**Credit Card KPIs (Key Performance Indicators)**

For a **credit card business**, tracking the right KPIs helps assess performance, detect risks, and improve profitability. Here are the most important KPIs:

**1️⃣ Customer & Usage Metrics**

**📌 1. Number of Active Credit Card Users**

* Measures: Total active cardholders who made at least one transaction in a period.
* **Formula:** Active Users=Total Users−Inactive Users\text{Active Users} = \text{Total Users} - \text{Inactive Users}
* **Why it matters:** Higher active users mean better engagement.

**📌 2. Average Spend per Cardholder**

* Measures: How much an average cardholder spends per period.
* **Formula:** Average Spend=Total Transaction ValueTotal Active Users\text{Average Spend} = \frac{\text{Total Transaction Value}}{\text{Total Active Users}}
* **Why it matters:** Helps understand spending behavior.

**📌 3. Customer Acquisition Rate**

* Measures: How many new customers got a credit card in a given period.
* **Formula:** Acquisition Rate=New Customers in PeriodTotal Customers at Start of Period×100\text{Acquisition Rate} = \frac{\text{New Customers in Period}}{\text{Total Customers at Start of Period}} \times 100
* **Why it matters:** Shows how well marketing & sales are performing.

**📌 4. Customer Retention Rate**

* Measures: Percentage of customers still using their credit card.
* **Formula:** Retention Rate=Active Users at End of PeriodActive Users at Start of Period×100\text{Retention Rate} = \frac{\text{Active Users at End of Period}}{\text{Active Users at Start of Period}} \times 100
* **Why it matters:** High retention means loyal customers.

**2️⃣ Revenue & Financial Metrics**

**📌 5. Total Transaction Volume (TTV)**

* Measures: The total amount spent via credit cards.
* **Formula:** TTV=∑(All Transactions)\text{TTV} = \sum \text{(All Transactions)}
* **Why it matters:** Helps in tracking credit card usage trends.

**📌 6. Interest Income**

* Measures: Revenue earned from customers who don’t pay the full bill.
* **Formula:** Interest Income=Total Interest Charged\text{Interest Income} = \text{Total Interest Charged}
* **Why it matters:** Major revenue stream for credit card companies.

**📌 7. Net Interest Margin (NIM)**

* Measures: The profitability of lending money via credit cards.
* **Formula:** NIM=Interest Income−Interest ExpenseAverage Credit Card Loans×100\text{NIM} = \frac{\text{Interest Income} - \text{Interest Expense}}{\text{Average Credit Card Loans}} \times 100
* **Why it matters:** Higher margin = more profitable business.

**📌 8. Revenue per Customer**

* Measures: How much revenue each cardholder generates.
* **Formula:** Revenue per User=Total RevenueTotal Active Users\text{Revenue per User} = \frac{\text{Total Revenue}}{\text{Total Active Users}}
* **Why it matters:** Helps in customer value analysis.

**3️⃣ Risk & Fraud Metrics**

**📌 9. Delinquency Rate**

* Measures: Percentage of customers who missed payments.
* **Formula:** Delinquency Rate=Delinquent Accounts (30+ Days Late)Total Accounts×100\text{Delinquency Rate} = \frac{\text{Delinquent Accounts (30+ Days Late)}}{\text{Total Accounts}} \times 100
* **Why it matters:** High delinquency indicates financial risk.

**📌 10. Charge-Off Rate**

* Measures: Percentage of loans the bank writes off as a loss.
* **Formula:** Charge-Off Rate=Total Charge-Off AmountTotal Credit Card Loans×100\text{Charge-Off Rate} = \frac{\text{Total Charge-Off Amount}}{\text{Total Credit Card Loans}} \times 100
* **Why it matters:** High rate = more bad debts.

**📌 11. Fraud Detection Rate**

* Measures: How well fraud cases are detected.
* **Formula:** Fraud Detection Rate=Fraudulent Transactions DetectedTotal Fraudulent Transactions×100\text{Fraud Detection Rate} = \frac{\text{Fraudulent Transactions Detected}}{\text{Total Fraudulent Transactions}} \times 100
* **Why it matters:** High rate = better fraud prevention.

**4️⃣ Customer Experience & Engagement Metrics**

**📌 12. Customer Satisfaction Score (CSAT)**

* Measures: How satisfied customers are with the credit card service.
* **Formula:** CSAT=Satisfied CustomersTotal Survey Responses×100\text{CSAT} = \frac{\text{Satisfied Customers}}{\text{Total Survey Responses}} \times 100
* **Why it matters:** Higher score = better customer loyalty.

**📌 13. Net Promoter Score (NPS)**

* Measures: How likely customers are to recommend the credit card.
* **Formula:** NPS=%Promoters−%Detractors\text{NPS} = \% \text{Promoters} - \% \text{Detractors}
* **Why it matters:** High NPS = more customer advocacy.

**📌 14. Average Resolution Time (for Complaints)**

* Measures: The time taken to resolve customer issues.
* **Formula:** Avg Resolution Time=Total Time Taken for All ResolutionsTotal Complaints Resolved\text{Avg Resolution Time} = \frac{\text{Total Time Taken for All Resolutions}}{\text{Total Complaints Resolved}}
* **Why it matters:** Faster resolutions improve customer satisfaction.

**5️⃣ Operational Efficiency Metrics**

**📌 15. Cost per Acquisition (CPA)**

* Measures: The cost of acquiring a new credit card customer.
* **Formula:** \text{CPA} = \frac{\text{Total Marketing & Sales Cost}}{\text{New Customers Acquired}}
* **Why it matters:** Lower CPA = more efficient marketing.

**📌 16. Approval Rate**

* Measures: The percentage of credit card applications approved.
* **Formula:** Approval Rate=Approved ApplicationsTotal Applications×100\text{Approval Rate} = \frac{\text{Approved Applications}}{\text{Total Applications}} \times 100
* **Why it matters:** Helps in assessing credit policy effectiveness.

**Final Thoughts**

For a **Data Analyst**, these KPIs can be tracked using: ✅ **Power BI (Dashboards & Reports)**  
✅ **SQL (Extracting & Analyzing Data)**  
✅ **Excel (Basic Calculations & Pivot Tables)**