

SBI may raise stake in credit card JV

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Scouting for new partner to replace existing partner GE Capital in the current quarter



Dinesh Khara, MD, SBI

Mumbai, January 16:

State Bank of India may up its stake in its credit card joint venture — SBI Cards and Payment Services (SBICPSL) — as well as find a new strategic partner to replace existing partner GE Capital during the current quarter.

Also, India's largest bank will zero in on a new partner to replace GE Capital in GE Capital Business Processes Management Services (GECBPMSL), which takes care of the technology and processing needs of SBI Card.

SBI holds 60 per cent stake in SBICPSL and 40 per cent in GECBPMSL with the balance being held by GE Capital in both the ventures.

Dinesh Khara, Managing Director, SBI, said the process of finding new strategic partners in the two ventures would be completed by March-end. However, he did not elaborate on who the new partners would be.

There are reports that global financial services firms and private equity funds are keen on picking up GE Capital's stake in SBICPSL and GECBPMSL.

Credit cards

Speaking at the launch of 'Select' and 'Select +' co-branded credit cards by SBI Card and Future Group's Central, Vijay Jasuja, CEO, SBI Card, said his company's market **share in the credit cards space is slightly above 15 per cent. At**

47.5 lakh, SBI Card has the second-largest number of credit cards in circulation in the country.

"We have 47.5 lakh credit cards. In the month of December alone, we issued 1.05 lakh new cards. Normally, 35-40 per cent is the attrition. So, net addition was 65,000 in the month of December.

"In the last few months, we were adding upwards of one lakh cards a month. One year back, the addition was in the range of 60,000-65,000 a month. Two years back it was in the range of 40,000-45,000. In the last two months, consistently we have crossed one lakh (cards)," said Jasuja.

Demonetisation effect

SBI Chairman Arundhati Bhattacharya observed that demonetisation has given a leg-up to digital transactions.

"We believe, if we continue with this kind of effort of putting more and more transactions on the electronic platform and digitising more and more of them, then it should bode quiet well for the economy.

"In fact, as Kishore Biyani (Group CEO, Future Group) said, before demonetisation, 65 per cent of their transactions were carried out through cards, which after demonetisation increased to 85 per

cent. So, in the space of 50 days, you have seen a rise (in card transactions), which is huge.”

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