

SBI Cards and Payment Services



India | Diversified Financials | Company Update | Rating Upgrade

18 November 2025

Balance sheet cleanup in its last leg

We had downgraded SBI Cards and Payment Services (SBICARD IN) to Reduce in Q4FY25, given lower receivables growth guidance of 10-12%, tepid cards-in-force (CIF) accretion of 0.93-0.96mn per quarter & elevated credit cost of 9%. FY25 saw a ROA dip to 3.1% from the peak of average 5% during FY19-24. That said, the scenario is improving, with balance sheet cleanup in its last leg and management target of sub-9% credit costs for FY26. While asset growth will still trail spends growth, the latter benefitting from GST momentum, sustaining market share, and cobranded partnership expansion, ROA uptick hinges on accelerating CIF growth, which would follow credit cost reduction. From H2FY27, ROA should benefit from improved new customer portfolio performance, asset quality repair driven by FY23 changes (improved sourcing, and regular portfolio review) and gradual fee income uptick. With anticipated 4.5% ROA and 20.6% ROE by FY28E and acknowledging SBICARD's cyclical nature & mono-line business model, we upgrade to Accumulate with a higher TP of INR 1,006.

What led to asset quality issues, and what's fixing them?: The portfolio soured during FY20-23, and consumer finance downturn, led by overleveraging, worsened SBICARD's asset quality issues. Post-FY23, the company prioritized balance sheet resilience, curtailing new customer acquisition and revolver share. It has been refining its sourcing, underwriting and collections model, leveraging digital acquisition for open market channel and AI-driven analytics for portfolio monitoring. Given atypical 12-month lag in asset quality reflection, the better quality FY24-25 portfolio should drive credit cost improvement from H2FY27.

CIF traction inversely proportional to credit cost movement: Since Q2FY25, CIF quarterly additions have slowed to below 1.0mn per quarter, coinciding with credit cost hitting a historical high of 9% & stagnating there. A larger share of the FY20-23 customer cohort turned delinquent, prompting the company to scale back new customer acquisition from Q4FY23. This period also saw elevated write-offs as the company prioritized balance sheet cleanup. For 1.5 years, SBICARD has tightened new borrower acquisition and intensified portfolio monitoring. As we approach the end of balance sheet repair, new portfolio behavior should drive asset quality improvement in the next three quarters, enabling CIF acceleration from H2FY27. We expect an 8.8% credit cost in FY26E, and an average of 7.5% during FY27-28E.

Upgrade to Accumulate with a higher TP of INR 1,006: As balance sheet cleanup wraps up, spends growth becomes certain, and cards-in-force acceleration nears, we upgrade to **Accumulate** from Reduce. Management's efforts to refine sourcing and portfolio monitoring since FY23 may drive improved asset quality from FY27, with credit cost sliding to average 7.5% during H2FY27-FY28. Co-branded partnerships and digital acquisitions in open market channel would bolster spends. We model in a 9.5-10% CIF CAGR, 25% spends CAGR and a 15% loan CAGR during FY25-28E, offsetting 57% cost income and niggling fee-income concerns, imply 4.5% ROA and 20.6% ROE by FY28E. With cycle turning around and balance sheet repair now in its last leg, we raise our TP to INR 1,006 from INR 901 on 30x (from 27x) FY27E P/E for an 30% EPS CAGR and 18% BV CAGR during FY25-28E. Downside stands capped hereafter.

Key financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
PPoP (INR mn)	65,198	74,515	82,929	94,787	114,237
YoY (%)	25.6	14.3	11.3	14.3	20.5
NP (INR mn)	24,084	19,157	23,217	31,604	42,688
YoY (%)	6.6	(20.5)	21.2	36.1	35.1
EPS (INR)	25.3	20.1	24.4	33.2	44.8
YoY (%)	6.1	(20.5)	21.1	36.1	35.1
P/PPoP (x)	13.0	11.4	10.2	8.9	7.4
RoAE (%)	22.0	14.8	15.7	18.3	20.6
RoAA (%)	4.6	3.1	3.5	4.4	4.5
P/E (x)	34.2	43.1	35.6	26.1	19.3
P/ABV (x)	6.9	6.2	5.4	4.4	3.6

Note: Pricing as on 18 November 2025; Source: Company, Elara Securities Estimate

Rating: **Accumulate**

Target Price: **INR 1,006**

Upside: **16%**

CMP: **INR 867**

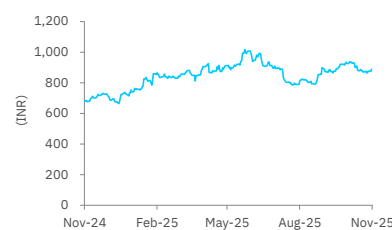
As on 18 November 2025

Key data

Bloomberg	SBICARD IN
Reuters Code	SBIC.NS
Shares outstanding (mn)	951.5
Market cap (INR bn/USD mn)	846/9,546
EV (INR bn/USD mn)	1,305/14,723
ADTV 3M (INR mn/USD mn)	995/11
52 week high/low	1,027/663
Free float (%)	31

Note: as on 18 November 2025; Source: Bloomberg

Price chart



Source: Bloomberg

	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Shareholding (%)				
Promoter	68.6	68.6	68.6	68.6
% Pledge	0.0	0.0	0.0	0.0
FII	9.5	9.9	10.2	10.1
DII	16.6	17.2	17.5	17.8
Others	5.3	4.3	3.7	3.6

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	5.6	4.0	10.5
SBI Cards and Payment	12.7	(2.5)	30.1
NSE Mid-cap	6.3	5.7	10.7
NSE Small-cap	3.2	4.8	2.4

Source: Bloomberg

Shweta Daptardar

Diversified Financials

+91 22 6164 8559
shweta.daptardar@elaracapital.com

Associate
Mohit Oza
Mohit.Oza@elaracapital.com



Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Net interest income	53,319	61,689	68,605	72,908	92,880
Fee income	81,647	80,029	102,076	130,637	148,428
Trading profits	-	-	-	-	-
Non-interest income	95,565	92,894	119,251	150,437	168,228
Net operating revenue	148,884	154,583	187,856	223,345	261,108
Operating expenses	83,686	80,068	104,927	128,558	146,872
Pre-provisioning operating profit	65,198	74,515	82,929	94,787	114,237
Total provisions	32,874	48,715	51,681	52,321	56,891
Profit before tax	32,324	25,800	31,248	42,466	57,346
Tax	8,240	6,643	8,031	10,862	14,658
Minorities/exceptionals	-	-	-	-	-
Profit after tax	24,084	19,157	23,217	31,604	42,688
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Customer loans	490,790	539,346	607,835	700,825	812,002
Investments	-	-	-	-	-
Cash & bank balances	27,296	27,382	18,154	20,932	24,252
Fixed assets	19,056	16,743	2,882	3,119	3,377
Other assets	44,571	71,987	43,513	50,373	285,782
Total Assets	581,712	655,458	672,384	775,249	1,125,413
Net worth	120,840	137,817	158,095	187,003	227,181
Deposits	-	-	-	-	-
Borrowings	398,911	449,466	502,048	560,776	626,374
Other liabilities	61,961	68,175	12,241	27,470	271,858
Total Liabilities	581,712	655,458	672,384	775,249	1,125,413
Key operating ratios (%)	FY24	FY25	FY26E	FY27E	FY28E
Lending yield	16.8	17.0	17.5	16.9	17.9
Cost of Funds	7.4	7.2	6.7	7.1	7.2
Spreads	9.4	9.8	10.8	9.8	10.7
Net interest margin	12.1	12.0	12.0	11.1	12.3
CASA Ratio	-	-	-	-	-
Non-interest income / operating income	64.2	60.1	63.5	67.4	64.4
Cost/income	56.2	51.8	55.9	57.6	56.2
Operating expense/avg assets	(18.9)	(15.5)	(18.3)	(19.6)	(19.4)
Credit costs / avg loans	(7.4)	(9.5)	(9.0)	(8.0)	(7.3)
Effective tax rate	(25.5)	(25.7)	(25.7)	(25.6)	(25.6)
Loan deposit ratio	-	-	-	-	-
ROA decomposition (%)	FY24	FY25	FY26E	FY27E	FY28E
NII / Assets	12.1	12.0	12.0	11.1	12.3
Fees/Assets	18.5	15.5	17.8	20.0	19.6
Invst profits/Assets	-	-	-	-	-
Net revenues/Assets	33.7	30.0	32.8	34.1	34.5
Opex /Assets	(18.9)	(15.5)	(18.3)	(19.6)	(19.4)
Provisions/Assets	(7.4)	(9.5)	(9.0)	(8.0)	(7.3)
Taxes/Assets	(1.9)	(1.3)	(1.4)	(1.7)	(1.9)
Total costs/Assets	(28.2)	(26.3)	(28.7)	(29.3)	(28.9)
ROA	4.6	3.1	3.5	4.4	4.5
Equity/Assets	24.8	25.1	25.8	26.4	27.4
ROAE	22.0	14.8	15.7	18.3	20.6
Key financial ratios (%)	FY24	FY25	FY26E	FY27E	FY28E
Tier I Capital adequacy	20.1	20.7	23.4	24.3	20.6
Gross NPL	2.8	3.1	3.1	3.2	3.2
Net NPL	0.5	1.0	1.0	1.0	1.1
Slippage ratio	-	-	-	-	-
Per share data (INR)					
EPS	25	20	24	33	45
BVPS	127	145	166	196	239
Adj- BVPS	125	141	161	196	239
Valuation (x)					
P/BV	6.8	6.0	5.2	4.4	3.6
P/ABV	6.9	6.2	5.4	4.4	3.6
P/E	34.2	43.1	35.6	26.1	19.3

Note: Pricing as on 18 November 2025; Source: Company, Elara Securities Estimate

Management call key takeaways

Business highlights and guidance

- ▶ The adult population stands at around 750mn, of which the bureau universe covers 500mn, while the card-caring (prime) population is estimated at 300–350mn; additionally, active UPI users in the range of 450–500mn, indicating digitization has expanded significantly long-term opportunity for credit cards.
- ▶ The festival season spend remains strong following the GST cuts, and this sustainability is set in the near term, with overall retail spend remaining robust.
- ▶ New card approvals are currently at ~0.90–0.96mn per quarter while net CIF additions remain around 0.5mn per quarter; management expects this pace to continue for the next 2–3 quarters.
- ▶ Growth has slowed due to higher credit cost and tighter underwriting, but acceleration is set after two or more quarters. Growth ramp-up will be stepwise, as it takes 3–9 months for growth to reflect in receivables, and a CIF growth rate of ~10–11% annually is likely in the near term.
- ▶ New customers are displaying lower revolving behavior, which is dragging yield, and the revolver share has reduced due to selective sourcing; however, SBICARD retains the ability to shift the mix back toward revolvers later. Receivables growth usually lags spend growth, and while spend may grow by 25%, CIF may grow by 15–17%. As the cycle normalizes, receivables growth is likely to improve in the next two-year period.
- ▶ The channel mix remains balanced, with banca sourcing offering lower acquisition cost, lower revenue per customer, and lower credit cost, while open-market sourcing entails higher acquisition cost, revenue per customer, and credit cost. On a risk-adjusted basis, profitability remains broadly similar across both channels, and SBICARD intends to sustain a 50:50 mix.
- ▶ The share of RuPay credit cards stands at 27–35%, and economics remains similar to Visa & Mastercard for point-of-sale (POS) and online transactions. UPI interchange stands at 75–85% of normal rates, while UPI transactions below INR 2,000 carry zero interchange. The reward and expense structures are similar across networks, and RuPay-on-UPI is emerging as an important growth channel, especially as there is no incremental acquisition cost for UPI activation.
- ▶ **The strategy focuses on leveraging upgraded portfolio-management capabilities, including enhanced early-warning systems, bureau checks, and collections processes. SBICARD will continue selective sourcing until credit cost stabilizes, followed by a gradual re-acceleration of growth. In the medium term, the strategy includes step-wise CIF expansion, judicious increase in revolver mix, and a target to restore ROA to 4.0–4.5%.**
- ▶ **Credit cost and stage buckets are on an improving trajectory, and growth acceleration will continue to be phased and cautious. Asset growth will follow spends growth with the inherent lag, and portfolio management is seen as a structural strength. Management remains positive on the medium-term outlook as macro conditions stabilize.**

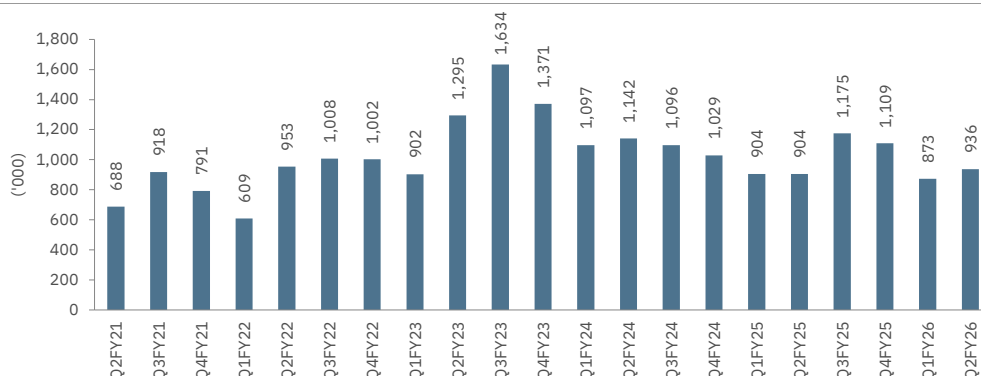
Asset quality

- ▶ **Underwriting standards have been tightened significantly, and the newly onboarded customer cohorts are showing lower delinquencies and improving flow rates.**
- ▶ **Stage 2 and 3 loan stocks are declining, with most recent acquisitions being transactors which exhibit low revolve behavior. SBICARD expects to take higher risk selectively once credit cost reduces, and new customers begin contributing meaningfully after 9–12 months.**
- ▶ The absolute levels of Stage 2 and 3 assets have decreased, supported by stronger early warning systems, higher frequency of bureau checks, and upgraded collection processes. Stage 2 assets are likely to continue to improve.
- ▶ Credit cost remains highly dependent on macroeconomic conditions. Current credit cost stands at 8–9%, and FY26 guidance remains at 8.75–9.00%, with a downward trend likely in the next 2–3 quarters.

Other highlights

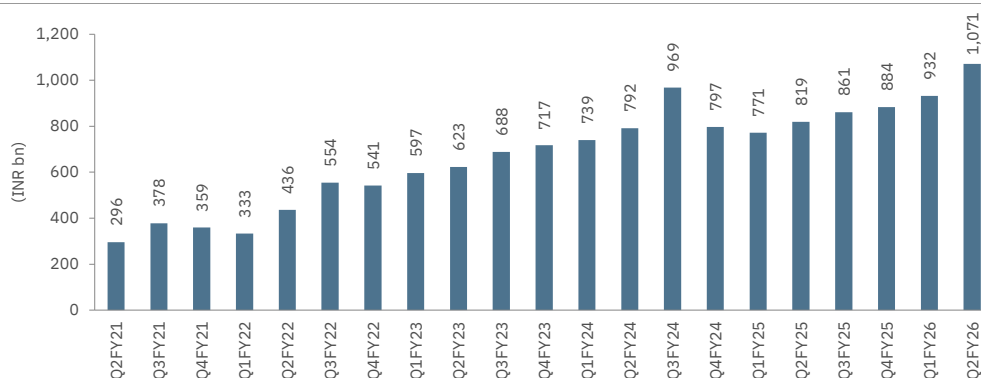
- ▶ **Current ROA is ~3.0–3.5%, and management believes medium-term achievable ROA can reach 4.0–4.5% once credit cost stabilizes and a higher revolver mix is achieved, which would support ROE improvement through leverage and asset growth.**
- ▶ The cost-to-income ratio may show QoQ volatility, although annual guidance remains at 55–57%. Festival quarters may temporarily push the ratio to 59–60%, and the recent corporate-spend trends have influenced the mix.
- ▶ Fee income continues to face pressure, due to the CY23 regulatory changes that eliminated some fees, and internal controls, such as restrictions on processing-fee misuse, have further limited fee opportunities. SBICARD is attempting partial offset through other fee levers and cost optimization, although the complete revenue replacement is not feasible.

Exhibit 1: Sequential uptick in new account additions post weak Q1



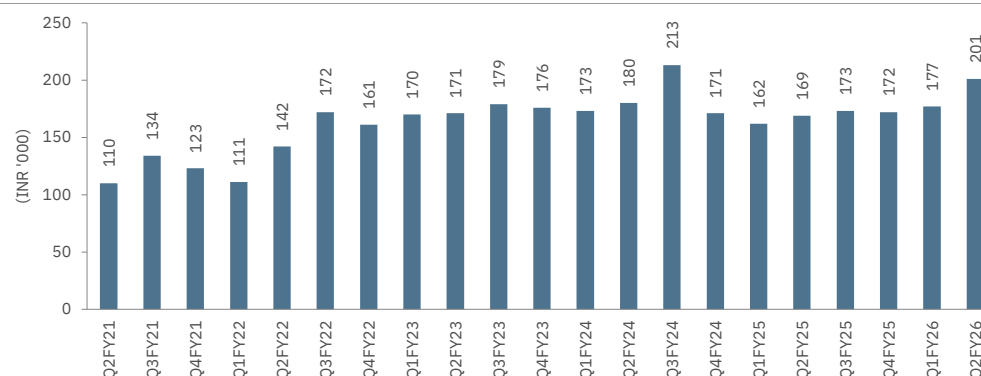
Source: Company, Elara Securities Research

Exhibit 2: Spend traction majorly led by corporate spend



Source: Company, Elara Securities Research

Exhibit 3: Spend per card improves sequentially

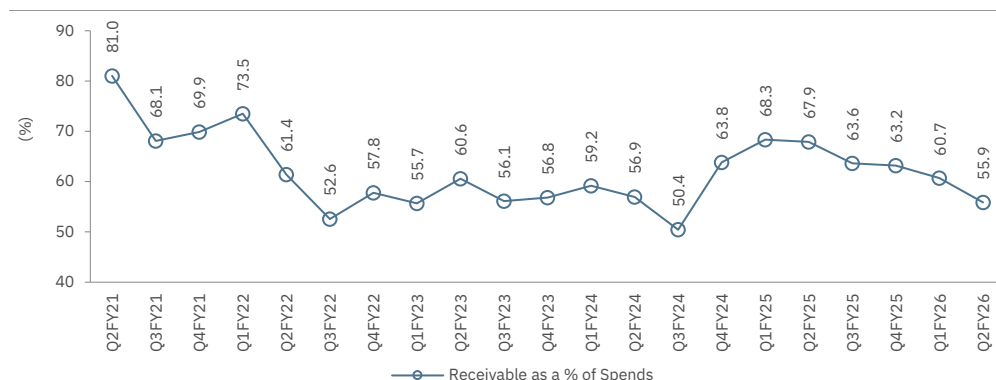


Source: Company, Elara Securities Research

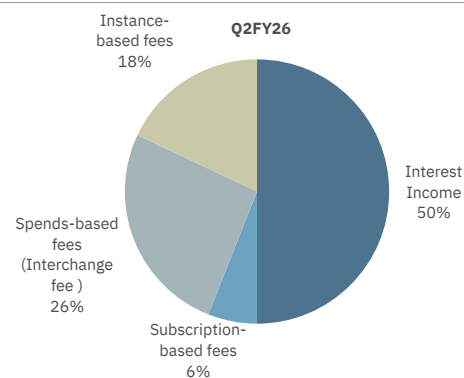
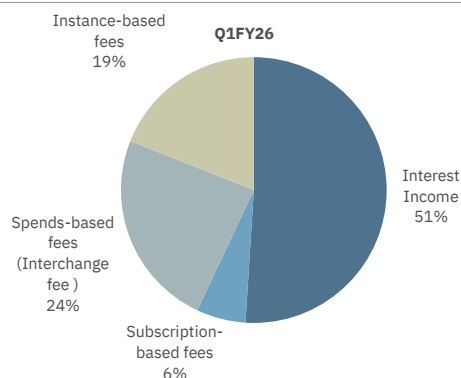
Exhibit 4: Corporate spend surges while retail momentum gradually improving

Particulars (INR bn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Total Spend	623	688	717	739	792	969	797	771	819	861	884	932	1,071
Growth QoQ (%)	4.4	10.5	4.1	3.1	7.1	22.4	(17.8)	(3.2)	6.2	5.1	2.6	5.5	14.8
Growth YoY (%)	43.0	24.3	32.4	23.9	27.1	40.7	11.1	4.4	3.4	(11.1)	10.9	20.9	30.7
Retail Spend	509	546	555	583	614	735	692	719	764	808	797	824	896
Growth QoQ (%)	11.9	7.2	1.8	5.1	5.3	19.6	(5.9)	3.9	6.3	5.8	(1.3)	3.4	8.7
Growth YoY (%)	45.1	28.6	32.6	28.3	20.7	34.7	24.6	23.2	24.3	9.9	15.2	14.6	17.3
Corporate Spend	114	143	162	156	177	233	105	52	55	53	87	108	175
Growth QoQ (%)	(19.5)	25.1	13.3	(3.7)	13.8	31.7	(55.2)	(49.8)	4.7	(3.5)	63.3	25.2	61.0
Growth YoY (%)	34.4	10.0	31.8	9.7	55.3	63.5	(35.3)	(66.3)	(69.0)	(77.3)	(17.3)	106.5	217.6

Source: Company, Elara Securities Research

Exhibit 5: Receivables as a percentage of spend dips further


Source: Company, Elara Securities Research

Exhibit 6: Revenue mix inching toward spend-based fee


Source: Company, Elara Securities Research

Exhibit 7: Asset quality ratios show mild sequential improvement amid lag effects

Asset quality (INR mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Gross credit costs	11,010	12,130	13,130	12,440	13,520	12,930
Growth QoQ (%)	17	10	8	(5)	9	(4)
Gross write-off	9,690	11,060	13,540	13,030	12,800	12,810
Growth QoQ (%)	12	14	22	(4)	(2)	0
Provisions	1,320	1,070	(410)	(590)	720	120
Growth QoQ (%)	63	(19)	(138)	44	(222)	(83)
Recoveries	1,230	1,330	1,460	1,540	1,570	1,700
Growth QoQ (%)	(2)	8	10	5	2	8
Net credit cost	9,780	10,790	11,670	10,900	11,950	11,230
Growth QoQ (%)	19	10	8	(7)	10	(6)
Gross credit cost (%)	8.5	9.0	9.4	9.0	9.6	9.0
Growth QoQ (bp)	90.0	50.0	40.0	(40.0)	60.0	(60.0)
Net credit cost (%)	7.5	8.0	8.4	7.9	8.5	7.8

Growth QoQ (bp)	96.0	50.0	40.0	(50.0)	60.0	(70.0)
ECL (%)	3.6	3.6	3.6	3.4	3.5	3.3
Growth QoQ (bp)	13.0	0.0	0.0	(20.0)	10.0	(20.0)
GNPA (%)	3.1	3.3	3.2	3.1	3.1	2.9
Growth QoQ (bp)	30.0	21.0	(3.0)	(16.0)	(1.0)	(22.0)
NNPA (%)	1.1	1.2	1.2	1.5	1.4	1.3
Growth QoQ (bp)	12.0	8.0	(1.0)	28.0	(4.0)	(13.0)
PCR	64.4	64.4	64.3	53.5	54.3	55.4
Growth QoQ (bp)	(46.0)	0.0	(10.0)	(1,080.0)	80.0	110.0

Source: Company, Elara Securities Research

Exhibit 8: Stage 2 and 3 ratios ease sequentially

Stage-wise NPA (%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Stage 1	90.5	91.7	92.0	92.0	92.0	92.0	92.0	92.0	91.0	91.1	91.9	92.2	93.0
Stage 2	7.4	6.1	5.0	5.0	6.0	6.0	5.7	6.2	5.7	5.6	5.0	4.7	4.2
Stage 3	2.1	2.2	2.4	2.4	2.4	2.6	2.8	3.1	3.3	3.2	3.1	3.1	2.9

Source: Company, Elara Securities Research

Exhibit 9: Provisions decline sequentially

(INR mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Provisions	5,460	5,330	6,298	7,186	7,416	8,829	9,444	11,006	12,120	13,131	12,451	13,516	12,927
Growth QoQ (%)	21.3	(2.4)	18.1	14.1	3.2	19.1	7.0	16.5	10.1	8.3	(5.2)	8.5	(4.4)
Growth YoY (%)	(8.1)	(14.8)	60.3	59.6	35.8	65.6	50.0	53.2	63.4	48.7	31.8	22.8	6.7
PPOP	12,517	12,174	14,294	15,151	15,516	16,205	18,326	18,998	17,573	18,308	19,637	20,999	18,925
Growth QoQ (%)	(3.1)	(2.7)	17.4	6.0	2.4	4.4	13.1	3.7	(7.5)	4.2	7.3	6.9	(9.9)
Growth YoY (%)	18.3	6.4	22.0	17.3	24.0	33.1	28.2	25.4	13.3	13.0	7.2	10.5	7.7
GNPA (%)	2.1	2.2	2.4	2.4	2.4	2.6	2.8	3.1	3.3	3.2	3.1	3.1	2.9

Source: Company, Elara Securities Research

Exhibit 10: Funding cost eases as rate cut benefits flow through

(%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Yield	16.4	16.4	16.7	16.9	16.8	17.2	16.8	16.8	16.4	16.5	17.0	17.0	16.5
Cost of Funds	5.4	6.3	6.7	7.1	7.1	7.6	7.4	7.5	7.4	7.4	7.2	7.1	6.4
NIM	12.3	11.6	11.5	11.5	11.3	11.3	10.9	10.9	10.6	10.6	11.2	11.2	11.2

Source: Company, Elara Securities Research

Exhibit 11: Total fees show uptick in QoQ and YoY

(INR mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Instance-based fees	6,924	6,663	8,276	8,606	8,583	9,244	9,131	8,718	8,400	8,776	8,881	9,266	8,930
Growth QoQ (%)	6.4	(3.8)	24.2	4.0	(0.3)	7.7	(1.2)	(4.5)	(3.6)	4.5	1.2	4.3	(3.6)
Growth YoY (%)	16.9	4.8	32.0	32.2	24.0	38.7	10.3	1.3	(2.1)	(5.1)	(2.7)	6.3	6.3
Total Fees	18,134	18,938	20,691	21,516	22,070	25,421	21,740	21,359	21,221	22,171	22,903	23,897	24,805
Growth QoQ (%)	6.4	4.4	9.3	4.0	2.6	15.2	(14.5)	(1.8)	(0.6)	4.5	3.3	4.3	3.8
Growth YoY (%)	30.4	17.1	29.6	26.2	21.7	34.2	5.1	(0.7)	(3.8)	(12.8)	5.3	11.9	16.9

Source: Company, Elara Securities Research

Exhibit 12: Sequential cards in force growth remains strong amid easing credit cost pressure

Particulars	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Cards In Force (units mn)	19.2	19.6	20.2	20.8	21.2	21.5
Growth QoQ (%)	1.6	2.1	3.1	3.0	1.9	1.4
Gross credit cost (%)	8.5	9.0	9.4	9.0	9.6	9.0
Growth QoQ (bp)	90	50	40	(40.0)	60	(60.0)
Net credit cost (%)	7.5	8.0	8.4	7.9	8.5	7.8
Growth QoQ (bp)	96	50	40	(50.0)	60	(70.0)

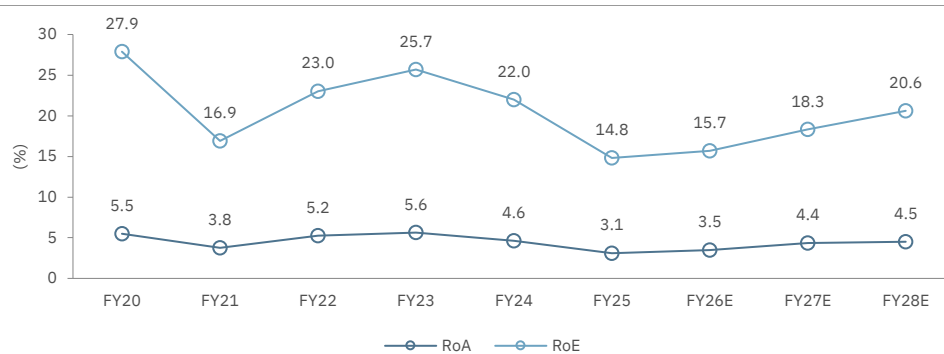
Source: Company, Elara Securities Research

Exhibit 13: Credit cost begins to stabilize even as cards-in-force growth accelerates

Particulars	FY26E	FY27E	FY28E
Cards In Force (units mn)	22.0	23.7	26.4
Growth YoY (%)	6.0	7.6	11.3
Credit Cost (%)	8.9	7.7	7.3
Growth QoQ (bp)	(64.6)	(111.5)	(46.0)

Source: Elara Securities Estimate

Exhibit 14: Profitability metrics – challenges bottoming-out



Source: Company, Elara Securities Estimates

Exhibit 15: SBICARD – market share trends maintained across CIF and spends

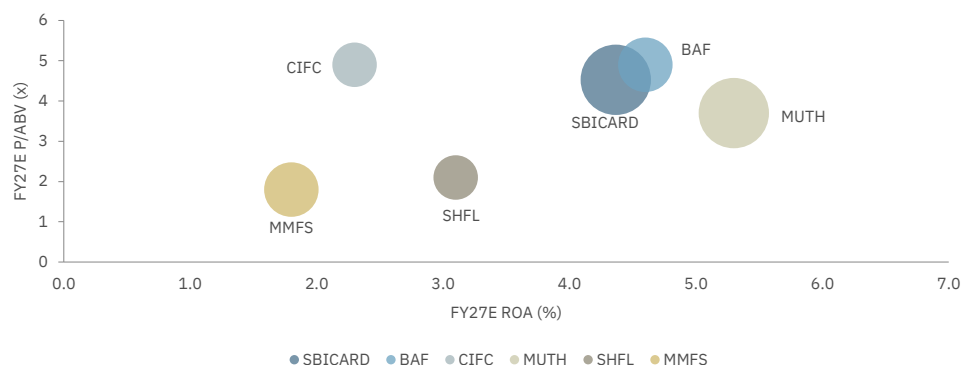
Banks & NBFC	Cards o/s (% market share)							Spends (% market share)						
	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
SBICARD	19.0	19.0	19.0	19.1	19.0	19.0	19.0	16.1	16.0	17.1	16.7	16.8	17.3	18.7
HDFCB	21.7	21.7	21.8	22.0	22.2	22.3	22.3	28.7	28.1	27.3	27.9	27.8	28.2	28.0
ICICIBC	16.6	16.6	16.4	16.2	16.2	16.2	16.2	18.2	19.0	18.2	18.2	18.7	18.0	19.3
AXSB	13.6	13.5	13.5	13.5	13.6	13.6	13.6	11.6	11.5	11.8	11.9	11.8	11.4	12.0
IIB	2.9	2.9	2.9	2.9	2.9	2.8	2.8	4.7	4.8	4.8	4.5	4.6	4.9	3.7
RBK	4.4	4.3	4.3	4.2	4.2	4.0	3.9	3.9	3.7	3.9	3.7	3.7	3.7	3.2
KMB	4.4	4.4	4.4	4.1	4.1	4.1	4.0	3.4	3.3	3.3	3.3	3.2	2.9	2.8
YES	2.2	2.3	2.4	2.5	2.1	2.2	2.3	1.7	1.7	1.8	1.8	1.8	1.8	1.6
AXP	1.3	1.3	1.3	1.3	1.2	1.2	1.2	2.9	2.9	2.8	2.8	2.7	2.7	2.6
CITI	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2
STAN	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.4	0.4
Industry	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: RBI, Elara Securities Research

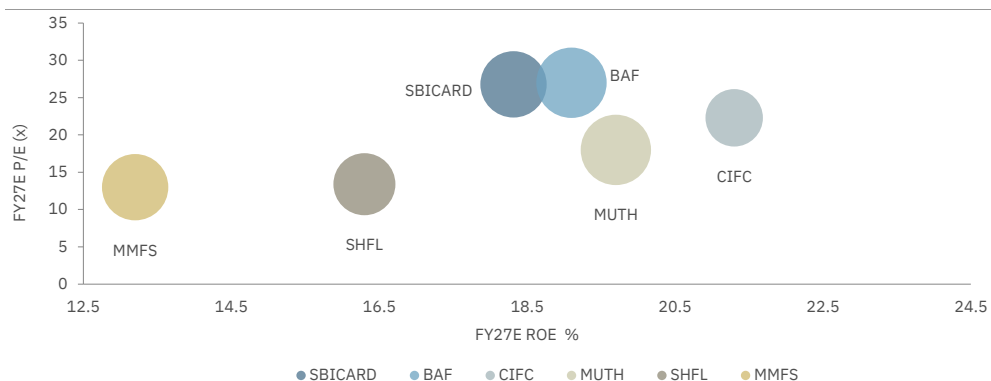
Exhibit 16: Business growth challenges should bottom-out in next 3 quarters

Business Parameters	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Cards In Force (unit mn)	14.8	15.9	16.8	17.3	17.9	18.5	18.9	19.2	19.6	20.2	20.8	21.2	21.5
Growth YoY (%)	17.9	20.8	22.0	20.8	20.7	16.4	12.5	11.0	9.5	9.2	10.1	10.4	9.7
Growth QoQ (%)	3.6	7.2	5.7	3.0	3.5	3.4	2.2	1.6	2.1	3.1	3.0	1.9	1.4
Receivable Mix (%)													
Transactor	41	39	39	38	38	38	39	38	40	40	41	40	44
Revolver	24	24	24	24	24	24	24	24	23	24	24	24	22
EMI	35	37	37	38	38	38	37	38	37	36	35	36	34
30-day activity rate (%)	50	51	50	50	50	52	50	50	52	52	51	52	53
Loans per Card (INR)	25,445	24,318	24,293	24,949	25,220	26,438	26,918	27,395	28,387	27,052	26,816	26,710	27,832
Growth YoY (%)	19.7	9.9	6.9	7.5	(0.9)	8.7	10.8	9.8	12.6	2.3	(0.4)	(2.5)	(2.0)
Growth QoQ (%)	9.7	(4.4)	(0.1)	2.7	1.1	4.8	1.8	1.8	3.6	(4.7)	(0.9)	(0.4)	4.2
Spend per Card (INR '000)	171	179	176	173	180	213	171	162	169	173	172	177	201
Growth YoY (%)	20.4	4.1	9.3	1.8	5.3	19.0	(2.8)	(6.4)	(6.1)	(18.8)	0.6	9.3	18.9
Growth QoQ (%)	0.6	4.7	(1.7)	(1.7)	4.0	18.3	(19.7)	(5.3)	4.3	2.4	(0.6)	2.9	13.6
New Accounts Sourcing ('000)	1,295	1,634	1,371	1,097	1,142	1,096	1,029	904	904	1,175	1,109	873	936
Growth YoY (%)	35.9	62.1	36.8	21.6	(11.8)	(32.9)	(24.9)	(17.6)	(20.8)	7.2	7.8	(3.4)	3.5
Growth QoQ (%)	43.6	26.2	(16.1)	(20.0)	4.1	(4.0)	(6.1)	(12.1)	0.0	30.0	(5.6)	(21.3)	7.2
New Accounts Sourcing by Channel (%)													
SBI Sourcing	37.1	49	56	54	51	51	56	58	62	55	63	56	50
OM Sourcing	62.9	51	44	46	49	49	44	42	38	45	37	44	50
Sourcing by City Tier (%)													
Tier 1	30	28	26	27	27	28	29	30	31	26	23	25	27
Tier 2	19	18	18	18	18	18	19	20	21	19	18	19	19
Tier 3	30	31	32	32	33	32	31	30	30	33	34	33	32
Others	21	23	24	23	22	22	21	20	19	22	24	23	22
New to Credit New Acquisition													
Online Spend (%)	57.8	57	57	55	57	57	58	57	60	58.5	58.9	60.7	62.5
Cost to Income (%)	59.4	61.9	58.1	56.4	57.1	59.9	51.1	48.9	53.4	53.5	51.4	50.3	56.8
Gross NPA (%)	2.14	2.22	2.35	2.41	2.43	2.64	2.76	3.06	3.27	3.24	3.08	3.07	2.85
ECL %	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.6	3.6	3.4	3.5	3.3

Source: Company, Elara Securities Research

Exhibit 17: SBICARD in favorable risk-reward zone


Source: Elara Securities Estimate

Exhibit 18: SBICARD – worst is behind


Source: Elara Securities Estimate

Exhibit 19: Valuation – TP raised to INR 1006, upgrade to ACCUMULATE

Particulars	FY27E
Target P/E (x)	30.3
EPS FY27E (INR)	33.2
TP (INR)	1,006
CMP (INR)	867
Upside (%)	16.1

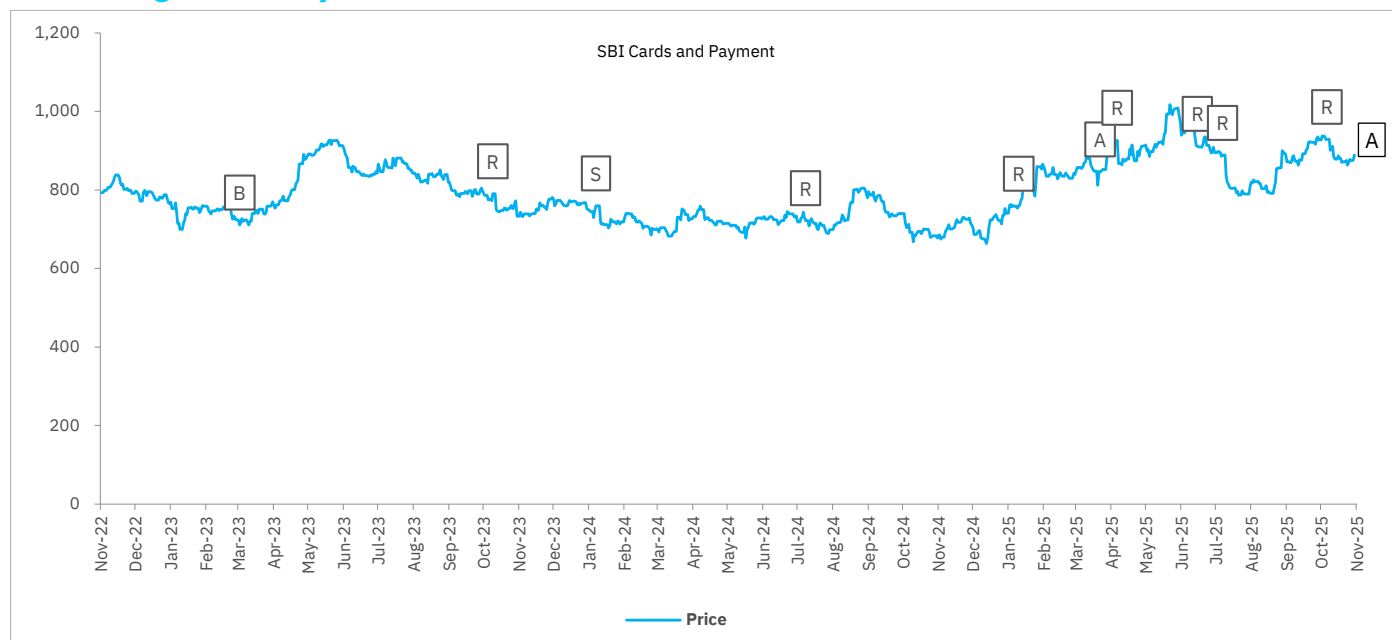
Note: Pricing as on 18 November 2025; Source: Elara Securities Estimate

Exhibit 20: Change in estimates

(INR mn)	Old			Revised			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Interest Income	68,605	73,225	88,878	68,605	72,908	92,880	0.0	(0.4)	4.5
Operating Profit	82,929	94,872	1,12,290	82,929	94,787	1,14,237	0.0	(0.1)	1.7
Net Profit	23,217	31,328	40,416	23,217	31,604	42,688	0.0	0.9	5.6
EPS (INR)	24.4	32.9	42.5	24.4	33.2	44.8	0.0	0.9	5.6
TP (INR)	901			1,006			11.7		
Rating	Reduce			Accumulate					

Source: Elara Securities Estimate

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
20-Mar-2023	Buy	1,119	711
27-Oct-2023	Reduce	829	790
25-Jan-2024	Sell	719	760
26-Jul-2024	Reduce	719	721
28-Jan-2025	Reduce	796	757
09-Apr-2025	Accumulate	965	847
24-Apr-2025	Reduce	936	927
03-Jul-2025	Reduce	957	911
25-Jul-2025	Reduce	932	889
24-Oct-2025	Reduce	901	929
18-Nov-2025	Accumulate	1,006	889

Guide to Research Rating

BUY (B)	Absolute Return >+20%
ACCUMULATE (A)	Absolute Return +5% to +20%
REDUCE (R)	Absolute Return -5% to +5%
SELL (S)	Absolute Return < -5%

Disclosures & Confidentiality for non U.S. Investors

The Note is based on our estimates and is being provided to you (herein referred to as the “Recipient”) only for information purposes. The sole purpose of this Note is to provide preliminary information on the business activities of the company and the projected financial statements in order to assist the recipient in understanding / evaluating the Proposal. Nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. Nevertheless, Elara Securities (India) Private Limited or any of its affiliates is committed to provide independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Elara Securities (India) Private Limited or any of its affiliates have not independently verified all the information given in this Note and expressly disclaim all liability for any errors and/or omissions, representations or warranties, expressed or implied as contained in this Note. The user assumes the entire risk of any use made of this information. Elara Securities (India) Private Limited or any of its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for or solicit investment banking or other business from any company referred to in this Note. Each of these entities functions as a separate, distinct and independent of each other. This Note is strictly confidential and is being furnished to you solely for your information. This Note should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This Note is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Elara Securities (India) Private Limited or any of its affiliates to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. Upon request, the Recipient will promptly return all material received from the company and/or the Advisors without retaining any copies thereof. The Information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This Information is subject to change without any prior notice. Elara Securities (India) Private Limited or any of its affiliates reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Elara Securities (India) Private Limited is under no obligation to update or keep the information current. Neither Elara Securities (India) Private Limited nor any of its affiliates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. This Note should not be deemed an indication of the state of affairs of the company nor shall it constitute an indication that there has been no change in the business or state of affairs of the company since the date of publication of this Note. The disclosures of interest statements incorporated in this document are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. Elara Securities (India) Private Limited generally prohibits its analysts, persons reporting to analysts and their family members from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Any clarifications / queries on the proposal as well as any future communication regarding the proposal should be addressed to Elara Securities (India) Private Limited. It is important to note that any dispute with respect to this research report, would not have access to stock exchange investor redressal forum or arbitration mechanism.

Elara Securities (India) Private Limited was incorporated in July 2007 as a subsidiary of Elara Capital (India) Private Limited.

Elara Securities (India) Private Limited is a SEBI registered Stock Broker in the Capital Market and Futures & Options Segments of National Stock Exchange of India Limited [NSE] and BSE Limited [BSE] and a Depository Participant registered with Central Depository Services (India) Limited [CDSL].

Elara Securities (India) Private Limited's business, amongst other things, is to undertake all associated activities relating to its broking business.

The activities of Elara Securities (India) Private Limited were neither suspended nor has it defaulted with any stock exchange authority with whom it is registered in last five years. However, during the routine course of inspection and based on observations, the exchanges have issued advise letters or levied minor penalties on Elara Securities (India) Private Limited for minor operational deviations in certain cases. Elara Securities (India) Private Limited has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has the certificate of registration been cancelled by SEBI at any point of time.

Elara Securities (India) Private Limited offers research services primarily to institutional investors and their employees, directors, fund managers, advisors who are registered or proposed to be registered.

Details of Associates of Elara Securities (India) Private Limited are available on group company website www.elaracapital.com

Elara Securities (India) Private Limited is maintaining arms-length relationship with its associate entities.

Research Analyst or his/her relative(s) may have financial interest in the subject company. Elara Securities (India) Private Limited does not have any financial interest in the subject company, whereas its associate entities may have financial interest. Research Analyst or his/her relative does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Elara Securities (India) Private Limited does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Associate entities of Elara Securities (India) Private Limited may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Research Analyst or his/her relative or Elara Securities (India) Private Limited or its associate entities does not have any other material conflict of interest at the time of publication of the Research Report.

Artificial Intelligence (AI) tools may have been used only for compilation or collating publicly available research data or internally generated research data during the information gathering and/or summarizing the final report.

Research Analyst or his/her relative(s) has not served as an officer, director or employee of the subject company.

Research analyst or Elara Securities (India) Private Limited have not received any compensation from the subject company in the past twelve months. Associate entities of Elara Securities (India) Private Limited may have received compensation from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities have not managed or co-managed public offering of securities for the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associates have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company or third party in connection with the Research Report in the past twelve months.

Disclaimer & Standard warning

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Disclaimer for non U.S. Investors

The information contained in this note is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Disclosures for U.S. Investors

Rule 15a6 Disclosure: This research report ("Report") was prepared, approved, published, and distributed by Elara Securities (India) Private Limited a company located outside of the United States (the "Foreign Counterparty"). Avior Capital Markets US LLC ("Avior US"), a US registered broker-dealer, distributes this Report in the US on behalf of the Foreign Counterparty. Only major U.S. institutional investors (as defined in Rule 15a-6 under the US Securities Exchange Act of 1934 (the "Exchange Act")) may receive this Report under the exemption in Rule 15a-6. A US institutional investor must effect any transaction in the securities described in this Report through Avior US.

Neither the Report nor any analyst who prepared or approved the Report is subject to US legal requirements or the Financial Industry Regulatory Authority, Inc. ("FINRA") or other US regulatory requirements concerning research reports or research analysts. The Foreign Counterparty is not a registered broker-dealer under the Exchange Act nor is it a member of the Financial Industry Regulatory Authority, Inc., or any other US self-regulatory organisation.

Disclosures on Subject Companies: Analysts of the Foreign Counterparty produced this material solely for informational purposes and the use of the intended recipient. No person may reproduce, this Report under any circumstances. No person may copy or make this Report available to any other person other than the intended recipient.

Avior US distributes this Report in the United States of America. The Foreign Counterparty distributes this Report elsewhere in the world. This document is not an offer, or invitation by or on behalf of Avior US, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Avior US and the Foreign Counterparty and their affiliates obtained the information contained herein from published information and other sources, which Avior US and the Foreign Counterparty and their affiliates reasonably consider to be reliable.

Avior US and the Foreign Counterparty accept no liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are valid as of the date of this document. Avior US assumes responsibility for the Report content with regards to research distributed in the US.

Neither Avior US nor the Foreign Counterparty has managed or co-managed a public offering of securities for the subject company in the past 12 months, have not received compensation for investment banking services from the subject company in the past 12 months and do not expect to receive and does not intend to seek compensation for investment banking services from the subject company in the next three months. Avior US and the Foreign Counterparty have not owned any class of equity securities of the subject company. There are no other actual, material conflicts of interest of Avior US and the Foreign Counterparty at the time of the publication of this Report. As of the publication of this Report, Avior US nor the Foreign Counterparty makes a market in the subject securities.

Avior US and its affiliates, to the fullest extent permissible by law, accept no liability of any nature whatsoever for any claims, damages or losses arising from, or in connection with, the contents of this Report or the use, reliance, publication, distribution, dissemination, disclosure, alteration or reproduction of this Report, or any views or recommendations recorded therein.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Subject to the applicable laws, all transactions should be executed through Avior US. Aside from within this Report, important conflict disclosures can also be found at <https://aviorcapital.us/us-regulatory-disclosures/and> Investors are strongly encouraged to review this information before investing.

Additional Disclaimer for UK Investors

Note that Elara Securities (India) Private Limited ("Foreign Counterparty") has concluded a MiFID II research intermediary agreement with Avior Capital Markets International Limited ("Avior UK"), regulated by the Financial Conduct Authority (FRN: 191074), pursuant to which Avior UK distributes the Foreign Counterparty's research in the UK, in return for which the Foreign Counterparty pays Avior UK a percentage of the income received in relation to such research. This research report including any recommendations recorded therein ("Report") have been prepared by the Foreign Counterparty, and not by Avior UK.

The Report: (a) has been objectively prepared from public sources which are believed to be reliable and therefore constitutes independent investment research and is presented as such; and (b) may only be distributed to, and relied on by, qualifying investors, who are permitted to receive same in the UK.

Securities, money market instruments, strategies, financial or investment instruments mentioned in this Report may not be suitable for all investors. The information and opinions provided in this Report do not constitute a personal recommendation/investment advice and take no account of the investor's individual circumstances. Investors should consider this Report as only a single factor in making any investment decisions and, if appropriate, should seek advice from an investment advisor. This Report is not an offer, or invitation by or on behalf of Avior UK, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Save as disclosed otherwise, the Foreign Counterparty's relationship with Avior UK is not reasonably expected to impair the objective presentation of the recommendations in the Report, including any interests or conflicts of interest concerning any financial instruments or the issuers to which the recommendations, directly or indirectly, relate. The Report is deemed to be first disseminated at the date and time recorded on the relevant distribution platform, data network or email (as applicable), and which information is available on request. A list of the Foreign Counterparty's research reports disseminated in the UK over the past 12 months is also available on request.

Avior UK does not assume any responsibility or liability of any nature whatsoever arising from or in connection with the content, use, reliance or dissemination of the Report or any recommendation in respect thereof and disclaims any such liability.

Certification by Each of the Authors of this Report

The analyst(s) (singular includes plural) ("Analyst") certifies that the views expressed in this Report are an accurate representation of the Analyst's personal opinions on the stock or sector as covered and reported on by the Analyst hereinabove. The Analyst furthermore certifies that no part of the Analyst's compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views as expressed in this document. The Analyst is principally responsible for the preparation of this Report and does not have any material conflict of interest at the time of publication of this Report. The Analyst(s) has not served as an officer, director or employee of the subject company in the last 12-month period ending on the last day of the month immediately preceding the date of publication of the Report.

Analyst Certification: In connection with the companies or securities that; each analyst identified in this Report certifies that: The views expressed on the subject companies and securities in this Report reflect their personal views. No part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this Report.

Note that:

- (i) The Foreign Counterparty is the employer of the research analyst(s) responsible for the content of this Report, and
- (ii) Research analysts preparing this Report are resident outside the United States and are not associated persons of any US regulated broker-dealer. Therefore, the analyst(s) are not subject to supervision by a US broker-dealer and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with US rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Avior Capital Markets US, LLC is a FINRA registered broker-dealer (CRD # 172595) formed for that purpose in the State of Delaware with its principal office at 45 Rockefeller Plaza, Suite 2335, New York, New York 10111.

Avior Capital Markets International Limited is regulated by the Financial Conduct Authority (FRN: 191074), with its principal office at 10 South Street, Elgin, Scotland IV30 1LE.

Elara Securities (India) Private Limited is a SEBI-registered Research Analyst (Regn. No.: INH000000933), Stock Broker (Regn. No.: INZ000238236) and Depository Participant (Regn. No.: IN-DP-370-2018). Its registered address is One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India

India

Elara Securities (India) Private Limited
One International Center, Tower 3,
21st Floor, Senapati Bapat Marg,
Elphinstone Road (West)
Mumbai – 400 013, India
Tel : +91 22 6164 8500

Europe

Elara Capital Plc.
6th Floor, The Grove,
248A Marylebone Road,
London, NW1 6JZ,
United Kingdom
Tel : +44 20 7486 9733

USA

Elara Securities Inc.
230 Park Avenue, Suite 2415,
New York, NY 10169, USA
Tel: +1 212 430 5870
Fax: +1 212 208 2501

Asia / Pacific

Elara Capital (Asia) Pte.Ltd.
One Marina Boulevard,
Level 20,
Singapore 018989
Tel : +65 6978 4047



Managing Director

Harendra Kumar | harendra.kumar@elaracapital.com | +91 22 6164 8571



Head of Research

Dr Bino Pathiparampil | bino.pathiparampil@elaracapital.com | +91 22 6164 8572

Sales Team



India

Hitesh Danak - hitesh.danak@elaracapital.com - +91 22 6164 8543
Ashok Agarwal - ashok.agarwal@elaracapital.com - +91 22 6164 8558
Himani Sanghavi - himani.sanghavi@elaracapital.com - +91 22 6164 8586



India, APAC & Australia

Sudhanshu Rajpal - sudhanshu.rajpal@elaracapital.com - +91 22 6164 8508
Joshua Saldanha - joshua.saldanha@elaracapital.com - +91 22 6164 8541
Shraddha Shrikhande - shraddha.shrikhande@elaracapital.com - +91 22 6164 8567



India & UK

Prashin Lalvani - prashin.lalvani@elaracapital.com - +91 22 6164 8544



India & US

Karan Rathod - karan.rathod@elaracapital.com - +91 22 6164 8570



Corporate Access, Conference & Events

Anita Nazareth - anita.nazareth@elaracapital.com - +91 22 6164 8520
Tina D'souza - tina.dsouza@elaracapital.com - +91 22 6164 8595

By clicking this link, you acknowledge and agree to the [Terms and Conditions of Research Services](#).

Access our reports on Bloomberg: Type **RESP ESEC <GO>**

Also available on **Thomson & Reuters**

Elara Securities (India) Private Limited

Registered Office Address: One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India Tel : +91 22 6164 8500
CIN: U74992MH2007PTC172297 | SEBI Research Analyst Registration No.: INH000000933
Member of BSE Limited and National Stock Exchange of India Limited | SEBI REGN. NO.: INZ000238236
Member of Central Depository Services (India) Limited | SEBI REGN. NO.: IN-DP-370-2018
Investor Grievance Email ID: investor.grievances@elaracapital.com - Tel. +91 22 6164 8509
Compliance Officer: Mr. Anand Rao - Email ID: anand.rao@elaracapital.com - Tel. +91 22 6164 8509