MAKING LIFE SIMPLE

Date: - 29th April, 2025

In terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 dated October 19, 2023 (updated as on February 27, 2025) issued by Reserve Bank of India, please find enclosed Liquidity Risk Management Framework and Liquidity Coverage Ratio of SBI Cards and Payment Services Limited for the period ending **March 2025.**

For SBI Cards and Payment Services Limited

Rashmi Mohanty
Chief Financial Officer

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Appendix I

For the quarter ending March 2025 (based on audited financials)

In terms of with RBI circular no RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (updated on February 27, 2025) issued by Reserve Bank of India

i) Funding Concentration based on significant counterparty (both deposits and borrowings)*:

Sr. No.	Quarter ended	Number of Significant Counterparties	Amount (Rs. crore)	% of Total deposits	% of Total Liabilities
1	Jun'24	10	37,729.60	N.A.	80.56%
2	Sep'24	10	39,423.72	N.A.	80.82%
3	Dec'24	9	39,891.92	N.A.	81.27%
4	Mar'25	10	41,572.34	N.A.	80.31%

*Funding concentration (for bonds and commercial papers) based on significant counterparty has been computed using the latest beneficiary position as of quarter end. Further, the securities maturity amount has been considered

ii) Top 20 large deposits (amount in Rs. crore and % of total deposits)

The company is registered as Non-Deposit taking Systemically Important NBFC, hence N.A.

iii) Top 10 borrowings (amount in Rs. crore and % of total borrowings)*:

Sr. No.	Quarter ended	Amount (Rs. crore)	% of Total Borrowings
1	Jun'24	37,681.99	92.68%
2	Sep'24	39,423.72	91.76%
3	Dec'24	40,241.92	92.23%
4	Mar'25	41,572.34	93.01%

*Funding concentration (for bonds and commercial papers) based on significant counterparty has been computed using the latest beneficiary position as of quarter end. Further, the securities maturity amount has been considered.

iv) Funding Concentration based on significant instrument/product

Sr. No.	Quarter ended	Bank Lines		Debentures		Term Loan		Commercial Papers	
		Total Amount (Rs. crore)	% of Total Liabilities	Total Amount (Rs. crore)	% of Total Liabilities	Total Amount (Rs. crore)	% of Total Liabilities	Total Amount (Rs. crore)	% of Total Liabilities
1	Jun'24	25,783.32	55.06%	6,890.81	14.71%	8,190.96	17.49%	-	-
2	Sep'24	26,126.53	53.56%	7,937.98	16.27%	9,153.48	18.76%	-	-
3	Dec'24	28,491.47	58.04%	6,809.59	13.87%	8,605.42	17.53%	-	-
4	Mar'25	29,974.35	57.91%	6,483.30	12.52%	8,488.96	16.40%	-	-

v) **Stock Ratios**

Sr. No.	Quarter ended	Name of the instrument/product	% of Total Public Funds	% of Total Liabilities	% of Total Assets
a	Jun'24	Commercial Papers	N.A.	-	-
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	69.54%	54.72%
b	Sep'24	Commercial Papers	N.A.	-	-
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	66.67%	52.56%
c	Dec'24	Commercial Papers	N.A.	-	-
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	69.98%	54.91%
d	Mar'25	Commercial Papers	N.A.	-	-
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	74.59%	58.91%

vi) **Institutional set-up for liquidity risk management**

Liquidity risk is the risk that the Company doesn't have sufficient financial resources to meet its obligations as and when they fall due or will have to do so at an excessive cost. This risk arises from the mismatches in the timing of the cash flows which are inherent in all financing operations and can be affected by a range of Company specific and market-wide events. Therefore, Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company has put in place an effective Asset Liability Management System, constituted an Asset Liability Management Committee ("ALCO") headed by Managing Director & CEO of the Company.

The Company manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations. ALCO is responsible for managing the Company's liquidity risk via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

The Company's borrowing program is rated by CRISIL & ICRA. Short term rating is A1+ and the long-term rating is AAA/Stable by both the agencies. There has been no change in ratings for the last 15 years.

1. DISCLOSURE ON LIQUIDITY COVERAGE RATIO

Reserve Bank of India, through the Liquidity Risk Management Framework for Non-Banking Financial Companies, introduced Liquidity Coverage Ratio (LCR) with the objective that NBFC shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. HQLA means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios.

Liquidity management in the Company is driven by the Board approved Asset Liability Management (ALM) Policy. The Asset Liability Committee (ALCO) is a decision-making unit responsible for implementing the liquidity risk management strategy of the Company, formulating the Company's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Company and ensures adherence to the risk tolerance/limits set by the Board.

The LCR requirement were effective December 01, 2020, with the minimum HQLAs to be held being 50% of the LCR, progressively increase it by 10% / 15%, to reach up to the required level of 100% by December 01, 2024. From December 01, 2024, the minimum HQLAs to be held are at 100% of the LCR.

The LCR is calculated by dividing Stock of HQLA by total net cash outflows over the next 30 calendar days. Total net cash outflows over the next 30 days are equal to stressed outflows minus Minimum of stressed inflows or 75% of stressed outflows (wherein stressed outflows are 115% of outflows and stressed inflows are 75% of inflows).

The following table sets out the average of unweighted and weighted value of the LCR components of the Company calculated in accordance with RBI circular. The average weighted and unweighted amounts are calculated taking simple averages of daily observations over the respective quarter, during the financial year 2024-25:

(Amounts in INR Crores, except %)

Sr. No.	Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Asset									
1	Total High Quality Liquid Assets (HQLA)		**5,421.01**		**4,205.03**		**3,633.33**		**3,223.09**
Cash Outflows									
2	Deposits (For Deposit taking Companies)	-	-	-	-	-	-	-	-
3	Unsecured Wholesale Funding	-	-	-	-	-	-	-	-
4	Secured Wholesale Funding	4,663.29	5,362.78	4,521.50	5,199.73	3,597.78	4,137.45	4,791.93	5,510.71
5	Additional Requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	4,854.17	5,582.30	4,744.27	5,455.91	4,559.69	5,243.64	2,077.20	2,388.78
6	Other contractual funding obligations	3,371.69	3,877.45	3,605.86	4,146.74	3,525.00	4,053.75	3,179.95	3,656.94
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total Cash Outflows	**12,889.15**	**14,822.52**	**12,871.63**	**14,802.37**	**11,682.47**	**13,434.84**	**10,049.07**	**11,556.43**
Cash Inflows									

9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	21,331.54	15,998.65	21,615.24	16,211.43	20,648.54	15,486.40	20,463.92	15,347.94
11	Other Cash Inflows	133.67	100.25	139.73	104.80	106.33	79.75	107.95	80.97
12	Total Cash Inflows	**21,465.21**	**16,098.90**	**21,754.97**	**16,316.23**	**20,754.87**	**15,566.15**	**20,571.87**	**15,428.90**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA		5,421.01		4,205.03		3,633.33		3,223.09
14	Total Net Cash Outflows		3,705.63		3,700.59		3,358.71		2,889.11
15	Liquidity Coverage Ratio (%)		**146.29%**		**113.63%**		**108.18%**		**111.56%**

The main drivers of the LCR calculation in outflow over 30 days period are contractual borrowing obligations of the Company in the form of Bank lines, Term Loans, Debentures, Commercial Papers. Other contractual funding obligations consist of liabilities towards network partners, vendor payments, other liabilities. Further, the Company also uses the behavioral study to take the impact of unused credit and liquidity facilities provided to its cardholders. Main driver of inflows is the repayments from the cardholders which are taken basis the past behavioral pattern observed. Other cash inflows consist of incomes accruals which the Company expects to receive in next 30 days.

The average LCR of the Company for the three months ended March 31, 2025 was 146.29% as against 113.63% for the quarter ended December 31, 2024. The LCR remains well above the regulatory minimum requirement for each reporting period.

The average HQLA for the quarter ended March 31, 2025, was 5,421.01 crores as against 4,205.03 crores for the quarter ended December 31, 2024. The net cash outflow position has gone up by Rs. 5.04 crores, however HQLA level has up by Rs. 1,215.97 crores mainly to meet an additional 15% incremental regulatory requirement. HQLA comprises of Investment in Government Securities (68.13%), Investments in Treasury Bills (30.63%) and balances in current account with Scheduled Commercial Banks (1.24%).

Management is of the view that the Company has sufficient liquidity cover to meet its likely future short-term requirements.