SBI Cards

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	SBICARD IN
Equity Shares (m)	952
M.Cap.(INRb)/(USDb)	588.8 / 6.1
52-Week Range (INR)	965 / 565
1, 6, 12 Rel. Per (%)	3/-15/-25
12M Avg Val (INR M)	1012

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
NII	68.3	71.1	84.0
OP	78.8	80.4	92.9
NP	21.7	29.8	36.2
NIM (%)	11.9	11.3	11.6
EPS (INR)	22.8	31.3	38.1
EPS Gr. (%)	13.0	37.4	21.7
BV/Sh. (INR)	165	194	229
ABV/Sh. (INR)	161	190	225
Ratios			
RoA (%)	3.3	4.2	4.4
RoE (%)	14.7	17.4	18.0
Valuations			
P/E(X)	27.4	20.0	16.4
P/BV (X)	3.8	3.2	2.7
P/ABV (X)	3.9	3.3	2.8

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	68.9	68.9	68.6
DII	18.1	18.1	17.5
FII	9.0	9.5	10.2
Others	4.0	3.4	3.7

FII includes depository receipts

CMP: INR619 TP: INR700 (+13%) Neutral

Business growth tepid; credit cost glides down further

NIMs decline 30bp QoQ

- SBI Cards (SBICARD) reported 1QFY27 PAT of INR6.64b (up 19.5% YoY/9% QoQ, in line with MOFSLe), as lower fee was offset by lower provisions.
- NIMs declined 30bp QoQ to 10.8% amid a decline in yields and an increase in CoF. SBICARD maintains its NIM guidance and expects NIMs to remain stable going ahead.
- Opex grew by 23.4% YoY/2.3% QoQ to INR26.2b, driven by the implementation of the new wage code.
- Credit cost further improved to 6.5% from 7.7% in 4QFY26. SBICARD has utilized a management overlay of INR1.8b out of INR2.2b. It expects credit cost to improve further as first delinquency buckets are at a decadal low.
- Spends growth was healthy at 27% YoY/3% QoQ, led by strong growth in retail spends (up 14% YoY/5% QoQ). Corporate spends declined 4% QoQ (up 125% YoY). Corporate spends stood at ~20.6% of total spends in 1QFY27 vs. 22.2% in FY26.
- GNPA ratio improved by 37bp QoQ to 2.04%, while NNPA ratio declined by 21bp QoQ to 0.83%. ECL increased 10bp QoQ to 3.1%, while PCR improved 228bp QoQ to 59.9%.
- **We largely maintain our earnings estimates and expect SBICARD to report RoA/RoE of 4.4%/18.0% by FY28E. Reiterate Neutral with a revised TP of INR700 (18x FY28E EPS).**

Revolver mix remains low at 22%; credit cost to remain under control

- 1Q PAT grew 20% YoY/9% QoQ to INR6.6b (in line), aided by low provisions.
- NII was flat YoY/QoQ at INR16.8b (in line). NIMs declined 30bp QoQ to 10.8% due to a 20bp QoQ decline in yields and a 10bp QoQ rise in CoF. Management expects NIMs to remain broadly stable, supported by portfolio actions, higher EMI share balances and yield optimization initiatives.
- Transactor mix declined to 45% (vs. 46% in 4QFY26), while revolver mix was largely flat at 22%. EMI mix inched up to 33% (vs. 32% in 4QFY26).
- Other income declined 35% QoQ (up 4% YoY; 23% miss on MOFSLe). C/I ratio thus increased to 58.7% (vs. 57.2% in 4QFY26 and 50.3% in 1QFY26).
- Total number of cards in force (CIF) grew by 6.6% YoY/2.3% QoQ to 22.6m. New card sourcing remained in a guided range of 1m QoQ. Around 53% of sourcing came from the open market.
- Spends grew decently by 27% YoY/2.7% QoQ, led by healthy growth in retail spends (up 14% YoY/4.7% QoQ), while corporate spends declined by 4.4% QoQ. Receivables grew 2.4% QoQ to INR582.7b due to a high transactor mix and lower revolve balances.
- GNPA ratio improved 37bp QoQ to 2.04%, while NNPA ratio declined 21bp QoQ to 0.83%. ECL increased modestly by 10bp QoQ to 3.1%, while PCR improved 228bp QoQ to 59.9%.

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Highlights from the management commentary

- Management expects to sustain NIMs around the current levels, supported by portfolio actions, a higher share of EMI balances and ongoing yield optimization initiatives.
- Operating expenses are expected to remain slightly elevated as business activity picks up during the festive season.
- Credit costs are expected to moderate further, reflecting the benefits of portfolio and risk management initiatives implemented over the past 1-2 years.
- The annual ECL model review has been completed, resulting in the utilization of INR1.8b out of the INR2.2bn overlay created in the previous quarter.

Valuation and view

SBICARD reported a largely in-line, albeit slightly soft, performance in 1QFY27. Lower provisions and an improving credit cost trajectory offset relatively muted receivables growth, which was impacted by a higher share of transactors. Credit cost moderated to 6.5%, while the company utilized INR1.8b of the INR2.2b management overlay created in 4QFY26 following the annual ECL model refresh. Management expects NIMs to remain broadly stable going forward, although any near-term policy actions could result in some increase in the cost of funds and will remain a key monitorable. Corporate spends have moderated, with management expecting the mix to stabilize at around 20% of total spends. Asset quality is expected to improve further, supported by lower forward delinquencies and a favorable macroeconomic environment. **We largely maintain our earnings estimates and expect SBICARD to report RoA/RoE of 4.4%/18.0% by FY28E. Reiterate Neutral with a revised TP of INR700 (18x FY28E EPS).**

Quarterly performance

(INR b)

	FY26				FY27E				FY26	FY27E	FY27E	V/s our
	1Q	2Q	3Q	4Q	1QA	2QE	3QE	4QE			1QE	Est
Net Interest Income	**16.8**	**17.3**	**17.5**	**16.7**	**16.8**	**17.2**	**18.0**	**19.1**	**68.3**	**71.1**	**16.7**	**0%**
% Change (Y-o-Y)	13.8	15.2	11.5	3.0	-0.3	-0.6	2.7	14.7	15.9	4.1	-0.3	
Other Income	25.4	26.5	28.2	28.1	27.8	29.1	30.3	31.7	108.1	119.0	28.9	-4%
Total Income	**42.2**	**43.8**	**45.7**	**44.7**	**44.6**	**46.3**	**48.3**	**50.9**	**176.4**	**190.0**	**45.6**	**-2%**
Operating Expenses	21.2	24.8	26.0	25.6	26.2	27.0	28.3	28.2	97.6	109.7	26.2	0%
Operating Profit	**21.0**	**18.9**	**19.7**	**19.1**	**18.4**	**19.3**	**20.0**	**22.7**	**78.8**	**80.4**	**19.4**	**-5%**
% Change (Y-o-Y)	10.5	7.7	7.7	-2.6	-12.3	1.9	1.4	18.5	5.7	2.0	-7.5	
Provisions	13.5	12.9	12.2	11.0	9.5	9.7	10.0	11.2	49.6	40.4	10.6	-10%
Profit before Tax	**7.5**	**6.0**	**7.5**	**8.2**	**8.9**	**9.6**	**10.0**	**11.4**	**29.1**	**40.0**	**8.9**	**1%**
Tax	1.9	1.6	1.9	2.1	2.3	2.4	2.5	2.9	7.5	10.2	2.3	1%
Net Profit	**5.6**	**4.4**	**5.6**	**6.1**	**6.6**	**7.2**	**7.4**	**8.5**	**21.7**	**29.8**	**6.6**	**1%**
% Change (Y-o-Y)	-6.5	10.0	45.2	14.1	19.5	60.8	33.6	40.1	13.1	37.4	18.8	
Operating Parameters												
Loan (INRb)	546.3	578.6	552.2	549.8	563.9	584.4	603.1	621.9	549.8	621.9	562.8	
Loan Growth (%)	7.5	7.9	4.6	1.9	3.2	1.0	9.2	13.1	1.9	13.1	3.0	
Borrowings (INRb)	461.8	492.3	462.2	440.6	471.8	467.1	481.4	495.7	440.6	495.7	450.6	
Borrowing Growth (%)	13.0	13.9	5.3	-2.0	2.2	-5.1	4.2	12.5	-2.0	12.5	-2	
Asset Quality												
Gross NPA (%)	3.1	2.9	2.9	2.4	2.0	2.5	2.4	2.4	2.5	2.3	2.5	
Net NPA (%)	1.4	1.3	1.3	1.0	0.8	0.9	0.9	0.8	1.1	0.8	1.1	
PCR (%)	54.3	55.4	56.1	57.6	59.9	61.4	63.0	64.3	57.6	64.3	58.2	

Source: Company, MOFSL

Quarterly snapshot

	FY26				FY27	Change (%)	
Profit and Loss (INR b)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY**	**QoQ**
Interest Income	24.9	24.9	25.4	23.8	24.2	-3	2
Interest Expenses	8.1	7.6	7.9	7.1	7.4	-8	4
Net Interest Income	**16.8**	**17.3**	**17.5**	**16.7**	**16.8**	**0**	**0**
Other Income	**25.4**	**26.5**	**28.2**	**28.1**	**27.8**	**10**	**-1**
Fee Income	21.9	22.7	23.7	23.4	24.1	10	3
Others	3.5	3.8	4.5	4.6	3.8	8	-18
Total Income	**42.2**	**43.8**	**45.7**	**44.7**	**44.6**	**6**	**0**
Operating Expenses	**21.2**	**24.8**	**26.0**	**25.6**	**26.2**	**23**	**2**
Employee	1.6	1.6	1.8	1.6	2.1	28	31
Others	19.6	23.3	24.1	24.0	24.1	23	0
Operating Profits	**21.0**	**18.9**	**19.7**	**19.1**	**18.4**	**-12**	**-4**
Provisions	13.5	12.9	12.2	11.0	9.5	-30	-14
PBT	**7.5**	**6.0**	**7.5**	**8.2**	**8.9**	**19**	**9**
Taxes	1.9	1.6	1.9	2.1	2.3	19	11
PAT	**5.6**	**4.4**	**5.6**	**6.1**	**6.6**	**20**	**9**
Balance Sheet							
Loans	546.3	578.6	552.2	549.8	563.9	3	3
Borrowings	461.8	492.3	462.2	440.6	471.8	2	7
Receivable Mix (%)							
Transactor	40.0	44.0	44.0	46.0	45.0	500	-100
Revolver	24.0	22.0	22.5	22.0	22.0	-200	0
EMI	36.0	34.0	33.5	32.0	33.0	-300	100
Asset Quality (INR b)							
GNPA	17.4	17.1	16.4	13.7	11.9	-32	-13
NNPA	7.9	7.6	7.2	5.8	4.8	-40	-18
Asset Quality Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY (bp)**	**QoQ (bp)**
GNPA	3.07	2.85	2.86	2.41	2.04	-103	-37
NNPA	1.42	1.29	1.28	1.04	0.83	-59	-21
PCR (Calc.)	54.3	55.4	56.1	57.6	59.9	558	228
Credit Cost	9.9	8.9	8.9	8.0	6.7	-317	-126
ECL	3.5	3.3	3.3	3.0	3.1	-40	10
Business Ratios (%)							
Fees to Total Income	51.9	51.8	51.8	52.4	53.9	203	155
Cost to Income	50.3	56.8	56.8	57.2	58.7	846	149
Sourcing channel Mix (%)							
SBI	56.0	50.0	44.0	46.0	47.0	-900	100
Open Market	44.0	50.0	56.0	54.0	53.0	900	-100
Spend Mix (%)							
Corporate Spends	11.6	16.3	19.8	22.2	20.6	901	-153
Retail Spends	88.4	83.7	80.2	77.8	79.4	-901	153
Profitability Ratios (%)							
Yield on loans	17.0	16.5	16.3	16.2	16.0	-100	-20
Cost of borrowings	7.1	6.4	6.5	6.4	6.5	-60	10
Spreads	9.9	10.1	9.8	9.8	9.5	-40	-30
Margins	11.2	11.2	11.0	11.1	10.8	-40	-30
RoA	3.4	2.6	3.2	3.6	3.9	50	30
RoE	15.8	12.1	14.7	15.6	16.5	70	90
Other Details						**Change (%)**	
New accounts added (000)	873	936	864	917	1,023	17	12
O/S Cards (Mn)	21.2	21.5	21.8	22.1	22.6	7	2
Spends (INRb)	932.4	1,070.6	1,147.0	1,153.5	1,184.8	27	3
- Retail Spends (INRb)	824.0	896.1	919.6	897.9	940.3	14	5
- Corporate Spends (INRb)	108.4	174.5	227.4	255.6	244.4	125	-4
-Spends market share (%)	16.6	16.8	17.7	18.1	19.5	290	140
-O/S cards market share (%)	19.1	19.0	18.8	18.6	18.6	-50	0

Source: Company, MOFSL

Highlights from the management commentary

Opening remarks

- RuPay credit cards on UPI continue to support industry growth, and management expects to sustain this trend over the medium term.
- The company remains focused on building the franchise through sustainable growth, with continued emphasis on strengthening the banca channel.
- SBICARD will continue to strengthen its market position through disciplined execution, customer-centric innovation, and sustained investments in digital capabilities.
- CIF increased 7% YoY. In line with its stated strategy and roadmap, the company added ~1m new cards during 1QFY27.
- Spend market share improved to 19.5% from 18.1% in FY26.
- Credit card spends increased 13% QoQ, led by categories such as department stores, groceries, utilities, fuel, restaurants and apparel, supported by higher RuPay and QR-based acceptance.
- CoF is expected to remain elevated, broadly in line with prevailing market rates.
- NIM for the quarter stood at 10.8%.
- The annual ECL model review has been completed, resulting in the utilization of INR1.8b out of the INR2.2b overlay created in the previous quarter.
- The company released provisions of INR650m during the quarter and continues to carry an overlay of INR700m.
- Gross credit cost is expected to remain around the current range.

Credit cost and ECL

- Credit costs are expected to moderate further, reflecting the benefits of portfolio and risk management initiatives implemented over the past 1-2 years.
- Entry rates into the first delinquency bucket are at near-decadal lows, indicating improved portfolio quality and healthier customer repayment behavior.
- Management remains comfortable with the existing ECL framework and considers the model to be robust. Any changes going forward are expected to arise from data refreshes rather than model relaxation, while annual reviews are likely to result only in incremental refinements.
- Portfolio analysis has not identified any signs of elevated stress across customer segments, including employees of Indian IT companies. The company, however, continues to monitor the segment closely.

Opex and other income

- The increase in employee expenses was primarily due to the implementation of the new wage code.
- Operating expenses are expected to remain slightly elevated as business activity picks up during the festive season.
- Decline in instance-based fee income was largely driven by lower late-fee collections. Management expects late-fee income to remain at current levels, while instance-based fee income should improve from 2HFY27, mainly due to a favorable base effect rather than any recovery in late-fee collections.

NIMs, cost and yields

- CoF is expected to remain broadly stable, although it will continue to depend on monetary policy actions and the interest rate environment.
- The company expects portfolio yields to remain within a broadly stable range through FY27.
- Management expects to sustain NIMs around the current levels, supported by portfolio actions, a higher share of EMI balances and ongoing yield optimization initiatives. The company also continues to actively optimize its funding mix to mitigate the impact of movements in treasury yields.

Spends; Loans and receivables

- Revolver balances are expected to remain broadly stable, although management acknowledged a marginal downside risk.
- With the festive season approaching, the share of EMI transactions is expected to increase.
- SBICARD continues to focus on converting customer spends into EMI loans, both at the point of sale and post-purchase, rather than driving standalone EMI products.
- Higher consumer durable prices have increased the average ticket sizes, resulting in a greater conversion of spends into EMI loans. Management expects this structural trend to continue supporting instalment lending growth.
- While some existing customers continue to carry personal loans linked to their credit cards, the company is not originating fresh personal loans at present.
- Management acknowledged that competitively priced personal loans may divert a part of borrowing demand. To address this, the company is improving the competitiveness of its EMI offerings, which has also contributed to a modest decline in revolver rates.
- Corporate spends are expected to account for around 20% of the overall spend mix. Since corporate cards do not offer lending, revenue is largely driven by interchange income. Consequently, profitability from this segment remains significantly lower than that in the retail card business.
- Rental transactions were temporarily impacted by incomplete landlord KYC. Following the resumption of acquiring bank support, rental payments have restarted, although volumes remain low. Management clarified that the objective was to curb misuse rather than restrict genuine industry activity.

Others

- SBI Bank has a customer base of around 530m. Of this, management estimates the addressable credit card opportunity at nearly 150-200m customers, providing significant headroom for future growth.

Story in charts

Exhibit 1: Spends increased 27.1% YoY/2.7% QoQ

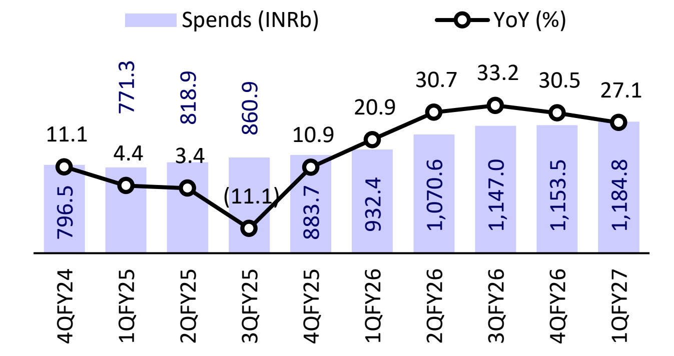


Exhibit 2: Retail mix rose to 79.4%; corporate at 20.6%

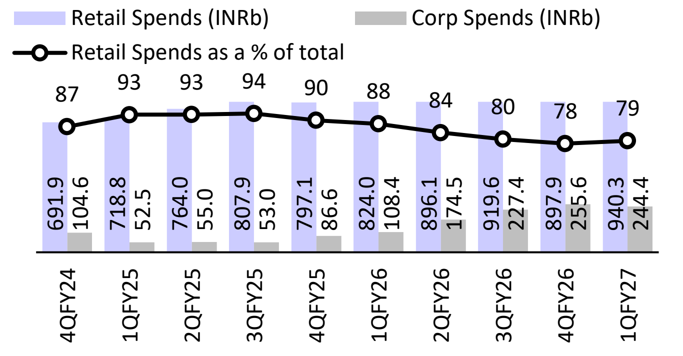


Exhibit 3: O/S cards increased ~6.6% YoY to 22.6m

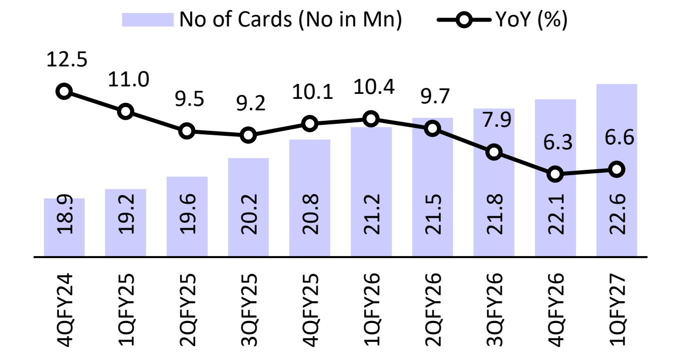


Exhibit 4: Margins declined to 10.8% in 1QFY27

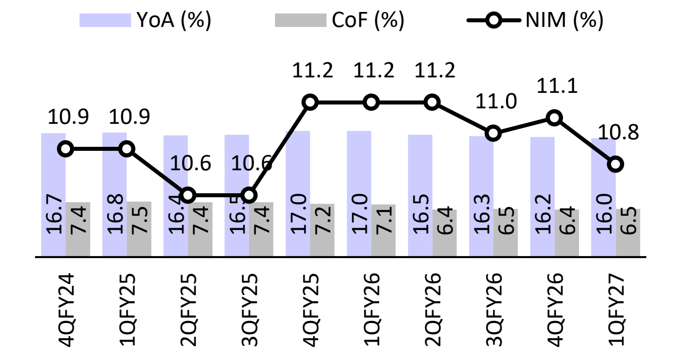


Exhibit 5: Revolver mix sticky at 22%; EMI mix rose to 33%

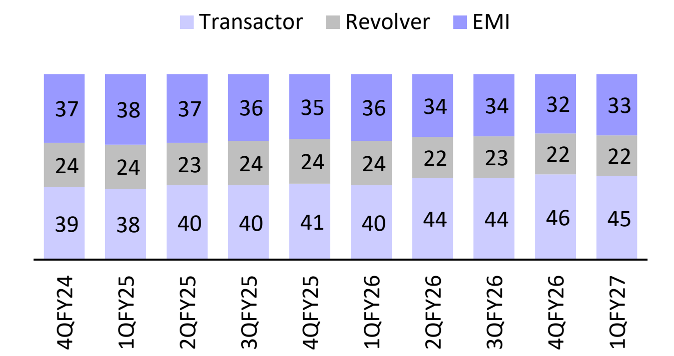


Exhibit 6: New cards sourcing mix: SBI sourcing stood at 47%

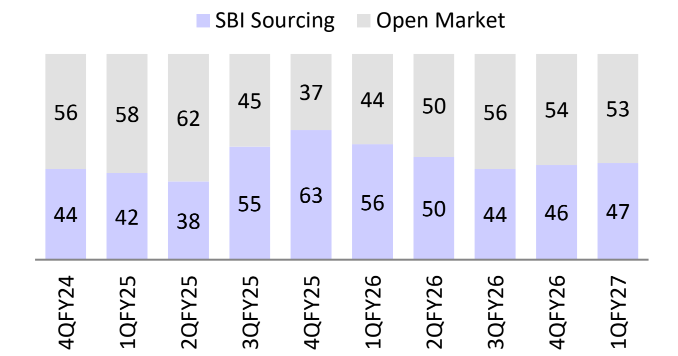
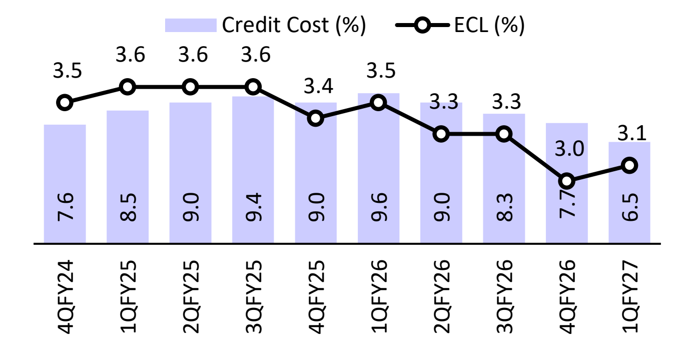
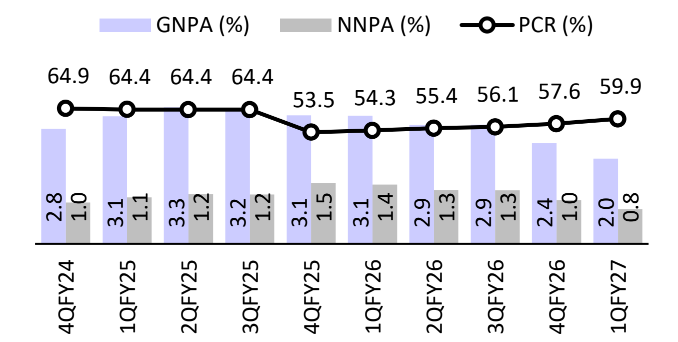


Exhibit 7: Credit cost declined to 6.5%; ECL increased to 3.1%



Source: MOFSL, Company

Exhibit 8: GNPA ratio declined by 45bp; NNPA ratio decreased by 24bp QoQ; PCR increased to 57.6%



Source: MOFSL, Company

Valuation and view

- SBICARD reported a largely in-line, albeit slightly soft, performance in 1QFY27. Lower provisions and an improving credit cost trajectory offset relatively muted receivables growth, which was impacted by a higher share of transactors.
- Credit cost moderated to 6.5%, while the company utilized INR1.8b of the INR2.2b management overlay created in 4QFY26 following the annual ECL model refresh.
- Management expects NIMs to remain broadly stable going forward, although any near-term policy actions could result in some increase in COF and will remain a key monitorable.
- Corporate spends have moderated, with management expecting the mix to stabilize at around 20% of total spends. Asset quality is expected to improve further, supported by lower forward delinquencies and a favorable macroeconomic environment.
- **We largely maintain our earnings estimates and expect SBICARD to report RoA/RoE of 4.4%/18.0% by FY28E. Reiterate Neutral with a revised TP of INR700 (18x FY28E EPS).**

Exhibit 9: We largely maintain our earnings estimate for FY27/28E

(INR b)	Old Estimates		New Estimates		Change (%/bps)	
	FY27	FY28	FY27	FY28	FY27	FY28
Net Interest Income	72.5	85.5	71.1	84.0	-2.0	-1.7
Other Income	121.2	140.7	119.0	136.1	-1.9	-3.2
Total Income	**193.7**	**226.1**	**190.0**	**220.1**	**-1.9**	**-2.7**
Operating Expenses	109.0	127.0	109.7	127.2	0.6	0.1
Operating Profits	**84.7**	**99.1**	**80.4**	**92.9**	**-5.1**	**-6.2**
Provisions	44.8	50.1	40.4	44.3	-9.9	-11.6
PBT	**39.9**	**49.0**	**40.0**	**48.6**	**0.3**	**-0.8**
Tax	10.2	12.5	10.2	12.4	0.3	-0.8
PAT	**29.7**	**36.5**	**29.8**	**36.2**	**0.3**	**-0.8**
Loans	622	726	622	726	0.0	0.0
Margins (%)	11.5	11.8	11.3	11.6	-22	-20
Credit Cost (%)	7.10	6.90	6.40	6.10	-70	-80
RoA (%)	**4.18**	**4.45**	**4.19**	**4.41**	**1**	**-3**
RoE (%)	**17.4**	**18.1**	**17.4**	**18.0**	**4**	**-14**
EPS	31	38	31	38	0.3	-0.8
BV	194	229	194	229	0.0	-0.1
ABV	189	225	190	225	0.3	0.1

Source: Company, MOFSL

Exhibit 10: DuPont analysis – estimate return ratios to improve

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	15.1	14.9	14.7	15.0	14.7	14.8
Interest Expense	4.1	5.0	5.1	4.7	4.7	4.5
Net Interest Income	**11.0**	**9.9**	**9.5**	**10.4**	**10.0**	**10.2**
Fee Income	16.5	15.7	12.9	13.9	14.2	14.1
Trading and others	4.1	3.0	2.5	2.5	2.5	2.5
Non-Interest income	**20.5**	**18.8**	**15.5**	**16.4**	**16.7**	**16.6**
Total Income	**31.5**	**28.7**	**25.0**	**26.7**	**26.7**	**26.8**
Operating Expenses	**18.6**	**16.1**	**12.9**	**14.8**	**15.4**	**15.5**
-Employee cost	1.4	1.1	1.0	1.0	1.0	1.0
-Others	17.2	15.0	12.0	13.8	14.4	14.5
Operating Profits	**12.9**	**12.6**	**12.0**	**11.9**	**11.3**	**11.3**
Provisions	**5.4**	**6.3**	**7.9**	**7.5**	**5.7**	**5.4**
PBT	**7.6**	**6.2**	**4.2**	**4.4**	**5.6**	**5.9**
Tax	1.9	1.6	1.1	1.1	1.4	1.5
RoA	**5.6**	**4.6**	**3.1**	**3.3**	**4.2**	**4.4**
Leverage (x)	4.6	4.7	4.8	4.5	4.2	4.1
RoE	**25.7**	**22.0**	**14.8**	**14.7**	**17.4**	**18.0**

Financials and valuations

Income Statement						(INR b)
Y/E March	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Interest Income	60.5	77.4	90.7	99.0	104.8	121.3
Interest Expense	16.5	26.0	31.8	30.7	33.7	37.3
Net Interest Income	**44.0**	**51.5**	**58.9**	**68.3**	**71.1**	**84.0**
-growth (%)	16.0	17.0	14.4	15.9	4.1	18.2
Non-Interest Income	82.4	97.4	95.7	108.1	119.0	136.1
Total Income	**126.4**	**148.9**	**154.6**	**176.4**	**190.0**	**220.1**
-growth (%)	23.0	17.8	3.8	14.1	7.8	15.8
Operating Expenses	74.5	83.7	80.1	97.6	109.7	127.2
Pre Provision Profits	**51.9**	**65.2**	**74.5**	**78.8**	**80.4**	**92.9**
-growth (%)	17.2	25.6	14.3	5.7	2.0	15.6
Provisions (excl tax)	21.6	32.9	48.7	49.6	40.4	44.3
PBT	**30.3**	**32.3**	**25.8**	**29.1**	**40.0**	**48.6**
Tax	7.7	8.2	6.6	7.5	10.2	12.4
- Tax Rate (%)	25.5	25.5	25.7	25.6	25.5	25.5
PAT	**22.6**	**24.1**	**19.2**	**21.7**	**29.8**	**36.2**
-growth (%)	39.7	6.6	-20.4	13.1	37.4	21.7
Total Comprehensive Income	**22.6**	**24.1**	**19.2**	**21.7**	**29.8**	**36.2**
-growth (%)	38.7	6.7	-20.3	13.3	36.9	21.7

Balance Sheet						
Y/E March	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	9.46	9.51	9.51	9.52	9.52	9.52
Reserves & Surplus	88.84	111.33	128.30	147.74	174.84	208.30
Net Worth	**98.3**	**120.8**	**137.8**	**157.3**	**184.4**	**217.8**
Borrowings	311.1	398.9	449.5	440.6	495.7	570.1
-growth (%)	35.4	28.2	12.7	-2.0	12.5	15.0
Other Liabilities & Prov.	46.1	62.0	68.2	65.4	78.5	94.9
Total Liabilities	**455.5**	**581.7**	**655.5**	**663.3**	**758.5**	**882.8**
Current Assets	13.5	27.3	27.4	23.2	28.3	34.5
Investments	**21.4**	**35.2**	**62.4**	**63.7**	**73.3**	**84.3**
-growth (%)	64.9	64.5	77.2	2.2	15.0	15.0
Loans	**393.6**	**490.8**	**539.3**	**549.8**	**621.9**	**726.3**
-growth (%)	30.4	24.7	9.9	1.9	13.1	16.8
Fixed Assets	5.7	5.6	3.3	2.3	5.7	6.3
Other Assets	21.2	22.8	23.1	24.2	29.4	31.3
Total Assets	**455.5**	**581.7**	**655.5**	**663.3**	**758.5**	**882.8**

Asset Quality						
Y/E March	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
GNPA (INR b)	9.6	14.0	17.2	13.7	14.7	15.7
NNPA (INR b)	3.5	4.9	8.0	5.8	5.2	5.3
GNPA Ratio	2.4	2.8	3.1	2.5	2.3	2.1
NNPA Ratio	0.9	1.0	1.4	1.1	0.8	0.7
Slippage Ratio	6.0	7.3	9.5	6.0	5.8	5.7
Credit Cost	6.0	7.2	9.1	8.7	6.4	6.1
PCR (Excl Tech. write off)	63.6	64.9	53.5	57.6	64.3	66.0

E: MOFSL Estimates

Financials and valuations

Business Metrics

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Total No of Cards (Nos in Mn)	16.8	18.9	20.8	23.9	28.0	32.6
Total spends (INR b)	2,625.0	3,295.9	3,334.8	3,901.7	4,643.0	5,478.8
Spends per card (INR k)	156.2	174.4	160.3	163.1	165.9	168.0
Loans per card (INR)	23	26	26	23	22	22
Fee income earned per card	3,931	4,320	3,848	3,832	3,608	3,540

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Yield & Cost Ratios (%)						
Avg. Yield on loans	16.8	16.9	17.0	17.2	16.6	16.7
Avg. Cost of Borrowings	6.1	7.3	7.5	6.9	7.2	7.0
Interest Spread	**10.7**	**9.6**	**9.5**	**10.3**	**9.4**	**9.7**
Net Interest Margin	**12.2**	**11.2**	**11.0**	**11.9**	**11.3**	**11.6**
Capitalisation Ratios (%)						
CAR	23.1	20.5	22.9	25.7	25.7	25.2
Tier I	20.4	16.5	17.5	18.7	19.4	19.5
CET 1	20.4	16.5	17.5	17.0	17.5	17.5
Tier II	2.7	4.0	5.4	7.0	6.3	5.6
Business ratios (%)						
Cost/Assets	18.6	16.1	12.9	14.8	15.4	15.5
Cost/Total Income	58.9	56.2	51.8	55.3	57.7	57.8
Int. Expense/Int.Income	27.2	33.5	35.0	31.0	32.2	30.8
Other income/Total Income	65.2	65.4	61.9	61.3	62.6	61.8
Empl. Cost/Total Expense	7.5	6.8	7.4	6.8	6.7	6.6

Valuation

	FY23	FY24	FY25	FY26	FY27E	FY28E
RoE	25.7	22.0	14.8	14.7	17.4	18.0
RoA	5.6	4.6	3.1	3.3	4.2	4.4
RoRWA	6.2	4.6	2.9	3.0	3.7	3.8
Book Value (INR)	104	127	145	165	194	229
-growth (%)	26.4	22.3	14.0	14.1	17.2	18.2
Price-BV (x)	**6.0**	**4.9**	**4.3**	**3.8**	**3.2**	**2.7**
Adjusted BV (INR)	101	123	139	161	190	225
Price-ABV (x)	**6.2**	**5.1**	**4.5**	**3.9**	**3.3**	**2.8**
EPS (INR)	23.9	25.4	20.1	22.8	31.3	38.1
-growth (%)	39.3	6.2	-20.6	13.0	37.4	21.7
Price-Earnings (x)	**26.1**	**24.6**	**31.0**	**27.4**	**20.0**	**16.4**

E: MOFSL Estimates

NOTES

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