



Press Release

For release at noon, June 3, 2019

Capital Ratios of Banks and Bank Holding Companies, March 2019

Banks

Domestic banks' total capital ratio stood at 15.40% as of end-March 2019. In addition, the Tier 1 capital ratio increased 0.08%p to 13.33% compared with three months ago, and the common equity Tier 1 (CET1) capital ratio was also up 0.08%p to 12.74%. Meanwhile, the leverage ratio was seen at 6.53% at the end of March 2019, down 0.06%p from the end of December 2018.

When it came to a total capital of the domestic banks, Tier 1 capital increased KRW4.7 trillion from three months ago while Tier 2 capital decreased KRW0.7 trillion. With the Standardized Approach for Counterparty Credit Risk (SA-CCR), loans to SMEs and households grew KRW18.1 trillion in total from end of 2018, which contributed to increasing risk-weighted assets by KRW26.1 trillion.

Table 1. Banks' Capital Ratios, March 2019*

	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Mar 2019
Total capital ratio	13.91	14.81	15.24	15.41	15.40
Tier 1 capital ratio	11.36	12.51	13.12	13.25	13.33
CET1 capital ratio	10.82	12.01	12.56	12.66	12.74
Leverage ratio	6.15	6.63	6.76	6.59	6.53

*The figures on March 2019 are preliminary as of the release date and subject to change.

Bank Holding Companies

As for bank holding companies (BHCs), the total capital ratio stood at 13.56%, the Tier 1 capital ratio at 12.21%, and the common equity Tier 1 (CET1) capital ratio at 11.49%. Meanwhile, the leverage ratio was seen at 5.65% as of end-March 2019. As Woori Financial Group was newly included as a financial holding company, capital ratios significantly fell from the end of 2018. With Woori Financial Group being excluded from calculation, however, the falls in the total capital ratio and leverage ratio would be mitigated.

When it came to BHCs' total capital, Tier 1 capital expanded KRW2.0 trillion compared with the end of 2018. Meanwhile, risk-weighted assets increased KRW22.5 trillion because of consolidated subsidiaries' greater exposure.



Table 2. Bank Holding Companies' Capital Ratios, March 2019¹

(In percentage)

	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Mar 2019 ²
Total capital ratio	13.72	14.33	14.39	14.27	13.56 (14.10)
Tier 1 capital ratio	11.23	12.50	12.92	12.93	12.21 (12.84)
CET1 capital ratio	10.54	11.92	12.39	12.29	11.49 (12.20)
Leverage ratio	5.55	5.87	5.92	5.85	5.65 (5.76)

¹ The figures on March 2019 are preliminary as of the release date and subject to change.

² Woori Financial Group is excluded from the figures in parentheses.

Banks and BHCs were in good shape: The total capital ratios for domestic banks and BHCs were 15.40% and 13.56%, respectively, as of end-March 2019, which were well above the Basel III standards. In case of declining capital ratios with bad external conditions, recapitalization needs to be induced consistently.

Table 3. Capital Ratios by Banks, March 2019¹

(In percentage)

	Dec 2018				Mar 2019			
	CET1	Tier 1	Total	Leverage	CET1	Tier 1	Total	Leverage
Shinhan	12.89	13.29	16.03	5.76	12.80	13.37	15.94	5.58
Woori	11.15	13.18	15.65	5.21	11.09	12.95	15.32	5.19
SC	14.38	14.38	14.42	5.41	13.77	13.77	15.72	5.33
KEB Hana	13.79	13.90	16.25	5.91	13.79	13.87	15.94	5.93
Citibank	18.18	18.18	18.93	11.61	18.21	18.21	18.93	10.31
KB	14.33	14.33	15.52	6.37	14.50	14.50	15.76	6.32
Daegu	11.53	13.54	15.08	7.01	11.79	13.56	15.09	6.77
Busan	12.73	13.77	16.21	7.95	12.78	13.79	16.07	7.82
Gwangju	13.29	13.91	16.97	6.29	13.16	13.62	16.64	6.52
Jeju	10.35	11.61	14.89	7.32	10.48	11.74	15.04	7.41
Jeonbuk	11.12	11.17	14.17	6.32	11.54	11.60	14.70	6.60
Gyongnam	11.79	13.46	16.30	7.28	11.92	13.44	16.59	7.19
K Bank	-	15.94	16.53	9.59	-	11.88	12.48	6.32
Kakao Bank	-	13.49	13.85	8.36	-	13.04	13.41	6.32
KDB	12.69	12.69	14.80	11.55	12.88	12.88	14.91	11.32
IBK	10.24	11.90	14.50	6.19	10.48	12.23	14.55	6.31
EXIM Bank	12.73	12.73	14.42	10.73	12.59	12.59	14.23	10.80
NH	12.49	12.75	15.54	4.30	12.80	12.99	15.57	4.30
NFFC ²	10.76	11.70	13.63	6.22	11.18	13.05	14.73	6.65
Commercial banks	13.19	13.84	15.90	6.12	13.20	13.82	15.84	6.02
National	13.37	13.92	15.94	5.97	13.35	13.90	15.88	5.89
Regional	12.04	13.32	15.76	7.19	12.19	13.35	15.81	7.13
Internet-only ³	-	13.83	14.22	8.54	-	12.86	13.26	6.32
Specialized banks	11.96	12.47	14.75	7.44	12.13	12.69	14.81	7.45
Average	12.66	13.25	15.41	6.59	12.74	13.33	15.40	6.53

¹ The figures on March 2019 are preliminary as of the release date and subject to change.

² Total and Tier 1 capital ratios for National Federation of Fisheries Cooperatives (NFFC) were based on Basel II, and CET 1 ratio was not calculated.

³ The figures for KIH are based on Basel I, and CET1 is not calculated.



Table 5. Capital Ratios by Bank Holding Companies and Banks, March 2019¹

(In percentage)

	Dec 2018				Mar 2019			
	CET1	Tier 1	Total	Leverage	CET1	Tier 1	Total	Leverage
Shinhan	12.55	13.42	14.87	5.98	11.75	12.67	14.03	5.58
Shinhan	12.89	13.29	16.03	5.76	12.80	13.37	15.94	5.58
Jeju	10.35	11.61	14.89	7.32	10.48	11.74	15.04	7.41
Hana	12.86	13.52	14.93	5.64	12.88	13.52	14.79	5.64
KEB Hana	13.79	13.90	16.25	5.91	13.79	13.87	15.94	5.93
KB	13.97	13.97	14.60	6.53	14.18	14.18	14.83	6.53
Kookmin	14.33	14.33	15.52	6.37	14.50	14.50	15.76	6.32
Woori	-	-	-	-	8.38	9.30	11.06	5.04
Woori	11.15	13.18	15.65	5.21	11.09	12.95	15.32	5.19
DGB	9.80	11.32	12.82	6.82	9.94	11.33	12.79	6.49
Daegu	11.53	13.54	15.08	7.01	11.79	13.56	15.09	6.77
BNK	9.55	10.98	13.15	7.15	9.68	11.20	13.37	7.12
Busan	12.73	13.77	16.21	7.95	12.78	13.79	16.07	7.82
Gyeongnam	11.79	13.46	16.30	7.28	11.92	13.44	16.59	7.19
JB	9.02	10.42	12.73	5.97	9.31	10.66	12.87	6.28
Jeonbuk	11.12	11.17	14.17	6.32	11.54	11.60	14.70	6.60
Gwangju	13.29	13.91	16.97	6.29	13.16	13.62	16.64	6.52
NH	11.08	12.05	13.86	4.44	11.26	12.24	13.91	4.51
Nonghyup	12.49	12.75	15.54	4.30	12.80	12.99	15.57	4.30
KIH²	-	11.29	11.67	6.20	-	10.95	11.28	6.14
Kakao Bank	-	13.49	13.85	8.36	-	13.04	13.41	6.32
Average	12.29	12.93	14.27	5.85	11.49	12.21	13.56	5.65
(Woori to be excluded)	-	-	-	-	(12.20)	(12.84)	(14.10)	(5.76)

¹ The figures on March 2019 are preliminary as of the release date and subject to change.

² The figures for KIH are based on Basel I, and CET1 is not calculated.

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