

HDFC Bank grabs 52% share in credit card book size

January 16, 2016

According to RBI data, the lender had 6.72 mn outstanding cards in October, the highest in the industry



HDFC Bank, the largest issuer of credit cards in the country, has grabbed more than 50 per cent market share in terms of book size - total net receivables that customers owe to the bank.

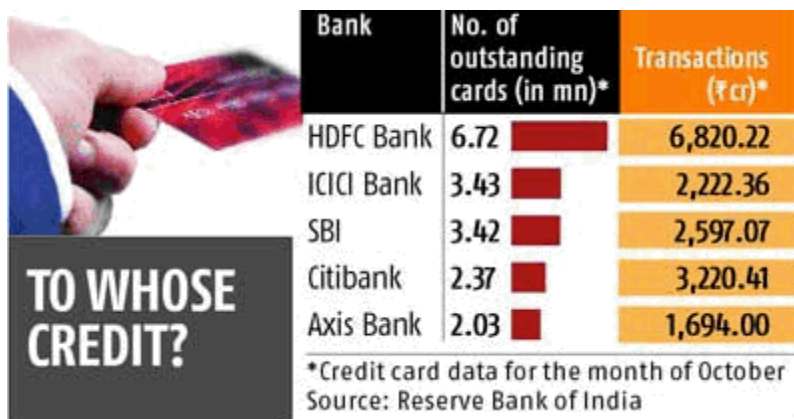
"Our [credit card](#) book size in November 2015 crossed Rs 20,000 crore mark, representing a 52 per cent market share. The total outstanding in the same month for the industry was around Rs 39,000 crore," said Parag Rao, head (cards, merchant acquiring business & marketing), HDFC Bank.

According to Reserve Bank of India (RBI) data, the lender had 6.72 million outstanding cards in October, the highest in the industry. Its closest competitor, ICICI Bank, had about 3.43 million cards. Even though the central bank does not publish credit card book size data, it mentions the amount of transactions carried on the cards. In October, the amount of transactions carried out

on HDFC Bank's credit cards was Rs 6,820 crore. For the entire industry, spending in October was Rs 21,908 crore.

HDFC Bank has now turned more aggressive in its credit cards business. "Till October-November in 2014, we were adding about 75,000-80,000 credit cards a month. In 2015, we have doubled it and source about 180,000 credit cards a month," said Rao.

However, HDFC credit cards customer base continues to be dominated by the bank's own customers. "Even while sourcing, we ensure that 75-80 per cent of the new customers are bank customers and the non-bank customers continue to be a much smaller portion. We haven't changed that mix," Rao added.



Experts say the growth in credit cards is being fuelled by the overall growth in the economy and the government's focus on cashless transactions. The increase in e-commerce transactions has also fuelled the growth of plastic money.

Lenders have also been focusing on analytics-driven marketing and tailor-made offers to attract customers.

Last year, after a gap of five years, the credit card base in the country managed to cross the pre-Lehman crisis level and is now well above the 20-million mark. According to RBI data, the number of outstanding credit cards at the end of October 2015 was 22.88 million.