



**“SBI Cards and Payment Services Limited Q1 FY '26 Earnings
Conference Call”**

July 25, 2025



MANAGEMENT:

**MS. SALILA PANDE – MANAGING DIRECTOR AND CHIEF EXECUTIVE
OFFICER**

MR. GIRISH BUDHIRAJA – CHIEF SALES & MARKETING OFFICER

MS. RASHMI MOHANTY –CHIEF FINANCIAL OFFICER

MR. KRISHNA KANT BISHNOI – CHIEF RISK OFFICER

MS. NANDINI MALHOTRA –CHIEF CREDIT OFFICER

Moderator: Good day, and welcome to SBI Cards and Payment Services Limited Q1 FY '26 Conference Call.

As a reminder, all participant lines will remain in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing “*”, then “0” on your touch-tone telephone.

I now hand the conference over to Ms. Salila Pande – MD and CEO, SBI Cards. Thank you, and over to you, ma'am.

Salila Pande: Thank you, Rayo. A very good evening to all. On behalf of the board and management of SBI Card, I extend a warm welcome and sincere thanks for joining us today for the Q1 FY26 earnings call

I have SBI Card's leadership team with me, and I would also like to introduce Mr. Krishna Kant Bishnoi who has recently joined us as the Chief Risk Officer. He has FRM certification from GARP, along with an MBA in Banking & Finance. He comes with a vast experience of 31 years in the banking sector in India and International markets, across all key facets of banking, especially Credit Risk Management.

Macroeconomic & Industry Overview:

As you are aware, in April 2025, RBI MPC lowered GDP growth estimate for FY26 to 6.5% from 6.7% - an adjustment amid external uncertainties but underlining strong domestic anchors.

India's payments ecosystem is undergoing a transformation—powered by the rapid scaling of digital infrastructure, real-time rails like UPI, and now RuPay credit card on UPI. India has emerged as a global frontrunner in digital transaction volumes, setting benchmarks in adoption, affordability, and accessibility. As per reports, by 2030, India's digital economy is projected to contribute nearly one-fifth of the country's overall economy outpacing the growth of traditional sectors.

The convergence of credit and digital is creating a new model: one where credit cards are no longer just plastic instruments, but digital financial tools integrated into mobile apps. Credit cards today are serving more nuanced roles—powering high-ticket, EMI-led, and reward-driven spending for an increasingly aspirational and digitally savvy customers.

However, owing to the prevailing environment, the industry is currently treading carefully. For instance, while India has around 111 million credit cards in circulation, as per RBI June 2025 data, net card addition in Q1 FY26 has been around 13.13 lakh, compared to 20.10 lakh during the same period last year. At the same time, the Indian credit card industry continues to offer immense growth opportunities for the long-term.

Industry forecasts expect cards to double to 200 million cards by FY 28-29. (~15% CAGR). As per RBI's data, credit card spends in Q1 FY26 rose 16% to around ₹ 5,57,157 Cr vs ₹ 4,80,276 crore during the same period last year.

Coming to SBI Cards strategy and outlook:

Looking at the corporate development, we see a lot of opportunities for SBI Cards to grow. Today, SBI Cards is India's largest pure-play credit card player commanding a strong position with 19.1% market share in terms of card reports and 16.6% in card spend as per the RBI June 2025 data.

We remain focused on further strengthening our position by focusing on strategic priorities, including:

- Expanding our credit card portfolio, including premium and co-branded cards to meet evolving lifestyle needs of customers.
- Bolstering digital onboarding and servicing capabilities to ensure a seamless, secure, and intuitive customer experience.
- Deepening our focus on Tier 2 and Tier 3 markets where rising affluence and digital penetration present significant growth headroom.
- Leveraging data intelligence to sharpen customer insights and credit decisioning.

At the same time, we are curating offerings for digitally native aspirational consumers seeking convenience, flexibility and rewards. In parallel, we continue to focus on launching contextual and curated offers to enhance customer engagement.

Let us now look at SBI Cards' business performance for the 1st Quarter of '25, '26:

As far as the **new accounts** are concerned, Cards-in-Force have grown to around 2.12 crore, witnessing a 10% YoY growth. We added over 8.73 lakh new accounts in Q1 FY26. We continue to be selective in new card acquisition for the time being. In line with our strategy, sourcing distribution remains balanced: Banca contributing 56% and Open Market the remaining 44%.

As far as the **spends** are concerned, our spend market share has grown to 16.6% compared to 15.9% during the 1st Quarter of Financial Year 24-25. Total spend reached Rs. 93,244 crores in the 1st Quarter, which is 21% growth Y-o-Y. Retail spend saw sustained growth and reached Rs. 82,404 crores, witnessing a 15% Y-o-Y growth.

- We have seen good growth in both PoS and online spends across most discretionary and non-discretionary categories.
- Key ones include departmental stores, utilities, education, consumer durables, furnishing & hardware, apparel, and jewellery among many others.
- The travel and entertainment category witnessed strong online spends.

Online spends continued to be strong and contributed 60.7% of total retail spends. Corporate spends has grown steadily and reached ₹ 10,840 crore during the quarter, aided by our continuous focus on diversification of use cases.

UPI-on-Credit-Card usage continue to grow 20% QoQ, especially in department stores, groceries, utilities, fuel, apparel, and restaurants—driven by RuPay and QR acceptance expansion.

We continue to forge strategic partnerships and roll out new products, to offer diverse and valuable options to our customers.

- In partnership with Tata Digital, we launched a powerful co-branded product Tata Neu SBI Card. This card combines the scale of Tata ecosystem with SBI Card's credit expertise.
- We launched Apollo SBI Card - a first-of-its-kind wellness-focused credit card in collaboration with Apollo Health Co. This card is aimed at fulfilling needs of India's growing health-conscious consumers.
- We also signed MoU with Bank of Maharashtra to expand co-branded credit card offerings for banks who want to do credit cards for their customers.

We have bolstered our digital initiatives to further strengthen customer acquisition and servicing capabilities, for enhanced consumer experience. Whether it is using digital innovation to improve customer experiences, building a more sustainable workplace, or strengthening our governance frameworks — we are taking consistent steps to create lasting impact.

SBI Card's varied initiatives have been recognized and bestowed prestigious awards, including the CRIF High Mark Data Excellence Awards 2025, and Economic Times HR Silver Training Award. SBI Card also won two Silver Abbys at the Abby South Asia Awards 2025, among others.

Now coming to the financial performance:

Total revenue in Q1 FY26 reached ₹ 5,035 crore, registering a growth of 12% YoY, and 4% QoQ. This increase has been driven by an increase in both interest income and fees.

In Q1 FY26, our PAT was ₹ 556 crore, lower by 6% YoY, and higher by 4% QoQ.

In terms of the receivables:

In line with the strong spends growth rate, our receivables have seen steady growth.

Receivables during the quarter reached ₹ 56,607 crore witnessing a growth of 7% YoY.

Interest Earning Assets were at 60% with Revolver Rate steady at 24%.

Our **Cost of Funds** on our borrowings for Q4 FY25 was at 7.3%. (The reported COF was 7.2% with a one-off benefit from lease modification). We benefitted from the repo rate cuts this quarter with the Cost of Funds (COF) for the quarter at 7.1% vs 7.3% during Q4 FY25. We expect the COF to be further lower in Q2 FY26.

With portfolio yield holding steady at 17%, and lower COF, the Net Interest Margin (NIM) for the first quarter was higher at 11.2% compared to the same period last year.

In terms of the asset quality:

At SBI Card, owing to steps taken over the last 6-7 quarters to strengthen our New Acquisition, Underwriting and Portfolio Management framework, we have seen improvement in the key portfolio metrics including GNPA%, Gross Write-offs and Stage 2 stock.

- Gross Write-offs have shown improvement in this quarter.
- GNPA for the quarter was stable at 3.07% versus 3.08% in the previous quarter.
- Stage 2 balances (portfolio at Significant Increase in Credit Risk) have reduced by 128 Cr. QoQ and 569 Cr. YOY to 2,673 Cr.
- The ECL rate has stayed range bound around 3.5% in Q1 FY26, increasing by 8 bps QoQ.
- However, the Gross credit cost has seen an increase of 58 Bps to 9.6% from 9.0% in the previous quarter. Credit Cost increased QoQ by ₹ 107 Cr, from ₹ 1,244 Cr. in Q4 FY25 to 1,352 Cr. in Q1 FY26, contributed by an increase in Provision by ₹ 131 Cr. and a decrease in Gross write-off by ₹ 24 Cr. The increase in provisions is due to higher ECL rates on account of periodic data refresh & increase in NEA.
- As we refine and calibrate our underwriting standards, portfolio management and collection strategies, we expect the credit cost to stay range-bound, depending on the changes in the unsecured lending ecosystem and macroeconomic factors.

In terms of liquidity and capital adequacy:

- Our liquidity position continues to be strong during Q1 FY26.
- Our Capital Adequacy Ratio (CAR) was at a healthy level of 23.2%.
- ROAA for the quarter was 3.4%, lower by 67 bps YoY, and higher by 4 bps QoQ.
- ROAE for the quarter was 15.8%, lower by 335 bps YoY and higher by 24 bps QoQ.

In conclusion:

Our near-term strategic priorities are clear and focused:

- Driving profitable and sustainable growth.
- Safeguarding asset quality through proactive portfolio management and advanced risk controls.

This continues to shape our cautious yet confident outlook for the quarters ahead.

With that, I would now like to open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Mahrukh Adajania from Nuvama. Please go ahead.

Mahrukh Adajania: My first question is on the Credit Cost. Your ECL reset happened in the 1st Quarter and the 4th Quarter credit costs were lower. So, when you say range bound, because the reset is done, do you think it reverts to the 4th Quarter level or range bound at the 1st Quarter level?

Salila Pande: Mahrukh, when I am saying range bound, I am saying that whatever reset has happened for this quarter, has two or three factors which have played into the ECL computation. One, because of the model refresh, then we have also seen an increase in the Net Earning Assets. So, we expect, of course, its still early days, but we expect that the ECL rates will be somewhere between what we saw in the last quarter and what we have seen in the current quarter.

Mahrukh Adajania: Okay. And in terms of receivable growth, it's down to 7%. So, we are still confident of 13% to 15% for the year. Maybe 13-ish or early teens?

Salila Pande: Mahrukh, if you look at the overall industry, there's a little bit of muted growth which is happening in the retail segment. Although the receivable growth is 7%, our IBNEA has grown almost 8%. Although, we might see higher growth than what we saw in the 1st Quarter because the 1st Quarter typically sees slightly weaker demand. The festive season is coming up where we will see an uptick in the receivables. But it (*Receivable Growth*) will be in the range of around 10% to 12%.

Mahrukh Adajania: Okay. Got it. And then one last question on margin. So, the last repo rate cut of June is pending to be passed on by the banks, is that the reason why margins have stayed stable Q-o-Q?

Salila Pande: Margin has improved actually because of two things here. If you look at the cost of funds, as I mentioned, the cost of funds for the last quarter, if we remove the one-off adjustments which happened during the quarter, we have seen around 20 basis points of improvement already in terms of the cost of funds. But yes, we will see further benefits during the quarter for two reasons. One is that the benefits have still not played out fully. We are already seeing lower rates as compared to what we had witnessed last quarter. And number two, we have also tried to change a little bit in terms of our borrowing mix, which is also benefiting us. Rashmi, do you want to add something?

Rashmi Mohanty: So, Mahrukh, the June repo rate cut is something which still we will get the benefit of that in this quarter. It came towards the end of the quarter. There has been a conscious effort on our part to ensure that we negotiate lower on our WCDL rates. We have also started doing some CPs as well this quarter. So, that has helped us in bringing down the cost of funds in Q1. The full benefit of all the rate cuts, especially the one in June, which is a bigger one, we will get that only in Q2,

which is why if you recall MD ma'am guided that we expect the cost of funds to be lower in Q2 by about 25 to 30 basis points, which is where the benefit will come in.

Mahrukh Adajania: Sure. And there will be no change in yield. Of course, the proportion of IEA can change but you are not planning to cut rates or something, right?

Rashmi Mohanty: We have also mentioned in the past that the customer rate is a function of benchmark plus margin. There is a very clear formula that RBI has prescribed, to obtain the benchmark rate. Unless, as you said rightly, I do not see a big change happening in that. But yes, the IBNEA can determine what the portfolio Yield is.

Girish Budhiraja: Mahrukh, even if the change happens, it will happen only on the new assets, existing assets continue to be at the same price.

Rashmi Mohanty: Although, the yields should stay steady.

Mahrukh Adajania: Got it. And just one clarification, what was the one-off in 4th Quarter, sorry?

Rashmi Mohanty: So, we had mentioned that in the last call and gave an explanation as well. There was one lease modification that we had done and the reclassification of some of our leases resulted in a benefit in the expense line on the interest and related items, and we got a 10-basis point benefit on that.

Mahrukh Adajania: Got it. Thank you so much. Thank you.

Moderator: Thank you. The next question is from Shweta Daptardar from Elara. Please go ahead.

Shweta Daptardar: Thank you, ma'am, for the opportunity. I have two questions. So, you mentioned that ECL reset is the outcome of data refresh. So, can you just give some color on new account acquisition of the new portfolio behavior? That's question number one. Question number two, also, if you can provide some color on, if at all, you are facing or witnessing competitive intensities in the EMI portfolio?

Salila Pande: Shweta, for the first question, as I mentioned earlier, we have become very cautious in terms of our underwriting standards. If we look at the medium to long term, we can see that the delinquency rates have been declining. So, that is basically because we are extremely cautious in onboarding new customers. So, definitely, the risk profile has improved.

Speaking of the competition in the EMI portfolio, I would say that it's a vast market. We have our own captive markets. And we have seen an uptick in our EMI portfolio, which we are building consciously also. But I think there's an adequate opportunity for the market players to grow. Anything you want to Girish?

Shweta, anything else?

- Shweta Daptardar:** So, just a follow-up on the first question. So, while the new portfolio acquisition behavior is in line with your expectations so, it's fair to assume that the increased credit cost is getting impacted because of the legacy or the past customer cohort. So, while you definitely guided the range bound kind of a number, but when are we going to see this parameter, sort of peaking out in the future?
- Salila Pande:** Number one, what you mentioned is correct. If you look at the credit cost, which has increased for the company in the last few quarters, as the model refresh happens and the new data, which is more recent, where we have seen higher credit costs, it basically inches the ECL rates up, and we are dropping off the better periods. We are bringing in the newer periods which have witnessed more stress. That is one reason we have seen the ECL rates going up and resulting in higher credit costs.
- However, if you look at our numbers, if you look at our stock, in terms of Stage-2, you will see that there's been a marked decline this quarter and even in the previous quarter. So, in terms of stocks, I would say, we have been able to maintain the portfolio in terms of the new acquisitions. We have been prudent, we have been cautious, I would say. Yes, as we mentioned earlier also, there is leverage in the market which keeps on translating into stress and write-off.
- As I mentioned earlier, we are expecting that the credit cost will remain somewhere in the range between what we saw in the March quarter and what we are seeing now, mainly because of the ECL refresh. Write-offs this quarter, I would again say, we consistently have been reducing the write-off numbers and that will continue in the days to come.
- Shweta Daptardar:** Okay. I will join back the queue. Thank you.
- Moderator:** Thank you. The next question is from Abhishek M. from HSBC. Please go ahead.
- Abhishek Murarka:** My first question is, can you give some sense of the delinquency trends? So, we can see write-offs coming off, gross Stage-2 coming off. But if you can talk a little bit about forward flows into maybe PAR 30, PAR 90 creation, how has that been trending over the last, say three, four months, five months?
- Salila Pande:** Delinquency is coming down.
- Abhishek Murarka:** So, can you share some maybe more qualitative color or the speed of delinquency coming off, is that increasing by any chance?
- Rashmi Mohanty:** We do not share. We do track, as we mentioned earlier as well in the call, we do track our 30-plus, 90-plus all the flow metrics internally. And what we can tell you, and this is something which we said last time as well that for the last three quarters we have seen an improvement in the flow metric.

- Abhishek Murarka:** Right. But the pace of improvement, is that higher now? Or is it just the way it was, I mean, it will take its time?
- Salila Pande:** It's the same. The pace is still the same.
- Abhishek Murarka:** Understood. The second question is about this ECL refresh. So, it's done, right? So, now the PCR or the coverage for individual stages that should remain where it is at the end of 1Q? Or is it something ongoing that every quarter there is going to be a creeping increase in those numbers?
- Salila Pande:** So, a couple of factors will play in. Number one is that since it's a refresh of the data, as I mentioned, the new quarters are seeing more delinquency as compared to the old quarters, which are being dropped up from the model. So, we are seeing some deterioration in the credit cost because of that.
- Number two, there will always be an impact as we grow the asset book, the NEA grows, there will be an impact on that. However, we will also get the benefit as the mix improves. Because as Stage-2 goes down or Stage-3 goes down, or the Stage-1 portfolio increases in terms of the proportion, we will get a benefit from that as well. So, there are a couple of factors which are playing in, but there are some dominant factors there, the biggest one being that the current quarters have seen more stress as compared to the eight-year-old data which gets dropped off.
- Abhishek Murarka:** Okay. Got it. The third thing is in terms of corporate spends. Now we have seen it go up for the past couple of quarters. But this quarter, your cost ratios did not go up actually. And typically, with higher corporate spend, the cost ratio should go up because you are paying out a lot of that revenue anyway. So, is there any particular big cost saving that is also there in the OpEx line which is masking that?
- Rashmi Mohanty:** The last quarter was also a big spending quarter for us, Abhishek. We did a lot of campaigns, throughout the year we have done a lot of campaigns, so it was inflated because of that. That's number one. So, as you compare Q4's cost-to-income ratio to Q1's cost-to-income ratio, that's a very important factor. Because in Q1, typically, we do not do that kind of campaign spends, so that is one reason. Two, yes, because of lower Cards, sales cost or acquisition cost is lower, so that's also a factor of the cost of income being lower this quarter compared to the previous quarter.
- Moderator:** Thank you. We take the next question from Anand Dama from Emkay Global. Please go ahead.
- Anand Dama:** Thank you. Is it possible for you to spell out what the overall credit cost would be for the full year? I believe you said that it will be somewhere between what we have seen in this quarter and our 4th Quarter, but still like it could be around the 9% that you are expecting for the full year despite the flow rates coming off and the sale impact largely been taken care of?

- Salila Pande:** For the full year, I would not like to give guidance at this point because there are certain external factors as well, especially the leverage that we are seeing. But as I mentioned, that for the next quarter, we are anticipating that it will be somewhere between what we saw last quarter and this quarter.
- Anand Dama:** Sure. So, basically, is the higher leverage levels the reason why you are not so confident on the credit cost coming down meaningfully at this point in time? Or are there many other things at play?
- Salila Pande:** As you know, there are two factors involved here, one is ECL. So, ECL, as I have already elaborated for several reasons, even if we grow the asset book, we will see the ECL growth happening over there. In terms of the other factor, which is the gross write-off, definitely it's a function of leverage. Although in terms of the early delinquencies and in terms of the new onboarding that we are doing, we are being cautious. But we are also seeing that there are customers who have been with us for many, many years, who also get stressed. And that happens due to some lifetime events happening, which we are witnessing, and we have that in our portfolio. When we look at our Stage-3 and Stage-2, we have many of those customers sitting in that portfolio. So, although we are working on resolutions, that is the portfolio at risk which we are working on.
- Anand Dama:** You have done very well on the RuPay cards or UPI cards so to say, I think which is basically about 20%, 25% of the overall card in force. Is it possible for you to spell out what's the spend share of RuPay card or basically spend per card that you are having over there? Because I think the retail spend for you is about Rs. 17,000-odd. So, what would be the spend per card for RuPay cards? Can you give some more details on that?
- Girish Budhiraja:** So, on the RuPay cards, the spend per card is marginally higher than the average. I would put it anywhere between Rs. 3,000 to Rs. 5,000 higher.
- Anand Dama:** Okay. And how the profitability metrics is for that? Because now I think NPCI has given some additional incentives also RuPay card, do you see also the results will be a little better over there? If you can spell out what's the profitability metrics over there in terms of receivables, fees and the cost?
- Girish Budhiraja:** As of now what we see is that the profitability is broadly similar. There is some amount of lower interchange which we receive. We have not declared how much there is, but on a normal card we would get Rs. 100 as an interchange. On the same spend on RuPay card, we are getting anywhere between 70% to 80%. That is one. So, interchange is a bit lower, but that gets compensated with higher Spends. So, in absolute value on profitability perspective, broadly, it is similar.
- Anand Dama:** And do you expect it to improve going forward as the book increases?
- Girish Budhiraja:** Yes.

Salila Pande: We are seeing good traction there, and we will continue to work on that.

Anand Dama: Thanks ma'am, that's very helpful.

Moderator: Thank you. Next question is from Rohan Mandora from Equirus Securities. Please go ahead.

Rohan Mandora: I was saying on the interchange revenues that we earn, on a computed basis it was coming closer to 100 basis points. So, I just wanted to reconfirm that number? And in the last two quarters, it seems to have declined meaningfully. So, just if you can explain, is it largely due to the RuPay card or is something else a factor here?

Girish Budhiraja: No, Rohan, I think we will get somebody to sit separately with you. The interchange has not gone down. And in any case, as the corporate card spend goes up, the interchange actually goes up because Corporate Spends is at the higher inter-Change levels. So, on a percentage basis, it is either similar or higher.

Rohan Mandora: So, if you can quantify what is that we earned in 1Q, percentage?

Girish Budhiraja: No, we have not declared, and it is dependent on two, three things. It is dependent on what kind of card which is being used in the market. The second dependency is also which merchant category in which the card is used. So, it can range anywhere between, let's say, 0.75% on utilities to go as high as 2.1% -2.2%. So, there is a range. Usually, it falls anywhere between 1.35% to 1.45%.

Rohan Mandora: Sure, sir. Sir, secondly, on the originations that we are doing incrementally, the mix of CAT-B salaried seems to be increasing. So, just trying to understand the customer profile there and what gives us the confidence that in the medium term this portfolio quality will hold up well? Because a lot of pain we are seeing is in the CAT-A salaried segment, how do we correlate these two numbers?

Salila Pande: Rohan, while onboarding, as I mentioned earlier, we also look at a particular customer profile. And we have our own metrics in terms of the underwriting standards which definitely a customer will have to qualify for. And not that there's no opportunity in the CAT-B segment or any other segments. The only thing is we will have to ensure that we are reaching out to the right customer and having the necessary insights to know whether this customer is in my risk appetite.

I will request Nandini to elaborate. We have also increased how we look at the customer in terms of account aggregators. And also, while we do sourcing from the Banca channel. So, definitely for the purpose of looking at what is the profile of the overall customers, we do this slicing and dicing, but we also make sure that whichever customer is onboarded is as per the company's risk appetite and satisfies the scorecards whatever have been put in place in respect of a particular customer. Nandini, do you want to add something?

- Nandini Malhotra:** Like ma'am rightly said, we have our internal norms which leverage the bureau data as well as any other data source that the customer gives us. So, account aggregator is a good method of assessment because we are able to see the cash flows over a period of time, and that gives us greater confidence in underwriting. So, we started leveraging it two years back, and we have increased the proportion of sourcing going through the account aggregated channels. Also, the advantage is that they are based on customer consent, we can do a periodic refresh. It also helps us with portfolio management. So, like ma'am rightly said, the underwriting is done looking at the customer and all facets of the customer are considered while taking a decision and also by managing the portfolio.
- Rohan Mandora:** Sure. Thanks a lot.
- Moderator:** Thank you. Next question is from M.B. Mahesh from Kotak Securities. Please go ahead.
- M.B. Mahesh:** Just a couple of questions. One, on the new account acquisition, why are we in a sense seeing this slowdown here in terms of acquisition? Is it because there is a lack of demand for fresh cards or is the filters becoming even tighter than before?
- Girish Budhiraja:** So, Mahesh, demand is not a concern. There is more than enough demand. Quality acquisition is primary for us at this stage. So, we have done both the things. We have taken off some areas where we were not finding the quality applications coming in. So, there is some reduction in the number of applications that we have sourced. And some parts of it are also some more tightness or some more selectiveness that we are putting into our portfolio acquisition. So, these are ongoing practices, it will continue. However, as we have stated earlier, we will try to continue to deliver between 900,000 to 1 million cards, and while keeping an eye on the market also at the same time.
- M.B. Mahesh:** In the sense that at one point in time we were looking at 1 million, now we are looking at the number 0.9 million to 1 million. Do you say that even the recent origination of cards is not kind of coming through the quality that you would want for?
- Girish Budhiraja:** The recent origination, which was pointed out by MD Ma'am, that as per the standard it is fulfilling the requirements. However, what we are looking at is that we have to do even better because if the results where we want to be in from the future perspective, we want to be even in a better state. So, some of those criteria, and I will give you an example. For example, we are now focusing on at least getting an account aggregator access from most of our customers. Now this is not going to help us today, it's going to help us even in future because if we get consent from the customer, we will be able to access the customer account even two years, three years down the line and help in portfolio management. So, some of those long-term thinking processes are also being put into acquisition today.
- Salila Pande:** And one more thing I just want to add to Girish's point Mahesh is that ultimately, I agree that we had initially given guidance where we have gone a bit slow in the 1st Quarter. But ultimately, we are also a function of the industry, and our market share has grown despite growing slow this

quarter. We are hopeful, in the coming quarters as the festival season kicks in, we will see the kind of customers we want having more demand. And definitely, these numbers should go up in the coming quarters.

M.B. Mahesh: One clarification to this question, the newer cards that are being issued, is it still a very large carded base that you are still targeting as key customers? Or is the action completely on New to Credit Card today?

Salila Pande: New to credit Card, what is the proportion?

Nandini Malhotra: It's sustained.

Girish Budhiraja: So, Mahesh, proportion, which Nandini is mentioning is broadly the same of both carded and new to card segment. And I think the way to look here is that our sourcing, mostly as we have stated earlier, from Banca tends to be New to Card, because that is where we are able to look at. So, if that remains 56% to 60% in that range, the mix will broadly remain similar.

M.B. Mahesh: Okay. The second question is about the spends, have you started seeing a slowdown by customers who have a larger credit balance? Does that explain a bit of a slowdown that you are seeing overall, or is there something that we need to worry about less about this issue?

Salila Pande: I do not think we are seeing any significant slowdown, of course, it's not what it was two years back. But I think we are standing on our ground and not seeing a marked slowdown there.

Girish Budhiraja: Not at all. Mahesh, if you see, actually, CIF has grown by almost 10% or so, spends have increased by around 21%. But if I look at only retail, it is still 15%. And even in that, so there is Spend Per Card is still increasing. And secondly, there is a play within the spend which is happening. Rental payments, we have been cautiously bringing them down. So, that has come down, and if I take off that rental, the growth will be early 20s, okay? So, hopefully, by the second half of the year when this base effect also goes away, you will see that kind of impact. We saw a couple of programs which we have done with large e-commerce players, the growth has been very decent.

M.B. Mahesh: Okay. Thank you.

Moderator: Thank you. Next question is from Kaitav Shah from Anand Rathi. Please go ahead.

Kaitav Shah: Good evening. Thank you for taking my question. The number one question was on the reset of credit cost, ECL norms. So, will this happen again next year? And if you can give us some sort of guidance on whether we use a five-year, three-year, 10-year kind of framework for ECL if that is possible to share?

Salila Pande: So, reset of credit cost, data refresh happens quarterly, Kaitav. And the period for which we look at the data is eight years.

- Kaitav Shah:** I think those were my questions; the rest have all been answered. Thank you so much.
- Moderator:** Thank you. Next question is from Aditya Vikram from Digital Bees Securities. Please go ahead.
- Aditya Vikram:** Hello. Hi, good evening. It seems like quarter-on-quarter sequentially the performance is good. I just wanted to clarify or understand, the number one question is, why has the finance cost increased by 6% when our cost of funds went down?
- Salila Pande:** This year the Cost of funds have increased because, number one, our liabilities have increased. There is one additional day in the quarter as compared to previous quarters. And of course, we also got the benefit of lower rates, but because of requirements for higher borrowings and one additional day being there, there is a nominal increase of Rs. 18 crores, I think, in the finance cost. Yes, around Rs. 18 crores is the impact on the finance count.
- Aditya Vikram:** Ok. In previous quarters you suggested that the growth would be in mid-teens. I heard from one of the participants that you said that the growth could be 10% to 12%. Is that correct understanding? Are we reducing our growth guidance? Or you are just saying it for now and probably again increase it as we go down the lane?
- Salila Pande:** So, yes, initially, last quarter we had given guidance of looking at 12% to 14% in terms of the receivables. Looking at the offtake and what we have seen in overall credit growth during the quarter, especially in retail lending, and our own experience, we are looking at 10% to 12% growth. However, there are festive seasons ahead, and we will be working on the strategy. If we see opportunity, we will definitely grow there.
- Aditya Vikram:** And ma'am one last question, if I may. The interest income has increased again, right, but are there any other levers barring the repo rate cut, which will aid it? Or do you see any sort of new area you will dwell in to increase this? Or it will be just the repo rate cut which will help?
- Salila Pande:** So, if you are talking of the NIM, yes, basically the benefits we will see will be on the NEA growth, which will increase the interest income and the cost where we are anticipating further reduction in the cost of funds for the coming quarters.
- Aditya Vikram:** Okay, ma'am. Thank you. Best of luck.
- Moderator:** Thank you. The next question is from Meghna Luthra from InCred Equities. Please go ahead.
- Meghna Luthra:** Hi, thank you. I have three quick questions. One is, what is your medium-term outlook on when would ROE return to, say, mid-20s or an early '20 sort of a level? And second, what proportion of your book have you tightened the limits, the example, the spending limit? And three, what's the proportion of the book is co-branded, like other players?
- Salila Pande:** Mid-20, not this year, definitely, that I can say. Tightens the limit, we would say that I do not know whether we tell this number.

- Girish Budhiraja:** Early-teens portfolio percentage.
- Salila Pande:** And on the co-branded?
- Girish Budhiraja:** Yes. Co-brand is between 25% to 30%.
- Meghna Luthra:** And so mid-20s, would you say next year, I mean, I know it's too early but any triggers we would keep that you would look up to?
- Salila Pande:** Mid-20s, I do not see immediately that I can tell you.
- Moderator:** Thank you. Next question is from Suhas Phalke from ARJ Securities. Please go ahead.
- Suhas Phalke:** Good evening, everybody. And thank you for this opportunity. While all the financing and operational metrics have been covered by my peers, I had a quick question on the ESG approach. What is your ESG agenda? And how do you think about sustainability from an ESG standpoint? I present the disclosure seems more like a check box exercise and rather than a conscious outcome in our effort. So, do you see ESG being tracked and disclose more rigorously going on?
- Salila Pande:** So, it's not a check box at all for us, that I can tell you Suhas. We are very mindful of our contributions to the community and to the environment. And ESG per se has a very active oversight from the Board members. Even the projects that we work on, the outlay of funds which is done, there is a lot of thoughtful discussion which happens by the management team as well as by the Board. And the metrics are also tracked very closely over there. In fact, we speak not just about, as we mentioned, ticking the box but rather looking at whatever outlays we are doing, how sustainable those impacts are year-over-year. So, respectfully I would say that we do take ESG very seriously.
- Suhas Phalke:** Thank you for that. Are there any defined ESG KPIs or frameworks that you are planning to adopt either internally or in line with the global tenders like GRI or CBFC?
- Rashmi Mohanty:** Yes. Obviously, we continue to benchmark ourselves with the best in the industry, especially and it's difficult to kind of get a lot of ideas in terms of what an NBFC can do but not a manufacturing company. Yet we do have medium-term and long-term growth both on ESG initiatives across key verticals.
- Suhas Phalke:** Thank you, ma'am. I hope to see that in the presentation as well. Thank you.
- Rashmi Mohanty:** You can pick up our annual report for the year FY '25 when it gets published soon. And the details of all our ESG initiatives, along with the metrics, etc., are all part of the annual report. The BRSR report is there, you can read that, it's very detailed.
- Suhas Phalke:** Thank you so much, ma'am. I will take a look at that. Thank you so much for your time.



*SBI Cards and Payment Services Limited
July 25, 2025*

Moderator: Thank you. We will take that as a last question. I would now like to hand the conference over to Ms. Salila Pande for closing comments.

Salila Pande: Thank you, Rayo. I would like to express my sincere gratitude to our shareholders, customers, partners and employees for their continued trust and unwavering support. Thank you once again. And we look forward to your continued support in the journey. Thank you.

Moderator: Thank you very much. On behalf of SBI Cards and Payment Services Limited, that concludes this conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.