

Card Issuance Growth Likely Driven by Existing Credit Card Users

Cards-in-Force Increase; However, Spends & Transaction Volume Lags



Total Card Spends

Rs 1,990 Bn

Vs Rs 2,046 Bn in Dec 2025

Total spending saw a decline of 2.7% MoM and an increase of 8.1% YoY



Total Cards Outstanding

117 Mn

Vs 116 Mn in Dec 2025

An increase of ~7.2% is seen in the total number of cards outstanding on a YoY basis, adding a total of 0.87 Mn cards



Healthy growth in card issuance and declining spends suggest, that a significant portion of incremental cards may be issued to existing credit card customers, leading to spend redistribution across multiple cards rather than expansion in overall industry spends

Total Volume of Transaction



537 Mn

Vs 537 Mn in Dec 2025

The volume of transactions remained flat MoM and increased by 24.9% YoY

Average Spend per Card

Decline of 3.5% MoM/Increase of 0.9% YoY

Rs 17,060

Vs Rs 16,672 in Dec 2025

Spending Mix (%) for the Industry

POS



38

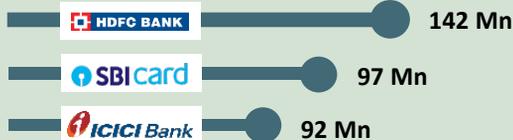
Online

62



3% cashback on online spends up to Rs 10,000 per statement cycle, and 5% cashback on online spends exceeding Rs 10,000

No of Transactions in Top Banks

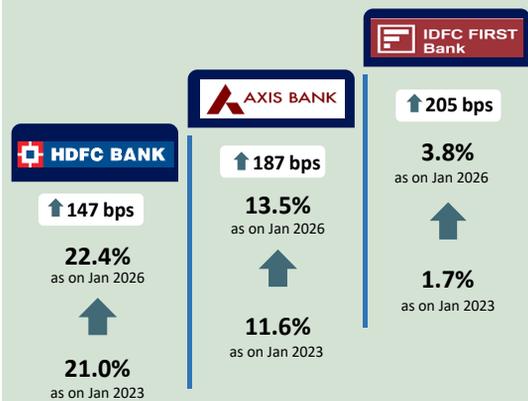


28%

HDFC Bank's market share in terms of total spending. The top 10 banks account for 93% of the total spending share.



Top Market Share Gainers in Total Cards Outstanding



*Axis Bank had acquired Citi bank in March 2023.

Avg Spend Per Card (Large Cap)	Avg Spend Per Card (Mid Cap)	Avg Spend Per Card (Small Cap)
HDFC BANK Rs 21,647	IndusInd Bank Rs 16,652	KYD Kanara Yyasa Bank Rs 26,475
ICICI Bank Rs 18,739	YES BANK Rs 14,051	RBL BANK Rs 15,615
SBI Rs 17,362	Bank of India Rs 12,044	TMB Rs 15,601

Monthly Credit Card Insights

For the Month of January 2026

Total Spends Report a MoM Decline of 2.7%; While Transaction Volume Remains Flat

1. Credit Card Spends Remain Subdued

Credit card spending moderated in January 2026, declining to **Rs 1,990bn**, a decrease of Rs 56bn from December 2025. Spends grew **8.1% YoY**, but declined **2.7% MoM**.

The decline was largely driven by the **top four banks**, which contributed **87.5%** of the total reduction in monthly spending:

- **SBI:** Rs 18.7bn decline (-4.7% MoM)
- **ICICI Bank:** Rs 16.9bn decline (-4.6% MoM)
- **HDFC Bank:** Rs 7.2bn decline (-1.3% MoM)
- **Axis Bank:** Rs 6.3bn decline (-2.7% MoM)

In contrast, select mid-sized banks performed relatively better. **Yes Bank** reported a 1.8% MoM growth in spends, while **Federal Bank** 2% MoM growth in spends, however, on a comparatively lower base

The weakness was broad-based, with both **Online spends (-2.5%)** and **POS spends (-3.17%)** declining MoM.

2. Market Share Dynamics: HDFC Gains; SBI & ICICI Lose Share

Despite lower overall spends, **HDFC Bank** gained **43bps MoM**, increasing its market share from **28.0% to 28.4%**, supported by a relatively softer decline in spends. However, its market share had corrected from 29.4% in November 2025 to 28.0% in December 2025. In contrast, **SBI** lost 39bps, and **ICICI Bank** lost **34bps** due to sharper declines in monthly spends.

Among mid-sized players, **Yes Bank** gained **9bps**, and **Federal Bank** gained **6bps**. Most other banks maintained a stable market share.

The top four banks (HDFC Bank, SBI, ICICI Bank, and Axis Bank) together accounted for **76.5% of total industry spends**.

3. Transaction Volumes Remain Flat

Total transaction volumes remained largely flat MoM but increased **24.9% YoY** (lower compared to its historic growth rate) to **537mn transactions** in January 2026.

Among major banks:

- **SBI reported a 1.2% MoM increase (+1.13mn transactions)**
- **ICICI Bank declined 1.1% MoM (-1.1mn)**
- **HDFC Bank declined 0.5% MoM (-6.5mn)**
- **Axis Bank declined 0.5% MoM (-3.7mn)**

Supported by stronger relative volume, SBI gained 22bps MoM in transaction-volume **market share**.

4. Healthy Card Issuance Continues

Card issuance remained healthy, with **0.87mn new cards issued** in January 2026, taking total cards in force to **116.7mn**.

Among large banks:

- **HDFC Bank led issuance with 0.31mn cards**
- **ICICI Bank followed with 0.12mn cards**

Among mid-sized banks:

- **Federal Bank appears to be accelerating its credit card expansion, adding ~0.12mn cards during the month (similar to ICICI Bank), taking its total cards in force to 2.1mn, reflecting 6% MoM and 83% YoY growth.**
- **IDFC First Bank** also continues to scale steadily, with its card portfolio growing **30% YoY**.

5. Average Spend Metrics

Average spend per card declined **3.5% MoM** to **Rs 17,060** in January 2026, as active cards increased; however, spends failed to catch up. **Average spend per transaction also declined 3% MoM and 13% YoY**, suggesting a shift toward smaller ticket-size transactions.

Overall View

While card issuance remains steady, aggregate spends and transaction volumes have not scaled proportionately. This suggests that a significant portion of incremental cards may be issued to existing credit card customers, leading to spend redistribution across multiple cards rather than expansion in overall industry spends. The current trend, therefore, indicates portfolio expansion is likely driven more by cross-sell than by meaningful customer base deepening.

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

Market Share (%)	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
HDFC	21.5	21.6	21.7	21.7	21.8	22.1	22.2	22.2	22.3	22.3	22.3	22.3	22.4
SBI	18.8	18.9	19.0	19.0	19.0	19.1	19.0	19.0	19.0	19.0	18.9	18.8	18.8
ICICI	16.6	16.6	16.6	16.6	16.4	16.2	16.1	16.2	16.2	16.2	16.2	16.1	16.1
Axis	13.6	13.5	13.6	13.5	13.5	13.6	13.6	13.6	13.6	13.6	13.6	13.5	13.5
RBL	4.6	4.4	4.4	4.3	4.3	4.2	4.2	4.0	3.9	3.9	3.9	4.0	3.9
KMB	4.6	4.5	4.4	4.4	4.4	4.1	4.1	4.1	4.0	4.0	4.0	3.9	3.9
IDFC First	3.1	3.2	3.2	3.3	3.3	3.4	3.5	3.5	3.6	3.6	3.7	3.8	3.8
IndusInd	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.8	2.8	2.8	2.7	2.7	2.6
Bank of Baroda	2.7	2.7	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.7
Yes Bank	2.2	2.2	2.2	2.3	2.4	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.4

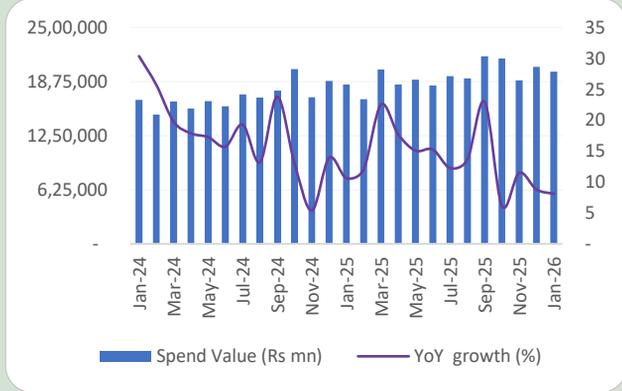
Source: RBI, ACMIIL Research

Monthly Credit Card Insights

For the Month of January 2026

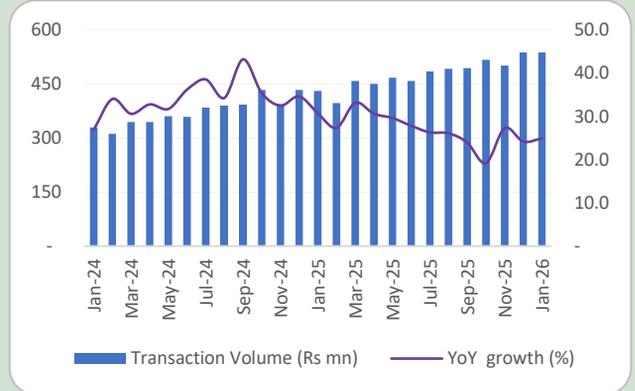
Industry Trends: Broadly Depicted in Charts

Exhibit 2: Card Spends Moderates to 8.1% YoY in Jan 2026



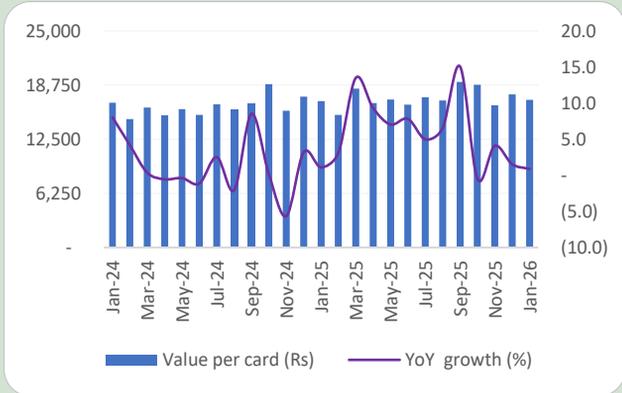
Source: RBI, ACMIIL Research

Exhibit 3: Volume Growth reported Healthy Growth of 24.9% YoY



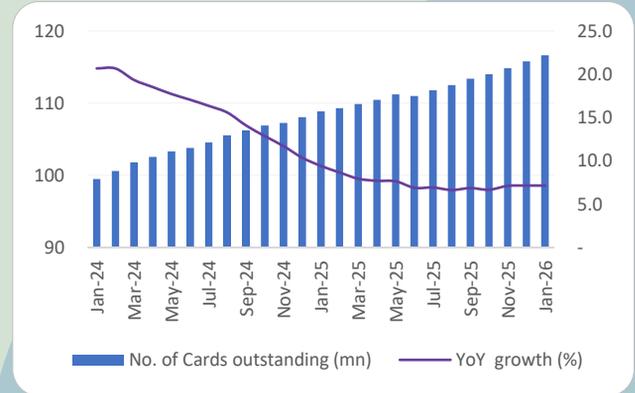
Source: RBI, ACMIIL Research

Exhibit 4: Spend per Card Declined by 0.9% YoY



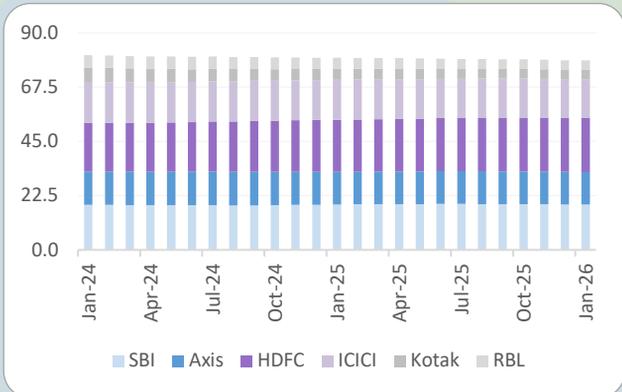
Source: RBI, ACMIIL Research

Exhibit 5: 0.87mn New Cards Issued in the Month of Jan 2026



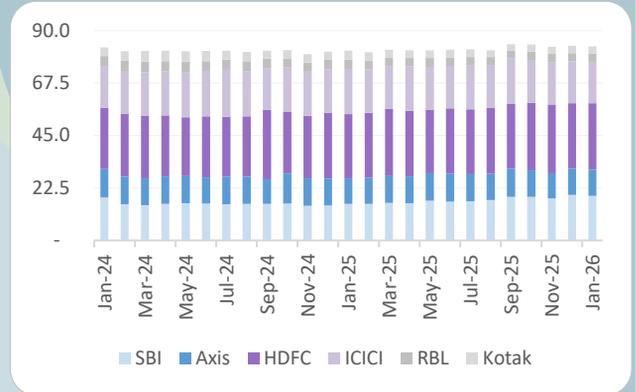
Source: RBI, ACMIIL Research

Exhibit 6: Top 6 banks' Card Outstanding Market Share for Jan



Source: RBI, ACMIIL Research

Exhibit 7: Top 6 banks' Total Spend Market Share for Jan



Source: RBI, ACMIIL Research

Analyst

Akshay Tiwari

T: +91-22-2858 3738

E: akshay.tiwari@acm.co.in

Siddhesh Kadam

T: +91-22-2858 3743

E: siddhesh.kadam@acm.co.in

Monthly Credit Card Insights

For the Month of January 2026

Asit C. Mehta
INVESTMENT INTERMEDIATES LTD.
A Pantomath Group Company

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	$\geq 15\%$
ACCUMULATE	5% to 15%
HOLD	-5% to +5%
REDUCE	-15% to -5%
SELL	$< -15\%$

Institutional Research Desk:

Email: instresearch@acm.co.in

Research Analyst Registration Number:

INH000016940

CIN: U65990MH1993PLC075388

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