

POS drives SBI's non-cash transactions

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Kolkata, May 19: Non-cash transactions among customers of SBI have seen an increase since the Centre announced its policy to demonetise higher-denomination currency in November last year.

Available figures suggest that while mobile banking is not popular and has remained stagnant at 3 per cent, the use of POS and Internet banking have risen considerably.

Net banking is the most popular mode, accounting for 27 per cent of the total number of transactions, up from 23 per cent in March 2016. On the flipside, there has been no growth in Internet banking's share during the last two quarters (sequential).

POS, on the other hand, is the new growth engine. Over the last year, SBI doubled its merchant base to 1.63 lakh from 82,000. Debit card spending increased 132 per cent to Rs. 96,629 crore in FY17 from Rs.41,681 crore in FY16.

Transactions through bank POS rose 2.5 times — to Rs. 59,000 crore from approximately Rs. 23,000 crore. The spending has risen 10 per cent in the last quarter.

Credit card

According to Dinesh Khara, Managing Director (Associates & Subsidiaries), anticipating future potential in the cards business, SBI has decided to increase its stake in the credit card subsidiary, SBI Cards, from 60 per cent to 74 per cent.

The share acquisition from JV partner GE Capital will cost Rs. 1,600 crore.

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