

Credit card numbers spike on cashbacks, rewards

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Mumbai: If the industry is shunning bank credit, the retail consumers are learning to live off it.

With demonetization and cash still short at ATMs, the Indian public is now using plastic money like never before.

Rewards for using the card and cash-back offers are attracting consumers to avail the 40-day free credit that most cards offer.

Reaping this harvest is SBI Cards, which has grown by 30% over the previous year. The growth has come on the back of attractive cash-back offers where

HOW CREDIT CARD ISSUERS STACK UP

Banks	Number of outstanding cards Jun-16	No. of cards on Jun-17	% chg
HDFC BANK	7.67 mn	9.03 mn	17.7
STATE BANK OF INDIA	3.78 mn	4.93 mn	30.0
ICICI BANK	3.81 mn	4.34 mn	14.0
AXIS BANK	2.60 mn	3.50 mn	35.0
KOTAK MAHINDRA BANK	0.79 mn	1.12 mn	40.0
TOTAL CREDIT CARDS OF ALL BANKS	25.54 mn	31.47 mn	23.23

the card along with the convenience of using plastic money are adding to the growing acceptance of the credit cards. At the time of demonetization, many customers who did not have cash were forced to use either a debit or a credit card."

HDFC Bank, however, continues to lead the pack even in the new credit card customer additions. It added 1.36 million credit cards in the year ended June 30, 2017 compared to the SBI's tally of 1.14 million. The biggest issuer of credit card continues to be HDFC Bank, a record it is maintaining for over a decade.

HDFC Bank had 9.03 million

cards as of June 2017, growing by 17.7% over the previous year, far higher than the second largest issuer, SBI Cards which has 4.93 million cards in circulation.

Axis Bank added more credit card customers than India's top private sector bank ICICI Bank during this period. Axis, still lagging behind ICICI Bank in total number of credit card customers, added 9.17 lakh in year running through June 30, 2017.

Jairam Sridharan, CFO, Axis Bank, said, "The growth in the first quarter was led by credit cards, auto and personal loans which grew by 55%, 32% and 28%, respectively." **Turn to P3**

money is credited to the account without any conditions, which is a big draw with the customers. It is also one of the few banks that offsets reward points against the

card dues.

Vijay Jasuja, chief executive officer, SBI Cards, told **DNA Money**, "Cash back on select purchases, and other offers on

Source: RBI data

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"Card portfolio spends in the first quarter increased by 74% over the previous year to our record high of Rs 17,478 crore," the company CFO said.

Axis has 3.5 million cards, making it the fourth largest card issuer in the country with a market share of 11%. The bank is targeting its internal customers to expand its base.

Kotak Mahindra Bank posted the fastest growth in the credit card space, albeit from a lower base. It reported a 40% growth over the previous year to reach

11,20,696 cards, thus becoming the fifth largest issuer of credit cards in the country.

Sumit Bali, senior executive vice president & head, personal assets, Kotak Mahindra Bank, told **DNA Money**, "The demonetization and the increase in digitization in banking transactions have onboarded a number of customers to the credit card platform. About 90% of our cards are to either the liability or the asset-side customers. Increase in use of credit bureau also help us understand customer behaviour while on-boarding them to our platform."