

The Hindu

Credit cards issued touch 24.5 million

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MUMBAI: Banks in India issued almost 3.4 million credit cards in the year ended March 31, registering a growth of 16 per cent year-on-year and taking the total to 24.5 million, central bank data showed.

This is the highest growth in terms of number of cards added by the banks ever since the Reserve Bank of India (RBI) started maintaining such records.

Credit cards issued hit a record high in 2007-08 when the number touched 27 million, bankers said. However, following the global financial crisis of 2008, the instances of unsecured loans turning bad increased and banks became cautious.

As a result, the number of credit cards fell to 18 million in 2009-10. Banks started selling more credit cards again from 2012-13 as they were better prepared to factor in risk as credit history of individuals became available.

HDFC Bank, the second

largest private sector bank in the country, maintained its leadership position with 7.28 million cards, which is a growth of 22 per cent over the previous year, latest data released by RBI showed.

Axis Bank

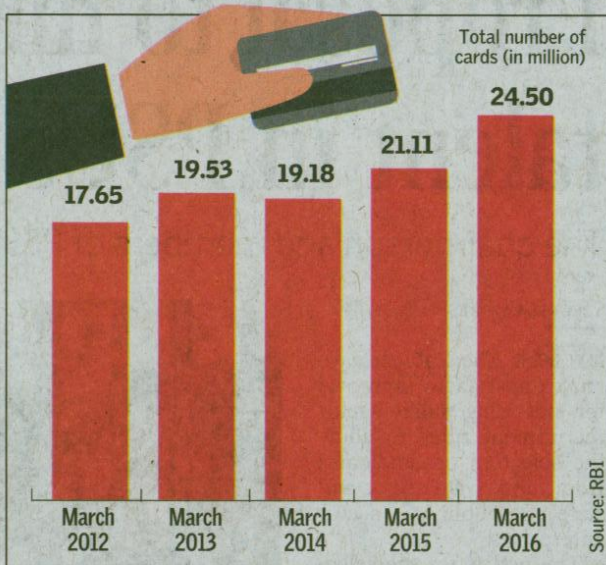
However, it is Axis Bank, the third largest private sector lender of the country, which registered 39 per cent growth in its card base to 2.41 million.

Axis Bank moved to the fourth position in terms of number of cards displacing foreign lender Citibank.

"We have two or three things which we focus on. One is our customer base. We have 1.6 crore (16 million) savings bank customers. The second is we are not limited to the top metro cities. Nearly half of our growth comes from cities other than the top metro cities," said Sangram Singh, Head, Cards and Merchant Acquiring, Axis Bank.

"We are adding about 1 lakh cards every month. We expect to grow faster than the industry," Mr Singh said.

THE RISE AND RISE OF CREDIT CARDS



He said the bank was aiming at achieving 40 per cent growth in card numbers for the current financial year too.

SBI Cards, which grew by 16 per cent in numbers and 26 per cent by value, has narrowed the gap with ICICI

Bank by about 10 per cent in FY16.

"We have tied up with five banks which helped. These banks don't have their own credit card. So they offer SBI Cards to their customers and earn a fee," said Vijay Jasuja, CEO, SBI Cards.