

SBI Card base grows 20% in 8 months on small towns

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Mumbai: Smaller cities are driving growth for SBI Card which has been increasing its card numbers at a compounded annual growth rate (CAGR) of 40%. Cardholders in centres outside the top 10 cities account for 45% of spending.

This is largely due to mobile internet as 20% of spending from smaller towns is online with mobile phones and fashion being the most common purchases. SBI Card MD & CEO Hardayal Prasad said, "It took us one year to increase our card base from 4 million in September 2016 to 5 million in September 2017. Since then, the card base has grown to 6.3 million in March 2018."

The card subsidiary of SBI is the second-largest credit card issuer after HDFC Bank, and the only stand-alone credit card company in India. The company has increased

HITS 6 MILLION

its market share in the number of cards to 16% from 15% last year, while its share of spend has gone up faster to 16% from 13% earlier. Of the 1.3 million cards added in the last six months, half a million have come from pre-approving customers of SBI following a tripartite arrangement between SBI Card, SBI and Transunion Cibil.

"Increase in mobile internet is driving e-commerce transactions in small towns. We are seeing close to 35% of our transactions through mobile," said Prasad. The other big driver of card spend is the facility to purchase through equated monthly instalments (EMI). "We are noticing that 25% of our cardholders use the EMI facility at least once. This is by those in the 25-35 age group and largely by millennials," he said.

The company's average monthly card spends have increased to Rs 7,000 crore plus as compared with Rs 4,000 crore a year ago.