



## Press Release

For release at noon, May 25, 2020

### Savings Banks' Earnings, First Quarter 2020

The aggregate assets of 79 savings banks came to KRW78.1 trillion at the end of March 2020, up KRW1.0 trillion or 1.3% from KRW77.2 trillion at the end of 2019. In particular, loans increased from KRW65.0 trillion to KRW67.0 trillion during the same period. Meanwhile, shareholders' equity grew KRW0.1 trillion or 1.3% from KRW9.0 trillion to KRW9.2 trillion. Retained gains expanded by KRW98.0 billion compared to the end of 2019, which contributed to the growth in shareholders' equity.

**Table 1. Savings Banks' Financial Status, March 2020\***

	Mar 2019	Dec 2019	(In billions of KRW) Mar 2020
Assets	70,151.1	77,159.6	<b>78,137.8</b>
Liabilities	61,426.6	68,125.4	<b>68,985.4</b>
Shareholders' equity	7,656.2	9,033.9	<b>9,152.4</b>

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

As of March 2020, the delinquency rate of the savings banks stood at 4.0%, up 0.3%p from 3.7% three months earlier and down 0.5%p from a year earlier. The delinquency rate of loans to companies was seen at 4.3%, up 0.4%p from 3.9% at the end of 2019. Furthermore, the rate of loans to households increased from 3.6% in December 2019 to 3.8% in March 2020. Meanwhile, the rate of bank loans classified as substandard or below (SBLs) was 4.7%, remaining the same as three months ago. The NPL coverage ratio was seen at 107.9%, down 5.1%p from 113.0% at the end of 2019.

**Table 2. Delinquency Rate by Loan Type, March 2020\***

	Mar 2019	Dec 2019	(In percentage) Mar 2020
Business loans	4.6	3.9	<b>4.3</b>
Companies	4.7	3.7	<b>4.2</b>
Self-employed	4.4	4.3	<b>4.6</b>
Household loans	4.6	3.6	<b>3.8</b>
Mortgage loans	2.2	3.0	<b>3.2</b>
Unsecured loans	5.8	3.8	<b>4.1</b>
Total	4.5	3.7	<b>4.0</b>

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

**Table 3. SBLs and Coverage Ratios, March 2020\***

	Mar 2019	Dec 2019	(In percentage) Mar 2020
SBL ratio	5.2	4.7	<b>4.7</b>
NPL Coverage ratio	111.4	113.0	<b>107.9</b>

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



The savings banks reported preliminary net income of KRW246.3 billion for the first quarter of 2020, up KRW40.0 billion or 19.4% from KRW206.3 billion a year ago. Compared to the same period a year earlier, non-interest income decreased by KRW30.3 billion while loan loss provisions grew KRW57.2 billion. However, interest income expanded KRW150.1 billion based on greater loans. That led to the year-on-year increase in net income of the savings banks.

**Table 8. Net Income, March 2020\***

	FY19	Q1 2019	Q1 2020	(In billions of KRW) Chng (%)
Operating income	1,549.8	248.2	<b>291.8</b>	17.6
Interest income	4,482.9	1,057.4	<b>1,207.5</b>	14.2
Interest revenue	6,035.6	1,442.9	<b>1,595.1</b>	10.5
Interest expense	1,552.7	385.5	<b>387.6</b>	0.6
Non-interest income	-388.8	-26.5	<b>-56.8</b>	114.4
Selling and administrative expenses	1,372.0	337.8	<b>356.7</b>	5.6
Provision for loan losses	1,172.4	445.0	<b>502.2</b>	12.9
Non-operating income	-272.0	-41.9	<b>-45.5</b>	8.6
Net income	1,277.8	206.3	<b>246.3</b>	19.4

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

The BIS capital ratio for the savings banks as of March 2020 stood at 14.83%, remaining the same as three months earlier and well above the BIS requirements. This was mainly because shareholders' equity increased as much as risk-weighted assets did in terms of percentage.

**Table 7. BIS Capital Ratio, March 2020\***

	Mar 2019	Dec 2019	Mar 2020	(In billions of KRW, percentage) Chng (%)
Shareholders' equity	8,440.4	9,518.3	<b>9,789.3</b>	2.8
Risk-weighted assets	58,083.9	64,161.4	<b>65,990.1</b>	2.9
BIS ratio	14.53	14.83	<b>14.83</b>	-

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

###

Contact Person:

Park Mi-Kyung  
Head of Public Relations Team  
Public Affairs Department  
Financial Supervisory Service  
Tel: +82-2-3145-5803  
Fax: +82-2-3145-5808  
E-mail: [pmk620@fss.or.kr](mailto:pmk620@fss.or.kr)