



Press Release

For release at noon, September 7, 2021

Financial Holding Companies' Earnings, First Half 2021

The number of domestic financial holding companies (FHCs) was ten as of end-June 2021. Compared to six months earlier, the number of subsidiary units increased from 264 to 277.

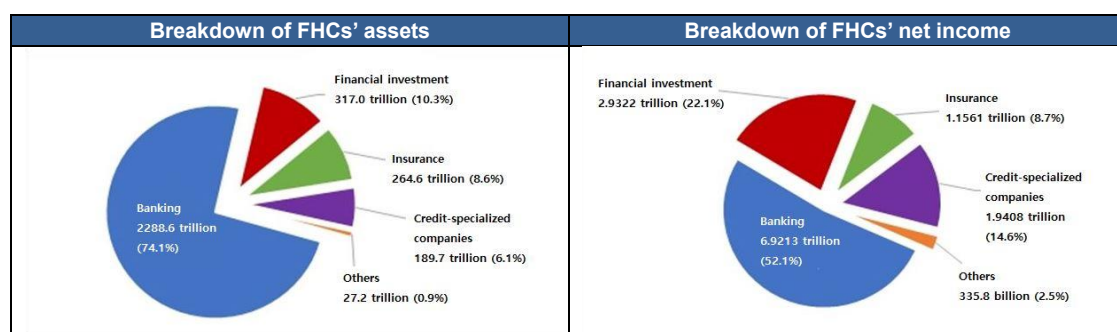
Table 1. Overview of Financial Holding Companies, June 2021

	Number of subsidiary units
Jun 2021	277
Dec 2020	264
Chng.	13 (4.9%)

The consolidated assets of the FHCs came in at KRW3,087 trillion in total at the end of June 2021, up KRW141 trillion or 4.8% from KRW2,946 trillion at the end of December 2020. When it came to assets increases by sector, credit-specialized companies saw the biggest rise of 9.2% from six months ago. Assets of the banking and financial investment sectors increased by 5.0% and 2.3%, respectively. Also, the insurance sector grew 1.0% as well. As of end-June 2021, the FHCs assets mainly came from the banking sector followed by financial investment, insurance and credit-specialized companies.

The consolidated net income for the first six months of 2021 increased by KRW3.8351 trillion or 50.3% to KRW11.4671 trillion. In terms of net income by sector, the financial investment sector surged 132.2% based on gains from higher fees and commissions. Net income of the banking sector increased 26.5% year on year as well as that of the insurance sector expanded 55.0%. In addition, credit-specialized companies' net income jumped 52.9% from the same period a year earlier. Meanwhile, the banking sector took the lion's share of net income for the first half of 2021, standing at 52.1%.

Figure. Financial Holding Companies' Assets and Net Income, June 2021





The consolidated BIS total capital ratio of the FHCs was seen at 15.55% for the first half of 2021. In addition, Tier 1 capital ratio and the common equity Tier 1 (CET1) capital ratio stood at 14.19% and 12.73%, respectively, as of end-June 2021. All the capital ratios have risen from six months earlier as the FHCs' net income increased, remaining well above the capital requirements¹ for D-SIB.

Table 2. Consolidated BIS Capital Ratios of Financial Holding Companies, June 2021

	Total capital ratio	Tier 1 capital ratio	CET 1 capital ratio
Jun 2021	15.55	14.19	12.73
Dec 2020	14.63	13.19	11.93
Chng. (%p)	0.92	1.00	0.80

The ratio of loans classified as substandard or below (SBLs) stood at 0.54% at the end of June 2021, down 0.04%p from 0.58% at the end of December 2020. Allowance for bad debts levels, however, increased from 131.43% to 134.56%. Meanwhile, the debt ratio slid from 28.87% to 28.29%. Also, double leverage ratio declined 3.23%p to 115.31%.

Table 3. SBL and Allowance for Bad Debt Level, June 2021

	SBLs	Allowance for bad debt
Dec 2020	0.54	134.56
Dec 2020	0.58	131.43
Chng. (%p)	-0.04	3.13

Table 4. Debt Ratio and Double Leverage Ratio, June 2021

	Debt ratio	Double leverage ratio
Dec 2020	28.29	115.31
Dec 2020	28.87	118.54
Chng. (%p)	-0.58	-3.23

###

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

¹Total capital ratio: 11.5%, Tier 1 capital ratio: 9.5% and CET1 capital ratio: 8.0%