

After DeMon, debit card spend more than doubles, tops credit

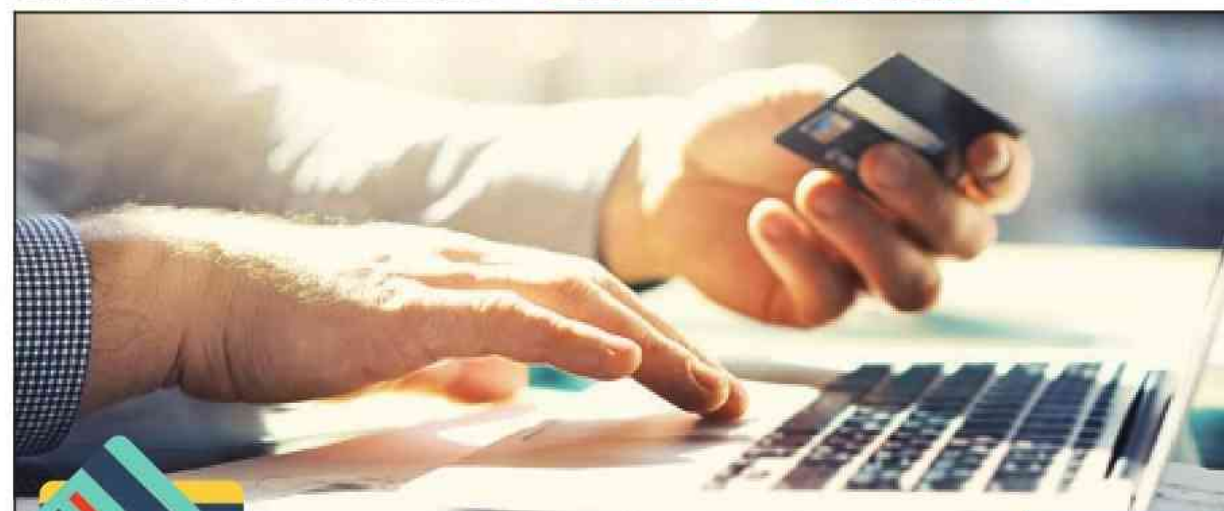
Customers Of Small PSU Banks Driving Change

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Mumbai: Debit cards have conclusively displaced credit cards as the primary mode of payment in the country following demonetisation. Until October last year, despite outnumbering credit cards by a factor of more than 25, debit cards accounted for only 42% of the total card spend. This has jumped to 60% after demonetisation, which was announced on November 8, 2016.

The change is largely driven by small public sector lenders like Oriental Bank of Commerce and Punjab &

INDIA BANKS ON ITS CARDS



	October 2016		January 2017		Growth in 4 months (%)
	₹ Cr	Share %	₹ Cr	Share %	
Credit Card	29,942	58	32,708	40	9
Debit Card	21,941	42	49,003	60	123
Total	51,883		81,711		58

Sind Bank, where usage of cards has gone up nearly five times. Debit card transactions tripled—from October 2016 levels—in December.

Transactions in January slipped to double those in October last year. However, according to payments companies, they are seeing sticki-

No. of debit cards
71,23,47,249

No. of credit cards
2,88,45,858

Top 5 Credit Card Issuers

HDFC BANK	88.1L
SBI	43.6L
ICICI BANK	41.6L
AXIS BANK	31.3L
CITI BANK	24.8L

Top 5 Debit Card Issuers

SBI	PNB	BoI	BoB	ICICI
26.9Cr	5.4Cr	4.5Cr	4.03Cr	3.6Cr

ness in use of debit cards for utility and petrol bill payments and travel bookings.

► **Swipes surge, P 12**

Card swipes surge post notebandi

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Last October, public sector banks saw transactions worth Rs 10,893 crore from the 61.7 crore debit cards they had issued till then. As against this, private and foreign banks had reported transactions worth Rs 11,048 crore although their debit card base was much smaller at 12.25 crore.

GOING DIGITAL

This has changed after demonetisation. In January this year, public sector banks reported debit card transactions valued at Rs 29,339 crore against Rs 19,664 crore worth transactions recorded by debit cardholders of private banks.

Pre-demonetisation, in October, for every 100 debit

cards in circulation there were only 19 transactions in a month. This jumped to 54 transactions a month in December, but dropped to 40 a month in January 2017. Bankers point out that if debit cardholders use their cards even once a month on an average, the share of debit cards in transactions will cross 80%.

Public sector bank customers in smaller cities are expected to drive the debit card usage. "In metro centres, the credit card penetration is high and increasing. Given a choice, customers will use their credit cards to make payments because of rewards. But in smaller towns debit card is the only instrument that the customer has," said an official with the National Payments Corporation of India (NPCI).