



Press Release

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FSC Identifies D-SIBs for 2022

The Financial Services Commission identified five bank holding companies (BHCs) and five banks as domestic systemically important banks (D-SIBs) for 2022 on July 13: **Shinhan Financial Group, KB Financial Group, Hana Financial Group, Woori Financial Group, NH Financial Group, Shinhan Bank, KB Kookmin Bank, Woori Bank, KEB Hana Bank and NH Bank**. Those identified as D-SIBs are required to set aside an additional common equity capital of 1%, and the higher loss absorbency requirement will take effect on January 1, 2022.

The FSC identifies D-SIBs every year in accordance with assessment criteria recommended by the Basel Committee on Banking Supervision (BCBS).

Meanwhile, the FSC identified D-SIBs as domestic systemically important financial institutions (D-SIFIs) under the amended Act on the Structural Improvement of the Financial Industry. D-SIFIs are required to prepare and submit their own Recovery Plans to the Financial Supervisory Service (FSS) within three months from the day of being designated as a D-SIFI.

Table. D-SIB Assessment Criteria

Criteria	Indicator	Weighting
Size (20%)	Total exposure	20%
	Intra-financial system assets	6.7%
Interconnectedness (20%)	Intra-financial system liabilities	6.7%
	Securities outstanding	6.7%
	Payments activity in KRW	6.7%
Substitutability (20%)	Payments activity in foreign currencies	6.7%
	Assets under custody	6.7%
	Notional amount of OTC derivatives	10%
Complexity (20%)	Fair value through profit or loss and other comprehensive income (FVTPL & FVTOCI)	10%
	Foreign currency-denominated debt	10%
Country-specific factors (20%)	Household loans	10%
	Total	100%

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