

SBI Cards and Payment Services

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SBICARD IN
Equity Shares (m)	946
M.Cap.(INRb)/(USDb)	730.2 / 8.9
52-Week Range (INR)	1029 / 656
1, 6, 12 Rel. Per (%)	2/-6/-13
12M Avg Val (INR M)	1118

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
NII	45.1	55.3	74.6
OP	51.9	64.7	84.5
NP	22.6	27.9	37.2
NIM (%)	12.5	12.0	12.8
EPS (INR)	23.9	29.5	39.4
EPS Gr. (%)	39.3	23.5	33.3
BV/Sh. (INR)	104	131	167
ABV/Sh. (INR)	101	129	164

Ratios

RoE (%)	25.7	25.1	26.4
RoA (%)	5.6	5.5	5.9

Valuations

P/E(X)	32.3	26.1	19.6
P/BV (X)	7.4	5.9	4.6
P/ABV (X)	7.6	6.0	4.7

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	69.0	69.1	69.6
DII	17.5	16.7	12.4
FII	8.5	9.1	9.5
Others	5.1	5.1	8.5

FII Includes depository receipts

CMP: INR772

TP: INR930 (+20%)

Buy

Growth in spends healthy; margins moderate slightly

Provisions to remain elevated

- SBI Cards and Payment Services (SBICARD) reported a steady quarter as its PPoP delivered a healthy beat of 10% YoY supported by higher other income even as NII was in line. PAT grew 3% YoY to INR6.0b (8% beat) in 4QFY23.
- Margin contracted 10bp QoQ to 11.5% in 4QFY23 due to lower revolver mix (24%) and a higher cost of funds. Growth in spends was healthy at 4% QoQ, with retail spends up 33% YoY while corporate spends rose 32% YoY.
- GNPA/NNPA ratios expanded 13bp/7bp QoQ to 2.35%/0.87%. PCR was stable at ~64%. RoA/RoE came in at 5.0%/24.6% during the quarter.
- We cut our estimates slightly to factor in higher provisions. We estimate SBICARD to deliver 28% earnings CAGR over FY23–25, leading to an RoA/RoE of 5.9%/26.4%. **Reiterate BUY with a revised TP of INR930 (premised on 27x Sep'24E EPS).**

Growth in spends healthy; other income strong

- SBICARD reported a PAT of INR6.0b (+3% YoY), beating our estimate by 8% primarily due to higher other income even as provisions were elevated at INR6.3b. Gross/net credit costs stood at 6.3%/4.8% in 4QFY23. For FY23, NII/PPoP/PAT grew 17%/17%/40% YoY to INR45.1b/INR51.9b/ INR22.6b.
- NII rose 17% YoY to INR11.6b (in line). Margin declined 10bp QoQ to 11.5% due to a stable revolver mix at 24% and a higher cost of funds, which rose 40bp QoQ to 6.7%. Fee income grew by a healthy 25% YoY.
- Opex grew 26% YoY to INR19.8b. Thus, PPoP rose 22% YoY (10% beat), while the cost-to-income ratio moderated to 58.1% (-380bp QoQ).
- Cards-in-force rose 22% YoY/6% QoQ to 16.8m. New cards sourcing was robust at ~1.4m (+37% YoY/-16% QoQ), with the open market channel contributing 44% to total sourcing (58% on an outstanding basis).
- Overall spends grew 32% YoY/4% QoQ, with retail/corporate spends rising 33%/32% YoY. The share of online retail spends stood at 57% in FY23. Receivables grew at a healthy pace of 5.4% QoQ (+30% YoY).
- GNPA/NNPA ratios deteriorated 13bp/7bp QoQ to 2.35%/0.87%, with a stable PCR at ~64%. ECL was also stable QoQ at 3.3%.

Highlights from the management commentary

- Cost of funds is expected to increase by another 10-15bp in 1QFY24. If there are no further hikes, cost of funds could see some moderation over 2HFY24.
- Margins are likely to stabilize in 1HFY24 and could see some expansion in 2H.
- The company revised its ECL model that resulted in an additional credit cost of 20bp (INR200m). Excluding that, credit cost was as per guided basis of ~5.8-6.2%. Overall, the company expects credit cost to moderate gradually over the next few quarters.

Valuation and view

SBICARD reported a mixed quarter as higher other income drove earnings despite elevated provisions. Margin contracted QoQ due to a lower revolver mix of 24% and a higher funding cost. We expect the revolver mix to improve gradually; however, margin could remain under pressure as the borrowing cost is expected to increase further. Spends growth remained healthy, and we expect the traction to continue, which is likely to drive loan growth. The moderation in ECL will keep credit cost under control. We cut our estimates slightly to factor in higher provisions. We estimate SBICARD to deliver 28% earnings CAGR over FY23–25, leading to an RoA/RoE of 5.9%/26.4%. **Reiterate BUY with a revised TP of INR930 (premised on 27x Sep'24E EPS).**

Quarterly performance**(INR b)**

	FY22				FY23				FY22	FY23	FY23E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Est.
Net Interest Income	9.2	9.2	10.0	10.0	10.8	11.2	11.4	11.7	37.9	45.1	11.7	-0.8
% Change (Y-o-Y)	-18.7	-9.1	9.9	20.6	16.7	21.5	14.9	16.7	-2.3	18.8	17.6	
Other Income	13.0	15.2	18.7	17.5	18.8	19.7	20.5	22.4	64.8	81.4	19.5	15.2
Total Income	22.2	24.4	28.6	27.5	29.5	30.9	31.9	34.1	102.7	126.4	31.2	9.2
Operating Expenses	11.7	13.8	17.2	15.8	16.6	18.3	19.7	19.8	58.5	74.5	18.2	8.7
Operating Profit	10.5	10.6	11.4	11.7	12.9	12.5	12.2	14.3	44.3	51.9	13.0	9.8
% Change (Y-o-Y)	4.0	-7.2	22.9	24.8	22.5	18.3	6.4	22.0	11.8	17.2	11.1	
Provisions	6.4	5.9	6.3	3.9	4.5	5.5	5.3	6.3	22.6	21.6	5.7	11.3
Profit before Tax	4.1	4.6	5.2	7.8	8.4	7.1	6.8	8.0	21.7	30.3	7.4	8.6
Tax	1.1	1.2	1.3	2.0	2.1	1.8	1.7	2.0	5.6	7.7	1.8	10.2
Net Profit	3.0	3.4	3.9	5.8	6.3	5.3	5.1	6.0	16.2	22.6	5.5	8.1
% Change (Y-o-Y)	-22.5	67.3	84.0	231.1	105.8	52.4	32.1	2.7	64.2	39.7	-5.0	
Operating Parameters												
Loan (INRb)	230.4	253.9	279.7	301.9	320.8	365.0	373.5	393.6	301.9	393.6	389.4	1.1
Loan Growth (%)	5.1	15.8	18.0	28.7	39.2	43.7	33.6	30.4	28.7	30.4	29.0	1.4
Asset Quality												
Gross NPA (%)	3.9	3.4	2.4	2.2	2.2	2.1	2.2	2.4	2.2	2.4	2.1	0.2
Net NPA (%)	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.9	0.8	0.1
PCR (%)	78.2	73.7	65.9	65.3	65.1	64.0	64.2	63.6	65.3	63.6	65.1	-1.5

Quarterly snapshot

Profit and Loss (INR m)	FY21				FY22				FY23				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Interest Income	14,121	12,754	11,681	10,721	11,535	11,732	12,733	12,661	13,873	14,845	16,089	16,724	32	4
Interest Expenses	2,746	2,642	2,609	2,437	2,290	2,541	2,768	2,674	3,084	3,677	4,643	5,073	90	9
Net Interest Income	11,375	10,112	9,071	8,284	9,244	9,190	9,965	9,987	10,789	11,168	11,446	11,651	17	2
Other Income	7,808	12,373	13,717	13,961	12,975	15,223	18,663	17,500	18,755	19,689	20,473	22,442	28	10
Fee Income	6,677	10,193	11,068	11,138	10,987	12,440	14,570	14,268	15,380	16,108	16,697	17,857	25	7
Others	1,131	2,180	2,649	2,822	1,988	2,783	4,093	3,232	3,376	3,581	3,776	4,585	42	21
Total Income	19,183	22,486	22,788	22,245	22,219	24,413	28,629	27,487	29,545	30,856	31,919	34,093	24	7
Operating Expenses	9,047	11,086	13,477	12,854	11,680	13,833	17,189	15,767	16,633	18,340	19,745	19,799	26	0
Employee	1,121	1,222	1,312	1,262	1,164	1,147	1,209	1,207	1,386	1,290	1,421	1,521	26	7
Others	7,926	9,865	12,165	11,592	10,516	12,686	15,979	14,561	15,247	17,050	18,324	18,278	26	0
Operating Profits	10,136	11,399	9,311	9,391	10,540	10,580	11,440	11,720	12,912	12,517	12,174	14,294	22	17
Provisions	4,853	8,617	6,483	7,047	6,437	5,939	6,255	3,928	4,503	5,460	5,330	6,298	60	18
PBT	5,283	2,782	2,829	2,344	4,103	4,641	5,185	7,792	8,409	7,057	6,843	7,997	3	17
Taxes	1,350	720	732	590	1,057	1,192	1,327	1,984	2,140	1,800	1,749	2,032	2	16
PAT	3,933	2,061	2,097	1,754	3,046	3,449	3,858	5,809	6,269	5,256	5,095	5,965	3	17
Balance Sheet (INRm)														
Loans	219,210	219,254	236,960	234,591	230,410	253,936	279,690	301,873	320,790	364,998	373,540	393,610	30	5
Asset Quality (INRm)														
GNPA	3,150	10,287	4,146	12,543	9,555	8,985	6,991	6,944	7,440	8,074	8,575	9,570	38	12
NNPA	1,000	3,539	1,426	2,776	2,083	2,363	2,384	2,410	2,597	2,907	3,070	3,485	45	14
Ratios (%)	FY21				FY22				FY23				Change (bp)	
Asset Quality Ratios	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
GNPA	1.4	4.3	1.6	5.0	3.9	3.4	2.4	2.2	2.2	2.1	2.2	2.4	13	13
NNPA	0.4	1.5	0.6	1.2	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.9	9	7
PCR (Calc.)	68.3	65.6	65.6	77.9	78.2	73.7	65.9	65.3	65.1	64.0	64.2	63.6	-172	-62
Credit Cost	8.2	14.6	10.4	11.1	10.4	9.3	9.0	5.2	5.6	6.2	5.6	6.3	110	70
ECL	6.0	8.6	8.0	6.6	5.7	5.0	4.0	3.5	3.4	3.3	3.3	3.3	-20	0
Business Ratios (%)														
Fees to Total Income	34.8	45.3	48.6	50.1	49.4	51.0	50.9	51.9	52.1	52.2	52.3	52.4	47	7
Cost to Income	47.2	49.3	59.1	57.8	52.6	56.7	60.0	57.4	56.3	59.4	61.9	58.1	71	-379
Tax Rate	25.6	25.9	25.9	25.2	25.8	25.7	25.6	25.5	25.4	25.5	25.6	25.4	-5	-14
Profitability Ratios														
Yield on loans	23.9	21.4	18.6	17.1	18.5	18.0	17.9	16.8	17.1	16.4	16.4	16.7	-10	30
Cost of borrowings	6.6	6.6	6.1	5.5	5.2	5.5	5.4	4.9	5.1	5.4	6.3	6.7	180	40
Spreads	17.3	14.8	12.5	11.6	13.3	12.5	12.5	11.9	12.0	11.0	10.1	10.0	-190	-10
Margins	19.2	17.0	14.5	13.2	14.8	14.1	14.0	13.2	13.2	12.3	11.6	11.5	-170	-10
RoA	6.3	3.4	3.3	2.6	4.5	4.9	5.0	7.0	7.0	5.4	4.8	5.0	-196	24
RoE	28.3	14.1	13.8	11.2	18.7	20.1	21.2	30.4	30.8	24.1	22.0	24.6	-580	260
Other Details													Change (%)	
No of Cards (No in Mn)	10.6	11.0	11.5	11.8	12.0	12.5	13.2	13.8	14.3	14.8	15.9	16.8	22	6
Spends (INRb)	190.9	295.9	378.0	359.4	332.6	435.6	554.0	541.3	596.7	623.1	688.4	716.9	32	4



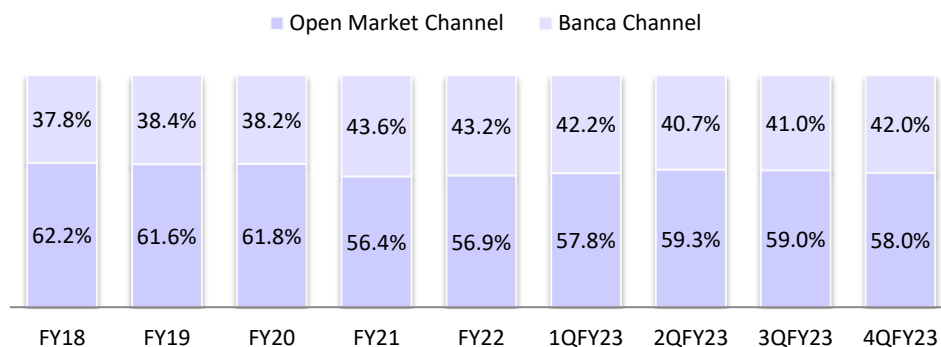
Highlights from the management commentary

- India's digital payment market is expected to reach USD10t by FY26 from USD3t
- Credit cards continue to drive the overall digital payments space
- Card spends have grown 28% YoY with spends being more than INR1t for the past many months
- FY23 saw the highest ever spends at INR14t. Further, FY23 also saw the highest ever festive season spends of INR1.29t and a strong winter holidays aided travel spends.
- The bank added the highest ever new accounts at ~5.2m in FY23

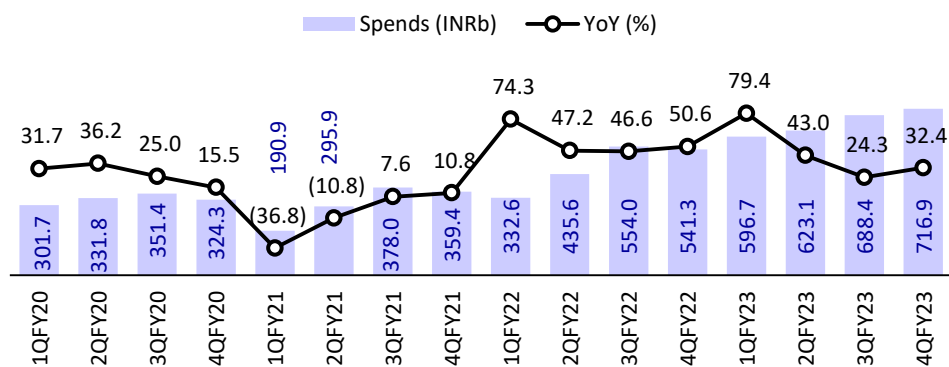
- The company remains focused on adding ~900k-1m accounts on a quarterly basis going ahead
- Travel spends in 4QFY23 stood higher than the 4QFY20 levels
- Average spends of newly acquired customers are higher than the earlier vintage customers
- The company is witnessing a higher mix of corporate spends and thus the market share in spends have been sluggish v/s market share in o/s cards
- Cost of funds is expected to increase by another 10-15bp in 1QFY24. If there are no further hikes, cost of funds could see some moderation over 2HFY24
- Margins are likely to stabilize over 1HFY24 and could see some expansion in 2HFY24
- Cost of acquisition is down 10%+ aided by higher sourcing from the Banca channel
- Operating cost is expected to trend downward gradually in the coming quarters
- Spends in the industry is likely to grow at ~22-25% and SBICARD would try to grow higher than the industry growth rate
- Spends conversion to EMI has been higher v/s the Pre-Covid levels that is driving the higher mix of EMI book. Revolver book is expected to witness a gradual recovery
- Rental spends have an average ticket size of INR22-24k with a share of mid-teens in total spends
- The company revised its ECL model that resulted in an additional credit cost of 20bp (INR200m). Ex of that, the credit cost is on guided basis of ~5.8-6.2%
- The bank has taken accelerated action in some of its legacy portfolio, which has been resulting in higher slippages over the past few quarters
- Newly vintage customer performance has been in line with the expectations
- Overall, the company expects credit cost to moderate gradually over the next few quarters

Key exhibits

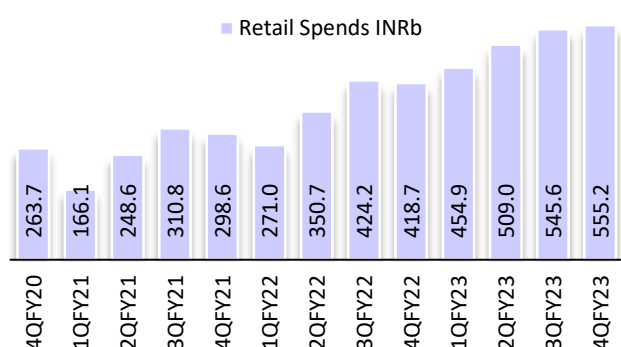
Exhibit 1: Acquires around 58% of outstanding cards via the open market channel (%)



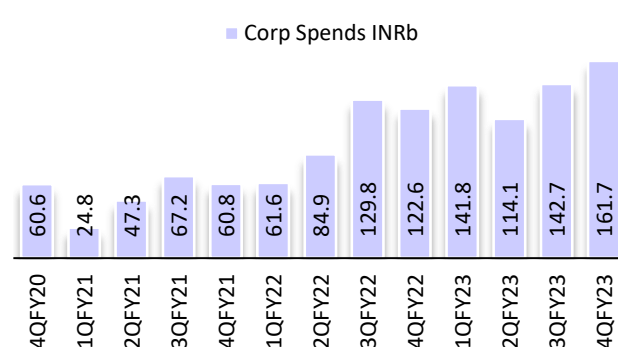
Source: MOFSL, Company

Exhibit 2: Spends remained healthy and grew 32% YoY (+4% QoQ)

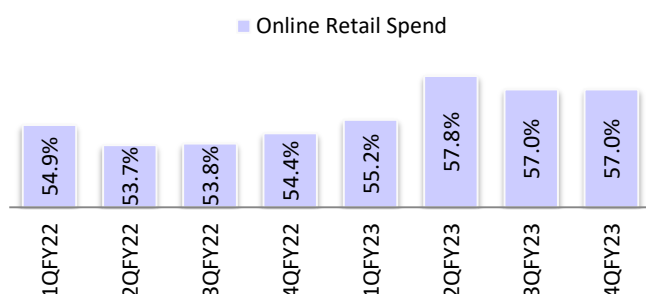
Source: MOFSL, Company

Exhibit 3: Retail spends robust at ~INR555b

Source: MOFSL, Company, RBI

Exhibit 4: Corporate spends strong at ~INR162b

Source: MOFSL, Company, RBI

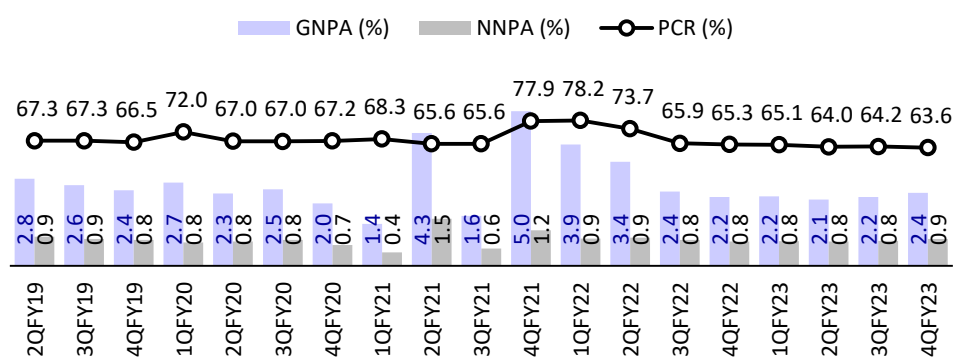
Exhibit 5: Online spends comprise ~57% of retail spends

Source: MOFSL, Company

Exhibit 6: Category-wise spends

Spend category	Growth in total	Growth in online	Growth in POS
Category 1	10%	11%	4%
Departmental Stores, Health, Utilities			
Education and Direct Marketing			
Category 2	(24%)	(57%)	(6%)
Consumer durables, Furnishing & Hardware			
Apparels & Jewelry			
Category 3	2%	3%	(1%)
Travel agents, Hotels, Airline, Railways			
Restaurant and Entertainment			

*% growth in 4QFY23 over 3QFY23 Source: MOFSL, Company, RBI

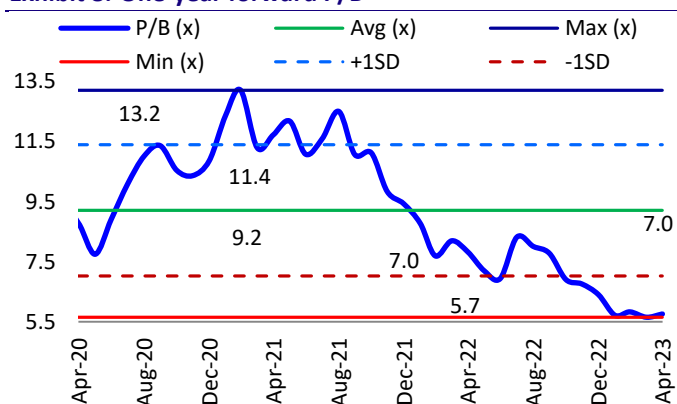
Exhibit 7: GNPA/NNPA ratios deteriorated 13bp/7bp QoQ to 2.35%/0.87%; PCR stable at ~64%

Source: MOFSL, Company

Valuation and view

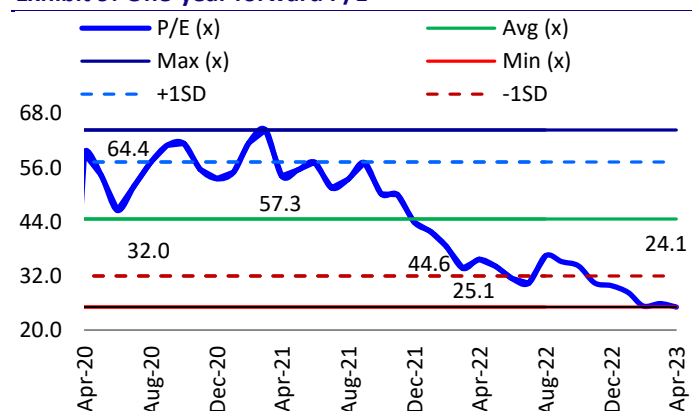
- SBICARD has strengthened its position as the second largest card player in the country, with a market share of 19.7% in outstanding cards and 18.2% in overall spends. It has an outstanding card base of 15.9m and has gained an average incremental market share of ~23% over the past three years (~26% in FY23). The company is also the market leader in terms of open market sourcing and is the largest co-branded card issuer in India.
- SBICARD has access to parent State Bank of India's vast network of ~22k branches and customer base of ~450m, along with strong open market sourcing capabilities. With robust distribution and co-branded channels, it is well placed to capitalize on growth opportunities, as the market remains significantly underpenetrated. Open market sourcing has picked up, and the banca channel is also growing strongly, which provides better risk underwriting and lowers opex.
- Asset quality ratios deteriorated slightly, while provisions remained elevated. We estimate GNPA/NNPA ratios of 2.5%/0.7% by FY25, while PCR would sustain at ~74%.
- The revolver mix was stable in 4QFY23, which is likely to increase gradually over the medium term. The improving revolver mix, a higher proportion of the interest earnings book and an increase in fee income will be the key earnings drivers. Margins, however, are likely to remain under pressure.
- **BUY with a TP of INR930:** SBICARD reported a mixed quarter as higher other income drove earnings despite elevated provisions. Margin contracted QoQ due to a lower revolver mix of 24% and a higher funding cost. We expect the revolver mix to improve gradually; however, margin could remain under pressure as the borrowing cost is expected to increase further. Spends growth remained healthy, and we expect the traction to continue, which is likely to drive loan growth. The moderation in ECL will keep credit cost under control. We cut our estimates slightly to factor in higher provisions. We estimate SBICARD to deliver 28% earnings CAGR over FY23–25, leading to an RoA/ RoE of 5.9%/26.4%. **Reiterate BUY with a revised TP of INR930 (premised on 27x Sep'24E EPS).**

Exhibit 8: One-year forward P/B



Source: MOFSL, Company

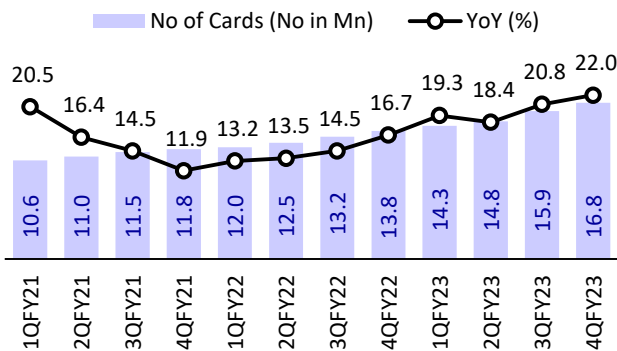
Exhibit 9: One-year forward P/E



Source: MOFSL, Company

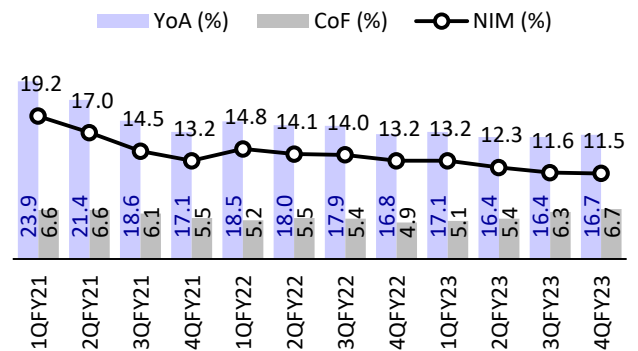
Story in charts

Exhibit 10: No. of cards up ~22% YoY to 16.8m



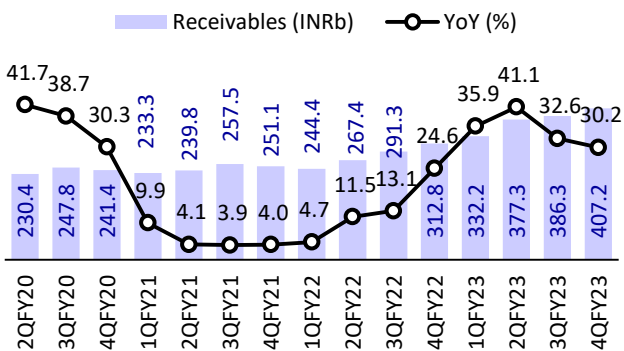
Source: MOFSL, Company

Exhibit 11: Margins declined 10bp QoQ to 11.5%



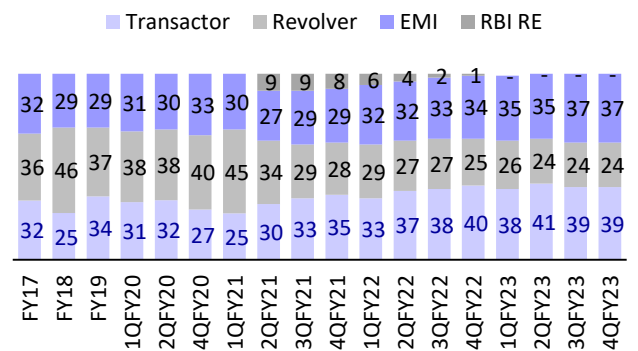
Source: MOFSL, Company

Exhibit 12: Receivables up 30% YoY to ~INR407b



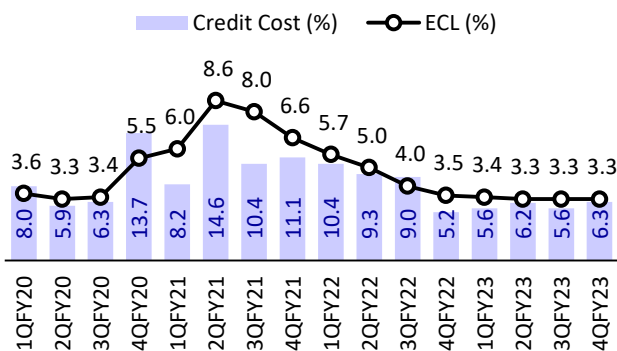
Source: MOFSL, Company

Exhibit 13: Receivables mix: Transactor mix stable at 39%, while revolver share stable at 24%



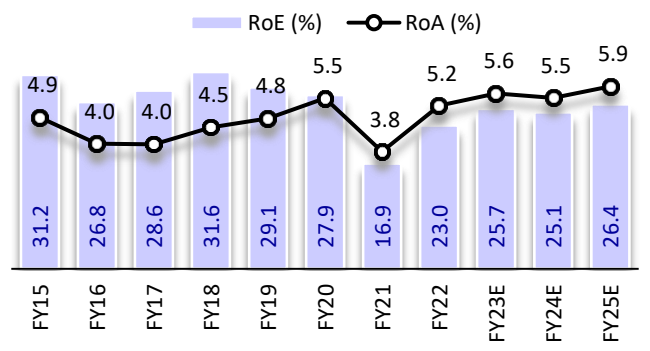
Source: MOFSL, Company

Exhibit 14: Credit cost increased to 6.3%; ECL at 3.3%



Source: MOFSL, Company

Exhibit 15: RoE/RoE to remain strong at 5.9%/26.4% in FY25



Source: MOFSL, Company

Exhibit 16: DuPont Analysis – return ratios to remain healthy

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	20.87	19.96	21.30	18.84	15.64	15.35	16.10	16.67
Interest Expense	5.38	5.63	5.72	3.99	3.33	4.11	5.24	4.94
Net Interest Income	15.49	14.32	15.58	14.85	12.31	11.24	10.86	11.73
Fee Income	16.46	17.15	17.51	14.94	16.95	16.47	16.52	16.40
Trading and others	3.27	3.57	4.10	3.36	4.07	3.82	3.14	2.97
Non-Interest income	19.74	20.71	21.61	18.29	21.02	20.29	19.66	19.37
Total Income	35.23	35.04	37.19	33.14	33.32	31.53	30.52	31.10
Operating Expenses	22.22	21.18	21.04	18.00	18.96	18.58	17.80	17.81
Employee cost	1.46	2.12	2.06	1.88	1.53	1.40	1.36	1.34
Others	20.76	19.07	18.98	16.12	17.43	17.18	16.44	16.48
Operating Profits	13.00	13.86	16.15	15.15	14.36	12.94	12.72	13.29
Provisions	6.05	6.41	8.54	10.09	7.32	5.38	5.34	5.41
NPA	4.52	5.21	5.39	8.26	9.12	4.89	4.97	4.95
Others	1.53	1.19	3.14	1.83	-1.80	0.49	0.36	0.46
PBT	6.95	7.45	7.61	5.06	7.05	7.56	7.39	7.88
Tax	2.41	2.62	2.13	1.30	1.80	1.93	1.90	2.03
RoA	4.55	4.83	5.48	3.76	5.24	5.63	5.49	5.86
Leverage (x)	7.0	6.0	5.1	4.5	4.4	4.6	4.6	4.5
RoE	31.6	29.1	27.9	16.9	23.0	25.7	25.1	26.4

Financials and valuations

Income Statement							(INR m)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	27,600	35,757	48,413	49,277	48,212	61,530	81,908	105,990
Interest Expense	7,115	10,094	13,009	10,434	10,273	16,476	26,640	31,417
Net Interest Income	20,485	25,664	35,404	38,843	37,939	45,054	55,268	74,574
Growth (%)	50.7	25.3	38.0	9.7	-2.3	18.8	22.7	34.9
Non-Interest Income	26,102	37,111	49,110	47,859	64,803	81,359	100,056	123,133
Total Income	46,587	62,775	84,514	86,702	102,742	126,413	155,324	197,707
Growth (%)	58.3	34.7	34.6	2.6	18.5	23.0	22.9	27.3
Operating Expenses	29,393	37,947	47,815	47,079	58,462	74,516	90,574	113,229
Pre Provision Profits	17,194	24,828	36,699	39,623	44,280	51,896	64,750	84,478
Growth (%)	55.8	44.4	47.8	8.0	11.8	17.2	24.8	30.5
Provisions (excl. tax)	8,001	11,477	19,402	26,386	22,558	21,590	27,149	34,360
PBT	9,193	13,351	17,296	13,237	21,722	30,306	37,600	50,118
Tax	3,182	4,701	4,848	3,392	5,560	7,721	9,663	12,880
Tax Rate (%)	34.6	35.2	28.0	25.6	25.6	25.5	25.7	25.7
PAT	6,011	8,650	12,448	9,845	16,161	22,585	27,937	37,238
Growth (%)	61.2	43.9	43.9	-20.9	64.2	39.7	23.7	33.3
OCI	(18)	(31)	(31)	128	102	(28)	-	-
Total Comprehensive Income	5,993	8,618	12,417	9,974	16,263	22,556	27,937	37,238
Growth (%)	61.4	43.8	44.1	-19.7	63.1	38.7	23.9	33.3
Balance Sheet								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Share Capital	7,850	8,372	9,390	9,405	9,432	9,461	9,461	9,461
Reserves & Surplus	15,681	27,506	44,023	53,615	68,095	88,840	114,412	148,812
Net Worth	23,531	35,878	53,412	63,020	77,527	98,301	123,873	158,272
Borrowings	114,128	135,494	175,728	178,948	229,825	311,096	380,854	479,876
Other Liabilities & Prov.	19,201	30,090	23,927	28,161	39,133	46,059	57,574	70,816
Total Liabilities	156,860	201,462	253,067	270,129	346,484	455,456	562,300	708,964
Current Assets	4,727	7,768	6,774	7,201	11,064	13,545	14,493	15,942
Investments	0	15	15	9,576	12,972	21,397	24,606	31,988
Growth (%)	NA	NA	0.0	65,347.3	35.5	64.9	15.0	30.0
Loans	140,455	179,087	228,116	234,591	301,873	393,610	495,948	629,854
Growth (%)	40.7	27.5	27.4	2.8	28.7	30.4	26.0	27.0
Fixed Assets	2,768	2,164	3,346	3,182	4,537	5,737	6,023	6,385
Other Assets	8,910	12,428	14,817	15,579	16,039	21,168	21,229	24,794
Total Assets	156,860	201,462	253,067	270,129	346,484	455,456	562,300	708,964
Asset Quality								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
GNPA (INR m)	4,125	4,529	4,844	12,543	6,934	9,570	8,580	16,104
NNPA (INR m)	1,348	1,518	1,589	2,776	2,409	3,485	2,230	4,184
GNPA Ratio	2.8	2.4	2.0	5.0	2.2	2.4	1.7	2.5
NNPA Ratio	0.9	0.8	0.7	1.1	0.8	0.9	0.4	0.7
Slippage Ratio	3.1	5.9	5.9	12.8	8.0	5.5	5.4	5.3
Credit Cost	6.4	6.2	9.1	10.7	8.0	6.0	5.9	5.9
PCR (Excl. Tech. write off)	67.3	66.5	67.2	77.9	65.3	63.6	74.0	74.0

Financials and valuations

Business Metrics

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Total No of Cards (Nos. in Mn)	6.3	8.3	10.5	11.8	13.8	16.8	20.7	25.2
Total spends (INR b)	770.2	1,032.7	1,309.2	1,224.2	1,863.5	2,625.0	3,386.2	4,334.4
Spends per card (INR k)	123.1	124.8	124.1	103.5	135.4	156.2	163.9	171.9
Loans per card (INR)	22,443	21,651	21,628	19,844	21,927	23,429	24,001	24,984
Loans as % of spends	18.2	17.3	17.4	19.2	16.2	15.0	14.6	14.5
Fee income earned per card	3,479	3,714	3,772	3,305	3,796	3,931	4,068	4,135

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Yield & Cost Ratios (%)								
Avg. Yield on loans	22.2	21.6	22.7	20.0	17.1	17.1	17.8	18.2
Avg. Cost of Borrowings	7.2	8.1	8.4	5.9	5.0	6.1	7.7	7.3
Interest Spread	15.0	13.5	14.3	14.1	12.1	11.0	10.1	10.9
Net Interest Margin	16.5	15.5	16.6	15.8	13.5	12.5	12.0	12.8

Capitalisation Ratios (%)

Tier I	12.4	14.9	17.7	20.9	21.0	20.4	19.9	19.6
Tier II	5.9	5.3	4.7	3.9	2.8	2.7	1.6	1.2
CAR	18.3	20.1	22.4	24.8	23.8	23.1	21.4	20.8

Asset-Liability Profile (%)

Cost/Assets	22.2	21.2	21.0	18.0	19.0	18.6	17.8	17.8
Cost/Total Income	63.1	60.4	56.6	54.3	56.9	58.9	58.3	57.3
Int. Expense/Int. Income	25.8	28.2	26.9	21.2	21.3	26.8	32.5	29.6
Fee Income/Total Income	46.7	48.9	47.1	45.1	50.9	52.2	54.1	52.7
Non Int. Inc./Total Income	56.0	59.1	58.1	55.2	63.1	64.4	64.4	62.3
Emp. Cost/Total Expense	6.6	10.0	9.8	10.4	8.1	7.5	7.6	7.5

Valuation

RoE	31.6	29.1	27.9	16.9	23.0	25.7	25.1	26.4
RoA	4.5	4.8	5.5	3.8	5.2	5.6	5.5	5.9
RoRWA	4.8	5.2	5.9	4.1	5.8	6.1	5.6	5.7
Book Value (INR)	30	43	57	67	82	104	131	167
Growth (%)	62.4	43.0	32.7	17.8	22.7	26.4	26.0	27.8
Price-BV (x)	25.7	18.0	13.6	11.5	9.4	7.4	5.9	4.6
Adjusted BV (INR)	29	42	56	65	80	101	129	164
Price-ABV (x)	26.8	18.6	13.9	11.9	9.6	7.6	6.0	4.7
EPS (INR)	7.7	10.7	14.0	10.5	17.2	23.9	29.5	39.4
Growth (%)	61.2	39.3	31.4	-25.3	63.8	39.3	23.5	33.3
Price-Earnings (x)	100.8	72.4	55.1	73.7	45.0	32.3	26.1	19.6

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