



Press Release

For release at noon, March 9, 2020

Domestic Banks' SBLs, 2019

Preliminary figures on bank loans classified as substandard or below (SBLs) for 2019 showed that the ratio stood at 0.77%, down 0.09%p from 0.86% three months earlier and also down 0.20%p from 0.97% a year earlier.

SBLs came to KRW15.3 trillion in total at the end of 2019, down KRW2.9 trillion or 15.8% from the same period a year earlier. Business loans classified as SBLs totaled KRW13.2 trillion, accounting for 86.3% of total SBLs. In addition, household loans and credit card receivables and loans, classified as SBLs, came to KRW1.9 trillion and KRW0.2 trillion, respectively. Meanwhile, coverage ratio was seen at 113.2%, 9.0%p higher than 104.2% a year ago.

Table 1. SBLs and SBL Ratios, 2019¹

(In trillions of KRW, percentage)

	2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SBLs ²	21.1	19.4	17.8	18.2	18.5	17.5	16.8	15.3
Business loans ³	19.3	17.6	16.0	16.3	16.5	15.5	14.7	13.2
Household loans	1.6	1.6	1.6	1.7	1.8	1.8	2.0	1.9
Credit card R&L ⁴	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total loans	1,783.7	1,821.7	1,852.3	1,872.6	1,888.0	1,920.6	1,959.7	1,980.6
SBL ratio	1.18	1.06	0.96	0.97	0.98	0.91	0.86	0.77
Provision for bad debts	101.9	102.6	110.0	104.2	100.8	104.9	109.8	113.2

¹SBL figures on Q4 2019 are preliminary as of the release date and subject to change;

²Loan classifications range from (i) normal to (ii) precautionary to (iii) substandard to (iv) doubtful to (v) presumed loss; SBLs thus refer to the sum of loans classified as substandard, doubtful, or presumed loss;

³Public and other sectors included;

⁴Credit card receivables and loans

Table 2. New SBLs, 2019*

(In trillions of KRW)

	2017	2018	2019
Business loans	14.6	15.6	11.5
Large companies	4.8	7.0	2.8
SMEs	9.7	8.6	8.6
Household loans	2.2	2.5	3.1
Mortgages	0.7	0.9	1.2
Credit card R&L	0.5	0.5	0.5
New SBLs	17.2	18.6	15.1

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



Table 3. Resolved SBLs, 2019*

(In trillions of KRW)

	2017	2018	2019
Total	20.7	21.6	18.0
Write-offs and loan sales	9.8	11.0	8.9
Reclassification and others	10.9	10.6	9.0
Business loans	17.9	18.7	4.6
SMEs	10.5	8.6	9.3
Household loans	2.3	2.5	2.9
Credit card R&L	0.5	0.5	0.5

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

The ratio of business loans classified as SBLs declined from 1.43% at the end of 2018 to 1.10% at the end of 2019. The SBL ratio for large companies decreased 0.60%p to 1.50% and the ratio for SMEs declined 0.16%p to 0.89% as well. When it came to household loans, the SBL ratio increased 0.02%p to 0.25% during the same period. Meanwhile, the SBL ratio regarding credit card receivables and loans was seen at 1.12% for 2019, down 0.08%p from the same period a year ago.

Table 4. SBL Ratios by Loan Type, 2019*

(In percentage)

	2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Business loans	1.75	1.56	1.40	1.43	1.43	1.32	1.23	1.10
Large companies	2.84	2.46	2.02	2.10	2.12	1.95	1.66	1.50
SMEs	1.13	1.04	1.04	1.05	1.05	0.97	1.00	0.89
Household loans	0.25	0.24	0.23	0.23	0.25	0.25	0.26	0.25
Mortgages	0.19	0.19	0.18	0.17	0.19	0.19	0.20	0.19
Unsecured loans	0.38	0.36	0.36	0.36	0.40	0.39	0.40	0.37
Credit card R&L	1.39	1.33	1.34	1.20	1.34	1.38	1.40	1.12
SBL ratio	1.18	1.06	0.96	0.97	0.98	0.91	0.86	0.77

*The figures on Q4 2019 are preliminary as of the release date and subject to change.



Table 5. SBLs by Bank, December 2019

(In trillions of KRW, percentage)

	Dec 2018			Sep 2019			Dec 2019 ⁷		
	SBLs	Total loans	SBL ratio	SBLs	Total loans	SBL ratio	SBLs	Total loans	SBL ratio
Shinhan	1.1	236.6	0.45	1.3	249.4	0.52	1.1	254.1	0.45
Woori	1.2	233.9	0.51	1.0	248.2	0.41	1.0	243.1	0.40
SC	0.2	37.7	0.46	0.2	39.9	0.52	0.2	40.9	0.42
KEB Hana	1.2	232.0	0.52	1.0	246.6	0.40	1.0	249.3	0.39
Citibank Korea	0.2	23.2	0.70	0.2	22.8	0.74	0.2	22.9	0.74
KB	1.3	274.5	0.48	1.1	280.0	0.41	1.1	288.9	0.37
National banks	5.1	1037.9	0.49	4.8	1,087.0	0.44	4.5	1099.1	0.41
Daegu	0.3	36.9	0.90	0.3	39.2	0.79	0.3	40.8	0.73
Busan	0.6	41.4	1.43	0.4	43.3	0.89	0.4	43.7	0.87
Gwangju	0.1	17.9	0.63	0.1	17.9	0.59	0.1	18.4	0.49
Jeju	0.0	4.8	0.49	0.0	4.9	0.66	0.0	5.0	0.53
Jeonbuk	0.1	14.0	0.71	0.1	13.6	0.64	0.1	13.8	0.64
Gyeongnam	0.3	30.7	1.11	0.4	31.2	1.23	0.3	31.0	0.96
Regional banks	1.5	145.7	1.03	1.3	150.1	0.87	1.2	152.7	0.77
K Bank	0.0	1.3	0.67	0.0	1.5	1.14	0.0	1.4	1.41
Kakao Bank	0.0	9.1	0.13	0.0	13.6	0.20	0.0	14.9	0.22
Internet-only banks	0.0	10.3	0.20	0.0	15.1	0.29	0.1	16.3	0.32
Commercial banks	6.6	1194.0	0.56	6.2	1,252.1	0.49	5.7	1268.1	0.45
KDB ¹	5.2	121.7	4.23	3.6	125.3	2.89	3.4	128.3	2.67
IBK ²	2.7	206.2	1.32	3.0	218.4	1.36	2.8	220.0	1.28
KEXIM ³	1.6	104.4	1.50	2.2	107.1	2.02	1.8	103.0	1.79
NACF ⁴	1.9	216.4	0.89	1.7	224.2	0.75	1.3	227.7	0.58
NFFC ⁵	0.2	29.9	0.56	0.2	32.6	0.65	0.2	33.5	0.46
Specialized banks⁶	11.5	678.6	1.70	10.7	707.6	1.51	9.6	712.5	1.34
Total	18.2	1872.6	0.97	16.8	1,959.7	0.86	15.3	1980.6	0.77

¹Korea Development Bank,

²Industrial Bank of Korea;

³Export-Import Bank of Korea;

⁴National Agricultural Cooperative Federation;

⁵National Federation of Fisheries Cooperatives;

⁶The national and regional banks are collectively referred to as commercial banks;

⁷The figures on December 2019 are preliminary as of the release date and subject to change.



Table 6. Banks' Provisions for Bad Debts, December 2019*

(In percentage)

	2017	2018	2019	
	Dec	Dec	Sep	Dec
Shinhan	114.0	141.5	112.0	115.9
Woori	87.7	119.2	125.3	121.8
SC	142.0	183.6	157.6	164.2
KEB Hana	75.9	91.5	94.4	94.1
Citibank Korea	146.6	197.4	194.4	197.9
KB	99.7	122.3	117.8	129.8
National banks	95.6	122.7	117.5	120.6
Daegu	81.4	87.5	89.4	94.3
Busan	86.8	91.3	118.6	113.6
Gwangju	69.3	92.9	93.0	103.0
Jeju	40.6	102.2	83.5	94.9
Jeonbuk	44.1	65.1	97.5	90.2
Gyeongnam	77.7	85.7	78.3	81.0
Regional banks	77.5	87.8	95.5	97.6
K Bank	1,029.2	170.0	147.3	136.8
Kakao Bank	2,117.1	265.9	199.0	173.0
Internet-only banks	1,761.2	226.5	179.1	159.4
Commercial banks	92.5	115.1	113.2	116.2
KDB	95.9	82.7	110.1	105.9
IBK	84.4	92.1	89.0	89.1
KEXIM	105.9	157.1	137.9	159.0
NACF	78.6	93.7	97.4	103.9
NFFC	126.6	156.2	109.0	131.0
Specialized banks	94.3	97.9	107.8	111.3
Total	93.7	104.2	109.8	113.2

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