

SBI Cards

Estimate change	
TP change	
Rating change	

Bloomberg	SBICARD IN
Equity Shares (m)	952
M.Cap.(INRb)/(USDb)	883.9 / 10.1
52-Week Range (INR)	1027 / 660
1, 6, 12 Rel. Per (%)	2/-6/25
12M Avg Val (INR M)	1140

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	58.9	69.6	81.4
OP	74.5	82.9	96.9
NP	19.2	23.6	33.6
NIM (%)	11.0	11.8	12.1
EPS (INR)	20.1	24.8	35.4
EPS Gr. (%)	(20.6)	22.9	42.8
BV/Sh. (INR)	145	167	200
ABV/Sh. (INR)	139	162	192

Ratios

RoA (%)	3.1	3.4	4.1
RoE (%)	14.8	15.9	19.3

Valuations

P/E(X)	46.3	37.6	26.4
P/BV (X)	6.4	5.6	4.7
P/ABV (X)	6.7	5.7	4.8

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	68.6	68.6	68.6
DII	17.8	17.5	16.8
FII	10.1	10.2	9.2
Others	3.6	3.7	5.5

FII includes depository receipts

CMP: INR929

TP: INR1000 (+8%)

Neutral

NII in line; higher opex leads to earnings miss

NIMs remain flat QoQ; credit cost moderates

- SBI Cards (SBICARD) reported 2QFY26 PAT of INR4.5b (up 10% YoY/down 20% QoQ, MOFSLe: INR6b), affected by higher opex owing to festive offers and corporate pass-backs.
- Transactor mix increased to 44% from 40% in 1Q (due to festive-related spends), while revolver mix declined to 22% (vs. 24% in 1Q) and EMI mix declined to 34% (vs. 36% in 2Q). The company expects to sustain NIMs at the current levels.
- Spends grew by a healthy 31% YoY/15% QoQ, led by a robust revival in corporate spends (up 218% YoY/61% QoQ). Retail spends rose 17% YoY/9% QoQ. It expects to sustain receivable spending growth at 10-12%.
- GNPA ratio improved by 22bp QoQ to 2.85%, while NNPA ratio improved by 13bp QoQ to 1.29%. ECL declined by 17bp QoQ to 3.3%, while PCR rose 108bp QoQ to 55.4%.
- We reduce our earnings estimates by 12%/11% for FY26/FY27, considering an increase in opex and tepid margins. We expect SBICARD to post RoA/RoE of 4.1%/19.3% by FY27E. **Reiterate Neutral with a TP of INR1,000 (25x Sep'27E EPS).**

Healthy spends momentum backed by corporate recovery

- 2Q PAT was down 20% QoQ/up 10% YoY at INR4.5b (26% miss to MOFSLe), affected by higher opex owing to festive spends and corporate pass-backs.
- NII grew 15% YoY/3% QoQ to INR17.3b (in line). NIMs stood flat QoQ at 11.2%. NIMs are expected to hold up, led by stable yields and low CoF.
- Transactor mix increased to 44% (owing to higher transactor volume at the end of the quarter). Revolver mix declined to 22% (management expects revolver mix to improve after the festive season). EMI mix declined to 34%.
- Fee income as a proportion of total income was stable at 52%. Opex increased by 24% YoY/17% QoQ. C/I ratio, thus, increased to 56.8% from 50.3% in 1QFY26.
- Cards-in-force grew 10% YoY/1.4% QoQ to 21.5m. New card sourcing improved by 4% YoY/7% QoQ to 0.94m. About 50% of new card sourcing comes from banca, while open market comprised 50% vs. 44% in 1QFY26.
- Spends grew strongly by 31% YoY/15% QoQ, led by a surge in corporate spends (up 218% YoY/61% QoQ), while retail spends grew steadily by 17% YoY/7% QoQ. SBICARD expects strong momentum in the corporate spends category as the margin profile improves in the segment.
- GNPA ratio declined by 22bp QoQ to 2.85%, while NNPA ratio declined by 13bp QoQ to 1.29%. ECL declined to 3.3% from 3.5% in 1QFY26. PCR ratio increased by 108bp QoQ to 55.4% (up 108bp QoQ).

Highlights from the management commentary

- For FY26, C/I ratio is expected in the ~54-56% range. Due to higher corporate spends, this will be now at a higher side of the range.
- The company continues to expect 10-12% YoY growth in receivables in the upcoming quarters.
- The bank is expecting a decline in write-offs and gross credit costs going forward. Credit cost is expected to be below 9%.
- SBICARD will sustain the current NIMs going forward. Yields declined drastically in 2Q but should bounce back in 3Q.

Valuation and view

SBICARD delivered a mixed performance in 2Q, with higher opex partly offset by healthy spend momentum owing to festive trends. Provisions were in line with expectations and are likely to improve as macro conditions ease. The revolver mix moderated due to higher transactor activity during the festive season but is expected to recover as some users transition to revolvers, EMIs, or settlements. Spending growth should remain steady, supported by robust retail activity and a pickup in corporate spends. Receivables are projected to rise 10-12% YoY. Asset quality is expected to improve with lower forward flows and a supportive macro backdrop. NIMs are guided to remain stable, aided by some pending CoF benefits, while yields are likely to stay steady. **We reduce our earnings estimates by 12%/11% for FY26/FY27, considering an increase in opex and tepid margins. We expect SBICARD to post RoA/RoE of 4.1%/19.3% by FY27E. Reiterate Neutral with a TP of INR1,000 (25x Sep'27E EPS).**

Quarterly performance

(INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	14.8	15.0	15.7	16.2	16.8	17.3	17.6	17.9	58.9	69.6	17.2	1%
% Change (Y-o-Y)	19.7	15.8	13.2	14.5	13.8	15.2	12.1	10.5	14.4	18.1	14.4	
Other Income	22.4	22.7	23.7	24.2	25.4	26.5	27.6	28.7	95.7	108.2	26.2	1%
Total Income	37.2	37.7	39.4	40.4	42.2	43.8	45.2	46.6	154.6	177.8	43.4	1%
Operating Expenses	18.2	20.1	21.1	20.7	21.2	24.8	24.2	24.6	80.1	94.9	22.5	10%
Operating Profit	19.0	17.6	18.3	19.6	21.0	18.9	21.0	22.0	74.5	82.9	20.9	-10%
% Change (Y-o-Y)	25.4	13.3	13.0	7.2	10.5	7.7	14.7	12.0	14.3	11.3	19.0	
Provisions	11.0	12.1	13.1	12.5	13.5	12.9	12.7	12.1	48.7	51.2	12.8	1%
Profit before Tax	8.0	5.5	5.2	7.2	7.5	6.0	8.3	9.9	25.8	31.7	8.1	-26%
Tax	2.0	1.4	1.3	1.8	1.9	1.6	2.1	2.6	6.6	8.1	2.1	-25%
Net Profit	5.9	4.0	3.8	5.3	5.6	4.4	6.2	7.4	19.2	23.6	6.0	-26%
% Change (Y-o-Y)	0.2	-32.9	-30.2	-19.4	-6.5	10.0	61.3	38.0	-20.4	22.9	49.5	
Operating Parameters												
Loan (INRb)	508.1	536.0	528.1	539.3	546.3	578.6	589.8	604.1	539.3	604.1	579.5	
Loan Growth (%)	21.5	23.0	12.0	9.9	7.5	7.9	11.7	12.0	9.9	12.0	8.1	
Borrowings (INRb)	408.7	432.2	439.1	449.5	461.8	492.3	481.5	490.5	449.5	490.5	474.9	
Borrowing Growth (%)	24.0	26.8	15.5	12.7	13.0	13.9	9.7	9.1	12.7	9.1	10	
Asset Quality												
Gross NPA (%)	3.1	3.3	3.2	3.1	3.1	2.9	3.0	3.0	3.1	3.0	3.0	
Net NPA (%)	1.1	1.2	1.2	1.5	1.4	1.3	1.3	1.1	1.4	1.1	1.3	
PCR (%)	64.4	64.4	64.4	53.5	54.3	55.4	57.0	63.4	53.5	63.4	56.4	

Source: Company, MOFSL

Quarterly snapshot

	FY25				FY26		Change (%)	
Profit and Loss (INR b)	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Interest Income	22.4	22.9	24.0	24.2	24.9	24.9	9	0
Interest Expenses	7.7	7.9	8.3	8.0	8.1	7.6	-4	-6
Net Interest Income	14.8	15.0	15.7	16.2	16.8	17.3	15	3
Other Income	22.4	22.7	23.7	24.2	25.4	26.5	17	4
Fee Income	19.3	19.6	20.2	20.9	21.9	22.7	16	3
Others	3.1	3.1	3.4	3.2	3.5	3.8	23	9
Total Income	37.2	37.7	39.4	40.4	42.2	43.8	16	4
Operating Expenses	18.2	20.1	21.1	20.7	21.2	24.8	24	17
Employee	1.3	1.5	1.5	1.5	1.6	1.6	6	-2
Others	16.8	18.6	19.5	19.2	19.6	23.3	25	19
Operating Profits	19.0	17.6	18.3	19.6	21.0	18.9	8	-10
Provisions	11.0	12.1	13.1	12.5	13.5	12.9	7	-4
PBT	8.0	5.5	5.2	7.2	7.5	6.0	10	-20
Taxes	2.0	1.4	1.3	1.8	1.9	1.6	10	-19
PAT	5.9	4.0	3.8	5.3	5.6	4.4	10	-20
Balance Sheet								
Loans	508.1	536.0	528.1	539.3	546.3	578.6	8	6
Borrowings	408.7	432.2	439.1	449.5	461.8	492.3	14	7
Receivable Mix (%)								
Transactor	38.0	40.0	40.0	41.0	40.0	44.0	400	400
Revolver	24.0	23.0	24.0	24.0	24.0	22.0	-100	-200
EMI	38.0	37.0	36.0	35.0	36.0	34.0	-300	-200
Asset Quality (INR b)								
GNPA	16.1	18.2	17.7	17.2	17.4	17.1	-6	-2
NNPA	5.7	6.5	6.3	8.0	7.9	7.6	17	-4
Asset Quality Ratios (%)								
	1Q	2Q	3Q	4Q	1Q	2Q	YoY (bp)	QoQ (bp)
GNPA	3.06	3.27	3.24	3.08	3.07	2.85	-42	-22
NNPA	1.11	1.19	1.18	1.46	1.42	1.29	10	-13
PCR (Calc.)	64.4	64.4	64.4	53.5	54.3	55.4	-895	110
Credit Cost	8.7	9.0	9.9	9.2	9.9	8.9	-11	-96
ECL	3.6	3.6	3.6	3.4	3.5	3.3	-30	-20
Business Ratios (%)								
Fees to Total Income	51.9	51.9	51.4	51.8	51.9	51.8	-18	-13
Cost to Income	48.9	53.4	53.5	51.4	50.3	56.8	339	649
Sourcing channel Mix (%)								
SBI	42.0	38.0	55.0	63.0	56.0	50.0	1,200	-600
Open Market	58.0	62.0	45.0	37.0	44.0	50.0	-1,200	600
Spend Mix (%)								
Corporate Spends	6.8	6.7	6.2	9.8	11.6	16.3	959	468
Retail Spends	93.2	93.3	93.8	90.2	88.4	83.7	-959	-468
Profitability Ratios (%)								
Yield on loans	16.8	16.4	16.5	17.0	17.0	16.5	10	-50
Cost of borrowings	7.5	7.4	7.4	7.2	7.1	6.4	-100	-70
Spreads	9.3	9.0	9.1	9.8	9.9	10.1	110	20
Margins	10.9	10.6	10.6	11.2	11.2	11.2	60	0
RoA	4.1	2.7	2.4	3.4	3.4	2.6	-10	-80
RoE	19.1	12.5	11.5	15.5	15.8	12.1	-40	-370
Other Details								
							Change (%)	
New accounts added (000)	904.0	904	1,175	1,109	873.0	936	4	7
O/S Cards (Mn)	19.2	19.6	20.2	20.8	21.2	21.5	10	1
Spends (INRb)	771.3	818.9	860.9	883.7	932.4	1,070.6	31	15
- Retail Spends (INRb)	718.8	764.0	807.9	797.1	824.0	896.1	17	9
- Corporate Spends (INRb)	52.5	55.0	53.0	86.6	108.4	174.5	218	61
-Spends market share (%)	15.9	15.8	15.6	15.6	16.6	16.8	100	20
-O/S cards market share (%)	18.5	18.5	18.7	18.9	19.1	19.0	50	-10

Source: Company, MOFSL



Highlights from the management commentary

Opening remarks

- India's payments landscape is undergoing a significant transformation.
- Digital payment volume is expected to triple by FY30.
- India has ~112m credit cards in circulation, which could double by FY30.
- SBICARD remains India's second-largest credit card issuer, with a 19% market share in CIF and 16.8% in spending.
- It continues to introduce customized card offerings for its customers.
- CIF rose by 10% YoY, with the addition of 936,000 accounts.
- Online contributed 61% of total retail spends.
- Total spending grew 31% YoY; retail spends rose 17% YoY, driven by both POS and e-commerce usage.
- Higher spend-based income led to a boost in revenue.
- Higher costs due to festivities and higher corporate spends led to high expenses.
- Yields were affected by higher transactor volume and stood at ~16.5%.
- CoF reduced by 51bp on daily average basis and is expected to remain at the current level.
- ECL rates fell to ~3.3% in 2QFY26.
- Credit costs declined to 9%. Gross write-offs stood at INR12.81b.
- RoA stood at 2.6% and RoE stood at 12.1%.
- Digital payment and UPI segments are doing good.
- The company has partnered with Flipkart, IndiGo airline and a digital company.
- Flipkart is expanding into tier-2 and tier-3 cities, where SBICARD has good access and the partnership is doing good.
- The company is also seeing good growth in retail outlets at the airport.

Credit costs and ECL

- It is following a model that calculates provisions based on ECL numbers. Stock has reduced, especially in stage 2 category. As the bank has been dropping the stocks, ECL numbers are going down.
- The bank is expecting a decline in write-offs and gross credit cost going forward.
- Credit cost is expected at below 9%.

Opex and Other Income

- Corporate spends were way high, in addition to the fact that 2Q is always higher due to festive offers.
- For full year, C/I ratio is expected in the range of ~54-56%. Due to higher corporate spends, this will be now at the higher side of the range.
- Other expenses included INR300m of stamp expenses.
- Fee from certain categories of spends has started to come down, such as rental fee income.
- Rental spends have almost stopped and this would impact the overall spend by ~3-5% in the previous quarter.

NIMs, cost and yields

- SBICARD will sustain the current NIMs.
- Yields declined drastically in 2Q and are expected to bounce back in 3Q.

Spends, loans and receivables

- The company continues to expect 10-12% YoY growth in receivables in the upcoming quarters.
- Revolvers are seeing a downward bias due to the denominator impact. EMI continues to be broadly stable.
- Continues to work with banca channel as well for profitable customers.
- In absolute term, there has been growth in revolver assets, but growth is fairly muted as it is focusing on certain customer segments only.
- Focus is to reduce credit costs before the company starts looking at growth parameters.
- Due to the co-brand partnership and in line with overall customer behavior, people want to buy online more and therefore POS spends are lower. In category 1, departmental spends are critical.
- In corporate, asset is hardly anything and therefore RoA is high. Revenue is essentially the interchange and part of it goes back to customers.
- For merchants, payment aggregator has to do KYC and where they are unable to do KYC, these rental spends are being affected. Rental spend is 3-5% of retail spends.
- Mix of revolver is expected to increase going forward.
- Corporate spend is expected to grow, where margins from customers are good.
- Excl. rental, the company is seeing good retail spends and it would be more than 20% YoY mainly due to a good pickup in UPI RuPay credit cards.
- Focus remains on acquiring high-quality customers, targeting 0.9-1 million cards going forward.

Guidance

- Receivable growth guidance continues at 10-12% YoY.
- Credit cost is expected to be below 9%.

Story in charts

Exhibit 1: Spends increased 30.7% YoY (up 14.8% QoQ)

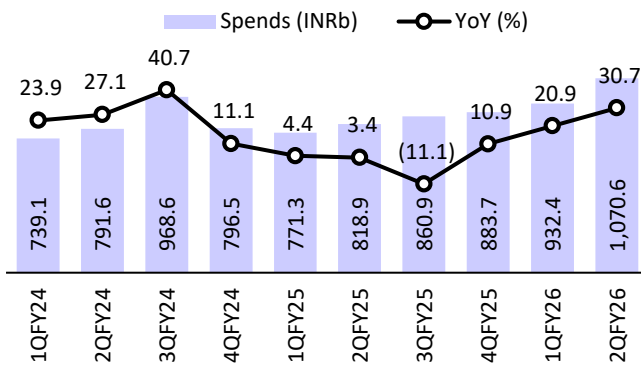


Exhibit 2: Mix of retail spending declined to 84% from 94% in 3QFY25, as corporate spends pick up pace

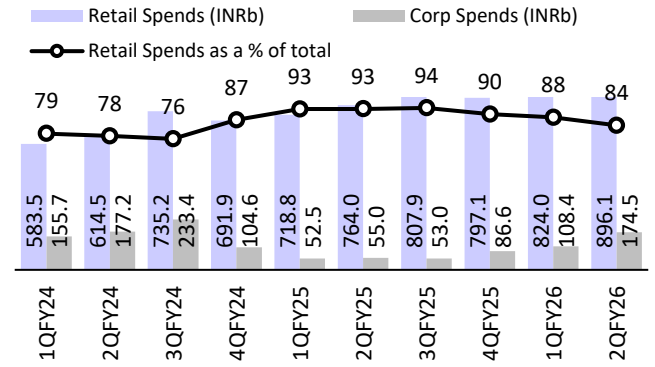


Exhibit 3: O/S cards increased ~9.7% YoY to 21.5m

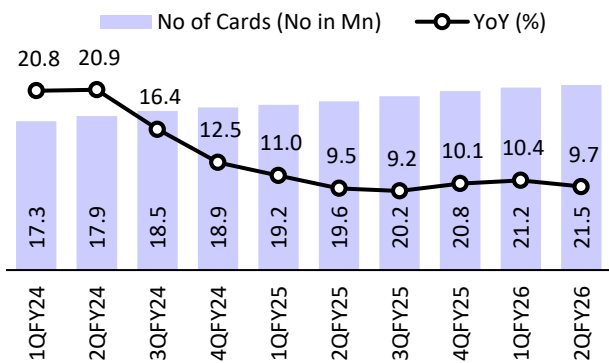


Exhibit 4: Margins stood stable at 11.2% in 2QFY26

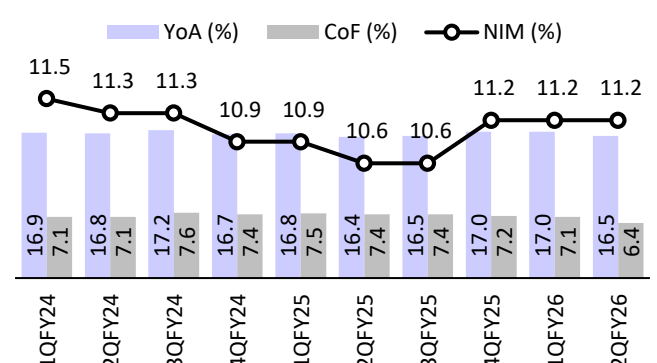


Exhibit 5: Revolver mix declined to 22% amid higher transactor activity in 2Q

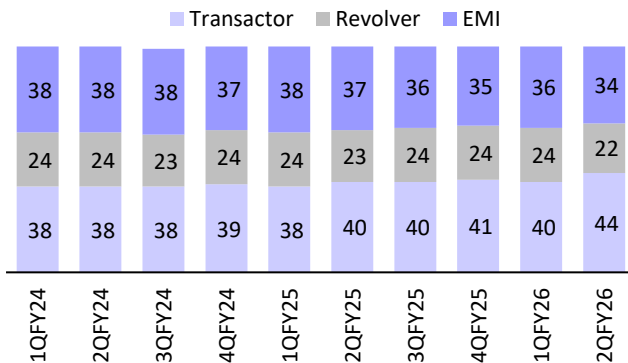


Exhibit 6: New cards sourcing mix: SBI sourcing stood at 50%

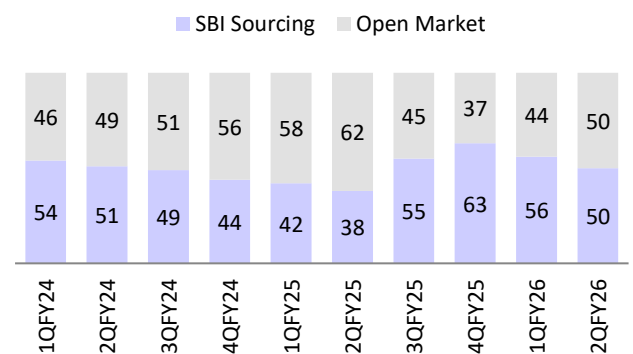


Exhibit 7: Credit cost declined to 3%; ECL declined to 3.3%

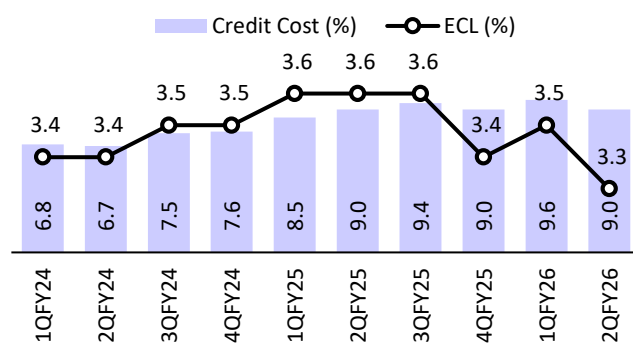
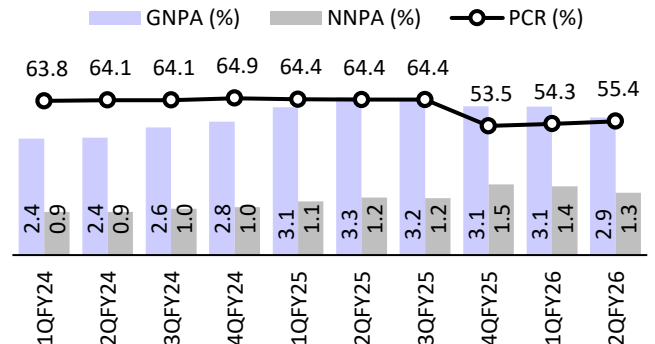


Exhibit 8: GNPA ratio decreased 22bp; NNPA ratio decreased by 13bp QoQ; PCR increased to 55.4%



Source: MOFSL, Company

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Valuation and view

- SBICARD delivered a mixed performance in 2Q, with higher opex partly offset by healthy spend momentum owing to festive trends. Provisions were in line with expectations and are likely to improve as macro conditions ease.
- The revolver mix moderated due to higher transactor activity during the festive season but is expected to recover as some users transition to revolvers, EMIs, or settlements.
- Spending growth should remain steady, supported by robust retail activity and a pickup in corporate spends. Receivables are projected to rise 10-12% YoY.
- Asset quality is expected to improve with lower forward flows and a supportive macro backdrop. NIMs are guided to remain stable, aided by some pending CoF benefits, while yields are likely to stay steady.
- **We reduce our earnings estimates by 12%/11% for FY26/FY27, considering an increase in opex and tepid margins. We expect SBICARD to post RoA/RoE of 4.1%/19.3% by FY27E. Reiterate Neutral with a TP of INR1,000 (25x Sep'27E EPS).**

Exhibit 9: We reduce our earnings estimate by 12%/11%/9% for FY26E/27E/28E

INR b	Old Estimates			New Estimates			Change (%/bps)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Net Interest Income	69.9	80.1	92.9	69.6	81.4	95.6	-0.3	1.6	2.9
Other Income	104.4	125.9	147.7	108.2	125.4	147.2	3.6	-0.4	-0.4
Total Income	174.2	206.0	240.7	177.8	206.8	242.7	2.0	0.4	0.9
Operating Expenses	88.3	103.5	121.6	94.9	109.9	128.4	7.5	6.1	5.6
Operating Profits	86.0	102.4	119.1	82.9	96.9	114.3	-3.5	-5.4	-4.0
Provisions	50.0	51.9	57.9	51.2	51.8	58.5	2.4	-0.2	1.0
PBT	35.9	50.6	61.2	31.7	45.2	55.8	-11.8	-10.7	-8.7
Tax	9.2	12.9	15.6	8.1	11.5	14.2	-11.8	-10.7	-8.7
PAT	26.7	37.7	45.6	23.6	33.6	41.6	-11.8	-10.7	-8.7
Loans	604	697	814	604	695	811	0.0	-0.3	-0.3
Margins (%)	11.8	11.9	11.9	11.8	12.1	12.3	-4	21	38
Credit Cost (%)	8.45	7.70	7.40	8.65	7.70	7.50	20	0	10
RoA (%)	3.79	4.61	4.75	3.35	4.14	4.38	-44	-47	-37
RoE (%)	17.8	21.0	20.9	15.9	19.3	19.9	-193	-169	-99
EPS	28	40	48	25	35	44	-11.8	-10.7	-8.7
BV	170	207	252	167	200	240	-1.9	-3.6	-4.6
ABV	165	202	248	162	192	242	-1.5	-4.9	-2.2

Source: Company, MOFSL

Exhibit 10: DuPont analysis – estimate return ratios to be broadly range-bound

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	15.1	14.9	14.7	14.3	14.2	14.4
Interest Expense	4.1	5.0	5.1	4.4	4.2	4.3
Net Interest Income	11.0	9.9	9.5	9.9	10.0	10.1
Fee Income	16.5	15.7	12.9	13.2	13.2	13.3
Trading and others	4.1	3.0	2.5	2.2	2.2	2.2
Non Interest income	20.5	18.8	15.5	15.4	15.4	15.5
Total Income	31.5	28.7	25.0	25.3	25.4	25.6
Operating Expenses	18.6	16.1	12.9	13.5	13.5	13.5
-Employee cost	1.4	1.1	1.0	0.9	0.9	0.9
-Others	17.2	15.0	12.0	12.6	12.6	12.6
Operating Profits	12.9	12.6	12.0	11.8	11.9	12.0
Provisions	5.4	6.3	7.9	7.3	6.4	6.2
PBT	7.6	6.2	4.2	4.5	5.6	5.9
Tax	1.9	1.6	1.1	1.2	1.4	1.5
RoA	5.6	4.6	3.1	3.4	4.1	4.4
Leverage (x)	4.6	4.7	4.8	4.7	4.7	4.5
RoE	25.7	22.0	14.8	15.9	19.3	19.9

Financials and valuations

Income Statement						(INR b)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	60.5	77.4	90.7	100.9	115.6	136.4
Interest Expense	16.5	26.0	31.8	31.3	34.3	40.9
Net Interest Income	44.0	51.5	58.9	69.6	81.4	95.6
-growth (%)	16.0	17.0	14.4	18.1	16.9	17.5
Non Interest Income	82.4	97.4	95.7	108.2	125.4	147.2
Total Income	126.4	148.9	154.6	177.8	206.8	242.7
-growth (%)	23.0	17.8	3.8	15.0	16.3	17.4
Operating Expenses	74.5	83.7	80.1	94.9	109.9	128.4
Pre Provision Profits	51.9	65.2	74.5	82.9	96.9	114.3
-growth (%)	17.2	25.6	14.3	11.3	16.9	17.9
Provisions (excl tax)	21.6	32.9	48.7	51.2	51.8	58.5
PBT	30.3	32.3	25.8	31.7	45.2	55.8
Tax	7.7	8.2	6.6	8.1	11.5	14.2
- Tax Rate (%)	25.5	25.5	25.7	25.7	25.5	25.5
PAT	22.6	24.1	19.2	23.6	33.6	41.6
-growth (%)	39.7	6.6	-20.4	22.9	42.8	23.7
Total Comprehensive Income	22.6	24.1	19.2	23.6	33.6	41.6
-growth (%)	38.7	6.7	-20.3	22.8	42.8	23.7

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	9.46	9.51	9.51	9.51	9.51	9.51
Reserves & Surplus	88.84	111.33	128.30	149.39	180.37	219.20
Net Worth	98.3	120.8	137.8	158.9	189.9	228.7
Borrowings	311.1	398.9	449.5	490.5	564.1	648.7
-growth (%)	35.4	28.2	12.7	9.1	15.0	15.0
Other Liabilities & Prov.	46.1	62.0	68.2	100.9	121.1	146.5
Total Liabilities	455.5	581.7	655.5	750.3	875.0	1,023.9
Current Assets	13.5	27.3	27.4	33.1	40.4	49.3
Investments	21.4	35.2	62.4	81.1	100.5	117.6
-growth (%)	64.9	64.5	77.2	30.0	24.0	17.0
Loans	393.6	490.8	539.3	604.1	694.7	811.4
-growth (%)	30.4	24.7	9.9	12.0	15.0	16.8
Fixed Assets	5.7	5.6	3.3	5.1	5.7	6.3
Other Assets	21.2	22.8	23.1	26.9	33.7	39.3
Total Assets	455.5	581.7	655.5	750.3	875.0	1,023.9

Asset Quality

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA (INR b)	9.6	14.0	17.2	18.2	19.2	22.6
NNPA (INR b)	3.5	4.9	8.0	6.6	9.9	-2.2
GNPA Ratio	2.4	2.8	3.1	3.0	2.7	2.7
NNPA Ratio	0.9	1.0	1.4	1.1	1.4	-0.3
Slippage Ratio	6.0	7.3	9.5	6.7	6.1	6.1
Credit Cost	6.0	7.2	9.1	8.7	7.7	7.5
PCR (Excl Tech. write off)	63.6	64.9	53.5	63.4	48.6	109.9

E: MOFSL Estimates

Financials and valuations

Business Metrics

Y/E March	FY23	FY24	FY25	FY26E	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	25	25	25
Fee income earned per card	3,931	4,320	3,848	3,883	3,829	3,866

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield & Cost Ratios (%)						
Avg. Yield on loans	16.8	16.9	17.0	17.0	17.2	17.5
Avg. Cost of Borrowings	6.1	7.3	7.5	6.7	6.5	6.7
Interest Spread	10.7	9.6	9.5	10.4	10.7	10.8
Net Interest Margin	12.2	11.2	11.0	11.8	12.1	12.3

Capitalisation Ratios (%)

CAR	23.1	20.5	22.9	24.3	24.3	24.2
Tier I	20.4	16.5	17.5	17.7	18.4	18.9
CET 1	20.4	16.5	17.5	17.0	17.5	17.5
Tier II	2.7	4.0	5.4	6.6	5.9	5.3

Business ratios (%)

Cost/Assets	18.6	16.1	12.9	13.5	13.5	13.5
Cost/Total Income	58.9	56.2	51.8	53.4	53.1	52.9
Int. Expense/Int.Income	27.2	33.5	35.0	31.0	29.6	30.0
Other income/Total Income	65.2	65.4	61.9	60.8	60.7	60.6
Empl. Cost/Total Expense	7.5	6.8	7.4	7.0	6.9	6.8

Valuation

RoE	25.7	22.0	14.8	15.9	19.3	19.9
RoA	5.6	4.6	3.1	3.4	4.1	4.4
RoRWA	6.2	4.6	2.9	3.2	3.9	4.0
Book Value (INR)	104	127	145	167	200	240
-growth (%)	26.4	22.3	14.0	15.3	19.5	20.5
Price-BV (x)	9.0	7.3	6.4	5.6	4.7	3.9
Adjusted BV (INR)	101	123	139	162	192	242
Price-ABV (x)	9.2	7.6	6.7	5.7	4.8	3.9
EPS (INR)	23.9	25.4	20.1	24.8	35.4	43.7
-growth (%)	39.3	6.2	-20.6	22.9	42.8	23.7
Price-Earnings (x)	39.0	36.7	46.3	37.6	26.4	21.3

E: MOFSL Estimates

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