

### Issue highlights

- SBI Cards and Payment Services Limited ("SBI Cards") was incorporated on May 15, 1998. SBI Cards is engaged in the business of issuing credit cards to consumers in India. The Promoter of the company is State Bank of India ("SBI"), who holds 74% of the pre-issue share capital of the company.
- SBI Cards is one of India's leading providers of credit cards. Its operating model is focused on catering to what they see as its cardholders' two main financial needs: transactional needs and short term credit. The revenue they derive from its credit card products consists primarily of **interest on their credit card receivables** and **non-interest income** primarily comprised of **fee-based income** such as interchange fees, late fees, annual credit card membership fees and other fees.
- SBI Cards offers an extensive credit card portfolio to individual cardholders and corporate clients. (It offers 4 primary SBI branded credit cards: SimplySave, SimplyClick, Prime and Elite, each catering to a varying set of cardholder needs). They have a broad credit card portfolio that includes SBI Card-branded credit cards as well as co-branded credit cards that bear both the SBI Card brand and their co-brand partners' brands. SBI Cards issue their credit cards in partnership with the Visa, MasterCard and RuPay payment networks.
- SBI Cards is the 2<sup>nd</sup> largest credit card issuer in India, with 18.1% market share of the Indian credit card market in terms of the number of credit cards outstanding as of November 30, 2019 and 17.9% market share of the Indian credit card market in terms of total credit card spends in the 8 months ended November 30, 2019.
- From March 31, 2017 to March 31, 2019 their total credit card spends grew at a 54.2% CAGR (as compared to a 35.6% CAGR for the overall credit card industry) and the number of their credit cards outstanding grew at a 34.5% CAGR (as compared to a 25.6% CAGR for the overall credit card industry, according to the RBI).
- SBI Cards has a diversified customer acquisition network across multiple channels – 32,677 outsourced sales force operating in 145 Indian cities, presence in 3,190 open market point of sales and access to extensive network of SBI's vast customer base of 44.55 crore customers.
- The shares will be listed on BSE and NSE.

### Brief Financial Details\*

(₹ In Cr)

	As at Dec' 31,		As at Mar' 31,		
	2019(9)	2018(9)	2019(12)	2018(12)	2017(12)#
Equity Share Capital	932.33	837.22	837.22	785.00	785.00
Reserves as stated~	3,818.98	2,584.68	2,744.50	1,568.06	663.82
Net worth as stated	4,822.82	3,493.41	3,653.24	2,424.58	1,448.82
Revenue from Operations	6,843.06	5,083.92	6,999.11	5,186.98	3,346.20
Revenue Growth (%)	34.60%	-	34.94%	55.01%	-
EBITDA as stated	2,659.08	1,748.18	2,429.91	1,655.35	1,104.85
EBITDA (%)	38.86%	34.39%	34.72%	31.91%	33.02%
Profit Before Tax	1,618.67	947.51	1,331.60	919.34	571.62
Net Profit for the year	1,161.21	614.52	862.72	601.14	372.86
Net Profit as % to revenue	16.97%	12.09%	12.33%	11.59%	11.14%
EPS (Rs.)~ as stated	12.45	6.76	9.43	7.40	4.75
RoNW (%) as stated	24.00%	18.00%	24.00%	25.00%	26.00%
Net Asset Value (Rs.)	51.73	38.42	39.93	29.83	18.46
ROAA as stated	6.7%	4.7%	4.8%	4.5%	4.0%
ROAE as stated	36.5%	27.7%	28.4%	31.0%	28.5%

Source: RHP \*Restated Statement # Proforma ~EPS for 6 months not annualized.

### Issue Details

Fresh Issue of Equity shares aggregating upto ₹ 500 Cr and Offer for sale of up to 130,526,798 Equity Shares.

### Issue highlights

**Issue size: ₹ 10,275.52 Cr – 10,340.79 Cr**  
**No. of shares: 137,193,464 – 137,149,314**  
**Face value: ₹ 10**  
**Reservation for:**

Employees of SBI Cards and SBI	1,864,669 Shares
SBI Shareholders	13,052,680 Shares

### Issue summary

**Price band : ₹ 750 - 755**  
**Bid Lot: 19 Shares and in multiple thereof.**  
**Discount for Employee: Rs.75/- per Share**

**Post Issue Implied Market Cap =**  
**₹ 70,425 Cr – 70,891 Cr**

**BRLMs: Axis Capital**, Kotak Mahindra Capital, DSP ML, HSBC Securities, Nomura Financial, SBI Capital Markets

**Registrar: Link Intime India Pvt. Ltd.**

**Bid/Offer opens on\*:**

**Monday, 2<sup>nd</sup> Mar' 2020**

**Bid/offer for QIB category closes on:**

**Wednesday, 4<sup>th</sup> March, 2020**

**Bid/offer for all other category closes on:**

**Thursday, 5<sup>th</sup> March, 2020**

\* Anchor Investor Bidding on: 28<sup>th</sup> February, 2020

### Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	11-03-2020
Refunds/Unblocking ASBA Fund	12-03-2020
Credit of equity shares to DP A/c	13-03-2020
Trading commences	16-03-2020

### Issue break-up

Cat	No. of Shares		% of Issue
	No. of Shares	₹ In Cr	
QIB*	61,138,056-61,115,982	4,585 -4,614	50%
NIB	18,341,418-18,334,795	1,376 -1,384	15%
Retail	42,796,641-42,781,188	3,210 -3,230	35%
SBI Emp	1,864,669-1,864,669	126-127	
SBI S/H	13,052,680-13,052,680	979-985	
<b>Total</b>	<b>137,193,464-137,149,314</b>	<b>10,276-10,341</b>	<b>100%</b>

\* 60% Shares of the QIB Portion to Anchor Investors

### Shareholding (No. of Shares)

	Pre issue	Post issue^	Post issue#
No of shares	932,334,278	938,956,794	939,000,944

^@Upper price Band #@ Lower Price Band

### Shareholding (%)

	Pre-Issue	Post-Issue
Promoters & Pro. Group	74.00%	69.51%
CA Rover Holdings	26.00%	15.89%
Public - IPO Subscribers	-	14.60%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

SBI Cards and Payment Services Limited ("SBI Cards") was incorporated on May 15, 1998. SBI Cards is engaged in the business of issuing credit cards to consumers in India. The Promoter of the company is State Bank of India ("SBI") who holds 74% of the issued, subscribed and paid up share capital of the company. It is incorporated as a joint venture between State Bank of India and GE Capital Mauritius Overseas Investment. On December 15, 2017, GE Capital Mauritius Overseas Investments sold its entire stake (40%) in the Company to State Bank of India (14%) and CA Rover Holdings (26%).

### Brief History

SBI Cards started their operations in 1998 as a joint venture between SBI and GE Capital. SBI's parentage and trusted brand have since then provided SBI Cards with an image of trust and transparency that allowed SBI Cards to gain consumers' confidence.

GE Capital's ownership stake in SBI Cards was acquired by SBI and CA Rover Holdings in 2017. Effective from April 1, 2018, SBI Business Process and Management Services Pvt Ltd (SBIBPMSL), an entity that provided back-end payment and processing services to SBI Cards, was merged with and amalgamated into SBI Cards.

### Company Shareholders

**State Bank of India:** SBI currently owns 74% of the total outstanding equity share capital. SBI is India's largest commercial bank in terms of deposits, advances and number of branches as of September 30, 2019 according to the RBI. SBI is a public sector bank, with the President of the Republic of India (acting through the Ministry of Finance of the Government of India) owning 57.88% of SBI's equity shares as of September 30, 2019.

**CA Rover Holdings:** CA Rover Holdings, an affiliate of the **Carlyle Group**, currently owns 26% of the total outstanding equity share capital. The Carlyle Group is a global investment firm with deep industry expertise with over \$222 billion of assets under management as of March 31, 2019.

### Brief profiles of the Company Directors

**Rajnish Kumar** is the non-executive Chairman of the company. He is a nominee Director of SBI on the company Board. He is currently the chairman of SBI with effect from October 7, 2017. Prior to this, he served as the managing director (national banking group) and managing director (compliance & risk) in SBI and was also the chief general manager of the north-eastern circle of SBI. He has held several key assignments across various business verticals of SBI, including the mid-corporate group, project finance, and two overseas assignments of SBI in Canada and U.K. Further, he was also the managing director and chief executive officer of SBICAP. He has over 39 years of experience in the banking industry.

**Dinesh Kumar Khara** is a non-executive nominee Director of SBI on the Company Board. He has been one of the managing directors of SBI from August 9, 2016. He oversees the international banking book, corporate banking book & treasury operations of SBI. Additionally, he supervises the businesses of non-banking subsidiaries of SBI, which are engaged in diverse financial activities such as asset management, life insurance, general insurance, custodial services, primary dealership, investment banking, broking, credit cards, pension funds and factoring services. He is also entrusted with the role of supervision of 15 regional rural banks (sponsored by SBI) having more than 5,200 branches. He was the managing director and chief executive officer of the SBI Funds Management Pvt. Ltd. He has over 35 years of experience in the banking industry.

**Hardayal Prasad** is the **Managing Director and Chief Executive Officer** of the company. He is a nominee Director of SBI on the Company Board. He is a top executive grade special scale-II officer of SBI on deputation to the Company. He has handled several assignments for SBI in various locations in India and abroad. Over the years, he has held multiple leadership positions at SBI. He has been a part of SBI since 1983 and has 36 years of experience in the banking industry.

**Shree Prakash Singh** is a nominee Director of SBI on the Company Board. Currently, he is the chief general manager (associate and subsidiaries) in SBI, overseeing performance of non-banking domestic subsidiaries and regional rural banks. Apart from working as a manager in Emirates India International Exchange Company, he has also handled various important operational, marketing, cross-selling, human resources and stressed asset management related assignments within SBI and overseas. He has 35 years of experience in the banking industry.

**Sunil Kaul** is a non-executive nominee Director of CA Rover on the Company Board. Presently, he is also the managing director and head of the financial services industry of Carlyle Asia Partners and concurrently heads the south-east Asia business of the Carlyle group. He has 34 years of experience in the fields of private equity, corporate and consumer banking. Prior to joining the Carlyle group in 2008, he was the president of Citibank Japan Ltd. and was concurrently the chairman of CitiCards Japan KK and CitiFinancials Japan KK.

**Tejendra Mohan Bhasin, Nilesh Shivji Vikamsey, Rajendra Kumar Saraf, Dinesh Kumar Mehrotra, Anuradha Shripad Nadkarni** are the independent Directors of the company.

### Key Managerial Personnel

**Richhpal Singh** is the Chief Operating Officer. He was associated with the erstwhile SBIBPMSL (previously known as GE Capital Business Process Management Services Pvt. Ltd.) since December, 2017. He joined the company with effect from April 1, 2018.

**Nalin Negi** is the Executive Vice President, Finance and has been nominated to be the Chief Financial Officer of the company by SBI. He was associated with various GE group companies for 10 years, approximately, including the erstwhile SBIBPMSL. He was transferred to the company on December 1, 2018.

**Aparna Kuppuswamy** is the Executive Vice President and Chief Risk Officer. She was associated with GE Money Financial Services Ltd for 1 year and was transferred to the company on April 1, 2009.

**Manish Dewan** is the Executive Vice President & Chief Sales Officer. He was associated with the erstwhile SBIBPMSL for 5 years, approximately. He was transferred to the company with effect from October 1, 2011.

**Girish Budhiraja** is the Executive Vice President and Chief Product and Marketing Officer. He joined the company on November 1, 2012.

**Suruchi Nagpal** is the Executive Vice President and Head, Workforce Effectiveness and has been deputed by SBI. She has been associated with SBI since 1984.

**Naresh Kumar Kapur** is the Executive Vice President and Chief People Officer and has been deputed by SBI. He has been associated with SBI since 1990.

**Rajendra Singh Chauhan** is the Executive Vice President and Head, Internal Audit and has been deputed by SBI. He has been associated with SBI since 1985.

**Rinku Sharma** is the Executive Vice President and Chief Compliance Officer of the company. She was associated with various GE group companies for 15 years, approximately, including the erstwhile SBIBPMSL. She was transferred to the company with effect from November 1, 2012.

**Ugen Tashi Bhutia** is the Executive Vice President and Head, Legal. He joined the company on January 2, 2012.

**Amit Batra** is the Executive Vice President and Head, Operations. He was associated with various GE group companies for 11 years, approximately, including the erstwhile SBIBPMSL. He was transferred to the company on January 1, 2011.

**Monish Vohra** is the Executive Vice President and Head, Customer Service. He was associated with the erstwhile SBIBPMSL for 4 years, approximately. He joined the company with effect from April 1, 2018.

**Pradeep Khurana** is the Executive Vice President and Chief Information Officer. He was associated with various GE group companies for 17 years, approximately, including the erstwhile SBIBPMSL. He joined the company with effect from April 1, 2018.

**Anu Choudhary Gupta** is the Executive Vice President and Head, Collections. She was associated with the erstwhile SBIBPMSL for 2 years, approximately. She joined the company with effect from April 1, 2018.

**Payal Mittal Chhabra** is the Senior Vice President, Company Secretarial. She joined the company on February 15, 2012.

## OFFER DETAILS

The Offer	
Fresh Issue (upto ₹ 500 Cr)	Upto 6,622,516 <sup>^</sup> – 6,666,666 <sup>~</sup> Equity Shares ( <sup>^</sup> at upper price band and <sup>~</sup> lower price band)
Offer for Sale*	Up to 130,526,798 Equity Shares
* Offer for sale by :	Shares upto:
State Bank of India ("SBI") – Promoter Selling Shareholder	37,293,371 Equity Shares
CA Rover Holdings – Investor Selling Shareholder	93,233,427 Equity Shares

## BUSINESS OVERVIEW

**SBI Cards and Payment Services Limited ("SBI Cards")** is the 2<sup>nd</sup> largest credit card issuer in India, with a 17.6% and 18.1% market share of the Indian credit card market in terms of the number of credit cards outstanding as of March 31, 2019 and November 30, 2019, respectively, and a 17.1% and 17.9% market share of the Indian credit card market in terms of total credit card spends in fiscal 2019 and in the 8 months ended November 30, 2019, respectively, according to the RBI. SBI Cards offers an extensive credit card portfolio to individual cardholders and corporate clients which includes lifestyle, rewards, travel and fuel, shopping, banking partnership cards and corporate cards covering all major cardholder segments in terms of income profiles and lifestyles.

SBI Cards is a subsidiary of SBI, India's largest commercial bank in terms of deposits, advances and number of branches as of September 30, 2019, according to the RBI. SBI Cards started their operations in 1998, and since then SBI's parentage and highly trusted brand have allowed them to quickly establish a reputation of trust, reliability and transparency with their cardholders. According to the RBI, SBI Cards has grown their business faster than the Indian credit card market over the past 3 years both in terms of numbers of credit cards outstanding and amounts of credit card spends, and they have achieved this by leveraging their strengths and capitalizing on India's favourable economic and demographic changes, including its strong macroeconomic performance, rising affluence, increasing consumer demand, rapid urbanization and the growth of e-commerce platforms.

From March 31, 2017 to March 31, 2019 their total credit card spends grew at a 54.2% CAGR (as compared to a 35.6% CAGR for the overall credit card industry, according to the RBI) and the number of their credit cards outstanding grew at a 34.5% CAGR (as compared to a 25.6% CAGR for the overall credit card industry, according to the RBI).

SBI Cards has a broad credit card portfolio that includes SBI Card-branded credit cards as well as co-branded credit cards that bear both the SBI Card brand and their co-brand partners' brands.

**SBI Cards offers 4 primary SBI Card branded credit cards: *SimplySave Credit Cards, SimplyClick Credit Cards, Prime Credit Cards and Elite Credit Cards.***

Each of these Credit Cards catering to a varying set of cardholder needs. SBI Cards is also the largest co-brand credit card issuer in India according to the CRISIL Report, and they have partnerships with several major players in the travel, fuel, fashion, healthcare and mobility industries, including **Air India, Apollo Hospitals, BPCL, Etihad Guest, Fbb, IRCTC, OLA Money and Yatra**, among others. Their credit cards portfolio is tailored to meet a diverse range of cardholder needs across the entire spectrum of their cardholders' income profiles and lifestyles, from the "premium" cardholder category to the "affluent", "mass affluent", "mass" and "new to credit" categories. **SBI Cards issue their credit cards in partnership with the Visa, MasterCard and RuPay payment networks**, and they are continuously looking to expand their payment network partnerships to broaden the reach and functionality of their credit card offerings.

They have Diversified Product Portfolio across segments:

Customer Segment	Lifestyle Cards	Rewards	Shopping	Travel & Fuel	Banking Partnerships
<ul style="list-style-type: none"> <li>Premium</li> <li>Affluent</li> <li>Mass Affluent</li> <li>Mass</li> <li>New to Credit</li> </ul>	<ul style="list-style-type: none"> <li>Elite</li> <li>Elite Advantage</li> <li>Doctor</li> </ul>	<ul style="list-style-type: none"> <li>Prime</li> <li>Ola Money</li> <li>Apollo</li> <li>Prime Advantage</li> <li>Tata Platinum</li> <li>Tata Titanium</li> </ul>	<ul style="list-style-type: none"> <li>SimplyCLICK</li> <li>SimplySAVE</li> <li>Central</li> <li>Fbb Styleup</li> <li>Shaurya</li> <li>Unnati</li> </ul>	<ul style="list-style-type: none"> <li>Etihad</li> <li>Signature</li> <li>Yatra</li> <li>Air India</li> <li>BPCL</li> <li>CMRL</li> <li>IRCTC</li> </ul>	<ul style="list-style-type: none"> <li>Allahabad Bank</li> <li>Karur Vysya</li> <li>Oriental Bank of Commerce</li> <li>Bank of Maharashtra</li> <li>Karnataka Bank</li> <li>South Indian Bank</li> </ul>

SBI Cards has a diversified customer acquisition network that enables them to engage prospective customers across multiple channels. SBI Cards deploys 32,677 outsourced sales personnel as sales force as of December 31, 2019 operating out of 145 Indian cities and which engages prospective customers through multiple channels, including physical points of sale in bank branches, retail stores, malls, fuel stations, railway stations, airports, corporate parks and offices, as well as through tele-sales, online channels, email, SMS marketing and mobile applications. SBI Cards is the leading player in open market customer acquisition in India according to the CRISIL Report. They had a presence in 3,190 open market points of sale across India as of December 31, 2019. In addition, their partnership with SBI provides them with access to SBI's extensive network of 21,961 branches across India, which enables SBI Cards to market their credit cards to SBI's vast customer base of 44.55 crore customers as of December 31, 2019. Their extensive physical customer acquisition network is complemented by their digital sales and marketing capabilities which include their website, mobile application and online, email and SMS marketing platforms.

**Company's business is technology-driven and underpinned by their data analytics capabilities, which cut across all aspects of their operations. Their core technology systems are scalable, modern and sophisticated, with considerable capacity to support their future growth.**

SBI Cards possess a large database of cardholder demographic and socio-economic data. They also employ their data analytics capabilities to more effectively market their credit cards to potential customers and to develop new product offerings. Their technology systems also leverage artificial intelligence and process automation technologies to automate routine activities which have enhanced their operating efficiencies.

**As at December 2019, the SBI Card mobile application received a rating of 4.7 out of 5.0 on the Apple App Store and 4.6 out of 5.0 on the Google Play Store.** The mobile application has the following features:

(i) contactless payment at NFC enabled point-of-sale machines; (ii) Bharat QR-based payments; (iii) instant self-service option with ILA, their virtual assistant chatbot; (iv) rewards points redemption; (v) 13 self-service options such as viewing card statements, raising a transaction dispute and fraud reporting; and (vi) promotion of cross-sell products.

SBI Cards has a diversified revenue model whereby they generate both non-interest income (primarily comprised of feebased income such as interchange fees, late fees and annual fees, among others) as well as interest income on their credit card receivables. The share of their revenue from operations that they derive from non-interest income has steadily increased over the past 3 fiscal years, from 43.6% in fiscal 2017 to 48.9% in fiscal 2019.

As of December 31, 2019, SBI Cards had a total of 3,883 employees (3,701 employees as of March 31, 2019). The outsourced workforce as of December 31, 2019 was 38,244 most of which were engaged in the sales, customer service collections and operations functions.

SBI Cards has established a proven track record of consistently generating profits over the past 3 fiscal years.

- The Revenues from operations have increased from ₹3,346.20 crore in fiscal 2017 to ₹6,999.11 crore in fiscal 2019 at a CAGR of 44.6%.
- The net profit increased from ₹372.86 crore in fiscal 2017 to ₹862.72 crore in fiscal 2019 at a CAGR of 52.1%.
- The ROAE has remained stable at 28.5% in fiscal 2017 and 28.4% in fiscal 2019,
- The ROAA increased from 4.0% in fiscal 2017 to 4.8% in fiscal 2019.

## ROYALTY FOR USING "SBI" LOGO

SBI Cards has registered the "SBI Card" logo under the Trademarks Act. The company do not own the "SBI" trademark and currently use the "SBI" logo pursuant to a non-exclusive licensing agreement between SBI Cards and SBI. Pursuant to the licensing agreement, SBI has permitted SBI Cards to use certain trademarks registered in favour of SBI such as the "SBI" wordmark and logos part of their corporate or trading name, for which **SBI Cards pay royalty fees of 2% of their net profit or 0.2% of their total income, whichever is higher**. The licensing agreement may be terminated by SBI upon the occurrence of certain events, which include, among other things, SBI's shareholding in SBI Cards falling below 26% of their outstanding equity share capital, if SBI Cards undergo a change of control event, or if they fail to pay royalty fees to SBI.



## REVENUE MIX

### Summary of Revenue from Operations

(₹ in Cr)

	For the 9 months ended Dec' 31,		For the year ended March 31,		
	2019	2018	2019	2018	2017
Interest Income	3,493.07	2,626.33	3,575.71	2,759.98	1,888.16
Income from fees and services	3,019.27	2,158.62	3,072.04	2,177.27	1,311.59
• Subscription-based fees	445.71	310.17	435.25	325.52	210.76
• Spends-based fees	1,540.96	1,131.48	1,643.12	1,173.82	694.62
• Instance-based fees	1,032.60	716.98	993.67	677.93	406.21
Service Charges	82.46	81.42	125.86	79.61	53.34
Business development incentive income	240.37	142.96	216.67	162.84	88.33
Insurance commission income	7.99	6.42	8.73	7.28	4.79
Net gain on fair value changes	(0.10)	68.18	0.10	-	-
<b>Total Revenue from Operations</b>	<b>6,843.06</b>	<b>5,083.92</b>	<b>6,999.11</b>	<b>5,186.98</b>	<b>3,346.20</b>

## PRODUCTS AND SERVICES

SBI Cards is one of India's leading providers of credit cards. Its operating model is focused on catering to what they see as its cardholders' two main financial needs: transactional needs and short term credit. The revenue they derive from its credit card products consists primarily of interest on their **credit card receivables** and non-interest income primarily comprised of **fee-based income** such as interchange fees, late fees, annual credit card membership fees and other fees.

A typical credit card transaction begins when a cardholder purchases goods or services from a merchant using credit card. After the transaction is authorized by the credit card issuer through the payment network, the credit card issuer pays the purchase amount to the payment network net of interchange fees. The payment network, in turn, then pays the purchase amount to the acquirer. Finally, the acquirer pays the purchase amount to the merchant net of acquirer fees.

SBI Cards extends credit to its cardholders through revolving credit card accounts at standard terms. Their cardholders have the option to "revolve" their balances or convert their balances into monthly instalments and repay their obligations over a period of time and at a fixed interest rate set forth in cardholder agreements. SBI Cards assign each card account a credit limit when the account is initially opened. Thereafter, they may increase or decrease individual credit limits from time to time, at their discretion, based primarily on its evaluation of the cardholder's creditworthiness and ability to pay. Cardholders' accounts are assessed periodic interest charges using a standard fixed interest rate.

SBI Cards offers a comprehensive credit cards portfolio catering to a broad cardholder base and diverse cardholder needs. Their credit card portfolio caters to both individual and corporate clients, and includes premium, travel and fuel, shopping, and corporate credit cards. The company offers their cardholders Visa, RuPay and MasterCard credit cards, each with different benefits and value propositions based on the relevant cardholder segment, consumer behaviour and financial and credit score. They have recently entered into a partnership agreement with American Express to issue their credit cards on their payment network as well.

### Personal Cards:

As of December 31, 2019 and March 31, 2019, company's personal cards portfolio had 1 crore and 0.83 crore total cards outstanding, representing 99.5% and 99.6% of the total number of credit cards outstanding as of those respective dates.

For the 9 months ended December 31, 2019 and fiscal 2019, the personal cards portfolio accounted for ₹ 75,942 crore and ₹ 73,744 crore total credit card spends representing 77.5% and 71.6%, respectively, of their total credit card spends for those periods.

## Personal Cards

Type of Cards	Details	Annual Fees ranging from
<b>Lifestyle Credit Cards:</b>	Target cardholder segments with similar lifestyle interest	₹1,499 to ₹4,999
<b>Rewards Credit Cards:</b>	Give cardholders a range of benefits such as gift vouchers and accelerated rewards points accrual when they make purchases	₹499 to ₹2,999
<b>Shopping Credit Cards:</b>	Offers co-brand credit cards that allow their cardholders to earn bonus rewards on shopping categories in addition to other benefits such as shopping vouchers.	₹499 to ₹2,999
<b>Travel and fuel Credit Cards:</b>	Offers co-brand credit cards with special travel related benefits, such as complimentary airport lounge access and fuel surcharge waivers	₹499 to ₹4,999
<b>Banking partnership Credit Cards:</b>	Offers co-brand credit cards in the banking partnerships category to custoer	₹499 to ₹4,999
<b>Business Credit Cards:</b>	The business credit cards are tailored for the needs of company's SME clients.	-

## Corporate Cards:

Corporate Credit cards are offered to various corporate segments in India including MNCs, large and mid-sized Indian companies, state owned enterprises and travel management companies. Some of their corporate credit cards are provided free of annual fees, while other corporate credit cards are charged annual fees of up to ₹ 499.

As of December 31, 2019 and March 31, 2019, their corporate cards portfolio represented 0.5% and 0.4%, respectively, of their total number of credit cards outstanding as of those respective dates. For the 9 months ended December 31, 2019 and March 31, 2019, their corporate cards portfolio accounted for ₹ 22,012 crore and ₹29,369 crore in total credit card spends, respectively, representing 22.5% and 28.4% respectively, of their total credit card spends for those respective periods.

Its corporate credit cards are tailored for the diverse needs of corporate clients including:

Type of Cards	Details
<b>General corporate</b>	Offer expense management solutions to corporate clients
<b>Central travel account</b>	Tailored for bulk buying and inventory purchasing from airlines, hotels and travel consolidators
<b>Utility</b>	Offer with the functionality to make multiple utility bill payments (telecommunications, electricity, water, gas, etc.) in a single transaction.
<b>Corporate purchase</b>	Provides payment solutions for business to business vendor payments and drives savings for corporates through extended payment terms. The end user of their corporate purchase credit cards is their corporate client's procurement or finance team.

**White Label Cards:** White label credit cards are partner-branded credit cards that carry the brand partner's logo without the SBI Card logo. SBI Cards currently offer 1 white label credit card in partnership with Tata Sons.

## Value Added Services:

Type of Services	Details
<b>ATM cash</b>	Facility allowing cardholders to withdraw cash via ATMs using their SBI credit card, limited to the cash advance limit available on the cardholder's credit card account.
<b>Easy money</b>	Personal loans offered to cardholders within their existing cash advance limit on their credit cards.
<b>Encash</b>	Personal loans offered to select cardholders over and above their existing credit card limit.
<b>Encash Inline</b>	Personal loans offered to select cardholders within their existing credit card limit.
<b>Flexipay</b>	Allows cardholders to pay for retail purchases in a number of equated monthly instalments ("EMI").
<b>Balance transfer</b>	Allows cardholders to transfer their existing balances on other bank's credit cards to their SBI credit card.

The company has launched 6 new products in the 9 months ended December 31, 2019, as compared to 4 new products in fiscal 2019 and 6 and 7 new products in fiscals 2018 and 2017, respectively.

## MULTI-CHANNEL ACQUISITION CAPABILITIES

The proportion of new accounts acquired, by customer acquisition channels:

	As of and for the 9 months ended Dec'31				As of and for the year ended March 31,					
	2019		2018		2019		2018		2017	
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%
<b>Open market distribution channel (retail / co-brand partnerships)</b>	0.13	51.6%	0.085	42.1%	0.13	44.4%	0.14	54.0%	0.08	63.9%
• Retail	0.04	16.4%	0.03	14.4%	0.04	14.8%	0.07	27.6%	0.04	35.6%
• Co-brand	0.09	35.2%	0.05	27.7%	0.08	29.6%	0.07	26.4%	0.04	28.3%
<b>Bank distribution channel (SBI)</b>	0.12	48.0%	0.11	57.4%	0.16	55.2%	0.12	45.5%	0.04	35.2%
<b>Corporate distribution channel</b>	0.01	0.04%	0.01	0.05%	0.01	0.04%	0.01	0.05%	0.01	0.09%
<b>Total</b>	<b>0.27</b>	<b>100.0%</b>	<b>0.19</b>	<b>100.0%</b>	<b>0.28</b>	<b>100.0%</b>	<b>0.25</b>	<b>100.0%</b>	<b>0.12</b>	<b>100.0%</b>

### Open Market Customer Acquisition Channel:

- 3,190 open market points of sale across 145 cities in India;
- Bank branch networks of nine bank co-brand partners across India;
- Physical presence in 12 non-bank co-brand partner retail locations and nine bank co-brand partner branches;
- Outreach with 4,173 outsourced tele-sales workforce; and
- Online e-apply channels, email and SMS marketing.

New accounts obtained from its open market customer acquisition channel represented 63.9% of the total new accounts obtained in fiscal 2017, as compared to 54% in fiscal 2018 and 44.4% in fiscal 2019.

(as of December 31, 2019)

### Bank (SBI) Customer Acquisition Channel:

Company's partnership with SBI enables them to market its credit cards to SBI's customer base out of over 21,961 SBI branches across India, including physical presence by its outsourced sales workforce in 15,686 SBI branches.

The company employ a variety of marketing strategies to introduce its credit cards to SBI customers.

In October 2017, they partnered with SBI to implement **Project Shikhar**, which has significantly increased the proportion of new accounts obtained from SBI's existing customer base from 35.2% of its total new accounts obtained in fiscal 2017 to 45.5% in fiscal 2018 and 55.2% in fiscal 2019.

## KEY PERFORMANCE INDICATORS

### Opex to income ratio:

(₹ in Cr)

	For the 9 months ended Dec' 31,		For the year ended March 31,		
	2019	2018	2019	2018	2017
<b>Total Expenses</b>	5,621.48	4,331.16	5,955.23	4,450.85	2,899.41
(-) Finance costs	(966.37)	(742.57)	(1,017.21)	(711.51)	(528.43)
(-) Impairment losses & bad debts	(1,102.06)	(796.02)	(1,147.74)	(800.06)	(531.97)
<b>Opex</b>	3,553.06	2,792.58	3,790.28	2,939.28	1,839.01
<b>Net Interest Income</b>	2,526.71	1,883.76	2,558.50	2,048.47	1,359.73
(+) Non-interest income	3,349.98	2,457.60	3,423.40	2,426.99	1,458.04
(+) Other Income	397.10	194.75	287.72	183.22	124.84
<b>Income</b>	6,273.79	4,536.11	6,269.62	4,658.68	2,942.61
<b>Opex to Income Ratio</b>	<b>56.6%</b>	<b>61.6%</b>	<b>60.5%</b>	<b>63.1%</b>	<b>62.5%</b>



**Credit Cards**

	For the 9 months ended Dec' 31,		For the year ended March 31,		
	2019	2018	2019	2018	2017
Total cards outstanding (Cr)	1.00	0.75	0.83	0.63	0.46
Premium cards (%)	13.68%	15.36%	14.8%	15.5%	15.7%
Average total cards outstanding (Cr)	0.92	0.69	0.73	0.54	0.41
Total income as a proportion of average total cards outstanding (₹)	10,548	10,212	10,030	9,920	8,477
Net card additions (Cr)	0.18	0.13	0.20	0.17	0.09
Total Cards outstanding from open market channels (%)	59.3%	57.9%	59.4%	62.2%	66.7%
Total cards outstanding from bank (SBI) distribution channels (%)	40.7%	42.1%	40.6%	37.8%	33.3%
Average credit limit (₹)	79,000	79,000	80,000	71,000	77,000
Market share of total cards outstanding (%)	18.1%	17.0%	17.6%	16.7%	15.3%

**Accounts**

	For the 9 months ended Dec' 31,		For the year ended March 31,		
	2019	2018	2019	2018	2017
Total accounts in force (Cr)	0.93	0.69	0.76	0.56	0.39
Total new-to-credit accounts (%)	16.2%	28.8%	24.5%	21.6%	17.5%
Salaried cardholders (%)	85.4%	87.6%	86.7%	89.0%	90.4%
Self-employed cardholders (%)	14.6%	12.4%	13.3%	11.0%	9.6%
30-day active accounts (%)	55.1%	56.4%	55.9%	57.0%	54.1%
90-day active accounts (%)	68.6%	69.8%	67.8%	69.5%	69.0%
Total new accounts (Cr)	0.26	0.19	0.28	0.25	0.12

**Credit Cards Spends and Transactions**

	For the 9 months ended Dec' 31,		For the year ended March 31,		
	2019	2018	2019	2018	2017
Total card spends (₹ Cr)	98,485.64	75,194.73	103,264.84	76,489.58	43,436.11
Market share of total card spends (%)	17.9%	17.0%	17.1%	16.7%	13.2%
Average card spends per cards outstanding (₹)	143,482	145,476	142,142	141,289	106,083
Total number of card transactions (Cr)	28.53	20.36	27.81	21.05	14.74
Average ticket size (₹)	3,452	3,694	3,713	3,634	2,947
Online card spends as a proportion of total card spends (%)	39.1%	40.8%	40.1%	34.2%	34.5%

**Receivables & Net Interest Margin**

	For the 9 months ended Dec' 31,		For the year ended March 31,		
	2019	2018	2019	2018	2017
Loans (₹ Cr)	24,776.01	17,868.92	18,526.29	14,569.80	10,305.20
Average loans per cards outstanding (₹)	24,696	23,745	22,398	23,281	22,554
Term loan (equated monthly instalment) receivables (%)	32.0%	30.8%	28.9%	28.9%	32.1%
Yield (%)	21.5%	21.6%	21.6%	22.2%	21.3%
Average cost of funds (%)	8.0%	8.1%	8.1%	7.2%	7.4%
Net interest margin (%)	15.6%	15.5%	15.5%	16.5%	15.3%

**COMPETITIVE STRENGTH**

- **2<sup>nd</sup> largest credit card issuer in India with deep industry expertise and a demonstrated track record of growth and profitability**

SBI Cards operates a nationwide business with a substantial cardholder base spanning each of India's 8 largest metropolitan areas, India's tier II and tier III cities as well as its rural areas. They are the largest pure-play credit card issuer in India according to the CRISIL Report, and they have deep expertise in India's credit card market as a result

of their more than 20 years' operating history. The scale of their operations coupled with their focus on the core business and deep industry expertise have in part allowed them to grow their business while delivering consistent profits over the past 3 years.

Their revenue model generates both non-interest income as well as interest income on their credit card receivables, with the share of the revenue from operations that SBI Cards derive from non-interest income having steadily increased over the past 3 fiscal years, from 43.6% in fiscal 2017 to 48.9% in fiscal 2019.

- ***Diversified customer acquisition capabilities***

SBI Cards has a diversified customer acquisition network that allows them to engage prospective customers across multiple platforms, which is a key strength and competitive advantage for them.

As of December 31, 2019 it deploys a sales force of 33,086 outsourced sales personnel operating out of 145 Indian cities which engages prospective customers through multiple channels, including physical points of sale, telesales and online. Collectively with their co-brand partners, SBI Cards is present in 3,190 open market physical points of sale in India, retail stores, malls, fuel stations, railway stations and airports. Out of the aforesaid outsourced sales personnel, they have 4,173 outsourced workforce for tele-sales.

In October 2017, they launched **Project Shikhar** as a joint effort between SBI Cards and SBI to market the credit card products directly to SBI's customers. Since its implementation, Project Shikhar has significantly increased the proportion of new accounts sourced from SBI's existing customer base from 35.2% of all new accounts in fiscal 2017 to 45.5% in fiscal 2018 and 55.2% in fiscal 2019.

SBI Cards complement their physical customer acquisition network through a broad offering of digital channels, including their website and mobile application as well as online, email and SMS marketing capabilities. They have also integrated their digital customer acquisition platform with the SBI YONO interface, which enables them to **market their products to SBI's customers through the SBI YONO mobile application.**

- ***Supported by a strong brand and pre-eminent Promoter***

All of the company's credit cards carry the SBI Cards brand, which is a highly trusted and recognizable brand in India. The SBI Cards brand has been awarded Reader's Digest "Most Trusted Brand" in India award in the credit card category 11 times since 2008, and it won The Economic Times' "Best BFSI Brand" in India award in the credit cards category in 2019. According to a brand track survey commissioned by SBI Cards and conducted by Kantar IMRB in 2019, the SBI Card brand had attained 100% total awareness and 34% top-of-mind awareness recall among consumers as of December 31, 2018, the highest among all credit card brands surveyed. The value of the SBI Card brand is further strengthened by their superior customer service, which includes their **AskILA chat bot** and social media customer service capabilities as well as artificial intelligence-enabled knowledge management tools that assist their customer service representatives in providing faster information and more accurate resolution in real time to their customers.

The company Promoter, SBI, is India's largest commercial bank in terms of deposits, advances and number of branches as of September 30, 2019, according to the RBI. Their relationship with SBI provides SBI Card with access to SBI's extensive branch network of 21,961 branches across India and enables them to market their credit cards to SBI's largely untapped customer base comprising 44.55 crore customers as of December 31, 2019. SBI has also instilled in SBI Card sound corporate governance practices that have helped to consolidate the credibility of their business.

- ***Diversified portfolio of credit card offerings***

SBI Card's credit card portfolio caters to individual cardholders and corporate clients, and includes lifestyle, rewards, travel and fuel, shopping, banking partnership cards and corporate credit cards. They offer 4 primary SBI branded credit cards: SimplySave, SimplyClick, Prime and Elite, each catering to a varying set of cardholder needs. In addition, they are also the largest co-brand credit card issuer in India according to the CRISIL Report, and they offer a wide portfolio of co-brand credit cards in partnership with several major players in the travel, fuel, fashion, healthcare and mobility industries, including Air India, Apollo Hospitals, BPCL, Etihad Guest, Fbb, the IRCTC, OLA Money and Yatra, among others.

- ***Advanced Risk Management and Data Analytics capabilities***

SBI Cards has established process & procedures which intended to identify, measure, monitor and control the types of risk including credit risk, market risk, liquidity risk, operational risk (including compliance risk) and strategic risk.

Company's advanced risk management infrastructure is robust and data-intensive, both in terms of frequency and volume of review, and is guided by their data analytics capabilities. SBI Cards evaluates a large number of data points to generate their credit decisions. They analyse this data together with data obtained from credit bureaus and other sources to generate underwriting scorecards tailored to their cardholder demographics, proactively mitigate risks, and reduce losses and delinquencies. As a result they have developed the models that more accurately estimate risk for new-to-credit and new-to-card cardholders without a credit history.

- ***Modern and scalable technology infrastructure***

SBI Cards has a scalable, modern and sophisticated technology infrastructure capable of servicing the entire credit card life cycle. Their core technology systems are capable of handling a much higher number of accounts and transaction volumes than they currently handle. SBI Card's technology systems also leverage artificial intelligence and process automation technologies across several of their platforms to automate routine activities, such as fraud disputes, collections functions, auto debit reconciliations and customer service, among others, which have increased their operating efficiencies. From fiscal 2017 to fiscal 2019, SBI Cards has invested ₹ 51.99 crore in their core technology systems and in building brand new peripheral applications, such as online customer acquisition, online servicing, customer relationship management, fraud management and credit risk applications.

- ***Highly experienced and professional management team***

SBI Cards has a professional and experienced management team with a deep level of expertise in the credit card industry and the overall financial services industry. Their Managing Director and Chief Executive Officer, Hardayal Prasad, has over 36 years of experience in the financial services industry. This deep industry expertise provides their leadership team with the vision to steer the long-term strategic direction of their business. In addition, they are professionally managed with a significant degree of autonomy from SBI, which has improved their decision-making processes. A large number of their senior management personnel have worked with SBI Cards for a significant period of time, resulting in effective operational coordination and continuity of business strategies.

## KEY BUSINESS STRATEGIES

- ***Expand the customer acquisition capabilities to grow the cardholder base***

SBI Cards intends to grow their cardholder base by continuing to expand their customer acquisition capabilities. As part of this strategy, they aim to increase the number of open market physical points of sale that SBI Cards operate across India. They also remain committed to entering into new co-brand partnerships, including with leading organized retail chains, online aggregators and financial marketplaces.

Their partnership with SBI in particular has the potential to become a significant source of new customer acquisitions in the future. SBI Cards therefore intend to deepen their partnership with SBI to increasingly market their credit cards to its customer base, including through joint marketing efforts and by enhancing platform synergies between them and SBI to improve their operational efficiencies. They are also focused on deepening their digital and mobile customer acquisition platforms. Finally, they aim to continue strengthening their brand recognition by increasing their marketing and brand value enhancement efforts.

- ***Tap into new cardholder segments by broadening the portfolio of credit card products***

SBI Cards intends to tap into the super-premium segment by offering new credit cards tailored for the needs of high-net-worth cardholders. They expect the super-premium segment to generate higher spends and result in superior growth and profitability for them, while promoting additional brand recognition. In addition, they intend to launch new credit card products targeting the new-to-credit and new-to-card cardholder segments. Expanding the reach of their recently launched OLA Money co-brand credit card will also be a key objective for SBI Card, as its targeted demographic of younger cardholders is expected to grow significantly in India over the next decade.

- ***Stimulate growth in credit card transaction volumes***

SBI Cards is constantly working to enhance their value proposition to their cardholders by rolling out new cash back rewards offers, bonus reward points and merchant discounts. As part of these efforts, they plan to increasingly leverage their data analytics platform to deliver more targeted and timely offers to their cardholders.

They also expect to generate higher transaction volumes by expanding their payment capabilities and partnering with new payment networks, merchant categories and aggregators, including by rolling out new bill payment options and expanding their autopay facilities. In addition, they will continue assessing opportunities to establish new partnerships with payment networks to incentivize more frequent usage of their credit cards.

- **Continue to optimize the risk management processes**

Credit management will be the key to helping SBI Cards manage credit risk and detect early warning signs of credit difficulties. Therefore, they are constantly testing out additional ways to deploy their data analytics capabilities to improve their risk management efforts. They are also working toward making their credit decision engines fully artificial intelligence-capable, as well as building artificial intelligence and machine learning capabilities into their customer acquisition, portfolio management and transaction monitoring models.

Finally, SBI Cards intends to further upgrade their **award-winning fraud loss prevention program**, which consist of neural network and internally developed rules, from an authorization-based model to an authentication-based model, which will allow them to preempt, and then prevent fraudulent transactions before they occur and lead to significant efficiency gains going forward.

- **Enhance cardholder experience**

SBI Cards is focused on continuing to invest in their digital and mobile capabilities to enhance their cardholder experience. They are now committed toward expanding the use of contactless card in the near future. They will also continue promoting the use of their digital credit cards, which are delivered directly to their cardholders' mobile phones and provide them with an additional convenience factor.

- **Continue leveraging technology across the operations**

SBI Cards operates in a highly competitive, ever evolving industry where they must continuously improve their technology platform in order to compete effectively and reduce operating costs. They intend to continue investing to further enhance the capabilities and derive greater operating efficiencies. They continue to improve their operational efficiencies through automation and digitization efforts to ensure increased cardholder retention. In order to maximize the efficiency of their marketing strategy, SBI Cards is currently deploying geotagging technologies to identify areas with significant potential for credit card penetration.

## CREDIT CARD INDUSTRY OVERVIEW

### Peer comparison- the operating parameters of key players in the Credit Card Industry

	CAGR Growth	Market share as of FY19	FY19	FY18	FY17	FY16	FY15	FY14
<b>Number of credit cards in force (in Cr)</b>								
HDFC Bank	19%	27%	1.25	1.07	0.85	0.73	0.60	0.51
<b>SBI card</b>	<b>24%</b>	<b>18%</b>	<b>0.83</b>	<b>0.63</b>	<b>0.46</b>	<b>0.36</b>	<b>0.32</b>	<b>0.29</b>
ICICI Bank	16%	14%	0.66	0.50	0.43	0.37	0.33	0.32
Axis Bank	34%	13%	0.60	0.45	0.33	0.24	0.17	0.14
Citi Bank	2%	6%	0.27	0.27	0.25	0.24	0.24	0.24
<b>Number of transactions (in Cr)</b>								
HDFC Bank	25%	27%	48.6	40.5	33.3	25.3	19.8	16.1
<b>SBI card</b>	<b>34%</b>	<b>16%</b>	<b>28.0</b>	<b>21.2</b>	<b>15.5</b>	<b>11.0</b>	<b>7.8</b>	<b>6.5</b>
ICICI Bank	27%	14%	24.1	18.9	15.0	10.9	9.1	7.2
Axis Bank	44%	9%	16.8	12.8	8.8	5.9	4.1	2.7
Citi Bank	20%	13%	23.9	21.9	17.3	13.1	11.2	9.6
<b>Total spend (₹ Cr)</b>								
HDFC Bank	30%	28%	170,420.8	132,403.9	97,474.9	74,998.1	57,759.9	45,740.8
<b>SBI card</b>	<b>44%</b>	<b>17%</b>	<b>103,835.3</b>	<b>77,023.2</b>	<b>43,854.5</b>	<b>29,332.4</b>	<b>21,284.5</b>	<b>16,492.8</b>
ICICI Bank	31%	11%	67,300.6	51,533.1	36,205.5	26,810.1	21,564.6	17,203.6
Axis Bank	48%	10%	62,082.7	44,328.8	28,730.5	18,386.2	13,602.3	8,848.7
Citi Bank	15%	9%	53,218.5	48,865.2	42,558.3	35,583.9	30,862.9	26,747.6
<b>Average spend per transaction (₹)</b>								
HDFC Bank	4%	-	3,504	3,273	2,929	2,964	2,918	2,847
<b>SBI card</b>	<b>8%</b>	<b>-</b>	<b>3,713</b>	<b>3,635</b>	<b>2,835</b>	<b>2,669</b>	<b>2,726</b>	<b>2,520</b>
ICICI Bank	3%	-	2,795	2,724	2,409	2,454	2,380	2,376
Axis Bank	3%	-	3,695	3,453	3,257	3,098	3,350	3,243
Citi Bank	(4)%	-	2,227	2,236	2,458	2,716	2,764	2,785

	CAGR Growth	Market share as of FY19	FY19	FY18	FY17	FY16	FY15	FY14
<b>Average spend per card in force (₹)</b>								
HDFC Bank	11%	-	144,770	135,181	119,356	114,485	103,964	84,252
<b>SBI card</b>	<b>19%</b>	<b>-</b>	<b>144,813</b>	<b>140,975</b>	<b>107,737</b>	<b>86,011</b>	<b>71,547</b>	<b>60,458</b>
ICICI Bank	16%	-	117,203	112,042	90,611	77,555	65,685	56,543
Axis Bank	11%	-	121,220	112,877	100,167	90,193	88,227	72,304
Citi Bank	12%	-	199,881	187,045	174,225	149,410	128,731	111,642
<b>Average outstanding per card in force (₹)</b>								
HDFC Bank	9%	-	35,909	33,781	30,428	28,180	27,044	23,853
<b>SBI card</b>	<b>8%</b>	<b>-</b>	<b>22,398</b>	<b>23,281</b>	<b>22,490</b>	<b>20,431</b>	<b>18,125</b>	<b>15,311</b>
ICICI Bank	12%	-	18,514	18,563	17,511	14,989	12,103	10,377
Axis Bank	10%	-	20,622	18,408	20,078	17,218	12,889	12,713
Citi Bank	-	-	NA	NA	NA	NA	NA	NA

Source: RBI, Company filings, CRISIL Research

### The number of co-branded partnerships currently in the market

Co-branded cards act as an important and differentiated product that offers additional value to customers. Co-branded cards refer to credit cards issued by players in conjunction with partners, which are usually consumer-facing entities with strong and loyal customer bases.

	Number of co-branded partners	Travel	Shopping / Entertainment	Payments	Lending	Healthcare	Others
<b>SBI card</b>	<b>18</b>	<b>7</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>7</b>
ICICI bank	12	8	1	-	-	-	3
RBL Bank	8	1	1	-	2	1	4
HDFC Bank	6	3	1	-	1	-	1
Axis Bank	4	2	1	1	-	-	-
Citi bank	3	1	1	1	-	-	-
Amex	1	1	-	-	-	-	-
Indusind Bank	1	1	-	-	-	-	-

Note: \* RBL has same co-brand offering different card under travel and other category Source: Company website, CRISIL Research

### Incremental Market share of Cards in force across different periods (Top 5 Players) (%)

SBI Card has the highest market share in terms of incremental cards in force across different time periods and has been able to continuously gain market share in terms of incremental cards in force in the industry over the years.


Share in cards in force	36M	24M	12M	6M	3M	1M
HDFC Bank	21%	20%	16%	12%	18%	30%
<b>SBI card</b>	<b>22%</b>	<b>23%</b>	<b>24%</b>	<b>27%</b>	<b>24%</b>	<b>45%</b>
ICICI Bank	15%	17%	21%	24%	29%	44%
Axis Bank	15%	15%	16%	16%	13%	19%
Citi Bank	1%	1%	1%	-	1%	2%
Kotak Mahindra Bank	5%	5%	4%	3%	1%	(11)%

1M = cards in force in 1 month from June 2019 to July 2019; 3M = cards in force between May 2019 to July 2019; 6M = cards in force between February 2019 to July 2019; 12M = cards in force between August 2018 to July 2019; 24M = cards in force between August 2017 to July 2019; 36M = cards in force between August 2016 to July 2019; Negative market share indicates decrease in outstanding cards.

### Concentrated market – top 4 players account for two-thirds of credit card spends


There are a total of 74 players offering credit cards in India, with the top 3 private banks (HDFC Bank, Axis Bank and ICICI Bank) and SBI Card, as the leading pure-play credit card issuer, dominating the credit card business with a total of approximately 72% market share by number of outstanding credit cards as of March 2019 and approximately 66% market share by credit card spends in fiscal year 2019.

**The breakdown of market share in terms of total outstanding credit cards.**

Share in cards in force	Jul-19	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
HDFC Bank	26%	27%	29%	29%	30%	28%	27%
 SBI card	18%	18%	17%	15%	15%	15%	15%
ICICI Bank	15%	14%	13%	14%	15%	16%	17%
Axis Bank	13%	13%	12%	11%	10%	8%	7%
Citi Bank	5%	6%	7%	8%	10%	11%	13%
Other Banks	21%	22%	22%	23%	20%	22%	21%

Source: RBI, CRISIL Research

**The breakdown of market share in terms of total credit card spends.**

Share in cards in force	4M FY20	FY19	FY18	FY17	FY16	FY15	FY14
HDFC Bank	28%	28%	29%	29%	31%	30%	30%
 SBI card	18%	17%	17%	13%	12%	11%	11%
ICICI Bank	11%	11%	11%	11%	11%	11%	11%
Axis Bank	11%	10%	10%	9%	7%	7%	6%
Citi Bank	8%	9%	10%	12%	12%	12%	11%
Other Banks	24%	25%	23%	26%	27%	29%	31%

Source: RBI, CRISIL Research

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