



# Press Release

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## Domestic Banks' SBLs, First Quarter 2020

Preliminary figures on banks loans classified as substandard or below (SBLs) for the first quarter 2020 showed that the ratio was seen at 0.78%, up 0.01%p from 0.77% three months earlier and down 0.20%p from 0.98% a year earlier.

SBLs came to KRW15.9 trillion in total as of end-March 2020, up KRW0.6 trillion or 3.5% from three months ago. Business loans classified as SBLs totaled KRW13.7 trillion, representing 86.2% of total SBLs. In addition, household loans and credit card receivables and loans, classified as SBLs, came to KRW2.0 trillion and KRW0.2 trillion, respectively. Meanwhile, coverage ratio stood at 110.6%, down 1.5%p from 112.1% three months earlier.

Table 1. SBLs and SBL Ratios, First Quarter 2020<sup>1</sup>

(In trillions of KRW, percentage)

	2018	2019				2020
	Q1	Q1	Q2	Q3	Q4	Q1
SBLs <sup>2</sup>	21.1	18.5	17.5	16.8	15.3	15.9
Business loans <sup>3</sup>	19.3	16.5	15.5	14.7	13.3	13.7
Household loans	1.6	1.8	1.8	2.0	1.9	2.0
Credit card R&L <sup>4</sup>	0.2	0.2	0.2	0.2	0.2	0.2
Total loans	1,783.7	1,888.0	1,920.6	1,959.7	1,980.6	2,046.1
SBL ratio	1.18	0.98	0.91	0.86	0.77	0.78
Provision for bad debts	101.9	100.8	104.9	109.8	112.1	110.6

<sup>1</sup>SBL figures on Q1 2020 are preliminary as of the release date and subject to change;

<sup>2</sup>Loan 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;

<sup>3</sup>Public and other sectors included;

<sup>4</sup>Credit card receivables and loans

Table 2. New SBLs, First Quarter 2020\*

(In trillions of KRW)

	2018	2019		2020
	Q1	Q1	Q4	Q1
Business loans	3.2	2.4	2.8	<b>2.1</b>
Large companies	1.0	0.7	0.5	<b>0.3</b>
SMEs	2.1	1.7	2.3	<b>1.8</b>
Household loans	0.6	0.8	0.8	<b>0.8</b>
Mortgages	0.2	0.3	0.3	<b>0.3</b>
Credit card R&L	0.1	0.1	0.1	<b>0.1</b>
New SBLs	3.9	3.3	3.7	<b>3.0</b>

\*The figures on Q1 2020 are preliminary as of the release date and subject to change.



**Table 3. Resolved SBLs, First Quarter 2020\***

	2018		2019		2020
	Q1	Q4	Q1	Q4	Q1
Total	3.9		3.0	5.2	<b>2.4</b>
Write-offs and loan sales	1.6		1.6	3.2	<b>1.3</b>
Reclassification and others	2.4		1.4	1.9	<b>1.1</b>
Business loans	3.3		2.2	4.2	<b>1.7</b>
SMEs	1.9		1.6	3.1	<b>1.3</b>
Household loans	0.5		0.6	0.8	<b>0.7</b>
Credit card R&L	0.1		0.1	0.2	<b>0.1</b>

\*The figures on Q1 2020 are preliminary as of the release date and subject to change.

The ratio of business loans classified as SBLs declined from 1.10% as of year-end 2019 to 1.09% as of end-March 2020. The SBL ratio for large companies decreased 0.12%p to 1.40% between December 2019 and March 2020. However, the ratio for SMEs increased from 0.89% to 0.93%. When it came to household loans, the SBL ratio increased 0.01%p to 0.26% during the same period. Meanwhile, the SBL ratio regarding credit card receivables and loans was seen at 1.31% for the first three months of 2020, up 0.20%p from 1.12% at the end of 2019.

**Table 4. SBL Ratios by Loan Type, First Quarter 2020\***

	2018		2019				2020
	Q1	Q4	Q1	Q2	Q3	Q4	Q1
Business loans	1.75	1.43	1.43	1.32	1.23	1.11	<b>1.09</b>
Large companies	2.84	2.10	2.12	1.95	1.66	1.52	<b>1.40</b>
SMEs	1.13	1.05	1.05	0.97	1.00	0.89	<b>0.93</b>
Household loans	0.25	0.23	0.25	0.25	0.26	0.25	<b>0.26</b>
Mortgages	0.19	0.17	0.19	0.19	0.20	0.19	<b>0.20</b>
Unsecured loans	0.38	0.36	0.40	0.39	0.40	0.37	<b>0.40</b>
Credit card R&L	1.39	1.20	1.34	1.38	1.40	1.12	<b>1.31</b>
SBL ratio	1.18	0.97	0.98	0.91	0.86	0.77	<b>0.78</b>

\*The figures on Q1 2020 are preliminary as of the release date and subject to change.



Table 5. SBLs by Bank, March 2020

(In trillions of KRW, percentage)

	Mar 2019			Dec 2019			Mar 2020 <sup>7</sup>		
	Total loans	SBLs	SBL ratio	Total loans	SBLs	SBL ratio	Total loans	SBLs	SBL ratio
Shinhan	242.1	1.1	0.47	254.1	1.1	0.45	<b>262.5</b>	<b>1.2</b>	<b>0.46</b>
Woori	235.7	1.1	0.47	243.1	1.0	0.40	<b>249.8</b>	<b>1.0</b>	<b>0.40</b>
SC	38.1	0.2	0.46	40.9	0.2	0.42	<b>42.3</b>	<b>0.2</b>	<b>0.40</b>
KEB Hana	233.5	1.3	0.54	249.3	1.0	0.39	<b>256.6</b>	<b>1.0</b>	<b>0.37</b>
Citibank Korea	22.9	0.2	0.69	22.9	0.2	0.74	<b>23.6</b>	<b>0.2</b>	<b>0.74</b>
KB	275.1	1.3	0.47	288.9	1.1	0.37	<b>302.3</b>	<b>1.1</b>	<b>0.36</b>
<b>National banks</b>	<b>1047.5</b>	<b>5.1</b>	<b>0.49</b>	<b>1099.1</b>	<b>4.5</b>	<b>0.41</b>	<b>1137.2</b>	<b>4.6</b>	<b>0.41</b>
Daegu	37.3	0.4	0.94	40.8	0.3	0.73	<b>42.8</b>	<b>0.4</b>	<b>0.84</b>
Busan	42.0	0.5	1.14	43.7	0.4	0.87	<b>44.0</b>	<b>0.4</b>	<b>0.87</b>
Gwangju	17.8	0.1	0.55	18.4	0.1	0.49	<b>18.9</b>	<b>0.1</b>	<b>0.47</b>
Jeju	4.8	0.0	0.52	5.0	0.0	0.53	<b>5.1</b>	<b>0.0</b>	<b>0.59</b>
Jeonbuk	13.6	0.1	0.73	13.8	0.1	0.64	<b>13.8</b>	<b>0.1</b>	<b>0.72</b>
Gyeongnam	30.9	0.4	1.18	31.0	0.3	0.96	<b>31.4</b>	<b>0.3</b>	<b>1.10</b>
<b>Regional banks</b>	<b>146.4</b>	<b>1.4</b>	<b>0.97</b>	<b>152.7</b>	<b>1.2</b>	<b>0.77</b>	<b>155.9</b>	<b>1.3</b>	<b>0.84</b>
K Bank	1.5	0.0	0.80	1.4	0.0	1.41	<b>1.3</b>	<b>0.0</b>	<b>1.91</b>
Kakao Bank	9.7	0.0	0.18	14.9	0.0	0.22	<b>16.7</b>	<b>0.0</b>	<b>0.23</b>
<b>Internet-only banks</b>	<b>11.2</b>	<b>0.0</b>	<b>0.27</b>	<b>16.3</b>	<b>0.1</b>	<b>0.32</b>	<b>18.1</b>	<b>0.1</b>	<b>0.36</b>
<b>Commercial banks</b>	<b>1205.0</b>	<b>6.6</b>	<b>0.55</b>	<b>1268.1</b>	<b>5.7</b>	<b>0.45</b>	<b>1311.2</b>	<b>6.0</b>	<b>0.46</b>
KDB <sup>1</sup>	120.8	5.2	4.34	128.3	3.5	2.71	<b>134.1</b>	<b>3.6</b>	<b>2.68</b>
IBK <sup>2</sup>	210.0	2.7	1.30	220.0	2.8	1.28	<b>225.0</b>	<b>2.9</b>	<b>1.29</b>
KEXIM <sup>3</sup>	105.6	1.8	1.69	103.0	1.8	1.79	<b>109.7</b>	<b>1.9</b>	<b>1.76</b>
NACF <sup>4</sup>	216.4	2.0	0.90	227.7	1.3	0.58	<b>231.5</b>	<b>1.3</b>	<b>0.57</b>
NFFC <sup>5</sup>	30.2	0.2	0.67	33.5	0.2	0.46	<b>34.8</b>	<b>0.2</b>	<b>0.48</b>
<b>Specialized banks<sup>6</sup></b>	<b>683.1</b>	<b>11.9</b>	<b>1.75</b>	<b>712.5</b>	<b>9.6</b>	<b>1.35</b>	<b>735.0</b>	<b>9.9</b>	<b>1.35</b>
<b>Total</b>	<b>1888.0</b>	<b>18.5</b>	<b>0.98</b>	<b>1980.6</b>	<b>15.3</b>	<b>0.77</b>	<b>2046.1</b>	<b>15.9</b>	<b>0.78</b>

<sup>1</sup>Korea Development Bank,

<sup>2</sup>Industrial Bank of Korea;

<sup>3</sup>Export-Import Bank of Korea;

<sup>4</sup>National Agricultural Cooperative Federation;

<sup>5</sup>National Federation of Fisheries Cooperatives;

<sup>6</sup>The national and regional banks are collectively referred to as commercial banks;

<sup>7</sup>The figures on March 2020 are preliminary as of the release date and subject to change.



Table 6. Banks' Provisions for Bad Debts, March 2020\*

	(In percentage)			
	2018	2019		2020
	Dec	Mar	Dec	Mar
Shinhan	141.5	132.3	115.9	<b>110.5</b>
Woori	119.2	118.9	121.8	<b>120.7</b>
SC	183.6	182.4	163.1	<b>170.5</b>
KEB Hana	91.5	89.3	94.1	<b>95.1</b>
Citibank Korea	197.4	195.5	197.9	<b>194.1</b>
KB	122.3	119.8	129.8	<b>126.7</b>
<b>National banks</b>	<b>122.7</b>	<b>119.3</b>	<b>120.6</b>	<b>118.7</b>
Daegu	87.5	80.4	94.3	<b>83.6</b>
Busan	91.3	105.7	113.6	<b>111.1</b>
Gwangju	92.9	107.4	103.0	<b>106.1</b>
Jeju	102.2	105.9	94.2	<b>91.4</b>
Jeonbuk	65.1	73.9	90.2	<b>78.2</b>
Gyeongnam	85.7	80.7	81.0	<b>74.1</b>
<b>Regional banks</b>	<b>87.8</b>	<b>90.9</b>	<b>97.5</b>	<b>90.4</b>
K Bank	170.0	154.1	136.8	<b>123.4</b>
Kakao Bank	265.9	206.6	173.0	<b>154.5</b>
<b>Internet-only banks</b>	<b>226.5</b>	<b>185.6</b>	<b>159.4</b>	<b>142.1</b>
<b>Commercial banks</b>	<b>115.1</b>	<b>113.5</b>	<b>116.2</b>	<b>112.8</b>
KDB	82.7	80.9	105.3	<b>107.7</b>
IBK	92.1	89.3	89.1	<b>84.8</b>
KEXIM	157.1	140.3	151.6	<b>151.9</b>
NACF	93.7	88.6	103.9	<b>103.8</b>
NFFC	156.2	125.7	131.0	<b>122.3</b>
<b>Specialized banks</b>	<b>97.9</b>	<b>93.7</b>	<b>109.7</b>	<b>109.3</b>
<b>Total</b>	<b>104.2</b>	<b>100.8</b>	<b>112.1</b>	<b>110.6</b>

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