

SBI Cards and Payment Services

Estimate change 

TP change 

Rating change 

Bloomberg	SBICARD IN
Equity Shares (m)	943
M.Cap.(INRb)/(USD\$b)	782.6 / 10.2
52-Week Range (INR)	1165 / 712
1, 6, 12 Rel. Per (%)	-1/-18/-31
12M Avg Val (INR M)	2514

Financials & Valuations (INR b)

Y/E MARCH	FY22	FY23E	FY24E
NII	38.4	48.1	64.0
OP	44.3	58.7	76.9
NP	16.2	26.3	36.2
NIM (%)	13.6	13.4	13.9
EPS (INR)	17.2	27.9	38.4
EPS Gr. (%)	63.8	62.5	37.8
BV/Sh. (INR)	82.2	107.7	143.1
ABV/Sh. (INR)	80.4	105.8	140.9

Ratios

RoE (%)	23.0	29.4	30.6
RoA (%)	5.2	6.7	7.3

Valuations

P/E(X)	48.4	29.8	21.6
P/BV (X)	10.1	7.7	5.8
P/ABV (X)	10.3	7.8	5.9

Shareholding pattern (%)

As On	Mar-22	Dec-21	Mar-21
Promoter	69.6	69.5	69.4
DII	12.4	11.9	6.0
FII	9.5	10.3	8.6
Others	8.5	8.3	16.0

FII Includes depository receipts

CMP: INR830

TP: INR1,100 (+33%)

Buy

Robust growth in spends; lower provisioning drives big earnings beat

Margin contracts 80bp QoQ as Revolver mix moderates to 25%

- SBICARD reported a mixed quarter, with a miss in NII/PPOP, while net earnings delivered a significant beat, aided by a sharp decline in provisions. PAT grew 231% YoY to INR5.8b (MOSLE: INR4.5b).
- NIM contracted by 80bp to 13.2% in 4Q (v/s 14% in 3QFY22) due to a significant (-110bp) moderation in yields as the Revolver mix fell to 25% v/s 27% in 3QFY22. Trends in spends both Retail/Corporate was healthy at 40%/102% YoY. Overall spends grew 51% YoY.
- GNPA ratio moderated marginally by 18bp QoQ to 2.22%, while NNPA fell 5bp QoQ to 0.78%. RBI-RE book declined to sub-1%. RoA/RoE stood robust at 7%/30.4% in 4QFY22.
- We expect the company to deliver 50% earnings CAGR over FY22-24, leading to a RoA/RoE of 7.3%/30.6%. **We maintain our Buy rating.**

Robust growth in spends; RBI-RE book declines to below 1%

- SBICARD reported a PAT of INR5.8b (+231% YoY/+51% QoQ), led by lower credit costs, as provisions declined to INR3.9b (-37% QoQ) on improving asset quality and reversal of management overlay provisions of INR760m. Gross/net credit costs fell to 5.2%/3.1% (v/s 9%/7% in 3QFY22).
- NII was flat QoQ at INR10b (7% miss) as margin saw a sharp (80bp) contraction to 13.2%. This was led by a decline in revolver mix, which moderated to 25% (v/s 27% in 3QFY22). Other income grew 17% QoQ, adjusted for provision write-backs of INR1.08b (due to GST refunds).
- OPEX grew 23% YoY, but fell 8% QoQ, due to festive offers/promotion campaigns in 3QFY22. PPOP grew 25% YoY, while the cost-to-income ratio moderated to 57.4% (-268bp QoQ).
- Cards-in-force grew 17% YoY and 5% QoQ to 13.8m. New account sourcing was stable ~1m (+27% YoY and flat QoQ), with the open market channel contributing 54% to total sourcing (57% on an outstanding basis).
- Overall spends grew 51% YoY, within which Retail/Corporate spends rose 40%/102% YoY. However, this fell marginally down QoQ due to the Omicron COVID variant in Jan'22 and the festive season in 3QFY22. The share of online Retail spends increased to 54.4% FY22 from 52% in FY21 due to rapid digitization and growing comfort and convenience of shopping online.
- GNPA ratio moderated by 18bp QoQ to 2.22%, while NNPA fell 5bp QoQ to 0.78%. PCR stood broadly stable ~65%. The RBI-RE book declined to sub-1% (v/s 2% in 3Q and 4% in 2QFY22). ECL declined to 3.5% (v/s 4% in 3QFY22). The company holds management overlay provisions of INR510m.

Highlights from the management commentary

- The recent RBI Master Circular on Credit Cards is an important regulation and is applicable from 1st Jul'22. However, SBICARD is well covered on most aspects.
- From Oct'21 to Feb'22, the rate of conversion of spends to Revolver has been increasing as per its internal analysis. The management is confident of raising this gradually. The industry too is witnessing a moderation in Revolver mix.
- The share of Revolver balance declined in 4QFY22 as higher spends (INR30b) in Mar'22 was not converted to Revolver balance by the month-end.

Valuation and view

SBICARD reported a mixed quarter. The miss in NII/PPOP was offset by a sharp decline in provisions. Margin saw an 80bp QoQ contraction as the Revolver mix fell to 25%, which dragged revenue growth. Despite the Omicron COVID wave in Jan'22, growth in spends remained robust and is likely to stay healthy as economic activity picks up. RBI-RE book continues to decline gradually and now forms less than 1% of total receivables. Improving asset quality will continue to result in controlled credit costs. We expect the company to deliver 50% earnings CAGR over FY22-24, leading to a RoA/RoE of 7.3%/30.6%. **We maintain our Buy rating with a TP of INR1,100 per share (29x FY24E EPS).**

Quarterly performance**(INR b)**

	FY21				FY22				FY21	FY22	FY22E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Interest Income	11.4	10.1	9.1	8.3	9.2	9.2	10.0	10.0	38.8	38.4	10.7	-6.9
Change (YoY %)	52.2	20.0	-3.1	-18.3	-18.7	-9.1	9.9	20.6	9.7	-1.2	29.4	
Other Income	7.8	12.4	13.7	14.0	13.0	15.2	18.7	17.5	47.9	64.4	19.0	-7.9
Total Income	19.2	22.5	22.8	22.2	22.2	24.4	28.6	27.5	86.7	102.7	29.7	-7.6
Operating Expenses	9.0	11.1	13.5	12.9	11.7	13.8	17.2	15.8	47.1	58.5	17.0	-7.0
Operating Profit	10.1	11.4	9.3	9.4	10.5	10.6	11.4	11.7	39.6	44.3	12.8	-8.3
Change (YoY %)	9.1	37.2	-3.0	-1.2	4.0	-7.2	22.9	24.8	8.0	11.8	36.0	
Provisions	4.9	8.6	6.5	7.0	6.4	5.9	6.3	3.9	26.4	22.6	6.7	-41.7
Profit before Tax	5.3	2.8	2.8	2.3	4.1	4.6	5.2	7.8	13.2	21.7	6.0	29.1
Tax	1.3	0.7	0.7	0.6	1.1	1.2	1.3	2.0	3.4	5.6	1.6	27.6
Net Profit	3.9	2.1	2.1	1.8	3.0	3.4	3.9	5.8	9.8	16.2	4.5	29.6
Change (YoY %)	13.8	-45.9	-51.8	110.0	-22.5	67.3	84.0	231.1	-20.9	64.2	155.5	
Operating Parameters												
Loan (INR b)	219.2	219.3	237.0	234.6	230.4	253.9	279.7	301.9	234.6	301.9	297.9	1.3
Loan Growth (%)	7.2	-1.6	-1.0	2.8	5.1	15.8	18.0	28.7	2.8	28.7	27.0	1.7
Asset Quality												
Gross NPA (%)	1.4	4.3	1.6	5.0	3.9	3.4	2.4	2.2	5.0	2.2	2.0	0.2
Net NPA (%)	0.4	1.5	0.6	1.2	0.9	0.9	0.8	0.8	1.1	0.8	0.6	0.1
PCR (%)	68.3	65.6	65.6	77.9	78.2	73.7	65.9	65.3	77.9	65.3	69.3	-4.0

Quarterly snapshot

Profit & Loss (INR m)	FY20				FY21				FY22				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Interest Income	10,492	11,623	12,815	13,482	14,121	12,754	11,681	10,721	11,535	11,732	12,733	12,661	18	-1
Interest Expenses	3,019	3,193	3,452	3,344	2,746	2,642	2,609	2,437	2,290	2,541	2,768	2,674	10	-3
Net Interest Income	7,473	8,430	9,363	10,138	11,375	10,112	9,071	8,284	9,244	9,190	9,965	9,987	21	0
Other Income	12,535	12,139	12,817	11,622	7,808	12,373	13,717	13,961	12,975	15,223	18,663	17,500	25	-6
Fee Income	9,155	10,223	10,814	9,594	6,677	10,193	11,068	11,138	10,987	12,440	14,570	14,268	28	-2
Others	3,380	1,916	2,003	2,028	1,131	2,180	2,649	2,822	1,988	2,783	4,093	3,232	15	-21
Total Income	20,008	20,569	22,180	21,760	19,183	22,486	22,788	22,245	22,219	24,413	28,629	27,487	24	-4
Operating Expenses	10,716	12,259	12,585	12,257	9,047	11,086	13,477	12,854	11,680	13,833	17,189	15,767	23	-8
Employee	1,044	1,042	1,242	1,334	1,121	1,222	1,312	1,262	1,164	1,147	1,209	1,207	-4	0
Others	9,672	11,217	11,343	10,923	7,926	9,865	12,165	11,592	10,516	12,686	15,979	14,561	26	-9
Operating Profit	9,292	8,310	9,595	9,503	10,136	11,399	9,311	9,391	10,540	10,580	11,440	11,720	25	2
Provisions	3,966	3,292	3,763	8,382	4,853	8,617	6,483	7,047	6,437	5,939	6,255	3,928	-44	-37
PBT	5,325	5,018	5,832	1,121	5,283	2,782	2,829	2,344	4,103	4,641	5,185	7,792	232	50
Taxes	1,869	1,208	1,485	285	1,350	720	732	590	1,057	1,192	1,327	1,984	236	49
PAT	3,456	3,810	4,347	835	3,933	2,061	2,097	1,754	3,046	3,449	3,858	5,809	231	51
Balance Sheet (INR b)														
Loans	204.6	222.8	239.3	228.1	219.2	219.3	237.0	234.6	230.4	253.9	279.7	301.9	29	8
Asset Quality (INR b)														
GNPA	5,690	5,378	6,117	4,844	3,150	10,287	4,146	12,543	9,555	8,985	6,991	6,944	-45	-1
NNPA	1,593	1,774	2,021	1,589	1,000	3,539	1,426	2,776	2,083	2,363	2,384	2,410	-13	1
Ratios (%)														
Asset Quality Ratios	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
GNPA	2.7	2.3	2.5	2.0	1.4	4.3	1.6	5.0	3.9	3.4	2.4	2.2	-277	-18
NNPA	0.8	0.8	0.8	0.7	0.4	1.5	0.6	1.2	0.9	0.9	0.8	0.8	-37	-5
PCR (Calc.)	72.0	67.0	67.0	67.2	68.3	65.6	65.6	77.9	78.2	73.7	65.9	65.3	-1,260	-60
Credit Cost	8.0	5.9	6.3	13.7	8.2	14.6	10.4	11.1	10.4	9.3	9.0	5.2	-590	-380
ECL	3.6	3.3	3.4	5.5	6.0	8.6	8.0	6.6	5.7	5.0	4.0	3.5	-310	-50
Business Ratios														
Fees-to-Total Income	45.8	49.7	48.8	44.1	34.8	45.3	48.6	50.1	49.4	51.0	50.9	51.9	184	101
Cost-to-Income	53.6	59.6	56.7	56.3	47.2	49.3	59.1	57.8	52.6	56.7	60.0	57.4	-42	-268
Tax Rate	35.1	24.1	25.5	25.5	25.6	25.9	25.9	25.2	25.8	25.7	25.6	25.5	29	-14
Profitability Ratios														
Yield on loans	21.2	20.8	21.3	22.2	23.9	21.4	18.6	17.1	18.5	18.0	17.9	16.8	-30	-110
Cost of borrowings	8.2	7.6	7.6	7.4	6.6	6.6	6.1	5.5	5.2	5.5	5.4	4.9	-60	-50
Spreads	13.0	13.2	13.7	14.8	17.3	14.8	12.5	11.6	13.3	12.5	12.5	11.9	30	-60
Margin	15.1	15.1	15.5	16.7	19.2	17.0	14.5	13.2	14.8	14.1	14.0	13.2	0	-80
RoA	6.5	6.5	0.0	1.3	6.3	3.4	3.3	2.6	4.5	4.9	5.0	7.0	440	200
RoE	36.1	36.3	0.0	6.5	28.3	14.1	13.8	11.2	18.7	20.1	21.2	30.4	1,920	920
Other Details														
No. of Cards (in m)	8.8	9.5	10.0	10.5	10.6	11.0	11.5	11.8	12.0	12.6	13.2	13.8	17	5
Spends (INR b)	301.7	331.8	351.4	324.3	190.9	295.9	378.0	359.4	332.6	435.6	554.0	541.3	51	-2



Highlights from the management commentary

Operating environment and business

- Digital payments have seen a substantial growth and Credit Card adoption has increased significantly.
- This is reflected in industry growth trends in cards outstanding and spends.
- Despite a strong growth in FY22, penetration of Credit Cards remains low in India.
- Several steps are being taken by the regulator to increase adoption and promote safety while transacting.

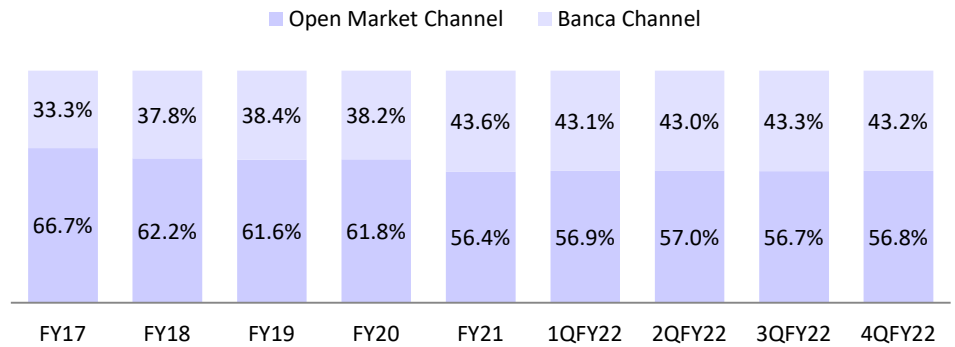
- The recent RBI Master Circular on Credit Cards is an important regulation and is applicable from 1st Jul'22. However, SBICARD is well covered on most aspects.
- It does not anticipate any changes to its co-branded card partnerships due to the new RBI regulations.
- SBICARD has implemented a new mechanism for recurring payments as per RBI guidelines. It is ready with tokenization, which comes into effect from 30th Jun'22.
- As per RBI rules, new card accounts need to be activated within 30 days.
- However, the definition of activation needs to be worked with the regulator as the 30-day period includes the time taken for the card to reach the customer (five-to-seven days).
- SBICARD issues e-cards to all customers as and when the account is approved.
- A customer-centric approach continues to guide the company. It launched new products as per emerging lifestyle trends and strengthened its presence on the RuPay platform.
- Competitive intensity is the highest from within the industry as well as by those outside like prepaid card providers (neo banking and BNPL).
- From Oct'21 to Feb'22, the rate of conversion of spends to Revolver has been increasing as per its internal analysis. The management is confident of raising this gradually. The industry too is witnessing a moderation in Revolver mix.
- The share of Revolver balance declined in 4QFY22 as higher spends (INR30b) in Mar'22 was not converted to Revolver balance by the month-end.
- The cost of funds for SBICARD has bottomed out and is likely to increase as the management looks to secure long-term funds.
- It is hopeful of reducing the cost of acquisition due to focus on digital means of acquiring customers.
- Its cost-to-income ratio is lower due to lesser marketing spends in 4Q as compared to 3QFY22, which coincides with the festive season. It is also trying to control acquisition costs by focusing on digital initiatives.

Asset quality

- SBICARD continues to calibrate credit filters for new customers.
- GNPA continues to reduce on a QoQ basis and is reflective of its asset quality.
- The QoQ decline in Stage 2 ECL is due to the rundown in the RBI-RE book.

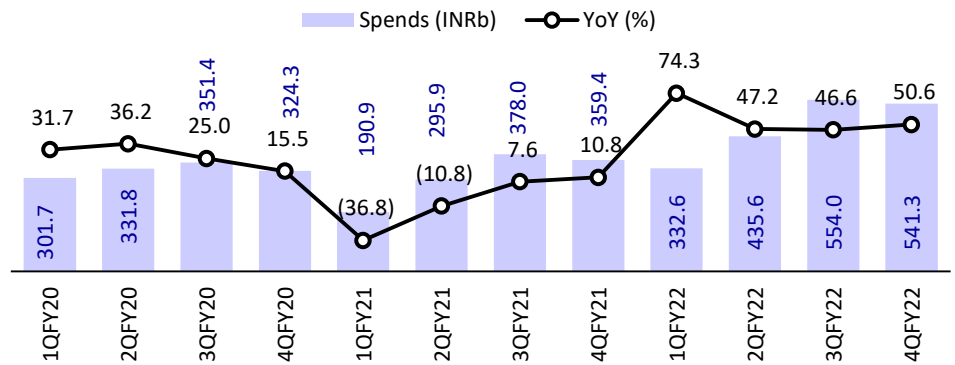
Key exhibits

Exhibit 1: Acquires ~ 57% of outstanding cards via the open market channel (%)



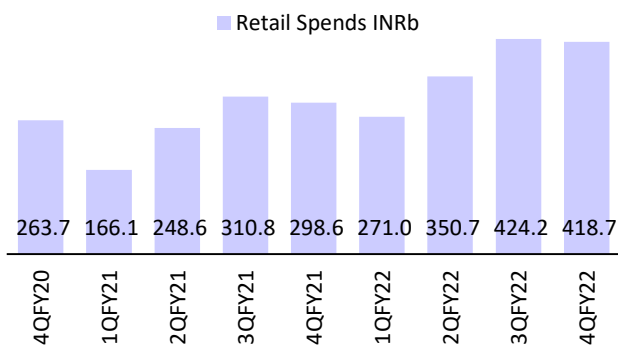
Source: MOFSL, Company

Exhibit 2: Spends remain strong and grew 51% YoY, but fell 2% QoQ



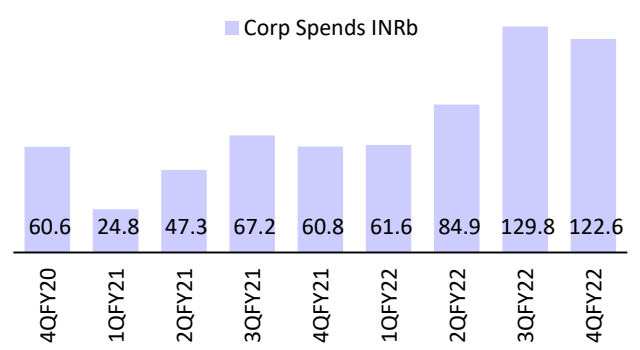
Source: MOFSL, Company

Exhibit 3: Retail spends healthy ~INR419b



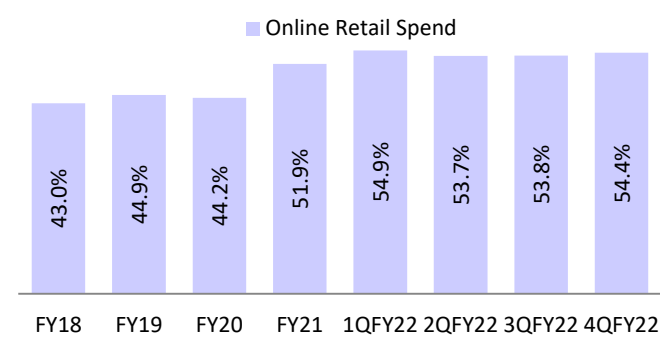
Source: MOFSL, Company, RBI

Exhibit 4: Corporate spends strong ~INR123b



Source: MOFSL, Company, RBI

Exhibit 5: Online spends comprise ~55% of Retail spends



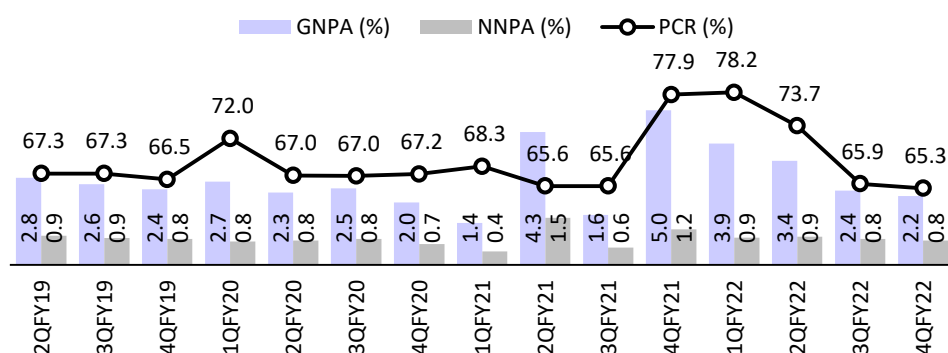
Source: MOFSL, Company

Exhibit 6: Category-wise spends

Spend category	Growth in total	Growth in online	Growth in POS
Category 1	24%	35%	(4%)
Departmental Stores, Health, Utilities			
Education and Direct Marketing			
Category 2	19%	14%	21%
Consumer durables, Furnishing & Hardware			
Category 3	(26%)	(24%)	(26%)
Apparels & Jewelry			
Category 4	(8%)	(9%)	(7%)
Travel agents, Hotels, Airline, Railways			
Restaurant and Entertainment			

*% growth in 4QFY22 over 3QFY22 Source: MOFSL, Company, RBI

Exhibit 7: GNPA ratio declines by 18bp QoQ to ~2.2%, while NNPA ratio moderates by 5bp QoQ to 0.78%; PCR stood ~65%



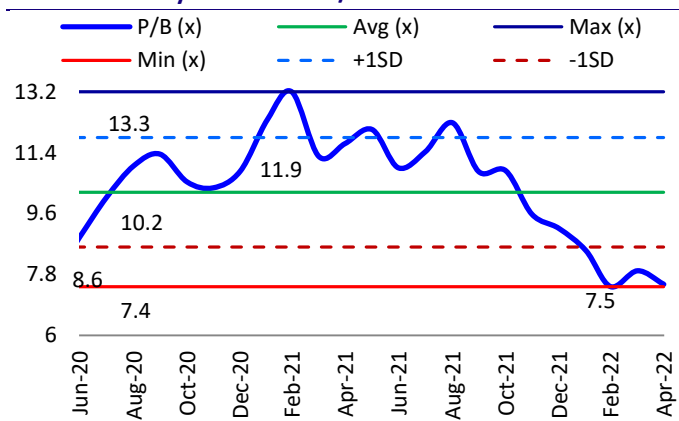
Source: MOFSL, Company

Valuation and view

- SBICARD has strengthened its position as the second largest card player in the country, with a market share of 18.9% in outstanding cards and 19.2% share in overall spends. It has an outstanding card base of 13.8m and has gained average incremental market share of 22% over the past three years (~18% over FY22). It is also the market leader in terms of open market sourcing and is the largest co-branded card issuer in India.
- It has access to its parent SBIN's vast network of ~22k branches and customer base of ~450m, along with strong open market sourcing capabilities. On account of robust distribution and co-branded channels, SBICARD is well-placed to capitalize on growth opportunities as the market remains significantly underpenetrated. Open market sourcing has picked up strongly in 4QFY22, while the banca channel is growing healthily, which provides better risk underwriting and enables lower opex.
- Asset quality ratios improved further, while the RBI-RE book declined to 1% of loans v/s 4% in 2QFY22. SBICARD carries management overlay provisions of INR510m, which should keep credit costs in check. We estimate a GNPA/NNPA of 1.8%/0.6% by FY24, while PCR should sustain ~68%.
- The Revolver mix remains low and can pressurize margin. Over the medium term, a higher proportion of the interest earnings book and greater fee income (led by a strong growth in spends and a moderation in credit costs) will be the key earnings drivers. We expect it to report 50% earnings CAGR over FY22-24.

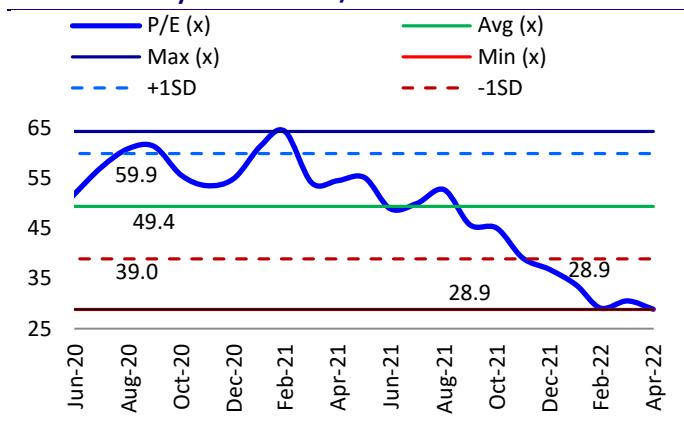
- Buy with a TP of INR1,100/share:** SBICARD reported a mixed quarter. The miss in NII/PPOP was offset by a sharp decline in provisions. Margin saw an 80bp QoQ contraction as the Revolver mix fell to 25%, which dragged revenue growth. Despite the Omicron COVID wave in Jan'22, growth in spends remained robust and is likely to stay healthy as economic activity picks up. RBI-RE book continues to decline gradually and now forms less than 1% of total receivables. Improving asset quality will continue to result in controlled credit costs. We expect the company to deliver 50% earnings CAGR over FY22-24, leading to a RoA/RoE of 7.3%/30.6%. **We maintain our Buy rating with a TP of INR1,100 per share (29x FY24E EPS).**

Exhibit 8: One-year forward P/B



Source: MOFSL, Company

Exhibit 9: One-year forward P/E



Source: MOFSL, Company

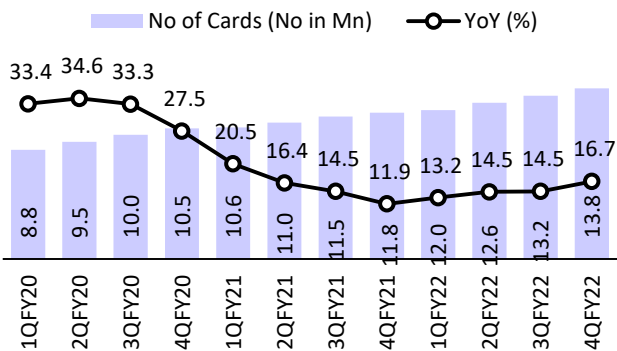
Exhibit 10: Raise our FY23/FY24 estimate by 8%/6% due to lower credit cost

INR b	Old estimates		New estimates		Change (%/bp)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Net Interest Income	52.1	68.3	48.1	64.0	-7.6	-6.4
Other Income	79.6	98.0	81.9	102.3	2.9	4.4
Total Income	131.7	166.3	130.1	166.3	-1.3	0.0
Operating Expenses	72.0	90.1	71.4	89.3	-0.9	-0.8
Operating Profit	59.7	76.2	58.7	76.9	-1.7	0.9
Provisions	26.9	30.3	23.3	28.2	-13.5	-6.8
PBT	32.8	46.0	35.4	48.8	8.0	6.0
Tax	8.4	11.8	9.1	12.5	8.0	6.0
PAT	24.4	34.2	26.3	36.2	8.0	6.0
Loans	381	488	389	502	2.1	2.9
Spends	2,403	3,076	2,516	3,270	4.7	6.3
Margin (%)	14.3	14.7	13.4	13.9	-89	-84
Credit Cost (%)	7.40	6.50	6.50	6.10	-90	-40
RoA (%)	6.43	7.04	6.69	7.27	26	23
RoE (%)	27.9	30.0	29.4	30.6	144	65
EPS	26	36	28	38	7.7	5.8
BV	104	138	108	143	3.1	3.8
ABV	103	136	106	141	2.7	3.7

Source: MOSL, Company

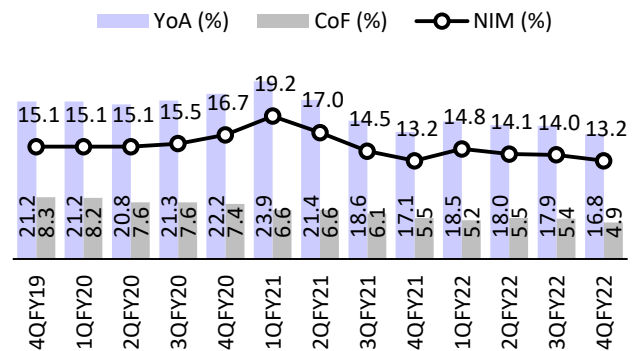
Story in charts

Exhibit 11: Number of cards up ~17% YoY to 13.8m



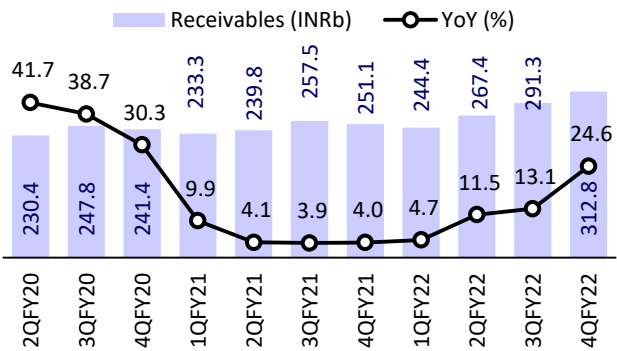
Source: MOFSL, Company

Exhibit 12: Margin declines by 80bp QoQ to 13.2%



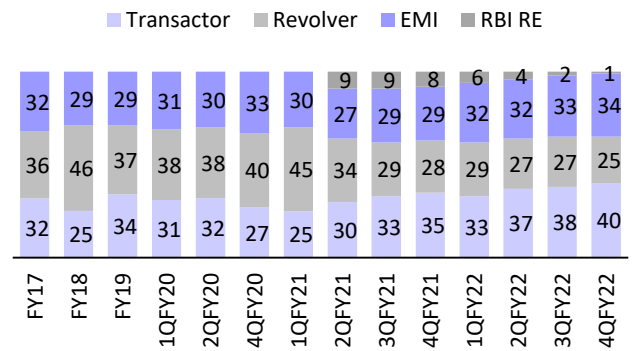
Source: MOFSL, Company

Exhibit 13: Receivables up 25% YoY to ~INR313b



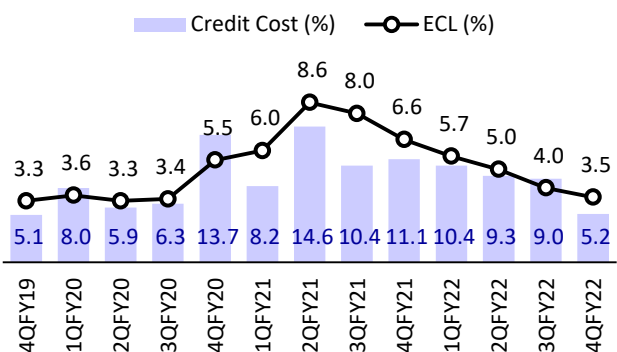
Source: MOFSL, Company

Exhibit 14: Receivables mix: Transactor mix up to 40%, while Revolver share declines further to 25%



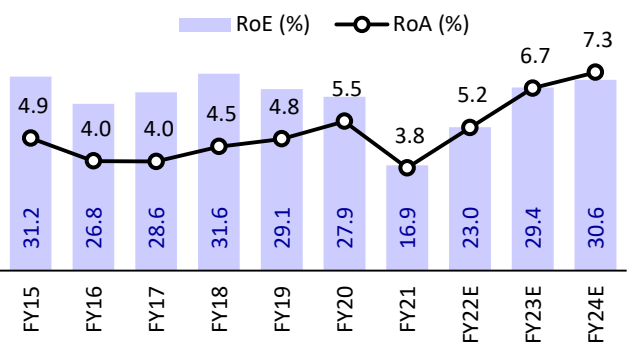
Source: MOFSL, Company

Exhibit 15: Credit cost moderates to 5.2%; ECL at 3.5%



Source: MOFSL, Company

Exhibit 16: Expect RoE/RoE to stay strong at 7.3%/30.6% in FY24



Source: MOFSL, Company

Exhibit 17: DuPont Analysis – return ratios to remain robust

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Interest Income	20.25	20.87	19.96	21.30	18.84	15.78	15.86	16.60
Interest Expense	5.67	5.38	5.63	5.72	3.99	3.33	3.62	3.76
Net Interest Income	14.59	15.49	14.32	15.58	14.85	12.45	12.25	12.85
Fee Income	14.07	16.46	17.15	17.51	14.94	16.95	17.39	17.08
Trading and others	2.91	3.27	3.57	4.10	3.36	3.92	3.47	3.45
Non-Interest income	16.98	19.74	20.71	21.61	18.29	20.88	20.86	20.54
Total Income	31.56	35.23	35.04	37.19	33.14	33.33	33.11	33.38
Operating Expenses	19.73	22.22	21.18	21.04	18.00	18.96	18.17	17.94
Employee cost	1.02	1.46	2.12	2.06	1.88	1.53	1.42	1.29
Others	18.70	20.76	19.07	18.98	16.12	17.43	16.75	16.65
Operating Profit	11.84	13.00	13.86	16.15	15.15	14.36	14.94	15.45
Provisions	5.71	6.05	6.41	8.54	10.09	7.32	5.93	5.66
NPA	4.73	4.52	5.21	5.39	8.26	6.22	5.01	4.92
Others	0.98	1.53	1.19	3.14	1.83	1.10	0.91	0.74
PBT	6.13	6.95	7.45	7.61	5.06	7.05	9.01	9.79
Tax	2.13	2.41	2.62	2.13	1.30	1.80	2.32	2.52
RoA	4.00	4.55	4.83	5.48	3.76	5.24	6.69	7.27
Leverage (x)	7.2	7.0	6.0	5.1	4.5	4.4	4.4	4.2
RoE	28.6	31.6	29.1	27.9	16.9	23.0	29.4	30.6

Financials and valuations

Income Statement								(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Interest Income	18,882	27,600	35,757	48,413	49,277	48,660	62,321	82,704
Interest Expense	5,284	7,115	10,094	13,009	10,434	10,273	14,207	18,712
Net Interest Income	13,597	20,485	25,664	35,404	38,843	38,387	48,115	63,992
Growth (%)	43.1	50.7	25.3	38.0	9.7	-1.2	25.3	33.0
Non-Interest Income	15,829	26,102	37,111	49,110	47,859	64,361	81,949	102,284
Total Income	29,426	46,587	62,775	84,514	86,702	102,748	130,064	166,277
Growth (%)	42.7	58.3	34.7	34.6	2.6	18.5	26.6	27.8
Operating Expenses	18,390	29,393	37,947	47,815	47,079	58,468	71,391	89,339
Pre Provision Profit	11,036	17,194	24,828	36,699	39,623	44,280	58,673	76,938
Growth (%)	56.3	55.8	44.4	47.8	8.0	11.8	32.5	31.1
Provisions (excl. tax)	5,320	8,001	11,477	19,402	26,386	22,558	23,281	28,184
PBT	5,716	9,193	13,351	17,296	13,237	21,722	35,392	48,754
Tax	1,988	3,182	4,701	4,848	3,392	5,560	9,096	12,530
Tax Rate (%)	34.8	34.6	35.2	28.0	25.6	25.6	25.7	25.7
PAT	3,729	6,011	8,650	12,448	9,845	16,162	26,296	36,224
Growth (%)	31.3	61.2	43.9	43.9	-20.9	64.2	62.7	37.8
OCI	(14)	(18)	(31)	(31)	128	102	-	-
Total Comprehensive Income	3,714	5,993	8,618	12,417	9,974	16,263	26,296	36,224
Growth (%)	30.8	61.4	43.8	44.1	-19.7	63.1	61.7	37.8

Balance Sheet

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Share Capital	7,850	7,850	8,372	9,390	9,405	9,432	9,432	9,432
Reserves and Surplus	6,638	15,681	27,506	44,023	53,615	68,095	92,117	125,499
Net Worth	14,488	23,531	35,878	53,412	63,020	77,527	101,549	134,930
Borrowings	82,684	114,128	135,494	175,728	180,680	229,825	286,776	358,470
Other Liabilities and Prov.	10,478	19,201	30,090	23,927	26,428	39,133	50,873	63,591
Total Liabilities	107,650	156,860	201,462	253,067	270,129	346,484	439,198	556,991
Current Assets	2,829	4,727	7,768	6,774	7,181	11,064	11,838	12,608
Investments	0	0	15	15	9,576	12,972	14,658	16,857
Growth (%)	NA	NA	NA	0.0	65,347.3	35.5	13.0	15.0
Loans	99,829	140,455	179,087	228,116	234,591	301,873	389,416	502,346
Growth (%)	35.0	40.7	27.5	27.4	2.8	28.7	29.0	29.0
Fixed Assets	238	2,768	2,164	3,346	3,182	4,537	4,764	5,002
Other Assets	4,753	8,910	12,428	14,817	15,599	16,039	18,522	20,178
Total Assets	107,650	156,860	201,462	253,067	270,129	346,484	439,198	556,991

Asset Quality

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
GNPA (INR m)	2,409	4,125	4,529	4,844	12,543	6,944	7,547	9,141
NNPA (INR m)	773	1,348	1,518	1,589	2,776	2,410	2,514	2,953
GNPA Ratio	2.3	2.8	2.4	2.0	5.0	2.2	1.9	1.8
NNPA Ratio	0.8	0.9	0.8	0.7	1.1	0.8	0.6	0.6
Slippage Ratio	0.6	3.1	5.9	5.9	12.8	6.3	5.5	5.0
Credit Cost	6.1	6.4	6.2	9.1	10.7	8.0	6.5	6.1
PCR (Excl. Tech. write off)	67.9	67.3	66.5	67.2	77.9	65.3	66.7	67.7

Financials and valuations

Business metrics

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Total no. of Cards (in m)	4.6	6.3	8.3	10.5	11.8	13.8	17.2	21.5
Total spends (INR b)	438.5	770.2	1,032.7	1,309.2	1,224.2	1,863.5	2,515.8	3,270.5
Spends per card (INR k)	96.0	123.1	124.8	124.1	103.5	135.4	146.2	152.0
Loans per card (INR)	21,849	22,443	21,651	21,628	19,844	21,927	22,629	23,353
Loans as a percentage of spends	22.8	18.2	17.3	17.4	19.2	16.2	15.5	15.4
Fee income earned per card	2,871	3,479	3,714	3,772	3,305	3,796	3,970	3,956

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Yield and Cost Ratios (%)								
Avg. Yield on loans	21.7	22.2	21.6	22.7	20.0	17.3	17.4	17.9
Avg. Cost of Borrowings	7.4	7.2	8.1	8.4	5.9	5.0	5.5	5.8
Interest Spread	14.3	15.0	13.5	14.3	14.2	12.3	11.9	12.1
Net Interest Margin	15.6	16.5	15.5	16.6	15.8	13.6	13.4	13.9

Capitalization Ratios (%)

Tier I	11.3	12.4	14.9	17.7	20.9	21.0	20.4	20.8
Tier II	4.4	5.9	5.3	4.7	3.9	2.8	2.2	1.6
CAR	15.7	18.3	20.1	22.4	24.8	23.8	22.6	22.5

Asset-Liability Profile (%)

Cost/Assets	19.7	22.2	21.2	21.0	18.0	19.0	18.2	17.9
Cost/Total Income	62.5	63.1	60.4	56.6	54.3	56.9	54.9	53.7
Int. Expense/Int. Income	28.0	25.8	28.2	26.9	21.2	21.1	22.8	22.6
Fee Income/Total Income	44.6	46.7	48.9	47.1	45.1	50.9	52.5	51.2
Non Int. Inc./Total Income	53.8	56.0	59.1	58.1	55.2	62.6	63.0	61.5
Emp. Cost/Total Expense	5.2	6.6	10.0	9.8	10.4	8.1	7.8	7.2

Valuation

RoE	28.6	31.6	29.1	27.9	16.9	23.0	29.4	30.6
RoA	4.0	4.5	4.8	5.5	3.8	5.2	6.7	7.3
RoRWA	3.7	4.8	5.2	5.9	4.1	5.7	6.9	7.1
Book Value (INR)	18.5	30.0	42.9	56.9	67.0	82.2	107.7	143.1
Growth (%)	25.4	62.4	43.0	32.7	17.8	22.7	31.0	32.9
Price-to-BV (x)	45.0	27.7	19.4	14.6	12.4	10.1	7.7	5.8
Adjusted BV (INR)	17.8	28.8	41.6	55.7	64.9	80.4	105.8	140.9
Price-to-ABV (x)	46.7	28.8	20.0	14.9	12.8	10.3	7.8	5.9
EPS (INR)	4.7	7.7	10.7	14.0	10.5	17.2	27.9	38.4
Growth (%)	31.3	61.2	39.3	31.4	-25.3	63.8	62.5	37.8
Price-to-Earnings (x)	174.7	108.4	77.8	59.2	79.2	48.4	29.8	21.6

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SELL	< - 10%
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