

SBI Cards & Payment Services Ltd — 31 Dec 2025 Credit Rating Summary

Based on the CRISIL Credit Bulletin dated December 31, 2025, for **SBI Cards and Payment Services Limited**, here is the equity-focused credit analysis.

Section	Details
Agency	CRISIL Ratings
Rating Change	Reaffirmed (No notches moved). Long Term: AAA , Short Term: A1+
Outlook (Current vs Previous)	Stable vs Stable
Key Drivers of Change	<ol style="list-style-type: none">Parental Support: Strategic importance to State Bank of India (SBI); credit profile inextricably linked to SBI's dominance.Liquidity Depth: Significant unutilized bank lines; shift toward diversified funding with ₹44,990 Cr in working capital limits.Market Dominance: Maintenance of high market share in card spends and outstanding cards despite competitive intensity.Capital Adequacy: Strong internal accruals sustaining a Tier-1 capital ratio well above regulatory requirements.
Rated Instruments	<ul style="list-style-type: none">Cash Credit / WCDL: ₹44,990 Cr (Total across 12+ banks; SBI is lead at ₹22,990 Cr) Rating: AAA/StableTerm Loans: ₹11,575 Cr (HDFC Bank lead lender at ₹4,887.5 Cr) Rating: AAA/StableProposed Bank Facilities: ₹6,425 Cr Rating: AAA/Stable
Key Observations	<p>Strengths:</p> <ol style="list-style-type: none">Cost of Funds Advantage: AAA rating ensures SBI Cards borrows at rates significantly lower than NBFC peers.Diversified Lender Base: Massive ₹63,000+ Cr facility coverage across PSU, Private, and Foreign banks (HSBC, SMBC).High Operational Scalability: Lean cost-to-income potential as digital sourcing increases. <p>Concerns:</p> <ol style="list-style-type: none">Asset Quality Risks: 100% unsecured portfolio makes it sensitive to economic downturns and RBI's risk-weighting norms.Regulatory Headwinds: Potential caps on MDR or changes in revolving credit regulations could squeeze yield.
Investor Impact	<ul style="list-style-type: none">Margins: High credit rating offsets the impact of rising cost of funds, protecting Net Interest Margins (NIM).Growth: The massive ₹6,425 Cr <i>proposed</i> facility indicates an aggressive pipeline for portfolio expansion in 2026.Leverage: Debt-to-Equity remains managed; no immediate equity dilution risk as internal accruals fund growth.
Agency / Cross Analysis	<p>Same Agency (CRISIL): This bulletin (Dec 31) reaffirms the Nov 14, 2025 rationale. The only change is the updated bank-wise facility allocation to meet RBI's transparency requirements. Financial drivers remain consistent with the previous quarter's high-performance trajectory.</p> <p>Conclusion: Improvement. The expansion of limits from a wide variety of lenders (ICICI, HDFC, BoB) reduces "concentration risk" on the parent (SBI) for funding.</p>
Final Inference	<p>Strong "Quality" Signal. The reaffirmation of AAA/Stable amidst a shifting regulatory landscape for unsecured lending confirms that SBI Cards has a superior risk-management framework and "bulletproof" access to liquidity.</p>

Analytical Note: *The rating underscores that despite being an unsecured lender, the company's massive bank facility headroom (63,005 Cr total) acts as a liquidity fortress, making the equity a "defensive growth" play in the financial services sector.*