Company Update

Retail Equity Research

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SBI Cards & Payment Services Ltd.

Accumulate

Sector: NBFC

18th May, 2026

Key Changes	Target	Rating	Earnings
	▼	●	▼

Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	SBICARD:IN	77,315	SBICARD	543066	12 Months

Target	**Rs. 698**
CMP	**Rs. 624**
Return	**+12%**

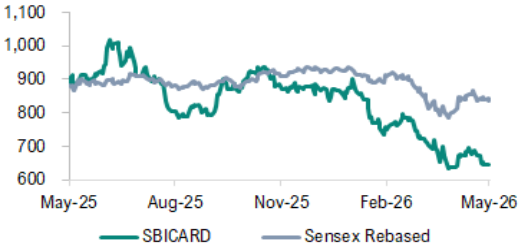
Data as of: 18-May-2026, 17:00 hrs

Company Data	
Market Cap (Rs. cr)	59,285
52 Week High — Low (Rs.)	1,023 - 612
Outstanding Shares (cr)	95.2
Free Float (%)	31.4
Dividend Yield (%)	0.4
6m average volume (cr.)	0.1
Beta	0.6
Face value (Rs.)	10.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	68.6	68.6	68.9
FII's	10.1	10.2	9.5
MFs/Insti	17.8	17.9	18.1
Public	3.3	3.2	3.1
Others	0.2	0.3	0.3
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-13.8%	-26.6%	-28.6%
Absolute Sensex	-8.0%	-8.1%	-5.1%
Relative Return	-5.8%	-18.4%	-23.5%

***over or under performance to benchmark index**



Y.E March (cr)	FY26A	FY27E	FY28E
Net Interest Income	6,830	7,333	8,216
Growth (%)	*10.7*	*7.4*	*12.0*
NIM (%)	*12.0*	*12.2*	*12.4*
Pre-Provision Profit	7,876	8,562	9,378
Net Profit	2,167	2,659	3,247
Growth (%)	*13.1*	*22.7*	*22.1*
Adj. EPS	22.8	27.9	34.1
Growth (%)	*13.0*	*22.7*	*22.1*
BVPS	165.2	192.2	225.0
P/E	27.9	23.1	18.9
P/B	3.8	3.4	2.9
RoE (%)	*14.7*	*15.6*	*16.4*
RoA (%)	*3.3*	*3.8*	*4.3*

Steady Q4; co-branded cards to boost growth

SBI Cards and Payment Services Ltd (SBI Cards) is India's leading issuer of credit cards, with operations in over 130 cities.

- In Q4FY26, the company's consolidated interest income fell 1.4% YoY to Rs. 2,382cr, impacted by flat YoY receivables and slight moderation in revolving balance despite healthy card spends.
- However, net interest income rose 3.0% YoY to Rs. 1,668cr, owing to a 10.3% YoY decline in interest expense to Rs. 714cr.
- Net interest margin (NIM) was broadly flat at 11.1% vs 11.2% in Q4FY25, on account of lower cost of funds at 6.4% vs 7.2% in Q4FY25 and stable yield at 16.2%.
- Pre-provisioning profit fell 2.6% YoY to Rs. 1,913cr, due to a sharp 14.2% YoY increase in total expenditure.
- But profit after tax rose 14.1% YoY to Rs. 609cr, owing to higher non-interest income and lower provision expenses.

Outlook and Valuation

SBI Cards delivered a steady performance, driven by enhanced acquisition of customers via the digital route, improved underwriting discipline and strategic portfolio diversification. Going forward, the management expects operating efficiency to remain stable, with cost-to-income at manageable levels, and focus on increasing installment lending and quality customer acquisition via banca and open market channels. The company is also committed to achieving its medium-term profitability target, supported by improving asset quality and robust capital buffers. Portfolio diversity has been further strengthened with the launch of co-branded cards such as Tata Neu SBI Card, Flipkart SBI Card, Indigo SBI Card and PhonePe SBI Card SELECT. However, rising funding costs amid macroeconomic uncertainty remain a key monitorable. Accordingly, **we retain our ACCUMULATE rating on the stock, with a rolled-forward target price of Rs.698, based on 3.1x FY28E BVPS.**

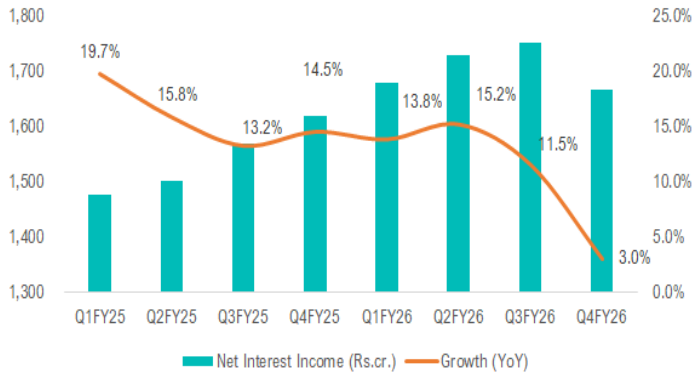
Quarterly Financials Standalone

Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Net Interest Income	1,668	1,620	*3.0*	1,751	*-4.7*	6,830	6,169	*10.7*
Total Income	5,187	4,832	*7.4*	5,353	*-3.1*	20,708	18,637	*11.1*
Total Expenditure	3,274	2,868	*14.2*	3,382	*-3.2*	12,832	11,185	*14.7*
Pre-Provision Profit	1,913	1,964	*-2.6*	1,971	*-3.0*	7,876	7,452	*5.7*
PBT	816	719	*13.6*	749	*8.9*	2,913	2,581	*12.9*
Rep. PAT	609	534	*14.1*	557	*9.5*	2,167	1,916	*13.1*
Adj PAT	609	534	*14.1*	557	*9.5*	2,167	1,916	*13.1*
EPS (Rs.)	6.4	5.6	*14.1*	5.9	*9.4*	22.8	20.1	*13.1*

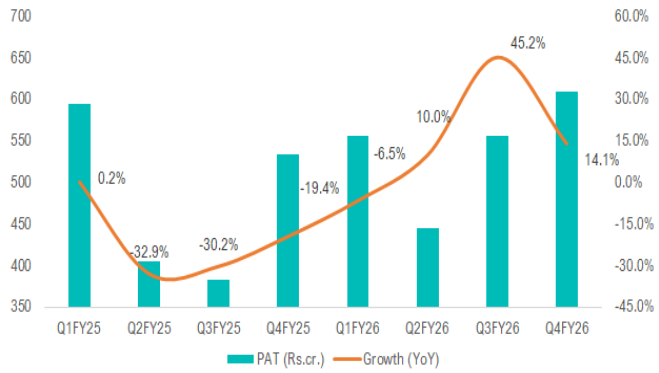
Key concall and other highlights

- SBI Cards' new accounts fell 17% YoY to 9.17 lakh. But cards-in-force rose a healthy 6% YoY to 2.21cr, spends increased 31% to Rs. 1,15,350cr and receivables rose 2% to Rs. 56,926cr.
- As on March 31, 2026, the balance sheet was strong, with gross credit loss declining 128bps YoY to 7.7%, gross non-performance assets decreasing 67bps to 2.4%, net non-performance assets falling 42bps to 1.04% and capital adequacy ratio improving 261bps to 25.5%, boosted by better asset quality, tighter underwriting and robust capital buffers.
- The company's cost-to-income ratio, return on average assets, and return on average equity improved 589bps YoY to 57.2%, 29bps to 3.6%, and 8bps to 15.6%, respectively, reflecting stronger returns.
- The company also indicated that cost-to-income will likely stay within 55-58%, reflecting ongoing operational investments.
- SBI Cards expects NIM to be stable YoY despite uncertain macro-driven funding pressures.
- The company highlighted its focus on installment lending to offset lower revolving behavior, aiming to avoid negative impact on engaged spending customers.
- The management is also confident in reaching a 4.0-4.5% return on asset in the medium term, supported by improving operational and credit metrics.

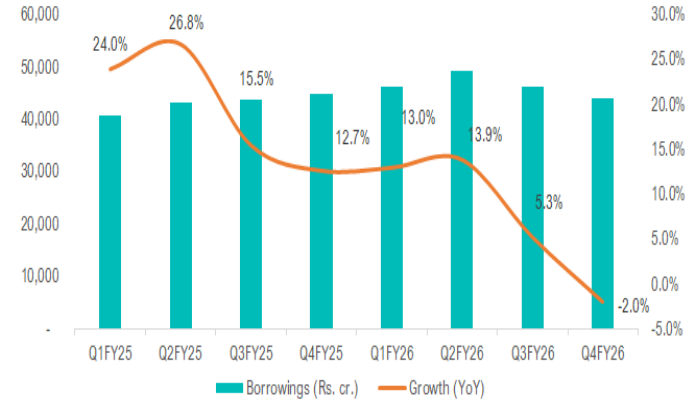
Net Interest Income



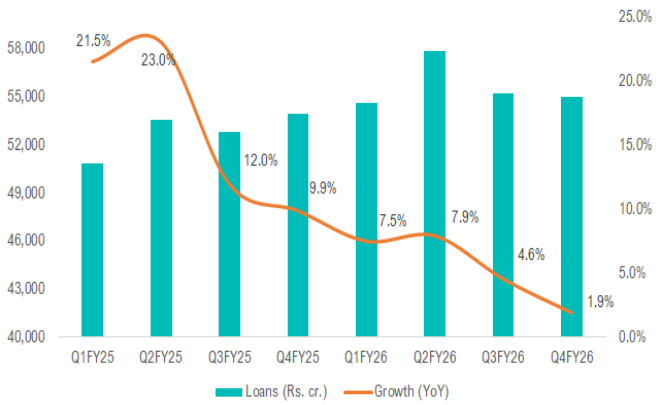
PAT



Borrowings



Loans



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Net Interest Income	8,380	-	7,333	8,216	*-12.5*	-
Net Interest Margin (%)	*11.5*	-	*12.2*	*12.4*	*70bps*	-
Pre-Provisioning Profit	9,201	-	8,562	9,378	*-6.9*	-
Net Profit	2,964	-	2,659	3,247	*-10.3*	-
EPS (Rs)	31.1	-	27.9	34.1	*-10.2*	-

Standalone Financials

Profit & Loss

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Interest Income	7,927	9,347	9,901	10,462	11,565
Interest Expense	2,595	3,178	3,072	3,129	3,349
Net Interest Income	**5,332**	**6,169**	**6,830**	**7,333**	**8,216**
% Change	*18.3*	*15.7*	*10.7*	*7.4*	*12.0*
Non-Interest Income	9,556	9,290	10,806	11,222	11,661
Net Income	**14,888**	**15,459**	**17,636**	**18,555**	**19,877**
Total Income	**17,484**	**18,637**	**20,708**	**21,684**	**23,226**
Operating Expenses	8,369	8,007	9,760	9,993	10,498
Total Expenditure	**10,964**	**11,185**	**12,832**	**13,122**	**13,847**
Pre-Provisioning Profit	**6,519**	**7,452**	**7,876**	**8,562**	**9,378**
Provisions	3,287	4,872	4,962	4,987	5,012
Profit Before Tax	**3,232**	**2,581**	**2,913**	**3,575**	**4,366**
Tax	824	664	746	916	1,119
Tax Rate (%)	*25.5*	*25.7*	*25.6*	*25.6*	*25.6*
Net Profit	**2,408**	**1,916**	**2,167**	**2,659**	**3,247**
% Change	*6.6*	*-20.4*	*13.1*	*22.7*	*22.1*
No. of Shares (cr)	95.1	95.1	95.2	95.2	95.2
Adj. EPS (Rs.)	**25.3**	**20.1**	**22.8**	**27.9**	**34.1**
% Change	*5.9*	*-20.4*	*13.0*	*22.7*	*22.1*
DPS	2.5	2.5	2.5	3.1	3.7

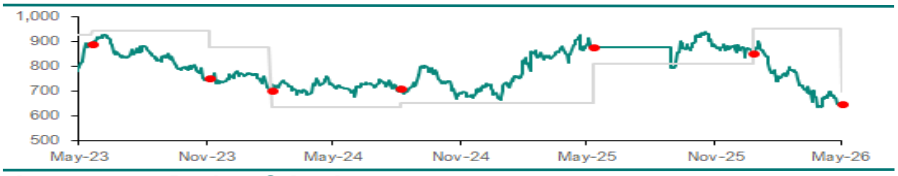
Balance Sheet

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash & Balances	2,730	2,738	2,320	2,668	3,041
Investments	3,519	6,235	6,374	6,629	6,894
Advances	49,079	53,935	54,984	59,933	66,526
Fixed Assets	1,400	1,392	1,382	1,413	1,440
Other Assets	1,444	1,246	1,268	1,294	1,320
Total Assets	**58,171**	**65,546**	**66,328**	**71,936**	**79,220**
Capital	951	951	952	952	952
Reserves & Surplus	11,133	12,830	14,774	17,347	20,467
Deposits	0	0	0	0	0
Borrowings	31,993	38,463	37,621	41,383	44,693
Other Liabilities	14,094	13,301	12,982	12,255	13,109
Total Liabilities	**58,171**	**65,546**	**66,328**	**71,936**	**79,220**
BVPS	127.1	144.9	165.2	192.2	225.0
Adj. BVPS	**122.0**	**136.6**	**159.2**	**185.7**	**225.0**
% Change	21.4	12.0	16.5	16.6	21.2

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Valuation					
P/E (x)	27.0	43.7	27.9	23.1	18.9
P/BV (x)	5.4	6.1	3.8	3.4	2.9
Div. Yield (%)	0.4	0.3	0.4	0.5	0.6
Profitability & Return (%)					
Yield on Advances	17.1	17.2	17.4	17.5	17.5
Cost of Fund	7.3	7.5	6.9	6.8	6.7
Spread	9.8	9.7	10.5	10.7	10.8
NIM (calculated)	11.5	11.4	12.0	12.2	12.4
ROE	22.0	14.8	14.7	15.6	16.4
ROA	4.6	3.1	3.3	3.8	4.3
Capital Adequacy (%)					
CAR	20.5	22.9	25.5	25.6	25.7
Tier I	16.5	17.5	20.0	20.1	20.1
Tier II	4.0	5.4	5.5	5.5	5.5
Asset Quality (%)					
GNPA	2.8	3.1	2.4	2.3	2.2
NNPA	1.0	1.5	1.0	1.0	1.0

Recommendation Summary - (last 3 years)



Dates	Rating	Target
8-Nov-23	BUY	874
5-Feb-24	REDUCE	634
9-Aug-24	REDUCE	651
13-May-25	REDUCE	808
29-Dec-25	ACCUMULATE	950
18-May-26	ACCUMULATE	698

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: ▲ Upgrade ● No Change ▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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