



Press Release

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Savings Banks' Earnings, 2019

The aggregate assets of 79 savings banks came to KRW77.1 trillion at the end of 2019, up KRW7.6 trillion or 11.0% from KRW69.5 trillion at the end of 2018. In particular, loans increased KRW5.9 trillion or 10.0% from KRW59.1 trillion to KRW65.0 trillion during the same period. Meanwhile, shareholders' equity grew KRW1.3 trillion or 16.1% to KRW9.0 trillion. Compared to the previous year, retained gains have risen KRW1.2723 trillion and secondary offerings expanded KRW142.7 billion, which contributed to the growth in shareholders' equity.

Table 1. Savings Banks' Financial Status, December 2019*

	Dec 2018	Jun 2018	(In billions of KRW) Dec 2019
Assets	69,515.7	70,796.2	77,148.8
Liabilities	61,729.7	62,519.4	68,112.0
Shareholders' equity	7,786.0	8,276.8	9,036.4

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

As of year-end 2019, the delinquency rate of the savings banks stood at 3.7%, down 0.6%p from 4.3% the same period a year ago. The delinquency rate of loans to companies was seen at 3.9%, down 0.3%p from 4.2% at the end of 2018. In addition, the rate of loans to households declined from 4.6% to 3.6% between 2018 and 2019. Meanwhile, the rate of bank loans classified as substandard or below (SBLs) was 4.7%, down 0.4%p from 5.1% a year earlier. The NPL coverage ratio was seen at 113.0%, down 2.2%p from 115.2% at the end of 2018.

Table 2. Delinquency Rate by Loan Type, December 2019*

	Dec 2018	Jun 2018	(In percentage) Dec 2019
Business loans	4.2	4.2	3.9
Self-employed	4.0	4.4	4.3
Household loans	4.6	4.0	3.6
Mortgage loans	1.8	2.3	3.0
Unsecured loans	6.3	4.8	3.8
Total	4.3	4.1	3.7

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

Table 3. SBLs and Coverage Ratios, December 2019*

	Dec 2018	Jun 2018	(In percentage) Dec 2019
SBL ratio	5.1	5.0	4.7
NPL Coverage ratio	115.2	111.4	113.0

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



The savings banks reported preliminary net income of KRW1.2723 trillion for FY2019, KRW163.9 billion or 14.8% greater than KRW1.1084 trillion the same period a year ago. Interest income expanded KRW277.6 billion based on increasing loans, which drove operating income to gain KRW220.0 billion more than the previous year. Furthermore, selling and administrative expenses also grew KRW127.4 billion.

Table 8. Net Income, December 2019*

	(In billions of KRW)	
	FY18	FY19
Operating income	1,319.5	1,539.5
Interest income	4,181.1	4,458.7
Non-interest income	-380.9	-385.0
Selling and administrative expenses	1,234.5	1,361.8
Provision for loan losses	1,246.3	1,172.3
Non-operating income	-211.1	-267.3
Net income	1,108.4	1,272.3

*The figures on FY19 are preliminary as of the release date and subject to change.

The BIS capital ratio for the savings banks as of end-December 2019 stood at 14.89%, 0.57%p higher than 14.32% at year-end of 2018 and well above the BIS requirements. The uptick in the capital ratio was mainly due to an increase in shareholders' equity exceeding a rise in risk-weighted assets.

Table 7. BIS Capital Ratio, December 2019*

	(In billions of KRW, percentage)		
	Dec 2018	Jun 2018	Dec 2019
Shareholders' equity	8,239.7	8,842.8	9,550.5
Risk-weighted assets	57,540.1	59,410.7	64,143.8
BIS ratio	14.32	14.88	14.89

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