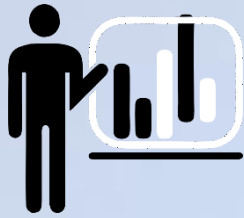


Slowdown Continues in the Segment; Disbursement Growth at 4-Year Low!



Rs 1,841 Bn

Vs 1,881 Bn in December 2024

Total Card Spend in January

Total spending declined 2% MoM and increased 14% YoY.

109 Mn

Vs 110 Mn in January 2025

Total Cards Outstanding

1.2 Mn cards were withdrawn from the system in January.



430 Mn

Vs 433 Mn in December 2024

Total Volume of Transaction

Volume exhibited growth of 31% YoY and a decline of -1% on a MoM basis due to a higher base last month.



A continuous slowdown can be observed on the back of cautiousness due to increased delinquencies.



Increased 1% YoY

Average Spend per Card

Rs 16,911

Vs 17,093 in December 2024



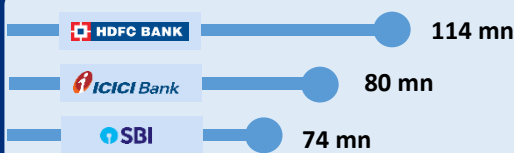
75%

Top 5 banks' total share in terms of outstanding cards is maintained at 75%.



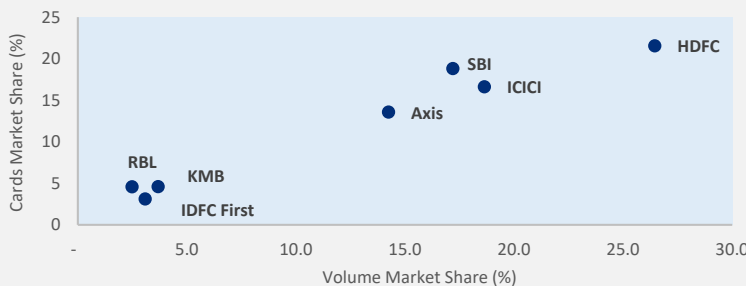
Kotak Bank's credit card embargo has been lifted after nearly 10 months.

No of Transactions in Top Banks



28%

Contribution of HDFC Bank in the total market share in terms of the total spend. Top 10 banks contribute 92% to the total share.



Top Market Share Gainers in Total Cards Outstanding



*Axis Bank had acquired Citi bank in March 2023.

Avg spend per transaction (Large Cap)

IndusInd Bank Rs 7,154

pnb Punjab National Bank Rs 5,136

Indian Bank Rs 4,659

Avg spend per transaction (Mid cap)

Bank of Maharashtra Rs 4,922

Bank of India Rs 4,067

FEDERAL BANK Rs 3,897

Avg spend per transaction (Small Cap)

Karur Vysya Bank Rs 8,780

J&K Bank Rs 7,064

RBL BANK Rs 6,851

Monthly Credit Card Insights

For the Month of January 2025

Overview of Credit card Performance

In January, aggregate credit card expenditure contracted to Rs1.8 trillion, marking a 2% MoM decline, though reflecting a robust 14% YoY increase. The MoM decline in spending was primarily attributable to a base effect, as December's elevated spending driven by year-end and New Year-related expenditures skewed comparative metrics. Transaction volumes similarly softened, registering a 1% MoM dip to 430 mn, despite sustaining a 31% YoY growth. Notably, this represents the weakest YoY growth in transaction volumes since March 2024, underscoring a persistent deceleration trend within the sector.

Spending Metrics and Card Circulation: The average expenditure per card edged down by 1% MoM to Rs 16,911, though it exhibited a marginal 1% YoY uptick. Concurrently, the average spend per transaction settled at Rs 4,282, reflecting a 1% MoM decline and a pronounced 15% YoY decline, signalling evolving consumer behaviour or potential macroeconomic pressures. Meanwhile, the total count of outstanding credit cards decreased to 109 mn, down from 110 mn in December, translating to a net withdrawal of 1.2 mn cards from circulation. On an annual basis, card issuance growth slowed to 9.4%, the lowest rate recorded, indicative of tightening credit policies or subdued demand.

Market Share Dynamics Among Leading Banks: Dominant players such as HDFC Bank, ICICI Bank, and SBI continued to consolidate their market positions. HDFC Bank notably expanded its market share from 20.2% to 21.5% over the past year, reflecting aggressive customer acquisition strategies. SBI, after a temporary dip to 18.1% in September 2024, recovered to 18.8%, adding 2.4 lakhs cards in January alone. ICICI Bank also regained momentum, elevating its share from 16.3% to 16.6% during the same period.

Midcap Segment: Divergent Trajectories: The midcap segment exhibited subdued growth, with most institutions adopting cautious approaches. Yes Bank's market share stagnated at 2.2% since September 2024, halting its earlier aggressive expansion. In contrast, IDFC First Bank emerged as an outlier, aggressively scaling its credit card portfolio to elevate its market share from 2.4% to 3.1% over the past year.

Regulatory Update- Kotak Mahindra Bank's Re-entry: A significant development came in February with the RBI lifting its 10-month embargo on Kotak Mahindra Bank's credit card issuance. This decision permits the bank to resume card disbursements, potentially revitalizing its presence in a sector where its market share has dwindled to 4.6% over the past year. Kotak's re-entry is poised to reshape competitive dynamics, warranting close observation in subsequent months

Exhibit 1: Market share based on no. of cards outstanding

Market Share (%)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
HDFC	20.2	20.3	20.2	20.3	20.4	20.5	20.8	20.8	21.1	21.2	21.3	21.0	21.5
SBI	18.7	18.6	18.6	18.5	18.5	18.5	18.5	18.4	18.5	18.5	18.7	18.4	18.8
ICICI	16.9	16.7	16.7	16.6	16.5	16.6	16.7	16.6	16.6	16.6	16.6	16.3	16.6
Axis	13.8	13.8	14.0	13.9	13.9	13.9	14.0	14.0	13.9	13.8	13.7	13.4	13.6
RBL	5.1	5.1	5.1	5.1	5.1	5.1	5.0	5.0	4.9	4.8	4.8	4.6	4.6
KMB	6.0	6.0	5.8	5.9	5.7	5.3	5.2	5.1	5.0	4.9	4.8	4.6	4.6
IDFC First	2.4	2.4	2.5	2.6	2.7	2.7	2.8	2.8	2.9	2.9	3.0	3.0	3.1
IndusInd	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.8	2.8	2.9	2.8	2.9
Bank of Baroda	2.3	2.4	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.7	2.7	2.7
Yes Bank	1.9	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2

Source: RBI, ACMILL Research

Analyst

Akshay Tiwari

E: akshay.tiwari@acm.co.in

Shweta Upadhyay

E: shweta.upadhyay@acm.co.in

M: +91-22-2858 3738

Monthly Credit Card Insights

For the Month of January 2025

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	$\geq 15\%$
SELL	$< -10\%$
HOLD	$> -10\%$ to 15%

Institutional Research Desk:

Email: instresearch@acm.co.in

Research Analyst Registration Number:

INH000016940
CIN: U65990MH1993PLC075388

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