



## Press Release

For release at noon, September 8, 2021

### Savings Banks' Earnings, First Half 2021

The aggregate assets of 79 savings banks came in at KRW102.4 trillion at the end of June 2021, up KRW10.4 trillion or 11.3% from KRW92.0 trillion at the end of December 2020. In particular, loans expanded KRW10.4 trillion or 13.4% from KRW77.6 trillion to KRW88.0 trillion. Meanwhile, shareholders' equity grew KRW1.6 trillion or 11.1% from KRW10.4 trillion to KRW11.5 trillion. Retained gains grew by KRW0.9 trillion, which contributed to the growth in shareholders' equity.

Table 1. Savings Banks' Financial Status, June 2021\*

	Jun 2020	Dec 2020	(In billions of KRW) Jun 2021
Assets	82,530.6	92,001.5	<b>102,437.6</b>
Loans	69,292.1	77,609.9	<b>88,031.0</b>
Liabilities	72,951.0	81,617.7	<b>90,898.2</b>
Deposits	70,708.0	79,176.4	<b>87,723.1</b>
Shareholders' equity	9,579.5	10,383.8	<b>11,539.4</b>

\*The figures on June 2021 are preliminary as of the release date and subject to change.

As of end-June 2021, the delinquency rate of the savings banks was seen at 2.7%, down 0.6%p from six months earlier and down 1.0%p from a year earlier. The delinquency rate of loans to companies stood at 2.6%, down 0.8%p from six months ago. In addition, the rate of loans to households slid from 3.3% to 3.2% during the same period. Meanwhile, the rate of loans classified as substandard or below (SBLs) was 3.6% as of end-June 2021, down 0.2%p from six months earlier and down 0.9%p from a year earlier. Furthermore, the NPL coverage ratio stood at 110.1% at the end of June 2021, remaining the same as six months ago.

Table 2. Delinquency Rate by Loan Type, June 2021\*

	Jun 2020	Dec 2020	(In percentage) Jun 2021
Business loans	4.1	3.4	<b>2.6</b>
Companies	3.9	3.2	<b>2.4</b>
Self-employed	4.5	3.9	<b>3.0</b>
Household loans	3.4	3.3	<b>3.2</b>
Mortgage loans	2.9	2.1	<b>1.6</b>
Unsecured loans	3.4	3.6	<b>3.4</b>
Total	3.7	3.3	<b>2.7</b>

\*The figures on June 2021 are preliminary as of the release date and subject to change.

Table 3. SBLs and Coverage Ratios, June 2021\*

	Jun 2020	Dec 2020	(In percentage) Jun 2021
SBL ratio	4.5	4.2	<b>3.6</b>
NPL Coverage ratio	108.6	110.1	<b>110.1</b>

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The savings banks reported preliminary net income of KRW1.0618 trillion for the first six months 2021, up KRW425.8 billion or 66.9% from the same period a year ago. In particular, both interest and non-interest incomes grew KRW389.5 billion and KRW272.1 billion, respectively, from a year ago, which drove the increase in yearly net income.

**Table 4. Net Income, June 2021\***

	Dec 2020	Jan-Jun 2020	(In billions of KRW) Jun 2021
Operating income	1,725.3	766.6	<b>1,318.7</b>
Interest income	5,031.3	2,427.3	<b>2,816.8</b>
Interest revenue	6,560.0	3,201.9	<b>3,609.3</b>
Interest expense	1,528.7	774.6	<b>792.5</b>
Non-interest income	-317.3	-192.5	<b>79.2</b>
Selling and administrative expenses	1,448.1	694.3	<b>778.0</b>
Provision for loan losses	1,540.6	773.5	<b>799.5</b>
Non-operating income	-325.6	-130.6	<b>-256.9</b>
Net income	1,399.7	636.0	<b>1,061.8</b>

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As of end-June 2021, the BIS capital ratio for the savings banks decreased from 14.23% to 14.06% but remained well above the BIS requirements. The decline was mainly because risk-weighted assets increased faster than shareholders' equity did.

**Table 5. BIS Capital Ratio, June 2021\***

	Jun 2020	Dec 2020	(In billions of KRW, percentage) Jun 2021
Shareholders' equity	10,244.1	10,989.1	<b>12,397.0</b>
Risk-weighted assets	69,134.6	77,222.2	<b>88,191.7</b>
BIS ratio	14.82	14.23	<b>14.06</b>

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