HDFC Bank records highest transactions via mobile phones

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ICICI Bank pushed to second position as consumers use platform to pay bills, recharge mobile phones, book tickets and transfer funds

NUPUR ANAND
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HDFC Bank, India's second largest private sector bank, has piped its rival ICICI Bank to clinch the top position in mobile banking transactions.

With an increase in transactions that can be done through its mobile application, HDFC Bank has recorded a five-fold jump in mobile banking transactions between June and October.

According to Reserve Bank of India (RBI) data, the lender has logged ₹3,540 crore at the end of October via its mobile application. Compared to this, at the end of June this year, the bank had recorded only ₹795 crore via mobile banking. About 55 per cent of all HDFC Bank transactions are conducted through digital channels.

ICICI bank, which was earlier leading the pack, has now slipped to the second position with ₹1,416 crore being recorded in October. In June, the bank had recorded ₹1,021 crore.

Increased smartphone usage and the convenience that comes with the digital banking platform have triggered a surge in transactions via mobile devices for other lenders as well. In October, mobile banking transactions were recorded at ₹8,403 crore more than double from ₹3,985 recorded in June quarter.

Consumers mostly use the mobile medium to pay bills, recharge mobile phones, book tickets and transfer funds.

According to report of Boston Consulting Group, in the last financial year about six per cent of the total transactions carried out by Indian banks were done through the digital platform. The report added that at the end of the last financial year, the number of smartphone users were around 162 million, this number is expected to grow to 625 million by FY20.

Sources say in the last few months, the bank has been aggressively encouraging people to do transactions through online. This was being done before the bank launched its new digital offering in December — Bank Aap Ki Muththi Mein — that allows over 75 types of transactions. Apart from allowing transactions like bill payment and fund transfer, the application now also allows you to buy loans through mobile phone. It also offers customised, location-specific promotions, offers/deals on shopping, dining, movies and entertainment.

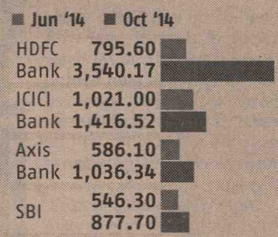
Sources at the bank agree that enhancing the offerings in the past few months has helped the bank log in an improved number of transactions. More than half transactions at HDFC Bank are conducted through internet. The number is set to go up in the coming months.

"Yes, it will improve. And it is not just the number of transactions but also the breadth of transactions. There has already been a shift and there will be a further shift," said Paresh Sukthankar, deputy MD, HDFC Bank, in a recent interaction with *Business Standard*.

MONEY ON THE GO

Mobile banking business of the top-four lenders

Value of mobile banking transactions (₹ cr)



Source: RBI