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Press Release

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CREDIT CARD PURCHASES TOTAL KRW192.5 TRILLION IN 2005

Domestic credit card purchases, excluding corporate and overseas card purchases and cash advances, totaled KRW192.5 trillion in 2005, up KRW28.0 trillion or 17.1% from a year earlier. In particular, fourth quarter credit card purchases, boosted by seasonal year-end spending, jumped 11.4% from the third-quarter total of KRW48.2 trillion to KRW53.7 trillion, the highest level since 2003.

Quarterly Credit Card Purchases: 2003-2005

(In KRW, trillions)

	Q1	Q2	Q3	Q4	Sum
2003	42.1	40.8	38.4	40.6	161.9
2004	38.5	39.6	41.4	44.9	164.4
2005	43.8	46.8	48.2	53.7	192.5

Note: The quarterly figures are based on purchases with cards issued by credit card companies and banks.

The increase in credit card purchases was led by economy-sensitive and household purchases of goods and services. Income effect from the surge in the stock market as well as improved economic outlook most likely contributed to the continued growth of credit card purchases in 2005.

Credit card data also suggest that most consumers are now increasingly using credit cards primarily for purchases of goods and services, not for cash advances. Since 2003, the proportion of credit card purchases has continuously risen and reached 70.3% of the total credit card use in the third quarter of 2005.

Relative Share of Credit Card Purchases and Cash Advances: 2004-2005

(In percent)

	2004				2005		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Credit Card Purchases	58.5	62.1	63.7	65.5	67.0	69.3	70.3
Cash Advances	41.5	37.9	36.3	34.5	33.0	30.7	29.7



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The increase in credit card purchase was fairly uniformly spread across the board with notable jumps for restaurants and large discount retailers. Of the 176 credit card merchants classified by the Credit Finance Association, 141 merchant groups saw increased credit card purchases in 2005.

**Credit Card Purchases by Merchant Groups:
2004-2005**

(In KRW, billions)

	2004	2005	Change (%)
Hotel & lodging	2,411.7	2,651.3	9.9
Travel, air-tickets	5,290.0	6,199.2	17.2
Petroleum, auto service	15,146.4	18,656.4	23.2
Department stores	9,834.5	10,834.4	10.2
Discount retailers, supermarkets	5,516.7	7,495.1	35.9
Other retailers	9,976.1	11,497.5	15.3
Clothing	7,288.9	8,186.6	12.3
Private teaching institutes	2,434.7	3,101.7	27.4
Medical services	9,840.7	12,235.3	24.3
Hair-care, personal hygiene	1,592.9	1,981.2	24.4
Restaurants	19,197.3	22,614.6	17.8
Food, drinks	3,246.6	3,844.2	18.4
Others	72,630.8	83,162.3	14.5
Total	164,407.3	192,459.8	17.1

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