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NEW CITIBANK REPORT OFFERS CULTURAL INSIGHT INTO CREDIT CARD USAGE ACROSS SEVEN COUNTRIES

- India and China in favour of using credit cards as personal ID, but Malaysians and Australians opposed
- 3.5% of Australians use their credit card more than 20 times per week
- 81% of South Koreans pay credit card off in full each month

Sydney, 25 June 2007: A report published this week by Citibank reveals the similarities and differences in credit card trends amongst seven countries across Asia-Pacific including Australia. Citibank's Payment Evolution Report highlights key usage, payment and attitudinal trends of credit card customers across Australia, China, Hong Kong, India, Indonesia, Malaysia and South Korea. The report shows that culture plays a key role in credit card consumption and behaviour.

Card usage and payment habits

On average, Australians have 2.1 cards each, the lowest in the survey. At the other end of the scale, Malaysians have an average of 3.26 cards with 84% of the population owning three credit cards.

Australians are heavy credit card users – using their cards an average of 5.4 times per week. Twelve per cent of Australians use their card 11 or more times per week and 3.5 per cent, more than 20 times per week. In contrast, in India and Indonesia, six in ten (60%) of people only use their card once or twice per week.

Two thirds (65%) of South Koreans use their credit card more often than cash/debit – they have recorded a 41% increase in credit card usage. There has been a 19% rise in credit card usage amongst Australians with 49% saying they use their credit card more often than cash/debit. Thirty per cent of Australians said they use their credit card less than cash/debit.

In terms of online usage, South Koreans used their credit card online an average of 7.8 times in the last six months compared to 5.6 times for Australians. In Indonesia the average was 2.0 and in Hong Kong, 2.4.

Credit card spending on big ticket items is the norm in China with 58% of respondents there saying they only buy big ticket items with their card. In Australia this figure was 17%.

Repayment habits differ between countries. In South Korea, 81% of respondents said they pay off their card in full each month. Australians and Malaysians show a similar pattern of repayment with a fairly even split between revolvers and transactors. Across the seven countries, 42% carry an ongoing card debt.

Card preferences and future trends

Citibank's report highlights the role culture plays when it comes to choosing a credit card. In some countries the appearance of a card is key and represents status, but in others discounts and rebates are the prime drawcard. In Australia the interest rate is the number one feature, in South Korea it's low fees and in Malaysia and China it's security features and fraud prevention that tops the list.

Cash rebates were the preferred type of reward in relation to loyalty and reward programs with a 57% response. Second was discounts on products and services at 12%.

Numerous questions were asked in relation to the future of credit cards. When asked if credit cards could double as a form of personal ID, India and China were most in favour with 'strongly agree' responses of 47% and 43% respectively. Australians and Malaysians were most opposed with 33% and 43% respectively saying they 'strongly disagreed'.



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The option of using a credit card to pay taxes was met with most enthusiasm in South Korea and China where 53% and 41% respectively said they 'strongly agreed'. On the flip side, 38% of Australians said they 'strongly disagreed' with this idea.

Citibank Australia's Director of Cards Roy Gori said the study had produced some interesting findings and highlighted the unique position Citibank was in as the number one issuer of cards across the globe. "While Citibank is in a unique position, it is challenging to address and adapt to the needs of so many diverse cultures and needs. We can take a successful learning or product feature in one country but it may not hold appeal in another country.

"Within Citibank globally, Australia is recognised as a leading driver of credit card innovation and growth. Last year we launched the BP-Citibank MasterCard which was the first of its type in Australia and the first such deal done with BP globally.

"We continue to work towards our aim of becoming number four in the Australian market through organic growth, like the BP-Citibank MasterCard, and inorganic growth like our local agreement with Bank of Queensland."

A full copy of Citibank's Payment Evolution Report is available by contacting Leila Dean on 02) 8225 1658 or Kristen Kaus on 02) 8225 1631.

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Media enquiries:

Leila Dean: T: (02) 8225 1658 M: 0404 509 894

leila.dean@citi.com

Kristen Kaus: T: (02) 8225 1631 M: 0421 380 773

kristen.kaus@citi.com

Notes to editors:

The online surveys were conducted by Consultants Exchange (Australiasia) during July 2006 amongst a total of 2808 respondents aged 20-64 who had a major credit card in their own name and use it at least once per week. The breakdown of the sample was Australia (404), China (400), Hong Kong (404), India (400), Indonesia (400), Malaysia (400) and South Korea (400). The results are accurate to within 1% at the 95% confidence interval for N = 2808.

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