



Press Release

For release at noon, March 19, 2020

Capital Ratios of Banks and Bank Holding Companies, 2019

Banks

Domestic banks' total capital ratio was 15.25% as of year-end 2019. The Tier 1 capital ratio stood at 13.20% as well as the common equity Tier 1 (CET1) capital ratio was seen at 12.54%. All the capital ratios decreased from the same period a year ago but remained well above the regulatory standards. Compared to a year earlier, a total capital of the domestic banks increased KRW9.5 trillion while risk-weighted assets expanded KRW78.1 trillion. Meanwhile, the leverage ratio stood at 6.51% at the end of 2019.

Table 1. Banks' Capital Ratios, December 2019*

| | Dec 2016 | Dec 2017 | Dec 2018 | Sep 2019 | Dec 2019 |
|----------------------|----------|----------|----------|----------|--------------|
| Total capital ratio | 14.81 | 15.24 | 15.41 | 15.40 | 15.25 |
| Tier 1 capital ratio | 12.51 | 13.12 | 13.25 | 13.36 | 13.20 |
| CET1 capital ratio | 12.01 | 12.56 | 12.66 | 12.76 | 12.54 |

(In percentage)

*The figures on December 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 was 13.54% at the end of 2019. Tier 1 capital ratio stood at 12.10% while CET1 capital ratio was seen at 11.10%. The leverage ratio was 5.69% as of year-end 2019. Since Woori Financial Group was newly included as a bank holding company in 2019, capital ratios considerably fell from the same period a year ago. With Woori Financial Group and Korea Investment Holdings (KIH) being excluded from the BHC list, the total capital ratio and leverage ratio were 13.91% and 5.76%, respectively. Meanwhile, the BHCs' total capital grew KRW5.4 trillion from a year ago. In addition, risk-weighted assets surged KRW92.2 trillion from the previous year.

Table 2. Bank Holding Companies' Capital Ratios, December 2019*

| | Dec 2016 | Dec 2017 | Dec 2018 | Sep 2019 | Dec 2019 |
|----------------------|----------|----------|----------|----------|--------------|
| Total capital ratio | 14.33 | 14.39 | 14.27 | 13.63 | 13.54 |
| Tier 1 capital ratio | 12.50 | 12.92 | 12.93 | 12.25 | 12.10 |
| CET1 capital ratio | 11.92 | 12.39 | 12.29 | 11.38 | 11.10 |

(In percentage)

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



The banks and BHCs were in good shape: the total capital ratios for the banks and BHCs were 15.25% and 13.54%, respectively, as of end-December 2019, which were well above the Basel III standards.

Amid the economic recession concerns caused by the coronavirus outbreak, total-loss absorbing capacity for the domestic banks is to be monitored closely and recapitalization to be induced consistently as well.

Table 3. Capital Ratios by Banks, December 2019¹

(In percentage)

| | Dec 2018 | | | | Dec 2019 | | | |
|----------------------------|----------|--------|-------|----------|--------------|--------------|--------------|--------------|
| | CET1 | Tier 1 | Total | Leverage | CET1 | Tier 1 | Total | Leverage |
| Shinhan | 12.89 | 13.29 | 16.03 | 5.76 | 12.75 | 13.30 | 15.91 | 5.48 |
| Woori | 11.15 | 13.18 | 15.65 | 5.21 | 10.96 | 13.15 | 15.38 | 5.39 |
| SC | 14.38 | 14.38 | 14.42 | 5.41 | 14.78 | 14.78 | 16.89 | 5.31 |
| KEB Hana | 13.79 | 13.90 | 16.25 | 5.91 | 13.80 | 13.88 | 16.12 | 5.72 |
| Citibank | 18.18 | 18.18 | 18.93 | 11.61 | 18.76 | 18.76 | 19.56 | 12.02 |
| KB | 14.33 | 14.33 | 15.52 | 6.37 | 14.38 | 14.68 | 15.85 | 6.45 |
| Daegu | 11.53 | 13.54 | 15.08 | 7.01 | 10.96 | 12.90 | 14.42 | 6.64 |
| Busan | 12.73 | 13.77 | 16.21 | 7.95 | 12.80 | 14.08 | 16.12 | 7.97 |
| Gwangju | 13.29 | 13.91 | 16.97 | 6.29 | 13.32 | 13.77 | 16.02 | 6.27 |
| Jeju | 10.35 | 11.61 | 14.89 | 7.32 | 10.63 | 11.85 | 14.91 | 7.45 |
| Jeonbuk | 11.12 | 11.17 | 14.17 | 6.32 | 11.41 | 11.47 | 14.12 | 6.64 |
| Gyongnam | 11.79 | 13.46 | 16.30 | 7.28 | 11.46 | 12.90 | 15.34 | 7.12 |
| K Bank | - | 15.94 | 16.53 | 9.59 | - | 10.09 | 10.88 | 5.72 |
| Kakao Bank | - | 13.49 | 13.85 | 8.36 | - | 13.14 | 13.48 | 6.76 |
| KDB | 12.69 | 12.69 | 14.80 | 11.55 | 12.05 | 12.05 | 13.97 | 11.28 |
| IBK | 10.24 | 11.90 | 14.50 | 6.19 | 10.30 | 11.97 | 14.47 | 6.14 |
| EXIM Bank | 12.73 | 12.73 | 14.42 | 10.73 | 12.75 | 12.75 | 14.48 | 10.37 |
| NH | 12.49 | 12.75 | 15.54 | 4.30 | 12.47 | 12.65 | 15.19 | 4.34 |
| NFFC ² | 10.76 | 11.70 | 13.63 | 6.22 | 10.61 | 12.32 | 13.59 | 6.38 |
| Commercial banks | 13.19 | 13.84 | 15.90 | 6.12 | 13.16 | 13.91 | 15.90 | 6.05 |
| National | 13.37 | 13.92 | 15.94 | 5.97 | 13.36 | 14.04 | 16.04 | 5.92 |
| Regional | 12.04 | 13.32 | 15.76 | 7.19 | 11.88 | 13.16 | 15.26 | 7.09 |
| Internet-only ³ | - | 13.83 | 14.22 | 8.54 | - | 12.82 | 13.21 | 6.66 |
| Specialized banks | 11.96 | 12.47 | 14.75 | 7.44 | 11.71 | 12.24 | 14.35 | 7.34 |
| Average | 12.66 | 13.25 | 15.41 | 6.59 | 12.54 | 13.20 | 15.25 | 6.51 |

¹ The figures on December 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, December 2019¹

(In percentage)

| | Dec 2018 | | | | Dec 2019 | | | |
|------------------|----------|--------|-------|----------|--------------|--------------|--------------|-------------|
| | CET1 | Tier 1 | Total | Leverage | CET1 | Tier 1 | Total | Leverage |
| Shinhan | 12.55 | 13.42 | 14.87 | 5.98 | 11.12 | 12.34 | 13.90 | 5.55 |
| Shinhan | 12.89 | 13.29 | 16.03 | 5.76 | 12.75 | 13.30 | 15.91 | 5.48 |
| Jeju | 10.35 | 11.61 | 14.89 | 7.32 | 10.63 | 11.85 | 14.91 | 7.45 |
| Hana | 12.86 | 13.52 | 14.93 | 5.64 | 11.96 | 12.67 | 13.95 | 5.50 |
| KEB Hana | 13.79 | 13.90 | 16.25 | 5.91 | 13.80 | 13.88 | 16.12 | 5.72 |
| KB | 13.97 | 13.97 | 14.60 | 6.53 | 13.58 | 13.86 | 14.48 | 6.45 |
| Kookmin | 14.33 | 14.33 | 15.52 | 6.37 | 14.38 | 14.68 | 15.85 | 6.45 |
| Woori | - | - | - | - | 8.39 | 9.85 | 11.89 | 5.39 |
| Woori | 11.15 | 13.18 | 15.65 | 5.21 | 10.96 | 13.15 | 15.38 | 5.39 |
| DGB | 9.80 | 11.32 | 12.82 | 6.82 | 9.54 | 10.92 | 12.32 | 6.42 |
| Daegu | 11.53 | 13.54 | 15.08 | 7.01 | 10.96 | 12.90 | 14.42 | 6.64 |
| BNK | 9.55 | 10.98 | 13.15 | 7.15 | 9.54 | 11.13 | 12.95 | 7.25 |
| Busan | 12.73 | 13.77 | 16.21 | 7.95 | 12.80 | 14.08 | 16.12 | 7.97 |
| Gyeongnam | 11.79 | 13.46 | 16.30 | 7.28 | 11.46 | 12.90 | 15.34 | 7.12 |
| JB | 9.02 | 10.42 | 12.73 | 5.97 | 9.67 | 11.17 | 13.16 | 6.45 |
| Jeonbuk | 11.12 | 11.17 | 14.17 | 6.32 | 11.41 | 11.47 | 14.12 | 6.64 |
| Gwangju | 13.29 | 13.91 | 16.97 | 6.29 | 13.32 | 13.77 | 16.02 | 6.27 |
| NH | 11.08 | 12.05 | 13.86 | 4.44 | 11.28 | 12.32 | 14.01 | 4.70 |
| Nonghyup | 12.49 | 12.75 | 15.54 | 4.30 | 12.47 | 12.65 | 15.19 | 4.34 |
| KIH ² | - | 11.29 | 11.67 | 6.20 | - | - | - | - |
| Kakao Bank | - | 13.49 | 13.85 | 8.36 | - | 13.14 | 13.48 | 6.76 |
| Average | 12.29 | 12.93 | 14.27 | 5.85 | 11.10 | 12.10 | 13.54 | 5.69 |

¹ The figures on December 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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