faith in the company and supported us. Last but not the least, I am also thankful to our Board members who have acted as a guiding light and helped the business to realize its potential. Thank you very much, ladies and gentlemen.

Now, I invite Mr. Rama Mohan Rao, MD & CEO of the company to present an update on the business performance of the company. Mr. Rama Mohan Rao.

**Rama Mohan Rao Amara:** Thank you sir. Good morning, everyone. A warm welcome to the AGM of SBI Cards and thank you for being here with us. At the outset let me share that the credit card industry in India has seen a considerable dynamism in the past one year. While credit cards volume continues steady growth, consumer spends on credit cards have touched an all-time high. What's more, share of online payments on cards has been expanding at a very healthy pace. On regulatory front, many new and progressive changes have been introduced and implemented. These changes will help the credit card industry is maintaining a strong momentum in the coming years. Importantly, they will enhance safety and convenience for card users. Being the second largest credit card player in the country, SBI Card continues to be one of the leading contributors to the industry's

growth, acting as a bellwether to the consumer spends behavior. I request the operator, to put up the presentation regarding update on the business performance of the company.

Next slide please. SBI Card continued to steadily grow its customer base and crossed 13 million cards in force milestone during FY22. As of the end of June 2022 we already crossed 14 million mark. Our 23+ years of extensive experience in the Indian credit card market, strong brand credibility due to the linkage to SBI, wide reach across India with 198 sourcing locations, and robust cobrand connections that have resulted in many cobrand partnerships with industry-leading brands across the sectors, have ensured that we remain one of the leading credit card player in the industry. I am happy to share that our growth is aided by an extremely competent 3700+ employees who are working collaboratively and innovatively, every day. And as we continue to grow year-on-year, we have been able to maintain highest credit ratings with a healthy market capitalization of 80,000+ crores as of March 31st, 2022.

Next slide please. What makes us stand apart, is our rich and extensively diverse product portfolio, which is one of our competitive strengths too. Both our core and co-brand card portfolios cater to unique needs of consumers across all key segments, right from super premium to new-to-credit, while offering products in varied categories including lifestyle, travel, shopping, fuel, rewards, apparel, etc.

Next slide please. At SBI Card, it is customer centricity that drives us and guides each action. In line, we launched thoughtful products, such as the industry-first health & fitness-focused SBI Card PULSE; gourmet-focused card Nature's Basket SBI Card, and premium retail-focused Fabindia SBI Card. We have also recently launched Aditya Birla SBI Card, a highly rewarding lifestyle card. All the products have received an extremely encouraging response from the customers.

Next slide please. Our ability to keep up with the dynamic customer landscape and business environment stems from our strong focus on agility, be it in customer service, strategy, or business operations. In last financial year too, we ensured all-round growth and continued improvement in portfolio quality. Through our efforts, we were able to maintain a healthy new accounts acquisition rate during FY22. We sourced over 1 million new accounts in both Q3 and Q4 during last financial year which has been a significant milestone for us. Our retail spends grew by 43% in FY22 with online spends share being 54%. Strong growth in retail spends was a result of 1500+ promotional offers that we rolled out during the year. Simultaneously, we ensured sustained momentum in corporate spends through various efforts that included developing new use cases and increased B2B tie-ups.

Next slide please. Undoubtedly FY22 had been a good year for SBI Card in terms of business and financial performance. During the year, we added over 35 lakh new accounts, leading to 33% year-on-year increase. Our cards in force grew by 16% year-on-year and stood at 1.38 crores as at end of March 2022. Our spends stood at over 1,86,000 crores and witnessed a growth of 52% year-on-year. Higher quantum of spends also reflected well on the growth of our receivables and led to a growth of 25% year-on-year. SBI Card gross NPAs have declined year-

on-year and now stabilized at pre-COVID level. Importantly, our profits saw a healthy increase with PAT growing by 64% year-on-year. This has also enabled us to declare a 25% dividend for our shareholders. I am pleased to share that, the fundamentals of our business remain strong with a return on average asset at 5.4% and return on average equity at 22.8% for full year. Another key highlight is, our robust liquidity with Capital Adequacy Ratio at 23.8%.

Next slide please. While our last year's achievements have been encouraging, at SBI Card, we remain committed to not just sustain but also amplify the growth momentum attained so far. To do so, we continue to identify and explore new growth opportunities through both Banca and open market channels. Our Banca channel presents a great opportunity for us to tap over 45 crore SBI customers in 22,000+ SBI branches across cities & towns. Leverage SBI YONO and SBI Internet Banking platform to increase reach and enable digital paper-less and presence-less customer acquisition. Reach out to over 3 crore customers in banking partnerships. Simultaneously, we have meticulously tapped our open market channel too and it continues to offer a large untapped potential when it comes to customer acquisition. One can get a fair approximation of the size of the opportunity from the fact that the current credit bureau base is over 30 crore itself.

We continue to leverage digital paper-less and presence-less customer acquisition to increase the reach along with exploring new potential partnerships, including digital tie-ups. We are also looking at increasing penetration into Tier-3+ locations and exploring new customer segments. Credit card market in India is still largely underpenetrated. We believe that there lies a huge potential that we can tap to grow our card base as we help further deepen the penetration of credit cards in the country.

Next slide please. To make the best of this opportunity and realize our goals, we have a robust IT infrastructure that is scalable to support our current and future growth pace. So, whether it is the launch of SPRINT, our end-to end digital application platform for new customers, enabling instant e-card issuance within few minutes, or deployment of Software Defined Wide Area Network to enable seamless contact center agent operations, we are continuously working towards leveraging technology to deliver the best experience to our customers.

Our penchant to cater to our customers' needs in the best manner also encourages us to innovate and in doing so we have developed in-house applications to run the business processes and serve customers efficiently. We have also leveraged technology to ensure business resilience that include 24X7 availability of all IT systems with a strong disaster recovery set up for all mission critical applications, and state-of-the-art data center set up for primary DC in Bangalore.

Next slide. Our six strategic focus areas that have been contributing to our growth so far and will continue to fuel our future growth are, exploring opportunities to expand our customer acquisition capabilities to widen our customer base in a consistent, sustainable and profitable manner. Expanding our product portfolio by tapping into new segments. Driving up the transaction volumes further through customer engagement. Leveraging digitization across customer lifecycle to drive operational excellence. Focusing on customer experience through

best-in-class products and services. Most importantly, optimizing our risk management processes.

Next slide. At SBI Card, we believe that supporting the community that we live in is critical and our ESG initiatives reflect the values that we have fostered within our company over the years. In fact, our focus on sustainability as a business also extends to our ESG efforts. This has led us to invest in initiatives that include plantation of trees, waste management measures, and paperless communications. For instance, we have not only supported in afforestation of areas in Aravalli range, but, have also contributed to support two solid waste management programs in Gurugram and Greater Noida. By adopting change within our organization as well, we have made a difference by saving over 3 lakh plants since FY18 by opting for paperless communications and e-waste reduction of 53% since FY18-19. We continue to work on ensuring diversity and inclusion through initiatives such as Women Alumni hiring program and inclusive hiring for people with special needs. We remain focused on maintaining a strong governance framework and in FY22 too we continued with our efforts to further strengthen this.

Next slide. I am proud to say that the brand SBI Card has built a top-of-mind recall as well as highest consideration among its target audience. To further build on the emotional connect that we have with our customers and boost the brand salience, we launched several media campaigns during the year, across channels, including 'Khushiyon ka Credit Card' and 'SBI Card PULSE Digital Campaign'. We also won several honors on renowned platforms that include Reader's Digest India Trusted Brand Award 2021, The Economic Times' 'Best BFSI Brands 2022', and 'Superbrand' for the year 2021. These awards are a testimony to our strong brand value and continued trust of our customers. In fact, we owe our success during the year to our customers, employees, shareholders and investors. Lastly, I would like to assure you that we will keep treading a path of sustainable growth while upholding the highest standards of business ethics and governance.

Thank you everyone. I request the Chairman sir to continue with the proceedings of the AGM.

**Dinesh Khara:**

I will read out the 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 Tuesday, August 23<sup>rd</sup> at 10:00 AM and ended on Thursday, August 25<sup>th</sup>, 22 at 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 consideration and adoption of the audited financial statements of the company for the financial year ended March 31st, 2022 together with the report of the Board of Directors and Auditors thereon along with the comments of the Comptroller and Auditor General of India.



The second item of the notice is regarding authorization to the Board of Directors to fix the remuneration/fees of the Statutory Auditors single or joint auditors of the company, as may be appointed by the Comptroller and Auditor General of India for the financial year 22-23.

Third item of the notice is regarding confirmation of the payment of interim dividend of Rs.2.50 per equity share of Rs.10 each, for the financial year ended March 31st, 2022, as declared by the Board of Directors.

Item number four to the notice is regarding re-appointment of Mr. Dinesh Kumar Mehrotra DIN number 00142711 as an Independent Director of the Company.

Item number five of the notice is regarding re-appointment of Ms. Anuradha Nadkarni DIN number 05338647 as an Independent Director of the Company.

Item number six of the notice is regarding consideration and approval of the material related party transactions with State Bank of India.

Item number seven of the notice is regarding consideration and approval of the material related party transactions with SBI Capital Markets Limited.

Item number eight of the notice is regarding appointment of Mr. Swaminathan Janakiraman DIN: 08516241 as a Nominee Director.

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 favor or against, if any, within the prescribed timelines. I authorize Mr. Rama Mohan Rao Amara, MD & CEO, to declare the final results of the e-voting within the prescribed timelines. 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 and National Stock Exchange for placing on their website and shall also be displayed on the company's notice board at the registered office and the corporate office.

Now, I request 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. Thank you.

**Moderator:**

Thank you, Chairman sir. In the interest of time we request the speakers to restrict their speech, questions to three minutes and confined to the agenda of the meeting. In case there is connectivity issue at the speaker's end, we would invite the next speaker to express views or ask questions, if any. Opportunity will be provided to earlier speaker after all 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. Ladies and

gentlemen we will wait for a moment while we assemble the queue. I now invite our first speaker shareholder Mr. Mukesh Ajmera to unmute his audio and video and proceed with his question.

**Mukesh V Ajmera:**

Good morning Dinesh Bhai Khara, MD. The audio video for us is very blurred. It's not 2020 vision, but it's like 10 or 12 by 12 vision for us. At the other end, anyway I would like to as a customer of SBI Card and also as a shareholder, there are some concerns I would like to address here. This is the first time I'm getting an opportunity to be able to speak at an AGM and, I would like to make sure that whatever I'm saying is taken very seriously because this has been an issue for several years now. I see that the penetration of the SBI Card is only 1% of India's total population, which is 1.38 crores. I am not surprised while there are other reasons, but then there's one of the reasons what I feel as a customer is, there are so many things that have not been taken into consideration on customer angle. For instance, there is an issue which I'm struggling for more than 10 years now as a customer and that is about reward points. I have written dozens of emails in the last 10 years, four to five CEOs have come and gone. But the issue has not been resolved and we can't even reach the CEO directly, despite writing to them directly its the CEO Team that keeps wasting our time and also the company's resources in terms of manpower and man hours. I have about 12,000 expired points in the last few months I've stopped using the card because I feel it's very unjust and very unfair to the customers. Because when we earn something, how can it expire only human beings expire, how can reward points expire does salary, bonus, price, the gifts that we receive or anything that we have earned does it ever expired and it's something we are earning on our own spending. So why do you take it back, why is it swallowed back or gobbled up, it's very unfair as a basic concept itself. And if you look at it, the same concept existed in US many years ago. But it's more than 20 years now that the credit card companies, airlines and all kinds of reward points, people have eliminated this. And they do not expire not only that they don't expire for your lifetime. But they also can be transferred to your family members or anybody else because it's something that belongs to you, it's something like a wealth. And I would also like to know the economics of the reward points. What is it that the company gains or losses in terms of giving it away first, and then taking it back. Does it make a big dent to the bottom line and top line of the company. And what I feel is, this is my new concept. The top line and bottom line of any organization exists only due to the middle line, which is us the customers, there's all the stakeholders primarily the customers, shareholders and suppliers then all kinds of other people. So the top line and bottom line for any organization has to be strengthened only through the middle line.

Only human beings have been given the sixth sense of reasoning, out of 84 lakh varieties of species on Earth, but unfortunately they are the ones who don't use it. They end up using, abusing and misusing it. I would also like to inform that good customers.

**Moderator:**

Mr. Ajmera, sorry to interrupt. This is the operator sir may we request you to wrap up your query.

**Mukesh V Ajmera:**

I'll be completing soon. Good customer service practice only and only enables companies to sustain in competition. And they can also come up to a global standard. I'll give you two examples of Infosys and Hero Moto Corp. Hero Moto Corp started from scratch after partition,

and today they are sustainably for 10 long, almost 15, 20 years they have been world's number one two wheeler company and that is purely through concentrating on customers. And the same thing is with Infosys also. And this model is not being adopted in financial services unfortunately in India, if you concentrate on this for instance, I know people who have returned their SBI cards because as soon as they lured into taking the cards at the SBI branches, there's substantial amount is put on loan without even their knowledge many times which is unfair. And if you don't trust anybody, don't even give them the card. SBI has a lot of people trying to give the cards and also there's something else which is very disturbing. That is like SMSs we get, there is so much of KYC and all that, which has been periodically asked from us, but SMS we received from SBI it also reveals the full amount we have in the account, if I have more than Rs.2 crore it shows in the SMS Rs.2 crore, which isn't that a privacy and security breach for the customers. I have written this several times to various people, but it's not being looked into and for card purpose people, your finance charges are also too high. So, people are scared of that and what they go through in case they have miss the payments. So, in conclusion, I would say as Sadhguru says, the inner engineering is something very important. And it's extremely important for any organization. They do outer engineering, heartbeat and inner engineering almost left **(In-audible)**. I wish everybody good luck and I'm a customer service consultant for many years, in case the company is interested, I'll be very happy to and delighted to help you out with models which will enable you to get more customers more business and also keep them happy. It'll be a win-win situation. Thank you very much.

**Moderator:** Thank you. I now invite our next speaker shareholder Ajay Kumar Jain to unmute his audio video and proceed with his question.

**Ajay Kumar Jain:** I am Ajay Kumar Jain from Delhi and I am shareholder. I heard the Chairman speech very sincerely and I liked everything but one best part of a company's Chairman is NPA, he told in the Chairman speech and by this company working is very nice and sir your reputation is so good that whatever you do is good only. NPA shows the company's growth. And the demo which you showed everything was in detail and it feels nice and the biggest thing is that you have done a lot for the environment and it's very healthy. Our Prime Minister talks about digital platform and Atmanirbhar Bharat in which SBI is on top and our network is so huge and if our marketing people takes more efforts then we can be on number one in Cards too and as you worked on NPA if you work on cards as well then everyone will have SBI card in their hand. Our reputation is so good that everywhere we have SBI and I would like to say that next year is 25th and since IPO has come we have not been able to meet our Chairman, so it's our dream now to meet you and talk with him. So in 25th AGM if that is on VC too but make sure that we come in front of you and talk on mic because we have not been able to meet you in any due to VC. It's your guidance that in such times we have good price of our share and CS department has taken great efforts to connect us in this meeting and thank you for them. And when I asked them why they are taking such efforts then they said it's Chairman's instructions to do so. And they insisted us to join and share our comments and questions and you will answer those. So, I think this is happening under your guidance and I wish for your success and company will do great and I wish to meet you in person in 25<sup>th</sup> AGM. Thank you, Jai Hind!

**Moderator:** Thank you. I now invite our next speaker shareholder Tarun Kumar to unmute his audio and video and proceed with this question.

**Tarun Kumar:** Good morning to everyone. First of all, let me say thanks for allowing me to speak something in this AGM meeting. Well, I just have few queries just wanted to understand that how do you ensure that frequent changes in this regulatory framework are not affecting business of the company adversely, and my second question would be, is it I mean, we can see there's lots of changes and since there is changes there are lots of challenges and we should always embrace the changes. So, is the company prepared to meet such unpredicted challenges, that's all from my side.

**Moderator:** Thank you. I now invite our next speaker shareholder Yash Chopra to unmute his audio and video and proceed with his question.

**Yash Pal Chopra:** Sir, I'm really very proud of the team you're having it, because the team is from State Bank of India, and which is the number one bank in our country. So definitely, I'm associated with the bank, I'm holding my savings account, even PPF account there for the last 40 years. So, I'm very proud of and the performance the company has given that is excellent, there has been all round growth in PBT, PAT, ROC, EPS, but sir dividend is not as per your standard of the State Bank of India, because we were expecting a little more dividend than that. Sir, though your company is investor friendly but still person like me, who is enjoying his silver jubilee retirement year you can understand my age, I have never taken any card, even ATM, I'm holding the account with several banks, but I have never used ATM card and talk about the other cards, because my fear is that, whatever I have saved all that, that may not get looted, that may not begin to get frauded because I just want that, because one of the query is that out of the SBI Card holders, I would like to find out the ratio of those persons who are in the super senior citizen category. Because if you want to involve them, you have to just have some portal just to educate them and just to educate them so that is important. So, please look to that matter. And then the next thing is which is very, very important is that, this change in the attitude of those what you call society is the desire because now everything is digital, digital, digital and so, that is definitely very much convenient, for us the people of our age, that is very, very difficult, because we do not understand this fundamental of this and digital operations and all that. So, you have to see this thing that if you want even our category to take around you, you have to just think on deadline and just devise some something in some portal or some educative system or something like that, which may remove their fears. Whenever I go to a bank, I saw the old man of my age standing over there because their ATM card has been frauded, the amount has been just taken out and they are helpless. And the banks though they assure, they assure this but the actual happening happens then they do not bother even to accept a letter of the complaint. I have seen that.

**Moderator:** Mr. Yash Pal Chopra sir, may we request to wrap up your query within a minute sir.

**Yash Pal Chopra:** So, before I close, I must thank our Company Secretary, our CFO and moderator for giving me a chance to speak. And before I close, I will praise the balance sheet that has been consolidated

it is a excellent balance sheet containing all those tables and graphs and presentation and all that, there effect is for submission for the competition for that balance sheet. So, before I close, I pray God positivity to you all from the top man of the Chairman to the last man of the organization, because that positivity is the strength of the company and strength of the company is the strengthen of my investment, so best of luck to you. Thank you.

**Moderator:** Thank you. I now invite our next speaker shareholder Arun Wadhwa to unmute his audio and video and proceed with his questions.

**Arun Wadhwa:** Good morning sir. Thanks for giving me the opportunity. Sir, I have two questions, first question is, what is the impact of increased rate of interest in our businesses. And second question is employee attrition which is happening in the industries is that worrying and what are the steps you are talking. Ok Sir. Thank you.

**Moderator:** Thank you. I now invite our next speaker shareholder Shikha Gupta to unmute his audio and video and proceed with this question.

**Shikha Gupta:** Good morning, sir. My question is what's the impact of Corona on your company and how you handled the situation and corrected that.

**Moderator:** Thank you. Chairman sir that was the last question. Over to you.

*[Further, Smt. Hutokshi Sam Patel, Smt. Meena Agarwal, Shri Puneet Kumar, Shri Satish Shah and Smt. Sonal Jain, registered as the Speaker shareholder for the AGM, didn't speak at the AGM.]*

**Dinesh Khara:** Thank you very much. I will start responding to the questions and we'll also seek the support of Mr. Rama Mohan Rao as well. The first question from Mr. Ajmera wherein he has talked about the need for having a sharper focus on the customer service and also is major concern was relating to the reward points, the expiry of the reward points. I think these are the two major issues on which he has talked about and as far as the customer service is concerned, it is something which is at the very heart of the company's operation. It is at the heart of any financial sectors operation and more so at the company's operation too. So, we have been it's a journey it's not a destination, we have to continue to improve the customer service to meet our customer's expectation. So, that is what we really practice on ground and ensure that we are adopting the recent possible technologies as well as mediums to reach out to the customers and satisfy them to the best of our ability and to the best of their satisfaction too.

The other question was relating to the expiry of the reward points, I will only like to mention that as for the accounting standards, for the reward points, we are required to make a provision and so long as, because eventually it is converted into monetary sum and for that we have to make provision in the balance sheet of the company. So, as for the scheme of things, when we entered into any arrangement it is very clearly mentioned that reward points would have a service life and beyond that it will be expiring but nevertheless if at all, Mr. Rama Mohan Rao would like to add something about the reward point that he can add.

The other question was relating to the penetration, which is 1% of the total population of the of the country. The credit card penetration in the country as a whole is also much lower. So, I think this has something to do with the credit culture in the country and earlier of course it was also subject to the acceptance ecosystem, which was available of course in past couple of years the acceptance ecosystem has got strengthened significantly. And that's why we have seen an improvement in the number of credit cards in the country also. So, we hope that going forward now with this improved acceptance system and the customers willingness to take credit, perhaps their credit card penetration will also go up, but we are certainly seeing a better traction. After the ecosystem has got strengthen and also your other point relating to the SMS message contains the balance. It is essentially it is intended that when the SMS is meant for the customer only. So there is no question of compromising the customers secrecy because after all these are the numbers pertaining to the customer. And that's why the SMS are being said on those numbers. So we are very mindful about of maintaining the customer's privacy. And that's why we are ensuring that we only send these messages to the registered mobile numbers only and nowhere else. Another question which came maybe Rama Mohan would you like to add something relating to the reward points?

**Rama Mohan Rao Amara:** There is a proper accounting where we take into account the future accruals and properly account for it. But one point is like there are a couple of card types with us where the reward points don't expire. So we constantly benchmark our practices also with the industry and choices are there one or two cards are there where the reward points don't expire. But, I can assure you that the practices are constantly benchmarked. So wherever opportunity is there definitely the customer's interests will be taken into account.

**Dinesh Khara:** Thank you. The next question was from Mr. Ajay Kumar Jain it was relating to the NPA reduction which is appreciated, so let me assure you it is a constant endeavor on the part of the company to ensure that the NPAs are kept within check and control and they should be, constantly there should be a monitoring of these NPAs. And we will continue to see that it gets further reduced also, the customer service remains a part of the focus as I have already committed, and it will remain one of the major focus and rather I would say that it is a customer centricity which will be the guiding force for the company to devise its product and make its offering to the customers.

The next question was from Mr. Tarun Kumar, regarding the impact on regulatory framework on the company's business, we are very much seized with the regulatory developments which are happening and we are ensuring that we should remain within the boundary conditions which are laid out by the regulators. And we should ensure that the company should be in a position to adopt best of the practices for the compliance and the compliance with the regulatory norms. And let me assure you, that company will be in a position to navigate these boundary conditions pretty efficiently and the company will stay competitive and also be on the path of progress going forward.

Mr. Yash Chopra indicated that the dividend is not as per SBI standards. Yes, of course. I take note of it, but the point I would like to highlight is that, the company is relatively young as

compared to the bank, bank of course has given us a 7%, 10% dividend that is because for two years, we were having some restriction, RBI had put some restriction on the banks not to declare the dividend. So, this year, we have tried to compensate for the lost dividend in the last year though, bank made decent profit. But however, the company is very much in line. As far as the credit card companies are concerned. They're not many of course, which are on a standalone basis, but nevertheless, the dividend which has been declared is as per the dividend policy of the company, and which will take care of the future growth of the company as well because the amount which is not declared as dividend that is brought back, which actually gives the growth opportunity for the company and it will help in generating higher dividends in the years to come.

Ratio of super senior citizens in the credit card, I will ask Mr. Rama Mohan to provide this detail, but nevertheless what you mentioned about the security aspect, as far as the cyber security is concerned, it is something which is on the top of our mind always and we are very mindful that we should keep on educating our customers regarding the possible pitfalls of the digitization in terms of the credentials must not be compromised at any instance. For that enough education material is made available to the customers and do's and don'ts are also made available to the customers. But we will keep on working on this and ensure that our customers don't fall prey to any such unhealthy practices, which actually lead to the cyber frauds.

Mr. Arun Wadhwa had a question relating to increase rate of interest, the impact of the increased rate of interest on the business. Yes, of course, the company has multiple sources of funding and they have got some long term sources of funding also. So, that way they are not as vulnerable to the interest rate movements because the long term funds which they have raised have actually kept them quite insulated in terms of the interest rate risk but nevertheless, because when the interest rate is moving upward in the economy there would be an impact on the EMI and those kinds of rates also, but eventually the intention is that to the extent possible, it will be passed on which will also be a function of the competitive forces and also the company's own cost of funds as well. But we are very closely monitoring all these numbers in the ALCO committee of the company and see to it that the interest of all the stakeholders is protected to the best of the company's ability.

Regarding employee attrition, though the company is much better as far as the employee attrition is concerned, but some part of attrition is a reality for any industry. So, the only thing is that, the company is adopting the best possible HR practices to ensure that employees stay happy, satisfied and contented and remain committed to the company. So, these are the HR practices which helps us in minimizing that attrition.

Shikha Gupta Ji had asked questions relating to Corona impact and how was I tackled, I would say that the Corona impact was tackled very well. The company has come back to the pre-Corona NPA levels. So, I think that itself is a very clear reflection that whatever impact was seen for last two years as far as Corona was concerned that has been very well handled by the company. And the net result of that is that this year, the profits of the company have gone up, and it has gone up to the level which was there in the pre-Corona and also the NPA has also been brought down

to the similar levels. So, this is what I thought I'll just respond back to the question. Mr. Rama Mohan, would you like to add anyway to my answers.

**Rama Mohan Rao Amara:** One question on the extent of senior citizens in our portfolio, it's less than 10%.

**Dinesh Khara:** So, with this we have tried to answer all the shareholder's question. I believe all the questions of the shareholders have been replied to their satisfaction. In case any of the shareholder are not satisfied with the reply they may write to us at investor.relations@sbicard.com and we shall reply to the same within seven 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. Thank you.

**E-voting Reminder**

**Moderator:** Thank you very much. Dear members, as instructed by the scrutinizers we request all the members participating in the AGM who have not yet cast their vote, to do so in the remaining period of 10 minutes. Thank you.

Dear Members, as advised by the Scrutinizers, the time for e -voting has elapsed and they are of the view that all members who are participating in the annual general meeting have been given adequate time and opportunity to vote. Thank you all for your participation in the annual general meeting and e-voting.

*[Note: Few shareholders had shared their comments and views in Hindi, However, their addresses made in Hindi have been appropriately translated in English and may not be a word-to-word reproduction.]*