# SBI Cards & Payment Services Ltd — 19 Sep 2025 Credit Rating Summary

This credit analysis summarizes the Rating Bulletin issued by CRISIL on September 19, 2024, for **SBI Cards and Payment Services Limited (SBI Card)**.

| Section | Details |
|---|---|
| **Agency** | CRISIL Ratings |
| **Rating Change** | **Reaffirmed** (AAA / Stable / A1+) — No notches moved. |
| **Outlook** | **Stable** (Maintained) |
| **Key Drivers of Change** | 1. **Regulatory Alignment:** Bulletin issued specifically to update bank-wise facility details per RBI requirements.<br>2. **Parental Support:** Strong linkage with State Bank of India (SBI), providing massive liquidity backstops.<br>3. **Market Dominance:** Maintained status as the second-largest credit card issuer in India.<br>4. **Funding Access:** Massive liquidity cushion via ₹22,990 Cr WCDL from SBI, ensuring low cost of funds. |
| **Rated Instruments** | • **SBI (CC/WCDL):** ₹22,990 Cr |
| **Key Observations** | **Strengths:**<br>1. Unmatched access to parent (SBI) ecosystem for customer acquisition.<br>2. Diversified funding profile across 10+ major public and private banks.<br>3. High liquidity; short-term debt is well-covered by sanctioned lines.<br>**Risks/Concerns:**<br>1. High exposure to unsecured retail credit (credit cards).<br>2. Potential impact of increased risk weights by RBI on capital adequacy.<br>3. Asset quality sensitivity to macro-economic shifts in urban consumption. |
| **Investor Impact** | • **Margins:** AAA rating allows the company to borrow at competitive rates, protecting NIMs despite rising cost of funds in the broader market.<br>• **Growth:** Massive unutilized bank lines (₹22,990 Cr from SBI alone) support rapid book expansion without immediate dilution risk.<br>• **Leverage:** Strong capitalization maintained, supported by high internal accruals. |
| **Agency / Cross Analysis** | **Same Agency:** This update reaffirms the March 28, 2024, rationale. No change in financial assessment or risk perception. The bulletin is purely administrative for facility disclosure.<br>**Conclusion:** Stability. The credit profile remains "Top-Tier," reflecting zero change in the fundamental credit strength or the parent's commitment. |
| **Final Inference** | **Real Improvement in Liquidity Access:** The reaffirmed AAA status amidst a tightening regulatory environment for unsecured lenders is a strong "Buy" signal for credit stability. Equity investors should view the massive ₹22,990 Cr SBI facility as a permanent safety net for growth. |

***Disclaimer:*** *This summary is based on the provided CRISIL Credit Bulletin and is intended for informational purposes for equity analysis.*