

SBI issues two lakh credit cards a month

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Mumbai: State Bank of India (SBI) is tapping into the rising consumerism in the country to aggressively grow its cards business through its subsidiary SBI Cards.

The company is issuing 10,000 cards a day, or about 2 lakh cards a month. It has 6.85 million cards in circulation, making it the second largest card issuer in the country after HDFC Bank.

Hardayal Prasad, MD & CEO, SBI Cards, said, "We are aggressively growing our cards business while keeping the delinquencies under check, which is 2%; we are working to bring it down. Our thrust is to focus on the young employed youth who are aspirational."

The number of credit cards is rising with the aspirational values of Indians going up. The customers, especially the younger generation, is relying on unsecured credit to buy the goods they desire. With the average spends on an SBI card at Rs 10,000 per month, the expenses are for dining, fashion, travel and retail. "With mushrooming of online websites like Myntra, Amazon, Flipkart and many more online stores, the credit card becomes a convenient medium to purchase goods if you don't have the



RIGHT CLICK

SBI Cards has 6.85 million cards in circulation, making it the second largest card issuer in the country after HDFC Bank. It is trying to bring down delinquencies, which are at 2%

money in your account," Prasad added. A majority of the SBI Cards customers are 35 years and below.

The company is tapping customers from the market and also the 425 million customers of the bank to grow its cards business. In the last financial year, the company made a profit of Rs 390 crore, which is expected to go up.

Tapping new customer segments has been a key focus area, said Prasad. The premium segments were tapped through SBI Elite cards and SBI Prime. For the first-time card users, the bank had SBI Unnati. For the online customers, there was simplyCLICK.